



## REQUEST FOR BOARD ACTION

ITEM NO. 18

**DATE OF MEETING:** August 2, 2010

**REQUESTED BY:** Rick Benton, County Manager

**SHORT TITLE:** Resolution Authorizing Purchase Order to First Southwest for Development of Multi-Year Capital Improvement Funding Model: \$10,000

**BACKGROUND:** One of the 72 action items adopted by the Board to accomplish is development of a multi-year capital facilities plan for presentation to the Board no later than December 31, 2010. A plan has been developed outlining all known capital projects for the coming 20-25 years, and the next step is to develop a model to allow the Board to evaluate alternative timing and financing options detailing tax and financial impacts to the County of each. Assistance from a qualified financial firm is required for this work. Two proposals were secured from very respected financial companies that do considerable financial work with NC counties and municipalities, First Southwest and Davenport and Company. First Southwest is recommended to the Board. First Southwest is represented by Ms. Janice Burke, former head of the NC Local Government Commission and a very respected financial consultant. First Southwest is a NC firm, and they also proposed the lower cost for this service. A copy of the engagement letter is attached, providing for development of the model as well as assistance in debt issuance and evaluation. The agreement provides for an hourly rate for payment for services. Services related to bond issuance is paid for out of the debt issuance proceeds, not this recommended purchase order.

The County's capital improvement needs in the coming years total over \$200 million. A listing of the projects with broad cost estimates is attached just to reflect the scope of the capital facilities needs.

**SPECIFIC ACTION REQUESTED:** To consider a resolution authorizing a purchase order to First Southwest in the amount of \$10,000 for development of multi-year capital improvement funding model.

**COUNTY MANAGER'S RECOMMENDATION**

Respectfully recommend approval.

MB  
Initial

**RESOLUTION**

**NOW, THEREFORE BE IT RESOLVED** by the Pender County Board of Commissioners that:

the Board hereby authorizes a purchase order to FirstSouthwest in the amount of \$10,000 for development of multi-year capital improvement funding model. The Chairman/County Manager is authorized to execute any/all documents necessary to implement this resolution.

Account 660-405404 (Consultants)

**AMENDMENTS:**

MOVED \_\_\_\_\_ SECONDED \_\_\_\_\_

APPROVED \_\_\_\_\_ DENIED \_\_\_\_\_ UNANIMOUS

YEA VOTES: Tate \_\_\_ Blanchard \_\_\_ Brown \_\_\_ Rivenbark \_\_\_ Williams \_\_\_

\_\_\_\_\_  
Jimmy T. Tate, Chairman      8/2/10  
Date

\_\_\_\_\_  
ATTEST      8/2/10  
Date

## **FirstSouthwest**

5925 Carnegie Blvd.  
Suite 104  
Charlotte, NC 28209

704.731.2080 Direct  
704.975.6555 Cell  
704.731.2086 Fax

**Janice T. Burke**  
Senior Vice President

[jburke@firstsw.com](mailto:jburke@firstsw.com)

July 13, 2010

Mr. Rick Benton  
Pender County Manager  
805 South Walker Street  
P. O. Box 5  
Burgaw, NC 28425

Re: Financial Advisory Services

Dear Mr. Benton:

The following outlines First Southwest Company's ("FSC") engagement for Pender County (the "County") regarding First Southwest's provision of advisory services to the County in connection with the Capital Improvement Funding Project for the General Fund.

### **Scope of Services:**

The County requested that First Southwest provide the following areas of assistance (collectively, the "Requested Services"):

- Prepare a multi-year capital improvement funding model to be used by the County in planning for debt issuances for the General Fund.
- Advise the County regarding the issuance and sale of certain debt instruments.
- Provide recommendations regarding the debt instruments under consideration, including such elements as the date of issue, interest payment dates, schedule of principal maturities and options for prepayment, security provisions, and such other provisions as may be appropriate in order to make the issue attractive to investors while achieving the objectives of the County.
- Attend meetings of the governing body of the County, its staff, representatives or committees as requested at all times when FSC may be of assistance or service.

Mr. Rick Benton  
Pender County Manager  
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**Engagement Duration:**

This engagement shall remain in effect until (i) completion of the Requested Services or (ii) terminated by either party upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate, specifying in such notice the effective date of such termination.

**Compensation for Requested Services Rendered:**

In consideration of providing the Requested Services, First Southwest proposes an hourly fee of \$225. It is expected that the total fee for the long range planning services listed above will not exceed \$25,000. In addition, First Southwest will seek reimbursement for reasonable expenses incurred in connection with providing the Requested Services to the County. This is not a guaranteed maximum amount, but FirstSouthwest shall not continue performing services in excess of this amount without further specific authorization. Fees and expenses shall be reimbursed within thirty days (30) days after receipt of an invoice submitted by FirstSouthwest or as otherwise agreed upon in writing. If either party terminates this letter agreement as set forth above, it is understood and agreed that the only amount due to First Southwest will be for services provided and expenses incurred to the date of termination.

**Other Services**

In time the County may desire financial advisory services related to the specific sale/negotiation of debt instruments. The fees due First Southwest for supervising the sale of debt instruments, including the selection of banks, underwriters, trustees, feasibility consultants etc.; assisting in the preparation of official statements, bond purchase contracts, underwriter agreements, and credit rating presentations will be determined by mutual agreement between First Southwest Company and the County.

**Miscellaneous:**

This letter agreement shall be governed by and construed in accordance with the laws of the State of North Carolina applicable to agreements made and to be fully performed therein.

We look forward to working with you during this engagement. Please acknowledge acceptance of these terms by signing in the space provided below and returning two originals of this letter to me.

Sincerely,

By: Janice T. Burke  
Janice T. Burke  
Senior Vice President

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Pender County Manager  
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**Agreed and Accepted:**

**County of Pender, North Carolina**

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

By: \_\_\_\_\_  
Name: Rick Benton  
Title: Pender County Manager  
Date: \_\_\_\_\_