



MEMORANDUM

TO: Mayor and Board of Commissioners

FROM: Heather Meacham, Finance Director

SUBJECT: Budget Amendment for Davenport & Company LLC

DATE: August 8, 2016

Background: The Town and Davenport & Company LLC entered into a Financial Advisory Agreement dated May 17, 2016. Under the Agreement, Davenport was engaged to provide Financial Advisory services on a task-by-task basis as requested by the Town with a not to exceed amount of \$15,000 based upon the hourly rates outlined in the Agreement.

The initial task requested by the Town was for Davenport to provide financial advisory services related to a proposed agreement between the Town and the City of Sanford in regards to sending wastewater to the City of Sanford's wastewater plant.

A secondary task requested by the Town was for Davenport to provide financial advisory services related to different options for potential funding of a new town hall.

These tasks have required a significant amount of time from Davenport and will require more additional time to assist the Town in reaching an agreement with Sanford and plan financing options for a new town hall. Therefore, we are requesting approval to change the terms of the agreement with Davenport to a flat fee of \$40,000 (increase of \$25,000 over the already approved \$15,000) in relation to the Sanford agreement and a flat fee of \$5,000 in relation to the Town Hall work.

This would result in a General Fund appropriation of \$25,000 and an Enterprise Fund appropriation of \$5,000. The original \$15,000 was split equally between General Fund Administration and Enterprise Fund Administration. For the additional appropriation we are splitting the \$25,000 into \$5,000 from administration and \$20,000 from Chatham Park. The \$20,000 being charged to Chatham Park will be reimbursed to the General Fund when we close out the FY 15-16.

Action Requested: Approve the Ordinance amending the FY 2016-2017 Operating Budget to account for changing the terms of the Davenport & Company LLC agreement.

ORDINANCE AMENDING THE
TOWN OF PITTSBORO
2016-2017 OPERATING BUDGET

Be It Ordained by the Board of Commissioners of the Town of Pittsboro in regular session assembled on the 8th day of August, 2016.

Section 1. That the following **GENERAL FUND REVENUE ITEM** be increased by the amounts indicated:

10-3990-010 FUND BALANCE APPROPRIATED	\$25,000.00
TOTAL	\$25,000.00

Section 2. That the following **GENERAL FUND EXPENDITURE ITEMS** be increased by the amount indicated:

10-4200-040 PROFESSIONAL SERVICES	\$5,000.00
10-6300-040 PROFESSIONAL SERVICES	\$20,000.00
TOTAL	\$25,000.00

Section 3. That the following **ENTERPRISE FUND REVENUE ITEM** be increased by the amount indicated:

30-3990-010 ENTERPRISE FUND BALANCE APPROPRIATED	\$5,000.00
TOTAL	\$5,000.00

Section 4. That the following **ENTERPRISE FUND EXPENDITURE ITEM** be increased by the amounts indicated:

30-7200-040 PROFESSIONAL SERVICES	\$5,000.00
TOTAL	\$5,000.00

Adopted this 8th day of August, 2016.

Cindy S. Perry, Mayor

ATTEST:

Alice F. Lloyd, CMC, NCCMC, Town Clerk