

MAYOR
Jessie Bellflowers

MAYOR PRO TEM
Hope Page

TOWN MANAGER
Chancer McLaughlin



TOWN BOARD
Cynthia Hamilton
Bryan Marley
Grilley Mitchell
Lisa Tremmel

TOWN CLERK
Ashley Wyatt

TOWN OF HOPE MILLS BOARD OF COMMISSIONERS
Meeting Agenda – March 6, 2026
8:30 a.m. Special Budget Retreat Meeting

CALL TO ORDER – Mayor Jessie Bellflowers

PLEDGE OF ALLEGIANCE – Mayor Jessie Bellflowers

1. APPROVAL OF AGENDA – ADDITIONS OR DELETIONS.

2. OFFICIAL COMMENTS.

- a. Town Manager Opening Remarks

3. PRESENTATIONS

- a. Strategic Alignment – Jessica Day
- b. CIP Overview/ Finance Update
- c. Department Staffing
- d. Bond Project Information Parks & Recreation Projects:
 - Recreation Center
 - Sports Complex
 - Lake Park Parking Lot
 - Senior Center
- e. Bond Project Information Infrastructure Projects
- f. Consideration and approval of Davenport Public Finance Invoice and corresponding budget amendment #23 in the amount of \$36,750 (**TAB 1**)
- g. Public Safety: Fire/Police Substation and Police Vehicle Rotation
- h. Transportation
- i. Development at 1-95 exit

j. Trade Street

4. STAFF COMMENTS.

5. ADJOURNMENT.

TAB 1



AGENDA FORM

TO: Chancer McLaughlin, Town Manager
FROM: Drew Holland, Finance Director
SUBJECT: Budget Amendment to allocate funds for the Town’s Financial Advisor

BACKGROUND INFORMATION: The town’s financial advisor’s Davenport Public Finance has provided financial advisory services approved by the town board on March 5, 2021, for the town as it relates to a Parks & Recreation and Streets Bond Referendum since work began in October 2021. The town proposed to schedule the Bond Referendum for November 2025. We did not have the Bond Referendum, but we still had the work from our Financial Advisors to be prepared for it. This invoice was going to be included with the bond financing, but since there was not a bond issued we have to pay it. I have attached the invoice for \$36,736.98, the contract with Davenport and a budget amendment for \$36,750.

STAFF RECOMMENDATION, IF APPLICABLE:

Approval

RECOMMENDED ACTION/MOTION: Approve budget amendment #23 for \$36,750.

FISCAL IMPACT:

_____ Currently Budgeted X Requires budget amendment _____ No fiscal impact.

ATTACHMENTS:

- Davenport Invoice PF25-363
- Davenport Contract
- BA #23

This agenda form has been reviewed by:	Initial & Date
Town Manager	
Finance Director	DH 2/18/26
Town Attorney	
Department Head (s)	
Town Clerk	

Invoice

Date: December 5, 2025 Davenport Contact: Ted Cole
 Invoice Number: PF25-363
 Client: Town of Hope Mills, NC Accounting Information: Allie Baxter
 Attention: Mr. Drew Holland

Remit To (If Via Check)	Remit To (If Via Wire)	Remit To (If Via ACH)
Davenport & Company LLC	Bank:	Bank: Truist Bank, Richmond, VA
Attn: William R.B. Hershey	Account: Davenport & Company LLC	Account: Davenport & Company LLC
Post Office Box 85678	ABA Routing Number:	ABA Routing Number:
Richmond, Virginia 23285-5678	Account Number:	Account Number:
Please Reference Invoice Number	Please Reference Invoice Number	Please Reference Invoice Number
		Attn: mreams@investdavenport.com

Description of Services

Financial Advisory Services related to the Financial Advisor Annual Retainer, as invoiced under our Financial Advisory Agreement dated October 6, 2021 and Addendum dated January 6, 2025.

Amounts Due on Account

Financial Advisor Annual Retainer	\$35,000.00
▪ \$35,000 Annual Fee	
Additional Fee (Equal to 4% of Financial Advisory Fees)	1,400.00
Direct Expenses	336.98
▪ Includes hotel, meals, and mileage	
Total Due:	\$36,736.98



**AGREEMENT BETWEEN
TOWN OF HOPE MILLS, NORTH CAROLINA AND
DAVENPORT & COMPANY LLC FOR
PROFESSIONAL FINANCIAL ADVISORY SERVICES**

THIS AGREEMENT, made in duplicate in the Town of Hope Mills, North Carolina, on January 6th 2025, by and between the Town of Hope Mills, a political subdivision of the State of North Carolina, herein referred to as the "Town," and Davenport & Company LLC organized and existing under the laws of the Commonwealth of Virginia, herein referred to as the "Financial Advisor" and/or "Davenport".

WHEREAS, the Town and Davenport have entered into a Letter Agreement dated October 6, 2021 for general financial advisory services including but not limited to financial reviews, capital planning, debt capacity, debt affordability and debt issuance assistance ("Existing Agreement"); and

WHEREAS, the Town desires to enter into an Agreement with Davenport for professional assistance related to financial advice, counsel and other associated services deemed appropriate by the Town that will serve as an addendum to the Existing Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, promises and representations contained herein, the parties hereto agree as follows:

ARTICLE I. PROGRAM ADMINISTRATOR & DAVENPORT PERSONNEL

The Manager of the Town of Hope Mills hereinafter referred to, as the "Town Manager" is the administrator in charge of all activities associated with this Agreement. The Financial Advisor represents that it has, or will secure at its own expense all personnel required in performing the services under this Agreement. Such personnel shall not be employees of, nor have any contractual relationship with, the Town. Further, all services required hereunder will be performed by the Financial Advisor or under its supervision, and all personnel engaged in the work shall be fully qualified to perform such services.

ARTICLE II. SCOPE OF SERVICES

A. Advisory & Consulting Services.

The Financial Advisor shall, using its professional staff members, provide financial advice, counsel and other associated services deemed appropriate to the Town.

B. Non-Transaction Related Services.

For non-transaction related activities, the services to be provided shall include, but not be limited to the following:

1. Provide pertinent advice and counsel for the duration of this contract to the Town concerning developments in the financial community in general and municipal finance in particular, to enable the Town to remain in the best possible financial posture.
2. Develop financial analysis programs and computer models to be used in conjunction with the Town's capital planning and financing program(s).
3. Review and advise on special projects involving potential Town financing as requested by the Town Manager.
4. Provide such other financial advisory services deemed appropriate by the Town.
5. Present, as requested, a Report to the Town Board on the status of the Town's debt, capital planning, and credit profile.
6. Meet with Town Staff and the Town Board on an as-needed basis to discuss, review, revise any Capital Plans.

C. Transaction Related Services.

Upon request of the Town, the Financial Advisor shall provide Transaction Related Services. The Town is under no obligation to request the Financial Advisor's Transaction Services. For each financial transaction, the services to be provided will be set forth in writing and may include, but not be limited to, the following:

1. Assist Town officials in developing information to be presented to bond rating agencies in order to achieve the highest bond rating realistically achievable. Accompany Town officials on all presentations to the rating services.
2. Review capital projects contemplated by the Town and work with the Town Manager and other officials in developing options, plans and strategies for financing planned capital improvements, taking into consideration costs and the effects that various alternatives have on the Town's financial position.
3. The Financial Advisor shall develop a time schedule to ensure that all work is begun and completed in a timely manner including all work associated with any financings.
4. The Financial Advisor shall analyze and make recommendations with respect to whether the sale of bonds should be a competitive sale, a negotiated sale, or a direct bank loan.
5. The Financial Advisor shall assist the Town's staff in the selection of a financing team for the sale of bonds. The Financial Advisor's functions in this regard shall include the following basic actions:
 - a. Developing requests for proposals;
 - b. Conducting a conference with Town staff to facilitate evaluating the financing team proposals;
 - c. Upon selection of the financing team, the Financial Advisor shall assist the Town staff and Bond Counsel in bringing said team on board and up-to-date in as timely a fashion as possible, providing a smooth transition in order that the Town's ongoing process of issuing bonds will experience no delay or inconvenience.
6. The Financial Advisor shall assist and advise in the development of debt service coverage ratios, reserve funds or other structural components as requested.
7. The Financial Advisor shall assist in the procurement and negotiation of credit support mechanisms as needed.

8. The Financial Advisor shall assist in the preparation and development of the financing documents, any credit presentations to the rating agencies and the printing of the Official Statement or other offering document. It is understood by the parties hereto that primary responsibilities for the above-mentioned legal functions will rest with the Bond Counsel, the Town Attorney and, as such, the Financial Advisor will not assume primary responsibility for any legal documents.
 - a. However, upon request, the Financial Advisor shall be responsible for reviewing all documents and attending all sessions and presentations, as well as reviewing and providing financial comments upon all documents as to form and content in order to best protect the Town's interests in any and all such documents and presentations; and
 - b. The Financial Advisor shall assist, as necessary, together with the Town and the Local Government Commission ("LGC"), in the preparation of the offering document used in conjunction with the sale of bonds.
9. In the event of a competitive or negotiated sale of bonds, the Financial Advisor shall assist the Town in the sale of bonds to the Investment Bank. Relative to this process, the Financial Advisor shall recommend to the Town the general timing for the competitive or negotiated sale of said bonds, specific bond purchase contract requirements, good faith deposit checks, as necessary, bond maturities, interest rates and the discount or premiums being offered by the Investment Bank.
10. The Financial Advisor shall be responsible for working with the Town's staff to ensure the proper and appropriate interest rates are being offered.
11. Provide such other financial advisory services deemed appropriate by the Town.

ARTICLE III. COMPENSATION

A. Advisory & Consulting Services and Non-Transaction Related Services (check one option):

 Option 1 (Hourly Fees): The Town and Financial Advisor will agree to a fee arrangement for Advisory and Non-Transaction Services in advance of commencing work on any task. This fee will be based on the expected scope of work and the level of resources required of the Financial Advisor. As the task evolves, the Town and the Financial Advisor may negotiate changes to the original fee based upon changes in the related scope of work. Fees for these tasks will be based on the schedule of hourly rates outlined below:

- Senior Vice President	\$300
- First Vice President	\$275
- Vice President	\$250
- Associate Vice President / Analyst	\$225

During each month or at such other frequency as requested by the Town, Davenport will receive from the Town compensation for the provision of Advisory and Consulting Services and Non-Transaction Related Services as requested by the Town and billed in accordance with the hourly fee above. The Town agrees to pay at the rate specified for Services satisfactorily performed or provided in accordance with this Agreement. As agreed upon by the Town and the Financial Advisor, these fees can be incorporated with the Transaction Related fees addressed below to be paid from debt proceeds.

Option 2 (Annual Retainer): For all Advisory and Non-Transaction Services the Financial Advisor shall be compensated through an annual retainer in the amount of \$35,000 payable annually in arrears on December 31. As agreed upon by the Town and the Financial Advisor, these fees can be incorporated with the Transaction Related fees addressed below to be paid from debt proceeds.

B. Transaction Related Services:

If the Town elects to utilize the Financial Advisor's Transaction Related Services, the Town and the Financial Advisor agree that the Financial Advisor shall be compensated based on an agreed upon completion fee. Such fee shall be negotiated prior to the completion of the transaction and shall be based on the size and complexity of the proposed issuance. As part of this engagement, Davenport proposes the following not-to-exceed costs for certain financing approaches (the actual fee amount will be determined based upon complexity and scope of work for individual transactions).

Credit	Public Offering with Bond Rating	Direct Bank Loan without Bond Rating
General Obligation Bonds	NTE \$75,000	NTE \$60,000
Limited Obligation Bonds	NTE \$85,000	NTE \$70,000
Revenue Bonds	NTE \$95,000	NTE \$80,000
Refunding Component Upcharge	NTE \$30,000	NTE \$30,000
Other Financing Structures (e.g. Special Obligations Bonds, Special Assessment Financings, Tax Increment Financings, Variable Rate Demand Obligations, etc.) would be negotiated on a transaction by transaction basis.		

The Financial Advisor shall be compensated for any issuance of bonds and/or notes upon successful completion and closing of such financing, according to the provisions above. Should the Town terminate a financing prior to closing, the Financial Advisor shall be compensated for services provided prior to such termination according to the schedule of hourly rates found in Article III A.

C. Special Projects:

The Town, in its sole discretion, may deem certain activities of the Financial Advisor to constitute a Special Project. A Special Project is one that either, in the sole opinion of the Town, involves the professional resources of the Financial Advisor to a degree above and beyond that already provided for under Article III A and B of this contract, or, that involves the bidding of an investment portfolio or investment agreement, a tax credit/federal subsidy-related financing (e.g. BAB's, RZEDB's, QSCBs, RZFB's, USDA/RD debt), a 2/3rds General Obligation Bond offering, a Special Revenue Bond offering, a Public Private Partnership Financing (e.g. Tax Increment Financing, Special Assessment District Financing, Privatization Financing Arrangements) or a Utility System Revenue Bond offering. In any of these events, the Town and the Financial Advisor shall negotiate prior to the beginning of the Project on a fair and equitable basis for compensation.

D. Additional Fees and Expenses:

Davenport will charge an additional fee equal to 4% of our compensation. Reasonable and necessary direct out-of-pocket expenses (e.g. mileage (billed at prevailing IRS limits), meals and lodging) incurred by Davenport shall be billed to the Town, at least annually, at cost. Davenport will strive to limit direct expenses where possible while still providing for the timely and professional delivery of services.

E. Inflation Adjustment Allowance:

All fees and charges identified in sections COMPENSATION: A, B and C above, shall be subject to adjustment based on the Consumer Price Index ("CPI") growth factor as published by the Bureau of Labor Statistics or similar/successor agencies for the period being billed using base prices as established as of the date of the Agreement and stated above.

ARTICLE IV. TERM OF AGREEMENT

This Agreement shall be considered to be in effect until such time as either the Town or Davenport terminates the Agreement. The Town or Davenport may terminate this agreement at any time upon thirty (30) days written notice without cause. Davenport will be reimbursed for its reasonable and necessary out-of-pocket expenses and services provided prior to termination.

ARTICLE V. E-VERIFY


Each Party hereto shall comply with the requirements of Article 2 of Chapter 64 of the N C General Statutes. Further, if any party hereto utilizes a subcontractor, such party shall require the subcontractor to comply with the requirements of Article 2 of Chapter 64 of the N C General Statutes.

ARTICLE VI. IRAN DIVESTMENT ACT CERTIFICATION

Pursuant to N.C.G.S. 143-6A-5 (a), each party hereto does hereby truthfully certify at the time of executing this agreement that in accordance with the Iran Divestment Act, the supplier is not listed on the Final Divestment List created by the State Treasurer pursuant to N.C.G.S. 143-6A-4.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed at the place and on the day hereinabove first mentioned.

TOWN OF HOPE MILLS, NORTH CAROLINA

By: 
Name: Frank J. McLaughlin
Title: Town Manager

DAVENPORT & COMPANY LLC

By: 
Ted Cole
Senior Vice President

PRE-AUDIT CERTIFICATE

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

This the 6 day of JAN 2025.


Town of Hope Mills Finance Director

April 8, 2021

Mr. Drew Holland
Finance Director
Town of Hope Mills
5770 Rockfish Road
Hope Mills, NC 28348

Dear Mr. Holland,

On behalf of my colleagues at Davenport & Company LLC ("Davenport"), we are pleased to provide this Letter Agreement to the Town of Hope Mills (the "Town") to provide general financial advisory services including but not limited to financial reviews, capital planning, debt capacity, debt affordability and debt issuance assistance.

Based upon our recent discussions, we understand that a financial review of the Town's General Fund debt and capital activities is a priority as the Town considers a potential General Obligation bond referendum. To that end, we offer the following proposed Scope of Services and compensation approach for this engagement.

Scope of Services:

General Fund Financial Review and Capital Funding Plan Development

Davenport will complete a Financial Review and Assessment for the Town's ongoing General Fund activities. In connection with the analysis, Davenport will perform the following services:

- 1) Develop a comprehensive Financial Review and Assessment that includes the following:
 - **Historic and Pro-Forma Review of Town Operational and Debt Related Activities:** Assess the Town's historical financial performance with respect to Operations, debt related and capital funding activities and fund balances over the past 5 years in order to determine cash-flow trends and historical fiscal strengths and vulnerabilities.
 - **Debt Profile:** A comprehensive debt profile of the Town identifying to the extent possible, the Town's obligations broken down by credit type, source of payment, timing and other factors.
 - **Debt Capacity Analysis:** Determine/provide the Town with a range and upper limits of the level of debt which the Town could prudently undertake over the next 5 - 10 years.
 - **Debt Affordability Analysis:** Determine the cash flow implications of undertaking any new debt based upon the above Debt Capacity findings, among other factors.



Town of Hope Mills, NC
April 8, 2021

- **Comprehensive Peer Comparison:** A comprehensive comparison of the Town and other similarly sized localities covering their economic, financial and debt profiles.
- 2) **Capital Funding Plan Development:** Assist Town Staff in the development of a multi-year capital improvement funding strategy for tax supported projects. Assess the Town's existing capital plans and provide a series of financial analyses that illustrate a number of funding scenarios for the identified projects. Address implications of the Funding Plan for the CIP on the Town's credit profile, municipal bond ratings, if applicable, and Local Government Commission ("LGC") requirements.
 - 3) Review existing Financial Policy Guidelines and provide recommendations for amending and enhancing, where applicable, the Town's current policies in order to best position the Town for continued positive financial performance and rating agency/lender/LGC reviews.

Transaction Related Services:

As a natural extension and compliment to the Capital Planning work described above, Davenport could provide transaction related services necessary to effect the successful raising of funds as outlined in the chosen Plan of Finance. The scope of work associated with this phase of the engagement will be developed and mutually agreed upon by Davenport and the Town based upon the preferred funding approach and the tasks associated with that approach.

Compensation:

Non-Transaction & Planning Related Services:

For the "General Fund Financial Review and Capital Funding Plan Development" services, Davenport will be compensated based on an hourly schedule of rates (shown below) subject to a not-to-exceed fee of \$20,000 for any work completed in FY22. Final billing will be based upon actual time spent on the project deliverable. Additionally, customary direct out-of-pocket expenses will be charged at cost and indirect expenses (e.g. conference calls, computer, printing and presentation binding materials) will be charged at an amount equal to 4% of the fee. These fees and the reimbursement for expenses will be paid upon the successful completion of the services as determined by the Town, or at such other time as mutually agreed upon.

As additional non-transactional and planning services are requested, Davenport and the Town will agree to a compensation approach and such approach will be memorialized as an addendum to this agreement.

<u>Professional</u>	<u>Hourly Rate</u>
Senior Vice President	\$300
First Vice President	\$275
Vice President	\$250
Analyst	\$225



Town of Hope Mills, NC

April 8, 2021

Transaction Related Services:

For these services, compensation will be determined and agreed-upon by Davenport and the Town in advance of any financing based upon the adopted plan of finance and the advisory tasks / services associated with that funding approach.

Termination:

Either party may terminate this agreement with 30-day written notice. Davenport will be reimbursed for its expenses and services provided prior to termination.

Please do not hesitate to reach out to us if you have any questions. We appreciate the opportunity to submit this proposal and we look forward to the opportunity to assist the Town.

Accepted by:

Town of Hope Mills, NC

Davenport & Company LLC





By

By

Finance Director

Steve Vuk President

Title

Title

10/6/21

10/12/2021

Date

Date

Town of Hope Mills, North Carolina
Budget Ordinance Amendment
Fiscal Year 2025-2026
Amendment #23

BE IT ORDAINED by the Board of Commissioners of the Town of Hope Mills, North Carolina, that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2026:

Section 1. To amend the General Fund, the appropriations are to be changed as follows:

<u>Account</u>		<u>Increase</u>	<u>Decrease</u>
Contract Services	10-440-1270	36,750	-
		\$ 36,750	\$ -

This will result in a net increase of \$36,750 in the appropriations of the General Fund. To provide the additional revenue for the above, the following revenues will be increased.

<u>Account</u>		<u>Decrease</u>	<u>Increase</u>
Approp from Fund Balance	10-3990	-	36,750.00
		\$ -	\$ 36,750.00

Section 2. Copies of this budget amendment shall be furnished to the Clerk to the Board of Commissioners, and to the Budget Officer and the Finance Officer for their direction.

Adopted this 6th day of March 2026

 Jessie Bellflowers, Mayor

Attest:

 Ashley Wyatt, Town Clerk