WithersRavenel
Our People. Your Success.

PLEASE SEE ATTACHED EXECUTED AGREEMENT 10/28/19
CSB

September 16, 2019

Mr. Shannon Baldwin
Town Manager
Town of Lake Lure
2948 Memorial Highway
Lake Lure, NC 28746

Attn: Shannon Baldwin, Town Manager

RE: General, Electric, Water and Sewer Financial Analysis

Dear Mr. Baldwin:

WithersRavenel (CONSULTANT) is pleased to provide this Agreement for services to aid the Town of Lake Lure (CLIENT) with preparing a capital improvement plan and financial analysis for its General, Electric, and Water/Sewer funds (PROJECT). The following proposal was made after careful consideration of all project-related tasks that will be required to undertake the enclosed scope of services.

If you have questions or concerns about the Agreement, please do not hesitate to call me at the number listed below.

Sincerely,

WithersRavenel

Jessica Martin-Lane

Jessica Martin-Lane, MBA, MSIE
Vice President – Management & Transformation Services

84 Coxe Avenue, Suite 260 | Asheville, NC 2801
Office: 828.232.6109 | Mobile: 704.968.1903

Attachments:

Agreement for Professional Services
Exhibit I – Standard Terms and Conditions
Exhibit II – Fee and Expense Schedule

WithersRavenel

Our People. Your Success.

Town of Lake Lure

General, Electric, Water and Sewer Financial Analysis

Agreement for Professional Services

A. PROJECT DESCRIPTION

The CONSULTANT will aid the CLIENT with preparing a capital improvement plan and financial analysis for its General, Electric, and Water/Sewer enterprise funds (PROJECT). The primary objective of the PROJECT is to help the CLIENT project and prioritize its long-term capital needs and develop a plan for funding those needs. Planning projects such as this one attempt to balance the needed and recommended capital investments with the fiscal impact on the rate and tax payers by "smoothing out" the expenditures over time. Financing capital needs of any community is a challenge and takes intentional planning and investment.

B. SCOPE OF SERVICES

Task 1: Project Planning / Management

- Conduct a project planning working session with the Town Manager and his designees to review project objectives, key assumptions, and project schedule.
- Assess progress at strategic milestones during the project.
- Conduct up to 3 working sessions with the Manager and designees to review project objectives, report drafts, key operational parameters, internal processes and gathered data and information.
- Conduct 2 working sessions with Town Council to facilitate understanding and consensus.
- Monitor progress routinely and assist with milestone reporting to the community and key community leaders.

Task 2: Data Collection

- Collect all relevant technical, organizational and financial information required for the project.
- Review financial information for the general, electric, and water/sewer funds (Funds), including current budget and past audits, current tax base information, debt status, and previously prepared Funds plans, interlocal agreements, 2015 Comprehensive Financial Report, Asset Management Plans, and capital improvement programs.
- Meet with the Town Manager and designees to discuss key project and financial objectives, assumptions and other considerations related to the present or future financial status of the Funds.
- Assist with procuring strategic project cost estimates from Town sources and other technical consultants engaged in project planning and design.

Task 3: The Capital Improvements Plan

- Assist the Town in preparing a 10-year Capital Improvements Plan (CIP) for the Funds, summarize capital funding assumptions for proposed projects, and formulate assumptions regarding related debt service and capital outlay requirements. *(Project investigations or cost estimates that would* *require engineering or design services are beyond the scope of this proposal and such services are to be procured outside of the scope of this project).*

- CIP assumptions would address the comprehensive capital investment requirements of the Funds for a period of 10 years and would specifically address 5 major capital issues facing the community:
  - Renovation and rehabilitation of the Lake Lure Dam.
  - Replacement or rehabilitation of the Town's sewer collection and treatment systems.
  - Replacement of the current bridge over Lake Lure Dam.
  - Dredging and removal of sediment from the lake.
  - Development of a new entrance and approach to Chimney Rock State Park.

- Review relevant questions and assumptions with the Town Manager and others and edit assumptions regarding capital outlay and debt funded capital projects.
- Develop a presentation format that summarizes the CIP, which is compatible with the financial analysis model.
- Assist with presentation of the draft CIP to the Town Council and edit the draft to reflect Council feedback.

Task 4: General and Enterprise Funds Financial Analysis

- Collect and review historic financial data regarding program revenues, expenditures, debt and other factors having potential to influence financial trends for the Funds.
- Prepare a ten-year Financial analysis model for the Funds. The model would encompass three to five years of financial history, the current fiscal cycle, and ten years of revenue and expenditure forecasts beginning with FY 2021.
- Estimate the extent to which projected program revenues exceed or fall short of estimated program expenditures, considering projected operating expenditure trends, capital asset funding, and other related financial trends, assumptions and events.
- Establish key financial benchmarks and assumptions for growth and inflation, unrestricted net assets, annual net income, and reserves as measures of fund sustainability.
- Develop assumptions related to future revaluations and the Town's tax base for the 10-year period and project financial trends for ad valorem tax rates, reserves, and fund balances over the 10-year study period.
- Compare the Town's Tax Rate to other municipalities in the region (50-mile radius) and those with similar populations and/or median household incomes.
- Estimate the new revenue requirements and abilities to fund debt for each of the three funds over the 10-year study period.
- Meet with the Town Manager and others to review and refine the financial analysis model and all related benchmarks and assumptions.

Task 5: Preparation of Final Deliverables

- The Capital Improvements Plan summary for the Funds.
- A draft Financial Analysis Memorandum for the Funds.
- Review of the draft with Town Manager and designees.
- The final CIP and Financial Analysis Memorandum.
- Up to 3 working sessions in Lake Lure with the Manager and designees.
- Up to 2 working sessions with the Town Council.

C. ADDITIONAL SERVICES

Services that are not included in Section B or are specifically excluded from this AGREEMENT shall be considered Additional Services and will be charged separately according to the CONSULTANT's current rate/fee schedule.

Scope of work does not include any accounting, legal, engineering, engineering cost estimates, environmental, surveying, mapping or other services or expenses that are not specifically provided within.

The CONSULTANT will furnish or obtain from others Additional Services if requested in writing by the CLIENT and accepted by the CONSULTANT.

D. ASSUMPTIONS AND CLIENT RESPONSIBILITIES

During the performance of the CONSULTANT's services under this AGREEMENT, it is assumed that the CLIENT will:

- Provide all needed data, reports, information and supporting capital cost estimates in a timely fashion.
- Provide timely feedback and response to inquiries, reviews and communications.
- Examine all information and other documents presented by the consultant and render written decisions pertaining thereto within a reasonable period so as not to delay progress.
- Give prompt written notice to the consultant whenever the client observes or otherwise becomes aware of any issues or defects pertaining to the project.
- The proposed draft scope of services assumes no public presentations.

E. COMPENSATION FOR SERVICES

CONSULTANT proposes to provide the following Scope of Services to the CLIENT as outlined in this document for the fee not to exceed $39,000 plus reimbursable expenses. The project cost would be assessed monthly based on progress, in accordance with the CONSULTANT's current schedule of fees and expenses.

Any changes to the PROJECT requirements after CONSULTANT has begun work may require additional fees.

F. TIMELINE

Our work would begin immediately upon receipt of the CLIENT's written notification to proceed, with an estimated completion date of 150-180 days.

WithersRavenel

G. ACCEPTANCE

Receipt of an executed copy of this agreement will serve as the written agreement between the CONSULTANT and CLIENT for the services outlined.

Submitted by CONSULTANT:	Accepted by CLIENT:
WithersRavenel, Inc. 84 Coxe Avenue, Suite 260 Asheville, NC 28801	Town of Lake Lure 2948 Memorial Highway Lake Lure, NC 28746
Jessica Martin-Lane Authorized Signature	Shannon Baldwin 10/28/19 Authorized Signature
Jessica Martin-Lane Printed Name	Shannon Baldwin Printed Name
Vice President Title	Town Manager Title
jmartinlane@withersravenel.com Email Address	townmgr@townoflakelure.com Email Address
828.232.6109 Phone	828.625.9983 Phone

***PREAUDIT STATEMENT:** This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act (NC G.S. 159-28(a)).*

Signature of Finance Officer: Sam A Karr

Printed Name: Sam A Karr

Date: 10/28/19

Exhibit I – Standard Terms and Conditions
Exhibit II – Fee and Expense Schedule