



This Supplemental Financial Advisory Agreement (the "Agreement") is entered into as of _____, 2025 between the City of Sandersville, Georgia (the "City") and Davenport & Company LLC ("Davenport") and is a supplement to our contract with the City dated May 10, 2024. This Agreement is specific to Financial Advisory Services related to an analysis of the City's Water & Sewer Enterprise Fund.

Scope of Services – Phase 1:

1. Review the City's historical operating trends and how the City performed on various key financial utility metrics including:
 - a. Debt Service Coverage; and,
 - b. Fund Balance Levels (i.e. Days Cash on Hand).
2. Highlight the City's Current Rate Structure, Historic Rate Increases and the impacts to typical customers.
3. Review the City's Covenants / Conditions on currently outstanding debt including but not limited to Rate Covenants, Additional Bonds Tests and Debt Service Reserve Requirements.
4. Create a Financial Model / Multi-Year Pro-Forma of the City's Water & Sewer Enterprise Fund including:
 - a. Operating Revenue and Expenditures;
 - b. Capital Expenditures; and,
 - c. Outstanding Debt.
5. Utilize the Financial Model to analyze the City's Water & Sewer Enterprise Fund's financial health and ensure the system is self-supporting while also funding the capital needs which would include the necessary revenue increases (multi-year) in the fund.
6. Evaluate the City's Capital Improvement Plan. Consider the impact of such projects including reviewing the potential financing options available to the City and analyze various potential debt service repayment structures under each option.
 - a. GEFA Loans
 - b. Revenues Bonds (Bank Loans vs. Public Market)
 - c. USDA Loans
 - d. Other available sources
7. Present findings to Staff and City Council.

Scope of Services – Phase 2 (If Necessary):

1. Review the City’s current rate structure and model the potential impacts of changing the following:
 - a. Volumetric vs. Fixed;
 - b. Inside City vs. Outside City; and,
 - c. Water vs. Sewer.
2. Peer Comparison Analysis of Average Utility Bills.
3. Present Findings to Staff and City Council.

Compensation:

Davenport will base our fee upon the actual hours served. Davenport’s hourly rates are outlined below which are consistent with our existing agreement with the City.

Senior Vice President	\$350
First Vice President	\$325
Vice President	\$300
Associate Vice President	\$275
Analyst	\$250

Phase 1:

Davenport estimates that the time to complete the Phase 1 services defined above would be roughly 75 hours. Based upon an hourly rate of \$300 per hour, the fee would be in the range of \$22,500. However, we are willing to cap our fees and in no instance will the financial advisory fee exceed \$30,000 even if the hours surpass our initial estimate, assuming the scope of services does not change.

In addition, Davenport will also be reimbursed for all direct out-of-pocket expenses (e.g. mileage, lodging, meals and postage) at cost and will receive an additional fee in the amount equal to 4% of the hourly fee amount.

Phase 2:

Davenport estimates that the time to complete the Phase 2 services defined above would be between 75-100 hours. Based upon an hourly rate of \$300 per hour, the financial advisory fee range would be between \$22,500 and \$30,000. We are willing to cap our fees and in no instance will the financial advisory fee exceed \$30,000 even if the hours surpass our initial estimate, assuming the scope of services does not change

In addition, Davenport will also be reimbursed for all direct out-of-pocket expenses (e.g. mileage, lodging, meals and postage) at cost and will receive an additional fee in the amount equal to 4% of the hourly fee amount.

This Agreement shall remain in effect until such time that it is terminated by either party. Either party may terminate this Agreement with 30-day written notice. If any party terminates this Agreement as set forth above, it is understood and agreed that the only amount due to Davenport will be for services provided and expenses incurred through the date of termination.

If this appropriately describes the deliverable for your request, please indicate by signing and returning one copy of this Letter Agreement to my attention.

City of Sandersville, Georgia

Davenport & Company LLC



By:

Douglas J. Gebhardt

Title

First Vice President
Title

Date

December 19, 2024
Date