

HAYWOOD COUNTY  
FINANCE  
DEPARTMENT

# Memo

**TO:** Marty Stamey, County Manager

**FROM:** Julie Davis, Finance Director

**DATE:** October 31, 2011

**RE:** Fines Creek Volunteer Fire Department

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The Fines Creek fire department would like the commissioners to approve the financing of a new fire truck for the fire department, as follows:

Bank: Local Government Federal Credit Union Financial Partners, LLC  
Amount: \$133,900  
Term: 10 years  
Interest rate: 4.25% fixed rate  
Annual pymnts: \$1,373 per year

The department currently has one liability remaining, for land purchased in 2009, having made an early pay-off of the balance of the 2008 capital lease for equipment during the June 30, 2011 fiscal year. The final payment was to be due in 2012. In addition, the department purchased a \$30,000 six-wheeler, a one time purchase, without incurring any debt.

The department's net assets have increased \$69,755 and \$71,503 for the years ended June 30, 2010 and June 30, 2011, respectively.

The fire department received three financing quotes and held a public hearing on the purchase and financing of the truck.

In reviewing the financial statements for the fire department, and taking into account the availability of funds to cover the new debt service, it appears the department has the ability to meet the debt service requirements.

October 31st, 2011

Re: Proposal for financing the purchase of a 2012 Ford F-550 rescue truck for Fines Creek Volunteer Fire Department, Inc.

Fines Creek Volunteer Fire Department, Inc.:

Local Government Federal Credit Union Financial Partners, LLC is pleased to offer the following proposal for the financing of a 2012 Ford F-550 rescue truck:

**Loan Amount:** \$133,990

**Loan Terms:** 10 years

**Interest Rate:** 4.25% fixed  
*Rate lock for 60 days from receipt of application package*

**Payments:** Monthly payments of \$1,373 with total interest paid during the term of \$30,726.

**Collateral:** 1<sup>st</sup> lien on vehicle being purchased

**Charges:** none

**Fees:** LGFCU Financial Partners, LLC will not charge a loan origination fee, loan fees, or a prepayment penalty fee.

**Closing:** *This transaction shall be closed in compliance with all applicable NC laws governing this type of transaction.*

This letter includes a summary of the key points to be contained in the loan documentation. The final documentation will include additional terms and covenants that are usual and customary for this type transaction. This proposal does not constitute loan approval and is subject to change at any time.

Please contact me at 800-344-4846 should you have any questions.

Thank you for your service and your support.

Best regards,

Loren Pittman  
Commercial Loan Officer

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COUNTY MANAGER  
MARTY STAMEY

LEON M. KILLIAN, III  
COUNTY ATTORNEY

November 7, 2011

Local Government Federal Credit Union Financial Partners, LLC

Subject: Financing Agreement between LGFCUFP and  
Fines Creek Volunteer Fire Department, Inc.

Dear Sir or Madame:

I am the Chairman of the County Commissioners of Haywood County. This letter is to advise you that: Fines Creek Volunteer Fire Department, Inc. is a qualified Volunteer Fire Department, assigned to protect a specific Fire District within this County.

In addition, a special ad-valorem (fire tax) is assessed on the real property owners of this district. Said tax is to be used exclusively to provide equipment, facilities, and training as is necessary to provide fire protection for said district. Said funds may also be used to upgrade equipment as the need arises. This tax is collected by the County and disbursed by the Finance Office to the Fire Department on a regular basis by the County Finance Officer. The Fire Department is operated and managed by the Board of Directors of the Fire Department and the Officers of said Department. The Department is currently meeting the requirements of their fire service contract.

The Fire Department has made us aware of their intention to acquire new capital assets through a financing agreement with your bank. Please be advised that the County has no objection to this transaction.

Sincerely,

Mark S. Swanger  
Chairman, Haywood County Commissioners

MSS:jhd