



HAYWOOD COUNTY
BOARD OF COMMISSIONERS

AGENDA REQUEST

***Must be presented to the County Manager's Office
NO LATER THAN 5 P.M. FRIDAY THE WEEK BEFORE THE MEETING***

DATE OF REQUEST: November 6, 2015

FROM: Julie Davis, Finance Director and
Will Ledbetter and Charles Woods from the Junaluska Community Volunteer Fire
Department

MEETING DATE REQUESTED: November 16, 2015

*Regular meetings: First (1st) Monday of the month at 9:00 am
Third (3rd) Monday of the month at 5:30 pm*

SUBJECT: Installment financing for Junaluska Fire Department

REQUEST: Request to approve for the fire department to enter into a financing contract in order to purchase two trucks for the department.

BACKGROUND: Please see attached regarding the details of the financing from United Financial of North Carolina, Ins.

IMPLEMENTATION PLAN: Upon board approval, the fire department will enter into a loan agreement to purchase two trucks.

FINANCIAL IMPACT STATEMENT: *(What is the cost? Where is the money coming from? Optional or mandated?)* There is no financial impact to the County. The county will not be backing the debt.

SUPPORTING ATTACHMENTS: YES NO HOW MANY?

LIST: _____

PERSON MAKING PRESENTATION AT MEETING: Julie Davis
TITLE: Finance Director

HAYWOOD COUNTY
FINANCE
DEPARTMENT

Memo

TO: Haywood County Commissioners
CC: Ira Dove, County Manager
FROM: Julie Davis, Finance Director
DATE: November 6, 2015
RE: Junaluska Community Volunteer Fire Department, Inc.

The Junaluska Community Volunteer Fire Department would like approval for the financing of two new fire trucks, including equipment, for a total loan of \$727,790.

Lender: United Financial of North Carolina, Inc
Amount/purchase price: \$727,790
Term: 7 year municipal lease
Interest Rate: 2.5%
Annual Pymnts: \$98,874.05

The department's audited statements of financial position reflect total net assets of \$990,755 for the year ended June 30, 2015 and \$957,476 for the year ended June 30, 2014, an increase of \$33,279. The department held a public meeting to discuss this purchase on October 22, 2015 (minutes attached), and requested loan quotes from Local Government Federal Credit Union (LGFCU), Stephens Fire Equipment representing the fire truck company, Sutphen, and United Financial for the financing arrangements. The two trucks are being purchased through HGACBuy, a municipal purchasing organization that bids out this type of fire department equipment annually and on a national level.

The department completed making payments on one of its two loans in 2014, and will make the final payment of \$21,762 on the second loan in 2017. The new debt service of \$98,874

is less than the combined payments of these two old loans (approximately \$115,000 annually).

The assessed value in the fire service area appears to have decreased in recent years, and the department has increased its tax rate from \$.070 per hundred to \$.075 per hundred of valuation in order to maintain sufficient revenues and in anticipation of the new truck purchases.

Junaluska Community Volunteer Fire Department Public Meeting October 22, 2015

A public meeting was called to order on Thursday, October 22, 2015 at 9:07 a.m. by Chairman William Ledbetter. Attending the meeting was Chairman William Ledbetter, Secretary Hugh Feinberg and Administrator Billy Jaynes. There were also 3 members from the public attending the meeting. Chairman Ledbetter explained the purpose of the meeting. The cost of the two trucks will be \$727,790 with 7 payments of \$98,874.05. The interest rate is 2.5% with United Financial. It will not affect the tax rate and it will remain the same. Chairman Ledbetter gave the specifications on the new engine and tanker. Chairman Ledbetter opened the floor to the public. A comment about the pump capacity on the tanker was questioned. The public session was closed and the meeting was adjourned at 9:13 p.m.

Hugh Feinberg
Secretary

BOARD OF COMMISSIONERS

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COUNTY MANAGER
IRA DOVE

COUNTY ATTORNEY
LEON M. KILLIAN, III

November 16, 2015

Mr. William R. Ammons
United Financial of North Carolina
58 Wilkie Way
Fletcher, NC 28732

Subject: Financing Agreement between United Financial of NC and
Junaluska Community Volunteer Fire Department

Dear Mr. Ammons:

I am the Chairman of the County Commissioners of Haywood County. This letter is to advise you that: Junaluska Community 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