



# HAYWOOD COUNTY BOARD OF COMMISSIONERS

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## 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: March 11, 2016

FROM: Julie Davis, Finance Director and  
Tyrell Mehaffey, with the Crabtree-Ironduff Fire Department

MEETING DATE REQUESTED: March 21, 2016

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

SUBJECT: Installment financing for Crabtree-Ironduff Fire Department

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

Bank: First Citizens Bank

Amount: \$280,000

Term: 10 years after 1 year interest only while fire truck in constructed

Interest rate: 2.76%

Annual pmts: Approximately \$32,075 after year one, with interest only payments due during construction.

BACKGROUND: The fire department intends to borrow \$280,000 toward the purchase of a fire truck that will cost \$347,041. The balance of the cost will be paid from the department's funds. Please see attached regarding the details of the financing from First Citizens Bank.

The Fire Department's audited financial statements reflect total net assets of \$845,397 for the fiscal year ended June 30, 2015, an increase of \$35,778. The Fire Department had one note payable at June 30, which was for the 2008 construction of a new building for the department. The Fire Department increased the tax rate in 2015 from .065 cents per \$100 to .075 cents in order to help cover the cost of the truck.

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

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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.

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SUPPORTING ATTACHMENTS: YES  NO  HOW MANY?

LIST: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

PERSON MAKING PRESENTATION AT MEETING: Julie Davis, Finance Director, and Tyrell Mehaffey, with the fire department.

NC VFD16B

# COUNTY APPROVAL

STATE OF NORTH CAROLINA  
COUNTY OF HAYWOOD

## CERTIFICATE OF CLERK RE APPROVAL OF TAX-EXEMPT LOAN TO VOLUNTEER FIRE DEPARTMENT BY BOARD OF COMMISSIONERS

The undersigned, being the duly qualified Clerk of Haywood County, North Carolina, does hereby certify that the following is a true and accurate copy of a Resolution passed by the Board of Commissioners of Haywood County, North Carolina, at its regular/special meeting on the 21<sup>st</sup> day of March, 2016, which Resolution was duly introduced, seconded, and approved, and that said Resolution remains in full force and effect:

"NOW, THEREFORE, BE IT HEREBY RESOLVED, that the Board of Commissioners of Haywood County, North Carolina does hereby approve (within the scope of the qualifying language set forth below) a tax-exempt loan to the Crabtree-Ironduff Fire Dept. [name of Volunteer Fire Department] (the "VFD") from First-Citizen's Bank & Trust Company in the principal amount of \$ 280,000., which loan is for the following purpose (check applicable purpose):

1. ( ) for the construction of a fire station for the VFD, (cross out the following if not applicable) including the purchase of the underlying real property.
2. (  ) the purchase by the VFD of a fire truck or fire trucks, and

which fire truck(s) and/or fire station will be owned and operated by the VFD at the following address:

99 Susie Noland Road  
(Street Address)

Clyde, NC  
(City and State)

RESOLVED, FURTHER, that the approval of the loan to the VFD set forth above is given solely for purposes of the public approval requirements for tax-exempt financing applicable to the VFD because of Section 150(e)(3) and Section 147(f) of the Internal Revenue Code of 1986, as amended, and such approval does not obligate the County or its Board of Commissioners in any way regarding repayment of the debt."

Duly certified by the execution hereof and the placing hereon of the seal of the said County, this the 21<sup>st</sup> day of March, 2016.

(Clerk's Seal)

CLERK  
Haywood County, North Carolina



February 23, 2016

TYRELL MEHAFFEY  
CRABTREE IRONDUFF FIRE DEPARTMENT  
99 SUSIE NOLAND RD  
CLYDE, NC 28721-7891

**Re: Loan Commitment**

Dear Chairman and Board Members:

First-Citizens Bank & Trust Company is pleased to offer you this loan commitment. As used in this commitment, the terms "we," "our," and "us" refer to First-Citizens Bank & Trust Company, and the terms "you" and "your" refer to the borrower identified below. The term "loan" refers to the loan described in this commitment. Other terms are defined in this commitment. We will not be obligated to close and/or fund the loan unless all of the terms and conditions set out in this commitment are met.

The terms and conditions of this commitment are as follows:

**BORROWER**

CRABTREE IRONDUFF FIRE DEPARTMENT

**LOAN SUMMARY**

Loan Amount:	\$280,000.00
Type of Loan:	Future Advance
Interest Rate:	Fixed rate of 2.760%
Repayment Terms:	"Interest only" payments over a period of 12 months, followed by Monthly payments sufficient to fully amortize the loan, with all remaining unpaid principal and interest due at maturity.
Loan Term:	Approximately 132 months
Commitment Fee:	\$0.00
Origination Fee:	\$0.00
Collateral:	A first lien security interest in the personal property identified in the Collateral section of this commitment
Guarantor(s):	N/A

**LOAN DETAILS**

**LOAN PURPOSE**

Funds to be used for the purchase and build out of a new fire truck.

Public Meeting on New Truck Purchase  
Date 3/7/16 Time 7:00 p.m.

Members Present      Non-Members Present  
18                              1

Board Chairman Ben Wade called meeting to order. Ben explained to members and non members about fire dept was needing to purchase a new fire engine and at that point Ben turned meeting over to Tynell Mehaffey to explain the purchase of the truck, and also told all present that 4 Guys Fire App. would be building the new truck. The different loan proposals were presented and First Citizens Bank was the lowest rate offered. The Finance Committee recommended to all present to move forward with First Citizens Bank.

First Citizens loan offer is as follows. Loan amount is \$280,000<sup>00</sup> at a rate of 2.76 percent for 132 months. The total price of the truck comes to the amount of \$347,041. No one present opposed the loan agreement from First Citizens on the purchase of the new truck. All 19 present did not oppose the terms. Over →

Pending the approval from the  
County Commissioners the Fine Dept  
wishes to move forward with the  
purchase of the truck and the loan with  
first citizens.