



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: July 5, 2016

FROM: Julie Davis, Finance Director, Haywood County and
Daniel Hyatt, Treasurer, Saunook Fire Department, and Dan McClure, President,
Saunook Fire Department

MEETING DATE REQUESTED: July 18, 2016
*Regular meetings: First (1st) Monday of the month at 9:00 am
Third (3rd) Monday of the month at 5:30 pm*

SUBJECT: Seller financing agreement for Saunook Volunter Fire Department.

REQUEST: Request approval for the Saunook Volunteer Fire department to enter into a seller financing agreement for the purchase of property adjacent to the current property.

BACKGROUND: The fire department intends to purchase land to increase the size of the property to allow for additional parking and to alleviate the sharing of a septic drain field. See attached details from the fire department treasurer.

IMPLEMENTATION PLAN: Upon board approval, the fire department will enter into a loan agreement with the seller of the property in order to purchase the property.

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

Julie Davis

To: Julie Davis
Subject: FW: Saunook Vol. Fire Dept.

From: Daniel Hyatt [mailto:rdh@broadbooksapa.com]
Sent: Friday, May 27, 2016 10:32 AM
To: Julie Davis
Cc: Benny Arrington
Subject: Saunook Vol. Fire Dept.

Julie,

Our department desires to purchase a parcel of land currently owned by Mr. Gregory Rux, PIN 7694-24-1134, which borders our property at 2908 Old Balsam Rd. on all 3 sides.

The property owned by the Department totals 0.19 Ac. (8,267 sq.ft.), of which, nearly 50% is structure. An additional 40% of the parcel is paved apparatus access drives. Point being, there is no parking nor even the potential for creating more. Our members park exclusively on a portion of the Rux property (East) and property owned by the Arringtons. During elections, because our dept. is used as a polling station, parking is even more problematic and has even impacted adjacent businesses.

Lastly, because of the limited space owned by the department our septic drain field had to be located on, and shared by, the business on the Rux parcel. This is not a desirable situation that could prove very problematic to the department particularly if the adjacent parcel sells to someone else, redevelops OR simply if the system fails.

Mr. Rux has verbally agreed to sell the property to the department. Our board of directors has approved the purchase and our department feels we are in a financial position to make this purchase while maintaining the level of service our district deserves and expects. We hope to have a contract signed within the week outlining our agreement with Mr. Rux. We appreciate the consideration of our request by the Commissioners and look forward to their approval.

Please let me know if you have questions or if I can provide you with any additional information prior to the meeting.

R. Daniel Hyatt, Treasurer
Saunook Vol. Fire Dept.

Public Hearing on Land Acquisition - June 21st

Invocation & Call to Order: 7:05 PM

Discussion on Rox Property Acquisition

- Rox Property is 4.1 acres
- Chief explained the deal on the title and a little history on the property

Objections

- No objections were raised by any attendees

Questions

- no tax increase

Adjourned - 7:21 PM

HAYWOOD COUNTY
FINANCE
DEPARTMENT

Memo

TO: Haywood County Board of Commissioners
Cc: Ira Dove, County Manager
FROM: Julie Davis, Finance Director
DATE: July 8, 2016
RE: Request from Saunook Volunteer Fire Department

The Saunook Volunteer Fire Department is requesting approval from this board to enter into a seller financing agreement in order to purchase property adjacent to the current fire department. The purchase price for the property is \$350,000. The fire department will pay \$70,000 down at closing, and sign a \$280,000 promissory note, secured by a deed of trust, for the balance.

The Fire Department's audited financial statements reflect total capital of \$2,166,013 for the fiscal year ended June 30, 2015, an increase of \$102,881 from the prior fiscal year end. The Fire Department had one note payable at June 30, 2015 which was for the purchase of a fire truck. Annual payments of \$81,879 were due, which included interest at 5%.

The Department has also submitted interim audited statements as of May 31, 2016, which show that the fire truck loan was paid off in the last fiscal year. The fire department increased its tax rate last fiscal year from 4 cents to 5 cents per \$100 value. The rate remains 5 cents for this fiscal year.

Due to the prior loan payoff, and the increase in the net cash position over the past two years, it does appear that the department has the capacity to cover this new loan.

I would suggest, however, that the department requests that the audit be performed on a full US GAAP (United States Generally Accepted Accounting Principles) basis, which would include reporting depreciation of assets as well as long term and current liabilities segregation.