

**HENDERSON COUNTY
BOARD OF COMMISSIONERS**

MEETING DATE: February 16, 2011

SUBJECT: Blue Ridge Fire & Rescue Tax Exempt Loan Agreement

ATTACHMENTS: Draft Letter to First Citizens Bank

SUMMARY OF REQUEST:

At the May 13, 2010 Fire and Rescue Advisory Committee meeting, Blue Ridge Fire and Rescue presented a proposal to purchase a new Ladder Truck. The total amount financed will be \$775,000.00 at a fixed interest rate of 3.7% with quarterly payments of \$23,268 for 10 years. Blue Ridge Fire & Rescue held a public hearing to discuss the loan agreement on February 8, 2011 at 7:00 p.m. No tax rate increase above the revenue neutral rate will be necessary for this purchase.

The Fire & Rescue Advisory Committee unanimously approved the proposal.

Blue Ridge Fire and Rescue respectfully request the Chairman sign the attached letter to First Citizens Bank.

BOARD ACTION REQUESTED:

The Board is requested to authorize the Chairman to sign the attached letter to First Citizens Bank.

Suggested Motion:

I move the Board authorize the Chairman to sign the letter to First Citizens Bank on behalf of Blue Ridge Fire & Rescue.

To be reproduced on County Letterhead

February 16, 2011

First Citizens Bank Inc.
P O Box 749
Hendersonville, NC 28793

Re: Loan Agreement between First Citizens Bank Inc., and Blue Ridge Fire & Rescue Inc.

Dear Sirs:

I am Chairman of the County Commissioners for Henderson County. This letter is to advise you that Blue Ridge Fire & Rescue Inc. is a qualified 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 Loan Agreement with your firm.

Please be advised that the County has no objection to this transaction.

Sincerely,

Michael Edney, Chairman
Henderson County Commission