COMMITTEE OF THE WHOLE MEETING
February 22, 2005 (excerpt)

Mr. Snyder: Second request is a discussion request, and I don't know that it is totally ready to move on there as to the purchase of approximately 24 acres of ground – the eastern quadrant of the City – the far eastern quadrant next to The Sanctuary from a David and Karen Crowder. And it seems to be a little bit convoluted here – how the price goes. $540,000.00 with an agreement of putting in a $50,000.00 pond – I believe it's a fish pond – and with the parties, the seller donating back a portion of the proceeds per acre of at least of $5,000.00, which brings back $120,000.00, along with a Grant applied by the NRAC (Natural Resources Assistance Council) in the aggregate amount of $180,000.00, which, in effect, would bring the total purchase price to $240,000.00, which is, basically, the appraised value of the property. That's basically the nuts and bolts. The purpose of the purchase is, as you know, that we own a well field at East Maple. This land is adjacent to the well field. I think, at the recommendation of the Superintendent of the Water Service there – Rich Steinhebel – he feels that this would regenerate the wells there. He's somewhat alarmed at the possibility that this property could be developed into residential homes. And I do say that it begs the question is if 24 acres, or 95% of the 24 acres in a flood plain – could that be developed? So, at this point in time, I will open it to discussion to the committee and then to the whole Council and to the administration.

Mr. Peters: That property – you say it's adjacent to the well field. Is that comes – that abuts to Applegrove?
Mr. Snyder: Yes. I think the frontage to the property – the ingress to the property is at Applegrove.

Mr. Miller: There's two ingresses. One is out of Steiner Heights. There's a triangle that feeds back to a cul-de-sac, and Mr. Crowder has a driveway to his property. And then the other access would be to the north off of Applegrove.

Mr. Snyder: Just east of Marquardt; right?
Mr. Miller: Yes.

Mr. Snyder: I believe the – if I recall, and correct me, Mr. Miller, if I may – it did allude to that in the appraisal that Mr. Crowder extended significant funds to put an access road into that property. I think off of –

Mr. Miller: He's put an access road in from Applegrove with the intention of building some homes. He's built his home – own home back in that same area. There are ways that you can build "within the flood way," and that was one of the things he was looking at. This isn't the first time this came to the City of North Canton, because there was an appraisal back in 2001. That appraisal was for $110,000.00. That appraisal was done probably about the same time as problems were occurring with the well field in North Canton. Since that time, a couple things have happened: (1) obviously, the well field has gotten a clean bill of health; (2) Mr. Crowder and some other folks – but Mr. Crowder, primarily, has sold off pieces of that property to the neighboring homeowners in Steiner Heights that has had some land sales that have actually increased the value of the property to $10,000.00 an acre. This, as you indicated, performs a couple functions: (1) is it helps recharge our aquifer, and it helps protect it from development upstream; (2) it's obviously adjacent to the preserve so that we can run a trail up to Applegrove and back down around along the creek. (3) It also gives an opportunity to make sure that development doesn't occur in there in any way, shape or form that would increase the amount of water coming downstream on the west Nimishillen. Ultimately, as you indicated, and I indicated in the letter, we'd pay $240,000.00 total (or $10,000.00 an acre), which is what the appraisal was. Getting there – convoluted is probably a fair term. A couple things happened: (1) is the – Mr. Crowder wants to be able to take a tax deduction so the original price is discounted by $5,000.00 an acre, which is donating (or showing as a donation) to the City. And at closing, we'll pay the higher amount, and he'll actually write a check out of the closing fees (or the closing agent will) back to the City for that $5,000.00 an acre – 120. We've also been approved for a NRAC Fund Grant -- $180,000.00 which, basically, takes another $500.00 per acre off the price that's coming out of the City of North Canton's pocket. And, again, that fund will preserve that as "open space." That's one of the things that – the strings that attached to that is that it has to remain open space. So, we get back down to the $240,000.00 an acre. In a 3-year to 4-year period of time since the first appraisal, it went up by $130,000.00. And there have been some movement made towards developing portions of that property. I don't think that's in our best interest in North Canton to have developed upstream, and I think that that's in our best interest to make sure that that's protected for open space. By paying the appraisal price for it, I think that's fair for the Water Fund, and that's why I brought this to Council and am recommending it. Again, 540 is the figure in the contract, but it's reduced by a 120 from the Crowders. And it's reduced by $180,000.00 that we've gotten in an NRAC Grant from the State of Ohio. We – in fact, we were ranked number #1 out of all the projects that were turned in here in District 19 for Round 3; so it was the #1 project in Stark County.

Mr. Sarbach: Mike, has any of the property that's in question – is any of it saleable and not buildable? Or saleable to existing property owners to expand their property?

Mr. Miller: There's a triangle that we might want to preserve on the east side of it towards Steiner Heights, but for the most part, a lot of that's already been sold off to the adjoining land owners. So, we probably want to keep that property line pretty square down through there. And even the triangle that we're talking about – that does give us access off of the cul-de-sac. So that we may want to even preserve that to be able to have access coming from the east into that property. Because, again, one of the things that we envision is having the trail system that's already being put in and the preserve extended north onto this property long term. One of the things that you mentioned, President Snyder, is that there's a requirement that two (2) ponds be built. It's another way that this thing is – we're trying to play off of everybody's needs out in that area. Walsh University is having to build some retention basins or ponds in order to be able to develop their property. And right now, they're gonna have developing on their property and take up space. What we already have talked about preliminarily with Walsh University is to have part of the retention basins put on there. Have them build a pond at their expense, and then they would be able to free up their space to use for athletic fields or whatever they would need in Hoover Park.

Mr. Snyder: You know, Director Miller, I was thinking. And I'll be very honest with you. It's difficult, as the steward of the taxpayers' money, to expend two and one-half times – and I'm sure you appreciate that – the actual appraised value for property that, for all intents and purposes, Mr. Crowder may have an opinion of his property, as we all do. And it's always a much higher value than what it's actually worth. His ability to develop the area is contrary to what Superintendent Steinhebel thinks. It is impaired by being in the flood plain, as well as I don't know if any of the wetlands have been mitigated or any soil samples. But he's well in excess of half a million dollars to begin to develop that property. And probably 30% is developable. But what I'm getting at – that's not the point. The point is it's – he has a right to market his property. We, obviously, in the future, need the property for what you're saying – to protect our well field. Is there some way at this particular point, since this is, obviously, again, I say, respectfully – convoluted. But to become even more creative, we've just come out of a situation. We have no idea where we're going financially in the City, even though this is water and money that we can purchase an option from Mr. Crowder – right of first refusal, should he be presented with the development proposal. And, at the same time, to satisfy his needs, enter into an agreement with Walsh College. Mr. Crowder would have the ponds placed on his property, because, obviously, I think he wants that for his own commercial gain; and I'm sure with your mind and Mr. Pusateri's mind, create some type of contract that we will actually own the right to purchase that in the future – and then at a (inaudible) price. Because I find – not to be disingenuous – we were going to sell the property to the left. We were going to say, well, we will put black – hardtop surface over that whole 65 acres, and we were still able to draw all the water out of there. So, I mean, it's a little speaking on both sides of the coin. And I'm only taking the opposite approach to the discussion. But I think maybe some type of agreement with Mr. Crowder, because I understand he's in a position where he would like to, say, liquidate some of his asset to relieve some of the burden of his debt.

Mr. Miller: The – we can do that. But if you do that, the first thing that happens is that $180,000.00 comes out, because that's a one-time Grant. It's not gonna come back. Second thing that happens is if we had done that three (3) years ago and agreed that we would buy it at the appraised price, the price more than doubled in three years period of time. So, if we come back in three years, that 240 may very well may be 480 or higher. So, I understand the concern. It's a concern I share, because, in a way, we're inflating the market for that property. But, the alternative is is to leave it up to fate what happens to it; and five or ten years down the road, Mr. Crowder may find a way to build five or six houses on that, and we're foreclosed from ever using that for open space. It may create more problems for drainage coming down through the west branch, etcetera. I think it's an opportunity that I feel needs to go before Council. And is one that I recommend.

Mr. Snyder: Is there – is the $180,000.00 Grant tied to the $540,000.00 purchase?

Mr. Miller: They're aware of the what the purchase price is. Everything got turned into NRAC, so they are aware of it. And that, in essence, they can only fund three quarters (3/4) of – and that's how we ended up with all these numbers – 3/4 of the appraised price. So, that's why the 180 – we capped it out, because the appraisal was for 240. And we got Mr. Crowder to come down with – to a point where that all worked as far as numbers are concerned.

Mr. Snyder: So, in other words –

Mr. Miller: If it was the City paying $420,000.00 for – I wouldn't have the same recommendation. It's too high. But we're in a Catch 22, because we don't have any leverage over Mr. Crowder or his property; because it's not inside the City of North Canton. Therefore, we can't take it by eminent domain. The County is in a situation with the County Park System where they're not going to use eminent domain. They feel that that is too much of a negative emphasis. They've gone through all their process in acquiring property, locating options of purchasing property at an arm-length sale, so to speak, and not using eminent domain. So, we can't count on the County coming back in and doing it for us. So, if we're gonna get it, we're going to have to do it at an arms-length price – or arms-length transaction – and we may not – very well are not, at this point – paying what the appraisal price is overall. But, at least, by this method, the money that comes out of the Water Fund is coming out of – is the appraised price. It's the 240 ($10,000.00 an acre) period. It's not any more.

Mr. Snyder: Well, you bring up an interesting point. The $180,000.00 agreement is predicated on the $240,000.00 appraisal.

Mr. Miller Yeah.

Mr. Snyder: I would think – and, again, I will let my colleagues speak. When I ever bought a piece of property, there was an asking price and there was a negotiation. What's wrong with – if that's the case – we'll take the $180,000.00 Grant and put $60,000.00 and hand Mr. Crowder a check for $240,000.00. He either takes or he walks away. I mean, he's not – they're not lined up to buy his property.

Mrs. Kiesling: Right. Good point.

Mr. Miller: I will point out, and I will be glad for anybody to sit down with Mr. Crowder and try to get a better price. That Mr. Crowder and I and the Law Director negotiated long and hard over this one, and this was not his lowest – it was not his highest price. He's come down off of some of the prices that he had out there. And, bottom line is, it's, you know, without saying in public anything to denigrate the people we're negotiating with, you got a tough sell if you think you're gonna get it for less than what we got it for right now.

Mrs. Kiesling: I have a quick question. Is there any way we could work it out and partner up with the County to buy it for retention/detention area, as far as the Nimishillen Creek. We've got major flood issues here in the City of North Canton.

Mr. Miller: That's one of the things that we can use it for. We've already – there's a gentleman that's on the NRAC Board that I won't mention what organization he's with that's already sat down with us, and he's going to look at doing some things as far as retention/detention and increasing the habitat so that it's not just an interesting wetland – that it's actually going to support wildlife a little bit better and retain the water a little bit better.

Mrs. Kiesling: I guess my question is the County partnering up with us as far as financial.
Mr. Miller: It's a possibility.
Mrs. Kiesling: (Inaudible)

Mr. Miller: Yeah. The County's got a lot of –
Mrs. Kiesling: I realize that.

Mr. Miller: -- boats in the water, so to speak, and that's not something we've approached for, because we're still counting on them doing something with the Zimber Ditch – and two retention basins upstream of that that a year ago they didn't want to it. And, now, it's still a year or two off. So, we haven't approached them for that part of it yet, because we're trying to get through the steps to – first of all, somebody's gotta own it publicly in order for it to be developed for retention and detention.

Mrs. Kiesling: Stark Parks doesn't want it because it's too expensive.

Mr. Miller: Stark Parks didn't want to do it because they didn't want to use eminent domain, and they were in discussions with them and weren't getting anywhere either.

Mrs. Kiesling: Couldn't get the price down; correct. That's what I heard also.

Mr. Snyder: Well, what does Mr. Crowder predicate his price on? Is that a hope and a prayer? Or, you know, you have to have some ways to substantiate the $540,000.00.

Mr. Miller: Because at one point somebody offered him $15,000.00 an acre, and it went up $17,500.00.

Mr. Snyder: But they don't – he still owns the property. Obviously, it wasn't a good faith offer.

Mr. Miller: There was discussion back and forth. It was reduced to writing, as I understand it, and then one or both of the parties backed away from it.

Mr. Snyder: Well, you know, I just, you know, I mean, it's just kind of funny that something – it just doesn't really add up. I mean, there's nothing there to support paying two times the appraised value. I mean, it just – it just doesn't –

Mr. Miller: Well, two times – it actually is one point seven five (1.75).
Mr. Snyder: Right.

Mr. Miller: And the 1.75 – a portion of that is being paid from my NRAC. They're aware of this whole process, and NRAC ranked it the number one in the County to try to preserve this habitat so it doesn't get developed. There's development pressure on this. There's areas that are just as wet or not wetter than this that have been developed in the past. That goes for housing and for business. You know, I recall going out through Belden Village when I was a youngster going to Massillon. It was just as wet as this in spots, and they developed that.

Mr. Snyder: There's been two other factors, though, since Mr. Crowder has come up with this enormous price. Number one: The Sanctuary has sold and closed at less than $15,000.00 an acre at full – at highly developable residential real estate. And I think two weeks ago the Plain Township changed their zoning. Mr. Crowder's between a rock and a hard spot to develop that without sanitary sewer or water at less than an acre a lot. So, you know, whatever he's chewing, I'll get a little bit of it, because I can probably – I mean –

Mr. Miller: On his development plans, he's not looking to build acre lots or anything like that.
Mr. Snyder: He has to by the –

Mr. Miller: He's looking at four – two or three very high-priced homes – very nice homes and sell them as, here you are, in The Sanctuary. You're surrounded by all this open space.

Mr. Snyder: He might be – does he have a little different view of that property than what I did? I mean as far as – Maybe from his back yard, it looks different.

Mr. Miller: It is in his back yard. His front yard and his side yard, because, again, if you look at the piece and the map of it, it goes up, comes over, comes back. He's built in it already, so he's been successful doing that. And, as I understand it, I haven't been to the house. But it's a very nice house. So, it's been done.

Mr. Snyder: (Inaudible)...Greg.
Mr. Sarbach: I'll be quiet... (inaudible)

Mr. Peters: I've walked that property. I can't see how he could put a house anywhere on that property. I can't believe it's not protected wetland.

Mr. Miller: Bottom line – it's difficult for me to vision that as well, but he's already put one, and he's already got layouts and prices for the support. In fact, he's put supports in for the foundation for at least one of the houses. And I understand it's a helix, and it has to go down a ways, because he already knows how far he's gotta go down and everything else in order to be able to support the foundation of a house.

Mr. Peters: I can't see him putting a large custom home with a full basement –
Mr. Miller: There's one there already.

(Inaudible discussion)

Mrs. Kiesling: Is he – is that home really out in the middle of the marsh where it gets really mucky?

Mr. Miller: It's not mucky. It's different. There – the spots that I've been walking in, if you jump here and the tree over there where you're at actually bounces, so you do have to go down through it in order to get support – roughly 70, 80, 90 feet – which you can't get support down in there in order to be able to support a house. And that's what he's done with his. He's carved his out. And, again, you know, the price – even with that, it's appraised at $10,000.00 and, ultimately, out of the Water Department's pocket. That's exactly what we're paying $10,000.00 an acre. Ultimately, the contract calls for more than that. But what actually comes out of North Canton's pocket is the $10,000.00 an acre, and we're getting help. And I use help from Mr. Crowder, and we're getting help from NRAC in order to be able to preserve that as open space and not have it developed.

Mr. Peters: I got a question. Just to throw something out there. I know out in Jackson Township there's areas that are protected wetlands. How did that become? Does anybody know how those become protected wetlands?

Mr. Miller: Some of them have been purchased. Some of them have been laid out by the State with species and that on it. Everybody that's walked this yet hasn't found any of the right species or anything to make it unique enough to come in under that classification.

Mr. Snyder: Well, he would have to, before he developed that property, he would have to – that land has to be remediated if it is declared to be a wetland. He owes two acres for every acre that he wants to develop. So, he must go out and purchase two acres of wetland and provide protected wetland for every acre he wants to – plus remediate the wetland.

Mr. Miller: There is a loophole in that that has been used liberally in Stark County, because, again, we all know of wetlands that have been filled in over periods of time. If it's an acre or less, it doesn't come under the national program. You can fill in less than an acre.

Mr. Snyder: I don't know what would happen here, but – now, Mr. Crowder would have – we're using the support theory to buy the property. And we want to protect it from our – to our well field. But Mr. Crowder and anybody who he – his invitees will have total access to the property to come and go as he pleases? We'll fence it all in – fence him in there?

Mr. Miller: It won't be fenced. It will be open to the public the same as – unless we're going to fence in the preserve, too. It's open to the public. So, anybody from the public can get access to any of the property up there that's part of the preserve. We will have fencing around our wells – our mining wells and that type of thing. As you can well imagine, those will be protected. But the preserve, itself, is something that's going to be – we've got the trail system already laid out over a period of years for lower part. This upper part, I would imagine, would be developed the same way with trails and that type of thing. So, anyone in Stark County, including Mr. Crowder and his invitees, will be able to ultimately have access to that property.

Mr. Peters: Well, how long does the 180 stay on the table before they say you can't have it?

Mr. Miller: The 180 says on the table for approximately a year. The problem is, is the option that we entered into with Mr. Crowder was six (6) months and expires May 31, 2005. Time wise, the State money becomes available May 3rd – the $180,000.00 – so it's something that's doable, basically, between May 3rd and May 31st in order to be able to close. Otherwise, we lose our option, and the money goes back – the 180 goes back to the State, ultimately.

Mr. Snyder: Is that a – do we have any money to support our option on – to Mr. Crowder? Just a written option.
Mr. Miller: It was – we had to put some money down. That's something, I believe, I talked to Council – six.
Mr. Snyder: Thousand?
Mr. Miller: Six Thousand.
Mrs. Kiesling: How much is he paying – the lease back on the pond? And then for how long?

Mr. Miller: The Lease back is, basically, a dollar a year for, I think, 30 or 40 years. I can't recall what we ended up with that (inaudible). But, ultimately, it's for the rest of his lifetime and then it comes back to the City to be used. So, it's about an acre a quarter immediately south from his property; immediately north of the current preserve property over the creek. So, we would be accessing that west side of the creek and going up the west side of the creed on the property, then, probably, coming back across. But, ultimately, as we develop those trails, we're going to have to be looking for funding for bridges to go across. Those are not going to be inexpensive endeavors by any stretch of the imagination. And we're going to have to be very careful that we comply with all the requirements of FEMA (Federal Emergency Management Agency) not to block in too much of that floodway coming down through there. Although, in a way, if we want to keep the water there and not down in – off of Clearmount, down in that area, we probably want to keep as much water up in there as possible. And that's something we're going to be looking at if we acquire it – again, with an organization come in and help us get funding and help us develop it in a way that's gonna hold back water and also have a better habitat up there for wildlife as well.

Mr. Peters: Well, since he was crazy enough to throw out that number, how about this? Why don't we – he obviously has a high opinion of himself and his land. Why don't we give him naming rights – the "Crowder Family Preserve" and maybe knock $50,000.00 off an acre. Crazy idea, but 540 grand for that property is pretty crazy, too.

Mr. Snyder: You know, will it be prudent at this particular point to seek another appraisal? I mean, I don't know of any – something that happened. As I said, The Sanctuary was sold, and I know you say the original appraisal of $180,000.00 was done in what year, 2000?

Mr. Miller: The first one, 110 was done in 2001, if I recall correctly.

Mr. Snyder: Well, if my memory serves me correctly, Mr. Crowder came off that price quicker than oil off of a floor. When they found out that the land was contaminated over there – purported to be contaminated – I think he came back and begged Director Boyajian at about $60,000.00 or $70,000.00 to buy his property.

Mr. Miller: Well, that's when he thought it was contaminated. Now everybody knows better, and the price, accordingly, has gone up. And, again, you know, and hindsight is always 20-20 – if we had bought it in 2001 at 110, we wouldn't be having this conversation. We'd be buying it at, you know, one-fifth (1/5) of the cost that we're looking at right now, roughly.

Mr. Snyder: I don't think it was ever presented to us, though. It never, never left – (inaudible)
Mr. Miller: I think at that point in time, there was concern about --
Mr. Snyder: It never left administration.

Mr. Miller: -- about the well field and concern about the condition of the property and potentially being contaminated.

Mr. Snyder: Yeah. I don't think it ever got into committee. Any comments from Council?
Mrs. Kiesling: You guys don't have anything to say?
Mr. Sarbach: I'm just listening.
Unidentified: (Inaudible) .... any comments from (inaudible)
Mr. Sarbach: What's our timetable on this? In other words –
Mr. Miller: The timetable, again, is –
Mr. Sarbach: Obviously, we have to have something done by May.

Mr. Miller: -- we've got until May 31st to exercise our option or lose it according to the document that's been signed at this point in time.

Mr. Pusateri: You can always extend that.

Mr. Miller: Always can try to extend that and always can go back and try to see if there's any more wiggle room out there. I know that the negotiations with Mr. Crowder and myself went on for quite a long time, and the bottom line when we knew that we were gonna get the 180 is when we got back down the appraisal price of what we're actually taking out of our pocket. That's when it actually became doable and we actually signed the Option. Because, otherwise, again, 17.5 really isn't justifiable if we're paying it out of our pocket. But bottom line is it's like, you know, right now buying a new car. The list price may be $21,000.00. But, ultimately, with rebates and everything else, we're paying 15. Same type of thing here. The list price may be 22.5 an acre or 17.5 an acre; but, ultimately, we're paying the $10,000.00 an acre.

Mr. Sarbach: If you get things up and running in order to keep your timetable and get three (3) readings, we're looking at mid-March, probably, at the very latest, to get this up and running.

Mr. Miller: Probably looking at trying to get something going as far as legislation then. And, again, that's why I'm bringing it up now and let people discuss it. You know, there's no secrets on this. There's no hidden agenda. Bottom line, we had in our long-term water plan to buy property to the north of the East Maple Well Field to try to preserve and protect that well field – wellhead protection. And this is just part of that plan. It's here a little early; because, I think, it was out near two or three. But, you know, the timing isn't something that, really, we can help. Bottom line – the other thing that we're looking at is we're not sure about NRAC funding beyond this third year. Legislature's got to re-up it. Legislature was talking about maybe not doing it this year. They did put the full money in. So, you know, 2, 3, 4 years down the line, the NRAC money might not be there any more.

Mrs. Kiesling: But if we were rights #1, wouldn't it still stay a high priority if we came back?
Mr. Miller: If we come back – if there's money there.
Mrs. Kiesling: Right.

Mr. Miller: But, if we come back and we had any opportunity to buy and now we have another opportunity to buy it, the committee will probably take that into consideration, too, when they do the writings – different points –

Mrs. Kiesling: Aren't you on that committee?
Mr. Miller: I'm the chairman of that committee.
Mrs. Kiesling: That's what I thought.

Mr. Snyder: I have a question, if I may, of the Finance Director, if possible. If you're not in the position, and I would understand if you could not answer, but, professionally, the impact to the Water Fund as to our debt service to remove 240, possibly 290,000 because of the potential of the pond, even though it may come back to us, is this – are we in a position, financially, to do that? Or –

Mrs. Herr: Well,

Mr. Snyder: Or is the fund still in its infancy to the point where we're a little premature in our ambition here?

Mrs. Herr: No, actually – first of all, obviously, this was not budgeted for 2005. And even though the amount net coming out of the Water Fund is the 240,000, if this goes through, we'd actually would have to spend the 540,000; and, then, the 120 and the 180 would come back to us as revenue. So, we would have to appropriate $540,000.00. If you look at the net, the 240, we do have funds within the Water Fund right now that we could appropriate the money. With the water rate increase, and not even factoring, you know, the Aqua Agreement or the Airport – additional revenue from the Airport, based upon estimated revenues and what our budget is, we do have an available resource that could fund this project, but that also means less money that's gonna be there at the end of the year to fund next year's projects. And, to be honest, you know, I know in the water rate study we had projects that were gonna be paid with cash and projects that were gonna be financed. I would like to see us be able to pay cash for as many projects as we can, because we are getting to the point where it's going to be, you know, with our fund balances slowly decreasing in total, there's gonna come a point where we might have some difficulty selling our notes. And, so, you know, I would like to see us be able to preserve as much cash as we can that we can pay for these, you know, upcoming water projects with cash rather than just, you know, going back to borrowing more and more money.

Mr. Snyder: Well, Mr. Miller, possibly another avenue you may want to explore – and I throw this only out for discussion to Council. (Inaudible) ...and we applaud you on your deal with consumers to $131,000.00. Possibly, some discussion might be done with Mr. Crowder that he take some type of installment to purchase on that property predicated on a portion of that money coming in for consumers. Based on the fact that it would be incumbent on anybody in business if you do not – if you spend money that's not been budgeted without any real way of recovering that fund – and, again, that scares me, because we are reaching the point where the bonding – or, you know, when you go out to sell your bonds – our ability – our debt to equity is imbalanced. I mean, we owe more money than we actually – three or four times our income. And, at that point, with no mechanism in place, to replace the money we're losing in income tax and future water funds, I don't know that that's a prudent investment to expend $240,000.00. But I'm sure Mr. Crowder is that ambitious to sell his property. He would entertain some type of creative financing. And, yet, we could still get our grant and take his money in an installment basis; because, again, that 131,000 projected, obviously, is not money that was either allocated. It kind of fell in our lap thanks to you and the Mayor. And it's very much appreciated. But, yet, at the same time, maybe we should allow the City to reap that benefit and not expend all their monies. Because it comes to a point when the next Council looks at the '06 budgets, there are waterlines, and there are people in the City who have rust in their water. I mean, I don't know that they would be very happy of the fact that we're telling – well, we bought this land; so we can't fix your waterline.

Mr. Miller: That – in all fairness, that can't be said, because we're not gonna not do another project because of this one. This one is out two years or three years. The one other thing that hasn't been mentioned is those 3 – or $783,000.00 coming in in OPWC money for interest – to pay the interest on the what's – it's called loan enhancement.

Mr. Snyder: Yes. I knew that.

Mr. Miller: That we got this here, so there's another amount of money that was not budgeted for. There's three so far, and the one is the Aqua Agreement if Council enters into it. The second one is Akron-Canton Airport. And the third one is the $783,000.00 as since we did the water rate increase and did that water rate study. So, we're going out and finding ways to sell more water and to make more money at the same time. And we're looking to follow a plan that we adopted, basically, when we did the water rate increase.

Mr. Snyder: Yet, we still have – it begs to the point we've got $15,000,000.00 worth of debt. That's what we're strapped with, and I mean, at one point, I mean, we were 3-4 years ago, we were zero debt. Now, all of a sudden, you know, we're in excess of $15,000,000.00 in debt; and that's a lot of debt when you have an income of some $5 million dollars, and you owe $15,000,000.00 out. I mean, again, I'm not – I'm just --

Mr. Peters: Hey, Jon.
Mr. Snyder: Yes, sir.

Mr. Sarbach: I know this is not my committee, but can I make a suggestion that this was for discussion only? Could we digest it a while. If we have questions, come back to administration – or suggestions and questions? (Inaudible) and conjure it a while and weigh the pros and cons – keep the dialogue open?

Mr. Snyder: Sure. I think that's prudent. Again, as I said, it is for discussion. How about if we (inaudible) ahead to the next Council-of-the-Whole Meeting.

Mr. Sarbach That's fine.
Mr. Snyder: That'll be around the 7th?
Mrs. Kiesling: Quick question for Julie before we go. Explain that 783,000 and what you plan on doing with it?

Mrs. Herr: That is, again, money that we have so far awarded. I don't know it's been officially awarded by the State.

Mr. Sarbach: We don't get a letter until July 1st, because that's the next funding here.

Mrs. Herr: So, it's been approved locally, but it hasn't been approved by the State yet. And that is additional money that we did not anticipate. It's basically to pay for the debt service on the OWDA loan that we have for the Water Treatment Plant improvement and expansion. So, and that is going to be surplus, but I know, based upon the projects that are in the water rate study that there is plenty of uses for that money down the road. But, again, you're right. It is – you know, we did not include that in our estimates. So it is, basically, a surplus.

Mrs. Kiesling: Is there – could the State not approve it? They're cutting our funds (inaudible).

Mr. Miller: In theory, they could, but so far in 19-20 years of OPWC, I don't think they've ever rejected something that the local district has done before. Could be a first.

Mr. Snyder: Any other questions on that? So, if that's find with the Committee and Council, we'll place that again for discussion on the 7th of the month under -- We'll see what we have. And I'm sure if you have any questions, Director Miller or Director Herr will gladly try to answer those questions previous to that meeting. There being nothing else – yes, we did receive the Fire Department Annual Report from the Mayor's office. You want to look through that?