

**THE CITY OF KENT, OHIO  
FINANCE COMMITTEE  
WED., NOV. 5, 2008**

This meeting of the Finance Committee of Kent City Council was called to order at 7:22 p.m. on Wed., Nov. 5, 2008, by Wayne Wilson, Chair.

**PRESENT:** MR. AMRHEIN, MR. DELEONE, MR. FERRARA, MR. HAWKSLEY, MR. KUHAR, MS. SHAFFER, MR. TURNER, MS. WALLACH, AND MR. WILSON

**ALSO PRESENT:** J. FENDER, MAYOR; D. RULLER, CITY MANAGER; J. SILVER, LAW DIRECTOR; J. WILLIAMS, FIRE CHIEF; J. PEACH, POLICE CHIEF; B. RISSLAND, DIR. OF BUDGET & FINANCE; AND L. COPLEY, CLERK OF COUNCIL

**Dave Ruller, City Manager**, explained they were fortunate to be the recipients of a few equipment rewards. He said Council must accept the grants. He introduced **Jim Williams, Fire Chief**, at this time.

Chief Williams said this is the third or fourth year they have received a grant from commercial equipment. He said these grants help communities such as Kent. Chief Williams said they are the recipients of a biosensor detector, which will help identify bio terrorism agents. He said this eliminates the time required to send a sample to Columbus for testing, which usually takes two or three days. He said this equipment would enable them to test something in about five minutes. Chief Williams said the military has had this for the last several years, and it is now available for local use and improves their capabilities. Chief Williams said if they purchased this equipment, it would cost \$15,000, so the grant represents a significant cost savings to the City.

Mr. Kuhar asked if they were getting this at no cost, and Chief Williams said that was correct. Mr. Kuhar asked how often it would be used, and the Chief said they do not know, but it will be shared with other agencies in the area. He said they have found other uses for some of the other equipment, as it can be used in a variety of ways. He said they are starting to see another white powder coming out, so they will be able to utilize the equipment. Chief Williams said it depends on what goes on in the society. Mr. Kuhar asked if it can analyze any chemical, and Chief Williams said it could analyze a lot of different things. Mr. Kuhar asked if it would tell them if something is bleach or ammonia, and Chief Williams said this would not, but the other piece they have will do that. He said it could tell how someone drinks their coffee; right down to the type of cream was used.

There was no audience comment at this time.

**MOTION TO ACCEPT THE BIOSENSOR DETECTOR FOR THE FIRE DEPARTMENT.**

Motion made by Mr. Hawksley, seconded by Mr. Kuhar, and carried by a voice vote of 8-0-1, with Mr. Wilson abstaining.

Mr. Ruller introduced **Jim Peach, Police Chief**, at this time. Chief Peach said he would try to be as eloquent as Chief Williams. He said they are awarded a grant from Homeland Security, adding it is the CEDAP grant. He said they are recipients of a thermal Imaging device that can be used in any type of weather. He said it can be used to detect suspects, victims, and lost people either during the daytime or nighttime. He said it could detect a person moving one hundred meters away. He said it is a state of the art piece of equipment, with a cost of \$17,500. He said it would enhance their capabilities and allow the community to be safer.

Mr. Kuhar asked if this would penetrate the collapse of a building, and Chief Peach said it is generally used for longer distances. He said this is more specific and detailed. Mr. Kuhar asked if they can look through a wall, and Chief Peach said they cannot, but they can look through the climate, smoke, and clouds. Mr. Kuhar asked if it is infrared, and Chief Peach said it is, and it will not penetrate hard objects.

There were no audience comments at this time.

**MOTION TO APPROVE ACCEPTANCE OF THE THERMAL IMAGING DEVICE FOR THE POLICE DEPARTMENT.**

Motion made by Mr. Ferrara, seconded by Mr. Kuhar, and carried by a voice vote of 8-0-1, with Mr. Wilson abstaining.

Mr. Wilson said the next issue deals with health care for retirees. Mr. Ruller said that **Barb Rissland, Budget & Finance Director**, felt this was worthy of discussion on how or if they should extend some of their coverage. He said the reporting requirements are changing, and this may be more expensive than it is worth.

Ms. Rissland said they have a limited number of retirees receiving insurance, adding it was eliminated from contracts in 1987. She said that approximately seventeen are receiving the benefit, with all but two being more than sixty-five years of age. He said the two who are not more than sixty-five are disabled. Ms. Rissland said that three of the spouses are less than sixty-five years of age. She said that once people are sixty-five, they are eligible for Medicare. She said they are in the third position, as Medicare pays first, with the pension second and then this insurance. She said they are probably paying as much in administration fees as this is being used. She said it is going to require additional reporting, and they may need to have it calculated by an actuary to put it on the books. She said she hated to spend the extra money for those getting few benefits. She suggested if they could determine the average amount of claims and life expectancy, they could take the present value, add an interest rate, and try to pay them off. She said the recipients could invest it or use it for medical, and the City would not have to pay the administrative fees. She said the retirees would have the same amount in their pocket.

Ms. Rissland said they also used to offer a limited form of life insurance in the amount of \$12,500. She said they have about sixty people receiving it. Ms. Rissland said she would like to calculate the present value and possibly eliminate some. She said at the time they purchased whole life, and paid in a lump sum. She said the interest was to pay the premium. Ms. Rissland said as the interest rate dropped, the insurance company wanted more money. She said the retirees could do better by investing it, instead of the interest rate the City is getting after they pay administrative fees. She said if this makes sense to them, she could run some numbers and come up with some information for them.

Mr. Ruller said they were not asking for a decision, adding they just wanted to know the Council's thoughts.

Ms. Wallach asked if the money given would go into a special account, and Ms. Rissland said it would not. Ms. Wallach noted they could put siding on their house, and Ms. Rissland said they could do that but then they would not have it for medical claims.

Ms. Shaffer asked if Ms. Rissland was recommending paying this in one lump sum or spreading it out over time. Ms. Rissland said she was recommending one lump sum, especially with the life insurance. She said they could take the current cash surrender value, and would pay it so it is not on their books. She said this would eliminate having to get an actuarial figure.

Mr. Kuhar asked if this would be an option or a mandated choice, and Ms. Rissland said it is their call. She recommended giving them an option. She said if they could whittle down the numbers, she could work with the auditors to see if they could get it down. She said it is Council's call if they want to mandate it, adding she is unsure how they could eliminate it.

Mr. Kuhar asked if it is a matter of a contract if it is not an obligation, and Ms. Rissland said they do not offer it now. Mr. Silver told Mr. Kuhar that was correct.

Mr. Turner asked Mr. Silver to explain further. Mr. Silver said when the retirees worked at the City; the contract said they were entitled. He said they could take them to court. Mr. Silver said if they offer the retirees something to make it go away, it is legal and is an exchange.

Mr. Ferrara asked if a majority accepts it, does everyone have to accept it, and Ms. Rissland said they would not. Mr. Ferrara commented they would still be stuck, and Ms. Rissland agreed.

Ms. Wallach said that if fifteen accepted and two do not, would the effort be less for two. Ms. Rissland said she would argue at that point that it would be immaterial. She said these people retired more than twenty years earlier, and they will just deal with it over time.

Mr. Turner asked if she would get back to them with a cost benefit analysis, and Ms. Rissland said she would, if they are interested. She said she was not going to do the research if they were not interested.

Mr. Wilson asked Ms. Rissland if she wanted a motion to continue forward, and Ms. Rissland said she would appreciate it.

**MOTION TO AUTHORIZE FURTHER RESEARCH INTO THE ISSUE OF INSURANCE FOR THE RETIREES, WITH THE ADMINISTRATION RETURNING WITH SOLID NUMBERS.**

Motion made by Mr. Kuhar, seconded by Mr. Hawksley, and carried by a voice vote of 8-0-1, with Mr. Wilson abstaining.

Hearing no further business before this Committee, Chair Wilson adjourned this meeting at 7:35 p.m.

Linda M. Copley, Clerk of Council

**ACTION RECOMMENDED:**

- 1) **TO ACCEPT THE BIOSENSOR DETECTOR FOR THE FIRE DEPARTMENT**
- 2) **TO ACCEPT THE THERMAL IMAGING DEVICE FOR THE POLICE DEPARTMENT**
- 3) **TO AUTHORIZE FURTHER RESEARCH ON THE ISSUE OF INSURANCE FOR RETIREES; WITH THE ADMINISTRATION RETURNING WITH SOLID NUMBERS**