



TOWN COUNCIL
Special Meeting
Cape Charles Civic Center
March 4, 2021
6:30 PM

At approximately 6:30 p.m. Mayor William “Smitty” Dize, having established a quorum, called to order the Special Meeting of the Town Council. In addition to Mayor Dize, in attendance were Vice Mayor Bennett, Councilmen Buchholz, Follmer and Grossman, and Councilwoman Holloway. Councilman Bannon was not in attendance. Also, in attendance were Town Manager John Hozey, Capital Projects Manager Bob Panek, Human Resources Manager Jodi Outland, Community Relations Manager Jennifer Lewis and Town Clerk Libby Hume. There were two members of the public physically in attendance, and 13 viewers on Facebook Live.

PUBLIC COMMENTS (ON AGENDA ITEMS ONLY):

Beth Walker, Assistant Secretary of Cape Charles Rosenwald School Restoration Initiative, Inc.

Ms. Walker stated that Ms. Tevya Griffin had submitted a letter to be read into the record and she and Charles Williams were here to answer any questions. Ms. Walker thanked Council for their consideration.

Town Clerk Libby Hume read comments submitted in writing from Tevya Griffin, president of the Cape Charles Rosenwald School Restoration Initiative, Inc. (Please see attached.)

There were no other comments received in writing prior to the meeting or during the public comment period.

SPECIAL MEETING ORDER OF BUSINESS:

A. Health Insurance Renewal Presentation:

Human Resources Manager Jodi Outland presented Council with information regarding the 2021-2022 employee health insurance plan options. (Please see attached.)

Motion made by Councilman Buchholz, seconded by Councilman Follmer, to move the coverage back to Anthem and maintaining the same benefit structure as the 2020-2021 plan year as recommended by staff. The motion was approved by unanimous vote.

B. Real Property Disposal:

Town Manager John Hozey explained that the Town owned tax parcel 83A3-A-14, which was currently leased to South Port Investors, LLC, with the exception of the northern portion which was reserved for the wastewater treatment plant and future expansion. The original lease was to the Industrial Development Authority as part of the Sustainable Technologies Industrial Park (STIP) and was assumed by South Port Investors when they purchased the STIP. The Cape Charles Rosenwald School Restoration Initiative (CCRSRI) owned tax parcel 83A4-A-23 fronting Old Cape Charles Road and bounded by the Town’s property on the north, south and west. South Port was supportive of CCRSRI and would consider terminating their lease if the Town would consider transferring a portion of parcel 14 to CCRSRI to allow them to better develop their existing property to hold fundraising and other community events. CCRSRI would also like to clean up and preserve the natural area in the center of parcel 14, which was currently undevelopable since it was in the resource protection area (RPA). This would be a win-win transaction in that the Town would regain immediate access to usable portions of the parcel while helping the CCRSRI effort. Town staff, CCRSRI and South Port Investors developed a proposed real property conveyance that met the needs of CCRSRI and preserved the Town’s ability to expand public facilities in the future. The Code of Virginia § 15.2-1800 allowed a locality to dispose of real property by either public or private sale and required that a public hearing be held prior to disposal. Code of Virginia § 15.2-2100 also required that such sale be made pursuant

to an ordinance passed by a recorded affirmative vote of three-fourths of Council. Parcel 14 would need to be subdivided prior to disposal action.

Council had some questions for Ms. Walker.

Ms. Walker stated that CCRSRI had plans to hold outdoor activities on the property and to create winding paths which were symbolic of the different paths people took in their lives and different obstacles people faced. CCRSRI had looked at the area and were aware of the restrictions in the RPA.

Councilman Buchholz questioned if non-permanent structures could be constructed in the RPA.

Capital Projects Manager Bob Panek stated that walkways could be construction and explained that the RPA was the 100-foot buffer from the wetlands, not the actual wetlands.

Beth Walker added that, assuming that gatherings were permitted in May, CCRSRI proposed to hold a clean-up event asking for volunteers to help with the effort.

There was a consensus among Council to move forward with the disposal of a portion of parcel 14 as discussed.

TOWN MANAGER COMMENTS

John Hozey commented on the following:

- 1) The draft Community Strategic Plan was released to the public on Monday, March 1. He tried to disseminate it as widely as possible via a Special Gazette, on Facebook, Nixle, etc. He also made a video as suggested and posted it on Facebook. There were 140 views so far on Facebook when he checked earlier today. A public input session was scheduled for Saturday, March 13, beginning at 2:00 p.m. The session would strongly resemble a public hearing format with public attendance being limited to ten at a time in the building. The Governor did not lift the restrictions for indoor attendance and removed the government exemption. The meeting would last as long as it took to hear from everyone. There would be no deliberation during Saturday's meeting. A work session was scheduled on March 18 as part of the regular Council meeting and Council would have the opportunity to consider all comments and offer adjustments to the plan. If Council felt comfortable with the changes, they could go back into the regular meeting and approve the plan. If there were extensive revisions to be made, another meeting would be scheduled for Council to review the plan for approval.
- 2) His next big project was the Historic District Review ordinances and guidelines. He began reviewing the documents and requested time with Councilman Grossman next week.
- 3) He submitted a letter to the editor of the Eastern Shore Post in response to two recent letters to the editor regarding the unsolicited proposals. His letter was accepted and would be published either this week or next.
- 4) If Council had no objection, he would be taking Friday off. The weather had been dry all week and he had a lot of outdoor work to be done.

MAYOR AND COUNCIL COMMENTS

Mayor Dize expressed his appreciation to Council, Planning Commission and staff for all the hard work that went into the strategic planning sessions and development of a plan. It was a good plan and now Council needed to figure out how to pay for the projects.

Councilman Follmer reiterated his thanks to John Hozey for his leadership and it was exciting to see us all come together as a group to focus on strategy. It was a lot of work over three days. He thanked the Planning Commission and staff who spent time with Council during this process. It was a living document with an easy format to read. He added that it was critical for implementation to obtain everyone's input, including the residents in the community. He asked the community to review the plan and provide their input.

Councilman Grossman reminded Council of the March 8 deadline to provide their input regarding the town manager's performance evaluation.

Vice Mayor Bennett echoed the thoughts of Mayor Dize and Councilman Follmer regarding the strategic plan. He had been on Council for 12 years and had gone through the process a couple of times, but Council had never gotten past the brainstorming session. He was excited about where we were and where we were headed and having someone in the town manager seat to ensure the plan moved forward. It was important to obtain public input and it was a shame that we could not get a large group of people together at this time. When Council held the meeting to discuss the parking issue, there were over 50 people in attendance, and it was a great session. He looked forward to when this type of meeting could be held again. On the flip side, John Hozey uncovered and reinforced the fact that the Town had been in a deficit spending mode for several years, and it was now time to pay the piper. He appreciated John Hozey's work to get us to this point.

Councilwoman Holloway commented as follows: i) She expressed her concurrence with Vice Mayor Bennett, especially his last comments and added that it was important for the public to look at the plan. Priorities needed to be made as a group and it would take some difficult decisions to prioritize and make things happen. She asked the public who was listening on Facebook, to help. Everyone needed to be braced for the difficult decisions. She encouraged Council to share John Hozey's video and information on Facebook. Anyone involved in churches, and community groups needed to pass along this information. Cape Charles Main Street would be putting out the information tomorrow in a Main Street Connect; and ii) She congratulated the public works crew for the installation on the new street signs which looked wonderful. She thanked Public Works Manager John Lockwood for all the hard work to make it happen.

Councilmen Buchholz concurred with everything already stated by the Mayor and Council. Public input was definitely needed for the strategic plan. The more people involved, the better the plan would be. Everyone needed to be on the same page.

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to adjourn the Town Council Special Meeting. The motion was approved by unanimous vote.

The meeting adjourned at 7:16 p.m.

Mayor Dize

Town Clerk

**Comments & Information Provided in Writing
March 4, 2021 Town Council Special Meeting**

Tevya W. Griffin, President, Cape Charles Rosenwald School Restoration Initiative, Inc.

Board of Directors

*Tevya W. Griffin, President
Pastor Felton Sessoms, Vice President
Michael Chandler, Treasurer
Shirley Galloway, Financial Secretary
Cheryl Fenderson, Secretary
Beth Walker, Assistant Secretary
Eyre Baldwin
Charles Bell
Bishop James E. Davis, Jr.
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Dr. Cynthia Jacobs Carter
William Knight
Mabel Mitchell
Roberta Newman
Beth Walker
Charles Williams
Dr. Linda Schulz*



**Cape Charles Rosenwald School Restoration Initiative, Inc.
P.O. Box 294
Cape Charles, Virginia 23310**

March 2, 2021

Honorable Mayor William Dize and Cape Charles Town Council
2 Plum Street
Cape Charles, Virginia 23310

Dear Mayor Dize:

On behalf of the Board of Directors of the Cape Charles Rosenwald School Restoration Initiative, Inc. this letter is written to express appreciation of the continued support of our organization and its mission. Specifically, the Board extends our gratitude for the sale of public land to the Initiative located adjacent to our property at 1200 Old Cape Charles Road.

We see this beautiful area as an extension of the indoor spaces used for innovation, learning, gathering, and discussion. The open space will provide additional opportunities for meditation, and events. The Board envisions an interpretative walking trail, a public art element, and a nod to the rich history of the school, and its community with an annual May Day festival. To say we are excited and ready to advance is an understatement. This purchase will move us closer to our goal and bode favorably as we begin a rigorous funding campaign.

As in the past, the Board will continue to keep the Town of Cape Charles abreast of our progress as we move forward.

With Kindest Regards and Appreciation,

Tevya Williams Griffin, AICP
President
CCRSRI, Inc.

Item #3A – Health Insurance Renewal Presentation



HEALTH INSURANCE RENEWAL

2021-2022

SUMMARY

For the past two years town employees have been covered by ALLIED, which uses the Cigna network. In 2019 the town moved to a “self funded” plan. A “stop loss” prevents the town from incurring any liability for excessively large claims, however, claim history affects premiums for the following year.

Because of claim history, Allied imposed a large increase to the town. Not only that, but feedback from employees showed that Rx were more expensive, the network was not as expansive as Anthem and customer service was less than stellar.

The town proposes to make the move back to Anthem, but to stay with a self (level) funded plan. Taking advantage of level funding premiums with more options for the employees is a win-win. As you will see in the next few slides, the town will be able to offer a cost effective health insurance plan for 2021.

Dental premiums have remained the same and employees still have the option to enroll in a Flexible Savings Account as well as voluntary vision and AFLAC products.

- For 2020-2021 the predicted annual cost was \$227,522 based on 28 employees. The actual cost for the plan year was \$220,542 (\$6,979). This can be attributed to employees who ultimately chose a lower cost plan that was paired with a \$500 FSA, and attrition.
- We learned that two factors boosted morale and put money into employees hands: the \$500 FSA and the \$100 monthly subsidy for dependents.
 - The cost of an employer funded FSA ends up being less of a cost to the Town than the premium of the more costly, lower deductible, plan.
 - The subsidy helps offset payroll deduction costs for employees with dependents. Also, by encouraging employees to enroll their dependent children, it lowers our age demographic and brings down premium costs.

NEW PLAN YEAR: 2021-2022

ANTHEM PLAN	1	2	3
DEDUCTIBLE	\$500	\$2,500	\$4,000
Out-of-pocket max	\$6000	\$6,500	\$7,500
Co-insurance	20%	20%	20%
Copay for PCP	\$25	\$40	\$40
Copay for specialist	\$50	\$75	\$75
Employee-only premium (monthly)	\$549.62	\$484.25	\$450.28

COMPARISON

2021-2022

2020-2021

PLAN	ANTHEM 1	ANTHEM 2	ANTHEM 3	CIGNA 1	CIGNA 2
Deductible	\$500	\$2,500	\$4000	\$1,500	\$3,500
Out-of-pocket max	\$6000	\$6,500	\$7,500	\$7,900	\$7,900
Co-insurance	20%	20%	20%	30%	20%
Copay	\$25	\$40	\$40	\$35	\$35
Employee only premium (monthly)	\$549.62	\$484.25	\$450.28	\$677.15	\$589.81

MEDICAL INSURANCE COST SAVINGS FOR THIS YEAR:

- 2020-2021 Actual Cost: \$220,542
- 2021-2022 Proposed Cost: \$165,990
- Savings over last year \$54,552

WHAT ABOUT THE REAL BENEFITS?

- Continue to cover the employee-only premiums at 100%.
- Propose again this year to give employees who enroll in the higher deductible plan a \$500 funded FSA.
- Keep the \$100 per month subsidy for dependent costs for plans 2 & 3.
- Propose to give employees who take Plan 3, (\$4000) deductible *with dependents*, a \$500 funded FSA as well. – this would be new for 2021-22. It helps contain some costs for the Town and it helps employees who need to minimize their payroll deductions.
- As the Town did last year, provide monetary increases of salary to Medicare eligible employees who enroll in Medicare which helps them to afford their Medicare premiums every month. Also, provide subsidies for dental and vision coverage. This cost is still lower than the monthly cost of group insurance.
- As has been done in past years, provide a \$500 funded FSA to any employee who waives the health insurance and dental and vision subsidies.

HOW DOES THIS NOW LOOK FOR THE EMPLOYEE:

- Employees with children covered by their insurance plan who move from the CIGNA \$3,500 to the Anthem \$4000 plan will save \$ 70 per pay period, \$1,820 a year! And they will have \$500 in an FSA to spend on medical expenses.
- Employees with children, who move from the \$3,500 deductible to the \$2,500 deductible plan will save \$ 42 per pay period or \$1,092 per year!

Who would not want to come work for the Town with these great benefits!



LET'S TALK OVERALL SAVINGS:

Once we calculate the funded FSA's, subsidies and Medicare salary increases what do the final savings look like:

- 2020-2021 \$250,318 annual cost
- 2021-2022 \$207,228 annual cost (proposed)
\$43,089 savings from last year (17.2%)*

*Recommend that a portion of savings is put into contingency fund for possible future employee turnover.

