



TOWN COUNCIL
Public Input Session & Special Meeting
Cape Charles Civic Center
March 2, 2023
6:30 PM

At approximately 6:30 p.m. Mayor Adam Charney, having established a quorum, called to order the Work Session of the Cape Charles Town Council. In addition to Mayor Charney, in attendance were Vice Mayor Bennett, Councilmen Buchholz, Butta, Follmer and Grossman, and Councilwoman Holloway. Also, in attendance were Town Manager John Hozey, Human Resources Manager Jodi Outland, Special Assistant to the Town Manager Julie Pruitt, Planner/Zoning Administrator Katie Nunez and Town Clerk Libby Hume. There were 5 members of the public physically in attendance and 17 viewers on Facebook.

PUBLIC INPUT SESSION RE: 2023 COMMUNITY STRATEGIC PLAN:

Town Manager John Hozey explained that the public input portion of this meeting would be more informal than a regular public comment period. Members of the public and the Mayor and Council would be able to ask questions and have discussion regarding the draft strategic plan. The agenda contained links to the 2022 Community Survey, and data from the survey were used to draft the strategic plan. There were two appendices included in the plan. Appendix A was the Cape Charles Comprehensive Plan Summary of Objectives and Strategies, and appendix B was the Ongoing Town Priorities List that was discussed by Council at their February 9th work session.

Mayor Charney opened the floor to the public.

Mr. Phil Goetkin began by stating that the strategic plan was an excellent document which would help with decision making. He was in attendance this evening to express his support for the plan and to elevate the priority for the Town's natural resources, tree canopy and natural and designed landscapes. It was really good to see Environmental Stewardship listed as one of our community values (page 3), planning for coastal resiliency, and protecting and improving public green/open space infrastructure as goals (page 4), but there were no objectives listed to support the goal to protect and improve public green/open space (page 7). He suggested the addition of the following language: "Protect and improve the tree canopy and other designed or natural landscapes in public spaces." Mr. Goetkin continued to state that it was fantastic that almost all of the items listed under Environment on Appendix A (page 11) related to the tree canopy or designed and natural landscapes. Coastal resiliency was listed as item 16 on Appendix B – Town Priorities (page 12), but there was no mention of protection of green space, and he hoped that this would be added in the near future, if it couldn't be added now. He suggested inclusion of a priority to protect and improve the tree canopy and other natural and designed landscapes. The strategic plan mentioned green space, etc. but they were not shown in the priority list. He felt that this needed a higher priority in the short run and not just a vague distant dream. The tree canopy needed to be included as a goal with the development of a tree planting plan, improved tree maintenance, reduction of non-native species to reduce reliance on certain trees, to reach the goal. Crepe myrtles were beautiful trees but served no benefits for the environment or protecting habitat. The Tree Advisory Board met with John Hozey and would be making some proposals to include funding in the budget for natural resources, tree canopy and design and natural landscapes.

John Hozey commented that the strategic plan had more general objectives, with the specific ones being in Appendix B. In the current budget, all items of this nature were grouped together in the Public Works budget, but he intended to include funding and break out each item in the budget for easier tracking.

Mr. Sam Jones thanked John Hozey and Council for the work done on the plan adding that he had several thoughts. i) A request for proposals (RFP) was out for the development of the library. The document outlined the development of the library building and allowed for the potential for the developer to purchase the building and lease the first floor back to the Town. He encouraged the Town not to sell the first floor since control would be lost, even if the Town were to lease it back. ii) Short-term rentals had been mentioned several times with the idea of bringing members of the groups and public together to form a committee to review the issues. He suggested a moratorium on new short-term rental properties until the committee work was completed. A balance was needed and the issues of trash, noise, parking, and the overall character of the Town needed to be addressed; iii) Under the goal of retaining the small-town character of the Town, one of the objectives listed was "Develop volleyball/basketball courts." The word "develop" was a strong word and he advised Council to consider whether that was the right term.

John Hozey responded as follows: i) The requirement of the RFP was for the developer to condominiumize the building so the Town could retain ownership of the library portion. An option was to offer the Town to lease back the space, but it was not our first choice; ii) Regarding short-term rentals, there was no legal avenue for the Town to put a moratorium on new short-term rentals. John Hozey invited Mr. Jones to meet with him if he had any ideas; iii) The volleyball/basketball courts were one of the objectives in the strategic plan but was not on the priority list. It was of interest in the 2021 survey, and was discussed but was not an item for implementation at this time.

Mr. Jon Dempster expressed his concern about the variety of housing options for the workforce. He felt that The Shanty had contributed a lot to the growth of Cape Charles. When he opened The Shanty in 2012, over 60% of his staff lived in Cape Charles, now only 3 of 54 employees could afford to live in town. With wanting more businesses and tax revenue, the Town had pushed the working people out of town. The Shanty had been operating with about 75% less seating now than in 2017 due to staffing issues. There was no housing in town and there was no middle class left in this town. He asked what the Town was doing about this issue.

John Hozey responded that the Town was actively working on the issue and Town Priority #7 was to work with developers/agencies to facilitate workforce housing. The Town was fortunate to be working with a developer on a 60-unit workforce housing project. If this first phase was successful, the developer may replicate the project for another phase. The necessary zoning issues were resolved, and the next step was the utilities. The Town was moving forward with the water infrastructure with the connection of the Keck Wells and there were plans to also include infrastructure to bring the treated water back. He was meeting with the Northampton County administrator next week to discuss funding for the sewage portion of the project. Mr. Marine's project included a variety of units to accommodate multiple needs. The Kiptopeke Inn was another option.

Mr. Dempster stated that the Kiptopeke Inn was not feasible at \$1,150 per month. A lot of the seasonal employees did not have transportation. When The Shanty first opened, many of the employees bicycled or walked to work. The Town was promoted as a destination and the visitors' expected service was not what they would receive, and this issue kept him awake at night.

Councilwoman Holloway added that the county was working with Star Transit to provide transportation from the Kiptopeke Inn.

Mr. Dempster stated that the area had a need for seasonal workforce housing. Many employees were laid off in October so would not be able to pay their rent in the off-months. He had arrangements for 7 workers coming down from Vermont. He had rented a home and was paying rent on it to house these employees. He lost \$20K per month in January and February to keep his staff working so he would have staff during the season. He did not believe the planned workforce units were the answer to this issue. The Town had become a seasonal resort town and seasonal resort staff came here from

other areas. They did not need year-round housing, and he was not the only business in Town in this situation.

Vice Mayor Bennett stated that he had heard Mr. Dempster's problems adding that ideas for good solutions were needed.

Councilman Follmer stated that Cape Charles was a small town, and when he looked at the accomplishments made during the last year with the Town's limited staff, it was very impressive. Staff did not have the bandwidth to do it all. Cape Charles had been discovered and the amount of work increased. He saw this as a circular conversation with no resolutions. We need to look at other communities to see what worked there. Councilman Grossman had taken on the project of researching other localities. The tourism market might change overnight, but the Town could not react and resolve matters that quickly. The Town/Cape Charles Main Street did not promote the summer season but worked to bring in needed business in the off-season. This issue was not going to be resolved overnight.

Town Clerk Libby Hume read an email from Ms. Bonnie Moore as follows:

"The updated strategic plan looks great. I am especially excited to see recycling and sidewalk connectedness on it – both would be wonderful additions in Cape Charles. The tree canopy, high quality drinking water and Rails to Trails sound great, too. Keep up the great work."

Mr. Kevin McGovern asked if there were any plans in the future to work on the roads in Town. Some had a heavy crown and hurricane ditches. They were inconsistent and he did not think they were at a proper pitch. He understood that Cape Charles was an old town, but he had seen plans on agendas related to sidewalks, etc. but nothing related to the roads. Was it up to VDOT to do something? The top of Fig Street and Jefferson Avenue were technically below grade. Jefferson Avenue might have been raised at one time for drainage issues but now, the houses there were below the level of the road and did not meet the code for drainage and something needed to be done, even if it was done one street at a time.

John Hozey responded that yes, roads were VDOT's responsibility, as well as the sidewalks. This would be an enormous project. The Town had pursued sidewalks with VDOT with success. VDOT spent over \$1M upgrading the sidewalks in town, but there was only so much we could squeeze out of them at one time.

Councilman Grossman added that the VDOT funding issue also needed to be addressed. VDOT had a strategic plan and a grading system. He had seen various roads that were prone to flooding being redone but there was a process. He did not have much hope of approaching VDOT with a Town plan of this magnitude.

There were no more questions or comments from the public in attendance.

ORDER OF BUSINESS:

A. *2023 Community Strategic Plan & Priorities:*

Town Manager John Hozey stated that it was discussed at the February 9th work session to add the Comprehensive Plan Summary of Objectives and Strategies as an appendix to the strategic plan. He also included the ongoing town priorities as Appendix B so everything was included in one document. John Hozey went on to state that about 90% of work done by staff went unnoticed and some were very time consuming, but were not included on the list of priorities as they were part of the job. It was important for the public and Council to be reminded of the amount of work for staff. Items 13 (update of municipal code) and 14 (updated of Accawmacke Plantation PUD) were part of the job since the Town could not operate without a working municipal code nor zoning actions. His recommendation was to remove these two items from the list of ongoing town priorities since he was already working with the clerk on #13 and with Katie Nunez on #14.

There was some discussion regarding inclusion of Mr. Goetkin's comments and suggestions and the appropriate sections were identified.

Motion made by Councilman Butta, seconded by Vice Mayor Bennett, to adopt the 2023 Community Strategic Plan.

Motion made by Councilwoman Holloway, seconded by Councilman Butta, to amend the strategic plan goals/objectives (page 7), adding under "To protect and improve public green/open space infrastructure" as item B, Mr. Goetkin's suggested language stating "Protect and improve tree canopy and other designed or natural landscapes in public spaces." The motion was approved by unanimous vote.

Councilman Buchholz stated that the Town priorities would be reviewed in about six months and Council could discuss Mr. Goetkin's second request related to the addition of the protection of green space to the list of priorities.

Motion made by Vice Mayor Bennett, second by Councilman Buchholz, to delete items 13 and 14 from Appendix B. The motion was approved by unanimous vote.

With no other discussion, Mayor Charney asked for a vote on the original motion to adopt the 2023 Community Strategic Plan.

The motion was approved by unanimous vote.

B. 2023-2024 Employee Health Insurance Presentation & Renewal:

Human Resources Manager Jodi Outland presented the 2023-2024 Employee Health Insurance Benefit Package. (Please see attached.)

Jodi Outland informed Council that she received another 69-page document outlining medical coverage details through The Local Choice, but she had not had the opportunity to review the information. The Local Choice program was not an option at this time since the Town's current medical insurance would expire March 31st, and The Local Choice program had an effective date of July 1 or October 1. Upon review of the information, is she felt that The Local Choice was a better option for the Town, she would be back to present the information to Council over the next few months.

John Hozey thanked Jodi Outland for her hard work in researching various plans, especially the new Wellness Program, which he strongly supported and encouraged. If our employees were healthy, the Town would get a return in our investment by increasing morale and productivity of the employees and potentially reducing the number of insurance claims and sick days. He asked Council to review the Wellness Program and offer any suggestions since this was a new program which could be updated as we went forward.

Motion made by Vice Mayor Bennett, seconded by Councilman Butta, to approve the 2023-2024 medical benefit packet and wellness program as outlined. The motion was approved by unanimous vote.

TOWN MANAGER COMMENTS

John Hozey announced that Saturday, March 4th, was Cape Charles Day. The plan was for anyone interested in assisting with the spruce up of the Town to meet at the beachfront at 10:00 a.m. A map of the suggested areas would be distributed, and teams could be chosen. The Mayor and Council members would be the team leaders. Public Works provided hand tools and trash bags, as we had snacks and water for everyone as well. Afterwards, everyone was invited to Central Park for hot dogs, sausages, chips and cookies along with a meet and greet with the Mayor and Council members. Staff would also be on hand to answer any questions and provide information on a variety of items.

He asked the Council to wear their Town shirts and apologized that shirts had not yet been ordered for the Mayor and Councilman Butta.

Councilwoman Holloway suggested that if the Council members had not shared the Cape Charles Day event on Facebook yet, to please do so to get the word out. Many forgot about the shredder truck which was also part of Cape Charles Day. It was another service provided and a great way to clean house.

MAYOR & COUNCIL COMMENTS

Councilman Follmer commented as follows: i) He thanked Jodi Outland and expressed his amazement at the magic she did every year with the premiums. What began with a 48% increase in premiums had been reduced to 20%; ii) He thanked staff for the work on the new use of Town facility forms which was long overdue. The new form and manual were very well done; iii) Regarding the demolition by neglect issues, he thanked staff for working to resolve the first case and asked for an update on the other properties, and the prioritization of properties to be done next. He received a lot of questions regarding this issue and appreciated the great job done on the first property.

Vice Mayor Bennett stated that he had chosen a week without a Council meeting to go out of town on vacation, but did not think about it being Cape Charles Day week. He would be leaving Saturday morning and apologized that he would not be able to participate.

Councilman Butta stated that the Northampton County Job Fair was scheduled for March 25th at the YMCA from 11:00 a.m. until 2:00 p.m. There was still time to get a table. Last year there were about 40 employers, and he was hoping to expand the numbers. It was a good place to find employees. Interested businesses should contact Cape Charles Main Street to sign up.

Councilwoman Holloway commented as follows: i) A Rail to Trail public hearing was scheduled for March 13th from 4:00 to 6:00 p.m. at the Eastern Shore Community College. She encouraged everyone to attend to learn more about this project; ii) The Community Yard Sale was scheduled for April 1st and the merchants on Mason Avenue and Strawberry Street would also be having sidewalk sales; iii) The weekend of April 21st was a big weekend with the Blessing of the Fleet on April 21st. The Cape Charles Main Street Love Run would be on April 22nd and included 5K and 10K run/walks. The Eastern Shore Garden Tour was also on April 22nd, and the Blessing of the Worms would be on April 23rd.

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

The Public Input Session & Special Meeting adjourned at 8:06 p.m.

Mayor Charney

Town Clerk

March 2, 2023 Town Council Public Input Session & Special Meeting Comments and Information Provided in Writing

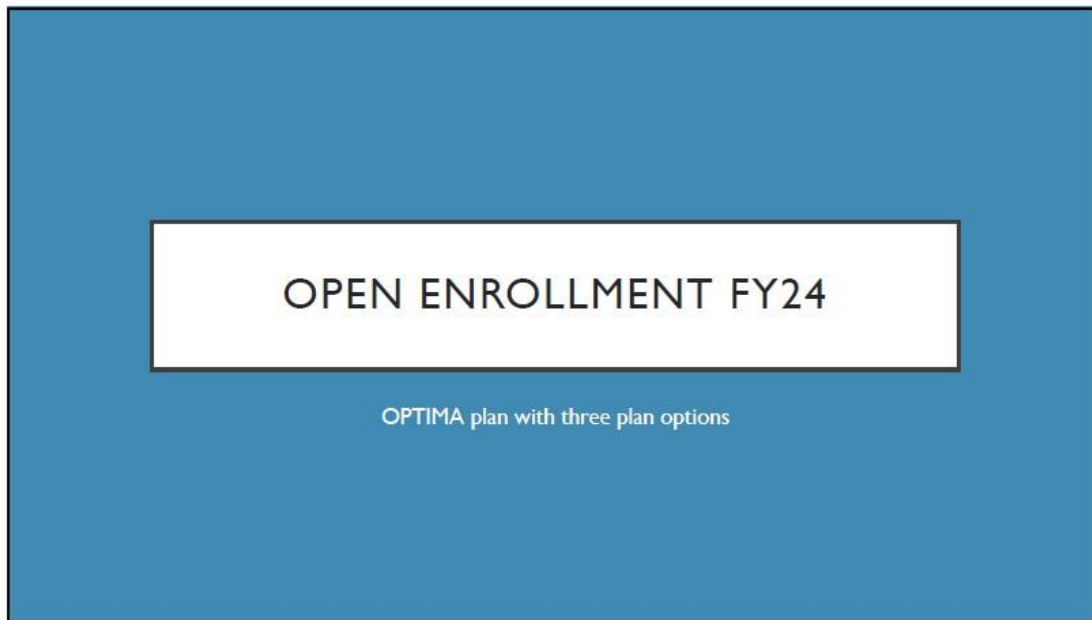
Bonnie Moore, resident

Subject: Comments on Community Strategic Plan

The updated strategic plan looks great. I am especially excited to see recycling and sidewalk connectedness on it - both would be wonderful additions in Cape Charles. The tree canopy, high quality drinking water and Rails to Trails sound great, too. Keep up the great work :)

Thank you,
Bonnie Moore

2023-2024 Employee Health Insurance Presentation



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OPEN ENROLLMENT2023-2024

Our Anthem (level-funded) renewal came back with a 48% increase in premiums.We knew right then, it was time to dig deep and shop around:

- Our brokers with Virginia Farm Bureau presented three traditional ACA plans: United Healthcare, Anthem and Optima.
 - All the plans within our targeted budget were similar in plan design. Higher deductibles with co-pays as well as *High Deductible Health Plans (HDHP)* with H.S.A. We favored Optima as the premiums were more affordable and the network is strong as they are owned by Sentara
- The Town is also currently exploring *The Local Choice* which provides health coverage to local jurisdictions.We have submitted our application and censuses and if we can find affordable feature-rich plans, this is an option for the Town this fiscal year.TLC only offers two effective dates: July 1st and October 1st.We would start with Optima and convert to a short plan year, then switch over to TLC.The Town will weigh the pros and cons if it is worth presenting this to Council as an option this summer.
- The Town has also explored joining a *Captive*. This is a strength by numbers approach which pools together the members and spreads liability over the entire pool. It is a self-insured plan with a stop loss which, if the claims are low, may result in a credit (much like we had applied this current plan year). While we may explore this in FY 25, the premiums were higher than Optima and plan design was not any more lucrative

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HISTORY- MEDICAL PLANS

Plan Year	TOWN Covered Portion	PLANS OFFERED Deductible/monthly cost	DEPENDENTS	Actual Cost
2022-2023	\$595.00 monthly	a. 500/\$835.15 b. 2,500/\$556.32 c. 4,000/\$515.24	Allow for only a 5-7% increase for dependent premiums from FY22 to FY23.	\$199,183 w/ subsidy
2021-2022	\$549.62/ monthly	a. 500/\$549.62 b. 2,500/\$484.25 c. 4,000/\$450.28	\$100 subsidy per month for dependents	\$170,276 w/ subsidy
2020-2021	\$677.15/ monthly	a. 1,500/\$877.15 b. 3,500/\$589.81	\$100 subsidy per month for dependents	\$218,659 w/subsidy
2019-2020	\$600.00/ monthly	a. 1,500/\$519.53 b. 3,500/\$457.28	use difference in actual premium i.e. \$600-\$519.53= 80.47	\$164,778

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CHALLENGES TO FIND THE WIN-WIN

- The plans that the Town is presenting for FY 24 do differ significantly from what has always been the norm. In order to contain costs for both the Town and the employees, moving to plans with higher deductibles was inevitable in this current climate of such large increases. Offering a "High Deductible Health Plan" (HDHP) that has the option of the H.S.A. (Health Savings Account) is a plan we have considered in the past, but had yet to implement.
- The challenge for our group is the significantly higher out of pocket costs for health care, coupled with higher premiums/payroll deductions.
- Another challenge is, how can we reduce our history of high claims which would help the Town find affordable health plans in the future?

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POPULAR DESIGN

- Across the board, employers offering plans with high deductibles, whether or not a traditional HDHP plan, reduces the costs to employee's pocketbooks by setting up a Health Savings/Reimbursement Account which puts money into an account specifically to be used for medical expenses. (Much like the FSA). These are tax-free funds that can help employees pay for expenses while meeting the high deductible.
- As a matter of fact, much of our plan design and cost sharing approach is directly contrived from what other public sector employers are offering. The Town did a large survey in real time to gather data on what is being offered and how costs are being shared between employee and employer. Our proposal is based on these findings.

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PREMIUM COST SHARE

*TOWN PAYS 90% of the SINGLE- EMPLOYEE ONLY RATE. In addition, TOWN PAYS 40% of the EMPLOYEE'S DEPENDENT COSTS

	PREMIUM	EMPLOYEE PAYS	EMPLOYER PAYS	EMPLOYER-MONTHLY per employee	EMPLOYER-FOR DEPENDENTS	EMPLOYEE-MONTHLY	BIWEEKLY DEDUCTION	PLAN DESIGN
PLAN 1								
single	613.84	10%	90%	\$552.46	\$0.00	\$61.38	\$28.33	4K deductible
* Plus Spouse	1227.69	60%	40%	\$552.46	270.09	405.14	\$186.99	8650 OOP
* Plus child(ren)	1196.99	60%	40%	\$552.46	257.81	386.72	\$178.49	40/80 co pays
* Family	1810.84	60%	40%	\$552.46	503.35	755.03	\$348.48	20% co-ins.
PLAN 2								
single	\$622.66	10%	90%	\$560.39	\$0.00	\$62.27	\$28.74	3K deductible 8,800 OOP
* Plus Spouse	\$1,245.32	60%	40%	\$560.39	\$273.97	\$410.96	\$189.67	35 (& 70 after Ded)
* Plus child(ren)	\$1,214.18	60%	40%	\$560.39	\$261.51	\$392.27	\$181.05	25% co-insur
* Family	\$1,836.85	60%	40%	\$560.39	\$510.58	\$765.87	\$353.48	
PLAN 3								
single	650.08	10%	90%	\$585.07	\$0.00	\$65.01	\$30.00	4K deductible HDHP
* Plus Spouse	1300.16	60%	40%	\$585.07	\$286.04	\$429.05	\$198.02	6900 OOP
* Plus child(ren)	1267.65	60%	40%	\$585.07	\$273.03	\$409.55	\$189.02	0% co-insur after DED
* Family	1917.74	60%	40%	\$585.07	\$533.07	\$799.60	\$369.05	H.S.A. comp.

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PROPOSED FY 24 OPTIMA PLANS

Plan Year	TOWN Covered Portion	PLANS OFFERED Deductible/monthly cost	H.R.A Town Contribution	Actual Town Cost for Optima
2023-2024	90% of employee monthly premium, as an average: \$566 40% of dependent share. On average \$311	a. 4000/40/20% b. 3000/35/25% c. 4000/0% (HDHP)	SINGLE: \$750/year SINGLE plus one or More: \$1,200/year	Premiums: \$224,427 Premiums + HRA funding: \$253,377

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H.S.A OR H.R.A.

- A Health Savings Account (H.S.A.) is an independent savings account owned wholly by the employee that the employer AND the employee may contribute towards. If an employee leaves the organization, the H.S.A. stays with the employee. H.S.A.s are strictly regulated by the IRS and may prohibit employees from participating in other benefits. You must be enrolled in a High Deductible Health Plan (Plan 3) in order to enroll.
- A Health Reimbursement Account (H.R.A.) is an employer-only funded account that also rolls over year to year (unlike an FSA) but is not portable to the employee. It's plan design is very flexible to the needs of the employer. It does not matter what plan you are enrolled in. Offering an FSA alongside allows employees to contribute pre-tax dollars on their own as they see the need for.

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THE TOWN PROPOSES THE HEALTH REIMBURSEMENT ACCOUNT(HRA)

- The Town recommends that in order to offset employee's out of pocket costs with the new higher deductible plans, that an HRA is implemented. This way ALL employees enrolled in the health plan can receive equal employer contributions depending on two variables: (SINGLE/SINGLE plus 1 or more)



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WHAT IS A HEALTH REIMBURSEMENT ACCOUNT (HRA)?

HRAs provide a tax-free, employer-funded amount of money for health care expenses.

- HRAs are a way to pay for out-of-pocket health care expenses while working to meet your plan deductible.

VOLUNTARY RETIREMENT

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TOTAL COST COMPARISON FY23 TO FY24

YEAR	Annual Cost to Town	HRA includes waivers (FY 24) FSA for Waivers (FY 23)	Town paid Dental, Vision, Medicare stipend	TOTAL
FY 2024 Optima	\$224,427 includes subsidy	28,950 \$750/SINGLE \$1200/Single plus dependents	\$24,608	\$277,985
FY 2023 Anthem	\$202,895 employees received subsidy, however, most was covered by a credit.	\$2,000	\$25,160	\$230,055

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NEW FOR 2023-2024

- NEW: The Town will pay 90% of the employee-only premium for whichever plan they choose (cost difference among the three plans is not significant). Previously the Town has offered one plan that is covered at 100%. This is very far and few between among organizations today. The average pre-tax payroll deduction will be \$28.00
- The Town will reduce the stipend granted to employees covered by Medicare from \$420 per month to \$355
- The Town will increase the amount provided (this year through an HRA, past years through an FSA) from \$500 to \$750 annually to non-Medicare employees who waive the insurance.
- An employer subsidy is NOT new, but this year it will be the same across all dependent tiers, 40%. In past years it has ranged from 11.5% to 49%
- NEW: The Town will fund a Health Care Reimbursement Account (HRA) for employees covered by a Town plan, to help defray deductible costs. This will roll over year to year but is not portable, it belongs to the Town
- The Town will implement a Wellness Incentive Plan that will encourage wellness and preventative care, an investment in future plan years by reducing claims

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WELLNESS INCENTIVE PROGRAM

- In referring to appendix C, you will find a rough draft of our Wellness & Health Incentive Program. We encourage ideas and feedback! Employees who would participate would need to complete 8 of the 28 "activities" or benchmarks, from either the Wellness Activities category or the Health/Preventative Care category.
- Staff developed this as a "fun" way to encourage overall health of employees and in turn, reduce claims. By reducing claims, it will result in lower premiums in future plan years. It also helps to reduce sick time, increases productivity and is a morale booster.
- ALL regular employees may participate. Employees not enrolled in one of the Optima plans will receive a small award, such as a day off or a gift card (TBD). Employees on a plan will receive a contribution to their HRA equal to 50% of the employee-only payroll deduction paid in the plan year

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SUMMARY: TOTAL COST

OPTIMA (AVG) Monthly cost to Town	2023-2024			
MEDICAL-OPTIMA	\$224,427.49			
DENTAL-DELTA	\$11,828.64			
MEDICARE	\$12,780.00			
HRA	\$28,950.00	\$750/SINGLE & \$1,200/SINGLE +		
TOTAL	\$277,986.13			
current plan year 2022-2023	\$230,055.00			
difference, including the addition of an HRA	\$47,931.13			
% increase	20.80%			
Wellness & Health Incentive Plan	\$7,520			
TOTAL including WHIP	\$285,506.13			

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"My doctor told me to avoid any unnecessary stress, so I didn't open his bill."

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