TOWN COUNCIL
Special Meeting
Cape Charles Civic Center
March 7, 2024
6:00 PM

At approximately 6:00 p.m. Mayor Adam Charney, having established a quorum, called to order the Special Meeting of the Cape Charles Town Council. In addition to Mayor Charney, in attendance were Councilmen Buchholz, Butta, Follmer and Grossman. Councilwoman Holloway arrived at 6:25 p.m. Vice Mayor Bennett was not in attendance. Also, in attendance were Town Manager John Hozey, Human Resources Manager Jodi Outland, Assistant to the Town Manager Julie Pruitt, and Town Clerk Libby Hume. There were no members of the public in attendance.

Mayor Charney noted for the record that due to an area-wide Spectrum internet outage, this evening's meeting could not be videotaped or streamed to Facebook.

A moment of silence was observed followed by the recitation of the Pledge of Allegiance.

PUBLIC COMMENTS ON AGENDA ITEM ONLY: (3 MINUTES PER SPEAKER)

There were no comments to be heard nor any comments received in writing prior to the meeting.

ORDER OF BUSINESS:

A. *2024-2025 Employee Health Insurance Presentation & Renewal:*
Human Resources Manager Jodi Outland presented a summary of the current health-care offerings and the proposed plans/offerings for the upcoming plan year which would begin on April 1, 2024. (Please see attached.)

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to approve the 2024-2025 benefit package beginning April 1, 2024 as presented. The motion was approved by unanimous vote.

TOWN MANAGER COMMENTS

John Hozey commented as follows:

i) The issues regarding Seabreeze Apartments were in a holding pattern. Funding was secured to keep the residents in a motel until March 11th. Staff was still monitoring the situation. He and Katie Nunez had a good Zoom meeting with our federal delegation, and everyone was brought up to speed. He had a meeting scheduled with Senator DeSteph on March 21st. The USDA vouchers were now available for the residents, and the HUD vouchers would be available on March 11th.

ii) The Beachfront Master Plan was moving along. An on-site meeting was held with the consultant earlier today and data was gathered. A work session would be held on March 21st after the regular meeting for Council to meet with the committee and consultant. He hoped to have the draft plan available to get Council's blessing. The online meeting room would go live the next day.

iii) The Strategic Plan public hearing was scheduled for March 21st. Citizens were encouraged to submit their comments in writing at least 48 hours in advance to allow time for him and Council to review prior to the meeting. The information was placed on the website and on Facebook.

iv) Councilman Grossman usually took the lead in the preparations for his annual evaluation. If Council was interested in doing his annual performance evaluation this year, Councilman Grossman had requested reimbursement for the cost of Survey Monkey which was used to obtain feedback from Council. He had paid out of his pocket in previous years, but this year's renewal was about $200. If Council concurred, his evaluation would be done at an executive session following the March 21st work session.

A majority of the Council members in attendance stated their preference to give the town manager his annual evaluation.

MAYOR AND COUNCIL COMMENTS

Councilman Grossman updated Council regarding the General Assembly bills that he has been following, mostly related to our ability to regulate short-term rentals, and accessory dwelling units. HB1461 was amended and watered down some to our benefit. Overall, all the bills that would affect the town negatively had either been passed over or amended to our benefit. Two bills made it through for the Governor's signature but would not be much of a hurdle for the town.

John Hozey and Council thanked Councilman Grossman for his time and effort tracking the bills.

Councilman Butta commented as follows: i) He stated that citizens had contacted him regarding the Kellogg Building. The roof had been removed and nothing else had been done to the building. Everyone was concerned about the degradation of the building and asking why the Town wasn't doing anything about it. He asked for a report on the status of the building be provided to Council; ii) John Hozey responded that every time the Town was ready to do something, the owner promised to continue the work. At some point, the Town would have to pursue demolition by neglect which was time-consuming and expensive. He would ask Katie Nunez to prepare a detailed report for Council; iii) Should the Town be looking at performance bonds for future projects? The Kellogg Building was a historic structure and an integral part of the Town.

Councilwoman Holloway asked about the status of the new bank. John Hozey stated that the house would be moved later this month since the VDOT permit would expire at the end of the month. The move would be planned for early morning. He had not received notification that the name of the bank could be released officially. Councilwoman Holloway asked that notice of any power outages be provided to the businesses with as much advance notice as possible.

Mayor Charney stated that he would be relaxing the rules for the March 21st public hearing, and public discussion would be permitted. Councilwoman Holloway suggested that after each speaker those in attendance give a show of hands as to their agreement or disagreement to avoid duplication.

Councilmen Buchholz and Follmer did not have any additional comments.

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to allow the Mayor to speak on our behalf on the bills that would impact Cape Charles in a negative way. The motion was approved by unanimous vote.

John Hozey noted that by approving this motion, Council approved the town manager and Mayor to use their discretion and did not have to go back to the Town Council for approval each time. Mayor Charney and Councilman Grossman agreed that these bills took rights away from the Town and needed immediate action.

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

The Special Meeting adjourned at 6:35 p.m.

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Mayor Charney

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Town Clerk

2024-2025 HEALTH INSURANCE PRESENTATION

TOWN OF CAPE CHARLES

SUMMARY

Optima (SENTARA HEALTH) came back to us this year with a 3% decrease in premiums!

- Our new broker, Landmark Insurance, also quoted Anthem and United Health Care.
- Both Anthem & UHC's rates were comparable with some slight plan differences. For example, with UHC, an employee would need a referral to access appointments other than their PCP. Anthem would not allow us to offer more than 2 plans and the out-of-pocket max was slightly higher.
- It is not worth the disruption to move to another carrier. Employees just made the transition last year and there have been few complaints about Sentara.

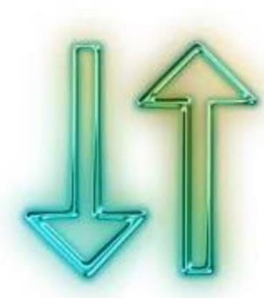
Last year the Town made a lot of changes:

- Moved the group to Optima/Sentara which is a local HMO
- Only offered plans with high deductibles
- In order to assist with out-of-pocket expenses, introduced an employer funded Health Reimbursement Plan
- Introduced a Wellness & Health Incentive Program in which full participation equaled additional employer funding to employees' 2024-2025 HRA

The goal for 2024-2025 was to be able to offer an option that had a lower deductible. Some employees indicated that they would be willing to pay more towards their premium deduction for a plan that was richer in benefits and had lower out-of-pocket expenses.

With the decrease in the Town's '24-'25 renewal in overall premium cost, the Town felt that this was do-able:

- Replace the unpopular $3000 deductible plan, with a $1,500 deductible plan
- Decrease the employer share from 90% to 85% for the employee-only share, and decrease the employer share for dependents from 40% to 35%
- And because the HRA was introduced last year to help towards deductible and co-pay costs, reduce the HRA funding for employees who enroll in the $1,500 plan and increase HRA funding for employees enrolled in the $4000 deductible plans.



Health Insurance: Employee-Employer Contributions

2023-2024 OPTIMA HEALTH VANTAGE SILVER DIRECT

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

	PREMIUM	EMPLOYEE PAYS	ER PAYS	EMPLOYER-MONTHLY per employee	EMPLOYER-FOR DEPENDENTS	EMPLOYEE-MONTHLY	BIWEEKLY DEDUCTION	PLAN DESIGN
PLAN 1								
single	$583.29	10%	90%	$524.96	$0.00	$58.33	$26.92	**4K deductible**
* Plus Spouse	$1,166.57	60%	40%	$524.96	256.64	384.97	$177.68	8650 OOP
* Plus child(ren)	$1,137.39	60%	40%	$524.96	244.97	367.46	$169.60	40/80 co pays
* Family	$1,720.69	60%	40%	$524.96	478.29	717.44	$331.12	20% co-ins.
PLAN 2								
single	$591.67	10%	90%	$532.50	$0.00	$59.17	$27.31	**3K deductible** 8,800 OOP
* Plus Spouse	$1,183.33	60%	40%	$532.50	$260.33	$390.50	$180.23	35 (& 70 after Ded)
* Plus child(ren)	$1,153.73	60%	40%	$532.50	$248.49	$372.74	$172.03	25% co-insur
* Family	$1,745.41	60%	40%	$532.50	$485.16	$727.74	$335.88	
PLAN 3								
single	$617.72	10%	90%	$555.95	$0.00	$61.77	$28.51	**4K deductible** HDHP
* Plus Spouse	$1,235.44	60%	40%	$555.95	$271.80	$407.70	$188.17	6900 OOP
* Plus child(ren)	$1,204.55	60%	40%	$555.95	$259.44	$389.16	$179.61	0% co-insur after DED
* Family	$1,822.27	60%	40%	$555.95	$506.53	$759.79	$350.67	H.S.A. comp.

Health Insurance: Employee-Employer Contributions

2024-2025 OPTIMA HEALTH VANTAGE SILVER DIRECT

***TOWN PAYS 90% of the SINGLE- EMPLOYEE ONLY RATE. In addition, TOWN PAYS 40% of the EMPLOYEE'S DEPENDENT COSTS For Silver plans**
***TOWN PAYS 85% of the SINGLE-EMPLOYEE ONLY RATE. In addition, TOWN PAYS 35% of the EMPLOYEE'S DEPENDEDNT COST for Gold plan**

	PREMIUM	EMPLOYEE PAYS	EMPLOYER PAYS	EMPLOYER-MONTHLY per employee	EMPLOYER-FOR DEPENDENTS	EMPLOYEE-MONTHLY	BIWEEKLY DEDUCTION	PLAN DESIGN
PLAN 1								
single	$568.65	10%	90%	$511.79	$0.00	$56.87	$26.25	**4K deductible**
*Plus Spouse	$1,137.31	60%	40%	$511.79	$250.21	$375.32	$173.22	8650 OOP
*Plus child(ren)	$1,108.88	60%	40%	$511.79	$238.84	$358.26	$165.35	40/80 co pays
*Family	$1,677.50	60%	40%	$511.79	$466.29	$699.43	$322.81	20% co-ins.
PLAN 2- REPLACES!			NEW!					
single	$658.63	15%	85%	$559.84	$0.00	$98.79	$45.60	**$1500 deductible**
*Plus Spouse	$1,317.27	65%	35%	$559.84	$265.10	$492.33	$227.23	6500 OOP
*Plus child(ren)	$1,284.34	65%	35%	$559.84	$253.58	$470.93	$217.35	25/50 co-pays
*Family	$1,942.97	65%	35%	$559.84	$484.10	$899.04	$414.94	20% co-insur
PLAN 3								
single	$584.64	10%	90%	$526.18	$0.00	$58.46	$26.98	**4K deductible** HDHP
*Plus Spouse	$1,169.28	60%	40%	$526.18	$257.24	$385.86	$178.09	6900 OOP
*Plus child(ren)	$1,140.05	60%	40%	$526.18	$245.55	$368.32	$170.00	0% co-insur after DED
*Family	$1,724.69	60%	40%	$526.18	$479.41	$719.11	$331.90	H.S.A. comp.

ENCORE! Starring: "**What Was New Last Year**!"

- The Health Reimbursement Account was very successful and easy to administer. This has been a well received benefit and the Town asks to continue offering it to employees. However, we will be funding the amounts slightly lower than last year for the employees on the Gold plan ($1,500 deductible) and funding slightly higher amounts for those on the Silver plans ($4,000 deductible). Adjusting the funding amounts will not be an additional expense to the Town.
- We ask to continue the Wellness & Health Incentive Program. We have not had a huge response, less than 10 employees, however, the Town feels with time this will increase. Many employees were more on top of health and wellness, they just did not track it in order to participate (although we really tried to make it easy!)

NEW THIS YEAR: TELEHEALTH

A top priority for '24-'25 is a stand alone, easy to use, and reliable Telehealth plan for all employees. Landmark introduced us to SwiftMD, which not only covers telehealth, but also has a Rx plan that offers up to 40 most prescribed Rx's at no cost. At $7.50 a month per household, the Town could cover all full-time employees and offer this as a voluntary benefit to part-time employees as well.

Sadly, getting in to see a provider when you are sick is VERY difficult. Employees are having to rely on urgent care centers for sick visits which is costly and time consuming.

Annual Cost to Town-Health Insurance	**2023-2024**
MEDICAL-OPTIMA	$224,427.00
DENTAL-DELTA	$11,829.00
MEDICARE	$12,780.00
HRA	$28,950.00*
TOTAL	$277,986.00
Plan year 2022-2023	$230,055.00
Increase 2022 to2023	$47,931.00
% increase	20.80%
Wellness & Health Incentive Plan	**$7,520**
TOTAL incuding WHIP	**$285,506.00**

*$750/SINGLE & &1,200/w/DEPENDENTS

Annual Cost to Town-Health Insurance	**2024-2025**
MEDICAL-OPTIMA	$203,606.00
DENTAL-DELTA	$10,702.00
MEDICARE	$13,845.00
HRA	$25,651.00*
NEW: TELEHEALTH	$3,015.00
TOTAL	$256,819.00**
Current Plan Year 2023-2024	**$277,986.00**
Savings 2023 to 2024	$21,167.00
% decrease	7.60%***
Wellness & Health Incentive Plan	**$6,500**
TOTAL incuding WHIP	**$263,319.00**

* GOLD 500/825 SILVER 825/1325

** 3 additional full-time employees included in these numbers to account for growth or replacements

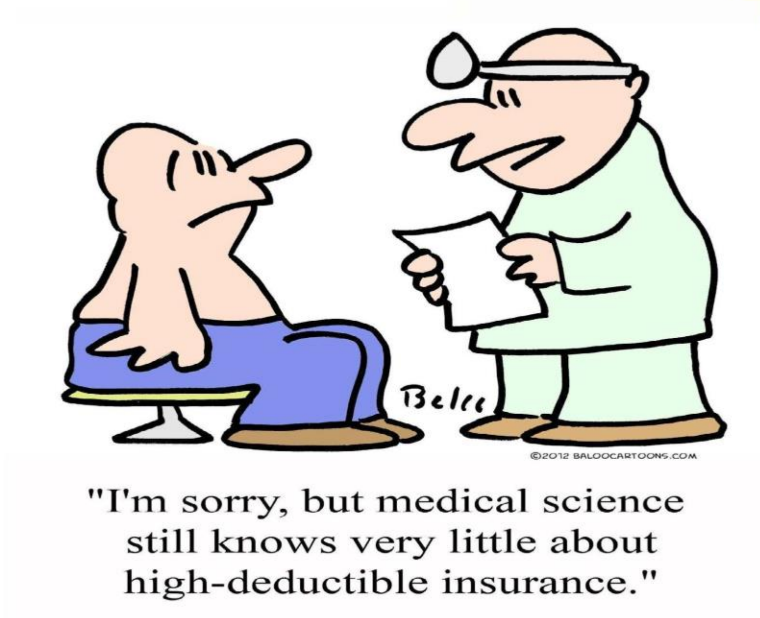
** A 7.6% decrease from last last year is attributed to a reduction in work force in utilities fund due to sale to VAW. Numbers include utilities employeees for 3 months of coverage

CONCLUSION

- The Town's premiums with Sentara decreased by 3%.
- It is not worth the disruption, nor is there any significant added cost benefit, to switch carriers

The Town Proposes to:

- Introduce one plan with a lower deductible and more affordable out-of-pocket costs
- Continue to fund employee's Health Reimbursement Accounts
- Continue with Delta Dental and pay 100% of the employee-only share
- Keep the vision plan with VSP as a voluntary benefit
- Keep the FSA as a voluntary benefit (as has been done in past years)
- Introduce a robust Telehealth plan
- Keep the Wellness & Health Incentive Plan



TOWN COUNCIL
Executive Session
Cape Charles Civic Center
March 7, 2024
Immediately following the Special Meeting

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At 6:39 p.m. Mayor Adam Charney, having established a quorum, called to order the Executive Session of the Cape Charles Town Council. In addition to Mayor Charney, in attendance were Councilmen Buchholz, Butta, Follmer and Grossman, and Councilwoman Holloway. Vice Mayor Bennett was not in attendance. Also, in attendance were Town Manager John Hozey and Project Manager Bob Panek.

Motion made by Councilman Grossman, seconded by Councilman Follmer, and unanimously approved to go into Executive Session in accordance with Section 2.2-3711.A of the Code of Virginia for the purpose of:

Paragraph 29: Discussion of the award of a public contract involving the expenditure of public funds, including interviews of bidders or offerors, and discussion of the terms or scope of such contract, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of the public body.

Specifically: Discussion of Capital Improvement Project Strategies including Visitor Center & Municipal Center

The motion was approved by unanimous vote.

There were no members of the public in attendance at this time.

Council went into executive session at 6:40 p.m.

Motion made by Councilman Grossman, seconded by Councilman Buchholz, to return to open session. The motion was approved by unanimous vote.

The open portion of the meeting resumed at 7:55 p.m. There were no members of the public waiting to return to the meeting.

Certification, to the best of each member's knowledge, that (i) only public business matters lawfully exempted from open meeting requirements under this chapter and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the meeting by the public body. Roll call vote: Buchholz, yes; Butta, yes; Follmer, yes; Grossman, yes; Holloway, yes.

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

The Executive Session adjourned at 7:57 p.m.

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Mayor Charney

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Town Clerk