TOWN COUNCIL
Special Meeting
Cape Charles Civic Center
March 6, 2025
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 Vice Mayor Buchholz, Councilmen Butta, Grossman and Newman, and Councilwomen Ashworth and Holloway. Staff in attendance were Town Manager John Hozey, Human Resources Director Jodi Outland, Assistant to the Town Manager Courtney Neale and Town Clerk Libby Hume. There were no members of the public physically in attendance, and 6 viewers on 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. *2025-2026 Employee Health Insurance Presentation & Renewal:*
Human Resources Director 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, 2025. (Please see attached.)

Motion made by Councilman Grossman, seconded by Vice Mayor Buchholz, to approve the 2025-2026 benefit package moving all coverages to Anthem beginning April 1, 2025 as presented.

Councilwoman Ashworth proposed an amended motion, seconded by Councilman Grossman, to offer the health insurance benefit to members of the Town Council, the Planning Commission and other Boards whose members received compensation from the Town to participate but with the responsibility to pay 100% of the premiums for the coverage.

There was much discussion regarding this proposition related to the potential number of the board members who might be interested in taking advantage of the offer and the impact to staff's workload during and after the open enrollment period. The open enrollment meeting was scheduled for March 12th where all employees would be provided with the updated information and the Town's insurance broker would be available to answer any questions. The turnaround time for completing and submitting the applications was tight since the coverage period would begin on April 1st. Council agreed that all compensated board members would be notified of this opportunity and must attend the March 12th open enrollment meeting to be considered.

Mayor Charney called for a vote on the amended motion.

The motion to offer the health insurance benefit to members of the Town Council, the Planning Commission and compensated members of the Town's boards was approved by unanimous vote.

Mayor Charney called for a vote of the main motion.

The motion to approve to the 2025-2026 benefit package moving all coverages to Anthem beginning April 1, 2025 was approved by unanimous vote.

TOWN MANAGER COMMENTS

John Hozey commented as follows:

i) Ryan Peake, the Cape Charles Volunteer Fire Company's treasurer, wanted to promote the purchase of their new fire truck and asked if the Town Council was available on March 20th at 5:30 p.m., prior to the Town Council Regular Meeting, for a photograph to be taken at the fire station. Everyone was available with the exception of Mayor Charney.

ii) The Town typically purchased matching logo shirts for members of the Town Council to wear during selected events. The current shirts were light blue polos with the Town's logo but not everyone liked them. It was time to order new ones and John Hozey asked for any preferences. After some discussion, it was decided that light blue vests would be ordered.

iii) Cape Charles Day would be held next weekend and former Mayor and former harbor master Smitty Dize was being honored in a ceremony at 12:30 p.m. during the picnic. Councilwoman Holloway had proposed the idea to have Cape Charles Main Street (CCMS) purchase a memorial bench for Smitty Dize. He approved allowing the Town to accept donations for the bench and to expense the initial purchase out of his contingency fund. It was suggested that any funds received in excess of the cost of the bench be donated to the Waterman's Memorial to which all were in agreement.

Councilwoman Holloway stated that CCMS had ordered the bench and donations would be made payable to the Town of Cape Charles. Smitty Dize's family was being contacted and she had made arrangements for a wreath to be made which would be taken out to sea by two watermen. She was hoping that Mayor Charney would kick things off and she had former Vice Mayor Steve Bennett coming to say a few words. None of the watermen wanted to speak, but if anyone else was interested in speaking, they should contact her. She asked Coast Guard Station Cape Charles for a presentation of colors but had not yet received a response. Courtney Neale had done a good job on the flyers, with one flyer specifically inviting the watermen to the ceremony, and on some signage regarding the change in location from Central Park to the Harbor.

Due to the anticipated turnout, additional food and beverages will be purchased. John Hozey reminded the public that they did not have to participate in the community clean-up activities in order to attend the picnic. All residents and business owners were invited to attend the picnic.

MAYOR AND COUNCIL COMMENTS

Councilman Grossman commented as follows: i) He asked for an update about the new town manager. John Hozey stated that Rick Keuroglian has made arrangements to rent a house in Oyster until his home in Colorado sold and would provide time to look for permanent housing. He was on schedule to start mid-April; ii) He asked when the new Virginia American Water (VAW) rates would begin. John Hozey stated that they became effective March 1, 2025 but were retroactive to May 2024. He did not have the exact figures with him, but all users would see a small decrease in the water rates but a substantial decrease in the sewer rates. With the rates being retroactive to May 2024, users would receive a credit on their accounts within the next 90 days. VAW was planning a press release to announce this information. Councilman Grossman stated that he ran the figures for his utility bills over the last year, and he would be saving about 50% with the new rates. John Hozey added that if the Town had retained the water and sewer systems, the billing amounts would only go up every year, so it was the right move.

Councilwoman Holloway commented as follows: i) She had some notes regarding the strategic plan document. She did not feel that we flushed out all the thoughts related to enhancing the visitors' experience and community engagement. She would be bringing these items up at the regular meeting in March. She knew that Councilman Butta also had an addition.

John Hozey stated that the March 20th Town Council Regular Meeting would begin with a public input session regarding the strategic plan. Speakers would not be limited to three minutes and there would be back and forth discussions similar to a Town Hall meeting. For anyone unable to attend the meeting, written comments should be sent to the clerk by 4:30 p.m. the day of the meeting.

There were no other comments from Council or Mayor Charney.

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

The Special Meeting adjourned at 7:04 p.m.

Mayor Charney

Town Clerk

2025-2026 Health Insurance Renewal for the Town of Cape Charles

Agenda

- Introduction
- Why proposed plan changes
- Due Diligence
- Bundling
- Medical Coverage Cost Comparison
- 3 Proposed Anthem Plans
- HRA
- 2024-25 versus 2025-26
- Summary

Introduction

- We have been with Sentara health now for two years. In 2024 the Town received a 3% rate decrease, therefore we made the decision to stay with Sentara and replaced a $3000 deductible plan with a GOLD $1,500 deductible plan
- In this current year, the Town remained with Delta Dental and VSP-Vision (voluntary)
- We continued the popular Health Reimbursement Plan, funded by the Town
- We introduced a Telehealth/Virtual benefit for all employees, also funded by the Town
- Our medical plan covers an Employee Assistance Program

Why propose plan changes for the 2025-2026 benefit year?

- For 2025-2026, Sentara raised the premiums by 7.72%. Overall, in today's health insurance market this is considered a fair increase, however, for employees with dependents:
  - Employee and Children, employees pay an average of $376 a year more
  - For Family Coverage, employees pay an average of $726 a year more

  With this increase, employees would be unlikely to enroll in the Gold plan as it would become cost prohibitive. There also would be no wiggle room for the possibility of increasing funding for the HRA.

Due Diligence

- With the assistance of our brokers, Landmark Insurance, we reviewed over a dozen plans with Anthem, including returning to level funding (aka self-insured)
- Level funding was very competitive with similar plan designs, a nationwide PPO (versus Sentara's HMO), and a carrier the Town has had coverage with in previous years
- To further save costs and to provide a more comprehensive dental plan, we are proposing a "bundle"

Bundling:

With a *Bundle*, the Medical, Dental and Vision all fall under the Anthem umbrella.

The Town receives an additional 2% reduction in premiums

Anthem credits the Town $6000 on the second billing cycle

The proposed Anthem dental plan is slightly more expensive, at 4.5% increase or roughly, $488 per year for all employees, however, Anthem Dental is a much richer plan, including a $1,500 orthodontist benefit versus Delta's $500. The coverage for major dental work is also paid at 50% versus Delta's 20%.

Vision is comparable to the current VSP, but at a lower cost for all employees.

Medical Coverage Cost Comparisons:

- Current Sentara to 2025-2026 Sentara Renewal — 7.72% increase
- Current Sentara to 2025-2026 Anthem — 6.90% decrease
- 2025-2026 Sentara Renewal to 2025-2026 Anthem — 8.57% decrease
- Average decrease* in premiums from current Sentara year to 2025-2026 Anthem:

	SENTARA	ANTHEM
Employee	$603.97	$566.14
W/Spouse	$1207.95	$1330.43*
W/Child(ren)	$1177.76	$962.43
Family	$1781.72	$1732.38

*slight increase on the employee/spouse premium

3 Proposed Anthem Plans

ANTHEM Level Funded	PLAN 1 OAPOS 2000/0%/6250	PLAN 2 OAPOS 3000/20%/6500	PLAN 3 OAPOS 4000/20%7500
DEDUCTIBLE	$2000/$4000	$3000/$6000	$4000/$8000
Co-Insurance	0%	20%	20%
Out-of-pocket max	$6250/$12,500	$6,500/$13,000	$7500/$15,000
Co-pays	$25 – Office,$75- specialist $75 –urgent care. Mostly a co-pay plan except in hospital care	$40-Office, $75 specialist, $75 urgent care	$40-Office, $75 specialist, $75 urgent care
Mental Health	$25 office visit	$40 office visit	$40 office visit
Preventative care/screenings/ immunizations	No charge	No charge	No charge

Health Reimbursement Account (HRA)

The Town recommends keeping the very popular HRA in effect and, due to a $6,000 credit for the month of May, increasing the employer funding slightly.

				Annual Employer Funding: HRA	4/1/2025-3/31/2026	
				SINGLE		DEPENDENT COVERAGE
Plan 1	2000 Deductible			$525.00 (up $25.00)		$875.00 (up $50.00)
Plan 2	3000 Deductible			$825.00 Remained the same		$1,325.00 Remained the same
Plan 3	4000 Deductible			$850.00 (up $25.00)		$1,350.00 (up $50.00)
Total Annual ER COST	(forecasted)			2024-2025 $25,651.00		2025-2026 $29.225.00

2024-2025 versus proposed 2025-2026

Sentara

Annual Cost to Town-Health Insurance 33 employees budgeted Health	2024-2025
MEDICAL-SENTARA	$203,606.00
DENTAL-DELTA	$10,702.00
WAIVERS	$13,845.00
HRA	$25,651.00
NEW: TELEHEALTH	$3,015.00
TOTAL CURRENT PLAN YEAR BUDGETED	$256,819.00
% Increase to renew Sentara	7.7%
Wellness & Health Incentive Plan	$6,500
TOTAL incuding WHIP	$263,319.00

Anthem level Funding-Bundle

Annual Cost to Town-Health Insurance - 38 employees budgeted health	2025-2026
MEDICAL-ANTHEM	$207,774.00
ANTHEM-DELTA	$12,187.00
WAIVERS	$9,300
HRA	$29,225.00
NEW: TELEHEALTH	$3,420.00
CREDIT	($6,000.00)
TOTAL PROPOSED PLAN YEAR BUDGET	$255,906.00
Savings of:	$913..00
% decrease moving to Anthem	<1.00%
Wellness & Health Incentive Plan	$6,500
TOTAL incuding WHIP	$262,406.00

SUMMARY

- Introduced 3 new positions at the Harbor
- Filled vacancy in Finance
- Previous waivers retire and new hire enrolls in coverage
- Budgeting for a new position in Planning/Building

Once again, the Town is able to benefit from a decrease in premiums, and by doing so, enhance the overall quality of the health plans offered. This year we are replacing one of the two 4000 deductible plans with a 3000 deductible plan that is similar in design. We increased the level of coverage offered by the dental plan by switching to Anthem Dental. We replaced the $1,500 deductible plan with a $2000 deductible plan, because this GOLD plan is less costly than the Sentara Gold Plan, more employees will be able to afford a plan with lower out of pocket costs than last year. We also propose increasing the HRA amounts slightly to correspond to deductibles. We propose this increase due to a $6,000 credit from Anthem on the second billing cycle. This is a very appreciated benefit for the Town employees as they can pay for all sorts of medical costs, such as Rx drugs, co-pays, eyeglasses, and medical bills using the credit card that is funded with their HRA dollars.

Overall, the Town will see a minimal increase of 1% over last year, despite the fact that we will be covering up to 5 more employees than in 2024-2025.

Thank you

The Town employees thank you for your continued support of our excellent benefit package!