

COUNCIL WORK SESSION APRIL 28, 2015

The work session of the Council of the Town of Altavista was held in the Council Chambers of the J.R. Burgess Municipal Building, 510 Seventh Street, on April 28, 2015 at 5:00 p.m.

Council members

present:

Mayor Michael Mattox
Mrs. Micki Brumfield
Mrs. Beverley Dalton
Mr. Tracy Emerson
Mr. Timothy George
Mr. Jay Higginbotham

Council members

absent:

Mr. Charles Edwards

Also present:

Mr. J. Waverly Coggsdale, III, Town Manager
Mr. Daniel Witt, Assistant Town Manager
Mrs. Tobie Shelton, Finance Director
Capt. Barry Stocks, Police Department
Mr. David Garrett, Public Works/Utilities Director
Mr. Steve Bond, Wastewater Treatment Plant
Mrs. Mary Hall, Administration

Mr. Higginbotham arrived at 5:03 p.m.

1. Mayor Mattox called the meeting to order and presided.
2. A motion was made by Mr. Emerson, seconded by Mr. George, to approve the agenda as presented.

Motion carried:

VOTE:	Mr. Michael Mattox	Yes
	Mrs. Micki Brumfield	Yes
	Mrs. Beverley Dalton	Yes
	Mr. Tracy Emerson	Yes
	Mr. Timothy George	Yes

3. Public Comments—Agenda Items Only

Mayor Mattox asked if anyone would like to speak on anything listed on the agenda.

No one came forward.

4. Introductions and Special Presentations
5. Items Contingent for the Regular Meeting

- a. Health Insurance Discussion (FY2016 Budget)

Mr. Coggsdale advised Mrs. Shelton would be updating Council on the Health Insurance. He added additional research needs to be done perhaps including a small group of employees

Mrs. Shelton advised at the April 14, 2015 Budget Work Session, Council was made aware of the drastic increase in health care premiums that was received in the renewal for the 2015/2016 plan year. The costs far exceed the allocated amount in the Proposed FY 2016 Budget and the drastic increase is a result of high dollar claims. She noted based on the high claim experience as well as discussions with the consultant, Ms. Becky Pollard, it was staff's decision to stay the course and not go out to bid.

COUNCIL WORK SESSION APRIL 28, 2015

Mrs. Shelton presented Council with several spreadsheets showing a variety of products offered by Aetna, ranging from traditional plans to high deductible plans (HDHP) paired with Health Savings Accounts (HSA) or Health Reimbursement Accounts (HRA), as well as cost comparisons to our current plan with Coventry. Mrs. Shelton advised after reviewing the plan options presented and comparing them to the current base plan, \$1,000 Deductible through Coventry, staff selected the VA HNOnly 2500 HSA. She explained this is a high deductible, Health Maintenance Organization (HMO) Plan paired with a HSA with a \$2,500 deductible with no out of network coverage. This plan type reduces the Town's annual expense for health insurance by \$22,900 over the current plan, as well as reduces monthly premiums for all levels of coverage with the exception of Employee plus Spouse. To help make the transition from a traditional plan to a HDHP smooth and successful for everyone, staff is recommending an employer contribution of \$2,000 per participating employee, made in installments, resulting in an estimated cost of \$88,000. She noted the thought of a HDHP may sound scary to employees who are use to a co-pay system. Staff feels the financial contribution will play an essential part in both HSA adoption and employee satisfaction as well as show the Town's dedication and commitment to the program. All levels of coverage will experience a savings in premiums, with the exception of *Employee plus Spouse* coverage. In an effort to keep employees participating in the base plan (1,000 deductible) with *Employee plus Spouse* level of coverage whole, Staff is asking to supplement their level of coverage. Employees in this category are going to experience an increase of \$62.74 in their monthly premium. Supplementing the employees' premium will result in an annual cost of \$1,500. She mentioned there are two employees participating in the base plan with this level of coverage. The overall cost to implement Staff's recommendation will cost \$339,000. This amount includes transitioning to the HDHP/HSA (\$227,078), contributing to the employees HSA (\$88,000) and supplementing the Employee plus Spouse coverage for current base plan participants (\$1,506), as well as dental (\$19,695) and an enhanced vision rider that was eliminated with the renewal last year (\$2,500). Although the overall cost is an increase from FY 2015, the recommendation is \$10,821 under the allocated amount in the Proposed FY 2016 Budget. Mrs. Shelton noted there have been some questions/concerns from employees and suggested a committee be formed to discuss these concerns.

Mrs. Brumfield asked if there was a network of doctors that have to be used.

Mrs. Shelton advised she has researched the hospitals and doctors and the list is fairly large in the network.

Mrs. Becky Pollard, consultant, advised what was being looked at was the HN Only network; a takeoff of HMO network. If an employee is going outside of the state of Virginia they can access HMO doctors in any state. Normal HMOs do not have an out of network benefit or if they do it is higher deductibles and lower co insurance. With Aetna, their HMO network is pretty much the same as the PPO network in the state of Virginia; out of state going to Duke, John Hopkins, Bowman Grey; they are in the HMO network. Aetna has a huge network; PPO and HMO access.

Mayor Mattox questioned if nothing was done the percentage increase; 40% increase?

Mrs. Shelton stated if nothing was done and we migrated to the Aetna \$1,000 deductible, the cost would be \$400,400.

Mayor Mattox questioned the cost for an employee on the family plan.

Mrs. Shelton responded \$2,000 which is the full premium; not a split between Town and employee.

Mrs. Becky Pollard advised Council if they would look back to the 2013 renewal with Local Choice the proposed family renewal rate was \$1,555, Key Advance 250 went from \$1,269 to \$1,442.

Mrs. Dalton asked suppose an employee is out of town and has an emergency.

COUNCIL WORK SESSION APRIL 28, 2015

Ms. Pollard responded if it is life threatening or critical care, the coverage would be the same as if you were in the network.

Mrs. Dalton thanked staff for their hard work and the effort it has taken to get this far and agreed with taking more time to get some discussions going with town employees.

Ms. Pollard explained some of the co-pay plans which were detailed on the presented spreadsheets.

Mr. Emerson questioned the co-pay on prescriptions.

Mrs. Shelton stated the payment goes towards the deductible.

Mr. Emerson mentioned he has HSA with Campbell County and does not like this.

Ms. Pollard noted every company has a different twist on the HSA. She mentioned the employees have to be prepared; they will receive the discounted medical rate except for prescriptions which will be applied to the deductible. If comparing plans, the out of pocket maximums average about \$6,350 on an individual and double that on a family.

Mrs. Dalton stated one thing is to keep yourself as healthy as possible.

Mrs. Brumfield agreed and suggested offering the employees some incentives for being in wellness programs.

Ms. Pollard noted with the size of the employee base the Town is pooled and reminded Council the Town has 6 large claims totaling over \$227,000 (which is unusual for a group the size of the Town).

Mayor Mattox asked Council if there was a problem with going out to bid again and looking at Local Choice. He felt all the options should be looked at. He asked for volunteers for the Health Insurance Committee.

Mr. Emerson and Mrs. Dalton agreed to serve on the Health Insurance committee.

Mr. Emerson noted the biggest gripe he has heard about the insurance plan with Campbell County is the prescription coverage.

Mayor Mattox noted this ad hoc committee will stand for this year only.

b. Tank Maintenance Contract

Mr. Garrett addressed Council and advised he is moving forward on the tank maintenance (\$50,000 in reserves and \$50,000 in this year's budget) and asked to be allowed to use the \$100,000 in this cycle to begin the tank maintenance project the first of May 2015. He noted contracts for each of the tanks has been worked out. The remaining \$87,304 could be picked up in the next budget cycle.

A motion was made by Mrs. Dalton, seconded by Mr. Emerson, to allocate the \$50,000 from reserves into the 2015 budget and approve the remainder of the monies at a later date.

Motion carried:

VOTE:	Mr. Michael Mattox	Yes
	Mrs. Micki Brumfield	Yes
	Mrs. Beverley Dalton	Yes
	Mr. Tracy Emerson	Yes
	Mr. Timothy George	Yes
	Mr. Jay Higginbotham	Yes

Mr. Garrett noted he is working on the nuisance at the pond which appears to be turtles.

c. IALR’s Conference-Thursday Town Sponsored Luncheon

Mr. Coggsdale asked for the number of Council members interested in attending the Institute of Advanced Learning and Research Conference scheduled for June 17th in Danville, Virginia, and the luncheon June 18th at the Altavista Train Station.

A motion was made by Mrs. Dalton, seconded by Mrs. Brumfield, to appropriate up to \$500 towards a luncheon on June 18th at the Altavista Train Station.

Motion carried:

VOTE:	Mr. Michael Mattox	Yes
	Mrs. Micki Brumfield	Yes
	Mrs. Beverley Dalton	Yes
	Mr. Tracy Emerson	Yes
	Mr. Timothy George	Yes
	Mr. Jay Higginbotham	Yes

6. Items Scheduled for the Regular Meeting Agenda

7. Public Comments

8. Closed Session

I move that the Altavista Town Council convene in closed session in accordance with the provisions set out in the *Code of Virginia*, 1950 as amended, for the following purpose:

Section 2.2-3711(A).1 – Evaluation of performance of Town Manager and Town Attorney

Section 2.2-3711 (A).3 – Discussion or consideration of the acquisition of real property for a public purpose.

A motion was made by Mrs. Dalton, and seconded by Mr. Emerson.

Motion carried:

VOTE:	Mr. Michael Mattox	Yes
	Mrs. Micki Brumfield	Yes
	Mrs. Beverley Dalton	Yes
	Mr. Tracy Emerson	Yes
	Mr. Timothy George	Yes
	Mr. Jay Higginbotham	Yes

Council went into closed session at 5:45 P.M.

Notice was given that council was back in regular session 6:20 P.M.

Mr. Higginbotham left the meeting at 6:21 P.M.

FOLLOWING CLOSED SESSION:

A motion was made by Mrs. Dalton, seconded by Mr. Emerson, to adopt the certification of a closed meeting.

CERTIFICATION OF CLOSED MEETING

WHEREAS, the town council has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

WHEREAS, Section 2.2-3712 of the Code of Virginia requires a certification by the town council that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the town council hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the town council.

Motion carried:

VOTE:	Mr. Michael Mattox	Yes
	Mrs. Micki Brumfield	Yes
	Mrs. Beverley Dalton	Yes
	Mr. Tracy Emerson	Yes
	Mr. Timothy George	Yes

A motion was made by Mrs. Brumfield, seconded by Mrs. Dalton, to approve an additional 5% increase in the FY2016 Budget for the Town Manager.

Motion carried:

VOTE:	Mr. Michael Mattox	Yes
	Mrs. Micki Brumfield	Yes
	Mrs. Beverley Dalton	Yes
	Mr. Tracy Emerson	Yes
	Mr. Timothy George	Yes

9. Adjournment

Mayor Mattox adjourned the meeting at 6:25 p.m.

Michael E. Mattox, Mayor

J. Waverly Coggsdale, Clerk