

**TOWN COUNCIL WORK SESSION**

Monday, March 30, 2020 at 7:00 P.M.

Online via WebEx

Interim Town Manager Tederick noted his appreciation of all participants of the first online Town Council Work Session. Mayor Tewalt opened the meeting.

1. Executive Brief from Gallagher (Health Insurance) presented by Cheri Herschman. Mr. Tederick suggested Council move to item number 2 due to technical difficulties experienced by Ms. Herschman.
2. CDBG General Discussion
  - a. Amend Resolutions: Mr. Tederick gave a brief description of the two documents that needed approval – one to update the members list, and the other to amend the Façade Improvement Program to include ‘materials only’ projects. He explained that these amendments are simply an ‘administrative task.’
  - b. Pavilion Construction: Councilman Meza expressed concern about the timing of allocating the \$75,000 considering the current COVID-19 situation. Mr. Tederick clarified that the \$75,000 recommended by Town Staff will come out of the current year’s budget. Councilman Sealock noted that a failure to move forward with the project could cause future issues with the CDBG funding – he also expressed the importance of ‘going forward in a positive manner.’ Town Finance Director, Mr. Wilson, noted that if the project is further delayed the builder may not hold to the price originally quoted. Councilman Holloway said he was still ‘up in the air.’ Councilman Cockrell agreed with Councilman Meza’s COVID-19 reservations. Council opted to put it on the agenda for their next Town Council Meeting.

*With Ms. Herschman’s technical difficulties fixed, the work session moved back to item 1.*

1. Executive Brief from Gallagher (Health Insurance) presented by Cheri Herschman. Ms. Herschman from Gallagher analyzed the TLC renewal as well as explored the different options that exist in the market to develop a plan that would both save the Town costs as well as meet the interest of the employees. The plan allows for budgeting of the Adverse Experience Adjustment needed to terminate any contract with The Local Choice in future years. Gallagher recommended eliminating the \$250 Deductible Plan and offering employees the choice of either the \$500 Deductible Plan or the High Deductible Plan. Additionally, Gallagher recommended the Town implement a Health Reimbursement Arrangement (HRA) for employees. There would be no employee contribution with the HRA and any funds not used by employees would go back to the Town. Gallagher also suggested implementing a Wellness Program.

Mr. Tederick noted that he hopes to set money aside to front the IBNR. Mr. Wilson agreed and explained funds could be encumbered just in case there is a need to move away from TLC. Ms. Herschman clarified that the figure is adjusted yearly.

Mayor Initial 

Councilman Cockrell questioned why an HRA would only have 60% usage by employees. Ms. Herschman explained that the overall underutilization of health plans by healthy employees is the main contributor. Councilman Meza asked if there is a cap on the HRA. Ms. Herschman clarified that there is no cap and HRA figures are decided by the plan administrator. Councilman Meza also noted his support for the HRA plan as it helps to 'stair step' the deductibles. Councilman Gillispie questioned whether employees would be able to enroll online. Ms. Herschman explained that their process is changing daily, but the plan would be for employees to enroll online during open enrollment (April 15-May 15) and Gallagher would, hopefully, be able to come reeducate employees after July 1<sup>st</sup>. Mayor Tewart clarified that the \$500 deductible plan would increase by \$56 monthly for employees. Councilman Meza expressed gratitude towards Gallagher and Town Staff for a plan that would 'keep employees whole.'

Councilman Thompson wondered if implementation of a Wellness Program would offer additional future savings. She also questioned the mention of an HRA debit card. Ms. Herschman explained that with correct wellness accountability there could definitely be future savings. She also clarified that the debit card is the system used so that employees will not be responsible for fronting HRA funds. Council gave approval to Town Staff to move forward with the plan as presented by Gallagher.

### 3. Credit Card Convenience Fee

Councilman Meza questioned whether residents could pay online with a bank account or if the Town could work on making it possible. Mr. Wilson explained that the current software vendor does not support that function. Councilman Thompson questioned where the current software came from and what other options are available. She also noted that the Town should pursue paperless billing as a money saving option. Mr. Wilson explained that while the current software does not allow for paperless billing it provides the Town with the capability to bill several separate utilities (electric, water, sewer & trash) together. Changing the interface for billing is a possibility but could be difficult and costly. Councilman Cockrell noted that the lack of online payment options provided by the Town have been a 'pet peeve' of hers. She suggested educating residents about ACH. Mr. Tederick added some perspective, stating that he agreed with Councilmen Cockrell and Thompson that the software is a problem, but it is the 'backbone' of the utility accounts. He described finding a software solution as a 'high priority' item. Mr. Wilson further explained that due to the required custom programming to accommodate several Town ordinances, such as the Summer Sewer Program finding a new vendor could prove difficult.

Councilman Meza wondered why a third-party platform such as Paypal could not be used. Mr. Wilson explained that the use of a third-party vendor would not allow payments to automatically post to the account and would therefore delay posting. This could cause additional problems and confusion. Councilman Sealock asked if town staff had considered reaching out to the software vendor to ask them to provide a solution. He also stated that the whole software system should be updated.

Councilman Holloway questioned whether waiving credit card fees would require official Council approval. Mr. Wilson and Town Attorney Napier verified that the Director of Emergency

Management (the Interim Town Manager) could approve the change as an 'emergency.' Councilman Thompson expressed that she did not feel comfortable raising electric rates to offset the waived credit card fees and questioned if Council could 'dip into reserves' to cover the expense. Councilman Meza agreed saying this expense 'can't go on the backs of citizens.' Council gave the Director of Emergency Management approval to waive credit card fees effective immediately and opted to discuss how to offset the cost at a later date.

4. General Budget Discussion

Mayor Tewalt questioned if Town Staff had developed a plan to address the \$29 Million Debt Service. Mr. Tederick explained that he is working with Mr. Wilson and will be ready to present to Council in approximately a week. His plan was to schedule an additional work session to discuss the budget only. Mr. Wilson agreed and noted that the Town's income is changing daily. Councilman Sealock requested a report from Town Staff that includes funds that remain in the current budget that can be reserved. Mr. Wilson advised he could have a report ready for Council by the end of the week. He wanted to get further input from the department heads first. Council scheduled a Special Budget Work Session for Thursday, April 9<sup>th</sup> and 7:00 P.M.

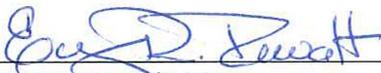
5. Open Discussion

Mr. Tederick praised Town Staff for being adaptable and doing a great job handling the necessary changes in response to COVID-19. Mayor Tewalt also expressed his thanks. Councilman Meza noted that we will see an increase in COVID-19 cases over the next thirty days.

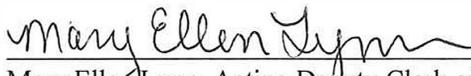
Mayor adjourned the meeting at 8:33 p.m.

**PRESENT ONLINE:** Mayor Tewalt, Councilman Meza, Councilman Thompson, Councilman Gillispie, Vice Mayor Sealock, Councilman Cockrell, Councilman Holloway, Interim Town Manager Tederick, Town Attorney Napier, Acting Deputy Clerk of Council Lynn, Director of Finance Wilson, Acting Clerk of Council Presley and those members of the public and press who were listening online.

APPROVED:

  
Eugene R. Tewalt, Mayor

ATTEST:

  
Mary Ellen Lynn, Acting Deputy Clerk of Council

*Councilman Cockrell moved, seconded by Councilman Holloway approved the Work Session Meeting minutes of March 30, 2020 on April 13, 2020.*

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