



VIRGINIA BEACH CITY PUBLIC SCHOOLS
CHARTING THE COURSE

School Board Services

Kathleen J. Brown, Chair
District 10

Carolyn D. Weems, Vice Chair
District 9

Mark Bohensiel
District 3

Michael Callan
District 6

David Culpepper
District 8

Matt W. Cummings
District 7

Rose M. Dwyer
District 1

Sharon R. Felton
At-Large

Dr. Alveta J. Green
District 4

Kimberly A. Melnyk
District 2

Melinda J. Rogers
District 5

Donald E. Robertson Jr., Ph.D., Superintendent

School Board SPECIAL Meeting MINUTES
Wednesday, August 27, 2025

School Administration Building #6, Municipal Center
2512 George Mason Drive
P.O. Box 6038
Virginia Beach, VA 23456
(757) 263-1000

NOTICE OF SPECIAL MEETING OF THE SCHOOL BOARD OF THE CITY OF VIRGINIA BEACH

- 1. Call to Order and Roll Call:** Chair Brown convened the special meeting of the School Board at the School Administration Building #6, School Board Chamber at 6:00 p.m. on the 27th day of August 2025, and announced Pursuant to Virginia Code § 2.2-3707, and Bylaw 1-46, Section B, C, and D:
- B. at the call of the Chair; and
 - C. on the request of the Superintendent or designee with the concurrence of the Chair; and
 - D. on request of three School Board Members in writing to the Chair and the Clerk of the School Board

The purpose of this special meeting is for:

- 1. Namely to Discuss:
 - a. Consultation with Legal Counsel in Closed Session (as needed).
 - b. Presentation(s) regarding health insurance premiums, employee healthcare costs, and potential future steps.

In addition to Superintendent Robertson, the following School Board Members were present in the School Administration Building #6, School Board Chamber: Chair Brown, Vice Chair Weems, Mr. Bohensiel, Mr. Callan, Mr. Cummings, Ms. Felton, Dr. Green, Ms. Melnyk, and Ms. Rogers. The following School Board Members were not present: Mr. Culpepper, and Ms. Dwyer. It was noted that Ms. Dwyer was running late.

- 2. Moment of Silence followed by the Pledge of Allegiance**
- 3. Adoption of the Agenda:** Chair Brown called for a motion to adopt the agenda as presented. Mr. Callan made the motion, seconded by Ms. Melnyk. Without discussion, Chair Brown called for a vote. The School Board Clerk announced there were nine (9) ayes in favor of the motion to adopt the agenda as presented: Chair Brown, Vice Chair Weems, Mr. Bohensiel, Mr. Callan, Mr. Cummings, Ms. Felton, Dr. Green, Ms. Melnyk, and Ms. Rogers. The motion passed, 9-0-0.

Mr. Cummings stated he will recuse himself from tonight's discussion and any votes because of his work with Sentara Health Plans. He will be present to listen but will not participate in the conversation.

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4. **Closed Session:** At 6:03 p.m., Vice Chair Weems made the following motion, seconded by Ms. Rogers, that the School Board recess into Closed Session in accordance with the exceptions to open meetings law set forth in Code of Virginia §2.2-3711, Part A, Paragraphs 7, and 8 as amended, to deliberate on the following matters:
7. Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.
8. Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter.
- Namely to discuss:
- A. Status of pending litigation or administrative cases.
 - B. Consultation with legal counsel regarding probable litigation, retention of outside legal counsel, and pending litigation matters.

Without discussion, Chair Brown called for a vote. The School Board Clerk announced there were eight (8) ayes in favor of the motion to recess into Closed Session: Chair Brown, Vice Chair Weems, Mr. Bohensiel, Mr. Callan, Ms. Felton, Dr. Green, Ms. Melnyk, and Ms. Rogers. There was one (1) abstention: Mr. Cummings. The motion passed, 8-0-1.

The School Board recessed into Closed Session at 6:09 p.m. in the Einstein Lab.

Individuals present for discussion in the order in which matters were discussed:

- A. Status of pending litigation or administrative cases; and
- B. Consultation with legal counsel regarding probable litigation, retention of outside legal counsel, and pending litigation matters: School Board Members: Chair Brown, Vice Chair Weems, Mr. Bohensiel, Mr. Callan, Ms. Felton, Dr. Green, Ms. Melnyk, and Ms. Rogers; Kamala H. Lannetti, school board attorney; Donald E. Robertson, Ph.D., superintendent; Cheryl R. Woodhouse, chief of staff; Dannielle Hall-Mclvor, senior school board attorney; Simone S. Boothe, associate school board attorney; and Regina M. Toneatto, school board clerk.

At 6:15 p.m., School Board Member, Ms. Dwyer joined the Closed Session. At 6:32 p.m., School Board Member, Ms. Melnyk left the Closed Session.

The School Board reconvened at 6:37 p.m.

Certification of Closed Session: Vice Chair Weems read the Certification of Closed Session:

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WHEREAS, the School Board of the City of Virginia Beach 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 (D) of the Code of Virginia requires a certification by this School Board that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the School Board of the City of Virginia Beach 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 applies, 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.

Ms. Melnyk made the motion, seconded by Dr. Green. Without discussion, Chair Brown called for the vote. The School Board Clerk announced there were nine (9) ayes in favor of the motion for Certification of Closed Session: Chair Brown, Vice Chair Weems, Mr. Bohlenstiel, Mr. Callan, Ms. Dwyer, Ms. Felton, Dr. Green, Ms. Melnyk, and Ms. Rogers. There was one (1) abstention: Mr. Cummings. The motion passed, 9-0-1.

5. ***Presentation(s) regarding health insurance premiums, employee healthcare costs, and potential future steps:*** Crystal Pate, chief financial officer, Linda Matkins, director, Office of Consolidated Benefits, and David Keough, Mercer Representative provided the School Board information on Health Insurance Premiums. Superintendent Robertson reviewed the presentation topics, including the introduction of the dilemma, employee compensation data from 2021-22 to 2025-26, employer/employee healthcare contributions for 2026, historical healthcare funding and rates from 2019-2026, the 2026 healthcare rates and communication timeline, and a report by Mercer.

Crystal Pate, chief financial officer, mentioned that that compensation, which included salaries, wages, and benefits, accounted for approximately 85% of the total operating budget. Linda Matkins, coordinator, continued the presentation and addressed the rising costs of healthcare and the measures taken to manage these expenses. It was noted that the Health Fund for 2026 relied on contributions from both employers and employees/retirees, along with the Health Fund balance, to cover all costs. The cost-sharing details for school employees and retirees under the POS and CDHP plans were outlined. Historical data on healthcare funding and employee rates were reviewed. The communication timeline for the 2026 health care rates and the frequently asked questions document were presented.

David Keough, Mercer representative, continued the presentation and reviewed the projected healthcare rates for 2026. It detailed the annual costs for various tiers, including employee-only, employee and child, employee and children, employee and spouse, and family plans, under both the POS and CDHP options. The analysis included the total cost with HSA, health fund drawdown, employer and employee contributions, and the projected increases in contributions for 2025 and 2022.

Additionally, the presentation provided a summary of the projected plan costs for actives and retirees, using claims data through March 2025. It highlighted the enrollment figures, the projected gross costs, employee contributions, and the net costs to the Virginia Beach City Public Schools (VBCS). The analysis also included the projected health fund balance at year-end and the impact of various employee contribution increase scenarios on the overall budget.



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The presentation reviewed the primary drivers of healthcare costs, highlighting factors such as elevated unit cost impact from health plans, prescription drug prices, utilization trends, and chronic health conditions. The analysis of the 2024 health plan spend revealed a total expenditure of \$111,772,789, with 176 high-cost claimants representing \$38.4 million of the spend. The per-member cost increased by 13.4% year over year, which was approximately 11% above the benchmark. The top diagnostic categories included cancer, circulatory conditions, and musculoskeletal conditions. The review of high-cost claimants showed a 30% increase in total spend for individuals exceeding \$100,000 in claims compared to 2023. This increase was driven by a higher prevalence and severity of claims. The prevalence of catastrophic claims (over \$500,000) was notably high in 2024, with a significant increase from the previous year. The presentation concluded with a review of School Board questions and responses.

After the presentation, a discussion followed with questions and comments regarding percentage of increases; cost increases, previous presentations to the School Board; options available; budget calendar, benefits data, and gap of receiving data; communication to staff; health fund draw-down; health fund balance; communication timeline; prescription pricing; historical employee rates; benefits committee; choosing health care provider, procurement process; self-insured; projections for FY 2025 and FY 2026; reversion funds; employee vacancies, impact on health fund; concerns regarding future of health care fund; looking at trends; number of employee pay periods (20 or 24); rising costs of health care; School Board priority of compensation, reduced funding; Goal 5 – Advance Organizational Excellence, continue to look at how to be more efficient; open enrollment; fiscal impact, need to prepare for the unexpected; federal funding; benefit package, VRS; funding for education, unfunded mandates; and future discussions on healthcare.

6. **Adjournment:** Chair Brown adjourned the special meeting at 8:53 p.m.

Respectfully submitted:

Regina M. Toneatto, Clerk of the School Board

Approved:

Kathleen J. Brown, School Board Chair