



GOVERNANCE COMMITTEE MEETING MINUTES

August 12, 2026

Attendees:

Mayor Michael Caldwell
Chair Alfred John
Michelle Cooper Kelly
Chair Carlotta Harrell
Mayor Ed Johnson
Chair Harry Johnston
Tom Meinhart
Sara Ray
Alison Clark
Mayor Vince Williams

Vice Chair Caldwell called the Governance Committee meeting to order at 12:04 p.m. on August 12, 2026.

Charissa White, Clerk of the Board confirmed that eight members are required to be present in person to constitute a quorum. With 10 members present in person, a quorum was established.

Standards of Ethical Conduct and Conflict of Interest Policy

Vice Chair Caldwell introduced the item regarding proposed updates to ARC's Standards of Ethical Conduct and Conflict of Interest policies. Eric Johnson, Chief Legal Officer, provided an overview of the policy development process, noting that the Governance Committee has worked over an extended period to develop a framework that provides clear guidance while remaining broad enough to address a variety of circumstances.

The proposed revisions clarify processes for reporting potential ethical concerns and conflicts of interest, including appropriate reporting pathways and confidentiality considerations. The policy also distinguishes procedures applicable to elected officials and citizen members, as appropriate.

The Committee was advised that ARC will transition from the previous financial disclosure requirement to an annual conflict-of-interest disclosure and acknowledgement process consistent with applicable legal requirements and recommendations developed through the review process.

Committee members were asked to review the draft and submit comments to Eric Johnson within two weeks. Feedback will be consolidated and incorporated as appropriate prior to the policy being presented to the ARC Board for a first read next month. Adoption and implementation will follow the Board review process.

Consumer Price Index Adjustment to ARC Annual Dues

James Husserl, Chief Financial Officer, presented the proposed Consumer Price Index (CPI) adjustment to the per capita rate used to calculate annual dues paid by ARC member jurisdictions.

Mr. Husserl explained that approximately 90% of ARC's revenue is grant-based, while jurisdictional dues represent approximately 6% of overall revenue. Annual dues are calculated using population estimates and an established per capita rate.

Under the applicable statutory framework, the per capita rate may be adjusted when cumulative inflation exceeds 10%. Inflation has increased approximately 15.6% since the previous adjustment. Accordingly, staff proposed increasing the per capita rate from \$1.20 to \$1.30, subject to Board approval.

Mr. Husserl also reviewed ARC's fund balance strategy and recent financial performance. ARC has reduced its fund balance ratio from approximately 40% in 2023 to approximately 21% in 2026 through budget management and alternative revenue strategies. ARC is working toward a 25% fund balance target to provide sufficient reserves for potential financial risks, including federal funding disruptions and changes in grant reimbursement requirements.

Staff presented financial scenarios illustrating the effect of approving updated population estimates alone versus approving both the population and CPI adjustments. Approval of population estimates alone would generate approximately a 1% revenue increase and require greater reliance on fund balance. Approval of both adjustments could generate approximately \$7.3 million in revenue, reducing the need to use fund balance and providing additional support for organizational priorities.

Committee members discussed communication with member jurisdictions regarding the proposed adjustment. Mr. Husserl noted that outreach had occurred with county leadership, although not every commissioner had been contacted directly.

In response to questions regarding payroll and staffing costs, Mr. Husserl explained that a significant portion of employee compensation is grant-funded and that staffing levels are routinely evaluated based on funding availability, attrition, and grant expiration.

Mid-Year Pension Plan Performance Report

Roz Tucker and representatives from ACCG provided the Committee with a mid-year update on ARC's pension plan.

The Committee was advised that the pension plan remains in a strong financial position, with a funded ratio of approximately 114% based on actual assets and approximately 117% based on market value. The plan continues to rank favorably among governmental pension plans in Georgia.



The recommended contribution for the upcoming year is approximately \$1.64 million, slightly above the required contribution of approximately \$1.6 million, to continue accelerating the reduction of remaining unfunded liabilities.

Representatives explained that recent changes in the plan's funded ratio primarily reflect updated actuarial assumptions resulting from the most recent five-year experience study. The next experience study is scheduled for 2029.

The Committee also discussed workforce and retirement trends. ARC currently has approximately 215 active employees, 78 retirees, and 165 vested participants. Approximately 43 employees are expected to become eligible for retirement within the next five years. Staff noted that succession planning, recruitment, and workforce management strategies are being considered as part of ARC's ongoing organizational planning.

Government Affairs and Policy Group Update

Jim Jaquish and Will Feeney provided an update on state and federal legislative and policy matters affecting ARC.

The Committee was advised that ARC's government affairs and policy functions have been consolidated in response to feedback received during previous work sessions. Under the updated structure, Mr. Jaquish is primarily responsible for local government matters, while Mr. Feeney oversees state and federal legislative and policy issues.

Staff reported that ARC is monitoring several state legislative study committees addressing issues including transportation, infrastructure, vehicle regulation, community health, and local government taxation. ARC staff are providing information and monitoring developments relevant to the agency and the Atlanta region.

Mr. Feeney also provided an update regarding proposed federal grant requirements from the White House Office of Management and Budget. The new requirements are anticipated to take effect October 1. ARC has established an internal working group to evaluate the potential operational and financial impacts of the changes.

Additional federal updates included the status of surface transportation reauthorization, the Older Americans Act, the Water Resources Development Act, congressional appropriations measures, and continuing resolutions.

Follow-Up Items

Committee members were asked to submit comments on the proposed Standards of Ethical Conduct and Conflict of Interest policies to Eric Johnson within the two-week review period in advance of the Board's first read.

Staff will circulate the presentation materials from the meeting to attendees as requested.