GOVERNANCE COMMITTEE MEETING MINUTES
October 14, 2026

Attendees:

Chair Andre Dickens
Mayor Michael Caldwell
Chair Alfred John
Michelle Cooper Kelly
Chair Carlotta Harrell
Mayor Ed Johnson
Chair Harry Johnston
Alison Clark
Mayor Vince Williams

Chair Dickens called the Governance Committee meeting to order at 12:06 p.m. on October 14, 2026.

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

The Committee unanimously approved the minutes of the September 9, 2026, Governance Committee meeting as part of the consent agenda.

Benefits Broker Transition

Roz Tucker, ARC Chief Human Resources Officer, reported that ARC selected NFP, an Aon company, to replace Marsh McLennan Agency (MMA) as its benefits broker. ARC will retain its current health and pharmacy vendors, with continuity for employees and their families as the priority.

Ms. Tucker explained that ARC conducted a competitive procurement process that included written proposals, in-person interviews, and evaluation by an internal committee of approximately seven employees from Human Resources, Finance, and other departments. NFP received the highest overall score. PricewaterhouseCoopers, reviewing de-identified finalist proposals, independently ranked NFP first.

ARC is coordinating with MMA and NFP to transfer broker responsibilities, plan records, renewal information, and eligibility, payroll, carrier, and vendor data connections. A temporary Human Resources transition coordinator is issuing daily status reports and following up with both brokers. Human Resources is also working with the Finance team to ensure employee contribution information transfers correctly.

The Committee was advised that the broker change will not affect ARC's health or pharmacy vendors for 2027. ARC will continue to use UMR within the UnitedHealthcare

network, along with RXBenefits and Optum, and plans to conduct open enrollment in November to limit disruption for employees and their families.

NFP is supporting ARC's November 2 health fair and has begun planning for the 2028 benefits strategy, including potential wellness initiatives, cost savings, and partnerships with regional local-government health centers and facilities.

2025 Audit Results and Compliance Controls

James Husserl, ARC Chief Financial Officer, presented the results of the 2025 audit. Mr. Husserl reported no findings in the financial audit, the federal single audit, or the agreed-upon procedures review of compliance with ARC's travel and expense policy. This marks the fifth consecutive year of a clean audit.

Mr. Husserl explained that the agreed-upon procedures review continues at the Board's earlier request for additional examination of travel and expense compliance following issues approximately a decade ago. Auditors found no exceptions in the current review. Mr. Husserl noted that past results do not guarantee future outcomes and that the Finance team will continue strengthening internal processes.

Anna Roach provided an update on the audit review tool developed in response to a prior commitment to the Board. The system, currently in beta, contains historical audit information, tracks findings and corrective progress, stores required supporting documents, and records federal compliance filings with due dates and advance alerts. Full implementation is expected by the end of 2027.

Following comments recognizing Mr. Husserl, Kelly Smith, and the Finance team, the Committee voted unanimously to accept the 2025 Single Audit and Annual Comprehensive Financial Report (ACFR) with a motion to approve by Mayor Caldwell, and a second by Mayor Williams.

2027 Budget Development

Mr. Husserl outlined the remaining steps in the 2027 budget process. The process began in July with departmental submissions and budget hearings. Staff expect to present the proposed budgets in approximately one week, followed by a high-level review with the Budget Audit Review Subcommittee and distribution of the proposed budget to the full Board.

The Board's final meeting of the year will provide an opportunity to review the proposed budget, ask questions, and suggest modifications.

Mid-Year Review Report

Mr. Husserl reported that ARC has completed its mid-year review report, which summarizes major initiatives and programs across ARC departments, presents progress against commitments made to the Board, and includes department-level key performance indicators. The report will be provided to the Board for review.