Audit and Finance Committee of the Board of Supervisors

DATE: August 26th, 2026
Time: 9:00 a.m.
Location: Room 502

Attendees:

- ☒ Kevin Carroll
- ☒ Jim Ingle
- ☒ Dr. Kevin Catlin
- ☒ Matt Harris
- ☒ Gerard Durkin
- ☒ Khara Durden
- ☒ Steve Sanderson
- ☒ Mary Martin Selby
- ☒ Consuela Wilson
- ☒ Stephanie Brown

Item	Person Responsible	Outcome
1. Healthcare Update	Matt Harris	
2. Risk Management	David Johnson	
3. Budget Update	Matt Harris/ Gerard Durkin	
4. Internal Audit: a. FY27 Audit Plan and Hotline Activity Update b. Periodic Reports: • FY25 APA Comparative Report Analysis, June 17, 2026	Khara Durden/ Steve Sanderson	

MEETING NOTES

AFC Members in Attendance: Mr. Kevin Carroll, Mr. Jim Ingle

Staff in Attendance: Dr. Kevin Catlin, County Administrator; Matt Harris, Deputy County Administrator, Finance and Administration; Gerard Durkin, Budget Director; Khara Durden, IA Director; Steve Sanderson, IA Assistant Director; Mary Martin Selby, Human Resources Director; Consuela Wilson, Accounting Director; Stephanie Brown, Procurement Director.
School Board in Attendance: Lisa Hudgins, Midlothian Chair; Steven Paranto, Matoaca Vice Chair; Dr. John Murray, Superintendent.

Call to Order: The meeting was called to order at 2:00 p.m.

1. **Health Care Update:** Matt Harris, Deputy County Administrator
   a. Renewing with United Healthcare and Alliance.

    b. GLP-1 coverage is under consideration.
    c. More to come in September as continued consultation is received.

2. **Risk Management:** David Johnson, RM Director; Kyle Campbell, RM Assistant Director, Stacy McCarter, Manager to the Chief of Administrative Services, Trent Jones, RM Assistant Director.
    a. FY26 Quick Facts: RM Manages over 3,500 total insurance claims.
        i. Over 2,900 vehicles covered,
        ii. Nearly 20,000 County and School employees covered,
        iii. 1,360 County Buildings, Parks, Towers and other Structures
        iv. Hundreds of field trips, sporting and other events
    b. Total Cost of Risk Per $1000 of County Revenue. Based on Workers Compensation, Auto Liability, General Liability and Property Claims paid in FY For County and Schools.
        i. Approximate 19% reduction in total cost of Risk over the past 5 years.
        ii. Overall trend is maintaining cost.
        iii. Workers Compensation reported claims in FY2022-2026, based on actual number of workers compensation claims opened in FY. Increase partially due to growing workforce, encouraged reporting for injuries to analyze and reduce risk.
        iv. Variables: Fitness level of applicants, age of employees, physicality of the job tasks.
    c. Workers Compensation – Total money spent in FY2022-2026, based on actual money paid out in each fiscal year for Workers Compensation Claims (Incurred Current & Prior FYs)
        i. Increase shown in 2026 for CCPS primarily due to two previous incidents.
        ii. Root causes: Slip, trip and fall incidents. Severe winter icing resulting in approximately 70 claims.
    d. Average Cost of Workers Compensation Claims: Graph of County and Schools– FY2022-2026. Cost in process control; increases due primarily to inflation. Key systems, controls and components that bring collaboration to enhance safety protocols.
    e. OSHA Recordable Case Rate Charts – County and Schools, Reflected as Cases Per 100 Full time employees working for one year. Both rates are better than national peer groupings.
    f. Risk and Insurance Macro Trends:
        i. Shrinking capacity and premium rate increases, with larger retentions,
        ii. Liability underwriters concerned by nuclear verdicts, social inflation, and litigation funding schemes.
        iii. Global property losses, (Weather related and Man-made catastrophic losses) negatively impacting local insurance rates,
        iv. Law enforcement liability concerns: Media attention, high profile cases, increases in importance of officer training SOPs, de-escalation techniques, mental health approaches.
    g. Headwinds:
        i. Litigation Challenges,
        ii. Elevated Risk Complexity Across Key Lines of Insurance,
        iii. Strategic Implications for our organizations.
    h. Initiatives:
        i. RMIS,
        ii. Targeted Workplace Safety Intervention,
        iii. Cyber Coverage & Response,
        iv. Voluntary Protection Program Participation,
        v. Enhanced Claims Communication,
        vi. Simplify Events Insurance,
        vii. Workers Compensation Education.
    i. Culture of safety is established, and a strategy is in place to proactively drive continuous improvement. (Strong, Stable and Resilient)

3. **FY27 Budget Update:** Matt Harris, Deputy County Administrator; Gerard Durkin, Budget Director

a. Matt shared the Community Outreach and Engagement Efforts www.chesterfield.gov/1forschools

b. Gerard shared the FY2027 Budget Amendments

   i. Estimated net increase for Schools: $15.0 million

   ii. Appropriate Year-end reserved funds from State funds received in FY2026 for CCPS one-time bonus to use in FY2027 (approximately $6.9 million)

   iii. County: Reallocate funding from the dissolution of CCHASM to Colonial Heights Food Pantry ($5,000) and The Underground Kitchen ($7,500) to continue food and nutrition assistance programs in Chesterfield and the region.

   iv. Technical adjustment to appropriate $600k in reserved year-end funds from June BOS meeting for Housing Services supplement pilot approved during FY2027 budget adoption.

c. GFOA distinguished budget presentation award: 41 consecutive years.

d. Finance Public Hearings:

   i. Consider amendment for business license tax threshold (From up to $550K to up to $750K)

   ii. Consider amendment to tax relief for senior program for additional 15% tier as adopted with FY2027 budget

   iii. Consider amendment to County Code related to annual allocation of data center-derived tax revenue

4. **Internal Audit:** Khara Durden, IA Director; Steve Sanderson, IA Assistant Director

a. Khara shared the FY27 Audit Plan Update (County, Schools and joint)

   i. Six projects have been completed.

   ii. Fourteen projects are in progress in various stages.

   iii. Ten projects not started.

a. Steve shared the Hotline Activity Update

   i. Six Allegations received YTD.

   ii. 0% Internal / 100% External (County).

   iii. Three allegations have been closed since prior update; one substantiated.

b. FY27 Audit Report Review

   i. FY25 APA Comparative Report Analysis – June 17, 2026.

   ii. Nineteen different data areas reviewed FY24 and FY25.

   iii. Local Revenue Per Capatia graph shows Chesterfield has the lowest revenue per capita both fiscal years.

   iv. Operating Cost Per Capita graph shows Chesterfield has the lowest operating cost per capita both fiscal years.

Meeting adjourned at 10:15 a.m.