July 7, 2025

MEMO TO: CSPDC Executive Committee

FROM: Ann W. Cundy, Executive Director

SUBJECT: July 14, 2026 Executive Committee Meeting

The Executive Committee of the Central Shenandoah Planning District Commission will hold a meeting on **Tuesday, July 14 at 4:00 p.m., by Microsoft Teams.** RSVP to Kimberly Miller at 540-885-5174 ext. 101, or email kimberly@cspdc.org.

Click Here to Join the Meeting

Agenda

1. Call to Order
2. Consideration of April 29, 2026, Minutes*
3. Public Comment
4. Consideration of CSPDC Fiscal Policy Manual Updates (EC AF #26-02)
5. Consideration of Updates to CSPDC Investment Strategy (EC AF #26-03)
6. Consideration of a One-Time Payment to Offset Net Pay Impact of VRS and Social Security Enrollment (EC AF #26-04)
7. Other Business
8. Adjournment

**Action Required*

Minutes
Central Shenandoah Planning District Commission
Executive Committee Meeting
Virtual by Teams
April 29, 2026, 4:00 p.m.

Attendance

	City of Harrisonburg		Augusta County		Staff
✓	Nasser Alsaadun	✓	Carolyn Bragg		Ann Cundy
	City of Lexington		**Rockbridge County**	✓	Kimberly Miller
✓	Frank Friedman		Chris Slaydon		
	City of Staunton		**Rockingham County**		
✓	Sharon Angle	✓	Rachel Salatin		
	City of Waynesboro				
	Terry Short				

Call to Order
The Executive Committee meeting of April 29, 2026, was called to order at 4:14 p.m. by Chairperson Frank Friedman. The delayed start was attributed to technical difficulties.

Consideration of Minutes

Chair Friedman presented the minutes from the March 23, 2026, Executive Committee meeting for consideration.

A motion to approve the March 23, 2026, Executive Committee meeting minutes was made by Ms. Salatin. There being no objections, the motion was seconded and the minutes were approved unanimously.

Public Comment

Chair Friedman opened the floor for public comments. There were no public comments.

Election of Executive Committee Officer – Vice Chair

Chair Friedman noted that the Vice Chair position had been vacant since the departure of Tyson Cooper, who was not returned to the Commission following the November 2025 election. He explained that Carolyn Bragg, Augusta County Supervisor, and Nasser Alsaadun, City of Harrisonburg City Council member, had been elected to the Executive Committee at the April 20, 2026, full Commission meeting, and that this was their first meeting as members of the committee.

Chair Friedman indicated that he had spoken with Ms. Bragg prior to the meeting and that she had expressed willingness to serve as Vice Chair. Ms. Bragg confirmed her willingness to serve.

A motion to elect Carolyn Bragg as Vice Chair of the CSPDC Executive Committee was made by Ms. Angle, seconded by Ms. Salatin. There being no further discussion, the motion carried unanimously.

Chair Friedman welcomed Ms. Bragg to her new role and expressed appreciation for her willingness to serve.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 4:19 p.m.

Respectfully submitted,

Kimberly Miller

Kimberly Miller, Commission Clerk

July 7, 2026

MEMO TO: CSPDC Executive Committee

FROM: Ann W. Cundy, Executive Director

SUBJECT: Executive Committee Action Form #26-02
CSPDC Fiscal Policy Manual Updates

Recommendation:
Approve the proposed revisions to the Fiscal Policy Manual.

Executive Summary:
The Commission is responsible for approving the agency's Fiscal Policy Manual. Staff has identified several policies related to use of designated reserve funds and fiscal policy that require revision to strengthen financial governance and reflect current operational practices. We request that the Executive Committee act on behalf of the Commission at this time in order to clarify these policies for the FY26 Audit, and in order to maximize interest earned from new investment strategies. We will report on this item at the Executive Committee's action at the August 17, 2026 meeting.

Background:
In order to provide clearer guidance for the management of designated funds, Staff recommends a set of updates to the Fiscal Policy Manual. These proposed changes are enclosed with this memo.

These updates establish clearer guardrails for the creation, funding, maintenance, and use of designated reserve funds. The revisions also clarify approval authority, reinforce periodic reviews of fund balances, and improve transparency regarding the intended purpose and use of Commission reserves.

In addition, the prepaid expense policy has been updated to establish a materiality threshold that reduces de minimis administrative burden while formalizing existing procedures that promote consistent financial reporting and strengthen internal controls over expenditures that benefit multiple reporting periods.

Attachments:
Draft CSPDC Fiscal Policy Manual Updates
[Full Fiscal Policy Manual (for your reference)]

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1-c – Fiscal Policies

General Financial Philosophy: The financial policy of the Central Shenandoah Planning District Commission (CSPDC) is to provide a sufficient financial base and the resources necessary to sustain a high level of regional planning services as articulated in the Code of Virginia §15.2-4208 for member jurisdictions and other regional partners.

A. It is the goal of the CSPDC to achieve a strong financial condition with the ability to:

1. Prudently plan and coordinate with member jurisdictions;
2. Provide an effective level of regional planning services to member jurisdictions and other regional partners;
3. Adjust efficiently and effectively to the region's changing planning needs and requirements;
4. Effectively maintain and improve the CSPDC's equipment, technology, and facilities;
5. Withstand negative State, Federal, local and regional economic impacts, and
6. Attract, recruit, and retain qualified personnel.

B. The CSPDC's financial policies shall address the following fiscal goals:

1. Keep CSPDC in a fiscally sound position for both the long and short term;
2. Maintain sufficient financial liquidity to meet normal operating and contingent obligations;
3. Direct CSPDC's financial resources toward meeting the goals of the Region's Key Strategic Initiatives;
4. Expect that localities, government entities and non-profits pay their fair share of program costs;
5. Maintain existing equipment, facilities, technology and capital assets in good working order and condition; and
6. Provide a framework for the prudent use of debt.

Operating Budget Policies: The annual budget is the central financial planning document that embodies all operating revenue and expenditure decisions. The annual budget is perhaps the single most important policy document reviewed and approved by the Commission because it establishes the level of services to be provided by CSPDC.

Budgetary goals include:

1. The budget shall balance recurring operating expenses to recurring operating revenues. The Executive Director shall incorporate Regional Strategic Initiatives in the formulation of the preliminary and final budget proposal.
2. Adequate maintenance and replacement of the CSPDC's equipment, facilities, technology and facilities will be provided for in the annual budget.
3. Adequate staffing (including wages and benefits) shall be provided in the annual budget.
4. The Commission shall adopt a balanced budget annually. The Draft Budget will be presented by the Executive Director in May and adopted by the Commission no later than the third Monday of June.

Designated Funds Policies Designated reserve funds help the Commission achieve its goals of providing for the capital, staffing, facility, technology, and equipment needs of the organization that are not funded through the operating budget. By creating them as designated accounts, the balances do not "get lost" with the general undesignated fund balance, thus assuring funds will be available when needed. Policies for reserve funds are as follows:

1. The **Capital Improvement Fund** ensures adequate funds are available to improve and maintain buildings and equipment. Funding is determined annually to maintain a minimum balance of $100,000. The ~~equipment reserve~~ Capital Improvement Fund shall be used to supplement the operating budget and the operating budget shall include minor repairs and maintenance~~,~~. The Capital Improvement Fund shall be used for the planned replacement, upgrade, major repaid and/or acquisition of new equipment,

vehicles, and technology not funded with the operating budget. The Executive Director will recommend to the Commission or Executive Committee uses of the fund for approval.

2. The **Building Reserve Fund** is required by the USDA Rural Development loan ~~terms~~. The account balance shall equal one-year annual debt service payment of $40,200.00. When the mortgage is paid off this account will ~~be combined with the Capital Improvement Fund~~ revert to the undesignated fund.

3. The **Paid Time Off (PTO) Fund** ensures monies are available for employee usage of vacation and sick time. The PTO fund calculation is 100% of the vacation value ~~plus 33% of the sick time value~~. The fund balance will be adjusted to the calculated formula balance, at least annually using the greater of either the prior year-end or an estimated current fiscal year-end PTO balance.

4. The **Development Fund** ensures monies are available for required awards match which are not funded from annual locality assessments. The fund may also be used to support cash flow needs associated with performance- or milestone-based reimbursement programs, specifically in cases where eligible expenditures have been incurred but reimbursement has not yet been received. Funding is determined annually~~,~~ to maintain a minimum balance of $50,000.00. ~~the Commission will determine the percentage of the prior year surplus to transfer to the Development Fund.~~ The Executive Director will recommend to the Commission uses of the fund ~~for approval~~.

5. CSPDC will maintain a **Public Transit Fund** whose purpose is to hold the transit match funds received from partners. Partner Match is a key element of the Public Transit system and used to match federal and state awards. Match funds are used towards operating expenses, capital expense, and other transit related activities. Funds will be drawn down as needed based upon expenditures.

6. CSPDC will maintain a **Transit ~~Facility~~ Capital Fund** whose purpose is to

improve and maintain future Transit building and equipment needs. ~~hold a percentage of the Rental Income received as a match for future facility capital needs~~. Transit Capital Fund is funded through partner match and funding allocations are determined annually via the budget process. The Transit Capital Fund will maintain a minimum balance of $100,000.00 used for planned or unplanned capital-related needs.

These designated reserve funds will be reviewed periodically and/or at least annually to ensure compliance with minimum funding levels and swept for interest earnings which will be allocated back to the undesignated fund balances as allowed per this policy.

Interest earned within the Public Transit Fund and Transit Capital Fund are recognized as revenue in the period they are earned and reduce eligible Transit operating expenses in the period earned. Interest may be swept to the undesignated fund balance.

Revenue and Expense Policies: The CSPDC budgetary process shall be guided by a conservative, realistic revenues estimate and approach, and includes the following goals:

Prepaid Expense Procedure

General: Prepaid expenses are those goods and/or services paid for in advance of their use and/or consumption that exceed $2,000.00 and utilized in more than one reporting period. Typical prepaid expenses can include benefits, insurance, service contracts and subscriptions. CSPDC utilizes straight-line amortization of the prepaid expense. The prepaid amount is divided by the number of expense months paid for. Monthly, a standard journal entry is made until the prepaid expense if fully utilized.

Prepaids pertaining to those funds that are shown on the audited financial statements are put into that funds prepaid expense account(s). The following are examples of CSPDC prepaid expenses.

- HVAC Service Maintenance
- Health Insurance
- Audit Expense
- Software
- Corporate Insurance
- Conferences in will be attended in the future
- Deposits on space and goods for a future expense
- Other

Procedures: The initial recognition of a prepaid expense begins upon receipt of vendor invoice. The CSPDC Accountant or Finance Director determines the expense is for either a future period (ie a conference or deposit) or covers multiple fiscal months (ie auditor payments). During entry the invoice is coded to the appropriate prepaid account.

The Accountant notifies the Finance Director that a prepaid expense has been recording. This notification includes the vendor name, brief description of the expense, amount and either the future period or number of fiscal months. The Accountant includes a scanned copy of the invoice.

July 7, 2026

MEMO TO: CSPDC Executive Committee

FROM: Ann W. Cundy, Executive Director

SUBJECT: Executive Committee Action Form #26-03
CSPDC Investment Strategy Revisions

Recommendation:
Approve the revisions to CSPDC's Investment Strategy to include the Virginia Investment Pool Fixed Rate Fund and Truist Daily Interest Sweep option.

Executive Summary:
The Central Shenandoah Planning District Commission (CSPDC) has evaluated its current investment portfolio to identify opportunities to increase interest earnings while maintaining sufficient liquidity for operations and grant administration. Under the revised FY27 investment strategy, all reserve and operating funds will remain within the Virginia Investment Pool (VIP) and Truist Bank.

VIP Accounts
The Development, Building Reserve, Capital Improvement, PTO, Transit Capital, Transit Urban, and Transit Rural funds will continue to be maintained in the VIP's daily investment pool. Because these funds require daily liquidity for grant administration, they are well suited to remain invested in VIP's liquid investment program, where they can continue earning market-based interest while remaining readily accessible as funding needs arise.

The CSPDC Operating account will be invested separately within the Virginia Investment Pool through a 12-month fixed-rate investment fund at an estimated annual interest rate of 4%. Historical cash flow analysis demonstrates that the Operating account maintains a stable balance throughout the fiscal year, making it an appropriate candidate for a fixed-term investment while preserving adequate liquidity in the remaining VIP accounts. This strategy allows the Commission to capitalize on higher fixed interest rates without affecting its ability to meet ongoing operational obligations. Based on current account balances and projected interest rates, the investment strategy is expected to generate more than $84,900 in interest revenue during the FY27 fiscal year, providing additional unrestricted revenue that strengthens the agency's financial position.

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Truist Accounts
In addition to optimizing investments within the Virginia Investment Pool, the CSPDC will enroll its Truist Operating account in a Daily Interest Sweep program with an estimated annual yield of approximately 3%. Under this banking product, available cash balances are automatically swept each business day into an overnight investment program.

These funds are made available for short-term borrowing by other financial institutions to help meet reserve and liquidity requirements, and in return, the CSPDC earns interest on the overnight balances. The sweep process is fully automated and does not restrict access to the Commission's funds. The CSPDC retains full access to its account balance at all times and may draw any amount necessary to meet payroll, accounts payable, and other operating expenses without interruption. As a result, the Daily Interest Sweep program provides an opportunity to increase interest earnings by almost $34,000 on operating cash while maintaining the liquidity and flexibility necessary for day-to-day operations.

Attachment:
Investment Accounts Summary

Investment Accounts

Bank	Name of Account	Type	Balance As Of 6/30/2026	Required Investment 6/30/2026	Move Out	Investment Location
VIP	Operating	Undesignated	1,819,389.70	1,819,389.70	0.00	VIP FIXED RATE
VIP	Development	Designated	131,783.77	50,000.00	-81,783.77	VIP
VIP	Building Reserve	Designated	48,745.09	40,200.00	-8,545.09	VIP
VIP	Capital Improvement	Designated	327,554.31	100,000.00	-227,554.31	VIP
VIP	PTO	Designated	140,778.24	81,633.53	-59,144.71	VIP
VIP	Transit Capital	Designated	26,087.88	100,000.00	73,912.12	VIP
VIP	Transit Urban	Designated	614,791.86	614,791.86	0.00	VIP
VIP	Transit Rural	Designated	115,745.31	115,745.31	0.00	VIP
				Moved to VIP Fixed Operating	303,115.76	
				VIP Operating	1,819,389.70	
				VIP Fixed Rate Operating	2,122,505.46	
				Interest Earned on Fix Rate 4%	84,900.22	

Operating

TRUIST	Operating	Undesignated	1,129,396.67	New-Daily Interest Sweep 3%	2,823.49	TRUIST
				Estimated 12 Months	33,881.90	
				Total Annual Interest	118,782.12	
				Budget	100,000.00	
				Variance (Positive)	18,782.12	

****CSPDC has other operating accounts which are swept at year-end. Accounts are required for grant participation-EDA/ARC/Transit*

July 7, 2026

MEMO TO: CSPDC Executive Committee

FROM: Ann W. Cundy, Executive Director

SUBJECT: Executive Committee Action Form #26-04
Consideration of a One-Time Payment to Offset Net Pay Impact of VRS and Social Security Enrollment

Recommendation:
Staff recommends the Executive Committee approve a one-time payment of $2,500 to each of CSPDC's 14 employees affected by VRS and Social Security enrollment, funded from FY26 VRS transition savings (over $40,000).

Executive Summary:
CSPDC Employees transitioning into VRS and Social Security are seeing an average $300 reduction in monthly take-home pay from the new withholdings. This year's 3% COLA is fully absorbed by rising health insurance premiums, and CSPDC is not offering merit increases given funding uncertainty in future years.

To help offset the impact, we recommend a one-time $2,500 payment to each of the 14 employees affected by this transition, excluding one recent hire whose starting salary already accounted for VRS and Social Security participation. The payment is funded entirely from savings realized this year from the VRS transition not from new or recurring budget authority. Structuring it as a one-time payment, rather than a permanent increase, avoids adding to CSPDC's ongoing payroll liability at a time when future funding is uncertain.