August 10, 2025

MEMO TO: CSPDC Executive Committee Members

FROM: Ann W. Cundy, Executive Director

SUBJECT: August 17, 2026 Executive Committee Meeting

The Executive Committee of the Central Shenandoah Planning District Commission will hold a meeting on **Monday, August 17, immediately following the Commission and CSDC meetings** at the CSPDC offices**.** RSVP to Kimberly Miller at 540-885-5174 ext. 101, or email kimberly@cspdc.org.

Agenda

1. Call to Order
2. Consideration of July 14, 2026, Minutes*
3. Public Comment
4. Election of Executive Committee Officer - Chair
5. Other Business
6. Adjournment

**Action Required*

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Minutes
Central Shenandoah Planning District Commission
Executive Committee Meeting
Virtual by Teams
July 14, 2026, 4:00 p.m.

Attendance: 7

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

Call to Order
The Executive Committee meeting of July 14, 2026, was called to order at 4:00 p.m. by Vice Chairperson Carolyn Bragg. Vice Chair Bragg opened the meeting by acknowledging the recent passing of Chair Frank Friedman and shared personal remembrances of him and offered condolences to his family, friends and colleagues. Committee members and staff shared reflections on his character, humility, and decade of leadership as Chair, including his service to the region on the I-81 Committee and the GO Virginia Committee. Mr. Friedman will be missed by many.

Consideration of Minutes
Vice Chair Bragg presented the minutes of the Executive Committee meeting held on April 29, 2026, for consideration.

A motion to approve the April minutes as presented was made by Ms. Angle, seconded by Ms. Salatin. There being no objections, the motion carried unanimously.

Public Comment
Vice Chair Bragg opened the floor for public comments. There were no public comments.

Consideration of CSPDC Fiscal Policy Manual Updates (EC AF #26-02)
Ms. Cundy introduced the proposed updates to the Fiscal Policy Manual, explaining that in preparing for the upcoming audit, Mr. Kern and Accountant Rich Sagui reviewed the manual and identified a number of sections that were outdated and did not reflect current procedures. She noted that one set of changes required Executive Committee or Commission approval: revisions clarifying how the agency manages its designated reserve funds and interest earned on those funds.

Mr. Kern walked the committee through the proposed revisions. He explained that the CSPDC maintains six designated reserve funds, none of which previously had minimum balance requirements. The proposed policy establishes minimum balances for each fund so that any amounts above the minimum can be moved into higher-interest-earning accounts. Specifically:

- The Capital Improvement Fund would carry a minimum balance of $100,000, intended to cover the agency's insurance deductible and equipment or building needs (such as a roof replacement) that arise outside the normal operating budget.
- The Building Reserve Fund, tied to the agency's USDA Rural Development loan, would carry a defined minimum balance and would revert to the undesignated fund once the mortgage is paid off in approximately two years.
- The Paid Time Off (PTO) Fund would be calculated using two methods, with the fund maintained at the greater of the two, to ensure sufficient funds are available to pay out employee PTO balances if needed.
- The Development Fund would continue to help the agency offset unplanned programmatic expenses, such as floating costs on projects (for example, the airport project) pending reimbursement.
- The Transit Capital Fund would carry a minimum balance of $100,000 to support planned and unplanned transit capital needs, such as future bus lift replacements.

Mr. Kern noted that the policy also expressly authorizes staff to sweep excess interest earned on these designated funds into the undesignated fund balance without requiring a separate committee meeting for each transfer.

In response to a question from Ms. Cundy, Mr. Kern confirmed that interest on these funds is earned through the agency's accounts with the Virginia Investment Pool (VIP).

Mr. Kern also presented a related update to the prepaid expense policy, which establishes a $2,000 materiality threshold: expenses of $2,000 or less will be expensed immediately rather than amortized over multiple periods. He noted that the agency's auditors had previously flagged the absence of a written policy on this practice, and that the update is intended to formalize existing procedure ahead of the current audit.

Ms. Salatin expressed support for the added guardrails and specific numbers, noting her appreciation for removing ambiguity from the policy. Vice Chair Bragg agreed that clearer structure and guidelines were a positive change.

A motion to approve the CSPDC Fiscal Policy Manual updates was made by Mr. Short, seconded by Ms. Angle. The motion carried unanimously.

Consideration of Updates to CSPDC Investment Strategy (EC AF #26-03)

Ms. Cundy introduced the proposed updates to the CSPDC's investment strategy, noting that under the agency's bylaws, the Commission reviews the investment policy. She explained that staff had worked extensively with VIP over the preceding months and had also consulted with Chair Friedman, given his financial background and experience in municipal finance, prior to his passing. Ms. Cundy explained that two opportunities had been identified: enrolling the agency's Truist operating account in a daily interest sweep program, and moving a portion of undesignated VIP funds into a new 12-month VIP fixed-rate product offering a higher interest rate than the agency's standard undesignated VIP account.

Mr. Kern provided additional detail. Under the proposed strategy, approximately $2 million would be moved into the VIP fixed-rate product, at a simple interest rate of close to 4%, generating an estimated $85,000 in interest income over 12 months. Separately, enrolling the Truist operating account in a daily interest sweep would allow the agency's cash balances (averaging approximately $700,000, and expected to be higher at times, including with anticipated broadband/BATH project funds) to earn approximately 3% interest through overnight lending to other banks meeting FDIC reserve requirements, at no impact to the agency's cash flow or ability to write checks. Mr. Kern estimated this could generate approximately $33,000 or more in additional interest. Combined, the two strategies are expected to generate approximately $118,000 in annual interest, compared to a budgeted $100,000.

Mr. Kern noted that Chair Friedman had reviewed and supported both the VIP fixed-rate strategy and the Truist daily interest sweep as safe options prior to his passing.

A motion to approve the updates to the CSPDC Investment Strategy was made by Mr. Short, seconded by Ms. Salatin. The motion carried unanimously.

Consideration of a One-Time Payment to Offset Net Pay Impact of VRS and Social Security Enrollment (EC AF #26-04)

Ms. Cundy introduced the proposal for a one-time payment to employees affected by the agency's transition to VRS and Social Security. She noted that, having moved away from the agency's prior money purchase pension plan under which the agency significantly over-matched employee retirement contributions, the agency is realizing more than $40,000 in annual savings. At the same time, employees' individual withholdings have increased significantly as a result of participating in Social Security and VRS.

Ms. Cundy explained that this year's 3% cost-of-living adjustment is effectively being absorbed by a 10% increase in health insurance premiums (higher for some member jurisdictions, such as a 23% increase for the City of Lexington), and that the agency is not offering merit increases this year given uncertainty in community and economic development revenues and the increased local share of the transit contract. She noted that several member jurisdictions, including Lexington, are providing similar one-time payments to help offset the health insurance cost increase for their own employees.

Staff proposed using the more than $40,000 in savings realized from the VRS transition to provide a one-time payment of $2,500 to each of the agency's 14 affected employees, to help ease the transition to Social Security and VRS this fiscal year, with the goal of returning to merit increases in FY28 as funding allows.

Ms. Salatin asked about the rationale for a flat $2,500 payment to all affected employees rather than a percentage of salary. Ms. Cundy responded that the average reduction in employee take-home pay is approximately $150 per pay period, or $300 per month, and that while the proposed $2,500 payment does not fully offset that reduction, it provides meaningful support. She confirmed that a new employee starting July 1 is not eligible, as her starting salary already accounted for VRS and Social Security participation.

Ms. Salatin also asked whether CSPDC salaries remain competitive compared to other Virginia PDCs that participate in VRS. Ms. Cundy confirmed that a formal compensation study across other PDCs had not been undertaken in developing this recommendation.

A motion to approve the one-time payment of $2,500 to each eligible employee was made by Mr. Short, seconded by Ms. Angle. The motion carried unanimously.

Other Business

Ms. Cundy reported that CSPDC made a donation to the Frank Wilson Friedman Memorial Fund managed by the Community Foundation and Commissioners expressed their agreement with that gesture.

Adjournment

There being no further business to come before the Committee, the meeting was adjourned at 4:32 p.m.

Respectfully submitted,

Kimberly Miller

Kimberly Miller, Commission Clerk