

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

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## COMMISSIONERS

### Essex County

Mr. R. Gary Allen  
Hon. Margaret H. Davis  
Hon. Edwin E. Smith, Jr.  
(Treasurer)

### Town of Tappahannock

Hon. Roy M. Gladding

### Gloucester County

Dr. Maurice P. Lynch  
Hon. John Northstein  
Hon. Louise D. Theberge  
(Chair)

### King and Queen County

Hon. Sherrin C. Alsop  
(Vice Chair)  
Hon. James M. Milby, Jr.  
Mr. Thomas J. Swartzwelder

### King William County

Mr. Trenton Funkhouser  
Hon. Travis J. Moskalski  
Mr. Eugene J. Rivara  
Hon. Otto O. Williams

### Town of West Point

Mr. John B. Edwards, Jr.  
Hon. Charles D. Gordon

### Mathews County

Hon. O. J. Cole, Jr.  
Mr. Thornton Hill  
Hon. Charles E. Ingram  
Ms. Melinda Moran

### Middlesex County

Hon. Elizabeth Hurd  
Hon. Wayne H. Jessie, Sr.  
Mr. William H. Whitley  
Mr. Kenneth W. Williams

### Town of Urbanna

Hon. Donald Richwine

### Secretary/Director

Mr. Lewis L. Lawrence

## MEMORANDUM

**TO: MPPDC Board of Commissioners**

**FROM: Lewis Lawrence, Executive Director**

**DATE: May 16, 2012**

**RE: May Commission Meeting**

The Middle Peninsula Planning District Commission will host its regular monthly meeting on Wednesday, May 23, 2012, in the Regional Board Room at the Middle Peninsula Planning District Commission office in Saluda at 7:00 p.m.

Enclosed are the agenda and supporting materials for your review prior to the meeting.

If you have any questions concerning your agenda packet, please give me a call at 804-758-2311 or email at [LLawrence@mppdc.com](mailto:LLawrence@mppdc.com).

I look forward to seeing you on May 23<sup>rd</sup>!

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***Middle Peninsula Planning District Commission***  
**Regular Monthly Meeting**  
**7:00 P.M.**  
**Wednesday, May 23, 2012**  
**Saluda, Virginia**

1. Welcome and Introductions
2. Approval of April Minutes
3. Approval of April Financial Report
4. Executive Director's Report on Staff Activities for the Month of May
5. Public Comment

**AGENDA ITEMS FOR DISCUSSION**

1. Stormwater/TMDL Rollout PDC Outreach Meetings:
  - Mr. Doug Fritz, DCR Stormwater Permit Manager
2. Center for Rural Virginia (June Meeting Speaker)
3. Presentation of the Recommended Overall Program Design and Budget for FY13
4. Virginia Retirement System Resolutions
5. Report from the Nominating Committee
6. Executive Session to Discuss Personnel Issues as Permitted by Code 2.2-3711(A)(1)
7. Other Business
8. Adjournment

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## MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

April 25, 2012  
Saluda, Virginia

The monthly meeting of the Middle Peninsula Planning District Commission was held in the Regional Board Room at the Middle Peninsula Planning District Commission office in Saluda, Virginia on Wednesday, April 25, 2012, at 7:00 p.m. MPPDC Chair Louise Theberge (**Gloucester County**) welcomed everyone in attendance.

Chair Theberge welcomed and introduced Ms. Melinda Moran, Mathews County Administrator, and Mr. William Whitley, Middlesex Interim County Administrator (not in attendance) to the Board.

Commissioners in attendance were:

(**Essex County**) R. Gary Allen; (**Gloucester County**) Dr. Maurice Lynch and John Northstein; (**King and Queen County**) Thomas Swartzwelder; (**King William County**) Trenton Funkhouser, Travis Moskalski, and Otto Williams; (**Mathews County**) O. J. Cole, Jr., Tim Hill, and Melinda Moran; (**Middlesex County**) Elizabeth Hurd; (**Town of Urbanna**) Donald Richwine; and (**Town of West Point**) John Edwards, Jr. and Charles Gordon.

Guests in attendance were Bill Nachman, Gloucester/Mathews Gazette Journal; Dr. Willy Reay, Chesapeake Bay National Estuarine Research Reserve (CBNERR) Director and VIMS Research Associate Professor of Marine Science; Dr. Roger Mann, VIMS Director of Research and Advisory Services; Jackie Rickards, Independent Contractor; and citizens from the region. Middle Peninsula Planning District Commission staff in attendance were Acting Executive Director Lewis Lawrence, Administrative Assistant Beth Johnson, Secretary Rose Lewis, Regional Projects Planner Clara Meier, and Regional Economic Planner Harrison Bresee, III.

### **Approval of March Minutes**

Chair Theberge asked whether there were any corrections or changes to the March Minutes. There were no corrections or changes to the March Minutes. Chair Theberge requested a motion to approve the March Minutes as distributed. Donald Richwine moved that the March Minutes be approved. Travis Moskalski seconded the motion; motion carried.

### **Approval of March Financial Report**

Chair Theberge asked whether there were any questions regarding the financial report before being approved subject to audit. Dr. Maurice Lynch asked if the end of year financials covered the local match. Beth Johnson, MPPDC Administrative Assistant, said that three quarters of the local match had been applied and the remaining quarter will be applied in June. Chair Theberge requested a motion to approve the March Financial Report subject to audit. Charles Gordon moved to

approve the March Financial Report subject to audit. Donald Richwine seconded the motion; motion carried.

**Executive Director's Report on Staff Activities for the Month of April**

Chair Theberge requested Mr. Lewis Lawrence, Middle Peninsula Planning District Commission Acting Executive Director, to review the Executive Director's Report on Staff Activities for the month of April. The Executive Director's Report on Staff Activities is developed at a monthly staff meeting, organized by PDC Service Centers, and the activities are used to report grant funding activities. Mr. Lawrence, MPPDC Acting Executive Director, reviewed the Executive Director's Reports for April as follows:

1. **MPPDC Staff Activities Service Summary of Regional Progress**
  - The staff activities service summary of regional progress chart shows the types of services that were administered by MPPDC staff for the month of April.
2. **Information Resources/Assistance**
  - Provided agenda information for Representative Rob Wittman's Broadband Roundtable meeting scheduled for April 20<sup>th</sup> to all Middle Peninsula Local Government Administrators.
3. **Projects 32007 Middle Peninsula Chesapeake Bay Public Access Authority**
  - Drafted sample resolutions for Gloucester County, Town of Tappahannock, and Essex County requesting the assistance of the Middle Peninsula Chesapeake Bay Public Access Authority to research, study, and possibly implement ownership solutions to Perrin Wharf in Gloucester County and Prince Street in the Town of Tappahannock.
4. **Projects 32118 Virginia Coastal Zone Management Program**
  - Convened a regional stormwater management meeting with Scott Reay, Gloucester County Codes Compliance; Sandra Erdle, Coastal Outreach Specialist CBNERR; John Shaw, Mathews County Planning Director; Dave Whitlow, Essex County Administrator; Wyn Davis, Environmental Programs Manager for Essex County; Philip Thompson, King and Queen County Environmental Codes Compliance Officer; and Carolyn Howard, Fred Pribble, and Sheryl Stevens from Draper Aden Associates to discuss submittal of the funding application to the National Fish and Wildlife Foundation to create a regional stormwater management program.

Mr. Tom Swartzwelder asked Mr. Lawrence how Draper Aden Associates became involved. Mr. Lawrence said that Draper Aden Associates provided free technical assistance.

- Discussed special needs sheltering issues with Carlton Revere, Vice Chairman Middlesex County Board of Supervisors. Discussed mutual aid, nursing homes, transportation services, and evacuation issues.
- Contacted Tanya Denckla Cobb, Associate Director at the Institute for Environmental Negotiations at the University of Virginia, regarding hazard mitigation strategies for special needs groups and the possibilities of partnering together for a Virginia Sea Grant funding opportunity to study Middle Peninsula special needs challenges.
- Attended the Gloucester County Planning Commission meeting to discuss local land use issues associated with allowing aquaculture in various zoning districts.

**5. Project 30207 Transportation Demand Management (TDM) Services**

- Sent letters to general managers of Gloucester and Tappahannock Wal-Mart Supercenters introducing Middle Peninsula Rideshare and offering services to Wal-Mart employees and customers to *Save Money, Live Better* -a strategy identified in the Middle Peninsula Rideshare Long Range TDM Plan to increase services to local employers/employees.

**6. Project 30309 Rural Transportation Planning**

- Completed an Intergovernmental Review of the Fulcrum Project being proposed at the Middle Peninsula Regional Airport in King and Queen County.

Mr. Lawrence said that the MPPDC reviews all federal applications, checks with county administrators regarding applications, and then makes comments.

**7. Project 30420, 30423, 30426, 30440 On-Site Technical Guidance Assistance and Revolving Loan Program**

- Received phone call from Mathews County homeowner regarding septic repair program. Home is owned by 2 brothers, one is incarcerated. Incarcerated brother's girlfriend is living in home. Septic system has been determined to be in violation of VDH regulations. Assistance can only be offered to homeowner, not tenant. Brother is not interested in taking on loan and his income would not be eligible for grant assistance. Recommended that the homeowner and tenant discuss their situation with Mathews County Health Department staff.

**8. Project 30427 On-Site Heir Property**

- MPPDC staff has finalized and executed a research services agreement (3/9/12) with the University of Mississippi- National Sea Grant Law Center to coordinate with Virginia law schools to select one or two law students for a legal externship project focusing on heir property ownership issues and failing septic systems. Student selection should be completed in April/May with a legal research start time of early summer.

**9. Project 33000 Middle Peninsula Comprehensive Economic Development Strategy**

- Held a meeting of the CEDS Construction Committee on April 11<sup>th</sup>. 6 more employment committee meetings and 1 executive committee meeting are scheduled for this month, 7 employment meetings are scheduled for May, and 7 meetings are scheduled for June. Localities represented in the process: Town of West Point and Town of Urbanna, King William County, King and Queen County, Essex County, Middlesex County, Mathews County, and Gloucester County. The Town of Tappahannock and Essex County have chosen to share their representatives.

**10. Project 30013 Energy Efficiency and Conservation Block Grant (EECBG)**

- All weatherization projects have been completed.
  - Essex – 4
  - Gloucester – 6
  - King and Queen – 1
  - King William – 1
  - Mathews -2
  - Middlesex – 6

Mr. Tim Hill, Mathew County, said that the EECBG program was a great program and there is still a need for the program to continue if there was more funding. Mr. Lawrence said that the program was funded with stimulus money and Bay Aging staff provided the services for the program.

**Public Comments**

Chair Theberge opened the meeting for public comments and reviewed the rules of the public comment participation.

- (1) Mr. DeWitt Edwards, Mathews County, commented on MPPDC Agenda Item #1-Presentation on Phase 3 Climate Change: Initiating Adaption Public Policy Development and provided a handout titled, *The Truth About Man Made Global Warming*.

- (2) Mrs. Trudy Feigum, Middlesex County, commented on MPPDC Agenda Item #1- Presentation on Phase 3 Climate Change: Initiating Adaption Public Policy Development and provided a news report issued by National Public Radio handout titled *Melt or Grow? Fate of Himalayan Glaciers Unknown* by Richard Harris.

Chair Theberge said Public Comment period was now closed.

**Presentation on Phase 3 Climate Change: Initiating Adaptation Public Policy Development**

Mr. Lewis Lawrence, Acting Executive Director, said Josh Lands previously of World News Tonight spent two days on the Middle Peninsula interviewing citizens of the Middle Peninsula on the impact of sea level rising and climate change.

Two short videos were shown before discussion. The first video entitled “*Surging Seas-Climate Central*” was shown. In the video, citizens from Gloucester County were interviewed. These citizens have noticed changes on their properties due to sea level rise. They live and/or have property in areas experiencing extreme flooding and ongoing sea level rise. The impacts of which continue to put them and their property at risk.

Mr. Rupert Thomas (Achilles-Gloucester County) received help from FEMA to raise his home above the flood plain because climate change and sea level rise were threatening to destroy his home. Mr. Thomas said that floods are more frequent and more powerful. Mr. Bill Lawrence (Gloucester County) was interviewed at the cemetery of his great and great, great grandparents, the Smith Family. Because of sea level rise, the cemetery will have to be moved.

Dr. Ben Strauss, Scientist and Chief Operating Officer of Program on Sea Level Rise at Climate Central, published a ground breaking study of flood risks across America. Dr. Strauss said that his purpose is to help people in low lying areas. He created a national web tool called Surging Seas which is a glimpse into the future. In using the tool, one can adjust flood water level to see how a city would look under flooding conditions, it shows the number of people and homes that could be affected, and can predict the likelihood of a flood height that is given. Dr. Strauss said that sea level rise is making changes to land and we cannot rely on past flood maps and flood risks because those are not good indicators of what will be seen in the future.

The second video was entitled, “*Ghost’ Wild Areas Haunt Chesapeake Bay Region*”. Mr. Bryan Watts, Director of the Center for Conservation Biology of The College of William and Mary, talked about how sea level rise has created “ghost trees” on the Catlett Islands along the York River. The Catlett Islands are a part of the National Estuarine Research Reserve on the York River.

Mr. Watts said that hummocks are disappearing due to the sea level rise throughout the Chesapeake Bay. Ghost hummocks are maritime pine forests that occur on the fringe of the Bay and isolated along the marshes. The hummocks provide habitat for bald eagles, other birds, and some ground nesting species. The hummocks represent a symbol of what is going on in the Mid-Atlantic in terms of sea level rise. Many hummocks are being lost on a scale of years, not decades or centuries. The rising sea levels are linked in part to global warming and are drowning the trees and turning the lands into “ghost hummocks.” If the sea continues to rise as expected, the hammocks will turn to marsh and eventually open water.

Mr. Lawrence said for the last three years, MPPDC has been funded through the Virginia Coastal Zone Management Program to begin addressing climate change and sea level rise impacts in the region. MPPDC partnered with Dr. Willy Reay of VIMS and produce a fact sheet entitled “*Sea Level Rise: Local Fact Sheet for the Middle Peninsula, Virginia*” to inform citizens of sea level rise. The fact sheet documents input from data stations. Phase 1 focused on understanding the potential impacts of climate change and sea level rise and formed a Climate Change Advisory Workgroup consisting of representatives from each Middle Peninsula locality. Phase 2 focused on the understanding of social perceptions within the region. Stakeholders were engaged in answering questions using Qwizdom (an interactive audience response system) and discrepancies were found within and among stakeholder groups. Also in Phase 2 the focus was on the local government’s role in protecting public health, safety, and welfare. Phase 3 continued with outreach efforts to the general public and elected officials and developed a START (Start Adaptation and Response Today) kit. The START kit includes (1) local scientific data, (2) Kaiser-Permanente Natural Hazard Vulnerability Assessment Tool results from the Middle Peninsula, (3) local, state, national, and international case studies, and (4) sample adaption ordinances from other communities.

There was discussion regarding what is or is not causing global warming and or climate change , flooding, what can be done concerning erosion, roads, government’s responsibilities, causes and effects, and informing the public about sea level rise and global warming.

Dr. Roger Mann, VIMS Director of Research and Advisory Services, said that sea level is rising and land is sinking. Dr. Willy Reay, Chesapeake Bay National Estuarine Research Reserve (CBNERR) Director and VIMS Research Associate Professor of Marine Science, said that there is no or very little regrowth of young trees because of the sensitivity of the land where hummocks are lost.

Chair Theberge requested a motion to adopt the Report and forward it to Middle Peninsula local Planning Commissions for use in their future development of policies. Dr. Maurice Lynch moved to accept the Report and forward it to the Middle Peninsula local Planning Commissions for use in their future development policies. Mr. Tim Hill seconded the motion. Chair Theberge asked if there were any

questions. Mr. Tom Swartzwelder asked why should the Board endorse and adopt something that has not been read. Mr. Lawrence advised that the report had been distributed to Commissioners well in advance of the meeting. Mr. Don Richwine asked if the Board is adopting the Report by Chair Theberge's request or accepting the Report as moved by Dr. Lynch and seconded by Mr. Tim Hill.

Discussion was held regarding adopting, accepting, acknowledging, and/or receiving the Report.

After much discussion Dr. Lynch moved to amend the motion to receive the Report and send the report to the local government planning staff of each locality in the Middle Peninsula. Mr. Tim Hill seconded the motion; motion carried.

### **Preliminary Report from Overall Program Design and Budget Committee**

Chair Theberge said the Overall Program Design and Budget (OPDB) Committee met on April 2, 2012 and requests comments and input from the Board regarding three items of interest. Chair Theberge said the discussion will assist the OPDB Committee to determine the final draft budget for FY13. The draft budget will be submitted for consideration in May.

Chair Theberge reviewed the three items of interest:

1. VRS Contribution:

This mandate will shift 5% of the VRS responsibilities to staff. The mandate further requires the Commission to increase salaries by 5% to equalize the cost basis. However, the mandated offset does not address the increases in Social Security and Medicare contributions by either the employee or employer. Staff estimates that an additional 1% in salary would be required to equalize the cost to the employee.

It is the recommendation of the Committee that the Commission address the VRS contribution mandate this fiscal year. The proposed option to "phase in" the cost was not considered as the Governor had not made such recommendation at the time the Committee met.

2. Employee Benefits

Following the local budgeting model, MPPDC staff has not received a raise in pay in since FY09. The Committee discussed two strategies to address this issue. In order to finalize the FY13 budget the Committee desires that the Commission discuss and advise on the preferred option:

*Option #1*

MPPDC employees would receive a 2% Cost of Living Adjustment. This would require an estimated additional \$5,742 from the General Fund balance.

*Option #2*

The Commission could grant 5 floating holidays. As holiday leave is a cost born by agency grants, no General Fund balance would be required to offer this employee benefit. Five (5) floating holidays are **equivalent** to a 2% cost of living adjustment.

3. Full Time Executive Director

The contract for the Acting Executive Director expires on May 24, 2012. Staff was asked to assemble budget scenarios that illustrate the impacts to the agency based on the hiring of a full Executive Director.

Discussion was held regarding the three items of interest. Action was taken as follows:

(1) VRS Contribution

Mr. Tom Swartzwelder moved that a 6% contribution be granted by the MPPDC for staff. Dr. Maurice Lynch seconded the motion; motion carried.

(2) Employee Benefits

Mr. Tom Swartzwelder moved that the Commission grant 5 floating holidays to staff. Mr. Travis Moskalski seconded the motion; motion carried.

(3) Full Time Executive Director

Discussion was held in closed executive session.

**Executive Session to Discuss Personnel Issues as Permitted by Virginia Code 2.2-3711(A)(1)**

Chair Theberge requested a motion to go into closed meeting. Gary Allen moved that the Commission convene in closed session to discuss issues concerning personal issues permitted by Virginia Code §2.2-3711(A) (1). Otto Williams seconded the motion.

Chair Theberge took a Roll Call vote.

Gary Allen (Aye)

Maurice Lynch (Aye)

John Northstein (Aye)

Chair Louise Theberge (Aye)

Tom Swartzwelder (Aye)

Trenton Funkhouser (Aye)

Travis Moskalski (Aye)

Otto Williams (Aye)

O J Cole, Jr. (Aye)

Tim Hill (Aye)

Melinda Moran (Aye)

Elizabeth Hurd (Aye)

Donald Richwine (Aye)

John Edwards (Aye)

Charles Gordon (Aye)

*MPPDC Minutes*

*April 25, 2012*

*Page 9*

Chair Theberge requested a motion to return to open session. Otto Williams moved to return to open session. Gary Allen seconded the motion; motion approved.

Gary Allen (Aye)	O J Cole, Jr. (Aye)
Maurice Lynch (Aye)	Tim Hill (Aye)
John Northstein (Aye)	Melinda Moran (Aye)
Chair Louise Theberge (Aye)	Elizabeth Hurd (Aye)
Tom Swartzwelder (Aye)	Donald Richwine (Aye)
Trenton Funkhouser (Aye)	John Edwards (Aye)
Travis Moskalski (Aye)	Charles Gordon (Aye)
Otto Williams (Aye)	

Otto Williams moved that the Commission certify that to the best of each member's knowledge: (i) only public business matters lawfully exempted from open meeting requirements under this chapter and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body. Gary Allen seconded the motion.

Chair Louise Theberge, took Roll Call vote.

Gary Allen (Aye)	O J Cole, Jr. (Aye)
Maurice Lynch (Aye)	Tim Hill (Aye)
John Northstein (Aye)	Melinda Moran (Aye)
Chair Louise Theberge (Aye)	Elizabeth Hurd (Aye)
Tom Swartzwelder (Aye)	Donald Richwine (Aye)
Trenton Funkhouser (Aye)	John Edwards (Aye)
Travis Moskalski (Aye)	Charles Gordon (Aye)
Otto Williams (Aye)	

Chair Theberge requested a motion to offer Lewis L. Lawrence, MPPDC Acting Executive Director, the position of Executive Director at an annual salary of \$92,500. Dr. Maurice Lynch moved that Lewis L. Lawrence be offered the position as MPPDC Executive Director at an annual salary of \$92,500. Mr. Tim Hill seconded the motion. Motion carried.

Chair Louise Theberge, took Roll Call vote.

Gary Allen (Aye)	O J Cole, Jr. (Aye)
Maurice Lynch (Aye)	Tim Hill (Aye)
John Northstein (Aye)	Melinda Moran (Aye)
Chair Louise Theberge (Aye)	Elizabeth Hurd (Aye)
Tom Swartzwelder (Aye)	Donald Richwine (Aye)
Trenton Funkhouser (Aye)	John Edwards (Aye)
Travis Moskalski (Aye)	Charles Gordon (Aye)
Otto Williams (Aye)	

Lewis Lawrence accepted the offer as Executive Director of the MPPDC.

**Other Business**

There was no other business.

**Adjourn**

Chair Theberge requested a motion to adjourn. Otto Williams moved to adjourn. Maurice Lynch seconded the motion; motion carried.

COPY TESTE:

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(Secretary)

# Project Financial Report

Middle Peninsula Planning District Commission

Run Date: 05/04/2012  
 Run Time: 3:32:04 pm  
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Period Ending: 04/30/12

		----- Expenditures -----						
Code	Description	Budget	Curr Month	Project Total	Un/Over	% Budget	Revenues	Balance
30007	FY12 Local Programs	187,429.00	3,935.86	140,254.02	47,174.98	74.83%	156,503.50	16,249.48
30010	Local PAA Stewardship/	17,000.00	0.00	10,887.98	6,112.02	64.05%	17,000.00	6,112.02
30013	EE&CBG Project	703,872.00	157,842.85	281,494.95	422,377.05	39.99%	179,852.38	-101,642.57
30170	MPBDP FY12 Staff Sup	38,000.00	325.36	37,288.26	711.74	98.13%	39,573.32	2,285.06
30207	FY12 TDM	74,000.00	9,332.26	59,611.18	14,388.82	80.56%	67,340.00	7,728.82
30309	FY12 Rural Transportati	72,500.00	4,802.99	52,527.47	19,972.53	72.45%	37,440.79	-15,086.68
30420	Onsite Loan Management	119,458.85	264.61	96,398.94	23,059.91	80.70%	105,429.90	9,030.96
30423	VCWRFR Onsite Fund	80,000.00	0.00	15,337.50	64,662.50	19.17%	21,784.00	6,446.50
30426	WQIF 2010	102,883.00	740.48	24,746.90	78,136.10	24.05%	22,671.80	-2,075.10
30427	Failing Septic Heir Proper	7,091.00	228.85	228.85	6,862.15	3.23%	0.00	-228.85
30440	Septic Pumpout VII	14,372.00	-5.92	15,205.11	-833.11	105.80%	15,074.65	-130.46
30502	Water Supply Planning	106,784.79	-8.07	107,478.07	-693.28	100.65%	153,950.00	46,471.93
31002	GA Lobby FY09	0.00	0.00	18,247.75	-18,247.75	0.00%	24,000.00	5,752.25
31404	Dragon Run Day	5,511.00	0.00	5,721.87	-210.87	103.83%	6,830.34	1,108.47
31410	FY11 Dragon SAMP	25,000.00	1,000.00	21,694.26	3,305.74	86.78%	20,785.50	-908.76
32007	PAA Administration	97,690.01	225.50	84,053.79	13,636.22	86.04%	104,768.09	20,714.30
32113	MP SW Dredging Master l	32,000.00	0.00	31,713.66	286.34	99.11%	32,000.00	286.34
32115	FY11 Coastal TA	61,000.00	-28.18	63,326.80	-2,326.80	103.81%	63,374.30	47.50
32116	FY11 Climate Change	76,000.00	-32.98	76,343.61	-343.61	100.45%	72,291.15	-4,052.46
32117	Conservation Corridors	40,000.00	-19.42	39,964.29	35.71	99.91%	39,979.23	14.94
32118	FY12 Coastal TA	60,000.00	4,788.93	31,555.58	28,444.42	52.59%	15,000.00	-16,555.58
32119	Land & Water Quality Pr	50,000.00	3,754.76	12,049.91	37,950.09	24.10%	0.00	-12,049.91
32201	PAA Perrin River WW P	15,000.00	1,526.10	5,532.14	9,467.86	36.88%	3,750.00	-1,782.14
32202	Working Waterfronts Co	43,118.00	2,065.28	3,862.72	39,255.28	8.96%	898.33	-2,964.39
32203	Working Waterfronts De	6,000.00	861.63	3,635.04	2,364.96	60.58%	0.00	-3,635.04
32205	VAPDC TMDL TA	230,517.00	-102.60	219,876.23	10,640.77	95.38%	220,337.83	461.60
33000	MP Comprehensive Econ	120,000.00	4,465.60	39,454.77	80,545.23	32.88%	27,923.16	-11,531.61
<b>Totals:</b>		<u>2,385,226.65</u>	<u>195,963.89</u>	<u>1,498,491.65</u>	<u>886,735.00</u>	<u>62.82%</u>	<u>1,448,558.27</u>	<u>-49,933.38</u>

# Balance Sheet by Category

Middle Peninsula Planning District Commission

Period Ending: 04/30/12  
Format: 1 Board

Run Date: 5/4/12  
Run Time: 3:34:56 pm  
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## Assets:

Cash in Bank	562,324.11
Receivables	283,641.76
Property & Equipment	13,972.27

**Total Assets:**

**\$859,938.14**

## Liabilities:

Accounts Payable	92,507.65
VRA Loan Payables	109,284.00
Payroll Withholdings	-17.20
Accrued Leave	20,592.94
Deferred Revenue	-3.14
Cost Allocation Control	(446.90)

**Total Liabilities:**

**\$221,917.35**

## Equity:

Local Initiatives/Information Resources	28,400.09
Economic Development	-9,246.55
Transportation Programs	-7,357.86
Onsite Repair & Pumpout	13,043.05
Housing	-101,642.58
Coastal Community & Environmental	-19,601.47
Mandates	46,471.93
Temporarily Restricted	188,479.87
General Fund Balance	499,474.31

**Total Equity:**

**\$638,020.79**

**Balance:**

**\$0.00**

## Agencywide R&E by Category

Middle Peninsula Planning District Commission

Run Date: 05/04/2012

Run Time: 3:55:49 pm

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Period Ending: 04/30/12

Format: 1 Agencywide R&E

With Indirect Cost Detail

Code & Description	Budget	Current	YTD	Un/Ovr	% Bud
<b>Revenues</b>					
Local Match	75,709.00	0.00	104,045.68	-28,336.68	137.43%
Local Annual Dues	69,999.00	3,333.33	64,999.99	4,999.01	92.86%
Local Other Revenues	74,900.00	0.00	135,504.20	-60,604.20	180.91%
State Revenues	266,947.00	236,439.67	365,173.06	-98,226.06	136.80%
Federal Revenues	822,500.00	87,143.01	214,642.40	607,857.60	26.10%
Miscellaneous Income	42,407.00	1,152.09	27,965.48	14,441.52	65.95%
Onsite Loan Program Income	7,000.00	794.38	15,767.07	-8,767.07	225.24%
PAA Program Income	0.00	0.00	1,100.00	-1,100.00	0.00%
<b>Revenues</b>	<b>1,359,462.00</b>	<b>328,862.48</b>	<b>929,197.88</b>	<b>430,264.12</b>	<b>68.35%</b>
<b>Expenses</b>					
Personnel	408,523.00	29,859.38	312,882.70	95,640.30	76.59%
Facilities	30,912.00	2,128.59	25,266.05	5,645.95	81.74%
Communications	5,700.00	357.98	5,004.72	695.28	87.80%
Equipment & Supplies	6,370.00	237.53	8,600.21	-2,230.21	135.01%
Travel	5,750.00	276.01	4,825.41	924.59	83.92%
Professional Development	10,185.00	714.19	13,351.88	-3,166.88	131.09%
Contractual	767,917.00	154,098.07	455,709.09	312,207.91	59.34%
Miscellaneous	54,741.00	8,292.15	49,445.54	5,295.46	90.33%
Regional Share	75,709.00	0.00	104,045.68	-28,336.68	137.43%
<b>Expenses</b>	<b>1,365,807.00</b>	<b>195,963.90</b>	<b>979,131.28</b>	<b>386,675.72</b>	<b>71.69%</b>
<b>Agency Balance</b>	<b>-6,345.00</b>	<b>132,898.58</b>	<b>-49,933.40</b>		

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# Middle Peninsula Planning District Commission



## MPPDC General Fact Sheet

### WHAT IS MPPDC?

The Middle Peninsula Planning District Commission (MPPDC) was established pursuant to the Virginia Area Development Act (Title 15.1, Chapter 34, Sections 15.1-1400, et seq., Code of Virginia (1950) as amended) and by joint resolutions of the governing bodies of its constituent member jurisdictions.

The "MPPDC" describes the geographic section of Virginia which encompasses the Counties of Essex, Gloucester, King and Queen, King William, Mathews and Middlesex and the Towns of Tappahannock, Urbanna and West Point.

### BACKGROUND

The Agreement to organize a Planning District Commission was made on January 31, 1972, by and between the government subdivisions as authorized by the Virginia Area Development Act.

### WHAT DOES MPPDC DO?

The purpose of the Commission is to promote the orderly and efficient development of the physical, social, and economic elements of the Planning District by planning and encouraging and assisting governmental subdivisions to plan for the future.

### HOW ARE DECISIONS MADE AT MPPDC?

Decision-making occurs through the Middle Peninsula Planning District Commission, a governing body comprised of elected officials, citizens, and chief administrative officers representing the six counties and three towns in the region.

### QUICK FACTS

#### Region at Glance

- Six Counties: Essex, Gloucester, King & Queen, King William, Mathews and Middlesex
- Three Towns: West Point, Urbanna, and Tappahannock
- 1,387 Square Miles
- 1,055 Miles of Shoreline

➤ 888,064 Acres of Land

➤ 90,826 People

#### By the Numbers

- 1.1% Total State Population
- \$50,001 Median Household Income



#### For More Information:

MPPDC  
 P.O. Box 286  
 125 Bowden Street  
 Saluda, Virginia 23149  
 Phone: 804-758-2311  
[www.pdcinfo@mppdc.com](http://www.pdcinfo@mppdc.com)  
 Please visit the MPPDC website at:  
[www.mppdc.com](http://www.mppdc.com)

# Regional Profile:

## 2000-2010 Demographic Information

All data is from Census 2000 and Census 2010 unless otherwise stated

Population Trends				Median Household Income and Unemployment Rate <sup>1</sup>			
Locality	Total Population		Population Growth from 2000-2010	Median Income		Unemployment Rate	
	2000	2010		2000	2005-2009	2000	2009
Essex	9,989	11,151	12%	\$46,589	\$46,678	2.7%	8.2%
Gloucester	34,780	36,858	6%	\$56,589	\$56,830	1.9%	5.9%
King & Queen	6,630	6,945	5%	\$44,778	\$43,766	2.5%	7.8%
King William	13,146	15,935	21%	\$62,139	\$64,682	1.9%	6.9%
Mathews	9,207	8,978	-2%	\$53,849	\$49,318	2.2%	5.4%
Middlesex	9,932	10,959	10%	\$45,941	\$50,181	2.1%	6.8%
Town of Tappahannock	2,138	2,375	11.1%	\$33,688	\$37,754	14.5%	12.1%
Town of Urbanna	543	476	-12.3%	\$42,054	\$42,788	4.7%	11.2%
Town of West Point	2,866	3,306	15.4%	\$49,655	\$64,948	2.8%	4.5%
<b>Region Total</b>	<b>83,684</b>	<b>90,826</b>	<b>9%</b>	<b>\$49,837</b>	<b>\$50,001</b>	<b>8.5%</b>	<b>9.6%</b>

Ethnicity in the Middle Peninsula						
Locality	Hispanic			Non-Hispanic		
	2000	2010	Percent Change	2000	2010	Percent Change
Essex	72	349	385%	9,917	10,802	9%
Gloucester	560	935	67%	34,220	35,923	5%
King and Queen	58	184	217%	6,572	6,761	3%
King William	120	324	170%	13,026	15,611	20%
Mathews	73	104	42%	9,134	8,874	-3%
Middlesex	55	166	202%	9,877	10,793	9%
<b>Regional Total</b>	<b>938</b>	<b>2,062</b>	<b>120%</b>	<b>82,746</b>	<b>88,764</b>	<b>7%</b>

Race in the Middle Peninsula												
Locality	White			Black			Asian			Other		
	2000	2010	Percent Change	2000	2010	Percent Change	2000	2010	Percent Change	2000	2010	Percent Change
Essex	5,790	6,370	10%	3,900	4,247	9%	81	86	6%	218	448	106%
Gloucester	30,148	32,149	7%	3,585	3,197	-11%	240	286	19%	807	1,226	52%
King and Queen	4,059	4,663	15%	2,365	1,975	-16%	18	17	-6%	188	290	54%
King William	9,703	12,297	27%	2,999	2,819	-6%	48	118	146%	396	701	77%
Mathews	8,038	7,898	-2%	1,036	823	-21%	17	31	82%	116	226	95%
Middlesex	7,797	8,680	11%	1,999	1,978	-1%	12	37	208%	124	264	113%
<b>Regional Total</b>	<b>65,535</b>	<b>72,057</b>	<b>10%</b>	<b>15,884</b>	<b>15,039</b>	<b>-5%</b>	<b>416</b>	<b>575</b>	<b>38%</b>	<b>1,849</b>	<b>3,155</b>	<b>71%</b>

<sup>1</sup> Data from the Bureau of Labor Statistics Local Area Unemployment data

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

## Staff Activities Service Summary of Regional Progress

Core Services Administered by the MPPDC								
Localities	Information Resources/ Assistance	Coastal Community Development/ Environmental	Transportation	Onsite Repair and Pumpout	Economic Development	Local Initiatives	Housing	Other
Region-wide	✓	✓	✓	✓	✓	✓	✓	
Essex	✓	✓		✓	✓		✓	
Gloucester	✓	✓	✓	✓	✓		✓	
King and Queen		✓	✓	✓	✓		✓	
King William		✓	✓	✓	✓		✓	
Mathews	✓	✓		✓	✓		✓	
Middlesex		✓	✓	✓	✓		✓	✓
Town of Tappahannock		✓			✓	✓		
Town of West Point		✓			✓	✓		
Town of Urbanna		✓	✓		✓	✓		
Other			✓					

Report on Mandated Initiatives		
Localities	Water Supply Planning	
	<i>Support staff: Clara</i> <i>Start Date: 7/2008</i> <i>Completion Date: 11/2011</i>	
	Participating Localities	Current Status
Essex	✓	Awaiting Review by DEQ
Gloucester	NA	NA
King and Queen	✓	Awaiting Review by DEQ
King William	✓	Awaiting Review by DEQ
Mathews	✓	Awaiting Review by DEQ
Middlesex	✓	Awaiting Review by DEQ
Town of West Point	✓	Awaiting Review by DEQ
Town of Urbanna	✓	Awaiting Review by DEQ
Town of Tappahannock	✓	Awaiting Review by DEQ

**Middle Peninsula Planning District Commission  
Executive Director's Report of Regional Progress  
May 14, 2012**

**MPPDC: Membership, Appointments, Committee Assignments, and Networks**

**Coastal Policy Team (CPT)** - The CPT, whose members and alternates represent the Virginia Coastal Zone Management Program's key partners and eight planning district commissions, provides a forum for discussion and resolution of cross-cutting coastal resource management issues. Members serve on the team at the discretion of their agency or planning district commission director. The CPT recommends funding levels to the DEQ Director for coastal zone management projects. (MPPDC Staff 10 years +)

**Chesapeake Bay Licenses Plate Committee**- The Chesapeake Bay Restoration Fund was created by Chapters 227 and 323 of the 1992 Acts of Assembly for use by the Commonwealth of Virginia for environmental education and restoration projects to the Chesapeake Bay and its tributaries (MPPDC Staff 7 years +)

**Congressman Robert Wittman's Fisheries Advisory Committee and Environmental Advisory Committee** (MPPDC Staff 3 years +)

**Virginia Sea Grant Program External Advisory Committee (EAC):** The EAC provides stakeholder input on the strategic planning process, the research proposal review process, and on Commonwealth-wide trends and needs. The EAC is a diverse group of end-users including representatives from state agencies, the education community, coastal planning and management, the private sector, and NGOs. (MPPDC Staff 4 years+)

**General Assembly Directed Study Panel:** Aquaculture production activities; authority of local governments (MPPDC Staff- current)

**Citizens Planning Education Association of Virginia-** (Regional 9 Director) Established to further public understanding and awareness throughout the Commonwealth of the need for excellent community planning as a means of making our localities better places in which to live, work, and do business (MPPDC Staff 5 year +)

**The Association for Commuter Transportation (ACT) (Telework Council Secretary):** ACT is the premier association for professionals and organizations whose focus is the delivery of commuting options and solutions for an efficient transportation system. The Telework Council is composed of employer representatives, regional transportation, air quality and planning officials, as well as state and local government officials concerned with promoting telework and providing telework information and technical assistance to employers (MPPDC Staff 4 years+)

**The Chesapeake Chapter of ACT: (Chapter Treasurer)** – The Chapter is comprised of ACT members and TDM professionals from the states of Virginia, Maryland, West Virginia and the District of Columbia (MPPDC Staff 3 years+)

**Middle Peninsula Northern Neck Coordinated Human Services Mobility Committee:** provides direction for a unified comprehensive strategy for transportation service delivery in the Middle Peninsula and Northern Neck Planning Districts focused on unmet transportation needs of seniors, people with disabilities, and people with low incomes. (MPPDC Staff 5 years)

## MPPDC Staff and Contact Information

### **Acting Director: Lewis Lawrence**

Contact Info: [llawrence@mppdc.com](mailto:llawrence@mppdc.com) (804) 758-2311x24 (804) 832-6747 (cell)

Programs: *Coastal Zone Technical Assistance, Local Initiatives, MPCBPAA*

### **Administrative Assistant: Beth Johnson**

Contact Info: [bjohnson@mppdc.com](mailto:bjohnson@mppdc.com) (804) 758-2311x22

Programs: *Commuter/ Employer Transportation Services, Septic Repair Assistance, PDC Finance & Grants Administration*

### **Planner 2: Clara Meier**

Contact Info: [cmeier@mppdc.com](mailto:cmeier@mppdc.com) (804) 758-2311x28 (540) 908-5057 cell

Programs: *Rural Transportation Planning, Water Supply Plan, EECBG Weatherization*

### **Planner 2: Harrison Bresee**

Contact Info: [hbresee@mppdc.com](mailto:hbresee@mppdc.com) (804) 758-2311x26 (757) 871-2245 cell

Programs: *Comprehensive Economic Development Strategy, Public Access Authority, Working Waterfronts*

### **Secretary: Rose Lewis**

Contact Info: [rlewis@mppdc.com](mailto:rlewis@mppdc.com) (804) 758-2311x21

Programs: *Septic Pumpout Assistance, Facilities Scheduling*

## MANDATES

Funding – VDEM, VDEQ, localities, MPPDC General Fund

### **Project 30502 Water Supply Planning**

*9 VAC 25-780 establishes a planning process and criteria that all local governments will use in the development of local or regional water plans. The plan will be reviewed by the Department of Environmental Quality and a determination will be made by the State Water Control Board on whether the plan complies with this regulation. Within five years of a compliance determination by the board, the plan will be reviewed to assess adequacy and any significant changes will require the submission of an amended plan and review by the board. All local programs will be reviewed, revised, and resubmitted to the Department of Environmental Quality every 10 years after the last approval. The jurisdictions of Essex, King and Queen, King William, Mathews, Middlesex, Tappahannock, Urbanna and West Point opted to prepare a regional plan with assistance from Middle Peninsula Planning District Commission staff and EEE Consulting, an environmental consulting firm. The Regional Plan was completed and submitted to the Virginia Department of Environmental Quality for compliance review by the November 2, 2011 deadline for Regional Plan submission.*

- Submitted a copy of the signed resolution from Mathews County approving the Regional Water Supply Plan for the Middle Peninsula, and all public comments that were received at the Mathews County March 2012 Board of Supervisors meeting where the resolution was passed, to the Virginia Department of Environmental Quality (DEQ).

## INFORMATION RESOURCES/ASSISTANCE

*Services to provide critical assessment and thinking.....*

- Updated [www.mppdc.com](http://www.mppdc.com) website.
- The building official monthly reports for the month of April 2012 were filed for the counties of Essex and Mathews. Some Middle Peninsula localities submit reports of building activity to the Middle Peninsula Planning District Commission (MPPDC) each month with information such as the number of building permits and occupancy permits issued for dwelling units.
- Provided Anne Ducey-Ortiz, Gloucester County Planning Director, with GIS data that illustrates the Dragon Run Watershed in the Middle Peninsula. Emily Gibson, Planner III with Gloucester County, requested the shape file for use as the County continues their comprehensive planning efforts.

## COASTAL COMMUNITY DEVELOPMENT/ ENVIRONMENTAL

Funding – VDEQ, local match from MPPDC General Fund, VIMS, VDCR

### **Projects 31410 Dragon Run SAMP**

*The project is a partnership between Middle Peninsula Planning District Commission's Dragon Run Steering Committee and the Virginia Coastal Program. The project's mission is to support and promote community-based efforts to preserve the cultural, historic, and natural character of the Dragon Run, while preserving property rights and traditional uses within the watershed.*

### **Projects 32007 Middle Peninsula Chesapeake Bay Public Access Authority**

*Middle Peninsula Chesapeake Bay Public Access Authority Special Project – Support of Executive Order 23, Goal 8 Coastal Management Coordination Public Access: Continue implementation of adopted annual work*

*program, including identifying land, either owned by the Commonwealth or private holdings that can be secured for use by the general public as a public access site; researching and determining ownership of all identified sites; determining appropriate public use levels of identified access sites; developing appropriate mechanism for transferring title of Commonwealth or private holdings to the Authority; developing appropriate acquisition and site management plan. This Program allows the Authority to function by supporting the individual projects and operations of the Authority, as well as, by responding to daily requests for assistance from local government staff.*

- Discussed the history and reason for forming the Authority with Kristin Grant, Maine Sea Grant.

### **Projects 32118 Virginia Coastal Zone Management Program**

*This project provides ongoing support to member localities of the Planning District Commission and other stakeholders committed to improving community development and coastal management within the coastal zone.*

- Requested the Mathews County Board of Supervisors to provide appointments to an advisory committee to advise the MPCBPAA and the National Park Service on the development of a management plan for the Mathews Heritage Park.
- Consulted with Doug Meredith, Gloucester County Economic Development Director, concerning an application to the US Department of Agriculture requesting technical assistance. MPPDC staff is submitting and application requesting regional assistance for economic development under the Stronger Economies Together “SET” Program.
- Consulted with a Gloucester County resident interested in purchasing a marina at Gloucester Point. Discussed various Federal and State funding sources to assist with infrastructure improvements. Advised the citizen to speak with Tom Murray, Marine Advisory Services Extension specialist at VIMS.
- Convened a fact finding meeting at Achilles Elementary school in Gloucester County to discuss economic, transportation, and land use challenges facing the commercial seafood industry in Perrin River.
- Consulted with Beth Pollock, Virginia Coastal Zone Management Program, concerning a celebration of 40 years of excellence under the Federal Coastal Zone Management Act ([http://coastalmanagement.noaa.gov/about/media2/cz40\\_article.pdf](http://coastalmanagement.noaa.gov/about/media2/cz40_article.pdf)). Virginia has administered a Virginia Coastal Zone program since the late 80’s.
- Consulted with Dave Whitlow, Essex County Administrator, concerning a road ending issue associated with Rt. 607 Muddy Gut Road. Contacted Saluda Resident Engineer to request VDOT files on Rt. 607 for review my PAA staff to determine the public right for public access.
- Prepared and submitted a draft application to the National Fish and Wildlife Foundation requesting financial assistance for the development of a framework for a local and regional stormwater management program in response to a General Assembly mandate for local program creation. Received proposal support letters from Counties of Essex, Gloucester, King and Queen, King William, Mathews, and Middlesex and Towns of Tappahannock, Urbanna, and West Point.
- Received communications from Frank Fletcher, PhD with Groundwater Virginia, expressing concern over the recent interest in gas drilling within the Middle Peninsula and Northern Neck. New technologies have made possible the extraction of natural gas from previously unproductive rocks within the Middle Peninsula and Northern Neck. Natural gas is a mixture of hydrocarbon gas consisting chiefly of methane, with lesser amounts of ethane, propane, butane, and pentane. It is colorless,

tasteless, and odorless in its pure form. When burned it produces a high level of heat but few harmful air pollutants. Natural gas fuels approximately one quarter of the energy consumption in the United States.

- Submitted photos of various Middle Peninsula Working Waterfronts and York River Use Conflict project area to John Kuriawa, NOAA Coastal Program Manager for Virginia, for use in a national project highlighting the success of Virginia Coastal Zone Management.
- Attended the Virginia Outdoors Plan Technical Advisory Committee meeting held in Charlottesville to discuss the 2012 update to the Commonwealths plan for providing outdoor recreations opportunities. Discussed regional trends & recommendations; Economics & tourism; Outdoor recreation-outdoor industry, children outdoors, active living, health and wellness.
- Convened the May monthly meeting of the Middle Peninsula Local Government Administrators. Discussed **Senate Joint Resolution 76** - A Study to Assess Recurrent Flooding in Tidewater Virginia

By order of the Virginia General Assembly and the Governor of Virginia: The Virginia Institute of Marine Science shall complete its meetings by November 30, 2012, and shall submit to the Governor and the General Assembly an executive summary and a report of its findings and recommendations for publication as a House or Senate document. The executive summary and report shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports no later than the first day of the 2013 Regular Session of the General Assembly and shall be posted on the General Assembly's website.

- Consulted with Eugene Rivera, MPPDC Commissioner and King William County citizen, concerning wireless broadband issues in King William County.
- Consulted with John Shaw, Mathews County Planning Director, and Dave Whitlow, Essex County Administrator, concerning the inclusion of a stormwater management pilot project for both Colonial Courthouse areas as part of the National Fish & Wildlife application.
- Contacted the Dept. of Conservation and Recreation concerning upcoming meetings for Chesapeake Bay TMDL cleanup and the need for identifying the small coastal basin localities. Advised all middle peninsula local government administrators of upcoming TMDL public comment meetings.
- Contacted Bill Lewis, Attorney for the Town of Tappahannock, concerning a resolution requesting assistance from the Public Access Authority to assist with the transfer of Prince St. away from VDOT and back to the Town for improved public access.
- Attended the Gloucester County Board of Supervisors meeting to request acknowledgement of the need to use the Middle Peninsula Chesapeake Bay Public Access Authority (PAA) to assist with the transfer and management of Perrin Wharf owned by VDOT. The Gloucester County Board of Supervisors' passed a resolution requesting assistance from the PAA on May 1<sup>st</sup>, 2012.
- Provided Tom Chillemi, Southside Sentinel Reporter, in Middlesex County with information on Middle Peninsula localities that participate in the land use taxation program.
- Consulted with Trent Funkhouser, King William County Administrator, concerning appointments to the Middle Peninsula Broadband Authority.
- Consulted with Glen Sink, Director for Center for Rural Virginia. Mr. Sink is interested in discussing issues facing rural government at the June MPPDC dinner. Mr. Sink also requested that MPPDC staff

notify MPPDC Commissioners and community business leaders of a joint Middle Peninsula-Northern Neck rural business caucus workshop scheduled for June 6<sup>th</sup> at Rappahannock Community College-Warsaw Campus from 9:30AM-Noon. The regional Rural Caucus/business workshops objective is to have a sound dialogue of the priority issues for the respective regions to provide a basis for the legislators to present at a statewide Rural Caucus Convening this fall. Delegate Hodges and Delegate Ransone are participating in the Caucus.

- Attended the Rappahannock Community College Business Management Citizens Advisory Committee meeting to discuss the status of RCC Business programs and workforce development issues. Received an update on the Dual Enrollment program for high school students who can receive college class credit while in high school for \$5 per credit hour compared to \$130 per credit hour.
- Arraigned for staff from the Department of Conservation and Recreation to attend the May 23<sup>rd</sup> meeting of the Middle Peninsula Planning District Commission to provide an update on the new stormwater regulations and an update on Chesapeake Bay WIP.
- Consulted with Nikki Rovner, TNC, and Sara Richardson, DCR, concerning a locality's authority to deem a conservation easement inconsistent with a comprehensive plan and by extension deny special taxing benefits. Discussed how § 10.1-1010 (e). *Creation, acceptance and duration* clearly states:  
*E. No conservation easement shall be valid and enforceable unless the limitations or obligations created thereby conform in all respects to the comprehensive plan at the time the easement is granted for the area in which the real property is located.*

This clearly means that if an easement is not consistent with a comp plan, then the easement is not valid. If the easement is not valid, then the taxing protection afforded under the next section 10.1-1011 a, b, and c would also not be valid and by extension a locality/commissioner of revenue could send the "land owner of record" a tax bill for 100% of the tax due.

#### 10.1-1011

- A. *Where an easement held pursuant to this chapter or the Open-Space Land Act (§ [10.1-1700](#) et seq.) by its terms is perpetual, neither the interest of the holder of a conservation easement nor a third-party right of enforcement of such an easement shall be subject to state or local taxation nor shall the owner of the fee be taxed for the interest of the holder of the easement.*
- B. *Assessments of the fee interest in land that is subject to a perpetual conservation easement held pursuant to this chapter or the Open-Space Land Act (§ [10.1-1700](#) et seq.) shall reflect the reduction in the fair market value of the land that results from the inability of the owner of the fee to use such property for uses terminated by the easement. To ensure that the owner of the fee is not taxed on the value of the interest of the holder of the easement, the fair market value of such land (i) shall be based only on uses of the land that are permitted under the terms of the easement and (ii) shall not include any value attributable to the uses or potential uses of the land that have been terminated by the easement.*
- C. *Notwithstanding the provisions of subsection B, land which is (i) subject to a perpetual conservation easement held pursuant to this chapter or the Open-Space Land Act (§ [10.1-1700](#) et seq.), (ii) devoted to open-space use as defined in § [58.1-3230](#), and (iii) in any county, city or town which has provided for land use assessment and taxation of any class of land within its jurisdiction pursuant to § [58.1-3231](#) or § [58.1-3232](#), shall be assessed and taxed at the use value for open space, if the land otherwise qualifies for such assessment at the time the easement is dedicated. If an easement is in existence at the time the locality enacts land use assessment, the easement shall qualify for such*

*assessment. Once the land with the easement qualifies for land use assessment, it shall continue to qualify so long as the locality has land use assessment.*

- Reviewed 4 VAC 50-60 to determine what specific section of code stipulates that the development of a local stormwater management program is mandated by July 1, 2014.

### **Projects 32116 Initiating Adaptation Public Policy Development**

*MPPDC staff will continue educational outreach to the general public and to elected officials about climate change and sea level rise. To encourage Middle Peninsula member localities to consider the development of public policy to respond to climate change and sea level rise impacts, MPPDC staff will also create a “START” (Start Adaptation and Response Today) kit which will comprehensively assemble, present, and customize relevant (1) local scientific data, (2) Kaiser- Permanente Natural Hazard Vulnerability Assessment Tool results for the Middle Peninsula, (3) local, state, national and international case studies as well as (4) sample ordinances from communities (nationwide and internationally) that have adopted adaption policies.*

- MPPDC Board of Commissioners approved motion to receive Phase 3 Report and transmit to local Planning Commissions for review.

### **Project 32119 Land Water Quality Protection**

*In light of changing Federal and State regulations associated with Bay clean up-nutrient loading, nutrient goals, clean water, OSDS management, storm water management, TMDLs, etc, staff from the Middle Peninsula Planning District Commission (MPPDC) will develop a rural pilot project which aims to identify pressing coastal issue(s) of local concern related to Bay clean up and new federal and state legislation which ultimately will necessitate local action and local policy development. Staff has identified many cumulative and secondary impacts that have not been researched or discussed within a local public policy venue. Year 1-3 will include the identification of key concerns related to coastal land use management/water quality and Onsite Sewage Disposal System (OSDS) and community system deployment. Staff will focus on solution based approaches, such as the establishment of a regional sanitary sewer district to manage the temporal deployment of nutrient replacement technology for installed OSDS systems, assessment of land use classifications and taxation implications associated with new state regulations which make all coastal lands developable regardless of environmental conditions; use of aquaculture and other innovative approaches such as nutrient loading offset strategies and economic development drivers.*

- Ongoing project research.

### **Project 32201 Perrin River**

*Within the Middle Peninsula, and most coastal communities nationwide, the commercial seafood industry has had to adapt and shift as coastal land use and waterfront property ownership have altered. Historically, as epicenters of economic development, coastal communities were the location of strong fisheries and shipbuilding industries, as well as public access areas for recreational and commercial uses. However, as more and more people move toward the coast, the coastal dynamics combined with changing demographics ultimately threaten traditional and culturally significant working waterfront industries (i.e. commercial seafood). The Perrin River in particular needs a comprehensive plan to assess the needs of the commercial seafood industry, harbor management and current and future infrastructure. This project will develop a Commercial Seafood Harbor Master Plan and its implementation could ensure that current and future commercial watermen have access to infrastructure and business support services.*

- Met with Joe Heyman on May 7, 2012 of Town of Urbanna and Gloucester County to discuss the Perrin River Harbor Master Plan.

- Participated in a meeting on May 8, 2012 with three watermen from Gloucester County about the Perrin River Harbor Master Plan.
- Began working on the final report including Perrin River Recommendations, Perrin Wharf Transfer, and Improvements, and a discussion on a Recreational and Commercial Working Waterfronts Overlay/Zoning District.
- Consulted with Anne Ducey-Ortiz, Gloucester County Planning Director, concerning zoning along the waterfront in Perrin River and the implications for working waterfront infrastructure which may exist as a non-conforming use.

### **Project 32202 Working Waterfronts Coalition**

*For many Virginia rural coastal communities, there is a strong need to maximize the potential of the waterfront as a driver for economic vitality. However, market forces, changing demographics, and increasing tax burdens on waterfront properties are increasingly driving a transition of waterfront properties toward residential or recreational uses. In addition, regulatory changes affecting marine fisheries management are impacting water dependent industries and working waterfronts. If access to the waterfront is limited or severed, commercial and recreational fishermen, researchers, and other water-dependent businesses will have fewer options to successfully make a living from the tidal waters of the Commonwealth, including the Seaside on the Eastern shore. As a result, many rural Chesapeake Bay and Seaside communities are challenged to maintain their identity and are shifting away from water-dependent employment, causing economic and cultural changes that can limit economic diversification opportunities and fundamentally alter the nature of the communities themselves. These challenges are particularly acute in both rural Chesapeake Bay and Seaside coastal communities. In response, Accomack-Northampton PDC, Northern Neck PDC Middle Peninsula PDC, Middle Peninsula Chesapeake Bay Public Access Authority, Northern Neck Chesapeake Bay Public Access Authority and Marine Advisory Services at VIMS collectively propose to form a Rural Chesapeake Bay-Seaside Working Waterfront Coalition.*

- Project is awaiting completion of work from the Northern Neck and the Northampton Accomack PDC before proceeding forward.

### **Project 32203 Working Waterfronts Definition**

*In partnership with Marine Advisory Services at VIMS, MPPDC staff will coordinate a series of local meetings to identify key working waterfront business and develop a definition of working waterfronts unique to the Middle Peninsula.*

- Worked with Clara Meier, MPPDC Regional Projects Planner, to refine the list of working waterfront businesses and access areas to separate the Hubs (water dependent sites with more than one commercial user) from the Spokes (water dependent sites with one user). Next step will be to perform site visits and gather detailed information on the sites in the Counties of Gloucester, Mathews, Middlesex, Essex, King William, King and Queen and the Towns of West Point, Urbanna and Tappahannock.
- Met with Harrison Bresee, MPPDC Staff, to review the contact information spreadsheets of working waterfront infrastructure by County in the Middle Peninsula and plan the next steps in the project. There was a discussion of what entries needed more information and which infrastructure to visit in each locality.
- Received GIS data from Gloucester County Planner III, Emily Gibson, illustrating the inventory of waterfront infrastructure County GIS technicians have to date. This data will assist MPPDC staff when accounting for working waterfront infrastructure throughout the region as part of the MPPDC's Working Waterfronts Definition project.

### **Project 32205 VAPDC TMDLs**

*Funding for the Bay TMDL program is authorized by the U.S. Environmental Protection Agency through the Virginia Department of Conservation and Recreation (DCR). The Commonwealth of Virginia through the Department of Conservation and Recreation has provided funding to participating Planning District Commissions to assist local governments with responding to the EPA request. MPPDC is coordinating on behalf of 13 planning District Commissions representing over 80 local governments.*

#### **TRANSPORTATION**

**Funding – VDRPT, VDOT, local match from MPPDC General Fund**

### **Project 30207 Transportation Demand Management (TDM) Services**

*This program assists local commuters and employers with transportation issues. The main emphasis is on lowering the number of single occupancy vehicle commutes within and from the Middle Peninsula region through marketing and promotion of the program through local media and provision of ride matching services to commuters.*

- Received phone call from elderly Gloucester County resident looking for transportation to Richmond for doctor's visit. Referred to Bay Aging, Bay Transit and MetroTec Taxi.
- Received phone call from man looking for transportation to Newport News shipyard for a Gloucester County resident. 3 matches were available but upon contacting commuter he stated that he was already in a carpool arrangement.
- Received phone call from elderly Middlesex County resident looking for transportation to Richmond for medical visit. Referred to Bay Aging, Bay Transit but she had already contacted them and they were unable to assist. Referred to MetroTec Taxi. She called back to relate that the taxi service would provide the transportation but that it was too cost prohibitive. Discussed the lack of transportation options for elderly residents.
- Met with Reese Williams, WXGM Radio in Gloucester County to record FOCUS spot on Middle Peninsula Commuter Transportation needs and the services provided by Middle Peninsula Rideshare.
- Renewed contract for King & Queen County billboard. Advertising Middle Peninsula Rideshare Program.
- Signed contract for Middle Peninsula Rideshare sponsorship of opening races at Virginia Motor Speedway in Middlesex County.
- Received notification from Chris Arabia, Department of Rail and Public Transportation (DRPT), that MPPDC's application for FY13 TDM funding has been included in DRPT's draft FU2013 SYIP and presented to the Commonwealth Transportation Board for approval.
- Consulted with Lewis Lawrence, MPPDC Executive Director, regarding 2007 Virginia State of the Commute data.
- Attended DRPT webinar – Stakeholder meeting on Statewide Transit TDM Plan Update. Questioned consultants regarding lack of proposed services for commute-related trips in non-urban areas.

- Received online registration from Gloucester County resident commuting to Toano. 2 matches were available and contact information was provided.
- Received phone call from Town of Urbanna resident requesting information regarding rail travel to Washington, DC. Discussed VRE from Fredericksburg and directed her to Washington Metro website for more information.
- Consulted with Rick Helton, General Manager Gloucester Walmart, regarding letter sent earlier in month introducing commuter services available to Walmart employees and customers. Will be attending weekly employee meeting to make presentation on May 25<sup>th</sup>.
- Sent letters to general managers of Gloucester and Tappahannock Lowes stores introducing Middle Peninsula Rideshare and offering services to Lowes employees and customers as strategy identified in Middle Peninsula Rideshare Long-range TDM Plan to increase services to local employers/employees.
- Responded to request from DRPT to affirm availability of matching funds for FY13 grant.
- Received phone call from Chris Arabia, DRPT, regarding 2007 Virginia State of the Commute data on 47% out commute rate.
- Received online registration from Middlesex County resident commuting to Glen Allen. Sent contact information for 3 matches.
- Received phone call from gentleman interested in starting a vanpool from Williamsburg to Ft. Eustis. Referred to TRAFFIX for assistance.
- Discussed DRPT travel guidelines and funding with Chris Arabia, DRPT.
- Received an invitation to attend the Department of Rail and Public Transportation's (DRPT) Multimodal and Public Space Design Guidelines Steering Committee Meeting on May 23, 2012 at the Half Moon Cruise and Celebration Center in Norfolk, Virginia. These steering committee meetings have been held over the past year to help develop a set of statewide guidelines for multimodal planning and public space design at the corridor, district and transit station area scales that expand upon the existing DRPT Transit Service Design Guidelines that were developed in November 2008. The scope of the guidelines being developed with the help of the steering committee will also include guidance on Transportation Demand Management (TDM) strategies and discussion of multimodal planning approaches most relevant to the Virginia context.
- Participated in a stakeholder webinar on the Statewide Transit/TDM Plan Update on May 3, 2012 with Ms. Beth Johnson, MidPen Rideshare. This first round of stakeholder meetings was to gain stakeholder input on study objectives, methodology and anticipated study outcomes. The next steps include a transit needs analysis, financial analysis and development of recommendations. The update has a target completion date of December 2012. The public will be offered other opportunities throughout this update to provide input.

### **Project 30309 Rural Transportation Planning**

*This program provides rural transportation planning services through the Rural Transportation Planning Work Program which outlines specific tasks and goals to guide the rural planning of transportation services.*

- Participated in a conference call between MPPDC Staff and Draper Aden Associates to discuss tasks to be completed in order to submit a grant application to the National Fish and Wildlife Foundation's

(NFWF) Chesapeake Bay Local Government Assistance Program to obtain funding to develop a regional stormwater management program model that Middle Peninsula localities may consider using to satisfy the requirements of 4 VAC 50-60. Roads and related infrastructure, such as parking lots, comprise two-thirds of all paved surfaces, the primary source of stormwater runoff. In order for storm water management to be successful, the transportation sector must be included in the conversation.

- Discussed the development of the King William County Transportation Plan with Mr. Don Wagner, King William County resident and former engineer with the Virginia Department of Transportation (VDOT). Mr. Wagner is providing assistance to King William with the development of a transportation plan for the County in conjunction with their current comprehensive plan update. Mr. Wagner requested that MPPDC staff attend the April 2012 King William Planning Commission meeting and discuss the 2035 Middle Peninsula Regional Long Range Transportation Plan and other resources that may assist the County in their transportation planning efforts.
- Attended King William County's Planning Commission meeting on April 17, 2012 to provide assistance with the development of a Countywide Transportation Plan. MPPDC staff discussed the 2035 Middle Peninsula Regional Long Range Transportation Plan and the list of transportation improvement recommendations for King William County's roadways that is included in that Regional Plan. The recommendations list, done for each jurisdiction in the Middle Peninsula, may be utilized by counties and towns when updating the transportation sections of their comprehensive plans or when selecting improvements that are needed for transportation systems when funding opportunities arise.
- Convened and chaired the Virginia Association of Planning District Commissions (VAPDC) Rural Transportation Committee meeting on April 18, 2012 at the Thomas Jefferson Planning District Commission (TJPDC). Before fall 2010, the metropolitan and rural planning organizations across the Commonwealth shared one forum within the VAPDC organization to discuss transportation planning issues: the VAPDC Transportation Committee. With the formation of the Virginia Association of Metropolitan Planning Organizations (VAMPO) in October 2010, the 14 Metropolitan Planning Organizations (MPOs) across the State now have their own forum to discuss needed improvements for transportation planning and programming in the metro areas. Transportation Planning staff of the Planning District Commissions that cover rural areas now comprise the VAPDC Rural Transportation Committee. In 2011, MPPDC Staff was nominated to serve as Chair of the Committee.
- Received the final reports for the 2035 Middle Peninsula Regional Rural Long-Range Transportation Plan from Darrel Johnson, VDOT. The Long Range Plan was developed from 2006-2012 as a cooperative effort between VDOT, the MPPDC and the Middle Peninsula jurisdictions to outline regional rural transportation elements and long term rural transportation needs. The MPPDC voted to approve the Plan for use as a local and regional transportation planning tool in January 2012.
- Received a phone call from Marsha Fiol, VDOT, requesting that the VAPDC Transportation Committee Chair present comments at the Annual Transportation Planning Meeting being held on April 24, 2012 at the Doubletree Hotel in Sandston.
- Attended the Annual Transportation Planning Meeting held in cooperation with the Virginia Department of Transportation (VDOT), the Virginia Department of Rail and Public Transportation (DRPT), the Federal Highway Administration (FHWA), the Virginia Association of Metropolitan Planning Organizations (VAMPO) and the Virginia Association of Planning District Commissions (VAPDC). Clara Meier, MPPDC Staff, gave a brief update to those present on the activities of VAPDC's Rural Transportation Committee.

- Submitted a session proposal to the Virginia Association of Planning District Commission's (VAPDC) Board to consider for the summer 2012 Conference being held in Virginia Beach. The VAPDC Rural Transportation Committee proposed that a session on House Bill 1248, from the 2012 Virginia General Assembly Session, be held at the VAPDC Summer Conference with speakers from the Virginia Department of Transportation (VDOT) providing insight on how the new requirements for comprehensive plans, or transportation plans, will be implemented.
- Attended Delegate Rob Wittman's Broadband Roundtable on April 20, 2012 in Warsaw where the purpose of the meeting was to discuss the broadband and technology needs of localities in rural areas as well as ways stakeholders can best position their broadband initiatives to apply for and receive federal and/or state funding. Information was also presented about the status of federal loan and grant programs and broadband deployment initiatives in the Commonwealth of Virginia. Representatives from the Middle Peninsula Planning District Commission, the Northern Neck Planning District Commission, National Telecommunications and Information Administration (NTIA), USDA Rural Utilities Service, the Virginia Office of Telework Promotion and Broadband Assistance, and the Virginia Broadband Advisory Council discussed ongoing initiatives in their organizations.
- Attended a Plan Virginia newsletter committee meeting for preparation of the spring 2012 newsletter. Plan Virginia is the Citizen's Planning and Education Association of Virginia, providing training to Planning Commissioners across the Commonwealth. Clara Meier, MPPDC staff, has been on the Plan Virginia Board of Directors for five years.
- Sent a notice to Middle Peninsula Local Government Administrators and Local Planners about the Fiscal Years 2013-2018 Six Year Improvement Program Public Meeting being held on May 2, 2012 in Richmond, VA and reminded them that MPPDC Rural Transportation Planning Program staff are available to attend the SYIP meetings and provide comments to the Commonwealth Transportation Board on behalf of localities.
- Attended the SYIP Public Meeting on May 2, 2012 in Richmond, VA. Public comments on the FY 2013-2018 Program must be received by May 18, 2012, and can be submitted to: [Six-YearProgram@VDOT.Virginia.gov](mailto:Six-YearProgram@VDOT.Virginia.gov).
- Convened the Middle Peninsula Local Planners meeting on May 9, 2012. Items on the agenda included a TMDL Update, a Stormwater Update, the new requirements for county comprehensive plans and transportation plans that came out of the 2012 Virginia General Assembly Session (HB 1248) and a discussion of how GIS is utilized in localities. Interest was expressed by those present in resurrecting the Middle Peninsula Local GIS Technician Committee and having periodic meetings where local GIS staff can discuss how they are using GIS in their planning efforts and opportunities for shared learning or training. Planners from Essex, Gloucester, King William, and Middlesex were in attendance.
- Researched the United States Department of Agriculture Rural Utilities Service Community Connect Grant Program and reviewed the application guide for 2012. The Community-Oriented Connectivity Broadband Grant Program (Community Connect Grant Program) is designed to provide financial assistance to furnish broadband service in rural, economically-challenged communities where such service does not currently exist. Grant funds may be utilized to: (1) deploy broadband transmission service to critical community facilities, rural residents, and rural businesses, (2) construct, acquire, or expand a community center, and (3) equip and operate a community center that provides free access to broadband services to community residents for at least two years. Grants will be awarded on a competitive basis to entities serving communities of up to 20,000 inhabitants to ensure rural consumers enjoy the same quality and range of telecommunications service as are available in urban and suburban communities.

- Attended a meeting to plan the development of a King William County Transportation Plan with Scott Lucchesi, King William’s Director of Community Development, and Don Wagner. MPPDC staff is providing technical assistance for King William County in the development of a transportation plan by mapping the recommendations from the 2035 Middle Peninsula Regional Long Range Transportation Plan, mapping the bicycle route recommendations from the Regional Bicycle Facilities Plan, and serving as an information resource.
- Completed a project location description narrative for the Middle Peninsula Planning District Commission 2012 application to the National Fish and Wildlife Foundation’s Chesapeake Bay Stewardship Fund that included the names of the jurisdictions in the Middle Peninsula and the names of the major watersheds and associated basins in the Region.
- Reviewed 4 VAC 50-60 to determine what specific section of code stipulates that the development of a local stormwater management program is mandated by July 1, 2014.

#### ONSITE REPAIR & PUMPOUT

Funding – VDCR, VRA Loan Funds, local match from MPPDC General Fund, cost sharing

#### **Project 30420, 30423, 30426, 30440 On-Site technical Guidance Assistance and Revolving Loan Program**

*The On-Site Technical Guidance Program aids the Middle Peninsula localities and residents in the technical understanding and implementation of approaches to address On-Site Disposal Systems and improve water quality by assisting local homeowners with repairing failing septic systems through low-interest loans and/or grants.*

- Executed ACH loan payments.
- Received phone call from Gloucester County homeowner regarding septic repair program and application.
- Received phone call from Gloucester County resident regarding septic pumpout and repair assistance.
- Consulted with Dave Demuth, Gloucester Health Department, regarding VDH classification of septic pump replacement as repair.
- Received phone call from Sally Miller, Miller’s Septic, regarding pump replacement for Gloucester County resident.
- Received phone call from Gloucester County homeowner regarding septic repair application.
- Received phone call from Gloucester County resident regarding septic repair assistance.
- Received phone call from Gloucester County resident regarding septic pumpout application.
- Convened Middle Peninsula Onsite Wastewater Treatment and Disposal Funding Program Loan Committee to review application from Gloucester County homeowner. Homeowner approved for \$7300 funding package - \$4350 grants and \$2950 loans for conventional repair. Paperwork processed and construction underway.
- Met with Gloucester County homeowner to complete septic repair application.

- Received phone call from Aaron, Millers Septic, regarding septic pumpout.
- Convened Middle Peninsula Onsite Wastewater Treatment and Disposal Funding Program Loan Committee to review application from Gloucester homeowner. Homeowner approved for \$900 funding package - \$500 loan and \$400 grants to replace failed septic pump.
- Received from David Fridley, VDH, a list of all septic repair permits issued to Middle Peninsula homeowners for last 6 months. Letter and septic repair application were mailed to all permit holders issued permits in last 30 days. Discussed need to have this information provided on a monthly basis if possible. Also discussed having VDH personnel provide letter and application to all homeowners receiving violation letters or whose septic repair applications are denied due to need for secondary treatment and design. These are the homeowners most likely to not follow through on repairs due to complications and additional cost and who could most benefit from MPPDC Onsite Assistance Program.
- Received phone call from King and Queen County homeowner who received letter (see above). She is interested in pursuing funding from MPPDC.
- Received numerous phone calls from 2 Gloucester County homeowners requiring exceptional amount of additional handholding through septic repair application process. (7 and 10 each and counting).
- Received phone call from Gloucester County resident regarding septic pumpout assistance. Application mailed.
- Convened Middle Peninsula Onsite Wastewater Treatment and Disposal Funding Program Loan Committee to review application from Gloucester homeowner. Homeowner approved for \$7300 funding package - \$2950 loan and \$4350 grants.
- Convened Middle Peninsula Onsite Wastewater Treatment and Disposal Funding Program Loan Committee to review application from Mathews County homeowner. Homeowner approved for \$11,000 funding package - \$2975 loan and \$8025 grants. This septic system has been documented as failed for over 10 years. Combined efforts of Mathews County health department and PDC staff have finally succeeded in providing way forward to provide remedy to this situation.
- Provided update to Tammy Faulkner, Mathews County Health Department, regarding status of septic repair.
- Consulted with Jamie Miller, Millers Septic, regarding Gloucester County pump repair. Homeowner is pushing him to make repair, but has not signed and returned paperwork for funding. Informed him that MPPDC cannot authorize him to proceed until paperwork is completed.
- Received phone call from Gloucester County homeowner with questions about funding package. Discussed process.
- Consulted with Gloucester County homeowner regarding missing paperwork.
- Met with Gloucester County homeowner to finalize paperwork for funding to replace septic pump. Informed installer that all paperwork was completed by homeowner and repair it authorized.
- Received phone call from Gloucester County homeowner regarding septic pumpout program and mailed application.

- Received septic repair application from King and Queen County homeowner. Tentative approval for conventional septic repair and request for estimate mailed to homeowner.
- Received update from Mathews County homeowner regarding finalization of assistance requirements.
- Septic Pumpout as of May 14, 2012
 

Applications Mailed	88
Approved Vouchers	67
Completions	57
<b>Approved by County</b>	
Essex	12
Gloucester	19
King and Queen	05
King William	07
Mathews	08
Middlesex	16

**30427 Onsite Heir Property**

*This project will expand and complement Section 309 Land and Water Quality Protection strategy by focusing legal tools needed to address failing septic systems associated with “heir property ownership”. Water quality degradation associated with heir property ownership from failing septic systems exists for decades with no public policy strategy to correct the source of impairment. MPPDC will partner with National Sea Grant Law Center to address legal research and education needs to address this ongoing problem.*

Project is awaiting start.

**ECONOMIC DEVELOPMENT**  
 Funding – EDA, local match from MPPDC General Fund, BDP Loan Program Income

**Project 301702 Small Business Revolving Loan Fund**

*MPPDC agreed to service Middle Peninsula Business Development Partnership’s (MPBDP) Small Business Loan Portfolio after MPBDP’s dissolution November 30, 2011. MPPDC established a revolving loan fund and staff initiate ACH loan payments from clients bank accounts and manage the accounts. Principal repaid will be held until the Commission determines the best use for these funds as allowed by the USDA (RBEG) original lending restrictions. Interest earned will be used to offset administration costs.*

- Executed ACH loan payments.
- Received monthly financial statements from Gloucester County loan client.
- Received phone call from Gloucester County loan client requesting release of several liens on equipment. Loan is more than 50% repaid with no adverse history. Request was granted.
- Received phone call from Gloucester County client requesting interest only payment again this month. Agreed, but cautioned client that interest-only payments cannot continue indefinitely. Original loan agreement was for 3 months interest only payments. Loan proceeds were disbursed June 2011 and only one principal payment has been received.

## **Project 33000 Middle Peninsula Comprehensive Economic Development Strategy**

*The purpose of this project is to develop a Comprehensive Economic Development Strategy (CEDS) for the Middle Peninsula. The CEDS process will be extremely valuable for the region as a means to tie together the many activities and plans of 9 jurisdictions (6 counties and 3 towns) and also to identify and prioritize cross-region initiatives. The last Regional Economic Development Strategic Plan was completed in March 2002. The past ten years have witnessed significant changes in the region's demographics. The increase in population has also created demand for services and infrastructure development. There is also an interest in sustaining traditional trades such as fishing and agriculture.*

- Held 9 CEDS Employment Committee and 1 CEDS Executive Committee meetings. Committees have completed a Strength, Weaknesses, Opportunities, and Threats analysis (SWOT), and are working on Goals and Objectives, an Economic Cluster Analysis and Project recommendations. So far, an example of general project ideas include: water and sewer lines; broadband infrastructure; a truck stop to service landfill and silviculture rigs; a natural gas line; business training to provide qualified technical personnel for existing manufacturing jobs; and the need to quantify the economic value of tourism. Localities represented in the process: Town of West Point and Urbanna, King William County, King and Queen County, Essex County, Middlesex County, Mathews County, and Gloucester County. The Town of Tappahannock and Essex County have chosen to share their representatives.
- Submitted a grant on May 3, 2012 to Virginia Tech and the USDA Rural Development (USDA RD) for the Stronger Economies Together (SET) program. The grant, if approved, will provide up to 40 hours of technical assistance over a period of 12 months. The grant was written specifically to provide the Middle Peninsula CEDS Strategy Committee with guidance on developing and launching the regional economic development plan.

### **LOCAL INITIATIVES**

Funding - local dues, PDC base-funding from VDHCD and/or MPPDC General Fund.

Funding for specific projects may come from locality requesting assistance.

## **Project 30007 Local & Regional Technical Assistance**

*This program responds to daily requests for technical assistance which other commission programs are unable to provide.*

*(See Coastal Community Development/Environmental- in a cost saving strategy, activities such as the monthly meeting of the local government administrators have been shifted away from using local funds)*

- Made arrangements for June Quarterly Dinner Meeting to be held at Lowery's Restaurant in Tappahannock on June 27, 2012.
- Received phone call from Sam Schwartz, Senator Warner's office, requesting assistance to provide notice of Senator Warner's Gloucester Town Hall Meeting to Middle Peninsula leaders and elected officials. Sent email notice to all Commissioners, elected officials, County Administrators, and Town Managers.
- Consulted with John Bailey, Town of Urbanna Administrator, regarding loan of MPPDC projector for budget presentation to Town Council. MPPDC will loan projector to Town for 1 week.
- Discussed MPPDC Commissioner's appointment with Karen Barrow, Town of West Point.

### **Project 32113 Shallow Water Dredging**

*This project will identify and discuss the issues and framework necessary to establish a Middle Peninsula Regional Dredging Management Plan.*

*(See Coastal Community Development/Environmental- Staff support for this initiative is funded from DEQ Coastal Zone Management program)*

HOUSING  
Funding –VDMME

### **Project 30013 Energy Efficiency and Conservation Block Grant (EECBG)**

*Summary: Governor Timothy Kaine announced on October 6, 2009 that \$9.7 million in Energy Efficiency and Conservation Block Grants (EECBG) would be distributed on a competitive basis to small local governments. Virginia's 21 Planning District Commissions administered the program and assisted localities in the development of proposals which were ranked and awarded by the Department of Mines, Minerals and Energy (DMME). The program emphasizes a community-based approach to help meet energy and climate protection goals. MPPDC was awarded a contract to provide weatherization renovations to 12 homeowners ineligible for LMI weatherization programs in each of the 6 counties. MPPDC subcontracted the promotion and construction portions of this project to Bay Aging but is tasked with administering the overall project.*

- All weatherization projects have been completed. 19 Middle Peninsula homes were improved. At least one homeowner in each county participated.
  - Essex – 4
  - Gloucester – 5
  - King & Queen – 1
  - King William – 1
  - Mathews -2
  - Middlesex – 6
- Executed ACH loan payments.
- Consulted with Ron Hachey, Dept. of Mines, Mineral and Energy, concerning energy efficiency conservation block grant project close-out issues.
- This project has assisted a total of 20 homeowners in the Middle Peninsula Region with retrofitting their homes to be more energy efficient and save on energy costs Peninsula including 2 in Essex County, 3 in Gloucester County, 1 in King and Queen County, 1 in King William County, 2 in Mathews County and 3 in Middlesex County. Since September 2010 approximately \$104,000.00 in grant funding and \$46,000.00 in loan assistance was utilized by homeowners in the Middle Peninsula for home energy retrofits.
- Discussed what would be the required components for project close-out with Lewis Lawrence, MPPDC Executive Director, and Ron Hachey, DMME Energy Project Coordinator. DMME staff informed PDC staff that close-out information was not yet available from the Department of Energy (DOE) and since they were not, DMME could not provide them to the EECBG funded projects throughout the Commonwealth. DMME staff instructed MPPDC staff to put all information from the project in the last monthly report, including energy savings and items requested by the American Recovery and Reinvestment Act (ARRA) Grant Monitor.

- Prepared and submitted the April 2012 monthly report to the Virginia Department of Mines, Minerals and Energy (DMME). For EECBG projects, a report is required to be submitted after each month and after each quarter detailing activities completed toward project goals and hours worked using American Recovery and Reinvestment Act (ARRA) funding.
- Prepared and submitted the Final Report for the Middle Peninsula Planning District Commission's (MPPDC) Energy Efficiency and Conservation Weatherization Expansion Program, funded by the Energy Efficiency and Conservation Block Grant (EECBG) Program, to the Virginia Department of Mines, Minerals and Energy (DMME). DMME did not provide grant recipients with instructions on how to close out EECBG projects, so the final report included a list of activities over the life of the project, obstacles faced and solutions that were found, an energy savings summary for all jobs completed, an educational handout developed for homeowners, the waste management plan developed for use during the project and examples of advertisements used to solicit applications.
- Discussed the March 2012 EECBG Invoice with Beth Johnson, MPPDC Administrative Assistant, and with Vincent Smith, Bay Family Housing EECBG Project Manager. Ms. Johnson assisted with reviewing the invoice after it was prepared and Mr. Smith revised the Bay Family Housing (Bay Aging) portion of the invoice to reflect some mistakes that were discovered in the review.
- After revisions, the March 2012 EECBG Invoice was submitted to DMME for reimbursement. The final invoice that will be submitted to DMME for the EECBG project will be the April 2012 Invoice that is being prepared.
- Revised a spreadsheet illustrating all home energy retrofit jobs complete to show the jobs by County with the total loan and grant amounts utilized by Middle Peninsula homeowners that participated in the program.

#### AGENCY ADMINISTRATION

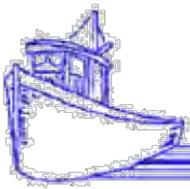
#### Funding - Indirect cost reimbursements from all PDC projects

#### MPPDC Administration

*Administrative services provided to MPPDC programs. Planned FY12 Indirect Cost rate =73.9%*

- Prepared vouchers, processed A/P, processed payroll, processed deposits and balanced bank accounts. Prepared MPPDC financial statements.
- Negotiated agreement with Elizabeth Goins, Middlesex Chamber of Commerce, to rent office space on a month to month basis. The Chamber will pay \$200/month for office space in the MPPDC library. No IT or phone services will be provided, no unauthorized use of the copier, and no IT equipment provided. Internet services will be included.
- Made changes to MPPDC FY13 draft budget to incorporate Executive Director's salary and minor adjustments to anticipated revenues and expenditures. Assisted Executive Director with budget presentation materials for Commission meeting.

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# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

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Hon. Margaret H. Davis  
Hon. Edwin E. Smith, Jr.  
(Treasurer)

Town of Tappahannock  
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Gloucester County  
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Hon. Donald Richwine

Secretary/Director  
Mr. Lewis L. Lawrence

## MEMORANDUM

**TO:** Middle Peninsula Planning District Commissioners

**FROM:** Lewie Lawrence, Acting Executive Director 

**DATE:** May 8, 2012

**SUBJECT:** Report on the FY'13 Draft Budget and Overall Program Design

Enclosed, please find the Overall Program Design and Budget Committee's recommendation for the FY'13 Budget and Overall Program Design (OPD). The Committee met on April 2, 2010 and respectfully submits the attached for your consideration.

### Comments on the Overall Program Design

As we continue to implement the recommendations from the 2011 MPPDC Strategic report, the Overall Program Design and Budget Committee has prepared a draft 2013 budget package including additional information on MPPDC Service Centers. Viewing the agency budget from a Service Center perspective will enable the Commission to compare the importance of each Service Center to the Commission's work program, the agency staff time dedicated to each Service Center and the relative cost to provide these services to the region.

For the FY2013 budget, the Committee recommends the Commission operate the following Service Centers:

- #1 Transportation (staff time 25%)
- #2 Onsite Repair and Pumpout (staff time 1%)
- #3 Environmental Coastal Community Development (staff time 23%)
- #4 Mandates (staff time 0%)
- #5 Economic Development (staff time 14%)
- #6 RLF (staff time 1%)
- #7 Local Initiatives- Regional Planning (staff time 1%)
- #8 Administrative Support (staff time 35%)

This package contains four documents which support the recommendations of the Committee:

1. FY12 Proposed Budget in traditional format.

2. Fiscal Analysis of PDC Service Centers (including a service center graphic). This approach presents the Commission's work program and proposed budget in relation to the costs to the Commission
3. Overall Program Design. The OPD has been organized to reflect the Commission's Service Centers.
4. VRS Report – June 30, 2011

Agency Administration, Environmental Coastal Community Development, Transportation Planning and Economic Development account for 97.5% of available staff time to implement the work program of the Commission. Service Centers often require multiple years of public investment to ensure adequate understanding of complicated public policy issues that impact our economic base and transportation network and, in turn, support our wonderful quality of life on the Middle Peninsula.

### **Comments on the Budget**

In reviewing the anticipated revenues, two significant points must be kept in mind:

1. Most of the revenue sources pay on a reimbursable basis and require the Commission to maintain a general fund balance to cover cash flow expenses until reimbursement arrives.
2. Few of the revenue sources are scheduled to coincide with the Commission's July 1- June 30 fiscal year.

Anticipated total operating revenues for the Commission will decrease 55.6% mainly due to the completion of FY 2011 and FY2012 local stimulus program investment. The non pass-through funding for FY13 will be \$572,415. This is a slight increase of \$36,579.

The Commission can provide matching funds either from current nonspecific revenues (i.e. PDC Base funding from DHCD and local dues) or from the PDC General Fund balance. These funds serve as a very important tool and allow the Commission to leverage additional federal, state and other funds. The proposed draft budget requests matching funds in the amount of \$123,097. At this level of investment every dollar the Commission invests in projects this fiscal year will return an additional \$4.81 to the region. DHCD base funding will be used to offset indirect costs to projects, lowering the Commission indirect rate to 50% allowing more staff time to be provided to programs.

In reviewing the anticipated expenses, two significant points must be kept in mind:

1. By using a Service Centers budget, the Commission can better recognize how policies such as rate of pay, fringe benefit levels, equipment upgrades, travel, staff professional development and access to consultants are funded and expensed.
2. The true cost of agency administration and indirect cost allocation are more readily apparent and easier to understand.

In light of the difficult economic situation, the Committee recommends (and the Commission approved by motion at the April 25<sup>th</sup> Commission meeting) that employees receive 5 additional floating holidays in lieu of a 2% COLA increase recognizing that staff salaries have not increased since FY09. Additionally, the Committee recommends that the Longevity Bonus Program adopted in 2000 again be suspended until revenues recover. The Committee recognizes the importance of maintaining a comprehensive benefit package and professional development training as part of the Commission's incentive package to encourage employment tenure and low staff turnover.

The Service Centers to which the MPPDC has committed are heavily dependent upon technology, such as a centralized server and GIS. These tools need to be maintained, upgraded and insured against possible accidental damage. Overall the Commission's computer network is working properly and anticipation is for normal expenditures for FY13.

## **REVENUES**

**LOCAL** (annual contributions) Revenue has increased by \$39,900 representing a 57% increase in dues contributions. On October 26<sup>th</sup>, 2011 the Commission took action to increase local dues to the following level: Counties \$16,300 and Towns \$4,033.

**LOCAL** (other) – Local (other) revenues are reduced by \$105,337 representing a 94% reduction. This reflects the closing of the Middle Peninsula Business Development Partnership, completion of the Phase III Water Supply Plan and no new locally sponsored projects.

**STATE** – Revenues decreased by \$58,410 representing a 22% decrease. Several state sponsored projects are winding down or were completed in FY12.

**FEDERAL** – Federal Revenues decreased by \$601,141 due to the completion of Federal Stimulus program investment (EECBG Weatherization program). Discounting the loss of pass-through funding, Federal revenues increased by \$74,859 or 50%.

**OTHER** – Slight increase of \$7,305 in Revenue as MPPDC staff continues to maximize the assets of the Commission including renting of office space to two outside entities.

## **EXPENSES**

### **PERSONNEL**

There are no Cost of Living Adjustments or Merit Increases proposed for existing personnel. At the April 25<sup>th</sup> 2012 Commission meeting, a motion was made to hire a full time Executive Director. The Acting Executive Director position, Director of Regional Planning position, 2 Regional Projects Planners positions, and the Emergency Management planner position remain vacant. The longevity bonus program is proposed to be suspended until revenues recover. Overall salary costs are reduced by 6.38% as a result of reductions in staffing and the hiring of an Executive Director. Additionally, the General Assembly has mandated a 5% raise to offset VRS contributions. The Committee recommends a 6% adjustment to keep employees salary whole.

**FRINGE BENEFITS**

With one exception, no changes are proposed to the previously approved fringe benefits package. The Commission has agreed to grant 5 additional floating holidays. These holidays have no general fund cost and thus will not increase expenses. Overall, fringe costs have been reduced by 15.9% due to significant staff turnover and the mandated employee pickup of 5% VRS contributions.

**FACILITY EXPENSE**

Expenses are approximately the same as last year.

**EQUIPMENT AND SUPPLIES**

Expenses are approximately the same as last year

**TRAVEL EXPENSE**

No change.

**PROFESSIONAL DEVELOPMENT EXPENSE**

There is a 23.8% increase or \$2,425 in this category primarily due to professional development and Association membership fees.

**CONSULTANT/CONTRACTUAL EXPENSE**

With the completion of the EECBG Weatherization Program, Consulting and Contractual expenses have been reduced by \$664,717.

**MISCELLANEOUS EXPENSE**

There is a slight increase of \$4,792 in this program due to incidental IT cost center changes, increase in TDM program promotion, and increases in meeting supplies.

**Closing Comments**

Given the difficult economic situation faced by the Commission, the new opportunity presented by a change in leadership and the Commission's new direction associated with the Strategic Report, this budget proposal responds to the priorities expressed by the Commissioners and maximizes utilization of available grant funding to support Commission's Service Centers while maintaining the Commission's conservative fiscal philosophy.

As always, much of the agency expense is dictated by project budgets approved by external funding sources. There are some other projects proposals pending on which funding decisions have not yet been made and could, in the end, require less general fund investment to balance the budget. This proposed budget will require less than \$20,000 in revenues from the Commission's Unreserved Fund Balance.



P.O. Box 2500, Richmond, Virginia 23218-2500  
Toll free: 1-888-VARETIR (827-3847)  
Web site: www.varetire.org  
E-mail: vrs@varetire.org

RECEIVED  
MAY 07 2012

April 30, 2012

BY: .....

**Middle Peninsula Planning District Commission 55882**

Recent legislation calls for localities to make certain decisions by July 1, 2012 regarding employer and member retirement contributions. These include:

- Election/certification by your local governing body of your employer retirement contribution rate for 2012-2014, using one of the options allowed in the 2012 Appropriation Act, Item 468(H). We will keep you apprised of any amendments that would change these options.
- Election/certification by your local governing body of the member contribution your current employees will be required to pay beginning July 1, 2012 and the corresponding salary increase, as provided in Chapter 822 of the 2012 Acts of Assembly (Senate Bill 497).

I am pleased to provide you this resolution packet to assist you and your local governing body in the election process for these contributions. Your packet includes:

- Resolutions to be completed and returned to VRS
- Copy of Item 468(H)
- Copy of Chapter 822 (SB 497)

**Resolution 1: Employer Retirement Contribution Rate Election**

**By no later than July 1, 2012**, your local governing body must approve one of the following employer contribution rate options for the defined benefit retirement plan in the biennium beginning July 1, 2012:

- 12.88% – the rate certified by the VRS Board of Trustees for the 2012-2014 biennium; or
- 11.25% – the alternate rate, which is the higher of the current rate certified by the VRS Board for FY 2011-2012 or 70 percent of the VRS Board-certified rate for 2012-2014.

As a reminder, effective July 1, 2012, your contribution rates for Group Life Insurance and the Health Insurance Credit, as applicable, are:

- 1.19% – Group Life Insurance
- N/A – Health Insurance Credit

### **Considerations in Electing Your Contribution Rate**

The intent of the language in the 2012 Appropriation Act, Item 468(H), is to offer localities and schools some budget relief for the coming fiscal year with respect to the amount of their retirement contributions. However, this does not change the Board-certified rate or the Annual Required Contribution (ARC). Therefore, if you are considering using the Alternate Rate, please be aware that doing so will:

- Reduce contributions to your employer account and the investment earnings they would have generated, which will mean there will be fewer assets available for benefits.
- Result in a lower funded ratio when the next Actuarial Valuation is performed and, thus, a higher calculated contribution rate at that time.
- Require that you include the Net Pension Obligation (NPO) under GASB Standards in the notes to your financial statements.

### **Resolution 2: Member Contribution Election**

As provided under Chapter 822 of the 2012 Acts of Assembly (SB 497), all Plan 1 and Plan 2 school division and political subdivision employees must begin paying the 5 percent member contribution effective July 1, 2012. All employees hired on or after July 1, 2012 must pay the full 5 percent upon employment with no phase-in allowed. For current employees, the bill allows governing bodies to phase in the member contribution in each of the next five years or until current employees are paying the full 5 percent contribution, whichever is earlier. Phase-in increases must be in whole percentages of at least 1 percent of creditable compensation per year, with comparable offsetting salary increases.

**By no later than July 1, 2012**, your local governing body must approve the amount of the member contribution that current employees will pay beginning July 1. Your governing body also must certify that employees will receive a comparable offsetting salary increase effective July 1 of each year of the phase-in period.

### **Deadline for Resolutions**

VRS must receive formal signed resolutions for the employer retirement contribution rate election and the member contribution election **by no later than July 10, 2012**.

### **Employer Webinar Scheduled for May 2 and May 3**

To assist you with the election process, I would like to invite you to register for the “Upcoming Changes to VRS Contribution Rates” webinar. There are two sessions available:

- Wednesday, May 2, 2:00-3:00 p.m.
- Thursday, May 3, 10:00-11:00 a.m.

Online registration is available at [www.varetire.org/RateChangeWebinar](http://www.varetire.org/RateChangeWebinar). The webinar also will be recorded and posted on the VRS website.

Meanwhile, if you have any questions about the information in this packet, please contact Ms. ZaeAnne Sferra, Employer Coverage Coordinator, at [zsferra@varetire.org](mailto:zsferra@varetire.org) or (804) 775-3514.

Best regards.

Sincerely,



Robert P. Schultze  
Director

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Employer Contribution Rates for Counties, Cities,  
Towns, School Divisions and Other Political Subdivisions  
(In accordance with the 2012 Appropriation Act Item 468(H))

**Resolution**

BE IT RESOLVED, that the Middle Peninsula Planning District Commission 55882 does hereby acknowledge that its contribution rates effective July 1, 2012 shall be based on the higher of a) the contribution rate in effect for FY 2012, or b) seventy percent of the results of the June 30, 2011 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2012-14 biennium (the "Alternate Rate") provided that, at its option, the contribution rate may be based on the employer contribution rates certified by the Virginia Retirement System Board of Trustees pursuant to Virginia Code § 51.1-145(I) resulting from the June 30, 2011 actuarial value of assets and liabilities (the "Certified Rate"); and

BE IT ALSO RESOLVED, that the Middle Peninsula Planning District Commission 55882 does hereby certify to the Virginia Retirement System Board of Trustees that it elects to pay the following contribution rate effective July 1, 2012:

(Check only one box)

recommend

- The Certified Rate of 12.88%       The Alternate Rate of 11.25%; and

BE IT ALSO RESOLVED, that the Middle Peninsula Planning District Commission 55882 does hereby certify to the Virginia Retirement System Board of Trustees that it has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of any election made under the provisions of this resolution; and

NOW, THEREFORE, the officers of Middle Peninsula Planning District Commission 55882 are hereby authorized and directed in the name of the Middle Peninsula Planning District Commission to carry out the provisions of this resolution, and said officers of the Middle Peninsula Planning District Commission are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by Middle Peninsula Planning District Commission for this purpose.

\_\_\_\_\_  
Governing Body/School Division Chairman

Louise

SIGN  
HERE

**CERTIFICATE**

I, \_\_\_\_\_, Clerk of the Middle Peninsula Planning District Commission, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the Middle Peninsula Planning District Commission held at \_\_\_\_\_, Virginia at \_\_\_\_\_ o'clock on \_\_\_\_\_, 2012. Given under my hand seal of the Middle Peninsula Planning District Commission this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Clerk

hewie Sign Here

**This resolution must be passed prior to July 1, 2012 and received by VRS no later than July 10, 2012.**

# Member Contributions by Salary Reduction for Counties, Cities, Towns, and Other Political Subdivisions

(In accordance with Chapter 822 of the 2012 Acts of Assembly (SB497))

## Resolution

WHEREAS, the Middle Peninsula Planning District Commission 55882 employees who are Virginia Retirement System members who commence or recommence employment on or after July 1, 2012 (“FY2013 Employees” for purposes of this resolution), shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis upon commencing or recommencing employment; and

WHEREAS, the Middle Peninsula Planning District Commission 55882 employees who are Virginia Retirement System members and in service on June 30, 2012, shall be required to contribute five percent of their creditable compensation by salary reduction pursuant to Internal Revenue Code § 414(h) on a pre-tax basis no later than July 1, 2016; and

WHEREAS, such employees in service on June 30, 2012, shall contribute a minimum of an additional one percent of their creditable compensation beginning on each July 1 of 2012, 2013, 2014, 2015, and 2016, or until the employees’ contributions equal five percent of creditable compensation; and

WHEREAS, the Middle Peninsula Planning District Commission 55882 may elect to require such employees in service on June 30, 2012, to contribute more than an additional one percent each year, in whole percentages, until the employees’ contributions equal five percent of creditable compensation; and

WHEREAS, the second enactment clause of Chapter 822 of the 2012 Acts of Assembly (SB497) requires an increase in total creditable compensation, effective July 1, 2012, to each such employee in service on June 30, 2012, to offset the cost of the member contributions, such increase in total creditable compensation to be equal to the difference between five percent of the employee's total creditable compensation and the percentage of the member contribution paid by such employee on January 1, 2012.

BE IT THEREFORE RESOLVED, that the Middle Peninsula Planning District Commission 55882 does hereby certify to the Virginia Retirement System Board of Trustees that it shall effect the implementation of the member contribution requirements of Chapter 822 of the 2012 Acts of Assembly (SB497) according to the following schedule for the fiscal year beginning July 1, 2012 (i.e., FY2013):

Type of Employee	Employer Paid Member Contribution	Employee Paid Member Contribution
Plan 1	%	%
Plan 2	%	%
FY2013 Employees	0%	5%

recommend 5%/0

**(Note: Each row must add up to 5 percent.); and**

BE IT FURTHER RESOLVED, that such contributions, although designated as member contributions, are to be made by the Middle Peninsula Planning District Commission in lieu of member contributions; and

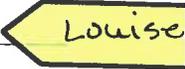
BE IT FURTHER RESOLVED, that pick up member contributions shall be paid from the same source of funds as used in paying the wages to affected employees; and

BE IT FURTHER RESOLVED, that member contributions made by the Middle Peninsula Planning District Commission under the pick up arrangement shall be treated for all purposes other than income taxation, including but not limited to VRS benefits, in the same manner and to the same extent as member contributions made prior to the pick up arrangement; and

BE IT FURTHER RESOLVED, that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the pick up contributions made by the Middle Peninsula Planning District Commission directly instead of having them paid to VRS; and

BE IT FURTHER RESOLVED, that notwithstanding any contractual or other provisions, the wages of each member of VRS who is an employee of the Middle Peninsula Planning District Commission shall be reduced by the amount of member contributions picked up by the Middle Peninsula Planning District Commission on behalf of such employee pursuant to the foregoing resolutions.

NOW, THEREFORE, the officers of Middle Peninsula Planning District Commission 55882 are hereby authorized and directed in the name of the Middle Peninsula Planning District Commission to carry out the provisions of this resolution, and said officers of the Middle Peninsula Planning District Commission are authorized and directed to pay over to the Treasurer of Virginia from time to time such sums as are due to be paid by the Middle Peninsula Planning District Commission for this purpose.

\_\_\_\_\_  
Governing Body Chairman 

**CERTIFICATE**

I, \_\_\_\_\_, Clerk of the Middle Peninsula Planning District Commission, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the Middle Peninsula Planning District Commission held at \_\_\_\_\_, Virginia at \_\_\_\_\_ o'clock on \_\_\_\_\_, 2012. Given under my hand and seal of the Middle Peninsula Planning District Commission this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Clerk 

**This resolution must be passed prior to July 1, 2012 and received by VRS no later than July 10, 2012.**

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# VIRGINIA ACTS OF ASSEMBLY -- 2012 RECONVENED SESSION

## CHAPTER 822

*An Act to amend and reenact § 51.1-144 of the Code of Virginia, relating to Virginia Retirement System employee contributions; local employees; school board employees.*

[S 497]

Approved April 18, 2012

**Be it enacted by the General Assembly of Virginia:**

**1. That § 51.1-144 of the Code of Virginia is amended and reenacted as follows:**

§ 51.1-144. Member contributions.

A. Each member shall contribute five percent of his creditable compensation for each pay period for which he receives compensation.

The employer shall deduct the contribution payable by the member. Every employee accepting employment shall be deemed to consent and agree to any deductions from his compensation required by this chapter. ~~No deduction shall be taken from the compensation of a member after his normal retirement date if the member elects not to contribute.~~

B. In determining the creditable compensation of a member in a payroll period, the Board may consider the rate of compensation payable to the member on the date of entry or removal of his name from the payroll as having been received throughout the month if service for the month is creditable. If service for the month is not creditable, the Board may consider any compensation payable during the month as not being creditable compensation.

C. The minimum compensation provided by law for any member shall be reduced by the deduction required by this section. Except for any benefits provided by this chapter, payment of compensation minus the deductions shall be a full and complete discharge of all claims for services rendered by the member during the period covered by the payment.

D. No deduction shall be made from any member's compensation if the employer's contribution is in default.

E. The Board may modify the method of collecting the contributions of members so that the employer may retain the amounts deducted from members' salaries and have a corresponding amount deducted from state funds otherwise payable to the employer.

F. 1. Except as provided in ~~subdivision subdivisions 2, 3 and 4~~, any employer may elect to pay an equivalent amount in lieu of all member contributions required of its employees. Such payments shall be credited to the members' contribution account. These contributions shall not be considered wages for purposes of Chapter 7 (§ 51.1-700 et seq.) ~~of this title~~, nor shall they be considered to be salary for purposes of this chapter.

2. A person who becomes a member on or after July 1, 2010, shall be required to pay member contributions on a salary reduction basis in accordance with § 414(h) of the Internal Revenue Code in the amount of five percent of creditable compensation if the person is (i) a member covered by the defined benefit plan established under this chapter, (ii) a member of the State Police Officers' Retirement System under Chapter 2 (§ 51.1-200 et seq.), (iii) a member of the Virginia Law Officers' Retirement System under Chapter 2.1 (§ 51.1-211 et seq.), (iv) a member of the Judicial Retirement System under Chapter 3 (§ 51.1-300 et seq.), or (v) earning the benefits permitted by § 51.1-138.

~~Each county, city, town, local public school board, or other local employer may elect to pay an equivalent amount in lieu of the member contributions required of its employees described in this subdivision. The county, city, town, local public school board, or other local employer may pay, in whole percentages, up to five percent of the creditable compensation otherwise required of such employees, provided that the employer pays the same percentage of creditable compensation for all such employees, and is paying all member contributions required under this section for all of its other member employees not described in this subdivision. Any portion of the five percent of creditable compensation required of a person who becomes a member on or after July 1, 2010, that is not paid by the county, city, town, local public school board, or other local employer, shall be paid by such person.~~

~~No employer other than a county, city, town, local public school board, or other local employer shall be allowed to elect to pay any amount of the member contributions required of a person who becomes a member on or after July 1, 2010.~~

3. ~~A member who is an employee of a county, city, town, or other local employer other than a local public school board, regardless of whether the member is a person who becomes a member on or after July 1, 2010, shall be required to pay member contributions on a salary reduction basis in accordance with § 414(h) of the Internal Revenue Code in the amount of five percent of creditable compensation as follows: (i) any member who commences or recommences employment on or after July 1, 2012, shall be required to contribute five percent of his creditable compensation upon commencing or recommencing~~

employment and (ii) members in service on June 30, 2012, shall be required to contribute five percent of their creditable compensation no later than July 1, 2016. Such member described in subdivision (ii) shall contribute a minimum of an additional one percent of his creditable compensation beginning on each July 1 of 2012, 2013, 2014, 2015, and 2016, or until the member's contribution equals five percent of creditable compensation, but the county, city, town, or other local employer other than a local public school board may elect to require members to contribute more than an additional one percent each year, in whole percentages. In no case shall a member be required to contribute more than five percent of his creditable compensation for each pay period for which he receives compensation. No county, city, town, or other local employer other than a local public school board shall be allowed to elect to pay any amount of member contributions except to pay the difference between five percent and the employee contribution during the phase-in period described in this subdivision for a member who was in service on June 30, 2012.

4. A member who is an employee of a local public school board, regardless of whether the member is a person who becomes a member on or after July 1, 2010, shall be required to pay member contributions on a salary reduction basis in accordance with § 414(h) of the Internal Revenue Code in the amount of five percent of creditable compensation as follows: (i) any member who commences or recommences employment on or after July 1, 2012, shall be required to contribute five percent of his creditable compensation upon commencing or recommencing employment and (ii) members in service on June 30, 2012, shall be required to contribute five percent of their creditable compensation no later than July 1, 2016. Such member described in subdivision (ii) shall contribute a minimum of an additional one percent of his creditable compensation beginning on each July 1 of 2012, 2013, 2014, 2015, and 2016, or until the member's contribution equals five percent of creditable compensation, but the local public school board employer may elect to require members to contribute more than an additional one percent each year, in whole percentages. In no case shall a member be required to contribute more than five percent of his creditable compensation for each pay period for which he receives compensation. No local public school board employer shall be allowed to elect to pay any amount of member contributions except to pay the difference between five percent and the employee contribution during the phase-in period described in this subdivision for a member who was in service on June 30, 2012.

~~3.~~ 5. Notwithstanding any other provision of this section or other law, only those employers who were paying member contributions as of February 1, 2010, may pay member contributions. The provisions of this subdivision shall not apply to a county, city, town, local public school board, or other local employer.

G. Subject to the provisions of subsection F, any employer whose employees are paying member contributions to the retirement system on a salary reduction basis in accordance with § 414(h) of the Internal Revenue Code may phase in the payment of the member contributions on behalf of its employees upon notification to the Board of the employer's intent to make such payments. The Board shall approve the period of time by which the phase in shall be completed not to exceed six years from the commencement of the phased-in payments.

H. Any employer that, by resolution of its governing body, elects to provide retirement coverage for its employees in accordance with § 51.1-130 on or after September 1, 1998, shall allow its employees to pay member contributions to the retirement system on a salary reduction basis in accordance with § 414(h) of the Internal Revenue Code in lieu of paying the member contribution on behalf of its employees in accordance with the provisions of subsection F.

I. The Board may develop procedures to effect the transfer of member contributions paid by employers on or after July 1, 1980, and accrued interest on those contributions, to the member contribution account of the member, if such contributions have been previously deposited into the retirement allowance account of the employer.

2. That any county, city, town, local public school board, or other local employer that currently pays any portion of member contributions to the Virginia Retirement System that the member will be responsible for paying pursuant to the provisions of this act shall provide an increase in total creditable compensation, effective July 1, 2012, to each affected member who was in service on June 30, 2012, to offset the cost of the member contributions. Such increase in total creditable compensation shall be equal to the difference between five percent of an employee's total creditable compensation and the percentage of the member contribution paid by the local member on January 1, 2012. If a county, city, town, local public school board, or other local employer elects to phase in the member contributions pursuant to subdivision F 3 or F 4 of § 51.1-144 of the Code of Virginia, the increase in total creditable compensation may also be phased in at the same rate.

## 2012 Appropriation Act Item 468(H)

### Central Appropriations Language

“H.1. Except as authorized in Paragraph H.2. of this Item, rates paid to the VRS on behalf of employees of participating (i) counties, (ii) cities, (iii) towns, (iv) local public school divisions (only to the extent that the employer contribution rate is not otherwise specified in this act), and (v) other political subdivisions shall be based on the higher of: a) the contribution rate in effect for FY 2012, or b) seventy percent of the results of the June 30, 2011 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2012-14 biennium, eighty percent of the results of the June 30, 2013 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2014-16 biennium, ninety percent of the results of the June 30, 2015 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2016-18 biennium, one-hundred percent of the results of the June 30, 2017 actuarial valuation of assets and liabilities as approved by the Virginia Retirement System Board of Trustees for the 2018-20 biennium.

2. Rates paid to the VRS on behalf of employees of participating (i) counties, (ii) cities, (iii) towns, (iv) local public school divisions (only to the extent that the employer contribution rate is not otherwise specified in this act), and (v) other political subdivisions may, at each participating employers option, be based on the employer contribution rates certified by the Virginia Retirement System (VRS) Board of Trustees pursuant to § 51.1-145(I), Code of Virginia.

3. Every participating employer must certify to the board of the Virginia Retirement System by resolution adopted by its local governing body that it: has reviewed and understands the information provided by the Virginia Retirement System outlining the potential future fiscal implications of electing or not electing to utilize the employer contribution rates certified by the Virginia Retirement System (VRS) Board of Trustees, as provided for in paragraph H.2.

4. Prior to electing to utilize the employer contribution rates certified by the Virginia Retirement System (VRS) Board of Trustees, as authorized in paragraph H.2, local public school divisions must receive the concurrence of the local governing body. Such concurrence must be documented by a resolution of the governing body.

5. The board of the Virginia Retirement System shall provide all employers participating in the Virginia Retirement System with a summary of the implications inherent in the use of the employer contribution rates certified by the Virginia Retirement System (VRS) Board of Trustees set out in paragraph H.2, and the alternate employer contribution rates set out in paragraph H.1.”

#### **Explanation:**

(This amendment allows for the phase-in of the VRS Board-approved employer contribution rates for local employers over three biennia.)

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**Cavanaugh Macdonald**

CONSULTING, LLC

*The experience and dedication you deserve*



Virginia  
Retirement  
System

**Report on the Actuarial Valuation for  
Middle Peninsula Planningdistrict Commission  
(55882)**

**Prepared as of June 30, 2011**



# Cavanaugh Macdonald

CONSULTING, LLC

*The experience and dedication you deserve*

December 23, 2011

To the Governing Body of: Middle Peninsula Planningdistrict Commission

We are pleased to submit the results of the annual actuarial valuation for Middle Peninsula Planningdistrict Commission (the "Plan"), a political subdivision participating in the Virginia Retirement System (VRS), prepared as of June 30, 2011.

The purpose of this report is to provide a summary of the funded status of the Plan as of June 30, 2011, to recommend rates of employer contribution and to provide accounting information under Governmental Accounting Standards Board Statements No. 25 and 27 (GASB 25 and 27). While not verifying the data at source, the actuary performed tests for consistency and reasonability.

The June 30, 2011 valuation results indicate that an employer contribution rate of 12.88% of payroll is sufficient to fund the normal cost for all members and finance the unfunded accrued liability of the Plan. Contribution rates for VRS employees are established every two years, so this rate will apply in fiscal years ending 2013 and 2014. The employer contribution rate based on the June 30, 2010 actuarial valuation was 13.59% of payroll. The actuarially calculated employer contribution rate based on the June 30, 2010 valuation was for informational purposes only.

The promised benefits of the plan are included in the actuarially calculated employer contribution rates which are developed using the entry age normal cost method. Five-year smoothed market value of assets is used for actuarial valuation purposes. Gains and losses are reflected in the unfunded accrued liability that is being amortized by regular annual contributions as a level percentage of payroll within a 30 year period, on the assumption that payroll will increase by 3% annually. The assumptions recommended by the actuary and adopted by the Board are in the aggregate reasonably related to the experience under the plan and to reasonable expectations of anticipated experience under the Plan and meet the parameters for the disclosures under GASB 25 and 27.

The valuation reflects the following changes in benefit provisions:

- Effective June 30, 2010 all new members on and after that date participate in Plan 2. The provisions of Plan 2 are summarized in Section VI.
- There were no other changes in the benefit provisions since the last actuarial valuation which had a financial impact on the Plan.

The valuation reflects the following changes in actuarial assumptions:

- The amortization period of the unfunded actuarial accrued liability was increased from 20 to 30 years to phase in the impact of the previously adopted change in the assumed annual rate of return from 7.5% to 7.0%. In future valuations, the amortization period will decrease by one each year until reaching 20 years, at which point it is expected to remain 20 years.



All historical information shown in the report that references a valuation date prior to June 30, 2008 was prepared by a previous actuarial firm.

This is to certify that the independent consulting actuary is a Member of the American Academy of Actuaries and has experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the System and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

The Table of Contents, which immediately follows, outlines the material contained in the report.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Thomas J. Cavanaugh'.

Thomas J. Cavanaugh, FSA, FCA, EA, MAAA  
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Jose I. Fernandez'.

Jose I. Fernandez, ASA, FCA, EA, MAAA  
Principal and Consulting Actuary

JF/jmy

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# Section I – Summary of Principal Results

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## Introduction and Summary

This report contains the actuarial valuation results as of June 30, 2011 for Middle Peninsula Planningdistrict Commission as determined by Cavanaugh Macdonald Consulting, the actuary for the Virginia Retirement System (VRS). Questions about this report should be directed to the VRS, rather than to Cavanaugh Macdonald Consulting.

## Contribution Rates

The previous employer contribution rate was set by the June 30, 2009 valuation and is effective for the period July 1, 2010 through June 30, 2012, or fiscal years ending 2011 and 2012. The June 30, 2010 calculated rate shown in Table 1, Item 9c is for informational purposes only. The June 30, 2011 calculated rate shown in Table 1, Item 9c is the recommended rate for the period July 1, 2012 through June 30, 2014, or fiscal years ending 2013 and 2014. Rates for subsequent fiscal years will be determined by future actuarial valuations.

The recommended employer contribution rate consists of two pieces—the normal cost and the amortization of the unfunded actuarial accrued liability (UAAL). These are shown in Table 1, Item 9. The normal cost—shown in detail in Table 1, Item 8—can be viewed as the regular, ongoing cost of the plan. The UAAL is the amount by which the actuarial value of assets (see below) falls short of, or exceeds, the actuarial accrued liability for this plan. Under the funding arrangement adopted by the Board, the UAAL will be amortized over 30 Years.

## Benefit Provisions

The main benefit provisions are summarized in Section VI of this report. This actuarial valuation took into account the provisions of VRS that were applicable to political subdivision employers on the valuation date of June 30, 2011. The valuation reflects any mandatory or elected enhanced LEOS/Fire benefits (LEOS/Fire coverage) that have been adopted by June 30, 2011, even if the enhanced benefits are effective after that date.

The valuation reflects the following changes in benefit provisions:

- Effective June 30, 2010 all new members on and after that date participate in Plan 2. The provisions of Plan 2 are summarized in Section VI.
- There were no other changes in the benefit provisions since the last actuarial valuation which had a financial impact on the Plan.

## Actuarial Assumptions and Methods

Section IV and Section V of this report outline the full set of actuarial assumptions and methods used in the current valuation. The valuation assumes an annual cost-of-living adjustment of 2.50% for Plan 1 members and 2.25% for Plan 2 members. Salary increases range between 3.75% and 5.60% depending on the member's service and classification (i.e., members with general employee benefits or with LEOS/Fire coverage). Liabilities were determined under the Entry Age Normal actuarial cost method.

# Section I – Summary of Principal Results

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## Assets

Table 1, Item 5 shows the market and actuarial values of assets for this employer. Five-year smoothed market value of assets is used for actuarial valuation purposes. The actuarial value reflects only a portion of the excess (or shortfall) between recent market value returns and the corresponding expected returns based on the 7.00% investment return assumption. The actuarial value recognizes this excess return (or shortfall) over a five-year period at the rate of 20% per year. This approach dampens year-to-year fluctuations in the contribution rates. The actuarial value of assets cannot be less than 80% or more than 120% of the market value of assets.

## Member Data

This actuarial valuation is based on census data supplied by the VRS. The number of active members is shown in Table 1, Item 1a. The number of members who have worked for this employer at one time, but who are now active at another employer, is shown in Table 1, Item 1b. The liability for this employer's share of the benefits for such former employees has been reflected in the liabilities and in the contribution rates. The number of retirees shown includes those who retired from this employer, as well as those who retired from another employer with service attributed to this employer. The liabilities also take into account this employer's share of the benefits for former active members who later were employed by another VRS employer, and subsequently retired. Section VII provide a summary of the average data.

Any changes in coverage adopted but not included in the valuation data may not be reflected in the current contribution rate. Subsequent valuations may therefore result in a change to the required contribution rate, reflective of the change in coverage.

## Experience

Most employers have experienced a loss for the year ending June 30, 2011, primarily due to an actuarial value of assets return of less than the expected 7.0% return.

## Tables

There are nine tables included in this report. Table 1 is a summary of the membership statistics, asset values and contribution rates for this employer. Table 2 presents a breakdown of normal cost by type of benefit. Table 3 shows the actuarial present value of future benefits, broken down by membership category and type of benefit. Table 4 provides the details of the development of the recommended contribution rate, including a breakdown of contribution rates for members with general employees benefit coverage and members with LEOS/Fire benefit coverage. The breakdown of contribution rates between general employees and LEOS/Fire covered employees is shown for informational purposes only. Table 5 shows estimated contribution rates for the next five years, which are based on the plan's future experience matching all actuarial assumptions and reflecting the impact of asset smoothing on the current difference between market and actuarial value of assets.

## Accounting Information

Section III of this report, specifically Tables 6, 7 and 8, presents Accounting Information required under Governmental Accounting Standards Board Statement Nos. 25 and 27 (GASB 25 and 27). Your auditor will need this information in preparing your financial statements. All historical information shown in the report that references a valuation date prior to June 30, 2008 was prepared by a previous actuarial firm.

# Section I – Summary of Principal Results

## Summary of Results (Table 1)

For convenience of reference, a comparison of the principal results of the current and the previous valuations are summarized below. The following exhibit shows the development of the contribution rate based on the June 30, 2011 actuarial valuation. This contribution was developed using level percent of pay amortization of the unfunded liability with an open amortization period. Please note that the contribution rate determined in the 2010 valuation is for informational purposes only. The June 30, 2011 valuation contribution rate shown below establishes the contribution rate, for funding purposes, for the fiscal years ending 2013 and 2014.

	June 30, 2011	June 30, 2010
<b>1. Participants</b>		
a. Actives	6	8
b. Transfers Out	1	0
c. Retirees and Beneficiaries	1	0
d. Retirees and Beneficiaries Elsewhere	0	0
e. Inactive, Vested	1	1
f. Inactive, Nonvested	0	0
g. Total	9	9
<b>2. Covered Payroll</b>	\$293,126	\$436,300
<b>3. Averages for active members</b>		
a. Average Age	45.2	48.1
b. Average Years of Service	8.2	9.5
c. Average pay	\$48,854	\$54,538
<b>4. Expected Retirement Benefits</b>	\$16,969	\$0
<b>5. Assets</b>		
a. Market Value of Assets	\$314,148	\$216,256
b. Actuarial Value of Assets	\$319,550	\$253,212
<b>6. Actuarial Accrued Liability</b>	\$638,644	\$537,855
<b>7. Unfunded Actuarial Accrued Liability (6 – 5b)</b>	\$319,094	\$284,643
<b>8. Normal Cost Rate</b>		
a. Gross Normal Cost Rate	11.91%	14.02%
b. Member Contribution Rate	5.00%	5.00%
c. Employer Normal Cost Rate (8a – 8b)	6.91%	9.02%
<b>9. Recommended Employer Contribution Rate for Fiscal Year Ending</b>	<b>2013 &amp; 2014</b>	<b>Informational Purposes Only</b>
a. Employer Normal Cost Rate	6.91%	9.02%
b. Amortization Charge	5.97%	4.57%
c. Total (not less than zero) (9a + 9b)	12.88%	13.59%
<b>10. Funding Period</b>	30 Years	20 Years

## Section II – Plan Contribution Development

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### Normal Cost (Table 2)

The Normal Cost represents active participant benefits that are to accrue during the plan year and is a component of the contribution. The following table shows the Normal Cost as it is attributable to the plan benefits under the current plan.

	June 30, 2011	June 30, 2010
<b>1. Normal Cost as Percent of Payroll</b>		
a. Retirement Benefits	7.77%	8.99%
b. Termination Benefits	1.22%	0.97%
c. Disability Benefits	2.56%	3.47%
d. Death Benefits	0.36%	0.59%
e. Total	<u>11.91%</u>	<u>14.02%</u>
<b>2. Covered Payroll</b>	\$293,126	\$436,300

## Section II – Plan Contribution Development

### Actuarial Present Value of Future Benefits (Table 3)

The actuarial present value of future benefits represents the obligations of the plan as of the valuation date for active and inactive members with respect to each member's expected benefit payable at retirement, termination from service, disability or death. The following table shows the components of the liability.

	June 30, 2011	June 30, 2010
<b>1. Active Members</b>		
a. Retirement Benefits	\$506,776	\$712,272
b. Termination Benefits	30,231	29,411
c. Disability Benefits	83,138	112,041
d. Death Benefits	22,896	37,548
e. Total	\$643,042	\$891,272
<b>2. Retired Members</b>		
a. Service Retirements	\$220,225	\$0
b. Disability Retirements	0	0
c. Beneficiaries	0	0
d. Total	\$220,225	\$0
<b>3. Terminated Members with Future Benefits</b>		
a. Vested Terminations	\$23,114	\$199
b. Nonvested Terminations	0	0
c. Total	\$23,114	\$199
<b>4. Total Present Value of Future Benefits</b>	\$886,381	\$891,471

## Section II – Plan Contribution Development

### Development of the Annual Contribution (Table 4)

The following exhibit shows the development of the June 30, 2011 contribution rate. This contribution was developed using level percent of pay amortization of the unfunded liability with an open amortization period. Please note that the contribution rate determined in the 2011 valuation establishes the contribution rate for fiscal years ending 2013 and 2014. The 2010 plan year rate shown below is for informational purposes.

	June 30, 2011	June 30, 2010
<b>1. Covered Payroll</b>		
a. General Employees Benefit Coverage	\$293,126	\$436,300
b. Members with LEOS/Fire Benefit Coverage	N/A	N/A
c. Total	\$293,126	\$436,300
<b>2. Present Value of Future Pay</b>	\$2,408,381	\$2,985,932
<b>3. Total Normal Cost</b>	\$34,913	\$61,164
<b>4. Normal Cost Rate</b>		
a. Total Normal Cost	11.91%	14.02%
b. Less: Member Contribution Rate	5.00%	5.00%
c. Employer Normal Cost Rate	6.91%	9.02%
<b>5. Actuarial Accrued Liability</b>		
a. Actives	\$395,305	\$537,656
b. Inactives	243,339	199
c. Total	\$638,644	\$537,855
<b>6. Actuarial Value of Assets</b>	\$319,550	\$253,212
<b>7. Unfunded Actuarial Accrued Liability (UAAL) (Item 5c – Item 6)</b>	\$319,094	\$284,643
<b>8. UAAL as a Percent of Covered Payroll</b>	108.86%	65.24%
<b>9. UAAL Amortization Rate</b>	5.97%	4.57%
<b>10. Funding Period</b>	30 Years	20 Years
<b>11. Recommended Employer Contribution Rate for Fiscal Year Ending (Item 4c + Item 9)</b>	<b>2013 &amp; 2014</b> 12.88%	<b>Informational Purposes Only</b> 13.59%
<b>12. Breakdown of Employer Contribution Rate for Informational Purposes Only</b>		
a. General Employees Benefit Coverage	12.88%	13.59%
b. Members with LEOS/Fire Benefit Coverage	N/A	N/A
<b>13. Plan 2 Contribution Rate Savings</b>	0.00%	N/A

## Section II – Plan Contribution Development

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### 5-Year Projection of Biennial Employer Contribution Rates (Table 5)

This table shows estimated contribution rates for the next five years, which are based on the Plan's future experience matching all actuarial assumptions.

<b>Fiscal Year Ending</b>	<b>Projected Employer Contribution Rate*</b>
June 30, 2011	11.25%
June 30, 2012	11.25%
June 30, 2013	12.88%
June 30, 2014	12.88%
June 30, 2015	13.26%
June 30, 2016	13.26%

\*Note: Contribution rates are net of the 5% employee contribution

The rates shown for fiscal years ending 2011 and 2012 are based on the June 30, 2009 actuarial valuation, and the rates shown for fiscal years ending 2013 and 2014 are based on the June 30, 2011 actuarial valuation. We have performed projections to determine an estimated contributions rate as of June 30, 2013 for the years ending 2015 and 2016. The projection assumes an annual return on assets of 7.00%, a level population, and that future Plan experience exactly matches all actuarial assumptions.

## Section III – Accounting Information

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Governmental Accounting Standards Board Statements 25 and 27 set forth certain items of required supplementary information and notes to be disclosed in the financial statements of the System and the employer. The following exhibits are necessary for public sector defined benefit plans financial statements.

### A. GASB 27 Annual Required Contribution Rate (Table 6)

<b>Annual Required Contribution Rate</b>	<b>June 30, 2011</b>	<b>June 30, 2010</b>
a. Contribution Rate	12.88%	13.59%
b. Funding Period in Years	30 Years	20 Years
c. Amortization Factor based on funding period	18.2276	14.2649

## Section III – Accounting Information

### B. GASB 25 Schedule of Funding Progress: Required Supplemental Information for the purposes of Financial Statements as of June 30, 2011. (Table 7)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL) (3) – (2)	Funded Ratio Assets as % of AAL (2)/(3)	Annual Covered Payroll	UAAL as a % of Covered Payroll (4)/(6)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
6/30/2011	\$319,550	\$638,644	\$319,094	50.04%	\$293,126	108.86%
6/30/2010	\$253,212	\$537,855	\$284,643	47.08%	\$436,300	65.24%
6/30/2009	\$128,115	\$352,764	\$224,648	36.32%	\$480,030	46.80%
N/A	\$0	\$0	\$0	N/A		0.00%
N/A	\$0	\$0	\$0	N/A		0.00%

## Section III – Accounting Information

### C. Notes to Required Supplemental Information (Table 8)

1.	Valuation Date	6/30/2011
2.	Actuarial Cost Method	Entry Age Normal
3.	Amortization Method	Level Percent of Pay, Open
4.	Payroll Growth Rate	3.0%
5.	Remaining Amortization Period (Phase-in Impact of Change in Interest Rate)	30 Years (decreasing by one each year in subsequent valuations until reaching 20 years)
6.	Asset Valuation Method	Five-Year Smoothed Market Value
7.	Actuarial Assumptions	
	a. Investment Rate of Return*	7.00%
	b. Projected Salary Increases*	
	1) Non-LEO Members	3.75%-5.60%
	2) LEO Members	3.50%-4.75%
	c. Cost-of-living adjustment	
	1) Plan 1 Members	2.50%
	2) Plan 2 Members	2.25%
	*Includes Inflation of 2.5%	

## Section IV – Actuarial Assumptions and Methods

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1. Investment Return Rate 7.00% per annum, compounded annually (net of administrative expenses).
2. Inflation Assumption 2.50% per year.
3. Actuarial Cost Method Entry age normal cost method. Actuarial gains and losses are reflected in the unfunded actuarial accrued liability. See Section V for a detailed explanation.
4. Funding Period: 30 years from valuation date decreasing by one each year in subsequent valuations until reaching 20 years (open amortization, computed as level percent of payroll).
5. Payroll Growth Rate: 3% per annum.
6. Asset Valuation Method The method of valuing assets is intended to recognize a “smoothed” market value of assets. Under this method, the difference between actual return on market value from investment experience and the expected return on market value is recognized over a five-year period. The resulting actuarial value of assets cannot be less than 80% or more than 120% of the market value of assets.
7. Cost-of-living Increase: Plan 1 members receive a COLA of 2.50% per year compounded annually, and Plan 2 members receive a COLA of 2.25% compounded annually. The temporary supplement for members with LEOS/Fire benefit coverage is assumed to be adjusted biennially based on increases of 2.5% per annum compounded annually.
8. Percent Electing a Deferred Termination Benefit: Terminating members are assumed to elect a return of contributions or a deferred annuity, whichever is most valuable benefit at the time of termination. Termination benefits are assumed to commence at normal retirement.
9. Marriage Assumption: 100% of active employees are assumed to be married, with spouses the same age as participants.
10. Changes Since Previous Valuation: For changes, if any, in actuarial assumptions and methods refer to the cover letter of this report.

# Section IV – Actuarial Assumptions and Methods

## Assumptions for Participants with General Employees Benefit Coverage

1. Mortality Rates 14% of deaths are assumed to be service related.
- a. Pre-Retirement 1994 Group Annuity Mortality Tables for males and females with a one year setback in age for males and females.
- b. Post-Retirement 1994 Group Annuity Mortality Tables for males and females with a one year setback in age for males and females.
- c. Post-Disablement 70% of PBGC Disabled Mortality Table 5a for Males.  
90% of PBGC Disabled Mortality Table 6a for Females.

Age	Mortality Rates			
	Male Participants		Female Participants	
	Pre- and Post-Retirement	Post-Disablement	Pre- and Post-Retirement	Post-Disablement
20	0.05%	3.38%	0.03%	2.37%
25	0.06	3.38	0.03	2.37
30	0.08	2.53	0.03	2.13
35	0.08	1.95	0.04	1.93
40	0.10	1.97	0.07	1.88
45	0.15	2.25	0.09	2.02
50	0.23	2.68	0.13	2.31
55	0.40	3.37	0.21	2.66
60	0.71	4.22	0.39	2.98
65	1.29	4.75	0.76	3.33
70	2.17	5.17	1.27	3.70
75	3.41	5.89	2.04	4.43
80	5.59	7.90	3.54	6.71
85	8.96	11.77	6.10	10.15

## Section IV – Actuarial Assumptions and Methods

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### Assumptions for Participants with General Employees Benefit Coverage (Continued)

2. Retirement Rates

The following rates of retirement are assumed for members eligible to retire from Plan 1.

Age	Retirements Per 100 Members			
	Reduced Retirement		Unreduced Retirement	
	Male	Female	Male	Female
50	5.0	4.0	9.0	8.0
51	5.0	4.5	9.0	8.0
52	5.0	4.5	7.0	8.0
53	5.0	4.5	7.0	8.0
54	5.0	4.5	10.0	10.0
55	5.0	5.5	14.0	11.5
56	6.0	5.0	14.0	11.5
57	6.0	5.0	10.0	12.5
58	6.0	5.0	11.0	13.0
59	6.0	5.0	11.0	11.5
60	6.0	7.5	11.0	13.0
61	10.0	7.5	25.0	17.5
62	17.0	17.0	35.0	25.0
63	15.0	13.0	25.0	25.0
64	15.0	13.0	27.0	17.5
65	40.0	40.0	33.0	40.0
66	40.0	40.0	33.0	40.0
67	40.0	40.0	20.0	25.0
68	40.0	40.0	20.0	25.0
69	40.0	40.0	20.0	25.0
70	100.0	100.0	100.0	100.0

## Section IV – Actuarial Assumptions and Methods

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### Assumptions for Participants with General Employees Benefit Coverage (Continued)

3. Retirement Rates

The following rates of retirement are assumed for members eligible to retire from Plan 2.

Age	Retirements Per 100 Members			
	Reduced Retirement		Unreduced Retirement	
	Male	Female	Male	Female
50	0	0	9.0	8.0
51	0	0	9.0	8.0
52	0	0	7.0	8.0
53	0	0	7.0	8.0
54	0	0	10.0	10.0
55	0	0	14.0	11.5
56	0	0	14.0	11.5
57	0	0	10.0	12.5
58	0	0	11.0	13.0
59	0	0	11.0	11.5
60	6.0	7.5	11.0	13.0
61	10.0	7.5	25.0	17.5
62	17.0	17.0	35.0	25.0
63	15.0	13.0	25.0	25.0
64	15.0	13.0	25.0	25.0
65	40.0	40.0	25.0	25.0
66	40.0	40.0	27.0	17.5
67	40.0	40.0	33.0	40.0
68	40.0	40.0	33.0	40.0
69	40.0	40.0	20.0	25.0
70	100.0	100.0	100.0	100.0

## Section IV – Actuarial Assumptions and Methods

### Assumptions for Participants with General Employees Benefit Coverage (Continued)

4. Disability Rates

As shown below for selected ages. 14% of disability cases are assumed to be service related.

Age	Disabilities Per 100 Members	
	Male Participants	Female Participants
20	0.030	0.010
25	0.020	0.010
30	0.100	0.040
35	0.190	0.080
40	0.240	0.130
45	0.310	0.210
50	0.520	0.450
55	0.850	0.750
60	1.360	1.160
65	0.930	0.920

5. Termination Rates

The following withdrawal rates are used based on age and years of service. (For causes other than death, disability, or retirement)

Age	Male Members – Years of Service		
	0-2	3-9	10+
25	0.2350	0.1400	0.0000
30	0.2100	0.1250	0.0600
35	0.1850	0.1050	0.0550
40	0.1650	0.0900	0.0400
45	0.1550	0.0800	0.0300
50	0.1300	0.0650	0.0250
55	0.1200	0.0650	0.0100
60	0.1200	0.0700	0.0100
65	0.1200	0.0800	0.0000

Age	Female Members – Years of Service		
	0-2	3-9	10+
25	0.2550	0.1650	0.0000
30	0.2200	0.1400	0.0600
35	0.1900	0.1150	0.0600
40	0.1650	0.1000	0.0450
45	0.1500	0.0800	0.0350
50	0.1350	0.0700	0.0300
55	0.1250	0.0650	0.0000
60	0.1200	0.0700	0.0000
65	0.1300	0.0900	0.0000

## Section IV – Actuarial Assumptions and Methods

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### Assumptions for Participants with General Employees Benefit Coverage (Continued)

6. Salary Increase Rates:

The following salary increase rates are used.

Inflation rate of 2.5% plus productivity component of 1.25% plus step-rate/promotional component as shown:

Years of Service	Annual Step Rate/ Promotional Rates of Increases	Total Annual Rate of Increase
1	1.85%	5.60%
2	1.85%	5.60%
3	1.25%	5.00%
4	0.95%	4.70%
5	0.95%	4.70%
6	0.95%	4.70%
7	0.85%	4.60%
8	0.75%	4.50%
9	0.50%	4.25%
10	0.50%	4.25%
11-19	0.15%	3.90%
20 or more	0.00%	3.75%

## Section V – Actuarial Cost Method

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1. The valuation is prepared on the projected benefit basis, which is used to determine the present value of each member's expected benefit payable at retirement, disability, termination from service or death. The calculations are based on the member's age, years of service, sex, compensation, expected future salary increases, and an assumed future interest earnings rate (currently 7.00%). The calculations consider the probability of a member's death or termination of employment prior to becoming eligible for a benefit and the probability of the member terminating with a service, disability, or survivor's benefit. The present value of the expected benefits payable to active members is added to the present value of the expected future payments to current benefit recipients to obtain the present value of all expected benefits payable to the present group of members and survivors.
2. The employer contributions required to support the benefits of the political subdivisions participating in VRS are determined following a level funding approach, and consist of a normal contribution and an accrued liability contribution.
3. The normal contribution is determined using the "entry age normal" method. Under this method, a calculation is made for pension benefits to determine the uniform and constant percentage rate of employer contribution which, if applied to the compensation of the average new member during the entire period of his anticipated covered service, would be required in addition to the contributions of the member to meet the cost of all benefits payable on his behalf.
4. The unfunded accrued liability is determined by subtracting the current assets and the present value of prospective employer normal contributions and member contributions from the present value of expected benefits to be paid from the Plan. The accrued liability contribution amortizes the balance of the unfunded accrued liability over a period of years from the valuation date.

## Section VI – Summary of Benefit Provisions

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1. Effective Date
  - Plan 1: January 1, 1960
  - Plan 2: New members on or after July 1, 2010
2. Plan Year Twelve-month period ending June 30th.
3. Administration Virginia Retirement System (VRS) is administered by a Board of Trustees.
4. Type of Plan VRS is a qualified governmental defined benefit retirement plan. For Governmental Accounting Standards Board purposes, it is considered an agent multiple-employer PERS with separate cost-sharing pools for each locality.
5. Eligibility All full-time, salaried, permanent employees of the Commonwealth of Virginia or of any participating Virginia city, county, town or political subdivision or of any local Virginia school boards are eligible to become members of VRS.
6. Employee Contributions All active members contribute 5.00% of their creditable compensation per year. The employer may "pick-up" the member's assessments under the provisions of Internal Revenue Code Section 414(h).
7. Creditable Compensation Annual salary minus any overtime pay, payments of a temporary nature, or payments for extra duties.
8. Service Employees receive credit of one month of service for each month a contribution is made on their behalf to VRS. A member may also purchase credit for certain periods, such as time spent in the military, by paying a purchase rate (5 or 15 percent of the larger of current creditable compensation or final average compensation times the number of years to be purchased). Special rules and limits govern the purchase of additional service.
9. Average Final Compensation (AFC)
  - Plan 1: The average of the member's highest 36 consecutive months of salary.
  - Plan 2: The average of the member's highest 60 consecutive months of salary.
10. Optional Forms There are optional forms of payment available on an actuarially equivalent basis, as follows:
  - a. 100% Survivor Option Upon the member's death, 100% of the benefit continues to the contingent annuitant.
  - b. 50% Survivor Option Upon the member's death, 50% of the benefit continues to the contingent annuitant.

## Section VI – Summary of Benefit Provisions

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- c. Leveling Option                      A temporarily increased retirement allowance payable to a date specified by the member and a reduced retirement allowance (on an actuarially equivalent basis) payable after the specified date for the member's remaining lifetime.
- d. Partial Lump Sum Option            The member may elect to receive a lump sum payment equal to the sum of 12, 24, or 36 payments of the standard monthly life annuity. The member's monthly benefit will be actuarially reduced to reflect the lump sum payment. The member may then elect to receive the reduced monthly annuity under any of the other optional forms of payment.
- Actuarial equivalence is based on tables adopted by the Board of Trustees.
11. Cost-of-living Increase
- Plan 1:                                      Members qualify for cost-of-living increased on July 1 of the second calendar year after retirement. Automatic cost-of-living increases are calculated as the first 3% of the Consumer Price Index increase plus half of each percentage increase from 3% to 7%.
- Plan 2:                                      Members qualify for cost-of-living increased on July 1 of the second calendar year after retirement. Automatic cost-of-living increases are calculated as the first 2% of the Consumer Price Index increase plus half of each percentage increase from 2% to 10%.
12. Changes Since Previous Valuation:      For changes, if any, in benefit provisions since the previous valuation refer to the cover letter of this report.



## Section VI – Summary of Benefit Provisions

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### Benefit Provisions for Participants with General Employees Benefit Coverage (Continued)

#### 3. Disability Retirement

- a. Eligibility A member is eligible from the first day of employment.
- b. Annual Benefit For members with less than five years of service credit, the minimum guaranteed benefit. For members with greater than five years of service credit, the greater of the minimum guaranteed benefit and 1.7% of AFC times service credit. Benefit is reduced by Worker's Compensation (if any).
- c. Minimum Guaranteed Benefit
- i. Workers Compensation Guarantee
- 66 2/3% of AFC if member does not qualify for primary Social Security and 50% of AFC if member qualifies for primary Social Security.
- ii. Special Retirement Allowance Guarantee
- 50% of AFC if member does not qualify for primary Social Security and 33 1/3% of AFC if member qualifies for primary Social Security.
- d. Service Credit If disability occurs before age 60, service is the smaller of 1) twice actual service, and 2) rendered service plus the number of years remaining between age at disability and age 60.
- e. Payment Form The disability benefit commences immediately upon the member's retirement. Benefits cease upon recovery or reemployment. Disability benefits are payable as a monthly life annuity with a guarantee that, at the member's death, the sum of the member's contributions plus interest as of the date of retirement will be paid in a lump sum to the member's beneficiary. 100% and 50% Survivor Options are also permitted for disability retirement. (A refund of the member's contribution account is paid out for a work-related disability.)

#### 4. Deferred Termination Benefit

- a. Eligibility A member with at least five years of service who does not withdraw his/her contributions from the fund is eligible for a deferred termination benefit.
- b. Annual Benefit Same as normal retirement benefit, but both AFC and service are determined at the time the member leaves active employment. For Plan 1 members, benefits may commence unreduced at age 65 or at age 50 with at least 30 years of service. Reduced benefits may commence at or after age 55 with more than 5 years of service or age 50 with at least 10 years of service. For Plan 2 members, benefits may commence unreduced at Social Security Normal Retirement Age. Reduced benefits may commence at or after age 60 with more than 5 years of service. For valuation purposes, it is assumed that benefits will commence at Normal Retirement.

## Section VI – Summary of Benefit Provisions

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### Benefit Provisions for Participants with General Employees Benefit Coverage (Continued)

- c. Payment Form            The form of payment is the same as for Normal Retirement above.
  - d. Death Benefit            The beneficiary of a member who dies after leaving active service but before retiring is entitled to receive a lump sum distribution of the deceased member's contribution account.
5. Withdrawal (Refund) Benefit
- a. Eligibility                All members leaving covered employment with less than five years of service are eligible. Optionally, vested members (those with five or more years of service) may withdraw their contributions plus interest in lieu of the deferred benefits otherwise due.
  - b. Benefit                    The member who withdraws receives a lump-sum payment of his/her employee contributions, plus the interest credited on these contributions. Interest is credited at 4%.
6. Death Benefit
- a. Eligibility                Death must have occurred while an active or inactive, non-retired member.
  - b. Benefit                    Upon the death of a nonvested member, a refund of the member's contributions and interest is paid. Upon the death of a vested member, if death occurs while in active service the qualifying survivor of the member is entitled to receive a benefit determined as though the member retired, elected the 100% Survivor Option, then died. If the member dies before reaching age 55, the member is assumed to be 55 for benefit calculation purposes. The qualifying survivor may elect to receive a refund of the contributions plus interest in lieu of the monthly benefit. If the death occurs while inactive, benefits payable are described in item 4(d) above.
  - c. Work-Related Death    Qualifying survivor would receive 50% of AFC if beneficiary does not qualify for Social Security survivor benefits, and 33 1/3% of AFC if beneficiary qualifies for Social Security survivor benefits. This benefit is reduced by Worker's Compensation. In addition, a refund of the member's contribution account is paid to the beneficiary.

## Section VII – Data Summary

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		<b>June 30, 2011</b>
<b>1. Active Members</b>		
a. Average Age		45.2
b. Average Vesting Service		8.2
c. Average Entry Age		37.6
d. Average Pay		\$48,854
<b>2. Members Retiring in Fiscal Year</b>		<b>2011</b>
a. Average Age at Retirement		62.0
b. Average Service at Retirement		11.0
c. Average AFC at Retirement		\$106,724
d. Average Benefit as Percent of AFC		18.70%
e. Average Benefit at Retirement		\$19,957
f. Average Social Security Benefit at 62		\$14,568