



MIDDLE PENINSULA  
PLANNING DISTRICT COMMISSION

COMMISSIONERS

**Essex County**

Mr. John Clickener  
Hon. Margaret H. Davis  
Hon. John C. MaGruder

**Town of Tappahannock**

Hon. Roy M. Gladding  
Mr. James W. Sydnor

**Gloucester County**

Hon. Ashley C. Chriscoe  
Mr. J. Brent Fedors  
Dr. William G. Reay  
Hon. Michael R. Winebarger

**King and Queen County**

Hon. Sherrin C. Alsop  
Hon. R. F. Bailey  
Mr. Thomas J. Swartzwelder  
(Chairman)

**King William County**

Hon. David E. Hansen  
Hon. Travis J. Moskalski  
(Treasurer)  
Mr. Eugene J. Rivara  
Mr. Sanford Wanner

**Town of West Point**

Hon. Paul T. Kelley

**Mathews County**

Hon. O. J. Cole, Jr.  
(Vice Chairman)  
Mr. Thornton Hill  
Hon. Jack White

**Middlesex County**

Mrs. Trudy V. Feigum  
Hon. Wayne H. Jessie, Sr.  
Hon. John D. Miller, Jr.

**Town of Urbanna**

Hon. Steve Hollberg

**Secretary/Director**

Mr. Lewis L. Lawrence

MEMORANDUM

**TO: MPPDC Board of Commissioners**

**FROM: Lewis Lawrence, Executive Director**

**DATE: November 10, 2016**

**RE: November Commission Meeting**

The Middle Peninsula Planning District Commission will host its monthly meeting on Wednesday, November 16, 2016 at 7:00 p.m. in the Regional Board Room at the Middle Peninsula Planning District Commission office in Saluda.

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

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

I look forward to seeing you on **November 16<sup>th</sup>**!

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***Middle Peninsula Planning District Commission  
Meeting***

**7:00 P.M.**

**Wednesday, November 16, 2016**

**125 Bowden Street**

**Saluda VA 23149**

- I. Welcome and Introductions
- II. Approval of October Minutes
- III. Approval of October Financial Reports
- IV. Executive Director's Report on Staff Activities for the Month of November
- V. Public Comment

**AGENDA ITEMS FOR DISCUSSION**

- VI. General Legislative Discussion
- VII. VDOT- SmartScale Resolution: Essex County.
- VIII. State Working Waterfront Plan Recommendations and Resolution
- IX. Delegate Hodges' Stormwater Group Report
- X. FY16 Audit Presentation
- XI. Other Business
- XII. Adjournment

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# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

October 26, 2016

Shacklefords, Virginia

## I. Welcome and Introductions

The monthly meeting of the Middle Peninsula Planning District Commission was held at Nicks Spaghetti and Steak House in Shacklefords, Virginia on Wednesday, October 26, 2016, at 8:00 p.m. MPPDC Chairman Thomas Swartzwelder welcomed everyone in attendance.

### Commissioners Present

Essex County: John Clickener, Prue Davis, John Magruder  
Gloucester County: Brent Fedors, Michael Winebarger, Ashley Chriscoe  
King and Queen County: Tom Swartzwelder, Sherrin Alsop  
King William County: Travis Moskalski, Eugene Rivara, David Hansen  
Mathews County: O.J. Cole, Jr., Tim Hill, Jack White  
Middlesex County: Trudy Feigum, Wayne Jessie, Jack Miller  
Town of Urbanna: Steve Hollberg

### Commissioners Absent

Gloucester County: Dr. Willy Reay  
King and Queen County: R.F. Bailey  
King William County: Sandy Wanner  
Town of Tappahannock: Monte "Roy" Gladding, James Sydnor  
Town of West Point: Paul T. Kelley

### Also in Attendance

Lewis Lawrence, MPPDC Executive Director  
Beth Johnson, MPPDC Finance Director  
Harrison Bresee III, MPPDC Regional Emergency Planner  
Doug Diedrichsen, MPPDC Planner  
Delegate Keith Hodges  
John Meyer, Gloucester County BOS  
Trent Funkhouser, Essex County  
Marcia Jones, Middlesex County  
John Edwards, Town of West Point  
Sidney Johnson, Essex County  
Paul Oswell, Director Central Region Virginia Department of Social Services  
Betty Dougherty, King and Queen Dept of Social Services  
Beth Barry, Gloucester Dept of Social Services  
Rebecca Morgan Middlesex Dept of Social Services  
Ann Mitchell, King William Dept of Social Services  
Jason Perry, RCC Workforce Development  
Tom Feigum, Citizen

## **II. Approval of September Minutes**

Chairman Swartzwelder pointed out a correction to the September Minutes. Chairman Swartzwelder requested a motion to approve the September Minutes with the correction noted. Travis Moskalski moved that the September Minutes be approved as noted. Jack Miller seconded the motion; motion carried.

## **III. Approval of September Financial Report**

Chairman Swartzwelder asked whether there were any questions regarding the September financial report before being approved subject to audit. There were no questions. Chairman Swartzwelder requested a motion to approve the September financial report subject to audit. Eugene Rivara moved to approve the September financial report subject to audit. Ashley Chriscoe seconded the motion; motion carried.

## **IV. Executive Director's Report on Staff Activities for the Month of October**

Chairman Swartzwelder requested Lewis Lawrence, Middle Peninsula Planning District Commission Executive Director review the Executive Director's Report on Staff Activities for the month of October. 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 directed Commissioners' attention to several items:

- Completed the Middle Peninsula Public Access Master Plan. It has been posted on the MPPDC website and published through ISSUU available at [https://issuu.com/middlpeninsulaplanningdistrictcomm1/docs/paa\\_master\\_plan\\_final\\_report/?e=26112663/30000297](https://issuu.com/middlpeninsulaplanningdistrictcomm1/docs/paa_master_plan_final_report/?e=26112663/30000297). *Please forward any comments to Mr. Lawrence.*
- Drafted a memo to the Commissioners regarding the completion of the Virginia Working Waterfront Plan. The memo also includes information about the upcoming Virginia Coastal Policy Center annual conference – “Living with the Water – “Too Much and Too Little” – to take place on December 2, 2016 at the Williamsburg Lodge in Williamsburg, VA. *The Commission will take action on the Plan at its November meeting.*

V. **Presentation on Social Services in the Middle Peninsula, Paul Oswell, Director for the Central Regional Office of the Virginia Department of Social Services**

Mr. Oswell discussed the ongoing modernization happening at the Virginia Department of Social Services as they continue to migrate to an online services system. DSS has a vision to provide a “21<sup>st</sup> century experience” to citizens seeking benefits that would allow for self-service, provide real-time eligibility decisions, be available 24/7, allow for complete privacy, and eliminate the need for travel while reinforcing independence and self-sufficiency. The modernization has been ongoing since 2005 and the system is now live in Virginia. The major obstacles are that clients are often not technologically sophisticated enough to use the system without assistance and lack access to the internet and local DSS offices are short-handed and are not always able to provide the level of assistance needed.

Discussion regarding using local libraries and Skype to provide technological assistance to clients.

Mr. Oswell provided a power point presentation on Fostering Futures, a new program that allows foster clients who’ve reached 18 years old to continue to be provided assistance until 21. As the age of independence moves further into “adulthood” foster kids are left further behind having to deal with unemployment, homelessness, dependence on public assistance, lack of secondary education and even involvement with the criminal justice system. The federal Fostering Connections to Success program allows for extension of foster care services to continue to age 21. The state program became active July 1, 2016. To be eligible clients must be between 18 and 21 years of age and must have been in foster care immediately prior, be completing secondary education, in a GED program, enrolled in college or a vocational program, attending classes to promote employment, or working at least 80 hours per month. Participants are provided financial assistance of \$700/month for food, shelter, clothing, and personal items.

Discussion was held regarding local DSS staffing shortages. As with many other service programs, local offices often train new staff only to have them leave shortly thereafter for higher salaries in more urban localities. Local DSS staff provided handouts to locality representatives about the services provided to their citizens.

Copies of the PowerPoint presentations are attached to these Minutes.

**X. Other Business**

- a. Stormwater Update  
Delegate Hodges reported that there are legislative fixes in the works for the stormwater requirements for opt out localities.
  
- b. Gloucester Resolution of Support for Transportation Alternative Program (TAP) application. Gloucester County requested a resolution from the Commission to support their application for TAP funding for Gloucester Historic Courthouse Circle Pedestrian and ADA Improvements to rehabilitate existing sidewalks to comply with ADA standards and improve pedestrian access to the Courthouse Circle and Main Street. As this project is located along a Corridor of Statewide Significance, Gloucester needs a resolution of support from the regional transportation planning organization. Chairman Swartzwelder requested a motion to approve Gloucester's request for a resolution. Jack Miller moved to approve the draft resolution as distributed. Ashley Chriscoe seconded the motion; motion carried.

**XI. Adjournment**

Chairman Swartzwelder requested a motion to adjourn the meeting. Travis Moskalski so moved; Ashley Chriscoe seconded. The motion carried.

COPY TESTE:

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(Secretary)

# Project Financial Report

Middle Peninsula Planning District Commission

Run Date: 11/04/2016  
 Run Time: 11:52:56 am  
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Period Ending: 10/31/16

		Expenditures						
Code	Description	Budget	Curr Month	Project Total	Un/Over	% Budget	Revenues	Balance
30013	EE&CBG Project	3,975.00	40.09	3,890.57	84.43	97.88%	3,815.15	-75.42
30021	Mathews Comp Plan Upd	8,750.00	1,011.58	7,400.31	1,349.69	84.57%	6,388.73	-1,011.58
30022	Tappahannock Economic I	4,000.00	3.43	3,862.79	137.21	96.57%	3,991.00	128.21
30109	MPEDRO Staff Support	12,800.38	379.99	14,677.06	-1,876.68	114.66%	14,297.07	-379.99
30111	Blue/Green Infrastructure I	29,998.00	571.47	571.47	29,426.53	1.91%	0.00	-571.47
30112	BCC MPEDRO	0.00	4,407.47	4,407.47	-4,407.47	0.00%	0.00	-4,407.47
30170	MPBDP Staff Support	18,280.00	199.03	18,846.21	-566.21	103.10%	19,925.33	1,079.12
30212	FY17 Transportation Dem	84,807.00	6,177.07	30,699.43	54,107.57	36.20%	25,725.25	-4,974.18
30314	FY17 Rural Transporatio	72,500.00	8,326.77	27,909.97	44,590.03	38.50%	19,291.56	-8,618.41
30420	Onsite Loan Management	128,406.87	598.79	130,627.71	-2,220.84	101.73%	171,534.44	40,906.73
30424	2016 Septic Pumpout	28,600.00	56.16	20,216.71	8,383.29	70.69%	10,328.76	-9,887.95
30428	WQIF 2016, \$183500 R	216,500.00	1,396.69	1,869.87	214,630.13	0.86%	236.59	-1,633.28
30502	Water Supply Planning	121,805.89	991.18	116,002.76	5,803.13	95.24%	153,950.00	37,947.24
31002	GA Lobby FY09	18,247.75	0.00	18,247.75	0.00	100.00%	24,000.00	5,752.25
31201	AHMP Update 2014	130,010.00	84.51	129,826.87	183.13	99.86%	124,100.61	-5,726.26
31203	Emergency Planning 2016	154,500.00	10,095.32	100,787.91	53,712.09	65.23%	60,417.47	-40,370.44
31500	Living Shoreline Incentiv	0.00	0.00	64.75	-64.75	0.00%	37.30	-27.45
32014	PA Master Plan - \$2500 I	77,500.00	178.40	77,436.99	63.01	99.92%	73,258.59	-4,178.40
32015	FY17 PAA Staff Support	4,000.00	241.21	968.64	3,031.36	24.22%	727.43	-241.21
32016	VIMS Living Shoreline	92,636.80	154.50	154.50	92,482.30	0.17%	0.00	-154.50
32133	NFWF Living Shorelines I	222,267.00	0.00	222,938.97	-671.97	100.30%	191,180.04	-31,758.93
32135	Coastal TA FY16	60,000.00	0.00	60,222.58	-222.58	100.37%	57,000.00	-3,222.58
32136	Mathews SLR Adapatati	54,687.00	133.13	55,034.38	-347.38	100.64%	48,980.50	-6,053.88
32137	Mathews Ditch Map Data	60,524.00	133.11	60,758.48	-234.48	100.39%	26,275.81	-34,482.67
32138	FY17_Coastal_TA	60,000.00	5,632.72	5,632.72	54,367.28	9.39%	0.00	-5,632.72
32139	Eco_Business - PAA Mat	47,000.00	3,846.09	3,846.09	43,153.91	8.18%	0.00	-3,846.09
32209	WWF State Plan	50,000.00	1,058.49	34,700.19	15,299.81	69.40%	33,641.70	-1,058.49
32210	WWF Inititative	50,000.00	3,625.10	3,625.10	46,374.90	7.25%	0.00	-3,625.10
38017	FY17 Local Projects	136,057.00	51,680.64	68,733.44	67,323.56	50.52%	110,917.73	42,184.29
<b>Totals:</b>		<u>1,947,852.69</u>	<u>101,022.94</u>	<u>1,223,961.69</u>	<u>723,891.00</u>	<u>62.84%</u>	<u>1,180,021.06</u>	<u>-43,940.63</u>

# Balance Sheet by Category

Middle Peninsula Planning District Commission

Period Ending: 10/31/16  
Format: 1 Board

Run Date: 11/4/16  
Run Time: 12:01:49 pm  
Page 1 of 1

## Assets:

Cash in Bank	624,010.61
Receivables	206,938.14
Property & Equipment	10,579.83
Deferred Outflows	29,567.00

### Total Assets:

**\$871,095.58**

## Liabilities:

Accounts Payable	1,186.10
VRA Loan Payables	124,884.87
Payroll Withholdings	-27.49
Accrued Leave	48,687.70
Deferred Inflows	31,258.00
Net Pension Liabilities	281,877.00
Cost Allocation Control	(1,183.74)

### Total Liabilities:

**\$486,682.44**

## Equity:

Local Initiatives/Information Resources	47,053.18
Economic Development	-4,279.85
Transportation Programs	-13,592.59
Emergency Management Projects	-40,370.45
Onsite Repair & Pumpout	29,388.39
Housing	-75.17
Coastal Community & Environmental	-89,707.91
Public Access Auth Programs	-4,574.11
Mandates	32,226.29
Temporarily Restricted	178,083.69
General Fund Balance	250,261.67

### Total Equity:

**\$384,413.14**

### Total Liabilities and Equity

**\$871,095.58**

### Balance:

**\$0.00**

## Agencywide R&E by Category

Run Date: 11/04/2016  
Run Time: 12:03:26 pm  
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Middle Peninsula Planning District Commission

Period Ending: 10/31/16  
Format: 1 Agencywide R&E  
With Indirect Cost Detail

Code & Description	Budget	Current	YTD	Un/Ovr	% Bud
<b>Revenues</b>					
Local Match	0.00	44,347.81	44,347.81	-44,347.81	0.00%
Local Annual Dues	109,899.00	0.00	109,899.00	0.00	100.00%
Local Other Revenues	6,281.00	7,291.19	56,406.54	-50,125.54	898.05%
Local Other Organizations	34,000.00	2,224.12	2,224.12	31,775.88	6.54%
State Revenues	143,817.00	21,485.00	21,485.00	122,332.00	14.94%
Federal Revenues	467,618.00	37,745.11	37,745.11	429,872.89	8.07%
Miscellaneous Income	9,800.00	537.59	1,258.17	8,541.83	12.84%
RevolvingLoan Program Income	9,000.00	727.37	45,604.23	-36,604.23	506.71%
<b>Revenues</b>	<b>780,415.00</b>	<b>114,358.19</b>	<b>318,969.98</b>	<b>461,445.02</b>	<b>40.87%</b>
<b>Expenses</b>					
Personnel	417,254.00	44,806.13	176,874.79	240,379.21	42.39%
Facilities	30,887.00	2,395.29	10,243.54	20,643.46	33.16%
Communications	4,400.00	372.67	1,455.52	2,944.48	33.08%
Equipment & Supplies	3,250.00	271.19	1,518.07	1,731.93	46.71%
Travel	8,202.00	306.11	2,791.22	5,410.78	34.03%
Professional Development	17,580.00	512.00	6,790.76	10,789.24	38.63%
Contractual	181,700.00	4,255.40	99,163.77	82,536.23	54.58%
Miscellaneous	63,928.00	3,744.30	19,704.69	44,223.31	30.82%
Regional Share	0.00	44,359.87	44,359.87	-44,359.87	0.00%
<b>Expenses</b>	<b>727,201.00</b>	<b>101,022.96</b>	<b>362,902.23</b>	<b>364,298.77</b>	<b>49.90%</b>
<b>Agency Balance</b>	<b>53,214.00</b>	<b>13,335.23</b>	<b>-43,932.25</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

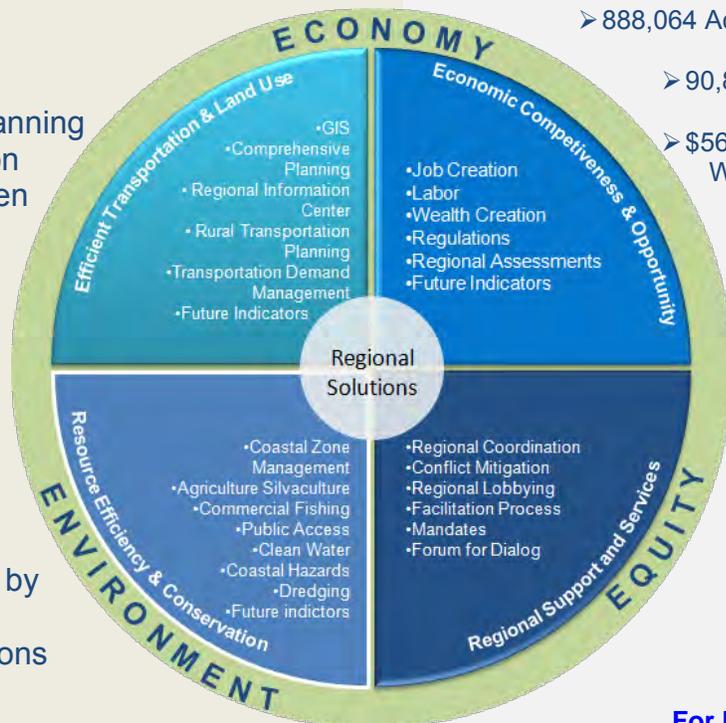
➤ \$567 Average Weekly Wage (State=\$952)

➤ 71% Out Commute Rate

#### By the Numbers

➤ 1.1% Total State Population

➤ \$50,001 Median Household Income



#### For More Information:

MPPDC  
P.O. Box 286  
Saluda Professional Center  
125 Bowden Street  
Saluda, Virginia 23149  
Phone: 804-758-2311

Please visit the MPPDC website at:

[www.mppdc.com](http://www.mppdc.com)

# Regional Profile:

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 Estimates		Unemployment Rate Estimates	
	2000	2010		2006-2010	2007-2011	2006-2010	2007-2011
Essex	9,989	11,151	12%	\$46,235	\$44,581	9.0%	8.2%
Gloucester	34,780	36,858	6%	\$58,389	\$60,269	6.5%	5.9%
King & Queen	6,630	6,945	5%	\$44,442	\$48,170	8.6%	7.4%
King William	13,146	15,935	21%	\$64,964	\$64,982	7.3%	6.7%
Mathews	9,207	8,978	-2%	\$47,435	\$54,118	5.9%	6.0%
Middlesex	9,932	10,959	10%	\$50,207	\$53,615	7.4%	6.4%
Town of Tappahannock	2,138	2,375	11.1%	\$39,149	\$35,313	6.6%	7.6%
Town of Urbanna	543	476	-12.3%	\$44,813	\$45,682	1.5%	4.5%
Town of West Point	2,866	3,306	15.4%	\$51,979	\$52,768	7.4%	9.5%
<b>Region Total</b>	<b>83,684</b>	<b>90,826</b>	<b>9%</b>	<b>\$49,735</b>	<b>\$51,055</b>	<b>7.6%</b>	<b>6.5%</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>

FY15 Locality Budget Data							
Locality	Raise %	Compensation Notes	Real Property Increase	Real Property Rate	Personal Property Increase	Personal Property Rate	Other
Essex	2%		\$0.02	<b>\$0.86</b>	\$0.25	<b>\$3.75</b>	\$35/\$25 Vehicle tax
Gloucester	3%	Bonus for lower scale employees only	None	<b>\$0.65</b>	None	<b>\$2.95</b>	
King and Queen	0%		None	<b>\$0.54</b>	None	<b>\$3.94</b>	
King William	2%		\$0.03	<b>\$0.82</b>	None	<b>\$9.65</b>	
Mathews	2%		\$0.07	<b>\$0.54</b>	\$0.05	<b>\$3.70</b>	
Middlesex	2%	Step Inc. w/ evaluation; No COLA	\$0.05	<b>\$0.53</b>	None	<b>\$3.50</b>	

<sup>1</sup> Data from the Bureau of Labor Statistics Local Area Unemployment data & the American Community Survey 5-year Estimates

## MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

### Staff Activities Service Summary of Regional Progress

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

### Report on Mandated Initiatives

Locality	Water Supply Plan Update Support Staff: Lewie Lawrence Start Date: 7/2016 Completion Date: TBD		All-Hazards Mitigation Plan Update Support Staff: Jackie Rickards Start Date: 1/2014 Completion Date: 8/2016	
	<i>Participating</i>	<i>Current Status</i>	<i>Participating</i>	<i>Current Status</i>
	Essex	✓	Consulted w/DEQ RE: Needs	✓
Gloucester	NA	NA	✓	Adopted
King & Queen	✓	Consulted w/DEQ RE: Needs	✓	Adopted
King William	✓	Consulted w/DEQ RE: Needs	✓	Adopted
Mathews	✓	Consulted w/DEQ RE: Needs	✓	Adopted
Middlesex	✓	Consulted w/DEQ RE: Needs	✓	Adopted
Town of Tappahannock	✓	Consulted w/DEQ RE: Needs	✓	Adopted
Town of West Point	✓	Consulted w/DEQ RE: Needs	✓	Adopted
Town of Urbanna	✓	Consulted w/DEQ RE: Needs	✓	Adopted

## Opportunities Identified to Implement Commission Priorities

Service Center	Project Title and Description	Funding Requested	Status
Environmental	CZM –FY17 Coastal Technical Assistance	\$30,000	Funded
Environmental	NFWF TA Service Provider	n/a	Approved
Environmental	CZM – Flooding and Sea Level Rise	\$14,792	Funded
Environmental	CZM – MP Public Access Master Plan	\$40,000	Funded
Environmental	CZM – Ditch Mapping Database – Mathews	\$60,524	Funded
Environmental	CZM – Working Waterfronts – State Plan	\$50,000	Funded
Emergency Mgmt	VDEM – Homeland Security Amateur Radio Coordination Workshops	\$25,000	Funded
Emergency Mgmt	VDEM – Homeland Security Regional Emergency Planner	\$52,500	Funded
Emergency Mgmt	VDEM – Homeland Security Regional Shelter Partner List and MOUs	\$25,000	Funded
Emergency Mgmt	VDEM – Homeland Security THIRA for Mathews and Middlesex	\$21,500	Funded
Emergency Mgmt	VDEM – Homeland Security THIRA for King William, King and Queen and Essex	\$31,000	Funded
Emergency Mgmt	Dominion Foundation – Prescription & Drug Abuse – Habitat for Humanity Glouc/Mat	\$49,735	Not Funded
Environmental	DEQ – Septic Pumpout	\$28,600	Funded
Environmental	DEQ – NPS Septic Repair WQIF grants to homeowners	\$200,000	Funded
Environmental	CZM – ECO PAA Dragon Run	\$40,000	Funded
Environmental	CZM – Regulations	\$40,000	Not Funded
Environmental	CZM – Coastal Technical Assistance – FY17	\$30,000	Funded
Environmental	NFWF – PAA Living Shoreline Oyster Bag Sills & Monitoring (VIMS)	\$96,637	Funded
Economic Dev	NFWF – Economic Leverage of Blue & Green Assets in MP	\$33,000	Not Funded
Economic Dev	NFWF – Aquaculture Business Park and Oyster Hatchery	\$538,536	Not Funded
Environmental	DEQ – Capitalization – MP Living Shoreline Revolving Loan Program	\$250,000	Approved
Emergency Mgmt	VDEM – Homeland Security Regional Emergency Planner	\$95,000	Funded
Emergency Mgmt	VDEM – Homeland Security Satellite Radios	\$58,000	Funded
Emergency Mgmt	VDEM – Homeland Security EOP Gap Analysis	\$85,000	Funded
Economic Dev	VDHCD – BCC Grant – MPREDO Advisory Board and Staffing	\$76,980	Approved
Economic Dev	EDA – VASG Care4CoastalVA	\$999,000(\$19,340)	Submitted
Economic Dev/Environ	NFWF – Harnessing the Intrinsic Value of Coastal VA Green Infrastructure	\$33,000	Submitted
Environmental	DEQ – Septic Pumpout	\$17,000	Submitted
Environmental	NAWCA Acquisitions	\$75,000	Submitted
Economic Dev/Environ	CZM Project of Special Merit – Coastal Resiliency & Adaptation	\$165,000	Submitted
MPCBPAA	VEE – Land Acquisition Assistance	\$12,000	Funded
MPCBPAA	Chesapeake Bay Restoration Fund – Education & Marketing for Land Donations	\$1500	Funded

## MPPDC ACRONYMS

ACH	Automated Clearing House	MPRSC	Middle Peninsula Regional Security Center
AFG	Assistance to Firefighters Grants	NHD	Natural Heritage Data
AFID	Agricultural and Forestry Industries Development	NIMS	National Incident Management System
AHMP	All Hazards Mitigation Plan	NFWF	National Fish and Wildlife Foundation
BCC	Building Collaborative Communities Project	NOAA	National Oceanic and Atmospheric Administration
BOS	Board of Supervisors	NPS	National Park Services
CBPA	Chesapeake Bay Preservation Area	OCVA	Oyster Company of Virginia
CBSF	Chesapeake Bay Stewardship Fund	OLGA	On-line Grant Administration
CDBG	Community Development Block Grant	PAA	Public Access Authority
CEDS	Comprehensive Economic Development Strategy	RBEG	Rural Business Enterprise Grant
CIP	Capital Improvement Plan	RBOG	Rural Business Opportunity Grant
COI	Conflict of Interest	RFP	Request for Proposal
CRS	Credit Rating System	RLF	Revolving Loan Fund
CVE	Countering Violent Extremism	RTP	Rural Transportation Planning
CZMP	Coastal Zone Management Program	SERCAP	Southeast Rural Community Assistance Project
DEQ	Department of Environmental Quality	SHSG	State Homeland Security Grant
DGIF	Department of Game and Inland Fisheries	SWCD	Soil and Water Conservation District
DHR	Department of Historic Resources	SWRP	State Water Resource Plan
DHCD	Department of Housing and Community Development	THIRA	Threat & Hazard Identification & Risk Assessment
DMME	Department of Mines Minerals and Energy	TIF	Tax Increment Financing
DOC	Department of Corrections	TMDL	Total Maximum Daily Loads
DOE	Department of Energy	USDA	U.S. Department of Agriculture
DRPT	Department of Rail and Public Transportation	USFWS	U.S. Fish and Wildlife Service
EDA	Economic Development Administration	VAPA	Virginia Planning Association
EDO	Economic Development Organization	VAPDC	Virginia Association of Planning District Commissions
EECBG	Energy Efficiency and Conservation Block Grant	VASG	Virginia Sea Grant
EOC	Emergency Operation Center	VAZO	Virginia Association of Zoning Officials
EPA	Environmental Protection Agency	VCP	Virginia Coastal Program
FEMA	Federal Emergency Management Agency	VCZMP	Virginia Coastal Zone Management Program
Fracking	Hydraulic Fracturing	VCWRLF	Virginia Clean Water Revolving Loan Fund
GIS	Geographic Information System	VDEM	Virginia Department of Emergency Management
HAM	Amateur Radio	VDH	Virginia Department of Health
HRPDC	Hampton Roads Planning District Commission	VDOT	Virginia Department of Transportation
LGA	Local Government Administrators	VDMME	Virginia Department of Mines, Minerals, and Energy
LPT	Local Planning Team	VEE	Virginia Environmental Endowment
LSIP	Living Shoreline Incentive Program	Vertical Assets	"Towers or other structures that hold cell, broadband and other equipment"
MOU	Memorandum of Understanding	VHB	Vanasse Hangen Brustlin
MPBA	Middle Peninsula Broadband Authority	VIMS	Virginia Institute of Marine Science
MPCBPAA	Middle Peninsula Chesapeake Bay Public Access Authority	VMRC	Virginia Marine Resources Commission
MPEDRO	Middle Peninsula Economic Development and Resource Organization	VOAD	Volunteer Organization Active in Diasters

## MPPDC ACRONYMS

VOP	Virginia Outdoors Plan
VRA	Virginia Resources Authority
VSMP	Virginia Stormwater Management Program
VTA	Virginia Transit Association
VWP	Virginia Water Protection
VWWR	Virginia Water Withdrawal Reporting
WIP	Watershed Implementation Plan
WQIF	Water Quality Improvement Fund

**Middle Peninsula Planning District Commission  
Executive Director's Report of Regional Progress  
November 7, 2016**

**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 14 years +)

**Congressman Robert Wittman's Fisheries Advisory Committee and Environmental Advisory Committee** (MPPDC Staff 7 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 8 years+)

**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 concerned with promoting telework and providing telework information and technical assistance to employers (MPPDC Staff 9 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 11 years)

**The Coastal Society** - The Coastal Society is an organization of private sector, academic, and government professionals and students. The Society is dedicated to actively addressing emerging coastal issues by fostering dialogue, forging partnerships, and promoting communications and education. (MPPDC staff serves as a Director)

**Hurricane Evacuation Coordination Workgroup** - The Hurricane Evacuation Coordination Workgroup is comprised of state and local emergency representatives tasked with finding solutions to fill in the gaps in the Commonwealth's and Locality's plans to respond to a Major Hurricane Evacuation.

**Shelter Location Identification Subcommittee of the Hurricane Evacuation Coordination Workgroup** -local and state experts tasked with identifying state and local shelter locations that can meet the needs of individuals with access and functional needs. A recent federal court ruling indicates that prior knowledge of shelter locations allows for more complete personal preparedness planning

**Shelter Staffing Subcommittee of the Hurricane Evacuation Coordination Workgroup** -local and state experts tasked with recommending solutions to alleviate staffing limitations in emergency shelters

**Eastern Virginia Groundwater Management Advisory Committee (EVGMAC) Workgroup #2B** – EVGMAC is charged with assisting the State Water Commission and DEQ in developing, revising and implementing a management strategy for groundwater in Eastern Virginia Groundwater Management Area. Group #2B will identify trading options and programs used in other states; evaluate how trading programs might help with future growth and development, and individual and regional solutions; and evaluate feasibility, data needs, cost and possible participants.

**Stakeholder Advisory Group for fees related to the consolidated Virginia Erosion and Stormwater Management Program** - Item 8 of Chapters 68 and 758 of the 2016 Acts of Assembly directed Virginia Stormwater Management Program Authorities and Virginia Erosion and Sediment Control Program Authorities to submit information to DEQ by August 1, 2016 and directed DEQ to conduct its evaluation based on revenues and resource needs from July 1, 2014, to June 30, 2016 (Current)

## MPPDC Staff and Contact Information

### **Executive 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, Public Access Authority*

### **Finance Director: Beth Johnson**

Contact Info: [bjohnson@mppdc.com](mailto:bjohnson@mppdc.com) (804) 758-2311x22  
Programs: *Commuter/ Employer Transportation Services, Septic Repair & Pumpout Assistance, Revolving Loan Programs Administration, PDC Finance & Grants Administration, PAA staff support, MPEDRO Staff support*

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

Contact Info: [hbreeee@mppdc.com](mailto:hbreeee@mppdc.com) (804) 758-2311x26 (757) 871-2245 cell  
Programs: *Regional Emergency Planning*

### **Planner 1 : Doug Diedrichsen**

Contact Info: [ddiedrichsen@mppdc.com](mailto:ddiedrichsen@mppdc.com) (804) 758-2311x28  
Programs: *Rural Transportation Planning, General community planning*

### **Planner 2: Jackie Rickards**

Contact Info: [jrickards@mppdc.com](mailto:jrickards@mppdc.com) (215) 264-6451 cell  
Programs: *Environmental Programs, Graphic Arts*

### **Secretary: Rose Lewis**

Contact Info: [rlewis@mppdc.com](mailto:rlewis@mppdc.com) (804) 758-2311x21  
Programs: *Septic Pumpout Assistance, Commuter Transportation Customer Service, Facilities Scheduling*

Funding – VDEM, MANDATES  
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.

- Had a conference call with Tammy Stephenson (DEQ) to discuss specific compliance requirements. Based on the conference call the work plan to update the Water Supply Plan was completed.

INFORMATION RESOURCES/ASSISTANCE

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

- Updated [www.mppdc.com](http://www.mppdc.com) website – meeting notices, reports, news releases, employment opportunities.

COASTAL COMMUNITY DEVELOPMENT/ ENVIRONMENTAL  
Funding – VDEQ, VIMS, VDCR, local match from MPPDC General Fund & partners

**Project 32010 Staff Support to Middle Peninsula Chesapeake Bay Public Access Authority (MPCBPAA)**

*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.*

- Prepared vouchers, processed A/P, reconciled bank statements. Prepared monthly financial statements.
- Attended PAA Board Meeting to discuss financial issues.

**Project 32138 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.*

- Assisted Christina Ryder, Wildlife Biologist, Chesapeake Bay Field Office, U.S. Fish & Wildlife Service with submittal of \$75k grant from the North American Water Conservation Act.
- Convened the fall Coastal PDC meeting at Captain Sinclair's Recreational Area, located in Gloucester County. Discussed programmatic changes to final reporting requirements directed by NOAA. Final reports should focus on general outcomes and broader impacts associated with technical assistance provided under the grant.
- Consulted with Joan Salvati, Manager, Local Government Assistance Program interested in providing an update to local elected officials and staff on the Commonwealth's TMDL Watershed Implementation Plan 3 approach. Presentation schedule will be forth coming.
- Convened the November meeting of the Middle Peninsula Local Government Administrators. Angela Coleman, Executive Director for the Virginia Alcohol Safety Action Program (VASAP), provided background on the history and current status of the Middle Peninsula and Northern Neck ASAP Program.
- Consulted with Larry Land, VACO Director of Policy Development, concerning the upcoming annual VACO Conference. PDC staff agreed to serve on a Stormwater panel to provide an update on the work of Delegate Keith Hodges' efforts to preserve the "opt out" provision.
- Followed up with Fred Burchett, Director of Essex County Parks and Recreation, concerning questions on wetlands mitigation at the June Parker Marina.
- Consulted with Joyce McGowan, VDOT Saluda Resident Engineer, concerning bridge abandonment in Essex County that joins a recently donated parcel to the Middle Peninsula Chesapeake Bay Public Access Authority.
- Consulted with Dwayne Roadcap, Director of the Division of On-site Sewage for the Virginia Department of Health, concerning a recent change to how VDH issues permits. The General Assembly enabled the issuance of "Voluntary Upgrades." Homeowners who choose Voluntary Upgrades do not require a septic repair permit. Without a permit, homeowners are not eligible for MPPDC revolving loan program funds. DEQ staff and VDH staff are consulting on a solution to enable MPPDC to lend funds under the heading of "Voluntary Upgrades."
- Attended the second DEQ Fee Stormwater Advisory Group meeting. The SAG has been charged with determining if the current fee schedule is adequate to fully fund the stormwater program across the Commonwealth. Preliminary indications are that the program fees are not adequate to cover the cost to administer the program.
- Convened the October meeting of the Middle Peninsula Chesapeake Bay Public Access Authority. Finalized legal documents necessary to close on a 30 acre Essex County parcel on Piscataway Creek donated for public access.
- At the request of the Accomack North Hampton Planning District Commission Executive Director, attended their Commission's October meeting to provide information on how the Middle Peninsula administers the Middle Peninsula Chesapeake Bay Public Access Authority.

- Prepared the Coastal Technical Assistance Program, Coastal Zone Management Grant Semiannual Report to be submitted to the Department of Environmental Quality and forwarded to NOAA covering staff activities from April 1 to September 30, 2016.
- Collecting and compiling data for Virginia’s eight-digit Hydrological Unit Codes (HUC) to be displayed on a GIS generated map showing HUC eight-digit regions and their corresponding watersheds.
- Coordinated for a Neighborhood Public Access Forum meeting for two Middlesex County public access sites: Whiting Creek and Kinsbury Site. Meetings were held to collect community input on development, expansion, and existing conditions of the public access site.
- Assisted Delegate Keith Hodges with the planning and coordination necessary to convene ditch maintenance and ownership meeting in Mathews County with VDOT and DEQ representatives.

### **32139 Eco-Business Framework**

*The PAA in partnership with MPPDC staff will explore new approaches to allow privately owned eco-business ventures to operate on publicly owned land to encourage new and innovative environmentally sensitive business that that showcases and preserves PAA land.*

- Met with Frank Evans of EvanCo pier construction to discuss approaches for nature viewing platforms on the Clay Tract in King and Queen County.
- Took eco-tourism documents from Queensland Eco-tourism Investment Opportunities Program and began editing their documents into documents to be used by the Middle Peninsula Chesapeake Bay Public Access Authority (PAA) to encourage eco-tourism on PAA properties. The Application Form for Eco-business facilities on PAA properties is complete.

### **Project 32209 Virginia Working Waterfront Master Plan and 2<sup>nd</sup> Virginia Working Waterfront Summit**

*MPPDC staff will work with the Northern Neck PDC, Accomack-Northampton PDC, and Hampton Roads PDC to develop a Virginia Working Waterfronts coastal zone-wide plan that will serve to guide communities in protecting, restoring and enhancing their water-dependent commercial and recreational activities.*

- Distributed the Virginia Working Waterfront Master Plan to Coastal Planning District Commissions, the Virginia Coastal Policy Team, posted on the mppdc.com website, and published in ISSUU ([https://issuu.com/middlepeninsulaplanningdistrictcomm1/docs/final\\_mppdc\\_wwf\\_plan\\_09\\_16\\_2](https://issuu.com/middlepeninsulaplanningdistrictcomm1/docs/final_mppdc_wwf_plan_09_16_2)).
- Policy Center annual conference – “Living with the Water – Too Much, and Too Little” to take place 9:00 AM Friday, December 2, 2016, at the Williamsburg Lodge in Williamsburg, Va. The morning session will be jointly held with the 2<sup>nd</sup> annual Working Waterfronts Summit, with presentation and discussion of the new Virginia Working Waterfront Master Plan. The afternoon session will focus on the groundwater injection project proposed by the Hampton Roads Sanitation District, followed by a reception at the Muscarelle Museum on the William & Mary campus.  
<https://www.eventbrite.com/e/vcpc-conference-2016-living-with-the-water-too-much-and-too-little-tickets-27763685932?utm-medium=discovery&utm-campaign=social&utm-content=attendeeshare&aff=escb&utm-source=cp&utm-term=listing>

Updated Project timeline:

**Timeline for the Development of the Virginia Working Waterfronts (WWF) Plan and the 2<sup>nd</sup> WWF Summit in 2016.**

January	February	March	April	May	June	July	August	September	October	November	December
<ul style="list-style-type: none"> <li>PDC's will work on their Chapter for the WWF Plan</li> <li>Don will work on the State of the Commonwealth Chapter for the Plan</li> </ul>			<ul style="list-style-type: none"> <li>Neal will assemble the WWF Plan and write the plan's introduction, conclusion as well as chapter on working waterfront resiliency. PDCs will begin to share individual chapters to their Commission and participating localities.</li> </ul>			PDCs will share the completed Virginia WWF Plan with Commissions and participating localities. Seek plan adoption by the Commission and recommend that localities adopt plan as well.			Plan Symposium – secure sponsors and speakers		VCPC will host the Symposium the first week of Dec.

**32210 Working Waterfronts (Task 93.03)**

*During this project MPPDC staff will explore the creation of either a state sponsored uninsured “motorist” program from workboats or a self-funded insurance program from workboats. Additionally, MPPDC staff will focus on reviewing and refining legislative solution that may benefit working waterfronts. In part, MPPDC staff will coordinate with Legislative Services and the General Assembly. Finally, MPPDC staff will contract will HRPDC to expand the working waterfront inventory to include public landings currently utilized by watermen and working waterfront locations in Richmond Regional, George Washington, and Crater PDCs.*

- Began to research the Commonwealth’s Uninsured Motorist Program and the Virginia Department of Motor Vehicles Insurance Verification Program and VA Code regarding this topic (§38.2-2206).
- Updated contract to HRPDC to assist with work on the expansion of the Working Waterfront Inventory for the entire VA Coastal Zone.

**TRANSPORTATION**

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

**Project 30211 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. In addition MPPDC staff will update the TDM Six Year Plan with additional funding from Virginia Department of Rail and Public Transportation (DRPT).*

- Updated website – [www.midpenrideshare.org](http://www.midpenrideshare.org)
- Convened Association for Commuter Transportation Telework Council meeting via conference call.
- Received online registration from Gloucester resident commuting to Norfolk Naval Shipyard. Provided match contact information.
- Provided Telework Council Membership database to David Straus, Association for Commuter Transportation Executive Director.
- Researched telework analysis for Delegate Hodges.

- Current commuter database – 144

**Project 30312 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.*

- Updating draft Title VI Plan, submitted questions to Faith Alejandro, Sands Anderson.
- Prepared and submitted the VDOT Rural Transportation Program Quarter 3 Report to Stephen Hayes at the Fredericksburg Regional VDOT Office.
- Attended a Grantee workshop conducted by The Department of Rail and Public Transportation.
- Provided information to Tom Chillemi, Reporter, *Southside Sentinel*, to enable them to publish a meeting schedule for water access site neighborhood forums.
- Responded to requests from Middlesex County residents pertaining to the Public Water Access Plan research currently being conducted. Responded to requests from the community to provide input from those not able to attend specific neighborhood meetings.
- Prepared all documentation and materials to facilitate a Neighborhood Forum meeting for the Canoe House Landing Beach Site at Hermitage Baptist Church to get community input on development, expansion, and existing conditions of the site.
- Prepared all documentation and materials to facilitate a Neighborhood Forum meeting for the Fairfield Landing Site at Piankatank River Golf Club to get community input on development, expansion, and existing conditions of the site.
- Prepared all documentation and materials to facilitate a Neighborhood Forum meeting for the Whiting Creek Site at the MPPDC Office to get community input on development, expansion, and existing conditions of the site.
- Prepared all documentation and materials to facilitate a Neighborhood Forum meeting for the Wake Beach Site at the Freeshade Community Center to get community input on development, expansion, and existing conditions of the site.
- Prepared all documentation and materials to facilitate a Neighborhood Forum meeting for the MPCBPAA Kennsbury Road Site at Deltaville Community Center to get community input on development, expansion and existing conditions of the site.
- Helped Brian Lewis, Gloucester County prepare a Resolution of Support from the MPPDC Board for their application to VDOT for Transportation Alternatives set aside funding.
- Coordinated with Anne Ducey-Ortiz, Gloucester County Planning Director, to create a GIS map that would identify roads in the county that are currently eligible for Share the Road signs and what improvements the other major roads in the county need in order to qualify. Goal is to create a Bike Master Plan for Gloucester County.

## ONSITE REPAIR & PUMPOUT

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

### **Project 30420/30425 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.*

- Consulted with Charlotte Deal, Millers Septic Service, regarding septic repair.
- Consulted with Ashley Miller, Millers Septic Service, regarding voluntary upgrade permits and King and Queen County septic repair.
- Consulted with Kathy Farmer, Farmers Septic Service, regarding pending Mathews County repair.
- Discussed voluntary upgrade permits with Walter Gill, DEQ.
- Met with Rick Hill and Kaitlin Ranger, DEQ NPS TMDL Coordinator, regarding grant for WQIF funds for septic repairs for low-mod income homeowners.
- Consulted with Gloucester County homeowner regarding deed issues.
- Consulted with King William County homeowner regarding estimate and permit.
- Consulted with Bill Sanford, King William County Health Department regarding septic repair permit.
- Consulted with Tammy Faulkner, Gloucester County Health Department, regarding alleged violation in Gloucester County.
- Consulted with Rick Hill, DEQ, regarding DEQ paperwork requirements.
- Executed ACH loan payments for septic repair loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). MPPDC staff process these payments on the 15<sup>th</sup> of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to the loan processing date of the 12<sup>th</sup> of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loan

***Remaining uncommitted funding – \$158,567 in loan funds, \$183,500 in grant funds.***

## ECONOMIC DEVELOPMENT

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

### **30108 Building Collaborative Communities EDO Implementation**

*With funding from DHCD, this project will allow for staffing of the Middle Peninsula Economic Development Resource Organization, training for the Advisory Board members on operating a regional economic development organization and managing regional projects, and creation of a long term sustainability plan for the organization.*

- Met with Michelle Jones, DHCD, and Liz Povar, Middle Peninsula Economic Development Resource Organization (MPEDO) Executive Director, to discuss the BCC grant award. Governor McAuliffe announced funding for this project in early October. Funding awarded was \$18k more than the amount applied for, with a corresponding \$24k increase in required matching funds. As the EDO has moved more quickly than anticipated to hire an executive director, the scope of this project is evolving. Discussed grant requirements, expected deliverables, additional funding, additional match, project end date, budget, action items, EDO and regional needs. DHCD needs to post the contract on the CAMS system so the budget can be finalized.
- Met with Liz Povar, MPEDRO Ex. Director, to finalize BCC grant budget, EDO & PDC roles, matching funds.
- Consulted with Katie Allen, Director of the Conservation Leadership Network for the Conservation Fund, concerning an upcoming workshop linking blue and green infrastructure with economic development. Discussed potential customized training specific to the Middle Peninsula.
- Consulted with Delegate Keith Hodges concerning a new approach for linear economic development using a combination of MS 19 standards, Energy Balance equation (quantity and quality), and regional BMP to address stormwater.

### **Project 30109 MPEDRO Staff Support**

*The Middle Peninsula Economic Development Resource Organization is a 501(c)(3) corporation reorganized from the Tidewater RC&DC, Inc to secure resources and services to carry out a plan of action for the orderly development and full utilization of the area's human and natural resources to improve economic conditions and create a general awareness of the need for improvement of the environment by consideration of orderly development of resources for the area.*

- Prepared vouchers, processed A/P, processed deposits and balanced bank account. Prepared monthly financial statements.

### **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 manages 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.*

- Consulted with client regarding loan pay-off.

- Executed ACH loan payments for MPBDP loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). MPPDC staff process these payments on the 15<sup>th</sup> of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to the loan processing date of the 12<sup>th</sup> of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans.

## 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 30021 Mathews County Comprehensive Plan Update**

*Middle Peninsula Planning District Commission will provide technical assistance to Mathews County in updating the Mathews County 2030 Comprehensive Plan and Mathews County Zoning Code. Every jurisdiction in Virginia is mandated by Virginia Code Section 15.2-2223 to create and adopt a Comprehensive Plan that outlines a vision for the future of the community with a twenty year planning horizon.*

### **Project 380171 Local & Regional Technical Assistance**

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

- Requested, collated and presented HR information for local government administrators.
- Submitted proposal to DEQ for additional septic pumpout funding.
- Attended the Virginia Association of Planning District Commission Board of Directors fall meeting. Agenda items included Go Virginia: Chesapeake Bay TMDL WIP update; Broadband Network Deployment.
- Submitted proposal to the Coastal Zone Management Program Project of Special Merit competitive grant program. The proposal focuses on developing a regional approach to adapt to rising sea levels that will sustain an economically resilient region.

## HOUSING

Funding –Housing Loan Program Income

### **Project 300132 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 was tasked with administering the overall project. MPPDC is administering the revolving loan program per DMME.*

- Executed ACH loan payments for MPBDP loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). MPPDC staff process these payments on the 15<sup>th</sup> of each month. This places the onus to not make a payment on the loan client contacting MPPDC staff prior to the loan processing date of the 12<sup>th</sup> of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans.

**EMERGENCY SERVICES**  
**Funding - Pending**

**Project 31203 Regional Emergency Management Planner**

*Regional Emergency Planner position housed at the Middle Peninsula Planning District Commission (MPPDC) in Saluda. The Middle Peninsula crosses VDEM Region 1&5 boundaries. Position will support local Emergency Coordinators by assisting/coordinating homeland security & disaster response preparedness; Rt. 17 evacuation planning; & resource data collection.*

- Executed FY17 contracts with VDEM. Input budget data into VDEM online grants management program.
- Attended the 2016 VDEM fall Forum in Blacksburg, Virginia. The fall Forum is designed to update Emergency Personnel in Virginia on current trends and topics in the Emergency community. Topics at the Forum included: a talk on the response to the February 2016 tornadoes, the National Disaster Recovery Framework by FEMA, Virginia Emergency Management Association updates, Drones in Recovery, and other topics.
- Completed and submitted to VDEM the required grant paperwork for the 2016 SHSGP grants.
- Edited draft THIRA's for King William, Essex, Mathews, and Middlesex Counties. The Plans will be sent to the Emergency Managers for review. Essex County is planning to present the final draft THIRA to their Board in January or February 2017.
- Participated in the quarterly Northern Neck/Middle Peninsula Emergency Managers meeting in Tappahannock, VA. VDEM updated the group on progress towards staffing the Region 1 and Region 5 field offices and response to Hurricane Matthew in Region 5.
- Participated in the Gloucester County Active Shooter Tabletop Exercise. The purpose of the 2016 Gloucester County Active Shooter Tabletop Exercise is to validate Gloucester County Emergency Operations Plan (EOP), Peninsula's EMS Council Hampton Roads Mass Casualty Incident Response Guide, Gloucester County Public Schools Crisis Management and Evacuation Plans, Gloucester County Sheriff's Office Operational Plan, and the Hospital Decontamination and Medical Surge Plans in response to an active shooter incident and hazardous materials release at Page Middle School in Gloucester County, Virginia.

## AGENCY ADMINISTRATION

Funding - Indirect cost reimbursements from all PDC projects

### **MPPDC Administration**

*Administrative services provided to MPPDC programs. Planned FY16 Indirect Cost rate =49.8%.*

- Prepared vouchers, processed A/P, processed payroll, processed deposits and balanced bank accounts. Prepared MPPDC monthly financial statements.
- Posted clerical position employment opportunity on MPPDC website and local newspapers. Received over 30 resumes in less than 5 days for a part-time position.
- Reviewed draft MPPDC FY16 audit, consulted with Michael Aukamp, Dunham, Aukamp and Rhodes, LLC regarding corrections and adjustments.

## CLOSED FY17 PROJECTS

### **32135 Coastal TA**

### **32133 NFWF Living Shorelines PAA**

### **32136 - Mathews SLR Adaptation**

### **32137 – Mathews Ditch Map Database**

### **32014 Public Access Master Plan**

### **31201 AHMP Update**

### **Project 32014 Middle Peninsula Public Access Master Plan**

- Finalized final financial report to be submitted to the Virginia Coastal Zone Management Program by November 15<sup>th</sup>.



November 16, 2016

**COMMISSIONERS**

**Essex County**

*Mr. John Clickener  
Hon. Margaret H. Davis  
Hon. John C. MaGruder*

**Town of Tappahannock**

*Hon. Roy M. Gladding  
Mr. James W. Sydnor*

**Gloucester County**

*Hon. Ashley C. Chriscoe  
Mr. J. Brent Fedors  
Dr. William G. Reay  
Hon. Michael R. Winebarger*

**King and Queen County**

*Hon. Sherrin C. Alsop  
Hon. R. F. Bailey  
Mr. Thomas J. Swartzwelder  
(Chairman)*

**King William County**

*Hon. David E. Hansen  
Hon. Travis J. Moskalski  
(Treasurer)  
Mr. Eugene J. Rivara  
Mr. Sanford Wanner*

**Town of West Point**

*Hon. Paul T. Kelley*

**Mathews County**

*Hon. O. J. Cole, Jr.  
(Vice Chairman)  
Mr. Thornton Hill  
Hon. Jack White*

**Middlesex County**

*Mrs. Trudy V. Feigum  
Hon. Wayne H. Jessie, Sr.  
Hon. John D. Miller, Jr.*

**Town of Urbanna**

*Hon. Steve Hollberg*

**Secretary/Director**

*Mr. Lewis L. Lawrence*

**RESOLUTION**

**A RESOLUTION OF SUPPORT FOR ESSEX COUNTY APPLICATIONS FOR VDOT'S SMARTSCALE (HB2) FUNDING**

**WHEREAS**, the Virginia Department of Transportation (VDOT) is accepting applications by September 30, 2016 for funding qualifying projects within the FY 18-23 Six Year Improvement Program; and

**WHEREAS**, the House Bill 2 (HB2) application process, re-named SmartScale, directs VDOT to provide an opportunity for localities to submit project applications for competition statewide among Transportation Districts and within respective Transportation Districts; and

**WHEREAS**, Essex County staff, in consultation with Town of Tappahannock and VDOT staff, have determined SmartScale applications should be submitted for consideration that focus on: 1) Improvement of the Park & Ride (Commuter) Lot at Loretto adjacent to Routes 17/654 (Tidewater Trail and Rectory Road) and 2) Installation of a Shared Use Path (Sidewalk/Bike Trail) adjacent to Routes 698 and 1036 (Hobb's Hole Drive, White Oak Drive and Ball Street); and

**WHEREAS**, Route 17 – Tidewater Trail is a Corridor of Statewide Significance (CoSS) and such road and adjacent connecting roadways are critical to the form and function of the transportation infrastructure of Essex County and the Town of Tappahannock; and

**WHEREAS**, the Shared Use Paths along Routes 698 and 1036 are identified in the plan entitled, Virginia Department of Transportation US Routes 17/360 Corridor Revitalization Funding Application - Conceptualization of Project Proposals (September 30, 2015 - George B. Jennings, III, AIA) and such plan was prepared to assist with the identification of specific transportation improvements that could be pursued through allocation, grant and other funding assistance programs; and

**WHEREAS**, the establishment of and/or improvement to existing Park & Ride lots is noted as a priority in various local, regional and VDOT plans and the improvement of the Loretto facility will assist commuters traveling north on Route 17 to destinations such as the Fredericksburg and Washington D.C. Metro areas;

**NOW THEREFORE, BE IT RESOLVED** by the Middle Peninsula Planning District Commission this 16<sup>th</sup> day of November, 2016, that the Commission supports the applications of Essex County for projects as referenced in this resolution.

Adopted this 16<sup>th</sup> day of November, 2016

---

(Secretary)

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November 16, 2016

## RESOLUTION

### To accept the Virginia Working Waterfront Master Plan

#### COMMISSIONERS

##### **Essex County**

*Mr. John Clickener  
Hon. Margaret H. Davis  
Hon. John C. MaGruder*

##### **Town of Tappahannock**

*Hon. Roy M. Gladding  
Mr. James W. Sydnor*

##### **Gloucester County**

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Mr. Sanford Wanner*

##### **Town of West Point**

*Hon. Paul T. Kelley*

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(Vice Chairman)  
Mr. Thornton Hill  
Hon. Jack White*

##### **Middlesex County**

*Mrs. Trudy V. Feigum  
Hon. Wayne H. Jessie, Sr.  
Hon. John D. Miller, Jr.*

##### **Town of Urbanna**

*Hon. Steve Hollberg*

##### **Secretary/Director**

*Mr. Lewis L. Lawrence*

**WHEREAS**, 'working waterfront' is defined in the Middle Peninsula Planning District Commission as real property (including support structures over water and other facilities) that provides access to coastal waters to persons engaged in commercial fishing, recreational fishing businesses, boatbuilding, aquaculture, or other water dependent, coastal-related business and is used for, or that supports, commercial fishing, recreational fishing businesses, boatbuilding, aquaculture, or other water dependent, coastal-related;

**WHEREAS**, Working Waterfronts provide critical access to Virginia coastal waters for people engaged in commercial and recreational fishing, seafood processing, boat building, repair and maintenance, aquaculture, port activity, and other water-dependent businesses;

**WHEREAS**, some coastal communities are experiencing increased demand for waterfront properties along Virginia's coast that result in an increase in property values and higher costs for traditional waterfront businesses which has resulted in Virginia slowly losing its working waterfronts – an issue that may have long-term consequences for local economies, the environment, coastal culture and quality of life; and

**WHEREAS**, other coastal communities are experiencing decreasing real-estate values, populations are leaving, and some are seeing an increase in donations of waterfront land for public use which presents a new opportunity for new public holdings for working waterfront enhancements;

**WHEREAS**, natural factors of increasing sea level rise, increasing frequency and magnitude of coastal storms, shoaling of navigable channels and shoreline erosion pose increasing threats to the existence of working waterfronts;

**WHEREAS**, a loss of Working Waterfronts constitutes a potential loss of jobs for watermen (e.g. fishers, shellfish farmers) and the agriculture industry (timber and grain barges); a loss of the identity of the region; and a loss of support industry jobs (boat building, transport, seafood processing, etc.);

**RESOLUTION**  
**To accept the Virginia Working Waterfront Master Plan**

**WHEREAS**, Virginia’s coastal Planning District Commissions and the Virginia Coastal Zone Management (CZM) Program have worked to address threats and loss of Working Waterfronts since FY 2011, these entities have collaborated to develop a Virginia Working Waterfront Master Plan;

**WHEREAS**, the Virginia Working Waterfront Master Plan synthesizes the work completed to date under the CZM Cumulative and Secondary Impacts strategy (FY 11-FY15) and provides communities with a comprehensive understanding of what Virginia Working Waterfronts are; where existing water-dependent commercial infrastructure is located; discussion of the long-term impacts associated with the loss of Working Waterfronts; and lastly recommend policy action and tools which the Commonwealth, regional organizations, local governments and private industry should consider to better manage growth pressures and ensure the preservation of Working Waterfronts as important economic drivers and cultural resources for rural, suburban and urban communities;

**NOW, THEREFORE BE IT RESOLVED** that the Middle Peninsula Planning District Commission accepts the Virginia Working Waterfront Master Plan as a policy document to help preserve or encourage the redevelopment of Working Waterfronts throughout coastal Virginia.

This the \_\_\_\_\_ day of \_\_\_\_\_, 2016

ATTEST

\_\_\_\_\_  
**(Clerk or Secretary)**

\_\_\_\_\_  
**(Chairman)**

**MIDDLE PENINSULA PLANNING  
DISTRICT COMMISSION**

**AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2016**

**DRAFT**

**DUNHAM, AUKAMP & RHODES, PLC**  
Certified Public Accountants  
Chantilly, Virginia

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

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**DRAFT**

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**  
**BOARD OF COMMISSIONERS**

John R. Clickener - Essex County

Margaret H. Davis - Essex County

John Magruder – Essex County

Ashley C. Chriscoe - Gloucester County

J. Brent Fedors – Gloucester County

William G. Reay - Gloucester County

Michael Winebarger - Gloucester County

Sherrin C. Alsop - King and Queen County

R. F. Bailey - King and Queen County

Thomas J. Swartzwelder - King and Queen County

David Hansen - King William County

Travis J. Moskalski - King William County

Eugene Rivara - King William County

Sanford Wanner - King William County

O. J. Cole, Jr. - Mathews County

Thornton Hill - Mathews County

Jack White - Mathews County

Trudy V. Feigum – Middlesex County

John D. Miller – Middlesex County

Roy M. Gladding - Town of Tappahannock

James Sydnor - Town of Tappahannock

Steve Hollberg - Town of Urbanna

Paul T. Kelley - Town of West Point

## INDEPENDENT AUDITOR'S REPORT

To the Commissioners  
Middle Peninsula Planning District Commission  
Saluda, Virginia

### Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities, and the aggregate remaining fund information of the Middle Peninsula Planning District Commission as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, and the aggregate remaining fund information of the Middle Peninsula Planning District Commission as of June 30, 2016 and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension disclosures on pages 4 - 7, page 33, and pages 36 - 37 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming **DRAFT** opinions on the financial statements that collectively comprise Middle Peninsula Planning District Commission's basic financial statements. The schedule of revenues and expenditures by program is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of revenues and expenditures by program on pages 31 - 32 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues and expenditures by program is fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November XX, 2016, on our consideration of Middle Peninsula Planning District Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Middle Peninsula Planning District Commission's internal control over financial reporting and compliance.

Certified Public Accountants  
Chantilly, Virginia

November XX, 2016

## **Middle Peninsula Planning District Commission Management's Discussion and Analysis**

In this section of the annual financial report of the Middle Peninsula Planning District Commission (the "Commission"), management provides a narrative discussion and an analysis of its financial activities for the fiscal year that ended June 30, 2016. Responsibility for the accuracy of the data as well as the completeness and fairness of this presentation (including all disclosures) rests with management. To the best of our knowledge and belief, the data contained herein is accurate in all material respects. This data is reported in a manner designed to fairly represent the Commission's financial position and the result of operations of its various funds. All disclosures necessary to enable the reader to gain an accurate understanding of the Commission's financial activities have been included. The Commission's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

### **Overview of the Financial Statements**

The financial statements presented herein included all of the activities of the Commission using the integrated approach as prescribed by GASB Statement No. 34. Management's Discussion and Analysis (MD&A) is intended to introduce the Commission's financial statements. In addition to this Management's Discussion and Analysis (MD&A), the report consists of the enterprise fund financial statements, and the notes to the financial statements. These financial statements are designed to be more corporate-like in that all activities of the Commission are considered to be business-type activities.

### **Required Financial Statements**

The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap shot view of the assets the Commission has, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Business-type activities are reported on the accrual basis of accounting. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position details the Commission's revenues and expenses by functional type, and the net operating result of the current year. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

The Statement of Cash Flows shows the cash flows from the Commission's operating, capital and related financing, and investing activities.

The notes to the financial statements provide additional disclosure required by governmental accounting standards and provide information to assist the reader in understanding the Commission's financial condition.

The MD&A is intended to explain the significant changes in financial position and the differences in operation between the current year and prior years. Significant changes from the prior year are explained in the following paragraphs.

## Financial Analysis

### Summary Statements of Net Position June 30,

	<u>2016</u>	<u>2015</u>
Current Assets	\$793,374	\$ 778,858
Loans Receivable	179,675	224,391
Capital Assets (net)	<u>7,931</u>	<u>4,949</u>
Total Assets	<u>980,980</u>	<u>1,008,198</u>
Deferred Outflows of Resources	<u>30,454</u>	<u>29,567</u>
Current Liabilities	169,067	169,792
Long-Term Liabilities	<u>156,917</u>	<u>397,048</u>
Total Liabilities	<u>325,984</u>	<u>566,840</u>
Deferred Inflows of Resources	<u>220,036</u>	<u>31,258</u>
Invested in Capital Assets	7,931	4,949
Unrestricted	<u>457,483</u>	<u>434,718</u>
Total Net Position	<u>\$465,414</u>	<u>\$ 439,667</u>

Current assets increased during the year by approximately \$22,500.

Loans receivable decreased approximately \$45,000 during the year as a result of repayments on the various loans, net of new loans made. Several loan programs are not active as the programs that supported them are no longer funded and thus no new loans were processed for these programs during the year.

Current liabilities remained approximately the same during the year.

Long-term liabilities decreased by approximately \$240,000 during the current year, as the Commission made scheduled principal payments on the VRA loans and there was a significant reduction in the pension liability of \$225,000 as a result of differences in the expected and actual experience during the year.

Total net position increased by approximately \$24,000 this year primarily due to the decrease in pension liabilities.

**Summary Statements of Activities  
For the Years Ended June 30,**

	<u>2016</u>	<u>2015</u>
Revenues		
Operating revenues	\$959,336	\$752,395
Interest	<u>2,489</u>	<u>2,242</u>
Total Revenues	<u>961,825</u>	<u>754,637</u>
Expenses		
General and administration	58,895	62,640
Project costs	<u>914,252</u>	<u>632,466</u>
Total Expenses	<u>973,147</u>	<u>695,086</u>
GASB 68 pension benefit	<u>37,069</u>	-
Change in net position	25,747	59,551
Net position at beginning of year	<u>439,667</u>	<u>380,116</u>
Net position at end of year	<u>\$465,414</u>	<u>\$439,667</u>

Operating revenues increased by approximately \$207,000 and project expenses increased by approximately \$282,000 from the prior year. It is not uncommon for these figures to change substantially from year to year due to differences in the Commission's work program based on changes in the Commission's priorities and the availability of funding to implement the work program.

In FY 2016 actual revenues were under budget by approximately \$22,000 as several projects were delayed. This has become increasingly more common as state funders continue to grapple with comprehension of the new federal uniform administrative requirements for federal awards (2CFR 200).

Actual expenses exceeded budgeted expenses for personnel costs by approximately \$77,000 as a result of the Commission's performance compensation program whereby management is authorized to obtain additional funding to enable and enhance the Commission's work program and increase staff salaries proportionately as additional funding is obtained. The ability to allow for a fluctuation in personnel costs based on availability of funding allows for greater flexibility in applying for additional funding to advance the Commission's priorities without increased staffing.

There was little change in general Administration expenses as management continued to control administrative costs and utilize administrative staff on projects wherever feasible. Project costs increased by \$282,000. It is not unusual for project costs to change substantially from year to year based on the number and type of projects funded.

## **Capital Assets**

The capital assets in the governmental funds consist of computer equipment and vehicles used in the business-type activities of the Commission.

## **Long-Term Debt**

Long-term debt consists of three loans from the Virginia Water Facilities Revolving Fund. The first loan was originally made in 1997 in the amount of \$250,000, but through regular annual payments has been reduced to \$37,500. In 2011 the Commission received another \$250,000 loan from the Virginia Water Facilities Revolving Fund to increase the revolving loan fund for wastewater loans. This loan consisted of a \$125,000 no interest loan and a \$125,000 “principal forgiveness” loan. As of June 30, 2016, \$125,000 had been drawn on this loan and an additional \$125,000 on the “principal forgiveness loan”. This loan has been reduced by regular annual payments to \$87,500. During FY2016 the Commission received another loan in the amount of \$250,000. As of June 30, 2016 only \$3,815 had been drawn on this loan.

## **Economic Factors and Future Outlook**

Presently, management of the Commission is aware of the changing federal, state, regional and local economic climate and is working to comprehensively understand, address and plan for the future security of the Commission consistent with the evolving new economic model. Management realizes the risk to the organization of the high dependency on grants to fund operations especially during periods of economic stress and continues to explore other options to fund its essential programs including increased local funding. Management continues to work with the MPPDC Executive Committee to explore strategies to fund the Commission, provide for a motivated and adequately compensated staff, and increase performance while maintaining compliance with the requirements of OMB Uniform Guidance and the needs and resources of the member localities.

## **Contacting the Commission’s Financial Management**

This financial report is designed to provide a general overview of the Commission’s finances and show the Commission’s accountability for the funds it receives. If you have questions about this report or need additional information, contact the Commission’s Executive Director at 125 Bowden Street in Saluda, Virginia.

**Middle Peninsula Planning District Commission**  
**Statement of Net Position**  
**June 30, 2016**

**ASSETS**

Current Assets

Cash and cash equivalents	\$ 637,825
Restricted cash	12,500
Accounts receivable	138,617
Prepaid expenses	4,432
Total Current Assets	793,374

Noncurrent Assets

Capital assets, net	7,931
Loans receivable	179,675
Total Noncurrent Assets	187,606

Total Assets	980,980
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**DEFERRED OUTFLOWS OF RESOURCES**

Pension contributions after the measurement date	30,454
--	--------

**LIABILITIES**

Current Liabilities

Accounts payable	2,232
Deferred revenue	89,333
Accrued leave payable	48,687
Current portion of notes payable	28,815
Total Current Liabilities	169,067

Noncurrent Liabilities

Notes payable, net of current portion	100,000
Net pension liability	56,917
Total Liabilities	325,984

**DEFERRED INFLOWS OF RESOURCES**

Net difference between projected and actual pension earnings	220,036
--	---------

**NET POSITION**

Invested in capital assets, net of related debt	187,606
Unrestricted	277,808
Total Net Position	\$ 465,414

See accompanying notes

**Middle Peninsula Planning District Commission**  
**Statement of Revenue, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2016**

**Operating Revenues**

Grants and appropriations	
Federal grants	\$ 650,661
State grants and appropriations	157,091
Local grants and appropriations	122,003
Miscellaneous	29,581
	959,336
Total Operating Revenues	959,336

**Operating Expenses**

Salaries	416,684
Consultant and contractual	174,819
Fringe benefits	131,474
Construction	81,335
Promotion and advertising	31,704
Rent and utilities	26,708
Legal and accounting	25,327
Bad debt	15,086
Office supplies	14,914
Workshops and conferences	14,436
Printing and duplicating	11,145
Miscellaneous	4,676
Depreciation	4,036
Lodging and staff expense	3,327
Insurance	3,246
Dues and memberships	3,185
Telephone	3,078
Meeting supplies and expenses	2,093
Postage	1,814
Website and internet	1,214
Vehicle costs	1,023
Subscriptions and publications	968
Deferred/forgiven loan expense	855
	973,147
Total Operating Expenses	973,147
Operating Income	(13,811)

**Non-Operating Revenues**

Interest income	2,489
GASB 68 pension benefit	37,069
	25,747
Change in Net Position	25,747
Net Position - Beginning of Year	439,667
Net Position - End of Year	\$ 465,414

See accompanying notes

**Middle Peninsula Planning District Commission**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2016**

<b>Cash Flows from Operating Activities</b>	
Received from customers	\$ 1,049,215
Paid to suppliers for goods and services	(559,855)
Paid to employees for services	(419,012)
Net Cash Flows Provided by Operating Activities	<u>70,348</u>
 <b>Cash Flows from Capital and Related Financing Activities</b>	
Proceeds from note payable	13,643
Principal paid on notes payable	(25,000)
Net Cash Flows Used in Capital and Related Financing Activities	<u>(11,357)</u>
 <b>Cash Flows from Investing Activities</b>	
Disbursement for new loans made	(44,716)
Purchases of property and equipment	(7,017)
Loan payments received	89,432
Interest income	2,489
Net Cash Flows Provided by Investing Activities	<u>40,188</u>
Net Change in Cash and Cash Equivalents	99,179
Cash and Cash Equivalents - Beginning of Year	<u>551,146</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 650,325</u></u>
 <b>Reconciliation of Operating Income to Net Cash</b>	
<b>Provided by Operating Activities</b>	
Operating income	\$ (13,811)
Depreciation	4,036
Changes in Assets and Liabilities	
Accounts receivable	89,095
Prepaid expenses	(4,432)
Accounts payable	(2,072)
Deferred revenue	(140)
Accrued annual leave	(2,328)
Net Cash Flows from Operating Activities	<u><u>\$ 70,348</u></u>

See accompanying notes

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 – Organization and Summary of Accounting Policies

The Middle Peninsula Planning District Commission (the "Commission") was established April, 1972, pursuant to the provisions of Section 15.1-1403 of the Virginia code (the 1968 Virginia Area Development Act) as an authorized regional planning district commission. The Commission's primary duty is to promote orderly and efficient development of the physical, social and economic elements of the district by planning, encouraging and assisting governmental subdivisions to plan for the future. The Commission is a subsidiary organization of the counties of Essex, Gloucester, King and Queen, King William, Mathews, Middlesex and the towns of Tappahannock, Urbanna and West Point. Commission funding is obtained from member jurisdictions' contributions, funds provided by the Commonwealth of Virginia, and Federal, state and local grants and contracts for specified projects designed to further the Commission's goals and objectives.

The financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) (prior to the adoption of GASB 34) as applied to government units. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of significant accounting policies followed in the preparation of these financial statements:

- (a) Reporting Entity – The Commission's governing body is composed of members appointed by the nine member jurisdictions. The Commission is not a component unit of any of the member governments, and there are no component units to be included in the Commission's financial statements.
- (b) Basis of Accounting – The accounting and reporting policies of the Commission relating to the accompanying basic financial conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and by the Financial Accounting Standards Board (when applicable).

Management believes that the periodic determination of revenues earned, expenses incurred and net income is desirable for purposes of facilitating management control and accountability. Therefore, the activities of the Commission are accounted for as a proprietary fund which uses the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. The Commission considers grant revenue as earned when the grant expenditure is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 31, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The Commission generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Commission may defer the use of restricted assets based on a review of the specific transaction.

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 1 – Organization and Summary of Accounting Policies (Continued)

- (c) Project Expenditures – The costs of goods and services that are identifiable for indirect costs are allocated to projects as described in Note 9. Personnel costs for Commission employees, including overtime and compensatory time, are direct charges to the appropriate projects. Expenses for paid leave and fringe benefits are allocated to projects as described in Notes 10 and 11.
- (d) Concentrations of Credit and Market Risk – Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions which, at times, may exceed federally insured limits. Credit exposure is limited to any one institution. The Commission has not experienced any losses on its cash equivalents.
- (e) Cash and Cash Equivalents – Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less, excluding amounts whose use is limited by the Commission’s Board designation or other arrangements under trust agreements with third-party payers.
- (f) Accounts Receivable – Accounts receivable are reported at their gross value when earned as the underlying exchange transaction occurs. Receivables related to non-exchange transactions are recognized when their eligibility requirements have been met. Receivables are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on collection history and current information regarding the credit worthiness of the debtors. When continued collection activity results in receipts of amounts previously written off, revenue is recognized for the amount collected. Management considers all of the receivables collectible at June 30, 2016, and no allowance for doubtful accounts has been provided. Concentration of credit risk with respect to accounts receivable is limited due to the number of grantors, many of which are federal government grants.
- (g) Employee Leave Benefits – Commission policy allows employees to accumulate unused vacation leave up to certain maximum hours. Commission employees earn from twelve to eighteen vacation days a year, depending on the length of their employment. Annual leave may be carried over from one fiscal year to the next, subject to certain limitations. The liability for accrued vacation is \$32,748 as of June 30, 2016.
- All employees receive fifteen sick days a year. Sick leave may be carried over from one fiscal year to the next. Upon termination or retirement, employees with five or more years of continuous salaried service may receive up to 25% of their unused sick leave balances up to a maximum of \$5,000. The liability for accrued sick leave is \$15,939 as of June 30, 2016.
- (h) Management Estimates – The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 1 – Organization and Summary of Accounting Policies (Continued)

- (i) Capital Assets – Capital assets are recorded at historical or estimated historical cost if actual historical cost is not available for items exceeding \$1,000. Depreciation is taken on the straight-line method over the estimated useful life of the respective asset.

The estimated lives are as follows:

Equipment	3-5 years
Furniture	7 years

Assets that have been purchased with grantor funds may revert to the grantor in the event the program is discontinued.

- (j) Budgets and Budgetary Accounting – Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All budgets are presented on the modified accrual basis of accounting. Accordingly, the Budgetary Comparison Schedule presents actual expenditures in accordance with the accounting principles generally accepted in the United States of America on a basis consistent with the adopted budgets as amended.
- (k) Advertising Costs – Advertising costs are expensed as incurred.
- (l) Deferred Outflows/Inflows of Resources – The Commission reports deferred outflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. The Commission only has one item that qualifies for reporting in this category. It is the employer pension contributions made after the actuarial measurement date. Employer contributions made after the measurement date of June 30, 2016 was \$30,454.

The Commission reports deferred inflows of resources on its statement of net position. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until a future period. The Commission only has one item that qualifies for reporting in this category. The difference between the projected and actual pension earnings per the actuarial report dated of June 30, 2015, of \$220,036 is reported as a deferred inflow of resources at June 30, 2016.

- (m) Pension – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Commission's Virginia Retirement System (VRS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by VRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 2 – Cash and Investments

State statute authorizes the Commission to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, repurchase agreements, certificates of deposit or time deposits insured by the FDIC, and the local government investment pool. Deposits are carried at cost, which approximates fair value.

At June 30, 2016 the carrying amount of the Commission's deposits with banks was \$560,424 and the bank balances were \$587,791. All of the bank balances were covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act.

Investments in 2a7-like pools are valued based on the value of pool shares. The Commission invests a 2a7-like pool, the Local Government Investment Pool, managed by the Virginia Department of Treasury. Permitted investments in the pool include U.S. government obligations, repurchase agreements, certificates of deposit, banker's acceptances, commercial paper, short-term corporate notes, and short-term taxable municipal obligations. The investment pool has not been assigned a risk category since the Commission is not issued securities, but rather owns an undivided interest in the assets of the pool. The Commission's balance in the investment pool was \$89,901 at June 30, 2016.

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### NOTE 3 – Restricted Cash

The Virginia Resources Authority has required the Commission to provide a loan loss reserve of one year's worth of debt service on the 2010 Septic Repair Revolving Loan Fund note payable. A restricted cash account in the amount of \$12,500 has been established.

### NOTE 4 – Property and Equipment

A summary of property and equipment as of June 30, 2016 is as follows:

	Balance July 1, 2015	Additions	Disposals	Balance June 30, 2016
Equipment	\$113,904	\$ 7,018	\$(36,532)	\$ 84,390
Accumulated Depreciation	<u>(108,955)</u>	<u>(4,036)</u>	<u>36,532</u>	<u>(76,459)</u>
Net	<u>\$ 4,949</u>	<u>\$ 2,982</u>	<u>\$ -</u>	<u>\$ 7,931</u>

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 5 – Pension Plan**

The Virginia Retirement System (VRS) Political Subdivision Retirement Plan is a multi-employer, agent plan. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Political Subdivision’s Retirement Plan and the additions to/deductions from the Political Subdivision’s Retirement Plan’s net fiduciary position have been determined on the same basis as they were reported by the Virginia Retirement System (VRS). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Plan Description***

All full-time, salaried permanent employees of the Political Subdivision are automatically covered by VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria a defined in the *Code of Virginia*, as amended. Eligible prior service that may be purchased includes prior public service, active military service, certain periods of leave, and previously refunded service.

The System administers three different benefit structures for covered employees – Plan 1, Plan 2, and Hybrid. Each of these benefit structures has a different eligibility criteria. The specific information for each plan and the eligibility for covered groups within each plan are set out in the table below:

<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>About Plan 1</b> Plan 1 is a defined benefit plan. The retirement benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p>	<p><b>About Plan 2</b> Plan 2 is a defined benefit plan. The retirement benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula. Employees are eligible for Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p>	<p><b>About the Hybrid Retirement Plan</b> The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan. Most members hired on or after January 1, 2014 are in this plan, as well as Plan 1 and Plan 2 members who were eligible and opted into the plan during a special election window. (See “Eligible Members”)</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula.</li> <li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and investment performance of those contributions.</li> <li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li> </ul>

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 – Pension Plan (Continued)

<p><b>Eligible Members</b> Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013</p> <p><b>Hybrid Opt-In Election</b> VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan’s effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p><b>Eligible Members</b> Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b> Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan’s effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p><b>Eligible Members</b> Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees*</li> <li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan’s effective date for opt-in members was July 1, 2014.</li> </ul> <p><b>* Non-Eligible Members</b> Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees.</li> </ul> <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p><b>Retirement Contributions</b> Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution but all employees will be paying the full 5% by July 1, 2016. Member contributions are tax-deferred until they are withdrawn as part of retirement benefit or as a refund. The employer makes a separate actuarially determined contribution to VRS for all covered employees. VRS invests both member and employer contributions to provide funding for the future benefit payment.</p>	<p><b>Retirement Contributions</b> Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. Some political subdivisions elected to phase in the required 5% member contribution; but all employees will be paying the full 5% by July 1, 2016.</p>	<p><b>Retirement Contributions</b> A member’s retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee’s creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 5 – Pension Plan (Continued)**

<p><b>Creditable Service</b> Creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member’s total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p>	<p><b>Creditable Service</b> Same as Plan 1.</p>	<p><b>Creditable Service</b> <b><u>Defined Benefit Component:</u></b> Under the defined benefit component of the plan, creditable service includes active service. Members earn creditable service for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional creditable service the member was granted. A member’s total creditable service is one of the factors used to determine their eligibility for retirement and to calculate their retirement benefit. It also may count toward eligibility for the health insurance credit in retirement, if the employer offers the health insurance credit.</p> <p><b><u>Defined Contributions Component:</u></b> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>
<p><b>Vesting</b> Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of creditable service. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make.</p>	<p><b>Vesting</b> Same as Plan 1.</p>	<p><b>Vesting</b> <b><u>Defined Benefit Component:</u></b> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Plan remain vested in the defined benefit component.</p> <p><b><u>Defined Contributions Component:</u></b> Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p>

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**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 5 – Pension Plan (Continued)**

		<ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four years or more, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distribution is not required by law until age 70½.</p>
<p><b>Calculating the Benefit</b> The Basic Benefit is calculated based on a formula using the member’s average final compensation, a retirement multiplier and total service credit at retirement. It is one of the benefit payout options available to a member at retirement.</p> <p>An early retirement reduction factor is applied to the Basic Benefit if the member retires with a reduced retirement benefit or selects a benefit payout option other than the Basic Benefit.</p>	<p><b>Calculating the Benefit</b> See definition under Plan 1.</p>	<p><b>Calculating the Benefit</b> <u><b>Defined Benefit Component:</b></u> See definition under Plan 1.</p> <p><u><b>Defined Contribution Component:</b></u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p><b>Average Final Compensation</b> A member’s average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> A member’s average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b> Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p><b>Service Retirement Multiplier</b> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.7%.</p>	<p><b>Service Retirement Multiplier</b> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members the retirement multiplier is 1.65% for creditable service earned, purchased or granted on or after January 1, 2013.</p>	<p><b>Service Retirement Multiplier</b> The retirement multiplier for the defined benefit component is 1.0%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p>
<p><b>Normal Retirement Age</b> Age 65.</p>	<p><b>Normal Retirement Age</b> Normal Social Security retirement age.</p>	<p><b>Normal Retirement Age</b> <u><b>Defined Benefit Component:</b></u> Same as Plan 2.</p> <p><u><b>Defined Contribution Component:</b></u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 5 – Pension Plan (Continued)**

<p><b>Earliest Unreduced Retirement Eligibility</b> Age 65 with at least five years (60 months) of creditable service or at age 50 with at least 30 years of creditable service.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b> Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b> <b><u>Defined Benefit Component:</u></b> Normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equals 90.  Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Reduced Retirement Eligibility</b> Age 55 with at least five years (60 months) of creditable service or at age 50 with at least 10 years of creditable service.</p>	<p><b>Earliest Reduced Retirement Eligibility</b> Age 60 with at least five years (60 months) of creditable service.</p>	<p><b>Earliest Reduced Retirement Eligibility</b> <b><u>Defined Benefit Component:</u></b> Age members may retire with a reduced benefit as early as age 60 with at least five years (60 months) of creditable service.  Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p> <p><b><u>Eligibility:</u></b> For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of creditable service, the COLA will go into effect on July 1 after one full calendar year from the retirement date.</p> <p>For members who retire with a reduced benefit and who have less than 20 years of creditable service, the COLA will go into effect on July after one calendar year following the unreduced Retirement eligibility date.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> </ul>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p><b><u>Eligibility:</u></b> Same as Plan 1.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> <b><u>Dates:</u></b> Same as Plan 1.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> <b><u>Defined Benefit Component:</u></b> Same as Plan 2.</p> <p><b><u>Defined Contribution Component:</u></b> Not applicable.</p> <p><b><u>Eligibility:</u></b> Same as Plan 1 and Plan 2.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> Same as Plan 1 and Plan 2.</p>

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 5 – Pension Plan (Continued)**

<ul style="list-style-type: none"> <li>• The member retires directly from short-term to long-term disability under the Virginia Sickness and Disability Program (VSDP)</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> <li>• The member dies in service and the member’s survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.</li> </ul>		
<p><b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p><b>Disability Coverage</b> Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p> <p>VSDP members are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>	<p><b>Disability Coverage</b> Eligible political subdivision and school division (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work related disability benefits.</p>
<p><b>Purchase of Prior Service</b> Members may be eligible to purchase service from previous public employment, active duty military, an eligible period of leave or VRS refunded service as creditable service in their plan. Prior creditable service counts toward vesting, eligibility for retirement and the health insurance credit. Only active members are eligible to purchase prior service. When buying service, members must purchase their most recent period of service first. Members also may be eligible to purchase periods of leave without pay.</p>	<p><b>Purchase of Prior Service</b> Same as Plan 1.</p>	<p><b>Purchase of Prior Service</b> <b>Defined Benefit Component:</b> Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> <li>• Hybrid Retirement Plan members are ineligible for ported service.</li> <li>• The cost of purchasing refunded service is the higher of 4% of creditable compensation or average final compensation.</li> <li>• Plan members have one year from their date of hire or return from leave to purchase all but refunded prior service at approximate normal cost. After that one-time period, the rate for most categories of service will change to actuarial cost.</li> </ul> <p><b>Defined Contribution Component:</b> Not applicable.</p>

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 5 – Pension Plan (Continued)**

**Employees Covered by Benefit Terms**

As of the June 30, 2014 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive Members or Their Beneficiaries Currently Receiving Benefits	1
Inactive Members	
Vested inactive members	2
Non-vested inactive members	0
Inactive members active elsewhere in VRS	<u>0</u>
Total Inactive Members	2
Active Members	<u>6</u>
Total covered employees	<u>9</u>

**Contributions**

The contribution requirement for active employees is governed by §51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement. Prior to July 1, 2012, all or part of the 5.00% member contribution may have been assumed by the employer. Beginning July 1, 2012 new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5.00% member contribution. This could be phased in over a period of up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution.

The Commission's contractually required contribution rate for the year ended June 30, 2016 was 15.48% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2013.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the Commission were \$30,454 and \$29,567 for the years ended June 30, 2016 and June 30, 2015, respectively.

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 – Pension Plans (Continued)

#### *Net Pension Liability*

The Commission's net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2014, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

#### *Actuarial Assumptions – General Employees*

The total pension liability for General Employees in the Commission's Retirement Plan was based on an actuarial valuation as of June 30, 2014, using the Entry Age Normal actuarial cost method and the following assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2015.

Inflation	2.5%
Salary increases, including Inflation	3.5% – 5.35%
Investment rate of return	7.0%, net of pension plan investment expense, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 7.0%. However, since the difference was minimal, and a more conservative 7.0% investment return assumption provided a projected plan net position that exceeded the projected benefit payments, the long-term expected rate of return on investments was assumed to be 7.0% to simplify preparation of pension liabilities.

Mortality rates: 14 % of deaths are assumed to be service related Largest 10 – Non-LEOS:

#### Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

#### Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

#### Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 – Pension Plans (Continued)

All Others (Non 10 Largest) – Non-LEOS: Pre-Retirement:

RP-2000 Employee Mortality Table Projected with Scale AA to 2020 with males set forward 4 years and females were set back 2 years.

Post-Retirement:

RP-2000 Combined Mortality Table Projected with Scale AA to 2020 with males set forward 1 year.

Post-Disablement:

RP-2000 Disability Life Mortality Table Projected to 2020 with males set back 3 years and no provision for future mortality improvement.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from July 1, 2008 through June 30, 2012. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

All Others (Non 10 Largest) – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

### ***Discount Rate***

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Through the fiscal year ending June 30, 2018, the rate contributed by the employer for the Political Subdivision Retirement Plan will be subject to the portion of the VRS Board-certified rates that are funded by the Virginia General Assembly. From July 1, 2018 on, participating employers are assumed to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the Long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 5 – Pension Plans (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension System investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension System investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Long-Weighted Average Term Expected Rate of Return
U.S. Equity	19.50%	6.46%	1.26%
Developed Non U.S Equity	16.50%	6.28%	1.04%
Emerging Market Equity	6.00%	10.00%	0.60%
Fixed Income	15.00%	0.09%	0.01%
Emerging Debt	3.00%	3.51%	0.11%
Rate Sensitive Credit	4.50%	3.51%	0.16%
Non Rate Sensitive Credit	4.50%	5.00%	0.23%
Convertibles	3.00%	4.81%	0.14%
Public Real Estate	2.25%	6.12%	0.14%
Private Real Estate	12.75%	7.10%	0.91%
Private Equity	12.00%	10.41%	1.25%
Cash	<u>1.00%</u>	-1.50%	<u>-0.02%</u>
Total	100.00%		<u>5.83%</u>
	Inflation		<u>2.50%</u>
	* Expected arithmetic nominal return		<u>8.33%</u>

\* Using stochastic projection results provides an expected range of real rates of return over various time horizons. Looking at one year results produces an expected real return of 8.33% but also has a high standard deviation, which means there is high volatility. Over larger time horizons the volatility declines significantly and provides a median return of 7.44%, including expected inflation of 2.50%.

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS**

**(Continued)**

**NOTE 5 – Pension Plans (Continued)**

**Change in the Net Pension Liability:**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2014	\$802,039	\$520,162	\$281,877
Changes for the year:			
Service cost	35,411	-	35,411
Interest	56,054	-	56,054
Changes of assumptions	-	-	-
Differences between expected and actual experience	(247,777)	-	(247,777)
Contributions – employer	-	29,567	(29,567)
Contributions – employee	-	14,079	(14,079)
Net investment income	-	25,306	(25,306)
Benefit payments, including refunds of employee contributions	(2,534)	(2,534)	-
Administrative expense	-	(299)	299
Other changes	-	(5)	5
Net changes	(158,846)	66,114	(224,960)
Balances at June 30, 2015	\$643,193	\$586,276	\$ 56,917

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***Sensitivity of the Net Pension Liability to Changes in the Discount Rate***

The following presents the net pension liability of the Commission using the discount rate of 7%, as well as what the Commission’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6%) or one percentage point higher (8%) than the current rate:

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Commission’s Net Pension Liability	\$163,875	\$56,917	\$(31,048)

***Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions***

For the year ended June 30, 2016, the Commission recognized pension benefit of \$6,615. At June 30, 2016, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 5 – Pension Plans (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$206,618
Change in assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	13,418
Employer contributions subsequent to the Measurement Date	30,454	-
<b>Total</b>	<b><u>\$30,454</u></b>	<b><u>\$220,036</u></b>

\$220,036 reported as deferred inflows of resources related to pensions resulting from Commission's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30,	
2017	\$(46,466)
2018	(46,466)
2019	(46,468)
2020	(38,654)
2021	(41,159)
Thereafter	(823)

**NOTE 6 – Lease Commitments**

The Commission was obligated under a non-cancelable operating lease for office facilities. The ten-year facility lease expired in March 2006. The lease has been continued on a month-to-month basis in the amount of \$1,800. Rent expense for this lease was \$21,600 for the year ended June 30, 2016.

**NOTE 7 – Loans Receivable**

The Commission operates several loan programs to provide low or no interest loans for wastewater, small business and housing projects. The loans are carried at the net realizable value, and all amounts are believed collectible as of June 30, 2016. Loan loss reserves exist for several of the programs. During the year ended June 30, 2016 a total of \$15,086, representing seven nonperforming loans, were written off.

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 8 – Notes Payable

On October 1, 1997 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a \$250,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of \$6,250 commencing on November 1, 1999. The balance of this loan was \$37,500 at June 30, 2016.

On February 10, 2011 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a \$125,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of \$6,250 commencing on August 1, 2013. As of June 30, 2016 \$112,500 had been drawn down against this note. The balance of this loan was \$87,500 at June 30, 2016.

On December 16, 2014 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a \$200,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of \$10,000 commencing in FY17. As of June 30, 2016 \$3,815 had been drawn down against this note.

The following is a summary of changes in long-term debt for the year ended June 30, 2016:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
VRA 1997 Note	\$ 50,000	\$ -	\$12,500	\$ 37,500
VRA 2011 Note	90,171	9,829	12,500	87,500
VRA 2015 Note	<u>-</u>	<u>3,815</u>	<u>-</u>	<u>3,815</u>
Total	<u>\$140,171</u>	<u>\$13,644</u>	<u>\$25,000</u>	<u>\$128,815</u>

Mandatory debt service requirements consist of the following:

<u>Year ending June 30,</u>	<u>Total</u>
2017	\$ 25,000
2018	25,000
2019	25,000
2020	12,500
2021	12,500
Thereafter	<u>28,815</u>
Total	<u>\$128,815</u>

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 9 – Indirect Costs**

Indirect costs, which support all projects, are allocated based on the ratio of the individual project's direct salaries, leave, and fringe benefits to total direct salaries, leave, and fringe benefits (excluding temporary help). The indirect cost rate for the fiscal year ended June 30, 2016, was 49.29%, and is calculated as follows:

Indirect costs	<u>\$207,655</u>
Total direct salaries, leave, and fringe benefits	\$421,290 = 49.29%

The following are included in indirect costs allocated to projects:

Salaries	\$ 95,166
Fringe benefits	30,439
Rent	22,202
Printing and duplicating	11,145
Consulting/contractual services	9,740
Accounting	6,771
Office supplies	6,485
Utilities	4,506
Depreciation	4,036
Miscellaneous	3,579
Legal Services	3,306
Telephone	3,078
Public officials insurance	1,925
Postage	1,719
Website/internet	1,214
Vehicle insurance	1,168
Vehicle operating costs	1,023
Facility insurance	<u>153</u>
 Total	 <u>\$207,655</u>

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 10 – Leave Allocation**

The leave allocation includes annual leave expense which is based on the amount of leave earned during the year. Other types of leave (i.e., holiday leave, administrative leave, etc.) are based on the amount of leave actually taken. Components for the leave allocation for the year ended June 30, 2016, are shown below:

Leave	
Annual	\$26,089
Holiday	21,520
Sick	<u>11,997</u>
Total	<u>\$59,606</u>

The leave allocation rate for the fiscal year ended June 30, 2016, is calculated as follows:

Leave allocation	\$ <u>59,606</u>
Total salaries excluding leave	\$357,078 = 16.69%

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**NOTE 11 – Fringe Benefit Allocation**

Fringe benefit expense is allocated using the percentage of benefits to total salaries. The fringe benefit rate for the fiscal year ended June 30, 2016 was 31.55%, and is calculated as follows:

Fringe benefit expense	\$ <u>131,474</u>
Total salaries	\$416,684 = 31.55%

Components of fringe benefit expense for the year ended June 30, 2016, are shown below:

Fringe benefits	
Group health insurance	\$ 50,199
Retirement and special pension	42,800
Social Security taxes	31,464
Group life insurance	3,451
Unemployment	3,136
Workers compensation insurance	<u>424</u>
Total Fringe Benefits	<u>\$131,474</u>

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Concluded)

### NOTE 12 – Commitments

The Commission participates in a number of programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Commission may be required to reimburse. As of June 30, 2016, the Commission believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Commission.

### NOTE 13 – Evaluation of Subsequent Events

The Commission has evaluated subsequent events through November XX, 2016, the date which the financial statements were available to be issued.

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**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM  
For the Year Ended June 30, 2016**

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

For the Year Ended June 30, 2016

	Local Programs	Rural Transportation Planning	TDM	Urbanna Foundation	Ditching	VCWFRF Onsite Repair	Loan Management	Building Collaborative Communities
<b>Revenues</b>								
Federal	\$ -	\$ 58,000	\$ -	\$ -	\$ 12,245	\$ -	\$ -	\$ -
State	75,971	-	61,807	-	-	9,829	-	8,134
Local	109,899	-	-	-	-	-	-	-
Interest	1,849	-	-	-	-	-	513	-
Other	681	-	-	1,054	-	(6,269)	13,874	-
<b>Total Revenues</b>	<u>188,400</u>	<u>58,000</u>	<u>61,807</u>	<u>1,054</u>	<u>12,245</u>	<u>3,560</u>	<u>14,387</u>	<u>8,134</u>
<b>Expenses</b>								
Salaries	26,028	36,128	22,822	558	6,554	-	3,923	7,153
Fringe benefits	8,319	11,540	7,299	179	2,058	-	1,255	2,285
Office supplies	107	-	-	-	-	-	-	-
Meeting supplies	656	89	-	-	-	-	-	245
Private mileage	44	111	213	-	-	-	45	-
Lodging and staff expense	665	-	31	-	-	-	-	-
Travel	16	-	-	-	-	-	-	-
Dues and memberships	-	-	575	-	-	-	-	-
Subscriptions and publications	-	-	-	-	-	-	-	-
Workshops	-	42	-	-	-	-	-	-
Conferences	4,928	1,725	1,480	-	-	-	-	-
Accounting and audit	-	-	-	-	-	-	403	-
Legal services	-	-	-	-	-	3,650	-	-
Consultant and contractual	-	-	-	-	-	(90)	(410)	-
Construction	-	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	41	-
Promotion and advertising	-	-	29,864	-	-	-	999	-
Miscellaneous	250	-	-	-	-	-	41	-
Deferred/forgiven loan expense	-	-	-	-	-	-	5,544	-
Quarterly meeting	953	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-
Indirect expense	16,929	23,495	14,847	363	4,245	-	2,552	4,658
<b>Total Expenses</b>	<u>58,895</u>	<u>73,130</u>	<u>77,131</u>	<u>1,100</u>	<u>12,857</u>	<u>3,560</u>	<u>14,393</u>	<u>14,341</u>
Revenues Over (Under) Expenses	129,505	(15,130)	(15,324)	(46)	(612)	-	(6)	(6,207)
General Fund Support	<u>(140,827)</u>	<u>15,130</u>	<u>15,324</u>	<u>46</u>	<u>612</u>	<u>-</u>	<u>6</u>	<u>6,207</u>
Revenues and General Fund Support Over (Under) Expenses	<u>\$ (11,322)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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The accompanying notes to financial statements are an integral part of this statement

	PAA Altruistic Giving	Energy Efficient CBG	Septic Pump out	Working Waterfronts	Economic Development	Costal TA	Living Shorelines	RC&D Administration
\$	19,176	\$ -	\$ 10,329	\$ 22,592	\$ -	\$ 37,401	\$ 150,359	\$ -
	-	-	-	-	-	-	-	-
	-	-	-	-	2,356	-	-	-
	-	127	-	-	-	-	-	-
	-	471	-	-	-	-	-	12,800
	<u>19,176</u>	<u>598</u>	<u>10,329</u>	<u>22,592</u>	<u>2,356</u>	<u>37,401</u>	<u>150,359</u>	<u>12,800</u>
	6,879	236	2,004	8,332	1,778	30,473	15,093	782
	2,200	75	641	1,728	217	9,747	4,828	250
	-	-	-	-	-	-	-	-
	-	-	-	-	-	76	-	-
	-	-	-	-	-	69	-	235
	-	-	-	-	-	287	-	4
	-	-	-	21	-	292	-	-
	-	-	-	115	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	2,181	-	-
	-	176	-	-	-	-	-	-
	-	-	-	-	-	-	-	11,020
	6,200	-	6,380	7,000	-	900	54,090	-
	-	-	-	-	-	-	81,235	-
	-	-	-	-	-	-	-	-
	-	-	-	250	-	-	20	-
	-	-	-	-	-	250	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	10,396	-	-	-
	4,475	153	1,304	5,146	361	19,824	9,819	509
	<u>19,754</u>	<u>640</u>	<u>10,329</u>	<u>22,592</u>	<u>12,752</u>	<u>64,099</u>	<u>165,085</u>	<u>12,800</u>
	(578)	(42)	-	-	(10,396)	(26,698)	(14,726)	-
	<u>578</u>	<u>42</u>	<u>-</u>	<u>-</u>	<u>10,396</u>	<u>26,698</u>	<u>14,726</u>	<u>-</u>
\$	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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Regional Emergency Planning	Working Waterfronts Plan	Plan Updates	MPRJ Flash Freeze Study	Mattews SLR Adaption/ Ditch Map Data	PAA Administration	PAA Master Plan	PAA Capt Sinclair Improvements	Total
\$ 119,825	\$ 21,062	\$ 37,406	74,714	\$ 35,361	\$ -	\$ 27,517	\$ 24,674	\$ 650,661
-	-	-	-	-	-	-	1,350	157,091
-	-	4,748	-	-	-	5,000	-	122,003
-	-	-	-	-	-	-	-	2,489
-	-	-	-	-	6,970	-	-	29,581
<u>119,825</u>	<u>21,062</u>	<u>42,154</u>	<u>74,714</u>	<u>35,361</u>	<u>6,970</u>	<u>32,517</u>	<u>26,024</u>	<u>961,825</u>
59,995	6,387	20,648	2,409	28,857	3,523	26,760	4,195	321,517
19,189	1,984	6,443	749	9,221	1,124	8,360	1,342	101,033
-	-	-	-	71	-	52	12,012	12,242
-	-	62	-	67	-	-	-	1,195
456	-	55	-	41	-	-	67	1,336
393	30	-	-	-	32	-	4	1,446
13	-	38	-	-	-	-	-	380
150	-	-	-	-	-	-	-	725
-	-	-	-	-	-	-	-	115
-	-	-	-	-	-	-	-	42
2,319	800	931	-	-	-	-	-	14,364
-	-	-	-	-	-	-	-	579
-	-	-	-	-	-	-	-	14,670
-	8,409	-	70,000	2,900	-	2,500	7,200	165,079
-	100	-	-	-	-	-	-	81,335
-	-	54	-	-	-	-	-	95
-	-	570	-	-	-	-	-	31,703
-	-	-	-	-	-	52	150	743
-	-	-	-	-	-	-	-	5,544
-	-	-	-	-	-	-	-	953
-	-	-	-	-	-	-	-	10,396
39,029	3,939	13,353	1,556	18,769	2,291	17,309	2,729	207,655
<u>121,544</u>	<u>21,649</u>	<u>42,154</u>	<u>74,714</u>	<u>59,926</u>	<u>6,970</u>	<u>55,033</u>	<u>27,699</u>	<u>973,147</u>
(1,719)	(587)	-	-	(24,565)	-	(22,516)	(1,675)	(11,322)
<u>1,719</u>	<u>587</u>	<u>-</u>	<u>-</u>	<u>24,565</u>	<u>-</u>	<u>22,516</u>	<u>1,675</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,322)</u>

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The accompanying notes to financial statements  
are an integral part of this statement

**Middle Peninsula Planning District Commission**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2016**

	Actual	Budget	Favorable (Unfavorable)
<b>Operating Revenues</b>			
Grants and appropriations			
Federal grants	\$ 650,661	\$ 712,936	\$ (62,275)
State grants and appropriations	157,091	135,171	21,920
Local grants and appropriations	122,003	113,024	8,979
Miscellaneous	29,581	21,500	8,081
Total Operating Revenues	959,336	982,631	(23,295)
<b>Operating Expenses</b>			
Salaries	416,684	339,206	(77,478)
Consultant and contractual	174,819	140,975	(33,844)
Fringe benefits	131,474	118,324	(13,150)
Construction	81,335	129,418	48,083
Promotion and advertising	31,704	29,500	(2,204)
Rent and utilities	26,708	27,802	1,094
Legal and accounting	25,327	9,250	(16,077)
Bad debt	15,941	-	(15,941)
Office supplies	14,914	2,800	(12,114)
Workshops and conferences	14,436	11,000	(3,436)
Printing and duplicating	11,145	8,500	(2,645)
Miscellaneous	4,676	3,200	(1,476)
Depreciation	4,036	5,300	1,264
Lodging and staff expense	3,327	2,350	(977)
Insurance	3,246	3,246	-
Dues and memberships	3,185	3,800	615
Telephone	3,078	2,850	(228)
Meeting supplies and expenses	2,093	4,000	1,907
Postage	1,814	1,800	(14)
Website and internet	1,214	1,200	(14)
Vehicle costs	1,023	3,300	2,277
Subscriptions and publications	968	150	(818)
Total Operating Expenses	973,147	847,971	(125,176)
Operating Income	(13,811)	134,660	(148,471)
<b>Non-Operating Revenues</b>			
Interest income	2,489	3,250	(761)
GASB 68 pension benefit	37,069	-	37,069
Change in Net Position	25,747	137,910	(112,163)
Net Position - Beginning of Year	439,667	439,667	-
Net Position - End of Year	\$ 465,414	\$ 577,577	\$ (112,163)

See accompanying notes

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Commissioners  
Middle Peninsula Planning District Commission:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities, and the aggregate remaining fund information of Middle Peninsula Planning District Commission as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Middle Peninsula Planning District Commission's basic financial statements, and have issued our report thereon dated November XX, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Middle Peninsula Planning District Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Middle Peninsula Planning District Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Middle Peninsula Planning District Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Middle Peninsula Planning District Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Certified Public Accountants  
Chantilly, Virginia

November XX, 2016

**Middle Peninsula Planning District Commission**  
**Schedule of Employer's Share of Net Pension**  
**Liability and Related Ratios**  
**Last 10 Fiscal Years\***

	<u>2016</u>	<u>2015</u>
<b>Total Pension Liability</b>		
Service Cost	\$ 35,411	\$ 33,666
Interest on total pension liability	56,054	51,210
Differences between expected and actual experience	(247,777)	-
Changes in assumptions	-	-
Changes in benefits	-	-
Benefit payments, including refunds of employee contributions	(2,534)	(28,811)
Net change in total pension liability	(158,846)	56,065
Total pension liability - beginning	802,039	745,974
Total pension liability - ending (a)	<u>\$ 643,193</u>	<u>\$ 802,039</u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 29,567	\$ 41,066
Contributions - employee	14,079	15,942
Net investment income	25,306	69,634
Benefits payments	(2,534)	(28,811)
Administrative expense	(299)	(348)
Other	(5)	4
Net change in plan fiduciary net position	66,114	97,487
Plan fiduciary net position - beginning	520,162	422,675
Plan fiduciary net position - ending (b)	<u>\$ 586,276</u>	<u>\$ 520,162</u>
Commission's Net pension liability - ending (a) - (b)	<u>\$ 56,917</u>	<u>\$ 281,877</u>
Plan fiduciary net position as a percentage of the total Pension liability	91.15%	64.85%
Covered - employee payroll	\$ 290,037	\$ 281,589
Commission's net pension liability as percentage of covered-employee payroll	19.62%	100.10%

\* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

**Middle Peninsula Planning District Commission  
Schedule of Employer Contributions  
For the Year Ended June 30, 2016  
Last 10 Fiscal Years\***

	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll	Required
2016	\$ 30,454	\$ 30,454	\$ -	\$290,037	10.50%	10.50%
2015	\$ 29,567	\$ 27,344	\$ 2,223	\$281,589	9.71%	10.50%
2014	\$ 41,968	\$ 41,070	\$ 898	\$325,839	12.60%	12.88%
2013	\$ 42,064	\$ 39,438	\$ 2,626	\$326,582	12.08%	12.88%
2012	\$ 29,612	\$ 42,818	\$ (13,206)	\$263,220	16.27%	11.25%
2011	\$ 32,977	\$ 58,815	\$ (25,838)	\$293,126	20.06%	11.25%
2010	\$ 49,084	\$ 80,995	\$ (31,911)	\$436,300	18.56%	11.25%
2009	\$ 54,003	\$ 80,792	\$ (26,789)	\$480,030	16.83%	11.25%

**DRAFT**

\* The Commission began participation in PERS in FY2009

## MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2016

#### NOTE 1 – Change of Benefit Terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation. The 2014 valuation includes Hybrid Retirement Plan members for the first time. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. Because this was a new benefit and the number of participants was relatively small, the impact on the liabilities as of the measurement date of June 30, 2015 are not material.

#### NOTE 2 – Changes of Assumptions

The following changes in actuarial assumptions were made effective June 30, 2013 based on the most recent experience study of the System for the four-year period ending June 30, 2012:

##### Largest 10 – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

##### Largest 10 –LEOS:

- Update mortality table
- Decrease in male rates of disability

##### All Others (Non 10 Largest) – Non-LEOS:

- Update mortality table
- Decrease in rates of service retirement
- Decrease in rates of disability retirement
- Reduce rates of salary increase by 0.25% per year

##### All Others (Non 10 Largest) – LEOS:

- Update mortality table
- Adjustments to rates of service retirement for females
- Increase in rates of withdrawal
- Decrease in male and female rates of disability