



**MIDDLE PENINSULA  
PLANNING DISTRICT COMMISSION**

**COMMISSIONERS**

**Essex County**

*Mr. R. Gary Allen  
Hon. Margaret H. Davis  
Mr. A. Reese Peck  
Hon. Edwin E. Smith, Jr.  
(Chairman)*

**Town of Tappahannock**

*Mr. G. Gayle Belfield, Jr.  
Hon. Roy M. Gladding*

**Gloucester County**

*Hon. Ashley C. Chriscoe  
Dr. Maurice P. Lynch  
Mr. Sanford Wanner  
Hon. Michael R. Winebarger*

**King and Queen County**

*Hon. Sherrin C. Alsop  
Hon. James M. Milby, Jr.  
Mr. Thomas J. Swartzwelder*

**King William County**

*Hon. Travis J. Moskalski  
Mr. Eugene J. Rivara  
Hon. Otto O. Williams  
(Vice Chairman)*

**Town of West Point**

*Hon. Paul T. Kelley*

**Mathews County**

*Hon. O. J. Cole, Jr.  
(Treasurer)  
Mr. Thornton Hill  
Hon. Charles E. Ingram*

**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 12, 2015**

**RE: November Commission Meeting**

The Middle Peninsula Planning District Commission will host its monthly meeting on Wednesday, November 18, 2015, 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 18<sup>th</sup>!

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***Middle Peninsula Planning District Commission***

***Meeting***

**7:00 P.M.**

**Wednesday, November 18, 2015**

**125 Bowden Street**

**Saluda, VA**

- I. Welcome and Introductions
- II. Approval of October Minutes
- III. Approval of October Financial Report
- IV. Executive Director's Report on Staff Activities for the Month of November
- V. Stormwater Regulations and Groundwater Management Update
  - Delegate Keith Hodges
- VI. Economic Development Update
  - Delegate Keith Hodges
- VII. General Legislative Discussion
- VIII. Presentation of FY15 Audit Report
  - MPPDC Finance Director, Beth Johnson
- IX. Other Business
- X. Adjournment

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**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**October 28, 2015**

**Old Beale Church**

**202 Church Lane**

**Tappahannock, Virginia**

**I. Welcome and Introductions**

The monthly meeting of the Middle Peninsula Planning District Commission was held at Old Beale Church in Tappahannock, VA on Wednesday, October 28, 2015, at 7:00 p.m. MPPDC Chairman Edwin “Bud” Smith, Jr. called the meeting to order and welcomed everyone in attendance.

**Commissioners Present**

Essex County: Edwin “Bud” Smith, Margaret “Prue” Davis, A. Reese Peck

Gloucester County: Dr. Maurice “Mo” Lynch

King & Queen County: Sherrin Alsop

King William County: Travis Moskalski, Eugene Rivara, Otto Williams

Mathews County: O J Cole, Jr., Thornton “Tim” Hill, Charles Ingram

Middlesex County: Trudy Feigum, Wayne Jessie, Sr., John “Jack” Miller

Town of Urbanna: Steve Hollberg

**Commissioners Absent**

Essex County: R. Gary Allen

Gloucester County: Ashley Chriscoe, Sanford “Sandy” Wanner, Michael Winebarger

King & Queen County: James “Jim” Milby, Thomas “Tom” Swartzwelder

Town of Tappahannock: G. Gayle Belfield, Jr., Monte “Roy” Gladding

Town of West Point: Paul T. Kelley

**Also in Attendance**

Lewis Lawrence, MPPDC Executive Director

Beth Johnson, MPPDC Finance Director

Rose Lewis, MPPDC Secretary

Marquitrice Mangham, MPPDC Chief of Community Planning

Harrison Bresee, III, MPPDC Emergency Management Planner

Maria J. K. Everett, Executive Director and Senior Attorney, VA Freedom of Information Advisory Council

Matthew “Matt” Walker, Middlesex County Administrator

**II. Invocation**

Mr. Sidney Johnson, Essex County Board of Supervisors, gave the Invocation.

**III. Dinner and Presentation on Virginia Freedom of Information Act by Maria J. K. Everett, Executive Director and Senior Attorney of the Virginia Freedom of Information Advisory Council**

Ms. Maria J. K. Everett is the Executive Director and Senior Attorney of the Virginia Freedom of Information Advisory Council. The Council is a state agency that issues advisory opinions, provides Freedom of Information Act (FOIA) training, and publishes educational material. Everyone has FOIA rights (VA citizens, media, and government). Ms. Everett talked about meetings (open and closed), public records, and public notices.

**A. Meetings**

A “meeting” is considered a work session when sitting physically or through telephonic or video equipment pursuant to § 2.2-3708 as a body or entity or as an informal assemblage of three or more members or a quorum (if less than three) of constituent membership wherever held, with or without Minutes being taken, whether or not votes are cast, of any public body where the business of one public body is being discussed or transacted.

To conduct a “closed meeting”, the public body must take an affirmative recorded vote in an open meeting approving a motion that identifies the subject matter for the closed meeting, states the purpose of the closed meeting, and makes specific reference to the applicable exemption from the open meeting requirements. In a “closed meeting”, the body must stay on the topic stated in the motion, the meeting has to be certified in open session, and vote must take place in open session. The vote must be included in the Minutes of the “open meeting.”

A gathering is not considered a meeting if it is not prearranged to discuss public business, no purpose to discuss public business, or a gathering of public people.

**B. Public Records**

A “public record” is any writing or recording in any format, prepared or owned by, or in the possession of a public body or its officers, employees, or agents in the transaction of public business. Anyone may request records. A request does not have to be a written request but it is suggested that the request be in writing so that it may serve as recourse for both parties involved. A public body must respond to a request within five working days of the receipt of the request. If the public body fails to respond to the request, it constitutes a violation of FOIA. The public body may make reasonable charges for its actual cost incurred in accessing, duplicating, supplying, or searching for the requested records.

### **C. Public Notices**

If it is a meeting, FOIA requires that a notice of the meeting be given (posted in a public location), the meeting must be open to the public, and Minutes of the meeting must be taken and kept. The notice must be posted at least three working days prior to the meeting. A personal notice may be requested by a citizen by email, telephone, or mail.

Discussion was held regarding public comments, public sessions, citizen rights, call-in meetings, public session, email and public records, and failure to follow FOIA rights.

Ms. Everett said to call FOIA Council with any questions at 1-866-448-4100 (toll free). Email address of the FOIA Council is [foiacouncil@dls.virginia.gov](mailto:foiacouncil@dls.virginia.gov) and the website address is <http://foiacouncil.dls.virginia.gov>.

### **IV. Approval of September Minutes**

Chairman Smith asked whether there were any corrections or changes to the September Minutes. There were no corrections or changes to the September Minutes. Chairman Smith requested a motion to approve the September Minutes as distributed. Otto Williams moved that the September Minutes be approved as distributed. Travis Moskalski seconded the motion; motion carried.

**AYES:** Bud Smith, Prue Davis, A. Reese Peck, Mo Lynch, Sherrin Alsop, Travis Moskalski, Eugene Rivara, Otto Williams, O J Cole, Jr., Thornton "Tim" Hill, Charles Ingram, Trudy Feigum, Wayne Jessie, Sr., Jack Miller, Steve Hollberg

**NAYS:** None

### **V. Approval of September Financial Reports**

Chairman Smith asked whether there were any questions regarding the September financial reports before being approved subject to audit. There were no questions. Chairman Smith requested a motion to approve the September financial reports subject to audit. Jack Miller moved to approve the September financial reports subject to audit. Steve Hollberg seconded the motion; motion carried.

**AYES:** Bud Smith, Prue Davis, A. Reese Peck, Mo Lynch, Sherrin Alsop, Travis Moskalski, Eugene Rivara, Otto Williams, O J Cole, Jr., Thornton "Tim" Hill, Charles Ingram, Trudy Feigum, Wayne Jessie, Sr., Jack Miller, Steve Hollberg

**NAYS:** None

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

Chairman Smith requested Lewis Lawrence, Middle Peninsula Planning District Commission Executive Director, to 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 reviewed the Executive Director's Report for the month of October as follows:

- Researched Federal and State Water Regulations that impact local governments as well as local businesses/citizens. This information was organized into a diagram. Water regulations/mandates included the Clean Water Act, Tidal Wetlands Act, Virginia Erosion and Sediment Control Law, Flood Disaster Protection Act, Virginia Waste Management Act, Sewage Handling and Disposal Regulations, Chesapeake Bay Preservation Act, Chesapeake Bay Preservation Area Designation and Management Regulations, Virginia Stormwater Management Act, Sanitary Regulation for Marinas and Boat Moorings, Private Well Regulations, Federal Non-Tidal Wetlands, Alternative Discharging Sewage Treatment Regulations for Individual Single Family Dwellings, Chesapeake 2000 Agreement, Virginia Watershed Implementation Plan, Regulations Governing Application fee for Construction permits for Onsite Sewage Disposal Systems and Private Wells, Chesapeake Bay Total Maximum Daily Loads, Alternative Onsite Sewage Systems Regulations, Biggert-Waters Flood Insurance Reform Act, Homeowners Flood Insurance Affordability Act, , and the Expansion of the Groundwater Management Area.

**VII. Other Business**

There was no other business.

**VIII. Adjournment**

Chairman Smith requested a motion to adjourn the meeting. Otto Williams moved to adjourn the meeting. Jack Miller seconded the motion; motion carried.

**AYES:** Bud Smith, Prue Davis, A. Reese Peck, Mo Lynch, Sherrin Alsop, Travis Moskalski, Eugene Rivara, Otto Williams, O J Cole, Jr., Thornton "Tim" Hill, Charles Ingram, Trudy Feigum, Wayne Jessie, Sr., Jack Miller, Steve Hollberg

**NAYS:** None



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**(Secretary)**

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# Project Financial Report

Middle Peninsula Planning District Commission

Run Date: 11/05/2015  
 Run Time: 9:00:30 am  
 Page 1 of 1

Period Ending: 10/31/15

		Expenditures						
Code	Description	Budget	Curr Month	Project Total	Un/Over	% Budget	Revenues	Balance
30013	EE&CBG Project	3,894.00	37.44	3,335.87	558.13	85.67%	3,331.01	-4.86
30019	Urbanna Foundation	6,000.00	-19.18	5,996.78	3.22	99.95%	4,945.74	-1,051.04
30106	MPRJ Flash Freeze Study	90,000.00	6,723.10	45,319.23	44,680.77	50.35%	38,596.13	-6,723.10
30108	Building Collaborative Co	34,275.00	2,260.00	29,183.24	5,091.76	85.14%	19,894.78	-9,288.46
30109	Tidewater RC&D Staff Su	0.00	2,718.70	2,718.70	-2,718.70	0.00%	0.00	-2,718.70
30170	MPBDP FY12 Staff Sup	13,830.00	200.47	15,574.13	-1,744.13	112.61%	17,955.82	2,381.69
30210	FY15 Transportation Dem	20,000.00	-49.27	20,158.18	-158.18	100.79%	20,037.57	-120.61
30211	FY16 Transportation Dem	74,000.00	4,504.24	21,626.30	52,373.70	29.22%	22,171.12	544.82
30313	FY16 RTP	72,500.00	5,372.79	21,761.78	50,738.22	30.02%	16,388.99	-5,372.79
30420	Onsite Loan Management	118,932.85	-3,641.23	117,113.75	1,819.10	98.47%	121,211.50	4,097.75
30423	VCWRFR Onsite Fund	82,500.00	3,560.00	83,530.21	-1,030.21	101.25%	115,171.44	31,641.23
30502	Water Supply Planning	111,805.89	0.00	111,805.89	0.00	100.00%	153,950.00	42,144.11
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	2,360.46	94,406.10	35,603.90	72.61%	82,678.74	-11,727.36
31202	Emergency Planner	110,000.00	8,626.89	87,094.03	22,905.97	79.18%	50,462.73	-36,631.30
32010	PAA Staff Support	7,000.00	1,404.31	2,899.09	4,100.91	41.42%	1,088.28	-1,810.81
32011	PAA Altruistic Giving	40,000.00	-236.07	39,969.47	30.53	99.92%	20,823.99	-19,145.48
32012	PAA Capt Sinclair Impr	39,977.00	8,557.55	29,275.08	10,701.92	73.23%	15,303.83	-13,971.25
32013	DOF Maritime Forest Ca	2,535.00	134.90	450.83	2,084.17	17.78%	147.54	-303.29
32014	Public Access Master Pla	75,000.00	5,146.70	5,146.70	69,853.30	6.86%	0.00	-5,146.70
32132	FY15 Coastal TA	43,602.00	-273.92	43,661.39	-59.39	100.14%	31,809.24	-11,852.15
32133	NFWF Living Shorelines I	222,267.00	3,324.98	32,383.35	189,883.65	14.57%	29,058.37	-3,324.98
32134	309 Ditching	40,000.00	-256.41	39,910.78	89.22	99.78%	27,754.93	-12,155.85
32135	Coastal TA FY16	60,000.00	5,404.40	5,654.40	54,345.60	9.42%	0.00	-5,654.40
32136	Mathews SLR Adapatati	54,687.00	3,788.56	3,788.56	50,898.44	6.93%	0.00	-3,788.56
32137	Mathews Ditch Map Data	60,524.00	2,847.57	2,847.57	57,676.43	4.70%	0.00	-2,847.57
32207	Working Waterfronts Pl	50,000.00	-215.59	50,341.96	-341.96	100.68%	28,937.89	-21,404.07
32209	WWF State Plan	50,000.00	1,065.73	1,065.73	48,934.27	2.13%	0.00	-1,065.73
38016	FY16_Local_Programs	179,364.00	9,218.56	43,086.96	136,277.04	24.02%	148,766.15	105,679.19
<b>Totals:</b>		<b>1,810,951.49</b>	<b>72,565.68</b>	<b>978,353.81</b>	<b>832,597.68</b>	<b>54.02%</b>	<b>994,485.79</b>	<b>16,131.98</b>

# Balance Sheet by Category

Middle Peninsula Planning District Commission

Period Ending: 10/31/15  
Format: 1 Board

Run Date: 11/5/15  
Run Time: 9:11:45 am  
Page 1 of 1

## Assets:

Cash in Bank	591,345.80
Receivables	322,667.00
Property & Equipment	10,768.19
Deferred Outflows	29,567.00

### Total Assets:

\$954,347.99

## Liabilities:

Accounts Payable	2,160.51
VRA Loan Payables	131,321.44
Payroll Withholdings	-1,651.15
Accrued Leave	51,014.76
Deferred Inflows	31,258.00
Net Pension Liabilities	281,877.00
Cost Allocation Control	2,560.00

### Total Liabilities:

\$498,540.56

## Equity:

Local Initiatives/Information Resources	103,657.30
Economic Development	-9,625.51
Transportation Programs	-4,948.58
Emergency Management Projects	-36,631.30
Onsite Repair & Pumpout	35,741.87
Housing	-4.31
Coastal Community & Environmental	-95,513.33
Public Access Auth Programs	-6,957.51
Mandates	30,422.06
Temporarily Restricted	188,479.87
General Fund Balance	251,186.87

### Total Equity:

\$455,807.43

### Total Liabilities and Equity

\$954,347.99

### Balance:

\$0.00

## Agencywide R&E by Category

Middle Peninsula Planning District Commission

Run Date: 11/05/2015  
 Run Time: 3:15:28 pm  
 Page 1 of 1

Period Ending: 10/31/15  
 Format: 1 Agencywide R&E  
 With Indirect Cost Detail

Code & Description	Budget	Current	YTD	Un/Ovr	% Bud
<b>Revenues</b>					
Local Match	0.00	0.00	17,840.63	-17,840.63	0.00%
Local Annual Dues	109,899.00	4,033.00	109,899.00	0.00	100.00%
Local Other Revenues	3,125.01	0.00	50,595.73	-47,470.72	1,619.06%
Local Other Organizations	44,000.00	23,383.41	24,471.69	19,528.31	55.62%
State Revenues	135,171.00	59,339.46	59,339.46	75,831.54	43.90%
Federal Revenues	646,836.00	18,052.49	14,061.60	632,774.40	2.17%
Miscellaneous Income	11,250.00	173.98	1,070.64	10,179.36	9.52%
RevolvingLoan Program Income	7,000.00	586.66	41,590.34	-34,590.34	594.15%
<b>Revenues</b>	<b>957,281.01</b>	<b>105,569.00</b>	<b>318,869.09</b>	<b>638,411.92</b>	<b>33.31%</b>
<b>Expenses</b>					
Personnel	457,530.00	47,029.42	181,927.36	275,602.64	39.76%
Facilities	27,963.00	2,574.91	9,631.89	18,331.11	34.45%
Communications	4,050.00	343.01	1,500.17	2,549.83	37.04%
Equipment & Supplies	3,800.00	2,761.65	3,292.80	507.20	86.65%
Travel	6,879.00	844.14	3,063.99	3,815.01	44.54%
Professional Development	14,950.00	2,961.88	9,015.10	5,934.90	60.30%
Contractual	279,643.00	14,018.20	59,121.54	220,521.46	21.14%
Miscellaneous	53,156.00	2,032.50	17,334.95	35,821.05	32.61%
Regional Share	0.00	0.00	17,840.63	-17,840.63	0.00%
<b>Expenses</b>	<b>847,971.00</b>	<b>72,565.71</b>	<b>302,728.43</b>	<b>545,242.57</b>	<b>35.70%</b>
<b>Agency Balance</b>	<b>109,310.01</b>	<b>33,003.29</b>	<b>16,140.66</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 Support Staff: Lewie Lawrence Start Date: 7/2008 Completion Date: 6/2011		All-Hazards Mitigation Plan Update Support Staff: Jackie Rickards Start Date: 1/2014 Completion Date: 12/2016	
	<i>Participating</i>	<i>Current Status</i>	<i>Participating</i>	<i>Current Status</i>
	Essex	✓	Found Compliant	✓
Gloucester	NA	NA	✓	In Progress
King & Queen	✓	Found Compliant	✓	In Progress
King William	✓	Found Compliant	✓	In Progress
Mathews	✓	Found Compliant	✓	In Progress
Middlesex	✓	Found Compliant	✓	In Progress
Town of Tappahannock	✓	Found Compliant	✓	In Progress
Town of West Point	✓	Found Compliant	✓	In Progress
Town of Urbanna	✓	Found Compliant	✓	In Progress

## Opportunities Identified to Implement Commission Priorities

Service Center	Project Title and Description	Funding Requested	Status
Transportation	DRPT – Update Long Range TDM Plan	\$16,000	Funded
Environmental	CZM –FY165 Coastal Technical Assistance	\$30,000	Funded
Environmental	NFWF TA Service Provider	n/a	Approved
Economic Dev	DHCD – BCC – Middle Peninsula Regional Economic Development Organization	\$18,750	Funded
Economic Dev	VA Coop. Ext. – SET Grant – Capacity Building for Economic Development	n/a	Awarded
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
Environmental	VDOF -Virginia Trees for Clean Water – Capt Sinclair Maritime Forest Edge Demo Garden	\$1,350	Funded
Environmental	DEQ/VRA – Virginia Water Facilities Revolving Fund	\$200,000	Approved
Economic Dev	USDA – Farmers Market Sustainability Initiative	\$77,537	Not Funded
Environmental	USDA Rural Development Housing Preservation Grant – Septic Repairs	\$106,800	Not 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	DCJS - :“Sink or Swim” Drug Abuse Prevention Marketing Campaign	\$75,000	Submitted
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	Submitted
Environmental	DEQ – Septic Pumpout	\$38,023	Submitted
MPCBPAA	VEE – Land Acquisition Assistance	\$12,000	Funded
MPCBPAA	Chesapeake Bay Restoration Fund – Education & Marketing for Land Donations	\$1500	Submitted

## MPPDC ACRONYMS

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

**Middle Peninsula Planning District Commission  
Executive Director's Report of Regional Progress  
November 9, 2015**

**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 13 years +)

**Congressman Robert Wittman's Fisheries Advisory Committee and Environmental Advisory Committee** (MPPDC Staff 6 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 7 years+)

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

**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 8 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 10 years)

**The National Working Waterfront Networks-** Outreach and Education committee: Provides education and outreach on national, state and local matters related to the preservation of working waterfronts.

**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)

**Bio Solid-Industrial Residual Regulatory Advisory Panel** – The purpose of this panel is the development of regulatory amendments needed to implement the provisions of House Bill 1364 and Senate Bill 1413 related to fees for the land application of industrial wastes and reimbursement for compliance monitoring conducted by local governments

**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

**Living Shorelines Funding VCWRLF Workgroup** – The purpose of this workgroup is to formulate program authorized by General Assembly to establish a revolving loan fund to encourage installation of living shorelines.

**Stormwater Advisory Group** – DEQ stakeholder process to consider ways to streamline and consolidate current Stormwater and erosion and sediment control programs to achieve greater consistency and efficiency while protecting the environment and identify statutory changes prior to 2016 GA session.

**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.

## 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, PAA improvements*

### **Chief of Community Planning: Marquitrice Wright**

Contact Info: [mwright@mppdc.com](mailto:mwright@mppdc.com) (804) 758-2311x28

Programs: *Rural Transportation Planning, Local Community Planning Assistance, Economic Development*

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

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

Programs: *Regional Emergency Planning, Public Access Authority*

### **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*

### **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.*

### **Project 31201 Middle Peninsula All-Hazards Mitigation Plan Update**

*As a mandated requirement of the Disaster Mitigation Act of 2000, the 2016 All Hazards Mitigation Plan Update is designed to update the 2011 Middle Peninsula All Hazards Mitigation Plan (AHMP). The plan will address several natural hazards, including hurricanes, winter storms, tornadoes, coastal flooding, coastal/shoreline erosion, sea level rise, winter storms, wildfire, riverine flooding, wind, dam failures, drought, lightning, earthquakes, shrink-swell soils, extreme cold, extreme heat, landslides, land subsidence/karst, tsunami, and volcanoes.*

- Received completed worksheets (i.e. National Flood Insurance Policy (NFIP) Survey, Capability assessment and 2010 Mitigation Strategy Status Report) from all localities.
- Developed an outline for the Hazus Conference presentation. This presentation will provide an overview of the region, the economic issues of region, discussion of the 2016 All-Hazards Mitigation Plan update as well as the Hazus analysis and how it helps local governments.
- Reviewed capability assessment worksheets and started to update Section 6 of the AHMP.
- Edited Section 10 – Plan Adoption of the All Hazards Mitigation Plan.
- As the All Hazards Mitigation Plan (AHMP) is updated, Committee members from Middle Peninsula localities will have the opportunity to review the updates and provide feedback. Below is table that depicts the plan’s sections, section feedback from localities is due, and the localities that have provided feedback (marked with an “X”).

SECTION	TITLE	Status	Counties						Towns		
			Essex	Mathews	Middlesex	King William	King & Queen	Gloucester	West Point	Urbanna	Tappahannock
1	Intro	Completed 3/24/2015	X	X	X	X	X	X	X	X	X
2	Planning Process	Underway									
3	Community Profile	Completed 2/20/2015	X	X	X	X	X	X	X	X	X
4	Hazard Identification	Completed 6/19/2015	X	X	X	X	X	X	X	X	X
5	Risk Assessment Analysis (HAZUS)	Completed 5/27/2015	X	X	X	X	X	X	X	X	X
6	Capability Assessment	Underway	X	X	X	X	X	X	X	X	X
7	Review of 2010 Strategies	Underway	X	X	X	X	X	X	X	X	X
8	Mitigation Goals, Objects and Strategies	Completed	X	X	X	X	X	X	X	X	X
9	Implementation Plan	Underway									
10	Plan Adoption	Completed 11/09/2015	X	X	X	X	X	X	X	X	X
11	Plan Maintenance	Underway									
12	Appendices	Underway									

## INFORMATION RESOURCES/ASSISTANCE

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

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

## 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.
- Consulted with Lewie Lawrence, PAA Secretary, regarding cash flow analysis and A/P.
- Prepared interim report and request for draw down of funds to Virginia Environmental Endowment for \$8000 for land acquisition costs.
- Updated financial reports regarding recent land acquisitions.
- Completed 8 of 21 online Virginia Tax courses required to attain access to the Virginia tax refund set-aside system to allow PAA to recover judgment from tenant who left owing 2 months' rent for tenant house rental.
- Assisted with preparation of MPPDC grant to USFWS for land acquisition costs for PAA donations.
- Consulted with Michael Aukamp, Dunham, Aukamp and Rhodes LLC, regarding land donations not included in FY15 financials due to deeds not being sent by attorney. Discussed inclusion of properties and revisions to financial statements needed to be included in FY15 audit report. Changes will be made and revised financials will be sent to auditor.

#### **Project 32012 PAA Captain Sinclair Improvements**

*The Captain Sinclair's Recreational Area, with approximately 1 mile of waterfront on the Severn River in Gloucester County, VA, is a recent gift from a private landowner to the Middle Peninsula Chesapeake Bay Public Access Authority (MPCBPAA). The MPCBPAA is partnering with the MPPDC to develop an overall use plan for the property that is compatible with the existing natural coastal landscape. The project is centered around protecting and enhancing the local coastal landscape and minimizing wetland impacts associated with constructing a new public pier to improve the current "walk in and over the wetlands" as part of the existing public access to public waters on the site. A Native Coastal Landscape Design (NCLD) will radiate away from the public access pier. The design will include the purchase and installation of native plants to enhance the coastal landscape around the project site and an educational exhibit on native plants in the main house.*

- Consulted with Denise Greene, Sassafras Farm, regarding planting schedule.
- Supervised landscape plantings of waterfront buffer and rain gardens.
- Consulted with Donna Milligan, VIMS Senior Marine Scientist, regarding schedule for completion of dock construction.

#### **Project 32013 PAA Maritime Forest Edge Demonstration Garden**

*The Captain Sinclair's Recreational Area, 100 acres with approximately 1 mile of waterfront on the Severn River in Gloucester County, VA, was a gift to the Middle Peninsula Chesapeake Bay Public Access Authority. The MPCBPAA is partnering with the Middle Peninsula Planning District Commission (MPPDC) to develop an overall use plan for the property compatible with the existing natural coastal landscape. An area of approximately 14,000 square feet to the northwest of the main house has been delineated by the Army Corps of Engineers as nontidal wetlands. This area is adjacent to the area utilized for parking. This project funded by the Virginia Department of Forestry will provide protection for that sensitive area by converting the mowed*



*lawn/ parking area into a demonstration Maritime Forest Edge garden. Approximately 400 seedlings will be planted in the area to provide a small Maritime Forest Edge demonstration garden for viewing by visitors to the site.*

- Ordered seedlings, dibble sticks, and tree protectors.

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

*MPPDC staff will develop a Middle Peninsula Public Access Master Plan. This plan will help Middle Peninsula localities and the general public to understand local and regional public access accomplishments and current policies, and the tools and policies that have been implemented. This plan will also provide a clear direction for the future of public access in the region.*

- Developed a draft Memorandum of Understanding (MOU) with Middlesex County regarding deliverables they will receive upon completion of this project. Deliverables will include an inventory of access sites throughout the County, results from a public access survey, and site assessments of the access sites.
- Inserted survey questions into Survey Money. This survey will collect public perceptions about public access within Middlesex County.
- Developed a site assessment criteria worksheet that will be used in Middlesex County to assess public access sites.
- Consulted with Carol Steele, Director for Gloucester County Parks and Recreation and Tourism, concerning public access master planning and needs assessment studies related to public access. Discussed in-progress public access inventory work being completed by the Middle Peninsula Chesapeake Bay Public Access Authority, as well as, the development of a marketing program for the giving for waterfront land for public benefit.
- Consulted with Matt Walker, Middlesex County Administrator, concerning a draft Memorandum of Understanding for public access inventory and site assessment work within Middlesex County. Provided Middlesex County with a draft public access survey for review. Discussed the possibility of using university students to also conduct site assessments for various public access sites within the county.

#### **Project 32132/32135 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.*

- Consulted with Christina Ryder, Wildlife Biologist U.S. Fish and Wildlife Service, concerning submission of a proposal under the Coastal Grant program. Discussed the proposal needs to cover legal cost for properties donated to the Middle Peninsula Chesapeake Bay Public Access Authority.
- Participated in a joint meeting of Middle Peninsula and Northern Neck localities to discuss stormwater planning issues specific to Chesapeake Bay Act jurisdictions.
- Consulted with an Essex County resident interested in donating waterfront property to the Middle Peninsula Chesapeake Bay Public Access Authority. Discussed methods for donating property and associated costs for donation.

- Consult with Nikki Rovner, The Nature Conservancy, concerning Middle Peninsula living shoreline revolving loan program funds and possible legislation for tax exempt status for any improvements to real property designated as a living shoreline by the VMRC.
- Attended a meeting held at the Anheuser- Busch Coastal Research Center in Oyster, Virginia to discuss the positive and negative impacts of land protection efforts. Discussed various approaches to quantify the direct, indirect, and induced economic benefit of land protection and various revenue leakage or displacement due to land use taxations and agricultural and forestall districts designations.
- Consulted with Christina Ryder, Wildlife Biologist U.S. Fish and Wildlife Service, concerning various match components necessary to submit proposal under the Coastal Grant funding opportunity. Proposal was submitted on behalf of the MPPDC and MPCBPAA by U.S. Fish and Wildlife Service staff.

### **Project 32133 NFWF Living Shorelines**

*MPPDC received a grant from the National Fish and Wildlife Foundation to facilitate citizen-based resource stewardship to enhance coastal resilience and reduce vulnerability to growing risks from coastal storms, sea level rise, flooding and other threats to shorelines by encouraging Middle Peninsula waterfront homeowners, through access to low interest loans and/or grants and through education about living shorelines, to make informed decisions to install living shorelines to protect waterfront properties. The main emphasis of the project will be to design and implement a Living Shoreline Incentive Program (LSIP) to provide loans and/or grants to homeowners to install living shorelines on suitable waterfront properties. The project also includes the design of a Shoreline Management Plan (SMP) for the entire Captain Sinclair's Recreational Area shoreline and the design and installation of one lower Chesapeake Bay public waterfront demonstration project to provide consumers easily accessible publically owned living shoreline examples to inform their decision making. The investment of effort and resources in producing a Shoreline Management Plan will yield substantial benefits in facilitating decision-making on a variety of potential issues and uses of the site. A Living Shorelines Education Program will be developed to educate the public about the benefits of living shorelines. The Captains Sinclair's Recreation area site boasts an 8,000 sq. ft. waterfront home within 200 feet of the demonstration site that will house the Living Shorelines Education Program.*

- Finalized draft Living Shoreline Revolving Loan Fund Program Guidelines.
- Consulted with Donna Milligan, Shoreline Studies Program at VIMS, regarding timeline for installation of living shoreline demonstration project.
- Received phone call from homeowner interested in financing a living shoreline installation in Essex County. Made appointment to meet with homeowner in late November to discuss details of program.

### **Project 32135 Coastal TA FY16**

*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.*

- Updated graphics regarding water quality regulations and their impacts to rural Planning District Commissions.
- Drafted final report summary report and final report for FY14 to be submitted to Coastal Zone Management.
- Drafted language for DEQ's septic pumpout and Phase III Implementation of Chesapeake Bay ordinance revisions to allow for update of the Mathews County Chesapeake Bay Local ordinance.

- Shared Gloucester County GIS Parcel information with Christina Ryder of U. S Fish and Wildlife Service.
- Researched state legislative code on Stormwater Management and local Chesapeake Bay Ordinance requirements to provide draft language to localities in revising local ordinances.

#### **Project 32136 Coastal Zone Management Sea Level Rise**

*The purpose of this project is to provide planning options to be considered by rural coastal local governments in the Middle Peninsula to assist with mitigating the impacts of flooding and sea level rise in coastal communities. Using Mathews County as the pilot location, the project will identify and explore planning and development techniques that may be implemented at the local level to encourage and steer development to properties located outside of high risk flood hazard areas. The project will also provide information on how local government-acquired land may be leveraged to encourage more elevations or relocations by commoditizing protected lands in high hazard areas.*

- Drafted a letter of engagement between MPPDC and Mathews County to document the expression of formal need for the CZM sea level project.
- Attended a sea level rise adaptation strategies workshop hosted by Old Dominion University on October 30<sup>th</sup>. The workshop discussed planning practices and strategies being implemented in other cities in and outside the US to address flooding and sea level rise.

#### **Project 32137 Mathews Ditch Map Database**

*Building on the NFWF Ditching project in Mathews County, MPPDC staff in contract with Draper Aden Associations will continue reducing the information gap between stakeholders and those tasked with repairing the drainage system. First, maps will be created to identify ditch locations in the target areas using associated parcel information using Mathews County tax parcel maps overlapped with aerial imagery to provide information on ditch and channel locations. Additionally Virginia Coastal Policy Clinic will conduct research, compile deeds and easement documents that identify ditch ownership responsibility, easement rights and other interests in the roadside and outfall ditches. Finally a database will be designed for the organization and illustration of legal records for property owners of failing ditches.*

#### **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 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.*

- Developed and organized sub-recipient contracts for Tidewater Planning District Commissions (i.e. Northern Neck, Accomack-Norhampton, and Hampton Roads) in order to receive compensation for development of region specific chapters for the Virginia Working Waterfront Plan. MPPDC staff sent PDC Executive Directors and Coastal Planning staff a copy of this contract to sign.
- Discussed the 2<sup>nd</sup> Virginia Working Waterfront Summit planning process with Beth Polak, Virginia Coastal Zone Management Program. Ms. Polak mentioned that the earlier we start the process the better for the planning of this event.
- Sent an email to the Planning Committee for the 2<sup>nd</sup> Virginia Working Waterfront Summit to schedule the first meeting of this group. The meeting has been scheduled for December 16, 2015 at 10:00am at Virginia Institute of Marine Science.

## 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).
- Registered for DRPT Grantee workshop.
- Attended DRPT grantee meeting of the Middle Peninsula Northern Neck Coordinated Human Services Mobility Committee to review pending grant applications for FY17.
- Updated ACT Telework Council list Serv.
- Convened Association for Commuter Transportation (ACT) Telework Council telemeeting to discuss Garamendi amendment to the Transportation Bill that would define broadband infrastructure as a highway and require the notification of telecommunications entities when road construction could allow for the laying of cable. The draft transportation reauthorization bill also includes commute-less legislation requiring planning organizations to work more closely with regional transportation management organizations and employers. It would give those entities the tools to expand the services that can be provided to their employees to require increased TDM and telework promotion by TMAs and MPOs; and regional IT services including telework promotion.
- Current commuter database – 131

### **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.*

- Consulted with Craig Van Dussen, VDOT Fredericksburg District Manager, regarding local transportation planning prioritization. Sent a request for a prioritized list of local transportation projects to Middle Peninsula local planners as a requirement of the FY 16 rural Work Program. Received information from King William County, Essex County, and Town of Tappahannock.
- Attended the DRPT Grantee Workshop in Fredericksburg on November 12<sup>th</sup> discussing the TDM program, DRPT's grant application process and procedures, HB2, and DRPT's financial outlook.

## ONSITE REPAIR & PUMPOUT

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

### **Project 30420, 30423 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.*

- Submitted grant proposal to DEQ to provide for septic pumpout assistance to LMI homeowners to comply with Chesapeake Bay requirement to pump septic systems every 5 years. MPPDC has a waiting list of 61 homeowners, mostly from King and Queen County. Proposal requested funding for 175-200 pumpouts. The grant, if approved, will provide funding January – August, 2016 for ½ the cost of a pumpout up to \$150.
- Consulted with Blake’s Septic System regarding invoice for Gloucester County repair.
- Prepared and submitted reimbursement request to DEQ for Gloucester County repair.
- Received phone call from Gloucester County resident looking for assistance to locate a drainfield for an elderly Gloucester County homeowner. Discussed limitations of MPPDC program that can only fund repair of failing septic systems and directed her to Bay Aging and Gloucester County Social Services for assistance.
- Executed ACH loan payments for septic 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.

*Note: All WQIF grant funds have been spent and all VRA grant funds have been committed. MPPDC staff are continuing to search for additional grant funding for this program. The ability to blend loans with grants is crucial in assisting low income homeowners in correcting failing septic systems.*

***Remaining uncommitted funding – \$196,065 loan funds.***

## ECONOMIC DEVELOPMENT

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

### **Project 301702 Small Business Revolving Loan Fund**

*MPPDC agreed to service Middle Peninsula Business Development Partnership’s (MPBDP) Small Business Loan Portfolio after MPBDP’s dissolution November 30, 2011. MPPDC established a revolving loan fund and staff initiate ACH loan payments from clients bank accounts and 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.*

- 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.

### **Project 30108 Building Collaborative Communities (BCC) Grant**

*This project, with funding from the Virginia Department of Housing and Community Development, is a collaborative effort with regional and local, public and private stakeholders to create an organizational structure with the capacity and resources to lead regional economic development initiatives in the Middle Peninsula. The project will seek to provide education, training and outreach to local officials on regional economic development partnerships, re-establish the Tidewater Resource Conservation and Development Council, update the River County Economic Development study, as well as draft policies, bylaws and a conceptual work plan for the newly created economic development organization.*

- Consulted with Michelle Jones, Building Collaborative Communities staff for the Virginia Department of Housing and Community Development, concerning milestone deliverables for the creation of the Middle Peninsula Economic Development Organization. Uploaded draft documents into the CAMS reporting system for review and reimbursement for milestones complete.
- Consulted with Eric Howlett, Attorney with Sands Anderson, concerning legal matters associated with the reorganization of the Tidewater RC&D.
- Updated the Virginia River Country's Competitive region to include NOAA's coastal snapshots of the maritime economy in the Middle Peninsula and coastal counties in the competitors' regions of North Carolina and South Carolina.

### **LOCAL INITIATIVES**

Funding - local dues, PDC base-funding from VDHC and/or MPPDC General Fund. Funding for specific projects may come from locality requesting assistance.

### **Project 30106 Middle Peninsula Regional Jail Flash Freeze Feasibility Study**

*The Middle Peninsula Regional Jail Authority will use funds from the USDA RBEG program to contract with the Middle Peninsula Planning District Commission (MPPDC) to conduct a feasibility study to evaluate whether, and to what degree, the Middle Peninsula Regional Security Center, local economies, and small scale emerging farms across the Middle Peninsula can benefit from a flash freezing produce program. The feasibility study will assist with exploring and addressing both the infrastructure and capital needs for establishing a freezing program as well as the larger community implications of supporting and enhancing economic growth and community vitality.*

- Hosted the third meeting of the Flash Freeze Feasibility Steering Committee on October 21, 2015 at 10:30am – 12pm in Saluda, VA. At the meeting, the Committee discussed interviews with non-DOC flash-freeze operations, interviews with seafood produces and local food system stakeholders, regional and agriculture data, legal considerations, site requirements and feasibility, as well as, discussion of possible revenue and funding sources.
- Contacted Scott Tate, VTech, to gather a status update of the project. According to Mr. Tate, VTech will need additional time to complete this project. Therefore, a draft report will be submitted to the MPPDC and Regional Security Center on November 20, 2015 and the final report will be submitted by December 11, 2015. Additionally, in order to get feedback on the draft report, VTech will host another steering committee meeting on December 1, 2015.
- Drafted a letter to William Gillette to invite him to the Steering Committee meeting.

### **Project 3080161 Local & Regional Technical Assistance**

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

- Organized photos of the Redd donation and the Captain Sinclair property to supplement a Fish and Wildlife Service application to assist with closing costs of newly donated land to the Middle Peninsula Chesapeake Bay Public Access Authority.
- Provided information to localities on an EPA Brownfield funding opportunity. Discussed possible projects with Bret Schardein, King William Planning Director, and members of the T. C. Walker and Woodville Foundation members and members of the Gloucester County EDA Board.
- Drafted a proposal in response to a Request for Proposals from Mathews County for the update of its 2030 Comprehensive Plan update and zoning ordinance review.

### **Project 30109 Tidewater RC&D Staff Support**

*The Tidewater RC&D Council, Incorporated is a 501(c)(3) corporation organized to provide leadership, initiative and direction in development of a plan for the orderly development and utilization of the Middle Peninsula/Northern Neck regions' human and natural resources. With loss of federal support, the Northern Neck members opted to retire from the Council. The Middle Peninsula members desired to continue the organization and requested MPPDC to provide staff support and act as their fiscal agent. Tidewater RC&D's resources were divided and 40% was transferred to the Northern Neck Planning District Commission, Inc.*

- Drafted MOU to provide staff and fiscal services to Tidewater RC&D, Inc. for review by RC&D officers.

## **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 is 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 31201 Middle Peninsula All-Hazards Mitigation Plan Update (Reported under Mandates)**

**Project 31202 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.*

- Completed the Draft Middle Peninsula Resource Typing Guide. To date, Gloucester, King and Queen, King William, Mathews, Middlesex, and Essex/Tappahannock have submitted data. The document includes emergency equipment and physical resources available in localities located in the Middle Peninsula of Virginia. The draft document will be reviewed by the emergency managers during November for final revisions in December 2015.
- Attended the Northern Neck/Middle Peninsula emergency managers meeting on Thursday, October 22<sup>nd</sup> at 11:30 at Lowery's in Tappahannock. The topic of the meeting revolved around the lessons learned at the locality, regional, and state level during preparations for the Governor's State of Emergency declaration for potential impacts from Hurricane Joaquin.
- Received notice from the Virginia Department of Emergency Management that the MPPDC has been awarded 5 grants supporting Regional Emergency Planning work in the Middle Peninsula. These grants, part of the 2015 State Homeland Security Program Grant (SHSP) (CFD #97.067), have no match obligation. The grants were awarded for developing Threat and Hazard Identification and Risk Assessment Guides (THIRA) for localities, for developing a Regional Shelter Partner List, for organizing and holding an Amateur Radio workshop, and for coordinating shelter support services between the American Red Cross and localities. The grant period is 18 months.

AGENCY ADMINISTRATION  
Funding - Indirect cost reimbursements from all PDC projects

**Project 300181 MPPDC Administration**

*Administrative services provided to MPPDC programs. Planned FY13 Indirect Cost rate =50%.*

- Prepared vouchers, processed A/P, processed payroll, processed deposits and balanced bank accounts.
- Prepared MPPDC monthly financial statements.
- Consulted with Michael Aukamp, Dunham, Aukamp and Rhodes, LLC regarding draft FY15 audit.
- Prepared Management Discussion and Analysis portion of FY15 audit, reviewed draft audit report and submitted changes to auditor in preparation of presentation to Commission on November 18.



**Project 30104 DHCD Planning Grant—VA Sea Grant Universities MP Partnership**

*This initiative looks to develop new partnerships with Virginia Universities participating within the Virginia Sea grant Network to enhance Virginia Universities' impacts and value-added services to Middle Peninsula private businesses and coastal localities.*

**Project 32011 Public Access Authority Giving**

*This project proposes to develop a targeted land donation marketing campaign for Essex County and, secondarily, other Middle Peninsula localities. Further, the project proposes to research and develop a white paper detailing the costs and benefits (pros and cons) to localities for property that is donated.*

- Drafted final summary report and final report to be submitted to Coastal Zone Management.

**Project 32134 Drainage and Roadside Ditching Authority**

*To build on past efforts, MPPDC staff will explore the enabling mechanism in which a Drainage and Roadside Ditching Authority may be developed. As this Authority would be responsible for prioritizing ditch improvement needs, partnering with and leveraging Virginia Department of Transportation (VDOT) funding, and ultimately working toward improving the functionality of the region's stormwater conveyance system, MPPDC staff will address the policy questions and create a framework for Drainage and Roadside Ditching Authority that can be scalable to the local or regional level depending on the need.*

**Project 32207 Working Waterfront Plan**

*MPPDC staff will build on previous efforts to establish a coastal zone-wide Working Waterfronts Plan for Virginia that will serve to guide communities in protecting, restoring and enhancing their water dependent commercial and recreational activities. This plan will help communities with existing water-dependent commercial infrastructure, understand the long-term costs associated with the loss of working waterfronts, develop new policy tools to help them manage the increasing growth pressures, and build capacity to develop working waterfronts as thriving components of local economic development.*

**Project 302101 Transportation Demand Management (TDM) 6 Year Plan Update**

*MPPDC received funding from DRPT to update its Long Range TDM Plan. DRPT is requesting all TDM agencies update their plan every six years to improve the efficiency and effectiveness of transportation demand programs and services; to serve as a management and policy document for the program; to maximize investment of public funds to achieve the greatest possible public benefit; and to provide a basis for inclusion of operating and capital programs in planning and programming documents such as the Six Year Improvements Program, Statewide Transportation Improvement Program, Transportation Improvement Program and the Constrained Long Range Transportation Plan.*

**Project 30019 Urbanna Creek Foundation Project**

*This is a shoreline restoration project for Urbanna Creek that proposes collaboration with the MPPDC, VDOT, Urbanna Oyster Festival Foundation, Christchurch School and VIMS. The project proposes to reduce the amount of sediment and nutrients released into Urbanna Creek caused by an enormous hole underneath the bridge that is allowing ground and surface water runoff from public right of way and private property to deposit into the Creek. The project includes filling the hole and design of a shoreline restoration method.*

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**MIDDLE PENINSULA PLANNING  
DISTRICT COMMISSION**

**AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2015**

**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**

R. Gary Allen - Essex County  
Margaret H. Davis - Essex County  
A. Reese Peck – Essex County  
Edwin E. Smith - Essex County  
Ashley C. Chriscoe - Gloucester County  
Sanford Wanner – Gloucester County  
Maurice P. Lynch - Gloucester County  
Michael Winebarger - Gloucester County  
Sherrin C. Alsop - King and Queen County  
James Milby - King and Queen County  
Thomas J. Swartzel - King and Queen County  
Eugene Kivara - King William County  
Travis J. Moskalski - King William County  
Otto O. Williams - King William County  
O. J. Cole, Jr. - Mathews County  
Thornton Hill - Mathews County  
Charles E. Ingram - Mathews County  
Trudy V. Feigum – Middlesex County  
Wayne H. Jessie, Sr. - Middlesex County  
John D. Miller – Middlesex County  
G. Gayle Belfield, Jr. - Town of Tappahannock  
Roy M. Gladding - 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

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, 2015, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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, 2015 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.

## **Emphasis of Matter**

### **Change in Accounting Principle**

Middle Peninsula Planning District Commission's basic financial statements for the year ended June 30, 2015, reflect the provisions of the Governmental Accounting Standards Board's (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. Middle Peninsula Planning District Commission implemented the requirements of GASB Statement No. 68 in accordance with its required effective date. See Note 13 and required supplementary information in the accompanying financial statements for the impact of the standard's implementation. Our opinion is not modified with respect to this matter.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenue and expenses, and budgetary comparison information on pages 4 through 7 and pages 32 through 34 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.

Certified Public Accountants  
Chantilly, Virginia

November 18, 2015

## **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, 2015. 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>2015</u>	<u>2014</u>
Current Assets	\$1,003,249	\$901,074
Capital Assets (net)	<u>4,949</u>	<u>10,464</u>
Total Assets	<u>1,008,198</u>	<u>911,538</u>
Deferred Outflows of Resources	<u>29,567</u>	<u>-</u>
Current Liabilities	169,792	140,020
Long-Term Liabilities	<u>397,048</u>	<u>391,402</u>
Total Liabilities	<u>566,840</u>	<u>531,422</u>
Deferred Inflows of Resources	<u>31,258</u>	<u>-</u>
Invested in Capital Assets	4,949	10,464
Unrestricted	<u>434,718</u>	<u>369,652</u>
Total Net Position	<u>\$ 439,667</u>	<u>\$380,116</u>

Current assets increased during the year by approximately \$102,000 as management successfully identified and obtained funding to more than cover personnel costs and matching funds.

Current liabilities increased during the year by approximately \$29,800 due to increases in deferred revenue and accrued leave payables. Several ongoing Commission projects provide project income above that needed to cover expenses. This revenue is retained as deferred revenue to be utilized in future periods.

Long-term liabilities increased by almost \$6000 during the current year, as the Commission made scheduled principal payments on the 1997 VRA loan in the amount of \$12,500 and on the 2010 VRA loan of \$12,500, and received proceeds of \$31,002 from the 2010 VRA loan for a net increase of \$6002.

Total net position increased by approximately \$60,000 this year as management was able to cover personnel costs with outside grants allowing for the banking of PDC base funding for future operations.

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

	<u>2015</u>	<u>2014</u>
Revenues		
Operating revenues	\$752,395	\$811,097
Interest	<u>2,242</u>	<u>2,296</u>
Total Revenues	<u>754,637</u>	<u>813,393</u>
Expenses		
General and administration	62,640	74,222
Project costs	<u>632,466</u>	<u>730,551</u>
Total Expenses	<u>695,086</u>	<u>804,773</u>
Change in net position	59,551	(8,620)
Net position at beginning of year, as restated	<u>380,116</u>	<u>388,736</u>
Net position at end of year	<u>\$439,667</u>	<u>\$380,116</u>

Operating revenues decreased by approximately \$59,000 and project expenses decreased by approximately \$98,000 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. Required matching fund expenses were also reduced by approximately \$40,000 as management was able to secure grants with no or smaller matching funds requirements and to identify and utilize more sources other than local funding for match requirements than in the previous year.

In FY 2015 actual revenues came in over budgeted revenues by approximately \$146,000 because several grants were obtained that had not been anticipated during the budget process. Management takes opportunities to apply for funding to further the work program of the Commission as they become available, which does not always conform to the organization's budgeting process or fiscal year. In this instance an opportunity to provide regional emergency management planning with federal funding was identified and secured.

Actual expenses exceeded budgeted expenses for personnel costs by approximately \$80,000 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.

General Administration expenses decreased by \$11,600 as management continued to look for opportunities to control administrative costs and to utilize administrative staff on projects wherever feasible. Project costs decreased by \$98,000. It is not unusual for project costs to change substantially from year to year based on the projects funded.

**Note** – the inclusion of net pension liabilities in the Financial Statement of Net Position required by GASB 68 required not only the addition of several previously unreported line items, but also the restatement of Beginning Net Position for June 30, 2013 and 2014. The change to Net Position as of June 30, 2014 required a decrease of \$323,299 in the general fund to allow for recognition of net pension liability.

## **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 two 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 \$50,000. 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 consists of a \$125,000 no interest loan and a \$125,000 “principal forgiveness” loan. As of June 30, 2015, \$102,671 had been drawn on the new loan and an additional \$102,671 on the “principal forgiveness loan”. The new loan has been reduced by regular annual payments to \$90,171.

## **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 is working 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 Universal Guidance and the needs and resources of the member localities.

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

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, 2015**

**ASSETS**

Current Assets

Cash and cash equivalents	\$ 538,646
Restricted cash	12,500
Accounts receivable	227,712
Total Current Assets	778,858

Noncurrent Assets

Capital assets, net	4,949
Loans receivable	224,391
Total Noncurrent Assets	229,340

Total Assets	\$1,008,198
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**DEFERRED OUTFLOWS OF RESOURCES**

Pension contributions after the measurement date	29,567
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**LIABILITIES**

Current Liabilities

Accounts payable	\$ 4,304
Deferred revenue	89,473
Accrued leave payable	51,015
Current portion of notes payable	25,000
Total Current Liabilities	169,792

Noncurrent Liabilities

Notes payable, net of current portion	115,171
Net pension liability	281,877
Total Liabilities	566,840

**DEFERRED INFLOWS OF RESOURCES**

Net difference between projected and actual pension earnings	31,258
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**NET POSITION**

Net Position

Invested in capital assets, net of related debt	229,340
Unrestricted	210,327
Total Net Position	439,667

See accompanying notes

**Middle Peninsula Planning District Commission**  
**Statement of Revenue, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2015**

<b>Operating Revenues</b>		
Grants and appropriations		
Federal grants		\$ 410,968
State grants and appropriations		189,770
Local grants and appropriations		117,382
Miscellaneous		34,275
	Total Operating Revenues	<u>752,395</u>
<b>Operating Expenses</b>		
Salaries		374,315
Fringe benefits		116,701
Consultant and contractual		64,795
Rent and utilities		27,183
Promotion and advertising		27,044
Office supplies		16,101
Workshops and conferences		9,942
Construction		8,601
Printing and duplicating		8,165
Legal and accounting		7,139
Depreciation		5,515
Bad debt		4,492
Dues and memberships		4,397
Website and internet		3,500
Miscellaneous		3,042
Insurance		2,994
Telephone		2,894
Meeting supplies and expenses		2,620
Lodging and staff expense		2,285
Postage		1,821
Vehicle costs		1,166
Deferred/forgiven loan expense		198
Subscriptions and publications		176
	Total Operating Expenses	<u>695,086</u>
	Operating Income	57,309
<b>Non-Operating Revenues</b>		
Interest income		2,242
	Change in Net Position	<u>59,551</u>
Net Position - Beginning of Year, As Restated		<u>380,116</u>
Net Position - End of Year		<u><u>\$ 439,667</u></u>

See accompanying notes

**Middle Peninsula Planning District Commission**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2015**

<b>Cash Flows from Operating Activities</b>	
Received from customers	\$ 681,475
Paid to suppliers for goods and services	(309,617)
Paid to employees for services	(366,428)
Net Cash Flows Provided by Operating Activities	<u>5,430</u>
 <b>Cash Flows from Capital and Related Financing Activities</b>	
Proceeds from note payable	31,002
Principal paid on notes payable	(25,000)
Net Cash Flows Provided by Capital and Related Financing Activities	<u>6,002</u>
 <b>Cash Flows from Investing Activities</b>	
Disbursement for new loans made	(25,906)
Loan payments received	51,823
Interest income	2,242
Net Cash Flows Provided by Investing Activities	<u>28,159</u>
 Net Change in Cash and Cash Equivalents	 39,591
Cash and Cash Equivalents - Beginning of Year	<u>511,555</u>
 Cash and Cash Equivalents - End of Year	 <u><u>\$ 551,146</u></u>
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 57,309
Depreciation	5,515
Changes in Assets and Liabilities	
Accounts receivable	(88,501)
Deferred outflows of resources	(29,567)
Accounts payable	4,304
Deferred revenue	17,581
Deferred inflows of resources	31,258
Accrued annual leave	7,887
Net pension liability	(356)
Net Cash Flows from Operating Activities	<u><u>\$ 5,430</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 and 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, 2015, 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 \$34,802 as of June 30, 2015.
- 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 \$16,213 as of June 30, 2015.
- (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 at the measurement date of June 30, 2014, and the valuation date of June 30, 2013, were \$29,567 and \$41,066, respectively.

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, 2014, of \$31,258 is reported as a deferred inflow of resources at June 30, 2015.

- (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, 2015 the carrying amount of the Commission’s deposits with banks was \$516,211 and the bank balances were \$529,914. 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 \$34,935 at June 30, 2015.

**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, 2015 is as follows:

	Balance July 1, 2014	Additions	Disposals	Balance June 30, 2015
Equipment	\$113,904	\$ -	\$ -	\$113,904
Accumulated Depreciation	(103,440)	(5,515)	-	(108,955)
Net	<u>\$ 10,464</u>	<u>\$(5,515)</u>	<u>\$ -</u>	<u>\$ 4,949</u>

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 5 – Pension Plans**

**Plan Description**

Name of Plan: Virginia Retirement System (VRS)  
 Identification of Plan: Agent and Cost-Sharing, Multiple-Employer Pension Plan  
 Administering Entity: Virginia Retirement System (System)

All full-time, salaried permanent employees of the Commission 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 are pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria 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:

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<b>VRS PLAN 1</b>	<b>VRS PLAN 2</b>	<b>HYBRID RETIREMENT PLAN</b>
<p><b>About VRS Plan 1</b>                      VRS 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 VRS Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013.</p>	<p><b>About VRS Plan 2</b>                      VRS 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 VRS 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 VRS Plan 1 and VRS 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 Plans (Continued)**

<p><b>Eligible Members</b> Employees are in VRS 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 VRS 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 VRS Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as VRS Plan 1 or ORP.</p>	<p><b>Eligible Members</b> Employees are in VRS 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> VRS 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 VRS 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 VRS Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as VRS 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 VRS Plan 1 or VRS 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>* Non-Eligible Members Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Members of the State Police Officers’ Retirement System (SPORS)</li> <li>• Members of the Virginia Law Officers’ Retirement System (VaLORS)</li> <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 VRS Plan 1 or VRS Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select VRS Plan 1 or VRS 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 school divisions and political subdivisions elected to phase in the required 5% member contribution; 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> Employees contribute 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 Plans (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 VRS 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 VRS 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. VRS Plan 1 or VRS 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>

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 5 – Pension Plans (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 VRS Plan 1.</p>	<p><b>Calculating the Benefit</b> <b>Defined Benefit Component:</b> See definition under VRS Plan 1.</p> <p><b>Defined Contribution Component:</b> 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 VRS 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 is 1.0%.</p> <p>For members that opted into the Hybrid Retirement Plan from VRS Plan 1 or VRS 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> <b>Defined Benefit Component:</b> Same as VRS Plan 2.</p> <p><b>Defined Contribution Component:</b> 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 Plans (Continued)**

<p><b>Earliest Unreduced Retirement Eligibility</b> Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit at 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> Members who are not in hazardous duty positions are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have 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> Members are eligible for an unreduced retirement benefit when they reach normal Social Security retirement age and have at least five years (60 months) of creditable service or when their age and service equals 90.</p> <p><b><u>Defined Contribution Component:</u></b> 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> <li>• The member retires directly from short-term to long-term disability under the Virginia Sickness and Disability Program (VSDP)</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 3%), for a maximum COLA of 3%.</p> <p><b><u>Eligibility:</u></b> Same as VRS Plan 1.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> Same as VRS Plan 1.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b> <b><u>Defined Benefit Component:</u></b> Same as VRS Plan 2.</p> <p><b><u>Defined Contribution Component:</u></b> Not applicable.</p> <p><b><u>Eligibility:</u></b> Same as VRS Plan 1 and VRS Plan 2.</p> <p><b><u>Exceptions to COLA Effective Dates:</u></b> Same as VRS Plan 1 and VRS Plan 2.</p>

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

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

<ul style="list-style-type: none"> <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>Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.</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>Most state employees are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.</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 VRS Plan 1 and VRS 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>State employees (including VRS Plan 1 and VRS Plan 2 opt-ins) participating in the Hybrid Retirement Plan are covered under the Virginia Sickness and Disability Program (VSDP), and are not eligible for disability retirement.</p> <p>Hybrid members (including VRS Plan 1 and VRS Plan 2 opt-ins) covered under VSDP or 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 VRS Plan 1.</p>	<p><b>Purchase of Prior Service</b> <b>Defined Benefit Component:</b> Same as VRS Plan 2.</p> <p><b>Defined Contribution Component:</b> Not applicable.</p>



**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

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

The System issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for the plans administered by VRS. A copy of the most recent report may be obtained from the VRS website at <http://www.varetire.org/Pdf/Publications/2014-annual-report.pdf> or by writing to the System’s Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

**Employees Covered by Benefit Terms**

As of the June 30, 2013 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>1</u>
Total Inactive Members	3
Active Members	<u>6</u>
Total covered employees	<u>10</u>

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**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, 2015 was 8.32% 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 \$29,567 and \$41,066 for the years ended June 30, 2015 and June 30, 2014, 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, 2014. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2013, using updated actuarial assumptions, applied to all periods included in the measurement and rolled forward to the measurement date of June 30, 2014.

*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, 2013, 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, 2014.

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Inflation	2.5%
Payroll growth	3.0%
Salary increases, including Inflation	3.5% – 5.35%
Cost of Living Adjustment	2.5%, per year for Plan I employees and 2.25% for Plan 2 employees
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, 2013 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:

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Long-Weighted Average Term</b>
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	1.00%	-1.50%	-0.02%
Total	100.00%		5.83%
		Inflation	2.50%
		* Expected arithmetic nominal return	8.33%

\* 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, 2013	\$745,974	\$422,675	\$323,299
Changes for the year:			
Service cost	33,666	-	33,666
Interest	51,210	-	51,210
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Contributions – employer	-	41,066	(41,066)
Contributions – employee	-	15,942	(15,942)
Net investment income	-	69,634	(69,634)
Benefit payments, including refunds of employee contributions	(28,811)	(28,811)	-
Administrative expense	-	(348)	348
Other changes	-	4	(4)
Net changes	56,065	97,487	(41,422)
Balances at June 30, 2014	<u>\$802,039</u>	<u>\$520,162</u>	<u>\$281,877</u>

***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 percent) or one percentage-point higher (8 percent) than the current rate:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
Commission’s Net Pension Liability	\$949,408	\$515,249	\$153,309

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

At June 30, 2015, the Commission reported a liability of \$281,877 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission’s proportion of the net pension liability was based on a projection of the Commission’s long-term share of contributions to the pension plan relative to the projected contributions of all participating the Commission, actuarially determined. At June 30, 2014, the Commission’s proportion of political subdivisions was 20.5 percent.

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 – Pension Plans (Continued)

For the year ended June 30, 2015, the Commission recognized pension expense of \$30,902. At June 30, 2015, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on plan investments	-	31,258
Employer contributions subsequent to the Measurement Date	<u>29,567</u>	-
Total	<u>\$29,567</u>	<u>\$31,258</u>

\$31,258 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, 2016. 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,	
2016	\$(7,814)
2017	(7,814)
2018	(7,814)
2019	(7,814)
Thereafter	-

### Funded Status and Funding Progress

The actuarial value of the Commission’s assets is equal to the modified market value of the assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The Commission’s unfunded actuarial accrued liability is being amortized as level percentage of projected payroll on an open basis. The remaining amortization period for the June 30, 2014 for the Unfunded Actuarial Accrued liability (UAAL) was 20 - 29 years.

The schedule of funding progress presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits. As of June 30, 2014, the most recent actuarial valuation date, the plan was 83.86% funded. The actuarial accrued liability for benefits was \$570,472, and the actuarial value of assets was \$478,375, resulting in an unfunded actuarial accrued asset (UAAL) (net pension asset) of \$92,097. The covered payroll (annual payroll of active employees covered by the plan) was \$325,839, and the ratio of the UAAL to the covered payroll was 28.26%.

# MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

## NOTES TO FINANCIAL STATEMENTS

(Continued)

### NOTE 5 – Pension Plans (Continued)

The schedule of funding progress presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UUAL as a Percentage of Covered Payroll (b-a)/c
6/30/11	\$319,550	\$638,644	\$319,094	50.04%	\$293,126	108.86%
6/30/12	\$348,553	\$686,382	\$337,829	49.22%	\$263,220	128.34%
6/30/13	\$401,872	\$745,974	\$344,102	53.87%	\$326,852	105.28%
6/30/14	\$478,375	\$570,472	\$ 92,097	83.86%	\$325,839	28.26%

The Commission has also established a voluntary deferred compensation plan, pursuant to Section 457 of the Internal Revenue Code. Under this plan, any employee may elect to have a portion of their current salary retained by the Commission and invested by the plan trustees. The employee may begin to collect at termination, retirement, or disability. The Commission Board has voted to annually contribute 10% of eligible salaries. The contribution amount for the year ended June 30, 2015 was \$6,893.

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### 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 the year ended June 30, 2015 was \$21,902.

### 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, 2015. Loan loss reserves exist for several of the programs. No loan amounts were written off during the year.

**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 \$50,000 at June 30, 2015.

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, 2015 \$102,671 had been drawn down against this note. The balance of this loan was \$90,171 at June 30, 2015.

The following is a summary of changes in long-term debt for the year ended June 30, 2015:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
VRA 1997 Note	\$ 62,500	\$ -	\$12,500	\$ 50,000
VRA 2011 Note	<u>71,669</u>	<u>31,002</u>	<u>12,500</u>	<u>90,171</u>
Total	<u>\$134,169</u>	<u>\$31,002</u>	<u>\$25,000</u>	<u>\$140,171</u>

Mandatory debt service requirements consist of the following:

<u>Year ending</u> <u>June 30,</u>	<u>Total</u>
2016	\$ 25,000
2017	25,000
2018	25,000
2019	25,000
2020	12,500
Thereafter	<u>27,671</u>
Total	<u>\$140,171</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, 2015, was 49.88%, and is calculated as follows:

Indirect costs	\$ <u>187,713</u>
Total direct salaries, leave, and fringe benefits	\$376,337 = 49.88%

The following are included in indirect costs allocated to projects:

Salaries	\$ 85,782
Fringe benefits	27,563
Rent	21,902
Consulting/contractual services	11,552
Printing and duplicating	8,165
Accounting	6,374
Utilities	5,281
Office supplies	4,859
Depreciation	4,032
Telephone	2,894
Public officials insurance	1,899
Postage	1,779
Website/internet	1,538
Vehicle operating costs	1,166
Miscellaneous	1,040
Vehicle insurance	942
Promotion/advertising	792
Facility insurance	<u>153</u>
Total	\$ <u>187,713</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, 2015, are shown below:

Leave	
Holiday	\$20,935
Annual	23,517
Sick	<u>9,554</u>
Total	<u>\$54,006</u>

The leave allocation rate for the fiscal year ended June 30, 2015, is calculated as follows:

Leave allocation	\$ <u>54,006</u>
Total salaries excluding leave	\$320,309 = 16.86%

### 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, 2015 was 30.82%, and is calculated as follows:

Fringe benefit expense	\$ <u>115,366</u>
Total salaries	\$374,315 = 30.82%

Components of fringe benefit expense for the year ended June 30, 2015, are shown below:

Fringe benefits	
Group health insurance	\$ 44,366
Retirement and special pension	36,460
Social Security taxes	27,345
Unemployment	3,473
Group life insurance	3,351
Workers compensation insurance	<u>371</u>
Total Fringe Benefits	<u>\$115,366</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, 2015, 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 – Restatement of Beginning Net Position

The Commission implemented Government Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, which requires employers participating in an agent plan to recognize a liability as employees earn their pension benefits and recognize annual pension cost under an earnings approach. As such, the financial statements report a decrease of beginning net position in the amount of \$282,233, which was the net pension liability as of the measurement date of June 30, 2013, less the employer contributions received after June 30, 2013.

The effect on fiscal year 2014 is as follows:

Net position as of June 30, 2014 as previously reported	\$ 662,349
Recognition of net pension liability	(323,299)
Reclassification of employer contributions to deferred outflow of resources	<u>41,066</u>
Net position as of June 30, 2014 as restated	<u>\$ 380,116</u>

### NOTE 14 – Evaluation of Subsequent Events

The Commission has evaluated subsequent events through November 18, 2015, the date which the financial statements were available to be issued.

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION**

**SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM**

**For the Year Ended June 30, 2015**

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

For the Year Ended June 30, 2015

	Local Programs	Rural Trans- portation Planning	TDM	EDA Broadband	Ditching	VCWRFR Onsite Repair
<b>Revenues</b>						
Federal	\$ -	\$ 58,000	\$ -	\$ 30,311	\$ 27,755	\$ -
State	75,971	-	72,593	-	-	8,601
Local	109,899	-	-	-	-	-
Interest	2,000	-	-	-	-	-
Other	11,078	-	-	-	-	-
Total Revenues	<u>198,948</u>	<u>58,000</u>	<u>72,593</u>	<u>30,311</u>	<u>27,755</u>	<u>8,601</u>
<b>Expenses</b>						
Salaries	26,643	35,601	31,713	16,474	14,542	-
Fringe benefits	9,837	11,463	10,212	5,305	3,950	-
Office supplies	33	26	-	-	-	-
Meeting supplies	546	-	-	-	-	-
Private mileage	58	105	-	-	-	-
Lodging and staff expense	996	-	34	75	40	-
Travel	44	475	-	-	-	-
Dues and memberships	2,300	276	1,475	-	-	-
Subscriptions and publications	82	-	-	-	-	-
Workshops	-	73	15	30	-	-
Conferences	1,351	1,646	893	396	-	-
Accounting and audit	5	-	-	-	-	-
Legal services	348	-	-	-	-	-
Consultant and contractual	-	-	-	-	-	-
Construction	-	-	-	-	-	8,601
Postage	-	-	20	-	-	-
Promotion and advertising	-	-	26,252	-	-	-
Insurance	768	-	-	-	-	-
Miscellaneous	1,718	-	15	-	-	-
Deferred/forgiven loan expense	-	-	-	-	-	-
Quarterly meeting	1,715	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Indirect expense	17,531	23,475	20,912	10,863	9,223	-
Total Expenses	<u>63,975</u>	<u>73,140</u>	<u>91,541</u>	<u>33,143</u>	<u>27,755</u>	<u>8,601</u>
Revenues Over (Under) Expenses	134,973	(15,140)	(18,948)	(2,832)	-	-
General Fund Support	<u>(75,422)</u>	<u>15,140</u>	<u>18,948</u>	<u>2,832</u>	<u>-</u>	<u>-</u>
Revenues and General Fund Support Over (Under) Expenses	<u>\$ 59,551</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Onsite Loan Management	Building Collaborative Communities	Local PAA Stewardship Public Safety	Energy Efficient CBG	Septic Pumpout	VIMS WWF	Land and Water Quality	Costal TA
\$ -	\$ -	\$ -	\$ -	\$ 11,850	\$ 4,882	\$ 19,092	\$ 25,808
-	11,141	-	-	-	-	-	-
-	-	-	-	-	-	-	-
25	-	-	46	-	-	-	-
9,184	-	1,656	612	-	-	-	-
<u>9,209</u>	<u>11,141</u>	<u>1,656</u>	<u>658</u>	<u>11,850</u>	<u>4,882</u>	<u>19,092</u>	<u>25,808</u>
2,219	10,041	-	308	3,491	2,464	5,542	21,837
714	3,233	-	99	1,124	793	1,784	6,923
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	85
-	-	-	-	-	-	-	467
-	-	-	-	-	-	-	225
-	-	-	-	-	-	-	51
-	-	-	-	-	-	-	100
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	369
-	-	-	-	-	-	-	1,625
128	-	-	43	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	4,933	-	9,000	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,487	-	98	5	-	-	-	-
198	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	1,558	-	-	-	-	-
<u>1,463</u>	<u>6,621</u>	<u>-</u>	<u>203</u>	<u>2,302</u>	<u>1,625</u>	<u>3,654</u>	<u>14,345</u>
<u>9,209</u>	<u>19,895</u>	<u>1,656</u>	<u>658</u>	<u>11,850</u>	<u>4,882</u>	<u>19,980</u>	<u>46,027</u>
-	(8,754)	-	-	-	-	(888)	(20,219)
-	<u>8,754</u>	-	-	-	-	<u>888</u>	<u>20,219</u>
<u>\$ -</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

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

For the Year Ended June 30, 2015

	Living Shorelines	King and Queen Fishing Pier	Regional Emergency Planning	Working Waterfronts Plan	Comp Plan Updates	MP-VSG Partnership
Revenues						
Federal	\$ 18,554	\$ -	\$ 50,463	\$ 28,938	\$ -	\$ -
State	-	-	-	-	-	21,464
Local	-	1,504	-	-	1,842	-
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Revenues	<u>18,554</u>	<u>1,504</u>	<u>50,463</u>	<u>28,938</u>	<u>1,842</u>	<u>21,464</u>
Expenses						
Salaries	10,323	783	23,704	14,851	930	11,588
Fringe benefits	3,324	187	7,633	4,028	299	2,690
Office supplies	-	-	18	-	-	-
Meeting supplies	-	-	32	-	-	172
Private mileage	-	67	129	20	-	-
Lodging and staff expense	-	6	32	70	-	-
Travel	-	10	-	-	-	-
Dues and memberships	-	-	75	-	-	-
Subscriptions and publications	-	-	-	15	-	-
Workshops	-	-	15	-	-	-
Conferences	-	-	3,194	-	-	-
Accounting and audit	-	-	-	-	-	-
Legal services	-	-	-	-	-	-
Consultant and contractual	-	-	-	537	-	4,000
Construction	-	-	-	-	-	-
Postage	-	22	-	-	-	-
Promotion and advertising	-	-	-	-	-	-
Insurance	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Deferred/forgiven loan expense	-	-	-	-	-	-
Quarterly meeting	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Indirect expense	6,807	483	15,631	9,417	613	7,121
Total Expenses	<u>20,454</u>	<u>1,558</u>	<u>50,463</u>	<u>28,938</u>	<u>1,842</u>	<u>25,571</u>
Revenues Over (Under) Expenses	(1,900)	(54)	-	-	-	(4,107)
General Fund Support	<u>1,900</u>	<u>54</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,107</u>
Revenues and General Fund Support Over (Under) Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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MPRJ Flash Freeze Study	Middle Peninsula Business Development Partnership	PAA Administration	NH Master Plan	PAA Capt Sinclair Improvements	Water Reuse	Aberdeen TIF	Total
15,213	\$ -	\$ 20,824	\$ 51,720	\$ 15,304	6,585	25,669	\$ 410,968
-	-	-	-	-	-	-	189,770
-	-	-	4,137	-	-	-	117,382
-	171	-	-	-	-	-	2,242
-	2,999	8,746	-	-	-	-	34,275
<u>15,213</u>	<u>3,170</u>	<u>29,570</u>	<u>55,857</u>	<u>15,304</u>	<u>6,585</u>	<u>25,669</u>	<u>754,637</u>
8,151	1,580	14,951	20,710	1,690	4,525	3,875	288,536
1,876	509	4,493	5,683	544	1,188	1,248	89,139
-	-	205	-	-	7	-	289
-	-	128	-	11,908	-	-	12,871
183	-	-	-	34	-	-	1,063
-	-	24	27	14	34	52	1,629
-	-	-	-	-	-	-	580
-	-	-	-	-	-	-	4,226
-	-	-	-	-	-	-	97
2	-	-	-	-	-	-	504
-	-	-	-	-	-	-	9,105
-	39	-	-	-	-	-	215
-	-	-	-	-	-	-	348
-	-	-	16,273	-	-	18,500	53,243
-	-	-	-	-	-	-	8,601
-	-	-	-	-	-	-	42
-	-	-	-	-	-	-	26,252
-	-	-	-	-	-	-	768
-	-	71	-	-	-	-	6,394
-	-	-	-	-	-	-	198
-	-	-	-	-	-	-	1,715
-	-	-	-	-	-	-	1,558
5,001	1,042	9,698	13,164	1,114	2,850	2,555	187,713
<u>15,213</u>	<u>3,170</u>	<u>29,570</u>	<u>55,857</u>	<u>15,304</u>	<u>8,604</u>	<u>26,230</u>	<u>695,086</u>
-	-	-	-	-	(2,019)	(561)	59,551
-	-	-	-	-	2,019	561	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,551</u>

**DRAFT**

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, 2015**

	<u>Actual</u>	<u>Budget</u>	Favorable (Unfavorable)
<b>Operating Revenues</b>			
Grants and appropriations			
Federal grants	\$ 410,968	312,268	\$ 98,700
State grants and appropriations	189,770	148,132	41,638
Local grants and appropriations	117,382	120,024	(2,642)
Miscellaneous	34,275	25,500	8,775
Total Operating Revenues	752,395	605,924	146,471
<b>Operating Expenses</b>			
Salaries	374,315	308,805	(65,510)
Fringe benefits	116,701	101,761	(14,940)
Consultant and contractual	73,396	41,000	(32,396)
Rent and utilities	27,183	27,502	319
Promotion and advertising	27,044	26,744	(300)
Office supplies	16,101	3,500	(12,601)
Workshops and conferences	9,942	8,250	(1,692)
Printing and duplicating	8,165	9,000	835
Legal and accounting	7,139	7,750	611
Depreciation	5,515	-	(5,515)
Bad debt	4,492	-	(4,492)
Dues and memberships	4,397	3,265	(1,132)
Website and internet	3,500	19,500	16,000
Miscellaneous	3,240	3,100	(140)
Insurance	2,994	2,994	-
Telephone	2,894	3,925	1,031
Meeting supplies and expenses	2,620	6,300	3,680
Lodging and staff expense	2,285	2,250	(35)
Postage	1,821	1,550	(271)
Vehicle costs	1,166	3,200	2,034
Subscriptions and publications	176	200	24
Total Operating Expenses	695,086	580,596	(114,490)
Operating Income	57,309	25,328	31,981
<b>Non-Operating Revenues</b>			
Interest income	2,242	2,050	192
Change in Net Assets	59,551	27,378	32,173
Net Position - Beginning of Year, as Restated	380,116	380,116	-
Net Position - End of Year	\$ 439,667	\$ 407,494	\$ 32,173

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, 2015, 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 18, 2015.

**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 18, 2015

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

	<b>2015</b>
<b>Total Pension Liability</b>	
Service Cost	\$ 33,666
Interest on total pension liability	51,210
Differences between expected and actual experience	-
Changes in assumptions	-
Changes in benefits	-
Benefit payments, including refunds of employee contributions	(28,811)
Net change in total pension liability	56,065
Total pension liability - beginning	745,974
Total pension liability -ending (a)	\$ 802,039
 <b>Plan fiduciary net position</b>	
Contributions - employer	\$ 41,066
Contributions - employee	15,942
Net investment income	69,634
Benefits payments	(28,811)
Administrative expense	(348)
Other	4
<b>Net change in plan fiduciary net position</b>	97,487
<b>Plan fiduciary net position - beginning</b>	422,675
<b>Plan fiduciary net position - ending (b)</b>	\$ 520,162
 Commission's Net pension liability - ending (a)-(b)	\$ 281,877
 Plan fiduciary net position as a percentage of the total Pension liability	64.85%
 Covered - employee payroll	\$ 374,315
 Commission's net pension liability as percentage of covered-employee payroll	75.30%

\* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**Middle Peninsula Planning District Commission  
Schedule of Employer Contributions  
For the Year Ended June 30, 2015  
Last 10 Fiscal Years\***

	<b>2015</b>
Contractually Required Contribution	\$ 29,567
Contributions in Relation to the Contractually Required Contribution	29,567
Contribution Deficiency / (Excess)	\$ -
Employer's Covered-Employee Payroll	\$ 374,315
Contributions as a % of Covered-Employee Payroll	7.90%

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\* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

## MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2015

#### NOTE 1 – Change of Benefit Terms

There have been no significant changes to the System benefit provisions since the prior actuarial valuation. A hybrid plan with changes to the defined benefit plan structure and a new defined contribution component were adopted in 2012. The hybrid plan applies to most new employees hired on or after January 1, 2014 and not covered by enhanced hazardous duty benefits. The liabilities presented do not reflect the hybrid plan since it covers new members joining the System after the valuation date of June 30, 2013 and the impact on the liabilities as of the measurement date of June 30, 2014 are minimal.

#### 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