



COMMISSIONERS

Essex County
Vacant
Hon. Edwin E. Smith, Jr.
Hon. John C. Magruder
Mr. Michael A. Lombardo

Town of Tappahannock
Hon. Roy M. Gladding

Gloucester County
Hon. Ashley C. Chriscoe
(Vice-Chairman)
Dr. William G. Reay
Hon. Michael R.
Winebarger

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

King William County
Hon. David E. Hansen
Hon. Travis J. Moskalski
(Treasurer)
Mr. Eugene J. Rivara

Town of West Point
Hon. James Pruett


Mathews County
Hon. George C. Morrow
Mr. Thornton Hill
Mr. Michael C. Rowe
Ms. Melinda Conner

Middlesex County
Mr. Gordon E. White
Hon. Wayne H. Jessie, Sr.
Mr. Matthew L. Walker
Hon. Kathy H. Swinehart

Town of Urbanna
Hon. Diane Gravatt
Ms. Holly Gailey

Secretary/Director
Mr. Lewis L. Lawrence

MEMORANDUM

TO: MPPDC Board of Commissioners
FROM: Lewis Lawrence, Executive Director 
DATE: November 14, 2019
RE: November Commission Meeting

The Middle Peninsula Planning District Commission will host its monthly meeting on Wednesday, November 20, 2019 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.

I look forward to seeing you on **November 20th**!

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

7:00 P.M.

Wednesday, November 20, 2019

125 Bowden Street

Saluda VA 23149

- 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. MPCBPAA Update
- VI. MPA Update
- VII. MPPDC Public Relations/Communications Update
- VIII. Public Comment

AGENDA ITEMS FOR DISCUSSION

- IX. Coastal Zone Management Project Discussion
- X. Sanctuary County Second Amendment Discussion
- XI. Annual CEDS Update
- XII. General Legislative Discussion
- XIII. FY19 Audit Presentation
- XIV. WIP III Update
- XV. Other Business
- XVI. Adjournment

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

October 23, 2019

Saluda, Virginia

I. Welcome and Introductions

The monthly meeting of the Middle Peninsula Planning District Commission was held in the Regional Board Room at the Middle Peninsula Planning District Commission office in Saluda, Virginia on Wednesday, October 23, 2019, at 7:00 p.m. MPPDC Chairman Swartzwelder welcomed everyone in attendance.

Commissioners Present

Essex County: Edwin “Bud” Smith, Jr., John Magruder

King William County: Eugene Rivara

King and Queen County: Tom Swartzwelder

Gloucester County: Michael Winebarger

Mathews County: Mindy Conner, G.C. Morrow, Mike Rowe, Tim Hill

Middlesex County: Kathy Swinehart, Gordon White

Commissioners Absent

Essex County: Michael Lombardo

King William County: Travis Moskalski, David Hansen

King and Queen County: Sherrin Alsop, R.F. Bailey

Gloucester County: Ashley Chriscoe, Dr. Willy Reay

Middlesex County: Matt Walker, Wayne Jessie

Town of Tappahannock: Monte “Roy” Gladding

Town of Urbanna: Holly Gailey, Dianne Gravatt

Town of West Point: James Pruett

Also in Attendance

Lewis Lawrence, MPPDC Executive Director

Beth Johnson, MPPDC Finance Director

Heather Modispaw, MPPDC Chief Finance Officer

Dawn Mantell, MPPDC Secretary

Jessica Roy, MPPDC Emergency Management Planner

Guests

II. Approval of September Minutes

Chairman Swartzwelder asked whether there were any corrections or changes to the September Minutes. There being no corrections to the Minutes, Chairman Swartzwelder requested a motion to approve the September Minutes. Mr. Smith moved that the September Minutes be approved. Mr. Hill seconded the motion; motion carried.

III. Approval of September Financial Report

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

Johnson, MPPDC Finance Director introduced the new Chief Finance Officer, Heather Modispaw. Mrs. Johnson will be retiring at the end of December.

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

Chairman Swartzwelder requested MPPDC Executive Director, Lewie Lawrence review the Executive Director's Report on Staff Activities for the month of October. The Executive Director's Report on staff activities is developed at a monthly staff meeting, organized by PDC Service Centers, and the activities are used to report grant funding activities.

Mr. Lawrence directed the Commissioners' attention to several items:

- Convened a Department of Environmental Quality senior leadership team tour of the Middle Peninsula to visit and discuss coastal flooding within the Resource Protection Area of the Chesapeake Bay Preservation Act. DEQ staff will reconvene with the Middle Peninsula local government administrators in November to discuss local options for managing recurrent sunny day flooding at the local parcel scale. MPPDC Executive Director, Lewie Lawrence stated DEQ staff members were taken to MP areas that are without mitigation and living shorelines to help them understand tidal flooding and stormwater flooding and the difference between. Mr. Lawrence stated he will keep the Commission up to date as this effort continues.
- Attended the 2019 Living Shorelines Tech Transfer Workshop held in Beaufort, North Carolina. The workshop focused on the newest trends and approaches for designing, building and monitoring living shorelines. MPPDC Executive Director, Lewie Lawrence reported there were people from all over the United States in attendance to talk about how they use living shorelines. The common problem heard was how living shorelines aren't being designed to FEMA standards, causing them to fail.
- Middle Peninsula *Fight the Flood* program - MPPDC Executive Director, Lewie Lawrence reported 6 different companies have now signed on to provide specialized services to help homeowners with flooding issues.
- Received notice of approval of application for recapitalization of revolving loan fund from DEQ Virginia Clean Water Financing and Assistance Program. MPPDC Executive Director, Lewie Lawrence reported \$200k was received to continue to repair septic systems in the Middle Peninsula.
- As of October 17th, 28 Septic Pumpout applications have been mailed, 1 incomplete application has been received, 20 applications have been approved, 20 vouchers have been issued and there have been 11 completions. MPPDC Executive Director, Lewie Lawrence stated there is \$13k in funding available for Middle Peninsula residents to have their septic system pumped. Local government administrators were asked to share this information with their localities.

Commissioners were encouraged to contact Mr. Lawrence with any questions regarding the staff activities reported for the month of October.

V. MPCBPAA Update

Ms. Mindy Conner, PAA Chair stated the next PAA meeting is set for November 8th.

VI. MPA Update

None.

VII. MPPDC Public Relations/Communications Update

Stephanie Heinatz, Consociate Media reported the new website <http://beyondthewatershed.com> is now live. This website was designed as one of the deliverables of the WIP III to “Fight the Flood” and will assist in telling the story of what is happening in the Middle Peninsula. The Septic Pumpout press release has been submitted to local media for publishing and work continues on “Fight the Flood”.

VIII. Public Comment

None.

IX. Ann Phillips, Special Assistant to the Governor – the PDC’s role in the Virginia Coastal Resilience Master Plan

Rear Admiral Ann Phillips (Retired), Special Assistant to the Governor for Coastal Adaptation and Protection has been charged with the task of building a master plan setting priorities for reducing the impacts of tidal and storm-surge flooding, and coordinate those efforts at local, state, and federal levels. A PowerPoint presentation was provided and topics discussed were: Executive Order 24; Coastal Adaptation Area - Coastal Planning Districts and Regional Commissions; State Priorities; State-Wide Needs; and What do Planning Districts/Regional Commission’s Want.

X. Eric Letsinger, Quantified Ventures – the use of environmental impact bonds for resilience measures

Ben Cohen, Director of Quantified Ventures provided a PowerPoint presentation. Quantified Ventures develops outcome solutions, performance metrics, aligns and coordinates stakeholders. Investors provide up-front capital through bond investment. Public entity or Service Providers construct projects to help meet environmental outcomes or other key targets. Public and/or Private Entities repay investors based on achievement of outcomes. An Evaluator verifies that project outcomes are achieved.

XI. Lisa Schroer, Standard & Poor’s – the credit rating process, and risks and opportunities for localities as they attempt to address climate change impacts

Lisa Schroer, Sector Lead for Local Government Ratings at Standard & Poor’s provided a PowerPoint presentation focusing on climate change, extreme weather events and how they are factored into local government credit ratings. Climate Change

will be increasingly considered in the rating analysis. Consideration is given to opportunities that may exist for municipal entities to mitigate climate change risk through proper planning and improving system resiliency. In other words, if climate change is beginning to affect a localities economy as evidenced by decreased property values, population, school enrollment, etc. and the locality is not investing in mitigation strategies it may see a downgrade of its bond rating which will lead to difficulty in financing future needs.

XII. Evan Glassman, New Paradigm Underwriters – parametric insurance and how it can be used by communities for a variety of resilience projects

Gloria Hendrickson, Head of Underwriting & Risk at New Paradigm Underwriters provided a PowerPoint presentation on Parametric Insurance. Parametric Insurance is a supplemental insurance that protects what traditional insurance does not. Parametric Insurance is ground-up protection providing immediate coverage of loss, with no exclusion, no deductibles and can provide coverage for living shorelines and engineered septic systems (currently uninsurable through usual insurance coverage) as long as an event triggers the need for recovery. In other words, infrastructure that has previously been uninsurable (living shorelines and engineered septic systems) can now be insured although at a cost.

XIII. Other Business

Commissioner John Magruder stated 13 participants from VEDP, VTC and GO Virginia toured a local sawmill in Essex County. The visit went extremely well and was part of a Fam Tour highlighting the natural resource (Blue/Green) economy of the Middle Peninsula.

Del. Keith Hodges stated that the Middle Peninsula Alliance Breakfast with the Bankers event went well and produced 2 contacts to discuss investment opportunities in the MPA.

XIV. Adjournment

Chairman Swartzwelder requested a motion to adjourn. Mr. Rivara so moved, Mr. Winebarger seconded, motion carried.

**Note: All handouts distributed at a meeting are filed in the official MPPDC record book of the minutes. Copies of all PowerPoint presentations, if any, are filed with the official minutes.*

COPY TESTE:

(Secretary)

Project Financial Report

Middle Peninsula Planning District Commission
 Period Ending: 10/31/2019

Run Date: 11/07/2019
 Run Time: 4:03:41 pm
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Expenditures

Code	Description	Budget	Curr Month	Project Total	Un/Over	% Budget	Revenues	Balance
30013	EE&CBG Project	4,565.00	92.10	4,947.64	(382.64)	108.38%	5,033.04	85.40
30111	Blue/Green Infrastructure PDC f	0.00	0.00	0.00	0.00	0.00%	0.00	0.00
30117	Urbanna Comp Plan Update	6,250.00	4,357.71	5,621.71	628.29	89.95%	6,000.00	378.29
30118	MPA Staff Support	27,574.89	2,318.33	6,408.46	21,166.43	23.24%	4,090.13	(2,318.33)
30170	MPBDP Staff Support	22,374.22	93.03	22,819.88	(445.66)	101.99%	25,644.01	2,824.13
30215	TDM Marketieng	24,844.00	2,908.53	20,986.96	3,857.04	84.47%	15,826.52	(5,160.44)
30216	FY20 TDM Operating	84,807.00	5,154.28	16,125.79	68,681.21	19.01%	8,778.00	(7,347.79)
30317	FY20 Rural Transportation Planr	72,391.00	4,918.38	21,237.93	51,153.07	29.34%	0.00	(21,237.93)
30420	Onsite Loan Management	179,713.02	806.54	163,483.55	16,229.47	90.97%	196,100.99	32,617.44
30428	WQIF 2016, \$183500 RLF match	216,500.00	18,275.69	203,537.17	12,962.83	94.01%	181,264.90	(22,272.27)
30450	Septic Pumpout	21,804.00	729.11	3,323.18	18,480.82	15.24%	154.08	(3,169.10)
30502	Water Supply Planning	0.00	(0.01)	0.00	0.00	0.00%	0.00	0.00
31002	GA Lobby FY09	71,787.50	0.00	46,478.84	25,308.66	64.75%	69,731.75	23,252.91
31208	MP/NN Regional Debris Manage	43,000.00	236.68	43,678.05	(678.05)	101.58%	35,246.21	(8,431.84)
31209	Re-entry Plan	44,050.00	3,703.78	27,816.37	16,233.63	63.15%	11,047.10	(16,769.27)
31210	Emergency Mgmt FY19-FY20	49,500.00	7,034.32	39,510.62	9,989.38	79.82%	19,885.01	(19,625.61)
31500	Living Shoreline Incentive Progr:	26,196.92	428.68	16,238.89	9,958.03	61.99%	30,547.90	14,309.01
32015	PAA Staff Support	12,200.00	1,278.39	5,248.09	6,951.91	43.02%	4,200.00	(1,048.09)
32017	NAWCA PAA project	75,000.00	(19.20)	75,243.37	(243.37)	100.32%	75,000.00	(243.37)
32144	Coastal TA FY19	69,000.00	131.64	71,564.32	(2,564.32)	103.72%	55,215.36	(16,348.96)
32145	CZM Dredging	50,000.00	369.90	51,341.64	(1,341.64)	102.68%	45,000.00	(6,341.64)
32146	ANPDC EcoTourism II	48,263.00	202.84	52,297.96	(4,034.96)	108.36%	35,175.13	(17,122.83)
32147	ANPDC Rural Enhancement Autl	5,000.00	0.78	4,985.88	14.12	99.72%	5,000.00	14.12
32148	NNPDC WWF Video	5,000.00	6.74	5,272.15	(272.15)	105.44%	4,237.13	(1,035.02)
32149	WIP III Update	21,500.00	225.48	22,444.82	(944.82)	104.39%	21,500.00	(944.82)
32150	CZM Extraction Fee Study	15,000.00	2,020.40	14,139.26	860.74	94.26%	12,118.86	(2,020.40)
32151	NFWF Landowners Living Shorel	199,914.09	737.76	9,526.12	190,387.97	4.77%	4,475.64	(5,050.48)
32152	DCR Fight the Flood	56,345.26	2,147.48	8,201.41	48,143.85	14.56%	0.00	(8,201.41)
32153	Coastal TA FY20	69,000.00	5,238.87	5,238.87	63,761.13	7.59%	0.00	(5,238.87)
32154	ANPDC EcoTourism3	0.00	8,643.20	8,643.20	(8,643.20)	0.00%	0.00	(8,643.20)
32155	DEQ Planner	65,000.00	2,972.03	2,972.03	62,027.97	4.57%	0.00	(2,972.03)
38020	Local Projects	221,020.00	4,191.70	30,281.36	190,738.64	13.70%	140,262.51	109,981.15
Totals:		1,807,599.90	79,205.16	1,009,615.52	797,984.38	55.85%	1,011,534.27	1,918.75

Balance Sheet by Category

Middle Peninsula Planning District Commission
 Period Ending: 10/31/2019
 Format: 1 Board

Run Date: 11/7/19
 Run Time: 4:09:18 pm
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Assets:

Cash in Bank	472,875.16
Cash in Bank, Restricted	399,857.58
Receivables	277,966.16
Property & Equipment	2,008.29
Prepaid Pension (Deferred Outflows)	10,096.25

Assets:	\$1,162,803.44
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Liabilities:

Accounts Payable	32,395.85
VRA Loan Payables	355,576.33
Payroll Withholdings	(0.03)
Accrued Leave	45,754.63
Deferred Revenue	(5,261.72)
Deferred Inflows (VRS)	113,784.00
Net Pension Liabilities	8,337.00
Cost Allocation Control	6,907.06

Liabilities:	\$557,493.12
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Equity:

Local Initiatives/Information Resources	133,291.44
Economic Development	1,521.17
Transportation Programs	(33,746.04)
Emergency Management Projects	(44,826.31)
Onsite Repair & Pumpout	7,579.46
Housing	(153.38)
Coastal Community & Environmental	(59,596.25)
Public Access Auth Programs	(1,291.34)
Temporarily Restricted	179,741.44
General Fund Balance	422,790.13

Equity:	\$605,310.32
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Total Liabilities and Equity	\$1,162,803.44
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Balance:	\$0.00
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Agencywide R&E by Category

Middle Peninsula Planning District Commission
 Period Ending: 10/31/2019
 Format: 1 Agencywide R&E

Run Date: 11/7/2019
 Run Time: 4:09:52 pm
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With Indirect Cost Detail

Code & Description	Budget	Current	YTD	Un/Over	% Bud
Revenues					
Local Match	0.00	0.00	634.90	(634.90)	0.00%
Local Annual Dues	135,099.00	0.00	135,099.00	0.00	100.00%
Local Other Revenues	40,446.00	0.00	33,132.00	7,314.00	81.92%
Local Other Organizations	21,044.00	4,090.13	4,090.13	16,953.87	19.44%
State Revenues	441,863.00	11,139.00	10,504.10	431,358.90	2.38%
Federal Revenues	526,216.00	83,327.09	102,132.77	424,083.23	19.41%
Miscellaneous Income	13,000.00	2,629.24	7,646.27	5,353.73	58.82%
RevolvingLoan Program Income	14,500.00	920.13	54,108.17	(39,608.17)	373.16%
Revenues	1,192,168.00	102,105.59	347,347.34	844,820.66	29.14 %
Expenses					
Personnel	450,844.00	39,134.97	144,107.80	306,736.20	31.96%
Facilities	34,256.00	2,790.92	10,801.69	23,454.31	31.53%
Communications	3,931.00	345.91	1,379.87	2,551.13	35.10%
Equipment & Supplies	4,400.00	77.04	651.44	3,748.56	14.81%
Travel	5,025.00	143.77	1,144.41	3,880.59	22.77%
Professional Development	13,210.00	289.02	5,218.69	7,991.31	39.51%
Contractual	548,015.00	32,145.03	162,800.62	385,214.38	29.71%
Miscellaneous	57,325.00	4,278.48	17,829.17	39,495.83	31.10%
Regional Share	0.00	0.00	634.90	(634.90)	0.00%
Expenses	1,117,006.00	79,205.14	344,568.59	772,437.41	30.85 %
Agency Balance	75,162.00	22,900.45	2,778.75		

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**Middle Peninsula Planning District Commission
Executive Director's Report of Regional Progress
November 13, 2019**

Note: On May 23, 2018, the Commission voted to direct staff to email all future documents including the Commission meeting packets in an effort to save on postage. As we strive to make this report more informative and user friendly, some previously contained information may now be accessed by clicking on the following link(s):

- For Demographic Information:
http://virinialmi.com/report_center/community_profiles/5109000318.pdf
- For MPPDC Website: <http://www.mppdc.com/>

MPPDC Staff and Contact Information

Executive Director: Lewis Lawrence

Contact Info: lawrence@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 (804) 758-2311x22

Programs: *Commuter/Employer Transportation Services, Septic Repair & Pumpout Assistance, Living Shoreline Incentive Program, Revolving Loan Programs Administration, PDC Finance & Grants Administration, PAA Staff Support, MPA Staff Support*

Planner 1: Vacant

Contact Info: (804) 758-2311x28

Programs: *Rural Transportation Planning*

Planner 1: Jessica Roy

Contact Info: jroy@mppdc.com (804) 758-2311x26

Programs: *Regional Emergency Planning*

Special Projects Planner: Jackie Rickards

Contact Info: jrickards@mppdc.com (215) 264-6451 (cell)

Programs: *Environmental Programs, Hazard Mitigation Planning, Grant Writing, Graphic Arts*

Secretary: Dawn Mantell

Contact Info: dmantell@mppdc.com (804) 758-2311x21

Programs: *Septic Pumpout Assistance, MPA Staff Support, PAA Staff Support, Facilities Scheduling*

INFORMATION RESOURCES/ASSISTANCE

- Updated www.mppdc.com website – meeting notices, reports, news releases, GoVA meetings, and MPA notices, etc.

COASTAL COMMUNITY DEVELOPMENT/ ENVIRONMENTAL

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

Project 31500 - Living Shoreline Incentive Program RLF

MPPDC submitted a proposal to the National Fish and Wildlife Foundation for VIMS. The objective of this project is to leverage previous funding from NFWF to install oyster bag sills at two publicly-owned (MPCBPAA) properties on and monitor them for a year. In addition, existing oyster bag sill installations at four private locations will be monitored to determine overall project effectiveness. This work will provide recommendations for installations along fetch-limited shorelines of Chesapeake Bay.

- Received phone call from Gloucester resident regarding LSIP program. Referred to Tidewater SWCD for VCAP funding information. Homeowner unhappy with MPPDC LSIP terms. Feels that interest rate is too high.
- *Executed ACH loan payments for 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 15th 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 12th of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans.*
- **Remaining uncommitted funds - \$230,012.**

Project 32017 – NAWCA PAA Acquisitions

The Wetlands Conservation on the Middle Peninsula of Virginia Phase I proposal is the first in a series of projects planned by the Middle Peninsula District Commission (MPPDC) in coordination with local, state and federal agencies, non-government organizations and landowners to protect key wetlands along the Chesapeake Bay. This project will employ a novel, creative and cost effective land conservation model in order to perpetually protect 77.05 acres of coastal habitat.

- Consulted with Christina Ryder, USFW Grant liaison regarding start of project close out reporting.

Project 32144 – Virginia Coastal TA FY19

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 Dave Evans, DEQ TMDL Coordinator for the Mattaponi TMDL. Discussed submitting an application to repair septic systems.
- Convened two November meetings of the Local Government Administrators (LGA). The first meeting was a special meeting to discuss managing flooding within the RPA called by Jutta Schneider, Director, Water Planning Division Virginia Department of Environmental Quality (VDEQ) and Russ Baxter, Deputy Director of Soil and Water Conservation and Dam Safety and Floodplain Department of Conservation and Recreation. The second meeting was the regular monthly LGA meeting. Chuck Walsh, Director of the MP/NN Community Services Board (CSB) spoke on the current financial challenges managing the CSB.
- Participated in the Fall 2019 Rotating Resilience Roundtables held at VIMS. Roundtables are designed to facilitate interdisciplinary engagement of faculty and stakeholders with different coastal resilience themes, and to stimulate problem identification, critical thinking, and alignment between the real-world resilience issues in the Commonwealth and the scientific questions.

- Consulted with Hal Bourque, Chair of the Mathews County Economic Development Authority regarding financial assistance for a dredging startup company. Discussed GO Virginia funding concepts.
- Consulted with David Fridley, Three Rivers Health District regarding flooding and septic drain field elevation issues.
- Consulted with Pat Coady, Eastern Shore Dredging Coordinator interested in partnering to consolidate dredging activity and the possible use of hydro drones across the Middle Peninsula and the Eastern Shore. Agreed to continue the conversation on opportunities.
- Convened the Fall meeting of the Middle Peninsula Chesapeake Bay Public Access Authority. Agenda items included: Review of new signage for PAA holding and discussion of financial matters related to VOF easement award.
- Consulted with a Gloucester County resident regarding loan and grant funding for a living shoreline project.
- Consulted with an Essex County resident interested in public hunting on land owned by the Public Access Authority in Middlesex County. Coordinated with the Middlesex County Administrator to obtain permission to open the property for public hunting and under what conditions.
- Consulted with Gloucester County resident interested in obtaining information regarding socioeconomic characteristics of the Middle Peninsula.
- Attend the Middle Peninsula Local Planners Roundtable Meeting to discuss solar management with Ben Leach, DEQ Stormwater Lead.
- Consulted with a Mathews County resident with a failed clear stream engineered septic system and the inability to have the private sector respond to the septic repair. Coordinated with Three Rivers Health District staff for assistance.
- Consulted with Scott Bruce, DEQ Groundwater Program regarding Mathews County resident interested in groundwater withdrawal within Mathews County.
- Consulted with Boyd Wiley, DEQ Clean Water Program regarding the tax-exempt status of the Middle Peninsula Planning District Commission for consideration under a new pilot program.
- Drafted and submitted a final report and final project summary to Virginia Coastal Zone Management Program.

Project 32145 – Dredged Material Siting: Fast-Track Permitting and Beneficial Use Program

This project will help to help localities begin to use their new authority and resources for local dredging projects by identifying opportunities for beneficial use of dredged material. In part, a channel analysis will be conducted by Virginia Institute of Marine Science (VIMS) Shoreline Studies Program to determine the best locations for dredged material. Additionally, the Virginia Coastal Policy Center (VCPC) will conduct legal research associated with HR 1096.

- Consulted with Melissa Fularon, Grant Administrator from the Virginia Port Authority regarding contractual and financial coordination for the Middle Peninsula dredging projects.
- Consulted with Pat Coady, Eastern Shore Dredging Coordinator interested in partnering to consolidate dredging activity and the possible use of hydro drones across the Middle Peninsula and the Eastern Shore. Agreed to continue the conversation on opportunities.
- Drafted and submitted a final report and final project summary to Virginia Coastal Zone Management Program.

Project 32146 – ANPDC Ecotourism II

This project will build on efforts from the first year and extend Middle Peninsula Watertrails into the Mobjack Bay and the Severn River. The Rural coastal Virginia Ecotourism Steering Committee will refine the Virginia Watertrails website and will focus on marketing watertrails and eco-tourism in rural coastal Virginia.

- Developed a template for outreach material focused on watertrails and ecotourism opportunities within the Middle Peninsula for America's 250th Anniversary celebration.

Project 32147 – ANPDC Rural Enhancement Authority

ANPDC and MPPDC will host a Summit to engage interested localities towards their participation and membership in the Rural Coastal Virginia Community Enhancement Authority to further legislative advancements in Working Waterfront and other rural coastal Virginia policy.

- Provided copies of draft bylaws and operating agreement for review and discussion with AN and MP PDC staff.

Project 32148 – NNPDC WWF Video

This project proposes to expand available tools that help promote and ensure the sustainability of working waterfronts and related industries. Specifically, StoryMaps will be created for the Coastal Region that detail the locations and histories of selected working waterfronts and a video will be produced to capture the most important working waterfront stories of the coastal region of Virginia.

- Requested project updates from project partners in preparation to submit a final report to DEQ on September 30, 2019.

Project 32149 – WIP III (2)

MPPDC will continue to engage localities and regional and state partners regarding Bay WIP III programmatic actions and implementation activities with funding provided by DEQ. One outcome of this project may be sustainable funding to the PDC for a designated environmental staff person to provide coordination between DEQ CBP and localities and technical assistance to local governments moving forward.

- Participated in the Department of Environmental Quality (DEQ) WIP III conference call. Reviewed the DEQ draft Scope of Work and offered comments on final draft to be delivered. Accepted the scope and await the final contract.

Project 32150 – CZM Extraction Fee Study

This project will explore the inequalities between different natural resource extraction industries in Coastal Virginia and beyond. MPPDC staff will review Virginia's current severance taxing framework and relation to existing natural resources extractive industries, and offer recommendations for next steps.

- Continued review of draft report and research on extractive economic impacts.

Project 32151 – NFWF Landowners Living Shorelines & Shoreline Management

This is a two-part project that focused on continuing coastal resiliency and mitigation efforts, while simultaneously improving water quality, managing shoreline erosion and marsh loss. First, MPPDC staff will work directly with FEMA National Flood Insurance repetitive loss property owners to offer grant and loan funds through the MPPDC Living Shorelines Incentives Revolving loan to install living shorelines. Second, MPPDC will contract with VIMS to create a grant template to be used by localities to receive funding through the Virginia Waterway Maintenance Fund.

- Met with Mark Luckenbach, Assoc. Dean of Research & Advisory Service Professor of Marine Science Virginia Institute of Marine Science. Mark Luckenbach reports that Clark Nexsen staff are working on Phase I of developing a plan(s) for the Ware Haven properties to combat flooding using nature-based solutions.

Project 32152 – DCR Flooding

*The Middle Peninsula **Fight the Flood** program will educate Middle Peninsula property owners on the benefits of and need for flood insurance (including how to reduce premiums); how to protect waterfront land from storm surge and repetitive flooding using building and financing nature-based flood mitigation solutions designed for FEMA's 10-year storm event at a minimum. The MPPDC efforts will target both rural coastal buildings and lands at risk of flooding which threaten the tax base and public safety within the region. This program will comprehensively address flood mitigation risk using a combination of new and innovative approaches including partnering with private sector mitigation experts.*

- Consulted with a James Madison University student interested in researching land elevation as a strategy to combat flooding in coastal communities. Provided contact information of Jutta Schneider, Director, Water Planning Division of Virginia Department of Environmental Quality and Russ Baxter, Deputy Director of Soil and Water Conservation and Dam Safety and Floodplain DCR for follow-up questions.
- Consulted with Bob Gittler, Economic Development Administration regarding coastal Resiliency Funding and establishing a revolving loan fund to help finance future resiliency projects at the parcel scale. Coordinated with Neal Barber for proposal development.
- Met with a private company interested in partnering on coastal resiliency for historic structures. The company looks to enhance the viability of established neighborhoods in flood-prone areas by piloting alternative flood resilience retrofit methods for older and historic structures under various flooding conditions. Of particular interest are traditional building materials and the latest dry flood proofing and barrier systems. The company is looking to utilize some of the existing PAA sites as field stations to test their materials.

Project 32154 – Eco Tourism III

This project will build on efforts from the first year and extend Middle Peninsula Watertrails into the Mobjack bay and the Severn River. The Rural Coastal Virginia Ecotourism Steering Committee will refine the Virginia Watertrails website and will focus on marketing watertrails and eco-tourism in Rural Coastal Virginia.

- Scheduled a meeting with Bryan Hofman, Deputy Director of Friends of Rappahannock to discuss the efforts that have been taken in Years I and II of the EcoTourism project and to review the Scope of Work for Year III.
- Contacted Staci Martin, Virginia Tourism Commission, to discuss the Quest for Freedom narrative. Discussions have helped to narrow the historical locations within the Middle Peninsula Region that could be added to the watertrails map.
- Drafted a subcontract with Berkley Group and its subs to develop a Corporate Sponsorship Marketing Plan for the Middle Peninsula Chesapeake Bay Public Access Authority and will modify the Virginia Water Trails website specific to the Middle Peninsula.

Project 38801 – Dredging Hole-in-the-Wall

This project will focus on the pre-planning activities to dredging Hole-in-the-Wall in Mathews County. Pre-planning includes surveying the channel, conducting sediment sampling, and a benthic, marine and fishery assessment as well as gathering information for the permitting of the dredging project.

- Drafted a Memorandum of Agreement (MOU) for Mathews County to complete pre-planning for dredging projects associated with Hole-in-the-Wall and Davis Creek in Mathews County.

Project 38802 – Dredging Davis Creek

This project will focus on the pre-planning activities to dredging Davis Creek in Mathews County. Pre-planning includes surveying the channel, conducting sediment sampling, and a benthic, marine, and fishery assessment as well as gathering information for the permitting of the dredging project.

- Drafted a Memorandum of Agreement for Mathews County to complete pre-planning for dredging projects associated with Hole-in-the-Wall and Davis Creek in Mathews County.

Project 320152 - 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.

- Updated www.virginiacoastalaccess.net website – meeting notices, reports and minutes.
- Prepared vouchers, processed A/P, reconciled bank statements. Prepared monthly financial statements.
- Billed Gloucester Rowing Association for pool house electric bills.
- Presented draft FY20 budget to MPCBPAA Board.
- Presented draft FY19 MPCBPAA audit report to Board.

TRANSPORTATION

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

Project 30215 - Transportation Demand Management (TDM) Marketing Plan

MPPDC proposes to engage the services of a marketing firm to assist its TDM program to update its marketing plan. Special emphasis will be placed on developing a social marketing plan to target regional out commuters and introduce the new Telework Center being constructed in King & Queen County. This is anticipated to be a 2-year project with the first year providing market research and design of the marketing plan and the second year, if funded, implementation of the plan.

- Consulted with Stephanie Heinatz, Consociate Media regarding gift cards for survey respondents.

Project 30216 - 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.

- Updated website – www.midpenrideshare.org.
- Updated performance data into DPRT OLGA website for October.
- Participated in webinar to discuss statewide GRH program with DRPT and other stakeholders.
- Participated in DRPT webinar for grantees on the FY21 grant process and changes to programs and applications.
- **Current commuter database – 347**
- **Number of Commuters with logged alt mode trips in September – 90**
- **Number of logged alt trips in October – 88**
- **Reduced miles (VMT) in October – 731**
- **Commuter Savings in October – \$424**

Project 30317 – 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.

- Follow-up discussions with Middlesex County regarding the TA Grant Application for the Deltaville Multimodal Project. The MPPDC submitted the application on the county's behalf on September 30th. Conversations discussed centered around next steps, schedule, and other planning initiatives the county could undertake to highlight multimodal transportation needs on a countywide level.
- Continued reviewing VDOT comments on Long Range Transportation Plan to determine where suggested edits agree/converge with the original draft submitted. Local planners have indicated they may have additional projects to add to the list. They are working with their respective staff to submit any additions/edits/modifications that are being recommended. Anticipate receiving these in November.
- Researched Nature-Based Solutions for Coastal Highway Resilience document from FHWA. Considering aspects of inclusion in the LRTP as appropriate for the Middle Peninsula region.
- Completed the first quarterly report for RTP activities and submitted to VDOT Fredericksburg District staff.
- Coordinated with DEQ and Rappahannock Community College staff to host a refresher course for Erosion and Sediment Control Inspectors in the Middle Peninsula.
- Convened the Monthly Local Planners Roundtable Meeting on Wednesday, October 30th. Topic of discussion was SWM Trends for New Solar Facilities in localities under DEQ VSMP Authority. Next meeting is set for November 20th in the MPPDC Boardroom.
- Consulted with Joyce McGowan, VDOT Saluda Residency Engineer regarding six-year plan projects and other project ideas contained in the Middle Peninsula Long Range Transportation Plan. Contacted Middle Peninsula LGA members about the need for project identification.

ONSITE REPAIR & PUMPOUT

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

Project 30420/30428 - 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. In addition MPPDC received funding under the Water Quality Improvement Fund (WQIF) to provide grants to low to moderate income Middle Peninsula and New Kent County homeowners to repair failing septic systems impacting water quality and health in the region. Grants can be paired with loans from the MPPDC Onsite Wastewater Revolving Loan Fund to provide matching funds as required. It is anticipated this funding will be used to provide assistance to 20-27 homeowners.

- Continuing to receive phone calls from homeowners and contractors regarding assistance for septic repairs.
- Met with Karen Doran, Boyd Wiley and Mike Crocker of DEQ Virginia Clean Water Programs to discuss recapitalization of Septic Repair Revolving Loan Fund. PDC award terms are expected to be .05% interest for 10 years. Possibility of loan forgiveness to be determined in the Spring. Discuss possibility of loan funds being advanced. VRA should be in contact after Water Control Board meets in December to approve loans.
- Completed 2 remaining grant-funded septic repairs.
- Consulted with contractors regarding invoices and completion statements for completed repairs.

- Consulted with local health departments regarding operating permits for completed septic repairs.
- Met with Mathews homeowner to receive application for septic repair. Homeowner to get estimate to complete application for loan.
- *Executed ACH loan payments for septic repair loans. All MPPDC loan funding programs require that loan recipients authorize loan payments to be made automatically from loan recipients' bank accounts. Loan clients authorize the payments at loan closing (ACH Authorizations). These payments occur on the 15th 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 12th of the month to request a payment to be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans as well as collection efforts.*
- **Remaining uncommitted septic repair funding \$32,581 in loan funds – \$0 in grant funds.**

Project 30450 – Septic Pumpout Program

This project will provide grants to 100 LMI Middle Peninsula homeowners to assist them in complying with the Chesapeake Bay Act requirement to have their septic tanks pumped out or inspected every 5 years. Eligible homeowners will receive a voucher equal to 50% of pumpout cost (maximum value \$150).

- Emailed press release on septic pumpout funding availability to Local Government Administrators encouraging them to publicize locally.
- Received phone call from Jerry's Septic Service concerning a customer with a voucher requesting their services. Caller asked about becoming a participating provider. Notified caller we will not pay for services performed prior to having a signed hauler agreement on file. Verified hauler was certified and faxed over a hauler agreement.
- Received phone call from pumpout voucher recipient who received a bill from her septic hauler for the MPPDC portion of her pumpout. Assured caller we would honor the voucher and provide payment to the septic hauler.
- Completed Mathews County septic pumpout.
- Received phone call from King & Queen County applicant who received a request for required verifications. Applicant was asked to supply a copy of her Social Security statement and tax bill showing ownership and tax map number. Provided MPPDC fax number so applicant can have courthouse staff provide requested information.
- Received fax from King & Queen County Treasurer's Office containing requested verifications for King & Queen County septic pumpout applicant. Application was approved and a voucher was mailed to the applicant.
- Received phone call from King & Queen County Treasurer's Office verifying receipt of verifications sent on the behalf of King & Queen County septic pumpout applicant.
- Received phone call from Jerry's Septic Service verifying fax number to return signed septic hauler agreement and be added to our list of authorized haulers.
- Received phone call from Gloucester County resident who was referred to us by the Department of Social Services for assistance with pumping out their septic system. Mailed application as requested.
- Received phone call from King and Queen County voucher recipient with questions concerning the voucher she received in the mail. Explained how the voucher worked, how to contact the hauler of her choice and the availability of an extension since she had concerns about affordability.
- Completed Gloucester County septic pumpout.

- Received fax from King & Queen County Treasurer's Office containing complete septic pumpout application. Applicant was found ineligible and mailed a letter due to her lease not addressing who is responsible for maintenance of the septic tank.
- Received phone call from 7 Essex County residents requesting septic pumpout application. Mailed applications as requested.
- Received phone call from 2 Middlesex County residents requesting septic pumpout application. Mailed applications as requested.
- Received phone call from Essex County resident requesting septic pumpout application for herself and her mother. Mailed 2 applications as requested.
- Received phone calls from 3 King and Queen County residents requesting septic pumpout application. Mailed applications as requested.
- Received phone call from Middlesex resident with questions regarding septic pumpout program. Wanted to pumpout the septic on his rental property. Caller declined application due to income limits.
- Received phone call from Essex County resident with questions regarding septic pumpout program. Application is already in the mail.
- Completed King and Queen septic pumpout.
- Received phone call from Essex County resident requesting septic pumpout application. Mailed application as requested.
- Received phone call from Essex County resident requesting septic pumpout application. Mailed application as requested.
- Received phone call from Essex County resident with questions regarding verifications required to accompany septic pumpout application. Resident receives disability and rents the home she resides in.
- Received complete septic pumpout application from Essex County resident. Application was approved and voucher was mailed to the applicant.
- Received phone call from Essex County resident with questions regarding income qualifications for septic pumpout program. Resident does not qualify based on adjusted gross income on tax return.
- Received phone call from Essex County resident with questions regarding verifications required to accompany septic pumpout application. Caller is assisting Essex County residents in applying and believes we are requiring too many verifications to receive half off of the cost of a septic pumpout. Caller asked who funds the program and contact information since she has contacted EPA and DEQ and no one knows anything about our program. Gave caller the Project Manager's name at DEQ.
- Received call from King and Queen County resident requesting a septic pumpout application. Mailed application as requested.

- **Septic Pumpouts as of November 13, 2019**

Applications Mailed	48
Incomplete Applications	00
Approved Applications	22
Vouchers Issued	22
Completions	14

Pumpout Vouchers by County

Essex	04
Gloucester	02
King and Queen	07
King William	05
Mathews	01
Middlesex	03

ECONOMIC DEVELOPMENT

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

Project 301180 – Staff Support to Middle Peninsula Alliance (MPA)

MPPDC staff are providing clerical and fiscal assistance to the Middle Peninsula Alliance.

- Prepared vouchers, processed A/P, processed deposits and balanced bank account. Prepared monthly financial statements.
- Teleconference with Liz Povar, MPA Principal Officer regarding letter sent verifying staff support and compensation amounts for FY21. Liz to send confirmation letter.
- Participated in Strategic Doing Workshop logistics call.
- Participated in Tourism Advisory Committee conference call. The purpose of the call was to hear from Consociate Media on the draft strategy for the “Discover Virginia’s Middle Peninsula” campaign, funded by the Virginia Tourism Corporation and several local partners, and to receive input and feedback from Committee members.
- Attended Strategic Doing Workshop hosted by the Fredericksburg Regional Alliance, Middle Peninsula Alliance and the Northern Neck Planning District Commission. The goal in this event is to assist those in public administration, education, elected officials, business, civic organizations, research and non-profits in identifying a potential project and leverage the funds available in GO Virginia to help bring the idea to fruition. Participants were divided into workgroups. Staff’s group identified Workforce as a strategic opportunity and a Summit of Stakeholders was identified as a pathfinder project. Staff will participate in a conference call in 30 days to identify stakeholders and draft a concept paper to be circulated to these stakeholders.
- Prepared and emailed FY21 MPA letters of support to local County Administrators and Town Managers.
- Attended LEDO meeting with Draper Aden reps to discuss the GO Virginia Site Characterization project; and on last-minute planning for the ThanksPartners luncheon.

Project 301181 – PamunkeyNet

PamunkeyNet, a proposed wireless internet system which would harness the Middle Peninsula’s existing emergency services radio infrastructure to create a regional internet service in Middle Peninsula localities. This project proposes to address the business structure necessary for the Pamunkey Nation to operate and become a wireless provider.

- Participated in PamunkeyNet Advisory Committee conference call. The purpose of this call was to hear from Chief Gray on the status of the Pamunkey Tribe's business formation and other activities and from representatives of Design Nine, the consulting firm that is developing the business plan for PamunkeyNet.

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 15th 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 12th of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans.*
- ***Funds available – \$142,341***

LOCAL INITIATIVES

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

Project 380201 - Local & Regional Technical Assistance

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

- Consulted with Ashley Harrison, Virginia Commonwealth University intern placement coordinator regarding soft and hard skills and workplace training for recent VCU graduates.
- Consulted with an Urbanna Business owner about serving on the Middle Peninsula Alliance Board of Directors.
- Drafted and submitted a proposal to NFWF's Emergency Coastal Resilience Fund to offer additional financial tools to waterfront property owners in Mathews County (i.e. East River and North River) interested in designing and installing living shorelines that meet a FEMA storm event standard.

Project 30117 – Urbanna Comprehensive Plan Update

MPPDC will provide the Town of Urbanna with a Comprehensive Plan that contains all the required sections of a plan that can be considered compliant, but not updated. The purpose of phase one is to reassemble all the necessary parts to form a compliant plan. Phase 1 anticipated completion is within 90 days (or sooner) after such date that the MPPDC team is given notice to proceed with the signing of the service agreement. The full update of the plan will happen under a separate Phase 2 proposal.

- Received first draft of Comprehensive plan documents for review.

Project 31002 – GA Lobby

This program provides professional services to represent Middle Peninsula interests at the General Assembly during the current session.

- Consulted with Robert Crockett, President of Advantus on various legislative matters of importance to the Middle Peninsula.

Project 38800 - Local Dredging Technical Assistance Projects

MPPDC staff are providing technical assistance to localities to prepare and submit proposals to the Virginia Port Authority for financing local dredging projects in Mathews and Gloucester Counties.

HOUSING

Funding –Housing Loan Program Income

Project 300132 – Energy Efficiency and Conservation Block Grant (EECBG) Revolving Loan Fund

The program emphasizes a community-based approach to help meet energy and climate protection goals. MPPDC was awarded a contract to provide weatherization renovations to 12 homeowners ineligible for LMI weatherization programs in each of the 6 counties. MPPDC subcontracted the promotion and construction portions of this project to Bay Aging but was tasked with administering the overall project. MPPDC is administering the revolving loan program per DMME.

- Trained new MPPDC CFO on annual report to 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 15th 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 12th of the month to request a payment be held. This has significantly reduced defaults and delinquent repayments of MPPDC loans.
- **Funds available = \$44,715**

EMERGENCY SERVICES

Funding – VDEM/FEMA/Homeland Security

Project 31208 – MP/NN Regional Debris Management Plan

The Middle Peninsula/Northern Neck Debris Management Plan improves and supports the jurisdictions within the Middle Peninsula/Northern Neck's Operational Coordination, Information Sharing and Recovery Planning. The 2017 Gap Analysis of the Middle Peninsula/Northern Neck's Emergency Operations Plans (EOPs) identified the need to develop a Regional Debris Removal Plan that would engage the 10-county area in a joint planning process.

- Submitted final Debris Management Plan to Virginia Department of Emergency Management's (VDEM) Leanne Vanderveer, Region 5 Public Assistance Manager. Staff shared finalized plan with Middle Peninsula localities' emergency staff.

Project 31209 – Re-Entry Plan

The Middle Peninsula/Northern Neck Debris Re-Entry and Access Authorization Plans will improve and support the jurisdictions within the Middle Peninsula/Northern Neck with Operational Coordination, Terrorism Planning, Information Sharing, and Recovery Planning. Re-entry planning is critical to ensure the safe return of citizens to their homes and businesses following an evacuation from a terrorist or natural disaster, while developing a strategy to screen out potential terrorists from infiltrating and taking advantage of a recovery operation.

- Sent out regional re-entry plan to the Middle Peninsula localities. Localities that reviewed were Gloucester and King & Queen Counties.
- Developing a Re-entry Planning presentation to explain: The purpose of re-entry; Definition, characteristics and benefits of the nationwide Crisis Event Response and Recovery Access (CERRA) Program; and Types of identification that can be used during Middle Peninsula re-entry procedures (i.e. vehicle registration, utility bill, homeowners/renters insurance, etc.)
- Added King and Queen County's paper re-entry access permit into Regional Plan. Individual/organizations will use this form when they go through checkpoints. Law enforcement officers will review their form/permit and confirm/verify their identification at the checkpoint. The form asks basic questions such as, reason for re-entry, vehicle type, telephone & addresses of individual/organization, etc. and has a waiver of liability that confirms that individuals/organizations understand the requirements and safety regulations upon and during re-entry.

- Added operational communication coordination between the Virginia State Police (VSP) and the Middle Peninsula localities via Commonwealth Link to Interoperable Communications (COMLINC). The Statewide Agencies Radio System (STARS) contract with Motorola contains an interoperability solution named Motobridge, which VSP renamed COMLINC within Virginia. COMLINC will interface with the STARS network and enable communications between local and state agencies by eliminating the roadblocks imposed by these incompatible radio systems. COMLINC was recently approved for statewide upgrade and replacement funding by VSP.
- Prepared and submitted quarterly financial report and reimbursement request via VDEM EGMS system.
- Set-up phone call with Kimberly Ligon, VDEM grants manager to discuss financial reporting issues especially as relates to proof of payment for Berkley Group invoices.

Project 31210 – Emergency Management

Provides funding for the Regional Emergency Planner position based at the Middle Peninsula Planning District Commission (MPPDC). The Regional Emergency Planner supports the Emergency Managers, who do not have planners on staff, in each locality with planning.

- The cyber-security task force’s point of contact (Chuck Huntley, IT Director of Mathews County) is planning to convene a regional cyber-security and information sharing workshop on November 13th in Mathews County. Mathews County will be partnering with George Mason University – National Science Foundation. Potential agenda items include: The Department of Homeland Security’s Cyber and Infrastructure Security Agency Program resources and services available to State, Local, Tribal, and Territorial (SLTT) entities; Discuss holding a regional tabletop exercise with a cyber-security component to gauge readiness for an event; Discuss potential impacts of Commonwealth House Bill 2178 (Election Infrastructure Security); Short interactive exercise about ransom-ware from the perspectives of local government administrators, elected officials, emergency response managers, and IT leadership. Forwarded this information to outside community partners and stakeholders.
- Attended VDEM Incident Command Structure (ICS) courses. ICS courses allow emergency personnel to better understand the command, control, and coordination of emergency response. Through these courses, individuals and organizations involved in emergency response learn how to work and communicate more effectively and efficiently with each other. ICS courses are typically required for all emergency management jobs.
- Uploaded quarterly progress reports for the Regional Debris Management Plan, Regional Re-entry and Access and Authorization Plan, and the FY2019 Regional Emergency Planner grant through VDEM’s Electronic Grants Management System (EGMS) as a requirement for the State Homeland Security Program (SHSP) grants.
- Conducted research regarding the Watershed Implementation Plan (WIP) III, living shoreline incentive program and coastal dredging.
- Attended the Monthly Local Planners Roundtable Meeting on Wednesday, October 30th.
- Prepared and submitted quarterly financial report and reimbursement request via VDEM EGMS system.

AGENCY ADMINISTRATION

Funding - Indirect cost reimbursements from all PDC projects

MPPDC Administration

Administrative services provided to MPPDC programs. Planned FY19 Indirect Cost rate =54.86%.

- Continued to work on migration of duties, notices, logins, passwords to new CFO.
- Continued new CFO training.

Closed Projects

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 30115 – VHDA Community Impact Grant

This project will consider new approaches to address vacant homes and clouds on deeds within the Middle Peninsula. Using recommendations derived from VCPC's extensive policy analysis, MPPDC will identify feasible strategies to address housing issues in the region. This work will also include a limited field inventory which will help MPPDC better evaluate how many vacant homes are in the Middle Peninsula. The short-term objective of Phase I is to identify tools available to address housing vacancies and determine how many vacant homes are in the Middle Peninsula. MPPDC will contract with VCPC and the Berkley Group to provide needed analysis and footwork.

Project 31211 – Gloucester Continuity of Operations Plan (COOP)

The Middle Peninsula/Northern Neck Debris Management Plan improves and supports the jurisdictions within the Middle Peninsula/Northern Neck's Operational Coordination, Information Sharing and Recovery Planning. The 2017 Gap Analysis of the Middle Peninsula/Northern Neck's Emergency Operations Plans (EOPs) identified the need to develop a Regional Debris Removal Plan that would engage the 10 county area in a joint planning process.

Project 32016 - VIMS Living Shoreline

MPPDC submitted a proposal to the National Fish and Wildlife Foundation for VIMS. The objective of this project is to leverage previous funding from NFWF to install oyster bag sills at two publicly-owned (MPCBPAA) properties on and monitor them for a year. In addition, existing oyster bag sill installations at four private locations will be monitored to determine overall project effectiveness. This work will provide recommendations for installations along fetch-limited shorelines of Chesapeake Bay.

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 15 years +)

Congressman Robert Wittman's Fisheries Advisory Committee and Environmental Advisory Committee: (MPPDC Staff 8 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 9 years+)

The Association for Commuter Transportation (ACT) (Telework Council Secretary): ACT is the premier association for professionals and organizations whose focus is the delivery of commuting options and solutions for an efficient transportation system. The Telework Council is concerned with promoting telework and providing telework information and technical assistance to employers (MPPDC Staff 10 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 12 years)

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

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.

Opportunities Identified to Implement Commission Priorities - \$13,154,283

Service Center	Project Title and Description	Funding Requested	Status
MPCBPAA	Virginia Outdoor Foundation – Captain Sinclair Easement/Improvements	\$180,000	Funded
Environmental	CZM ANPDC Ecotourism II	\$38,263	Funded
Environmental	CZM NNPDC WWF	\$5000	Funded
Environmental	CZM Dredging	\$50,000	Funded
Environmental	CZM Rural Enhancement Authority	\$10,000	Funded
Emergency Mgmt	Re-Entry and Access Authorization Plans	\$44,050	Funded
Emergency Mgmt	Regional Emergency Planner Position	\$49,500	Funded
Environmental	Virginia CWF Funding – Living Shoreline Capitalization	\$250,000	Approved
Environmental	NFWF – Improving Coastal Resiliency Through Nature Based Solutions	\$269,914	Funded
Local	VPA Dredging Proposals – Mathews -2 proposals	\$261,523	Funded
Local	VPA Dredging Proposals – Gloucester -2 proposals	\$232,856	Funded
Transportation	DRPT – FY20 Operating	\$67,846	Funded
Transportation	DRPT – Technical Assistance – Telecommuting as a Solution to Reduce Outcommuting	\$30,000	Not Funded
Transportation	VDOT – RTP FY20	\$58,000	Funded
Environmental	DEQ – Septic Pump Out Assistance	\$17,600	Funded
Environmental	CZM – Coastal Technical Assistance – FY20	\$34,500	Submitted
Environmental	CZM – Ecotourism III	\$25,000	Submitted
Environmental	CZM – Extraction Fee Study	\$15,000	Funded
Environmental	DCR – Flood Prevention	\$28,173	Funded
Environmental	DEQ – WIP III Part 2	\$21,500	Funded
Emergency Mgmt	VDEM Update to MP All Hazard Mitigation Plan	\$93,750	Submitted
Environmental	NFWF – Elevating Septic Case Study	\$83,478	Submitted
Emergency Mgmt	VDEM – Emergency Mgmt Planning	\$49,500	Submitted
Emergency Mgmt	VDEM – Resource Typing	\$36,055	Submitted
Emergency Mgmt	VDEM – MSAT Service	\$17,000	Submitted
Environmental	VEE – Elevated Septic Case Study	\$75001	Submitted
Emergency Mgmt	VDEM – COOP Annexes	\$30,000	Submitted
Environmental	CB License Fund – Fight the Flood	\$3,000	Submitted
MPCBPAA	DCR Virginia Land Conservation Foundation – Land Acquisition	\$455,470	Submitted

ACRONYMS

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

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

Project Description	Location/Lead Organization	Source of Funding (federal = grants.gov)	Jobs Created/Updates
Resiliency Planning and Demonstration – The low-lying areas of the region are experiencing more severe and more frequent flooding. Sea level rise is expected to accelerate these trends in the future. The region and the localities need to step up the planning for resiliency and carryout demonstrations of flooding mitigation techniques.	Department of Emergency Management NOAA HUD Local MPPDC	DEM, NOAA, HUD State	Gloucester and Mathews Counties have undertaken projects to remove, elevate or flood proof structures in high-hazard food prone areas. These efforts need to be expanded to other areas and localities, The Localities are beginning to include additional consideration in their planning for the increased flooding hazards. MPPDC has requested funding from the Sea Grant Program to expand resiliency efforts.
Use of Natural and Nature-Based Features (NNBF) for Coastal Resiliency	FEMA/ Department of Emergency Management NOAA,HUD, Local MPPDC	FEMA, NOAA	Marine Contractors, Physical Scientists, Architects, Landscape Designers
Chesapeake Bay WIP 3 Economic Dev/Water Quality	MPPDC/MPA/Local Govt	EPA/DEQ/GoVa	Numerous based on WIP 3 recommendations
Establish revolving loan and grant programs to help finance resiliency projects on private and public land.	MPPDC Fight the Flood program	EDA/USDA/ VDEQ	Supports marine contractors and landscape architects and related resiliency businesses
Town of Urbanna Water System Upgrade	Town of Urbanna/MPPDC	EDA/USDA-RD/VRA	Govt and Supports private commercial and retail
Opportunity Zone Improvements	Gloucester, King and Queen and Tappahannock	EDA/Commonwealth of VA	All Businesses that locate on the OZ

Comprehensive Economic Development Strategy			2019
Middlesex Water Authority Water System	Middlesex County	County Driven: USDA/EDA/VRA	Govt and Supports private commercial and retail
Deltaville Pedestrian/Bike Trail	Middlesex County/MPPDC	VDOT-FHWA/DCR Trails	Marine, Commercial and Retail
Cooks Corner Revitalizations	Middlesex County and Middlesex EDA	DHCD/EDA/USDA/Go VA	Construction, retail Comercial
KQ Telework/Buinsee Incubator/ Regional Govt Center	King and Queen/King and Queen EDA/MPPDC	VDOT/Local/MPPDC/G a Va/USDA	Retail. Small business and govt jobs.
Middlesex County/HRSD Sewer project.	HRD/Middlesex	HRSD	Govt Employment
Moving potential local and regional economic sites to a higher Tier recognized by VEDP	All Middle Peninsula localities and regional partners	DHCD/EDA/USDA/Go VA	All Sectors what may want to locate in sites.
Route 17 Toursim Bike Path	Gloucester, Middlesex, Essex, and Tappahannock	VDOT/ DHCD/EDA/USDA/Go VA	Transportation Contractos
Improved launch facilities associated with Blueways trails	All Middle Peninsula localities with water trails	VDCR and VCZMP	Marine Contractors
Improvements to public facilities at local museums, such as Guinea Heritage Museum	All Middle Peninsula localities with museums as part of a tourism program	Local, Foundations and Fed and State	Local Contractors
Projects of local and regional importance to Mainstreet projects	All Middle Peninsula localities with approved main street programs.	VDHCD	Local contractors

**MIDDLE PENINSULA PLANNING
DISTRICT COMMISSION**

**AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019**

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

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
BOARD OF COMMISSIONERS

John R. Clickener - Essex County

Margaret H. Davis - Essex County

John Magruder – Essex County

Ashley C. Chriscoe - Gloucester County

Dr. William G. Reay - Gloucester County

Michael Winebarger - Gloucester County

Sherrin C. Alsop - King and Queen County

R. F. Bailey - King and Queen County

Thomas J. Swartzwelder - King and Queen County

David Hansen - King William County

Travis J. Moskalski - King William County

Eugene Rivara - King William County

Bobbie Tassinari - King William County

G. C. Morrow - Mathews County

Tim Hill - Mathews County

Marion Love - Mathews County

Melinda Conner – Mathews County

Kathy Swinehart – Middlesex County

Wayne Jessie – Middlesex County

Gordon White – Middlesex County

Matt Walker – Middlesex County

Roy M. Gladding - Town of Tappahannock

Holly Gailey - Town of Urbanna

Steve Hollberg - Town of Urbanna

Jack Lawson - Town of West Point

INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Middle Peninsula Planning District Commission
Saluda, Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Middle Peninsula Planning District Commission, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Middle Peninsula Planning District Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made be 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, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Middle Peninsula Planning District Commission's basic financial statements. The schedule of revenues and expenses by program on pages 31 – 32 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November xx, 2019, on our consideration of Middle Peninsula Planning District Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Middle Peninsula Planning District Commission's internal control over financial reporting and compliance.

Certified Public Accountants
Chantilly, Virginia

November xx, 2019

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, 2019. 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>2019</u>	<u>2018</u>
Current Assets	\$ 916,726	\$ 874,413
Loans Receivable	240,113	277,082
Capital Assets (net)	<u>1,746</u>	<u>4,323</u>
Total Assets	<u>1,158,585</u>	<u>1,155,818</u>
Deferred Outflows of Resources	<u>10,096</u>	<u>13,015</u>
Current Liabilities	211,806	228,465
Long-Term Liabilities	<u>240,560</u>	<u>230,768</u>
Total Liabilities	<u>452,366</u>	<u>459,233</u>
Deferred Inflows of Resources	<u>113,784</u>	<u>157,347</u>
Invested in Capital Assets	1,746	4,323
Unrestricted	<u>600,785</u>	<u>547,930</u>
Total Net Position	<u>\$ 602,531</u>	<u>\$ 552,253</u>

Current assets increased during the year by approximately \$42,000 primarily due to an increase in accounts receivable as the Commission staff were more successful in identifying and being awarded grants to further the work of the Commission. Much of this additional funding was in the form of federal awards, the reimbursement of which does not conform to the Commission's fiscal year.

Loans receivable decreased approximately \$37,000 during the year as a result of repayments on various revolving loan programs.

Deferred outflows of resources associated with the differences in projected and actual experience of the pension plan was reduced by approximately \$2,900 during the year.

Current liabilities decreased approximately \$17,000 during the year primarily as a result of a decrease in deferred revenue.

Deferred inflows of resources associated with the differences in projected and actual experience of the pension plan and differences between projected and actual earnings of the plan assets was reduced by \$43,500 during the year.

Long-term liabilities increased by approximately \$10,000 during the current year, as the Commission continued its septic repair and living shoreline loan programs financed through the Virginia Resources Authority. VRA loans have a delayed payback period of 2-3 years.

Total net position increased by approximately \$50,000 this year primarily due to a decrease in pension plan liabilities and an increase in interest income.

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

	<u>2019</u>	<u>2018</u>
Revenues		
Operating revenues	\$882,787	\$752,125
Interest	<u>15,538</u>	<u>8,954</u>
Total Revenues	<u>898,325</u>	<u>761,079</u>
Expenses		
General and administration	119,890	107,228
Project costs	<u>782,940</u>	<u>659,609</u>
Total Expenses	<u>902,830</u>	<u>766,837</u>
GASB 68 pension benefit	<u>54,783</u>	<u>40,789</u>
Change in net position	50,278	35,031
Net position at beginning of year	<u>552,253</u>	<u>517,222</u>
Net position at end of year	<u>\$602,531</u>	<u>\$552,253</u>

Operating revenues increased by approximately \$131,000 and project expenses increased by approximately \$123,000 from the prior year. It is not uncommon for these figures to change substantially from year to year due to differences in the Commission's work program based on changes in the Commission's priorities and the availability of funding to implement the work program.

In FY 2019 actual operating revenues were under the budgeted amount by approximately \$156,000 as several projects were delayed due to forces beyond the Commission's control—such as staffing changes and delays by project partners. Project costs for contractual costs were under budget by \$16,000 for the same reasons, and project costs for construction were under budget by \$34,000 due to weather delays and contractor capacity issues.

Actual expenses exceeded budgeted expenses for personnel costs by approximately \$37,000 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. Fringe benefits were \$4,000 lower due to loss of staff. Bad debt expense exceeded the budget by \$5,000 as it was determined that several receivables were unlikely to be paid and hence written off. This action does not preclude continuing efforts to pursue collection on this debt.

There was an increase of approximately \$13,000 in general Administration expenses as the Commission directed staff to continue to work with the General Assembly and other entities to explore blue/green infrastructure environmental and economic development issues for which external resources were not identified.

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 four 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 was paid off in the current year. In 2011 the Commission received another \$250,000 loan from the Virginia Water Facilities Revolving Fund to increase the revolving loan fund for wastewater loans. This loan consisted of a \$125,000 no interest loan and a \$125,000 “principal forgiveness” loan. As of June 30, 2019, \$125,000 had been drawn on this loan and an additional \$125,000 on the “principal forgiveness loan”. This loan has been reduced by regular annual payments to \$50,000. During FY2016 the Commission received another loan in the amount of \$250,000 loan from the Virginia Water Facilities Revolving Fund to increase the revolving loan fund for wastewater loans. As of June 30, 2019, only \$75,902 had been drawn on this loan but through regular annual payments has been reduced to \$56,856. A fourth loan in the amount of a \$250,000 loan from the Virginia Water Facilities Revolving Fund to capitalize the new revolving loan fund for living shoreline projects was settled in FY2018. As of June 30, 2019, \$182,867 has been drawn down on this loan but through regular annual payments has been reduced to \$174,534.

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 challenges posed to the organization by the high dependency on grants to fund operations especially during periods of economic stress and continues to explore other options to fund its essential programs including increased local funding. Management continues to work with the MPPDC leadership to explore strategies to fund the Commission, provide for a motivated and adequately compensated staff, and increase performance while maintaining compliance with the requirements of OMB Uniform Guidance and the needs and resources of the member localities. Currently management has increased the use of staffing under cooperative procurement to provide staffing needs as a means to providing more and varied expertise for increasingly complicated projects being undertaken by the Commission in regards to environmental and economic development projects.

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, 2019

ASSETS

Current Assets

Cash and cash equivalents	\$ 639,973
Restricted cash	29,167
Accounts receivable	247,586
Total Current Assets	916,726

Noncurrent Assets

Capital assets, net	1,746
Loans receivable	240,113
Total Noncurrent Assets	241,859
Total Assets	1,158,585

DEFERRED OUTFLOWS OF RESOURCES

Pension contributions after the measurement date	8,734
Differences between expected and actual experience	1,362
Total Deferred Outflows of Resources	10,096

LIABILITIES

Current Liabilities

Accounts payable	52,812
Deferred revenue	64,072
Accrued leave payable	45,755
Current portion of notes payable	49,167
Total Current Liabilities	211,806

Noncurrent Liabilities

Notes payable, net of current portion	232,223
Net pension liability	8,337
Total Liabilities	452,366

DEFERRED INFLOWS OF RESOURCES

Differences between expected and actual experience	101,742
Changes of assumptions	3,956
Net difference between projected and actual earnings on plan investments	8,086
Total Deferred Inflows of Resources	113,784

NET POSITION

Invested in capital assets, net of related debt	1,746
Unrestricted	600,785
Total Net Position	\$ 602,531

See accompanying notes

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

Operating Revenues

Grants and appropriations	
Federal grants	\$ 419,513
State grants and appropriations	244,513
Local grants and appropriations	198,206
Miscellaneous	20,555
Total Operating Revenues	882,787

Operating Expenses

Salaries	322,002
Consultant and contractual	264,059
Construction	96,138
Fringe benefits	88,686
Promotion and advertising	42,382
Rent and utilities	30,774
Printing and duplicating	10,913
Legal and accounting	10,092
Workshops and conferences	6,582
Office supplies	5,979
Bad debt	5,225
Dues and memberships	4,225
Telephone	3,045
Depreciation	2,577
Meeting supplies and expenses	2,036
Insurance	2,030
Lodging and staff expense	1,854
Vehicle costs	1,842
Website and internet	1,637
Subscriptions and publications	338
Postage	330
Miscellaneous	84
Total Operating Expenses	902,830
Operating Income (Loss)	(20,043)

Non-Operating Revenues

Interest income	15,538
GASB 68 pension benefit	54,783
Change in Net Position	50,278
Net Position - Beginning of Year	552,253
Net Position - End of Year	\$ 602,531

See accompanying notes

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

Cash Flows from Operating Activities

Received from customers	\$ 712,785
Paid to suppliers for goods and services	(573,240)
Paid to employees for services	(309,202)
Net Cash Flows Used in Operating Activities	(169,657)

Cash Flows from Capital and Related Financing Activities

Proceeds from notes payable	73,098
Principal paid on notes payable	(53,333)
Net Cash Flows Provided by Capital and Related Financing Activities	19,765

Cash Flows from Investing Activities

Disbursement for new loans made	(51,959)
Loan payments received	88,928
Interest income	15,538
Net Cash Flows Provided by Investing Activities	52,507

Net Change in Cash and Cash Equivalents	(97,385)
Cash and Cash Equivalents - Beginning of Year	766,525
Cash and Cash Equivalents - End of Year	\$ 669,140

Reconciliation of Operating Income to Net Cash

Provided by Operating Activities

Operating income (loss)	\$ (20,043)
Depreciation	2,577
Changes in Assets and Liabilities	
Accounts receivable	(139,698)
Accounts payable	36,071
Deferred revenue	(46,381)
Accrued annual leave	(2,183)
Net Cash Flows from Operating Activities	\$ (169,657)

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) 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 10. Personnel costs for Commission employees, including overtime and compensatory time, are direct charges to the appropriate projects. Expenses for paid leave and fringe benefits are allocated to projects as described in Notes 10 and 11.
- (d) Concentrations of Credit and Market Risk – Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash equivalents and investments. Cash equivalents are maintained at high-quality financial institutions which, at times, may exceed federally insured limits. Credit exposure is limited to any one institution. The Commission has not experienced any losses on its cash equivalents.
- (e) Cash and Cash Equivalents – Cash and cash equivalents include investments in highly liquid debt instruments with a maturity of three months or less, excluding amounts whose use is limited by the Commission’s Board designation or other arrangements under trust agreements with third-party payers.
- (f) Accounts Receivable – Accounts receivable are reported at their gross value when earned as the underlying exchange transaction occurs. Receivables related to non-exchange transactions are recognized when their eligibility requirements have been met. Receivables are reduced by the estimated portion that is expected to be uncollectible. This estimate is made based on collection history and current information regarding the credit worthiness of the debtors. When continued collection activity results in receipts of amounts previously written off, revenue is recognized for the amount collected. Management considers all of the receivables collectible at June 30, 2019, 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 \$34,515 as of June 30, 2019.
- 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 \$11,240 as of June 30, 2019.
- (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 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.

- (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, 2019 the carrying amount of the Commission’s deposits with banks was \$220,302 and the bank balances were \$299,850. 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 \$448,837 at June 30, 2019.

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NOTE 3 – Restricted Cash

The Virginia Resources Authority has required the Commission to provide a loan loss reserve of one year’s worth of debt service on the 2015 Septic Repair Revolving Loan Fund note payable and for the 2015 Living Shoreline Revolving Loan Fund. Restricted cash accounts in the amount of \$12,500 and \$16,667, respectively, have been established.

NOTE 4 – Property and Equipment

A summary of property and equipment as of June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Disposals	Balance June 30, 2019
Equipment	\$ 58,195	\$ -	\$ -	\$ 58,195
Accumulated Depreciation	<u>(53,872)</u>	<u>(2,577)</u>	-	<u>(56,449)</u>
Net	<u>\$ 4,323</u>	<u>\$(2,577)</u>	<u>\$ -</u>	<u>\$ 1,746</u>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 – Pension Plan

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

Plan Description

All full-time, salaried permanent employees of the Political Subdivision are automatically covered by VRS Retirement Plan upon employment. This plan is administered by the Virginia Retirement System (the System) along with plans for other employer groups in the Commonwealth of Virginia. Members earn one month of service credit for each month they are employed and for which they and their employer pay contributions to VRS. Members are eligible to purchase prior service, based on specific criteria 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:

PLAN 1	PLAN 2	HYBRID RETIREMENT PLAN
<p>About Plan 1 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.</p>	<p>About Plan 2 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.</p>	<p>About the Hybrid Retirement Plan The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> • The defined benefit is based on a member’s age, creditable service and average final compensation at retirement using a formula. • The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions. • 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.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plan (Continued)

<p>Eligible Members Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken a refund.</p> <p>Hybrid Opt-In Election VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan’s effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and had prior service under Plan 1 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 1 or ORP.</p>	<p>Eligible Members Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p>Hybrid Opt-In Election Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan’s effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement plan.</p> <p>Members who were eligible for an optional retirement plan (ORP) and have prior service under Plan 2 were not eligible to elect the Hybrid Retirement Plan and remain as Plan 2 or ORP.</p>	<p>Eligible Members 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"> • Political subdivision employees* • Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan’s effective date for opt-in members was July 1, 2014. <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"> • Political subdivision employees who are covered by enhanced benefits for hazardous duty employees. <p>Those employees eligible for an optional retirement plan (ORP) must elect the ORP plan or the Hybrid Retirement Plan. If these members have prior service under Plan 1 or Plan 2, they are not eligible to elect the Hybrid Retirement Plan and must select Plan 1 or Plan 2 (as applicable) or ORP.</p>
<p>Retirement Contributions Members contribute up to 5% of their compensation each month to their member contribution account through a pre-tax salary reduction. 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>Retirement Contributions Same as Plan 1.</p>	<p>Retirement Contributions A member’s retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee’s creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages.</p>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plan (Continued)

<p>Creditable Service 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>Creditable Service Same as Plan 1.</p>	<p>Creditable Service <u>Defined Benefit Component:</u> 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><u>Defined Contributions Component:</u> Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>
<p>Vesting 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>Vesting Same as Plan 1.</p>	<p>Vesting <u>Defined Benefit Component:</u> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of creditable service. Plan 1 or Plan 2 members with at least five years (60 months) of creditable service who opted into the Hybrid Plan remain vested in the defined benefit component.</p> <p><u>Defined Contributions Component:</u> 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 Plan (Continued)

		<p>Vesting (continued)</p> <ul style="list-style-type: none"> • After two years, a member is 50% vested and may withdraw 50% of employer contributions. • After three years, a member is 75% vested and may withdraw 75% of employer contributions. • After four or more years, a member is 100% vested and may withdraw 100% of employer contributions. <p>Distribution is not required by law until age 70½.</p>
<p>Calculating the Benefit 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>Calculating the Benefit See definition under Plan 1.</p>	<p>Calculating the Benefit <u>Defined Benefit Component:</u> See definition under Plan 1.</p> <p><u>Defined Contribution Component:</u> The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>
<p>Average Final Compensation A member’s average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation A member’s average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p>Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p>Service Retirement Multiplier VRS: 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 1.70%.</p> <p>Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p>	<p>Service Retirement Multiplier VRS: 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>Sheriffs and regional jail superintendents: Same as Plan 1.</p>	<p>Service Retirement Multiplier <u>Defined Benefit Component:</u> VRS: The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p>Sheriffs and regional jail superintendents: Not applicable</p>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plan (Continued)

<p>Service Retirement Multiplier VRS: (continued)</p> <p>Political subdivision hazardous duty employees: The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p>Service Retirement Multiplier VRS: (continued)</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Service Retirement Multiplier VRS: (continued)</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Not applicable.</p>
<p>Normal Retirement Age VRS: Age 65.</p> <p>Political subdivision hazardous duty employees: Age 60.</p>	<p>Normal Retirement Age VRS: Normal Social Security retirement age.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Normal Retirement Age <u>Defined Benefit Component:</u> VRS: Same as Plan 2.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Unreduced Retirement Eligibility VRS: 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>Political subdivision hazardous duty employees: Age 60 with at least five years (60 months) of creditable service or at age 50 with at least 25 years of creditable service.</p>	<p>Earliest Unreduced Retirement Eligibility VRS: Normal Social Security retirement age with at least five years (60 months) of creditable service or when their age and service equal 90.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: 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>Political subdivision hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p>Earliest Reduced Retirement Eligibility VRS: Age 55 with at least five years (60 months) of creditable service or at age 50 with at least 10 years of creditable service.</p> <p>Political subdivision hazardous duty employees: 50 with at least five years of creditable service.</p>	<p>Earliest Reduced Retirement Eligibility VRS: Age 60 with at least five years (60 months) of creditable service.</p> <p>Political subdivision hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility <u>Defined Benefit Component:</u> VRS: Age 60 with at least five years (60 months) of creditable service.</p> <p>Political subdivision hazardous duty employees: Not applicable.</p> <p><u>Defined Contribution Component:</u> Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plan (Continued)

<p>Cost-of-Living Adjustment (COLA) in Retirement 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>Eligibility: 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 1 after one calendar year following the unreduced retirement eligibility date.</p> <p>Exceptions to COLA Effective Dates: 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"> • The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013. • The member retires on disability. • The member retires directly from short-term to long-term disability under the Virginia Sickness and Disability Program (VSDP). • 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. <p>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.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p> <p>Eligibility: Same as Plan 1.</p> <p>Exceptions to COLA Effective Dates: Same as Plan 1.</p>	<p>Cost-of-Living Adjustment (COLA) in Retirement Defined Benefit Component: Same as Plan 2.</p> <p>Defined Contribution Component: Not applicable.</p> <p>Eligibility: Same as Plan 1 and Plan 2.</p> <p>Exceptions to COLA Effective Dates: Same as Plan 1 and Plan 2.</p>
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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plan (Continued)

<p>Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.70% on all service, regardless of when it was earned, purchased or granted.</p>	<p>Disability Coverage 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>Disability Coverage Employees of political subdivisions (including Plan 1 and Plan 2 opt-ins) participate in the Virginia Local Disability Program (VLDP) unless their local governing body provides and employer-paid comparable program for its members.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work-related disability benefits.</p>
<p>Purchase of Prior Service 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>Purchase of Prior Service Same as Plan 1.</p>	<p>Purchase of Prior Service Defined Benefit Component: Same as Plan 1, with the following exceptions: <ul style="list-style-type: none"> Hybrid Retirement Plan members are ineligible for ported service. Defined Contribution Component: Not applicable.</p>

Employees Covered by Benefit Terms

As of the June 30, 2017 actuarial valuation, the following employees were covered by the benefit terms of the pension plan:

	Number
Inactive Members or Their Beneficiaries Currently Receiving Benefits	3
Inactive Members	
Vested inactive members	1
Non-vested inactive members	2
Inactive members active elsewhere in VRS	0
Total Inactive Members	3
Active Members	3
Total covered employees	9

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 – Pension Plans (Continued)

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% of their compensation toward their retirement.

The Commission's contractually required contribution rate for the year ended June 30, 2019 was 4.68% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017. The actuarial rate for the Commission's plan was 4.2%.

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. Contributions to the pension plan from the Commission were \$10,096 and \$11,043 for the years ended June 30, 2019 and June 30, 2018, respectively.

Net Pension Liability

The net pension liability (NPL) is calculated separately for each employer and represents that particular employer's total pension liability determined in accordance with GASB Statement No. 68, less that employer's fiduciary net position. For political subdivisions, the net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2017 rolled forward to the measurement date of June 30, 2018.

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, 2017, 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, 2018.

Inflation	2.5%
Salary increases, including Inflation	3.5% – 5.35%
Investment rate of return	7.0%, net of pension plan investment expenses, 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.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 – Pension Plans (Continued)

Mortality rates:

Largest 10 - Non-Hazardous Duty: 20% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

All Others (Non 10 Largest) - Non-Hazardous Duty: 15% of deaths are assumed to be service related

Pre-Retirement:

RP-2014 Employee Rates to age 80, Healthy Annuitant Rates at ages 81 and older projected with scale BB to 2020; males 95% of rates; females 105% of rates.

Post-Retirement:

RP-2014 Employee Rates to age 49, Healthy Annuitant Rates at ages 50 and older projected with scale BB to 2020; males set forward 3 years; females 1.0% increase compounded from ages 70 to 90.

Post-Disablement:

RP-2014 Disability Mortality Rates projected with scale BB to 2020; males set forward 2 years, 110% of rates; females 125% of rates.

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016. Changes to the actuarial assumptions as a result of the experience study are as follows:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 – Pension Plans (Continued)

All Other (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%

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:

<i>Long-Term Expected Rate of Return (Continued)</i>	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long- Term Expected Rate of Return
Public Equity	40.00%	4.54%
Fixed Income	15.00%	0.69%
Credit Strategies	15.00%	3.96%
Real Assets	15.00%	5.76%
Private Equity	15.00%	9.53%
Total	100.00%	4.80%
	Inflation	2.50%
* Expected arithmetic nominal return		7.30%

* The above allocation provides a one-year return 7.30%. However, one-year returns do not take into account the volatility present in each of the asset classes. In setting the long-term expected return for the system, stochastic projections are employed to model future returns under various economic conditions. The results provide a range of returns over various time periods that ultimately provide a median return of 6.83%, including expected inflation of 2.50%.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plans (Continued)

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. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2018, the alternate rate was the employer contribution rate used in FY2012 or 90% of the actuarially determined employer contribution rate from the June 30, 2015, actuarial valuations, whichever was greater. From July 1, 2018 on, participating employers are assumed to continue 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.

Change in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2017	\$745,449	\$722,973	\$22,476
Changes for the year:			
Service cost	22,841	-	22,841
Interest	51,597	-	51,597
Differences between expected and actual experience	(14,068)	-	(14,068)
Contributions – employer	-	11,043	(11,043)
Contributions – employee	-	10,076	(10,076)
Net investment income	-	53,890	(53,890)
Benefit payments, including refunds of employee contributions	(16,701)	(16,701)	-
Administrative expense	-	(452)	452
Other changes	-	(48)	48
Net changes	43,669	57,808	(14,139)
Balances at June 30, 2018	<u>\$789,118</u>	<u>\$780,781</u>	<u>\$ 8,337</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 7.00%, 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 (6.00%) or one percentage point higher (8.00%) than the current rate:

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 5 – Pension Plans (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Commission's Net Pension Liability	\$120,583	\$8,337	\$(85,429)

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

For the year ended June 30, 2019, the Commission recognized pension benefit of \$54,783. At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Summary of Deferred Outflows of Resources and Inflows of Resources (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,362	\$101,742
Changes of assumptions	-	3,956
Net difference between projected and actual earnings on plan investments	-	8,086
Employer contributions subsequent to the Measurement Date	8,734	-
Total	<u>\$10,096</u>	<u>\$113,784</u>

\$8,724 reported as deferred outflows 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, 2020. 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,	
2020	\$(52,352)
2021	(50,934)
2022	(8,507)
2023	(629)
2024	-
Thereafter	-

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 5 – Pension Plans (Continued)

Additional Financial and Actuarial Information

Additional financial information supporting the preparation of the VRS Political Subdivision Plan Schedules (including the financial statements and the unmodified audit opinion thereon, and required supplementary information) is presented in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR is publicly available through <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or a copy may be obtained by submitting a request to the VRS Chief Financial Officer, PO Box 2500 Richmond, VA 23218-2500.

NOTE 6 – Lease Commitments

The Commission is obligated under a non-cancelable operating lease for office facilities. The 21-month facility lease commence on October 1, 2018 and expires on June 30, 2020. The lease calls for monthly payments in the amount of \$1,801, with an increase rate of 3% beginning July 2019. Rent expense for this lease was \$21,600 for the year ended June 30, 2019.

Future minimum rental payments under this lease is as follows:

Year ending June 30,	
2020	<u>\$25,680</u>
Total minimum lease payments	<u>\$25,680</u>

NOTE 7 – 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 \$-0- at June 30, 2019.

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. The balance of this loan was \$50,000 at June 30, 2019.

On December 16, 2014 the Commission entered into a financing agreement with the Virginia Water Facilities Revolving Fund to receive a \$200,000 loan to finance project costs of small water facility projects. The loan is non-interest bearing, and calls for semi-annual repayments of \$10,000 commencing on June 1, 2018. As of June 30, 2019, \$86,856 had been drawn down against this note. The balance of this loan was \$56,856 at June 30, 2019.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS

(Continued)

NOTE 7 – Notes Payable (continued)

On June 14, 2017 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 \$8,333 commencing on June 1, 2019. As of June 30, 2018, \$182,867 had been drawn down against this note. The balance of this loan was \$174,534 at June 30, 2019.

The following is a summary of changes in long-term debt for the year ended June 30, 2019:

	<u>Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending</u>
VRA 1997 Note	\$ 12,500	\$ -	\$12,500	\$ -
VRA 2011 Note	62,500	-	12,500	50,000
VRA 2015 Note	65,902	10,954	20,000	56,856
VRA 2017 Note	<u>120,723</u>	<u>62,144</u>	<u>8,333</u>	<u>174,534</u>
Total	<u>\$261,625</u>	<u>\$ 73,098</u>	<u>\$53,333</u>	<u>\$281,390</u>

Mandatory debt service requirements consist of the following:

<u>Year ending June 30,</u>	<u>Total</u>
2020	\$ 49,167
2021	49,167
2022	46,023
2023	29,167
2024	16,666
Thereafter	<u>91,200</u>
Total	<u>\$281,390</u>

NOTE 8 – 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, 2019. Loan loss reserves exist for several of the programs.

NOTE 9 – 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, 2019, 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.

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

**NOTES TO FINANCIAL STATEMENTS
(Continued)**

NOTE 10 – 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, 2019, was 28.42%, and is calculated as follows:

Indirect costs	\$ <u>148,693</u>
Total direct salaries, leave, and fringe benefits	\$523,134 = 28.42%

The following are included in indirect costs allocated to projects:

Salaries	\$ 58,595
Rent	22,499
Fringe benefits	15,881
Printing and duplicating	10,913
Consulting/contractual services	9,293
Accounting	7,477
Office supplies	5,087
Utilities	4,012
Facility maintenance	3,923
Telephone	3,033
Depreciation	2,577
Website/internet	1,621
Public officials insurance	1,358
Vehicle insurance	1,040
Vehicle operating costs	802
Postage	277
Facility insurance	176
Miscellaneous	<u>129</u>
Total	\$ <u>148,693</u>

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO FINANCIAL STATEMENTS (Concluded)

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, 2019 was 27.54%, and is calculated as follows:

Fringe benefit expense	<u>\$ 88,686</u>
Total salaries	\$322,002 = 27.54%

Components of fringe benefit expense for the year ended June 30, 2018, are shown below:

Fringe benefits	
Group health insurance	\$43,870
Social security taxes	24,380
Retirement and special pension	17,478
Group life insurance	2,445
Workers compensation insurance	475
Unemployment	<u>38</u>
Total	<u>\$88,686</u>

NOTE 12 – 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, 2019, are shown below:

Leave	
Annual	\$18,831
Holiday	18,108
Sick	<u>10,753</u>
Total	<u>\$47,692</u>

The leave allocation rate for the fiscal year ended June 30, 2019, is calculated as follows:

Leave allocation	<u>\$ 47,692</u>
Total salaries excluding leave	\$274,310 = 17.39%

NOTE 13 – Evaluation of Subsequent Events

The Commission has evaluated subsequent events through November xx, 2019, 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, 2019

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MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

SCHEDULE OF REVENUES AND EXPENSES BY PROGRAM

For the Year Ended June 30, 2019

	<u>Local Programs</u>	<u>Rural Trans- portation Planning</u>	<u>TDM</u>	<u>TDM Marketing</u>	<u>MPBDP Support</u>	<u>WQIF</u>
Revenues						
Federal	\$ -	\$ 58,000	\$ -	\$ -	\$ -	\$ -
State	75,971	-	67,846	8,390	-	68,710
Local	135,699	-	-	-	-	-
Other	14,719	-	-	-	1,321	-
Total Revenues	<u>226,389</u>	<u>58,000</u>	<u>67,846</u>	<u>8,390</u>	<u>1,321</u>	<u>68,710</u>
Expenses						
Salaries	65,542	1,584	17,243	4,071	798	2,491
Fringe benefits	18,318	457	4,982	1,176	231	720
Office supplies	(515)	-	-	-	-	-
Meeting supplies	734	-	-	41	-	-
Private mileage	-	-	113	-	-	-
Lodging and staff expense	890	-	-	-	-	-
Travel	130	-	30	-	-	-
Dues and memberships	3,050	-	1,175	-	-	-
Conferences	2,455	45	1,652	-	-	-
Accounting and audit	211	-	-	-	-	-
Legal services	974	-	-	-	-	-
Consultant and contractual	793	65,000	-	5,200	-	-
Construction	-	-	-	-	-	66,637
Postage	13	-	-	-	-	18
Promotion and advertising	-	-	42,382	-	-	-
Miscellaneous	1,145	-	16	-	-	-
Bad debt expense	-	-	-	-	-	-
Indirect expense	26,150	7,692	19,194	2,978	292	917
Total Expenses	<u>119,890</u>	<u>74,778</u>	<u>86,787</u>	<u>13,466</u>	<u>1,321</u>	<u>70,783</u>
Revenues Over (Under) Expenses	106,499	(16,778)	(18,941)	(5,076)	-	(2,073)
General Fund Support	<u>(111,004)</u>	<u>16,778</u>	<u>18,941</u>	<u>5,076</u>	-	<u>2,073</u>
Revenues and General Fund Support Over (Under) Expenses	<u>\$ (4,505)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Water Supply Plan	Loan Management	Blue/Green Infrastructure	MP/NN Reg. EOP	Energy Efficient CBG	Septic Pump out	Working Waterfronts	WWF Video	WIP III Update	GA Lobby
\$ -	\$ -	\$ -	\$ 59,355	\$ -	\$ 154	\$ 2,416	\$ 4,237	\$ 57,288	\$ -
-	-	-	-	-	-	-	-	-	-
10,187	-	-	-	-	-	-	-	-	20,319
-	13,751	-	-	513	-	-	-	-	-
<u>10,187</u>	<u>13,751</u>	<u>-</u>	<u>59,355</u>	<u>513</u>	<u>154</u>	<u>2,416</u>	<u>4,237</u>	<u>57,288</u>	<u>20,319</u>
6,366	5,000	7,614	26,843	310	-	1,329	2,626	9,222	-
1,568	1,434	2,020	7,712	90	-	320	674	2,512	-
-	-	-	-	-	-	-	-	-	-
-	-	149	745	-	-	-	-	89	-
-	-	38	190	-	-	-	-	-	-
-	-	186	62	-	-	-	-	47	-
-	-	30	-	-	-	-	-	-	10
-	-	-	-	-	-	-	-	-	-
-	-	548	-	-	-	-	-	-	-
-	463	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	500	9,795	-	120	-	-	38,500	26,038
-	-	-	-	-	-	-	-	-	-
-	7	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	(348)	500	4	-	-	-	-	-	-
-	5,225	-	-	-	-	-	-	-	-
2,253	1,970	3,290	12,878	113	34	468	937	11,466	-
<u>10,187</u>	<u>13,751</u>	<u>14,875</u>	<u>58,229</u>	<u>513</u>	<u>154</u>	<u>2,117</u>	<u>4,237</u>	<u>61,836</u>	<u>26,048</u>
-	-	(14,875)	1,126	-	-	299	-	(4,548)	(5,729)
-	-	14,875	(1,126)	-	-	(299)	-	4,548	5,729
<u>\$ -</u>	<u>\$ -</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, 2019

VHDA Impact grant	Local Dredging TA	Costal TA	CZM Dredging	CZM Extraction Fee Study	Living Shorelines	Living Shorelines Incentive	NFWF Landowners Living Shoreline Management	MPEDRO Administration
\$ -	\$ -	\$ 32,381	\$ 15,332	\$ 8,209	57,561	\$ -	\$ 4,476	\$ -
23,596	-	-	-	-	-	-	-	-
-	6,340	-	-	-	-	-	-	11,553
-	-	-	-	-	-	5,789	-	-
<u>23,596</u>	<u>6,340</u>	<u>32,381</u>	<u>15,332</u>	<u>8,209</u>	<u>57,561</u>	<u>5,789</u>	<u>4,476</u>	<u>11,553</u>
1,086	3,927	37,495	4,859	5,077	312	3,308	2,757	7,031
311	1,008	10,654	1,281	1,317	90	956	729	1,949
-	-	43	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	3	42	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	245	-	10
579	-	-	-	-	-	-	-	-
20,000	-	3,000	5,801	-	57,064	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	8
-	-	-	-	-	-	-	-	-
173	-	15	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
6,329	1,402	14,554	3,391	1,815	115	1,280	990	2,555
<u>28,478</u>	<u>6,340</u>	<u>65,803</u>	<u>15,332</u>	<u>8,209</u>	<u>57,581</u>	<u>5,789</u>	<u>4,476</u>	<u>11,553</u>
(4,882)	-	(33,422)	-	-	(20)	-	-	-
<u>4,882</u>	<u>-</u>	<u>33,422</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Regional Emergency Planning	Re-Entry Plan	Gloucester COOP	Ecotourism	Ecotourism II	Rural Enhancement Authoirty	PAA Administration	PAA Master Plan	Total
\$ 19,885	\$ 11,047	\$ -	\$ 12,377	\$ 35,175	4,161	-	\$ 37,459	\$ 419,513
-	-	-	-	-	-	-	-	244,513
-	-	9,000	-	-	-	5,108	-	198,206
-	-	-	-	-	-	-	-	36,093
<u>19,885</u>	<u>11,047</u>	<u>9,000</u>	<u>12,377</u>	<u>35,175</u>	<u>4,161</u>	<u>5,108</u>	<u>37,459</u>	<u>898,325</u>
3,327	3,461	270	10,758	20,266	2,542	2,258	3,634	263,407
961	1,000	78	2,714	5,145	699	650	1,050	72,806
-	-	-	-	8	-	168	-	(296)
50	-	-	-	-	-	227	-	2,035
-	-	-	-	37	-	-	-	378
37	-	8	-	-	-	-	-	1,230
-	-	-	-	-	-	-	-	245
-	-	-	-	-	-	-	-	4,225
1,868	-	-	-	-	-	-	-	6,568
-	-	-	-	-	-	11	-	940
-	-	-	-	-	-	122	-	1,675
9,244	4,142	7,000	-	2,500	-	197	(14,043)	240,851
-	-	-	-	-	-	-	-	66,637
-	-	-	-	-	-	7	-	53
-	-	-	-	-	-	-	-	42,382
-	-	-	-	-	-	434	43,837	45,776
-	-	-	-	-	-	-	-	5,225
4,398	2,444	2,089	4,545	7,219	920	1,034	2,981	148,693
<u>19,885</u>	<u>11,047</u>	<u>9,445</u>	<u>18,017</u>	<u>35,175</u>	<u>4,161</u>	<u>5,108</u>	<u>37,459</u>	<u>902,830</u>
-	-	(445)	(5,640)	-	-	-	-	(4,505)
-	-	445	5,640	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,505)</u>

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

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2019

	Actual	Budget	Favorable (Unfavorable)
Operating Revenues			
Grants and appropriations			
Federal grants	\$ 419,513	\$ 637,162	\$ (217,649)
State grants and appropriations	244,513	159,817	84,696
Local grants and appropriations	198,206	199,947	(1,741)
Miscellaneous	20,555	42,120	(21,565)
Total Operating Revenues	<u>882,787</u>	<u>1,039,046</u>	<u>(156,259)</u>
Operating Expenses			
Salaries	322,002	284,619	(37,383)
Consultant and contractual	264,059	280,364	16,305
Construction	96,138	130,522	34,384
Fringe benefits	88,686	92,953	4,267
Promotion and advertising	42,382	42,270	(112)
Rent and utilities	30,774	30,702	(72)
Printing and duplicating	10,913	11,000	87
Legal and accounting	10,092	10,500	408
Workshops and conferences	6,582	9,000	2,418
Office supplies	5,979	2,500	(3,479)
Bad debt	5,225	-	(5,225)
Dues and memberships	4,225	4,460	235
Telephone	3,045	3,150	105
Depreciation	2,577	-	(2,577)
Meeting supplies and expenses	2,036	800	(1,236)
Insurance	2,030	2,045	15
Lodging and staff expense	1,854	4,500	2,646
Vehicle costs	1,842	2,150	308
Website and internet	1,637	14,700	13,063
Subscriptions and publications	338	200	(138)
Postage	330	1,200	870
Miscellaneous	84	100	16
Total Operating Expenses	<u>902,830</u>	<u>927,735</u>	<u>24,905</u>
Operating Income (Loss)	(20,043)	111,311	(131,354)
Non-Operating Revenues			
Interest income	15,538	7,000	8,538
GASB 68 pension benefit	54,783	-	54,783
Change in Net Position	<u>50,278</u>	<u>118,311</u>	<u>(68,033)</u>
Net Position - Beginning of Year	552,253	552,253	-
Net Position - End of Year	<u>\$ 602,531</u>	<u>\$ 670,564</u>	<u>\$ (68,033)</u>

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, 2019, and the related notes to the financial statements, which collectively comprise Middle Peninsula Planning District Commission's basic financial statements, and have issued our report thereon dated November xx, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Certified Public Accountants
Chantilly, Virginia

November xx, 2019

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
SCHEDULE OF CHANGES IN THE COMMISSION'S NET PENSION
LIABILITY AND RELATED RATIOS**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability					
Service Cost	\$ 22,841	\$ 33,694	\$ 32,598	\$ 35,411	\$ 33,666
Interest on total pension liability	51,597	47,499	44,855	56,054	51,210
Differences between expected and actual experience	(14,068)	2,582	(27,899)	(247,777)	-
Changes in assumptions	-	(7,504)	-	-	-
Benefit payments, including refunds of employee contributions	(16,701)	(18,748)	(4,821)	(2,534)	(28,811)
Net change in total pension liability	43,669	57,523	44,733	(158,846)	56,065
Total pension liability - beginning	745,449	687,926	643,193	802,039	745,974
Total pension liability - ending (a)	<u>\$ 789,118</u>	<u>\$ 745,449</u>	<u>\$ 687,926</u>	<u>\$ 643,193</u>	<u>\$ 802,039</u>
Plan fiduciary net position					
Contributions - employer	\$ 11,043	\$ 13,393	\$ 30,454	\$ 29,567	\$ 41,066
Contributions - employee	10,076	12,257	14,502	14,079	15,942
Net investment income	53,890	78,809	11,707	25,306	69,634
Benefit payments, including refunds of employee contributions	(16,701)	(18,748)	(4,821)	(2,534)	(28,811)
Administrative expense	(452)	(440)	(340)	(299)	(348)
Other changes	(48)	(71)	(5)	(5)	4
Net change in plan fiduciary net position	57,808	85,200	51,497	66,114	97,487
Plan fiduciary net position - beginning	722,973	637,773	586,276	520,162	422,675
Plan fiduciary net position - ending (b)	<u>\$ 780,781</u>	<u>\$ 722,973</u>	<u>\$ 637,773</u>	<u>\$ 586,276</u>	<u>\$ 520,162</u>
Commission's Net pension liability - ending (a) - (b)	<u>\$ 8,337</u>	<u>\$ 22,476</u>	<u>\$ 50,153</u>	<u>\$ 56,917</u>	<u>\$ 281,877</u>
Plan fiduciary net position as a percentage of the total Pension liability	98.94%	96.98%	92.71%	91.15%	64.85%
Covered - employee payroll	\$ 201,515	\$ 244,398	\$ 290,036	\$ 281,589	\$ 325,839
Commission's net pension liability as percentage of covered-employee payroll	4.14%	9.20%	17.29%	20.21%	86.51%

See accompanying notes

**MIDDLE PENINSULA PLANNING DISTRICT COMMISSION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30, 2010 THROUGH 2019**

	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
2019	\$ 12,431	\$ 8,734	\$ 3,697	\$201,519	4.33%
2018	11,043	11,043	-	201,515	5.48%
2017	13,393	13,393	-	244,398	5.48%
2016	30,454	30,454	-	290,036	10.50%
2015	29,567	27,344	2,223	281,589	9.71%
2014	41,968	41,070	898	325,839	12.60%
2013	42,064	39,438	2,626	326,582	12.08%
2012	29,612	42,818	(13,206)	263,220	16.27%
2011	32,977	58,815	(25,838)	293,126	20.06%
2010	49,084	80,995	(31,911)	436,300	18.56%

See accompanying notes

MIDDLE PENINSULA PLANNING DISTRICT COMMISSION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2019

NOTE 1 – Change of Benefit Terms

There have been no actuarially material changes to the System benefit provisions since the prior actuarial valuation.

NOTE 2 – Changes of Assumptions

The following changes in actuarial assumptions were made effective June 30, 2016 based on the most recent experience study of the System for the four-year period ending June 30, 2016:

Largest 10 – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 20%

All Others (Non 10 Largest) – Non-Hazardous Duty:

Mortality Rates (Pre-retirement, post-retirement healthy, and disabled)	Update to a more current mortality table – RP-2014 projected to 2020
Retirement Rates	Lowered rates at older ages and changed final retirement from 70 to 75
Withdrawal Rates	Adjusted rates to better fit experience at each year age and service through 9 years of service
Disability Rates	Lowered rates
Salary Scale	No change
Line of Duty Disability	Increase rate from 14% to 15%

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