



Rappahannock-Rapidan Regional Commission Meeting
December 11, 2019 at 1:00 pm
RRRC Board Room
420 Southridge Parkway, Suite 106, Culpeper, VA 22701

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Roll Call & Quorum Determination
4. **Approval of Agenda
5. Public Comment
6. Presentations and Special Recognition
 - a) **Resolution of Thanks to Outgoing Commissioners Steve Walker & Roger Welch
7. Approval of Minutes
 - a) **October 23, 2019 ([Attachment](#))
8. Intergovernmental Review
9. Financial Reports
 - a) **FY 2020 YTD Revenues and Expenditures ([Attachment](#))
 - b) **FY 2019 Audit Report ([Attachment](#))
10. Executive Director's Report ([Attachment](#))
11. Staff Updates
 - a) **RRRC Active Transportation Plan ([Attachment](#))
 - b) Regional Tourism Committee / Tween Rivers Trail

Meeting Calendar and additional background available via the Commission's websites:
www.rrregion.org www.rrcommute.org www.thevirginiapiedmont.org www.fams.org
www.purelypiedmont.com www.foothillshousing.org www.tweenriverstrail.com

12. New Business
 - a) **RRRC Application to DRPT for FY 2021 Transportation Demand Management Operating Assistance Grant Program ([Attachment](#))
 - b) **RRRC Application to DRPT for FY 2021 FTA Section 5310 Grant Program for Mobility Management ([Attachment](#))
 - c) **Consideration of Support for Regional Legislative Platform ([Attachment](#))
 - d) **Broadband Funding Letters to Regional Legislators ([Attachment](#))
 - e) **Formation of Nominating Committee ([Attachment](#))
13. Closed Session (if necessary)
14. Upcoming Meetings (<http://www.rregion.org/calendar.html>)
 - Regional Commission February 26, 1pm
 - Rural Transportation Committee December 12, 1pm
 - Foothills Housing Network Point-in-Time Count January 22
15. Regional Roundtable
16. **Adjournment

**Commission Action Requested

NOTE: An Executive Committee meeting will be convened if a quorum is not present.

Rappahannock Rapidan Regional Commission
August 28, 2019 Regular Meeting
RRRC Board Room
420 Southridge Parkway Suite 106, Culpeper VA 22701

MINUTES

Culpeper County	Town of Culpeper
X John Egertson	Chris Hively
X Steven L. Walker	X Meaghan E. Taylor, Vice-Chair
Fauquier County	Town of Gordonsville
X Christopher T. Butler	X Robert K. Coiner, Chair
X Paul S. McCulla	Town of Madison
Madison County	William Lamar
Charlotte Hoffman	Town of Orange
X Jack Hobbs	Martha Roby
Orange County	X Greg Woods
X James P. Crozier	Town of Remington
R. Bryan David	X Evan H. ‘Skeet’ Ashby
Rappahannock County	Town of The Plains
X Garrey W. Curry, Jr.	Christopher R. Malone
Roger Welch	Town of Warrenton
	Brandie Schaeffer
	X Jerry Wood, Treasurer
	Town of Washington
	X Frederic Catlin

Others Present: Shannon Holland, Central Virginia Partnership for Economic Development; John McCarthy, Piedmont Environmental Council

Staff Present: Hunter Berry, Joe Costello, Monica Creel, Michelle Edwards, Patrick Mauney

1. **Call to Order**
Chair Robert Coiner called meeting to order at 1:00 p.m.
2. **Pledge of Allegiance**
3. **Roll Call & Quorum Determination**
A quorum of the Commission membership was confirmed.
4. **Agenda Approval**
Upon motion by M Taylor, 2nd by J Crozier, the agenda was approved unanimously.
5. **Public Comment**
There were no comments from the public.

6. Presentations

- a) Presentation: GO Virginia Region 9 Update, Shannon Holland

Chair Coiner welcomed Ms. Shannon Holland, GO Virginia Director with the Central Virginia Partnership for Economic Development, to the meeting. Ms. Holland reviewed the status of the GO Virginia program at the state level and the Region 9 council made up of the Rappahannock-Rapidan region and Thomas Jefferson Planning District region. A copy of the presentation slides will be attached with the approved minutes in the RRRC minutes book.

Ms. Holland shared that since the first grants were approved in 2017, GO Virginia has funded 51 projects statewide at a total of more than \$20 million in funding. In Region 9, projects must meet be focused on target industries and project types outlined in the recently revised regional Growth and Diversification Plan. Projects are focused on talent development, growing existing businesses, innovation/commercialization/entrepreneurship, and site readiness. Target industries are Financial/Business services, food & beverage manufacturing, information technology & communications, light manufacturing, and biomedical/biotechnology.

Commissioners briefly discussed an upcoming rural entrepreneurship ecosystem study and the need to tie projects in with workforce development opportunities. S Walker and J Crozier asked about the ability to use GO Virginia funds for broadband. Ms. Holland indicated that funds are available for broadband middle-mile projects that improve business conditions based on a recent policy change at the state level, but that details on how to craft such a project are still in development.

7. Approval of Minutes

- a) August 28, 2019

Chairman Coiner presented the minutes from the August 28th meeting. J Crozier moved to approve as presented, 2nd by P McCulla. The motion carried unanimously.

8. Intergovernmental Review

There were no intergovernmental review items for consideration.

9. Financial Reports

- a) FY2020 YTD Revenues and Expenditures
- b) FY 2019 Draft Audit Report

Chair Coiner asked P Mauney to review the financial reports. P Mauney noted that revenues are at 32% of budget and expenses at 24% of budget through the first quarter. Budget adjustments will be presented in December to reflect additional funds received or anticipated for mobility management and the regional housing study.

P Mauney also reviewed the draft RRRC audit that was received earlier in the week. Hard copies were available at the meeting, and digital copies will be sent out following the meeting for Commissioners' review and asked for any comments or questions to be sent as needed. Chair Coiner noted that the Commissioner listing needed to be updated on page 2. P Mauney noted a positive increase of \$23,000 in large part due to the

Chesapeake Bay WIP III funding. Lastly, P Mauney noted that the current auditing firm has been in place for several years and suggested it may be prudent for the Commission to consider putting the audit to bid in the future.

10. Executive Director's Report

P Mauney thanked all who attended the annual meeting and mentioned that the RRRC Annual Report was distributed at the meeting and is posted on our website and will include upcoming budget requests for FY 2021. P Mauney also shared that funding from the Virginia Development Authority (VHDA) was recently approved for the Regional Housing Study and that a Request for Proposals would be distributed for a consultant later in October. P Mauney also referenced a recent Farm to school meeting that had food service directors from all 5 counties & other stakeholders in attendance, with potential opportunities to develop regional farm to school priorities moving forward.

P Mauney also noted that the draft Active Transportation Plan was released for public comment via the RRRC newsletter, website, committees and media contacts. Any comments on the Plan need to be in by November 20th. A final version will be presented for the Commission's consideration in December.

Lastly, P Mauney referenced that RRRC's proposal to the Hazard Mitigation Grant Program for wildfire GIS analysis has passed first round of reviews at state level. Next step is submission to the Federal Emergency Management Agency (FEMA) for review and potential approval.

a) DHCD Annual Report

P Mauney noted that a copy of the agency annual report submitted to the Department of Housing and Community Development was included for Commissioner's reference.

11. Staff Updates

a) Foothills Area Mobility System (FAMS)

Chair Coiner asked P Mauney to review item 11A regarding the Foothills Area Mobility System (FAMS) program. P Mauney provided Commissioners with an overview of the history and funding sources related to FAMS, along with recent changes in federal and state funding impacting the current services coordinated by FAMS and RRRC. A copy of the presentation slides will be attached with the approved minutes in the RRRC minutes book.

P Mauney noted that there are challenges related to the long-term operation of the FAMS Call Center that may necessitate transitioning the current full-time positions to Commission employees from a contractual agreement with the Community Services presently in place. Other options will be discussed with RRCS-AAA, PATH Foundation and other regional partners in the next few months and staff expects to bring a recommendation to the Board in 2020. P Mauney also reviewed the current status of the Foothills Express transit route, stating that officials with the Department of Rail and Public Transportation (DRPT) have stated that the route will no longer be funded with current funds, but could turn into a regular transit route for Virginia Regional Transit. RRRC staff

is committed to working with VRT and Culpeper and Madison counties to determine if there is a logical path to continue the route beyond late 2020 when current funding is expended. At that point, RRRC will no longer have a role in the Foothills Express, which will reduce the organization's overall revenue, but have little effect on the agency's financial situation as the funds are entirely pass-through via existing contract with VRT.

b) Chesapeake Bay Watershed Planning Administration

Chair Coiner asked M Edwards to discuss the status of Chesapeake Bay Watershed planning funding. M Edwards reviewed the recently completed WIP III bridge contract outcomes, including outreach, workshops, stakeholder coordination and local funding needs surveys. M Edwards also shared that staff is continuing to negotiate with DEQ for funding to continue through December 2020.

M Edwards also noted that she has recently served on an ad-hoc Chesapeake Bay Preservation Act Workgroup tasked with exploring options to expand the Chesapeake Preservation Act beyond the current coastal zone areas. Options discussed included implement capacity changes at the Department of Environmental Quality to address current needs before exploring expansion options; fully extend the Chesapeake Bay Preservation Act to the entire Bay watershed; and/or voluntary adoption of the Chesapeake Bay Preservation Act by localities outside the coastal zone areas. Consensus amongst the workgroup is to enhance capacity to address existing needs, rather than seek expanded regulation outside the current Preservation Act areas. Staff will continue to update local governments as discussions continue.

12. New Business

a) USDA NRCS Regional Conservation Partnership Program

Chair Coiner asked P Mauney and M Edwards to report on item 12A. P Mauney noted that Regional Commission staff were made aware of an upcoming Regional Conservation Partnership Program (RCPP) grant through the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS). M Edwards noted that to date, RRRC staff and various partner agencies have held preliminary discussions about a potential application for an RCPP grant focused on the Rappahannock-Rapidan region. These partners include USDA NRCS, Piedmont Environmental Council, John Marshall Soil & Water Conservation District, Friends of the Rappahannock, American Farmland Trust, American Battlefield Trust and the Smithsonian Institution's Virginia Working Landscapes (VWL) initiative. Under the 2018 Federal farm bill, \$300 million per year is available for RCPP funded projects, and it is estimated that a RCPP grant proposal for the RRRC region could request \$3 million, though potential partners continue to evaluate the mix of projects and practices that could be included in the proposal.

Chair Coiner asked John McCarthy to discuss interest from his perspective at Piedmont Environmental Council. Mr. McCarthy noted that the project fits well with regional priorities about agricultural development, farmland preservation, and water quality and that RRRC brings an ability with grant management and coordination that would be beneficial to the application.

J Crozier moved to authorize staff to continue working with partners on an application to the RCPP and for RRRC to serve as lead partner on the application, 2nd by E Ashby. The motion carried unanimously.

13. Closed Session

No closed session was held.

14. Upcoming Meetings

Chair Coiner noted upcoming meetings, including the Commission meeting on December 11th.

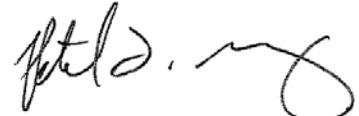
15. Regional Roundtable

Commissioners discussed items of interest from their localities.

16. Adjournment

Chair Coiner adjourned the meeting at 2:50 p.m.

Respectfully Submitted by:



Patrick L. Mauney
Secretary & Executive Director

(Drafted by Monica Creel)



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 4, 2019
Subject: FY 2020 Year-to-Date Revenues & Expenditures

FY 2020 Revenue and Expenditure reports through November 30th are enclosed for your review. These are unaudited reports for the first five months (42%) of the fiscal year.

Revenues are 56% of budget with no issues noted. Line items and adjustments were added for funds received from PATH Foundation for the FAMS Call Center staffing assistance discussed in October and to reflect revenues anticipated through the end of FY 2020 from Virginia Housing Development Authority (VHDA) for the Regional Housing Study.

Expenditures are in line with expectations at 40% of budget through November. The primary operating expense items for salaries and benefits are all at budgeted amounts, with no anticipated adjustments required at this time.

REQUESTED ACTION: Approval of the amended budget to reflect adjustments noted above.

Rappahannock-Rapidan Regional Commission
FY 2019 Revenue Snapshot - November 30, 2019

Budget Items	Proposed Budget	Adjustments	Adjusted Budget	July	August	September	October	November	YTD Actual	YTD %
Revenues										
Dues:										
Culpeper County	\$ 26,624.00		\$ 26,624.00	\$ 26,623.92					\$ 26,623.92	100.0%
Fauquier County	\$ 48,430.00		\$ 48,430.00	\$ 48,429.67					\$ 48,429.67	100.0%
Madison County	\$ 10,674.00		\$ 10,674.00				\$ 10,673.80		\$ 10,673.80	100.0%
Orange County	\$ 24,039.00		\$ 24,039.00	\$ 24,038.46					\$ 24,038.46	100.0%
Rappahannock County	\$ 6,027.00		\$ 6,027.00	\$ 6,027.46					\$ 6,027.46	100.0%
Town of Culpeper	\$ 14,945.00		\$ 14,945.00		\$ 14,944.98				\$ 14,944.98	100.0%
Town of Gordonsville	\$ 1,314.00		\$ 1,314.00	\$ 1,313.89					\$ 1,313.89	100.0%
Town of Madison	\$ 181.00		\$ 181.00	\$ 180.94					\$ 180.94	100.0%
Town of Orange	\$ 4,140.00		\$ 4,140.00	\$ 4,140.04					\$ 4,140.04	100.0%
Town of The Plains	\$ 189.00		\$ 189.00			\$ 189.24			\$ 189.24	100.1%
Town of Remington	\$ 524.00		\$ 524.00	\$ 523.73					\$ 523.73	99.9%
Town of Warrenton	\$ 8,185.00		\$ 8,185.00	\$ 8,184.63					\$ 8,184.63	100.0%
Town of Washington	\$ 105.00		\$ 105.00				\$ 104.58		\$ 104.58	99.6%
Interest Income	\$ 3,500.00		\$ 3,500.00	\$ 286.34	\$ 310.89	\$ 283.06	\$ 266.97	\$ 223.65	\$ 1,370.91	39.2%
Other Income	\$ 750.00		\$ 750.00	\$ 200.00	\$ 1,300.08				\$ 1,500.08	200.0%
DEQ Chesapeake Bay PDC Capacity	\$ 47,500.00		\$ 47,500.00				\$ 21,500.00		\$ 21,500.00	45.3%
DRPT Mobility Management Grant	\$ 130,000.00		\$ 130,000.00	\$ 11,394.00		\$ 10,657.00	\$ 24,721.20	\$ 12,186.00	\$ 58,958.20	45.4%
DRPT Section 5310 Operating Grant	\$ 100,000.00		\$ 100,000.00	\$ 13,766.00		\$ 6,948.00	\$ 15,013.00	\$ 5,760.00	\$ 41,487.00	41.5%
PATH Mobility Management Grant	\$ -	\$ 26,860.00	\$ 26,860.00				\$ 26,860.00		\$ 26,860.00	100.0%
PATH FHN Outreach	\$ 5,000.00		\$ 5,000.00	\$ 5,000.00					\$ 5,000.00	100.0%
Regional Housing	\$ 48,604.00		\$ 48,604.00	\$ 39,644.83	\$ 3,368.00	\$ 43.41	\$ 5,548.42		\$ 48,604.66	100.0%
Regional Tourism	\$ 7,000.00		\$ 7,000.00	\$ 5,600.00		\$ 1,400.00			\$ 7,000.00	100.0%
Rideshare Program	\$ 129,920.00		\$ 129,920.00		\$ 12,312.00		\$ 9,028.00	\$ 18,106.00	\$ 39,446.00	30.4%
Rideshare Vanpool Grant	\$ 8,000.00		\$ 8,000.00	\$ 3,552.00					\$ 3,552.00	44.4%
Rural Transportation Planning	\$ 58,000.00		\$ 58,000.00			\$ 15,533.02			\$ 15,533.02	26.8%
State Regional Planning Grant	\$ 75,971.00		\$ 75,971.00					\$ 37,985.00	\$ 37,985.00	50.0%
USDA FMPP Grant	\$ 80,574.00		\$ 80,574.00		\$ 39,962.69		\$ 34,934.39		\$ 74,897.08	93.0%
VHDA Regional Housing Study	\$ -	\$ 25,000.00	\$ 25,000.00						\$ -	0.0%
VHSP Grant	\$ 84,500.00		\$ 84,500.00				\$ 14,191.37	\$ 15,827.47	\$ 30,018.84	35.5%
VTC Marketing Grant	\$ 21,012.50		\$ 21,012.50						\$ -	0.0%
Total Revenue	\$ 945,708.50	\$ 51,860.00	\$ 997,568.50	\$ 198,905.91	\$ 72,198.64	\$ 35,053.73	\$ 162,841.73	\$ 90,088.12	\$ 559,088.13	56.0%

Rappahannock-Rapidan Regional Commission
FY 2019 Expenditure Snapshot - November 30, 2019

Budget Items	Proposed Budget	Adjustments	Adjusted Budget	July	August	September	October	November	YTD Actual	YTD %
Expenditures										
Advertising	\$ 500.00		\$ 500.00						\$ -	0.0%
Annual Meeting/Workshops/Meetings	\$ 5,500.00		\$ 5,500.00			\$ 4,832.29	\$ (705.00)	\$ (70.00)	\$ 4,057.29	73.8%
Audit/Legal	\$ 5,000.00		\$ 5,000.00						\$ -	0.0%
Equipment/Software	\$ 7,000.00		\$ 7,000.00	\$ 27.96			\$ 249.99		\$ 277.95	4.0%
FICA	\$ 31,500.00		\$ 31,500.00	\$ 2,331.38	\$ 2,338.50	\$ 2,355.83	\$ 2,353.76	\$ 3,519.46	\$ 12,898.93	40.9%
Health & Dental	\$ 41,300.00		\$ 41,300.00	\$ 3,448.60	\$ 3,448.60	\$ 3,448.60	\$ 3,448.60	\$ 4,339.32	\$ 18,133.72	43.9%
Meals	\$ 2,200.00		\$ 2,200.00	\$ 337.47	\$ 95.66	\$ 57.88	\$ 89.50	\$ 113.15	\$ 693.66	31.5%
Membership Dues	\$ 4,000.00		\$ 4,000.00		\$ 3,800.00				\$ 3,800.00	95.0%
Miscellaneous	\$ 500.00		\$ 500.00	\$ 9.56					\$ 9.56	1.9%
Mortgage	\$ 23,916.00		\$ 23,916.00	\$ 1,993.00	\$ 1,993.00	\$ 1,993.00	\$ 1,993.00	\$ 1,993.00	\$ 9,965.00	41.7%
Office & P.O. Liability Insurance	\$ 1,300.00		\$ 1,300.00	\$ 1,327.00					\$ 1,327.00	102.1%
Office Maintenance	\$ 10,000.00		\$ 10,000.00	\$ 225.00	\$ 200.00	\$ 200.00	\$ 491.40	\$ 275.00	\$ 1,391.40	13.9%
Payroll Expenses	\$ 410,000.00		\$ 410,000.00	\$ 31,752.22	\$ 31,845.70	\$ 32,071.78	\$ 32,045.26	\$ 47,728.18	\$ 175,443.14	42.8%
Postage	\$ 750.00		\$ 750.00	\$ 70.25	\$ 20.50	\$ 15.80	\$ 22.00		\$ 128.55	17.1%
Printing	\$ 2,000.00		\$ 2,000.00		\$ 330.84	\$ 119.02	\$ 178.48		\$ 628.34	31.4%
Reserve	\$ 5,385.00		\$ 5,385.00						\$ -	0.0%
Subscriptions and Books	\$ 500.00		\$ 500.00	\$ 16.00	\$ 16.00	\$ 16.00	\$ 134.56	\$ 16.00	\$ 198.56	39.7%
Supplies	\$ 4,500.00		\$ 4,500.00	\$ 102.64	\$ 268.63	\$ 174.46	\$ 241.06	\$ 212.94	\$ 999.73	22.2%
Technology	\$ 8,000.00		\$ 8,000.00	\$ 414.33	\$ 444.33	\$ 444.33	\$ 445.42	\$ 611.22	\$ 2,359.63	29.5%
Travel & Training	\$ 9,000.00		\$ 9,000.00	\$ 1,929.97	\$ 257.50	\$ 380.12	\$ 617.18	\$ 451.82	\$ 3,636.59	40.4%
Utilities	\$ 6,000.00		\$ 6,000.00	\$ 327.90	\$ 386.75	\$ 353.72	\$ 326.38	\$ 207.71	\$ 1,602.46	26.7%
VRS	\$ 9,500.00		\$ 9,500.00	\$ 803.51	\$ 803.51	\$ 803.51	\$ 803.51	\$ 843.51	\$ 4,057.55	42.7%
Website Update	\$ 7,000.00		\$ 7,000.00	\$ 6,510.00					\$ 6,510.00	93.0%
Workman's Comp	\$ 500.00		\$ 500.00	\$ 500.00					\$ 500.00	100.0%
America's Wine Country	\$ 1,100.00		\$ 1,100.00						\$ -	0.0%
DEQ Chesapeake Bay PDC Capacity Exper	\$ 1,000.00		\$ 1,000.00					\$ 106.56	\$ 106.56	10.7%
DRPT Mobility Management Expenses	\$ 100,000.00	\$ 26,860.00	\$ 126,860.00	\$ 9,624.63	\$ 8,622.23	\$ 7,824.50	\$ 15,297.52	\$ 14,218.77	\$ 55,587.65	43.8%
DRPT Section 5310 Operating Expenses	\$ 100,000.00		\$ 100,000.00	\$ 7,043.00	\$ 7,718.50	\$ 7,746.50	\$ 8,932.50		\$ 31,440.50	31.4%
PATH FHN Outreach Expenses	\$ 5,000.00		\$ 5,000.00	\$ 3,400.43					\$ 3,400.43	68.0%
Regional Tourism Expenses	\$ 8,500.00		\$ 8,500.00	\$ 4.99	\$ 322.87	\$ 13.90	\$ 255.39	\$ 114.42	\$ 711.57	8.4%
Rideshare Expenses	\$ 59,500.00		\$ 59,500.00	\$ 417.09	\$ 4,126.20	\$ 4,798.37	\$ 1,240.18	\$ 5,082.23	\$ 15,664.07	26.3%
Rideshare Vanpool Expenses	\$ 8,500.00		\$ 8,500.00		\$ 14.50	\$ 47.00		\$ 16.82	\$ 78.32	0.9%
RTP Expenses	\$ 1,000.00		\$ 1,000.00		\$ 41.76	\$ 31.32			\$ 73.08	7.3%
USDA FMPP Expenses	\$ 61,000.00		\$ 61,000.00	\$ 1,026.74	\$ 44.24	\$ 19,723.24		\$ 17,435.63	\$ 38,229.85	62.7%
VHDA Regional Housing Study Expenses	\$ -	\$ 25,000.00	\$ 25,000.00						\$ -	0.0%
VHSP Expenses	\$ 3,000.00		\$ 3,000.00	\$ 26.83	\$ 207.17	\$ 230.83	\$ 26.83	\$ 130.32	\$ 621.98	20.7%
VTC Marketing Grant Expenses	\$ 1,257.50		\$ 1,257.50	\$ 108.92	\$ 218.33	\$ 490.34			\$ 817.59	65.0%
Total Expenditures	\$ 945,708.50	\$ 51,860.00	\$ 997,568.50	\$ 73,779.42	\$ 67,565.32	\$ 88,172.34	\$ 68,487.52	\$ 97,346.06	\$ 395,350.66	39.6%
Unprogrammed Revenues:			\$ -							



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 2, 2019
Subject: FY 2019 RRRC Audit Report Draft

The FY 2019 Financial Audit was presented in draft form at the October 23rd meeting and electronic copies were distributed following the meeting. A copy may also be accessed online at: <http://www.rrregion.org/pdf/legal/audits/RRRC.FY19.Audit.DRAFT.20191021.pdf>

No comments or changes were requested following the October meeting. Staff therefore recommends approval of the audit to ensure on-time submission required by various existing grant contracts.

REQUESTED ACTION: Adoption of the FY 2019 Audit Report

RAPPAHANNOCK-RAPIDAN
REGIONAL COMMISSION

AUDITED FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2019

DRAFT

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

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION COMMISSIONERS

As of June 30, 2019

Culpeper County
Mr. John Egertson
Mr. Steven L. Walker

Town of Culpeper
Mr. Chris Hively
Ms. Meaghan Taylor, Commission Vice-Chair

Fauquier County
Mr. Christopher T. Butler
Mr. Paul S. McCulla

Town of Warrenton
Ms. Brandie Schaeffer
Mr. Jerry Wood, Commission Treasurer

Town of Remington
Mr. Evan H."Skeet" Ashby, III

Town of The Plains
Mr. Christopher R. Malone

Madison County
Mr. Jack Hobbs
Ms. Charlotte Hoffman

Town of Madison
Mr. William L. Lamar

Orange County
Mr. James P. "Jim" Crozier
Mr. R. Bryan David

Town of Orange
Ms. Martha B. Roby
Mr. Greg Woods

Town of Gordonsville
Mr. Robert K. 'Bob' Coiner, Commission Chair

Rappahannock County
Mr. Garrey W. Curry, Jr.
Mr. Roger Welch

Town of Washington
Mr. Frederic Catlin

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Rappahannock-Rapidan Regional Commission
Culpeper, 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 Rappahannock-Rapidan Regional Commission as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Rappahannock-Rapidan Regional 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, schedule of revenue and expenses-budget and actual (budgetary basis), the schedule of employer's share of net pension liability and related ratios, and the schedule of employer contributions on pages 3 through 7 and pages 32 through 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October xx, 2019, on our consideration of the Rappahannock-Rapidan Regional 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 solely 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 the Rappahannock-Rapidan Regional Commission's internal control over financial reporting and compliance.

Certified Public Accountants
Chantilly, Virginia

October xx, 2019

Management's Discussion and Analysis

As management of the Rappahannock-Rapidan Regional Commission we offer this narrative overview and analysis of the financial performance of the Commission's financial activities for the year ended June 30, 2019.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements. Since the Commission is engaged only in business-type activities, its basic financial statements are comprised of only two components: 1) financial statements and 2) notes to the financial statements.

Enterprise fund financial statements. The enterprise fund financial statements are designed to provide readers with a broad overview of the Commission's finances, in a manner similar to a private-sector business.

The statement of net position presents information on the Commission's assets, deferred outflow of resources, liabilities and deferred inflow of resources, with the difference between them reported as net position. Over time, increases or 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 presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, (i.e. earned but unused vacation leave).

Notes to financial statements. 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 year.

Financial Highlights FY2019

The financial position of the Rappahannock-Rapidan Regional Commission has stabilized over the past several fiscal years, following a period between 2010 and 2015 that required annual utilization of reserve funds to balance revenues and expenditures. In FY 2017, the Commission made the determination to begin restoring reserve funds with a primary goal of achieving a balance of six months' operating expenses. This stated strategy, along with successful grant applications for environmental, transportation, housing, and hazard mitigation activities beginning in FY 2016 have resulted in increases in net position in FY 2017, FY 2018, and FY 2019.

In FY 2019, the Commission continued its successful programmatic efforts in housing and homelessness leadership, transportation and mobility planning, tourism, environmental coordination, and regional coordination. Of particular note in FY 2019 are the successful work of the Commission on Chesapeake Bay Watershed Implementation Planning in coordination with the Virginia Department of Environmental Quality and Secretary of Natural Resources.

Financial Analysis

The following table reflects the condensed Statements of Net Position:

Summary Statements of Net Position June 30,		
	<u>2019</u>	<u>2018</u>
Current Assets	\$373,794	\$337,950
Capital Assets (net)	208,456	195,153
Net Pension Asset	<u>331,439</u>	<u>449,945</u>
Total Assets	<u>913,689</u>	<u>983,048</u>
Deferred Outflows of Resources	<u>96,814</u>	<u>24,629</u>
Current Liabilities	97,498	86,721
Long-term Liabilities	<u>176,806</u>	<u>191,932</u>
Total Liabilities	<u>274,304</u>	<u>278,653</u>
Deferred Inflows of Resources	<u>13,925</u>	<u>172,357</u>
Invested in capital assets, net of debt	16,524	(11,204)
Unassigned	<u>705,750</u>	<u>567,871</u>
Total Net Position	<u>\$722,274</u>	<u>\$556,667</u>

The Commission's total net position (which is the Commission's bottom line) increased by \$165,607 during the year. It should be noted that \$112,111 of this increase was due to the current year GASB 68 adjustment and that readily accessible assets increased by \$35,844 during the year. This increase in net position reflects our efforts to secure new grants and to manage expenses for the agency. The improved net position also enables the Commission to better manage our cash flow and provide needed cash match for new grants, to maintain staffing levels to support future needs of our member jurisdictions, and to maintain reserve funds for long-term liabilities, including the Commission-owned office building.

The following summarizes the revenues and expenses of the Commission:

	Changes in Net Position For the Years Ended June 30,	
	2019	2018
Operating revenues		
Grants	\$744,908	\$ 761,532
Dues	145,375	143,555
Other operating revenues	<u>82,228</u>	<u>51,326</u>
Total operating revenues	<u>972,511</u>	<u>956,413</u>
Non-operating revenues		
GASB 68 adjustment	112,111	167,553
Interest	3,487	1,848
Net gain/(loss) on investments	3,927	(335)
Loss on disposal of equipment	<u>-</u>	<u>(451)</u>
Total non-operating revenues	<u>119,525</u>	<u>168,615</u>
Total Revenues	<u>1,092,036</u>	<u>1,125,028</u>
Operating Expenses		
Salaries and wages	395,999	391,349
Freedom grant	220,496	200,254
Fringe benefits	72,188	98,232
Farmers Market Promotion Program	65,660	48,238
Regional ride sharing	51,170	47,154
Veteran transportation and community living	19,831	-
Virginia Housing Development Authority	11,000	24,313
Vanpool	8,552	-
Other grant expenses	5,438	3,851
Regional Tourism	4,717	10,531
PATH planning grant	2,470	5,113
Other operating expenses	<u>46,684</u>	<u>43,265</u>
Total operating expenses	<u>904,205</u>	<u>872,300</u>
Depreciation and amortization	12,733	12,164
Interest paid on debt	<u>9,491</u>	<u>10,159</u>
Total expenses	<u>926,429</u>	<u>894,623</u>
Change in net position	165,607	230,405
Net position beginning of year	<u>556,667</u>	<u>326,262</u>
Net position end of year	<u>\$722,274</u>	<u>\$ 556,667</u>

Revenues

For the fiscal year ended June 30, 2019, total revenues decreased by \$32,992 from the prior year. However, \$55,442 of the decrease was due to the decrease in current year GASB 68 adjustment. Operating revenues increased \$16,098 from FY2018 to FY2019. The increased operating revenue is largely due to continued work on the Section 5310 (New Freedom) grants for mobility management and Foothills Express operation through the Department of Rail and Public Transportation, Farmers Market Promotion Program, and closeout of several grants during the year. Additionally, the continuation of grants from the Department of Rail and Public Transportation in support of RRRC's Commuter Services program, and the Rural Transportation Planning grant from the Virginia Department of Transportation are important for RRRC's ability to continue providing support for successful, long-term projects. Finally, RRRC's regional housing efforts were aided by successful grants from the Virginia Homeless Solutions Program, but also from funding allocated by member jurisdictions in support of a 0.5 Full-Time Equivalent housing position.

Expenses

For the fiscal year ended June 30, 2019, total expenses increased by \$31,806 from the prior year. Personnel costs such as health insurance and retirement were stable from FY 2018 to FY 2019, although salaries and wages – the largest expense for the Commission – increased by \$45,120 with a full staff for most of the fiscal year. Total expenses were lower than our total revenues.

Capital Assets

At the end of fiscal year 2019, the Commission had invested \$426,745 in capital assets which consisted of the office building, office furniture and equipment. This amount has been depreciated by \$218,289, for a carrying amount of \$208,456.

Long-Term Debt

On August 12, 2000 the Commission received loan proceeds in the amount of \$376,000 from the Department of Agriculture to finance construction of office facilities. The loan is due in monthly installments of \$1,993 through July 12, 2029. Interest on the loan is at 4.75%. The balance of this loan was \$191,932 as of June 30, 2019.

Economic Factors and Future Projects

The Commission receives a substantial amount of its support from local and state governments. The Regional Commission was successful in beginning to restore its reserve fund balance in FY 2017 based on controlling expenses and continued success with state and federal grant applications. The Regional Commission expects that revenues and expenses will be more closely balanced in future years. Operating expenses will generally remain at a level in proportion to the revenues.

Presently, management of the Commission is not aware of any significant changes in conditions that would have a significant effect on the financial position or results of activity of the Commission in the near future. However, uncertainty at the federal and state level may cause some long-term changes, depending upon funding priorities and availability of grant funding. In particular, funding for housing, transit, mobility management, and environmental planning has been the subject of discussion at the state and federal levels during the past fiscal year.

The Commission is currently involved in numerous projects including but not limited to agricultural development, rural transportation planning, ridesharing, environmental planning, regional housing, economic development, community development planning, and regional tourism.

Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be directed to the Commission's Executive Director at 420 Southridge Parkway, Suite 106, Culpeper, VA 22701.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
STATEMENT OF NET POSITION
JUNE 30, 2019

ASSETS

Cash and investments	\$ 264,035
Accounts receivable	109,759
Net pension asset	331,439
Capital assets, net	<u>208,456</u>
	<u>913,689</u>

Total Assets

DEFERRED OUTFLOWS OF RESOURCES

Pension contributions after the measurement date	1,368
Difference between expected and actual experience	<u>95,446</u>
	<u>96,814</u>

Total Deferred Outflows of Resources

LIABILITIES

Accounts payable	46,234
Accrued liabilities	10,758
Accrued annual leave	25,380
Rural Development loan payable	<u>191,932</u>
	<u>274,304</u>

Total Liabilities

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DEFERRED INFLOWS OF RESOURCES

Net difference between projected and actual earnings on plan investments	<u>13,925</u>
	<u>13,925</u>

Total Deferred Inflows of Resources

NET POSITION

Investment in capital assets, net of related debt	16,524
Unassigned	<u>705,750</u>
	<u>\$ 722,274</u>

Total Net Position

See accompanying notes.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

Operating Revenues:

DEQ Chesapeake Bay Watershed Implementation Plan III	\$ 50,000
Dues	145,375
Freedom grant	242,057
Hazard Mitigation	13,820
Rideshare program	118,400
Rural transportation program	57,800
State regional planning grant	75,971
Van pool grant	8,000
Virginia homeless solution program	84,501
Virginia Housing Development Authority VISTA grant	11,000
USDA farmers market promotion program	83,359
Other Income	
Orange county community development block grant	2,000
Regional housing	48,605
Regional tourism	7,000
VTC marketing leverage program grant	19,831
Miscellaneous	<u>4,792</u>
Total Operating Revenues	<u>972,511</u>

Operating Expenses:

Annual meeting	4,457
Audit	3,650
Depreciation	12,733
Equipment	1,733
Freedom grant	220,496
Insurance health	34,247
Insurance liability	1,295
Insurance workers' compensation	500
Maintenance and repairs	5,144
Membership dues	3,495
Miscellaneous	365
PATH planning grant	2,470
Payroll taxes	29,083
Postage	558

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

Operating Expenses (Continued):

Printing	\$ 1,760
Regional tourism	4,717
Retirement	8,358
Rideshare	51,170
Rural transportation planning	988
Salary	395,999
Subscriptions and publications	400
Supplies	4,267
Technology	4,381
Travel	10,239
Utilities	4,940
USDA farmers market promotion program	65,660
Vanpool expense	8,552
Virginia Housing Development Authority	11,000
VTC marketing leverage program grant	19,831
Virginia Homeless Solution program expense	4,036
Watershed Implementation Plan	414
Total Operating Expenses	<u>916,938</u>
Operating Gain	55,573
Nonoperating Income (Expense)	
GASB 68 actuarial adjustment	112,111
Interest income	3,487
Net gain on Investments	3,927
Interest expense	(9,491)
Total Nonoperating Expense	<u>110,034</u>
Change in Net Position	165,607
Net Position at beginning of year	<u>556,667</u>
Net Position at end of year	<u>\$ 722,274</u>

See accompanying notes.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

Cash flows from operating activities:	
Cash received from customers and users	\$ 958,719
Payments to suppliers	(499,273)
Payments to employees	<u>(390,929)</u>
Net Cash Provided by Operating Activities	<u>68,517</u>
Cash flows from capital and related financing activities:	
Principal payments on debt	(14,425)
Interest payments on debt	<u>(9,491)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(23,916)</u>
Cash flows from investing activities	
Purchases of new equipment	(26,036)
Proceeds from investments	4,037
Purchases of investments	(4,037)
Interest earned	<u>3,487</u>
Net Cash Used in Investing Activities	<u>(22,549)</u>
Net Change in Cash and Cash Equivalents	22,052
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>241,983</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 264,035</u>
Reconciliation of Operating Gain	
to Net Cash Provided by Operating Activities	
Operating Gain	\$ 55,573
Adjustments to Reconcile Operating Loss	
to Net Cash Provided by Operating Activities:	
Depreciation	12,733
GASB 68 adjustment	112,111
Gain on investments	3,927
Changes in current assets and liabilities:	
Increase in accounts receivable	(13,792)
Decrease in net pension asset	118,506
Increase in deferred outflows	(72,185)
Increase in accounts payable	5,006
Increase in accrued liabilities	269
Increase in accrued annual leave	4,801
Decrease in deferred inflows	<u>(158,432)</u>
Net Cash Provided by Operating Activities	<u>\$ 68,517</u>

See accompanying notes.

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

The financial statements of the Rappahannock-Rapidan Regional Commission conform to generally accepted accounting principles (GAAP) applicable to government units promulgated by the Government Accounting Standards Board (GASB). The following is a summary of the more significant accounting policies:

A. The Financial Reporting Entity

The Rappahannock-Rapidan Regional Commission was chartered in 1971. The Commission includes the Counties of Culpeper, Fauquier, Madison, Orange and Rappahannock and the towns of Remington, Warrenton, Culpeper, Orange, Madison, Gordonsville, Washington and The Plains. Regional Commissions achieved their being and legal status by the Virginia Area Development Act, passed by the General Assembly on March 13, 1968. The Act was an amendment of Chapters 34 and 35 of the *Code of Virginia* and provided the State with a uniform set of sub-state administrative boundaries and local government the authority to create planning and/or service district commissions, all in an effort to improve state and local relations which would enable government to be more responsive to the needs of its people.

B. Financial Statement Presentation

Management's Discussion and Analysis – GASB Statement #34 requires the financial statements be accompanied by a narrative introduction and analytical overview of the government's financial activities in the form of "management's discussion and analysis" (MD&A).

Enterprise Fund Financial Statements:

The Statement of Net Position is designed to display the financial position of the Commission. Governments will report all capital assets and will report depreciation expense – the cost of "using up" capital assets – in the Statement of Revenues, Expenses and Changes in Net Position. The net position of the government is broken down into three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

C. Basis of Accounting

The accounting and reporting policies of the Commission relating to the accompanying basic financial statements 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) the American Institute of Certified Public Accountants in the Publication entitled Audits of State and Local Government Units and by the Financial Accounting Standards Board (when applicable).

D. Budgets and Budgetary Accounting

A budget is prepared for information and fiscal planning purposes. None of the participating entities are required to approve the budget. The budget is adopted as a planning document and is not a legal control on expenses. The budget is prepared on the same basis of accounting as the actual financial statements are prepared except for depreciation and capital asset purchases are expensed.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

E. Capital Assets

Property, plant and equipment purchased is stated at cost or estimated cost for all items with an initial costs exceeding \$1,000. Donated property is recorded at fair market value prevailing at the date of donation. Depreciation for capital asset has been provided for over the following estimated useful lives using the straight-line method:

Equipment	3-12 years
Buildings	39 years

Activity of the capital assets for the Commission for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Additions	Disposals	Balance June 30, 2018
Office furniture and equipment	\$ 32,454	\$ 4,183	\$ -	\$ 36,637
Buildings and improvements	368,255	21,853	-	390,108
Less:				
Accumulated Depreciation	(205,556)	(12,733)	-	(218,289)
Net capital assets	<u>\$195,153</u>	<u>\$ 13,303</u>	<u>\$ -</u>	<u>\$ 208,456</u>

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Commission considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. 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, 2018, and no allowance for doubtful accounts has been provided.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 1 – Summary of Significant Accounting Policies (continued)

I. 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 has two items that qualify for reporting in this category. They are the employer pension contributions made after the actuarial measurement date and the difference between expected and actual experience. Employer contributions made after the measurement date of June 30, 2019, were \$1,368. The difference between expected and actual experience, per the actuarial report dated of June 30, 2018, was \$95,446.

The Commission reports deferred inflows of resources on its statement of net position. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until a future period. The Commission had three items that qualify for reporting in this category. The net difference between the projected and actual earnings on plan investments, per the actuarial report dated of June 30, 2018, was \$13,925.

J. 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 Retirement Plan and additions to/deductions from the Commission's Retirement Plan's net fiduciary position have been determined on the same basis as they were reported by 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.

K. Restricted Resources

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted, as they are needed.

L. Advertising Costs

Advertising costs are expensed as incurred.

RAPPAHANNOCK-RAPIDAN REGIONAL 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. Cash and cash equivalents include amounts in demand deposits as well as short-term, highly liquid investments with a maturity date within three months of the date acquired by the Commission. Deposits are carried at cost, which approximates fair value. At year end, the carrying value of the Commission's bank account balances was \$30,862, and the bank balances totaled \$45,422.

There is no custodial credit risk to these accounts, as the entire bank balance was covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (Act). Under the Act, banks holding public deposits in excess of the amounts insured by the FDIC must pledge collateral in the amount of 50% of excess deposits to a collateral pool in the name of the State Treasury Board. Savings and loan institutions are required to collateralize 100% of deposits in excess of FSLIC limits. The State Treasury Board is responsible for monitoring compliance by banks and savings and loans. Accordingly, there is no custodial risk for either of the accounts as they are fully collateralized. In addition there is no interest rate risk as the interest rates are adjusted daily.

The Commission is a participant in the Virginia Investment Pool, a jointly-administered investment pool. Jointly-administered investment pools, such as VIP, are allowable investment as identified in the Investment of Public Funds Act. Participants own and control VIP, which is a governmental trust under Section 115 of the Internal Revenue Code. Public Trust Advisors, LLC (PTA) serves as Investment Manager. PTA is a Securities and Exchange Commission registered, independent investment advisor with significant local government investment pool experience. PTA manages more than \$30 billion in public funds nationwide. Wells Fargo Bank is VIP's custodian bank.

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. At June 30, 2019 the Commission's balance in the investment pool was \$233,174 and included the follow investments:

VIP Liquidity Pool Account	\$129,690
VIP Long Term Bond Fund	103,484

NOTE 3 – Rural Development Loan

The Commission received loan proceeds in the amount of \$376,000 from the Department of Agriculture on August 12, 2000. The loan is secured by the Commission's real estate and due in monthly installments of \$1,993 including interest of 4.75% through July 12, 2029.

Current year debt activity was as follows:

Beginning Balance	Increases	Decreases	Ending Balance
\$206,357	\$_____-	\$14,425	\$191,932

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 3 – Rural Development Loan (continued)

Mandatory debt service requirements consist of the following:

Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 15,126	\$ 8,790
2021	15,860	8,056
2022	16,630	7,286
2023	17,437	6,479
2024	18,288	5,628
2025-2029	105,632	13,948
2030	<u>2,959</u>	<u>16</u>
Total	<u>\$ 191,932</u>	<u>\$ 50,203</u>

NOTE 4 – Defined Benefit Pension Plan

Pensions

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 Commission's Retirement Plan and the additions to/deductions from the Commission'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 Commission are automatically covered by a 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 as 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:

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (continued)

RETIREMENT PLAN PROVISIONS		
PLAN 1	PLAN 2	HYBRID RETIREMENT
<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.
<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 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>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>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

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

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.	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.	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>Retirement Contributions Employees contribute 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 a 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>
<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 Defined Benefit Component: 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>Defined Contributions Component: Under the defined contribution component, creditable service is used to determine vesting for the employer contribution portion of the plan.</p>

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

<p>Vesting</p> <p>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</p> <p>Same as Plan 1.</p>	<p>Vesting</p> <p>Defined Benefit Component: 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 Retirement Plan remain vested in the defined benefit component.</p> <p>Defined Contributions Component: 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> <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</p> <p>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</p> <p>See definition under Plan 1.</p>	<p>Calculating the Benefit</p> <p>Defined Benefit Component:</p> <p>See definition under Plan 1</p> <p>Defined Contribution Component:</p> <p>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>

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

Average Final Compensation A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.	Average Final Compensation A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.	Average Final Compensation Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.
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%.	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.	Service Retirement Multiplier Defined Benefit Component: VRS: The retirement multiplier for the defined benefit component is 1.00%. 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.
Sheriffs and regional jail superintendents: The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.	Sheriffs and regional jail superintendents: Same as Plan 1.	Sheriffs and regional jail superintendents: Not applicable.
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.	Political subdivision hazardous duty employees: Same as Plan 1.	Political subdivision hazardous duty employees: Not applicable. Defined Contribution Component: Not applicable.
Normal Retirement Age VRS: Age 65. Political subdivisions hazardous duty employees: Age 60.	Normal Retirement Age VRS: Normal Social Security retirement age. Political subdivisions hazardous duty employees: Same as Plan 1.	Normal Retirement Age Defined Benefit Component: VRS: Same as Plan 2. Political subdivisions hazardous duty employees: Not applicable. Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

<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 subdivisions hazardous duty employees: Age 60 with at least five years of creditable service or 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 subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Unreduced Retirement Eligibility Defined Benefit Component: 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 subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: 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 age 50 with at least 10 years of creditable service.</p> <p>Political subdivisions 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 subdivisions hazardous duty employees: Same as Plan 1.</p>	<p>Earliest Reduced Retirement Eligibility Defined Benefit Component: VRS: Age 60 with at least five years (60 months) of creditable service.</p> <p>Political subdivisions hazardous duty employees: Not applicable.</p> <p>Defined Contribution Component: Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<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>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>Cost-of-Living Adjustment (COLA) in Retirement Defined Benefit Component: Same as Plan 2.</p> <p>Defined Contribution Component: Not applicable.</p>

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

<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>Eligibility: Same as Plan 1</p>	<p>Eligibility: Same as Plan 1 and Plan 2.</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 or 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. • 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>Exceptions to COLA Effective Dates: Same as Plan 1</p>	<p>Exceptions to COLA Effective Dates: Same as Plan 1 and Plan 2.</p>

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

Disability Coverage Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.	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.	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 an employer-paid comparable program for its members. 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.
Purchase of Prior Service Members may be eligible to purchase service from previous public employment, active duty military service, 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. Members also may be eligible to purchase periods of leave without pay.	Purchase of Prior Service Same as Plan 1.	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.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

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	4
Inactive Members	
Vested inactive members	4
Non-vested inactive members	6
Active members active elsewhere in VRS	4
Total Inactive Members	14
Active Members	
Total covered employees	<u>25</u>

Contributions

The contribution requirement for active employees is governed by § 51.1-145 of the *Code of Virginia*, as amended, but may be impacted as a result of funding options provided to political subdivisions by the Virginia General Assembly. Employees are required to contribute 5.00% of their compensation toward their retirement.

The Commission's contractually required contribution rate for the year ended June 30, 2019 was 2.90% of covered employee compensation. This rate was based on an actuarially determined rate from an actuarial valuation as of June 30, 2017.

This rate, when combined with employee contributions, was expected to finance the costs of benefits earned by employee during the year, with an additional amount to finance any unfunded accrued liability. Contribution to the pension plan from the Commission was \$1,368 and \$20,245 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.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

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 expense, including inflation*

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

Mortality rates:

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.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

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%

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:

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

Asset Class (Strategy)	Target Allocation	Arithmetic Long-Term Expected Rate of Return	Weighted Average Long-Term Expected Rate of Return
Public Equity	40.00%	4.54%	1.82%
Fixed Income	15.00%	0.69%	0.10%
Credit Strategies	15.00%	3.96%	0.59%
Real Assets	15.00%	5.76%	0.86%
Private Equity	15.00%	9.53%	1.43%
Total	<u>100.00%</u>		4.80%
		Inflation	2.50%
* Expected arithmetic nominal return			<u>7.30%</u>

* The above allocation provides a one-year return of 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%.

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 the 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 20, 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 to contribute 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore the Long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

Change in the Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at June 30, 2017	\$ 881,283	\$1,331,228	\$(449,945)
Changes for the year:			
Service cost	34,100		34,100
Interest	60,863		60,863
Change in assumption	-		-
Differences between expected and actual experience	159,504		159,504
Contributions – employer		20,150	(20,150)
Contributions – employee		17,480	(17,480)
Net investment income		99,250	(99,250)
Benefit payments, including refunds of employee contributions	(23,630)	(23,630)	-
Administrative expense		(829)	829
Other changes		(90)	90
Net changes	230,837	112,331	118,506
Balances at June 30, 2018	\$1,112,120	\$1,443,559	\$(331,439)

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

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

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Commission's Net Pension Liability	\$(173,995)	\$(331,439)	\$(459,426)

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

For the year ended June 30, 2019, the Commission recognized pension benefit of \$146,292. At June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$95,446	\$ -
Net difference between projected and actual earnings on plan investments	-	13,925
Employer contributions subsequent to the Measurement Date	1,368	-
Total	\$96,814	\$13,925

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

NOTE 4 – Defined Benefit Pension Plan (Continued)

\$95,446 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 future reporting periods as follows:

Year ending June 30,	
2020	66,984
2021	29,268
2022	(13,609)
2023	(1,122)
2024	-
Thereafter	-

Pension Plan Data

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2018 Comprehensive Annual Financial Report (CAFR). A copy of the 2018 VRS CAFR may be downloaded from the VRS website at <http://www.varetire.org/Pdf/Publications/2018-annual-report.pdf>, or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

NOTE 5 – Commitments and Contingencies

The Commission receives a substantial amount of its support from local and state governments. A significant reduction in the level of this support, if this were to occur, could have an adverse effect on the Commission's programs and activities.

NOTE 6 – Evaluation of Subsequent Events

The Commission has evaluated subsequent events through October xx, 2019, the date which the financial statements were available to be issued.

**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 Board of Commissioners
Rappahannock-Rapidan Regional Commission:
Culpeper, Virginia

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 the Rappahannock-Rapidan Regional Commission as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Rappahannock-Rapidan Regional Commission's basic financial statements, and have issued our report thereon dated October xx, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Rappahannock-Rapidan Regional Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the 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 the Rappahannock-Rapidan Regional Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Rappahannock-Rapidan Regional 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 Rappahannock-Rapidan Regional 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

October xx, 2019

DRAFT

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF REVENUES AND EXPENSES-BUDGET
AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual Budgetary- Basis	Variance Favorable (Unfavorable)
Operating Revenues:				
DEQ Chesapeake Bay Watershed Implementation Plan III	\$ 50,000	50,000	\$ 50,000	\$ -
Dues	145,377	145,377	145,375	(2)
Freedom grant	250,000	250,000	247,542	(2,458)
Hazard Mitigation	13,820	13,820	13,820	-
Madison county planning	2,000	2,000	1,104	(896)
Orange county community development block grant	-	-	2,000	2,000
Rappahannock comp plan	4,000	4,000	-	(4,000)
Regional housing	48,604	48,604	48,605	1
Rgional tourism	7,000	7,000	7,000	-
Rideshare program	118,400	118,400	118,369	(31)
Rural transportation program	58,000	58,000	58,020	20
State regional planning grant	75,971	75,971	75,971	-
Town of Madison comp plan	500	500	-	(500)
Van pool grant	8,000	8,000	4,448	(3,552)
Virginia homeless solution program	84,000	84,000	84,501	501
Virginia Housing Development Authority VISTA grant	15,000	15,000	15,000	-
VTC marketing leverage program grant	21,012	21,012	-	(21,012)
USDA farmers market promotion program	83,000	83,000	81,423	(1,577)
Other Income	750	750	4,792	4,042
Water Supply Plan	-	-	749	749
Total Operating Revenues	<u>985,434</u>	<u>985,434</u>	<u>958,719</u>	<u>(26,715)</u>

Operating Expenses:

Advertising	500	500	-	500
America's wine country	1,100	1,100	-	1,100
Annual meeting	4,500	4,500	4,457	43
Audit	5,500	5,500	3,650	1,850
DEQ Chesapeake Bay Watershed Implementation Plan III	2,500	2,500	414	2,086
Equipment	7,000	7,000	5,916	1,084
Freedom grant	222,500	222,500	216,975	5,525
Insurance health	45,000	35,000	34,247	753
Insurance liability	1,400	1,400	1,295	105
Insurance workers' compensation	500	500	500	-
Maintenance and repairs	10,000	26,025	26,997	(972)
Membership dues	4,000	4,000	3,495	505
Miscellaneous	500	500	365	135

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF REVENUES AND EXPENSES-BUDGET
AND ACTUAL (BUDGETARY BASIS) (Continued)
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual Budgetary- Basis	Variance (Favorable (Unfavorable)
Operating Expenses (Continued):				
Payroll taxes	\$ 30,600	\$ 30,600	\$ 29,083	\$ 1,517
Postage	750	750	558	192
Printing	2,000	2,000	1,760	240
Regional tourism	9,693	9,693	4,717	4,976
Retirement	9,000	9,000	8,358	642
Rideshare	50,000	50,000	51,170	(1,170)
Rural transportation planning	1,000	1,000	988	12
Salary	400,000	400,000	395,999	4,001
Subscriptions and publications	750	750	400	350
Supplies	4,500	4,500	4,267	233
Technology	7,000	7,000	4,381	2,619
Travel	10,000	10,000	10,239	(239)
Utilities	6,200	6,200	4,940	1,260
USDA farmers market promotion program	61,000	61,000	65,365	(4,365)
Vanpool expense	8,500	8,500	8,552	(52)
Virginia Housing Development Authority	15,000	15,000	15,000	-
VTC marketing leverage program grant	18,000	18,000	19,831	(1,831)
Virginia Homeless Solution program expense	1,000	1,000	4,036	(3,036)
Website update	7,000	7,000	-	7,000
Total Operating Expenses	954,493	953,018	927,955	25,063
 Operating Gain/(Loss)	 30,941	 32,416	 30,764	 (1,652)
 Nonoperating Income (Expense)				
GASB 68 adjustment	-	-	112,111	112,111
Interest income	1,500	1,500	3,487	1,987
Investment gain	-	-	3,927	3,927
Interest expense	(23,916)	(23,916)	(23,916)	-
Total Nonoperating Income (Expense)	(22,416)	(22,416)	95,609	112,111
 Net Gain/(Loss)	 \$ 8,525	 \$ 10,000	 \$ 126,373	 \$ 110,459

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See accompanying notes.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - BUDGETARY BASIS
BUDGET-TO-GAAP RECONCILIATION
FOR THE YEAR ENDED JUNE 30, 2019

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP
 Revenue and Expenditures

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Sources/inflows of resources

Actual amounts (budgetary basis) from budgetary comparison schedule	\$ 958,719
Collection of receivables accrued as of June 30, 2018 are revenue for budgetary purposes but not for GAAP purposes.	(95,967)
Receivables accrued as of June 30, 2019 are revenue for GAAP purposes but not for budgetary purposes.	<u>109,759</u>
Total operating revenue as reported on the statement of revenues, expenses and changes in net position.	<u>\$ 972,511</u>

Uses/outflows of resources

Actual amounts (budgetary basis) from budgetary comparison schedule	\$ 927,955
Payments of accounts payable recorded as of June 30, 2018, are expenditures for budgetary purposes but not for GAAP purposes.	(34,207)
Purchases of equipment for the year ended June 30, 2019, are expenditures for budgetary purposes but not for GAAP purposes.	(26,036)
Payables accrued as of June 30, 2019 are expenses for GAAP purposes but not for budgetary purposes.	36,493
Depreciation expense is a expense for GAAP purposes but not for budgetary purposes.	<u>12,733</u>
Total operating expenses as reported on the statement of revenues, expenses and changes in net position.	<u>\$ 916,938</u>

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY
AND RELATED RATIOS

	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 34,100	\$ 34,046	\$ 46,439	\$ 45,136	\$ 44,023
Interest on total pension liability	60,863	76,384	67,864	60,928	54,411
Changes in assumptions	-	(29,189)	-	-	-
Differences between expected and actual experience	159,504	(279,643)	22,652	(589)	-
Benefit payments, including refunds of employee contributions	(23,630)	(23,038)	(7,427)	(5,370)	(5,293)
Net change in total pension liability	230,837	(221,440)	129,528	100,105	93,141
Total pension liability - beginning	881,283	1,102,723	973,195	873,090	779,949
Total pension liability - ending (a)	\$ 1,112,120	\$ 881,283	\$ 1,102,723	\$ 973,195	\$ 873,090
Plan fiduciary net position					
Contributions - employer	\$ 20,150	\$ 16,670	\$ 20,601	\$ 21,713	\$ 24,294
Contributions - employee	17,480	14,694	16,585	17,468	17,147
Net investment income	99,250	145,211	22,505	49,158	140,644
Benefit payments, including refunds of employee contributions	(23,630)	(23,038)	(7,427)	(5,370)	(5,293)
Administrative expense	(829)	(815)	(2,049)	(630)	(720)
Other	(90)	(130)	(5)	(11)	7
Net change in plan fiduciary net position	112,331	152,592	50,210	82,328	176,079
Plan fiduciary net position - beginning	1,331,228	1,178,636	1,128,426	1,046,098	870,019
Plan fiduciary net position - ending (b)	\$ 1,443,559	\$ 1,331,228	\$ 1,178,636	\$ 1,128,426	\$ 1,046,098
Commission's Net pension asset - ending (a)-(b)	\$ (331,439)	\$ (449,945)	\$ (75,913)	\$ (155,231)	\$ (173,008)
Plan fiduciary net position as a percentage of the total					
Pension liability	129.80%	151.06%	106.88%	115.95%	119.82%
Covered - employee payroll	\$ 391,349	\$ 367,005	\$ 268,691	\$ 351,496	\$ 342,940
Commission's net pension liability as percentage of covered-employee payroll	-84.69%	-122.60%	-28.25%	-44.16%	-50.45%

See accompanying notes.

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE YEARS ENDED JUNE 30, 2010 THROUGH 2019

Date	Contributions in Relation to		Contribution Deficiency (Excess)	Employer's Covered Payroll	Contributions as a % of Covered Payroll
	Contractually Required Contributions	Contractually Required Contributions			
(1)	(2)	(3)	(4)	(5)	
2019	\$ 1,928	\$ 1,368	\$ 560	\$ 356,985	0.38%
2018	11,349	20,245	(8,896)	391,349	5.17%
2017	10,643	16,670	(6,027)	367,005	4.54%
2016	16,766	20,601	(3,835)	268,691	7.67%
2015	21,933	21,713	220	351,496	6.18%
2014	24,383	24,294	89	342,940	7.08%
2013	24,383	28,323	(3,940)	342,940	8.26%
2012	26,840	29,446	(2,606)	322,209	9.14%
2011	26,111	28,702	(2,591)	313,452	9.16%
2010	15,365	19,279	(3,914)	307,307	6.27%

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RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2018

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%

Executive Director's Report

December 4, 2019



The purpose of this report is to provide members of the Regional Commission with a summary report of work plan-related activities, staff attendance and participation at local/regional/ statewide meetings, and updates on initiatives impacting the Regional Commission and our localities.

Administration:

- The December marks the final meetings for two members of the Regional Commission, as Mr. Steve Walker and Mr. Roger Welch will end their terms. I am grateful to both for their guidance and interest in bringing issues to the regional table for discussion through their time on the Board and wish them both the best away from elected service!
- Local budget requests are in development for Culpeper and Orange counties prior to the end of the year, with Madison and Rappahannock counties and our eight member Towns to follow in January. As always, please let me know if you have specific information that may be helpful to include with our requests.

Homelessness/Affordable Housing

- Jenny Biché completed a grant application to the Virginia Housing Trust Fund on behalf of Foothills Housing Network to expand housing case management for the most housing vulnerable members of the community. If received, the grant will be administered by People Incorporated with staffing within the Community Services Board housing program.
- Staff held a kickoff meeting with VHDA staff to review grant guidelines and requirements for the Community Impact Grant in November. A request for proposals was released and proposals are due back to RRRC by December 6th. We expect to review proposals in hopes of having an award ready for early January. I will communicate with the Executive Committee prior to award.

Environmental/Natural Resources

- In October, the Commission approved RRRC to serve as lead partner on a potential grant application to the USDA Regional Conservation Partnership Program. Following further discussions with project partners, the decision was taken to hold off on an application to the program for this grant cycle, but to review and refine the partnerships in anticipation of an application being submitted for the next round. We will keep you updated on progress in the future.
- Michelle Edwards continues to participate with several Chesapeake Bay watershed groups, including the Local Leadership Workgroup with the Chesapeake Bay Foundation and the Bay Preservation Act workgroup convened by the Secretary of Natural Resources

Economic Development & Tourism

- Hunter Berry will provide an overview of the growth and outreach over the past year for the Tween Rivers Trail regional agritourism network at next week's meeting, as well as future opportunities for the regional tourism committee.
- Staff continues to pursue opportunities for broadband collaborations through GO Virginia, in follow up to Shannon Holland's presentation in October including follow up conference calls and meetings with DHCD's GO Virginia director in November.

Transportation

- The next Rural Transportation Committee meeting will be Thursday, December 12th at 1pm at RRRC. The focus of the meeting will be on upcoming Smart Scale applications and the ongoing update to the RRRC Rural Long-Range Transportation Plan.
- As your Smart Scale applications are being developed locally and with VDOT assistance, please let RRRC staff know if you need our assistance with the Smart Portal process, reviewing projects or if you believe that you might require RRRC to serve as an applicant should your locality have greater than four projects to submit.
- Commuter Services and Mobility Management staff have begun the application process for FY 2021 grant programs, including meetings with DRPT staff in Richmond to discuss changes to the programs. Both grants will be submitted by the deadline of February 3, 2020, but we will ask for your approval of the framework of each next week.

Emergency Planning/Hazard Mitigation

- RRRC's proposal to the Hazard Mitigation Grant Program for wildfire GIS analysis is now in review with FEMA. If approved, we expect the project to begin in 2020.
- Staff met with local amateur radio operators to determine partnership opportunities related to Hazard Mitigation and/or regional emergency response situations. We anticipate further meetings involving VDEM and your local emergency managers on the subject.

Local Technical Assistance/Regional Coordination

- In addition to projects referenced above, ongoing local projects include:
 - Met with Sperryville Community Alliance on pedestrian and safety enhancements in and around the village
 - Participated with GO Virginia and economic development stakeholders on a work session focused on the potential uses for the Louisa County site that may provide opportunity for a regional economic development projects in the future
 - Attended Rappahannock County Board and Planning Commission meeting on the County's Comprehensive Plan review completed by Berkeley Group, which may provide opportunity for RRRC assistance in the short and long-term
 - Participated in the VDOT Culpeper District Land Use forum in November with staff from your localities to discuss programs, upcoming projects and regional/local needs
 - Attended the Fall Transportation meeting in Culpeper with Secretary of Transportation, Commonwealth Transportation Board members, and statewide transportation staff and stakeholders
 - Coordinating meetings with Town of Washington on infrastructure and long-term planning needs
 - Coordinated initial interest meeting for regional health insurance consortium/pool in November with representatives from each County and several towns and school systems in attendance.



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 4, 2019
Subject: RRRC Active Transportation Plan

As you will recall, RRRC staff began work on the RRRC Active Transportation Plan in late 2019. The plan builds off of previous bicycle and pedestrian inventory plans completed in 2007 and 2012, but includes more robust data collection, stakeholder involvement, locality assessments and incorporates additional outdoor recreation activities including river access and connections and equestrian accommodations.

A preliminary draft version of the plan was presented to the Commission in August and follow-up revisions based on stakeholder input was incorporated into the plan in October and November. A final review of the plan will occur on December 5th along with discussion of the Virginia Outdoors Plan with local and regional stakeholders and staff from the Department of Conservation and Recreation.

The plan overview is attached here for your reference, and copies of the full plan will be available at the meeting next Wednesday. The full version of the plan for the Commission's consideration can also be accessed on the RRRC website at <http://www.rregion.org/pdf/Agendas/201912/RRRC.ATP.201912.pdf>.

Joe Costello will be present to review the Active Transportation Plan and to answer any questions you may have next Wednesday. Should the plan be adopted by the Commission, staff will be available to present locally to your governing body or planning commission, as needed. Local adoption or incorporation into other planning documents will be at the discretion of each jurisdictions.

REQUESTED ACTION: The Commission is asked to consider adoption of the RRRC Active Transportation Plan.

Active Transportation Plan

Bike, Walk, & Paddle in Virginia's Northern Piedmont



Rappahannock-Rapidan Regional Commission



Introduction

PURPOSE

The purpose of the Rappahannock-Rapidan Active Transportation Plan is to provide information and recommendations that guide the expansion of a safe and cohesive regional active transportation system. The plan provides regional context to local planning efforts.

The plan identifies:

- Existing and planned bicycle, pedestrian, non-motorized watercraft and equestrian infrastructure
- Priority projects specific to locality
- Potential long-term projects that advance the effectiveness of the regional active transportation system.

The plan encourages development of a holistic active transportation network, providing recommendations that address county and town bicycle and pedestrian needs and linkages to and between hiking and equestrian trails, planned public river access points, parks, and historic and cultural destinations. This plan aims to develop feasible recommendations and is not intended to detail every possible trail connection.

Vision Statement

"the Vision for the Rappahannock-Rapidan Region's Active Transportation Plan is to develop an accessible, equitable, connected, interesting and safe regional bike, pedestrian, blueway and equestrian network that enhances recreation and transportation options for residents, reinforces economic development and tourism initiatives, preserves open space and overall enhances the quality of life for residents and visitors."



Regional Overview

Located in the northern portion of Virginia's Piedmont region, the Rappahannock-Rapidan Region includes the counties of Culpeper, Fauquier, Madison, Orange and Rappahannock and the incorporated towns of Culpeper, Gordonsville, Madison, Orange, Remington, The Plains, Warrenton and Washington. The region is characterized by scenic, rural landscapes and compact, historic towns; neighboring the Washington, DC metro area in the northeast, the Fredericksburg metro area to the southeast, the City of Charlottesville to the southwest and Shenandoah National Park in the west. The region's proximity to three growing metro areas and the relative affordability of housing and land in the area encourage continued population growth.

The region has an area of approximately 1,965 square miles and has an estimated population of 179,725 which is an increase of approximately 33% since the turn of the century. Concentrated growth in the towns and designated growth areas preserves the region's agricultural land uses, scenic beauty and rural character. However, despite this type of growth, conversion of agricultural land uses to residential has accelerated over the last twenty years especially around town centers where service areas are poised to extend further into the surrounding counties.

Commuting causes increased traffic volume on the region's major highways and primary routes including Interstate 66, US 29, US 15 , State Route 3 and US 33. Personal vehicle ownership rates are very high and necessary for most to access jobs and essential services. Biking and walking to work is not a viable option for most due to the long distances between home and work for many. People that live and work in the same town can walk or bike, but this is uncommon overall for the region.

Walkable main streets, many founded in the mid to late 1700's contain a mixture of commercial, residential, religious and municipal buildings. The pedestrian friendly design of the region's historic towns provides a framework to improve and extend pedestrian and bicycle networks into nearby residential areas. There are numerous opportunities to make the towns and surrounding residential areas more pedestrian and bike friendly. Providing multi-modal options will become increasingly important as the population ages. Connecting pedestrians to public transportation stops and essential services will become increasingly important as elderly people may opt to walk more or have to give up driving entirely. Those with disabilities may have difficulty navigating outdated and non-ada compliant sidewalks.

ACTIVE TRANSPORTATION:

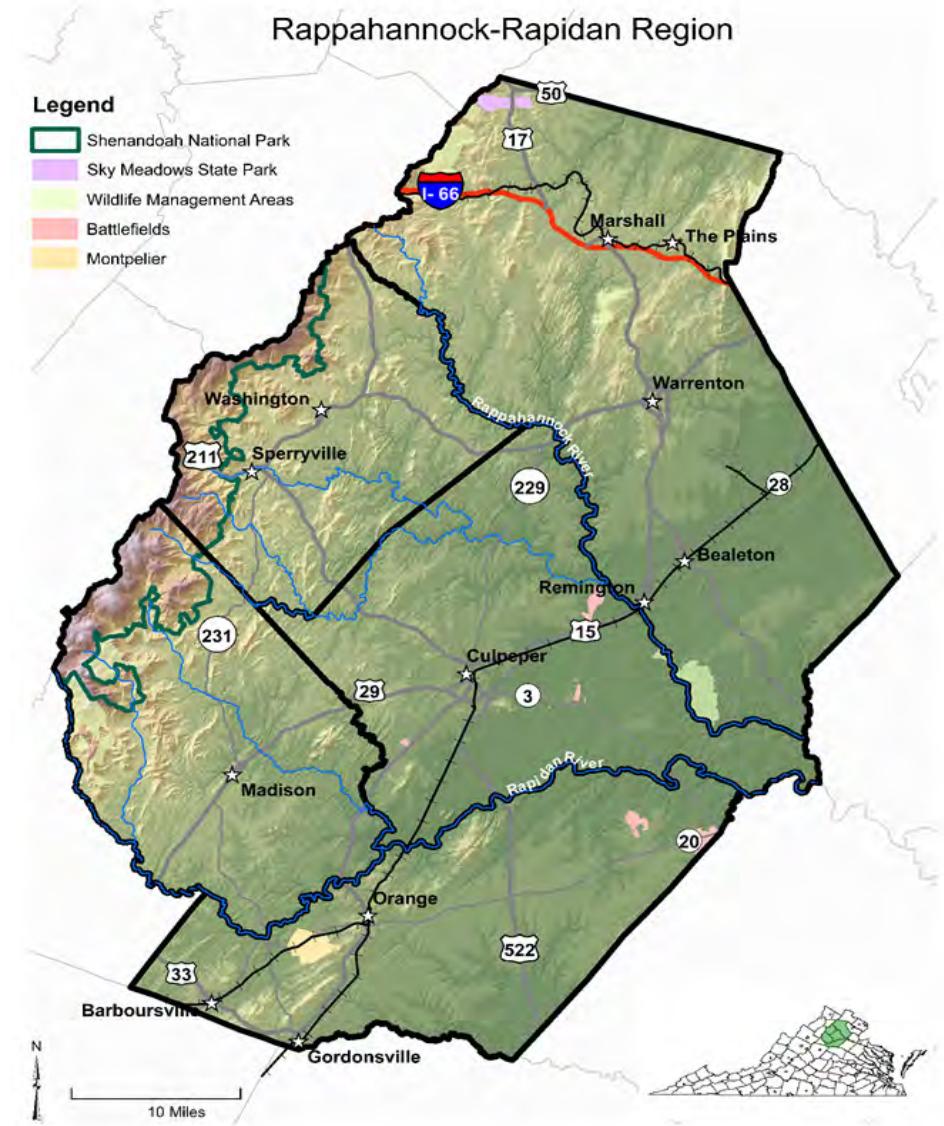
the transport of people and sometimes goods, that only uses the physical activity of the human being for the locomotion, including walking, biking and paddling.



Regional Overview

Most walking, and biking activity in the region is for leisure or recreational purposes. The rolling topography and scenic landscapes make the region ideally suited for numerous recreational and tourism activities. There are many nationally and internationally significant historic sites including Montpelier, Hoover Camp, multiple Civil War battlefields and a plethora of historic estates. Outdoor recreation opportunities abound in Shenandoah National Park, Sky Meadows State Park, local community parks and in variety of private recreational areas. Scenic rivers including the Rappahannock, the Rapidan and the Robinson offer numerous non-motorized water-based activities. Farm-related tourism, known as agritourism, wineries, breweries event venues, unique Airbnb rentals, and related tourism continue to grow in scale and variety across the region. These assets are major draws for new residents, tourists and businesses looking to locate in the region and should be supported, where appropriate, by infrastructure that supports multi-modal travel. There are many opportunities to connect destinations with nearby commercial and residential areas. By investing in an integrated active transportation system, the region can further realize its potential as a prominent recreation, historic and agritourism destination.

The long-stated aim of the region's counties is to remain rural and predominately agricultural while concentrating development in service areas. Tax revenues gained from increased tourism can support land use taxation and land bank programs practiced in the counties. The proximity of the region to metro areas ensures increases in tourists; establishing a region-wide integrated bike, walk and paddle plan will help the region realize its local economic, tourism, recreation and preservation goals. This plan should be considered a resource and complement to ongoing local efforts to develop bicycle, pedestrian, equestrian and paddler facilities.



Background

The first Rappahannock-Rapidan regional bicycle and pedestrian plan was developed in 2007. The plan inventoried existing local trails and bike routes. The plan also identified potential regional bikeway corridors. In 2012 the regional plan was updated to reflect changes in existing and planned bicycle and pedestrian infrastructure. Neither plan was formally adopted by the Rappahannock-Rapidan Regional Commission.

Since 2012, there has been a large increase in interest in outdoor recreation and active transportation in the region. Many of the region's counties and towns have addressed this trend by adopting local plans and updating comprehensive plans and zoning ordinances to address future bicycle and pedestrian infrastructure needs. There are also ongoing multi-organization efforts to create public river access and blueways along the Rappahannock, Rapidan and Robinson Rivers. Blueway planning efforts include local non-profit organizations, private organizations and local governments. In addition, equestrian trails are common in certain parts of the region. Bridle paths that provide connections between equestrian communities and other destinations provides a niche quality of life and tourism benefit for the region with great potential to expand connections.

The funding climate for active transportation projects has also changed since 2012. VDOT has started the Pedestrian Safety Action Plan and Bicycle Safety Action Plan which both provide dedicated funding set asides to address bicycle and pedestrian safety needs from the Federal Highway Safety Improvement Programs' (HSIP) funding allocation. VDOT's Transportation Alternative Program, Recreational Access Program, Safe Routes to School Program, and DCR's Recreational Trails Program all provide dedicated funding for active transportation infrastructure and programs.

Photo:

VDOT's preeminent funding program, SMART SCALE, can also be used to fund active transportation related projects. Roads or other qualifying SMART SCALE projects receive score benefits if they include bicycle and pedestrian elements, increasing the likelihood those projects are funded.

Non-profits in the region including Piedmont Environmental Council, The Friends of Rappahannock, the PATH foundation, Culpeper Wellness Foundation, Town to Trail, The Center for Natural Capital, Culpeper Area Mountain Bike Organization, RideFauquier, Fauquier Trails, Sperryville Foundation, RappTrails and others have taken on active planning and fund raising roles for active transportation related projects.

With all the new planned development, funding opportunities and community group support, the 2019 version of the active transportation plan aims to support and provide context to the continued development of a regionally integrated active transportation system. The active transportation plan also identifies existing active transportation conditions and networks at the regional and local scales, it inventories what is being planned for each locality and provides targeted recommendations to improve deficiencies. The plan recommends projects that improve the safety, functionality and integration of blueways, public river access, trail systems, bike routes, bridle trails, destinations, population centers and commercial areas. Finally, the plan provides a mechanism to consider how local investments are collectively addressing deficiencies and benefiting active transportation cohesion at the regional level.

Goals & Objectives

The following goals describe the desired results of the plan's adoption and implementation; objectives describe strategies to attain identified goals.

Goal 1- Enhance connectivity.

- Objective 1- Give people a reason to walk or bike by connecting people to work, school, grocery & other common destinations
- Objective 2- Expand on existing active transportation system assets
- Objective 3- Connect public transportation, pedestrian and bicycle networks

Goal 2- Improve safety.

- Objective 1 – identify areas with pedestrian and bicycle safety needs, areas with a history of accidents, no shoulder areas, proportion of pedestrian activity and speed limit)
- Objective 2 – Determine what improvements will best enhance safety
- Objective 3- Identify funding sources and process to prioritize improvements

Goal 3 Encourage the development of an interconnected, multi-locality active transportation network.

- Objective 1- Provide multi-modal access to recreational assets
- Objective 2- Facilitate Regional Connections where applicable
- Objective 3- limit parking and encourage multi-modal access to historic and scenic sites
- Objective 4- Design facilities to support the widest varieties of types of uses possible

Goals were developed through stakeholder engagement, local planning documents, VDOT statewide goals and from best practice guidelines.

Goal 4- Support economic development and tourism through investments in the active transportation system.

- Objective 1- Consider the user experience and provide in demand experiences
- Objective 2- Identify corridors that lend themselves to branding and marketing
- Objective 3- Highlight regional recreational, cultural, historic, commercial and agritourism destinations.

Goal 5- Develop a more accessible and equitable active transportation network.

- Objective 1- Consider adding improvements to areas with vulnerable populations (low income, elderly or children pre-driving age).
- Objective 2- Provide active transportation connections to health care providers, pharmacies, places of worship, post offices, municipal buildings, parks, farmers markets and grocery stores
- Objective 3- Encourage, promote and participate in Safe Routes to School Programs
- Objective 4- Design trails to accommodate the largest amount of user types as possible
- Objective 5- Upgrade non-ada compliant active transportation facilities



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 11, 2019
Subject: RRRC Application to DRPT for FY 2021 Transportation Demand Management Operating & Mobility Programs Assistance

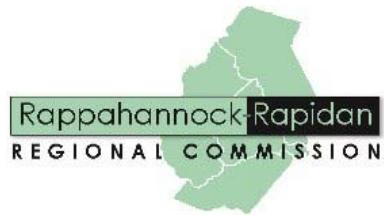
The Regional Commission's Commuter Services program receives funding from the Department of Rail and Public Transportation to support staffing and technical assistance related to the oversight and implementation of the regional ride matching and commuter assistance program. A resolution of approval from the Regional Commission is required prior to submitting the application for funding for FY 2021 on February 1, 2020. A draft resolution and marketing timeline are included here for your review.

Funding from this grant supports 1.5 full-time equivalent staff at the Commission, along with outreach, advertising, and marketing initiatives related to rideshare and ridematching services. The funding requested from DRPT for the TDM Operating grant program is \$134,920 and the 20% local match amount of \$33,730 will be met via funding received from RRRC's per capita dues requests to our member jurisdictions.

RRRC has also utilized DRPT's Mobility Programs grant to receive funds to assist commuters from the region with Van Start and Van Save short-term incentives for new or underperforming vanpools in the region. The request to this program will remain flat from the past two years at \$8,000 with the required 20% local match (\$2,000) met via funding from RRRC's per capita dues requests from your jurisdictions.

Staff will be available to answer any questions related to this request.

REQUESTED ACTION: Approval of the attached Resolution for RRRC staff to submit the FY 2021 Transportation Demand Management Operating Assistance and Mobility Program applications to the Department of Rail and Public Transportation and to authorize the Executive Director to execute the contract documents upon successful receipt of the grant.



Rappahannock-Rapidan Regional Commission

Resolution Certifying Funding Request to the Virginia Department of Rail and Public Transportation Transportation Demand Management Operating Assistance Program for Fiscal Year 2021

BE IT RESOLVED by the Rappahannock-Rapidan Regional Commission that the Executive Director is authorized, for and on behalf of the Rappahannock-Rapidan Regional Commission, hereafter referred to as the **PUBLIC BODY**, to execute and file an application to the Department of Rail and Public Transportation, Commonwealth of Virginia, hereafter referred to as the **DEPARTMENT**, for a grant of financial assistance in the amount of \$134,920 to defray eighty percent (80%) of the costs borne by the **PUBLIC BODY** for a ridesharing program and other public transportation purposes and to accept from the Department grants in such amounts as may be awarded, and to authorize the Executive Director to furnish to the **DEPARTMENT** such documents and other information as may be required for processing the grant request.

The Rappahannock-Rapidan Regional Commission certifies that the funds shall be used in accordance with the requirements of Section 58.1-638.A.4 of the Code of Virginia, that the **PUBLIC BODY** will provide funds in the amount of \$33,730, which will be used to match the state funds in the ratio required in such Act, that the records of receipts of expenditures of funds granted the **PUBLIC BODY** may be subject to audit by the **DEPARTMENT** and by the State Auditor of Public Accounts, and that funds granted to the **PUBLIC BODY** for defraying the expenses of the **PUBLIC BODY** shall be used only for such purposes as authorized in the Code of Virginia. The undersigned duly qualified and acting Executive Director of the **PUBLIC BODY** certifies that the foregoing is a true and correct copy of a Resolution, adopted by the Rappahannock-Rapidan Regional Commission on the 11th day of December, 2019.

Patrick L. Mauney, Executive Director
December 11, 2019



Rappahannock-Rapidan Regional Commission

Resolution Certifying Funding Request to the Virginia Department of Rail and Public Transportation Mobility Programs Grant Program for Fiscal Year 2021

BE IT RESOLVED by the Rappahannock-Rapidan Regional Commission that the Executive Director is authorized, for and on behalf of the Rappahannock-Rapidan Commuter Services, hereafter referred to as the, **PUBLIC BODY**, to execute and file an application to the Department of Rail and Public Transportation, Commonwealth of Virginia, hereafter referred to as the, **DEPARTMENT**, for a grant of financial assistance in the amount of \$8,000 to defray the costs borne by the **PUBLIC BODY** for public transportation purposes and to accept from the Department grants in such amounts as may be awarded, and to authorize the Executive Director to furnish to the **DEPARTMENT** such documents and other information as may be required for processing the grant request.

The Rappahannock-Rapidan Regional Commission certifies that the funds shall be used in accordance with the requirements of Section 58.1-638.A.4 of the Code of Virginia, that the **PUBLIC BODY** will provide funds in the amount of \$2,000, which will be used to match the state funds in the ratio required in such Act, that the records of receipts of expenditures of funds granted the **PUBLIC BODY** may be subject to audit by the **DEPARTMENT** and by the State Auditor of Public Accounts, and that funds granted to the **PUBLIC BODY** for defraying the expenses of the **PUBLIC BODY** shall be used only for such purposes as authorized in the Code of Virginia. The undersigned duly qualified and acting Executive Director of the **PUBLIC BODY** certifies that the foregoing is a true and correct copy of a Resolution, adopted by the Rappahannock-Rapidan Regional Commission on the 12th day of December, 2018.

Executive Director
December 11, 2019

1st Quarter FY21			2nd Quarter FY21			3rd Quarter FY21			4th Quarter FY21		
Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Google Ad Words \$3,600 / B			Movie Theatre Ad \$3,400 / B								
Facebook Ads \$4,000 / B			Job Fair \$750 / E			Air Fest \$2,000 / E			Job Fair \$750 / E		
Commuter Conn \$2,700 / F	ACT Conf. \$3,000 / F		Digital Software \$1,250 / F	Website, Domain \$550 / H					Fest Advertising \$6,879 / E	Alt.Transit Fest \$6,879 / E	
		Try Transit \$1000 / C		Holiday Contest \$150 / C			Spring Contest \$150 / C		Bike to Work Week \$150 / C		
Sponsorship Ad \$750 / D		Fall Campiagn 8wks \$9,500 / G			Mailer \$4,500 / G		Spring Campaign 8wks \$9,500 / G		Sponsorship Ad \$750 / D		
		VanPool Try Tran \$1,425 / V	VanPool Community Outreach \$50 / V		VanPool Digital Ad \$700 / V				Van Pool Mailer \$2,000 / V	VanPool Commu \$50 / V	
									VanPool Wrap Renewal \$1200 / V		

Year-long Marketing Outreach	Contest	Sponsorship Advertisements	Community Events	Technology & Subscriptions	Advertisements	Supplies & Materials	Van Pool Grant
B. 11000	C. 1450	D. 1500	E. 10379	F. 7500	G. 23500	H. 4200	V. 5425



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 3, 2019
Subject: RRRC Application to DRPT for FY 2021 Section 5310/New Freedom Funding

The Regional Commission serves as the applicant for Section 5310 (previously New Freedom) funding on behalf of the Foothills Area Mobility System (FAMS) program through the Department of Rail and Public Transportation. As shared with the Commission in October, this program provides funding for the FAMS Mobility Management program and One-Call Center. The grant application will include the following requests:

FAMS Mobility Management Program: 20 hours per week at RRRC for regional Mobility Management and staffing for 1.5 full-time equivalent positions for the FAMS One-Call Center. The Mobility Management grant requires 4% match and will be derived from the local per capita dues assessment as in-kind staff time.

As shared in October, RRRC staff is working with partner organizations to determine long-term funding options and location for the FAMS One-Call Center, and a plan will be presented in 2020. Currently, the One-Call Center is operated by Rappahannock-Rapidan Community Services. It remains possible that these positions will become RRRC positions after October 1, 2020.

Due to grant application deadlines, Commission staff is requesting approval to submit the grant application by the February 1st deadline.

REQUESTED ACTION: Approval of the attached Resolution for RRRC staff to submit the FY 2021 Section 5310 grant program application to the Department of Rail and Public Transportation and to authorize the Executive Director to execute the contract documents upon successful receipt of the grant.



Rappahannock-Rapidan Regional Commission

Resolution Authorizing Execution of Agreement with the Virginia Department of Rail and Public Transportation for Fiscal Year 2021

For Funding to Support the Regional Mobility Management Program

WHEREAS, the Rappahannock-Rapidan Regional Commission, hereafter referred to as the “Commission,” desires to obtain funding to support the Foothills Area Mobility System (“FAMS”) Regional Mobility Management program; and

WHEREAS, the Department of Rail and Public Transportation (“DRPT”) accepts applications for transit projects utilizing multiple state and federal funding sources to support eligible projects including regional mobility management and coordination; and

WHEREAS, the Commission gratefully acknowledges the importance of past and future DRPT funding in support of the Regional Mobility Management program and Coordinated Human Services Mobility plan coordination; and

WHEREAS, the Commission, upon award of funding, desires to enter into a contract with DRPT to support the continued operation of the Regional Mobility Management program; now therefore

BE IT RESOLVED that the Commission does hereby endorse and convey its full support on behalf of the above-referenced application for funding; that the Executive Director is authorized to execute and file said application and to accept from DRPT a grant in such amount as may be awarded, and to furnish to DRPT such documents, local and in-kind match, and other information as may be required for processing the grant request.

The undersigned duly qualified and acting Executive Director of the Commission certifies that the foregoing is a true and correct copy of a Resolution, adopted by the Rappahannock-Rapidan Regional Commission on the 11th day of December, 2019.

Patrick L. Mauney, Executive Director
December 11, 2019



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 2, 2019
Subject: Regional Legislative Platform

As you may recall, Mr. Eldon James discussed legislative issues and the upcoming General Assembly session with the Regional Commission in August. Comments from that meeting and other local review have been incorporated into the draft 2020 Regional Legislative Platform.

The Commission may wish to express its support of the legislative platform at this time. If action is taken, I will submit a letter to Mr. James expressing such.

REQUESTED ACTION: The Commission is asked to consider endorsement of the Regional Legislative Platform.



VACo Region 7 – North Central Virginia 2020 Legislative Issues

November 1, 2019



PRIORITY ISSUES

Children's Services Act

Since its foundation in 1992, the Virginia Children's Services Act has led the nation by consolidating funding sources and carefully coordinating treatment services for children with severe and significant needs. This care coordination has proven successful in both meeting needs for individual children, and in proving that state and local responsibility and cost sharing can and does work.

It is critical that when the General Assembly or the State Executive Council (SEC) directs changes in CSA law, policy or implementation guidelines the outcomes benefit those served and respects the shared-cost relationship of the Commonwealth and localities. When cost savings decisions are made they must show savings for both funding partners. Furthermore, the General Assembly and the SEC must direct the state Office of Children's Services staff to work closely with local governments in a manner that further enhances the collaborative partnership established in the CSA and improves the outcomes observed in this special population of children.

The Region supports the current structure under the CSA law that vests with the local Family Assessment and Planning Team (FAPT) and Community Policy and Management Team (CPMT) the responsibility to ensure that the proper services are selected for each child, to be provided by properly licensed providers, and at reasonable costs to the public.

The Region strongly supports the modification of current policy barring the use CSA funds to provide services in any public school setting during the school day. The use and cost of private day placements for students has skyrocketed across the Commonwealth for many years, highlighting the need to consider policy changes to encourage innovative approaches to educating these youths within the community school system. **The Region supports the establishment of therapeutic public day schools pilot programs supported by CSA funds and continuation of the 2% per year cap on increases in private therapeutic day treatment.**

Broadband

A large portion of the residents of the Region have no or very limited access to broadband. Residents in every jurisdiction, even in the most urban, lack access. Broadband access strengthens k-12 education, essential healthcare delivery including telemedicine, economic development and lessens stress on the transportation network. For 4 years the applications for Virginia Telecommunications Initiative (VATI) have been more than twice the funding available. The current round generated 39 applications requesting almost \$44M against \$19M of available funds. **The Region strongly supports enhanced state funding for expanded broadband capacity as well as strengthened local authority to deploy broadband directly or through public-private partnerships.**



VACo Region 7 – North Central Virginia 2020 Legislative Issues

November 1, 2019

OTHER ISSUES

Improving Virginia's Smart Scale Program

The Region supports changes to Smart Scale --

1. Improve the Smart Scale Scoring Process:
 - a. Include traffic for all 7 days
 - b. Use total cost versus smart scale request costs
 - c. Change accessibility measure threshold from 45 minutes to 90 minutes
 - d. Restrict Statewide High Priority Program funding to Highway and Transit projects on a Corridor of Statewide Significance costing at least \$10 Million.
2. Smart Scale Funding Process:
 - a. Request a study to review and potentially change the District Grant Allocation Formula - specific issues of concern:
 - Created for a different purpose in 1986 for Primary-Secondary-Urban allocation (40/30/30)
 - Interstates not included in formula but eligible to receive funding
 - Not consistent with national standard of 2010 Federal Functional Classification
 - Urban component of population based on city & town population instead of national standard of urbanized area
3. State Transportation Funding Study Request.
 - a. Current system based on gas taxes is failing due to emergence of hybrid and alternative fuel vehicles.
 - b. Need for a study to develop a new sustainable system less reliant on gas taxes.

Finally, the Region supports preserving the option to widen I-95 in Stafford between Exit 143 and Exit 133 from 6 to 8 lanes without I-95 Express Lanes restrictions requiring the State to pay competition compensation.

Transportation Generally

The Region applauds the efforts made over the past several years to adequately fund our growing transportation needs, including the I-81 package approved in 2019, but the job is not done. Sound decision-making must continue to recognize the linkage between land-use and transportation decisions to achieve cost-effectiveness and to retain quality of life. **The Region supports efforts to enhance transportation funding, including support for the secondary road system.** Growing transportation needs and the deterioration of critical transportation infrastructure, e.g., roads and bridges, is creating detrimental impacts to economic vitality and safety across the region.

The Region strongly encourages VDOT to fully utilize its funding authorization for the Revenue Sharing Program.

We recognize that the General Assembly and the Administration will continue to review the structure of our transportation system and may consider the potential for devolution of certain functions that have been the responsibility for the Commonwealth for almost a century, such as the secondary road



VACo Region 7 – North Central Virginia 2020 Legislative Issues

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network. **The Region is opposed to devolution of state transportation responsibilities to counties** and we urge the Administration and the General Assembly to work collaboratively with local governments during such reviews.

The Region supports efforts to improve rail service along the I-95 and Route 29 corridors. As part of this effort the Region encourages the Commonwealth to work cooperatively with the Region's localities to identify potential alternatives and to consider the potential impacts such efforts can have on property owners in or near the corridor. The Region supports an assessment of Metro ridership fares to ensure all fares and tolls are appropriately collected.

The region supports efforts to maintain safe and reliable transit services and encourages the Commonwealth to take steps to address the pending decrease in funding to the State Transit Capital Program. The region supports efforts to identify a steady, reliable transit capital program revenue stream in support of safe and efficient transit operation.

Viability of Cash and Off-Site Proffers

Conditional zoning was authorized by the Virginia General Assembly over 30 years ago. The goal was to address the rigidity of traditional zoning methods to address conflicts between competing and incompatible land uses.

As designed and utilized for decades, conditional zoning allows reasonable conditions, known as proffers, to be offered by the applicant during a rezoning process as a way of mitigating the impacts of the proposed rezoning. Proffers could include land, infrastructure, cash or other conditions or constraints on the use of the property. These proffers, if accepted by the governing body as part of the rezoning approval, become part of the zoning ordinance as it applies to that property. In theory, conditional zoning allows land to be rezoned that might not otherwise be rezoned because the proffers can address community concerns arising from the rezoning. In the 2016 session SB549 created a new section, 15.2-2303.4, which dramatically changed the way off-site and cash proffers can be offered, considered, accepted and used to support public facilities. The change disrupted the balance that had been achieved over the previous three decades. In the 2019 session revisions were enacted to address some of the most problematic elements of the 2016 legislation. These revisions were intended to restore the ability of the locality and the property owner/developer to have essential discussions about a proposal without unreasonably exposing the locality to liability. It is hoped that these revisions will begin to rebalance the process, but the region is concerned that other revisions are still needed.

Continued concerns include:

- What is the definition of "specifically attributable" and how does this impact a proposed rezoning that generates a need for "some" capacity improvement?
- In the case of some capacity improvement need it must be an "identifiable portion of a need." What does this mean and how is it determined?
- Should utility facilities be included as a category of public facility that may be addressed through proffers?
- The uncertainty regarding the reasonableness of proffers, coupled with the loss of the presumption of validity, the "clear and convincing" standard of proof, and the potential award



VACo Region 7 – North Central Virginia

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of attorneys' fees, has caused localities to limit proffer discussion during the rezoning process, or to forego proffer authority altogether.

When the Code of Virginia creates uncertainty local government attorneys, cautious by nature, advise their clients to err on the side of caution. We are uncertain to what degree the 2019 changes will rebalance this important zoning tool. **The Region therefore supports efforts to continue the address the negative impacts of SB549 (2016).**

Tax Reform and Local Revenues Generally

Local taxes such as the Business Professional and Occupational License tax (BPOL) and the Machinery and Tools tax (M&T) are frequently mentioned as taxes the General Assembly should consider for elimination. We recognize the need to promote business growth and support efforts to do so but those that can result in reducing local services that support economic development or raising other taxes will undermine the intended purpose. Before tax system changes are enacted the Region supports thorough study of the entire system and the consequences, both intended and unintended, associated with potential changes. **The Region further believes that such study should include equal taxing authority between cities and counties.**

Exemption from Local Real Estate Tax

The definition of total and permanent disability for purposes of granting Totally Disabled veterans an exemption for local real estate taxes should be the Total Disability Individual Unemployability (TDIU) rating given by the U.S. Department of Veterans Affairs rather than the Schedule Rating per 38 CFR Part 4.

Chesapeake Bay Restoration and Stormwater Management

The proposed Chesapeake Bay TMDL and Virginia's Watershed Implementation Plan (WIP) requires 2-year milestones for the Commonwealth and its MS-4 localities. Without aggressive state investment in meeting these milestones Virginia localities will be under the threat of limited economic growth, including non-MS-4 localities. The Region urges the Governor and the General Assembly to be actively involved in identifying and resourcing proven traditional as well as innovative solutions. **The Region supports enhanced state financial support for implementing WIP III requirements including increased funding for the Stormwater Local Assistance Fund (SLAF) and continued efforts to improve administrative efficiencies of the state-local relationship.** As experience is gained, we believe needed enhancements will be identified and following the principles of adaptive management we can respond with appropriate legislative or regulatory revisions. The Region supports coordinated planning for meeting Chesapeake Bay Program goals and appreciates the Commonwealth's recognition and planning goals or targets are for planning purposes only if not specific to an MS-4 permit.

Alternative On-Site Septic Systems (AOSS)

AOSS are an important means of safely treating wastewater in areas where traditional septic treatment systems will not work. With regulation of these systems vested largely with the Virginia Department of



VACo Region 7 – North Central Virginia 2020 Legislative Issues

November 1, 2019



Health localities have limited ability to respond when an AOSS unit does not meet treatment standards. **The Region encourages the General Assembly to provide adequate authority for VDH or localities to respond to AOSS failures** to protect the public health and water quality especially in circumstances where an AOSS owner refuses to properly care for the system or when the owner cannot afford to make needed repairs or improvements.

Education Funding

The Region is deeply concerned by the trend of declining state financial support for K-12. The Region encourages the Commonwealth to reverse this trend including among other things important school safety efforts such as the funding of School Resource Officers in all schools. The Region also supports the protection of local governing body authority to evaluate and approve any reallocation of year-end fund balances.

Water Supply

The Region is concerned about safe, adequate and affordable water supply for human consumption and economic development. The Region supports policies and financial investments by the Commonwealth that promotes long-term solutions to the needs of our communities for a safe and reliable water supply. Private water systems must be properly regulated to protect citizens' needs for safe, reliable and affordable drinking water.

State Funding for Local and Regional Jails

In 2010, the General Assembly reduced the amount paid to local jails for local inmates from \$8 per day to \$4 per day and reduced the amount for state responsible inmates from \$14 per day to \$12 per day. This saved the state over \$19 million annually by transferring the cost to local taxpayers.

The Region urges the General Assembly to return to paying \$14 per day for all state responsible inmates for whom they are now paying \$12 per day, the additional cost to the state would be approximately \$6 million annually. At this time the \$4 per day payment for local inmates would not be changed.

Economic and Workforce Development

The Region supports continued efforts by the Commonwealth to enhance a broader-based economy and increase private sector employment opportunities. The Region further supports enhanced funding of workforce training programs to support credential attainment by workers who support businesses and industries essential to the new Virginia economy.

Local Land Use Authority and Affordable Housing

The Region strongly supports the maintenance of all existing authority of local government for planning, zoning and related activities. While efforts to enhance a broader-based economy rightly include examination of local rules and regulations that can impact private investment decisions, such examination must balance the economic goals with the goals of protecting existing communities and



VACo Region 7 – North Central Virginia 2020 Legislative Issues

November 1, 2019



property rights. Decisions impacting our neighborhoods and communities are most appropriately made at the neighborhood and community level. Enhanced local authority to promote affordable housing and inclusionary zoning is important to facilitating workforce housing, a key element of local economic development.

Mental Health Services

The Region strongly supports a sustained focus by the state on Virginia's mental health services system to ensure, through evaluation and investment, that appropriate and effective outpatient and in-patient services are available across the Commonwealth. The Region encourages reforms that provide alternative placement of local jail inmates with serious mental health issues.

Substance Abuse

According to the American Public Health Association (APHA), every 19 minutes, someone in the United States dies from an unintentional prescription drug Overdose. This epidemic is having devastating impacts on families and communities. The Region supports legislative and educational efforts to emphasize prevention and address misuse. The APHA recommends legislation to address physical and mental status examination, doctor shopping, tamper-resistant prescription form requirements, regulation of pain management clinics, prescription drug monitoring, prescription drug overdose emergency response immunity and access to naloxone. Emergency community-based support systems need strengthening to enable local agencies to respond to the needs of impacted families.

The Regional Legislative Program Point of Contact is Eldon James, Legislative Liaison, 540-907-2008;
Fax 804-644-5640; Eldon@EldonJamesAssociates.com www.EldonJamesAssociates.com



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 3, 2019
Subject: Letters of Support for Broadband Funding

At the 2019 RRRC Annual Meeting, the Chief Broadband Advisor to Governor Northam, Mr. Feinman spoke about broadband expansion in Virginia and referenced a need for legislative support for broadband funding at the state and federal level.

Two such letters are included here for your consideration, both using form language on RRRC letterhead.

- 1) Letter to the Federal Communications Commission in support of including Federal broadband funding to Virginia as part of a Block Grant, to allow greater flexibility for Virginia to allocate those funds based on state, regional and local priorities.
- 2) Letter to regional General Assembly members supporting increased broadband funding proposed as part of the Governor's expected budget

REQUESTED ACTION: Consider submitting one or both letters supporting broadband funding to state and federal legislators and agencies



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VICE-CHAIRMAN

MEAGHAN TAYLOR

TREASURER

JERRY WOOD

SECRETARY &

EXECUTIVE DIRECTOR

PATRICK L. MAUNAY

COMMISSIONERS

CULPEPER COUNTY

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TOWN OF CULPEPER

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GREG WOODS

RAPPAHANNOCK COUNTY

GARREY W. CURRY, JR.

ROGER WELCH

TOWN OF WASHINGTON

FREDERIC CATLIN

As of April 2019

December 11, 2019

TO: Legislators Representing the Rappahannock-Rapidan Region

FROM: Robert K. Coiner, Chair

RE: State Funding for Broadband Infrastructure

As you know, access to broadband, or high-speed internet, is essential in the 21st century for economic growth, equity in access to public education, community growth, and consumer communications and information. Many communities, particularly those in unserved rural areas, need thoughtful, longer-term strategies to bridge the broadband gap.

Localities in our region appreciate state actions that increased funding to \$19 million for the Virginia Telecommunication Initiative (VATI) in FY20. However, we believe additional, significant increases in investments for localities and private sector providers to help extend service to unserved areas are critical moving forward. We also support provisions and incentives that would provide for the use of existing easements for broadband infrastructure.

In the most recently-completed VATI grant application round (FY19), requests statewide totaling about \$10.3 million were made for just over \$4 million in available funding; applications from _____ counties in our region were approved.

In the current (FY20) grant round, which closed for applications in early September, 39 applications were submitted requesting \$43.6 million for the \$19 million in available funding. If all the applications were to be approved, an additional \$58 million would be leveraged and 55,000 homes and businesses would be connected. This is the fourth consecutive year that the amount of funding being requested has been more than twice the dollars available. _____ counties in our region applied for awards that are expected to be announced around the first of the year.

Governor Northam is expected to propose a significant increase in funding for broadband in the budget proposal he will submit to the legislature in December. On behalf of the _____ and its member localities, I urge you to support and work to provide additional resources for communities to speed connection of unserved areas of the Commonwealth.

Thank you for your efforts and consideration.

Sincerely,

Robert K. Coiner
Chair, Rappahannock-Rapidan Regional Commission



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ROGER WELCH

TOWN OF WASHINGTON

FREDERIC CATLIN

As of April 2019

December 11, 2019

Ajit Pai

Chairman

Federal Communications Commission

445 12th Street, SW

Washington, DC 20554

Chairman Pai,

Thank you for your continued commitment to expanding rural broadband and your leadership in creating the Rural Digital Opportunity Fund. This program, along with the USDA ReConnect Program, will connect millions of currently unserved homes. As American life migrates more and more online, communities that remain disconnected will fall further and further behind. Governments at all levels must work in unison and with urgency to close the broadband gap.

The status quo for delivering universal broadband coverage has not moved fast enough and governments must think outside the box. We urge the Federal Communications Commission (FCC) to block grant federal broadband funds to the Commonwealth of Virginia, as the Commonwealth has established both effective and efficient broadband grant programs, which can be deployed more quickly than can federal funds to the estimated 600,000 unserved Virginians.

Virginia has swiftly taken a leading role amongst the states in addressing the digital divide, starting with the 2018 announcement of Governor Ralph Northam's goal for universal broadband access within a decade. To support this objective, legislative leaders from across the aisle have increased broadband funding fivefold over the past two years with further increases anticipated this upcoming General Assembly session. Along with increased funding, state leaders have convened over 100 private companies, member organizations, trade associations, and broadband providers to create the Commonwealth Connect Coalition – all committed to the goal of universal coverage in Virginia.

The cornerstone of Virginia's success is the Virginia Telecommunication Initiative (VATI). The program is centered on public/private partnerships between a unit of local government and private broadband provider coming together to bring service to unserved areas. Ensuring that localities are part of broadband buildouts guards against "cherry-picking" and allows local officials to frame each project in the larger goal of universal coverage. Since its creation in 2016, VATI has been consistently oversubscribed and enjoys broad support from stakeholders of all stripes.

By being closer to the ground, understanding local dynamics and geographies, and having established relationships with localities and providers throughout the state, Virginia's grant programs have demonstrated impressive efficiency. Since 2017, the Commonwealth has awarded over \$25 million in funding, which has leveraged significant private funding and



connected over 71,000 homes and businesses within two years of the award. By comparison, the FCC's Connect America Funds (CAF) II program awarded \$84.5 million to providers in Virginia, which will connect 32,600 homes and businesses over the course of the next decade.

All Virginians and companies that do business in Virginia are deeply grateful to the FCC staff and leadership for this funding. Without these federal dollars, the Commonwealth will not meet its goal of universal service by 2028. More importantly, high-speed broadband will remain out of reach for hundreds of thousands of Virginians. That said, given the significantly more efficient deployment of funds through Virginia programs, as well as the further efficiency that could be gained by reducing the number of applications necessary to access state and federal funds, we ask that FCC broadband funding be block granted to Virginia with the requirement that such funds flow through the VATI program.

This is not without precedent. Similar to Community Development Block Grants, Community Services Block Grants, or the FCC's previous block granting of CAF funds to the State of New York, block granting federal broadband funds to high performing states like Virginia can stretch precious resources further and speed connection of unserved communities.

Your leadership on this issue has been a hallmark of your chairmanship, and we urge you to continue to innovate in the deployment of federal funds. Please begin the process of block granting forthcoming FCC broadband funding to Virginia and such other states as can demonstrate similarly effective programs.

Sincerely,

Robert K. Coiner
Chair, Rappahannock-Rapidan Regional Commission

CC: Senator Mark Warner
Senator Tim Kaine
Congressman Robert Wittman
Congressman Denver Riggleman
Congresswoman Abigail Spanberger



MEMORANDUM

To: Members of the Rappahannock-Rapidan Regional Commission
From: Patrick L. Mauney, Executive Director
Date: December 2, 2019
Subject: Formation of Nominating Committee

As you may recall, Commission officers serve one-year terms beginning March 1st of each year and may serve two consecutive terms. A nominating committee is appointed each December to develop a slate of Officers and At-Large Executive Committee members. Traditionally, the sitting Executive Committee has served as the nominating committee, but other members are able to serve in addition to the Executive Committee.

Presently, Fauquier County, Madison County, the Town of Culpeper, the Town of Gordonsville and the Town of Warrenton are represented on the Executive Committee.

The Chair, Vice-Chair, and Treasurer are all currently serving the first year of their terms in their respective positions and are eligible for reappointment.

REQUESTED ACTION: Formation of a Nominating Committee to identify a slate of Officers for terms beginning March 1, 2020