



**Rappahannock-Rapidan Regional Commission Meeting  
December 9, 2020 at 1:00 pm**

**Electronic Meeting**

**AGENDA**

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1. Call to Order
2. Electronic Meeting Participation During Declared State of Emergency ([Attachment](#))
3. Roll Call & Quorum Determination
4. \*\*Approval of Agenda
5. Public Comment
6. Presentations & Special Recognition
  - a) \*\*Regional Youth Entrepreneurship Report & GO Virginia application ([Attachment](#))  
  
Miles Friedman & Jennifer Goldman
7. Approval of Minutes
  - a) \*\*October 28, 2020 ([Attachment](#))
8. Financial Reports
  - a) \*\*FY 2020 Agency Audit ([Attachment](#))
  - b) \*\*FY 2021 YTD Financial Report ([Attachment](#))
9. Executive Director's Report ([Attachment](#))
  - a) Draft Scope of Work for 2021 Chesapeake Bay Watershed Program grant
10. Staff Updates

11. New Business

- a) \*\*RRRC application to DRPT for FY 2022 FTA Section 5310 Grant Program for Mobility Management ([Attachment](#))
- b) \*\*RRRC application to VDEM for Hazard Mitigation Plan Update ([Attachment](#))
- c) Regional Legislative Program Discussion ([Attachment](#))
- d) \*\*Formation of Nominating Committee ([Attachment](#))

12. Regional Roundtable

- a) Living Towns Planning Workshop Discussion

13. \*\*Adjournment

\*\*Commission Action Item

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



## **MEMORANDUM**

**To: Members of the Rappahannock-Rapidan Regional Commission**  
**From: Patrick L. Mauney, Executive Director**  
**Date: August 19, 2020**  
**Subject: Electronic Meetings During Declared State of Emergency**

When the Governor has declared a state of emergency in accordance with section 44-146.17 of the Code of Virginia, it may become necessary for the Rappahannock-Rapidan Regional Commission to meet by electronic means as outlined in Section 2.2-3708.2 of the Code of Virginia as amended. In such cases, the following procedure shall be followed:

1. The Rappahannock-Rapidan Regional Commission will give notice to the public using the best available method given the nature of the emergency, which notice shall be given contemporaneously with the notice provided to members of the Rappahannock-Rapidan Regional Commission.
2. The Rappahannock-Rapidan Regional Commission will make arrangements for public access to such meeting through electronic means including, to the extent practicable, videoconferencing technology. If the means of communication allows, provide the public or common interest community association members with an opportunity to comment.
3. The Rappahannock-Rapidan Regional Commission will otherwise comply with the provisions of § 2.2-3708.2 of the Code of Virginia. The nature of the emergency, the fact that the meeting was held by electronic communication means, and the type of electronic communication means by which the meeting was held shall be stated in the minutes of the Rappahannock-Rapidan Regional Commission meeting.

**REQUESTED ACTION:** None required.



## MEMORANDUM

**To: Members of the Rappahannock-Rapidan Regional Commission**  
**From: Patrick L. Mauney, Executive Director**  
**Date: December 1, 2020**  
**Subject: Regional Youth Entrepreneurship Report**

Miles Friedman, formerly Director of Economic Development for Fauquier County, and Jennifer Goldman, President of Resonance LLC, will be present to discuss the recently completed Youth Entrepreneurship pilot project funded through GO Virginia. Their initial pilot projects focused on Fauquier High School, Orange County High School and the Wakefield School.

The potential exists for a follow-on grant application, with the Commission serving as the lead applicant, to continue the Regional Youth Entrepreneurship projects from the pilot phase, as well as to offer other models (E-Squared, Tom Tom Foundation crowdfunding solutions) as options for interested schools or partners. Mr. Friedman and Ms. Goldman may speak further to that request on Wednesday.

In addition to information on the proposed follow-on application attached, the pilot project produced a [summary document available for review](#).

**REQUESTED ACTION:** Consider authorization for the Regional Commission to serve as applicant to GO Virginia for a grant to continue the Regional Youth Entrepreneurship program and offer additional models for implementation

**YOUNG ENTREPRENEURS PROGRAM RESOURCE – GO VA IMPLEMENTATION GRANT**  
**This program is a partnership between Go VA Region 9, Central Virginia Partnership for Economic Development, Rappahannock-Rapidan Regional Commission and Resonance LLC**

**Goals:** to create a region-wide youth entrepreneurship network which will assist in creating youth entrepreneurship programs across GO VA Region 9 within high schools, community colleges, and/or other youth-engaged organizations for ages 14 – 22. These programs will give youth the education and confidence to delve into business ownership and the encouragement and support to do so immediately. Ideas of any kind will be supported and encouraged and will be additionally incentivized when falling into the spectrum of particular targeted industries: light manufacturing, financial and business services, food and beverage manufacturing, information technology and communications, and biomedical/biotechnology.

**What we're offering:**

- Every partnering organization will have a seat on our Youth Entrepreneurship Program regional resource committee. The full committee will be comprised of YEP program leaders, entrepreneurs, economic developers, workforce leaders, and youth organization representatives.
- Each partnering organization will receive one-on-one assistance to implement one of the five YEP models (see below) we offer over a two-year time frame, beginning in spring/summer 2021.
- Each new YEP program will have the ability to select a certain number of students/teams (TBD) to a region-wide youth entrepreneurship competition where winners will receive prizes selected to assist in launching their business.
- All program participants will be invited/included in select entrepreneurship events and activities taking place throughout the region (for example the Fauquier Chamber's Micro Enterprise Symposium and TomTom Festival's Diversity and Inclusion Conference).

**YEP Models:**

1. **YEP Fauquier Pilot** – The overall goal of this program is to give students a basic understanding of business ownership and introduce them to local entrepreneurs. Sample activities in this program include local business tours with entrepreneur interviews, creating an elevator pitch, producing an ad/commercial, and collaborating to create and facilitate an Entrepreneurship Panel Q&A event that is open to the public.
2. **YEP Wakefield Pilot** – The overall goal of this program is to give students real world experiences and expose them to the needs of their community. Sample activities in this program include introductions to local entrepreneurs who routinely include teens in their business model, designing a pitch and slide for their own business idea, collaborating to create a business plan and launching that business on-site.
3. **YEP Orange Pilot** – The overall goal of this program is to expose students to a wide network of regional entrepreneurs/business ideas and give students experiential learning opportunities. Sample activities from this model include reverse mock interviews (the students interview entrepreneurs instead of the other way around), coordinating and participating in a business etiquette dinner, regional business tours with entrepreneur interviews, and creating and presenting a business plan to a panel of judges.
4. **TomTom Festival's Crowdfunded Pitch Night** – The overall goal of this model is to involve and immerse students in entrepreneurship and innovation. Sample activities from this program include developing a business idea, creating a pitch video, create a Kickstarter campaign and compete for business launch dollars.
5. **Career Partner's Entrepreneurial Energy (E Squared)** – The purpose of the E Squared Competition is to expose high school students to real-life business situations both through training by local business people and through the team experience of creating a business venture in a competitive environment. Sample activities from this program include field trip for team building exercises, workshops on various aspects of business operation, market research, business plan development and competing in a Shark Tank-like competition.

**What we need from you:**

- Commitment letter guaranteeing your participation for two years, beginning spring/summer 2021
- Selection of your preferred model to be implemented
- Matching Funds Commitment Form: defining the amount of dollars your organization will pay toward the consulting fees for one-on-one assistance AND the amount of in-kind time (in dollar amount) that you/your staff will spend in implementing/managing your new YEP model and attending regional YEP committee meetings (form template to be provided)

**Deadline: December 31, 2020. Submit all questions, information, forms, etc. to Jennifer E. Goldman at [Jennifer@Resonance.us](mailto:Jennifer@Resonance.us).**

**Rappahannock Rapidan Regional Commission  
October 28, 2020 Regular Meeting  
Electronic Meeting**

**MINUTES**

	<b>Culpeper County</b>		<b>Town of Culpeper</b>
X*	John Egertson	X	Chris Hively
X*	Tom Underwood	X*	Meaghan E. Taylor, <b>Vice-Chair</b>
	<b>Fauquier County</b>		<b>Town of Gordonsville</b>
X	Christopher T. Butler	X*	Robert K. Coiner, <b>Chair</b>
X	Paul S. McCulla		<b>Town of Madison</b>
	<b>Madison County</b>		William Lamar
X*	Jack Hobbs		<b>Town of Orange</b>
	Charlotte Hoffman	X*	Martha Roby
	<b>Orange County</b>	X*	Greg Woods, <b>Treasurer</b>
X*	James P. Crozier		<b>Town of Remington</b>
X*	Theodore Voorhees		Evan H. 'Skeet' Ashby
	<b>Rappahannock County</b>		<b>Town of The Plains</b>
X	Garrey W. Curry, Jr.	X	Lori B. Sisson
X	Christine Smith		<b>Town of Warrenton</b>
		X*	Brandie Schaeffer
			<i>Vacant</i>
			<b>Town of Washington</b>
		X	Frederic Catlin

*\*Denotes that member participated at the Town of Orange Public Works building  
Note: A quorum of the Commission was not assembled in one location.*

*Others Present: Amie Collins & Dan Gunderson, Camoin 310*

*Staff Present: Patrick Mauney, Terry Snead*

**1. Call to Order**

Chairman Coiner called meeting to order at 1:03 p.m. He noted that several Commissioners were participating at the Town of Orange Public Works building and thanked Mayor Martha Roby and Town Manager Greg Woods for hosting. He also stated that due to the COVID-19 pandemic and associated State of Emergency and with no quorum of the Commission physically assembled in one location, the meeting was being conducted electronically via Zoom and that audio and video of the proceedings were available on YouTube during and after the meeting.

**2. Electronic Meetings During Declared State of Emergency**

Chairman Coiner asked the Executive Director to review the guidelines for conducting the Commission meeting electronically. P Mauney reviewed the requirements, noting that the Commission will follow the guidance in §2.2-3708.2 of the Code of Virginia regarding electronic meetings when the Governor has declared a State of Emergency in accordance with §44-146.17 of the Code of Virginia.

**3. Pledge of Allegiance**

**4. Roll Call & Quorum Determination**

Chairman Coiner welcomed Mayor Lori Sisson, participating electronically, from the Town of The Plains to the Commission.

A quorum of the Commission was confirmed.

**5. Agenda Approval**

Upon motion by M Taylor, 2<sup>nd</sup> by J Crozier, the agenda was approved ayes all.

**6. Public Comment**

There were no comments from the public submitted prior to the meeting.

**7. Presentations and Special Recognition**

a) Regional Housing Study

Chairman Coiner introduced Amie Collins and Dan Gunderson, with Camoin 310, and reminded Commissioners that the Regional Housing Study was in draft form thanks to funding received from Virginia Housing (formerly VHDA). P Mauney provided a brief introduction on the study activities over the past 8 months.

Ms. Collins reviewed a slide deck outlining the process and findings of the Regional Housing Study. A copy of the slide deck is included with the minutes of this meeting and is incorporated by reference.

Commissioners raised various questions regarding the study. T Voorhees asked about regional employers and the impact of housing or lack thereof. Ms. Collins stated that this study did not incorporate an employer survey, but that the overall findings showed that median income in the region and each locality generally do not meet income required for median housing prices. T Underwood asked about the impact of vacation housing. Ms. Collins noted that second homes and short-term rentals did impact supply and that the region's overall vacancy rates were low. Commissioners also requested summaries for each jurisdiction, where data allowed.

P Mauney indicated that the draft study would be discussed with the stakeholder workgroup in November and that changes requested by the Commission would be incorporated before being brought back for consideration of adoption at a future meeting.

*Note: Commissioners Butler, Catlin and Curry exited the electronic meeting following Agenda Item 7a.*

## **8. Approval of Minutes**

### **a) August 26, 2020**

Chairman Coiner presented the minutes from the August 26<sup>th</sup> RRRC meeting. G Woods stated that his name was included under ayes and absent for roll call votes and clarified that he was not in attendance in August. J Crozier moved to approve the August 26<sup>th</sup> minutes as amended, 2<sup>nd</sup> by P McCulla. The motion carried.

*Note: Commissioner Underwood exited the in-person meeting.*

## **9. Financial Reports**

### **a) FY2020 Draft Agency Audit**

Chairman Coiner introduced item 9A, referencing the FY 2020 audit completed by Dunham, Aukamp and Rhodes and reminding Commissioners that the normal timeline included reviewing a draft in October before taking action in December. He asked P Mauney if he had any comments on the draft audit. P Mauney thanked Terry Snead for her efforts and noted that the auditors indicated another clean audit. He also noted that the net position decreased from FY 2019, but that this was largely due to the GASB 68 retirement adjustment and that the overall Commission position remained strong.

### **b) \*\*FY2021 YTD Financial Report & Budget Amendment**

Chairman Coiner asked P Mauney to review the first quarter financial report and to review the requested budget amendments. P Mauney stated that revenues and expenditures remain in line with the adopted budget, with revenues at 35% and expenses at 21% of budgeted amounts.

P Mauney also stated that successful awards from the PATH Foundation for the regional mobility management program, National Fish and Wildlife Foundation for the Chesapeake Bay Small Watershed program grant, as well as funding provided by Orange County through its CARES Act allocation were included in the amended budget. P Mauney reviewed his proposed expenditure adjustments, noting that he had discussed with the Chair and Treasurer. The following adjustments were proposed:

#### **Operating Expenses**

- \$5,000 to Equipment/Software for additional hardware related to telework support (funded through the Orange County CARES funding allocated to RRRC)
- \$31,895 to Payroll and \$2,500 to FICA for a 2.5% cost of living adjustment effective November 1 and for hiring of vacant P/T regional planner position (vacant since May 2020)

#### **Project Expenses**

- \$98,775 in Mobility Management Expenses (pass through expenses covered through funding received from PATH Foundation)
- \$24,000 in National Fish & Wildlife grant expenses (pass through expenses reimbursed through NFWF grant awarded in September)
- Adjustments to expenditures from the 2 VHDA grants reflecting expenses paid



prior to 6/30/2020 (Housing Study) and paid after 6/30/2020 (COVID-19 Emergency Grant)

Commission discussion ensued, with clarification provided on the effective date of cost of living adjustments. J Crozier moved to approve the amended budget and to request the Executive Committee to study the organizational salary structure, 2<sup>nd</sup> by M Taylor. The motion carried by roll call vote.

*Aye: Coiner, Crozier, Egertson, Hively, Hobbs, McCulla, Roby, Schaeffer, Sisson, Smith, Taylor, Voorhees, Woods (13); Nay: None; Abstain: None; Not Present: Ashby, Butler, Catlin, Curry, Hoffman, Lamar, Underwood (7)*

#### **10. Executive Director's Report**

Chairman Coiner asked P Mauney to review the Director's report. P Mauney referenced several items included in the report and specifically noted the FY 2020 Annual Report available on the Commission's website and a draft Continuity of Operations Plan that will be distributed to Commission members following the meeting. P Mauney also noted several upcoming meetings, including the Mountain Run TMDL meeting on October 28<sup>th</sup>, regional Food Processing meeting with Virginia Department of Agriculture and Consumer Services Commissioner Dr. Jewel Bronaugh on November 5<sup>th</sup>.

#### **11. Staff Updates**

##### **a) Regional Transportation Collaborative**

Chairman Coiner asked P Mauney to update the Commission on funding for the Foothills Area Mobility System and FAMS Call Center. P Mauney referenced previous discussions in October 2019 and earlier in 2020 regarding decreased funding from Federal and State grant programs, and noted the successful award for the Regional Transportation Collaborative project from the PATH Foundation in August. P Mauney shared that he believed the State and Federal funding to be stable presently, but that the PATH award would enable Commission staff to increase partnerships and improve the overall structure beyond the initial collaborative work with Rappahannock-Rapidan Community Services in support of the FAMS Call Center.

#### **12. New Business**

##### **a) USDA NRCS Regional Conservation Partnership Program**

Chairman Coiner asked P Mauney to review item 12A related to the USDA NRCS Regional Conservation Partnership Program. P Mauney noted that, in 2019, the Commission approved RRRC serving as lead applicant on a proposal to USDA for the referenced program, but that partners subsequently decided to delay the application. Over the course of 2020, agency partners including Piedmont Environmental Council, John Marshall Soil and Water Conservation District, Friends of the Rappahannock, American Farmland Trust and Smithsonian Institution's Virginia Working Landscapes initiative have worked to develop an application focused on conservation, water quality, and agricultural best management practices implementation. P Mauney noted

that the funding would allow partners to collaborate with landowners for voluntary BMP installation and to receive enhanced technical assistance from USDA NRCS staff. M Taylor moved to authorize Commission staff to work with partner agencies and serve as lead partner on an application to the Regional Conservation Partnership Program, 2<sup>nd</sup> by J Egerton. The motion was approved ayes all.

*Note: Commissioner Underwood returned to the in-person meeting.*

*b) RRRC application to GO Virginia for Regional Entrepreneurship program*

Chairman Coiner introduced item 12B and stated that more information on a potential regional entrepreneurship program would be provided in December. P Mauney noted that the discussion has ensued following a successful pilot program completed under a GO Virginia capacity building grant awarded to Fauquier County. Under the initial grant, pilot programs were initiated or enhanced at Fauquier High School, Orange County High School and Wakefield School, and project partners are interested in expanding not only the pilot projects, but also offer additional programs to other school systems in the region. More information will be forthcoming in December.

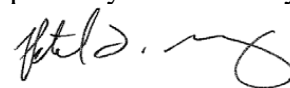
**13. Regional Roundtable**

Commission members shared information of note from their communities.

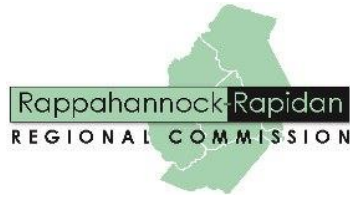
**14. Adjournment**

Chairman Coiner adjourned the meeting at 2:48 p.m.

Respectfully Submitted by:



Patrick L. Mauney  
Secretary & Executive Director



## **MEMORANDUM**

**To: Members of the Rappahannock-Rapidan Regional Commission**  
**From: Patrick L. Mauney, Executive Director**  
**Date: November 30, 2020**  
**Subject: FY 2020 RRRC Audit Report Draft**

The FY 2020 Financial Audit was provided in draft form at the October 28th meeting and electronic copies were distributed following the meeting and included here for your reference.

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 2020 Audit Report

**RAPPAHANNOCK-RAPIDAN  
REGIONAL COMMISSION**

**AUDITED FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020**

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

RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION COMMISSIONERS

As of June 30, 2020

Culpeper County

Mr. John Egertson  
Mr. Thomas Underwood

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. Theodore Voorhees

Town of Orange

Ms. Martha B. Roby  
Mr. Greg Woods, Commission Treasurer

Town of Gordonsville

Mr. Robert K. 'Bob' Coiner, Commission Chair

Rappahannock County

Mr. Garrey W. Curry, Jr.  
Ms. Christine Smith

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, 2020, 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, 2020 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, 2020, 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, 2020



## **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, 2020.

### **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 FY2020**

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 and secondary goal of addressing long-term debt liabilities. This stated strategy, along with successful grant applications for environmental, transportation, housing, and hazard mitigation projects have resulted in increases in net position in recent fiscal years.

In FY 2020, 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 2020 are the continuation of Chesapeake Bay watershed planning, successful completion of USDA Farmers Market Promotion Program and Virginia Tourism Corporation grants, and funding award from Virginia Housing for a regional housing study.

### **Financial Analysis**

The following table reflects the condensed Statements of Net Position:

	<b>Summary Statements of Net Position</b>	
	<b>June 30,</b>	
	<b><u>2020</u></b>	<b><u>2019</u></b>
Current Assets	\$394,131	\$373,794
Capital Assets (net)	195,621	208,455
Net Pension Asset	<u>244,718</u>	<u>331,439</u>
Total Assets	<u>830,470</u>	<u>913,688</u>
Deferred Outflows of Resources	<u>91,916</u>	<u>96,814</u>
Current Liabilities	91,426	97,497
Long-term Liabilities	<u>160,946</u>	<u>176,806</u>
Total Liabilities	<u>252,372</u>	<u>274,303</u>
Deferred Inflows of Resources	<u>13,789</u>	<u>13,925</u>
Invested in capital assets, net of debt	18,815	16,523
Unrestricted	<u>637,410</u>	<u>705,751</u>
Total Net Position	<u>\$656,225</u>	<u>\$722,274</u>

The Commission's total net position (which is the Commission's bottom line) decreased by \$66,049 during the year. It should be noted that \$95,483 of this decrease was due to the current year GASB 68 adjustment and that readily accessible assets increased by \$20,337 during the year. The improvement in net position over the past four fiscal years 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:

	<b>Changes in Net Position For the Years Ended June 30,</b>	
	<b>2020</b>	<b>2019</b>
Operating revenues		
Grants	\$671,075	\$ 744,908
Dues	145,375	145,375
Other operating revenues	<u>81,992</u>	<u>82,228</u>
Total operating revenues	<u>898,442</u>	<u>972,511</u>
Non-operating revenues		
GASB 68 adjustment	(95,483)	112,111
Interest	2,548	3,487
Net gain/(loss) on investments	<u>4,157</u>	<u>3,927</u>
Total non-operating revenues	<u>(88,778)</u>	<u>119,525</u>
 Total Revenues	 <u>809,664</u>	 <u>1,092,036</u>
 Operating Expenses		
Salaries and wages	390,450	395,999
Freedom grants	216,391	220,496
Fringe benefits	79,422	72,188
Regional ride sharing	32,689	51,170
Virginia Housing Development Authority	31,102	11,000
Farmers Market Promotion Program	20,562	65,660
Maintenance and repairs	14,769	5,144
Regional Tourism	10,143	4,717
PATH planning grant	2,564	2,470
Veteran transportation and community living	1,257	19,831
Vanpool	903	8,552
Other grant expenses	2,777	5,438
Other operating expenses	<u>51,059</u>	<u>41,540</u>
Total operating expenses	<u>854,088</u>	<u>904,205</u>
 Depreciation and amortization	 12,834	 12,733
Interest paid on debt	<u>8,790</u>	<u>9,491</u>
Total expenses	<u>875,712</u>	<u>926,429</u>
 Change in net position	 (66,048)	 165,607
 Net position beginning of year	 <u>722,274</u>	 <u>556,667</u>
 Net position end of year	 <u>\$656,226</u>	 <u>\$ 722,274</u>

## **Revenues**

For the fiscal year ended June 30, 2020, total revenues decreased by \$282,372 from the prior year. However, (\$95,483) of the decrease in revenue was the result of the GASB 68 adjustment. Operating revenues decreased \$74,069 from FY2019 to FY2020. The decreased operating revenue is largely due to closeout of several grants during the fiscal year, including the Farmers Market Promotion Program grant and decreased spending and revenue reimbursement related to the COVID-19 pandemic in the fourth quarter of FY 2020. The continuation of grants from the Department of Rail and Public Transportation in support of RRRC's Commuter Services and Mobility Management programs, 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, 2020, total expenses decreased by \$50,717 from the prior year. Personnel costs such as health insurance and retirement were stable from FY 2019 to FY 2020, although salaries and wages – the largest expense for the Commission – increased by \$1,685 with a full staff for most of the fiscal year. Total expenses were lower than our total revenues before the GASB 68 adjustment.

## **Capital Assets**

At the end of fiscal year 2020, 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 \$231,124, for a carrying amount of \$195,621.

## **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 \$176,806 as of June 30, 2020.

## **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 closely tracking local, state and federal revenue and program impacts related to the COVID-19 pandemic and the potential impacts on the overall agency finances. The short-term outlook remains positive based on known funding awards. In addition, 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, 2020**

<b>ASSETS</b>	
Cash and investments	\$ 299,886
Accounts receivable	84,231
Prepaid expenses	10,014
Net pension asset	240,718
Capital assets, net	<u>195,621</u>
Total Assets	<u>830,470</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension contributions after the measurement date	1,248
Difference between expected and actual experience	67,491
Changes in assumptions	<u>23,177</u>
Total Deferred Outflows of Resources	<u>91,916</u>
<b>LIABILITIES</b>	
Accounts payable	28,374
Accrued liabilities	12,693
Accrued annual leave	27,784
Deferred revenue	6,715
Rural Development loan payable	<u>176,806</u>
Total Liabilities	<u>252,372</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Net difference between projected and actual earnings on plan investments	<u>13,789</u>
Total Deferred Inflows of Resources	<u>13,789</u>
<b>NET POSITION</b>	
Investment in capital assets, net of related debt	18,815
Unrestricted	<u>637,410</u>
Total Net Position	<u><u>\$ 656,225</u></u>

See accompanying notes.

**RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Operating Revenues:

DEQ Chesapeake Bay watershed implementation plan III	\$ 49,244
Dues	145,375
Freedom grant - mobility	135,754
Freedom grant - operating	84,587
Madison county planning	692
Rideshare program	114,186
Rural transportation program	48,241
State regional planning grant	75,971
Van pool grant	1,680
Virginia homeless solution program	84,501
Virginia Housing Development Authority VISTA grant	35,309
USDA farmers market promotion program	34,934
Other Income	
PATH Foundation outreach	5,000
PATH mobility management	20,145
Regional housing	48,605
Regional tourism	11,200
VTC marketing leverage program grant	1,182
Miscellaneous	1,836
	<hr/>
Total Operating Revenues	898,442
	<hr/>

Operating Expenses:

Advertising	231
Annual meeting	4,057
Audit	3,800
Depreciation	12,835
Equipment	5,033
Freedom grant-mobility	122,412
Freedom grant-operating	93,979
Insurance health	42,277
Insurance liability	1,327
Insurance workers' compensation	500
Maintenance and repairs	14,769
Membership dues	4,150
Miscellaneous	9
PATH planning grant	2,564
Payroll taxes	27,928
Postage	422

See accompanying notes.

**RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Operating Expenses (Continued):

Printing	\$ 1,320
Regional tourism	10,143
Retirement	8,717
Rideshare	32,689
Rural transportation planning	660
Salary	390,450
Subscriptions and publications	636
Supplies	2,674
Technology	9,478
Travel	6,617
Utilities	4,305
USDA farmers market promotion program	20,562
Vanpool expense	903
Virginia Housing Development Authority	31,102
VTC marketing leverage program grant	1,257
Virginia homeless solution program expense	1,488
Watershed implementation plan	629
Website	7,000
Total Operating Expenses	<u>866,923</u>
Operating Gain	31,519
Nonoperating Income (Expense)	
GASB 68 actuarial adjustment	(95,483)
Interest income	2,548
Net gain on investments	4,157
Interest expense	(8,790)
Total Nonoperating Income (Expense)	<u>(97,568)</u>
Change in Net Position	(66,049)
Net Position at beginning of year	<u>722,274</u>
Net Position at end of year	<u><u>\$ 656,225</u></u>

See accompanying notes.



**RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Cash Flows from Operating Activities:	
Cash received from customers and users	\$ 930,685
Payments to suppliers	(487,355)
Payments to employees	(386,111)
	<u>57,219</u>
Net Cash Provided by Operating Activities	<u>57,219</u>
Cash Flows from Capital and Related Financing Activities:	
Principal payments on debt	(15,126)
Interest payments on debt	(8,790)
	<u>(23,916)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(23,916)</u>
Cash Flows from Investing Activities	
Proceeds from investments	4,157
Purchases of investments	(4,157)
Interest earned	2,548
	<u>2,548</u>
Net Cash Provided by Investing Activities	<u>2,548</u>
Net Change in Cash and Cash Equivalents	35,851
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>264,035</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 299,886</u></u>
Reconciliation of Operating Gain	
to Net Cash Provided by Operating Activities	
Operating Gain	\$ 31,519
Adjustments to Reconcile Operating Gain	
to Net Cash Provided by Operating Activities:	
Depreciation	12,835
GASB 68 adjustment	(95,483)
Gain on investments	4,157
Changes in current assets and liabilities:	
Decrease in accounts receivable	25,528
Increase in prepaid expenses	(10,014)
Decrease in net pension asset	90,721
Decrease in deferred outflows	4,898
Decrease in accounts payable	(17,860)
Increase in accrued liabilities	1,935
Increase in accrued annual leave	2,404
Increase in deferred revenue	6,715
Decrease in deferred inflows	(136)
	<u>(136)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 57,219</u></u>

See accompanying notes.

**RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION**  
**SCHEDULE OF REVENUES AND EXPENSES-BUDGET**  
**AND ACTUAL ( BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual Budgetary- Basis	Variance Favorable (Unfavorable)
Operating Revenues:				
DEQ Chesapeake Bay watershed implementation plan III	\$ 47,500	\$ 47,500	\$ 49,244	\$ 1,744
Dues	145,377	145,377	145,375	(2)
Freedom grant-mobility	130,000	130,000	109,254	(20,746)
Freedom grant-operating	100,000	100,000	91,221	(8,779)
Madison county planning	-	-	692	692
PATH Foundation outreach	5,000	5,000	5,000	-
PATH mobility management	-	26,860	26,860	-
Regional housing	48,604	48,604	48,605	1
Regional tourism	7,000	7,000	11,200	4,200
Rideshare program	129,920	129,920	102,417	(27,503)
Rural transportation program	58,000	58,000	55,843	(2,157)
State regional planning grant	75,971	75,971	75,971	-
Van pool grant	8,000	8,000	5,232	(2,768)
Virginia homeless solution program	84,500	84,500	84,501	1
Virginia Housing Development Authority VISTA grant	-	25,000	21,525	(3,475)
VTC marketing leverage program grant	21,012	21,012	21,012	-
USDA farmers market promotion program	80,574	80,574	74,897	(5,677)
Other Income	750	750	1,836	1,086
Total Operating Revenues	942,208	994,068	930,685	(63,383)
Operating Expenses:				
Advertising	500	500	231	269
America's wine country	1,100	1,100	-	1,100
Annual meeting	5,500	5,500	4,057	1,443
Audit	5,000	5,000	3,800	1,200
DEQ Chesapeake Bay watershed implementation plan III	1,000	1,000	629	371
Equipment and software	7,000	7,000	5,033	1,967
Freedom grant-mobility	100,000	126,860	133,724	(6,864)
Freedom grant-operating	100,000	100,000	93,099	6,901
Insurance health	41,300	41,300	50,291	(8,991)
Insurance liability	1,300	1,300	1,327	(27)
Insurance workers' compensation	500	500	500	-
Maintenance and repairs	10,000	10,000	14,769	(4,769)
Membership dues	4,000	4,000	4,150	(150)
Miscellaneous	500	500	9	491
PATH Foundation outreach	5,000	5,000	5,034	(34)

See accompanying notes.

**RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION**  
**SCHEDULE OF REVENUES AND EXPENSES-BUDGET**  
**AND ACTUAL (BUDGETARY BASIS) (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Original Budget	Final Budget	Actual Budgetary- Basis	Variance Favorable (Unfavorable)
Operating Expenses (Continued):				
Payroll taxes	\$ 31,500	\$ 31,500	\$ 27,928	\$ 3,572
Postage	750	750	422	328
Printing	2,000	2,000	1,320	680
Regional tourism	8,500	8,500	10,143	(1,643)
Retirement	9,500	9,500	8,717	783
Rideshare	59,500	59,500	32,689	26,811
RTAP expense	-	-	-	-
Rural transportation planning	1,000	1,000	660	340
Salary	410,000	410,000	390,450	19,550
Strategic planning	-	-	-	-
Subscriptions and publications	500	500	636	(136)
Supplies	4,500	4,500	2,674	1,826
Technology	8,000	8,000	9,478	(1,478)
Town of Remington zoning ordinance	-	-	-	-
Travel, training and meals	11,200	11,200	6,617	4,583
Utilities	6,000	6,000	4,305	1,695
USDA farmers market promotion program	61,000	61,000	38,230	22,770
Vanpool expense	8,500	8,500	903	7,597
Virginia Housing Development Authority	-	25,000	14,137	10,863
VTC marketing leverage program grant	1,258	1,258	1,257	1
Virginia homeless solution program expense	3,000	3,000	1,488	1,512
Website update	7,000	7,000	7,000	-
Total Operating Expenses	916,408	968,268	875,707	92,561
Operating Gain	25,800	25,800	54,978	29,178
Nonoperating Income (Expense)				
GASB 68 adjustment	-	-	(95,483)	(95,483)
Interest income	3,500	3,500	2,548	(952)
Investment gain	-	-	4,157	4,157
Interest expense	(23,916)	(23,916)	(23,916)	-
Total Nonoperating Income (Expense)	(20,416)	(20,416)	(112,694)	(95,483)
Net Gain/(Loss)	\$ 5,384	\$ 5,384	\$ (57,716)	\$ (66,305)

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, 2020**

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

**Sources/inflows of resources**

Actual amounts (budgetary basis) from budgetary comparison schedule	\$ 930,685
Collection of receivables accrued as of June 30, 2019 are revenue for budgetary purposes but not for GAAP purposes.	(109,759)
Receivables accrued as of June 30, 2020 are revenue for GAAP purposes but not for budgetary purposes.	<u>84,231</u>
Total operating revenue as reported on the statement of revenues, expenses and changes in net position.	<u><u>\$ 898,442</u></u>

**Uses/outflows of resources**

Actual amounts (budgetary basis) from budgetary comparison schedule	\$ 875,707
Payments of accounts payable recorded as of June 30, 2019 are expenditures for budgetary purposes but not for GAAP purposes.	(36,493)
Prepaid expenses recorded as of June 30, 2020, are expenditures for budgetary purposes but not for GAAP purposes.	(10,014)
Payables accrued as of June 30, 2020 are expenses for GAAP purposes but not for budgetary purposes.	24,888
Depreciation expense is an expense for GAAP purposes but not for budgetary purposes.	<u>12,835</u>
Total operating expenses as reported on the statement of revenues, expenses and changes in net position.	<u><u>\$ 866,923</u></u>

See accompanying notes.

**RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION**  
**SCHEDULE OF CHANGES IN THE COMMISSION'S NET PENSION LIABILITY**  
**AND RELATED RATIOS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability</b>						
Service cost	\$ 24,314	\$ 34,100	\$ 34,046	\$ 46,439	\$ 45,136	\$ 44,023
Interest on total pension liability	77,006	60,863	76,384	67,864	60,928	54,411
Changes in assumptions	40,094	-	(29,189)	-	-	-
Differences between expected and actual experience	62,456	159,504	(279,643)	22,652	(589)	-
Benefit payments, including refunds of employee contributions	(24,079)	(23,630)	(23,038)	(7,427)	(5,370)	(5,293)
Net change in total pension liability	179,791	230,837	(221,440)	129,528	100,105	93,141
Total pension liability - beginning	1,112,120	881,283	1,102,723	973,195	873,090	779,949
Total pension liability - ending (a)	<u>\$ 1,291,911</u>	<u>\$ 1,112,120</u>	<u>\$ 881,283</u>	<u>\$ 1,102,723</u>	<u>\$ 973,195</u>	<u>\$ 873,090</u>
<b>Plan fiduciary net position</b>						
Contributions - employer	\$ 460	\$ 20,150	\$ 16,670	\$ 20,601	\$ 21,713	\$ 24,294
Contributions - employee	16,746	17,480	14,694	16,585	17,468	17,147
Net investment income	96,946	99,250	145,211	22,505	49,158	140,644
Benefit payments, including refunds of employee contributions	(24,079)	(23,630)	(23,038)	(7,427)	(5,370)	(5,293)
Administrative expense	(942)	(829)	(815)	(2,049)	(630)	(720)
Other	(61)	(90)	(130)	(5)	(11)	7
<b>Net change in plan fiduciary net position</b>	89,070	112,331	152,592	50,210	82,328	176,079
<b>Plan fiduciary net position - beginning</b>	1,443,559	1,331,228	1,178,636	1,128,426	1,046,098	870,019
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 1,532,629</u>	<u>\$ 1,443,559</u>	<u>\$ 1,331,228</u>	<u>\$ 1,178,636</u>	<u>\$ 1,128,426</u>	<u>\$ 1,046,098</u>
 Commission's net pension asset - ending (a)-(b)	 <u>\$ (240,718)</u>	 <u>\$ (331,439)</u>	 <u>\$ (449,945)</u>	 <u>\$ (75,913)</u>	 <u>\$ (155,231)</u>	 <u>\$ (173,008)</u>
 Plan fiduciary net position as a percentage of the total Pension liability	 118.63%	 129.80%	 151.06%	 106.88%	 115.95%	 119.82%
 Covered - employee payroll	 \$ 371,297	 \$ 317,184	 \$ 367,005	 \$ 268,691	 \$ 351,496	 \$ 342,940
 Commission's net pension liability as percentage of covered-employee payroll	 -64.83%	 -104.49%	 -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, 2011 THROUGH 2020**

Date	Contractually Required Contributions (1)	Contributions in Relation to Contractually Required Contributions (2)	Contribution Deficiency (Excess) (3)	Employer's Covered Payroll (4)	Contributions as a % of Covered Payroll (5)	Required Contrib Rate
2020	\$ 2,084	\$ 1,248	\$ 836	\$ 385,989	0.32%	0.54%
2019	2,005	1,368	637	371,297	0.37%	0.54%
2018	9,198	20,245	(11,047)	317,184	6.38%	2.90%
2017	10,643	16,670	(6,027)	367,005	4.54%	2.90%
2016	16,766	20,601	(3,835)	268,691	7.67%	6.24%
2015	21,933	21,713	220	351,496	6.18%	6.24%
2014	24,383	24,294	89	342,940	7.08%	7.11%
2013	24,383	28,323	(3,940)	342,940	8.26%	7.11%
2012	26,840	29,446	(2,606)	322,209	9.14%	8.33%
2011	26,111	28,702	(2,591)	313,452	9.16%	8.33%

See accompanying notes.

# 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) unassigned.

#### 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 cost 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, 2020 was as follows:

	Balance July 1, 2019	Additions	Disposals	Balance June 30, 2020
Office furniture and equipment	\$ 36,637	\$ -	\$ -	\$ 36,637
Buildings and improvements	390,108	-	-	390,108
Less:				
Accumulated Depreciation	(218,289)	(12,835)	-	(231,124)
Net capital assets	<u>\$208,456</u>	<u>\$(12,835)</u>	<u>\$ -</u>	<u>\$195,621</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, 2020, 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 three items that qualify for reporting in this category. They are the employer pension contributions made subsequent to the actuarial measurement date, the difference between expected and actual experience, and a change of assumptions. Employer contributions made after the measurement date of June 30, 2019, were \$1,248. The difference between expected and actual experience, per the actuarial report dated of June 30, 2019, was \$67,491, and the change in assumptions was \$23,177.

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 one item that qualifies 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, 2019, was \$13,789.

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 \$45,194, and the bank balances totaled \$69,298.

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, 2020 the Commission's balance in the investment pool was \$254,692 and included the follow investments:

VIP Liquidity Pool Account	\$147,051
VIP Long Term Bond Fund	107,641

**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
<u>\$191,932</u>	<u>\$ -</u>	<u>\$ 15,126</u>	<u>\$176,806</u>

**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>
2021	\$ 15,860	\$ 8,056
2022	16,630	7,286
2023	17,437	6,479
2024	18,288	5,628
2025	19,172	4,744
2026-2030	<u>89,419</u>	<u>9,220</u>
Total	<u>\$ 176,806</u>	<u>\$ 41,413</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)

<b>RETIREMENT PLAN PROVISIONS</b>		
<b>PLAN 1</b>	<b>PLAN 2</b>	<b>HYBRID RETIREMENT</b>
<p><b>About Plan 1</b>  Plan 1 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</p>	<p><b>About Plan 2</b>  Plan 2 is a defined benefit plan. The retirement benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</p>	<p><b>About the Hybrid Retirement Plan</b>  The Hybrid Retirement Plan combines the features of a defined benefit plan and a defined contribution plan.</p> <ul style="list-style-type: none"> <li>• The defined benefit is based on a member's age, service credit and average final compensation at retirement using a formula.</li> <li>• The benefit from the defined contribution component of the plan depends on the member and employer contributions made to the plan and the investment performance of those contributions.</li> <li>• In addition to the monthly benefit payment payable from the defined benefit plan at retirement, a member may start receiving distributions from the balance in the defined contribution account, reflecting the contributions, investment gains or losses, and any required fees.</li> </ul>
<p><b>Eligible Members</b>  Employees are in Plan 1 if their membership date is before July 1, 2010, and they were vested as of January 1, 2013, and they have not taken refund.</p> <p><b>Hybrid Opt-In Election</b>  VRS non-hazardous duty covered Plan 1 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 1 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p><b>Eligible Members</b>  Employees are in Plan 2 if their membership date is on or after July 1, 2010, or their membership date is before July 1, 2010, and they were not vested as of January 1, 2013.</p> <p><b>Hybrid Opt-In Election</b>  Eligible Plan 2 members were allowed to make an irrevocable decision to opt into the Hybrid Retirement Plan during a special election window held January 1 through April 30, 2014.</p> <p>The Hybrid Retirement Plan's effective date for eligible Plan 2 members who opted in was July 1, 2014.</p> <p>If eligible deferred members returned to work during the election window, they were also eligible to opt into the Hybrid Retirement Plan.</p>	<p><b>Eligible Members</b>  Employees are in the Hybrid Retirement Plan if their membership date is on or after January 1, 2014. This includes:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees*</li> <li>• Members in Plan 1 or Plan 2 who elected to opt into the plan during the election window held January 1-April 30, 2014; the plan's effective date for opt-in members was July 1, 2014</li> </ul> <p><b>*Non-Eligible Members</b>  Some employees are not eligible to participate in the Hybrid Retirement Plan. They include:</p> <ul style="list-style-type: none"> <li>• Political subdivision employees who are covered by enhanced benefits for hazardous duty employees</li> </ul>

**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.
<b>Retirement Contributions</b> 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.	<b>Retirement Contributions</b> Same as Plan 1.	<b>Retirement Contributions</b> A member's retirement benefit is funded through mandatory and voluntary contributions made by the member and the employer to both the defined benefit and the defined contribution components of the plan. Mandatory contributions are based on a percentage of the employee's creditable compensation and are required from both the member and the employer. Additionally, members may choose to make voluntary contributions to the defined contribution component of the plan, and the employer is required to match those voluntary contributions according to specified percentages
<b>Service Credit</b> Service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit 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.	<b>Service Credit</b> Same as Plan 1.	<b>Service Credit</b> <u><b>Defined Benefit Component:</b></u> Under the defined benefit component of the plan, service credit includes active service. Members earn service credit for each month they are employed in a covered position. It also may include credit for prior service the member has purchased or additional service credit the member was granted. A member's total service credit 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.  <u><b>Defined Contributions Component:</b></u> Under the defined contribution component, service credit is used to determine vesting for the employer contribution portion of the plan.

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

**NOTE 4 – Defined Benefit Pension Plan (Continued)**

<p><b>Vesting</b>  Vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members become vested when they have at least five years (60 months) of service credit. Vesting means members are eligible to qualify for retirement if they meet the age and service requirements for their plan. Members also must be vested to receive a full refund of their member contribution account balance if they leave employment and request a refund.</p> <p>Members are always 100% vested in the contributions that they make</p>	<p><b>Vesting</b>  Same as Plan 1.</p>	<p><b>Vesting</b>  <b>Defined Benefit Component:</b> Defined benefit vesting is the minimum length of service a member needs to qualify for a future retirement benefit. Members are vested under the defined benefit component of the Hybrid Retirement Plan when they reach five years (60 months) of service credit. Plan 1 or Plan 2 members with at least five years (60 months) of service credit who opted into the Hybrid Retirement Plan remain vested in the defined benefit component.</p> <p><b>Defined Contributions Component:</b>  Defined contribution vesting refers to the minimum length of service a member needs to be eligible to withdraw the employer contributions from the defined contribution component of the plan.</p> <p>Members are always 100% vested in the contributions that they make.</p> <p>Upon retirement or leaving covered employment, a member is eligible to withdraw a percentage of employer contributions to the defined contribution component of the plan, based on service.</p> <ul style="list-style-type: none"> <li>• After two years, a member is 50% vested and may withdraw 50% of employer contributions.</li> <li>• After three years, a member is 75% vested and may withdraw 75% of employer contributions.</li> <li>• After four or more years, a member is 100% vested and may withdraw 100% of employer contributions.</li> </ul> <p>Distribution not required, except as governed by law.</p>
<p><b>Calculating the Benefit</b>  The basic benefit is determined using the average final compensation, service credit and plan multiplier. An early retirement reduction is applied to this amount if the member is retiring with a reduced benefit. In cases where the member has elected an optional form of retirement payment, an option factor specific to the option chosen is then applied.</p>	<p><b>Calculating the Benefit</b>  See definition under Plan 1.</p>	<p><b>Calculating the Benefit</b>  <b>Defined Benefit Component:</b>  See definition under Plan 1</p> <p><b>Defined Contribution Component:</b>  The benefit is based on contributions made by the member and any matching contributions made by the employer, plus net investment earnings on those contributions.</p>



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

NOTE 4 – Defined Benefit Pension Plan (Continued)

<p><b>Average Final Compensation</b>  A member's average final compensation is the average of the 36 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b>  A member's average final compensation is the average of their 60 consecutive months of highest compensation as a covered employee.</p>	<p><b>Average Final Compensation</b>  Same as Plan 2. It is used in the retirement formula for the defined benefit component of the plan.</p>
<p><b>Service Retirement Multiplier</b>  <b>VRS:</b> The retirement multiplier is a factor used in the formula to determine a final retirement benefit. The retirement multiplier for non-hazardous duty members is 1.70%.</p> <p><b>Sheriffs and regional jail superintendents:</b> The retirement multiplier for sheriffs and regional jail superintendents is 1.85%.</p> <p><b>Political subdivision hazardous duty employees:</b> The retirement multiplier of eligible political subdivision hazardous duty employees other than sheriffs and regional jail superintendents is 1.70% or 1.85% as elected by the employer.</p>	<p><b>Service Retirement Multiplier</b>  <b>VRS:</b> Same as Plan 1 for service earned, purchased or granted prior to January 1, 2013. For non-hazardous duty members, the retirement multiplier is 1.65% for service credit earned, purchased or granted on or after January 1, 2013.</p> <p><b>Sheriffs and regional jail superintendents:</b> Same as Plan 1.</p> <p><b>Political subdivision hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Service Retirement Multiplier</b>  <u><b>Defined Benefit Component:</b></u>  <b>VRS:</b> The retirement multiplier for the defined benefit component is 1.00%.</p> <p>For members who opted into the Hybrid Retirement Plan from Plan 1 or Plan 2, the applicable multipliers for those plans will be used to calculate the retirement benefit for service credited in those plans.</p> <p><b>Sheriffs and regional jail superintendents:</b> Not applicable.</p> <p><b>Political subdivision hazardous duty employees:</b> Not applicable.</p> <p><u><b>Defined Contribution Component:</b></u>  Not applicable.</p>
<p><b>Normal Retirement Age</b>  VRS: Age 65.</p> <p><b>Political subdivisions hazardous duty employees:</b> Age 60.</p>	<p><b>Normal Retirement Age VRS:</b>  Normal Social Security retirement age.</p> <p><b>Political subdivisions hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Normal Retirement Age</b>  <u><b>Defined Benefit Component:</b></u>  VRS: Same as Plan 2.</p> <p><b>Political subdivisions hazardous duty employees:</b> Not applicable.</p> <p><u><b>Defined Contribution Component:</b></u>  Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>

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

NOTE 4 – Defined Benefit Pension Plan (Continued)

<p><b>Earliest Unreduced Retirement Eligibility</b>  <b>VRS:</b> Age 65 with at least five years (60 months) of service credit or at age 50 with at least 30 years of service credit.</p> <p><b>Political subdivisions hazardous duty employees:</b> Age 60 with at least five years of service credit or age 50 with at least 25 years of service credit.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b>  <b>VRS:</b> Normal Social Security retirement age with at least five years (60 months) of service credit or when their age plus service credit equals 90.</p> <p><b>Political subdivisions hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Earliest Unreduced Retirement Eligibility</b>  <b>Defined Benefit Component:</b>  <b>VRS:</b> Normal Social Security retirement age and have at least five years (60 months) of service credit or when their age plus service credit equals 90.</p> <p><b>Political subdivisions hazardous duty employees:</b> Not applicable.</p> <p><b>Defined Contribution Component:</b>  Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Earliest Reduced Retirement Eligibility</b>  <b>VRS:</b> Age 55 with at least five years (60 months) of service credit or age 50 with at least 10 years of service credit.</p> <p><b>Political subdivisions hazardous duty employees:</b> 50 with at least five years of service credit.</p>	<p><b>Earliest Reduced Retirement Eligibility</b>  <b>VRS:</b> Age 60 with at least five years (60 months) of service credit.</p> <p><b>Political subdivisions hazardous duty employees:</b> Same as Plan 1.</p>	<p><b>Earliest Reduced Retirement Eligibility</b>  <b>Defined Benefit Component: VRS:</b>  Age 60 with at least five years (60 months) of service credit.</p> <p><b>Political subdivisions hazardous duty employees:</b> Not applicable.</p> <p><b>Defined Contribution Component:</b>  Members are eligible to receive distributions upon leaving employment, subject to restrictions.</p>
<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>  The Cost-of-Living Adjustment (COLA) matches the first 3% increase in the Consumer Price Index for all Urban Consumers (CPI-U) and half of any additional increase (up to 4%) up to a maximum COLA of 5%.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>  The Cost-of-Living Adjustment (COLA) matches the first 2% increase in the CPI-U and half of any additional increase (up to 2%), for a maximum COLA of 3%.</p>	<p><b>Cost-of-Living Adjustment (COLA) in Retirement</b>  <b>Defined Benefit Component:</b> Same as Plan 2.</p> <p><b>Defined Contribution Component:</b>  Not applicable.</p>



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

NOTE 4 – Defined Benefit Pension Plan (Continued)

<p><b><u>Eligibility:</u></b>  For members who retire with an unreduced benefit or with a reduced benefit with at least 20 years of service credit, 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 service credit, the COLA will go into effect on July 1 after one calendar year following the unreduced retirement eligibility date.</p>	<p><b><u>Eligibility:</u></b>  Same as Plan 1</p>	<p><b><u>Eligibility:</u></b>  Same as Plan 1 and Plan 2.</p>
<p><b><u>Exceptions to COLA Effective Dates:</u></b>  The COLA is effective July 1 following one full calendar year (January 1 to December 31) under any of the following circumstances:</p> <ul style="list-style-type: none"> <li>• The member is within five years of qualifying for an unreduced retirement benefit as of January 1, 2013.</li> <li>• The member retires on disability.</li> <li>• The member retires directly from short-term or long-term disability under the Virginia Sickness and Disability Program (VSDP).</li> <li>• The member is involuntarily separated from employment for causes other than job performance or misconduct and is eligible to retire under the Workforce Transition Act or the Transitional Benefits Program.</li> <li>• The member dies in service and the member's survivor or beneficiary is eligible for a monthly death-in-service benefit. The COLA will go into effect on July 1 following one full calendar year (January 1 to December 31) from the date the monthly benefit begins.</li> </ul>	<p><b><u>Exceptions to COLA Effective Dates:</u></b>  Same as Plan 1</p>	<p><b><u>Exceptions to COLA Effective Dates:</u></b>  Same as Plan 1 and Plan 2.</p>

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

NOTE 4 – Defined Benefit Pension Plan (Continued)

<p><b>Disability Coverage</b>  Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.7% on all service, regardless of when it was earned, purchased or granted.</p>	<p><b>Disability Coverage</b>  Members who are eligible to be considered for disability retirement and retire on disability, the retirement multiplier is 1.65% on all service, regardless of when it was earned, purchased or granted.</p>	<p><b>Disability Coverage</b> 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.</p> <p>Hybrid members (including Plan 1 and Plan 2 opt-ins) covered under VLDP are subject to a one-year waiting period before becoming eligible for non-work- related disability benefits.</p>
<p><b>Purchase of Prior Service</b>  Members may be eligible to purchase service from previous public employment, active duty military service, an eligible period of leave or VRS refunded service as service credit in their plan. Prior service credit 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.</p>	<p><b>Purchase of Prior Service</b>  Same as Plan 1.</p>	<p><b>Purchase of Prior Service</b>  <u><b>Defined Benefit Component:</b></u>  Same as Plan 1, with the following exceptions:</p> <ul style="list-style-type: none"> <li>• Hybrid Retirement Plan members are ineligible for ported service.</li> </ul> <p><u><b>Defined Contribution Component:</b></u>  Not applicable.</p>

**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, 2018 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	5
Non-vested inactive members	7
Active members active elsewhere in VRS	<u>4</u>
Total Inactive Members	16
Active Members	<u>6</u>
Total covered employees	<u>26</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, 2020 was .65% 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 \$1,248 and \$1,368 for the years ended June 30, 2020 and June 30, 2019, respectively.

**Net Pension Liability**

Th 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, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of June 30, 2018 rolled forward to the measurement date of June 30, 2019.

**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, 2018, 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, 2019.

Inflation	2.5%
Salary increases, including Inflation	3.5% – 5.35%
Investment rate of return	6.75%, net of pension plan investment expenses, including inflation*

\* Administrative expenses as a percent of the market value of assets for the last experience study were found to be approximately 0.06% of the market assets for all of the VRS plans. This would provide an assumed investment return rate for GASB purposes of slightly more than the assumed 6.75%. However, since the difference was minimal, and a more conservative 6.75% 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 6.75% 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, 2018, valuation were based on results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action 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%
Discount Rate	Decrease rate from 7.00% to 6.75%

**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%
Discount Rate	Decrease rate from 7.00% to 6.75%

***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)

<b>Asset Class (Strategy)</b>	<b>Target Allocation</b>	<b>Arithmetic Long-Term Expected Rate of Return</b>	<b>Weighted Average Long-Term Expected Rate of Return</b>
Public Equity	34.00%	5.61%	1.91%
Fixed Income	15.00%	0.88%	0.13%
Credit Strategies	14.00%	5.13%	0.72%
Real Assets	14.00%	5.27%	0.74%
Private Equity	14.00%	8.77%	1.23%
MAPS-Multi-Asset Public Strategies	6.00%	3.52%	0.21%
PIP-Private Investment Partnership	3.00%	6.29%	0.19%
Total	<u>100.00%</u>		<u>5.13%</u>
	Inflation		2.50%
	* Expected arithmetic nominal return		<u>7.63%</u>

\* The above allocation provides a one-year return of 7.63%. 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 7.11%, including expected inflation of 2.50%. The VRS Board elected a long-term rate of 6.75% which is roughly at the 40<sup>th</sup> percentile of expected long-term results of the VRS fund asset allocation.

***Discount Rate***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that System member contributions will be made per the VRS Statutes and the employer contributions will be made in accordance with the VRS funding policy at rates equal to the difference between actuarially determined contribution rates adopted by the VRS Board of Trustees and the member rate. Consistent with the phased-in funding provided by the General Assembly for state and teacher employer contributions; political subdivisions were also provided with an opportunity to use an alternate employer contribution rate. For the year ended June 30, 2019, the alternate rate was the employer contribution rate used in FY2012 or 100% of the actuarially determined employer contribution rate from the June 30, 2017, actuarial valuations, whichever was greater. From July 1, 2019 on, participating employers are assumed to continue 100% of the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the Long-term expected rate of return was applied to all periods of projected benefit payments to determine the total pension liability.



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

NOTE 4 – Defined Benefit Pension Plan (Continued)

**Change in the Net Pension Liability (Asset):**

	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at June 30, 2018	\$1,112,120	\$1,443,559	\$(331,439)
Changes for the year:			
Service cost	24,314		24,314
Interest	77,006		77,006
Changes of assumption	40,094		40,094
Difference between expected and actual experience	62,456		62,456
Contributions – employer		460	(460)
Contributions – employee		16,746	(16,746)
Net investment income		96,946	(96,946)
Benefit payments, including refunds of employee contributions	(24,079)	(24,079)	-
Administrative expense		(942)	942
Other changes	-	(61)	61
Net changes	179,791	89,070	90,721
Balances at June 30, 2019	\$1,291,911	\$1,532,629	\$(240,718)

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

The following presents the net pension liability of the Commission using the discount rate of 6.75%, 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 (5.75%) or one percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.750%)
Commission's Net Pension Liability (Asset)	\$(54,848)	\$(240,718)	\$(386,076)

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

For the year ended June 30, 2020, the Commission recognized pension expense of \$95,823. At June 30, 2020, 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	\$67,491	\$ -
Changes of assumptions	23,177	-
Net difference between projected and actual earnings on plan investments	-	13,789
Employer contributions subsequent to the Measurement Date	<u>1,248</u>	<u>-</u>
Total	<u>\$91,916</u>	<u>\$13,789</u>

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

NOTE 4 – Defined Benefit Pension Plan (Continued)

\$1,248 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, 2021. 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,	
2021	73,303
2022	3,166
2023	(357)
2024	767
2025	-
Thereafter	-

***Pension Plan Data***

Information about the VRS Political Subdivision Retirement Plan is also available in the separately issued VRS 2019 *Comprehensive Annual Financial Report* (CAFR). A copy of the 2019 VRS CAFR may be downloaded from the VRS website at [varetire.org/Pdf/Publications/2019-annual-report.pdf](http://varetire.org/Pdf/Publications/2019-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, 2020, 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, 2020, 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, 2020.

**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) as a basis for designing 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 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 financial statements. 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, 2020

DRAFT

# RAPPAHANNOCK-RAPIDAN REGIONAL COMMISSION

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2020

### 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

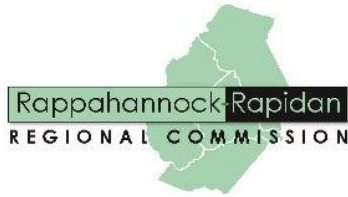
The actuarial assumptions used in the June 30, 2018, valuation were based on results of an actuarial experience study for the period from July 1, 2012 through June 30, 2016, except the change in the discount rate, which was based on VRS Board action effective as of July 1, 2019. Changes to the actuarial assumptions as a result of the experience study and VRS Board action 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%
Discount Rate	Decrease rate from 7.00% to 6.75%

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%
Discount Rate	Decrease rate from 7.00% to 6.75%



## **MEMORANDUM**

**To: Members of the Rappahannock-Rapidan Regional Commission**  
**From: Patrick L. Mauney, Executive Director**  
**Date: December 2, 2020**  
**Subject: FY 2021 Year-to-Date Financial Report & Budget Amendment**

FY 2021 Revenue and Expenditure reports through November 30, 2020 are enclosed for your review. These are unaudited reports for the first five months (42%) of the fiscal year.

Revenues are 54% of budget, while expenditures are 36% of budgeted amounts. Operating expenses are largely in line with expectations. We continue to communicate with state and federal grant administrators regarding grant spending and anticipate further clarity as we move into 2021.

**REQUESTED ACTION:** None requested

**Rappahannock-Rapidan Regional Commission**  
**FY 2021 Revenue Snapshot - November 30, 2020**

Budget Items	FY 2021 Budget	Adjustments	Adjusted Budget	July	August	September	October	November	YTD Actual	YTD %
<b>Revenues</b>										
Dues:										
Culpeper County	\$ 26,624.00		\$ 26,624.00		\$ 6,655.98			\$ 6,655.98	\$ 13,311.96	50.0%
Fauquier County	\$ 48,430.00		\$ 48,430.00		\$ 12,107.42		\$ 12,107.42		\$ 24,214.84	50.0%
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	\$ 5,915.00		\$ 5,915.00	\$ 5,915.41					\$ 5,915.41	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	\$ 104.00		\$ 104.00	\$ 103.75					\$ 103.75	99.8%
Interest Income	\$ 2,000.00		\$ 2,000.00	\$ 44.08	\$ 36.99	\$ 33.53	\$ 33.33		\$ 147.93	7.4%
Other Income	\$ 1,000.00		\$ 1,000.00	\$ 103.08	\$ 68.84	\$ 29.66	\$ 101.50	\$ 1.50	\$ 304.58	30.5%
DEQ Chesapeake Bay PDC Capacity	\$ 52,000.00		\$ 52,000.00						\$ -	0.0%
DRPT Mobility Management Grant	\$ 124,500.00		\$ 124,500.00	\$ 10,150.00	\$ 8,955.00		\$ 24,082.00	\$ 2,956.00	\$ 46,143.00	37.1%
DRPT Section 5310 Operating Grant	\$ 25,000.00		\$ 25,000.00	\$ 7,132.00	\$ 7,680.00		\$ 6,583.00	\$ 7,680.00	\$ 29,075.00	116.3%
NFWF Chesapeake Bay Grant	\$ -	\$ 30,000.00	\$ 30,000.00						\$ -	0.0%
Orange County CARES Act	\$ -	\$ 10,000.00	\$ 10,000.00				\$ 10,000.00		\$ 10,000.00	100.0%
PATH Mobility Mgmt/Transportation Collaborative	\$ 40,000.00	\$ 110,000.00	\$ 150,000.00			\$ 150,000.00			\$ 150,000.00	100.0%
Rappahannock Cares Act		\$ 89,100.00	\$ 89,100.00					\$ 88,650.00	\$ 88,650.00	99.5%
Regional Housing	\$ 48,604.00		\$ 48,604.00	\$ 19,632.17	\$ 5,935.77	\$ 43.41	\$ 9,073.37	\$ 2,290.02	\$ 36,974.74	76.1%
Regional Tourism	\$ 7,000.00	\$ 500.00	\$ 7,500.00	\$ 4,200.00	\$ 1,400.00	\$ 149.90			\$ 5,749.90	76.7%
Rideshare Program	\$ 140,000.00		\$ 140,000.00		\$ 13,791.00	\$ 5,943.00	\$ 8,144.00	\$ 9,043.00	\$ 36,921.00	26.4%
Rideshare Vanpool Grant	\$ 5,000.00		\$ 5,000.00						\$ -	0.0%
Rural Transportation Planning	\$ 58,000.00		\$ 58,000.00			\$ 17,690.42	\$ 13,714.55		\$ 31,404.97	54.1%
State Regional Planning Grant	\$ 75,971.00		\$ 75,971.00					\$ 37,985.00	\$ 37,985.00	50.0%
VDEM Wildfire Analysis Grant	\$ 9,090.00		\$ 9,090.00						\$ -	0.0%
VHDA COVID-19 Emergency Grant	\$ 21,525.00		\$ 21,525.00	\$ 21,525.00					\$ 21,525.00	100.0%
VHDA Housing Study	\$ 75,000.00		\$ 75,000.00	\$ 13,784.23					\$ 13,784.23	18.4%
VHSP Grant	\$ 84,500.00		\$ 84,500.00			\$ 8,974.09			\$ 8,974.09	10.6%
<b>Total Revenue</b>	<b>\$ 914,454.00</b>	<b>\$ 239,600.00</b>	<b>\$ 1,154,054.00</b>	<b>\$ 135,392.66</b>	<b>\$ 57,154.73</b>	<b>\$ 183,053.25</b>	<b>\$ 94,512.97</b>	<b>\$ 155,261.50</b>	<b>\$ 625,375.11</b>	<b>54.2%</b>

**Rappahannock-Rapidan Regional Commission**  
**FY 2021 Expenditure Snapshot - November 30, 2020**

Budget Items	FY 2021 Budget	Adjustments	Adjusted Budget	July	August	September	October	November	YTD Actual	YTD %
<b>Expenditures</b>										
Advertising	\$ 500.00		\$ 500.00	\$ 18.95					\$ 18.95	3.8%
Annual Meeting/Workshops/Meetings	\$ 5,000.00		\$ 5,000.00				\$ 262.32		\$ 262.32	5.2%
Audit/Legal	\$ 5,000.00		\$ 5,000.00						\$ -	0.0%
Equipment/Software	\$ 12,500.00	\$ 5,000.00	\$ 17,500.00	\$ 14.99	\$ 29.98	\$ 14.99	\$ 179.98	\$ 8,140.44	\$ 8,380.38	47.9%
FICA	\$ 29,500.00	\$ 2,500.00	\$ 32,000.00	\$ 2,053.80	\$ 2,058.10	\$ 2,073.08	\$ 3,180.46	\$ 2,225.54	\$ 11,590.98	36.2%
Health & Dental	\$ 63,000.00		\$ 63,000.00	\$ 5,230.04	\$ 5,230.04	\$ 5,230.04	\$ 5,230.04	\$ 5,230.04	\$ 26,150.20	41.5%
Meals	\$ 2,500.00		\$ 2,500.00						\$ -	0.0%
Membership Dues	\$ 4,200.00		\$ 4,200.00	\$ 4,013.27					\$ 4,013.27	95.6%
Miscellaneous	\$ 500.00		\$ 500.00	\$ 19.60					\$ 19.60	3.9%
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	\$ 1,350.00		\$ 1,350.00	\$ 1,343.00					\$ 1,343.00	99.5%
Office Maintenance	\$ 12,000.00		\$ 12,000.00	\$ 691.40	\$ 910.56	\$ 200.00	\$ 766.40	\$ 200.00	\$ 2,768.36	23.1%
Payroll Expenses	\$ 382,063.00	\$ 31,895.00	\$ 413,958.00	\$ 29,062.36	\$ 29,118.40	\$ 29,314.58	\$ 43,789.66	\$ 31,306.99	\$ 162,591.99	39.3%
Postage	\$ 500.00		\$ 500.00			\$ 1.20		\$ 23.45	\$ 24.65	4.9%
Printing	\$ 3,000.00		\$ 3,000.00	\$ 30.86	\$ 127.12	\$ 74.81	\$ 65.52		\$ 298.31	9.9%
Subscriptions and Books	\$ 500.00		\$ 500.00	\$ 14.00	\$ 14.00	\$ 14.00	\$ 14.00	\$ 14.00	\$ 70.00	14.0%
Supplies	\$ 4,500.00		\$ 4,500.00	\$ 241.41	\$ 67.00	\$ 233.02	\$ 420.91		\$ 962.34	21.4%
Technology	\$ 9,500.00		\$ 9,500.00	\$ 2,920.45	\$ 580.74	\$ 618.24	\$ 619.84	\$ 617.09	\$ 5,356.36	56.4%
Travel & Training	\$ 8,000.00		\$ 8,000.00	\$ 75.13			\$ 15.00	\$ 15.53	\$ 105.66	1.3%
Utilities	\$ 6,500.00		\$ 6,500.00	\$ 292.32	\$ 326.39	\$ 318.60	\$ 263.57	\$ 139.25	\$ 1,340.13	20.6%
VRS	\$ 13,000.00		\$ 13,000.00	\$ 705.52	\$ 705.52	\$ 705.52	\$ 745.52	\$ 721.19	\$ 3,583.27	27.6%
Workman's Comp	\$ 500.00		\$ 500.00	\$ 500.00					\$ 500.00	100.0%
Chesapeake Bay PDC Capacity Expenses	\$ 1,000.00		\$ 1,000.00			\$ 100.00			\$ 100.00	10.0%
Mobility Management Expenses	\$ 123,625.00	\$ 98,775.00	\$ 222,400.00	\$ 380.63	\$ 8,575.72	\$ 11,994.05	\$ 38,980.80	\$ 16,225.80	\$ 76,157.00	34.2%
DRPT Section 5310 Operating Expenses	\$ 25,000.00		\$ 25,000.00	\$ 7,923.50	\$ 8,533.00	\$ 7,314.00	\$ 8,533.00		\$ 32,303.50	129.2%
NFWF Chesapeake Bay Grant Expenses	\$ -	\$ 24,000.00	\$ 24,000.00						\$ -	0.0%
Rappahannock Cares Act Expenses		\$ 88,650.00	\$ 88,650.00						\$ -	0.0%
Regional Tourism Expenses	\$ 10,000.00		\$ 10,000.00	\$ 334.52	\$ 404.27	\$ 204.50	\$ 409.16	\$ 205.17	\$ 1,557.62	15.6%
Rideshare Expenses	\$ 80,000.00		\$ 80,000.00	\$ 79.32	\$ 3.99	\$ 2,703.99	\$ 79.32	\$ 833.99	\$ 3,700.61	4.6%
Rideshare Vanpool Expenses	\$ 4,800.00		\$ 4,800.00						\$ -	0.0%
Rural Transportation Expenses	\$ 1,000.00		\$ 1,000.00						\$ -	0.0%
VHDA COVID-19 Emergency Grant Expenses	\$ 18,000.00	\$ 2,467.00	\$ 20,467.00	\$ 12,892.46	\$ 7,574.17				\$ 20,466.63	100.0%
VHDA Housing Study Expenses	\$ 60,000.00	\$ (14,137.00)	\$ 45,863.00		\$ 5,654.90	\$ 22,619.60	\$ 5,654.90	\$ 5,654.90	\$ 39,584.30	86.3%
VHSP Expenses	\$ 3,000.00		\$ 3,000.00	\$ 26.83	\$ 26.83	\$ 347.14	\$ 175.83	\$ 26.83	\$ 603.46	20.1%
<b>Total Expenditures</b>	<b>\$ 914,454.00</b>	<b>\$ 239,150.00</b>	<b>\$ 1,153,604.00</b>	<b>\$ 70,857.36</b>	<b>\$ 71,933.73</b>	<b>\$ 86,074.36</b>	<b>\$ 111,379.23</b>	<b>\$ 73,573.21</b>	<b>\$ 413,817.89</b>	<b>35.9%</b>

## **Executive Director's Report**

### **December 2, 2020**



The purpose of this monthly 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:**

- Jennifer Little re-joined the Commission staff in early November as a Regional Planner with involvement on housing, community development and project support. Ms. Little worked in our offices as an AmeriCorps VISTA member from November 2019 through October 2020 focused on capacity building for the Foothills Housing Network.
- Staff continue to work staggered schedules based on project and program needs, with 50% to 75% of staff in the office most days. I remain impressed with the flexibility of staff in maintaining effectiveness and efficiency during the pandemic.
- Local budget requests were submitted to Fauquier County in October and are in development for Orange County and Culpeper County before the end of 2020.

#### **Homelessness & Regional Housing**

- The Regional Housing Study stakeholder workgroup met in November in follow-up to the October Commission meeting presentation. Comments and suggestions from both meetings are being incorporated into the final draft of the study, which will be brought back to the Commission in February for consideration. I am pleased that summary documents are able to be completed for each County and three larger towns. Commission staff will follow up with other towns to determine how to usefully focus data for those areas. We can also make arrangements to be available for local meetings to discuss the study as needed.
- Foothills Housing Network is in the process of updating its bylaws and provider standards documents. Along with those updates, we are also re-engaging leadership from organizations and agencies that form the membership of FHN. This includes Social Services directors, non-profit organization Directors or Chairs. Questions and connections can be made with FHN Coordinator Rebecca Wareham.
- We will provide a brief update regarding funding that has been received related to homeless services in the region as a result of the COVID-19 pandemic. While most of the funding flows to FHN partners, the Commission's role as lead agency has allowed our staff the ability to ensure that funds are directed where the needs have been identified by those partners.

#### **Environmental/Natural Resources**

- A draft scope of work is included here for the 2021 Chesapeake Bay Watershed PDC Implementation Program grant through the Department of Environmental Quality. If there are watershed planning or other projects that may benefit from Commission staff involvement, please contact me or Michelle Edwards.
- In October, the Commission approved RRRC to serve as lead applicant on a proposal to USDA Regional Conservation Partnership Program. Unfortunately, budget uncertainty for some of the project's Federal partners and long-term matching fund concerns made an application not



possible for this cycle. We will keep Commissioners updated should partner organizations reengage on the proposal.

### **Transportation**

- The Commonwealth Transportation Board will meet on December 9<sup>th</sup> and is expected to take action on budget items including the Commission's Commuter Services program. We expect funding to support baseline operations, with limited marketing and outreach funding in FY 2021.
- For those of you that utilize VDOT Revenue Sharing funding, please be aware of changes impacting the timing of those funds moving forward. In the past, these projects were included in middle years of Six-Year Improvement Programs; however, transportation funding challenges will likely push those funds into the final two years of future SYIPs.
- Staff will begin public outreach regarding the Regional Long Range Plan update in early 2021. To date, we have collected and updated much of the background data for the Plan and will seek local input on additional needs and priorities as part of the update.

### **Economic Development & Tourism**

- Staff continues to be in contact with partners at Thomas Jefferson PDC and U.S. Economic Development Administration regarding the application previously submitted for a super-regional Comprehensive Economic Development Strategy (CEDS) plan.
- The regional Tourism Committee has continued minimal advertising via Facebook for the Tween Rivers Trail focused on safe activities and to highlight TRT member events conducted with appropriate guidelines. We will reconvene the Tourism Committee in early 2021 to determine additional projects and/or opportunities for partnership.

### **Emergency Planning & Hazard Mitigation**

- In October, I reported that VDEM expected several Hazard Mitigation plan update applications with expiration dates prior to the RRRC plan expiration. However, in follow-up discussions, VDEM staff suggested that there would be ample funding for RRRC to submit an application for the plan update. If awarded by FEMA, this project would likely not begin until early 2022.
- Staff participated in FEMA Region III outreach to coordinate local, regional and state responses related to resilient communities and resilient economies. A statewide report was produced by FEMA Region III and can be shared upon request.
- Staff continues to participate with Rappahannock-Rapidan Health District on jurisdiction calls related to COVID-19 and background support for outreach and testing sites.

### **Local Technical Assistance**

- We anticipate processing all funds for the Rappahannock County CARES Act Business Assistance program in December.
- Finalized mapping for the Rappahannock County Comprehensive Plan following public hearings
- Provided supporting documentation to Town of Culpeper staff regarding RRRC Active Transportation Plan
- Coordinating Virginia Outdoors Plan review and update with local staff in all jurisdictions
- Provided statewide transportation funding update to Fauquier County Transportation Committee meeting in November
- Reviewed pedestrian bridge issues for Madison County



Granting Agency: Virginia Department of Environmental Quality

Program: Chesapeake Bay Watershed 2021 PDC Locality Implementation Program

DRAFT Scope of Work (1/1/2021 – 12/31/2021)

The following activities outline the “*Required*” and “*Optional*” deliverables to be completed by the PDC and are imperative to a successful project. Completion of all the deliverables in Activity groups 1, 2, 3 and 5 and a minimum of the Optional deliverables as noted in Activity group 4 will constitute satisfactory completion under this contract.

Note: The PDC is encouraged to continue developing collaborative arrangements between two (2) or more PDCs.

Payment will be provided by DEQ upon satisfactory completion, in accordance with the Project Budget Summary and Payment Process in section D. Evaluation of satisfactory completion will be based on progress detailed in an Interim Project Report, a Final Project Report and the project deliverables for each activity.

**Activity 1 (Required Deliverables): Facilitation of Chesapeake Bay Phase III WIP implementation with localities and regional partners**

The PDC shall continue to engage localities, regional and state partners regarding Bay WIP III programmatic actions and implementation activities. These partners include, but are not limited to, local and regional governments; soil and water conservation districts (SWCDs); river basin commissions (e.g., Rivanna River Basin Commission, Rappahannock River Basin Commission, etc.); environmental non-profits (e.g., Friends of the Rappahannock, James River Association, etc.); state and federal agency representatives.

The PDC shall focus on liaison activities between localities and all of the partners; and shall:

- a) Develop regionally-specific tasks for inclusion in an annual Scope of Service for implementation during calendar year 2022, building from this scope of service. (by September 30, 2021)
- b) Host and facilitate meetings (quarterly at a minimum) on Bay WIP topics, or include Bay WIP issues on agendas for existing meetings, with participation from

member local governments (encourage attendance from other stakeholders). (by December 31, 2021)

- c) Update Commissioners and local boards (as appropriate) on progress of key contract deliverables and other key Bay related issues as needed. (by September 30, 2021)
- d) Develop, maintain and update, as needed, web page(s), newsletters, factsheets, guidebooks, social media or similar marketing materials that inform local stakeholders about WIP activities. Provide and disseminate these educational materials for the public and for localities to distribute. (by December 31, 2021)
- e) Collaborate with other Bay PDCs as part of the urban sector network group, and: i). develop a proposal(s) for new locally relevant urban stormwater BMPs for potential inclusion into the Chesapeake Bay Modeling framework or to revise existing BMPs currently included in the framework, as needed; ii) coordinate meetings and/or teleconferences to discuss the BMP implementation process and efforts to assist unregulated (non MS4) communities. (by December 31, 2021)
- f) Attend meetings of Virginia's Chesapeake Bay Stakeholders Advisory Group, local Watershed Roundtables, Chesapeake Bay Program and other related groups, as available/necessary. Relay key information to localities and regional stakeholders. (by December 31, 2021)
- g) Educate local stakeholders about the direct local benefits of implementing BMPs in their communities (instead of focusing on the Bay area exclusively); and engage and encourage citizens to participate by promoting the benefits to their local communities. (by December 31, 2021)
- h) Share information with localities and regional stakeholders on state, federal, and private BMP implementation funding opportunities. (as available)

#### **Activity 2 (Required Deliverables): BMP implementation reporting and liaison with DEQ**

The PDCs identified needs with existing BMP project reporting procedures during the Phase III WIP development process. This section begins to address and improve many aspects of reporting mechanisms for data on implemented BMPs.

##### **The PDC shall:**

- a) Assist localities' staff, and other agencies as needed (e.g., SWCD, local departments of health) on use of the BMP Warehouse for reporting implementation actions. (by December 31, 2021)
- b) Work with local governments and other partner organizations to fill identified BMP data reporting gaps. This may include the implementation of a regional BMP reporting process. (by December 31, 2021)

#### **Activity 3 (Required Deliverables): Regionally Specific Initiatives/Programmatic Actions**

##### **The PDC shall:**

- a) Continue work to compile existing data and map it in GIS where feasible, allowing data sets to be overlaid with each other to aid in BMP planning decisions. Phase two will develop a custom GIS-based prioritization of urban and agriculture BMPs for the region, based upon new land cover and stream data the Chesapeake Conservancy is currently developing for the Chesapeake Bay Program. The prioritization could also be used for site-level conservation planning. This phase will also conduct ground-truthing and targeted water quality monitoring, to inform the Watershed Plan. This effort fills data gaps identified by stakeholders during the WIP III process and early development of the Watershed Plan.

Deliverables

- Methodology Finalized (June 30, 2021)
- Stream Exclusion Fencing BMP Data Digitized (June 30, 2021)
- Draft Data (December 30, 2021)

- b) Mountain Run, Muddy Run and Lower Hazel TMDL IP Assistance - RRRC will provide assistance to DEQ staff in the development of the Mountain Run, Muddy Run and Lower Hazel TMDL Implementation Plan (IP), which covers 100,000 acres mostly within Culpeper County. DEQ is planning to hold the kick-off public meeting this fall. RRRC staff will assist with outreach, attend meetings and provide input as requested.

Deliverables

- Assist DEQ staff with outreach to inform target attendees of meetings and results. (as requested)
- Attend meeting as an active participant. (according to TBD meeting schedule)
- Provide other technical input into the process. (as requested)

- c) Healthy Watershed Forest Initiative Implementation - The Healthy Watershed Forest Initiative is a joint effort of the Rappahannock River Basin Commission and the Virginia Department of Forestry that seeks to encourage forestland retention through policy, planning and market-based incentives. The initiative is currently in Phase III with one of RRRC's member jurisdictions, Fauquier County, participating as one of two pilot localities. This phase seeks to develop and pilot long-term funding mechanisms that incentivize landowner action, facilitate economic development for the community, and attract large-scale private investment through carbon trading.

RRRC will assist in taking the results of the initiative and assisting Fauquier County and others of its member jurisdiction in implementation where interest exists.

Deliverables

- Continue to work with the Rappahannock River Basin Commission to update member localities and other partners on the Initiative and disseminate results when available. (as available from the River Basin Commission)
- Assist interested localities in implementing policy and ordinance recommendations of the Initiative. (as requested)
- Assist interested localities in setting up the policies and procedures for their Economic Development Authorities to act as aggregators to facilitate access for landowners to the worldwide carbon markets. (as requested)

#### **Activity 4 (Optional Deliverables): Development and Distribution of Implementation Tools and Resources**

The PDC role is for contract-related work that produces outreach and education elements fostering local stakeholder participation in Chesapeake Bay Phase III WIP implementation; and the region-wide dissemination of, and assistance with, tools, collaboration with stakeholders and other partners and leadership for regional strategies, programmatic actions and planning goal implementation.

The PDC shall (choose three {3} tasks) that are not duplicative to any Activity 3 tasks:

- a) Continue work with localities and other partner organizations to develop cost estimates, project proposals and potential budgets for implementation of Bay Program-approved BMP projects and to identify opportunities to align multiple program needs. For example, existing Indoor Plumbing Rehabilitation grants are underutilized due to lack of engagement from homeowners within the project areas. (by December 31, 2021)
- b) Work with localities to continue compiling GIS shapefiles to support the biennial Chesapeake Conservancy's Bay High-Resolution Land Cover Update project and other Bay model updates where such data exists. Data layers of interest include parcel data, local land use data, building footprints, MS4 boundaries, sewer service areas and planned expansions, street centerlines, zoning data, federal, state and municipally owned lands or other relevant data sets. (by December 31, 2021) If the PDC was not going to actively participate in the review they would at a minimum follow up with the individual localities to facilitate a comment/no comment response to the Conservancy. Ancillary data may also be compiled as GIS shapefiles to support the biennial Chesapeake Conservancy's Bay High-Resolution Land Cover Update project and other Bay model updates where such data exists. Data layers of interest include parcel data, local land use data, building footprints, MS4 boundaries, sewer service areas and planned expansions, street centerlines, zoning data, federal, state and municipally owned lands or other relevant data sets. (by December 31, 2021)
- c) Coordinate with DEQ, the Virginia Department of Health (VDH), SWCDs and local governments to improve education, implementation and development of a process to capture, track and report septic tank pump outs for uploading to DEQ's BMP Warehouse. (by December 31, 2021)
- d) Work with localities to review local plans and ordinances and identify whether WIP III BMPs and prioritized programmatic actions are included in goals/objectives or opportunities for future inclusion.
- e) Share regional information from the Bay Program analysis of land cover change with local governments. Support local adoption of procedures, plans, policies and/or programs to support forest conservation and other land policies that reduce the impact of future development. (by December 31, 2021)
- f) Support local governments and other regional partners with Bay TMDL related grant writing assistance (as opportunities arise); and contract administration and project

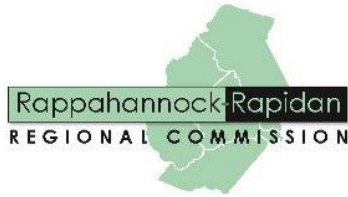
management services for awarded grants, based on local needs. (by December 31, 2021)

- g) Research grant opportunities to assist localities in identifying BMP implementation projects such as creating wetlands systems to serve as retention areas for water flowing from Towns to the Chesapeake Bay; installing rain gardens to reduce impervious surface area; and establishing a forest buffer/tree planting/stormwater management pilot program on publicly owned lands. Attend grant information sessions, workshops, webinars, etc. sponsored by DEQ, Chesapeake Bay Program and other related agencies. Maintain and update, as needed, a matrix of potential grant project priorities for the region with total project costs, potential funding sources, partners, application deadlines and any other critical information. Disseminate funding information to localities; update websites and other applicable resources. Assist localities in applying for funds and provide grant writing assistance when needed. (by December 31, 2021)
- h) Maintain an up to date library of draft grant applications (for basic information needs and project drafts) for use within the region to acquire project funding. For example, templates can be developed for: (1) non-profit foundations such as the National Fish and Wildlife Foundation; (NFWF); (2), locally-targeted state resources such as the Stormwater Local Assistance Funds (SLAF); and (3) a potential co-benefit funder applicable in the region (ex. Virginia Department of Emergency Management {VDEM} - Hazard Mitigation, Virginia Department of Transportation {VDOT} - Road Improvements with WQ BMPs, Trout Unlimited - Habitat Improvement, National Oceanic and Atmospheric Administration {NOAA} Coastal Resiliency). (by December 31, 2021)
- i) Work with DEQ and localities to fill any identified WIP III BMP training needs. (e.g. design, tracking, verification, maintenance) Provide training opportunities or webinars for locality staff, bring in speakers and WIP III related subject matter experts. (by December 31, 2021).
- j) Assist localities with the development of BMP implementation projects and cost assessments, and programmatic actions on an as-needed basis. Assist localities that may have limited staffing. Assist localities in the completion of BMP implementation projects.
- k) When requested, update the environmental sections of local government comprehensive plans and create model WIP III language for inclusion.
- l) When requested, assist localities with updating local ordinances and zoning regulations.
- m) Create a local water quality policy “toolbox”. Create and maintain an accessible, easy to use “toolbox” of land instruments available to local governments such as: tree preservation, LID, CBPA, floodplain, and wetlands ordinances. Promote smart zoning allowing denser development offset by conservation of open space. Include transportation system considerations. Start to promote the implementation of policies and procedures that support improving water quality (such as the tools green infrastructure solutions, retrofits, upfit, construction and maintenance projects demonstration and trainings). (by December 31, 2021)

**Activity 5 (Required Deliverables): Project administration**

The PDC shall:

- a) Submit the interim PDC contract report and reimbursement request. (by June 30, 2021)
- b) Submit regionally-specific tasks for inclusion in the 2022 Proposed Scope of Service as described in 1.a above. (by September 30, 2021)
- c) Submit the final PDC contract report and final reimbursement request. (by December 31, 2021)



## MEMORANDUM

**To: Members of the Rappahannock-Rapidan Regional Commission**  
**From: Patrick L. Mauney, Executive Director**  
**Date: November 30, 2020**  
**Subject: RRRC Application to DRPT for FY 2022 Section 5310 Mobility Management 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. This funding provides support for RRRC's mobility management program and for the FAMS One-Call Center that provides information, referral and database management for transportation services focused on elderly and disabled populations in the region, in coordination with regional partners.

The grant application will include the following requests related to the Mobility Management program:

- 20 hours per week at RRRC for regional Mobility Management (TDM & Mobility Coordinator)
- 1.5 full-time equivalent positions for the FAMS One-Call Center, operated under agreement with Rappahannock-Rapidan Community Services.
- Direct technology and supply costs, limited to lesser of \$5,000 or 5% of grant award

The Mobility Management grant requires 4% match and will be derived from the local per capita dues assessment as in-kind staff time.

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

**REQUESTED ACTION:** Approval of the attached Resolution for RRRC staff to submit the FY 2022 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 2022**

#### **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 9th day of December, 2020.

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Patrick L. Mauney, Executive Director  
December 9, 2020



## **MEMORANDUM**

**To: Members of the Rappahannock-Rapidan Regional Commission**  
**From: Patrick L. Mauney, Executive Director**  
**Date: December 1, 2020**  
**Subject: RRRC Application to VDEM for Hazard Mitigation Plan Update**

The Regional Commission serves as the coordinating agency for the region's Hazard Mitigation Plan, a requirement under the Stafford Act of 2000. The regional plan was first adopted in 2005, with mandated updates completed in 2012 and 2018. [A copy of the current plan](#) is available on the Commission's website.

### **Proposed Update to the Multi-Jurisdictional Hazard Mitigation Plan**

In 2020, the Federal Emergency Management Agency (FEMA) restructured several grant programs into the Building Resilient Infrastructure and Communities (BRIC) program. Funding is included in the BRIC program for eligible projects, inclusive of updates to existing hazard mitigation plans.

The Rappahannock-Rapidan Regional Hazard Mitigation Plan was most recently approved on December 13, 2018, and must be updated within five years in order for participating jurisdictions to maintain eligibility for funding through the Hazard Mitigation Grant Program and future BRIC programs. The update process is expected to take 18 months and will include review of the existing plan, updates to plan sections, local mitigation strategy review and revisions, public outreach, and adoption by each participating jurisdiction.

The Regional Commission is requesting \$64,000 from the BRIC program to coordinate the review and update of the current plan with participation and oversight from local emergency management, planning, and administrative staff. The BRIC program requires a 25% local match, which staff proposes to meet via a combination of Regional Commission in-kind staff time derived from local per capita dues, as well as local in-kind contributions in the form of staff participation in meetings, plan review and plan updates.

### **Request for Locality Commitment to Participate**

All five counties in the region and the Towns of Culpeper, Gordonsville, Madison, Orange, Remington and Warrenton participated and adopted the current plan in 2018/2019. As part of the

grant application, the Chief Administrative Officers from each jurisdiction are requested to submit a letter confirming participation by December 31, 2020.

**REQUESTED ACTION:** Approval for the Executive Director to submit the grant application to VDEM for Hazard Mitigation Plan update



## **MEMORANDUM**

**To: Members of the Rappahannock-Rapidan Regional Commission**  
**From: Patrick L. Mauney, Executive Director**  
**Date: December 2, 2020**  
**Subject: Regional Legislative Platform**

As you may recall from previous years, Mr. Eldon James has provided a draft legislative platform for the region ahead of the 2021 General Assembly session. 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

# Rappahannock-Rapidan Region

## 2021 Legislative Issues

*November 19, 2020*

### 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 recent JLARC recommendation to modify the policy of 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 many years the applications for Virginia Telecommunications Initiative (VATI) have been more than twice the funding available. **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.**

# Rappahannock-Rapidan Region

## 2021 Legislative Issues

*November 19, 2020*

### **Education Funding and the Pandemic**

The Region continues to be 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.

In response to the pandemic, during the recent Special Session, the General Assembly provided replacement funds for loss of sales tax revenue to schools and that semi-monthly payments to school divisions would not be reduced in January as a result of potential reductions in September average daily membership counts (ADM). This language prevents school divisions from experiencing reductions in state payments in the middle of the fiscal year and allows the issue to be revisited after average daily membership is calculated in March. The region strongly encourages the Assembly to consider extension of this “hold-harmless” until at least the end of FY21 and through FY22 is at all possible.

### **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.

#### **Transportation Generally**

The Region applauds the efforts made over the past several years to adequately fund our growing

# Rappahannock-Rapidan Region

## 2021 Legislative Issues

*November 19, 2020*

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 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 the 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 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

# Rappahannock-Rapidan Region

## 2021 Legislative Issues

*November 19, 2020*

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 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 further 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.**

### **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**



# Rappahannock-Rapidan Region

## 2021 Legislative Issues

*November 19, 2020*

**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 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.

### **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**

# Rappahannock-Rapidan Region

## 2021 Legislative Issues

*November 19, 2020*

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 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.

<p>The Regional Legislative Program Point of Contact is Eldon James, Legislative Liaison, 540-907-2008; Fax 804-644-5640; <a href="mailto:ejames7@me.com">ejames7@me.com</a> <a href="http://www.EldonJamesAssociates.com">www.EldonJamesAssociates.com</a></p>
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## **MEMORANDUM**

**To: Members of the Rappahannock-Rapidan Regional Commission**  
**From: Patrick L. Mauney, Executive Director**  
**Date: November 30, 2020**  
**Subject: Formation of Nominating Committee**

As you may recall, Commission officers serve one-year terms beginning March 1<sup>st</sup> 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 Orange are represented on the Executive Committee.

As a reminder, the Chair and Vice-Chair are currently serving the final year in their current Officer positions. The Treasurer is completing a partial term and remains eligible for two additional terms as Treasurer.

**REQUESTED ACTION:** Formation of a Nominating Committee to identify a slate of Officers for terms beginning March 1, 2021