



# Minutes from 21 April 2022

## HRMFFA Board of Directors Meeting

1. HRMFFA's quarterly Board of Directors meeting was held at the Regional Building on 21 April 2022. Public Board members present were: Mayors Alexander, Duman, Glover, Pons, Price, Rabil, and Tuck; and Supervisors Hipple, Shepperd, and Rosie (via phone). Councilman Southall represented Poquoson and Councilwoman Wilson represented Virginia Beach. Private Board members present were: Black (via phone), Bruneau, Faulkner, Honecker, Klett, McKenna, Stephens, and Sutton. Bill Brown represented Mark Dreyfus and ECPI and Rob Spraker represented Thom Watkins and Cox Communications. Executive Director Quigley, Deputy Executive Director Dwyer and Treasurer Wilson were also present. A quorum was achieved.
2. Board Vice Chair Pons called the meeting to order at 10:34 a.m. Mayor Pons congratulated Board members Tim Faulkner and Mark Honecker on their recent promotions within their companies. He introduced and welcomed to the Board Jason Sutton, Newport News Shipbuilding Vice President and Chief Information Officer, and Mike Bruneau, BAE Systems Ship Repair Norfolk Vice President and General Manager. Mr. Dwyer stated no public comments had been submitted.
3. Vice Chair Pons welcomed Virginia Secretary of Veterans and Defense Affairs, Craig Crenshaw, and invited him to address the Board. Secretary Crenshaw thanked the Board for the invitation to speak and noted the tremendous partnership between his office and HRMFFA, and the synergies gained working together along with The Roosevelt Group. He noted Hampton Roads is tremendously important to national security and the Commonwealth. Governor Youngkin has charged him with making Virginia the most military friendly state in the country and a place where veterans want to stay after their service. Secretary Crenshaw mentioned Virginia is competing with other states such as North Carolina, Texas, and others in attracting and retaining veteran talent. Taxing military retired pay plays a part, and the administration is trying to address that in the pending budget. He will be meeting with RADM Rock and Hampton Roads installation commanders in the coming days to see how the Commonwealth can support them in accomplishing their missions. He looks forward to continuing working with HRMFFA in strengthening Virginia for our military and veterans.



4. Vice Chair Pons then welcomed the Senior Commander Army Element, Brigadier General John Kline, to address the Board. BG Kline thanked the Board for the opportunity to speak and he appreciates the support of HRMFFA for the Army and all servicemembers in the region. He began by explaining his dual-hatted role as both the Commander Initial Military Training (CIMT) which encompasses all things dealing with basic training in the Army including the Army's fitness test; and the Senior Commander Army Element representing the Army to the surrounding community and looking out for Army equities within the Air Force-led Joint Base Langley-Eustis. He indicated that due to some internal reorganization his CIMT headquarters would likely be growing by about 50 – 75 people over the next year or so. He stated that among the Secretary of the Army's six priorities (sustainable strategic path, make the Army more data-centric, climate change/resilience, improving command climate, reducing harmful behaviors, and recruiting/retention) his command will begin taking on an increasing role in programs such as sexual assault prevention/response, diversity/equity/inclusion, suicide prevention, etc. The Army is also trying to stress more holistic health/fitness to include nutrition, spiritual, mental health, sleep, etc. He also said all leaders in the Army have been charged with improving recruiting and retention as the Army is struggling to meet its retention goals. Only 21% of the population is eligible to serve and only 7% are eligible to be officers. He needs the community's support in gaining access to schools and other venues for his recruiters to speak with young people and talk about the benefits of Army service. One new program to help recruiting is the Army Partnership for Youth Success (PaYS). The program partners with private corporations and public agencies to guarantee Soldiers an interview and possible employment once their Army service ends. This program could also potentially benefit Hampton Roads corporations seeking veteran talent. Mayor Duman asked if the new Army fitness test was part of its holistic health approach. BG Kline said it was and the new test is designed to ensure Soldiers can perform in combat versus just passing exercise tests. Supervisor Shepperd asked about the Army's views on bringing in youth with troubled pasts. BG Kline said the Army has been able to meet its mission requirements while only granting 2% of their recruits enlistment waivers as they want to keep a high standard. There have been some challenges taking the current generation of youth and molding them into Soldiers. The Army is changing its approach to indoctrination by stressing the building of teamwork and trust instead of the in-your-face yelling tactics of the past. BG Kline thanked the Board for its support and said he looks forward to working with HRMFFA.

5. Vice Chair Pons welcomed Dr. Mike Robinson, Director of the Hampton Roads Maritime Industrial Base Ecosystem (MIBE), to give the Board an update on their activities. Dr. Robinson presented slides that stated MIBE's objectives are to anticipate future maritime workforce, supplier and facilities requirements; promote Hampton Roads as a national maritime sustainment center; and forge digital transformation partnerships in the industrial base. MIBE has several different workforce programs:
- GO TEC: K-12 on-ramp to future technology and engineering careers
  - COVA MAP and MEET: foundational skills in math, measurement, etc. that leads to in-person training and employer interface.
  - Operation NEXT: DoD SkillBridge program provides on-line and in-person training and certifications in core maritime skilled trades.
  - Skilled Trades Alignment: ensures portability of trades certifications across public/private employers and establishes common catalog of skilled trades.

For the maritime supply base, "digital factories" will require industry 4.0/5.0 capabilities for suppliers. Cybersecurity compliance can create barriers, so MIBE is working to help all levels of suppliers mitigate these barriers. Dr. Robinson also said maritime facilities in the Commonwealth are at risk without a baseline assessment of their capabilities and capacity. MIBE is conducting a Naval Maritime Facilities Assessment to inventory capabilities and capacity and identify gaps/barriers to increased NAVSEA sustainment. They are also looking at private shipyard optimization to complement the Navy's investment in the public shipyards as well as mitigating Navy contractual and institutional barriers to suppliers. Mr. Honecker noted this is extremely important work and growing the pool of skilled workers is critical to all local industries and Hampton Roads would be a great place for a national maritime trades school. Mayor Price commented that school superintendents need to be at the table for these discussions to develop alternate paths for students not going to college. Mr. Bruneau said all three of BAE's shipyards have the same workforce concerns, but the industry needs predictability of workload to bring on staff and train them. Supervisor Rosie indicated Isle of Wight County has lots of available land for development of training schools, industry, housing, etc and he can help get into the schools for training programs. Mayor Alexander noted he is also chancellor of 20 trade schools across the country and these private schools are very nimble and can adjust at the speed of business to meet industry needs. Public schools need to embrace that agility to prepare students for the workforce. Dr. Robinson agreed but noted Virginia only reviews proposed curriculum changes once a year which can slow adapting to industry needs.



6. Mr. Quigley introduced the end-of-March financials which were provided in the read-ahead materials. He noted there was nothing remarkable about year-to-date revenues or expenses and we were running slightly under budget for the current fiscal year. There were no comments or questions from the Board.
7. Vice Chair Pons invited Mayor Duman to present the Budget and Finance Committee report. Mayor Duman said the B&F Committee met on 5 April to discuss the investment policy and review the FY23 budget. He described the policy's primary objective is safety of principal followed by maintaining liquidity and then maximizing returns. This is in line with how the municipalities invest their funds which is appropriate for HRMFFA to do the same since the majority of our retained earnings are taxpayer funds. The Board voted unanimously to approve the investment policy as presented.

Mayor Duman stated the FY23 draft budget was mostly the same as what was presented in December other than the proposed staff raises had been increased from 3% to 5% to be in line with what other regional organizations were doing. He also noted Gloucester and Southampton Counties had allocated funds for HRMFFA in their FY23 proposed budgets and intend to accept the invitation to join HRMFFA. He expects Surry County to do the same. The budget will be presented for approval in June once we have the final revenue numbers from the municipalities. He also discussed where current retained earnings were held and indicated it was not a large return, but in line with current market conditions.

Mayor Duman explained options for retained earnings in excess of \$1 million as described in the investment policy. Options include returning funds proportionally to the members, donation to charitable organizations aligned with HRMFFA's mission, sponsorship of educational endeavors, or other uses that contribute to HRMFFA's mission.

In line with this new policy, Mayor Duman stated staff had been approached by William and Mary for support of a new military transition program they were starting called Flourishing Through Life Transitions. Mayor Duman asked JD Due, Executive Director of W&M's Center for Military Transition, to describe the program and go over the slides that had been provided in the read-aheads. Mr. Due briefly mentioned the success of the W&M Whole of Government Center of Excellence. It has turned into a national resource valued by DoD and other Federal partners and would not have been possible without the initial financial support of HRMFFA. He said the new Flourishing program is designed for veterans, to include spouses and Gold Star Family members, and members of





the intelligence community to help them transition to a new chapter of service. They have their first cohort of students set to participate June 6-17. The \$40,000 one-time request is to help get this initial program offering started and defer some of the costs for student attendance, housing, etc. Goal is for the program to bring a steady stream of transitioning service members to W&M and Hampton Roads and give them exposure to industries and companies in the region and lead to potential employment opportunities. Following the presentation, Mayor Duman made a motion for HRMFFA to provide the requested \$40,000 to support this new program. Supervisor Hipple seconded the motion. Mayor Alexander asked how this grant opportunity was advertised? Mr. Quigley stated W&M approached us with this request given HRMFFA's previous financial support for the standup of the Whole of Government Center of Excellence. Mayor Duman said Mayor Alexander raises a good point and that we may want to advertise these opportunities in the future and possibly have staff develop policy criteria for future grant opportunities. Vice-Chair Pons thought it was a good idea for staff to develop a policy. Supervisor Hipple recommended \$100,000 be set aside for grant opportunities and any remaining be returned to members. Vice Mayor Wilson mentioned Virginia Beach has a non-affiliated committee to review/recommend grant approvals and she also liked the idea of returning excess funds to members. Mayor Duman stated he would prefer not to lock in a certain dollar figure in the policy but rather give the Board flexibility on an annual basis. Supervisor Hipple agreed with having flexibility but also said grant requests will likely exceed available funds so we should return some amount to the members. Hearing no further discussion, Vice-Chair Pons called for a vote on the motion to provide \$40,000 for the W&M program. The Board unanimously approved the request.

8. Councilman Southall provided an update to the Board on the NASA Advisory Committee. He noted the committee had not held a meeting in the last quarter due to the budget request just coming out. He also noted the new \$95 million Measurement Systems Lab ribbon cutting was taking place that morning. Mr. Southall stated longtime NASA Langley Government Relations Director, Donna Lawson, recently retired and Kimberly Read is her replacement. The Committee would like to make Donna a member of the NASA Advisory Committee and she has agreed to serve. HRMFFA Bylaws require Board approval of committee members, so Councilman Southall made the motion to add Donna Lawson to the HRMFFA NASA Advisory Committee and it was seconded by Mayor Tuck. The Board voted unanimously to approve.



9. Vice Chair Pons invited Mayor Tuck and Mr. Klett to provide the Board an update on the Futures Advisory Committee. Mayor Tuck said committee members held a follow-up meeting with RADM Rock and his staff as well as the Hampton VA Medical Center Director since December. He said the Center Director, Dr. Taquisa Simmons, indicated her primary concerns were attracting and retaining talent, improving broadband, and resiliency. Mr. Klett said the committee still needed to meet with Fort Eustis and the National Park Service, but that those meetings should hopefully take place in the near future. He reiterated that the common themes we keep hearing from installation leaders are sufficient/reliable/resilient energy, workforce housing, sea level rise/flooding, spouse licensure/employment, broadband connectivity, and quality of K-12 education.
10. Vice Chair Pons invited Mr. Quigley to discuss the recent General Assembly session and HRMFFA's Federal Legislative Priorities. Mr. Quigley stated there were two key developments of interest to HRMFFA. First the Virginia Military Community Infrastructure Grant Program was unanimously approved in both the House and Senate and included \$5 million in FY23. This program would grant funds to localities to support infrastructure projects that would benefit both the military mission of the base and the local community. Fingers crossed that the funds survive the ongoing budget negotiations. Secondly, each side of the General Assembly passed some relief on taxation of military retirement pay. The Senate would eventually exempt up to \$40,000 of retired pay and a retired veteran could claim this exemption immediately upon retirement. The House version eventually exempts up to \$20,000 of retired pay, but it could not be claimed until age 65. Will have to see where this ends up when the budget negotiations are complete.

Mr. Quigley pointed the Board to the FY23 Legislative Priorities in their binders and said this is the final version that would be shared with the Congressional Delegation. He noted there were a few changes as a result of the President's FY23 proposed budget submission, but it was mostly the same as the version presented in December. Most of the changes have to do with submitted military construction projects and items on the DoD unfunded priority lists. Mayor Tuck made a motion to approve the priorities which was seconded by Mayor Duman. The Board voted unanimously to approve.

11. Vice Chair Pons asked Mr. Quigley to discuss a possible Board trip to D.C. Mr. Quigley asked the Board to consider scheduling another trip to DC in the Fall to meet with Federal leaders. Structure of the trip would be much like the last one taken in October 2019; bus pickups on the Southside and Peninsula early in the morning, spend all day in the Pentagon meeting with DoD and Coast Guard leadership, possibly schedule a side trip to meet with NASA leaders and then back on the bus home. We likely wouldn't schedule another reception with the CODEL as elected Board members feel that they get sufficient interaction with the CODEL in other venues and the reception has been the largest expense of the trips in the past. Mr. Quigley stated the Pentagon currently isn't accepting large group visits and the state of COVID will impact any potential trip in the Fall. Timing would likely be in late September. We can discuss specific dates and details at the annual Board meeting in June.
12. Ms. Kathleen Ferguson of The Roosevelt Group (TRG) next provided the Board a Washington Update. Vice Chair Pons noted the longer Washington Update was provided in the read-aheads and are contained in their binders. However, Ms. Ferguson will brief an abbreviated version focused on what is important for the region and can also answer any questions about the contents of the longer version. Highlights of her presentation included:
- President's FY23 budget was submitted several weeks late, was incomplete, and criticized by both parties as either being too big or not big enough. Do not expect a Defense, or any other appropriation, until after the midterm elections in November.
  - Congress added \$40 million to the Defense Community Infrastructure Program for FY22, for a total of \$90M. Communities will compete for grants. Instructions to apply should be released in May. If any communities are planning to submit proposals, The Roosevelt Group can review and offer suggestions to make them more competitive.
  - The last round of Base Realignment and Closure (BRAC) was 17 years ago. The process is highly political and can be very disruptive to defense communities and are often based on bad ideas. DoD is again talking of a need for BRAC, driven by Secretary of the Air Force citing 20% excess capacity.
  - Energy resilience and climate change continue to be very important to DoD. Congress added \$183 million to the Energy Resilience and Conservation Investment Program (ERCIP) in FY22 bringing total funding to \$469 million. Congress also provided \$25 million to the Army, \$40 million to the Navy/Marine Corps, and \$40 million to the Air Force to develop projects, conduct studies and analyses to directly enhance military installation resilience.



- The Air Force released its community scorecard which rates each community in the U.S. that hosts an Air Force Base on quality of public education and licensure portability. The other services are in the process of developing their own scorecards. While licensure portability largely involves state agencies, local communities control their school systems. Langley's education score was rated red as it is in the bottom third of all Air Force bases. Areas needing attention include student learning rates and student to counselor ratios. Ms. Ferguson also noted the Air Force uses the entire housing area for the school system data, not necessarily where most of the Langley-connected children go to school. In Langley's case, the catchment area goes all the way up to Gloucester and Matthews Counties but does not extend to the Southside. Each school system is weighted the same regardless of the number of military kids in the school district. DoD is looking at ways to include diversity/equity/inclusion, housing, and medical support in future versions.

13. Mr. Quigley updated the Board on his and Mr. Dwyer's trip to the Association of Defense Communities (ADC) National Summit in D.C. March 7-9. He thanked Kathy Ferguson and The Roosevelt Group team for setting up one-on-one meetings with senior DoD leaders of the Navy, Air Force, and Army to discuss issues in Hampton Roads. The Roosevelt Group also scheduled meetings with our CODEL on 9 March to discuss our draft legislative priorities. All were well received and supportive of HRMFFA's requests.
14. Vice Chair Pons gave the floor to Mr. Quigley for a personal announcement. Mr. Quigley announced to the Board that he intends to resign from his position and retire at the end of June. He and his wife plan to move to Las Vegas to be closer to family on the West Coast. Mr. Quigley said his recommendation to replace him is Mr. Dwyer. Board members congratulated Mr. Quigley on his retirement and thanked him for his years of service to HRMFFA and the Hampton Roads region. Mr. Quigley encouraged the Board to continue HRMFFA's work of maintaining strong relationships with our Federal installations as that is not always the case in all defense communities. Vice Chair Pons stated that Chair West had talked to several Board members concerning Mr. Quigley's replacement and encouraged any Board members who wished to discuss the matter to call Mayor West directly.
15. Vice Chair Pons thanked everyone for their time and participation and adjourned the meeting at 12:23 pm.

