



Minutes from 16 December 2021

HRMFFA Board of Directors Meeting

1. HRMFFA's quarterly Board of Directors meeting was held at the Regional Building on 16 December 2021. Public Board members present were: Mayors Alexander, Duman, Glover, Pons, Rabil, Tuck and West; and Supervisors Hipple, Shepperd and Rosie. Councilman Southall represented Poquoson. Private Board members present were: Hall (via phone), Honecker, Klett, McKenna (via phone), Monaco (via phone), Rosetta (via phone), and Whitney (via phone). Bill Brown represented Mark Dreyfus and ECPI. Executive Director Quigley, Deputy Executive Director Dwyer and Treasurer Wilson were also present. A quorum was achieved.
2. Board Chair West called the meeting to order at 10:31 a.m. Mr. Dwyer stated no public comments had been submitted. Chair West congratulated Board member Dr. Johnny Garcia for recently being recognized as an ODU Distinguished Alumni!
3. Mr. Quigley introduced the end-of-November financials which were provided in the read-ahead materials. He noted there was nothing remarkable about year-to-date revenues or expenses which were on target for the current fiscal year. Supervisor Hipple commented that most jurisdictions don't keep 1.5 times their annual budget in reserves and would like the Budget & Finance Committee to look at options for reducing retained earnings. Chair West concurred and asked Budget & Finance Committee Chair Duman to review and report back to the full board in April. Supervisor Shepperd noted we were getting very little return on our retained earnings investments and asked if we should look for better returns. Mr. Quigley noted that the sense of the Board in the past has been to keep the funds in very conservative vehicles since the majority was taxpayer dollars. Mr. Duman offered that we could discuss this further during the budget item on the agenda. There were no comments or questions from the Board.
4. Councilman Southall provided an update to the Board on the NASA Advisory Committee's November 30 virtual meeting with NASA Langley Research Center (LaRC) Director, Clayton Turner. Mr. Southall said Director Turner thanked HRMFFA for their continued support of LaRC and presented slides highlighting LaRC's work in 2021 and outlook for 2022 across LaRC's primary mission areas. Highlights included:





- Aeronautics work on the X-59 low sonic boom demonstrator to enable supersonic flight over populated areas; testing of electric unmanned vertical takeoff and landing aircraft to integrate unmanned systems into the national airspace; continued testing and research on hypersonic vehicles. LaRC is NASA's core research center for hypersonics.
- Space exploration work continued on Mars entry, descent and landing systems; navigational doppler lidar technology to allow precise landings on the moon; testing components of the Space Launch System and Orion capsule. LaRC is still NASA's center of expertise for all things related to entry, descent and landing systems. 2022 work will include first flights of Artemis 1, SLS and Orion; support of commercial launches carrying payloads to the moon; low-Earth orbit test of new LaRC developed decelerator technologies.
- Continued work on Earth science missions including atmospheric air quality research and Earth's energy budget; research into optimal placement for renewable energy projects.
- LaRC is looking at the future of work and what is the right mix of telework, remote work, and on-site work. Could open possibilities for commercial entities to be co-located on site in NASA facilities.
- NASA Administrator Nelson is scheduled to visit LaRC 20-21 January. Director Turner thanked HRMFFA for offering to host a community reception.
NOTE: Administrator Nelson's visit has now been postponed, but HRMFFA/Hampton reception will be reconsidered once his new schedule is known.

Director Turner emphasized he needs HRMFFA's help to communicate with decision makers that future "magic" technological breakthroughs require investment in research now!

5. Chair West invited Mayor Duman to address the Board on the initial draft of HRMFFA's FY23 budget provided in the read-ahead material. Mayor Duman stated the Budget and Finance Committee met to discuss the draft budget prepared by staff and thought it looked good. He stressed there are no decisions or actions needed right now, but this was just an early look to primarily give the Board a heads up on what would be coming. Mr. Quigley reviewed the budget items noting the municipal revenue figure assumed that Southampton and Gloucester counties would join based on feedback from their respective Board of Supervisors. Supervisor Hipple offered that it could be helpful to do a few short videos of elected Board Members explaining how HRMFFA benefits their communities. Mr. Quigley said staff could look into that. He also noted the labor expenses were based on a 3% increase for now and can easily be adjusted if needed. He noted annual expenses were largely in



line with normal “non-COVID” years. Regarding Supervisor Shepperd’s comments about investments, Mayor Duman noted that the CD and money market rates HRMFFA was getting are low but in line with current market conditions. He said the B&F Committee could look at other options, but higher returns would likely incur more risk. Mr. Hall noted that he manages a large workers compensation trust for Virginia’s automobile dealers and could offer the committee suggestions. Chair West asked that the B&F Committee and staff reach out to the municipal budget directors for additional advice.

6. Chair West invited Mayor Tuck and Mr. Klett to give the Board an update on the Futures Advisory Committee’s work since the September Board meeting. Mayor Tuck briefed that the committee had conducted meetings with the leadership of Coast Guard Base Portsmouth and Yorktown Training Center, Joint Base Langley-Eustis (Langley), NASA LaRC, Jefferson Lab, and received written responses from Navy Region Mid-Atlantic Commander Rear Admiral Rock. Meetings yet to come include Joint Base Langley-Eustis (Eustis), Hampton VA Medical Center, National Park Service, and a follow-up in-person meeting with RADM Rock. Mr. Klett stated common themes keep coming up such as sufficient, reliable and resilient power, affordable workforce housing, spouse licensure/employment, broadband, and quality K-12 education. Sea level rise and persistent flooding also are a common theme. While some are affected more than others, they all mentioned getting people to their installations was a concern.
7. Mr. Chris Thompson, Director of Strategic Housing for Virginia Housing, briefed the board on available tools and resources for affordable workforce housing. Highlights included:
 - Virginia Housing was created by the General Assembly in 1972 to help Virginians attain quality, affordable housing, provide mortgages for first-time homebuyers, financing for revitalization efforts, and support community planning.
 - They help communities with grants intended to promote community and economic development and affordable housing.
 - Grants up to \$50,000 support planning efforts to educate and encourage community voice during the development process.
 - Grants up to \$150,000 support revitalization of deteriorated vacant properties or demolition of blighted structures that can’t be rehabbed.
 - Grants up to \$500,000 are available for innovative technology demonstrations to spur affordable single-family or mixed-use development.
 - Virginia Housing also provides consumer resources on housing education, housing searches, and renters education.



Mr. Quigley thanked Mr. Thompson for his presentation and stressed the importance of quality affordable workforce housing to military families, especially junior troops.

8. Mr. John Simmons and The Roosevelt Group (TRG) team next provided the Board a Washington Update. Highlights included:
 - The compromise FY22 National Defense Authorization Act has been agreed to by both parties/chambers and will become law once signed by the President. Bill boosts defense spending to about \$740 billion, \$25 billion more than what the administration requested.
 - FY22 appropriations still haven't been passed, but another continuing resolution (CR) extended funding at FY21 levels through 18 February 2022.
 - President Biden's FY23 defense budget request is likely to be very controversial and could see significant cuts.
 - Recently completed Global Posture Review labeled Indo-Pacific as the priority region to deter Chinese military aggression and threats from North Korea. The U.S. will seek greater regional access for military partnership activities, enhance infrastructure in Guam and Australia, and have new aircraft rotational deployments and logistics cooperation with Australia.
 - In Europe, U.S. will strengthen combat deterrent against Russia and enable NATO forces effectiveness.
 - In the Middle East, U.S. will redeploy some critically strained missile defense capabilities, re-allocate certain maritime assets back to Europe/Pacific, but will continue support for defeating ISIS.
 - TRG attended the Regan National Defense Forum 3-4 Dec. Messaging and themes included China as the pacing threat for cyber, space, and hypersonics; "If it doesn't scare China, then why are we doing it?"
 - Resources focused on China must be balanced with re-assertive Russia regarding Ukraine and other areas. Iran and North Korea continue to pose a danger to regional stability and global Islamic jihadism isn't over. Domestic issues, border, pandemic, etc. continue to pressure the budget. Tough environment for DoD with a likely flat budget.
 - There are indications the Air Force is considering ways to downsize infrastructure in their FY23 request, including active and reserve locations. Past efforts to use existing authorities have been unsuccessful. Must be mindful of any efforts as they relate to certain installations that don't have a modernized mission. Mr. Quigley reminded the Board that DoD has always had authority to request closure of bases outside of BRAC.
 - FY22 will be a good year for MILCON in Hampton Roads with over \$353.6 million in construction funds slated for the Navy, Air Force and Army.





- Anticipated FY23 budget request is expected to essentially be flat again, but with continued dollar realignment among the services. The Army could see the largest cuts to offset huge bills in the Navy and Air Force such as more ships and submarines, recapitalization of Air Force bombers and fighters, and development of unmanned combat aircraft.
 - There is renewed DoD interest in a BRAC to reinvest infrastructure funds. Continued outreach and engagement with DoD leadership is important as well as conversation with the Congressional delegation re: value and efficacy of BRAC.
 - Mr. Simmons outlined the strategic approach TRG works every day to support Hampton Roads federal facilities regardless of BRAC. That includes various lines of effort to protect/grow/consolidate missions, shared services, knowing the leaders, and telling our story. Goals include relevant/modern missions, modern equipment/facilities, efficient operations, and proven/reliable community advocates. This leads to an end state of high value installations with a high level of leadership support.
9. Mr. Dwyer updated the Board on his trip to the Association of Defense Communities (ADC) Installation Innovation Forum (IIF) in San Antonio November 1-3. The IIF provides an opportunity for defense communities to interact with each other as well as DoD leaders and learn from each other on partnerships, education, resiliency, and other similar challenges. He briefed that The Roosevelt Group was able to set up one-on-one meetings for him with senior installations leaders of the Navy, Air Force, and Army to discuss issues in Hampton Roads. All thanked HRMFFA for the tremendous support their installations and service members receive in Hampton Roads. Mr. Dwyer stated that many of the concerns expressed by the senior leaders matched those the Futures Advisory Committee were hearing locally such as resiliency, sufficient/redundant power, K-12 education, childcare, and additional ways to partner with the community.
 10. Next agenda item concerned inviting the new service secretaries/agency heads to the region. Mr. Quigley stated staff would work with The Roosevelt Group to extend an invitation to the new leaders of the military departments and other federal agencies to visit Hampton Roads when their schedules allow. HRMFFA would then host a reception for them.
 11. Mr. Quigley stated that he and Mr. Dwyer had briefed both the Southampton and Gloucester Boards of Supervisors about joining HRMFFA and were well received. Based on subsequent comments by their County Administrators, it appears both will join starting in July 2022. He said they are scheduled to brief the Surry Board on February 3rd. Smithfield indicated they are not interested.





12. Mr. Quigley then presented the draft FY23 Federal legislative priorities that were provided in the read-ahead. He asked the Board members to provide feedback on the priorities as well as inputs on other items they want to see included. Mr. Quigley said the priorities will be adjusted based on what the President's budget submission contains in the February/March timeframe. When the Board approves the final priorities, staff will work with The Roosevelt Group to schedule meetings to deliver them to the Congressional delegation.
13. Final agenda item was the Board trip to DC. Mr. Quigley stated that staff was working with The Roosevelt Group on a spring trip to DC. Mr. Simmons recommended sometime in April after the President's budget had been submitted. Mr. Quigley said it would likely look like the last one done in 2019 with an early morning bus ride to DC, meetings all day in the Pentagon, and then return to Hampton Roads late in the evening. The ongoing pandemic will get a vote on timing.
14. Chair West thanked everyone for their time and participation and adjourned the meeting at 11:56 am.

