



Minutes from 17 June 2021

HRMFFA Board of Directors Meeting

1. HRMFFA's annual Board of Directors meeting was held virtually via GoToMeeting on 17 June 2021. Public Board members online were: Mayors Dyer, Glover, Pons, Rabil, Tuck and West; Supervisors Hipple, Rosie and Shepperd. Councilwoman Doyle represented Norfolk and Councilman Southall represented Poquoson. Private Board members online were: Black, Faulkner, Hall, Honecker, Klett, McKenna, Monaco, Rosetta, Stephens and Whitney. Bill Brown represented Mark Dreyfus and ECPI. Executive Director Quigley, Deputy Executive Director Dwyer and Treasurer Wilson were also online. A quorum was achieved.
2. Board Chair Hipple called the meeting to order at 10:30 a.m., asked Mr. Dwyer to read the state of emergency preamble, call the roll, and asked if there were any public comments. Mr. Dwyer stated none had been submitted. Chair Hipple then offered welcoming remarks to new Board members Mr. Don Hall of the Hampton Roads Automobile Dealers Association, Mr. Mark Honecker of ITA International, and Ms. Aylin Rosetta of Newport News Shipbuilding.
3. Mr. Quigley introduced the end of May financials and estimated end of FY2021 financials which were provided in the read-ahead materials. He pointed out that we were projected to underrun our annual budget by nearly \$38,000, but otherwise there was nothing remarkable about the financials. The majority of the budget surplus was due to the COVID-19 pandemic curtailing travel, canceling the Board trip to DC, and HRMFFA staff forgoing auto allowances. There were no comments or questions from Board members.
4. Mr. Hipple then invited Mr. Clayton Turner, NASA Langley Research Center (LaRC) Director, to address the Board on the impacts of the President's FY22 budget request on the Center. Mr. Turner briefed slides that were provided in the read-aheads and pointed out that the proposed FY22 budget was \$1,011,100,000, which was the first time the Center's budget exceeded \$1 billion dollars not including a large construction project. He then presented information on what LaRC is doing in their various mission areas to include:
 - Science: enable solutions to address global climate change
 - Aeronautics: green aviation initiatives to address pollution and empowering technology and economic development
 - Space exploration and technology: going to the moon, Mars, and beyond
 - Inspiration & Engagement: engaging students in STEM
 - Transformation: processes/infrastructure will enable all other missions





Mr. Turner wanted to leave the Board with the message that NASA is an amazing place and LaRC is a tremendous part of that, but that all happens because of the tremendous people enjoy an environment to take their different ideas and change the world. Mr. Quigley commented on how impressed he was with the diversification of LaRC's mission portfolio. Congresswoman Luria's District Director, Mr. Charles Stuppard, asked if the overall \$24.8 billion NASA budget also included increases for the other centers. Mr. Turner said the overall NASA budget increased 6% and other center budgets also increased. However, LaRC's increase was based on its mission and meets its requirements for what it is tasked with. They are investing now to develop the breakthrough technologies for 5, 10 or 15 years from now. Mayor Dyer stated that LaRC is a point of pride for the region. Mr. Hipple agreed and thanked Mr. Turner for everything he does and the personnel at NASA Langley. Mr. Turner thanked the Board for their support and said the work HRMFFA does is very important to LaRC.

5. Mr. Hipple then asked Mayor Tuck to provide an update on the Futures Advisory Committee. Mayor Tuck stated that the Futures Advisory Committee held its first meeting on April 20th to start looking at opportunities and challenges in the Federal landscape 15+ years from now. Mayor Tuck asked the committee's Vice Chair, Mark Klett, to present an update to the Board. Mr. Klett briefed an overview of the committee meeting minutes that were provided to the Board. He stated the next steps would include developing teams to meet with Federal installation leadership, developing a common set of questions to discuss with those leaders, and utilizing The Roosevelt Group subject matter experts to pulse DC headquarters leadership on these issues. The goal is to complete initial interviews by the end of October with a progress update to the full Board at the September meeting. Mayor Dyer thanked Mr. Klett for being on this committee and for the group looking into these issues. With the future of offshore wind and subsea cables, Mayor Dyer thought the work of this group would be very fruitful. Supervisor Rosie asked if the committee would look for additional volunteers from the Board. Mr. Klett said the group assigned to the committee would be the primary workers but would look to TRG and other members of the Board for expertise as needed.
6. Next agenda item was the approval of the FY22 budget. Mayor West asked Mr. Quigley to go over the budget slides that the Budget and Finance Committee had approved and were provided in the read-aheads. Mr. Quigley started with projected revenues and stated the municipality figure was based on what all 13 municipalities had recently approved in their budgets. He commented that HRMFFA continues to invest in money market funds because they offer better returns (around .5%) versus CDs. Ms. Black concurred those were the best



rates going right now. Mr. Quigley then discussed budgeted labor expenses and mentioned the figures included a 3% staff pay raise and reinstating the auto allowance that staff had not been taking for over a year due to the pandemic. For the non-labor expenses, Mr. Quigley stated he had executed an office lease extension with SPSA that would lock in our current rate through 2022 and then future increases would be based on the Consumer Price Index. He also mentioned \$5,000 was included for a Board trip to D.C. later this fall. He summarized that we should have a net positive cash flow of about \$37,000 and end up with approximately \$1.16 million in retained earnings at the end of FY22. Mayor West asked if Mr. Quigley could clarify the event sponsorship line item of \$6,000 for the Board. Mr. Quigley stated there would be a lot of Federal agency leadership changes with the new administration so that figure is a placeholder in case HRMFFA wanted to host some of these new leaders for some sort of reception when they visit their assets in the region. Mayor West stated the Budget and Finance Committee does recommend approval of the budget as presented and asked for a roll call vote. Mr. Dwyer called the roll of all voting Board members and the vote was unanimous to approve the budget as presented.

7. Next agenda item was the nominee for the next Board Vice-Chair. Mayor West asked Mr. Quigley to briefly explain why we were voting on a new Vice-Chair today. Mr. Quigley stated that the Annual Board meeting is when the current Board Chair steps down and the current Vice-Chair steps up to be the Board Chair. This requires the selection of a new Vice-Chair who would then become the Board Chair at the next annual meeting. The HRMFFA Bylaws require that the Board Chair and Vice-Chair rotate between the Southside and Peninsula each year. Mayor West stated the Nominating Committee did meet and he had spoken with Williamsburg Mayor Doug Pons who agreed to serve as the next Vice-Chair should the Board elect him. Mayor West then called for a roll call vote. Mr. Dwyer called the roll of all voting Board members and the vote was unanimous to approve Mayor Pons as Board Vice-Chair. Mayor West congratulated Mayor Pons and thanked him for agreeing to serve. Mayor Tuck asked if the Board Chair and Vice-Chair was only selected from localities with a Federal facility or whether it was open to the other municipalities. Chair Hipple stated the positions were open to any of the municipal members of HRMFFA. Mayor Tuck said he felt the region had a deep bench of talent and wanted to make sure every municipality had an opportunity to serve in these leadership positions.
8. Next item on the agenda was the extension of terms of expiring Private sector Board members. Mayor West asked Mr. Quigley to bring up the list of expiring Board members and explain the process. Mr. Quigley stated each Private



sector member serves a two-year term. Staff contacted each of the expiring Board members and asked if each was interested in keeping their seat on the Board given that they were all active participants in good standing and current with all dues. Each member confirmed they wanted to continue on the Board. However, three member organizations would have new individuals representing them on the Board: Newport News Shipbuilding with Aylin Rosetta, ITA International with Mark Honecker, and HRADA with Don Hall. Mr. Quigley noted that Don Hall is with the Virginia Automobile Dealers Association, but HRADA had asked him to oversee their organization and represent them on the HRMFFA Board. Mayor Tuck made a motion to approve the appointment of the nine expiring Board Members to another two-year term; Mayor Dyer seconded the motion. Mr. Dwyer called the roll of all voting Board members and the vote was unanimous to appoint the expiring Board members to another two-year term. Mayor West asked for staff to develop a history of past serving Board Chairs so the Nominating Committee would know the history before looking for the next Vice-Chair. Mr. Quigley also stated that when HRMFFA was formed in 2006, four municipalities that are part of the region and HRPDC decided it was not in their interest to join HRMFFA. If the Board desired, staff could approach those municipalities again to gauge their interest in joining HRMFFA. Mayor Tuck said he thought that would be a good idea to do so.

9. Mr. John Simmons and The Roosevelt Group (TRG) team next provided the Board a Washington Update. Highlights included:
 - A summary of President Biden's administration leadership appointees to date.
 - The President's FY22 budget request for DoD is \$715 billion which represents a 1.6% increase over FY21. The request includes a 2.7% raise for military and civilian personnel. It did not request another round of BRAC.
 - May 28th was the latest a President's budget has been delivered to Congress, virtually guaranteeing FY22 will start under a continuing resolution. NDAA markups will occur in September with a conference committee likely in December.
 - Army plans to halt plans to grow force structure and keep at current ~485,000 end strength; same size as pre-9/11. Budget focuses on funding combat readiness and modernizing to retain combat overmatch for the next 40 years; modernization is speed, range and convergence.
 - Air Force must modernize now as they would be required to fight in highly contested airspace. Must balance risk over time with phased divestment of unsurvivable legacy platforms; legacy includes those that can only survive in permissive environments or are highly capable but too expensive to operate. They need to move from current seven fighter platforms to "4+1" to include the F-35, Next Generation Air Dominance (NGAD), F-15EX, F-16 and



re-winged A-10s for several more years. F-22 will start to be divested around 2030 as NGAD is fielded.

-- The original F-22 FTU to Langley plan could be in jeopardy but could translate to the NGAD FTU.

- Four Navy priorities are maintenance, lethality (hypersonic strike & laser defense), training, and distributed maritime operations capacity. Seeking a 4.1% topline funding increase for sea control, power projection, forward presence to deter a kinetic fight, and forward presence to compete below the level of war.

-- Current \$161 billion per year of funding will only build/train/equip 300 – 305 ships (293 ships today). Navy's goal is ~355 manned ships by 2031 – 2033.

-- Seeking inclusion of \$21 billion Shipyard Infrastructure Optimization Plan in \$2.3 trillion infrastructure bill; would relieve \$1 billion/year of pressure on topline funding.

-- Looking to divest CG, LSD, LCS and older F/A-18 A-D and RQ-21. Rep Wittman and Rep Luria are strongly opposed to retiring cruisers due to missile tube loss.

- FY22 MILCON in Hampton Roads includes:

-- \$156.4 million at Norfolk Naval Shipyard for dry dock improvements

-- \$88.9 million at Norfolk Naval Station for phase one of new submarine pier

-- \$26.1 million at Norfolk Naval Shipyard for ship maintenance facility

(money returned from Border Wall)

- Defense Community Infrastructure Program has \$60 million in FY21. Priority order for this year changed to enhancement of military value, installation resilience, and enhancement of quality of life. Community proposals are due by 8:00 pm on 12 July.

- Department of Energy budget request included statement that Advanced Scientific Computing Research will design a state-of-the-art High Performance Computing data facility and designated that it will be located on the East Coast. Jefferson Lab is leading contender for this new capability.

-- Also includes \$11 million in FY22 to support \$189 million in future infrastructure improvements and renovation and expansion of current CEBAF.

10. Chair Hipple then mentioned a few miscellaneous items to include the annual audit will take place the week of 2 August; staff is still planning for an October Board trip to DC should the Pentagon be allowing visitors; and we are planning for the September Board meeting to be held in person at the Regional Building.

11. Chair Hipple then turned the virtual gavel over to the new Board Chair, Mayor West, who adjourned the meeting at 12:01 p.m.