



## Minutes from 20 June 2024 HRMFFA Annual Board of Directors Meeting

1. HRMFFA's Annual Board of Directors meeting was held at the Regional Building on 20 June 2024. Public Board members present were Mayors Alexander, Cutchins, Duman, Dyer, Jones, Pons, Tuck and West; Supervisors Bazzani, Drewry, Hipple, Rosie, Shepperd; Councilman Southall. Vice Mayor Lucas-Burke represented Portsmouth. Private Board members present were Buckless, Chiazor, Faulkner, Garcia, McKenna, Melo, Monaco, Stephens, and Warren. Bill Brown represented ECPI. Executive Director Dwyer and Deputy Executive Director Nichols were present. Ms. Jaquil Tatum represented Treasurer Wilson. A quorum was achieved.
2. Board Chair Dyer called the meeting to order at 10:31 a.m. There were no public comments.
3. Chairman Dyer introduced Ms. Nancy Grden, President and CEO of the Hampton Roads Executive Roundtable, inviting her to present the National Science Foundation (NSF) Regional Innovation Engines Request for Proposals Grant Opportunity. Ms. Grden opened by providing background on the Executive Roundtable's mission and ecosystem. The Executive Roundtable strives to incorporate innovation and entrepreneurship across 17 jurisdictions by creating higher paying jobs which stimulate regional economic growth, serve as the region's economic future thought leader, and manage the Commonwealth's Innovative GO VA Program. For the region to be nationally competitive, the Executive Roundtable collaborates with regional groups such as the Hampton Roads Alliance, Workforce Council and HRMFFA, pursuing federal opportunities regional in nature.

Ms. Grden described the NSF Regional Innovation Engines is spurring economic development by aligning industry research which drives entrepreneurship and innovation, job creation and economic growth. A Notice of Funding Opportunity was issued in April 2024 which provides a \$160 million grant opportunity over ten years, focused on several regionally advantageous technologies including shipbuilding, ship repair, offshore wind, growing advanced manufacturing, and cybersecurity. A key grant application attribute is the leadership team quality and diversity, ability to create sustainable workforce opportunities and pathways to attract capital investment beyond the grant award and sustain innovation, with adequate financial risk assessment. Ms. Grden explained a joint grant application will be submitted with Virginia Innovation Partnership Corporation (VIPC), with VIPC as lead for the Commonwealth and Hampton Roads a key regional partner.

Envisioning an air mobility hub-and-regional-spoke model, the proposal utilizes Hampton Road's airspace as a regional test center to advance uncrewed air systems





technologies. Hampton Roads brings a recognized advantage of interoperability and established associations with several federal facilities which economically overlap with commercial use cases. Ms. Grden highlighted the preliminary proposal is due August 6, 2024, and invited the Board to provide questions or comments; there were none.

4. Futures Advisory Committee Update: Chairman Dyer invited Mayor Tuck to discuss the Futures Committee Update. Mayor Tuck presented highlights of HRMFFA staff efforts addressing common concerns categorized among Resilience, Compatibility, and Quality of Life.
  - Sea Level Rise and Persistent Flooding. Executive Director Dwyer testified before the U.S. Senate Budget Committee during their hearing on climate change and the cost to national security. Additionally, HRMFFA staff met with Republican Transportation and Infrastructure Staff to discuss Water Resources Development Act legislative language changes to allow the Corps of Engineers to use Civil Works funds to include federal facilities in their coastal storm risk management studies.
  - Energy. HRMFFA staff held discussions with Secretary Crenshaw, Virginia Office of Veterans and Defense Affairs and Assistant Secretary of the Navy, Energy, Installations & Environment, on identifying a regional Naval installation as a potential test site for small modular nuclear reactors. Mayor Tuck highlighted a HRMFFA letter to the General Assembly opposing SB 486 Natural Gas: Certain Pipeline Expansion Unlawful in Planning District 19 (Crater Region). The bill was passed by indefinitely in the Senate Agriculture, Conservation and Natural Resources Committee.
  - Encroachment. HRMFFA staff, with the Secretary of Veterans and Defense Affairs, met with Deputy Assistant Secretary of the Air Force, Energy, Installations and Environment and held discussions of balancing offshore wind projects to military operational constraints and mission training areas.
  - Childcare. Advocated for HB739 Licensure Exemption for Military In-Home Daycare Providers, which passed the General Assembly. Also ensured the final bill struck language that would have inadvertently cost providers a \$3,000 subsidy. HRMFFA staff also supported a regional childcare forum as panel members.
  - Spouse Licensure Reciprocity & Employment. Supported Virginia joining additional interstate licensure compacts in General Assembly; Dentist/Dental Hygenist, Cosmetology, Physician Assistants, and Social Workers passed. Urged CODEL support for Military Spouse Hiring Act (H.R. 1277 / S. 596) to incentivize employers to hire military spouses.
  - Affordable Housing. HRMFFA staff participated in Barracks Privatization discussions with ASN Berger & Congresswoman Kiggans. HRMFFA staff advocated for CODEL support to incentivize developers to build attainable housing near military installations and create military focused low-income housing tax credits.
  - Mayor Tuck highlighted a \$40M General Assembly budget item to support the Navy's ongoing discussions for potential investment in Newport News Sailor housing.



- Executive Director Dwyer was invited to add commentary to other noteworthy items; he thanked Mr. Simmons and The Roosevelt Group for their assistance in his Senate Budget Committee testimony preparation.
  
- 5. Mr. John Simmons of The Roosevelt Group provided a Washington Update. Highlights included:
  - Capitol Hill
    - The 2024 Presidential Elections are at the forefront of activity
    - Long Delayed Security Supplemental Passed (Ukraine/Israel/INDOPACOM)
    - New House Appropriations Committee Chairman Rep. Tom Cole
    - Motion-to-Vacate still hangs over Speaker Johnson by conservative Republicans
    - FY25 Appropriations and NDAA are underway
    - Russia/Ukraine, Iran/Israel and China/Taiwan continue to be adversarial threats
    - Congress to go dormant after July until Election Day
  - U.S. Senate
    - Both Congressional chambers have a high chance of flipping this year, with Republicans poised to take control of the Senate.
    - Key incumbent Senate Races include Arizona, Montana, Nevada, Ohio, Pennsylvania, Wisconsin; open Senate seat races include in Michigan, Maryland, and West Virginia.
    - Senator Kaine is up for re-election. Polling is good but could be a close race.
    - The race is also on for Senator Mitch McConnell's successor atop the Senate GOP.
  - U.S. House of Representatives
    - Democrats have the edge in the House, as they tend to perform better in Presidential election years, the chaotic Republican majority have soured voters.
    - Key Issues: the economy, border security, Israel, Ukraine, China.
    - Democratic pick-up opportunities exist in New York, California, Alabama (new district), Louisiana (new district), North Carolina.
    - Republican pick-up opportunities exist in Maryland, Illinois, Michigan, North Carolina, and New Mexico.
  - FY25 Defense Appropriations Committee – House of Representatives
    - Provides \$833 billion, \$8.57 billion (1%) above FY24 appropriation levels and consistent with Fiscal Responsibility Act (FRA) limits set in law.
    - Funds 4.5% pay raises for military personnel; \$2.5 billion for an additional 15% pay increase for junior enlisted service members.
    - Rejected adding a second Virginia class submarine and instead invested \$4 billion in Submarine/Defense Industrial Base (SIB/DIB).
    - Appropriates \$9.2 billion for 76 F-35 aircraft: 44 Air Force F-35As (two aircraft above the President's Budget Request); 13 Marine Corps F-35Bs; and 19 Navy F-35Cs (six above the PBR).
    - Appropriates \$903.9 million for Navy's Conventional Prompt Strike Program continued development.



- FY25 MilCon -- \$340 million for Regional Installation area projects

Agency	Location	Project	House Amount
Navy	Fort Story	Child Development Center	\$2,000,000
Navy	NAS Oceana	Child Development Center	\$2,000,000
Navy	NAS Oceana	Unaccompanied Housing	\$16,000,000
Navy	NNSY	Dry Dock 3 Modernization	\$54,366,000
Navy	NWS Yorktown	Containerized Long Wpns Storage Magazine	\$52,610,000
Navy	NWS Yorktown	Conventional Prompt Strike Test Facility	\$47,130,000
Navy	NWS Yorktown	CPS Wpns Maint, Ops & Storage Facility	\$52,110,000
Air Force	JB Langley-Eustis	Dormitory	\$81,000,000
Defense-Wide	JEB Little Creek - Fort Story	Special Operations Forces Human Performance Training Center	\$32,000,000

- FY25 NDAA
  - House Narrowly Passed
    - Recommends \$895.2 billion - 1% over FY24 and complies with FRA.
    - Adds \$1 billion for second Virginia-class submarine by zeroing out Constellation Class Frigate Program procurement funds.
    - F-22 retirements would be blocked.
    - Reduces Pentagon's request of 68 F-35 jets to 58, fences off funding for 10 additional jets.
    - Includes billions of dollars for Quality-of-Life improvements.
  - Senate Armed Services Committee
    - Recommends \$923.3 topline, \$25 billion over the FRA limit.
    - Opted to increase Virginia-class submarine program funding by about \$1.1 billion, supporting a second Virginia-class submarine construction.
    - F-22 retirements would be blocked.
    - Keeps F-35 procurement at 68 jets.



6. HRMFFA FY25 Board Trip to Pentagon: With the approaching General Election, Mr. Dwyer proposed the Board Pentagon trip be postponed until Spring 2025, vice Fall 2024. Should the Administration change after the General Election, this later date would accommodate placement of new appointees to key positions. Mr. Simmons articulated similar points, concurring with Mr. Dwyer's recommendations. The Board concurred and agreed to postpone the DC trip to at least next spring.
7. FY25 Board Meeting Schedule: Mr. Dwyer presented the proposed FY25 HRMFFA Board meeting schedule coordinated with HRTPO, HRPDC and HRTAC's meeting schedule. Mr. Dwyer pointed out the Annual Board meeting date was moved to 12 June 2024 to deconflict with the Juneteenth Federal Holiday on June 19<sup>th</sup>. Mr. Dwyer invited questions and comments on the FY25 Board Meeting Schedule and received none. Mayor Tuck motioned to approve the FY25 Board Meeting Schedule, with a second from Supervisor Shepperd. The motion unanimously passed.
8. Monthly Financial Statements, FY 24 Audit Schedule: Mr. Dwyer presented the May 2024 and estimated end of June 2024 financial reports, indicating approximately \$95,000 is expected to be returned to Board members on a proportional basis. Mr. Dwyer also stated the annual audit is tentatively scheduled for the week of 12 August 2024. The Board had no questions or comments.
9. Budget & Finance Committee: Chair Dyer invited Mayor Duman to present the Budget and Finance (B&F) Committee Report. Mayor Duman presented minutes from the 4 June 2024 B&F Committee virtual meeting. The Committee completed its final review of the FY25 HRMFFA Budget.
  - Fifteen of the 16 municipalities confirmed their FY25 funding amounts, with approved municipal revenues \$5,608 less than requested. FY25 overall revenues are projected to be \$10,468 greater than FY 2024 budget projections primarily due to the increase in interest income in the Old Point National Bank ICS sweep account. Mr. Buckless confirmed these investments will continue to receive a 4% interest rate for FY25.
    - Note: Since the Board meeting, the final municipality adopted their budget. Approved FY25 municipal revenues are \$5,569 less than requested, and overall revenues are \$10,507 greater than FY 2024 budgeted amounts.
  - For labor expenses, the Committee recommended HRMFFA staff receive a 3.5% cost of living adjustment (COLA), which is consistent with municipality, HRPDC, HRTPO, and HRTAC staff COLAs. This represents a \$13,057 increase from FY24 budgeted labor expenses.
  - HRMFFA's lobbying contract with The Roosevelt Group remained unchanged, and most other expenses had a 3% inflationary adjustment applied. Exceptions included the HRPDC support item increased to \$55,000 based on increased personnel costs. The Committee recommended increasing Event Sponsorship by \$15,000 due to HRMFFA applying for hosting an ADC Defense Forum Event, which could be scheduled in FY25 or FY26. In total,



non-labor expenses increased \$30,619 over FY24.

- \$10,856 net positive cash flow is projected for FY25.
- Mayor Duman invited questions and comments on the FY25 budget and received none. The B&F Committee recommended to the Board the FY25 Budget be approved. Mayor Pons motioned to adopt the budget, Supervisor Drewry seconded the motion, with unanimous board approval.

10. Nominating Committee Report: Supervisor Shepperd briefed the minutes from the 13 June 2024 Nominating Committee virtual meeting, presenting four recommendations requiring Board approval.

- FY25 Vice Chair Successor. The Nominating Committee recommended Supervisor Don Rosie from Isle of Wight County as HRMFFA Vice Chairman. Supervisor Shepperd invited questions and comments on the recommendation and received none. Mayor Duman seconded the Nominating Committee's motion, with unanimous board approval.
- FY25 Private Sector Board Membership Term Renewals. Private Sector Board Members who desire to renew their two-year terms from July 2024 through June 2026 included Jacobs and The Breeden Company. Dr. Lisa Monaco and Mr. Tim Faulkner, respectively, would continue to represent these organizations. Supervisor Shepperd invited questions and comments on these recommendations and received none. Mayor Tuck seconded the Nominating Committee's motion, receiving unanimous board approval.
- Filling Private Sector Board Membership Vacancy. Sentara Health expressed interest in joining HRMFFA's Board. Given their regional presence, Supervisor Shepperd conveyed Sentara Health would be fitting since the Board lacks representation by a major medical entity. Sentara Health would be represented by Mr. Eric Conley, Executive Vice President and President Acute Care and Post-Acute Services. Supervisor Shepperd invited questions and comments on the recommendation and received none. The Nominating Committee recommended Sentara Health be added as a Private Sector Board Member. Vice Mayor Lucas-Burke seconded the motion to approve adding Sentara Health as a private board member, receiving unanimous board approval.
- Extending Board Chair and Vice-Chair Term Lengths. Unlike other Regional Boards (HRPDC, HRTPO, and HRTAC) who have two-year term lengths for these positions, HRMFFA has one-year term lengths which cause more frequent turnover. The Nominating Committee recommended extending the Chair and Vice-Chair positions from 1-year to 2-year terms starting 1 July 2024, to establish better continuity and consistently align term lengths of these positions to that of other Regional Boards. Supervisor Shepperd invited questions and comments on the recommendation and received none. Councilman Southall seconded the Committee's motion to extend the Chair and Vice-Chair term lengths from 1-year to 2-year terms starting 1 July 2024, receiving unanimous board approval.

11. Pass the Gavel: Supervisor Thomas G. Shepperd, Jr. relieved Mayor Robert M. Dyer as HRMFFA Chairman. Supervisor Shepperd adjourned the meeting at 11:29 a.m.

