

Minutes from 10 December 2020

HRMFFA Board of Directors Meeting

1. HRMFFA's quarterly Board of Directors meeting was held virtually via GoToMeeting on 10 December 2020. Public Board members online were: Mayors Alexander, Dyer, Pons, Rabil, Rowe, Tuck and West; Supervisors Rosie and Shepperd. Private Board members online were: Banez, Baugh, Black, Brickell, Dreyfus, Faulkner, Garcia, Klett, McKenna, Melo, Monaco, Stephens, and Whitney. Executive Director Quigley, Deputy Executive Director Dwyer and Treasurer Wilson were also online. A quorum was achieved.
2. Board Chair Rowe called the meeting to order at 10:32 a.m., offered welcoming remarks, and asked that a roll call of Board members be taken for attendance purposes. Chair Rowe also asked if there were any public comments. Mr. Dwyer responded that none had been submitted.
3. Mr. Quigley introduced the end of November financials which were provided in the read-ahead materials. He pointed out that we were slightly underrunning our budget, but otherwise there was nothing remarkable about the financials. There were no comments or questions from Board members.
4. Mayor Rowe then brought up the creation of a Futures Committee as the next agenda item. The discussion centered around the future of DoD weapons systems and how introducing new technologies could change the support requirements for defense communities that host military installations. Mayor Rowe offered that he thought that is something HRMFFA should be thinking about to keep up with DoD on technology changes and the subsequent support and manning requirements that may come with new technologies. Mayor Rowe had convened a small group to discuss whether this is a good idea and something the region should be looking at. Attendees included Doug Smith from The Alliance, Jim Spore of Reinvent Hampton Roads, Jim Oliver who had been a city manager for several municipalities in the region, Admiral Quigley, Rick Dwyer and Mayor Rowe, with John Simmons dialing into the discussion. The consensus of that group was that it would be good for the region to examine these issues and Mayor Rowe thought it was appropriate to bring to the Board for discussion on whether we wanted to formalize the effort and create a Futures Committee. The group would look at what installations will look like in 10 to 20 years and what actions the region needed to take now to be ready for those future changes. A consultant could be brought in to research the issues, evaluate trends in DoD, conduct interviews with DC and local



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installation leadership and produce a report to serve as a roadmap for the region to consider in preparing for future changes. John Simmons also offered that there will be some changes to DoD's strategic basing process in the near term that will consider diversity and inclusion in host communities in addition to things like security of local broadband, 5G and other telecommunications infrastructure. The Board members agreed it is a good idea to look at future requirements and to have diverse representation of both Board members and non-members on the committee. However, the effort needs to have a clearly defined scope and objectives. Consensus was to task Admiral Quigley with developing a list of recommended committee members and scope and objectives of the effort and report back at the next Board meeting.

5. Bryan Stephens then gave a presentation on the Hampton Roads Chamber's Military Advisory Committee (HRMAC) effort to address military/veteran suicide. Mr. Stephens discussed how the issue of military and veteran suicide has repeatedly come up during recent HRMAC quarterly meetings. The HRMAC decided to stand up a sub-committee to investigate the issue and develop courses of action to help alleviate challenges the military and veteran community has in getting assistance. One initiative is to try and capture all the various resources in the region and make it easier for those in need to find and tap into those resources. They are also exploring the possibility of bringing additional treatment options to Hampton Roads. They looked at other high military/veteran regions in San Diego and San Antonio that have non-profit run treatment centers for veterans. They have contacted a treatment center in San Antonio run by the Warrior Heart Foundation who is interested in possibly expanding into Hampton Roads and will meet with them in early January to further explore that option.
6. Next agenda item was the Budget and Finance Committee report. Mayor West stated the Committee met on 4 December to discuss the redistribution of funds from maturing CDs. Admiral Quigley mentioned the recent audit report noted that HRMFFA is currently exposed to some level of risk by having more than the FDIC insured limit of \$250,000 at two different financial institutions. He asked the Committee for approval to take the proceeds from a CD maturing at the end of December, as well as funds in existing accounts, and shop around for the best 6-9 month CD rates at different banks. This would reduce risk by keeping HRMFFA accounts much closer to the FDIC limits at each bank. The Committee unanimously approved the initiative. There was no need for further action by the Board.



7. The next agenda item was the Old Dominion University Economic Analysis proposal, and Mayor Rowe asked Mr. Dwyer to brief the Board. Mr. Dwyer stated that he and Admiral Quigley received a copy of the annual analysis of the military's economic impact on the greater San Diego region and distributed it to several interested parties in the region. Admiral Quigley was then approached by Dr. Robert McNab, Director of ODU's Dragas Center for Economic Analysis and Policy and the producer of the annual State of the Region report, on whether there was interest in having a similar detailed report for Hampton Roads that would also include other Federal entities. After having a couple of virtual meetings with Dr. McNab and his staff on what a potential study could look like, ODU provided HRMFFA with a proposal for \$50,000 to conduct a study that would provide detailed analysis, down to the municipal level, on direct Federal spending and jobs as well as broader induced economic impacts and jobs supported for the region writ large. The item was being brought to the Board's attention to get their thoughts on whether a more detailed study would be useful to the region and whether it is something that HRMFFA should sponsor. Discussion centered on whether such a detailed study is worth the extra cost to HRMFFA when ODU already dedicates a portion of its annual State of the Region report to the military impact. It was also pointed out that the HRPDC does a benchmarking study that includes impacts of the military. Some of the Federal entities, such as Navy Region Mid-Atlantic, Joint Base Langley-Eustis, NASA Langley and Jefferson Lab, also provide their own economic analysis on a regular basis. The Commonwealth also recently produced a military economic impact report that drilled down to the municipalities that hosted bases and was provided to the Board in the read-aheads. The Board asked staff to discuss the issue with Doug Smith of The Alliance, Southside and Peninsula Chambers, and the HRPDC and provide a recommendation to the Board at the March meeting.

8. Mr. John Simmons from The Roosevelt Group (TRG) next provided the Board a Washington Update. Highlights included:
 - TRG added two full-time team members since the last meeting, including retired General Mike Holmes, the recent commander of Air Combat Command at Langley AFB, as a senior advisor and Myrthe Doedens, former CIA counterterrorism analyst and marketing/messaging consultant, as Director of Strategic Communications. They also added two 1099 consultants with retired Marine Corps Major General Vincent Coglianese, former Commander of Marine Corps Installations Command, and retired Army Major General Stephen Farnen, former commander of Army Surface Deployment and Distribution Center.



- The Budget Control Act has expired, so the FY22 budget request will not be subject to those caps. The Federal debt limit will expire in summer of 2021 and the budget deficit hit \$3.1 trillion in FY20.
- Control of the Senate hinges on the Georgia runoffs on Jan 5. If Democrats win both races, they will control the Senate.
- Republicans made surprising gains in the House, making it tougher for Democrats to unilaterally pass legislation. This could impact Biden administration goals, especially in the first 100 days.
- The National Defense Authorization Act (NDAA) passed the House with a veto proof majority and is expected to pass the Senate with a veto proof majority. The President has threatened to veto the bill over Confederate-named bases and social media company protections. If the President vetoes the bill, it will likely be overridden.
- Negotiations are close on an FY21 omnibus appropriations bill. It is being held up by the desire to attach another COVID relief bill to it and there are details still to be worked out.
- Biden transition is moving forward by interviewing former government officials. They are focusing on having non-confirmed positions filled so they will be ready to take over on January 20 after the inauguration. Normally there would be some key cabinet officials confirmed by then, but that is not likely this time. Will likely be a lot of "Acting" cabinet officials as they wait for the confirmation process.
- Retired Army General Lloyd Austin has been nominated as the Secretary of Defense. Will require a waiver since he left active duty less than six years ago, which is raising concerns with some in Congress.
- General Holmes stated he lived in Hampton Roads for 10 years throughout his career and he is happy to be a part of representing the service members living in our community.
- General Holmes also stated that he expects the Biden administration to continue to focus on China and Russia first and Iran and North Korea after that, with some level of effort towards violent extremist organizations. He thinks the administration will also be concerned about additional threats such as pandemic response, climate change, and cyber security and that not all national security funds need to be spent in the Department of Defense.
- Biden administration will want to focus on another COVID relief package depending on current bill under consideration and looking at a broader infrastructure bill. DoD received a lot of infrastructure funds in the last recovery act so need to keep an eye on this.
- With both House and Senate so close, there will not be a bold progressive movement or drastic cuts to defense. Biden has also said he does not want to cut defense spending.

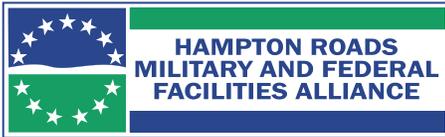




- There were several key provisions from HRMFFA legislative priorities that made it into the final version of the NDAA. Matt Herrmann from TRG was key to working these issues with the CODEL.
 - Statutory requirement for 2x annual briefings to Congress on the Shipyard Infrastructure Optimization Program and an O&M funding line item was created. Should put pressure on Navy to put real resources into the plan in future years.
 - Modification to existing DoD land exchange authorities will now allow installations to exchange land for services (construction, maintenance, etc) with local communities. Previously, they could only exchange land for land. The Navy is VERY excited about this new authority.
 - Defense Community Infrastructure Program has \$50 million in appropriations in the House and \$100 million in the Senate (await final omnibus appropriations bill). Hampton was one of only 16 communities nationwide to receive one of these grants in 2020.
 - A minimum of 25% of the savings from intergovernmental support agreements (IGSA) will remain with installations for use as the commander sees fit. Should incentivize additional IGSA's.
 - Made progress on allowing the Corps of Engineers to study Federal properties during coastal storm risk management studies. Did not make it into final Water Resources Development Act because amendments were not allowed this year. We were successful in getting amendment language drafted by the CODEL and can work to get it into the NDAA or WRDA next year.
- Five military construction projects worth over \$189 million authorized in NDAA:
 - Norfolk Naval Station Aircraft Maintenance Facility = \$48.1 million
 - Norfolk Naval Station Submarine Logistics Facility = \$9.4 million
 - JBLE – Eustis Main Gate and Land Acquisition = \$19.5 million
 - JEB LCFS – SOF Operations Facility/C2 Center = \$54.5 million
 - JEB LCFS – Naval Special Warfare Group 2 Support Facility = \$58 million
- Shipbuilding plan released yesterday includes 500 ships, including 320 manned surface ships and 80 submarines, but cuts the fifth Ford class aircraft carrier and wants to look at potential alternatives to nuclear carriers. Increased investment comes from Army and Air Force budgets. More details to come from TRG once the funding profile is released soon by OMB.

9. Admiral Quigley stated that due to the delays in the NDAA and appropriations bills, we did not have any finalized bills to examine and develop our draft FY22 legislative priorities. Now that the bills are being passed, we will draft our priorities and get them to the Board soon for review/comment and then finalize at the March Board meeting prior to sending to the CODEL.





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10. Mayor Dyer provided a report from the nominating committee that they are putting forward Mayor Rick West as the next Vice Chair of HRMFFA. Mayor Alexander seconded the motion. The motion was unanimously approved. Admiral Quigley reminded the Board that Supervisor Hipple will serve as the new Chair from January through June, and then Mayor West will become Chair for FY22 and a new member will be nominated as Vice Chair.
11. Mayor Dyer thanked Mayor Rowe for his great service to the region for many years and a virtual round of applause was held! Mayor Rowe virtually passed the gavel to Mayor West as the new Chair and Mayor West adjourned the meeting at 11:56 a.m.

