



Minutes from 17 September 2020

HRMFFA Board of Directors Meeting

1. HRMFFA's quarterly Board of Directors meeting was held virtually via GoToMeeting on 17 September 2020. Public Board members online were: Mayors Alexander, Dyer, Johnson, Price, Rabil, Rowe, Tuck and West; Supervisor Shepperd; Vice Mayor Pat Dent represented Mayor Pons. Private Board members online were: Baugh, Black, Brickell, Dreyfus, Faulkner, Klett, Monaco and Stephens; Mark Honecker represented Mike Melo and Karl Johnson represented Mark 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. Mr. Quigley then introduced Dr. Lisa Monaco to the Board since this was her first meeting. He also stated that Mr. Mark Whitney has joined the Board, representing BAE Systems Ship Repair, succeeding Dave Thomas who has retired. Mr. Whitney was not able to be on the call, but Mr. Karl Johnson was representing BAE. Mayor Rowe thanked the new members for serving on the Board. Chair Rowe then congratulated four of our Board member companies; The Breeden Company, Klett Consulting Group, Old Point National Bank, and SimIS on their recognition as four of the top businesses in the region by *Inside Business*.
3. Chair Rowe asked if there were any public comments. Mr. Quigley responded that none had been submitted and asked if anyone on the call had public comments. There were none.
4. Mr. Quigley introduced the estimated end of August 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.
5. Mayor Rowe then pointed the Board members to the FY21 Board Committees composition that was provided for information in the read-ahead materials. There were no comments or questions from Board members.
6. The next agenda item was a report from the Budget and Finance Committee. Mayor Rowe invited Mayor West as Chair of the Budget and Finance





Committee to report to the Board. Mayor West stated the Committee held a conference call on Monday to review the audit report which had been provided to the Board in the read-aheads. He stated it was a clean audit and the Committee felt very good about the report. Mayor Johnson then made a motion for the Committee to present the audit to the Board for approval. The motion was seconded by Mayor Price. Chair Rowe asked if there was any discussion on the audit. Hearing none, he called for a vote on the motion. The motion to accept the audit report was unanimously approved by the Board.

-Mayor West said the Committee also discussed reinvesting maturing CD funds and the FY22 budget process. He said one of HRMFFA's \$250,000 CDs recently matured and the Committee discussed options for reinvesting those funds. Mr. Quigley stated that current CD rates are low, and the Committee recommended putting the CD proceeds into a regular savings account that was currently earning the same interest rates as CDs; about .7%. This keeps the funds liquid so they can be quickly reinvested should rates improve. However, the savings rate was not fixed and could drop further. There were no comments or concerns voiced by the Board.

-Mayor West said they also discussed the upcoming FY22 budget process with the intention of getting the HRMFFA budget requests to the localities earlier to help them make budget decisions. Mr. Quigley stated the staff would present a draft budget to the Board at the March meeting with projected revenues based on asking municipalities for the full \$0.50/per capita, and normal \$5000/year from the private sector members. A final budget would then be presented at the June meeting after the municipalities have had a chance to approve their budgets, including HRMFFA allocations. Mayor West said this would allow the elected members of the Board to be informed of the HRMFFA "ask" and can speak to the request as their municipalities develop their budgets. Mayor Johnson agreed and said it would also allow the Board to make sure all members were on the same page regarding the budget as they moved forward. There were no concerns or other comments from the Board.

7. Next item was an update from the NASA Advisory Committee. Committee Vice Chair Shepperd stated the Committee met a couple of weeks ago with NASA Langley Research Center (LaRC) Director, Clayton Turner. Mr. Turner briefed that LaRC currently has most (80%) employees teleworking unless mission essential or involved with mission critical work that cannot be performed remotely. NASA's framework gives center directors a lot of flexibility to adjust operations based on local conditions.
 - Infrastructure transformation efforts continue with their new \$105 million Measurement Systems Lab nearly complete. A new \$43 million Flight Dynamics Research Facility (vertical wind tunnel much like iFly in Virginia





Beach) was funded in FY20 and should break ground in early 2021.

- Langley is playing a major part in the Artemis mission to return to the moon by leading the lunar human descent and landing system effort.
- Now that the commercial space sector is maturing and able to put humans in low earth orbit, NASA is “buying tickets” for those services to save money and allow them to focus on the next big missions like Artemis and going to Mars.
- Langley still heavily involved with advanced air mobility and incorporating autonomous aircraft into the national airspace. Research is critical to their low-boom demonstrator to eventually allow supersonic flight over populated areas.
- NASA can use our help communicating to Federal leaders that consistent funding is needed today to “make the magic happen” later. Gave example of Doppler Lidar being critical to entry, descent and landing systems today, but that research started at Langley 20 years ago. Hampton company now commercializing that technology for other space/military applications.
- Could also use our help communicating the importance of passing the NASA authorization bills in addition to appropriations. Future COVID relief efforts should also include funds to continue to pay contractors for extra COVID costs.

8. Mr. Bruce Sturk of the City of Hampton next gave an update on the F-22 Formal Training Unit (FTU) beddown at Langley AFB. Mr. Sturk briefed the beddown will bring the training of all F-22 pilots and maintainers to Langley and include approximately 46 additional aircraft and nearly 800 personnel. This is all dependent on successful completion of the ongoing Environmental Impact Study (EIS), but they do not foresee any issues. Ms. Kathleen Ferguson of The Roosevelt Group (TRG) added that she just received an e-mail that morning from an environmental contact at the Pentagon stating the draft of the EIS is due to be released on 9 Oct. Assuming no issues with the EIS, Mr. Sturk said the aircraft and personnel should start arriving next summer and required construction projects would commence in late 2021. Mr. Shepperd asked if these were additional aircraft and personnel on top of what was already at Langley. Mr. Sturk confirmed that the numbers were all in addition to those currently at Langley. Mr. Simmons stated this is something HRMFFA and TRG have been pushing for five years with upgrades to ranges, more Langley aircraft, and a replacement mission for Tyndall. This is a big deal for the region.
- Mr. Sturk also briefed that Hampton was one of only 16 communities out of 130 applicants selected by DoD to receive a Defense Community Infrastructure Program (DCIP) grant. Hampton will receive \$708,000 to help with tidal flooding mitigation at Air Power Park which houses many artifacts from the Air Force and NASA and is frequented by military families and the general public. Mr. Sturk thanked Ms. Ferguson for her help in assisting city staff with putting together the grant application and helping them throughout the process.



9. Mayor Rowe proceeded to give an update on the Norfolk Naval Shipyard energy project. SPSA has been contracting with Wheelabrator for over 30 years to incinerate the majority of the southside's solid waste at their plant in Portsmouth. Wheelabrator uses the waste as fuel to produce steam and electricity and the steam is then sold to the Navy for shipyard use and the power is sold to the grid. The Navy has decided to enter into an Energy Savings Performance Contract (ESPC) that will build their own combined steam and power plant, a wastewater treatment plant, and upgraded utility infrastructure throughout the shipyard. This is all done at no upfront cost to the Navy and saves them nearly \$14 million per year. This also helps achieve a strategic goal of making their installations more resilient and "islandable" should there be widespread grid outages as was discussed on our trip to the Pentagon last year. The Navy informed Wheelabrator their contract for steam will not be renewed when it expires in January 2023 and Wheelabrator says their plant is not viable without the Navy revenue. This will create an issue for the southside communities to find another way to dispose of solid waste after January 2023. SPSA, Portsmouth, Suffolk, and HRMFFA have been working the issue with the Navy since the beginning of the year. The Navy Region Mid-Atlantic Commander, RADM Chip Rock, has agreed in principal to extend the Navy's contract with Wheelabrator for 18 months with an option to extend another six months. This will keep the Wheelabrator plant running until at least mid-2024 and possibly the beginning of 2025. This agreement buys SPSA and the communities some additional time to figure out alternatives for disposing of solid waste. Mayor Johnson said this was really the best outcome we could have hoped for and the municipalities and SPSA need to figure out a solution going forward.
- Mr. Quigley mentioned that he and Mr. Dwyer had initial discussions with the DoD Office of Economic Adjustment (OEA) about getting some DoD grant funds to help study the waste disposal issue and that assistance looked promising.
 - Mayor West stated he received a presentation from a company in Chesapeake looking to establish a trash incineration facility, so there are potential alternative options for the future other than landfilling.
10. Mr. Quigley then introduced Ms. Whitney Katchmark from the HRPDC to provide an update on two Joint Land Use Studies (JLUS) in the region. Ms. Katchmark reminded the Board that a JLUS is funded by DoD's OEA to address compatible land use issues between the host communities and the military. The Norfolk-Virginia Beach JLUS was just completed in January and includes over 50 recommendations for projects and policies. The Navy said they are most concerned with reliable and resilient base access networks for their personnel, adequate and maintained stormwater management systems, and



reliable and resilient utility networks. Now that the study is complete, the cities can go back to OEA and request implementation funds to carry out the recommended actions or use the recommendations to apply for DCIP and other grant funds. Two projects where implementation funds have been requested are \$400,000 for Hampton Blvd in Norfolk to address flooding vulnerability, and \$500,000 for Shore Dr in Virginia Beach for roadway and drainage improvements for recurring flooding and sea level rise. There is another project being discussed with OEA which would involve placing sensors at intersections that frequently flood that could then relay that data to drivers to help them avoid those areas. The Chesapeake – Portsmouth JLUS is still underway and should be finished later this year. This study is also looking at flooding issues, but also has a broader scope looking at traditional land use compatibility issues, transportation, parking, transit and coordination between the Navy and cities. Once this JLUS is complete, Chesapeake and Portsmouth will also be eligible for implementation funds for the study recommendations. Mayor Dyer commented that the JLUS effort has been a tremendous collaboration between the cities and Navy and they have put a high priority on the effort and recommendations. Mr. Dwyer also noted that the Norfolk Naval Shipyard issue affecting solid waste disposal will be noted in the JLUS and OEA has recommended requesting implementation funds to help study alternatives.

11. Mr. John Simmons from The Roosevelt Group (TRG) next provided the Board a Washington Update. He mentioned the election is driving the timelines for all major items left on Congress' plate such as COVID-19 relief, the National Defense Authorization Act (NDAA), and a continuing resolution to fund the government past 30 September. Most of those items could be quickly addressed if it was not a presidential election year.
 - There had been some movement on coronavirus relief, but it recently stalled. The House has proposed \$3 trillion but the Senate only proposed about \$500 billion. The President announced last night he was in favor of a larger number. Mr. Simmons thought it was likely to pass somewhere less than \$2 trillion, but the major remaining sticking point is the amount of aid for states and localities; Democrats want about \$1 trillion and the Republicans are looking at \$100 - \$200 billion. There are many different issues that need to be resolved, but both parties want to try and get a deal done before the election.
 - There are 35 Senate seats up for grabs in the election and several Republican Senators are vulnerable. If 3 or 4 seats flip Democratic (depending on who wins the election) control of the Senate will shift to the Democrats.





- The House and Senate versions of the NDAA are very similar with only minor differences. One of the biggest sticking points is the renaming of bases named after Confederate generals. Mr. Matt Herrmann of TRG stated the conference committee has not been formally named, but committee staffers have been meeting with DoD and each other to resolve issues. They are aiming to have 80% reconciled at the staff level by the end of September so the remaining bill can be resolved quickly after the election.

- Mr. Simmons mentioned the DCIP program and thanked Matt Herrmann for his work in getting it authorized several years ago working with ADC and HRMFFA's push to get funding for it. Virginia received 2 of the 16 grants, including Hampton. DCIP is currently authorized in the House NDAA at \$100 million and while the Senate's appropriations bill has not been released yet, the Senate has been more supportive of the program. We also expect some language to direct DoD to prioritize infrastructure that increases resiliency and military value, versus the military family quality of life that the SECDEF prioritized this year.

- The Air Force is instituting a community scorecard for public education and military spouse licensure. Langley's scorecard has some good scores but also some areas that need improvement. Mr. Sturk mentioned Hampton has raised some concerns about the catchment area and the fact that the current scorecard does not include recently signed VA legislation to improve spouse licensure. There is language in the Senate's NDAA that will direct all the services to use this type of information. The services have already said they will take public school education and spouse licensure into consideration when making future basing decisions.

- There will be significant budget challenges in FY22 and beyond. Defense budgets will likely be flat at best going forward. BRAC will almost certainly be considered again post-COVID and will most likely be heavily influenced by quality of education, cost savings and the National Defense Strategy focusing on China and Russia. There is likely to be an increase of teleworking so communities with good broadband/5G infrastructure will have an advantage. Ms. Jamie Jones-Miller stated DoD is focused on Joint All-Domain Command and Control and how the services work together on the battlefield which is heavily rooted in technology. A SECDEF study is pushing for additional funds to get to 355 ships and an increase in the number of unmanned ships which is an opportunity for Hampton Roads. Mr. Matt Herrmann mentioned a Biden administration would likely not have big cuts, but also not see big growth. He also stated TRG was successful in getting our Shipyard Infrastructure Optimization Plan reporting requirements and the "land for services or infrastructure" in the House NDAA. Mr. Simmons stated they will draft a letter for HRMFFA to the CODEL to get support for our priorities in the final bill.





He said communities will need to ensure they are promoting technology in their infrastructure, workforce development, higher education, cyber security, etc.

- Mayor Price mentioned the Department of Energy's Director of Science said one of the reasons Jefferson Lab did not get the new ion collider was because it was looked at as a single mission lab. He suggested JLAB could also look at work on quantum computing which could be a possible area to collaborate with DoD. Mayor Price suggested we discuss further with the JLAB director. Mr. Simmons agreed and said a recent intelligence conference highlighted that DoD cannot afford to do it all themselves, so they needed to partner with other entities to do the work.

- Ms. Kathleen Ferguson of TRG mentioned the DoD's work on the "base of the future" and how the bases in our region will not look the same. She said DoD is increasingly looking at surrounding communities to help provide required infrastructure to support the bases. Things like cyber security, broadband/5G, resiliency, etc will matter a great deal. She agreed BRAC will be looked at again especially if there is a change in administration given increased deficits due to COVID. Mr. Simmons agreed and said we need to focus on what additional missions can be brought here if a future BRAC were to occur.

- Mayor Rowe suggested to Executive Director Quigley that maybe HRMFFA needs to create a Futures Committee to look at things we need to do as a region to prepare for the technologies and bases of the future.

12. Chair Rowe closed with reminding members that the election season in Virginia begins tomorrow and that Virginia citizens can utilize "no excuse" early voting via absentee ballot or in person at their local registrar's office. Chair Rowe then adjourned the meeting at 12:02 p.m.

