

Minutes from 18 June 2020

HRMFFA Board of Directors Meeting

1. HRMFFA's annual Board of Directors meeting was held virtually via GoToMeeting on 18 June 2020. Public Board members online were: Mayors Dyer, Price, Rabil, Rowe, Tuck and West; Supervisors Hipple, Rosie and Shepperd; Councilman Southall; City Manager Andrew Trivette represented Mayor Freiling. Private Board members online were: Baugh, Dreyfus, Garcia, McKenna, Melo, Stephens and Thomas. Executive Director Quigley, Deputy Executive Director Dwyer and Treasurer Wilson were also online. A quorum was achieved.
2. Board Chair Tuck called the meeting to order at 10:40 a.m., offered welcoming remarks, and asked that a roll call of Board members be taken for attendance purposes. He then congratulated Mayor Price for his recent selection as President of the African American Mayors Association.
3. Chair Tuck asked if there were any public comments. Mr. Dwyer responded that none had been submitted. Mayor Tuck then turned the meeting over to Mr. Quigley to proceed through the agenda.
4. Mr. Quigley introduced the estimated end of June financials which were provided in the read-ahead materials. He pointed out that we would not hit 100% revenue for the private sector members due to the departure of one member. He also noted we had not yet received all the municipal revenue because one city does not provide their final quarterly payment until July. Supervisor Hipple pointed out that it appeared the total figures were off slightly by about \$3,000. He thought it was a clerical issue but asked for the staff to investigate it. Mr. Quigley said staff would check the figures and publish a revised financial sheet with the minutes if needed.
--NOTE: Following the meeting, HRPDC Finance staff checked the figures and discovered that the estimated retained earnings were incorrect because the final municipal payment of \$19,434.25 (accounts receivable) was not included in the estimated 30 June summary revenue figure. A corrected financial sheet was provided to the Board Members when the minutes were published.
5. Mayor Tuck then stated the next agenda item was re-appointing Mr. Tim Faulkner for another term on the Board, and appointing Dr. Lisa Monaco of Jacobs Technology as a new member of the Board. Mayor Tuck asked if Mayor Rowe, as Chair of the Nominating Committee, would make a motion



recommending the appointments of Mr. Faulkner and Dr. Monaco. Mayor Rowe made the motion and Mayor Price seconded it. The vote was unanimous in approving the motion.

6. Next item on the agenda was the new Chair and Vice-Chair. Mayor Tuck explained that from June to December of 2020 the Chair would be Mayor Rowe and the proposal was to have Supervisor Hipple as Vice-Chair. The Board would address the Chair and Vice-Chair for January to June 2021 at the December Board Meeting. Mayor Tuck asked for a motion and Mayor Dyer made the motion and Supervisor Shepperd seconded the motion. The vote was unanimous in approving the motion.
7. Next item on the agenda was reviewing committee composition for FY21. Mayor Tuck asked Mr. Quigley for guidance as he thought the recommendation was to revisit this at a later date. Mr. Quigley explained that the committee assignments were not meant to be permanent. His recommendation was for he and Mr. Dwyer to survey existing committee members and determine their desire to continue serving on the various committees. Staff would then provide names to consider and the issue would be brought before the full Board at the September Board meeting. Mayor Tuck asked if a vote was needed on this recommendation. Mr. Quigley said he did not think so unless a member of the Board objects. No concerns were raised by the Board.
8. The next agenda item was HRMFFA's FY21 budget. Mayor Tuck invited Supervisor Hipple as Chair of the Budget and Finance Committee to present the budget to the Board. Mr. Hipple brought the Board's attention to the proposed FY21 budget on the slides which represented requesting the normal funding from the membership. He stated that the committee discussed two budget options at the last meeting: 1) the budget as presented today with normal funding; 2) a budget with zero revenue from the members due to the fiscal pressures resulting from the COVID-19 crisis. Mr. Hipple said from his perspective he thought HRMFFA should show leadership, given our retained earnings could cover a year of expenses, and not receive any revenues from the members for FY21. This would allow members to assess their finances during the COVID crisis and then go back to full funding in FY22. He also said we could go back to the membership for additional funding if some sort of emergency arises. Mr. Hipple moved that the board consider a zero or 25% revenue budget but would like to hear the members thoughts on the budget options.
-Mayor Tuck stated he thought Mr. Hipple's motion would have to come after the budget recommendation from the committee and asked if there was a motion for the budget as presented with full revenue. Mayor Rowe made the





motion which was seconded by Mayor Price.

-Mayor Tuck then asked Supervisor Hipple if he had a subsequent motion. Mr. Hipple moved that the Board consider a zero revenue, or no more than 25% revenue, budget for FY21 which was seconded by Mayor Rabil. Mayor Tuck then asked for discussion on the motions.

-Mayor Price stated he was not clear on the motions and asked if he meant that the members would either contribute zero or 25% of their normal annual amount. Mr. Hipple confirmed that is what he was proposing since HRMFFA had the financial reserves to cover expenses for a year.

-Mayor Rowe stated the Budget and Finance Committee discussed these options and decided to go with the full revenue budget, with the understanding that if a member could not contribute the full amount they would not be penalized in any way. He stated the Portsmouth has already approved its FY21 budget and allocated full funding for HRMFFA. He thought that since DoD is one of the three major pillars of the region's economy, it was prudent to have a rainy-day fund should contingencies arise. He understood Mr. Hipple's point but thought it was better to adopt the full budget and allow any member to reduce their contribution if necessary.

-Supervisor Shepperd stated he agreed with Mayor Rowe and that York County had already approved its budget with full funding for HRMFFA. He was concerned with backing money out of their approved budget and pointed out that the Federal government had recently come out with additional funds to help states and localities.

-Mr. Hipple stated he was aware of the additional Federal assistance, but we were not out of the woods yet with the current crisis. He also said he did not know of any municipality that carried more than their budget amount in retained earnings like HRMFFA. He pointed out that the Budget and Finance Committee's first vote on the full revenue budget was a 2-2 tie before it passed. He reiterated that he thought it showed leadership and that our retained earnings would allow the group to do what was needed. He stated as Committee Chair, he is simply looking for different ways we can save money and still operate and do what the organization needs to do.

-Mayor Rowe stated the committee was more than one person and we all can see the numbers of where the organization stands. He stated that there is still uncertainty with the presence of DoD in Hampton Roads, that it was important that we have a strong funds balance, and that we should stay the course and approve the budget as presented.

-Mayor Price commented that he thought that since the budgets were already approved for FY21, he thought we should stay with those numbers and could possibly look at a change for next year.

-Mayor West stated that he was the one who changed his committee vote to break the initial 2-2 tie. He said he thought Mr. Hipple made some excellent





points, but he thinks we should go forward with the budget as presented. He also said he thought all the municipalities needed to look at the return on investment that they get from HRMFFA and all organizations they contribute to. He stated he would like to see some quantifiable results before the budget is approved for next year.

-Mr. Southall stated that he supported Mr. Hipple's comments.

-Mayor Tuck asked for a call to the question on the substitute motion on whether we should go to 0 or 25% revenue budget. Mayor Rowe called for the question and Mayor Tuck asked for a roll-call vote. The motion failed 2-11 with the votes below:

-- In favor: Rabil, Hipple

-- Opposed: Southall, West, Price, Dyer, Shepperd, Tuck, Rowe, Baugh, Thomas, Melo, Garcia

-Mayor Tuck stated there was another motion put forth by Mayor Rowe and seconded by Mayor Price to approve the budget as presented with full revenues from the members. Mayor Rowe again called for the question and Mayor Tuck asked for a roll-call vote. The motion passed 11-2 with the votes below:

-- In favor: Southall, West, Price, Dyer, Shepperd, Tuck, Rowe, Baugh, Thomas, Melo, Garcia

-- Opposed: Rabil, Hipple

9. Mayor Tuck then asked Jamie Jones Miller from The Roosevelt Group (TRG) to provide the Washington Update. Ms. Miller re-introduced herself to the Board saying she was recently the top lobbyist in the Office of the Secretary of Defense Legislative Affairs for the past two and a half years and prior to that worked for 13 years in the Virginia congressional delegation, most recently as the Chief of Staff for Congressman Rob Wittman. She said she would quickly cover Congress' COVID-19 response, FY21 defense appropriation and authorization legislation, HRMFFA's FY21 legislative priorities, Hill engagements and atmospherics, Defense Community Infrastructure Program, and changes to DoD leadership.

- Congress has passed four packages worth nearly \$3 trillion related to coronavirus relief. There was \$150 billion for state and local governments. DoD received \$10.5 billion. The House passed a \$3 trillion HEROES Act with \$1 trillion for state and local governments, but the Senate has said they likely will not take up additional relief bills until mid to late July. A bipartisan and bicameral proposal is also coming together with about \$500 billion for state and local governments, with about a third of that amount going to municipalities.

- Both House and Senate are taking actions to continue moving their defense authorization bills despite the challenges of COVID-19. Anticipate the House bill reaching the floor in mid-July and the Senate is targeting a vote by the end





of June. Expect a slimmed down version of the bill due to time constraints and there are some controversial items such as base naming and police reforms, but it is good that they are moving along right now.

- For appropriations, expect a short-term CR at end of September and an omnibus bill after the November elections. The appropriators are working hard on the coronavirus relief bills which will also likely delay other efforts.

- Ms. Miller then turned it over to Matt Herrmann to go over the status of HRMFFA's legislative priorities. Mr. Herrmann said The Roosevelt Group is working hard with our Congressional delegation to get our top priorities into the defense authorization and appropriations bills, notwithstanding the committees' time constraints this year. He mentioned they recently had a conference call meeting with Representative Luria's staff and HRMFFA staff to go over the requests in detail and received positive feedback about moving them forward.

- Mr. Herrmann highlighted the public shipyard item and reminded the Board it was HRMFFA who successfully pushed for the Navy to come up with a plan to recapitalize their shipyard infrastructure three years ago. The Navy has spent a lot of time studying the issue but has yet to produce a plan to start investing money in the infrastructure. Given the delay, they are pushing for language to have the Navy provide a progress report to the Congress every six months on investment and facilities plans.

- TRG is also working on language that would let the military services exchange land for in-kind services or infrastructure instead of the current restrictions on swapping land-for-land only. This would greatly assist several installations in the region with partnering initiatives with local municipalities.

- They are advocating to increase funding for the Defense Community Infrastructure Program (DCIP) to \$100 million in FY21 from \$50 million approved in FY20. This is a very popular program on the Hill so TRG expects it to end up in the final bill even though DoD did not request funding for it.

- Should have a better idea whether these initiatives make it into the final bills by the time the Board meets again in September.

- Mr. Herrmann highlighted that there are currently five Virginia military construction projects worth over \$231 million in the FY21 budget. Four of those projects worth \$180 million are in Hampton Roads. They believe Congress will likely increase the MILCON funding because they were not happy with what DoD requested.

- Mr. Herrmann highlighted all the Congressional engagement on behalf of HRMFFA. Even though the Pentagon and the Hill have been shut down, TRG has been able to have many virtual engagements to keep pushing our priorities.

- Mr. Herrmann introduced Ms. Kathleen Ferguson. Ms. Ferguson re-introduced herself stating she has been with TRG for a little over four years now. Before that she was the Principal Deputy Assistant Secretary of the Air Force for Installations, Energy and Environment, and before that she spent 10





years at Langley AFB doing civil engineering and installation management.

- Ms. Ferguson updated the Board on DCIP stating this is the first year the program had funding, but guidance came out very late this year in May due to delays in DoD. The program allows localities to get matching funds from DoD to address infrastructure deficiencies off the installation that benefit both the base and the community. This is one-year money, so funds must be issued by 30 September. One of the surprise guidelines this year is that it prioritizes military family quality of life projects over all others. Everyone was expecting military value and resilience type projects to be the priority. She recommended the municipalities review projects they have that may meet the criteria and get them ready for FY21 when they expect more funding to be available.

- Ms. Ferguson briefed a chart showing the framework of how the DoD will score beddown locations based on quality of public education and spousal employment. In February, SECDEF mandated all the services take these factors into account for all beddown decisions. The Air Force will release score sheets for each base to the CODELS.

- Ms. Ferguson quickly updated that the draft environmental impact statement for the F-22 Formal Training Unit beddown at Langley AFB should be released in mid-July for public comment for approximately 45 days. In mid-August they will likely have a virtual public meeting with comments due back in October.

- Ms. Miller then highlighted the key dates and time constraints on the Congressional calendar noting that there are only 25 days where both Houses of Congress are in session between now and the end of the fiscal year. COVID relief, police reform, transportation reauthorization, and the Water Resources Development Act are all major legislative items that do not have much time to get done.

- Ms. Miller noted several leadership changes within DoD:

- Matt Donovan new Undersecretary of Defense for Personnel/Readiness
- Jennifer Stewart new Chief of Staff for SECDEF
- James McPherson new Undersecretary of the Army
- LTG Daniel Hokanson new Chief of National Guard Bureau
- Kenneth Braithwaite new Secretary of the Navy
- RADM (Ret) Charles Williams new ASN Energy, Installations & Environment
- Barbara Barrett new Secretary of the Air Force
- General C.Q. Brown confirmed as next Chief of Staff of the Air Force
- General Mark Kelly nominated next Commander of Air Combat Command

10. Mayor Tuck moved on to New Business and stated he intended to recognize Mayor Freiling for his service to HRMFFA, but he was not able to participate due to City business, so Admiral Quigley and Mr. Dwyer will deliver the framed certificate of appreciation to him.

-Mayor Tuck invited Mayor Rowe to update the Board on the Norfolk Naval





Shipyards Energy Savings Performance Contract. Mr. Quigley stated Mayor Rowe preferred to update the Board following the next meeting with the Navy. -Mayor Tuck brought up the letter inviting the new Secretary of the Navy to Hampton Roads. Mr. Quigley said he thought it would be a powerful signal to have a signature from every Board member. If none of them objected to the letter provided in the read-aheads, he would like permission to use everyone's electronic signatures on the letter. There were no objections voiced by the members.

- Mr. Quigley brought attention to the proposed Board meeting dates for FY21 provided in the read-aheads and on the screen. The only difference from the normal third Thursday of the month is moving the December meeting to 10 December to move farther from the holidays and that all dates were coordinated with HRTAC quarterly meetings. There were no objections to the dates.

- Mayor West asked how many more virtual meetings Mr. Quigley expected. Mr. Quigley stated he hoped future meetings would be in person since we had options to space people out in the Regional Board Room and could limit number of people in the room. Mayor West said he agreed with that approach. He also asked if we had to have future virtual meetings, that the staff provide links and dial-in instruction on the day of the meeting to make it easier to find the information.

11. Chair Tuck said his final act was to virtually pass the gavel to Mayor Rowe. Chair Rowe thanked Mayor Tuck for his leadership and asked everyone to give Mayor Tuck a hand. Chair Rowe then adjourned the meeting at 11:59 a.m.

