

Minutes from 19 April 2018

HRMFFA Quarterly Board of Directors Meeting

1. HRMFFA's quarterly Board of Directors meeting was held at the Regional Building in Chesapeake on 19 April 2018. Public Board members present were: Mayors Alexander, Freiling, Price, Rabil, Rowe, Sessoms, Tuck and West; Supervisors Hipple, McCarty and Shepperd; Poquoson City Councilman Southall attended for Mayor Hunt. Private Board members present were: Black, Brickell, Curtis, Hoogstraten, Klett and Watkins. Karl Johnson attended as a non-voting member representing Joe Campbell. Marty Erdossy attended as a non-voting member representing Dale Baugh. Bob Larned attended as a non-voting member representing Kevin Paveglio. Executive Director Quigley, Deputy Executive Director Dwyer and Treasurer Collins were also present. A quorum was achieved.
2. Board Chair Tom Shepperd called the meeting to order at 10:32 a.m. and offered welcoming remarks. He also said he would like to alter the agenda schedule and have public remarks at the beginning of the meeting. Ms. Donna Sayegh of Portsmouth offered prepared remarks concerning repurposing the old Portsmouth Civic Center into a new Maritime High School. Mr. Shepperd thanked Ms. Sayegh for her remarks. Mr. Shepperd also welcomed the Commonwealth's Deputy Secretary for Veterans and Defense Affairs, Jaime Areizaga-Soto, to the meeting and acknowledged that the Secretary, Carlos Hopkins, would be joining the meeting shortly.
3. Executive Director Quigley then introduced the end-of-March financial statements and noted HRMFFA is currently under-running the annual budget by about 10%. There were no comments or concerns with the financials voiced by Board members.
4. John Simmons from The Roosevelt Group provided a Washington update:
 - He provided an update on the FY2018 federal budget deal recently passed by Congress. The deal provides a total of \$654.7B in defense spending in FY2018 and \$686.1B in FY2019 (includes overseas contingency operations funds which are not subject to budget topline limits). The agreement also raised the non-defense caps by \$63B to \$579B. He stressed the importance of the services being ready to execute these extra funds by 30 September when the fiscal year ends. He acknowledged this will be a challenge due to

the funds actually getting to the installations with only six months left in the fiscal year. Mr. Simmons also briefed that the Budget Control Act goes back into effect in FY2020 unless Congress acts to change it. In fact, Defense Secretary Mattis requested no additional funding until DoD has a chance to implement changes to be more efficient.

- Mr. Simmons then briefed the Assistant Secretary of Defense for Installations, Energy and Environment's eight strategic objectives including: eliminating waste in DoD infrastructure; advocating for adequate infrastructure funding; protecting installations and ranges from incompatible development and enhancing the capability of U.S. test and training ranges; implementing programs to ensure combat capability, missions and resiliency by enhancing energy security of our forces and assets; exploring new opportunities for third-party partnerships and engaging industry to determine best practices and innovative solutions; working with military engineering and contracting communities to develop smarter contracts and manage contracts smartly; providing for safety and welfare of our people and resources through unparalleled environmental and safety programs; and enhancing collaboration with defense communities. DoD has a \$116B backlog of facilities sustainment, restoration and modernization requirements. Even with the significant increase in funding in FY18/19, DoD can't buy their way out of the problem and is looking to work with communities for innovative solutions.
- Mr. Simmons briefed the Hampton Roads military construction (MILCON) projects submitted with the President's FY19 budget. He noted the five projects worth \$57.8M is down significantly from last years \$250M+ list of projects. However, there was a win with the \$10M Cyber Ops Facility at Joint Base Langley that HRMFFA/Virginia worked to get in the budget.
- The new National Security Strategy and DoD's key budget priorities for 2019-2023 also contained good news for the region in that most of the priorities, such as cyber, intelligence/surveillance/reconnaissance, autonomous systems, and resilient and agile logistics have a presence in the region.
- Mr. Simmons then recapped some of HRMFFA's and The Roosevelt Group's advocacy highlights. He noted that all of our FY18 legislative requests made it into the final bills. Additionally, all of our DRAFT FY2019 legislative priorities and requests were well received by the CODEL during our Capitol Hill visits on 12 April.
- Mayor Price asked about the potential two-carrier buy the Navy is considering. Mr. Simmons stated Huntington Ingalls is working on a proposal, but initial estimates are that it could save about \$1.5B - \$2.5B if a two-carrier block buy was approved.





- Mr. Klett remarked that with the significantly increased budgets for the next two years, we should be looking for ways to get federal funds to assist with regional issues such as sea level rise.
5. Mr. Shepperd then introduced the Commonwealth's Secretary of Veterans and Defense Affairs, Carlos Hopkins, and invited him to address the Board. Secretary Hopkins thanked the Board for the opportunity to address them and laid out his current priorities. He remarked that Virginia has a very large veteran population and the largest population of military connected kids. He noted that Governor Northam is himself a veteran and values keeping vets in the Commonwealth. To that end, the Governor has set a goal of assisting 30,000 veterans with staying in Virginia through various programs. Other priorities briefed included:
- Veterans health care: The Commonwealth has funded two 120-bed long-term veteran's clinics, one of which will be in Virginia Beach. It was also just announced that the Veterans Administration will provide \$60M to help with these facilities.
 - The Commonwealth is supporting veterans transition by funding one-stop transition assistance centers to help vets navigate all the available support services. He also noted the Military Medics & Corpsmen program which helps transitioning medics/corpsmen to be able to go to work right away in the medical fields based on their extensive military medical training.
 - Virginia also has the fastest growing women veteran population. As such, he is hosting an annual Women Veterans Summit in June in Northern Virginia and HRMFFA will be invited to attend.
 - Secretary Hopkins commented on how successful the Matrix Design/Roosevelt Group partnership has been and he planned to continue that support during his tenure. There are many states that are constantly looking to pull military missions from Virginia which can have an adverse impact on our local communities. As such, he spends a lot of time paying attention to what the Commonwealth can do to support the military. When Assistant Secretary of Defense Lucian Niemeyer recently briefed the Virginia Military Advisory Council, he stressed the importance of Public-Public/Public-Private partnerships in the surrounding communities. Secretary Hopkins has made it one of his goals to support those partnerships and the Matrix/Roosevelt team will continue to assist.
 - Secretary Hopkins then mentioned some of the legislative items passed during the recent General Assembly session such as military spouse teacher license reciprocity, school choice for military students living in base housing, and being able to send kids to a certain school based on projected





PCS orders. He will continue to work on reciprocity for other professional credentials and other initiatives to make Virginia the friendliest state for veterans.

6. Mr. Shepperd noted that Board members were previously sent the draft FY2019 legislative priorities for review. He asked if the Board members had any questions, comments or additions to the priorities. Hearing none, he requested a motion to approve the list. Mayor Rowe offered a motion to approve with Mayor Price seconding the motion. The vote was unanimous to approve.
7. Mr. Quigley then recapped his and Mr. Dwyer's recent visit to Capitol Hill on 12 April and Annapolis on 13 April. He stated that they were able to meet with four out of the six members of our CODEL and met with the staff of the other two. The draft legislative priorities were well received by the entire CODEL and there was no push-back about any of the topics. Mr. Quigley expressed confidence that the CODEL will support the four legislative language items HRMFFA requested (DoD Siting Clearinghouse, William & Mary Whole of Government Program, DoD Demolition Funding, and Hampton Roads' FY19 MILCON projects) as well as the other priorities. Mr. Quigley then stated that he, Mr. Dwyer and Kevin Felix of The Roosevelt Group met with the Naval Academy Superintendent, Vice Admiral Ted Carter, and The Naval Institute CEO, Vice Admiral (Ret) Peter Daly on 13 April to discuss the William & Mary Whole of Government master's degree program. Intent was to make both institutions aware of the program so it could be a potential faculty pipeline program in the future, as well as a future article in USNI's *Proceedings*. It was also well received and both men thought it was a worthwhile program. They both offered valuable inputs on how the program could be improved and offered to a broader pool of potential students.
8. Supervisor Shepperd then asked the Board whether they wanted to consider a Board trip to DC to meet with Pentagon/NASA/Coast Guard leadership and our CODEL. He discussed the previous trip made about five years ago and that he thought it was well received. John Simmons also mentioned that The Roosevelt Group's Senior Advisor, Kathleen Ferguson (previous Deputy Assistant Secretary of the Air Force for Installations/Energy/Environment), said meetings with municipal leaders are well received by the Pentagon and show local communities' commitment to supporting their installations. Mr. Quigley stated the trip would likely be a single day up to DC early in the morning for meetings at the Pentagon, potential side meetings at NASA or other agencies, followed by a dinner meeting with the CODEL and then return to Hampton Roads. He also stated funding for a trip was accounted for in the 2018 budget.



Mayor Rowe stated he thought it was a good idea for the board to go. Supervisor Shepperd asked how many members would be interested in going, and at least eight or so indicated they would like to go. General consensus was the trip would be worthwhile, so Supervisor Shepperd asked Mr. Quigley to begin making arrangements.

9. Supervisor Shepperd then acknowledged Kevin Paveglio (not present) was retiring from ECPI and would no longer be on the HRMFFA board. He stated HRMFFA had a certificate of appreciation for him that the staff would get to him before he left the area. Supervisor Shepperd also acknowledged the recent announcement by Mayor Sessoms that he would be stepping down as Mayor on 30 April and thanked him for his many years of service to HRMFFA. Mayor Sessoms had to leave the meeting early, so the staff will also get his certificate to him at a later date. Supervisor Shepperd informed the Board that Bob McKenna was the new President & CEO of the Virginia Peninsula Chamber replacing Mike Kuhns. As such, Mr. McKenna becomes an ex-officio member of the HRMFFA Board and his first board meeting will be in June.
10. Mr. Quigley then pointed the Board to several recent initiatives HRMFFA has acted on since the last meeting in December:
 - CMV-22 Fleet Replacement Squadron Basing: The Navy plans to replace its current carrier on-board delivery (COD) aircraft with the CMV-22 tiltrotor aircraft. The Navy has stated the two new CMV-22 units will go to Norfolk and San Diego where the current COD squadrons are located. The only basing decision they haven't made is where the COD Fleet Replacement Squadron (FRS) will go. The current COD FRS is located at Naval Station Norfolk. If the CMV-22 FRS comes to Norfolk it will include an increase of several aircraft and about 50 personnel over current numbers. HRMFFA submitted a letter to the Navy during their public comment period supporting Norfolk for selection as the FRS basing location.
 - Offshore Oil and Gas Drilling: The Department of the Interior is proposing to open the entire Eastern seaboard to oil and gas drilling. DoD has many valuable surface, sub-surface and air training/testing ranges off the coast of Virginia that could be threatened by oil and gas drilling activities. HRMFFA sent a letter to Secretary Zinke and Secretary Mattis requesting Virginia's coastal waters be excluded from consideration due to adverse impacts on military operations.
 - Joint Land Use Study (JLUS) Updates: The cities of Newport News and Hampton, and the Planning District Commission gave short updates on their ongoing JLUS's. Ms. Jerri Wilson of Newport News stated the Ft Eustis JLUS was briefed last week at a City Council working session and contained

over 70 recommendations. The report was well received by Council and included the public comments received during the study. She stated Council will formally approve the JLUS soon and the city has already started working on some of the recommendations. Mr. Bruce Sturk of Hampton stated the ongoing Joint Base Langley JLUS is a Phase 2 update to Langley's 2010 JLUS, but was solely focused on addressing sea level rise and recurrent flooding. He said the study is going very well and should be presented to Hampton City Council in June. He also briefed the status of the city's current efforts to buy properties encroaching on Langley's clear zone. City has made great progress and over \$8M in city and Commonwealth funds had been spent to date and the Air Force is now offering matching funds to help purchase remaining properties. Mr. Quigley stated this method was also used for Oceana and Fentress encroachment issues and is considered a model for communities across the country. Bob Crum, Executive Director of the Hampton Roads Planning District Commission (HRPDC) then briefed the status of the ongoing Norfolk/Virginia Beach JLUS. He said this JLUS was also focused on sea level rise and recurrent flooding and that they are working collaboratively with the Navy and other stakeholders to identify issues. He expected a public comment period this summer and the draft to be published in September. He also stated the Portsmouth/Chesapeake JLUS would be starting soon and they had just selected AECOM as the contractor to conduct that JLUS.

- New NATO Atlantic Command: NATO has decided to re-establish a command to coordinate operations for the Atlantic Ocean. NATO has said a Logistics HQ will be located in Germany, while the Maritime HQ will be in the U.S. The former Supreme Allied Command -- Atlantic was in Norfolk so we think there is a strong case to be made for the Maritime HQ to also be in Norfolk co-located with Fleet Forces Command. We are closely monitoring the discussions and advocating for Norfolk as the future HQ location.
- Education Savings Accounts (ESA) for military children: House Resolution 5199 has been introduced, along with a companion bill in the Senate, that proposes establishing ESAs for some active duty military children that could be used to fund a myriad of education options. The nearly \$1.2B in funds to pay for these ESAs would be diverted from the Federal Impact Aid Program, which is intended to offset public school expenses for all federally connected students. Majority of vouchers would be \$2500 per child with a limited number being eligible for \$4500 vouchers. However, if a military member doesn't live in one of the 22 "Highly Impacted" local school districts nationwide (out of 1,073 that receive impact aid), or live on base, then they aren't eligible for any vouchers. This program would likely result in degradation of public schools that the vast majority of military children attend. Dr. Patton, Portsmouth City Manager, stated the city receives a





significant amount of funding from impact aid and a reduction in aid could cause school funding problems. Mayor Alexander stated Norfolk City Schools receive \$3.8M in impact aid and he opposes creating the ESAs. He said eventually this kind of program could lead to other federal education dollars following the students if they leave school districts. Supervisor Shepperd stated York County built a school on Langley AFB for military kids and that a \$2500 voucher doesn't go very far in paying for private schools. Mayor West asked if we knew how the vouchers would work. Mr. Quigley stated we didn't know yet because there weren't enough details in the proposed bills. Supervisor Shepperd asked if there was a motion for HRMFFA to take a formal position opposing the creation of ESAs and the drafting of a letter to the CODEL stating that position. Mayor Rowe offered such a motion with Mayor Price seconding it. The vote was unanimous. Mr. Quigley stated we would get working on drafting a letter stating HRMFFA's opposition to the creation of ESAs.

11. Supervisor Shepperd thanked everyone for attending and for their comments and discussion. He adjourned the meeting at 11:47 a.m.

