

Minutes from 25 June 2019

HRMFFA Annual Board of Directors Meeting

1. HRMFFA's annual Board of Directors meeting was held at the Regional Building in Chesapeake on 25 June 2019. Public Board members present were: Mayors Alexander, Dyer, Price, Rowe, Tuck and West; Supervisor Wassmer and Councilman Southall. Private Board members present were: Baugh, Black, Klett, McKenna and Stephens. Mr. Karl Johnson represented Joe Campbell and BAE Systems Ship Repair. Mr. Bill Brown represented Mark Dreyfus and ECPI University. Executive Director Quigley and Deputy Executive Director Dwyer were also present. A quorum was achieved.
2. Board Chair Kenny Alexander called the meeting to order at 10:38 a.m. and offered welcoming remarks. He then requested a moment of silence in honor of the victims of Virginia Beach's municipal center shooting and asked if Mayor Dyer would like to make remarks. Mayor Dyer thanked the Board for their support on behalf of the City of Virginia Beach and their City Council while reiterating that one act of violence will not define the city.
3. Mayor Alexander welcomed Supervisor Jeff Wassmer to the HRMFFA Board of Directors as York County's representative, replacing Tom Shepperd.
4. Chair Alexander asked John Simmons from The Roosevelt Group (TRG) to provide his Washington Update. Mr. Simmons provided the Board a status update of the President's FY20 budget request, FY20 NDAA and appropriations bills, projected FY20 military construction in Hampton Roads, Pentagon leadership changes, ADC National Summit takeaways and an update on TRG's advocacy efforts on behalf of the region.

Key items of interest included:

- We were spoiled last year with getting all the DoD authorizations and appropriations done before the start of FY19. Likely not the case this year. Congress is working on a budget deal but is being complicated by mixed signals from the White House. A full-year continuing resolution is a possible result, which would be damaging because it wouldn't allow for new program starts. However, sequestration would be much worse, as it would result in nearly a \$100 billion cut to the DoD budget starting in January 2020.
- The House Armed Services Committee passed their FY20 National Defense Authorization Act (NDAA) by a vote of 33-24 with only 2 Republicans supporting the measure. This means Democrats will need help from their progressive



colleagues to pass the full House. This may be difficult as Progressive Democrats are generally not in favor of any increase in defense spending. The NDAA is expected to be debated after the 4th of July recess. However, the House has already passed both the Defense and Military Construction appropriations bills. Their DoD topline figure is \$733 billion compared to the administration's \$750 billion request. The Senate Armed Services committee also marked up its version of the defense bill at \$750 billion, which will have to be reconciled with the House's lower figure as well as the parameters of an overarching budget agreement.

- The House appropriations bill included \$30.4 million for the Office of Economic Adjustment "community activities" which could be used for the Defense Community Infrastructure Program (DCIP). If the Senate appropriations bill also provides funding for DCIP, it will force DoD to develop regulations to govern the program. However, if there is a full year continuing resolution in FY20, that would prohibit a "new start" program such as DCIP.

- The House also included language directing DoD to look at incentivizing Intergovernmental Support Agreements (IGSAs) by allowing defense installations to keep at least 25% of the savings realized from an agreement. The services support the language, but there is some pushback from OSD over the "challenges" of implementation.

- Hampton Roads is still slated for six FY20 MILCON projects worth \$241 million. The House also included language prohibiting the diversion of MILCON funds for border wall funding. The House also included language encouraging "DoD to prioritize investing in climate-sustainable infrastructure projects." The Defense Access Roads project was expanded in FY19 to include flood mitigation projects on roads serving military installations. In its report to Congress required by the FY19 law, DoD stated there were no flood-prone locations creating national security risk to access to military bases. This was surprising given all the known flooding issues on roads leading to military bases in Hampton Roads.

- As part of the Shipyard Infrastructure Optimization Plan directed by Congress in 2019, the House is requiring the Navy to provide it a list of prioritized projects over the next 10 years to restore public shipyard capacity/capabilities. Norfolk Naval Shipyard should be included in this plan.

- The Air Force has designated Langley AFB as the preferred alternative to bed down the F-22 Formal Training Unit squadron and associated T-38 training aircraft from Tyndall AFB, FL. The House is requiring the Air Force to provide a list of MILCON required to bed down these aircraft within 60 days of the bill's passage.

- The HASC encouraged DoD to consider a "Military Installation Savings Commission" (MISC) instead of another round of BRAC. The MISC would "focus on integrating and consolidating functions, outsourcing services, assisting in the transition of underused facilities to higher economic use, and provision of the necessary resources for successful outcomes in affected communities."



- Public school education and spouse employment/licensure reciprocity are still key issues for all the military services. At the Association of Defense Communities National Summit June 10-12, Second Lady Karen Pence, Secretary of the Army Mark Esper, Chief of Staff of the Air Force Gen David Goldfein, and Assistant Secretary of Defense Robert McMahon, all reiterated their importance to DoD and future basing decisions will take them into account.
 - Mr. Kevin Felix of the Roosevelt Group briefed the expansion of the William and Mary Whole of Government Center of Excellence. The Center is working with the Army to establish several three-week seminars to focus on whole of government interagency operations and Russia's strategic relevance in the fall of 2020 and spring of 2021.
5. Chair Alexander invited Fort Monroe National Park Superintendent Terry Brown and Fort Monroe Authority Executive Director Glenn Oder to address the Board. Mr. Brown and Mr. Oder provided the Board an overview of activities at Fort Monroe to commemorate the 400th anniversary of the first arrival of Africans in North America. More information on the commemoration can be found at <https://fortmonroe.org/about/whats-going-on-at-fort-monroe/400th-commemoration/>.
 6. Chair Alexander invited Jefferson Lab (JLAB) Director Stuart Henderson to address the Board. Mr. Henderson gave an update on the lab's Electron Ion Collider (EIC) pursuit. If the Department of Energy selects JLAB for the EIC, it would become the global leader in nuclear physics research, attract about 3,000 scientists from around the world, and secure Virginia's place as a leader in cutting-edge research for the next 40 years. The construction alone would contribute \$2B to the economy and once operational would have an annual economic impact of over \$1.3B in Virginia. Mr. Henderson stated it will take the whole Virginia team of universities, business and government to make the EIC a reality. Mayor Price mentioned he just left a regional discussion on economic development and talent acquisition. This is exactly the type of initiative that can bring a tremendous benefit to the entire region and hopes it's something we can all support.
 7. Chair Alexander invited NASA Langley Research Center (LaRC) Deputy Director Clayton Turner to address the Board. Mr. Turner updated the Board on LaRC's activities related to NASA's return to the moon by 2024 and then on to Mars. He stated that LaRC will play a key role in these missions: enabling key lunar architecture decisions with their system analysis capability; in space assembly and advanced space structures; and entry/decent/landing expertise. They will also continue research in science, aeronautics and exploration while expanding their transformation efforts. John Simmons mentioned he just



returned from the Paris Air Show where urban air mobility was a huge topic of discussion. Mr. Turner stated that LaRC is also doing a lot of research in this area and would welcome further detailed discussions/presentation in the future.

8. Executive Director Quigley reviewed the projected end-of-June financials. He noted there were no issues with the financials since the March Board meeting and we were still on track with executing the FY2019 budget as planned. There were no questions or comments from the Board.
9. Budget and Finance Committee Vice Chair Cindy Black then presented the proposed FY20 budget to the Board and described the differences from the FY19 budget. She also noted the municipal funding details that were in the Board member's binders. Mayor Rowe made a motion to approve the budget with Mayor Tuck seconding. Mayor West mentioned he had some concerns with the lobbying/consulting services budget line item that he'd like to discuss further with the Budget and Finance Committee. He made a motion to approve the rest of the budget as presented until the committee can discuss that item. Mayor Tuck seconded the motion and the vote was unanimous to approve. Mr. Quigley stated he would set up a teleconference for the Budget and Finance Committee to discuss Mayor West's concerns as soon as possible.
10. Ms. Black briefed the Board on the Budget Committee's recommendation to invest HRMFFA's retained earnings. The recommendation is to invest \$750,000 in three different \$250,000 6-12-month CDs. This should provide a better rate of return than current investments while protecting the funds and keeping them under the FDIC insured amounts. Mayor Price seconded the motion and the Board voted unanimously to approve the plan.
11. Chair Alexander invited Mayor Tuck to brief the board on Nominating Committee's activities. Mayor Tuck reminded the Board that they approved adding two additional Private Sector Board members at the March Board meeting. He stated the committee recommends the Board approve Dr. Johnny Garcia, President and CEO of SimIS, and Mr. Mike Melo, President and CEO of ITA International as new Board members. The Board voted unanimously to approve the new members. Mayor Tuck then briefed that the Nominating Committee recommended Mayor John Rowe as the next HRMFFA Vice Chair. The Board voted unanimously to approve.
12. Executive Director Quigley briefed the recommended FY20 Board meeting dates of September 19, 2019, December 12, 2019, April 16, 2020, and June 18, 2020. He also stated that these dates have been coordinated to coincide with the HRTAC Board meeting dates. The Board unanimously approved the dates.



13. Executive Director Quigley briefed the board that HRMFFA had been asked to join the Virginia Coastal Alliance (VACA). He stated that is an environmental group opposed to offshore oil and gas drilling and exploration. Their only requirement to join is that HRMFFA be ready to offer opposition to any offshore oil and gas exploration or drilling. Mr. Quigley reminded the Board that we have already stated our opposition to offshore oil and gas drilling and didn't really see any advantages or benefits to joining a primarily environmental group. Chair Alexander agreed and didn't think we know enough about the organization or think we needed to vote. Mayors Rowe and Price and Bryan Stephens stated they agreed with the Chair's comments.
14. Executive Director Quigley asked the Board to block off September 25, 2019 on their calendars for a Board trip to DC to meet with Pentagon and Congressional representatives. He stated it was too early to tell if Mr. Ray Breeden's aircraft was available that date, but he would confirm as the date gets closer.
15. Deputy Executive Director Dwyer briefed the Board on Naval Air Station Oceana's Public-Public/Public-Private (P4) Industry Day that took place on June 14. Oceana's leadership had reached out to HRMFFA for help in conducting an industry day on their plans to alter base operations and increase the partnerships between the installations, communities and the private sector to include allowing some compatible development on Navy-owned lands. Mr. Dwyer thanked Bryan Stephens and Bob McKenna and their respective Chambers of Commerce for helping us get the word out to the business community. The event had over 100 attendees and Oceana's leadership was very pleased with the turnout and potential for partnerships going forward.
16. Deputy Executive Dwyer briefed the Board about HRMFFA's new LinkedIn page which can be found by searching for HRMFFA within LinkedIn. He stated the staff would use the page to post relevant articles and events and encouraged all Board members to follow HRMFFA within their LinkedIn accounts.
17. Chair Alexander asked if there were any public comments. There were none.
18. Chair Alexander thanked the board for their support during his tenure as Chair over the last year. He congratulated Mayor Tuck on taking over Chair and passed him the gavel. Chair Tuck thanked Mayor Alexander for his service and said he looked forward to continuing to work with the Board members in the coming year. Chair Tuck adjourned the meeting at 12:01 p.m.



Minutes from 1 July 2019

HRMFFA Board of Directors Teleconference

1. HRMFFA convened a special Board of Directors teleconference at 5:15 p.m. on 1 July 2019 as a result of the FY20 budget vote at the 25 June annual meeting. The Board approved the FY20 budget as presented except for the lobbying/consulting line item so the Budget and Finance Committee could discuss the item further at Mayor West's request. The Budget and Finance Committee had subsequently met to discuss the issue and would present their recommendation to the Board on the teleconference.
2. Public Board members on the teleconference were: Mayors Alexander, Rabil, Rowe, Tuck and West; Supervisor Hipple and Councilman Southall. Private Board members on the teleconference were: Baugh, Black, Brickell, Curtis, Faulkner, Klett, McKenna, Stephens and Watkins. Mr. Karl Johnson represented Joe Campbell and BAE Systems Ship Repair. Executive Director Quigley and Deputy Executive Director Dwyer were also on the teleconference. A quorum was achieved.
3. Board Chair Tuck called the meeting to order at 5:19 p.m. and turned the floor over to Budget and Finance Committee Chair, Supervisor Hipple, to present the committee's recommendation. Supervisor Hipple stated the recommendation was to a) approve the full FY2020 budget, including the lobbying services line item; b) continue with The Roosevelt Group as HRMFFA's lobbyist for now; c) build a Request for Proposals (RFP) to be issued by 1 August to re-compete our lobbying services contract. Chair Tuck asked if there was a second for the motion and Mayor Rowe seconded. Mayor West opened the discussion stating that he supports the motion and thinks this is important and allows public officials on the Board to defend spending of public funds. Mayor Alexander and Councilman Southall stated they also support Mayor West's comments. Chair Tuck then called for a vote on the motion. It passed unanimously. Supervisor Hipple also stated the Budget and Finance Committee will move the draft budgeting process up a little earlier in the year for FY21's budget to avoid last minute adjustments before the start of the fiscal year on 1 July.
4. Chair Tuck adjourned the meeting at 5:26 p.m.

