

Minutes from 18 September 2025 HRMFFA Quarterly Board of Directors Meeting

1. HRMFFA's Quarterly Board of Directors meeting was held at the Regional Building on 18 September 2025. Public Board members present were Mayors Duman, Dyer, Glover, Gray, Hux, and West; Supervisors Bazzani, Hipple, Rosie, Shepperd. Mr. Len Remias represented the City of Norfolk for Mayor Alexander. Private Board members present were Buckless, Faulkner, Garcia, Klett, Melo, Merritt and Sutton. Mr. Bill Brown represented ECPI University. Executive Director Dwyer and Deputy Executive Director Nichols were present; Treasurer Hansen was represented by Ms. Jaquil Tatum. A quorum was achieved.
2. Chair Shepperd called the meeting to order at 10:31 a.m. and welcomed Air Force Colonel Stephen Anderson, Commander, Joint Base Langley-Eustis, and US Navy Captain Steve Ramsey, Commanding Officer, Naval Support Activity Portsmouth. Chair Shepperd extended congratulations to Klett Consulting Group and ECPI University on being named to the 2025 Inside Business Top Workplaces in Hampton Roads. Chair Shepperd called for public comments, Mr. Nichols reported there were none.
3. Chair Shepperd opened the meeting by introducing Rear Admiral Jay Vann, Deputy Commander of the U.S. Coast Guard Atlantic Area Command and Commander of Coast Guard East District. Mr. Shepperd highlighted Vann's extensive experience in Hampton Roads, including his prior command of the Coast Guard Training Center in Yorktown, and referred attendees to his biography in the meeting materials.

Rear Admiral Vann addressed the board, explaining the Coast Guard's recent rebranding, noting that the Hampton Roads and Mid-Atlantic region, formerly District Five, was redesignated as East District with unchanged responsibilities. He detailed his dual role as East District Commander and Deputy Atlantic Area Commander, a result of Coast Guard leadership downsizing, with both commands headquartered in the Portsmouth Federal Building for operational efficiency.

Vann underscored the Coast Guard's unique status as one of six armed forces branches, a federal law enforcement agency, and a maritime regulatory body, with 11 statutory missions, including search and rescue, port security, and fisheries law enforcement. He emphasized that priorities set by Acting Commandant Lunday focused on border security, territorial integrity, and port security, particularly drug interdiction, immigration enforcement, and defense readiness. In Hampton Roads, port security was critical due to its role in the \$5.5 trillion marine transportation system, with over 90% of U.S. goods moving by water.

He described the East District's jurisdiction, spanning northern New Jersey to the North Carolina-South Carolina border, with Hampton Roads serving as a key hub alongside ports like Baltimore, Wilmington, and Morehead City. The Atlantic Area Command covered areas east of the Rocky Mountains to the Pakistan-India border, with units deployed in Europe and the Middle East. The local Coast Guard presence included approximately 6,000 active duty,





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reserve, and civilian personnel, supported by major commands such as Base Portsmouth, Sector Virginia, Force Readiness Command, Legal Services Command, and the Facilities Design and Construction Center in Norfolk and Portsmouth. Vann noted Portsmouth's recertified status as a Coast Guard City, reflecting strong community ties.

Rear Admiral Vann outlined two major Coast Guard developments:

- **Force Design 2028:** A strategic initiative to enhance operational efficiency, increase the workforce by 30% to address a prior 10% shortage, streamline acquisitions, and adopt technologies like AI and unmanned systems, with increased personnel and activity expected in Hampton Roads.
- **Budget Reconciliation:** A \$25 billion one-time congressional allocation, nearly double the Coast Guard's \$13 billion annual budget, to address maintenance backlogs, develop new capabilities (e.g., offshore patrol cutters, waterways commerce cutters, and aviation assets), and support workforce expansion, including facility and waterfront improvements in Hampton Roads.

Rear Admiral Vann concluded his presentation by emphasizing the Coast Guard's promising future and Hampton Roads' pivotal role as a strategic hub, expressing enthusiasm for continued regional collaboration. Chair Shepperd opened the floor for questions.

Mr. Len Remias, representing Mayor Alexander, asked about challenges posed by Hampton Roads' growing maritime environment, driven by the Coastal Virginia Offshore Wind Project, Port of Virginia expansion, and Navy presence, and how the region could assist. Rear Admiral Vann identified two key challenges: the increasing complexity of maritime operations requiring enhanced regulatory compliance and the need for efficient port operations, as highlighted by Baltimore's bridge collapse. He noted that the Coast Guard was expanding to meet these demands, supported by a budget reconciliation line item for maritime domain awareness capabilities. He stressed collaboration with the region to align Coast Guard resources with port growth.

Supervisor Hipple inquired about infrastructure and personnel investments in Hampton Roads from the \$25 billion budget reconciliation, particularly increased personnel at the Yorktown Training Center, and how the board could support efforts to bring more Coast Guard personnel to the region. Rear Admiral Vann confirmed investments, including new offshore patrol cutters homeported in Portsmouth with larger crews and supporting infrastructure, and likely replacements for the cutter fleet. He highlighted aviation expansion in Elizabeth City, including a \$32 million runway repairs and increased C-130, H-60, and unmanned asset capacity, benefiting Hampton Roads' workforce. He urged the board to review the reconciliation bill for partnership opportunities in construction and services.

Mayor Glover, acknowledging Captains Britton and Burrus, sought updates on Department of Homeland Security guidance to extend Department of Defense-like partnership authorities to the Coast Guard for joint projects with local communities. Rear Admiral Vann admitted limited expertise on this topic but confirmed active discussions to secure such



authorities for partnerships, like DoD models. He lacked a specific status update but committed to following up with Mayor Glover. Chair Shepperd thanked Rear Admiral Vann for his comments and insights.

4. Chair Shepperd introduced Nate Paukovits from The Roosevelt Group, who provided an update on federal budget and policy developments in Washington, D.C. Mr. Paukovits outlined the risk of a government shutdown due to competing Continuing Resolution (CR) proposals: House Republicans proposed funding through November 21, 2025, while Democrats countered with a CR through October 31, 2025, including Affordable Care Act subsidies. Negotiations continued in the Senate to avoid a fiscal year-end shutdown.

Paukovits detailed the One Big Beautiful Bill Act which extended tax cuts and allocated \$156 billion to the Department of Defense (DoD) for military personnel pay raises; quality-of-life initiatives including barracks improvements; and shipbuilding. The Coast Guard received \$25 billion for 6 fixed-wing aircraft, 40 rotary aircraft, and 38 new vessels. He noted DoD's failure to submit a required spend plan by August 22, 2025, causing uncertainty in funding execution, with over 70% (\$113 billion) planned for FY26. The National Defense Authorization Act (NDAA) faced delays due to a Senate rule change allowing grouped confirmation of 48 presidential nominees, including 10 DoD positions, with a vote expected shortly after the meeting. Both House and Senate NDAA versions were anticipated to be reconciled by 1 December 2025.

Military construction funding ranged from \$18 billion (House) to \$20 billion (Senate), with \$380 million allocated for privatized unaccompanied housing in Hampton Roads, impacting 8,000 beds. Paukovits highlighted The Roosevelt Group's advocacy efforts, including coordinating a Pentagon visit on October 23, 2025; supporting Air Force scorecards for education and spouse employment; securing a Defense Community Infrastructure Program (DCIP) grant for NSA Hampton Roads, one of 10 selected from 140 applications; and assisting with a childcare partnership between Langley Air Force Base and Old Dominion University (ODU). He also noted a passive telecom infrastructure initiative to bring cell towers to Navy installations, with 35% of revenue returning to bases. Additionally, Paukovits addressed TRICARE East billing issues affecting active duty, reserves, and veterans in Hampton Roads, such as erroneous charges for unvisited appointments, and confirmed The Roosevelt Group's work on a strategic plan to resolve these issues.

Executive Director Dwyer commended Chesapeake and NSA Hampton Roads for the DCIP grant and urged coordination with the Virginia Military Infrastructure Grant Program to offset city costs. He thanked The Roosevelt Group for arranging June 2025 meetings with Virginia's congressional delegation to address proposed NASA budget cuts, resulting in flat FY25 funding in the Senate and partial cuts in the House, with hopes for Senate-aligned numbers in conference. Mr. Dwyer noted a roundtable with Senator Kaine and Congressman Scott in August 2025 to discuss NASA impacts. He praised the Langley-ODU childcare partnership as a potential model for other installations, enabled by an



intergovernmental support agreement with ODU's Bright Horizons provider. The Board had no questions or comments.

5. Chair Shepperd invited Executive Director Dwyer to present the proposed 2026 Virginia General Assembly Legislative Priorities. The proposals included:
 - Virginia Military Communities Infrastructure Grant Program: Previously leveraged \$5 million to secure \$24 million in DoD grants, with \$5 million benefiting local communities. The proposal continues the program with \$5 million annually in the next biennial budget and would allow direct community grants without requiring prior DoD grant awards.
 - Military Spouse Employment: The General Assembly expanded the Virginia Values Veterans (V3) hiring incentive to military spouses in 2025, but program funding has remained static at \$100,000 since 2015. The proposal requests an increase to \$200,000 annually and support for interstate licensure compacts to ease credential transfers for spouses in professional fields.
 - Childcare Access: Addressed significant waitlists proposing community-based solutions to increase capacity, as on-base facilities were insufficient.
 - Onshore Wind Farm Deconfliction: Requested coordination between land-based wind farm developers and DoD to avoid conflicts with low-level flight training routes across Virginia, ensuring local permits accounted for military aviation needs.
 - Coastal Resiliency: Sought continued funding for the Commonwealth Flood Prevention Program to support local communities vulnerable to coastal flooding.
 - Military Retirement Pay Exemption: Proposed adjusting the \$40,000 tax exemption for military retirement pay to include cost-of-living adjustments, as static limits would erode benefits amid rising pay and inflation.

CAPT Ray Glenn, XO of Naval Station Norfolk, commented on the wind farm deconfliction priority, recommending inclusion of offshore wind farms. He noted that Dominion's Charybdis vessel, used for offshore wind tower construction, had disrupted air operations at Chambers Field due to its height. While mitigations were implemented to minimize temporary disruptions, CAPT Glenn urged consideration of offshore wind farm routes. Mr. Dwyer acknowledged the input, noting Virginia's jurisdiction was limited to three miles offshore but agreed to explore solutions for transitory impacts.

Receiving no other questions or comments, Chair Shepperd requested a motion to approve the proposed legislative priorities. Mr. Johnny Garcia motioned to approve the legislative priorities as presented, the motion was seconded by Board Vice-Chair Rosie. The board unanimously approved the 2026 General Assembly Legislative priorities.

6. Monthly Financial Statements: Mr. Dwyer presented the August 2025 financial reports, noting year-to-date revenues and expenses were on target for the current fiscal year. Mr. Dwyer invited questions from the Board and received none.



7. Chair Shepperd invited Mayor Duman to present the Budget and Finance Committee's report from its virtual meeting on September 11, 2025. Mayor Duman outlined two items for board consideration.
 - The committee reviewed the draft fiscal year 2025 financial audit, which reported no material weaknesses or corrective entries, marking another clean audit. A management letter comment noted the need to review administrative measures for phone and auto allowances to maintain their tax-exempt status under IRS guidelines. The audit also highlighted a recurring challenge with separation of duties due to the organization's small staff, mitigated by internal controls, support from Planning District Commission (PDC) staff, and oversight by the Budget and Finance Committee and the Board. Mayor Duman thanked Treasurer Hansen and PDC finance staff for their efforts in maintaining accurate financial records and supporting the audit process. The Board had no questions or comments on the audit results. The Budget and Finance Committee recommended board approval of the FY25 audit results. Mayor West seconded the motion; the board unanimously approved the audit results.
 - The Budget and Finance Committee recommended returning \$70,877 in excess funds to member organizations, per HRMFFA Investment Policy dated June 15, 2023, which distributes funds exceeding the \$1,000,000 reserve and \$100,000 stabilization fund amounts. The proportional amounts were detailed in the financial statements. The Board had no questions or comments and unanimously approved the distribution following a motion.
8. Executive Director Dwyer provided an update on the Virginia Defense Forum, recalling the board previously approved a \$25,000 sponsorship in the FY26 budget for the forum. The forum aims to convene defense leaders, communities, and industry for a day-and-a-half conference in Hampton Roads to share best practices and support military partners and the defense industrial base. The proposed budget included sponsorship opportunities, with an additional \$35,000 - \$40,000 needed from sponsors and other regions (Northern Virginia, Central Virginia, etc), which partners were confident in raising. Mr. Dwyer noted that venue contracts were required with the Waterside Marriott and others, with HRMFAA as the signatory, assuming fiduciary responsibility for expenses. Planning would continue for event, scheduled for April 1–2, 2026. Mr. Dwyer invited questions from the Board; none were raised.
9. Executive Director Dwyer presented a notional itinerary for the October Pentagon trip, noting it may be the largest group to date. Coordination had begun with the





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congressional delegation to arrange DOD leadership meetings. The trip itinerary would include early morning pickups, full-day meetings at the Pentagon, and evening return to Hampton Roads. Attendees would be required to submit information online for Pentagon access, with further details provided.

10. Supervisor Shepperd adjourned the meeting at 11:52 a.m.

