

Minutes from 16 April 2020

HRMFFA Board of Directors Meeting

1. HRMFFA's quarterly Board of Directors meeting was held virtually via GoToMeeting on 16 April 2020. Public Board members online were: Mayors Price, Rabil, Rowe, Tuck and West; Supervisors Rosie and Shepperd; Councilman Southall; City Manager Andrew Trivette represented Mayor Freiling. Private Board members online were: Banez, Baugh, Brickell, Dreyfus, Faulkner, Garcia, Klett, 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 10:34 a.m., offered welcoming remarks, and asked that a roll call of Board members be taken for attendance purposes. He then welcomed Mr. Dave Thomas, Vice President/General Manager BAE Systems Ship Repair, Norfolk; Dr. Johnny Garcia, CEO of SimIS; Mr. Don Rosie, Isle of Wight County Board of Supervisors, and Mr. Tom Shepperd, York County Board of Supervisors, to the HRMFFA Board as this was their first meeting in attendance.
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 Mr. David Collins, Executive Director of the Hampton VA Medical Center (HVAMC). Mr. Collins stated he has been in his position for about seven months following his retirement from the Navy. His priorities are treating veterans professionally and giving them outstanding customer service. He also feels to provide that service, the center needs to work well with surrounding military and civilian providers and community organizations because the VA cannot do everything on its own. He mentioned Hampton Roads is the second fastest growing veteran population in the country and has one of the largest women veteran populations, which takes some adjustment to their services and programs. Mr. Collins briefed their facilities are growing to serve the local veteran population. The Virginia Beach Community Based Outpatient Clinic (CBOC) was approved for expansion, the Chesapeake CBOC was recently expanded, a new 27,000 SF CBOC was approved for the southside, and a new 155,000 SF health care center on the southside is currently out for bids and should open in 2024. Another 213,000 SF health care center should be opened two years later to better serve the majority of veterans





who live on the southside. Mayor West thanked Mr. Collins for the information and asked when the location decision for the first health care center would be made. Mr. Collins stated the decision is with the GSA and he understands they are still on track to make the final location decision in June 2020. Supervisor Rosie asked whether a location decision has been made on the second center and whether Isle of Wight County was being considered. Mr. Collins stated they are looking at possible locations and it would follow the same GSA process, but it would likely not be in loW County since that is not where most veterans live. However, he said the new smaller CBOC facility may end up out on the far side of Suffolk to serve veterans in that area.

5. Mr. Quigley introduced Kevin Felix from The Roosevelt Group and Bob Clark from ODU to talk about the Navy's University System and William & Mary Whole of Government Center of Excellence (CoE). Mr. Felix mentioned the current COVID-19 crisis is a perfect example of issues that require whole of government solutions, which further demonstrate the value of the CoE. He said the center is generating resources for the government to provide research, serve as a convening body for leadership development, and finally as a master's degree program. Mr. Felix went on to say that the Navy's new university system was composed of a community college for enlisted sailors, a fellowship program for GS-14 and 15 civilians, a graduate program for mid-level officers, and a senior level program for flag officers and senior executive service. W&M and ODU are looking to support the middle two programs for GS-14/15 civilians and mid-level officers and the Navy is looking to do a pilot program later this year. This past Monday the Army also asked W&M to provide a strategic broadening seminar which will be a 1-2-week program focused on Chinese influence in sub-Saharan Africa. There are also discussions with the Coast Guard and Air Force for similar programs. Bob Clark stated the Navy Community College will primarily consist of virtual instruction online through agreements with many universities around the country. The first phase will involve 500 sailors later this fall, next phase will have 5,000, and the third phase will have 25,000. The Coast Guard is also planning to participate in the Navy's program. The Navy will start their initial graduate program for 100 officers later this year at seven schools, including ODU's International Studies program with potential expansion to other degrees.
6. Mr. Quigley introduced the end of March financials which were provided in the read-ahead materials. Supervisor Shepperd asked if HRMFFA was still fully staffed. Mr. Quigley replied that the staff consisted of himself and Mr. Dwyer.
7. Executive Director Quigley asked John Simmons from The Roosevelt Group (TRG) to provide a Washington Update. Mr. Simmons thanked the Board for



holding the virtual meeting as there has been a lot going on. He said with everyone working from home, TRG has had even better access and interactions with our CODEL and leadership in the Pentagon. Mr. Simmons then introduced two new members of the TRG team. Jamie Jones Miller was the former chief of staff to Congressman Wittman and spent the last three years working at the Pentagon as the Deputy Assistant Secretary of Defense for House Affairs and then Principal Deputy Assistant Secretary of Defense for Legislative Affairs. Ms. Miller said she was glad to be back working with Virginia from her time on Rep Forbes and Wittman's staffs. Also online was Rear Admiral (Ret) Kevin Sweeney who most recently served as the Chief of Staff to Secretary of Defense Jim Mattis and was once the Interim President and CEO of HREDA. Admiral Sweeney said he was thrilled to be back supporting Hampton Roads. He added that it is critical for the region to have an effective advocate like HRMFFA to help shape DoD policy and resources, especially given the renewed focus on China and the Pacific theater.

Key items of interest from the rest of Mr. Simmons' brief include:

- Congress has provided a lot of resources in response to the COVID-19 crisis with the first three relief bills totaling over \$2.2 trillion in assistance for vaccine development, worker assistance, and industry/small business loans/grants and leverages an additional \$4 trillion from the Federal Reserve. The \$350 billion of small business loans has already run out. Lobbying firms like TRG are not eligible for any assistance. \$150 billion was included for states and localities. Congress is currently negotiating on a corrections package to replenish the small business loans as well as hospitals, state and local governments. The next major bill could be another \$2 trillion as a stimulus for infrastructure and jobs, but this likely will not be debated and passed until Congress returns to DC. TRG and HRMFFA have been advocating for additional funds for military construction as well as the Defense Communities Infrastructure Program (DCIP).
- Ms. Miller briefed that DoD's priorities during COVID-19 are health of the force, stop the spread of the disease and maintaining warfighting capability. DoD is also looking at what they can do to help the defense industrial base keep workers employed and continue producing equipment. She also mentioned that TRG has been able to stay better informed on what DoD is thinking and doing because so many people are now working from home and have their mobile devices with them to be able to take calls, texts, etc where they normally wouldn't have these devices in secure areas in the Pentagon.
- There is a new Acting Secretary of the Navy, James McPherson, who is currently the Under Secretary of the Army and a retired Navy vice admiral. The president has nominated a permanent Secretary of the Navy, but the confirmation hearings cannot take place until the Senate returns to session. A





New Assistant Secretary of the Navy for Installations, Energy, and Environment, Rear Admiral (Ret) Charles Williams, was confirmed and assumed that position replacing Acting ASN Lucian Niemeyer who the Board met with in DC last fall. He has an extensive background in real estate, property management and development.

- Mr. Simmons quickly briefed the \$705 billion FY21 defense budget request which Congress is continuing to work. It's only about \$3 billion more than the FY20 budget. The FY21 request includes eight new battle force ships and restores the USS Harry S Truman mid-life refueling and associated air wing. It's uncertain whether Congress will be able to pass the funding bills by the end of September given the current pandemic crisis and the upcoming November elections.

- There is approximately \$180 million in military construction projects for Hampton Roads bases in the FY21 request. This includes over \$112 million for two projects at Joint Expeditionary Base Little Creek-Ft Story.

- The Defense Wide Review is DoD's look to find savings across the department to put towards modernization priorities. Ms. Miller briefed that now all the services are going through the same process. The Air Force is also having to look at how they stand up the Space Force and reorganize the budget and personnel to accommodate it. Mr. Simmons reiterated that it's important for the region to pay attention to these efforts for potential impacts to local missions.

- There is \$50M for the DCIP program in FY20 which would go towards local projects outside military installations that would benefit both the community and the base. Projects require a 30% cost share to be paid by the local host government. The FY20 projects need to have money obligated by the end of September, so any local candidates would need to be shovel ready. The Association of Defense Communities, HRMFFA and TRG are working to get \$100 million in the budget for FY21 and potentially get additional funds as part of any COVID-19 stimulus.

- The Congressional defense committees are still trying to get their work done under the current challenges. Given the lengthy current recess, they will likely have to forgo the normal August recess to get all the bills done.

- Mayor Rowe asked what types of legacy activities could be divested as part of the defense wide review. Mr. Simmons said an example would be how the Air Force is looking to retire some older aircraft such as F-15Cs, A-10s, etc to free up funds. Langley having the F-22 is a good thing because it will be around for a long time and the mission is growing due to the hurricane damage at Tyndall in 2018. Ms. Miller stated that Congress still gets a vote in what platforms are divested and there could be pushback against some of DoD's proposals. Mr. Simmons added this why it was important to stay engaged with DoD and the CODEL while these discussions are going on.



- Mayor Rowe also asked about statement that Langley would be moving to unmanned aircraft. Mr. Simmons clarified that Langley will be flying F-22s for the next 20 years or more, but the Air Force is eventually going to be moving more to unmanned aircraft as are the other services. DoD will likely look at bases that are not encroached and have good access to ranges and air space.
 - Supervisor Shepperd noted defense has been cut greatly over the last couple of decades and all discussions now seem to be focused on saving money and getting smaller. He asked if there were any discussions about changing that. Mr. Simmons stated that there was no discussion about growing active duty end strength. However, they could look at growing Guard forces that could be quickly brought to bear in a crisis.
8. Mr. Quigley then invited the Board to the federal legislative priorities contained in the read ahead materials. Instead of hand delivering the priorities to the CODEL at the end of March, Mayor Tuck, Mr. Quigley, Mr. Dwyer and The Roosevelt Group held a series of telephone calls with all the members of our CODEL and their staffs. Mr. Quigley said the priorities were well received and the CODEL is working them. He urged Board members to read the notes from those calls to get a sense of the conversations that took place. Mayor Tuck added he thought they were great conversations but the CODEL was very focused on the COVID-19 crisis. They were hopeful the defense bills would stay on track but dealing with the current crisis was the priority.
9. Mr. Quigley stated the next topic was funding for HRMFFA in FY21. As representatives of the Budget & Finance Committee, Mr. Quigley asked if Mayor Rowe or Mayor West wanted to talk to the two draft budgets that were provided to the Board as read-ahead. Mayor Rowe asked Mr. Quigley to go ahead and present the two budgets. Mr. Quigley explained that one of the budgets included no revenue from Board member organizations and the other included 25% of the normal revenue. He pointed out that we have about \$1.1 million in retained earnings that would be drawn down during the year and in each version we would still end FY21 with money in the bank. However, we could not do a second year at those reduced funding levels. Mr. Quigley said we have seen the proposed budgets for 9 of our 13 municipalities and at this point they were all at or near the normal \$0.50/capita level; but those numbers are subject to change given the current crisis. He stated the big picture topic to discuss is how does the organization want to fund itself in FY21 given the budget pressures from the current crisis and then opened it up for discussion.
- Mayor Rowe said there was a third option to leave the funding ask as is and see what the local governments and private members can support. The Board could give special dispensation to any member who was in a tough financial situation and could not pay the full amount. He also stated that DoD is

one of the three pillars of the regional economy and he was concerned that if we didn't stay strong as an organization, some other area would look to gain our assets whether that be the West Coast, Florida or the Pacific Rim. He was also concerned that if we used up our retained earnings in FY21 we would not have the financial strength needed in FY22.

- Mayor West stated he was leaning towards the no revenue budget option after the committee meeting. He then talked with his city manager and other council members and after hearing discussion today of all the things going on, he has changed his mind and supports what Mayor Rowe proposed. He thought funding as much as possible this year would put us in a better position to support the members next year when it may be more necessary. He said his city manager did not think a reduction in Chesapeake's contribution was significant in the total scheme of their budget right now.

- Mayor Price said he concurred with those last comments. Supervisor Rosie said he did as well.

- Supervisor Shepperd asked for clarification that we would just leave it alone for now and then adjust later if needed. Mr. Quigley confirmed that was the case and that HRMFFA had the strategic reserves to cover funding shortfalls from public or private sector members. Mr. Shepperd said he would go along with not changing anything but be prepared to make an adjustment mid-stream if needed.

- Mr. Quigley stated he could provide monthly financial updates to the Board instead of quarterly so members could track and adjust if needed. Mayor Rowe stated he agreed with that approach and asked if we were able to adopt a budget today. Mr. Quigley stated we would do that during the annual meeting in June.

- Mayor Rowe made a motion to leave the current budget formula as is and look at it as next year progresses and give any member dispensation if they are having financial difficulties. Mayor West seconded the motion. Mayor Tuck asked if there was any discussion on the motion. Supervisor Shepperd asked if the budget was ready to be presented. Mr. Quigley said what we have right now is estimated revenue based on the full requests from the members. By the June board meeting we should have firm data after municipalities have approved their budgets. Supervisor Shepperd expressed concern about approving a HRMFFA budget when his county budget was not set. Mayor Rowe stated the motion gives Mr. Quigley guidance on the budget revenue with the adoption of the budget taking place in June. Councilman Southall commented that Poquoson was working severe budget issues. He thought going with the motion on the table could cause some members to make tough decisions. Mr. Quigley agreed and stated each member could be in a different position and if anyone needed to reduce funding that would be acceptable.

- Since Mayor Tuck was having connection difficulties, Mayor Rowe as Vice-Chair called for the vote to be taken on the motion that had been made and seconded. Mayor Rowe reiterated that the motion was to give the Executive Director guidance to develop the budget with no change in the revenue formula with the understanding that we will adopt the budget in June. If during FY21 members were having financial difficulties, we would give them dispensation at that point. Mr. Dwyer initiated a roll call vote and the motion passed with a vote of 9 in favor and 2 against. Results are below:

- Councilman Southall: No
- Mayor Rabil: No
- Mayor West: Yes
- Mayor Price: Yes
- Supervisor Rosie: Yes
- Supervisor Shepperd: Yes
- Mayor Tuck: Yes
- Mayor Rowe: Yes
- Mr. Faulkner: Yes
- Mr. Klett: Yes (via e-mail due to connection issues)
- Mr. Baugh Yes (via e-mail due to connection issues)

10. Mr. Quigley stated the last item on the agenda was the Board's trip to DC. He asked that Board members hold September 24th on their calendars as it looked like a good date right now, but subject to change based on the crisis and Congressional calendar. Based on prior discussions, it would likely be a day trip without a CODEL reception in the evening. The Board would ride a bus up early in the morning, meetings in the Pentagon and perhaps elsewhere during the day, stop for dinner afterwards, and then head home.

11. Mr. Quigley mentioned the staff was working with the nominating committee on a potential private sector board member replacement for Carol Curtis. The staff was also working with the committee on an off-cycle succession plan after Mayor Rowe becomes the HRMFFA Chair and then steps down from office in December. Will have recommendations for the Board to consider in June. Mayor Rowe asked if any Board members had a suggestion for a new member to please provide that name and a bio to Mr. Quigley.

12. Mayor Rowe said that before he adjourned the meeting, he wanted to thank John Simmons and his team for their presentation and that it was very good and informative. With that he thanked everyone for their participation and patience and adjourned the meeting at 12:21 p.m.