

## **Minutes from 21 September 2023 HRMFFA Board of Directors Meeting**

1. HRMFFA's Quarterly Board of Directors meeting was held at the Regional Building on 21 September 2023. Public Board members present were Mayors Cutchins, Duman, Dyer, Glover, Pons, and West; Supervisors Hipple, Shepperd and Councilman Southall. Mr. Len Remias represented Norfolk and Ms. Jerri Wilson represented Newport News. Private Board members present were Buckless, Dreyfus, Faulkner, Garcia, Klett, McKenna, Ross, Stephens, and Warren. Executive Director Dwyer and Deputy Executive Director Nichols were present, along with Treasurer Wilson. A quorum was achieved.
2. Board Chair Dyer called the meeting to order at 10:31 a.m. Chair Dyer welcomed new Board members Andrew Warren, representing Dominion Energy, and Clint Ross, representing ITA International. There were no public comments.
3. Chairman Dyer introduced The Honorable Meredith Berger, Assistant Secretary of the Navy (Energy, Installations, and Environment/Chief Sustainability Officer) and invited her to address the Board on her priorities and vision. Before providing opening remarks, Ms. Berger announced Hampton Roads was awarded two of the 17 Defense Community Infrastructure Pilot (DCIP) Program grants, totaling approximately \$10.3 million under the Defense Community Infrastructure Pilot Program.
  - The first award of approximately \$2.4m went to Norfolk to undertake a \$3.7m project to construct stormwater management system improvements on Hampton Boulevard, reducing flood constraints to allow better military and civilian personnel access.
  - The second award of approximately \$8m went to Virginia Beach to undertake a \$11.4m project to support Joint Expeditionary Base Little Creek-Fort Story to replace deteriorated infrastructure at Creeds Law Enforcement Training Facility, enabling a modern training environment for civilian and military police and Navy forces, enhancing operational readiness, training efficiency, and the ability to accommodate total force requirements.

Ms. Berger's opened by stating her three enduring priorities—strengthening maritime dominance, support of people, and continuing to foster community and business partnerships. She emphasized the need to have a climate ready force able to meet the goals of Climate Action 2030. She addressed her office's focus on readiness impacts from climate effects, such as frequent flooding and climate impacts from traffic congestion.

Additionally, energy resiliency has become an exigent threat. Many installations are handicapped with aged critical infrastructure and unreliable energy sources. With ever-





increasing energy demand, more regions are prone to grid strain. Ms. Berger commented that her office is focused on providing installations with energy sources that are reliable, redundant, and renewable.

Ms. Berger discussed long-term critical mission support, particularly the 30-year Infrastructure plan to meet future mission readiness needs. This effort includes a robust acquisition plan. She cited the Shipyard Infrastructure Optimization Plan (SIOP) as an example, which not only adds resiliency, but keeps pace with future mission readiness.

Next, Ms. Berger addressed efforts to support people through partnerships. Service members work on installations but reside in the local communities. Her office is working to ensure military members and families have their foundational needs met to thrive as both community citizens and service members. These include sufficient living accommodations, affordable housing, places to worship, recreate, rest, and recover from extended arduous missions. Moreover, adequate unaccompanied housing is critically important, and being pursued through privatized housing ventures.

Ms. Berger concluded her remarks and opened the floor for questions.

- Chairman Dyer opened by asking Ms. Berger if she could provide any insight into the future strategic laydown picture for Hampton Roads. Of particular interest are eventual replacement of F-18s at NAS Oceana, homeporting Constellation Class frigates and Virginia Class submarines, and autonomous systems. Chairman Dyer raised the materiel condition of the JEB Little Creek piers, with concerns that installation may be removed from the list of potential sites for future frigates. What can HRMFFA do to assist in any decision making?
  - Ms. Berger responded by stating the Chief of Naval Operations must evaluate all potential sites and make a comprehensive determination of platform mixtures. One of those factors includes supportive infrastructure. In a recent tour with Congresswoman Kiggans, Ms. Berger noted pier infrastructure needed upgrading. HRMFFA could continue to foster community and military partnerships to provide installations with reliable utility service through efforts that would privatize infrastructure. This would help with mission assurance.
- Mr. Bob Crum, Executive Director of the Planning District Commission, explained the Hampton Roads communities are building a fiber optic network ring that will serve as the backbone of the region's digital ecosystem, connecting four Trans-Atlantic subsea cables to the region. Because Hampton Roads is the only digital port between New York and Miami, these cables can handle exponentially more data than older cables in those areas. Hampton Roads will have some of the fastest and highest capacity digital networks in the world. There are potential ways Navy missions in the region could benefit from these capabilities. Do you see any potential for the Navy to take advantage of these advanced digital networks with existing or future missions in Hampton Roads? Can you share the Navy's intentions for implementing 5G and passive telecom infrastructure at installations?





- Ms. Berger said there were opportunities for the Navy to leverage from, with important connections to the SouthCom AOR. However, Ms. Berger stressed the hardening of cybersecurity needed to be at the forefront of those endeavors.
- Mayor West, as Chairman of the Hampton Roads Transportation Accountability Commission, explained the Hampton Roads region is self-funding \$5.1 billion out of \$6.4 billion in highway improvement projects. This includes over 200 lane miles of construction or reconstruction, two bored Hampton Roads Bridge Tunnels, a high-rise bridge, three phases of I-64 widening on the Peninsula, and a 44-mile HOT lane network over I-64 from Newport News through Chesapeake to alleviate traffic congestion. The Commonwealth, Richmond, and Hampton Roads regions secured funding to widen to three lanes in each direction in the 29-mile stretch from Richmond to Hampton Roads. This will provide six lanes of improved interstate access between Hampton Roads, Richmond, and the I-95 corridor. Congestion relief is essential and critical to the continued economic vitality and quality of life to our citizens, visitors, the port, and the military. Do you have any suggestions as we continue our regional efforts to identify and address highway congestion in Hampton Roads?
  - Ms. Berger responded by emphasizing traffic congestion relief is a critical component a region can undertake to provide its workforce, as it helps improve quality of service and quality of life for service members by providing reliable transit planning. As DoD expands its electric fleet of vehicles and more consumers are choosing electric vehicles, the region should continue monitoring air quality trends and ensure there is adequate charging station infrastructure.
- Ms. Jerri Wilson asked how the community can support the Navy's efforts to improve quality of service issues and relieve strain on crew members aboard ships in long-term maintenance availabilities at Newport News Shipbuilding.
  - Ms. Berger referred to the findings from the Navy's investigation into the several suicides among USS George Washington Sailors, emphasizing Sailors need safe and affordable access to transportation to get off shipyards as well as wireless connectivity to their personal electronic devices.
- Mr. Tim Faulkner asked beyond housing privatization, are there foreseeable opportunities for privatization of other critical facilities? If so, would the Navy support authority for entering long-term (up to 50-year) leases for potential developers so capital improvements can be amortized over longer periods? What can HRMFFA do to assist in this endeavor?
  - Ms. Berger enthusiastically responded that the Navy was evaluating privatized unaccompanied housing, specifically at Naval Air Station Oceana and in her opinion the authority to establish this venture exists. Regarding 50-year leases, Ms. Berger stated it was a possibility if there are proven reasons to amortize for such an extended period, so long as it meets the needs of DoD.
- Mr. Bryan Stephens touted the Commonwealth of Virginia and Hampton Roads community working to make the region a logistics hub for future offshore wind-energy development. What is the latest Navy review of potential offshore wind energy development? Is the



Navy satisfied with the current offshore energy siting process and that their equities are properly accounted for by BOEM when looking at future lease areas? What can HRMFFA do to support the Navy's goals?

- Ms. Berger lauded the strides the region is making in offshore wind, with increased capacity and energy redundancy it will provide, the region and DoD must maintain a balance and support that doesn't interfere with operations and impact military training ranges in the central Atlantic Ocean.
  - Mr. Bob McKenna cited the FY2021 NDAA required military departments to factor a community's support for military family readiness considerations in future basing decisions. The Air Force released its first Support of Military Families Scorecard in 2020. Does your office have an update on where the Navy stands on developing their quality-of-life scorecard? Is the Navy coordinating with the other services on their scorecard so multi-service communities like Hampton Roads are not trying to follow different metrics depending on the service?
    - Ms. Berger did not have information on this topic but said she would get an answer.
  - Mr. Drew Warren inquired about the Air Force's announcement in August of their intent to proceed with development of an advanced small nuclear reactor to meet resilient, clean power and thermal installation needs at Eielson AFB, Alaska. Given the Department of the Navy's unique expertise in nuclear power generation for propulsion, is the Navy studying the feasibility and timelines to install an advanced small nuclear reactor to provide assured power for critical military shore functions? Do you see the use of advanced nuclear reactors playing a part in meeting the Navy's net-zero carbon goals for military installations?
    - Ms. Berger recently met with the Assistant Secretary of the Department of Energy on this subject to discuss where the Navy could achieve the highest investment use for this application. Ms. Berger indicated there were still many policy and technical issues to resolve before adopting this energy source. Having recently met with Admiral Caldwell, Director of the Naval Nuclear Propulsion Program, he expressed concerns over the supply chain and industrial base's capacity to meet the demands of this emerging technology, should it evolve to scaled levels.
  - Mr. Doug Smith, Hampton Roads Alliance President/CEO, described the region's collaborative efforts with several partners to face the challenges of energy demand doubling, energy steering roadmap, and grid electrification challenges.
    - Ms. Berger commended Mr. Smith and the Board for these collaborative efforts and their consolidated vision for getting ahead of these challenges with solutions.
  - Chairman Dyer thanked Ms. Berger for her visit and providing the Board her insight and vision and presented her with a HRMFFA coin as a small token of appreciation.
4. 2024 Virginia Legislative Priorities. Mr. Dwyer presented the proposed General Assembly legislative priorities which included:
- Virginia Military Community Infrastructure Grant Program (VMCIGP)—requesting



support for continuing the VMCIGP in the next biennium budget and increasing the funding to \$10m (\$5m each year).

- Improving Childcare Access for Military Families: Request support for several initiatives aimed at increasing childcare access for military families as well as expanding childcare capacity throughout the Commonwealth.
- Military Spouse Employment: HRMFFA supports several initiatives to improve military spouse employment in Virginia to include V3 incentives for employers to hire military spouses and joining the remaining seven interstate licensing compacts.
  - Recurrent Flooding: Request the Commonwealth establish a permanent Chief Resilience Officer with dedicated staff to oversee implementation of Virginia's Coastal Resilience Master Plan, and provide \$200 million per year through the Commonwealth Flood Protection Program to assist localities with flood prevention efforts.
- Defense State Liaison Office (DSLO) Priority Items: Request support for implementing DSLO priorities that have not been addressed in Virginia to include: Defining Armed Forces, Open Enrollment Flexibility, Licensure Exemptions for Military Family Childcare Providers, and Military and Family Life Counselor Licensure Waivers.

Mayor West inquired as to the requirements for childcare providers to participate in the DoD subsidy programs. Mr. Dwyer stated there are some administrative burdens for providers, but if they were licensed by the state, they were eligible to participate. Some of the funding requested for Childcare Aware of Virginia would go towards educating and recruiting more providers to participate in the program. Supervisor Shepperd remarked the current up to \$1,800 supplement was insufficient to cover childcare expenses and asked if the supplement should be indexed to inflation. Mr. Dwyer responded by saying the supplement was intended to help offset the additional costs over what a service member would pay for on-base care. Since the supplement is a DoD issue, staff could look at working with the congressional delegation in the FY25 budget cycle to possibly index the supplement to inflation.

Supervisor Hipple recommended HRMFFA begin tracking a list of legislative accomplishments, to which Mr. Dwyer concurred. Supervisor Shepperd motioned the 2024 Virginia Legislative Priorities be approved. The motion was seconded by Supervisor Hipple, and unanimously approved by the Board.

5. Mr. John Simmons of The Roosevelt Group (TRG) provided a Washington Update. Highlights included:

- It is unlikely Congress will avoid a government shutdown. Although House Republicans reached an agreement over the weekend, at least 12 Freedom Caucus members are opposed.
- The House has passed only one of twelve appropriations bills – the Senate none.
- FY24 NDAA Conference Negotiations Are Underway:



- House and Senate committee staff have begun reconciling the differences between their bills. Conferees will negotiate major issues before Thanksgiving.
  - Both bills authorize \$886.23 billion for Defense, Energy and Mil-Con appropriations.
  - Topline is an increase of \$28 billion over FY23 enacted levels.
  - Consistent with President's FY24 Defense Budget request.
  - The threat posed by China underpins most of the NDAA's wide-ranging provisions, from anxiety around recruitment and retention to the research and development and procurement of advanced technologies that will be a key counterweight to China.
6. Monthly Financial Statements: Mr. Dwyer presented the August 2023 financial reports noting current expenses were on track with the budget. The Board had no questions or comments.
7. Budget & Finance Committee: Chair Dyer invited Mayor Duman to present the Budget and Finance (B&F) Committee Report. Mayor Duman presented two items for consideration to the Board from the 5 September B&F virtual meeting.
- Draft Audit Report. Mayor Duman briefed the Board on the results of the annual financial audit. The Audit contained no significant findings or material weaknesses. Mayor Duman noted a repeat auditor's comment within the management letter, explaining it is difficult for any organization with such a small number of employees to maintain ideal separation of duties. However, with internal control policies, HRPDC staff utilization, and Budget & Finance Committee oversight, the Board of Directors mitigates the risk. Mayor Duman thanked Treasurer Wilson, Ms. Tatum, and Ms. Smith for their support during the audit. Mayor Duman recommended the Board approve the audit results. Mayor Glover seconded the motion, with unanimous Board approval.
  - Return of Funds. Mayor Duman reported there were \$129,864 in excess funds over the \$1.0m reserve fund and \$100,000 stabilization fund available for proportional redistribution to the municipalities and member organizations. The higher amount than the prior year was primarily due to HRMFFA operating for almost half the fiscal year with one employee. Mayor Duman made a motion to the Board the funds be distributed as shown. Councilman Southall seconded the motion, with unanimous Board approval.
8. HRMFFA Board Trip to Washington DC: Mr. Dwyer reiterated to the Board that despite the potential for a government shutdown, planning was in progress for a trip to the Pentagon on Thursday, 26 October 2023. A draft itinerary was presented to the Board. Mr. Dwyer requested the Board RSVP at their soonest opportunity.
9. Chairman Dyer extended a congratulations to Board member companies Old Point National Bank, SimIS, and Klett Consulting Group for being recognized as *Inside Business* Top Workplaces in Hampton Roads in 2023!
10. Mayor Dyer adjourned the meeting at 11:56 a.m.

