

## HRMFFA Quarterly Board of Directors Meeting Minutes from 20 March 2025

1. HRMFFA's quarterly Board of Directors meeting was held at the Regional Building on 20 March 2025. Public Board members in attendance were Mayors Duman, Dyer, Glover, Gray, Hux, Jones, Pons, and West; Supervisors Hipple, Rosie, and Shepperd. Southampton County was represented by Mr. Brian Thrower. Private Board members present were Conley, Faulkner, Klett, Melo, Merritt, Monaco, and Stephens. Executive Director Dwyer, Deputy Executive Director Nichols, and Treasurer Hansen were present. A quorum was achieved.
2. Board Chair Shepperd called the meeting to order at 10:31 a.m. and welcomed new Board members Mayor Jimmy Gray of Hampton, Mayor David Hux of Poquoson, Mayor Paul Kaplan of Franklin, and Mr. Jeff Merritt of Cox Communications. Chair Shepperd also welcomed the new HRMFFA Treasurer, Mrs. Tealen Hansen, Mr. Tom Crabbs from the Virginia Secretary of Veterans and Defense Affairs Office, and Dr. Trina Dyal, Acting Director NASA Langley Research Center.
3. Chair Shepperd introduced guest speaker Congresswoman Jen Kiggans, Virginia's 2<sup>nd</sup> District, and invited her to provide remarks. Mrs. Kiggans recapped her work on the House Armed Services Committee which centers on advancing Chairman Rogers' three priorities: 1) reprioritizing defense budget expenditures and increasing defense spending by +\$100 billion; 2) overcoming procurement and acquisition challenges and expediently incorporating defense technology and delivering it to warfighters; and 3) continued improvements to quality-of-life initiatives that enhance recruitment and retention. Mrs. Kiggans recounted during the 118th Congress, junior enlisted personnel received a 15% basic pay increase. While significant, she reiterated continued efforts are needed to address housing affordability challenges and childcare capacity shortfalls, with extensive waiting lists among Child Development Centers. She highlighted other pressing issues including access to healthcare and military spousal employment.

With ever-present government funding deadlines, Congresswoman Kiggans outlined the consequences between passage of a Continuing Resolution versus injurious government shutdown impacts. She highlighted her advocacy of the Pay Our Troops Act, which ensures service members receive pay and allowances in these instances.





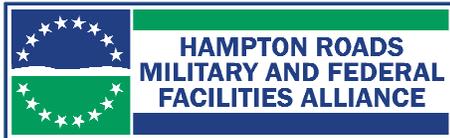
Congresswoman Kiggans' segued to the NDAA development and prevailing concerns with the declining number and material condition of the nation's fleets, stressing Hampton Roads homeported U.S. Navy ships declined from 48 to 28 over ten years. Underscoring this point, the U.S. Navy's fleet stagnated around 300 vessels over twenty years, despite several 30-year ship building plans modeled to provide substantial fleet growth, more ships were decommissioned than built. In contrast, China fleet has grown to over 400 ships. Military Sealift Command has supported some gaps; yet been overlooked among industry and quality-of-life discussions and need to be included. Though in development, Congresswoman Kiggans expressed optimism regarding the Administration's Office of Shipbuilding announcement. She expressed gratitude to the City of Newport News and Huntington Ingalls Industries for partnering with the Commonwealth and U.S. Navy to provide quality-of-life solutions to Sailors undergoing extended overhauls.

Rounding out her remarks, Congresswoman Kiggans outlined her support of the Administration's objective to reduce the national debt by \$2 trillion a year, future mission placement and infrastructure upgrades for F-35 aircraft at Naval Air Station Oceana and anxiously awaiting the environmental impact study results. She reiterated installation infrastructure is in disrepair, and significant military construction funds remain imperative for upgrades with needed redundant energy enhancements.

Chair Shepperd invited the Board to provide comments or questions. Mayor Dyer thanked Congresswoman Kiggans for confronting these issues and expressed concerns over national unreadiness and the Chinese and American fleet disparities. Mayor Dyer indicated that municipal leaders comprehend the housing and childcare crises impact not only military recruitment and retention but are inhibitors to private economic development.

Mayor Jones expressed appreciation for supporting the quality-of-life concerns, issues within the shipyard and City of Newport News, and requested she expound on the Office of Shipbuilding framework and speculate on regional impacts. Mrs. Kiggans explained while still in development, she was confident it would yield favorable results to the region but attracting and filling workforce gaps remain challenging.





Captain Appezzato, Commanding Officer, NAS Oceana, explained NAS Oceana is exploring locating a data center on an underutilized parcel. While the project has been briefed to senior officials, data signals are not classified by statute as a utility, preventing granting an easement, and their statutory reclassification is necessary. Congresswoman Kiggans assured CAPT Appezzato she would advocate to have data signals reclassified as a utility.

Chair Shepperd expressed concerns with the elderly regional veteran population averse to filing electronic Social Security Administration benefit applications, explaining in-person appointments among local offices are difficult to schedule and non-electronic solutions are needed for this generation. Congresswoman Kiggans was unsure if anything had been codified regarding these concerns, but provided assurances the Congressional majority are protective of Social Security, Medicare and Medicaid benefits.

Mayor Hux inquired about the April 2024 Quality-of-life Panel recommendations, inquiring if any recommendations may be at risk given the Administration change. Mrs. Kiggans adamantly stated those recommendations remain intact, elaborating on 29 amendments the House and Senate jointly agreed to with an approximate cost of \$5 billion dollars.

Mr. Eric Conley, Sentara Healthcare, inquired about widespread issues of delayed payments associated with the Tricare East Region claims processor change, financially pressuring local healthcare providers. He requested she provide any insights and when resolutions could be expected. Congresswoman Kiggans explained while she did not have information as to the exact causes of the widespread issues, she requested a committee assignment change to focus on these and other Tricare issues.

4. Mr. John Simmons of The Roosevelt Group provided a Washington Update. Highlights included:
  - Sweeping DoD leadership changes with Chairman of the Joint Chiefs of Staff, Chief of Naval Operations, Commandant of the Coast Guard, Vice Chief of Staff of the Air Force, U.S. Army and Air Force JAGs dismissals. Retired Lt. Gen. Dan Caine has been nominated as the next Chairman of the Joint Chiefs of Staff.
  - Dismissal of more Army Generals are expected, along with mission realignments. Army Futures Command is expected to be downgraded to a three-star command



and realigned under TRADOC.

- Other realignment discussions include proposals to relocate the J7 staff from the Pentagon to Suffolk, and with NASA Headquarters lease expiring in 2028, dispersing those functions. NASA Langley could benefit from relocated technology functions. The Air Force has paused its reorganization planning.
- The Office of Personnel Management released 5,400 probationary DoD employees, with further DoD personnel reductions expected.
- SECDEF directed 8% budget reallocations in FY26, with 17 programs exempted.
- The President's Budget is not expected to be released until May. DoD will likely operate under a Continuing Resolution for the remainder of the fiscal year. The only major bill with likelihood of passage is the National Defense Authorization Act, which is expected to undergo reshaping to include these 17 priority programs.
- The Administration is expected to propose sweeping tax cuts, which raise concerns with Medicare, Medicaid, and Social Security entitlements.

5. Fiscal Year 2026 Federal Legislative Priorities: Chair Shepperd invited Executive Director Dwyer to present the FY 2026 Federal legislative priorities. Mr. Dwyer indicated many items did not advocate for legislative language or funding, but stressed support of various needs to the CODEL that they can communicate to DoD leaders. Mr. Dwyer clarified the priorities may require adjustment after the President's FY26 budget request is published. Highlights included WRDA language and Peninsula CSRM funding authority; Future of Oceana and Langley; the Navy's efforts to expand housing options near Newport News Shipbuilding; continued recapitalization at NNSY (SIOP); several military construction projects; Army Aviation Advanced Air Mobility Dual-Use Technology Center; health care availability; TRICARE claims processing contractor payment delays; and legislative support for low-income housing tax credits for developments near military bases which remove Basic Allowance For Housing from qualifying income calculations.

Other Federal priorities included appropriating \$32M to continue development and design of Jefferson Lab's High Performance Data Facility; Coast Guard Base Portsmouth pier upgrades to homeport new Offshore Patrol Cutters; Coast Guard Intergovernmental Support Agreement authorities; the continued need for a Consolidated Sector Virginia HQ facility; and NASA SBIR and OTA authorities.

Mr. Dwyer invited questions and comments from the Board. Hearing none, Chair



Shepperd requested a motion to approve the FY2026 Federal Legislative Priorities; Mayor Jones motioned to approve, Mayor Pons seconded the motion; the Board unanimously approved.

6. Chair Shepperd invited Mr. Dwyer to brief the 2025 General Assembly session and HRMFFA's state legislative priorities. Mr. Dwyer provided the following:
  - Virginia Military Community Infrastructure Grant Program (Not Passed). An initiative to directly award localities grants regardless of a DoD grant did not pass the Senate Finance Committee. The \$3M in program funding should continue into the second year of the biennial budget.
  - Childcare Pilot Program (Passed). This initiative incentivizes small family day-home providers (≤4 children) that complete requisite certifications become eligible for a \$500 grant.
  - DoD Childcare Subsidy Program (Passed). This remedied an unintended conflict with Virginia law, where Providers receiving public funds must participate in the state's VQB5 quality program. Even if providers were nationally accredited and met DoD requirements, if they wanted to accept DoD subsidy customers, they were required to participate in VQB5, adding administrative burdens. The bill exempted nationally accredited centers from VQB5 participation.
  - Windfarm Deconfliction Bill (Bill Withdrawn). Environmental groups raised concerns DoD would disapprove new Virginia windfarms. The DoD process was clarified, Delegate Martinez's staff indicated they are amenable to re-introducing the bill next session.
  - Military Spouse Employment (Passed). Expanded Virginia Values Veterans employment grant program to include military spouses. However, the accompanying \$50,000 budget amendment to increase V3 program funding is not in the current budget; the program remains funded at \$100,000.
  - Interstate Licensure Compacts (Partially Passed). Massage Therapy compact passed, the teacher compact did not.
  - Mr. Bob Crum, Hampton Roads Planning District (HRPDC) Commissioner, stated HRPDC requested \$200 million for Community Flood Protection Funding; it was not included in the proposed budget.
  - Defense State Liaison Office items (passed); military children open enrollment flexibility, special education plans, and coordination on military protective orders.
7. End of February 2025 Financial Statements: Mr. Dwyer reviewed end-of-February 2025 financial statements, noting year-to-date revenues and expenses were on

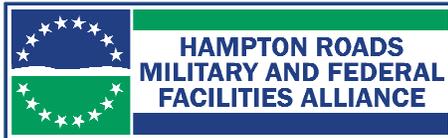
target for the current fiscal year. Mr. Dwyer noted expenses for audit/professional services reflected higher at this point in the year because those bills were paid early but in line with annual projections. The Board had no questions or comments.

8. Budget & Finance Committee: Chair Shepperd invited Mayor Duman to present the Budget and Finance (B&F) Committee Report. Mayor Duman reported the B&F Committee met virtually on March 3<sup>rd</sup>, 2025, reviewed the January 2025 financial reports and completed a second review of the draft FY26 budget. The financial reports showed annual revenues collected and expenses are on track. The B&F Committee had no questions or comments on the financial reports.

The second review of the draft FY2026 Budget contained minor adjustments. Revenues were revised upward based on returns from investment annual projections; Mr. Buckless confirmed no interest rate changes were expected for the year and he would confirm the expected interest rate for FY26 funds prior to the annual meeting. Labor expenses remained unchanged, including a 3% cost of living increase. A survey of HRPDC, HRTPO, HRTAC and regional CAOs confirmed a 3% labor expense inflationary increase is consistent with HRMFFA. Non-labor expenses reflected an increase of +\$3,000 for Mr. Nichols to attend CIVIC in FY26. The Committee recommended maintaining Event Sponsorship at \$25,000 for FY26 to support a Virginia Defense Forum. Mayor Duman invited the Board to provide questions or comments, the Board had none.

9. NASA Advisory Subcommittee Membership: Chair Shepperd invited Mr. Dwyer to present NASA Advisory Committee nominees. Mr. Dwyer recapped the need to add committee members with more recent experience, presenting three nominees.
  - Ms. Kathy Ferrare, 38 years of NASA experience, who served as NASA Langley's Chief Financial Officer from 2015 until retiring in 2021, and Langley Alumni Association Board President.
  - Dr. Dave Bowles, 39 years of NASA Langley experience, culminating as Center Director from 2015 until his 2019 retirement. Following his time at NASA, Dr. Bowles served as ODU's Virginia Institute for Spaceflight and Autonomy Executive Director and as a Senior Research Fellow.
  - Mr. Dave Young, 29 years of NASA Langley service, retiring in August 2024. He served as Deputy Center Director and Center Director Senior Advisor from 2019 to 2024. He is an active mentor to NASA Langley scientists.





Mayor West motioned to approve the NASA Advisory Subcommittee nominees; Mayor Glover seconded the motion; the Board unanimously approved.

10. Hampton Roads Leaders Federal Policy Matters Letter to the Congressional Delegation (CODEL): Mr. Dwyer updated the Board on the development of a letter signed by seven regional organizations, to include HRMFFA, to the CODEL highlighting opportunities that align with the new administration's priorities and contrasting areas of concern. This effort has continued to spur dialogue among regional organizations and the CODEL to advocate for the interests of the region. Mr. Dwyer invited comments or questions from the Board members, there were none.
11. Washington DC Trip Update: Chair Shepperd invited Mr. Dwyer to provide an update on the annual Board trip. After consultations with The Roosevelt Group, Mr. Dwyer recommended Thursday, 23 October 2025, as the target date for the trip. This date is after the federal fiscal year rollover and later in October to hopefully avoid any risk of a government shutdown. Mr. Dwyer requested the Board hold this date on their schedules and provide any major conflicts that may prevent members from attending.
12. Chair Shepperd adjourned the meeting at 11:50 am.

