

Board of Directors Quarterly Meeting Minutes
Virginia National Defense Industrial Authority

Virginia Economic Development Partnership
Webb University Center
Old Dominion University
Norfolk, Virginia
April 25, 2007

The Honorable Joe R. Reeder, Chairman, called the meeting to order at 9:05 a.m. and welcomed all of the Authority Board members, staff, and guests in attendance.

Other Authority Board members present:

Mr. G. William Beale	Gen. Richard E. Hawley, USAF, (Ret.)
Mr. Mark D. Betts	The Honorable John W. Knapp, Sr.
Ms. Reta R. Busher	Dr. Roseann O'Reilly Runte
Rear Adm. Robert R. Fountain, Jr. USN, (Ret.)	Mr. William L. Welch

Board Members Absent:

Gen. John N. Abrams, USA, (Ret.)	Adm. Donald L. Pilling, USN, (Ret.)
Mr. John B. Adams	Mr. Cord A. Sterling
Mr. Alfred M Jacocks, Jr.	Mr. Kurt H. Tripp

Chairman Reeder expressed his sincere thanks to Dr. Runte for the dinner at her residence on Tuesday evening for members of the board and honored guests. The outstanding effort put forth by Dr. Runte and her staffs to make arrangements for the quarterly meeting were also greatly appreciated. Mr. Reeder then introduced and welcomed Ms. Cathie Hutchins, Virginia Assistant Attorney General, who has been assigned to work with the VNDIA. Ms. Hutchins then made brief remarks about her background and her interest in working with this Authority. Mr. Reeder then asked Dr. Runte to make a few comments regarding Old Dominion University and the many growth and expansion projects currently underway. Dr. Runte thanked the members for the opportunity to have them visit the campus and shared a brief video highlighting the 2005/2006 academic year. September 2005 represented the 75th anniversary of Old Dominion and was celebrated throughout the year honored guests, musical premiers and the university's 100,000th graduate. Enrollment reached a record high of 22,000 students, including more than 2,100 freshmen. Approximately one-third of the students at any given time have a connection to the military. The year ended with the announcement the Old Dominion will begin an intercollegiate football program beginning in 2009. As the 2006/2007 academic year nears completion, the campus continues to brim with new facility construction and the announcements of new faculty and staff coming to Norfolk. The members were given a musical disk highlighting the principal performing musical groups within the well-honored musical department. Mr. Reeder thanked

Dr. Runte for the excellent overview and commended her on the outstanding achievements made within the university under her leadership at President.

Chairman Reeder then presented the April 25, 2007 meeting minutes for approval. There were no changes or additions noted. Chairman Reeder called for a motion to approve the minutes. Ms. Busher made a motion to approve the minutes. Gen. Knapp seconded and the minutes were approved by unanimous voice vote. This was followed by the presentation of an amendment to the Authority's bylaws to incorporate the addition of The Adjutant General of Virginia to the Authority Board of Directors as a result of the passage of House Bill 2307 during the 2007 Session of the Virginia General Assembly. Major General Robert B. Newman, Jr., currently serving in this position, will officially join the board at its next regularly scheduled quarterly meeting. The amendment enacts the change of members needed to represent a quorum from seven to eight. The motion to amend was made by Gen. Knapp and seconded by Gen. Hawley. "Be it resolved by the Virginia National Defense Industrial Authority that action taken during the 2007 Session of the Virginia General Assembly requires an amendment to the Authority's By-Laws. Further that amendment is to the first sentence of Section 3.6 of our By-Laws. That sentence is changed to read, 'Eight Directors shall constitute a quorum for the transaction of any business or the exercise of any power or function of the Board.' Further, this amendment shall be effective July 1, 2007." The motion was adopted by unanimous voice vote.

Chairman Reeder then introduced Brigadier General Steve Patton, USMC, Director of Strategy and Policy for the United States Joint Forces Command (USJFCOM). General Patton provided an extensive overview of the current operations and missions of USJFCOM. Brigadier General Patton has served the Marine Corps for the past 34 years and was assigned to USJFCOM in July 2006. The Joint Forces Command provides mission ready joint capable forces and supports the development and integration of joint, interagency, and multinational capabilities to meet the present and future operational needs of the Joint Force. Roughly 70% of facilities are based in Suffolk, with the remaining 30% based in Norfolk. Roughly 37% of personnel are contractors, 25% active uniformed personnel, with the balance representing government civilians and reservists. JFCOM components include 1.1 million soldiers, sailors, airmen and marines. USJFCOM leads joint deployment processes, enhances joint training and establishes joint requirements for operations. Key functions include; 1) leading joint innovation and experimentation, 2) developing joint capability, 3) training the joint force, 4) providing joint force sourcing solutions, and 5) managing the Joint Command & Control (JC2) capability portfolio. The core element of Joint Force Headquarters is to provide trained standing staff teams which enable Joint Task Force Command and Control operations. This enables Joint Force Headquarters to plan and execute rapidly, command and control joint forces, integrate elements of national power and effectively join together with coalition partners. Operational elements include a joint center for operational analysis, joint warfighting training, warfare analysis utilizing multi-disciplinary scientists, engineers and analysts, and joint public affairs support. Developments continue in the areas of joint communications support, including interoperability in battle theatres. An additional primary element of responsibility is training and operations in the area of personnel protection and recovery. In conclusion, BGEN Patton highlighted the substantial multinational collaboration involved in the Virginia based JFCOM operation. Sixteen countries with 24 representatives operate under a bilateral memorandum of understanding. An

additional ten countries are currently pursuing agreements with USJFCOM. Three countries are participating under an “Additional-Duty” relationship with JFCOM.

BGEN Patton concluded his remarks with an overview of the “Noble Resolve” an experimentation campaign planned to enhance homeland defense and improve military support to civil authorities in advance of and following natural and man-made disasters. The campaign began in early April and will continue over the next couple of years. Participants include a number of federal agencies in cooperation with the Commonwealth of Virginia and a host of other participants including eight other countries. The Virginia Modeling and Simulation Center, a program of Old Dominion University, is a key participant. BGEN Patton then entertained questions and comments. Chairman Reeder thanked him for his thorough and informative presentation.

Chairman Reeder then invited Mr. Frank Roberts, Executive Director of the Hampton Roads Federal and Military Facilities Alliance to present an overview of his organization’s structure, objectives, and current activities as the coordinating BRAC organization in the region. Mr. Roberts has assumed directorship of the Hampton Roads FMFA in August 2006. He is a graduate of the U. S. Naval Academy and retired as a Navy Captain after 27 years of service, primarily as a tactical jet pilot with over 4200 flight hours. HRFMFA was established in response to 2005 BRAC and represents an initiative of the Hampton Roads Mayors and Chairs Caucus. A grant received through Round I funding of the Military Strategic Response Fund, administered by the VNDIA, supported the hiring of an administrative assistant and government relations coordinator by HRFMFA. Goals of the organization include the mitigation of losses and security of gains resulting from 2005 BRAC. The group actively seeks to enhance competitiveness of the region’s National Security capabilities, increase investment in the regional defense capabilities, raise and promote defense issue awareness among Congressional representatives and leverage federal resources to secure private sector investment. HRMFFA represents ten cities, three counties and over 1.5 million residents in the region. The region encompasses parts of four congressional districts (Virginia Districts 1-4). The region covered by HRMFFA includes 25 military installations involving 140,000 active duty military personnel, 65,000 civilian employees and 160,000 supporting family members. Defense operations in the region are estimated at \$11 billion annually. Mr. Roberts presented the complex network of relationships being developed with regional organizations and associations throughout the region and contacts made to date. Near term actions involve the beginning support of 2008 legislative initiatives, work on outlying landing field solutions for NAS Oceana, and analysis of regional military installations to support VNDIA strategic planning. Longer term initiatives include analysis of Naval Station Mayport, Florida, transitions in carrier homeporting, the support of TRADOC realignment to Fort Eustis and support of military construction requirements for Navy Special Warfare. Seeking opportunities for command relocation to Virginia Beach is a continuing priority. Mr. Roberts expressed ongoing support for the establishment of Hampton Roads as a modeling and simulation center for national defense efforts. Mr. Roberts expressed his appreciation to the VNDIA board for its ongoing effort and support of defense efforts in the region. A period of questions and comments followed, with Chairman Reeder thanking Mr. Roberts for informative presentation and expressed the support of VNDIA in HRFMFA’s ongoing efforts.

Chairman Reeder then asked Ms. Busher, Chair of the Grant Review and Oversight Committee, to provide an update on committee activity. Ms. Busher highlighted the calendar and schedule for Round II of the grant funding process which requires applications to be submitted by no later than April 30, 2007. Subsequent to staff review, the committee will confer on May 16, 2007 and forward its analysis to the Cabinet secretaries designated to submit recommendations to Governor Kaine. The second round process is expected to be completed by early June. Announcements of the awards will then be made by Governor Kaine in mid- to late June.

In the absence of GEN John Abrams, Chairman Reeder asked Executive Director Dickson to present an update for the Strategic Planning Committee. Mr. Dickson announced that the committee members had met and discussed the next steps in the implementation of a strategic plan for VNDIA. The committee has identified the need for additional analytical support to update previous research data collected prior to the 2005 BRAC announcements. Contact has been made with the firm engaged previously to provide analytical support, Public Solutions Group, Inc., to discuss an update of data and additional requirements. Several members voiced support for additional investment in this area and Mr. Dickson was given board approval to move forward in securing this assistance within the identified budgetary confines. Chairman Reeder then asked Admiral Bob Fountain if he would be willing to be added to the Strategic Planning Committee temporarily during another Director's absence. Admiral Fountain agreed to do as asked.

Chairman Reeder then asked GEN Knapp to update the Authority on the work of the Local Coordination, Support and Communication Committee. GEN Knapp directed members to the updated visitation schedule overview included in their packets. Substantial progress has been made in the 2007 schedule, including the visit to Norfolk Naval Shipyard on Tuesday. Major tours will include the full committee, while visits to smaller installations will be conducted by staff. Base visitation reports are completed for each visit with copies available for circulation to board members upon request. Ms. Busher requested that visit reports routinely be distributed to all members upon completion of visits. GEN Knapp instructed staff to make this adjustment going forward and to provide Directors with previously concluded visit reports.

Mr. Reeder then asked for Mr. Dickson to present a brief overview of the 2007 Virginia General Assembly Session. A summary of the military related bills and final dispensation for each was provided to members and is attached for reference.

Chairman Reeder directed the discussion to the VNDIA Milestone Plan previously adopted by VNDIA and provided a listing of updates for each item. The plan continues to serve as a recap of activity and reminder of planned action items. Special attention was called to a number of deadlines set for July 2007.

Chairman Reeder then asked Mr. Dickson to provide an overview of the FY 2008 operating budget for the board's consideration and approval. That proposed budget is as follows;

Budget Revenue Source

General Fund Revenue	\$510,000
Carry Forward Funds (Anticipated)	<u>100,000</u>
Total	\$610,000

Budget Expenditures

Compensation	\$390,800
Web Site & Promotion	1,000
VNDIA Meetings	7,500
Travel	22,000
Services	145,000
Supplies & Materials	3,000
Fixed Asset Payments	32,000
Other Expenditures	<u>8,700</u>
Total Budget	\$610,000

Gen. Knapp made the following motion which was seconded by Dr. Runte; “Be it resolved by the Virginia National Defense Industrial Authority that the above outlined operating budget totaling \$610,000 be adopted to provide basic guidance to the Executive Director in personnel and operating matters for the coming fiscal year July 1, 2007-June 30, 2008. Further, that the Executive Director provide the actual expenditure figures for fiscal year July 1, 2006- June 30, 2007 at our regular meeting in July, 2007. This will among other information, provide the actual carryover amount to be accounted for in the FY 08 budget.” Motion was approved by unanimous voice vote.

A second budget related motion was moved by Gen. Knapp and seconded by Dr. Runte; “Be it resolved by the National Defense Industrial Authority that employee pay raises be considered by the appropriate employee authority of up to 4% on that employee’s anniversary hire date for FY 08.” Motion was approved by unanimous voice vote.

Chairman Reeder then asked Dr. Runte to lead the group to the Virginia Modeling, Analysis and Simulation Center for the final presentation of the day. Chairman Reeder then introduced Dr. Michael McGinnis, Executive Director of VMASC. Dr. McGinnis presented a recap of the establishment and history of VMASC and his efforts to refine staffing and organizational structure since his arrival in June of 2006. Mr. McGinnis joined the VMASC effort after having served as an educator at the United States Military Academy for the past seven years. Dr. McGinnis provided an excellent snapshot of the current leading organizations in the field of modeling and simulation nationwide, as well as levels and sources of funding. The VMASC, based at ODU, is making strides in attracting leading educators and scientists to the program and building relationships with key partners to establish VMASC as a preeminent leader in the field. Attracting additional funding, both public and private, is key to the pace of future program development. Chairman Reeder expressed VNDIA’s support of the excellent effort currently underway at VMASC encouraged Dr. McGinnis and Dr. Runte to keep the Authority informed of ways it can be of assistance.

Upon conclusion of this presentation, the board officially adjourned by unanimous voice vote.