

Board of Directors Quarterly Meeting Minutes
Virginia National Defense Industrial Authority

George C. Marshall Foundation
401 VMI Parade
Lexington, Virginia
July 16, 2008

The Hon. Joe R. Reeder, Chairman, called the meeting to order at 10:04 a.m. and welcomed the authority board members, staff, and guests in attendance.

Authority board members present:

Gen. John N. Abrams, USA (Ret.)	Vice Adm. James D. McArthur, Jr. USN (Ret.)
Mr. G. William Beale	Maj. Gen. Robert B. Newman, Jr.
Rear Adm. Robert R. Fountain, Jr. USN (Ret.)	The Hon. Joe R. Reeder
Gen. Richard E. Hawley, USAF (Ret.)	Mr. Kurt H. Tripp
Rear Adm. John G. Hekman, USN (Ret.)	Capt. Leonard P. Wales, USN (Ret.)
The Hon. John W. Knapp, Sr.	Mr. William L. Welch

Authority board members absent:

Mr. John B. Adams
Mr. Cord A. Sterling

Chairman Reeder recognized Vice-chair John Knapp, who introduced Brig. Gen. Casey Brower, VMI Deputy Superintendent and Dean of the Faculty, and Mr. Brian Shaw, President, George C. Marshall Foundation. Both gentlemen welcomed the board and introduced their respective organizations. Chairman Reeder thanked them for hosting the meeting.

Vice-chair Knapp presented the April 23, 2008 VNDIA meeting minutes for approval. Mr. Beale moved that the minutes be approved as presented, Gen. Hawley seconded the motion, and the minutes were approved by unanimous vote of authority members present.

Mr. David Dickson, VNDIA Executive Director, presented the FY2008 audit report of “no findings,” observing that the VNDIA-Virginia Economic Development Partnership agreement provides the authority with accounting and other financial services to augment VNDIA work.

Vice-chair Knapp introduced Navy Capt. Leonard P. (Len) Wales as a new VNDIA appointee. Capt. Wales is the debt manager for Fairfax County, and fills the board’s vacant public finance slot. Mr. Adams, Rear Adm. Fountain, Mr. Tripp and Mr. Welch have all been reappointed with new terms running to 2014. Board committee assignments changes noted: Mr. Beale now serves on the Grant Review & Oversight Committee, and Capt. Wales will join the Local Coordination, Support & Communication Committee.

Chairman Reeder announced that the last quarterly board meeting for 2008 will be held October 15 at Lockheed Martin’s Center for Innovation in Suffolk, hosted by Vice Adm. McArthur. Staff will follow up with the board on details.

Mr. William Harvey, principal of the Public Private Solutions Group, Inc., presented the final Strategic Document, representing an analytical “snap shot” of Virginia’s military installations using 2007 information. Discussion followed as to how best VNDIA and the Commonwealth

could use this important information. Mr. Dickson reported that the follow-on presentation would include the Strategic Planning Committee's draft plan, incorporating the Strategic Document and should answer some questions. Mr. Alleyn Harned, Assistant Secretary of Commerce & Trade, attending the meeting on behalf of Secretary Patrick Gottschalk, said that a contact at the senior state level is in place now, and that VNDIA can work through Commerce & Trade in bringing weaknesses and opportunities to Governor Kaine's attention. Maj. Gen. Newman suggested that two growing technologies (space and autonomous (unmanned) vehicles) should be forwarded to Virginia's Center for Innovative Technology (CIT) and the Virginia Economic Development Partnership (VEDP) for analysis and decision as to "next steps." A general discussion ensued during which several ideas were presented, and VNDIA's staff was tasked with reporting out at the next meeting on whether any institutional steps could be recommended to ensure that institutional knowledge developed by or known to VNDIA was preserved, and easily accessible for later reference and use.

Gen. Abrams and Mr. Dickson presented the draft Strategic Plan. Created using the Strategic Document, installation visitation results, grant applications, information gathered from the community roundtables and other sources, this plan recommended five issues for critical focus in the upcoming fiscal year, each with a set of specific goals and strategies:

- Informing the Political Process on DoD's Importance
- Economic Development Mission
- Clearinghouse for Information
- Role of Military Host Communities
- Advocacy for Military Strategic Response Fund

Gen. Hawley moved to approve the Strategic Plan as written, with the understanding that it is a living document, and is subject to comments and refining through future board meetings. Gen. Abrams seconded the motion, which passed by unanimous vote of board members present.

The next presentation was by Mr. Keith Boswell, a team leader with the Virginia Economic Development Partnership (VEDP). Mr. Boswell's Securities and Services Team manages economic Commonwealth opportunities most relevant to VNDIA's work, including defense and homeland security. Mr. Boswell, one of VNDIA's primary economic development contacts, outlined VEDP's role and his team's particular focus, touching briefly on several co-projects worked with the VNDIA staff.

The final presentation was by retired Air Force Col. Bruce Sturk, Director of Federal Facilities Support for the City of Hampton and the city's lead in efforts to headquarter the U.S. Air Force Cyber Command at Langley Air Force Base. Col. Sturk reported on project timeline of activities to date, and its current status, including Gov. Kaine's response to the Air Force's "data call" on July 1, 2008. The Air Force will visit locations nationwide this summer, and narrow choices down to a "short list." A final site selection is expected in September 2009.

VNDIA and VEDP helped draft Gov. Kaine's response, which VNDIA's Gen. Hawley reviewed before mailing, and assessed as a superbly written product.

Mr. Welch reported that the Grant Review & Oversight Committee met June 6 to review the City of Virginia Beach's Round III grant application. The committee recommended approval to

Gov. Kaine, who approved the grant on July 3. The committee also recommended extending the second of Virginia Beach's existing grants to June 30, 2009--also approved by the governor.

Staff continues to administer existing grants, and as of July 16, 29.23% of granted funds have been reimbursed.

Rear Adm. Fountain reported for the Local Coordination, Support & Communications Committee. Staff made several visits this quarter, both as part of ongoing outreach and to set up official committee visits. Staff also met with the Crater Procurement Assistance Center and attended the Quantico/Belvoir Regional Business Alliance symposium in order to keep VNDIA timely informed on defense contracting and small business opportunities.

Mr. Dickson summarized FY2008 expenditures and a proposed fiscal year 2009 budget.

FY 2009 Budget Revenue	\$651,827
FY 2009 Budget Expenditures	
Compensation	\$394,506
Web Site & Promotion	3,000
VNDIA Meetings	4,000
Travel	23,000
Services	184,200
Supplies & Materials	4,421
Fixed Asset Payments	32,000
Other Expenditures	<u>6,700</u>
Total Budget	\$651,827

Vice-chair Knapp moved the following:

Be it resolved by the Virginia National Defense Industrial Authority that the outlined operating budget totaling \$651,827 be adopted to provide basic expenditure guidance to the Executive Director in personnel and operating matters for the current fiscal year July 1, 2008 – June 30, 2009.

Mr. Welch seconded the motion, and the resolution was approved by unanimous vote of authority members present.

Mr. Dickson presented the VNDIA FY 2008 Annual Report, summarizing VNDIA activity from July 1, 2007-June 30, 2008, which next goes to Virginia's senior leadership and other allies.

The authority noted with respect and sadness the recent loss of fellow VNDIA member, Adm. Don Pilling. Seeing no additional items of business, Mr. Welch moved to adjourn, Rear Adm. Hekman seconded, and, with unanimous vote of authority members present, Chairman Reeder adjourned the meeting at 12:32 p.m., reminding all present that Vice-chair Knapp would be leading an optional walking tour of the VMI campus immediately following the meeting.