



NORTH CAROLINA MILITARY AFFAIRS COMMISSION

Minutes for Executive Steering Group (ESG) Meeting, 4th Quarter, November 7, 2017
iCenter Downtown Raleigh, 217 W. Jones Street Raleigh, NC (Unite Conference Room)

Members Present

George Breece, Acting Chair
Frank Bottorff, Base Sustainability, Chair
Kirk Warner, Quality of Life Chair
Cresswell Elmore, Economic Development, Acting Chair
Sally-Ann Gupta for Sen Brown, Legislative Affairs Chair

Additional Attendees

Secretary Larry Hall, DMVA
Chuck Allen, NCMAC Member
Leslie Young, ACT
Charlie Perham, Matrix Group
Sal Nodjomian, Matrix Group
Cheryl Pavic Henner, Matrix Group
John Simmons, Roosevelt Group
Terry Yonkers, Yonkers Group
Bo Heath, Matrix & Friends of SJAFB
Joseph Kelly, DMVA
Willie Casey, DMVA
Kelly Jackson, DMVA

OPENING REMARKS: CHAIRMAN GEORGE BREECE

Acting Chairman Breece called the meeting to order at 10:00 am. Acting Chairman Breece welcomed everyone to the Executive Steering Group meeting.

CONSENT AGENDA: CHAIRMAN GEORGE BREECE

Acting Chairman Breece requested a motion to approve the minutes from the 2nd quarter meeting of this Committee on May 2, 2017. Mr. Cresswell Elmore made the motion, which was seconded by Mr. Frank Bottorff and passed by unanimous vote with no further discussion. Acting Chairman Breece requested a motion to approve the minutes from the 3rd quarter meeting of this Committee on August 1, 2017. Mr. Cresswell Elmore made the motion, which was seconded by Mr. Frank Bottorff and passed by unanimous vote with no further discussion.

MATRIX TEAM ADVISORY UPDATE: MATRIX TEAM

The Matrix team gave a presentation with handouts. The presentation outline was 1) Inside the Beltway Update 2) North Carolina Military Affairs Commission (NCMAC) Annual Report 3) Strength, Weakness, Opportunities and Threats (SWOT) Validation 4) Discussion. They introduced new members to their company. Mr. Bo Heath, Brigadier General J Michael Hayes, USMC (Ret) and Vice Admiral William D. French, USN, (Ret). Inside the Beltway update consisted of the View from Capitol Hill. They briefed from a chart that talked about House Armed Services Committee – National Defense

Authorization Act (HASC-NDAA), Senate Armed Services Committee – National Defense Authorization Act (SASC-NDAA), House Appropriations Committee- Defense (HAC-D), Senate Appropriations Committee – Defense (SAC-D), House Appropriations Committee – Military Construction (HAC-MILCON) and Senate Appropriations Committee- Military Construction (SAC-MILCON). The status, next step, base budget and Overseas Contingency Operations (OCO). The FY18 budget figures have not yet determined and sequestration remains the law of the land. The recently passed budget in the House and Senate doesn't change defense spending topline set by 2011 Budget Control Act. Tax Reform bill and schedule is impacting decision on FY18 appropriations decision. The nominations are at a slow pace but continue although a slight uptick from earlier in the year. Senate McCain had a hold on most Department of Defense (DoD) nominees until he gets more answers on Niger operation. Secretary of the Army Esper, Robert Wilkie and 2 others nomination hearing were last week. Some positions, at the current rate, will be unfilled well into 2nd year of this administration. Holding back on larger/broader policy and budget decisions inside DoD. Looking ahead Office of Management and Budget (OMB) issued final guidance in August. Sequestration remains law of the land. Large increase in defense spending not likely to occur unless broader funding solution found. DoD will continue stealth realignment efforts to find efficiencies. FY19 BRAC push will continue with DoD recommending changes to BRAC process. The NCMAC Annual Report Senate Bill (SB)63 requirement to report progress against strategic plan by Nov 1 to Joint Legislative Oversight Committee on General Government. Matrix offered/directed to draft on Sep 13. The First draft delivered Oct 18, second Oct 26, third and current draft Nov 5. An extension for the Annual Report was granted to Dec 2017. Strengths, Weakness, Opportunities and Threats (SWOT) Validation has gone well. The scheduled started on Oct 30 until Nov 9 2017. There have been over 30 opportunities identified. A recommendation was made that the results from the SWOT Validation be presented at the NCMAC meeting on November 28. There was some discussion on the Annual Report. There was a comment that the Goals on the Department of Military and Veterans Affairs (DMVA) website was different that the Goals listed on the Senate Bill 63. A recommendation was made to use the Goals from Senate Bill 63. A recommendation was also made to list the Major Tenant Organizations of the Installations. This recommendation was not included due to the large number of organizations for each Installation. There was a discussion about the Enterprise Range Plan and whether this topic should be in the report or not. The ESG decided to review this topic and determine what language used reference this topic and get that language back to them. Matrix still needs to meet with Army Research Office (ARO) and that meeting will be rescheduled. The information on K-12 was updated. On #18 Support to Community Partnerships, there was a request to add some language but that was not included because every partnership can't be included. They wanted to verify that the contact information is correct and it is correct. They still have a few other small changes to accomplish. The goal for this document is December 1 and turned in by December 15. The goal is to have a clean copy of the document for the full commission meeting on November 28, so the full commission can approve the document. Acting Chairman Breece will make sure that he gets any changes to Matrix so they can make all the required changes and return a clean copy so that can be sent out to the NCMAC prior to the November 28, 2017 meeting. The printing of the document has been done by state assets before and you will need to give them 5-7 days for that process. This committee will consider using state assets for printing this document. Matrix asked if the Office of Economic Adjustment (OEA) Grant on the Supply Chain initiative should be part of the report and the consensus from the group was that it should be a

part of this report because it is a joint adventure between the NCMAC and DMVA. The military rank abbreviations need to be reviewed for consistency. The question was asked if we should be engaging the Legislature to see how they can partner or help us with things that we want to accomplish? The ESG agreed and stated that we need to be looking at this for the coming year. Matrix will get us the revised Annual Report on time. Matrix is completing the SWOT Validation. This project is to revisit all the Installations. They have had some very incredible engagements. After these engagements, there will be a large list of where to go next. There are over 30 opportunities now and at the end of the validation there may be 50 or more opportunities. Matrix requested 60 minutes to brief the SWOT Validation to the full commission. No further discussion or questions.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS UPDATE: SECRETARY LARRY HALL

Secretary Hall updated the group on a couple of letters that had been received. The first letter was by Congressman Jones that was sent to the Governor. The Governor's office has responded to that letter and Secretary Hall will get a copy of that response to Acting Chairman Breece so he can circulate it to the committee members. Secretary Hall also received a letter from the Legislature signed by several members regarding some issues. The issues implied a failure in the ability of the Commission to act because of either full membership or disputes regarding issues within the Commission. Secretary Hall has responded to that letter and will get the Chairman a copy so he can distribute and explain to everyone what the bylaws state are necessary for the Commission to act. That the members are in place and the 4 standing committees are meeting and generating reports as you can see from your agenda today. That 2 additional working groups were established that are meeting and reporting. So, the questions as to whether the MAC is functioning, has sufficient personnel, and work is being carried out? These questions have been answered. Secretary Hall had met with the Finance and Budget Task Force from the NCMAC. The group consisted of Sec Hall, Mayor Allen, Hon George Breece, Frank Bottorff, Angella Dunston and Joe Kelly. The meeting was to look at what was going forward for recommendations regarding finance and budget matters. This was a good meeting. Time was spent with the working with the Finance and Budget Task Force and trying to move down the road of understanding what the expenditures are, the future budget they are working on and the recommendations that they are going to make. Secretary Hall also attended a meeting with Representative Cleveland and Ms. Gupta as a representative for Senate Brown about the Grants Program. There is a grant program and there are 2 grants that had not been issued. They have now been issued. The DMVA did not have a sufficient grants program that would allow us to disperse funds even though the NCMAC had designated who would receive the funds. The processes have been written up and approved by the necessary personnel at budget. So, that has gone forward and we will give that information to the committee assigned to make those necessary reviews and decide how that will be done. Charlie Perham commented that this could be a good publicity opportunity for the NCMAC.

QUALITY OF LIFE (QOL): KIRK WARNER

Mr. Kirk Warner presented an update on the Quality of Life (QOL) Committee. The QOL held their meeting on Oct 25 and had a great turnout. The QOL will defer some if their time if needed to the Matrix Design Group for their presentation. A key focus was K-12 education with great presentations. We had a quick update on the Child Crisis Stabilization Unit which remains an important focus for this committee. There are 1400 children a month under the age grade 12 seen with behavioral issues at Fort Bragg. These are both emotional and behavioral issues. Mr. Kirk Warner prepared a letter of support

from the NCMAC for the Child Crisis Stabilization Unit to be presented to Senator Wesley Meredith. Acting Chairman George Breece will take the letter to Senator Meredith. Another focus was on early enrollment for military students. California and Arizona have legislation that helps in this area. The bills are California Senate Bill 455 and Arizona House Bill 2107. Sally-Ann asked the following question. Can our military family show valid PCS orders, if yes they should be able to enroll at that time? Kirk Warner responded yes. In North Carolina, state-wide: NC children ages 5-17: 65,108 military connected children; 46,163 have a full-time Active Duty parent or guardian; 18,945 have a parent or guardian in the National Guard or Reserve. This affects almost every classroom. NC Veterans' households with children ages 5-17 equals 254,718 veterans' households. The Department of Public Instruction (DPI) using the Military Student Identifier Data to identify military connected students across the state. A great presentation by the Military Child Education Coalition Comprehensive Plan by BG (Ret) Keith Martin. We also had NC4ME update. We discussed the QOL priorities and the NCMAC website. Then we had a presentation from Jeff Smith, North Carolina Department of Health and Human Services (NCDHHS) to talk about other QOL issues. We continue to have veteran suicides, 5 per week in NC. Military children are part of that also. There are also interesting presentations on deployment issues and what is going on at home that fits into that Child Crisis Stabilization Unit. Everything goes around and comes back to how we take care of military families and that is Quality of Life. Our main effort is trying to develop a support plan for transitioning military to stay in our state. We gladly take that on as priorities #6 in our list of priorities. There are 4 states that are providing serious dollars for marketing to military friendly, K-12 education, Quality of life. The dollar amounts range from \$250,000 - \$800,000. That concluded Mr. Kirk Warner's update for QOL with no further discussion.

LEGISLATIVE AFFAIRS: SALLY-ANN GUPTA

Ms. Sally-Ann Gupta stated that there was no update for the Legislative Affairs Committee since they are not in session. They will not need any time on the agenda for the November NCMAC meeting.

ECONOMIC DEVELOPMENT: CRESSWELL ELMORE

Mr. Cresswell Elmore stated that he had just assumed the position as the Interim Chairman for the Economic Development Committee. He is reviewing the draft minutes for the July 18, 3rd Quarter Economic Development Committee meeting. Mr. Elmore has 5 members on this Committee and plans to call a meeting of the Economic Development Committee prior to the NCMAC meeting on Tues, November 28th so he will have a report for the Full Commission meeting.

BASE SUSTAINABILITY AND COMMUNITY AFFAIRS: FRANK BOTTORFF

Mr. Frank Bottorff has agreed to Chair this Committee since Gen Dickerson has had an accident. Mr. Frank Bottorff stated that his committee had a good meeting. The committee discussed priorities, the budget and encroachment. We are reviewing and revising the priorities. We will continue to work on this topic. He will be discussed the budget later during this meeting. The topic of encroachment is important. The State is looking for funds to support this issue. This issue is everywhere and an important issue to the Installations. Mr. Robert Hosford will give the Full Commission an update on the Sentinel Landscape. That concluded Mr. Frank Bottorff's update for Base Sustainability and Community Affairs with no further discussion.

BYLAWS TASK FORCE (TF): KIRK WARNER

Mr. Kirk Warner stated that the Bylaws Task Force had a very productive 2 ½ hour meeting on November 1st. We worked on the Articles in the Bylaws and will have another meeting on November 7th to work on the Appendices. The TF had a couple of substantive issues. The first one is how to determine the Committee Chairman. The current bylaws state that the NCMAC Chairman will appoint the Committee Chairpersons. Should that be changed to the Committee members voting on a Committee Chairperson? The TF will write it both ways. The second issue is Open meeting laws. Are the Task Forces that have been developed subject to the Open meeting laws? There will be more research on this topic. Mr. Frank Bottorff commented that he had been researching the Open meeting laws. He said that what the group was called was not as important as what is the purpose of the group. If the Chairman assigns members to a Task Force or Working Group (WG), that is ok if it the TF or WG does not make a quorum. Mr. Kirk Warner stated that once the bylaws are completed it will need a legal review. We have made good progress on revising the bylaws. Ms. Sally Anne Gupta commented that the new legislation did not include the Governor but the Task Force added that since it had been in the original legislation. Mr. Kirk Warner commented that they were working on the makeup of the Executive Steering Group (ESG). The current makeup of the ESG is the Chairman, Vice Chairman and Committee Chairs. How do we need to include the Installation Area members in the ESG? Any Commissioner or Ex-officio member are always welcome to attend the ESG meetings. Acting Chairman Breece requested that the updated draft bylaws be sent out to the Commission members prior to the next Full NCMAC meeting for their review. The Task Force continues to work on updating the bylaws. That concluded Mr. Kirk Warner's update for the Bylaws Task Force with no further discussion.

FINANCE AND BUDGET TASK FORCE: FRANK BOTTORFF

Mr. Frank Bottorff discussed the draft FY2017 proposed budget with the committee. We have \$2 million appropriated to the NCMAC from the General Assembly for a 2-year appropriation. The draft budget consists of New Line Descriptions: Administration (mileage/travel/Reimbursement/Supplies) \$40,000 each year; Conferences (Association of Defense Communities (ADC) trips (2) + AUSA @ 4 persons each) \$40,000 each year; Contracted Services TBD Services/Marketing/Consulting/Lobbying TBD @ \$ xxx.00 per month) \$480,000 each year; Minor Contracted Services (RFP development) \$10,000 FY17-18 and \$9,000 FY18-19; NC4ME (Funds transferred – NC 4 Military Employment) \$40,000 each year; EDPNC MOU with Commerce/Economic Development Partnership) \$120,000 each year; Community Grants \$200,000 FY17-18; OEA Grant (Support Partnership with NC State University – Partial Funding for DMVA Staff Position, 15% from the NCMAC) \$27,000 FY17-18 and \$14,000 FY18-19; Sentinel Landscape (MOU w/NCSU in support of Department of Agriculture Program) \$150,000 each year and FY16-17 brought forward. The 2017-2019 Appropriation \$2,000,000. 2017-2018 Planned Budget \$1,107,000 and 2018-2019 Planned Budget \$893,000.

As a Commission, we need to complete the following:

Required Motions during the budget meeting:

1. Approve 17-18 Planned budget as shown
2. Approve expenditures from "minor contracted services" for professional services to prepare two Request for Proposal (RFP) or Request for Quote (RFQ) for Federal Lobbying and consulting services. Expenditures are approved not to exceed \$5,000.00 total for RFP/RFQ preparation.

3. Approve the expenditure of funds to pay, on the agreed upon schedule, for NC4ME, EDPNC, OEA grant, and Sentinel Landscapes from the respective budget lines.
4. Approve expenditures from the "Administrative line" for travel expenses related to NCMAC meetings for NCMAC Commissioners and DVMA staff.
5. Approve \$10,000 from the "conferences" line to send Commission members and DMVA to ADC conference in February.

Economic Development Partnership for North Carolina (EDPNC) discussion: Mr. Frank Bottorff commented that Secretary Hall after discussion with the Secretary of Commerce has stopped payment of the EDPNC position. There are some questions about the EDPNC position that is being funded by the NCMAC. Secretary Hall is leaving the decision up to the NCMAC on whether we continue with that program. Mr. Frank Bottorff has talked to Chris Chung (Chief Executive Officer) and Brad Helton (Business Development Manager, Military and Defense Industry) from EDPNC about the subject and has a call set up with them next week. Neither Chris Chung nor Brad Helton can attend the NCMAC meeting on Nov 28th due to a work conflict. Mr. Frank Bottorff has recommended to Chris Chung to write a letter to the NCMAC with his opinion on the values or not of that position that the NCMAC is funding. Then the NCMAC can discuss whether to continue funding that position. Mr. Frank Bottorff thinks that there is a misconception on how to use the metrics to show success in the first year. We have some Commission members that are experienced in that area and others that are not. Mr. Bottorff's opinion is we should continue with this project and review the progress annually. Also, get a report from Brad Helton, Chris Chung and Commerce or set up a meeting annually to review the progress and are the goals being met.

Questions: Hon Chuck Allen asked how were we handling the balance remaining from last year. The carry forward amount is \$180,000. There is no sunset on this carry forward funding. The Matrix Group asked if there was a mechanism to use the carry forward funds to continue their contract until March 2018. Mr. Joe Kelly commented that he would have to contact the Office of State Budget and Management (OSBM) to verify the contracting rules. Acting Chairman Breece asked the Matrix Group the status of the payments to them for services that they had completed. They replied that there are 2 invoices that had been submitted and the second invoice had just been submitted. Matrix Group commented that the invoice payment is where it needed to be. That concluded Mr. Frank Bottorff's update for Finance and Budget Task Force with no further discussion.

REQUEST FOR PROPOSAL (RFP): ESG COMMITTEE

Acting Chairman George Breece started the discussion on the RFP and asked how does the Commission want to move forward. Hon Chuck Allen recommended that the Finance and Budget Task Force work on this matter. Mr. Frank Bottorff commented that based on what is done with the draft Bylaws, if we give the Chairperson the authority, we can make a timeline for the process. The RFP will need to go out prior to Christmas and then a 30-day response time. We may want to use a Request for Quote (RFQ) not an RFP.

AGENDA FOR FULL NCMAC:

The Base Sustainability and Community Affairs team has 2 videos that they want to show at the Full NCMAC meeting. We also need to work on a communications plan and update the website. Another topic we need to work on is to develop our 2018 Goals at the NCMAC meeting. The Commission may need another meeting to develop the 2018 Goals. Acting Chairman George Breece stated that the agenda will be full. We need to 1 hour for Matrix Group, 10 mins for 2 videos, 1 hour for 4 committee reports, 30 minutes for Finance and Budget issues, some time for the By-laws. We will have a full agenda for this NCMAC meeting. Matrix Group recommends that the Matrix Group presentation is at the front of the meeting so the North Carolina Commander's Council (NCCC) members can attend the briefing. There was discussion on having a lunch meal available between the NCCC and the Full NCMAC meeting. Acting Chairman Breece asked for a motion to change the NCMAC meeting start time from 12:00 – 12:30. Mr. Cresswell Elmore motioned to change the meeting start time and Mr. Frank Bottorff seconded the motion.

CLOSING COMMENTS: Acting Chairman Breece thanked everyone for attending the meeting.

ADJOURNMENT: Acting Chairman Breece asked for a motion to adjourn. Mr. Cresswell Elmore motioned to adjourn and Mr. Frank Bottorff seconded the motion. Acting Chairman Breece adjourned the meeting at 12:30 pm.