



NORTH CAROLINA MILITARY AFFAIRS COMMISSION

Minutes of the 4th Quarter Meeting of the NC Military Affairs Commission (NCMAC) November 28th 2017, DPI Building, Raleigh, NC

MEMBERS IN ATTENDANCE:

Hon. George Breece, Acting Chair, NCMAC
Rep. George Cleveland, NCGA
Col. Frank Bottorff, USMC Retired, Cherry Point
CAPT Tony Stimatz, USCG Retired, Eliz. City
SgtMaj William Hatcher, USMC Retired, MCB CLJ
RADM Steve Ratti, USCG Retired, At-large (by phone)
Hon. Chuck Allen, Goldsboro/Seymour Johnson
Julie Daniels, Public Member
Sally Ann Gupta, A/R for Sen. Harry Brown
Cresswell Elmore, Cherry Point
Patricia Harris, USA Ret., Public Member
Hon. Grier Martin
John Broome A/R for Rep. John Bell
Kirk Warner, COL, USA, Ret, USAR
ET Mitchell, At-Large
David Hayden,
David Long
Matthew Scott

CONSULTANT TEAM:

Sal Nodjomian, Matrix Design Group
Terry Yonkers, Yonkers Group
Kevin Felix, Roosevelt Group
Charlie Perham, Matrix Design Group

DEPARTMENT STAFF:

Larry Hall, Secretary DMVA
Joseph Kelly, Asst. Sec of Military Affairs
Kelly Jackson, Svc Member and Family Coordinator
Nimasheena Burns, OEA Grant
Angella Dunston, DMVA Communications
Wes Kyatt, DMVA Executive Assistant

EX OFFICIO MEMBERS:

Robert Hosford, NCDA&CS
John Nicholson, NCDEQ
Doug Taggart, NCDPI
Daniel Johnson, NCDOT
Will Best, NCDOC

NCCC:

BG Julian Alford, MCI-East/CLNC
Dennis Goodson, SJAFB
MAJ Yanson T. Cox, USACE Wilmington
Col. Mike Scalise, MCI-East/CLNC
Paul Friday, MCI-East/CLNC
Bill Meier, MCI-East/CLNC
LTC Robert May, NCNG
Bryan Ayers, MCI-East
Randy Meador, CGB Elizabeth City
COL Todd Ferry, MCAS Cherry Point
SGTMAJ Scott D. Grade, MCI-East/CLNC
Tyler Harris, MCAS Cherry Point

ADDITIONAL ATTENDEES:

Marc Finlayson, ACT
Jamie Norment, ACT
Scott Dorney, NCMBC
Ron Massey, City of Jacksonville
Hon. Will Lewis, Mayor of Havelock
Jay Price, NC Public Radio
Jordan Whichard, Gov Cooper's Office
Phoebe Landon, McGuirewoods
Jamie Livengood, Wayne Co. Schools
Valerie Nasser, Craven Co. Schools
Brittany Norman, Onslow Co. Schools
Julie Fulton, USMC, Camp Lejeune-New
River

CALL TO ORDER, WELCOME REMARKS:

Acting Chairman Breece called the meeting to order at 12:30 pm and welcomed everyone to the meeting. He conducted a roll call and asked everyone to sign in on the sign in sheet. He also informed the Commission that there were a couple of NCMAC members that were not able to attend the meeting due to illness or traveling. Mr. Sonny Roberts, MG Dickerson and Gen McNeil.

CONSENT AGENDA AND MINUTES:

Acting Chairman Breece called for a motion to approve the 3rd quarter meeting minutes. Tony Stimatz requested that a few minor grammar corrections be made to the minutes. Then a motion to approve the minutes of the 3rd quarter meeting of the Commission with minor corrections was made by Frank Bottorff, seconded by ET Mitchell and passed unanimously without discussion.

PUBLIC COMMENTS/OPEN ANNOUNCEMENTS:

Acting Chairman Breece called for any public comments. There were no public comments or open announcements.

MATRIX DESIGN GROUP UPDATE:

The Matrix Design Group presented a Legislative update and the Strengths, Weakness, Opportunities and Threats (SWOT) Validation. Kevin Felix presented the Legislative Update and Sal Nodjomian and Charlie Parham presented the SWOT Validation.

- The Legislative update consisted of the following points.
 - December – Deal or Disaster? The FY18 Continuing Resolution Expires December 8th. Potential Outcomes: Government Shutdown – Bad; Long Term Continuing Resolution – Bad; Short Term Continuing Resolution and Budget Deal – Good.
 - Washington DC Situational Awareness. Need to Close Out Fiscal Year 2018 Budget Process; Sequestration Law of The Land for Fiscal Year 2018; Congress Waiting for New National Security Strategy and Military Services Negatively Impacted by Continuing Resolutions.
 - Trump Confirmation and Nominations
 - FY18 NDAA By the Numbers
 - FY18 NDAA Conference Report. Topline \$700 Billion - \$26 Billion Increase above PBR; 2.4 % Pay Raise – Largest in 8 years; End Strength Increase – Army, Navy, Air Force, Marine Corps, Army Guard and Reserve, Air Guard and Reserve and Naval Reserve; \$1.9 Billion for Facilities Maintenance and \$4.4 Billion to Strength Missile Defense.
 - Increased End Strength over FY17 Levels.
 - Comparison of President’s initial budget request to FY18 NDAA.
 - FY18 Military Construction (Milcon) Projects for North Carolina.
 - BRAC and Excess Capacity. BRAC was not authorized in FY-18 – not yet; Senate failed to act on McCain/Reed Amendment. House essentially prohibits a BRAC round; Secretary Mattis pushed

to add BRAC during the FY18 NDAA conference negotiations; SASC Chairman McCain and Ranking Reed and HASC Ranking Smith support BRAC (3 of Big 4); BRAC authorization unlikely this year unless part of White House/Congress Budget Deal; DoD expected to request new BRAC process in the FY19 President's Budget Request.

- Proposed Changes from BRAC 2005. Uses force structure from the McCain white paper; Requires DoD to submit recommendations that Congress would have to approve before they can be executed; Eliminates the BRAC Commission; Caps the implementation cost of BRAC at \$5 billion; Requires BRAC list submitted will yield net-savings within 7 years of completing such closure of realignment and that no individual recommendation can be included unless it demonstrates a net saving within 10 years; Provides greater transparency of data and more expeditious disposal of property.

- The SWOT Validation consisted of the following points.
 - Outline: Process, Successes, Opportunities, Road Ahead, Discussion.
 - The Process Summary. Initial SWOT visits – Fall 2104; Strategic Plan Development – 2015; Recommendation implementation – 2015 – present; Strategic plan publication – Feb 2016.
 - SWOT validation – Nov 2017 locations were Military Ocean Terminal Sunny Point (MOTSU), Camp Lejeune/Marine Corps Air Station (MCAS) New River, Coast Guard Base (CGB) Elizabeth City, Seymour-Johnson Air Force Base (SJAFB), The Adjutant General; MCAS Cherry Point; Fort Bragg.
 - 2014 Observations – Common Themes
 - Successes. MOTSU: Office of Economic Adjustment (OEA) funded Joint Land Use Study (JLUS), Significant investment in rail line, lighting protection and wharfs. Camp Lejeune/MCAS New River: Cooperative Planning Group, Disaster recovery redundancy, Significant investment in both installations, ATC data sharing with Wilmington. Elizabeth City: Designated as “Coast Guard City”, Chamber formed MAC, Local college making training credit worth. Seymour-Johnson AFB: Public-Public and Public -Private Partnerships (P4)-multi-sport complex, KC-46 Bed-down, Razor Talon formalized. Cherry Point: State support for Lift Fan facility; Regional JLUS. Fort Bragg: Improved transportation, Significant investment, Growth in small divisions, Transitioning veteran programs, Range improvements. The Adjutant General: C-17 Bed-down at Charlotte; Education and Employment Center; Established Reserve Component Commanders Council, Free tuition.
 - Opportunities. MOTSU: Island Greenway project; Purchase transportation easement (rail line); Alt truck route (upgrade existing road); Concurrent jurisdiction for buffer zone (bordered by Carolina and Kure Beach), Unmanned Aircraft System (UAS) force protection solutions. Camp Lejeune/MCAS New River: Priority power restoration; Energy assurance efforts; Increase UAS mission; Expand P4 opportunities. Elizabeth City: Pursue One Department of Homeland Security (DHS); Aviation park; Runway rehab; Interstate highway; Adversary air (potential bed-down location); Energy assurance. Seymour-Johnson AFB: P4; Education grants; Adversary air (validated AF requirement); JLUS implementation. Cherry Point: Continue to build on P4 success; UAS growth; Veterans transition programs; Commercial use of Morehead City port; Readiness and Environmental Protection Integration (REPI)/Sentinel Landscapes; AMP

certification; Rail infrastructure improvements, Fleet Readiness Center (FRC)-East potential Enhance Use Lease (EUL). Fort Bragg: Transitioning workforce pipeline; Education grants; P4 (EUL/Energy); Encroachment mitigation; Improve relations with US Fish & Wildlife Service in NC. The Adjutant General: P4 to support Readiness Center transformation master plan; C-17 air drop mission; Cyber expansion; Increase State Partnership Program; Grow Youth Challenge program; Quality force retention.

- Road Ahead: Prioritize opportunities; Define and resolve NCMAC support; State-level efforts; and 2018 Strategic Plan update.

- Comments by Terry Yonkers, The Yonkers Group.
 - Terry Yonkers commented that he was not a part of the first iteration of the SWOT but he was a part of this process. The last 3 years he has talked with most of the people and all the Commanders and the Communities. Terry's perceptions:
 - What is the partnership between the Community and the Installations? In North Carolina, we have energized Communities and Commanders. The partnerships continue to grow. The NCMAC creating the opportunity to focus the efforts. They have seen energized Communities and Commanders. Some of the good ideas such as EUL, P4, energy assurance, small cell is being implemented by Commanders with a limited staff and limited resources. Consolidating and creating efficiencies is an idea that is almost too hard to pass up. There is a Strategic Plan that has been out for 2 years and it is being modified as things change in the Pentagon. So how do we implement some of the good ideas? The Commanders want to make these changes, but the challenges are, how do you implement the changes. The way ahead is taking all the front-end work and move it into the let's get it done phase.

- Comments by Sal Nodjomian
 - The North Carolina Military Affairs Commission (NCMAC) along with the Department of Military and Veterans Affairs (DMVA) need to determine what roles each group has and continue to move this forward. They need to find the team, whether that is within the DMVA, the NCMAC or another source to shepherd these concepts. Also, the grant program needs to be revisited, know the requirements and have a sustained funding line. Also, the 2008 Strategic Plan needs to be updated. Questions: Tony Stimatz asked in visiting all the Installations, how significant is the K-12 education issue? Charlie Parham commented that it was a consistent theme across all the installations from the dependents point of view and the communities. Tony Stimatz commented that one of the NCMAC Goals "Improve the quality of life for Uniformed Service members, Veterans, and their families." So, if there are improvements in K-12 education for the military children, that improves education for the entire state. Question: Sally-Ann Gupta asked a question about the status of Joint Land Use Study (JLUS) in North Carolina. Sal Nodjomian commented that OEA just has one for MOTSU. The proposal is on the street but no one has been selected. SJAFB has just completed one. Camp Lejeune is just starting a JLUS and so is Fort Bragg. Will Best, Department of Commerce commented that as of Nov 20, Department of Defense (DoD) OEA officially closed the SJAFB JLUS. They are waiting on the implementation plan as well as federal funding opportunities. Cherry Point, there is a Request for Proposal (RFP) coming out of Carteret County for an implementation for OEA funds. Fort Bragg is 80%

completed with its draft with OEA. This is a two-step process. The JLUS is a study with recommendations and then you can request funding for an implementation to make the recommendations a reality.

- Acting Chairman Breece thanked the Matrix Design Group for their hard work that they had done.

DEPARTMENT OF MILITARY AND VETERANS AFFAIRS UPDATE: SECRETARY LARRY HALL

Secretary Larry Hall gave an update for the DMVA. The Secretary thanked everyone for attending the meeting and taking time to attend the meeting and serve this commission. Each member has valuable experience and everyone's viewpoint is important. We all have reports that are due to Oversight Committees and the Legislature. One item is the Community Grants Program. The Community Grants in this budget are provided for by the Legislature and we have a couple grants outstanding. The Community Grants were awarded by the NCMAC to selected recipients. DMVA did not have processes in place that was state approve at that time to process the grants. The approved process has been shared with the grant recipients. The DMVA now has a state approved process and has informed the grant recipients of that information. We have had an increased number of Community Grants directly from the Legislature to and regarding Military items or issues. These grants may go through the NCMAC going forward. We have a certain oversight level of support at the DMVA to support the grants and if the grant is larger than our oversight level we will transfer that to the Office of State Budget (OSB). I have briefed Representative Cleveland and Senator Brown on the new procedure. I talked to the North Carolina Commander's Council (NCCC) this morning and asked the Commanders to continue to give us input on that SWOT document so that we can empower and work with the surrounding communities. The big effort is being made is to work with surrounding communities and have economic development where possible. We are also working with the Department of Commerce to ensure that all efforts are made through the various state departments to help those communities. There is a Rural Initiative that the Governors' office has started in several counties that have military installations to work with current state branches of government and focus their efforts on those communities. We want to maximum that effort. There are a couple of Important Issues for the DMVA that continue to come to our department. These issues are education, transportation and access to health care. We will continue to focus on these issues. There were no questions following the update.

CONSENT ANNUAL REPORT:

Acting Chairman George Breece commented on the NCMAC Annual Report. There had been many revisions but now there is a final product. The NCMAC members need to vote to approve the Annual Report and if approved the document would be printed and delivered to the Joint Legislative Oversight Committee. There was a motion by Kirk Warner to approve the Annual Report, seconded by Tony Stimatz and passed unanimously without discussion.

BASE SUSTAINABILITY AND COMMUNITY AFFAIRS: FRANK BOTTORFF

Frank Bottorff reported on the Base Sustainability and Community Affairs Committee. The Committee discussed the following items at their 4th quarter meeting on Oct 16, 2017.

- Real ID.

- The Holiday Event sponsored by the Governor and First Lady for Military Families on Saturday, December 16, 2017 from 10:00 – 12:00.
- No new information on the Census. The Official Rule has not been adopted but they were supportive of our request.
- NCMAC Priorities and format changes. All committee will be working on this in the next quarter.
- Draft Budget discussion and will be briefed later during this meeting.
- Sentinel Landscapes: Robert Hosford North Carolina Department of Agriculture and Consumer Services (NCDA&DS) gave an update.
 - NC received \$9.2 million Readiness and Environment Protection Integration (REPI) Challenge grant. The total grant was \$10 million so \$800,000 was available. NCDA&CS along with Fort Bragg secured the remaining \$800,000. Total \$10 million for NC. Today that bring us to \$43 million in federal dollars that we have brought into NC. Federal dollars from our partners at DoD, USDA-Department of Interior. We have developed a document that we have shared with Sen Brown for a request of less than \$13 million to match the \$43 million. That comes to \$1.00 contributed from the General Assembly (GA) we get a \$3.55 return on investment (ROI). That will also protect 25,000 acres that the Installations or the services say need to be protected. If the GA gives us \$13 million, that gets us to \$56 million. NCDA&CS has requested another \$10 million from the USDA. That is a \$66 million project on 25,000 acres. We will have 4 years to execute the funding with the land owners. That protections in the form of 20-30 year easements.
 - Department of Agriculture does not get involved in the wind power. It is a private property right and we will not be in the business of inhibiting a farmer, ranchers or forester from taking profit where they can. If they enter an easement agreement with the trust fund. There is covenant that states they can't put up a high tower. If they sign a 20-30 agreement with NCDG&CS they must abide by the agreement rules.
 - NC states that we are a military friendly state. We are in many ways but not in purchasing agriculture easements. Other states that purchase agriculture easements, NJ \$1 billion; PA \$927 million; MD \$754 million; DE \$300 million; FL \$30 million; NC \$17 million. This information was found in a USDA document and it lists every state.
- Budget Discussion and Marketing for the NCMAC.

QUALITY OF LIFE (QOL): KIRK WARNER

Kirk Warner reported on the Quality of Life Committee. The Committee discussed the Child Crisis Stabilization Unit, K-12 Education, and QOL Top Priorities at the 4th quarter meeting on Oct 26, 2017.

- K-12 education.
- Child Crisis Stabilization Unit. We had a quick update on the Child Crisis Stabilization Unit which remains a focus. There are 1400 children a month under the age grade 12 seen with behavioral issues at Fort Bragg. Emotional and behavioral issues. We prepared a letter of support for the Child Crisis Stabilization Unit to be presented to Senator Wesley Meredith. Mr. George Breece presented the letter to Senator Meredith.
- Military & Veteran Connected School Age Children presentation by Chloe Gossage and Doug Taggart from Department of Public Instruction. 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.

- The committee would like for DPI to have a full time Military Liaison Officer position. They would focus on the education and issues related to military students across the state.
- North Carolina Military presentation by School Liaison Counselors. We discussed the School Report Card, Early enrollment. We need to review California Senate Bill 455 and Arizona House Bill 2107 that focus on early enrollment for Military Students.
- Military Child Education Coalition (MCEC) presentation by BG (Ret) Keith Martin. There points that service members are telling them that K-12 education is important. It is important in force structure decisions. Service Chiefs are telling us that education quality will be a factor in force structure decisions. Other high density military states are providing serious dollars for marketing to military friendly, K-12 education, Quality of life. These states are TX, AL, SC, and FL. The dollar amounts range from \$100, 000 - \$800,000.
- Then we had a presentation from Jeff Smith, NC 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. The Bar Association and others are working on this issues. A direct cause and effect of suicides and mental health issues between those that receive Other Than Honorable (OTH) discharges. Discharge upgrades should be a priority of effort. Mental health and suicides have a direct correlation with OTH discharges.
- NC4ME update from Stuart Ruffin. We recommend an update from NC4ME in the next quarter.
- We also request a K-12 comprehensive 15-minute briefing to the NCMAC. There is a Superintendent meeting being planned that will add value and that information could be briefed to the commission.

Question: Hon Grier Martin asked if the Military Student Identifier is giving us the information that we need. Kirk Warner responded that this is still a volunteering survey to respond to. Question: Hon Grier Martin asked if the Military Interstate Children's Compact Commission (MIC3) was working on the early enrollment issues. Doug Taggart responded that he was not aware of the MIC3 working this issue. But we had the Senate and House bills from California and Arizona that could be helpful. Question: ET Mitchell asked the questions about suicide data. Kirk Warner responded that he could get this data from Jeff Smith from NCDHHS.

ECONOMIC DEVELOPMENT: CRESSWELL ELMORE

Cresswell Elmore reported for the Economic Development Committee. The Economic Development committee did not have a 4th quarter meeting but are in the process of planning their first meeting for 2018. They plan to review the goals and prioritizes of the Economic Development committee.

LEGISLATIVE AFFAIRS: SALLY-ANN GUPTA

Sally-Ann Gupta reported for the Legislative Affairs Committee. The Legislative Affairs Committee did not have a 4th quarter meeting since the General Assembly was not in session. The Legislative Affairs committee works with the NC General Assembly, the Secretary and with other State agencies to review proposed legislation, recommend new legislative actions and to ensure that critical issues affecting the military in NC are coordinated with the General Assembly. We are available to help any of the other 3 committee if needed.

NORTH CAROLINA COMMANDER'S COUNCIL (NCCC) REPORT: PAUL FRIDAY

Paul Fridays shared information for the new NCMAC members. NC is one of the few states that has a Commander's Council made up of Colonels or Executive leads for each of the Military Installations in the state of NC including the Coast Guard and the National Guard. The NCCC meets quarterly, on the morning of the NCMAC meetings. The NCMAC can take issues to the NCCC that it wants the direct involvement of the Commanders and the Commanders can take issues to the NCMAC that it wants direct involvement from the Commission. It is a great working relationship. Bill Meier made a comment that the NCCC had discussed new topics. Quality education was a major topic for each Installation Commander. There were no other questions or comments for Paul Friday.

VIDEOS (2):

Two videos that were presented to the Commission. The first video was Military Host Cities, NC League of Municipalities and the second video was Allies for Cherry Point's Tomorrow (ACT) 2017. Frank Bottorff made a couple comments about the videos and stated that the NCMAC could support something like this. ET Mitchell commented that we need to expand to more than just the videos. This needs to target the rank and file voters and be state-wide. Hon George Cleveland commented that we need a committee to work on this project. All of this needs to be more than videos and will be a lot of work. We could look at Public Broadcasting Service (PBS) to help with a project like this. Frank Bottorff commented that the videos are not the answer for our complete strategic communications but we need to keep it in a manageable form. Sally-Ann Gupta commented that we need to look at our strategic communications plan and see how we can use a video. Frank Bottorff commented that the next task is more of a state-wide view. Hon Chuck Allen commented that every city has a Public Access Channel. Sally-Ann Gupta commented that we could use movie theaters. Frank Bottorff commented that we need a motion to move forward with this plan. Cresswell Elmore commented that Original Equipment Manufacturer (OEM) would want to help us. Tony Stimatz commented what behavior are we trying to motive and what market are you looking at? Who are we targeting and what do we want them to do? What is in it for me? The plan needs to be clear. Frank Bottorff commented what do we want the Request for Proposal to look like? Pat Harris commented voters are asking questions. How can we improve awareness? People need to see the videos and then ask questions. David Hayden asked about our Strategic Plan? Chuck Allen commented that we are making this harder than it needs to be. We have talked about this topic for 2 years and haven't gotten very far. So, we need to do something. ET Mitchell commented that we have talked and discussed this to death. We need to have goals and a timeline. I agree that we need a committee and would volunteer to be a part of this committee if selected. I agree with Chuck Allen, we need goals and a product. Frank Bottorff commented that we do not have a strategic communication plan. We had a draft plan and It was briefed to this committee and

no action was taken. We need to inform the citizens of NC that the military is the second largest industry behind agriculture in NC. The problem before was to figure out the cost. We have not informed the citizens and the Legislative Officials that are not in military areas. Kirk Warner commented that we need to move forward on this. We have the Annual Report and need to use other State agencies to assist us. Frank Bottorff commented that something is better than nothing. There was a motion made by Frank Bottorff to have the Host Communities create a video with NCMAC input and the motion was seconded by Kirk Warner. Discussion: Question: Tony Stimatz asked what are we putting together. Frank Bottorff replied an informational video on the effects of the military in NC. Question: Hon Grier Martin asked why do the Host Communities need NCMAC approval? Frank Bottorff replied that the video is going to represent the NCMAC so they need our authority and input to do that. Question: Hon Grier Martin asked if this motion requires the expenditure of any funds without further action. Frank Bottorff responded no funds needed. The motion passed with a unanimous vote and no further discussion.

BYLAWS WORKING GROUP: KIRK WARNER

Kirk Warner reported on the By-Laws working group. The working group consisted of Kirk Warner, Frank Bottorff, Tony Stimatz, Sally-Ann Gupta and Pat Harris. Kirk Warner thanked the working group for all their hard work. The by-laws have not been updated in a long time and need to be aligned. Article I was updated to match the legislation. Article II Membership: changes for an attendance requirement; do we need a removal portion since members are appointed by the Governor, President Pro Tempore of the Senate or Speaker of the House of Representatives (make a recommendation to the entity that appointed them to the commission); Recusal. Article III Commission Officers and Leadership Roles: Committee Chairs. Should the Committee Chair be selected by the Commission Chair or selected from the committee members? The bylaws currently have the Committee Chairs shall be selected by and serve at the discretion of the Commission Chair and that is the way it will remain. Article V Budgetary and Financial Matters: Change to have budgetary requests sent directly to the General Assembly. Second who are the Members of the Commission? How is that defined by the Legislature? Is that the 21 Commission Members? Sally-Ann Gupta will research that question. Article VII Committees: All commission members will serve on a Committee and each Committee shall consist of at least five voting members of the Commissions, how does the open meeting laws apply. We need a legal review on this matter or check with the ethics commission. We have a Base Realignment and Closure Select Committee and it was recommended to roll that into the Base Sustainment and Community Affairs Committee. Appendix D The Administration of Commission Business: Recommend a Memorandum of Understanding (MOU) between the DMVA and NCMAC. Secretary Hall and Joe Kelly may want to review this to see if a MOU is needed or are there any gaps. The working group will get together and make the changes needed. There was a comment to add a rapid action process to the by-laws for items that are time sensitive. The Bylaws are a living document and can always be amended. That concluded the update from Kirk Warner.

COMMUNICATIONS COMMITTEE:

A Communications Committee was formed and these NCMAC members were selected to be on this committee. Hon Grier Martin, ET Mitchell, Hon Chuck Allen, Tony Stimatz, Patricia Harris and Frank Bottorff. The Committee will select the Chairman for this committee. Acting Chairman Breece

motioned to establish a Communication Committee with the above listed NCMAC members. The motion was seconded by Hon George Cleveland and passed unanimously without discussion.

Acting Chairman George Breece excused himself and turned the meeting over to Vice Chairman Frank Bottorff

FINANCE AND BUDGET WORKING GROUP: FRANK BOTTORFF

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. We have a carry-over of \$180,000. Total: \$2,180,000. The draft budget consists for 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; Other Stabilization initiatives \$90,000 each year; 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 Community Grants \$200,000 FY17-18. The 2017-2019 Appropriation \$2,180,000. 2017-2018 Planned Budget \$1,197,000 and 2018-2019 Planned Budget \$983,000.

The 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.

Comment: Hon Chuck Allen commented that the Commission needs to pay to develop a Communications Plan.

Economic Development Partnership for North Carolina (EDPNC) Discussion: Frank Bottorff lead the discussion. He referenced the letter that the NCMAC members received written by Chris Chung, EDPNC Chief Executive Officer on the importance of the position that the NCMAC is funding. Chris Chung was not able to attend this meeting due to a work conflict. Frank Bottorff supports the NCMAC continuing to

fund this position. Secretary Larry Hall made some comments to the NCMAC. He had concerns that the individual that was hired in that position was not qualified for that position and has not yielded results in that positions. Frank Bottorff commented that the NCMAC has not done any oversight on this position and meeting the expectations. Sec Hall commented that we are talking about a position and not a person. After the first year, there was supposed to be a review of the position. We need to look at exiting the position since we are not getting the results that we are paying for. The qualifications on the job descriptions was not met by the individual that was hired for that position. Kirk Warner asked Sec Hall how he was evaluating the position and the results. Sec Hall responded personnel evaluation. Hon Chuck Allen recommended that we have a team review this situation. Tony Stimatz asked what were the priorities for EDPNC and who sets the priorities? The response was their focus is almost totally on tourism and not sure who sets their priorities. Frank Bottorff agrees with getting a team to review this matter. Cresswell Elmore stated that he was a part of the group who started this project. There were issues on both sides. Hon George Cleveland stated that these issues need to be addressed. Sec Hall commented that this position was for domestic recruitment. Hon Grier Martin commented that he wants to review the recommendation before it was final. The Commission decided to select a team to meet with Chris Chung and evaluate this matter. The team recommended included Cresswell Elmore, David Hayden, and Gary McKissock.

(1) Hon George Cleveland made a motion to approve the 17-18 Planned Budget. The motion was seconded by Hon Chuck Allen and passed unanimously with no discussion.

(2) Tony Stimatz made a motion to approve expenditures from “minor contracted services” for professional services to prepare two Request for Quote (RFQ) for Federal Lobbying and consulting services. Expenditures are approved not to exceed \$5,000.00 total for RFQ preparation. The motion was seconded by Hon Chuck Allen and passed unanimously with no discussion.

(3) Tony Stimatz made a motion to approve the expenditure of funds to pay, on the agreed upon schedule, for NC4ME, OEA grant, and Sentinel Landscapes from the respective budget lines. The motion was seconded by Hon Chuck Allen. Discussion: Sec Hall asked will the previous grants continue to be paid. Joe Kelly replied yes. The funding for the previous grants has been obligated. The motion passed with a unanimous vote.

(4) Hon Chuck Allen made a motion to approve expenditures from the “Administrative line” for travel expenses related to NCMAC meetings for NCMAC Commissioners and DVMA staff. The motion was seconded by Hon George Cleveland. Discussion: Mr. Tony Stimatz Budget Bill. The next year explain how the prior year money was spent. The motion passed with a unanimous vote.

(5) Cresswell Elmore made a motion to approve up to \$10,000 from the “conferences” line to send Commission members and DMVA to ADC conference in February. The motion was seconded by Hon Chuck Allen and passed with a unanimous vote and no discussion.

(6) Hon George Cleveland made a motion to approve the request from Fayetteville Tech (MOU) and Def-Tech (\$42K, Salaries and Travel) to extend the contract date 4 December 2017 until 17 April 2018. The motion was seconded by Hon Chuck Allen and passed with a unanimous vote and no discussion.

(7) Robert Hosford (Department of Agriculture) provided an update to the NCMAC regarding Sentinel Landscapes. As part of the presentation the federal dollars available to NC for this effort was presented. To access all the available dollars to NC, the state needs to present matching funds. Robert stated that the Department is seeking \$13M in matching state funds from the General Assembly. The Military Affairs Commission, after a motion by the Hon Chuck Allen, seconded by Mr. Cresswell Elmore and voted unanimously to express their full support for the request being made to the General Assembly for the \$13M. The MAC wished to make sure they lent their voice to this request for the awareness of the Secretary of DMVA, the Governor, and the General Assembly.

OEA GRANT PRESENTATION: NIMASHEENA BURNS

Ms. Nimasheena Burns gave a presentation on North Carolina Defense Industry Diversification Initiative (NC DIDI). The content of the presentation is the Initiative, Supply Chain Mapping, The Pilot, Value Proposition & Strategic Report, Communications and Questions.

- NC DIDI: In a proactive response to changes in federal defense budgets the North Carolina Defense Industry Diversification Initiative (DIDI) was created. The initiative is being managed through a partnership between NC State Industry Expansion Solutions and the North Carolina Department of Military and Veterans Affairs. The project deliverables include: 1) Supply Chain Mapping Study, 2) Pilot Program, 3) Resource Capacity Guide, and 4) Plan of Action.
- Supply Chain Mapping: Prepare construction firms, service providers, manufacturers and other DOD prime and subprime contractors for economic diversification. Map a strategy that will capitalize on the competitive advantages of North Carolina's defense industry and develop response protocols to those defense reliant industries at risk or that have the potential to expand beyond their defense contracts. Prepare service providers and manufacturers for economic diversification opportunities
- How it works? NC Needs You to Complete the Survey to Have an Accurate Picture of DoD Contractors. Provide an email address to receive the link or head to the website. Take the Survey. Invite a colleague to take the Survey.
- The Pilot: Your business has seen in the past 24 months (or you have reason to believe will see in the next 24 months): At least a 5% decrease in sales, production, or employment due to reduction in defense contracts. Must be a prime defense contractor or subcontractor to a prime defense contractor affected by defense budget reductions and have at least 10% business revenue derived from DoD contracts. Must be headquartered in North Carolina. Must have at least five full-time employees. Must be current on all state tax obligations. Most importantly, your business must be interested in the development of growth and/or diversification strategies.
- The Pilot Project Process: Ongoing Program Marketing to DoD Supply Chain Companies, Introductory Workshop, Program Application, Acceptance/Core Values Assessment, Proposal/Scope of Service, Phase 1 Strategy/Opportunity Validation, Phase 2 Execution Service Delivery, Project Closeout/Results.
- Core Values' Drivers: Growth, Recurring Revenue, Brand, Company Overview, Operations, Human Resources, Large Potential Market, Barriers to Entry, Margin Advantage, Financial, Customer Satisfaction, Legal, Dominant Market Share, Product Differentiation, Customer Diversification, Sales and Marketing, Senior Management, Innovation.

- Pilot Project Service Examples: Brand/Sales and Marketing: Web Design/Search Engine Optimization and Market Research. Innovation: Prototype Development and Innovation and Growth. Growth: TDMI, Value Chain Optimization, Commercialization Assistance, Supplier Scouting Services, Strategic Planning for Growth, Export Assistance. Operations: ISO Management System Implementation, ISO System Certification, Risk Management Analysis, Total Cost Ownership, Project Management Efficiency Improvement.
- Pilot Project Challenges: Desire to diversify, but lacks the understanding of how to do it. DoD Business template is significantly different from commercial sector. DoD companies have little or no effective marketing program in place. Many see ISO as a differentiator and want the certification. Lowest Cost Technical Acceptable (LPTA) proposal evaluation criteria is driving companies out of business. TDMI services from RTI will likely be the most delivered service to companies. SBTDC will be utilized to provide marketing solutions to participating companies.
- Outreach and Forum Research Events: Regional-focused gathering of DoD contractors; Havelock: Sept. 26, Asheville: Oct. 26, Research Triangle Park: Nov 15, Fayetteville, Dec 5. Supports SDG research on contractor experience with DoD. Each event includes a presentation by a subject-matter expert on audience-relevant content. Also, engage local economic development organizations. Provides further exposure for grant initiatives including mapping and pilot project.
- Value Proposition: Results of the Initiative: An assessment and forecasting capacity to understand the extent of the defense contracting footprint in North Carolina. Diversification strategy for companies overly reliant on defense spending, with clear alternative solutions and resources identified to support such diversification. Defense contractor transition process that connects employees to growth industry and provides a technology tool to support their transition. Strategic plan for understanding and seizing opportunities for industry growth.
- The Strategic Report and State Capacity Report:
- The Website: NC DIDI: In a proactive response to changes in federal defense budgets the North Carolina Defense Industry Diversification Initiative (DIDI) was created. The initiative is being managed through a partnership of NC State Industry Expansion Solutions and the North Carolina Department of Military and Veterans Affairs. The goal is to understand, support, and respond to the needs of North Carolina's defense businesses at the state level. The initiative seeks to ensure that the defense supply chain remains robust, so that it is able to quickly absorb sudden high demands from Department of Defense agencies. The NC Defense Industry Diversification Initiative Advisory Board is chaired by NC Department of Military Affairs Secretary Larry Hall and NC State Industry Expansion Solutions Executive Director Phil Mintz. The advisory board is comprised of NC's most experienced defense industry and economic development professionals. Meet the Board!
- Contact Information: General Inquires and Survey Questions: Michael Mullins, Military Segment Manager, OEA DoD Project Manager, NC State Industry Expansion Solution, mrmulli2@ncsu.edu. General Inquiries, presentations statewide, stakeholder engagement and sharing information about the initiative: Nimasheena Burns Communications and Project Manage NC Department of Military and Veterans Affairs, Nimasheena.burns@milvets.nc.gov. Perhaps your company might be interested in taking part in the DIDI Pilot Project? Please feel free to contact: Rex Raiford,

Regional Manager and Pilot Project Manager, NC Industry Expansion Solutions,
Rex_raiford@ncsu.edu

ECONOMIC DEVELOPMENT PARTNERSHIP FOR NORTH CAROLINA (EDPNC) OVERSIGHT COMMITTEE:

The Hon Chuck Allen made a motion to form an EDPNC Oversight Committee. The Commission members nominated for this Committee were Cresswell Elmore, David Hayden, Gary McKissock, and Joe Kelly (Advisory). The motion was seconded by Cresswell Elmore and passed unanimously with no further discussion. Cresswell Elmore made a motion to authorize the EDPNC Oversight Committee to proceed with the negotiations with the current provider and discuss the contract and report back to the ESG on their findings. The ESG has the permission and authority to expend the funds up to \$120,000. The Hon Chuck Allen seconded the motion and passed unanimously with no further discussion.

K-12 EDUCATION – EARLY ENROLLMENT:

The Hon Chuck Allen commented about the issues of early enrollment for K-12 education and that it is an issue at many of the installations. He thought that this issue need to be given to one of the committees. Kirk Warner commented that he had discussed this matter with Acting Chairman Breece and he was going to send the early enrollment legislation from Arizona and California to Sally-Ann Gupta for the Legislative Committee to review and make recommendations.

FUTURE CONSULTING/LOBBYING CONTRACT DISCUSSION:

Vice Chairman Frank Bottorff commented that he was willing to work on preparing 2 Request for Quotes (RFQ). The Chairman will name the other members that will work with on developing the 2 RFQs.

CLOSING COMMENTS:

Tony Stimatz commented that he appreciated the briefing from Ms. Burns. It was very informative. Joe Kelly informed the group that there were copies on the table of the JLUS for SJAFB and other items of interest. The Hon Grier Martin said he was looking forward to getting to know the members of the NCMAC.

ADJOURNMENT:

The Vice Chairman Frank Bottorff asked for a motion to adjourn. The Hon George Cleveland made a motion to adjourn and Hon Chuck Allen seconded the motion. The Vice Chairman Bottorff adjourned the meeting at 4:45 pm.