

***DEFENSE BASE CLOSURE AND REALIGNMENT
COMMISSION***

***2521 CLARK STREET, SUITE 600
ARLINGTON, VIRGINIA 22202
(703) 699-2950***

MEMORANDUM OF MEETING

DATE: June 7, 2005

TIME: 3:30 PM – 4:30 PM

MEETING WITH:

Captain Tim Trainer, Commanding Officer, Naval Air Depot North Island, Phone: (619) 545-2200, E-Mail: william.t.trainer@navy.mil

Bill Reschke, Plant Manager, Naval Air Depot North Island, Phone: (619) 545-3101, E-Mail: william.reschke@navy.mil

CDR Mike Kelly, Production Officer, Naval Air Depot North Island, Phone: (619) 545-2381, E-Mail: mike.kelly@navy.mil

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Eva Escalante, Counsel, Naval Air Depot North Island, Phone: (619) 545-2929

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Bruce Helsing, Business Office (BRAC Coordinator), Naval Air Depot North Island,
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Linda Garcia, Business Office, Naval Air Depot North Island, Phone: (619) 545-2705

CDR Jake Washington, Public Works Office (Naval Base Coronado),
Phone: (619) 545-1113

SUBJECT: Discuss financial data provided NADEP North Island

PARTICIPANTS:

Thomas A. Pantelides, Senior Analyst, Joint Issues Team*

Lesia mandzia, Senior Analyst, Joint Issues Team

MEETING SUMMARY:

The cost of operations and the extent and timing of potential costs and savings were the issues Discussed.

We summarized our observations of the DOD recommendation as a proposal to transform and realign the intermediate and Depot level maintenance facilities into a network of Fleet Readiness Centers (FRC)'s on both coasts. North Island was the East Coast site identified as having a reduction of 653 direct and 579 indirect positions as a result of the realignment to FRC's.

During our discussions North Island officials noted that based on the DOD recommendation North Island will be reducing by 587 positions, 97 positions being movements to other FRC's and 490 positions eliminated as a result of the consolidation. See (NI - 9) Additionally, this issue is discussed in follow up meetings in Washington (NI- 10).

Captain Trainer explained the proposal was in phase one of a three year plan with many questions remaining. For example, Captain Trainer said that many of the planned moves would be accomplished though normal attrition, currently attrition is at about 8% per year. Officials cautioned that although the attrition rate would cover the estimated positions being eliminated it does not address the problem of right sizing the force.

We agreed to talk to Mr. Stew Paul to clarify the numbers and have arranged a meeting with him to obtain an overview of how costs of operations were calculated and the assumptions used resulting in the estimates of savings in support of the DOD proposal.

The manpower implications and the extent and timing of potential costs and savings

We discussed the many improvements that have allowed the North Island facility to reduced turnaround time for its work, this at a time of increased workload given significant extra wear and tear incurred within overseas theaters of operation.

Ms. Diana Delgado provided accounting data and information on personnel actually on board. Based on the information provided we estimate North Island Depot currently has about 297 empty positions. (NI-11)

Another method of calculating positions not filled using the data provided by the Aviation Industrial Joint Cross Service Group (I-JSG), shows 164 positions not filled. (NI – 12). During our discussions we found it difficult to determine if the input data to the COBRA model was fiscal year 2003 actual or projected fiscal year 2005 at a point in time. We have asked for additional data to clarify this issue.

We also discussed the accuracy of current standards used in projecting future requirements and examined data showing direct and indirect execution of the standards. A review of the variance of the standards to actual hour's shows that direct hours are under-executed and indirect hours are over-executed however in total actual hours are under-executing standard. However, the cost of sales is over-executing standards. Captain Trainer attributes this variance on higher than expected material costs due to the aging fleet of aircraft. (NI – 13 & 14).

We discussed the accuracy of projected savings due to the variance in positions and actual personnel on board. We agreed that the variance would have the effect of reducing projected savings. We plan to follow-up at the headquarters to assess the variance between authorized and actual personnel in order to assess the manpower implications and the extent and timing of potential costs and savings proposed.

INSTALLATION CONCERNS RAISED:

Installation Officials did not raise any concerns and were eager to implement the proposed realignment.

COMMUNITY CONCERNS RAISED:

Captain Trainer is not concerned over the proposed realignment to FRC's. He explained that any reductions in positions would be over time and be made with normal attrition.

ADDITIONAL INFORMATION REQUESTED

We agreed to coordinate the information obtained through the Aviation Industrial Joint Cross Service Group.