

**Meeting Minutes  
Triumph Gulf Coast, Inc.  
Franklin County Commission Chambers  
County Courthouse Annex Building  
34 Forbes Street  
Apalachicola, Florida 32320  
November 20, 2019  
1:00 p.m. ET**

**Members Present:**

Allan Bense, Vice-Chair  
Don Gaetz, Chair  
Ben Lee  
Stephen Riggs, IV, Treasurer  
Matt Terry

**Excused Absences:**

Lewis Bear, Jr.  
Pam Dana, Ph. D

Chair Don Gaetz called the meeting to order at 1:00 p.m. CT and thanked the Franklin County Board of County Commissioners for providing the meeting location and recognized local officials. Mr. Ricky Jones, Vice Chair of the Board of County Commissioners welcomed the Triumph Gulf Coast Board to Franklin County and thanked them for the work that is being done in the county.

Executive Director Susan Skelton called roll and announced the presence of a quorum with Mr. Lewis Bear, Jr. and Dr. Pam Dana excused.

**Vice Chair Allan Bense made a motion to approve the October 4, 2019 Meeting Minutes. The motion was seconded by Mr. Matt Terry and approved without objection.**

**Treasurer's Report**

Mr. Stephen Riggs, IV, Treasurer, reported on the October 2019 Financial Statement. He noted that the Board continues to operate below budget. Chair Gaetz thanked the Tipton, Marler, Gardner and Chastain CPA Firm for providing the Schedule of Funds document and said that it was a very helpful tool. Mr. Riggs told the Board that the annual tax return had been filed on time by the Warren Averett CPA Firm. **On a motion by Mr. Riggs, seconded by Mr. Ben Lee, the Financial Statement was approved without objection.**

**Staff Report**

Ms. Skelton reported that the Auditor General's Office Audit has been completed and that there was one finding related to use of cell phones which is being addressed by staff. Chair Gaetz said that for the second year in a row, the Auditor General has performed a very thorough review of all of the organization's operations and that this year's finding was even more de

minimis than last year's findings. He said that he thought that was pretty good for an organization that has a \$1.5 Billion responsibility. Mr. Riggs said that he was very pleased with the audit outcome and noted that the Auditor General's staff reviewed a lot of operational activities and found almost no fault. He thanked staff for working with the Auditor General in a positive way. Chair Gaetz thanked Ms. Skelton and staff for continuing to operate below budget with no issues.

## **Legal Report**

Mr. Scott Remington, Legal Counsel, reported on the City of Panama City / Eastern Shipbuilding Group, Inc. Grant Award status. He noted that an article in the Panama City News Journal indicated that there had been a change in the status of the United States Coast Guard agreement with Eastern Shipbuilding, Inc. (ESG), relative to the production of the Off Shore Patrol Cutter vessels referenced in the Triumph Gulf Coast, Inc., agreement with the City of Panama City and Eastern Shipbuilding, Inc. Mr. Remington said that his office has been in brief discussion with the City and ESG to ask for clarification on the changes and how they may affect the Triumph agreement. He said that their counsel has indicated that they would provide us with a written update, but that they did not anticipate any reduction in the number of jobs to be produced. Mr. Remington said that some adjustments to the Triumph agreement may be necessary to accurately reflect the changes in the underlying agreement with the USCG. He said if any changes are needed, he anticipated bringing those to the Board for consideration at the December meeting.

Mr. Remington then gave a review of Grant Award Recommendation for Proposal #46 – Okaloosa County Board of County Commissioners – Southwest Crestview Bypass for a requested \$64,100,000 in Triumph Gulf Coast funds. He said that the total cost of the project is \$199,019,000. All matching funds must be available (or secured) prior to the Triumph funds being released for expenditure. A maximum cost contract with a construction manager must be in place no later than December 31, 2020, and all contracts in excess of \$250,000 must be approved in advance by Triumph Gulf Coast. Funds will be made available to Okaloosa County as reimbursement for funds expended. Any change orders exceeding \$250,000 will have to come back to the Triumph Gulf Coast Board for approval. He then asked Dr. Rick Harper, Economic Advisor, to explain the performance metrics and clawbacks that are provisions of the agreement.

Dr. Harper said that by the tenth anniversary of the date of the agreement, employment in the federal government military sector, as measured by EMSI (Economic Modeling Specialists International) in industry sector 901200 will have increased by 1300 jobs above baseline projected growth. He said that the baseline projected growth over that period would be 243 jobs. Therefore, the total required growth over the next ten years would be 1543 to meet the agreement target. He said that the clawback metrics are designed to reflect that amount. The projected amount per job of \$49,308 would be used to determine the amount of clawback for any shortage of jobs at the end of the period ( $\$49,308 \times$  number of jobs not created). Mr. Remington noted that the clawbacks in this agreement are proportional based on the number of jobs created. Mr. Remington explained that the manner of budget information display has changed and is reflected in this agreement. He said that no Triumph funds would be expended until year two of this agreement, but because it is in the nature of reimbursement, some funds could be paid in year one. He said that due to the fact that Okaloosa County had contracts that could be reimbursable that were in place prior to the execution of this agreement, Triumph Gulf Coast has had our construction management expert review the contracts in advance of the

agreement to assure that they are reasonable and acceptable to Triumph. Mr. Lee said that he appreciated the new budget format.

Chair Gaetz asked if the “prior use” issue raised about the reimbursement of the funds for contracts already in place would conflict with the Triumph Gulf Coast requirement for all funds to be in place prior to Triumph funds being expended. Mr. Remington said that it would not cause any problems. Mr. Lee asked if we would have a staff person monitor all of the draws. Ms. Skelton indicated that all draws are reviewed by staff and Mr. Riggs. If there is a need for a construction management review, Mr. Randy Lewis, Construction Management Expert, would review that information in addition to normal quarterly and annual reviews. Mr. Riggs said that for reimbursable funding, there is a depository review process that has been created whereby all documents are in one place and can be reviewed by all necessary parties. He said, in effect, he does a mini-audit on each request prior to disbursement. He said in addition to our staff and himself being able to view the process in real time, the Auditor General has access to the system as well. He said if any members wanted to see the system, it can be made available for review. Mr. Lee said his interest was in the field work and Mr. Lewis’ ability to review the process in progress. Ms. Skelton said that was the case and noted that in fact, the two contracts already entered into by Okaloosa County had been reviewed by Mr. Lewis. One was found to have no issues. The second one needed further clarification and once the appropriate information was shared with Mr. Lewis by the contracting entity, he was able to confirm that it was acceptable for Triumph to move forward.

Ms. Skelton noted that the Okaloosa County Board of County Commissioners had taken a contingent position and signed the agreement in advance of the meeting so that it can be fully executed in a timely manner. Chair Gaetz noted that he intends to take the agreement back to the Okaloosa County Commission to formally sign it at a BOCC meeting. Vice Chair Allan Bense said that while in general he has concerns about supplanting the roles of federal and state funding, he recognizes the importance of this project and fully supports it.

Chair Gaetz recognized Mr. Kelly Windes, Chair of the Okaloosa County Commission, for comments. Chair Windes said that the BOCC appreciated the cooperation that they have received from Triumph Gulf Coast staff in moving this important project forward. Chair Gaetz asked if it would be acceptable for him and Mr. Riggs to attend the next BOCC meeting to formally finalize the agreement. Chair Windes indicated that it would be very acceptable.

Chair Gaetz asked if there was any public comment. Mr. Johnathan Tallman, a citizen from Okaloosa County, thanked the Board for funding this important project for the future of Okaloosa County.

**Vice Chair Bense made a motion to approve Proposal #46 – Okaloosa BOCC – Southwest Crestview Bypass - \$64,100,000. Mr. Riggs seconded the motion. On a roll call vote, the motion passed unanimously (5-0.)**

Mr. Remington said that it was his understanding that Walton County is requesting that the review of Grant Award Recommendation for Proposal #190 – Walton Economic Development Alliance – U.S. 331 Infrastructure for \$1,742,407 be tabled for one month. Chair Gaetz asked if any member of the public wished to be heard on the request. Mr. Bill Imfeld, Director of the Walton County Alliance, thanked the Board for considering the request and noted that the EDA had just become aware of some concerns relative to one of the companies that would be part of the project, and wanted time to perform some due diligence on the company prior to bringing

the award request forward. He said he hoped to have that review completed in time for the December Triumph Board Meeting. He thanked the Board for its patience. Vice Chair Bense thanked Mr. Imfeld for his openness in approaching this concern.

**Vice Chair Bense made a motion to table the review. Mr. Lee seconded the motion. On a voice vote, the motion was adopted.**

Mr. Remington presented his review of the Grant Award Recommendation for Proposal #200 - Franklin School District Career and Technical Training Phase II for \$1,215,000. He said that the proposal will provide several different types of training to include Unmanned Aerial Systems operation, EKG, Certified Nursing Assistance, Emergency Medical Response, and Digital Tools. Equipment, salaries, professional development and consumable supplies are included as part of the funding. This grant would be a disbursement grant. The grantee is responsible for \$652,000 in matching funds. He outlined the performance metrics and clawbacks for the proposal. He said that grant award agreement is consistent with the term sheet and all prior education agreements approved by the Board.

Chair Gaetz asked Dr. Frank Fuller, Education Consultant, if he had any additional comments about the proposal. The Chair announced that Dr. Fuller has been tapped by the State Department of Education to provide Strategic Planning Services to Commissioner Richard Corcoran, and that Commissioner Corcoran has agreed to allow Dr. Fuller to continue in his capacity as the Education Expert for Triumph Gulf Coast while serving the State of Florida as the Director of Strategic Education Partnerships.

Dr. Fuller asked Ms. Traci Moses, Superintendent of the Franklin County School District, to come forward. He noted that the programs she has instituted are remarkable and that it is possible that every single student in the high school may have the ability to receive a certification this year. Ms. Moses said that in 2014-15, the graduation rate was 49% and in 2018-19 it was 81%. She said there has been a marked increase in both graduation rates and participation over the last several years in the county school system. She said the goal is not only to graduate as many students as possible, but for those graduates to be career ready when they leave the system. Ms. Moses said that in 2017-18 they awarded 35 industry certifications, in 2018-19 they awarded 429, and they are projecting awarding over 600 this year as a result of Triumph assistance. She said in 2016-17 there were six students who graduated high school with a dual AA degree from Gulf Coast State College. In 2018-19 there were ten dual graduates with the Senior Class averaging around 60 students total. Ms. Moses said that the first step in their process was to survey students to determine areas of interest. She said the top two were welding and medical services. The district has focused on those two and in the Health Sciences program they are offering CAN training and look forward to adding the others with this grant. In the welding program they have just recently graduated five students that will be employable at graduation. Digital tools will help students across all fields, and with the renaissance of Tyndall Air Force Base, there is a real interest in aviation fields. There is already a lot of interest in drone technology and training in the county. She said that she is very thankful for the support of Triumph Gulf Coast.

Mr. Riggs said that the presentation by Ms. Moses made him very happy. He said the ability to double the graduation rate is phenomenal and that he is passionate about getting younger students on track early in their education and excited about that focus in the Franklin County School District. He said that the combination of a high school degree and industry certifications can make a real difference in a person's life and he congratulated her on all of the

improvements in the programs. Ms. Moses said that the partnerships that they have with Lively Technical Center and Gulf Coast State College are very important to the district and she is very thankful for those partnerships as well as the assistance from Triumph Gulf Coast. She said that in the future she would like to see the ability to offer industry certification opportunities for adults in the community and said that such training would offer hope and pathways for those that did not have that opportunity while they were in school. Mr. Lee thanked Ms. Moses for bringing Triumph great opportunities to help rural communities move the needle in reducing poverty and providing real job skills to the region. Mr. Terry asked what the runners-up in the skills survey were and Ms. Moses indicated that she did not remember since it had been several years, but that they had used the industry list from the Department of Education to look at top five high wage jobs and took into consideration student interest level in those jobs. She said that she remembered that the military was on the list somewhere but that the school system does not have enough students to qualify for participation in ROTC programs. She said that the minimum number of students for participation is 10% of high school population or 100 students. With only 300 in the high school, the \$100,000 start-up cost is too expensive for the school district to afford. Mr. Terry asked if the graduates are moving away or staying in Franklin County. Ms. Moses said that some are moving away but some are staying in the county and either working here or driving to jobs in other counties and commuting home.

Chair Gaetz asked if anyone from the public wished to comment. County Commission Vice Chair Ricky Jones, representing himself as a parent and a volunteer member of the Franklin County School District Advisory Council, said that all of his children have benefited from the industry certification training and said that he could not tell the Board, as a parent, how much the opportunities mean to the county and the future and thanked Triumph for the important work being done.

**On a motion by Mr. Terry, seconded by Mr. Lee, the Board approved Proposal #200 - Franklin School District Career and Technical Training Phase II for \$1,215,000. The roll call vote was unanimous (5-0.)**

Mr. Remington then asked the Board to entertain a motion to allow him to go forward with negotiations for a Directors and Officers Liability Policy and for permission to have the Chair sign and authorization to negotiate for a renewal of the insurance policy. **Vice Chair Bense made a motion to authorize the renewal. Mr. Terry seconded the motion. The motion was adopted without objection.**

Dr. Gary Ostrander, Vice President of Research for Florida State University, made a brief presentation on the status of the FSU Apalachicola Bay Systems Initiative (ABSI) Project funded in part by Triumph Gulf Coast. Dr. Ostrander said that scientists have been hired to begin work on the project and that a collaborative effort with the Florida Fish and Wildlife Commission (FWC) and the Apalachicola National Estuarine Research Reserve (ANERR) is underway to study the conditions of the bay and the surrounding waters. Full data sharing agreements are in place so that all three entities can work together to further modeling capabilities. ABSI has contracted with Duke University's marine robotics and remote sensing team to conduct drone surveys of the intertidal habitats to expedite research of live and dead oyster reefs. The week of December 1, construction will begin on a small research hatchery at the St. Teresa Coastal and Marine Laboratory. The hatchery should be completed in March 2020 in time to work with the Spring 2020 oyster spawn season. The National Fish and Wildlife Foundation (NFWF) has funded a grant to FWC for \$20 million for this research with ABSI as a partner in the grant. The goal is to design and manage up to 1000 acres of oyster habitat in Apalachicola Bay. ABSI will

work with FWC and partners with University of Florida to provide critical water quality analysis and data to the project. He said that work will be useful in the actual reef deployment which is scheduled to occur in about two years. Dr. Ostrander noted that the Community Advisory Board, made up of local residents impacted by the restoration, and various state and federal science organizations, is key to the work being done because the stakeholders, represented by the members of the Advisory Board, will inform the work being done to restore the bay. He said that FSU is pursuing other partnerships that can benefit the project, as well.

Dr. Ostrander reported that the Community Advisory Board has 24 members that have specific interest in the restoration of the bay. He said that the Board includes members representing agriculture, real estate, economic development, tourism industry, environmentalists, local citizens, seafood workers, and seafood industry owners, local government and state government. The first meeting was held October 30 with almost all members attending. He said a number of the members had mentioned that they had been involved in efforts like this in the past with no real results, but they expressed that this Board has a real potential to make a difference. Dr. Ostrander noted that the Triumph Board had encouraged FSU to specifically work with professional facilitators, and that FSU had contracted with an outside organization that had experience in working with the Chesapeake Bay watermen in facilitating such a group there. That organization has conducted at least 73 individual interviews with stakeholders related to the Apalachicola Bay oyster and seafood industry. In addition to the Community Advisory Board, FSU has instituted a Scientific Advisory Board for the ABSI project. This board is in place to provide objective advice to scientists working on research on an as needed basis. It is comprised of marine biology experts from around the nation that have demonstrated expertise in specific subsets of information. The Scientific Advisory Board will be available to provide information both to the FSU research team and to the Community Advisory Board as the decision process unfolds.

Dr. Ostrander said that while the marine lab is located in St. Teresa, on the eastern side of Franklin County, as the project progresses and the entrepreneurship training and advisory programs get underway, it is his intent that FSU will have that presence located in the Apalachicola area for easy access to the seafood industry that will ultimately be the end users of the information developed by the research. He thanked Triumph Gulf Coast and the local governments for their cooperation in moving this important project forward. Mr. Alan Pierce, representing Franklin County, said that the cooperation of FWC was in part due to the involvement of FSU and Triumph Gulf Coast. He noted that there are private hatcheries beginning to open up due to the work of Triumph. Chair Gaetz asked that FSU keeps Representative Jason Shoaf and Senator Bill Montford informed on its activities. Vice Chair Bense said that he is counting on FSU to bring back the oysters and the economic vitality of the industry and the region. Dr. Ostrander concurred and said that the follow on phase of the project will involve the work of the Jim Moran College of Entrepreneurship and the FSU School of Business to assist in restoration of the industry.

## **Program Administration**

### **Program Administrator's Report**

Program Administrator Cori Henderson gave her report and noted that as of Friday, November 15, Triumph Gulf Coast had received 208 Pre-Applications totaling more than \$1.638 Billion in funding requests. A total of 74 Applications had been received totaling more than \$609 Million in requests. Five new Pre-Applications and one new Application have been received since the last

report. Staff recommended moving to final grant approval on Proposals #46 (Southwest Crestview Bypass), and #200 (Franklin Schools CTE Training).

Ms. Henderson noted that there may be several previous grant awards that have been impacted by Hurricane Michael cost increases that may come before the Board for consideration of adjustments at the December meeting. She said that she, Mr. Lewis and Dr. Fuller are working with the awardees to find the best possible solutions for their issues. Chair Gaetz asked that those cost increase requests be reviewed by Mr. Lee given his expertise in construction loans.

As required by statute, staff has performed a review of the Annual Reports of each of the Grant Awards projects. At this meeting, Ms. Henderson reported on the workforce education projects. The infrastructure projects will be reviewed at the December meeting. After staff review, we are recommending that the Board continue funding for the following projects:

#29 Wakulla School Board Career and Technical Education  
#143 Bay School District, Haney HVAC Program Expansion  
#148 Gulf School Board, Agri-Science Program Expansion  
#153 Gulf School Board, Unmanned Systems Programs  
#157 Franklin School Board, Phase I  
#180 Gulf School Board, Welding Program Expansion  
#187 NWFSC Walton Works

**Mr. Riggs made a motion to accept the Program Administrator's Report which incorporates approval of the Annual Report Compliance Review for the listed Grant Awards. The motion was seconded by Mr. Lee. The motion was adopted without objection.**

Ms. Skelton noted that staff is reviewing the awards made prior to the storm that could be impacted due to increased costs through no fault of the awardees. Mr. Lewis said that a couple of the grantees have suggested reducing the scope of work to meet the budget, but the cost of such adjustments may be to impact the outcomes and ability to meet the performance metrics of the project. Chair Gaetz said that since there is a greater demand than original projections for services such as welding and HVAC repair, the solution should be to fund the construction to allow for at least the original projected training. Ms. Skelton noted that there was a regional shortage of tradespersons that no one has come forward to address, and while there is money available for housing, there is not enough labor to do the work.

Mr. Lee said that the biggest struggle in the rebuilding period in the local markets is finding the labor force to do the needed work. He said some companies are bussing in employees from as far away as Dothan to do day labor. He said that housing for workforce is a real struggle for moving forward. Dr. Harper said that historically it is expected for costs to rise for a period of up to three years after a major storm and that this trend would most likely continue for several more years due to the severity of the storm. Vice Chair Bense said Rebuild 850 was created to encourage larger corporations to send funds to Northwest Florida. He said that some companies have sent large contributions, but that organizations such as the Florida Housing and Finance Corporation (FHFC) and FEMA need to move money faster into the area. He said it is important for leadership at these agencies to make decisions to move forward. Chair Gaetz asked if it would be worthwhile to meet with FHFC to find ways to move the money into the area to build the needed housing. Vice Chair Bense said that would be helpful. Chair Gaetz then asked if there was a way to fast track training to get skilled labor into the field.

Chair Gaetz asked staff to work to call a meeting with Representative Shoaf, Senator Montford, Representative Trumbull and FHFC to find ways to work cooperatively to get funds moving into the area. Mr. Lee pointed out that Rep. Trumbull worked hard to get the funding in place, and he may be able to help us move the process ahead. He said that recruitment of students into the trades is crucial to solving this problem.

Chair Gaetz asked if there was anyone from the public that wished to be heard on any issue. No one came forward to speak.

Mr. Lee said that he was Chair of the Executive Director's Performance Review Committee, and after the completion of the very good Auditor General's Report, he would like to reconvene the committee to discuss a possible salary adjustment recommendation to bring back for the Board's consideration. The Chair asked staff to arrange for such a meeting prior to the next Board meeting.

Chair Gaetz noted that the next meeting would include several new projects, the Annual Reports from additional Grant Awardees, the Semi-Annual Report to the Governor and Legislature, and annual election of officers.

There being no further business, the meeting was adjourned at 2:33 p.m. CT.