

Meeting Minutes
Business Continuity Committee
Triumph Gulf Coast, Inc.
10:30 a.m., CT
November 17, 2020
Destin City Hall Annex
4100 Indian Bayou Trail
Destin, Florida 32541

Members Present:

Pam Dana, Ph. D., Chair
Ben Lee, Triumph Gulf Coast Assistant Treasurer
Stephen Riggs, IV, Triumph Gulf Coast Treasurer
Matt Terry

Committee Chair Pam Dana, Ph D., called the meeting to order at 10:40 a.m. CT. Executive Director Susan Skelton called the roll and announced the presence of a quorum.

Dr. Dana recognized Ms. Skelton for an explanation of the scope of the committee's discussions related to long-term continuity of operations and succession planning for the organization. Ms. Skelton called on Ms. Cori Henderson, Program Administrator, and Ms. Jennifer Davidson, CPA, to give an overview of the current intake and compliance processes so that the committee members could understand the areas that need focus going forward.

Ms. Henderson explained that applications are reviewed by staff prior to coming to the Board for consideration, that those applications, if approved by the Board in the form of Grant Award Agreements, then become subject to the oversight and compliance process that has been developed by our professional staff. The performance metrics agreed to in the Grant Award Agreements are monitored by our team, including regular reviews by Dr. Rick Harper, Economic Advisor; Dr. Frank Fuller, Education Advisor; and Mr. Randy Lewis, Construction Management Advisor. Additionally, as awardees make requests for payment pursuant to their agreements, they must provide appropriate documentation through our electronic reporting tool (SmartSheet). When a request for payment is made, our CPA team reviews all of the documentation and if there are problems or details are not complete, Ms. Henderson works with the grantee to correct the deficiencies. Once a review has been satisfactorily concluded, Ms. Davidson sends the request on the Mr. Stephen Riggs, our Treasurer. Mr. Riggs then provides an additional review of all documentation to assure that work is properly completed prior to payment. Once he signs off on the review, the CPA prepares wire transfer documents and executes the transfer. Our bank requires two signatures on wire transfers, one of which must be in person. Mr. Riggs signs electronically and Mr. Lee, our Assistant Treasurer, goes to the bank and signs the transfer in person to complete the payment of Triumph funds.

Ms. Davidson acknowledged that the process is effective in assuring that payments are made properly and noted that the work done by Mr. Riggs to assure that the process is well grounded has been invaluable. Dr. Rick Harper confirmed that the process has worked well and that he

uses performance metrics worksheets that he has developed for his personal use to assure that metrics are being met according to contract requirements.

Mr. Riggs thanked Ms. Davidson and staff for all of the preparatory work that goes in to a payment request prior to his review. He said that he wanted to take the process through its first iterations to be sure that it would work and that reviews were being properly completed with his final check-off before payment. He said that as his term on the Board comes to an end in June 2021, he wants to begin the process of moving more of the review to the professional staff, and have the CPA do all of the review, then prepare a summary for the Treasurer to give final sign off on. He said that he is comfortable with that model and that he and Ms. Davidson had discussed how such a process would work from the CPA's perspective.

Ms. Davidson said that her goal would be to have her firm complete the entire initial review process, with her final review prior to sending a summary to the Treasurer for payment approval. She indicated that the firm would provide designated staff to perform the initial review and that she would be responsible for the final documents to be presented to the Treasurer for action approval.

Mr. Riggs said that he would like to begin the process of converting over to this model in the next few months so that he can be sure that there are not any additional issues that need to be considered prior to the end of his service on the Board.

Mr. Lee said that it is very important for the Board to acknowledge the work that Mr. Riggs and the Tipton, Marler CPA firm have done to provide the basis for a strong compliance process going forward. He thanked Mr. Riggs for all of the time that he has committed to being sure that the process as presented will be a successful model going forward. He said that he agrees with the proposal that Mr. Riggs has presented, and then asked about what precedent there might be for allowing the cost of the compliance reviews that are required to be performed for each Grant Award to be incorporated as part of the overall cost of the award. Mr. Riggs thanked Mr. Lee for his support and agreed that there should be a mechanism for the compliance cost to be incorporated as a "cost of doing business" for each grant. Ms. Skelton said that staff had been looking at the issue but was unsure about how or if such business costs could be included in the awards. Mr. Scott Remington, Legal Counsel, said that he would look into the issue further since the committee is interested in the concept.

Mr. Riggs made a motion to recommend that a new process be put in place to have Tipton, Marler CPA firm perform an internal review of all grant awardees' request for payment of Triumph Gulf Coast funds, with a final summary review by the Treasurer prior to payment. Mr. Lee seconded the motion, which passed without objection.

Dr. Dana asked if there were other motions that members would like to entertain.

Mr. Lee made a motion to direct staff to research consideration of including project compliance and management costs in each Grant Award. Mr. Riggs seconded the motion, which passed without objection.

Ms. Henderson told the committee that as work has progressed and more and more grants have been awarded, staff has identified several areas of the process that could be made less cumbersome for grantees and staff. She said that she and Ms. Davidson's team have found ways to make the process easier, some of which might require changes to the application,

budget documentation and contract templates currently being used. She asked the committee if it would be possible to review, and if needed, make recommendations for such changes.

Mr. Terry made a motion to allow staff to make changes to the process and procedures to bring more efficiencies. All material changes would need to be brought back to the committee for review and approval at a later meeting. Mr. Lee seconded the motion, which passed without objection.

Mr. Lee then raised the question about whether Triumph Gulf Coast could withhold .75% of the interest earned that is paid into the Triumph Gulf Coast Trust Fund every month for administrative costs incurred in depositing those funds. Mr. Remington said that legal counsel would need to research that question. Ms. Davidson noted that there was precedent for the use of the .75% as administrative funding as those funds were utilized in that manner in 2018 when the legislature returned the interest back to Triumph for normal use. Of course, in 2019 and 2020 the legislature has not appropriated the Triumph earned interest back to its original usage for economic development but has used it for Hurricane Michael relief programs instead.

Ms. Henderson and Dr. Harper spoke about another concern that staff has had in negotiations with applicants. The requirement that Triumph funding for a project is to be reduced by 50% of the value of any additional private sector funding accrued has not really served the intended purpose and is viewed by our grantees as a disincentive for growing their projects with additional outside sponsorship. While staff understands the original intent expressed by former Board member Stan Connally, the effect of the requirement appears to have had the opposite effect. Staff recommends that such outside participation should be encouraged, but that the Board may want to reconsider the reduction requirement.

Dr. Dana asked the members if there were any other issues that they wanted to discuss at this meeting, or if the committee wishes to have further conversations at a later meeting based on research that it had asked staff to perform. Members said that they would like to meet again after the first of the year to consider options that staff brings back for consideration.

Dr. Dana said that the Committee will report to the Board on this meeting and plan to meet again early next year.

The meeting adjourned at 12:10 p.m. CT.