

**Meeting Minutes
Triumph Gulf Coast, Inc.
Conference Call Meeting
December 17, 2020
2:00 p.m. CT**

MEMBERS PRESENT:

Lewis Bear, Jr., Vice-Chair
Allan Bense
Pam Dana, Ph. D
Don Gaetz, Chair
Ben Lee, Assistant Treasurer
Stephen Riggs, IV, Treasurer
Matt Terry

Chair Don Gaetz called the meeting to order at 2:00 p.m. CT and welcomed everyone to the call.

Executive Director Susan Skelton called the roll and announced the presence of a quorum with all members present on the call. She identified all Triumph professional staff on the call as well.

The November 5, 2020 Meeting Minutes were approved as circulated without objection.

Treasurer's Report

Mr. Stephen Riggs, IV, Treasurer, gave an overview of the October and November 2020 Financial Reports. **He then made a motion to adopt the October 2020 Financial Report as presented. The motion was seconded by Mr. Allan Bense and approved without objection.**

Mr. Riggs then made a motion to adopt the November 2020 Financial Report as presented. The motion was seconded by Dr. Pam Dana and approved without objection.

Pursuant to the Bylaws, **Mr. Riggs made a motion to maintain the current signature authority for the organization as Chair Gaetz, Stephen Riggs, IV, Ben Lee and Allan Bense.** It was explained that due to our operating procedures it is important to have authorized signers available in the county where the bank is located because complex transactions require at least one authorized person to sign documents in person at the bank. Mr. Lee and Mr. Bense both reside in Bay County, the location of the bank. **Dr. Dana seconded the motion which was approved without objection.**

Chair Gaetz then indicated that the order of the meeting would be altered to take up the Staff Reports ahead of the Legal Reports so that the Board could have a report by the Business Continuity Committee.

Staff Report

Dr. Pam Dana, Chair of the Business Continuity Committee, reported that the committee had a meeting in Destin on November 17, 2020 with herself, Mr. Lee, Mr. Riggs and Mr. Matt Terry

present, along with Ms. Skelton; Program Administrator Cori Henderson; CPA Jennifer Davidson; General Counsel Scott Remington and Economic Advisor Rick Harper, Ph. D.

She explained that the scope of the Committee was to discuss issues of relevance to the long term continuity of operations and succession planning for the Triumph organization. She said that the committee started off the meeting with an overview of the current Triumph applications, intake and compliance processes and the areas that could use some increased focus or refinement going forward.

In brief, the process from application to payment on grant awards was explained as follows:

Applications are reviewed by staff prior to coming to the Board for consideration. If approved by the board, those applications then move into grant award agreements, oversight, and complying with compliance processes. The performance metrics agreed to in the grant award agreements are monitored by Triumph staff at regular reviews by Dr. Rick Harper, Economic Advisor; Dr. Frank Fuller, Education Advisor and Mr. Randy Lewis, Construction Management Advisor. This process is overseen by Ms. Cori Henderson, Program Administrator, and Ms. Skelton.

As our grantees make requests for payment on their grant awards, they must provide appropriate documentation through our electronic reporting tool, which we call Smartsheet. Payment requests and the associated documentation are reviewed by our CPA for completeness and compliance issues. Our staff works with the grantee to correct any deficiencies once the CPA review has been satisfactorily concluded. The payment requests then go to our Treasurer, Steve Riggs for an additional review to ensure that everything is good for payment. Once he signs off, the CPA prepares wire transfer documents and executes the transfer. Just a note, our bank does require two signatures on wire transfers, one of which must be in person, Mr. Riggs signs electronically while Mr. Lee, our Assistant Treasurer signs the transfer in person to complete the payment of funds. Obviously, this is quite a comprehensive process, but it has shown to be effective and accountable, which Dr. Dana indicated that she is very happy with.

Triumph Gulf Coast CPA Jennifer Davidson told the committee that the CPA review process is also very effective in assuring that the grant payments are being made properly, and that the oversight work done by Mr. Riggs in the initial review process has been invaluable, an important point on which others on the committee agreed. Mr. Riggs noted that his extensive involvement to date was because he wanted to take process through its first iterations to be sure that our process that we setup would work credibly, and that the CPA reviews will be properly completed as his final checkoff before payment. This was important to him, in particular, as his term on the board comes to an end, in June 2021 and he wanted to transition the payment and compliance review. Once he leaves to the professional staff with our CPA firm completing the entire review process prior to sending off to the Treasurer for payment approval. It is his intent to convert over this model in the next few months, so that there are not any additional issues to be considered prior to his end of service.

Going forward, CPA Jennifer Davidson said her firm, Tipton, Marler, Gardner and Chastain, is prepared to designate a point staff to perform the initial review and that she would be responsible for the final review prior to presenting it to our Treasurer for approval. As a result of this lengthy discussion, ***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' requests for payment of Triumph Gulf Coast Funds, with a final summary review by the Treasurer prior to payments.***

Mr. Lee seconded the Motion, which passed without objection.

Mr. Lee then asked about what precedent there might be for allowing the cost of compliance reviews required for each grant award to be incorporated into the overall cost of the award. The committee agreed that there should be a mechanism for the compliance costs to be incorporated as a cost of doing business for each grant. Staff has discussed this idea in the past, but they were uncertain as to whether this option was permissible. ***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 and it passed without objection.***

General Counsel Scott Remington agreed to look into this issue further and then report back to the committee.

Ms. Cori Henderson then reported that as work has progressed and more grants have been awarded, staff has identified several areas of the process that could be made less cumbersome for grantees and staff. Staff and our CPA partners have found ways to make the process more efficient, some of which might require changes to the application, budget documentation, and contract templates currently being used. She asked if the Committee would be amenable to staff making programmatic refinements for efficiencies. ***Mr. Matt Terry made a motion to allow staff to make changes to the process, and procedures, to bring more efficiency. All material changes, though, 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 brought up the unavoidable increasing costs of Triumph administration and contract compliance work. He raised a question about whether Triumph Gulf Coast could withhold a small percentage of the interest earned that is paid into the Triumph Gulf Coast Trust Fund every month for administrative costs incurred in depositing those funds. Ms. Davidson noted that there was precedent for the use of interest earned in the past for administrative funding, pointing to 2018, when the Legislature returned interest back to Triumph for use on normal administrative costs. Scott Remington was asked to research this question and report back to the committee on his findings.

With no other issues or items brought to the fore, the committee concluded the business of its first meeting stating that the intent was to meet again in the new year to consider options that staff brings back for consideration.

Chair Gaetz then asked Dr. Dana what action the Board would need to take based on the committee's report. Dr. Dana asked staff what the next steps would be. Ms. Skelton said that after hearing from Mr. Riggs about details on the compliance process, the Board may want to entertain a motion to move forward with the new models for the compliance process and then the other motions would be things that would revert back to the staff, for response back to the committee. She said there is an action issue here related to the way we do business, as it purports to the actual compliance review and sign off on grant awards payments that Mr. Riggs may want to discuss that and then, you may want to entertain a motion to accept his recommendation or the Committee's recommendation.

Mr. Riggs said that originally, when we started this, we started from scratch. He said Triumph created our own internal policies and procedures and that he has always been involved as Treasurer and given my background as a CPA and as an auditor. He said he worked with David

Tipton and Jennifer Davidson, to help develop those processes and what we've been doing in the past to try to prepare for the next person that will succeed me as Treasurer when I roll off of the board. He said he is well aware that this person, more than likely, will not have the exact same background as he does and it may place an undue burden on that person, and because honestly, it's been a pretty big burden on himself trying to approve all these disbursements. He said that he is comfortable with having our CPA firm do the internal reviews that he has been doing and then issue a one page report that says here are the procedures we used for our review, we have reviewed everything, it looks fine and we recommend payment. what we done. Then the Treasurer spends five minutes per disbursement versus 30 or whatever minutes because the CPA has certified that the information is correct and appropriate for action. So, going forward, there will some increase in administrative expenses associated with the compliance aspect.

Mr. Riggs said that he doesn't want to overburden any one applicant but, he thinks there's enough out there that passing along some of the cost of monitoring what they provide to us would be beneficial to us, and the applicant. It will also incentivize the applicant to get their information to Triumph in the correct manner the first time. Right now, they can submit it in any form, and they can have a lot of holes in it and we can go back and forth ten times, and there's no real recourse, we have to recoup any of those costs for time involved. So, he said he is a proponent of it if legally we can pass along some of these compliance costs that we're going to start incurring a little bit more than we have now. Mr. Riggs said that he does want a good transition for the next treasurer and that personally, he did not want any problems during his term, so he was a little more hands-on than the next person probably will need to be.

Dr. Dana said that she would like to give the biggest commendation and kudos to Mr. Riggs for the tremendous amount of work, that he's put in, reviewing at the middle and final stages for each request for payment and compliance. He's put in a tremendous amount of work, but in so doing ensures our process moves properly through and he's built a sense of confidence and trust in our CPA firm, they, into his trust extends into knowing that they can carry this out, this review process, on their own without his extensive engagement. The motion that he made during our meeting itself, is to recommend that a new process be put in place to have Tipton Marler CPA firm perform an internal review of all grant awardees' requests for payment of Triumph Gulf Coast funds, with a final summary review, by the Treasurer prior to payment. So that would just allow Tipton Marler to do all the review process in house. Ms. Jennifer Davidson would be the responsible party for doing a final review on behalf of her firm, then a summary and recommendation of the review process would go to the Triumph Treasurer if this motion is ratified by the Board.

Chair Gaetz asked if this additional responsibility and duty for Tipton Marler would come with the with additional fees paid to them for that expanded scope. Mr. Riggs indicated that there would be some modest increase in fees based on per occurrence tasks performed. He said that he is cognizant of the fact that we do have a budget to abide by and statutory limits, and that's why he brought a possibility of getting some additional help just on the pure client side. That is really part of the grant process and monitoring that, it's not uncommon for a governmental agency to recoup some of those. So, there will be some cost, but he said he will tell the Board that he reviews their invoices monthly and they are extremely cost effective. He said they don't bill Triumph at 100% and there's just not a lot of fluff in their bill. He said that going forward this model is going to be our best bet. He said it's going to cost us a little bit more, but his hope is that we can work on some arrangement, either a dollar amount or a percentage, or something where Triumph can recoup some of these expenses incurred related to the very specific grant compliance monitoring costs.

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' requests for payment of Triumph Gulf Coast funds, with a final summary review, by the Treasurer prior to payment of Triumph funds. Dr. Dana seconded the motion. The motion was adopted without objection.

Dr. Dana noted that in the Business Continuity Committee meeting, there were two other motions which she read earlier, the first one directing staff to research consideration of including Project Compliance and Management Costs in Grant Award Agreements so the cost of doing compliance reviews is properly assigned to each award, and secondly, looking at holding back a percentage of interest earned for administrative funding. Scott Remington is researching those two issues and will report back to the Committee on his findings. So, at this point there would be no further action requested by the committee until further information is available. She said that the committee does plan on meeting in the new year sometime, and at that time, we will be hearing from staff on their research pertaining the other motions that were brought forward by the committee and the committee will bring those discussions and motions or the results of the research back to the full Board.

The Chair asked Ms. Davidson if Triumph is carrying forward from fiscal year to fiscal year unexpended balances in administrative overhead so that as we find ourselves with additional expenses in the compliance area, that we're being able to use some of the funds that we saved and set aside in previous years. Ms. Davidson said that funds are carried forward and while you do not see that in the financial statement, each year, when you approve the budget, it does show on the budget, and we are tracking those, and we do intend to have the budget prepared for that first meeting of the next year, And at this time, she believes that we can add the compliance piece and still stay within the budget that we had projected for.

Chair Gaetz thanked Dr. Dana and the Committee for its continued work on business continuity issues and echoed her thanks to Mr. Riggs. He said, in effect, what Triumph has had is a part-time, volunteer CFO working for us and setting up all of our procedures and policies working closely with our professional staff to make sure that, that we're squeaky clean with the auditor general and that we operate in a businesslike and thoughtful manner. He said Triumph Gulf Coast is a multi-hundred million dollar business and Stephen Riggs, who has operated it from a financial standpoint and a Treasurer's standpoint in a way that has saved us extraordinary amounts of money that we otherwise would have had to pay somebody, but also has set us up, I think, as a Model organization, for the way in which our team has been handling funds. So, thank you, Stephen, very, very much.

The next order of business was the Election of 2021 Officers. Chair Gaetz recognized Mr. Remington to conduct the elections. After appropriate nominations and votes were taken, the following members and staff were elected:

Don Gaetz – Chair
Pam Dana, Ph. D – Vice Chair
Stephen Riggs, IV – Treasurer
Ben Lee – Assistant Treasurer
Susan Skelton – Secretary

Chair Gaetz then called on Ms. Skelton to present contract renewals for Ms. Henderson, Dr. Harper and herself based on the recommendations of the Performance Review Committee. Ms.

Skelton said that while all of the professional staff exceeded expectations in the performance reviews completed by the committee, with the current economic conditions in the state and the nation, with our focus on moving forward with very tight compliance costs and noting that the Board did give merit adjustments for the staff last year, Dr. Harper, Ms. Henderson and she have all agreed to accept the contract renewals at the rate for which they were employed last year. She recommended renewal of the letters of engagement for a period of 36 months.

Chair Gaetz said that he was personally extraordinarily grateful to the people that have worked with us, Dr. Harper, Ms., Henderson, Ms. Skelton, Dr. Fuller, Mr. Lewis and our CPAs and attorneys. He said he was uncomfortable with locking in the payment rates for three years for two reasons. First, they deserve more, and second because Triumph is paying below market conditions and we could lose their services as we go forward into future years. He said he was happy to vote for a three year extension, but not to vote for freezing levels of remuneration for the next three years. Ms. Skelton noted that it would not be outside the purview of the Board to do, as you did last year, to make merit or workload adjustments as amendments to the contracts in future years if that was the choice of the Board. Chair Gaetz asked Mr. Lewis Bear, as Chair of the Committee what his guidance would be. **Mr. Bear said that he thought the Board should approve the three year contracts but with the understanding that payments and possible bonuses would be reviewed on an annual basis and made a motion to do so. The motion was seconded by Dr. Dana and adopted without objection.**

Ms. Skelton then told the Board that contract negotiations with Dr. Fuller and Mr. Lewis were being completed and would be brought back to the Board for approval at the next meeting. She said there were no problems with the contracts, but that timing kept them from coming forward at this meeting. She then asked Mr. Riggs to explain the two letters of engagement, similar to the arrangement that Triumph has with legal counsel, for Tipton, Marler, Garner and Chastain to provide CPA General Accounting and Compliance Management.

Mr. Riggs explained that the first letter of engagement with the CPA firm is for general accounting services and is consistent with the agreement Triumph has had with the firm since its original engagement to perform all internal accounting functions. The second letter is the compliance accounting services that was discussed earlier with having some of the responsibility shift from the Treasurer over to the accounting firm and for the firm to take primary responsibility for review of the applicants' disbursement requests. He said the letters were standard in form and context to the work being performed. He said that the rates were reasonable in the regional market. He said that the firm had been very fair to Triumph Gulf Coast and that he is confident that we could not get the level of service that we get for any less. He said that the work performed has been very high quality work.

Chair Gaetz asked Ms. Davidson, on behalf of Tipton Marler, if she would like to make any comment to the Board about the firm's relationship with Triumph or their satisfaction or dissatisfaction with the letters of engagement as presented. Ms. Davidson said that she was glad to take on the additional compliance work and that she really enjoys working with each and every person on the Triumph team.

Mr. Riggs made a motion to adopt the General Accounting Letter of Engagement. Mr. Bear seconded the motion which was adopted without objection.

Mr. Riggs then made a motion to adopt the Compliance Accounting Letter of Engagement. The motion was seconded by Mr. Bear and adopted without objection.

Mr. Bense asked if the Board could take up several issues under the Legal Report as he had to leave the meeting at a time certain and wanted to participate in the discussion of the proposals. Chair Gaetz agreed and the Board moved to the Legal Report.

Legal Report

Mr. Alan Manning, Legal Counsel, gave an overview of the Grant Award Agreement for Proposal #240 - Santa Rosa County Board of County Commissioners – Santa Rosa Industrial Park East for \$6,000,000. The grant award agreement is on the standard grant agreement form with one change from the term sheet, and that is that in the discussions between the term sheet and the final grant award agreement it was determined that they needed an extra year to complete the project and that year was given to them based on staff recommendation. He asked that when the motion to adopt this grant award agreement is made, if it could have with it a correction to a scrivener's error in the in the summary that indicated that the term was three years instead of four years. The grant award agreement is now six but the form that was circulated had that error in it. It was correct in one place and incorrect and another. We're just fixing it in the place that it was incorrect. So, the motion to approve would be as submitted with the correction to section eight to change it to four years, and other than that, Legal staff recommends approval of this grant award agreement, and in all other ways the contract is consistent with the term sheet, previously approved by the board.

Chair Gaetz asked if any member of the public wished to comment on the proposed Grant Award Agreement. No one spoke. He then called on Mr. Shannon Ogletree, Economic Development Officer for Santa Rosa County, for comment. Mr. Ogletree thanked the Board for its consideration and for taking the item up out of order. He said that they had met with one potential client earlier in the day and were on the way to meet with another project proposer. He said the potential clients are excited about the expedited approval of the proposal because it will allow them to get operations open sooner. He said that lots of good things are happening in Santa Rosa County because of the funding that Triumph Gulf Coast has provided. He said that the Whiting Aviation Park is moving forward with commitments from Leonardo and the additional industrial park support will bring even more jobs to the region.

Mr. Bense made a motion to approve Proposal #240 with the corrected scrivener's error. The motion was seconded by Mr. Riggs and approved on a unanimous roll call vote (7-0.)

Mr. Manning then gave a review of Grant Award Agreement Negotiations for Proposal #206 – AMIKids Panama City Marine Institute STEM and Business Entrepreneurship Labs for \$1,737,500. He said that the grant award agreement that has been prepared is consistent with a term sheet, and legal staff recommends approval. Mr. Bense and Mr. Lee both expressed support for the proposal. Chair Gaetz asked Dr. Frank Fuller to comment on progress that has been made in linking this proposal to the rebuilding of Tyndall Air Force Base. Dr. Fuller indicated that conversations are ongoing and are going very well. He is working with AMIKids and FSU on ideas to collaborate on STEM learning opportunities in Bay County. He said that such collaboration would provide a very unique opportunity for students moving to our area. He said he hoped to bring more information on the possible collaboration to the Board for consideration in January.

Chair Gaetz asked if there was any member of the public that wished to be heard on the proposal. No one spoke. Chair Gaetz then called on Mr. Ron Boyce, Director of the AMIKids Panama City program, for comments. Mr. Boyce noted that since the last Triumph meeting, he has had meetings with Gulf Coast State College and Florida State University and that both

institutions have agreed to work with the program to create a new CAPE certification program for the underwater unmanned vehicles. Working together, the institutions can create a much stronger program to get more students into the workforce. He said that Tyndall Air Force Base command staff has asked to tour the program to see how it could be recommended to base families as an educational option when they start moving back to the county.

Mr. Bear made a motion to approve the Grant Award Agreement for Proposal #240. Dr. Dana seconded the motion which was approved on a unanimous roll call vote (7-0.)

Mr. Manning explained the proposed Grant Award Agreement Amendment for Proposal #198 - Wakulla School District with no funding change. He said that this is a proposal for a First Amendment to an existing grant award agreement with, we'll call the County School Board for Project 198. The request for the amendment does not involve any additional funding or new funding. Based on some issues that came up, the school district requested that some of the matching fund budget line items be moved around and so it doesn't affect the Triumph funding. It's simply where the matching funds are going. Because the dollar amount of the changes are in excess of 5%, the grant award agreement requires board approval for this type of an amendment. And also, as we have done with prior amendments on some of the older versions of the grant award contracts that we have done, when we are requested to do an amendment, we take that as an opportunity to change some other provisions of the grant award agreement to bring them up to date in terms of the current funding processes that are being used. So, there are a few other changes in the grant award agreement to make them more current with the current form of grant award agreements that we're using. Staff has reviewed and approved the proposals by the grantee and legal staff recommends approval. Ms. Henderson explained that originally the project had a significant amount of their match funds budgeted for transportation, but due to COVID they have not been transporting students. However, because this is a new program, they discovered that curriculum supplies were much more expensive than they had originally budgeted. So, this request is to move money out of transportation and into supplies.

Sunny Chancy, representing the Wakulla County School District concurred with Ms. Henderson's explanation. Chair Gaetz asked if any member of the public wished to comment. No one spoke.

Dr. Dana made a motion to adopt the amendment to the Grant Award Agreement. The motion was seconded by Mr. Terry and passed unanimously (7-0.)

Dr. Frank Fuller then offered a review of Term Sheet Negotiations for Proposal #230 – Walton County School District – IT and Health Care Certification Program for \$3,846,000. This project will produce 2535 CAPE Industry certifications in more complicated medical applications. The certifications would be: LPN Medical Assistant; Medical Secretary; Health Technology Technician; Pharmacy Technician; and Phlebotomy and include classes that take place at property in South Walton County. The program will allow for reduced overall costs to parents for higher education because the school system, through its partnership with Triumph Gulf Coast, will be able to assume the costs of certification for the students. The example here would be not just dual enrollment but getting kids dual enrolled in classes where they would earn industry certification, college credit, and high school credit towards graduation at the same time. We could have an opportunity to expand returning value to the parents by finding more economic ways within the system to produce credit that would alleviate higher education costs.

Walton County is one of the fastest growing according to US. Obviously, it's one of the fastest growing in Florida. Interestingly, they had 9000 students in their system return, or 86% students return from online instruction given the opportunity to go back to brick and mortar in this last transition with the State of Florida, dealing with the virus situation. This project presents an opportunity to prove a working model for partnership between Triumph, the school district and families in the county to produce a highly qualified workforce at a reduced cost.

Chair Gaetz asked if there was currently a program in place that links this proposal to the state college system for dual enrollment. Dr. Fuller said that he hopes to have that piece available for consideration at the next Triumph meeting. Once implemented, students could earn a college degree at the same time that they earn a high school degree. If the program works it could be rolled out across the region. Chair Gaetz then called on Crystal Appel, representing the Walton County School District, for comments.

Ms. Appel thanked the Board for its support and said that the district is currently working with dual enrollment through Emerald Coast Technical College to help save money for our parents and the district looks forward to working with other Florida colleges to be able to increase dual enrollment opportunities to expand our communities' opportunities with the Health Programs that we're offering our students. She especially thanked Dr. Fuller and Ms. Henderson for their assistance in putting the proposal together. Chair Gaetz said that he would like to see the School District include an interlocal agreement with Northwest State College ensuring that dual enrollment credits, particularly in the health sciences areas, are being recognized and branded by the college itself. Additionally, he would like for the School District to assure that notifications are sent to parents indicating the dollar amount that can be saved as a result of such dual enrollments. He then asked if there was any public comment on the proposal. No one spoke.

Mr. Lee made a motion to approve the Term Sheet and to direct staff to move to Grant Award Agreement negotiations with the Walton School District. Dr. Dana seconded the motion which passed unanimously (7-0.)

Chair Gaetz then called on Dr. Harper to give a status update on Proposal #70 by the University of West Florida that has now been withdrawn from consideration by the university. Dr. Harper reported that Triumph Gulf Coast had received a letter from Dr. Ed Ranelli, Associate Vice President for External Affairs at the University of West Florida asking for the proposal to be withdrawn due to the university's inability to provide the requested training opportunities without being able to charge Triumph Gulf Coast for indirect costs to the university. Dr. Harper said that after almost a year of negotiations, staff was not able to reach agreement with the university on an acceptable amount of Triumph funding for the proposal. He said that the university did note in their letter that they continue to be committed to economic development in the region and to the educational attainment and higher earnings of their students going forward. Triumph staff continues to look forward to finding a way for Triumph to participate in proposals that will enable Northwest Florida students to attain the higher incomes that we think are associated with these credentials, whether in cybersecurity, advanced manufacturing or in engineering. Chair Gaetz asked Mr. Remington if he had any comment on his conversations with Dr. Martha Saunders, President of UWF, regarding the negotiations. Mr. Remington indicated that he had two conversations with Dr. Saunders and that she related that she was absolutely appreciative of the hard work that Triumph staff had put in, but she just felt that the negotiations had gotten to a point from her perspective, and from Triumph's perspective, where the sides were not going to be able to agree. She reiterated that her staff enjoyed a great working relationship with Triumph's staff and that she hopes that the university would be able to come back in the future with another grant application. She said the good faith effort to make this proposal work was

appreciated. Chair Gaetz directed Ms. Skelton, if she had not already done so, to reach out to the university acknowledging the withdrawal of the proposal and wishing them the best in the future. (Such communication had already occurred.)

At the conclusion of the Legal Report, the Chair moved to the Economic Advisor's Report and called on Dr. Harper to explain Proposal #233 - IHMC Center for Human Health Span – Resilience and Performance - \$6,078,795. Dr. Harper said that the request for funding would contribute towards establishment and development of a Center for Human Performance at the Florida Institute for Human and Machine Cognition. The Triumph requested contribution represents 20% of the total project value. IHMC commits over the length of the project, the three years of Triumph funding, IHMC commits more than \$5 million dollars in Internal funding. Triumph staff has reviewed the IHMC financial statements and find that to be a credible amount relative to cash on hand and cash flow through IHMC.

The organization has an additional one million dollars in external, donor, cash in hand, to establish this center for human performance. And, notably, they also commit to \$18 million in external grant funding. They've been very successful with DOD funded and NASA funded research, and they have taken the first steps towards establishment of the center by bringing in world-class scientists, and they indicate that they are having good success with obtaining external competitive funding awards in this area.

The Triumph award will allow IHMC to perform tasks to create the center. The funding goes towards 51% supplies and equipment, and 49% staffing. The staffing expenditure by Triumph is weighted towards the first year with IHMC taking over Total Staffing Expense by years following the third year. They have brought on world-class scientists and are willing to commit to actually receiving funding of the \$18 million in competitively awarded grants over the lifespan of the grants.

Triumph staff has run the economic impact analysis using REMI modeling to look at the contribution of the non-Triumph dollars because in keeping with all project analysis, spending of the Triumph dollars does have an interactive impact. In running that calculation, using figures from the literature about what we can expect to be the return, in terms of job creation, IHMC commits to provide the substantive collaborative assistance and mentoring and entrepreneurial outreach and support to at least 45 different businesses in the impacted counties to be supported by several credible partners in this area. Using that, and nationally representative figures for the likely job creation and personal income creation impact of such assistance along with a Triumph grant funding. Dr. Harper finds that the project should return an expected \$12.8 of increased personal income per dollar of expenditure. Staff gives this project an economic impact score of "A".

Mr. Bense said that he thinks this is a great project that can help stop the brain drain that's happening in the region. This money will help keep from having to export research jobs outside the community. Now they will be able to do the research inside the community. IHMC has already created some new jobs within the community, and the level of matching funds that are out there is wonderful in terms of leveraging other funds. He said this group enjoys a wonderful reputation and that he wholeheartedly supports this project.

Mr. Bear said that he fully supports the proposal, as he sees what IHMC is doing in the community. He said they are truly developers and an economic engine for the region. Ideas from speak in favor of the project that doubles years. He said that their presence and reputation in the community draw other collaborative businesses to the area.

Chair Gaetz noted for the record that Mr. Bear is not currently a Board member or involved with IHMC and will be eligible to vote on this proposal. Dr. Dana is an employee of IHMC and therefore will not be voting or participating in any discussions on the proposal. She had filed the appropriate conflict form (Form 8-A) as required by statute.

Chair Gaetz called on Dr. Ken Ford, CEO of the Institute for Human and Machine Cognition, for comments on the proposal. Dr. Ford thanked the Board for consideration of the proposal and said that he would be happy to answer any questions that members may have. Chair Gaetz said that he was sure that IHMC staff would be having a lot of interaction with the Triumph staff as the process moves forward to Term Sheet negotiations and if there are any questions that arise from Board members our staff would certainly transmit them to the institute. Chair Gaetz then asked if there was anyone from the public that wished to comment on the proposal. No one spoke.

Mr. Bear made a motion to direct staff to begin Term Sheet negotiations with IHMC for Proposal #223. Mr. Terry seconded the motion. The motion passed 6-0 on a roll call vote with Dr. Dana abstaining.

Program Administrator Report

As part of the Program Administrator's Report, there is a pending request by the City of Panama City for a six month COVID-19 extension on the completion of construction anticipated as part of Proposal #185 at the Eastern Shipbuilding Infrastructure site. Ms. Henderson explained that the request was part of the process approved by the Board in April to allow for extensions due to COVID-19 impacts. She said that while it was clear in April that there would be impacts on our education projects due to school closures, the impacts on infrastructure projects have been slower to develop. Lack of labor and supplies has caused construction delays across the region, with the added pressures of Hurricane Michael and Sally reconstruction in the region. She said that staff has reviewed the request and recommends that it does fit the guidelines established by the Board in April. She noted that the format for approval of the request would be adoption of the Program Administrator's Report, which included the recommended approval of the application by the City of Panama City. Chair Gaetz asked Mr. Randy Lewis, Construction Management Advisor, if he had reviewed the request and if he concurred in the recommended extension. Mr. Lewis indicated that he had reviewed the request and concurred in the recommendation. Chair Gaetz indicated that the Board would accept the extension application without objection and then vote on it again as part of the Program Administrator's Report.

Ms. Henderson then presented the Program Administrator's Report and the Annual Reviews due to be considered by the Board. She noted that Mr. Lewis had provided his construction review report in addition to information included in the Annual Reports review. Ms. Henderson noted that the statute requires that the Triumph Board review each project at least annually and determine if funding for the award should be continued, terminated, reduced, or increased. There are two awards that don't report in October due to their Award Agreements that are scheduled for review in the Spring. With the exception of those two awards, staff has reviewed all of the projects, and do recommend that the Board move forward to continue funding all of them. She said that prior to today's Board action, there are thirty-six active Grant Award Agreements totaling over \$240 million that staff is overseeing. Ms. Henderson provided highlights from a lengthy list of Infrastructure, Hurricane Ad Valorem and Workforce Development projects that are ongoing across the region as a result of Triumph Gulf Coast funding.

Chair Gaetz asked if there are any projects that have missed their metrics in terms of job creation or certificate creation other than contract amendments that the Board has approved. Ms. Henderson said that there will be some grants that will be bringing requests for some shifts in their budgets related to construction costs post Hurricane Sally and the construction environment in general. These are education projects that have construction as part of their award. Limitations on in classroom teaching may have further effects going forward as the region continues to recover from the pandemic impacts.

Dr. Fuller said that staff has reviewed all of the education projects and that the number of those projects has grown exponentially, with some of the districts being able to adapt to changing conditions better than others. As an example, Haney Technical College has done a nice job of releasing their teachers to set up their own schedules to reach the students on their own schedules. He said this is not normal procedure, but it has worked well for that school. Beginning in January, Triumph staff will re-engage with all of our education awardees to assess what problems they have encountered and to provide assistance in formulating a roadmap to getting back to normal in their ability to offer Triumph funded programs. He pointed back to Walton County where they had a staggering 85% of their student body come back to brick and mortar and said that's not consistent across the eight county region. He said that there are counties where the return to classrooms is much lower. That number is expected to improve, but it is hard to assess how and when that will occur, which makes instructional planning more difficult. Triumph staff will take best practices ideas into the field and meet with each awardee to discuss strategies to get them back up to speed with their programs. He said that looming budget cuts at the state level in education only cause more concern from our local school districts. Several districts have new Superintendents and School Board members that will factor into their recovery processes.

To be more efficient and more effective what staff is finding is that if we can standardize the reporting process and get cleaner on what is exactly going on today and each day going forward, we're going to be able to help the districts out, a lot more as they try to reach their goals. With all of that said, Dr. Fuller pointed out that we don't have any projects that are failing to perform.

The last comment he made was that the Haney model has been very effective, because if the Board will remember, they added a clause that anybody who failed to perform on the job site the Haney would pick them up and retrain them going forward and talking with them recently they haven't had any takers.

Chair Gaetz asked staff to produce a document that shows the status of all projects, including which projects are ahead of schedule, on schedule and behind schedule and those that running under budget, on budget or over budget. He said that such a report would be helpful, as the region continues to recover from hurricanes and COVID and allow the Board to be accountable to our appointing authorities. Such a tool would help to predict where and when amendments may be needed to keep projects moving forward. Ms. Skelton said that staff would work to produce such a document. She pointed out that if projects had requested the six month extension that would be taken into account when determining whether those projects were on time. Also, several awardees have until the end of their agreements to reach their performance metrics, but staff will try to ascertain a "snapshot" of current conditions based on quarterly reports due at the end of January.

Dr. Dana made a motion to accept the Program Administrator's Report, including the Annual Review of Awardees' Progress. Mr. Lee seconded the motion which passed without objection.

Ms. Skelton reported that staff has provided members with a draft Semi-Annual Report to the Governor and Legislature. She said that based on the outcomes of this meeting and any other additional language that needs to be included in the report **she would ask for a motion to allow staff and the Chair to complete the report and deliver it to the appropriate parties no later than December 31, 2020. Mr. Bear made that motion, which was seconded by Dr. Dana and adopted without objection.**

Ms. Skelton reported that staff is in the final stages of review and response with the Office of the Auditor General and hope to have a final exit conference soon. As all state agencies have been, the Auditor General's Office has been affected by COVID-19 procedural adjustments and their schedules have been impacted.

Chair Gaetz asked if there was any member of the public that wished to speak to the Board. No one came forward with public comment.

Mr. Lee complimented the Chair on a very efficient meeting and complimented staff on the amount of work that they are managing in a very professional manner under the adverse conditions faced in 2020. Chair Gaetz noted that Mr. Lee was located in Bay County and asked him, on behalf of Triumph Gulf Coast, to visit the Port of Panama City as they complete the very first Triumph funded infrastructure project. Mr. Lee said that he had visited recently, but that he would look forward to visiting again soon. He noted that Port Director Wayne Stubbs has announced his retirement and that he was glad that this project could be completed while Mr. Stubbs was still at the helm at the port.

The Chair echoed Mr. Lee's thanks to the staff for the work that has been accomplished under circumstances that could never have been predicted.

There being no further business, the meeting was adjourned at 4:41 p.m. CT.