

**Meeting Minutes  
Triumph Gulf Coast, Inc.  
Bay County Commission Chambers  
Bay County Government Center  
840 West 11<sup>th</sup> Street  
Panama City, Florida 32401  
December 15, 2022  
10:30 a.m. CT**

**Members Present:**

David Bear, Chair  
Bryan Corr, Sr.  
Reynolds Henderson, Treasurer  
David Humphreys  
Collier Merrill, Vice-Chair (arrived late)  
Jay Trumbull, Sr.  
Leslie Weiss

Chair David Bear called the meeting to order at 10:30 a.m., CT.  
Executive Director Susan Skelton called roll and announced the presence of a quorum.

On a motion by Leslie Weiss, and seconded by Jay Trumbull, Sr., the November 3, 2022 Meeting Minutes as circulated were approved without objection.

On a motion by Mrs. Weiss, and seconded by David Humphreys, the November 2, 2022 Workshop Meeting Minutes as circulated were approved without objection.

**Program Administration**

**Program Administrator's Report**

Ms. Cori Henderson, Program Administrator, explained that the staff has reviewed the Annual Reports of the Grant Award recipients which were due by October 30, 2022 and recommends continued funding for each of the grants for 2023. She highlighted several of the exemplary projects and the progress being made with those grants. She shared a list of education projects that Dr. Frank Fuller, Education Advisor, had highlighted as performing "above expectations:"

- #29 – Wakulla County School Board, Career and Technical Education Center
- #157 – Franklin County School District, Franklin Environmental Career and Technical Training
- #198 – Wakulla County School Board, Unmanned Systems Certification Program
- #210 – Gulf Coast State College, Unmanned Systems Boot Camp for Exiting Military
- #215 – Wakulla School Board, Wakulla / Lively Tech A&P Certification Program
- #216 – Northwest Florida State College, Aviation Center of Excellence
- #233 – IHMC Center for Human Healthspan, Resilience and Performance
- #243 – Okaloosa County School District, Artificial Intelligence Learning Institutes
- #246- FSU Panama City, ASCENT Cybersecurity and New Technologies Program

Ms. Henderson noted that knowledge about Triumph funding, and ways that the funding can be used to enhance economic development proposals in Northwest Florida is growing and that she is now receiving calls directly from site selectors asking how to maximize use of the funds and to let her know that companies are looking at industrial parks in the region because of the Triumph opportunities. Ms. Henderson noted that the unique pairing of the Pensacola State College CDL Driver training program located at the Santa Rosa Industrial Park is something that has caught the eye of the site selectors since workforce training and availability is paramount to the success of relocating companies.

Ms. Henderson reported that, including items on this agenda, if approved, as of today, Triumph will have committed over \$156.5 million towards 37 workforce education and research projects across all eight disproportionately affected counties. These grants support industry certificate attainment starting with classes in the third grade with the largest portion of the funds focused on cybersecurity, new technologies including AI, aviation, unmanned systems, nursing, and the construction trades. She said that with workforce education projects, it is not always easy to see immediate results and that the Board will receive a presentation from economist Aaron Shmerbeck at the afternoon committee meeting discussing employment needs and trends across the region. She said that the data compiled for the presentation is very important in being able to guide the Triumph funds to needed workforce training. Ms. Henderson said that the data that will be presented today will show that investments already made by the Triumph Board are now becoming visible in various economic sectors in the region. As the region's economic development professionals are selling companies on coming to Northwest Florida, they now have real data to back up their pitches about the benefits of operating a business in the eight counties. The Triumph dollars invested in gathering and studying this data has already had a real impact.

Ms. Henderson then proceeded to her formal report, as circulated, and posted on the website prior to the meeting. The formal report includes the 2022 Staff Review of Annual Grant Award Reports as required by s. 288.2016, F.S.

In the report, it was noted that several of the original Triumph funded projects are nearing successful completion:

- Project #29 - Wakulla County School Board - Career and Technical Education Center will complete its performance metrics at the end of this calendar year with a final review by Dr. Fuller this Spring.
- Project #43 – Okaloosa County Board of County Commissioners – US 90 Water and Sewer Extension (Shoal River Industrial Gigasite) is on schedule to complete its performance metrics with the pending agreement for 350 new jobs coming to the site. Additionally, Okaloosa County has purchased more land at the site for future growth. Triumph Gulf Coast's first infrastructure project,
- Project #49 - Port of Panama City East Terminal Expansion, is scheduled to complete its performance metrics requirements at the end of this calendar year. For the second year in a row, the port has posted record cargo activity. Once the port's final audit for the year is completed, Dr. Rick Harper, Economic Advisor, will make a final review and close out the project.
- Project #153 – Gulf County School District – Unmanned Systems (and Franklin School District Project #200 – Unmanned Systems) combined efforts and created the Triumph Gold Cup Drone Competition for students of their respective workforce training programs, also known as the Forgotten Coast Drone Rodeo. The students had a

fantastic time and the event turned into a great recruiting tool for the programs to draw in new participants. All three high schools (Port St Joe, Wewahitchka, and Franklin County School) have seen significant growth in their program enrollment for this Spring as a result of the rodeo.

- Project #157 – Franklin County School District – Career and Technical Education Training have earned all required certifications ahead of schedule and Dr. Fuller will make a final evaluation this Spring. For the first time, Franklin County has welding students who have dual enrollment with Lively Technical College due to the investment that Triumph Gulf Coast made in the new welding classrooms at the high school.
- Project #190 – Walton County Economic Development Alliance – US Highway 331 Water and Sewer Extension to the Industrial Park is complete as of last week.

Other Highlights include:

- Project #203 – AMIKids Maritime Academy has had a lot of success including a new project working with Florida A&M University to create a dual enrollment program in underwater robotics to take place in Bay County.
- Project #210 – Gulf Coast State College - Unmanned Systems Boot Camp for Exiting Military is ahead of their performance metric certification goals and they are seeing rapid employment for their graduates
- Project #216 – NWFSC – Aviation Center of Excellence has expanded training to include Airframe and Powerplant, and FAA Pilot Training at the Crestview Airport facility.
- Three of the four industrial parks in Santa Rosa County have letters of intent for 100% occupancy, including Project #240 – Santa Rosa County Board of County Commissioners – Santa Rosa Industrial Park East.
- Project #243 – Okaloosa County School District – Artificial Intelligence Learning Institutes is well ahead of schedule with 304 students already enrolled at eight middle schools and one high school.
- Project #246 – FSU Panama City – ASCENT Cybersecurity in New Technologies provides certification training for students and allows for regional companies to request focused training, as well as focusing on providing teacher training across the region. Teacher training has already been very helpful and has helped to generate activities involving several hundred students in “Tech Clubs” which provide workforce training to students in Bay, Franklin, Gulf and Walton County public schools, as well as home schooled students across the region. FSU Panama City anticipates that there could be as many as 300 students participating in a convention here in the Spring.
- Project #259 – Escambia PEDC – Project Pioneer, which is Pegasus Laboratories, is already growing. Immediately after executing the Triumph grant, the company started hiring personnel to fill the new jobs required under the grant. The grant is already providing new, high wage jobs in the bio-science industry for the region.

Chair Bear thanked Ms. Henderson and staff for the report and the thorough reviews of the Grantees’ Annual Reports. He recognized that the report and reviews require a great deal of staff time and effort.

Mr. Corr asked if the \$114 million not yet committed will be rolled over to next year for future expenditures. Ms. Henderson replied that the funds do roll over.

Chair Bear asked if anyone from the public wished to comment on the report. No one came forward to speak.

**Mr. Bryan Corr made a motion to approve the Program Administrator's Report, including the staff recommendation to continue funding for each of the reviewed Grant Awards for 2023. The motion was seconded by Mrs. Weiss and passed on a roll call vote (6-0.)**

### **Economic Advisor's Report**

Dr. Harper made a recommendation on **Proposal #276 – Bay District Schools – Triumph Training Center for \$8,075,000** to establish the J.R. Arnold High School Training Center. The district anticipates providing training for 450 students a year in eight focused training programs. Programs include HVAC, Allied Health Assistance and Exercise Science, Building Trades, Dental Assistance, Electricity, Plumbing, and Pharmacy Tech. Triumph grant funds will be used to construct a 11,500 sq. ft. Career and Technical Education Building and ancillary space that would house the training programs. The program will provide 3200 CAPE Certificates over ten years. The per certificate cost to Triumph Gulf Coast is \$2,523. This application includes an innovation suggested by our Treasurer, Mr. Henderson, that would allocate funding to provide bookkeeping assistance at the grantee level to assure that we receive consistent financial reporting that match our auditing requirements. \$475,000 of the total project request will be earmarked for those bookkeeping services by the Bay County School District staff. Bay County School District is providing \$2.3 million in cash along with the salaries for dedicated staff, equipment, supplies and certain certificate exam costs. The total project is expected to yield a present money value of \$33 for every Triumph dollar invested. For these reasons, staff rates this proposal as an "A" in terms of economic impact.

**Mr. Henderson made a motion to direct staff to begin term sheet negotiations with the applicant. The motion was seconded by Mr. Trumbull.**

Ms. Beth Patterson, Career and Technical Education Supervisor of Bay District Schools, spoke in favor of the proposal. She thanked the Board for consideration of the proposal and noted the importance of CTE Training for the future of the district.

Chair Bear asked if anyone from the public wished to be heard on the proposal, No one came forward to speak.

**The motion passed on a roll call vote (6-0.)**

Dr. Harper then made a recommendation on **Proposal #290 – Escambia County Board of County Commissioners – OLF-8 Phase 1 Infrastructure for up to \$14,200,000**. The requested Triumph funds would be matched by approximately \$41,803,000 in private and public sector funding. The project will be to install a roadway, water, sewer, and drainage improvements to the Outlying Field – 8 (OLF-8) industrial / mixed use site in northern Escambia County. The Triumph grant request represents 25.4% of the total project cost of \$56 million. Escambia County anticipates \$40 million in private capital investment for the project with a county pledge of \$1.8 million in land acquisition expenditures. Escambia County will provide the initial \$3 million for expenditure costs and those funds would be eligible for reimbursement from Triumph once construction is underway for the private investment. The Escambia County Board of County Commissioners will hold the associated commercial clawback on the creation of at least 338 new jobs, each paying at least 115% of the Enterprise Florida specified average wage for the Pensacola Metro area. There is a four-year job ramp up period, followed by a three-year job maintenance period following the substantial completion of the roadway and infrastructure. The improvements will be owned by Escambia County. The cost per job to Triumph Gulf Coast

is \$42,000. That is approximately \$4000 higher than the average cost per job for infrastructure projects that the Board has approved in the past. Calculations for Returns on Investment show that over a ten-year job maintenance period we expect the increment to family income to be about \$270 million in additional income to the region which represents \$19 in additional income for each Triumph dollar invested. For these reasons, staff scores this proposal as an "A" in economic impact.

Mr. Wes Moreno, Escambia County Administrator, and Mr. Scott Luth, Director of FloridaWest Economic Alliance, spoke on behalf of the proposal. Mr. Moreno thanked the Board for consideration of the proposal and said that Escambia County is committed to driving the project forward as quickly as possible. He said as soon as they get approval from Triumph, the County will begin moving forward with the design and engineering process. He thanked Dr. Harper and Ms. Henderson for the collaborative effort to get the application to this point. Mr. David Humphreys said that he understands that the proposal is to bring in high paying jobs and asked if there was an anchor company for the project. Mr. Moreno said that there are potential prospects that are in ongoing conversation with Mr. Luth. The prospects are interested in seeing the project layout and what amenities will be included as they consider locating to the site.

Chair Bear asked Mr. Moreno to give a quick description of the site and how the proposal came into being. Mr. Moreno explained that the site was originally an outlying landing field for the U.S. Navy in Escambia County. The County swapped the land for land that it purchased in Santa Rosa County for the Navy. Escambia developed the Santa Rosa property to the Navy's specifications as part of the land swap. The OLF-8 location is close to I-10 in an area where the Florida Department of Transportation plans to add a new interchange.

Mrs. Weiss asked for clarification on the County's portion of the proposed project. She asked if the County was only putting in the first \$3 million in expenses and then would get that money back from Triumph at the onset of construction by a private company. Mr. Moreno indicated that was correct. Mr. Humphreys asked about the size of the site. Mr. Moreno said that it is 600+ acres all together and there is a master plan for the mixed-use location. He said that county staff intends to go back to the Board of County Commissioners to request some changes to the master plan to separate out the light industrial areas of the site to help to recruit companies. Mrs. Weiss asked about the proposed clawback, and Mr. Moreno replied that the clawback will be based on high wage jobs created. The County will be responsible for the clawback.

Ms. Skelton pointed out that this project was on the books for development long before Triumph Gulf Coast even existed and that there had been many iterations of the master plan, but that the County has remained committed to industrial use of the site throughout the life of the project. Chair Bear said that the land swap itself took nearly twenty years to be completed. He said that while the original plan was for an industrial park only, the evolved plan now includes mixed use of the total site including some residential and retail space, but this funding would be for the industrial part of the site.

**Mr. Henderson made a motion to direct staff to begin term sheet negotiations with the applicant. The motion was seconded by Mr. Merrill.** Chair Bear asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed unanimously on a roll call vote (7-0.)**

## **Annual Election of Officers**

Chair Bear turned the gavel over to Mr. Scott Remington, Legal Counsel, to conduct the Annual Election of Officers for 2023.

Mr. Remington explained the custom that the Board has followed up to this point pursuant to the By-laws and Roberts' Rules of Order. Triumph Gulf Coast By-laws require the annual election of a Chair and Vice-Chair for a term that runs from January 1 through December 31 each year. The Board must also elect or appoint a Secretary and a Treasurer. Historically, the Board has elected a Treasurer and appointed Ms. Skelton as the Board Secretary. These terms are concurrent with those of the Chair and Vice-Chair. Traditionally, the current Chair has called on Mr. Remington to conduct the elections. Mr. Remington said that nominations will be accepted for Chair, Vice-Chair and Treasurer in separate elections. Nominations may be seconded, but a second is not required. Once it appears there are no further nominations for a position, nominations for that position will be closed. If there is only one candidate for the position, the candidate will be declared elected by acclamation. If there are more than one nominations for a position, there will be a roll call vote with the Secretary calling roll and each member announcing their choice for the position. After the roll call votes are announced, Mr. Remington will declare a winner.

Mr. Trumbull asked if the elections could be held at any time during the year. Mr. Remington explained that the By-laws call for elections to be held prior to the beginning of the term of office which is defined as January 1 through December 31.

Mr. Remington opened the floor for **nominations for Chair**.

**Mr. Henderson nominated Jay Trumbull, Sr. Mr. Trumbull declined the nomination** and said that while it was an honor to be considered and that at some point he would gladly serve as Chair, he did not think he has enough Triumph Board experience to take on the leadership position at this time. He suggested that the Board might consider looking at moving elections to coincide with when someone is appointed, which is usually in the Summer. Ms. Skelton said that appointments can occur anytime from when a vacancy occurs. Vacancies naturally happen in June but that does not mean that the appointing officers must make their appointments in June. State Officers can fill their allotted vacancies at any time.

Mr. Henderson asked if the Board could make a motion to defer elections until the Summer. Mr. Remington said that there must be an election to fill the term that begins on January 1 because the current term expires on December 31. He said that to change the terms and manner of elections there would have to be an amendment to the By-laws. Ms. Skelton explained that Mr. Bear is filling the vacancy left when former Chair Gaetz' term of service on the Triumph Board expired on June 30, 2022. Ms. Skelton cautioned that moving elections to July could result in there not being a full board in place at the time of elections because there is no requirement that State Officers make their appointments by a date certain.

**Mr. Merrill nominated Mr. Bear. Mr. Bear agreed to serve if elected.**

Mr. Remington asked if there were further nominations for Chair. There being none, he **declared Mr. Bear as being elected by acclamation for a term of January 1, 2023 – December 31, 2023.**

Next, Mr. Remington opened the floor for **nominations for Vice-Chair**.

**Mr. Henderson nominated Leslie Weiss.**

**Mr. Bear nominated Mr. Merrill.**

Mr. Remington asked if there were further nominations for Vice-Chair. There being none, the Board then took a roll call vote:

Mr. Bear voted for Mr. Merrill  
Mr. Corr voted for Mrs. Weiss  
Mr. Henderson voted for Mrs. Weiss  
Mr. Humphreys voted for Mr. Merrill  
Mr. Merrill voted for Mr. Merrill  
Mr. Trumbull voted for Mr. Merrill  
Mrs. Weiss voted for Mrs. Weiss

Mr. Remington announced that **Mr. Merrill had won election to the position of Vice-Chair by a vote of 4 – 3 for the term of office from January 1, 2023 through December 31, 2023.**

Mr. Remington opened the floor for **nominations for Treasurer.**

**Mr. Henderson nominated Bryan Corr, Sr. Mr. Corr declined the nomination.**

**Mr. Henderson then nominated David Humphreys, who also declined the nomination.**

**Mr. Henderson finally nominated Leslie Weiss.**

Chair Bear asked Mr. Henderson if he did not want to be nominated. **Mrs. Weiss then nominated Mr. Henderson, who agreed to serve if elected.**

**Mrs. Weiss** said that upon further consideration, she would prefer to have more Board experience before accepting such a nomination and **declined the nomination.**

There being no further nominations, Mr. Remington declared the nominations to be closed and declared **Mr. Henderson as Treasurer for the term of January 1, 2023 through December 31, 2023.**

Mr. Remington said that the final office to be filled is that of **Secretary.** He said that the **Board has traditionally appointed Ms. Skelton as Secretary to keep the records of the corporation.** Chair Bear asked that Ms. Skelton be appointed as Secretary. **Without objection, Ms. Skelton was appointed as Secretary for the term of January 1, 2023 through December 31, 2023.**

Mr. Remington then asked for a **motion to approve the signature authorities for the Triumph Gulf Coast, Inc., bank account at Centennial Bank.** The current signators are David Bear, Collier Merrill, Reynolds Henderson, David Humphreys and Jay Trumbull, Sr. **Mrs. Weiss made the motion to approve the signature authorities for 2023. The motion was seconded by Mr. Humphreys and passed without objection.** Signature authority for the soon to be closed First National Bank of Northwest Florida account, and the State of Florida Prime Account will remain as David Bear, Collier Merrill and Reynolds Henderson.

## **Performance Review Committee Report**

Chair Bear reported that the Performance Review Committee, made up of himself, Mr. Merrill, and Mr. Henderson, met on November 3, 2022 for the purpose of reviewing the performance of Executive Director Susan Skelton and to hear from Ms. Skelton on her staff and professional services contract reviews. This annual performance review is required by Ms. Skelton's contract.

Ms. Skelton reported to the committee that Ms. Henderson, Dr. Harper, and Dr. Fuller exceeded expectations. She noted that she had discussed her reviews with each of the contractors and that they were able to respond and provide feedback to those reviews. The committee then asked Ms. Skelton to leave the room so that the members could discuss their review of her performance. The committee agreed that Ms. Skelton has continued to exceed expectations this year. **The committee voted to recommend a salary increase for Ms. Skelton to \$110,000 per year.** Mr. Trumbull asked what her current salary is. Ms. Skelton responded that it is \$97,734. The salary recommendation was made by the committee in recognition of all the work that she does to manage the excellent Triumph staff and professional services contractors and to keep up with all the details inherent in operating a corporation of this size.

Chair Bear reported that he and Ms. Skelton met with Mr. Remington and Mr. Alan Manning from **Clark, Partington Law Firm** to review their current contracts and to discuss continuing those contracts. He reported that the attorneys agreed to continue the current contracts. He noted that there are three separate contracts for different services provided. Those include general legal services, special legal services, and litigation services. The first two contracts are capped at \$100,000 each and the third is on an hourly billing schedule. **Chair Bear and Ms. Skelton recommended continuation of the three contracts.**

Chair Bear reported that Ms. Skelton has reviewed the letters of engagement for the **Tipton, Marler, Garner and Chastain CPA Firm** and noted that they continue to do exemplary work for Triumph Gulf Coast. Ms. Skelton reported to the committee that due to the recent part time hiring of Mrs. Therese Baker by Triumph to perform intake and form review, the CPA firm has already seen a reduction in the number of hours needed for compliance reviews by the accounting staff. **She recommended continuation of the contracts with the CPA firm.**

Ms. Skelton noted that the work performed by **Warren Averett CPAs** has been acceptable to Triumph Gulf Coast and that **Randy Lewis'** work performing construction reviews continues to exceed expectations. **She recommended continuation of those contracts.**

Ms. Skelton said that staff had asked Mr. Henderson to review the contracts with the Tipton Marler CPA firm and explained that there was a general accounting services contract and two compliance contracts because our lead CPA, Mrs. Jennifer Davidson, has a conflict with one of our grant awards and so another CPA in the firm is responsible for that compliance review. Mr. Henderson said that he had reviewed the contracts and that they are ok.

**The committee concurred with Ms. Skelton's recommendations to continue the various contracts based on her report.**

Chair Bear said that this item concludes the Performance Review Committee Report and asked Mr. Remington whether to take up the financial component of the review in accepting the report,

or as a separate item as part of the Proposed Operating Budget discussion that follows this item. Mr. Remington said that the Board would need to accept the report, which includes the recommendations to continue the various contracts. Once the report is approved, funding would be part of the proposed budget.

Mr. Remington stated that since the report is a recommendation of the committee, it does not require a motion or a second.

Chair Bear asked if any member of the public wished to be heard on the report. No one came forward to speak.

**On a unanimous roll call vote (7-0), the report was adopted.**

### **Treasurer's Report**

Mr. Henderson opened his remarks by clarifying that the salary increase for Ms. Skelton is built into the proposed operation budget that will be considered today. In addition, he noted that there are funds available and built into the operating budget for Ms. Henderson, Dr. Harper, and Dr. Fuller that the Board may discuss as part of the budget review. He said that he had built in enough for a 3% increase in each of those contracts if that is the wish of the Board, but that the Performance Review Committee did not take specific action on those because the members wanted to review additional financial documents before taking that final recommendation action. He said that the Board could make a decision today or wait until a later date, but the funds are available for that action in the proposed budget.

Mr. Henderson then turned the presentation of the October 2022 Financial Statement over to Mr. Easton Ramer, CPA and Partner at Tipton, Marler CPA. Mr. Ramer gave an overview of the statement and said that the report did not reflect any grant disbursements because there were quite a few disbursements completed in September. Triumph operations continued to come in approximately \$14,000 under budget. **Mr. Henderson made a motion to approve the October 2022 Financial Statement as presented. The motion was seconded by Mr. Merrill and approved without objection.**

Mr. Ramer then presented the November 2022 Financial Report. He reported that there were \$2.5 million in disbursements during November with administrative costs of \$74,000. He said that income for the year to date is \$85,000. Mrs. Weiss asked where the additional \$5 million came from and Chair Bear explained that during the 2022 Legislative Session, the Legislature returned \$5 million of earned interest to Triumph for administrative costs associated with statutorily required compliance reviews. Mr. Henderson noted that building in compliance costs into the awards is a tool that Triumph needs to use to assist in offsetting the continuing costs of compliance. **Mr. Henderson made a motion to approve the November 2022 Financial Statement as presented. Mr. Merrill seconded the motion. The motion was approved without objection.**

The Board then took up its Proposed 2023 Operating Budget. Mr. Henderson presented the budget. He noted that the \$5 million appropriated by the Legislature in 2022 actually came from interest money that Triumph Gulf Coast is obligated to remit to the Department of Economic Opportunity each month. DEO holds that interest money in a Trust Fund from which the Legislature can expend funds, so the amount provided by the Legislature was earned interest from Triumph funds.

Mr. Henderson said that the proposed budget has funding amounts built in for items that the Board has not yet acted on, such as payment increases for the Program Administrator, Economic Advisor and Education Advisor. He said those funding amounts were included so that if the Board determines that it wants to act on such increases, the funds are available. He noted that approval of the budget does not necessarily mean that all the money will be spent, but it allows the ability of the Board to expend funds for the normal daily operations of the corporation. Mr. Ramer pointed out that the biggest change in the proposed budget is reflected in the projected cost of grant evaluations. This line includes building in an additional staff member to begin the transition process for the Education Advisor position and adding additional hours for the part-time Administrative Specialist.

Mrs. Weiss asked why the cost of insurance line is reduced. Ms. Skelton replied that the cost of the insurance policy secured by our legal team for 2023 was less than last year's policy. She noted that Mr. Lewis had evaluated his workload and reduced his costs for 2023 as well. The commitment to finding cost efficiencies is greatly appreciated.

Mr. Corr asked if the 2022 actual budget was going to come in under projections. Mr. Ramer reported that the actuals appear to reflect approximately \$80,000 under budget. Mr. Corr then noted that there will be a lot of projects that will be due for disbursements early in 2023 and this will require increased workload for staff. Mr. Ramer explained that the contracts for the attorney fees and CPA fees are capped out by statute. Mr. Corr asked if there will need to be increased staffing to handle workload increases. Ms. Skelton said that she is constantly evaluating workload and staffing issues. She said that adding Ms. Baker to the team has already resulted in a reduction of staff time by the CPA firm but as the number of grants awarded increases, there is a direct correlation to the cost of compliance. That is the reason that the Legislature agreed to appropriate interest money back to Triumph for administrative costs. Mr. Henderson mentioned earlier that we are working with grantees to build in some of those administrative costs for interacting with Triumph into the awards so that the grantees can have dedicated staffing to work with our team in grant administration and compliance.

Chair Bear asked Ms. Skelton if the additional ten hours per week contemplated for the part-time Administrative Specialist are included in this proposed budget. She indicated that those hours were included and that she was going to ask for that permission as part of her staff report today. Chair Bear then asked if contract increases for the Program Administrator were included. Mr. Henderson said that 3% for the contract consultants was included in the budget but that the Board has not yet voted on those increases.

Mr. Merrill said that he wanted to just point out, again, that our professional team is working within an incredibly constricted operating budget and that while he is very grateful for the Legislature appropriating the interest money in 2022, it is amazing that we have a .75% cap on administrative expenditure when the Legislature was contemplating limiting other NGOs that receive state dollars to a 15% administrative expenditure cap and even that did not pass in the last session. Ms. Skelton said that Triumph could easily use three or more staff persons, but that was not an option due to the cap. Mr. Remington pointed out that every agency that falls under Enterprise Florida is limited to no less than 10% in operating expenditures.

**Mr. Henderson made a motion to approve the Proposed 2023 Operating Budget as presented. Mrs. Weiss seconded the motion which passed unanimously on a roll call vote (7-0.)**

## Staff Report

Ms. Skelton reported that staff has been working on finalizing the Semi- Annual Report to Governor and Legislature which is due by December 30, 2022. This report will follow the structure of earlier reports and will include Annual Reports from our grantees as presented in the Program Administrator's Report from today's meeting. She explained that in addition to the statutorily required delivery to the Governor and Legislative Leadership, Triumph provides an electronic copy of the report to all Cabinet members, members of the Northwest Congressional Delegation, members of the Northwest Florida Legislative Delegation, and members of the Triumph Board. Mr. Henderson asked that we include the Department of Economic Opportunity and Enterprise Florida in the report delivery. Ms. Skelton said that she would be sure those deliveries are included.

**Mr. Trumbull made a motion to allow staff to complete the draft report and to allow the Chair to transmit the completed report to the Governor, Senate President, House Speaker, the Florida Cabinet, the Northwest Florida Congressional Delegation, the Northwest Florida Legislative Delegation, members of Triumph Gulf Coast, the Department of Economic Opportunity, and Enterprise Florida. Mr. Merrill seconded the motion which passed without objection.**

Ms. Skelton then gave a brief legislative update and reported that the Legislature has been in Special Session this week to discuss property insurance reform and hurricane relief bills. She said that the Committee Assignments for the Northwest Florida delegation were encouraging including the appointment of Senator Doug Broxson as Senate Appropriations Chair and key appropriations and economic development appointments for our Senators and House members. Legislative Committee Meetings will start back in January.

The Auditor General's Office audit process is continuing. Ms. Skelton reported that Triumph is up to date on requests for information and waiting for our next communication from the auditors.

Ms. Skelton then made a formal request, as discussed earlier in the meeting, to increase the allowable hours for our Administrative Specialist, Mrs. Therese Baker, from 10 hours a week to 20 hours a week. She said that we have hit capacity on her work hours every week since she has worked with us, and we have enough workload to justify the additional hours. Mr. Baker has been very helpful in assisting the streamlining of intake of compliance documentation from our grantees and continues to work with our Program Administrator and the accounting team at Tipton Marler to crosswalk information and reduce the amount of time required for CPA reviews. **Mr. Henderson made a motion to increase the allowable hours from 10 to 20 per week for the part-time position. Mrs. Weiss seconded the motion which passed without objection.**

Ms. Skelton then told the Board that the State of Florida Department of Management Services has issued a rule which effectively bans the use of all Chinese made drones by all state agencies, including all school districts and higher education institutions, effective January 1, 2023. Our school districts just made staff aware of this new rule in the last week and our staff has reached out to the districts and colleges where Triumph funding has been provided for the purchase of such drones, or funding for such devices is used as match for a Triumph grant, to inventory the drones, request information about replacement costs, and to provide guidance on storage of the devices until a cost recoupment plan can be determined.

Triumph subject matter experts, legal counsel and CPAs are working to gather all information from the grantees and to structure possible solutions to move forward with our affected grant awards. The Triumph Board will need to make a timely decision at the next Board meeting about a strategy for continued support of these important career training programs. Staff will provide information for your review as we learn more. Ms. Skelton said that the immediate risk is that some of the small school districts have seen a marked increase in the number of students who want to participate in this training because they recognize the efficacy of the program. A new set of classes is scheduled to begin in January and now the government has said that some of the drones used in training cannot be used any longer. She said that just as example, at Northwest Florida State College, we have seen drone prices vary anywhere from very technical, highly equipped drones at \$15,000 to small training drones at less than \$150. Staff is working to inventory what is on the shelf and then will need the Board to decide whether to either replace the grounded equipment or to allow the districts and colleges to divest of the equipment and use the proceeds of those sales to replace the equipment. She said the situation is much like a hurricane. The grantees couldn't have predicted it, but it has happened and now we must deal with the outfall.

Mr. Henderson said that since this is a unilateral government decision, Triumph could look at amending the grant awards to replace the prohibited equipment. Ms. Skelton said that was correct and that Dr. Fuller, Triumph's Education Advisor and in-house drone expert has been working with Josh at USI (Unmanned Systems Institute) to help us determine a path forward. She said that there are legal issues such as who owns the drones, who can sell the drones, who gets the proceeds of the sale, etc. Ms. Skelton said that the CPAs are looking for a simple, blanket solution, but it may be necessary to amend each of the grant agreements much like we addressed the overall needs of the region after hurricanes or COVID. She said that it will probably only affect five agreements.

Dr. Fuller said that the market will be flooded with unusable drones but that students could use the grounded drones to learn how to maintain and repair equipment.

Mr. Merrill was concerned that the Department of Management Services has mandated that state entities must use five American drone companies, and yet the list does not include a drone manufacturer from Florida.

Dr. Fuller assured members that there are plenty of classroom lessons and activities that can continue to occur until the replacement equipment can be procured.

Chair Bear directed staff and legal counsel to be sure that for any future agreements, Triumph clearly states that the awards will have to comply with the new state rule.

**Chair Bear then asked Ms. Skelton if it would be her recommendation to provide 3% raises to Dr. Fuller, Ms. Henderson, and Dr. Harper based on her performance reviews that were presented to the Performance Review Committee and to the Board earlier today.** Ms. Skelton said that would be her recommendation and asked the Board to consider those increases. **Mr. Henderson made a motion to provide 3% raises to Dr. Fuller, Ms. Henderson, and Dr. Harper as provided for in the approved 2023 Operating Budget voted on earlier in this meeting. Mr. Corr seconded the motion which was approved on a unanimous roll call vote (7-0.)**

**Legal Report**

Mr. Remington said that the renewal of the Directors and Officers Liability Insurance Policy for 2023 has been completed. He noted that in every prior year, the premium amount has increased because of Triumph Gulf Coast having more money appropriated each year. While there was an expectation that there would be an increase for 2023, the legal staff took the policy search to the open market and was able to secure a reduction in the cost of the policy. He said that the insurance agent approached 16 different markets and obtained four quotes ranging from \$24,675 to \$18,109.35. After consultation with the agent and Chair Bear, the AIG quote of \$18,109.35 was selected, approximately eight to nine thousand below what staff had originally anticipated for the cost of the insurance policy. He said that he believes the reason that the amount came in lower was that the Board has not had any claim history, so as the Board continued to have history with no claims, the market felt more comfortable even though the assets continue to appreciate. The coverage includes the current and former Board members.

Mr. Alan Manning, Legal Counsel, provided a review of **Grant Award Negotiations for Proposal #270 – Northwest Florida State College – Nursing Program Expansion for \$21,787,560** to support a certificate program in nursing and health sciences. He said that the Grant Award Agreement to be voted on today is consistent with the term sheet that the Board previously approved. The agreement was negotiated with, and has been approved by, the Grantee.

**Mr. Henderson made a motion to approve the Grant Award Agreement as presented. The motion was seconded by Mr. Merrill.**

Dr. Devin Stephenson, President of Northwest Florida State College, came forward to thank the Board. He said that this is a phenomenal day for the college, as in the almost 60-year history of the institution, this is the largest grant award ever given. He said that the lifeblood of the institution is delivering quality education and this grant is extremely important to the college. On behalf of his leadership team, which was present at the meeting, he expressed profound appreciation to Triumph Gulf Coast for its role in providing that quality education to the region. He provided extended remarks outlining the benefits and goals of the program to work to reduce the nursing shortage in Northwest Florida over the next decade. He said as a lifelong educator and the leader of the college, he believes that this is a transformational grant and promised to deliver results of the highest quality with integrity over the life of the grant. Chair Bear agreed that producing 4000 nurses over the next ten years with \$300 million in additional household income for the region is truly transformational.

Chair Bear asked if anyone from the public wished to be heard on this proposed Grant Award. No one came forward to speak. **The motion passed unanimously on a roll call vote (7-0.)**

Mr. Manning then gave an overview of **Term Sheet Negotiations for Proposal #48 – Wakulla County Board of County Commissioners – First Response Communications System for up to \$11,038,669** to replace the failing emergency system for the county. He said that the term sheet is consistent with the proposal considered by the Board at its last meeting.

Wakulla County Commission Vice-Chair Quincee Messersmith spoke on behalf of the Board of County Commissioners and thanked the Board for consideration of this proposal. She then asked the Wakulla County Grants Coordinator, Ms. Michelle Metcalf, to provide any additional information that the Board may request. Ms. Metcalf expressed her appreciation for Triumph Gulf Coast's commitment to providing this relief to the county. Ms. Skelton pointed out that Mr. Corr had asked to be sure that a requirement for the county to practice value engineering in implementing the grant award and that the requirement is included in the term sheet.

Mrs. Weiss said that she is very excited about the potential for this grant award and asked if there are contingencies built into the projected costs. She said that she saw that there was a plus or minus five percent built into the cost but asked if that was the contingency fee. Mr. Manning said that the five percent is in all Triumph contracts and simply recognizes that as a project develops there could be a need to move items within budget categories and that rather than having to come back to the Board for those minor changes, those de minimis shifts are allowed without Board action with the grantee working with our staff to adjust those numbers within the categories. Ms. Henderson responded that the budget provided by the county did have a contingency built into the construction costs. Mrs. Weiss asked if the cap on unrestricted change orders included in Triumph contracts is based on a percentage of the cost of the project. Ms. Henderson said that staff has become more consistent over time in matching the amounts to the state statutory requirements for state contracts but that in some of the earlier contracts those amounts were based more on facts of the grant.

Mr. Trumbull asked if the county is confident that the project can be completed by the end of 2024. Ms. Metcalf said that they are confident and that the proposed timeline for the project is 15 to 18 months. Mr. Trumbull then asked what would happen if the project was 90% complete at the end of 2024. He asked if the county would then be responsible for the entire clawback. Mr. Manning responded that in theory that would be the case, but in reality, the grantee would most likely come back to the Board and explain what the delay might be and ask the Board to grant an extension to complete the project. Mr. Trumbull asked if the county had started the bid process. Ms. Metcalf said that the RFP process was complete with four responsive bids. The county has selected one of the vendors and they are currently in a bid protest period from another vendor. They are waiting to hear from the company protesting the bid and hope to have the issue resolved soon. She said that the county issued its formal response to the bid protest on the past Monday afternoon and have not yet heard back from the company.

Mr. Corr asked if there would only be one vendor for the entire project. Ms. Metcalf responded in the affirmative. She said that as part of the RFP the county has retained the right to negotiate details of the project with the selected vendor such as the types of radio equipment to be purchased, and the location and number of tower sites in keeping with earlier suggestions that Mr. Corr had made to the county. She said that those negotiations have not yet begun due to the current protest.

**Mrs. Weiss made a motion to direct staff and counsel to move to Grant Award negotiations with the applicant. The motion was seconded by Mr. Henderson.** Chair Bear asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed unanimously on a roll call vote (7-0.)**

Finally, Mr. Manning gave a review of **Term Sheet Negotiations for Proposal #244 – Bay District Schools – Thunderbird Tech Program for \$147,900** to support a technology certificate program for K-8 students at the Tyndall Academy located on Tyndall Air Force Base. The term sheet for consideration is consistent with the proposal that was presented at the last Board meeting. The term sheet has been approved by the grantee and is before you for approval by the Triumph Board.

Ms. Beth Patterson, Bay County School District Career and Technical Education Supervisor appeared and thanked Triumph Gulf Coast for consideration of the program. Mr. Trumbull asked how the district will get students involved in the program. Ms. Patterson said that there would be advertising and direct outreach to the parents at the school. She said that the parents of

students at Tyndall are really the driving force behind this idea. The parents want to see drones, engineering and any other programs that will allow their children to become really engaged in technology and in the jobs that technology will create for their futures. She said that Dr. Fuller has made it clear that the success of the project will be that the students are having a good time and learning a lot at the same time. She said that once the first set of students discover what the possibilities are for learning, and the parents get to see that learning environment through a student skills demonstration event she expects to see a lot of interest in growing this program. She said that she anticipates having more students than they have room for and then the Bay District Schools can assist the academy in increasing capacity.

**Mr. Henderson made a motion to direct staff to move to Grant Award negotiations with the school district. The motion was seconded by Mr. Trumbull.** Chair Bear asked if anyone from the public wished to be heard on the proposal. No one came forward to speak. **The motion passed on a unanimous roll call vote (7-0.)**

### **Public Comment**

Chair Bear asked if any member of the public wished to address the Triumph Gulf Coast Board on any subject.

Ms. Becca Hardin, President of the Bay County Economic Development Alliance said that as the year comes to a close, she just wanted to take this opportunity to thank the Triumph Board for its continued support of her organization's efforts. She said that Bay County has announced five new companies this year equating to over 800 new jobs for the area. Three of those projects could not have been done if not for the support of Triumph funding. She especially thanked Triumph staff, Cori Henderson, and Rick Harper, for their outstanding collaborative efforts in getting the negotiations for these projects across the finish line. She said that the work being done by Triumph is game changing for Northwest Florida and it would have been very difficult for her team to compete for these projects without Triumph support.

### **Closing Remarks**

Mrs. Weiss said that she appreciated everyone's support of the Wakulla Emergency Communications project and that she was happy to see the great term sheets and proposals that come before the Board. She thanked staff for their hard work in preparing all of the documents that are part of the process.

Mr. Corr said that he is looking forward to all of the new work coming next year and that it looks like staff will be very busy. He said that he is proud to be involved in this Board's efforts.

Mr. Trumbull said it is exciting to see the education projects that came forward in this meeting, and the Wakulla project is a really great project, and it is great to be able to be a part of this work effort.

Mr. Merrill said that he appreciates the new members, whom he said had already surpassed him in knowledge. He said the new members are really learning fast and that is wonderful. He reminded everyone that the Committee of the Whole will meet in this room at 1:30 p.m. CT this afternoon to discuss potential changes to the Board's discretionary priorities while maintaining the statutory requirements.

Mr. Humphreys said that today he learned that no one wants to be Treasurer and the Chinese drone he just bought his son for Christmas is worthless! He said he was thankful for the Board being able to give away grant funds today for great projects and he hopes that the applications just keep coming.

Chair Bear thanked staff for the great work that they have done to get ready for this meeting and for all the end of year reviews and reporting that is required. He thanked the Board for its continued confidence in him and dedication to Triumph Gulf Coast and its mission. He said he looks forward to serving next year as Chair. He thanked all the applicants that were in attendance today for all the work that they do to make their communities better. He thanked the Legislature for providing the structure and funding to make great things happen across the counties most disproportionately affected by the BP oil spill and he apologized for not recognizing newly elected Representative Griff Griffiths, who was at the meeting earlier but left before he could recognize him.

There being no further business, the meeting was adjourned at 12:34 p.m. CT.