

Meeting Minutes
Triumph Gulf Coast, Inc.
NWFSC Aviation Center for Excellence
Bob Sikes Airport
3152 Airport Road
Crestview, Florida 32539
May 13, 2026
10:30 a.m. CT

Members Present:

Jay Trumbull, Sr., Chair
Bryan Corr, Sr.
David Humphreys, Vice-Chair
Charles Rigdon
Leslie Weiss, Treasurer

Call to Order & Welcome Roll Call

Chair Jay Trumbull, Sr. called the meeting to order at 10:30 p.m. CT. Mrs. Cori Henderson, Program Administrator, called roll and announced the presence of a quorum.

Chair Trumbull recognized Mel Ponder, President of Northwest Florida State College, for an update on the Aviation Center of Excellence and broader college initiatives. Ponder began by expressing appreciation to the Board for meeting at the facility and thanked Triumph Gulf Coast for its continued investment in workforce development throughout the region. He stated that having the Board on campus was a tremendous blessing and said he wanted to provide both an update on the Aviation Center of Excellence and a broader update on the college.

President Ponder stated that Northwest Florida State College remains sincerely appreciative of Triumph's continued partnership and investment in workforce development. He noted that Triumph's investments are transforming lives and strengthening the regional economy in tangible ways across aviation, healthcare, public safety, and skilled trades. He emphasized that those investments are helping students build meaningful careers while simultaneously helping employers meet urgent workforce demands.

Turning specifically to the Aviation Center of Excellence, he praised Chris Abadia, Director of the Aviation Center of Excellence ("ACE"), and his team, noting that they are doing an outstanding job operating the program. He stated that the program would not have been possible without Triumph's support and thanked the Board for helping launch the initiative.

Ponder reported that the Aviation Center of Excellence continues to serve as a model of what workforce education should look like when aligned directly with industry needs. Enrollment remains strong across the aviation programs, with 17 students currently enrolled in Airframe Maintenance, 12 students enrolled in Powerplant Maintenance, and seven students enrolled in Professional Pilot Technology.

Ponder reported that the College is currently in the process of hiring an additional faculty member to allow the program to add a second cohort beginning in the fall semester. He

explained that the additional instructor will allow the College to effectively double enrollment opportunities and increase the number of students entering aviation careers.

He noted that students are preparing for high-demand careers in one of the region's most important industries and stated that the results continue to demonstrate the program's success. To date, students have earned 32 FAA Airframe Certificates, 25 FAA Powerplant Certificates, and 41 FAA Pilot Certifications.

Ponder stated that the outcome of which he is most proud is that 100 percent of students who have completed the program and obtained full FAA certification are now employed. He noted that graduates are launching careers with employers including PSA Airlines, Envoy Air, Allegiant, Emerald Coast Aviation, Gulf Air Group, Sunshine Aero, and Sierra Nevada Corporation. Graduates are entering the workforce at an average starting wage of approximately \$28.83 per hour, demonstrating that the program is producing not merely jobs, but sustainable, high-skill careers with significant earning potential.

The Aviation Center of Excellence continues to grow strategically. He reported that Northwest Florida State College recently expanded flight training opportunities through a partnership with Pray Aviation, increasing flexibility for Professional Pilot Technology students and strengthening the College's capacity for future growth.

Because of the region's substantial military population, the College is actively working to align the Professional Pilot Technology program with Veterans Administration eligibility requirements. Ponder stated that doing so will significantly expand opportunities for veterans and military-affiliated students interested in pursuing aviation careers. The Pray Aviation partnership will allow students to access additional training opportunities at facilities in Milton and that the College is working with regional partners to expand those opportunities once the necessary approvals are obtained.

President Ponder noted that Northwest Florida State College recently celebrated one of its largest commencement ceremonies in recent years, with more than 550 students participating in spring graduation exercises. He stated that graduates included future nurses, educators, law enforcement officers, aviation professionals, welders, business leaders, and students continuing their education at four-year institutions.

Several workforce programs are producing exceptional placement outcomes, including programs with 100 percent placement rates. He specifically highlighted Medical Laboratory Technology, which has experienced approximately 30 percent enrollment growth since 2021, along with Physical Therapist Assistant, Hospitality, Teacher Education, Welding, and Aviation programs.

Public safety programs, including law enforcement, emergency medical services, and fire training, continue to achieve very high placement rates. Ponder noted that the March law enforcement academy class achieved 100 percent placement in public safety careers.

Turning to healthcare education, Ponder stated that nursing graduates continue to experience exceptional success. He reported that graduates are achieving 100 percent employability following graduation and NCLEX completion, with approximately 95 percent employment in the Associate Degree Nursing program.

Ponder emphasized that these outcomes demonstrate that when educational programs are aligned with employer demand, students succeed and communities benefit.

He also highlighted Northwest Florida State College's participation in Florida's Money-Back Guarantee initiative, noting that the program aligns closely with Triumph's workforce development mission. The College now offers the guarantee in six workforce programs: Nursing, Paramedic, Radiography, Physical Therapist Assistant, Medical Laboratory Technology, and Early Childhood Education.

Ponder stated that the initiative reflects the College's confidence in the value of those programs and demonstrates its commitment to preparing students not merely to graduate, but to enter the workforce successfully.

Ponder also thanked Triumph for its investment in nursing education, including support provided at the Niceville Campus. He stated that Northwest Florida State College remains deeply committed to preparing skilled nurses to serve local healthcare providers and expressed appreciation for Triumph's confidence in that mission.

He reported that the College's most recent NCLEX cycle achieved a 100 percent pass rate, significantly exceeding state averages. Enrollment in the Associate Degree Nursing program continues to grow rapidly, increasing from 148 students in the fall to 162 students in the spring. By Fall 2026, the College anticipates enrollment reaching approximately 240 students, nearly doubling the size of the program in a single year.

Ponder noted that the College previously averaged approximately 74 nursing graduates annually but expects to produce approximately 165 graduates per year beginning in Fiscal Year 2027. He stated that those results demonstrate the value of Triumph's investment in healthcare workforce development.

Ponder then discussed the broader economic impact of Northwest Florida State College. He cited a recent economic impact study showing that the College generates approximately \$283 million annually across Okaloosa and Walton Counties and supports approximately 3,842 jobs. The study also found that for every dollar invested in the College, students realize approximately \$6.50 in lifetime earnings.

He stated that one statistic he finds particularly meaningful is that 83 percent of students remain in Okaloosa County after completing their education, while 91 percent remain in Florida. Ponder emphasized that the College is producing local leaders and skilled workers who stay in the region and contribute directly to local economic growth.

Ponder also highlighted the College's America 250 initiative, noting that welding students recently completed a full-scale replica of the B-25 Mitchell bomber flown by the Doolittle Raiders. He described the project as a unique combination of workforce education, craftsmanship, history, and patriotism. As a Raider institution, Northwest Florida State College considers that legacy especially meaningful. Ponder noted that General Doolittle's granddaughter attended both the unveiling ceremony and the College's commencement exercises.

Looking ahead, Ponder reported that Northwest Florida State College is finalizing a new five-year strategic plan focused on workforce excellence, student success, innovation, partnerships, and regional economic impact. He stated that the College intends to remain one of Northwest

Florida's leading workforce development engines and that partnerships with organizations such as Triumph are critical to that mission.

Ponder also reported that the College received \$5 million in legislative funding last year to renovate its Administration Building and create a Workforce Innovation Hub. He thanked Senator Trumbull and Representative Maney for their support and stated that the College remains hopeful that an additional \$5 million will be secured to complete the project.

He explained that the planned Workforce Innovation Hub will serve as a place where education, business, and industry converge to prepare the workforce of the future and strengthen Northwest Florida's economy. The facility will focus on emerging industries, and evolving workforce needs while creating opportunities for innovation and collaboration.

Finally, Ponder discussed the College's growing partnership with the University of West Florida. He reported that the institutions are working together to establish four specialized engineering transfer pathways through their joint Fort Walton Beach campus. Under the proposed structure, Northwest Florida State College would provide the first two years of coursework, with students then completing engineering degrees through the University of West Florida.

Ponder stated that the partnership will help meet workforce needs in defense, aerospace, aviation, manufacturing, and technology sectors while allowing students to complete engineering degrees locally rather than leaving the region. He described the initiative as another important step in building the highly skilled workforce needed to support Northwest Florida's future growth.

Ponder concluded by thanking the Board for its continued partnership and support, stating that the College is proud of its growth, proud of the results being achieved, and excited about future opportunities to continue serving the region's workforce needs.

Approval of Meeting Minutes

On a motion by Mrs. Leslie Weiss and seconded by Mr. Charles Rigdon, the March 24, 2026, Meeting Minutes were approved without objection.

Treasurer's Report

Mrs. Jennifer Davidson, CPA, explained that the reason the Board receives four months of information at each meeting is due to the year-end accrual process, during which disbursements are approved for expenses incurred prior to the year end and through the end of February.

Mrs. Davidson stated that, on the December financial statements, the Statement of Financial Position reflected "Fund Distribution Payable" under liabilities. She explained that the accrual for 2025 was \$27 million and that amount appeared in the statements.

She further noted that, on page five of the December Statement of Activity by Class for the 12-month period, funds distributed totaled more than \$100 million. Mrs. Davidson explained that the \$100 million figure included approximately \$27 million in accruals, which had not yet left the bank but had been accounted for auditing purposes. She stated that the accrual reduced the payable balance, though not entirely, and that approximately \$11 million remained outstanding and would appear in the March reporting period.

Mrs. Davidson stated that the January Statement of Financial Position reflected a reduction in Fund Distribution Payable to approximately \$25.8 million. She explained that funds distributed in January no longer appeared on the January financial statements because they had already been approved in December and were therefore no longer included as part of the Statement of Activity.

Mrs. Davidson reported that February reflected a similar pattern and that the February Fund Distribution Payable balance was approximately \$24 million.

Mrs. Davidson reviewed the March 2026 financial statements and noted that this was the first time the Board was seeing the March financials, so she provided additional detail regarding the reports.

Davidson reported that, as of March 31, 2026, Triumph's Statement of Financial Position reflected approximately \$629 million in total current assets. She stated that the Fund Distribution Payable balance was approximately \$11.5 million and noted that the Board had received three months of fund distributions through March 31, 2026, totaling approximately \$5.7 million in revenue.

Turning to the budget-to-actual reports for the month of March, Davidson stated that interest revenue for the month totaled approximately \$2 million. She further reported that total administrative costs were approximately \$110,000, which was approximately \$24,000 below budget for the month.

Davidson then directed the Board to the year-to-date budget-to-actual report for the three-month period ending March 31. She reported that total interest revenue year-to-date was approximately \$6 million. She also noted that administrative expenses for the period were approximately \$307,000, which is \$97,000 under budget.

Davidson explained that the reports demonstrated that revenues and expenditures generally remained in line with expectations and that administrative spending continued to track favorably against the approved budget.

Mrs. Weiss made a motion to approve the Treasurer's Report and Mr. David Humphreys seconded the motion. The motion passed unanimously on roll call vote. (5-0)

Mrs. Jennifer Davidson explained that the proposed revisions to the Systems Documentation primarily relate to accounting policies and procedures. She stated that staff was recommending three changes.

The first proposed revision concerns authorized signers. Davidson explained that the current language provides that, in the event of separation from the Board of an authorized signer, the forms would be changed at the next scheduled Board meeting. She noted that this language creates an issue for the upcoming June meeting because none of the current authorized signers will remain future signers, and both the current signers and future signers must sign the same document. To address that circumstance, staff is proposing to revise the language to state that the forms will be changed "no later than the next scheduled Board meeting," which would allow the Board to complete the required signatures during the same meeting if necessary.

Mrs. Davidson stated that the second proposed revision was the most significant change and was also driven by concerns about the possibility of the Board temporarily having only one

member. She explained that she had discussed the matter with Leslie Weiss and Susan Skelton and that staff was recommending a modification to the check-signing policy. Under the current policy, checks exceeding \$10,000 require two signatures. Staff is proposing that payments made pursuant to contracts that have already been approved by the full Board could be processed with one signature rather than two. Davidson emphasized that this exception would apply only to contracts that had already been approved by Board action.

Chair Trumbull asked Davidson to restate the proposal. Leslie Weiss explained that the revision would apply to existing approved contracts, such as accounting contracts or other vendor agreements already approved by the Board. Under the current policy, payments exceeding \$10,000 require two signatures regardless of whether the underlying contract has already been approved. Under the proposed revision, payments made pursuant to those previously approved contracts could be processed with one signature.

Mrs. Davidson provided the GrayLopez contract as an example. She explained that the issue became apparent because checks exceeding \$10,000 are often not signed until a Board meeting occurs, resulting in delays that can extend for a couple of months. Under the proposed revision, payments made pursuant to a previously approved contract, and within the approved contract amount, could be signed by one Board member rather than requiring two signatures.

Mrs. Davidson then described the third proposed revision, which concerns the deposit of funds. She stated that staff added language clarifying that Triumph submitted a request to the State to receive funds through direct deposit into the Centennial Bank money market account. The purpose of the revision is to document that the approximately \$80 million previously received by paper check is now being transferred electronically. Davidson reported that the request had been approved and that Triumph received its April disbursement through direct deposit.

Mr. Charles Rigdon returned to the discussion regarding the one-signature proposal and sought clarification regarding its scope. He stated that his understanding was that the proposal applied only to contracts already approved by the Board and involving recurring payments. Mrs. Davidson confirmed that understanding and stated that the proposal would apply to contracts involving staff, GrayLopez, and other contractors whose payments exceed \$10,000.

Mr. Rigdon commented that, once the Board is fully reconstituted, he would have no objection to returning to the two-signature requirement. However, he recognized the efficiency gained by allowing approved contract payments to be processed without waiting for a Board meeting simply to obtain a second signature. He noted that the Board has already approved those expenditures up to a specified amount.

Mrs. Davidson agreed and explained that any contract without a specific not-to-exceed amount would require additional Board action. She cited the Tipton Marler contract as an example and recommended amending it to establish a specific dollar amount because the current limitation is based on a statutory cap rather than a written contract cap.

Mr. Bryan Corr asked how the proposed revision would affect purchases or expenditures that are not already approved by the Board. Davidson responded that credit card expenditures and other non-contractual purchases would not be covered by the proposed exception. She explained that such expenditures would continue to follow existing approval procedures. Davidson further clarified that grantee disbursements would not be affected because those payments are processed electronically through ACH and would continue to require two

approvals. She stated that she did not recommend making any changes to existing wire transfer or ACH protocols.

Mrs. Weiss noted that recurring operational expenses such as Digital Boardwalk would also fall under the discussion. Davidson clarified that Digital Boardwalk payments are below the \$10,000 threshold and therefore already require only one signature. She reiterated that nearly all payments exceeding \$10,000 are associated with previously approved contracts and would be the primary category affected by the proposed revision.

Chair Trumbull stated that he wanted to ensure all Board members were comfortable with the proposed changes before asking whether there was a motion to approve the Systems Documentation revisions.

Mrs. Weiss made a motion to approve the Treasurer's Report and Mr. Rigdon seconded the motion. The motion passed unanimously on roll call vote. (5-0)

Mrs. Jennifer Davidson reported that she had recently received an email from Warren Averett, Triumph's outside auditor. Davidson stated that the auditors reported no proposed audit adjustments and indicated that they were in the final stages of completing the audit process. Davidson explained that there is one change involving the Management Discussion and Analysis ("MD&A") section of the financial statements. She noted that the State has requested early implementation of revised MD&A reporting requirements because Triumph's financial statements are incorporated into the State's overall financial reporting. As a result, staff is implementing the change this year rather than waiting until the following year. Davidson stated that the auditors are currently finalizing revisions to the MD&A section and that, once completed, staff will receive and distribute the final audit report.

Chair Trumbull asked for clarification regarding the nature of the MD&A change. Davidson explained that the revision affects only the narrative format of the management discussion and analysis section. She stated that the new format places greater emphasis on descriptive discussion and year-to-year explanations. The purpose is to provide additional detail and context regarding the financial statements. Davidson emphasized that the revision does not affect the numerical portions of the financial statements or any reported financial results; rather, it is intended to expand and enhance the accompanying narrative discussion.

Staff Report

Mrs. Henderson reported that the Legislature had returned to special session to continue work on the state budget. She stated that Ms. Susan Skelton had been closely monitoring both the Job Growth Grant Fund and the Rural Infrastructure Fund because those programs provide grant and matching-fund opportunities that are important to many Triumph projects. Henderson explained that the House's current budget proposal did not include funding for either program, which suggests that economic development funding programs may be facing challenges during budget negotiations. She emphasized, however, that negotiations remain ongoing and that staff remains hopeful funding will ultimately be restored. Henderson noted that the issue is particularly important because several Triumph projects rely upon matching funds available through the Job Growth Grant Fund. During the discussion, Henderson noted that the Job Growth Grant Fund was established several years ago and recalled that it was enacted in approximately 2016 and that she served on the original committee that helped develop the program while at Enterprise Florida. Henderson further stated that, based on current budget proposals, economic development funding appears to be receiving increased scrutiny during the

legislative process. She noted that Susan Skelton has been following the issue closely and will continue providing updates as budget negotiations progress.

Mrs. Henderson reported that the AI / Automation project is going very well and is ahead of schedule. She stated that the teams have been working well together and that it has been exciting to see the project come together. Henderson clarified that the project is more accurately described as an automation project rather than an AI project. She explained that staff is learning a great deal about automation flows, and that the project is helping Triumph work with grantees to better structure their data inputs. Henderson noted that the cleaner the grantees' inputs are, the faster the overall process will move.

Ms. Therese Baker stated that the team is making great progress in helping GrayLopez understand Triumph's process and in developing a customized solution that accommodates how Triumph typically does business. Baker explained that some changes will be requested of grantees, particularly with respect to cleaning up their data, but staff is trying to make those changes as minimally cumbersome as possible and allow the automation to work out the details. Baker reported that the reimbursement and match module is the first module being developed and is the most difficult because it may involve reviewing submissions of approximately 15,000 pages. She stated that GrayLopez has outlined the process and begun building the solution and related scripting so the resulting output can be reviewed by staff. Baker noted that the project is approximately a couple of weeks ahead of the original timeline. Mrs. Henderson added that staff is working to make Triumph's internal information as organized and consistent as possible for GrayLopez. She also noted that staff is considering how use of the new system will interact with Florida public records laws and related requirements.

Chair Trumbull commented that the process is tricky and emphasized the importance of ensuring that the system does not improperly reject invoices or fail to identify items that should be rejected. Baker responded that staff would remain involved in the review process. She explained that staff will be able to review the system's determinations and approve or reject items, including at the line-item level on invoices.

In response to Mr. Rigdon's question, Mrs. Henderson explained that grantees are provided with the reimbursement forms and instructions they need. She stated that the basic form is included in the agreements, and that Smartsheet provides an Excel document that functions like a table of contents, identifying the item, invoice number, total amount, amount charged to Triumph, and any needed description. Henderson further explained that grantees receive instructions on how to provide backup documentation, and that Baker conducts onboarding for each new grant, even when the grantee already has existing Triumph grants.

Chair Trumbull asked whether the system could help grantees, such as FSU Inspire, better understand how to submit materials. Ms. Baker stated that one feature being built on the back end is a list of acceptable expenses, based on items Triumph has already approved or negotiated in the contract. She explained that grantees would be able to reference that list to understand what expenses Triumph would expect to approve, and that items not on the list likely would not be approved. Baker noted that staff will still communicate directly with grantees, especially during the initial implementation period, when questions, corrections, or disallowed items arise. She stated that staff does not intend to rely on automated communications at the outset because different grantees may require different approaches, and staff wants to ensure that the information being sent is accurate and appropriately phrased.

Mrs. Henderson added that staff intends for the program to review prior reimbursement submissions so it can create and reference a list of previously approved items. Rigdon observed that the system should eventually be able to learn from properly completed reimbursements and identify submissions that do not match expected requirements. Baker agreed and explained that the goal is to build detailed approval lists within budget categories, such as supplies, so the system does not broadly approve items simply because they appear to fit a general category. She noted that, initially, substantial line-item review will be required to build that list.

Program Administrator's Report

Mrs. Henderson provided several updates regarding Triumph Gulf Coast projects and economic development activities throughout the region. She first thanked Board member Rigdon for representing Triumph at several recent events. She noted that Rigdon attended the ribbon cutting and groundbreaking ceremony for the Synapse Building at the University of West Florida, which is part of the research project being funded by Triumph. Henderson stated that Rigdon also spoke at the event and represented the organization well. Henderson further reported that Rigdon attended the opening of the Crestview Bypass, which she described as a significant regional infrastructure project. She also reported that Chairman Trumbull would be attending and representing Triumph at Pensacola State College's ribbon cutting ceremony for its diesel and marine mechanic facility in Santa Rosa County on May 21.

Henderson additionally thanked Board member Humphreys for attending a confidential meeting concerning a project that could not yet be publicly discussed. She stated that the project has the potential to create a substantial positive impact for Northwest Florida.

Henderson also reported on recent economic development outreach efforts conducted by Florida's Great Northwest. She stated that Florida's Great Northwest led the regional economic development team's participation at MRO Americas and noted the significance of discussing those efforts while meeting in the current facility. Henderson reported that, over a two-day period, regional economic developers met with approximately twenty companies. She stated that the results of those meetings were very positive and that she had received favorable feedback from many of the participants who attended. According to Henderson, companies expressed excitement about both the outcomes of the meetings and the investments that have been made throughout the region. She noted that the projects and investments being discussed by the Board are being recognized and communicated throughout the aviation and aerospace industries, including at the international level. Henderson stated that the feedback demonstrated that Triumph's investments are being noticed and are contributing to broader conversations about Northwest Florida's growing role in the aviation and space sectors. Henderson concluded by noting that Becca Hardin was available to answer any questions regarding the MRO Americas meetings, industry outreach efforts, or the feedback received from participating companies.

As part of her formal report, Henderson stated that Triumph had received 373 pre-applications as of the previous Tuesday, representing more than \$3.2 billion in funding requests. She reported that Pre-Application No. 373 remains under review pending additional information from the applicant. Henderson further reported that staff recommends Pre-Application No. 374 be deemed ineligible. Pre-Application No. 375 is being recommended as eligible for further consideration. She explained that the proposal represents the Gulf County School District's next request and involves development of a Maritime Academy. Henderson stated that Gulf County is providing waterfront property for construction of the facility and that staff is excited to continue working with the school district and local partners on the project.

Turning to project status updates, Henderson advised the Board that the agenda materials included the latest construction report. She commented that it is currently a very busy period for construction projects throughout the Triumph region, with numerous projects either beginning construction or moving into active implementation phases.

Henderson reported that staff is requesting approval to de-obligate approximately \$22,808.29 from the Franklin County project. She explained that the grantee has successfully achieved all required performance metrics associated with its first grant and that staff is therefore recommending closure of the grant and de-obligation of the remaining balance. She further reported that staff is requesting closure of the Gulf Coast State College Grant No. 202 and noted that a small amount of funding associated with that project has already been de-obligated. Henderson also advised the Board that staff is requesting that the Port St. Joe Dredge Project be formally reflected as closed in the Board's records. She explained that the project naturally expired on December 31 and that the Board had already approved de-obligation of the remaining funds. The current action is primarily administrative and intended to ensure that the project is officially reflected as closed in Triumph's records.

Henderson then provided an update regarding project monitoring and quarterly reporting. She explained that staff recently completed its review of the fourth quarter 2025 quarterly reports. She noted that reporting is always somewhat retrospective because quarterly reviews occur after the reporting period has ended. As a result, by the time of the Board's June meeting, staff will already be discussing first quarter 2026 reports.

Henderson reported that staff has completed its review of all fourth quarter 2025 reports and that the overwhelming majority of projects continue to perform very well. She stated that projects generally remain on schedule and are meeting performance expectations. For the small number of projects that have experienced delays, Henderson noted that most involve educational institutions or workforce-related initiatives. She explained that Juliet Milam and April Branscome have been working closely with those grantees, providing additional assistance and support to help them overcome challenges and continue making progress. Henderson stated that staff is already seeing measurable improvement and increased project activity because of those efforts.

Construction projects generally continue to track as expected.

Mr. Rigdon made a motion to approve the Program Administrator's report. The motion was seconded by Mr. Humphreys. The motion passed without objection.

Economic Advisor's Report

Dr. Rick Harper provided an update on ongoing discussions between staff, Gulf County economic development officials, and Eastern Shipbuilding Group regarding the longstanding proposal to improve the Port of Port St. Joe. Harper explained that recent discussions have focused on establishing a floating dry dock at the port with Eastern Shipbuilding serving as the private-sector operating partner.

Harper reported that staff recently received an updated written proposal dated May 6 incorporating several significant changes that make the project more attainable from Triumph's perspective than previous versions. One of the most significant revisions is that Eastern Shipbuilding and Gulf County have agreed that the proposed dry dock would not need to be Jones Act compliant. Harper explained that this means the facility would not be used for certain

military maintenance, repair, and overhaul activities or other activities requiring Jones Act compliance, but it would still be available to perform maintenance, repair, and overhaul work on a wide variety of other vessels.

Harper stated that eliminating the Jones Act compliance requirement substantially reduces project costs. Previous proposals sought approximately \$42.5 million from Triumph. Under the revised proposal, the Triumph funding request has been reduced to \$23.5 million. At the same time, Eastern Shipbuilding has increased its proposed job commitment. Harper noted that staff has tentatively discussed with the applicant the possibility of recognizing a 35-hour work week when evaluating full-time equivalent employment. Based on those discussions, Eastern has increased its commitment to approximately 400 full-time equivalent positions, compared to approximately 225 positions contemplated in earlier versions of the project.

Harper explained that the increased job commitment significantly improves the project's cost-per-job calculation. Under the May 6 proposal, Triumph's cost per job would be approximately \$58,700. While that figure remains higher than some previous Triumph projects, Harper noted that staff reviewed comparable projects and historical performance metrics to provide context. As an example, Harper referenced Triumph's 2019 agreement with ST Engineering in Pensacola. That project involved approximately 1,325 jobs supported by a \$66 million investment, resulting in a cost-per-job calculation of approximately \$49,811. Harper noted that when adjusted for inflation using Bureau of Labor Statistics Consumer Price Index data, that 2019 figure would equate to approximately \$64,912 in current dollars. As a result, the revised Gulf County proposal compares more favorably than earlier versions and falls within a range that could potentially be acceptable to the Board.

Harper reviewed the proposed funding structure for the project. In addition to the requested \$23.5 million from Triumph, the proposal includes \$6 million previously awarded through the Governor's Job Growth Grant Fund, \$10 million from the U.S. Economic Development Administration, \$4 million from the Florida Rural Infrastructure Fund, and approximately \$20.5 million from Gulf County through bond financing. Harper explained that Gulf County would use those bond proceeds for site preparation, acquisition of the dry dock, and other infrastructure improvements. Debt service on the bonds would ultimately be supported through lease payments made by Eastern Shipbuilding.

Under the current proposal, Harper stated that Triumph would fund approximately 37 percent of total project costs. Gulf County would be responsible for infrastructure improvements including bulkhead enhancements, dredging, construction of mooring dolphins, breakwater improvements, and installation of the dry dock. Several issues still require evaluation and discussion. However, he stated that from a "30,000-foot perspective," the collaboration between Gulf County and Eastern Shipbuilding appears to be moving into the realm of feasibility in a way that had not been achieved in prior iterations of the project. He emphasized that staff welcomed Board guidance regarding questions that should be asked and issues that should be explored as discussions continue.

Harper also highlighted the potential economic impact of the project. He noted that Gulf County's estimated 2025 population is approximately 15,943 residents and that federal employment statistics show roughly 6,000 jobs in the county. The addition of approximately 400 new jobs would represent a substantial increase in the county's employment base and could have a transformational economic effect on the region.

Mr. Rigdon asked for a brief explanation of the practical differences between a Jones Act-compliant and non-compliant dry dock, expressing concern that eliminating Jones Act compliance might limit the facility's marketability. Harper agreed that the decision would impose certain limitations. He explained that Eastern Shipbuilding has advised Gulf County that there remains sufficient demand in the maintenance, repair, and overhaul market to support the project even without Jones Act compliance. Harper stated that Jones Act requirements generally apply to vessels built under U.S. construction standards using U.S. labor and materials and were intended to protect domestic shipbuilding. Because U.S.-built vessels are typically more expensive to construct than those built in countries such as China or Korea, a non-Jones Act-compliant dry dock could be acquired at substantially lower cost.

Rigdon asked whether a non-Jones Act-compliant dry dock could be constructed using foreign labor or purchased internationally. Harper responded that it could be purchased from shipyards anywhere in the world, including manufacturers in China or Korea, subject to applicable legal requirements.

Rigdon expressed concern that the project might create jobs that are ultimately filled by workers relocating from outside Gulf County rather than local residents. Harper responded that attracting workers to Florida has historically been a key component of economic growth and noted that employers frequently recruit talent from outside their immediate region. He further explained that shipbuilders throughout Northwest Florida continue to express concern regarding the availability of skilled labor. Harper highlighted Triumph's investments in workforce development programs, including electrician and pipefitting programs at Haney Technical College, as examples of efforts designed to build the future workforce needed for projects such as this one. Harper stated that Eastern Shipbuilding has demonstrated a strong commitment to workforce development and has worked closely with school districts to communicate the training and skills required by employers. He expressed confidence that Eastern would be a valuable partner in helping educational institutions prepare workers for high-wage careers in shipbuilding and related industries. Harper further noted that Eastern has committed to meeting Triumph's wage requirements by creating jobs paying at least 115 percent of the prevailing Gulf County wage. Based on current Florida Commerce wage data, he stated that this would require average annual wages of approximately \$56,800 before benefits.

Cori Henderson added that the maritime academy proposal currently before Triumph represents another important component of the region's workforce development strategy. She noted that Triumph is already supporting marine-related educational programs at Wakulla High School, including dual-enrollment opportunities through Tallahassee State College. Mrs. Henderson also highlighted marine diesel training programs at Pensacola State College and ongoing discussions regarding expansion of Haney Technical College's marine services programs due to existing waiting lists.

Humphreys asked whether the distinction between a Jones Act-compliant and non-compliant dry dock was based on the original construction of the dry dock or whether it related to the labor and materials used in performing repairs on the facility. Harper responded that his understanding, subject to further refinement, was that Gulf County, with Eastern Shipbuilding as a prospective tenant, would be able to purchase a dry dock that was originally constructed outside the United States and locate it in Gulf County. Harper explained that because the facility was not built with U.S. labor, it would not qualify as a Jones Act-compliant facility for activities governed by the Jones Act. Harper stated that, from his perspective as an economist and economic advisor, Triumph's evaluation of the project should remain focused on the return on investment generated through job creation and wages rather than solely on the cost of the

facility itself. He explained that Triumph's projects are not evaluated primarily based on the cost of bricks-and-mortar construction, even though Triumph may participate in funding a portion of those costs. Harper noted that improved facilities support the creation of higher-quality jobs and better wages. He stated that, if Eastern Shipbuilding and Gulf County are willing to commit to wage levels equal to at least 115 percent of the area average wage, that commitment forms the basis for Triumph's economic impact analysis. Harper explained that the higher wage levels generated by the project translate directly into increased household income within the region, which is one of the primary benefits Triumph seeks to achieve through its investments. Harper further indicated that, from an economic development perspective, the central consideration is whether the project will generate sustainable, high-wage employment opportunities and produce measurable economic benefits for Northwest Florida, rather than whether a higher-cost Jones Act-compliant alternative is selected when a lower-cost option may achieve the same employment outcomes.

Harper stated that Eastern Shipbuilding had indicated a willingness to enter into a performance agreement with Triumph tied to the creation of jobs at the specified wage levels. He noted that Triumph has historically focused on job creation and wage requirements when evaluating projects and stated that he did not view the Jones Act issue as an obstacle to achieving those objectives. He also acknowledged that there are circumstances in which procurement restrictions make certain purchases inappropriate, citing as an example Chinese-manufactured drones that could previously be purchased for school districts but later became prohibited for governmental entities under state law. He stated that he did not believe the current situation was comparable because the issue under discussion relates primarily to the cost of acquiring the dry dock rather than a legal prohibition affecting the project.

Board member Humphreys stated that he had not realized the Jones Act potentially extended to dry docks, as opposed to vessels themselves, and noted that dry docks do not typically move between ports in the same manner as commercial vessels. Humphreys acknowledged that he was not familiar with all the details and was simply seeking clarification. Harper responded that his understanding was that the Jones Act and related federal requirements were intended to support U.S. shipbuilding and shipyards and historically applied to vessels intended to serve U.S. ports during their operational life. Humphreys stated that he viewed the dry dock more as a tool than a vessel and questioned whether the issue involved the dry dock itself or the labor and materials used in its construction. He reiterated that he was not an expert on the subject but was interested in understanding the distinction. Mrs. Sallie Neese, legal counsel, stated that staff could further research the issue and collaborate with the parties involved but did not have a definitive answer at that time regarding how the requirements would apply.

Chairman Trumbull asked whether there had been previous discussions regarding whether a dry dock should be considered a vessel. Harper responded that there have been discussions suggesting a dry dock could be classified as equipment because it is capable of being moved. He stated that, from Triumph's return-on-investment perspective, his primary focus remained the jobs the project would create. Harper noted that Gulf County, as the owner of the dry dock, and Eastern Shipbuilding, as the operator and employer, both have a strong interest in keeping the facility located within Gulf County. Harper stated that he would expect any lease agreement between Gulf County and Eastern Shipbuilding to require that the dry dock remain based in Gulf County. While it might occasionally move to another location, such as Bay County, to retrieve a vessel before returning to Gulf County for work, Harper stated that such operational matters would likely be addressed through the lease agreement. He emphasized that the economic benefits of the project would remain within the region through the creation of jobs, employee

payroll, and local supply-chain spending. He stated that those benefits are the primary outcome Triumph seeks to achieve through its investments.

Chairman Trumbull commented that he was encouraged by the prospect of a company seeking to expand operations in Gulf County, which he noted is a county that particularly needs additional jobs and investment. He stated that Triumph has an obligation to invest throughout the region, including Gulf County, and noted that Eastern Shipbuilding has been a strong partner for Triumph. Harper agreed and stated that Eastern Shipbuilding has consistently met its obligations under previous Triumph agreements. He noted that, during his review of Eastern's prior performance, the company had exceeded Triumph's required job creation benchmarks even after facing significant challenges resulting from Hurricane Michael, the cancellation of a Coast Guard cutter contract, and subsequent contracting difficulties. Harper explained that, after completing its three-year job maintenance period, Eastern still employed approximately 900 workers above the employment level that existed when the original Triumph agreement was executed. He stated that the company had demonstrated a commitment to Triumph's wage and performance requirements and had been a reliable partner. Harper further noted that the project would help attract and perform work associated with contracts such as the Washington State ferries and Staten Island ferries, bringing revenue from outside the region into Northwest Florida and converting that revenue into local jobs, payroll, and economic activity.

Humphreys asked whether a Staten Island ferry constructed using a non-Jones Act-compliant dry dock would be permitted to operate in the United States. Harper responded that he would defer to legal counsel for a definitive interpretation but stated that his understanding was that Jones Act requirements generally apply to vessels transporting cargo between U.S. ports and include requirements regarding where those vessels are manufactured. Harper indicated that if the dry dock itself was not engaged in transporting cargo between ports, it may not be subject to the same restrictions, except potentially in certain federal procurement situations.

Humphreys observed that significant opportunities may arise in the future as additional federal funding becomes available for maritime infrastructure, naval vessels, and shipbuilding initiatives. He noted that recent federal actions supporting maritime dominance and shipbuilding could create substantial opportunities and suggested that, if possible, maintaining flexibility for both Jones Act and non-Jones Act work could be beneficial. Harper agreed that opportunities could arise and stated that Eastern's Jones Act-compliant Nelson Street shipyard would allow the company to compete for additional work as either a prime contractor or subcontractor. He noted that other Gulf Coast shipyards could similarly benefit from future maritime investments.

Ms. Becca Hardin, President/CEO of Bay County Economic Development Alliance, addressed the Board in support of the project. Hardin stated that Eastern Shipbuilding is the largest employer in Bay County and currently employs more than 1,000 workers. She emphasized the importance of supporting an existing company that has played a significant role in the regional economy. Hardin further noted that economic growth in Gulf County benefits Bay County and the surrounding region as well, making the proposal a truly regional project. She stated that it was important for the Board to understand that Northwest Florida is increasingly being recognized as a location for maritime industry growth. Hardin reported that economic development officials have been engaged in discussions with federal commerce officials regarding maritime industrial base initiatives being advanced at the federal level. She stated that, once those initiatives are fully implemented, substantial federal funding opportunities may become available that could be paired with Triumph funding to recruit additional shipbuilding and maritime projects to Northwest Florida. Hardin emphasized that the region must continue investing in infrastructure to remain competitive for those future opportunities. She stated that

the opportunities are real and that preparation today will position the region to benefit from future federal investments.

Chairman Trumbull stated that increasing the projected job count to 58 appeared reasonable given current economic conditions and inflation. He reiterated that the project would benefit Gulf County and involve a known partner with a proven track record. Trumbull noted that Eastern Shipbuilding has exceeded expectations on previous Triumph projects and stated that the proposal appeared favorable from his perspective.

Leslie Weiss stated that her concern related specifically to the practical implications of Jones Act compliance. She noted that the Jones Act generally requires that goods transported between U.S. ports be carried on vessels that are built, owned, and operated by U.S. citizens or permanent residents. Weiss expressed concern that use of a non-compliant dry dock could potentially create operational limitations if the facility were later needed to move between Bay County and Gulf County. Chairman Trumbull acknowledged the concern but noted that the cost difference between alternatives was substantial, approximately \$42 million versus \$23 million. He stated that, while the compliance issue warranted consideration, he continued to focus on the project's job creation benefits.

Dr. Harper reiterated that the project does not involve a vessel transporting cargo between ports. He stated that, if the applicant and private-sector partner believe the proposed approach is operationally feasible and results in a significantly lower cost that improves the project's cost-per-job metrics, his inclination is to accept their assessment. Harper stated that the Board's primary concern should be whether the project can create and sustain high-wage jobs. He added that, if future subcontracting opportunities require Jones Act-compliant facilities, Eastern could continue performing that work through its existing Jones Act-compliant shipyard while utilizing the Gulf County facility for other maintenance, repair, and overhaul activities.

Mr. Rigdon asked how much Triumph funding Gulf County had historically received compared to other counties. After discussion regarding the county's relative funding position, Rigdon stated that the information reinforced his belief that the Board was moving in the right direction. He acknowledged his concerns regarding Jones Act compliance but concluded that, ultimately, the project should be evaluated based on the jobs it would create.

Mrs. Henderson concluded the discussion by outlining the next steps. She stated that staff had requested that the applicant complete the budget documentation required by Triumph so that Jennifer Davidson could properly account for project expenditures by fiscal year. Henderson reported that staff is awaiting that information and once received, will prepare the project for a more formal discussion and consideration at the Board's June meeting.

Legal Report

Mrs. Sallie Neese reminded the Board that cybersecurity coverage had been discussed at the previous meeting and noted that Triumph presents a somewhat unusual cybersecurity profile compared to many organizations. She explained that many of the traditional cyber risks associated with businesses do not apply in the same way because Triumph does not generate revenue through normal commercial activities and much of its information is already subject to Florida public records requirements. As a result, the organization's cybersecurity concerns differ from those of a typical private-sector business.

Neese stated that Board members had previously asked several questions regarding the organization's current data backup procedures, including how often systems are backed up, what information is backed up, and where those backups are stored. To answer those questions, staff consulted with Digital Boardwalk, Triumph's information technology provider. Neese explained that the backup procedures originally in place dated back to when Triumph first engaged Digital Boardwalk and were not as comprehensive as current best practices. At that time, backups were performed only in accordance with Microsoft's standard procedures. There was no separate backup solution in place, and the data was not segregated from the primary systems. To address those concerns, Ms. Skelton authorized additional protections at a cost of approximately \$45 per month. Under the revised arrangement, backup data is now segregated and protected separately from the primary systems. Neese reported that backups now occur three times each day, approximately every eight hours. She explained that the data being backed up includes Microsoft 365 information and Smartsheet data when the appropriate subscriptions are in place. She noted that desktop computers themselves are not backed up, but Digital Boardwalk advised that this is actually the preferred approach from an information technology perspective. Neese stated that staff was comfortable relying on that recommendation.

Neese further explained that Board members had also requested some type of cybersecurity exposure analysis. She initially sought that information through TechRug but learned that the type of analysis being requested was not a service they typically provide. She noted that Triumph's unique organizational structure may have contributed to that limitation. Staff then returned to Digital Boardwalk and conducted what she described as a practical exposure analysis with James Todd, Triumph's primary contact. According to Neese, Todd identified "business email compromise" as the organization's most significant cybersecurity risk. She explained that this type of attack generally begins when a malicious actor gains access to an email system and remains undetected. The attacker may then impersonate a staff member, such as Cori Henderson, Therese Baker, or another employee, and send fraudulent emails to grantees or other external parties. Neese stated that while grantees do not normally send funds to Triumph, there remains a risk that someone receiving a fraudulent email could be tricked into clicking a payment link or otherwise transferring funds. Although she characterized the risk as relatively limited, she noted that such attacks are increasingly sophisticated and often succeed because recipients are busy and act quickly without carefully examining the message.

Neese reported that Digital Boardwalk suggested several additional security measures. One option would be adding warning language to employee email signatures. Another recommendation was implementation of a security platform known as Zero Trust Network Access beginning in the next fiscal year. She explained that the system requires both a trusted device and a valid authentication credential before access is granted. As a result, obtaining a password alone would not allow an attacker to access a user's account.

Neese then reviewed the cyber insurance options that had been presented to the Board. She noted that staff had obtained multiple quotes, including four alternatives beyond the TechRug proposal. According to Neese, the competing quotes generally provided lower coverage limits while carrying higher premiums. Most alternative proposals offered only \$1 million in coverage, with annual premiums ranging from approximately \$12,000 to \$25,000.

Mr. Rigdon commented that given the amount of money handled by Triumph, he stated that he would recommend selecting the \$3 million option. Rigdon also observed that cybersecurity insurance can be difficult to evaluate because many Board members do not work in that field

and may not always know the right questions to ask when evaluating cyber risks and coverage levels.

Mrs. Neese responded that, based on her discussions with cybersecurity professionals, the three most significant risks typically involve business interruption, cyber extortion or ransomware, and social engineering attacks. Of those categories, she explained that social engineering is by far the most relevant to Triumph because business interruption is less significant for an organization like Triumph and ransomware presents a different risk profile given the nature of its operations and records. Rigdon noted that he had recently received his first quarantined email through his Triumph account, which had originated from Spain during the early morning hours. Neese commented that attackers continue to become increasingly creative in their methods. Mrs. Henderson observed that she receives numerous quarantine notices each day and expressed particular interest in the Zero Trust Network Access option because it appeared directly related to the organization's most significant risk. Neese explained that implementation of the Zero Trust system would require an initial setup cost of approximately \$3,000 plus a recurring charge of approximately \$10 per month for each authorized device. She explained that Triumph currently uses standard two-factor authentication, but the proposed system would add an additional layer of protection by requiring both authentication credentials and a recognized device. In practical terms, an attacker would need both a user's password and possession of that user's trusted device before access could be gained. Henderson noted that Board members who access their Triumph email accounts from multiple devices would incur additional per-device charges. For example, a Board member using both a laptop and a phone would require two authorized devices. Rigdon commented that he accesses Triumph email from his office computer, home computer, and phone, and noted that tracking all authorized devices could become somewhat cumbersome. He observed, however, that most Board members generally use only a laptop and a phone.

Chair Trumbull stated that he would defer to Mr. Rigdon's judgment on the matter and indicated his willingness to support the recommendation. Rigdon then made a motion to approve Option Two, which included the higher insurance coverage limit. Mr. Bryan Corr stated that he was generally comfortable with the proposal but found it unusual that a 50 percent increase in coverage resulted in approximately double the premium cost. Neese responded that she had raised the same concern during discussions with the providers but did not receive a particularly satisfying explanation. She reiterated that even with the pricing structure, the quotes obtained from other providers were substantially more expensive while providing less coverage. Leslie Weiss stated that she was not entirely certain what additional benefit would be gained by increasing coverage from \$2 million to \$3 million given that business interruption coverage is not a major concern for Triumph. She indicated, however, that she did not have a strong preference either way. Board member Humphreys commented that, based on the discussion, the organization's primary exposure appears to be the possibility of a fraudulent transfer or payment resulting from a social engineering attack. He noted that the business interruption and ransomware concerns seem less significant given Triumph's operations. Humphreys stated that the key question is how likely a fraudulent transaction could occur despite the multiple layers of security already in place. Neese agreed and reiterated that the primary concern identified by Digital Boardwalk involved an attacker impersonating a staff member and persuading a grantee or other recipient to transfer funds. She emphasized that these attacks often succeed because recipients are busy and respond quickly without fully scrutinizing the communication. Neese further noted that James Todd had advised her that nearly all cybersecurity incidents his firm addressed during the prior year originated from a user clicking a malicious email link.

Mr. Rigdon made a motion to approve the recommended cybersecurity option, and Mr. Humphreys seconded the motion. The motion passed unanimously on roll call vote. (5-0)

Mr. Rigdon emphasized that the additional coverage provided an added level of protection and peace of mind should an incident occur.

Consent Agenda

Proposed Amendment to Proposal #211 – Pensacola State College – Truck Driver Training Program and Facility – NO ADDITIONAL FUNDS – Moves funds between budget categories & brings the agreement current with recent agreement updates

Proposed Amendment to Proposal #342 – IHMC National Center for Collaborative Autonomy – NO ADDITIONAL FUNDS – Updates budget categories, clarifies Match expenditures & brings the agreement current with recent agreement updates

Proposed Amendment to Proposal #200 – Franklin County School District – Career and Technical Training – NO ADDITIONAL FUNDS – Moves funds between budget categories

Proposed Amendment to Proposal #333 – Franklin County Board of County Commissioners – Phase 1 First Responder Communications System – NO ADDITIONAL FUNDS – Time extension due to tower siting delay

Proposed Amendment to Proposal #227 – Panama City Port Authority – Intermodal Distribution Center Expansion – NO ADDITIONAL FUNDS - Time extension to report job creation

~~**Proposed Amendment to Proposal #365** – Bay County BOCC – Project Kilowatt – NO ADDITIONAL FUNDS – Provides for disbursement of funds for closing~~

Chair Trumbull asked whether any board member wished to remove an item from the consent agenda for separate consideration. Mrs. Weiss asked to remove proposal 365 Bay County BOCC Project Kilowatt from the consent agenda and add to the regular agenda. Chair Trumbull then asked if anyone from the public wanted to comment and seeing none proceeded to ask for a motion to approve the agenda.

Mrs. Henderson explained that one of the reasons the Franklin County project timeline has been delayed is that the project team is still working through negotiations with the State of Florida concerning a lease arrangement for the property where the emergency towers would be located. She noted that most of the land involved in the project is owned by the State and stated that navigating that process has been a time-consuming undertaking for the applicants. As a result, those negotiations have contributed to delays in moving the project forward.

During the discussion, Mr. Humphreys raised a legal question regarding project #227. Humphreys asked whether he needed to abstain from voting on the item because he serves as a tenant of the Panama City Port or because the project involves port-related funding. Scott Remington, legal counsel, responded that he was not aware of any reason requiring Humphreys to abstain from participation. Remington stated that, absent a circumstance requiring recusal related to the original grant award or another specific conflict, he did not believe Humphreys would need to remove himself from consideration of the item.

Mr. Rigdon made a motion to approve items on the Consent Agenda and Mrs. Weiss seconded the motion. The motion passed unanimously on roll call vote. (5-0)

Regular Agenda

Proposed Amendment to Proposal #365 – Bay County BOCC – Project Kilowatt – NO ADDITIONAL FUNDS – Provides for disbursement of funds for closing

Chair Trumbull recognized Becca Hardin, President and Chief Executive Officer of the Bay County Economic Development Alliance, to provide an update regarding the project.

Ms. Hardin explained that discussions surrounding the structure of the project had largely centered on the performance agreement and related documentation needed to support the transaction. She stated that the approach being proposed was modeled after a prior project involving Mocama Marine, where Bay County utilized funds to acquire a building that Mocama Marine would occupy under a long-term lease with an economic development discount. Hardin explained that during the Mocama Marine project, the organization was able to secure funds at closing, complete the acquisition, and allow the company to immediately occupy the facility and begin hiring employees. She stated that staff had used that project as a model while working through the structure of the current proposal with Voltari. Hardin reported that the parties were scheduled to close on the property the following Wednesday, May 20. She noted that the company had already hired a general manager from the local community, a retired Navy officer with experience working on ships requiring security clearances. She further reported that the company was preparing to hire five additional engineers and appeared to be moving forward very quickly with its operations. Hardin stated that the purpose of the requested Board action was to allow the project to proceed on schedule rather than requiring the county to advance funds and wait for reimbursement. She explained that, under the existing grant structure, the county would otherwise have to pay the closing costs and carry those expenses until reimbursement could occur. Staff had discovered that, although the performance agreement contained the appropriate language, one section that should have been checked or completed had been inadvertently overlooked. As a result, the Board was being asked to approve the adjustment so the transaction could proceed, and the property acquisition could close as planned the following week.

Leslie Weiss stated that she agreed with the request but wanted the matter discussed publicly so that the process would be fully transparent. She explained that staff was not attempting to do anything unusual or circumvent prior Board direction. Rather, when reviewing the prior agreement and related documents, staff realized that the project had originally been structured as a reimbursement arrangement. Weiss noted that, after reviewing the documentation, it became apparent that the reimbursement provision had not been fully incorporated into the current structure. Weiss stated that she wanted Board members to understand exactly what was occurring and why the change was being requested. She emphasized that the request simply allows the funding to be provided upfront for purposes of closing on the property rather than requiring reimbursement after the fact, enabling the transaction to move forward without delay while remaining consistent with the Board's intent and the underlying economic development objectives of the project.

Mrs. Weiss made a motion to approve the Proposed Amendment to Grant Award Agreement and Mr. Humphreys seconded the motion. The motion passed unanimously on roll call vote. (5-0)

Public Comment

Chair Trumbull asked if anyone from the public would like to speak about any items related to Triumph process, policies, and practices. Seeing none, the Chair then invited closing remarks from board members.

Closing Remarks

Mr. Bryan Corr commented on the format in which amendment requests are currently presented to the Board. He stated that the documents can be difficult to follow because they often identify only the specific language being changed without providing sufficient context regarding the original document. Corr explained that, particularly for new Board members, it can be challenging to remember the contents of earlier agreements or locate prior versions in order to understand the significance of a proposed amendment. Corr suggested that staff consider presenting future amendments in a more user-friendly format, such as a redlined document, strike-through version, or another side-by-side comparison that clearly identifies both the existing language and the proposed revisions. He stated that such an approach would make it easier for Board members to understand proposed changes without having to search through prior documents.

Mr. David Humphreys agreed and noted that he had discussed the issue with staff during the previous week. Humphreys stated that staff had prepared a “before and after” comparison for one recent matter and that he found the format significantly easier to understand than a traditional redline document. He explained that being able to review the previous language alongside highlighted revisions provided much better context and made it easier to understand the practical effect of the proposed changes. Humphreys suggested that staff consider routinely distributing amendment requests in that format going forward. Humphreys further noted that reviewing isolated amendment language often does not provide Board members with a complete understanding of what is actually changing within a document. He stated that the side-by-side format would help provide the broader context needed for informed decision-making.

Mrs. Leslie Weiss then commented that she was excited to be meeting in the current facility and reflected on the visible results of Triumph’s investments throughout the region. She stated that it was rewarding to see projects that Triumph helped support and noted that she had been particularly impressed by reports of a 100 percent employment rate associated with the program discussed during the meeting. Weiss commented that it was encouraging to see Gulf County continuing to move forward and to observe tangible outcomes resulting from Triumph investments.

Mr. David Humphreys echoed those sentiments and remarked that it was encouraging to see companies eager to establish operations in the region. He specifically referenced Voltari and noted that the company appeared eager to move forward and begin operations as quickly as possible. Humphreys stated that it was refreshing to see businesses actively pursuing opportunities in Northwest Florida rather than requiring lengthy recruitment efforts and extended negotiations. He commented that attracting additional companies with a similar level of enthusiasm would be highly beneficial for the region.

Mr. Charles Rigdon also reflected on the meeting and stated that one of the most important takeaways for him was the growing need to ensure that educational institutions and workforce development providers are producing enough skilled workers to meet future demand. He noted that the region’s expanding shipbuilding, manufacturing, aviation, and related industries will

require significantly larger numbers of trained workers in coming years. Rigdon specifically referenced anticipated workforce needs associated with projects in Pensacola, Bay County, and Port St. Joe and stated that additional efforts may be needed to expand training programs and certification opportunities. He suggested that institutions such as Haney Technical College, Northwest Florida State College, and other workforce training providers may need to become more involved in scaling programs to meet future demand. Mr. Rigdon emphasized that helping local educational institutions produce qualified workers is an important part of ensuring the long-term success of Triumph's economic development investments.

Chair Trumbull agreed, noting that the region has effectively created a positive problem by successfully attracting employers and investment opportunities. He stated that, having helped create the demand, the region must now work to ensure that workforce development systems can provide the employees needed by those employers. Trumbull then raised a topic that he believed would warrant further discussion at a future meeting. He stated that he would like the Board to have a more comprehensive conversation regarding Triumph's reimbursement policies and the treatment of certain categories of expenses, particularly in educational and university-related projects. As an example, Trumbull referenced what he described as "auxiliary fees" and discussed situations where universities may operate under enterprise-wide contracts, such as software licensing agreements. He noted that when a university employee is assigned to a Triumph-funded project, there may be costs associated with software access, training, technology support, or other shared services that are included within larger institutional contracts. Because those costs are often embedded within broader agreements, universities may not always be able to provide a traditional invoice showing the exact amount attributable to a particular project. Trumbull also discussed other examples, such as shared fuel systems or common facilities, where a Triumph-funded activity may utilize resources that are purchased and managed through larger institutional arrangements. He stated that he believes the Board should further discuss how those types of costs are treated under Triumph's reimbursement policies.

Mrs. Henderson responded that staff would work with Jennifer Davidson and the accounting team to prepare information regarding how the reimbursement process is currently structured within grant agreements and how staff evaluates reimbursement requests. Henderson noted that the discussion involves distinguishing between direct costs and indirect or auxiliary charges.

Chair Trumbull stated that he understood and supported the principle that Triumph generally does not reimburse overhead expenses but observed that there are situations where the distinction between direct costs and overhead can become somewhat unclear.

Mrs. Henderson explained that construction contracts are reviewed differently because they are evaluated by Triumph's construction team and tied directly to approved project activities. She further explained that auxiliary fees at educational institutions often involve internal charges assessed by one department to another. Triumph's longstanding practice has generally been to reimburse direct costs rather than broader institutional overhead charges.

Henderson offered the example of software licensing agreements, noting that if a university can document a specific unit cost attributable to a particular software package and demonstrate actual payment of that cost, the expense could potentially qualify for reimbursement. However, broader institutional fees that include multiple indirect costs are generally not reimbursed.

Dr. Rick Harper added that universities frequently face challenges identifying exact unit costs for certain services. He explained that Triumph's policy has been to reimburse costs directly attributable to delivery of the approved program. If the institution cannot demonstrate the specific portion of a cost that relates to the Triumph-funded activity, staff has no reliable method for determining an appropriate reimbursement amount. Trumbull asked whether reimbursement would be possible if a university could demonstrate that a specific percentage of a larger contract was attributable to a Triumph-funded program. Mrs. Henderson responded that if the institution could provide documentation identifying a specific unit cost and demonstrate payment of that amount, the expense could potentially qualify as a reimbursable direct cost.

Harper provided an example involving Pensacola State College's diesel and marine mechanic facility. He explained that utilities such as electricity are often billed through consolidated campus-wide accounts, making it difficult to determine the exact portion attributable to a specific program or facility. In those situations, staff is often required to develop reasonable allocation methodologies because no direct invoice exists for the individual program.

Mrs. Henderson noted that, in the case of the Santa Rosa facility discussed during the meeting, all activities occurring at that location are associated with Triumph-funded projects, making the allocation process more straightforward. Chair Trumbull acknowledged that distinction but reiterated that he believes the broader issue deserves discussion by the full Board.

Ms. Therese Baker added that some grantees process expenses through internal transfers between departments rather than through traditional vendor invoices. She noted that Triumph's grant agreements generally require both an invoice and proof of payment as documentation for reimbursement, and that these situations can create challenges when traditional documentation does not exist.

Chair Trumbull suggested collaborating with Susan Skelton and staff before the next meeting so that the Board could have a more structured discussion regarding reimbursement policies and treatment of these types of expenses. Mrs. Henderson agreed and stated that staff would involve Jennifer Davidson, the accounting team, and other appropriate personnel in preparing information for that discussion. Mrs. Davidson added that she and Leslie Weiss have discussed auxiliary fee issues previously and that the matter differs somewhat from other reimbursement situations routinely handled by staff. She noted that Weiss was not comfortable changing the existing process without Board involvement and agreed that any potential policy adjustments should be discussed by the full Board.

Chair Trumbull concluded by stating that his objective is to ensure that Triumph remains a responsible steward of public funds while also being a practical and cooperative partner for grantees. He emphasized that the Board should avoid reimbursing inappropriate expenses but should also strive to make the process as workable as possible for organizations carrying out approved projects.

There being no further business, the meeting was adjourned at 12:06 PM CT.