

DRAFT Meeting Minutes  
Business Continuity Committee  
Triumph Gulf Coast, Inc.  
1:30 p.m., CT  
May 12, 2021  
Room ATC 302/303 Gulf Coast State College  
5230 West U.S, Highway 98  
Panama City, Florida 32401

**MEMBERS PRESENT:**

Pam Dana, Ph. D, Chair (via phone)  
Ben Lee  
Stephen Riggs, IV  
Matt Terry

**STAFF PRESENT:**

Susan Skelton, Executive Director  
Cori Henderson, Program Administrator  
Jennifer Davidson, CPA  
Scott Remington, Legal Counsel (via phone)

The Business Continuity Committee, consisting of Ben Lee, Steven Riggs, Matt Terry and Pam Dana, met on May 12<sup>th</sup> to follow up on action items outstanding from its first meeting in November 2020, as well as to discuss whether there were other areas we should address to enhance Triumph program efficiencies and operations.

Cori Henderson and Jennifer Davidson started off the meeting with a brief presentation on recommended revisions to the budget section of the Triumph application to enhance our overall process and accountability.

Staff has come to the determination that the application and grant monitoring process could be greatly enhanced if the application included two types of budgets: one that is a broad “by-category” budget summary; and one that is a line item detailed budget that can be used by staff in their analysis and compliance reviews.

The broad “by-category” budget would be included in the summary of the grant application and is being proposed to make the front end of the process of staff negotiations with the grantee a much more smooth and successful endeavor.

The expanded detailed budget, in turn, would require additional information and line item breakdowns that will be much more useful for staff analysis, and will allow staff to more effectively monitor performance metrics.

The two budget formats would serve two different purposes— but both will assist in assuring more user-friendliness for grant awardees, while ensuring a more detailed breakout of budgetary information to assist staff in their ongoing analysis and grant compliance work.

**Mr. Riggs made a motion to recommend to the Board to accept staff's recommendation to require applicants to provide both a categorical budget and detailed budget in their applications. The motion was seconded by Mr. Lee. The motion was approved without objection.**

Ms. Henderson then brought up a Triumph policy that is unintentionally serving as a disincentive to education grantees from securing outside donations.

She explained that early in the Triumph process, Board Member Stan Connally asked the Board to require all education project grantees to continually seek outside funding or in-kind donations, and that grantees must report on their solicitation activities on an ongoing basis to show that they are complying with this requirement.

Further, Mr. Connally requested that the Board add a requirement that Triumph funding for an education project be reduced by an amount equal to 50% of the value of the outside grant or in-kind donations given to that educational entity.

However, staff reported that this requirement has proven to be a disincentive to school districts to accept outside assistance, so as not to lose any of their original grant. It further disincentives community or business entities to donate to a Triumph funded education project as they only get credit for 50% of the value of their gift.

As such, staff recommended removing the disincentivizing requirement to reduce the Triumph grant amount by 50% of the value of the outside gift to an education grantee.

Mr. Riggs and Mr. Lee added that the ongoing donation solicitation and reporting requirement is burdensome to both the education grantees and to the Triumph staff, and they felt that requirement should be removed ... if nothing else, to put education grantees on a level playing field with other Triumph project grantees.

Mr. Lee asked Scott Remington, if the Board could approve one blanket amendment to remove the language from all of the current contracts in addition to removing the language from all future contracts. Mr. Remington replied that he thought that could be done.

**Mr. Riggs made a motion to recommend to the Board the removal of the requirement for education grant awardees to have to make reports to Triumph on community and business partner solicitations. Additionally, the motion was to remove language from current and future Grant Award Agreements that would reduce the amount of Triumph funding for a project by 50% of the amount of the value of any monetary or in-kind gift made to the educational entity for the project. The motion was seconded by Mr. Matt Terry. The motion was adopted without objection.**

Mr. Remington then gave a report to the committee on issues he had been asked to review at the last meeting—the first being whether we could shift the cost of compliance, monitoring grant award recipients use of grant funds to the grant award recipients. He reported that he could find nothing in the statute that would prevent Triumph from doing that if that is the will of the Board.

He said his recommendation would be, if the Board wants to move forward with this concept, that we start building language into the grant award agreements, assigning compliance costs to

grant award recipients and do that well in advance of Triumph approaching the administrative fee cap. He said that if we began doing it in the near term, we would have at least one cycle with the Auditor General, ensuring that they agreed with our interpretation of the compliance and monitoring costs expenses.

The second question Mr. Remington reported on was whether the administrative cap applied to interest in the Triumph DEO Trust Fund. He said Counsel's opinion is that the administrative cap does apply to interest earned based on the manner in which Triumph funds and interest are administered. In closing, he noted that there could be political ramifications to any decision to start shifting these expenses.

Mr. Lee said that he has reached out to legislative members and staff about the growth of compliance costs to assure that Triumph funds are being properly allocated and that the feedback he had gotten was that there would be support for allowing compliance fee adjustments as long as it was tightly controlled, and that grants of less than \$1 million would not incur compliance fees with the understanding that as Triumph makes more awards, there are more compliance cost as monitoring of current projects must continue, while new projects are added in, and Triumph must continue carrying the increasing management costs of monitoring throughout.

Mr. Riggs said that he strongly believes that the cost of compliance should be paid by the awardees and that the committee should consider whether a percent of the total award or a charge for the exact cost of the compliance work would be most appropriate.

Mr. Riggs discussed whether a compliance fee should be limited to .75% in line with the current restrictions on our administrative cost allowance. Mr. Remington reported on his own review of other programs and their administrative caps under Chapter 288, and said that the Triumph cap was by far the lowest. He noted the Black Business Loan Program has a 12% cap, the Military Grant Retention Program has a 10% cap, and the Local Government Distressed Asset Matching Grant Program has a 2% cap. And, that Triumph's administrative cost cap was less than half of the closest other entities named in Chapter 288.

Members discussed that information and based on that, determined that it might be appropriate to charge compliance fees not to exceed 2% of a grant award amount based on true costs of compliance.

**Mr. Riggs made a motion to recommend to the Board that grant applications for proposals of \$1 million or more contain a budget line item to allow for up to 2% of the cost of the Triumph portion of the total proposal to be earmarked for payment of true costs of compliance with the requirements of the proposed award. The motion was seconded by Dr. Dana and approved without objection.**

Mr. Lee asked staff to work with legal counsel and CPAs to assure that the motion to be presented to the Board met their legal and business process concerns.

The meeting ended with Mr. Terry giving members a brief overview of his site visit to the Port of Port St. Joe to the prior day.

There being no further business, the meeting was adjourned at 2:40 p.m. CT.