

MINUTES
Petroleum Storage Tank Insurance Fund
Board of Trustees Meeting
September 20, 2023

MoDNR, Lewis & Clark State Office Building, LaCharrette Conference Room
Start Time: 9:33 a.m.

Chairman Greer called the meeting to order and thanked those in attendance for being present. Roll was called and Chairman Greer then asked all members of the audience to identify themselves for the record, which they did.

Trustees Present:

James Greer, Chairman
Jim Ford, Vice Chairman
Hannah Humphrey (for Jacob Westen)
Nikki Loethen
Ski Mariea
Don McNutt
Kristi Naught
Ken Teague

Trustees Absent:

Tom Kolb
Danny Opie

Staff Present:

Kaly Erwin, Williams & Company Consulting
Lori Gray, Williams & Company Consulting
Dan Henry, Williams & Company Consulting
Diane James, Executive Assistant
Kelley Ogletree, Executive Director
John Taylor, General Counsel
Pat Vuchetich, Williams & Company Consulting

Others Present:

Justin Buckler, Environmental Remediation Program, MoDNR
Bobby Jaegers, Taylor & Mulder
Ron Leone, Missouri Petroleum & Convenience Association
Mike Martin, Tanks Compliance and Enforcement, MoDNR/ERP
Anthony Senevey, Taylor & Mulder

Approval of Minutes – June 15, 2023 – Open Session

Jim Ford moved to approve the minutes as presented. Kristi Naught seconded. There were no amendments or discussion. Motion carried with Trustee Mariea abstaining.

Monthly Reports

Chairman Greer noted that financial statements were currently in draft form only until the FY23 financial audit is complete and asked if there were any questions or comments on any of the financial statements, monthly activity reports, or the large-loss claim summary provided. There were no questions or comments on any of these reports or summary.

FY23 Actuarial Analysis – Taylor & Mulder

Chairman Greer introduced Bobby Jaegers and Anthony Senevey from Taylor & Mulder to present the FY23 analysis. Mr. Jaegers reviewed the draft final analysis for Trustees. Chairman Greer asked if there were any questions on the analysis presented; there were none.

Ski Mariea moved to accept the FY23 actuarial analysis as presented. Jim Ford seconded. There was no further discussion or questions. Motion carried.

Review/Approve FY25 Departmental Budget Requests and PSTIF Appropriations

Chairman Greer said next we have requests from two departments to consider, a report from MoDNR to review, and a memo from staff regarding the Board's appropriations request.

Attorney General's Office – Chairman Greer stated the AGO's funding request for ½ of an FTE is slightly higher than last year due to state employee pay increases. Jim Ford moved to approve the Attorney General's Office FY25 budget request for \$33,810, plus payroll taxes, fringe benefits, and any COLA added by the Legislature. Nikki Loethen seconded. There were no comments or discussion. Motion carried.

Department of Natural Resources – Chairman Greer reminded trustees that in September 2021 the Board approved multi-year funding through our prior sunset date, which was halfway through FY26. Chairman Greer said the FY25 base amount of \$1,597,575 is already approved and drew trustees' attention to documents provided by MoDNR and PSTIF staff that outline where PSTIF funds have been spent and performance measures. Ms. Ogletree commented there are no significant changes over prior years. Trustee Ford asked if staffing was low regarding the number of cleanups for the year being low. Ms. Humphrey asked Justin Buckler to respond, which he did. He commented that Tanks is fully staffed now and that turnover has slowed.

Department of Revenue – Chairman Greer moved on to the DOR's request, which funds personnel that process the transport load fee and noted the request is slightly higher. Ski Mariea moved to approve the Department of Revenue's FY25 budget request for \$38,442, plus payroll taxes, fringe benefits, and any COLA added by the Legislature. Kristi Naught seconded. There were no comments or discussion. Motion carried.

Petroleum Storage Tank Insurance Fund – And lastly, Chairman Greer drew Trustees attention to the Board’s appropriations request and asked Ms. Ogletree to go through her recommendation.

Ms. Ogletree informed trustees that she initially considered recommending the Board increase the FY25 request in the category that includes professional contracts. However, after reviewing final numbers for FY23 and the current fiscal year to date, she doesn’t believe that will be necessary as there were savings in other areas that will offset the increased contractual costs. She also commented they would likely need to revisit this in FY26 appropriations.

Chairman Greer asked if there were any questions; there were none.

Don McNutt moved to approve the FY25 PSTIF Board of Trustees appropriations budget as presented which includes: \$306,192 for salaries, plus associated fringe benefits and any COLA enacted, \$2,095,354 for staff and operating expenses, and \$20,070,000 for claims and refunds of participation fees, for an estimated total of \$22,471,546. Jim Ford seconded. There were no other comments or discussion. Motion carried.

Other Information and Administrative Issues

FY24 Proposed PSTIF Operating Budget – Chairman Greer commented the proposed FY24 operating budget and copies were handed out to each of you before the meeting and asked Ms. Ogletree to take them through the proposed budget. Ms. Ogletree stated that the largest proposed adjustment in the operating budget for FY24 is a \$100,000 reduction in the “Other Legal Expenses” line item. This is in part because of the reduction in litigation against the board, but also due to a decrease in the Board’s reliance on outside counsel since hiring a General Counsel and the ability to utilize the Attorney General’s office more effectively. She also noted that underwriting costs have increased the past couple of years in part because of annual increases in the contract rate, but also because additional time has been spent in the renewal process as tank owners have experienced delays meeting the requirements for participation. The primary reason for the delay has been the shortage of contractors who perform mandatory inspections and repairs, which is lessening now and, therefore, Ms. Ogletree stated that she does not recommend increasing the budget for this line item for FY24.

Trustee McNutt asked about the decrease in the “Inspections” line item. After some discussion, Ms. Ogletree noted that there are fewer inspections projected to be done in FY24, as is the case every three years.

Trustee Ford asked if there is enough allotted for claim payments. Ms. Ogletree responded that the number in the operating budget is what staff expects for claim payments, but that the appropriations request is much higher to allow for claim payments to be made if something happens that speeds the cleanup process beyond projections.

Ski Mariea moved to approve the PSTIF FY24 operating budget as proposed. Jim Ford seconded. There were no comments or discussion. Motion carried.

Schedule 2024 Board Meeting Dates – Chairman Greer presented the tentative meeting dates for 2024 and with regard to the January meeting this current location is not available. He asked if Trustees would like to move the meeting date to February 7 so this current location could be utilized. After a brief discussion, Kristi Naught moved to approve the 2024 Board Meeting dates as presented with the exception of the January meeting being moved to February 7. Jim Ford seconded. There was no further discussion or comments. Motion carried.

Billings – Chairman Greer asked if there were any questions or comments on any of the billings; there were none.

Chairman Greer thanked everyone for attending and announced the next meeting is scheduled for Wednesday, November 15, 2023 at this same location.

Chairman Greer then asked for a motion to go into closed session to:

- Approve the minutes from our previous closed session; and
- Discuss ongoing and threatened litigation.

Jim Ford moved to go into closed session to discuss the matters identified by the Chairman, as authorized by Subsection (1) of Section 610.021, RSMo. Kristi Naught seconded. A roll call vote was taken. Motion carried by a vote of 8-0 in favor.

The open meeting was adjourned at 10:15 a.m.

Respectfully submitted:

Approved by:

 /S/
Kelley J. Ogletree

 /S/
James Greer, Chairman

 11/15/2023
Date