

**Meeting Minutes
For APRIL 21st, 2014
RI DEM • Room 300**

Business Engagement

In attendance: Janet Coit, DEM, Council Chair
Michelle Burnett (for Jamia McDonald), EMA
Dr. Michael Fine, DOH
Kevin Flynn, DOA/Planning
Grover Fugate, CRMC
Chris Kearns (for Marion Gold), DOA/OER
Michael Lewis, DOT
Allison Rogers (for Richard Licht), DOA
Marcel Valois, CommerceRI
Vladimir A. Ibarra, Lt. Governor's Office

Director Coit opened the meeting at 11:04 a.m.

Director Coit explained that minutes of April 14, 15 and 18 meetings are not yet available and will be brought up for approval at a later date. She then reviewed the schedule of upcoming meetings and discussed using the template provided for submitting recommendations members would like to see included in the final report.

Director Valois distributed a copy of a report by the RI Commerce Corporation titled [Understanding the Economic Development Opportunity and Impact of Climate Change](#).

Director Coit introduced the panel for today's meeting: Allan Klindworth of AECOM; Shannon Brawley of RI Nursery and Landscape Association; Paul Raducha of NPTRE (Newport Renewables); and Louis Gritzso, of FM Global.

Ms. Brawley presented on business risks and opportunities related to climate change. These include short-term opportunities from event response as well as often uncharted long-term opportunities. In reviewing economic impacts from Hurricane Sandy in New York, Ms. Brawley noted the economic opportunities and investment needs to prepare for future storms. This would include green infrastructure in urban areas that can mimic natural protective systems. Ms. Brawley also discussed work being done in Newport, RI, and the role of RINLA in education and fostering innovative approaches in responding to long-term changes.

Mr. Gritzso spoke from the insurance perspective. His company is a large commercial insurer, doing business all over the world. It has large research and testing facilities, and the ability to analyze loss data from major natural hazards event, such as hurricanes. It conducts risk assessments for thousands of customers every year and recommends practical risk and hazard mitigation measures they can take, for example to reduce damage to or loss of rooftops (and thereby buildings). The data show that companies that have good risk management practices on average lower their losses by a factor of 28 compared to those who fail to implement recommended measures.. Mr. Gritzso also discussed

difficulties in communicating threats because of common but potentially misleading terms such as “100-year floods” (which are actually likely to happen more frequently than one every hundred years. He then discussed specific options to protect assets from flood waters: 1: blocking the water (with certified flood wall structures); 2. Raising the asset above water (including storm surge) levels; and 3. sealing assets (for example, pumps).

Mr. Klindworth spoke about evaluating, measuring and proactive planning activities, especially with respect to business operations, transportation, and energy continuity, as well as supply-chain consistency. He noted that the [Rockefeller Foundation’s Resilient Cities program](#) assists communities in creating or maintaining stable environments for businesses. Such planning and education can help communities understand the threats, needs, and actions that can be taken, as well as the roles and responsibilities of various sectors within the community. This includes preparing the public and business for emergency situations.

Mr. Raducha spoke about power grid resiliency. This included the placement of distributed generation, renewable energy, Smart Grid technologies, and easily attainable steps to secure critical power systems by taking simple precautions such as raising equipment. Mr. Fugate asked about tree-trimming/clearing for improved grid operations. Mr. Raducha responded that there is often a tension between local property owners and community-wide power line owners.

Director Coit asked the panel to provide specific recommendations of what government can do to assist the business community.

Mr. Klindworth suggested that government should work with local communities to improve understanding of risk and potential opportunities related to climate change hazards, adaptation, and mitigation. This could include job-training efforts. Ms. Brawley noted the needs of businesses immediately after an event (when demand for services is difficult to meet) and long-term. Mr. Raducha noted that helping business to not be reactive would be helpful, as the tree-trimming discussion above indicated. Ms. Brawley referred to this as prudence and long-term sustainability. Mr. Gritz noted smaller, incremental steps that businesses can take to improve economic resiliency.

Director Coit asked about the role of government in such activities. Mr. Gritz noted that “we need to work together,” especially with respect to what are usually thought of as government’s responsibilities, such as such as emergency response and planning, development of good building codes, and planning for continuity, helping businesses (and others) plan ahead instead of just responding to “surprises.”

Mr. Kearns asked the panel about general planning around fuel terminals. Mr. Gritz said he would follow up on that question.

Director Fugate asked about FM Global’s involvement in the [International Institute for Business & Home Safety](#) and its “Fortify” program. Mr. Gritz explained the collaborative relationship between his company and the IBHS.

Mr. Klindworth noted the importance of efforts by FM Global and the IBHS to assist both private homeowners and municipalities in event recovery. Ms. Burnett provided information on the efforts of RI EMA in such planning/resiliency efforts.

Discussion followed on subjects including: hazard risk communication; the finances of reinsurance vs. insurance; insurance capacity (which Mr. Gritz said was strong at present); the various threats to businesses (natural and otherwise) and the prioritization of those threats; building code enforcement; and the use of loss-prevention standards.

Director Coit again asked for specific policy recommendations.

Mr. Klindworth suggested that government should work with the private sector to improve data, mapping, and vulnerability/resiliency plans (using the plan-do-check-act approach). Ms. Brawley suggested continually improving public/private partnerships and dialogue to take full advantage of technological innovations. Mr. Raducha suggested working together to improve (modernize) power grid infrastructure. Mr. Gritz suggested focusing collaborative effort on preparedness and resiliency within RI.

Mr. Boyd returned the discussion to the IBHS Fortify program. Mr. Gritz said that such efforts offer excellent ideas and standards but they must be monitored and enforced to achieve full effectiveness.

Director Coit opened the discussion to public questions and comments.

Dr. Caroline Karp of Brown University commented generally that while the panel's discussions were helpful, other considerations should include issues such as sustainable water supply and food security. She asked the panel about the role of financial markets and tax incentives to encourage the sustainable supply of such basics. The panel discussed the role of incentives to steer businesses into areas identified through policy decisions.

Amanda Martin (DOA Planning) discussed work being done by her office on [economic resiliency for business](#).

Peter Galvin from the RI Sierra Club thanked the Council for its work and urged it to move quickly to realize both the environmental and economic benefits.

The meeting adjourned at 11:40 a.m.