

MAYFLOWER MUNICIPAL HEALTH GROUP FINANCE COMMITTEE
MINUTES OF MEETING
February 8, 2018
Halifax Town Hall
Halifax, Massachusetts

Attendees: Thomas O'Brien, MMHG Treasurer
Christine Suckow, Whitman Hanson Regional High School
Jeanne Sullivan, Town of Hanson
Sheila Avery, MMHG
Kevin Powell, Steering Committee member

The meeting was called to order at 8:32 a.m.

1. **Accept Meeting Minutes**

Suckow made a motion to table the January 18, 2018 meeting minutes, seconded by Sullivan and voted unanimously.

2. **FY17 Audited Financial Statements**

Treasurer O'Brien said the financial statements are completed and we are waiting for the final copies. He passed out the Net assets page and noted we have \$10.7 in net assets as of June 30, 2017. He said FY18 is trending well as shown on the GBS handout from the last Finance Committee meeting.

Treasurer O'Brien recognized his staff for all of their work on the audit.

Treasurer O'Brien passed out the proportion of net reserves by member unit. He said it is broken out by membership and enrollment as of June 30, 2017. He said member units that withdrew left behind significant money.

Suckow asked if the proportionate handout is based on health insurance only and O'Brien confirmed. Avery said our dental plan is fully insured and not included in the calculation.

MOTION: Suckow made a motion to authorize dissemination of the final audit once signed off by Chairman Levy and the Treasurer.

SECOND: Sullivan

VOTE: Unanimous

3. **Investment Portfolio Management discussion and vote**

Treasurer O'Brien said he tried to reach out to Bartholomew and couldn't get in touch with them because their office was closed due to severe weather. He said in all fairness they had the lowest price and would most likely agree to reduce this fee if this was the deciding factor. He said Rockland Trust agreed to reduce their fee from 34 BPS to 25 BPS. He said US Bank came down from 23 BPS to 19 BPS.

Suckow ranked the companies as follows: 1) Bartholomew 2) US Bank 3) Rockland Trust. She said Bartholomew and US Bank were pretty close but she liked that Bartholomew is

local. She stated Rockland Trust already has a lot of our business and believes some separation is good.

Sullivan ranked the companies as follows: 1) US Bank 2) Bartholomew 3) Rockland Trust. She said she feels it is time for a change from Rockland Trust. She stated US Bank gave a great presentation and was impressed by the level of detail on exactly what they would do with the money. She didn't think it mattered that US Bank wasn't local because everything is done electronically.

Treasurer O'Brien asked Powell what he thought. Powell said after listening to all the presentations he thought US Bank fit his idea of where we want to be. Powell liked what he was looking to invest in.

Treasurer O'Brien said the reporting from US Bank is the most in depth and broad based out of the three companies.

Treasurer O'Brien asked Avery her thoughts. Avery said US Bank gave the best presentation and provided more detail. She agreed it was time for a change.

Suckow agreed US Bank would be the best decision.

MOTION: Suckow made a motion to authorize the Treasurer to effectuate a transfer of net assets from Rockland Trust to US Bank for asset management.

SECOND: Sullivan

VOTE: Unanimous

Powell suggested having US Bank make a presentation to the Steering Committee. Treasurer O'Brien said he will have US Bank make a presentation in June.

Treasurer O'Brien said our current 70%/30% investment strategy may want to be changed to 60%/40% overall or split up in thirds and put only 1/3rd at higher risk. He explained this would need to be voted by Steering Committee as a recommendation to the General Board and General Board would vote.

Chairman Sullivan said we could split the fund and put a portion of it at higher risk or different risk levels.

Suckow said it may be very confusing to explaining this and we may want to suggest 60%/40% overall.

Treasurer O'Brien said if we split it in thirds it might be more comforting to know a certain portion would be protected but it would most likely equal the 60%/40% anyway.

Powell suggested taking a vote with the overall percentage and have US Bank make a presentation on splitting it up in thirds as Mullins suggested. The Committee agreed.

MOTION: Suckow made a motion to change the investment portfolio asset allocation to 40% equity and 60% fixed.

SECOND: Sullivan

VOTE: Unanimous

4. **Any other matters that may appropriately come before the Committee**

Treasurer O'Brien stated the Steering Committee unanimously voted to recommend to the General Board the following rate increases:

6.9% increase on Harvard Pilgrim traditional plan

6.5% increase on the Blue Cross traditional plan

4.5% increase on the Blue Cross Rate saver and benchmark plans

4.9% increase on the Harvard Pilgrim rate saver and benchmark plans.

5. **Next Meeting**

May 3, 2018, 8:30 a.m., at the Halifax Town Hall

Sullivan made a motion to adjourn the meeting at 9:05 a.m., seconded by Suckow and voted unanimously.

Respectfully submitted,
Sheila Avery

Reference Documents for this Meeting:

MMHG Draft Audited financial statements page 2 net assets

MMHG Proportion of net reserves as of 6/30/2017