

**MAYFLOWER MUNICIPAL HEALTH GROUP FINANCE COMMITTEE**  
**MINUTES OF MEETING**  
**March 4, 2020**  
**Halifax Town Hall**  
**Halifax, Massachusetts**

Attendees: Jeanne Sullivan, Town of Hanson  
Thomas O'Brien, MMHG Treasurer  
Lincoln Heineman, Town of Hanover  
Michael Buckley, Town of Hull/Pembroke  
Sheila Avery, MMHG  
John Stanbrook, Town of Hanson

The meeting was called to order at 9:00 a.m.

1. **Accept meeting minutes**

MOTION: Heineman made a motion to accept the May 29, 2019 meeting minutes.

SECOND: Buckley

VOTE: motion passed unanimously

MOTION: Heineman made a motion to accept the June 11, 2019 meeting minutes.

SECOND: Buckley

VOTE: Motion passed, 2 in favor, 1 abstained (Sullivan)

2. **Other Business**

Treasurer O'Brien stated the Steering Committee voted to recommend a 2% rate increase for FY21. He said the General Board will meet next week to vote the final rates.

Heinemann asked how much was being put at risk from reserve.

Treasurer O'Brien passed out and reviewed the January 31, 2020 Operating Statement and Statement of net assets. He said we have net revenue of \$2,552,954.95 and total net assets of \$26,200,598.63. He stated our reserve guideline is 15% of total operating expenses which equals \$14,346,340.95. He said we would be putting \$3 million at risk to stabilize the rates.

MOTION: Buckley made a motion to accept the January 31, 2020 Operating Statement.

SECOND: Sullivan

VOTE: motion passed unanimously

MOTION: Buckley made a motion to accept the January 31, 2020 Statement of Net Assets.

SECOND: Sullivan

VOTE: motion passed unanimously

MOTION: Buckley made a motion to support the Steering Committee's recommendation for a 2% composite FY21 rate increase.

SECOND: Sullivan

VOTE: motion passed unanimously

Treasurer O'Brien said Avery presented the FY21 Delta Dental suggested increase to the Steering Committee. He said the plan is fully insured and the suggested increase from Delta Dental is 2%.

MOTION: Buckley made a motion to support the acceptance of the Delta Dental FY21 increase of 2%.

SECOND: Sullivan

VOTE: Unanimous

3. **FY19 Audit update**

Treasurer O'Brien said we received the FY19 draft audit and it shows positive results. He said the auditor raised the question if the group is allowed to invest in equities. He said we have been investing in equities for a very long time. He said we are getting an official response from our legal counsel and will respond to the auditors. He said we hope to have the final report by the General Board meeting. He said the audit shows net assets of \$23,647,644, as of June 30, 2019.

Treasurer O'Brien stated our legal counsel, Kevin Feeley, will be providing an update on the audit as well as guidance on the ethics disclosure of Board members at the March 11<sup>th</sup> General Board meeting. He gave a brief explanation on the ethics disclosure.

4. **Investment performance update**

Treasurer O'Brien passed out US Bank's performance statement for period ending January 31, 2020. He said for 1 year we are up 9.41% and US Bank projects the portfolio will be down 2%-2.5% in February. He stated the cash flow has been good and he recommends putting \$1 million or \$2 million in our investment portfolio. He said he had a conversation with US Bank and they are available to attend the next meeting to discuss future market conditions and give a review.

Buckley asked if the Treasurer has looked at MMDT. Treasurer O'Brien stated we are outperforming MMDT at this time and we could look at this in the future.

Heineman said maybe putting additional money in the portfolio should be a part of the future conversation regarding investment portfolio split of 60%/40%. Treasurer O'Brien said the Board was amicable to the split and we may want to take advantage of the stock market now.

There was a brief discussion with the following action taken.

MOTION: Heineman made a motion to take \$1 million from cash flow and put it in the investment portfolio.

SEOND: Buckley

VOTE: motion passed unanimously

5. **Policy/guideline review**

Treasurer O'Brien said the Finance Committee voted "fund balance policy" and the Steering Committee changed policy to "guideline". He said the Finance Committee needs to vote the fund balance guideline versus fund balance policy.

Heineman said why can't we call it policy and a guideline is more loosely worded. Treasurer O'Brien said the Steering Committee wanted to be sure they could have flexibility and felt changing it to guideline would be better.

Buckley asked what the Steering Committee discussion and vote was. Avery stated she would email the Finance Committee members the meeting minutes of the discussion and vote.

The Committee expressed they would like some time to think about this and wanted to table it until next meeting.

6. **Next Meeting**

April 8, 2020 9:00a.m. at the Hanover Town Hall

Buckley motioned to adjourn the meeting at 9:38, seconded by Heineman and voted unanimously.

Respectfully submitted,  
Sheila Avery

**Reference Documents for this Meeting:**

**MMHG Statement of Net Assets and Operating Statement as of January 31, 2020.**

**US Bank Investment performance through January 31, 2020.**