

**MAYFLOWER MUNICIPAL HEALTH GROUP FINANCE COMMITTEE  
MINUTES OF MEETING**

**December 1, 2021**

MMHG Offices, 65 Cordage Park Circle, Suite 110, Plymouth, Ma. 02360

Attendees: Chelsea Stevens, Town of Hanover  
Maureen Adams, Town of West Bridgewater  
Wendy Lemieux, Wareham Fire District  
Matthew Hanley, Plymouth County  
Thomas J. O'Brien, MMHG Treasurer  
Dennis Mullins, US Bank (remote)  
Kelly Morse Perez, MMHG  
Sheila Avery, MMHG (remote)

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

1. **Accept Meeting Minutes**

MOTION: Stevens made a motion to accept the September 9, 2021 meeting minutes.

SECOND: Adams

ROLL CALL VOTE: The motion passed unanimously.

(Stevens=Yes, Adams=Yes, Lemieux=Yes)

2. **Financial Report as of 10/31/2021**

Treasurer O'Brien stated he prepares his financial reports on a monthly basis and breaks out claims revenue and claims expenses. He reviewed his Operating statement and said other revenue is covering the cost of operating expenses. He said we have \$1,415,892.61 in net revenue for FY22. He reviewed his Statement of Net Assets and said the MMHG has \$39,269,843.33 in net assets. He said the General Board voted to put a little more than \$3 million at risk for FY22 so we expected to be in a deficit but are doing well so far. He said we are in a good position for FY23 and recommended budgeting 5% increase estimated at this time.

Treasurer O'Brien said he would like to see the Committee vote to approve moving \$1 million to the investment account so we can realize better returns.

MOTION: Lemieux made a motion to accept the Treasurer's draft Financial reports, dated October 31, 2021.

SECOND: Stevens

VOTE: 3 in favor, motion passed unanimously

3. **Investment Performance update with Dennis Mullins (US Bank)**

Mullins gave a review of his report and said it is exciting time for the market. He reviewed the Performance Report, dated October 31, 2021. He reported a 6.4% return, net of all fees, for 2021 through October 31, 2021, and stated this is considered above trend return. He said the yearly average is 8.34% for the past three years. He said the fund is 40% equity and 60% fixed income. He reviewed the stocks and bonds investments as shown in his handout.

Mullins said interest rates on bonds are low and will not go down much more. He said fixed income is not expected to continue performing at this rate. He said the equity/stocks are continuing to perform well and have strong returns.

Mullins said the MMHG portfolio is dominated by big tech and largest holding is Microsoft. He said the MMHG portfolio is very diversified and is in good shape.

Treasurer O'Brien said one of the challenges is just putting this money in a bank but we need to earn better interest so we invest this. He said the 40% equity and 60% fixed income is protecting our assets with projected growth of 2%-4% return. He said the market is volatile and the only risk is in stocks.

Mullins said the market is volatile as the market is up almost 1% up this morning but it was down 2.5% Friday.

Mullins said we are at the tail end of the covid reopening plan and the market is recovering from the early 2020 fall of 34%. He said the recovery is due to stimulus packages and is helpful in pushing the market in the right direction. He said unemployment is low and job growth is high. He stated corporations are refinancing and they are flush with cash. He said the economy is looking good right now. He said we have to look at if the corporate earnings are going to continue to grow and sales and earnings have been better than expected. He said it is expected the Fed will raise interest rates which will slow the economic activity. He also stated inflation is increasing and not sure if this is temporary or not. He said we are watching very closely to make future predictions.

Treasurer O'Brien asked what this means for the portfolio and do we need to make any changes to asset allocations. Mullins said he will make some changes to the portfolio to adjust for the expected market changes.

Chairperson Adams asked about global infrastructure and if it includes the US and Mullins stated it is 1.5% of MMHG's portfolio and is almost all US.

Chairperson Adams asked about real estate and if it is expected to flatten out. Mullins said we don't expect real estate prices to continue to rise.

Treasurer O'Brien asked if 1.5% infrastructure is too small and should it be increased to 2%-2.25%. Mullins said he is comfortable with 1.5% because we have real estate and is 3% total.

Treasurer O'Brien asked about the 40%/60% split and if it should be adjusted. Mullins said he is comfortable with the split and will have more information in January.

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

Treasurer O'Brien recommended the Committee move \$1 million to the US Bank investment portfolio. He said this will be a better use for the money at this time.

MOTION: Lemieux made a motion to move \$1 million from Rockland Trust to the US Bank investment portfolio.

SECOND: Stevens

VOTE: 3 in favor, motion passed unanimously

5. **Next Meeting**

February 17, 2022, 9:00 a.m.

MMHG Offices, 65 Cordage Park Circle, Suite 110, Plymouth, MA. 02360

6. **Adjourn**

MOTION: Stevens made a motion to adjourn at 9:53 a.m.

SECOND: Lemieux

VOTE: 3 in favor, motion passed unanimously

Respectfully submitted,  
Sheila Avery

**Reference Documents for this Meeting:**

**MMHG Statement of Net Assets and Operating Statement October 31, 2021**

**US Bank Investment Selected Period Performance report/Portfolio overview, 12/1/2021**