

MAYFLOWER MUNICIPAL HEALTH GROUP FINANCE COMMITTEE
MINUTES OF MEETING
March 2, 2021
MAYFLOWER MUNICIPAL HEALTH GROUP
VIRTUAL ONLINE MEETING

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
Dennis Mullens, US Bank
Matthew Hanley, Plymouth County

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

1. **Accept meeting minutes**

MOTION: Sullivan made a motion to accept the October 6, 2020 meeting minutes.

SECOND: Buckley

Roll Call VOTE: motion passed unanimously

(Sullivan=Yes, Buckley=Yes, Heineman=Yes)

2. **Introduce Matthew Hanley, Special Assistant to the Treasurer**

Treasurer O'Brien introduced Matthew Hanley as his special assistant. He said Matt has a lot of experience and is an asset to his team.

3. **FY20 Audit update**

Treasurer O'Brien said the audit is complete and will be voted by the Steering Committee on March 4. He stated it will be emailed to all member units and posted online. He said it was an excellent audit and complimented his staff.

Heineman asked if there were any recommendations. Treasurer O'Brien said there were a couple. Avery stated they recommended to formalize policies and procedures, develop fraud policy and the "guideline" verses "policy" for investment.

4. **Financial Report as of 12/31/20**

Treasurer O'Brien reviewed his financial report stating we have \$4,368,988.06 in net revenue and fund balance is \$38,221,804.85, through December 31, 2020. He stated investment performance has been excellent and exceeded over \$1.5 million. He said this is great news and we are in a position to handle costs associated with the pandemic.

MOTION: Sullivan made a motion to accept the Treasurer's Financial Reports as of December 31, 2020.

SECOND: Heineman

Roll Call VOTE: motion passed unanimously

(Sullivan=Yes, Buckley=Yes, Heineman=Yes)

5. **Steering Committee's FY22 Rate Recommendation**

Treasurer O'Brien stated the health insurance carriers' FY22 rates came in with a 6.5% composite increase. He said the Steering Committee voted to recommend a 2.25% composite increase in rates putting up to \$4 million at risk from the trust fund. He said this was recommended by our consultant.

Buckley said there was good discussion at the steering committee meeting regarding increase in utilization/claims, covid claims, and usage of the accumulated surplus.

Heineman asked what the balance will be if we used the \$4 million. Treasurer O'Brien stated we expect to have about \$34 million in reserves if we use the \$4 million.

Treasurer O'Brien said there is expected to be an increase in utilization for FY22 as members resume their medical services. He said we do not want to be in a situation where we have 0% increase as we are already buying down from the insurance carriers 6.5% recommended composite rate increase.

MOTION: Heineman made a motion to endorse the Steering Committee's recommendation of 2.25% composite increase for FY22, putting up to \$4 million at risk from reserves.

SECOND: Sullivan

Roll Call VOTE: motion passed unanimously

(Sullivan=Yes, Buckley=Yes, Heineman=Yes)

6. **Investment performance update with Dennis Mullens- U.S.Bank**

Mullens referenced the select period performance overview report showing on the screen and stated the portfolio's one-year performance is a 7.49% return, net of fees, through January 31, 2021. He said we invest long term for MMHG with a diversified conservative portfolio.

Mullens reviewed overall market conditions for the past year.

Mullens reviewed all of MMHG investment performance for MMHG as shown in his presentation.

Mullens said we expect a 4% range for long term investment return for MMHG. He reviewed the market outlook for 2021.

7. **Transfer to investment portfolio- vote**

Treasurer O'Brien stated we have cash on hand of around \$23 million and would like to move some of it to the investment portfolio as we will earn much better interest. He recommends moving \$5 million of available cash to the investment portfolio.

Buckley asked how much we have currently with US Bank and Treasurer O'Brien stated \$20 million.

There was a brief discussion with the following action taken.

MOTION: Heineman made a motion to authorize the transfer of \$5 million to the US Bank investment portfolio to be invested by Dennis Mullens.

SECOND: Sullivan

Roll Call VOTE: motion passed unanimously
(Sullivan=Yes, Buckley=Yes, Heineman=Yes)

8. **Any other business**

None

9. **Next Meeting**

May 13, 2021 9:00a.m.

Sullivan motioned to adjourn the meeting at 9:42, seconded by Heineman and voted unanimously with roll call vote. (Sullivan=Yes, Buckley=Yes, Heineman=Yes)

Respectfully submitted,
Sheila Avery

Reference Documents for this Meeting:

US Bank Investment presentation, dated January 31, 2021

Treasurer's financial report, dated December 31, 2020