

MAYFLOWER MUNICIPAL HEALTH GROUP FINANCE COMMITTEE
MINUTES OF MEETING
May 25, 2021
VIRTUAL ONLINE MEETING

Attendees: Jeanne Sullivan, Town of Hanson
 Lincoln Heineman, Town of Whitman
 Maureen Adams, Town of West Bridgewater
 Thomas J. O'Brien, MMHG Treasurer
 Sheila Avery, MMHG
 Dennis Mullins, US Bank

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

1. **Introduction of new Finance Committee member – Maureen Adams**

Treasurer O'Brien introduced and welcomed new Finance Committee member Maureen Adams. Adams serves as Assistant Treasurer for the Town of West Bridgewater. Treasurer O'Brien, on behalf of the Mayflower Municipal Group, thanked Adams for volunteering to serve on the Committee.

2. **Accept Meeting Minutes**

MOTION: Heineman made a motion to accept the March 2, 2021 meeting minutes.

SECOND: Sullivan

ROLL CALL VOTE: The motion passed unanimously.

(Heineman=Yes, Sullivan=Yes, Adams=Yes)

3. **Financial Report as of 2/28/2021**

Treasurer O'Brien gave an analysis of his financial report dated February 28, 2021. He reviewed his report and said the Mayflower Municipal Group is excellent financial shape. He stated other revenue, largely brought in by the investment portfolio, has been so robust that it covers all other MMHG expenses. He said MMHG has \$39,850,323 in total net assets as shown on his financial report.

MOTION: Adams made a motion to approve the Treasurer's Financial Report, dated February 28, 2021.

SECOND: Sullivan

ROLL CALL VOTE: The motion passed unanimously.

(Sullivan=Yes, Heineman=Yes, Adams=Yes)

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

Mullins provided an introduction and a brief overview of US Bank for the benefit of the newest committee member.

Mullins recapped the market performance over the past year and stated there were extraordinary ups and downs in 2020. He stated the market started off up 4.5%-5% by February and in March the market dropped 34%. He said it was the worst decline in his 30+ year career. He stated the government stepped in with massive stimulus programs and the market rallied about 68%.

Mullins reported that the market this year is creeping upward, and that the mood of the market was good. He credited this to low interest rates and rising profits.

Mullins reviewed the Performance Report ending April 30, 2021. He reported a 3.71% increase in the first quarter of 2021 and a 1-year increase of 18.79%. He stated the market value of the total portfolio, net of fees, is \$25,896,654. He stated that the performance has been decent this year so far and, if it continues at this rate, we would be looking at an annualized return of 10%-12%.

Treasurer O'Brien stated that this is a very conservative portfolio designed to return 3%-4% so the performance is remarkable. He also credited US Bank for keeping the expenses of the portfolio down.

Mullins gave a market outlook over the next four to six months. He stated that stock prices will continue to climb because the workforce is coming back, companies are swinging back into production, and we are getting back to a pre-COVID 19 economy. He concluded by saying the good news is the global economy has survived but the bad news is that we will now have to pay for the various economic support and stimulus packages.

Treasurer O'Brien asked if anyone had any questions for Mr. Mullins.

Heineman asked Mullins for his thoughts on inflation.

Mullins said we are seeing signs of inflation now. He stated there are pockets of inflation in areas associated with limited supplies, such as the climb in lumber prices. He said all eyes are on inflation but there is no evidence of systemic inflation.

Adams asked how Mullins thinks the stimulus and infrastructure packages of the Biden Administration will affect the market. Mullins stated it will have an immediate positive impact because of all the spending.

Adams asked about "risk" (stocks and real estate) in the portfolio at 36% and if we are low risk. Mullins stated we are right where we want to be as the investment policy governs the investment portfolio with target for "risk" at 40%.

Treasurer O'Brien stated that we designed this portfolio to be conservative and are significantly outperforming expectations.

Treasurer O'Brien asked if any action should be taken in the portfolio. Mullins stated that he has no recommended actions at this time.

5. **Other Business**

Treasurer O'Brien asked if the members present wanted to serve again on the Finance Committee so that their names could be put forward for the June meeting. Sullivan indicated that she was going to step down after six years of service. Treasurer O'Brien wanted the record to show a "sincere thank you on behalf of the entire Mayflower Municipal Health Group to Ms. Sullivan for her dedication."

Heineman and Adams both expressed an interest in continuing to serve.

Treasurer O'Brien stated the Finance Committee will be voted by the General Board at the June 9, 2021 meeting.

6. **Next Meeting**

September 9, 2021, 9:00 a.m.
Whitman Town Hall
Selectmen Meeting Room

7. **Adjourn**

MOTION: Sullivan made a motion to adjourn at 9:48 a.m.

SECOND: Heineman

ROLL CALL VOTE: The motion passed unanimously.

(Sullivan=Yes, Heineman=Yes, Adams=Yes)

Respectfully submitted,
Sheila Avery

Reference Documents for this Meeting:

MMHG Statement of Net Assets and Operating Statement February 28, 2021

US Bank Investment Selected Period Performance report/Portfolio overview, dated April 30, 2021