

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

October 18, 2022

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

Attendees: Maureen Adams, Town of West Bridgewater
Chelsea Stevens, Town of Hanover
Wendy Lemieux, Wareham Fire District
Matthew Hanley, Plymouth County
Thomas J. O'Brien, MMHG Treasurer
Dennis Mullins, US Bank
Sheila Avery, MMHG
Kyle Rumph, US Bank
Mike Hurley, Harvard Pilgrim

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

1. **Accept Meeting Minutes**

MOTION: Lemieux made a motion to accept the June 9, 2022 meeting minutes.

SECOND: Stevens

VOTE: The motion passed unanimously.

2. **Financial report**

Treasurer O'Brien reviewed his financial report and reported revenue exceeded expenses through September and investments are down \$1.1 million. He stated total assets are \$33,577,109.22 and the Board voted to put \$6.6 million at risk for FY23.

MOTION: Stevens made a motion to accept the Treasurer's Financial report, dated September 30, 2022.

SECOND: Lemieux

VOTE: The motion passed unanimously.

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

Mullins said the market is volatile and projected returns is 4% per year. He said changing the asset allocation to 30%/70% was a good move for MMHG.

Mullins reviewed his presentation stating MMHG is down 13.55% through August. He said the asset allocation isn't as impactful because stocks, bonds, and real estate are all down. He said we are seeing rapid inflation changes and the market does not like uncertainty. He said they are projecting a recession but are not seeing it with the moving economy. He said we are just staying the course at this time.

Mullins reviewed his presentation showing the detail asset allocation of 30%/70%. He said we previously held some emerging markets investments in Russia and are now not invested in Russia at all.

Mullins reviewed his presentation on private market investments as an option for MMHG. He stated it is best practice to consider private market investments due to our high investment balance of over \$23 million. He explained that private markets are not diversified and usually have higher profit margins. He explained the money is tied up for usually 5-7 years as you have to make a commitment. He stated private market reports are available with a greater lag and we are just now seeing December, 2021 report. He said US Bank projects in the next 5-7 years that the stock market will return 4% per year and private equity will return 8% per year. He stated there is no extra fee for private equity. He reviewed the deep experience and rigorous process used by US Bank when investing in private markets. He said he recommends allocating 6% of the portfolio to private market. He said he is available to discuss this further.

Treasurer O'Brien thanked Mullins for the overview of private market investments and stated we can discuss this in greater detail at the December meeting. He said this is new for US Bank and recommended the Finance Committee members take the packet home and review for the next meeting. He said the State retirement Board is investing in private market investments and we do have a diligence to look at this opportunity with higher returns.

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

Treasurer O'Brien said the Fraud Policy and Investment Policy are in process with the MMHG Attorney. He said we will have an update at the next meeting.

Treasurer O'Brien said the Steering Committee is exploring the idea of offering a Medicare Advantage plan. He said he feels it is a good offering for our retirees with great benefits and less premium. He said they also voted to increase the Medex2 with PDP rate by 1.1%.

5. **Next Meeting**

December 8, 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 10:02 a.m.

SECOND: Lemieux

VOTE: motion passed unanimously

Respectfully submitted,
Sheila Avery

Reference Documents for this Meeting:

MMHG Statement of Net Assets and Operating Statement September 30, 2022

US Bank Investment Selected Period Performance report/Portfolio overview, dated 9/22/2022