

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

December 8, 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
Thomas J. O'Brien, MMHG Treasurer
Dennis Mullins, US Bank
Sheila Avery, MMHG
Kyle Rumph, US Bank
Matthew Hanley, Plymouth County

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

1. **Accept Meeting Minutes**

MOTION: Lemieux made a motion to accept the October 18, 2022 meeting minutes.

SECOND: Stevens

VOTE: The motion passed unanimously.

2. **Financial report**

Treasurer O'Brien reviewed his financial report and stated we are down \$1,455,750.33 through October 31, 2022. He said the General Board voted to put \$6.6 million at risk for FY23 and we are tracking better versus projections. He stated total assets are \$33,241,429.72 and we are in a good shape.

MOTION: Stevens made a motion to accept the Treasurer's Financial report, dated October 31, 2022.

SECOND: Lemieux

VOTE: The motion passed unanimously.

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

Mullins said the year has been tough as we are seeing the market fall and taking a long time to recover. He stated there is a lot of volatility and not a lot of clarity on where the market will be in the short term. He said we expect volatility in stocks but not in bonds. He said the MMHG portfolio is very conservative and we have to be patient. He reviewed his presentation and stated MMHG is down 17.66% through October.

Mullins reviewed the history of the market and world contributing factors.

Mullins reviewed the portfolio summary with the 70%/30% asset allocation. He said this is a conservative asset mix. He reviewed the fixed income and equity details in his presentation.

Treasurer O'Brien asked Mullins about the small cap U.S. Equity projected annual income of zero. Mullins said it may be a timing issue and he will check on this.

Mullins reviewed the investment policy and didn't recommend any changes.

Mullins discussed the market review and outlook in his presentation. He said the last time stocks and bonds were down at the same time was 1975.

Mullins reviewed the rest of his presentation and recommended staying the course.

Chair Adams asked what US Bank's anticipated earnings projection is for 2023. Mullins stated the analysts are projecting 10% but US Bank said it doesn't feel it will not be that much. Mullins reviewed page 41 of his presentation showing analysts' estimates need to come down.

Treasurer O'Brien asked if we should consider 60%/40% asset allocation. He said we are looking for returns to be 3%-5% in the future. Mullins said there is not that big of a difference between 70%/30% to 60%/40%. Mullins said stocks will return higher in the next 20 years and recommended changing to 60%/40%.

There was a brief discussion with the following action taken.

MOTION: Stevens made a motion to change the portfolio asset allocation to 40% equity and 60% fixed income (bonds).

SECOND: Lemieux

VOTE: Unanimous

4. **Private Equity**

Treasurer O'Brien said Avery brought up having our attorney look at investing in private equity. He said he would like to table this until our attorney is available to attend a Finance Committee meeting.

MOTION: Stevens made a motion to table, until the next meeting, private equity.

SECOND: Lemieux

VOTE: Unanimous

5. **Fraud Policy, Reserve Fund Policy/Guideline (MMHG Attorney)**

Treasurer O'Brien explained our legal counsel was unable to attend the meeting and we need to table this.

MOTION: Stevens made a motion to table, until the next meeting, the Fraud Policy, Reserve Fund Policy/Guideline.

SECOND: Lemieux

VOTE: Unanimous

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

Mullins stated US Bank bought Union Bank of California and purchased the asset management firm, PFMS management. He said in the next 6 months his team will be merging with PFMS management and he will transition to be a SCC registered investment advisor. He said there will be no change in service to MMHG. He said he will need a new contract signed in the next few months.

7. **Next Meeting**

February 16, 2023, 9:00 a.m.

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

8. **Adjourn**

MOTION: Stevens made a motion to adjourn at 10:00 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 October 31, 2022

US Bank Investment Selected Period Performance report/Portfolio overview, dated 12/8/2022