

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

February 17, 2022

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

Attendees: Chelsea Stevens, Town of Hanover
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)
Kevin Powell, Steering Committee member
Danielle Chaplick (remote)

This meeting was called to order at 9:05 a.m.

1. **Accept Meeting Minutes**

MOTION: Lemieux made a motion to accept the December 1, 2021 meeting minutes.

SECOND: Stevens

VOTE: The motion passed unanimously.

2. **FY21 Audit update**

Treasurer O'Brien reported we have the draft audit and we should have the final shortly. He stated the audit is very good and we are in excellent financial shape.

3. **Financial Report as of 11/30/2021**

Treasurer O'Brien reviewed his Operating statement and said we have \$3,470,156.14 in net revenue for FY22. He reviewed his Statement of Net Assets and said the MMHG has \$41,324,106.86 in net assets. He said our IBNR (Incurred but not reported) will increase to \$5.9 million. He said the claims are increasing and we expect January claims to be higher.

4. **Steering Committee's FY23 Rate recommendation**

Treasurer O'Brien said the Steering Committee voted unanimously to recommend to the General Board a 3% increase in rates putting \$6.5 million of reserves at risk. He said the insurance carriers' renewal increase was 10.3%. He stated other joint purchase groups are seeing 6%-8% increases. He said the Steering Committee discussed the different options and decided on the 3% for FY23. There was a brief discussion with the following action taken.

MOTION: Lemieux made a motion to support the FY23 Steering Committee's recommendation of a 3% increase in rates putting \$6.5 million of reserves at risk.

SECOND: Stevens

VOTE: motion passed unanimously

Treasurer O'Brien introduced Danielle Chaplick from Gallagher Benefit Services. Chaplick gave a brief introduction.

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

Mullins introduced himself and said he manages MMHG's portfolio on a day to day basis. He said the reports and information are transparent and encouraged members to ask questions. He said the market is very active right now and they expect a very busy year. He stated the trends are slowing and they are watching it carefully. He reviewed the Performance Report, dated December 31, 2021. He stated MMHG has a 40/60 portfolio, 40% stocks and 60% bonds, which is a very conservative investment mix. He reported a 6.81% return, net of all fees, since inception.

Treasurer O'Brien said the 40% equity and 60% fixed income is protecting our assets and we have projected growth of 2%-4% return. He asked Mullins if we need to adjust the 40/60 asset allocation split. Mullins said he is comfortable with the split and doesn't recommend changing it at this time.

Treasurer O'Brien asked Mullins about the benchmarks and if they could be adjusted to reflect a better apples to apples benchmark according to our portfolio. Mullins agreed and said he will work on adjusting detailed policy benchmarks.

Mullins said they will adjust the portfolio as the market changes. He said he is available to meet anytime to discuss.

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

Powell asked if there has been a recent transfer to US Bank and what the ideal balance is to keep in our Rockland Trust account. Treasurer O'Brien said we keep between \$15-\$16 million in the Rockland Trust account and we have a pending transfer to US Bank in the amount of \$1 million.

Treasurer O'Brien said Chairperson Maureen Adams sent him a text stating she had an emergency this morning and apologized for missing the meeting.

7. **Next Meeting**

June 9, 2022, 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 9:43 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 November 30, 2021

US Bank Investment Selected Period Performance report/Portfolio overview, 12/31/2021