

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

**February 28, 2024**

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

Attendees: Maureen Adams, Town of West Bridgewater  
Wendy Lemieux, Wareham Fire District  
Chelsea Stevens, Town of Hanover  
Thomas J. O'Brien, MMHG Treasurer  
Dennis Mullins, US Bank  
Sheila Avery, MMHG  
Matthew Hanley, Plymouth County  
Kevin Powell, Plymouth County Retiree

The meeting was called to order at 9:02 a.m.

1. **Accept Meeting Minutes**

MOTION: Lemieux made a motion to accept the December 6, 2023 meeting minutes.

SECOND: Stevens

VOTE: The motion passed unanimously

2. **MMHG FY23 Audit**

Treasurer O'Brien stated we had a great audit and thanked his staff. He said we had to increase the IBNR (incurred but not reported) by \$500,000. He said we just received the final version and will review it in the next week. He said all of the previous MMHG audits are posted on the MMHG website.

3. **Financial Report**

Treasurer O'Brien reviewed his financial reports dated January 31, 2024. He said net revenue is \$544,740.56 with claims revenue exceeding claims expense at this time. He said we are doing better versus projections. He stated net assets are \$31,787,506.13. He stated MMHG General Board voted last year to put \$5,150,000 at risk when setting FY24 rates.

MOTION: Lemieux made a motion to accept the Treasurer's Financial report, dated January 31, 2024

SECOND: Stevens

VOTE: motion passed unanimously

#### 4. **FY25 Rate recommendation update**

Treasurer O'Brien said the Steering Committee met last week and reviewed the FY25 BCBS/HP renewal information. He reviewed the administrative fee and stated Avery did advocate for reduced fees. He said Avery was able to get a reduced administrative fee increase to account for the situations MMHG has had with BCBS over the past year. He said it is good to know we have safeguards in place.

Treasurer O'Brien reviewed the FY25 rate renewal Gallagher handout. He said the Steering Committee unanimously voted to recommend Alternative #3 with 4% increase and putting \$4.5 million at risk.

There was a brief discussion regarding budgeting.

MOTION: Lemieux made a motion to recommend Alternative #3 with a 4% increase to current rates, putting \$4.5 million at risk for FY25.

SECOND: Stevens

VOTE: Unanimous

Treasurer O'Brien reviewed the benefit changes on the back page of the Gallagher handout. He said BCBS added some enhancements to the fitness reimbursement including athletic shoes and sports activity fees. He stated the Steering Committee also voted to add \$150 per year HP reimbursement for childbirth classes.

MOTION: Lemieux made a motion to add the yearly \$150 childbirth class reimbursement to the HP plans.

SECOND: Stevens

VOTE: Unanimous

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

Mullins stated that US Bank has taken over PFM Asset Management. He said he will still be managing MMHG and future reports may look a little different.

Mullins reviewed page 5 of the US Bank investment report, dated January 25, 2024. He said the 1-year total portfolio return net of fees is 11.09%. He said this is great for the very conservative MMHG portfolio. He reviewed the total equity and fixed income amounts.

Mullins reviewed the stock and bond market conditions. He stated inflation is a concern as well as a recession. He said target inflation is 2% and we are at 3%.

Mullins stated MMHG is earning 4.36% per year on fixed income. He said this is a good return and would be the expectation.

Mullins said they do not know how artificial intelligence (AI) will be regulated and it may cause uncertainty in market.

Treasurer O'Brien said he wants to talk about 2023 and the incredible performance despite wars, etc. He said how does this happen. Mullins said due to most of the world demographic concerns the capital is now on the US market.

Treasurer O'Brien asked about NVIDIA and the 6 other companies that drove the market increase and what do we need to be concerned with.

Mullins said the top 7 technology companies basically drove the increase in the stock market. He said we are concerned as it could be narrow leadership or the market broadens out and we get more participation. He said they see the market broadening.

Mullins said we may see a slight recession or a period with mild slowdown. He said the market is uncertain with the election coming this year.

Treasurer O'Brien asked the Committee if they had any questions and there were none.

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

None

7. **Next Meeting**

June 13, 2024, 9:00 a.m.

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Treasurer O'Brien spoke about having Mullins attend a future Steering Committee meeting to present his report. He said he is hoping to have the Steering and Finance Committees meet on the same day.

8. **Adjourn**

MOTION: Lemieux made a motion to adjourn at 9:50 a.m.

SECOND: Stevens

VOTE: motion passed unanimously

Respectfully submitted,  
Sheila Avery

**Reference Documents for this Meeting (3):**

- 1) **MMHG Statement of Net Assets and Operating Statement January 31, 2024**
- 2) **US Bank presentation, dated 12/31/2023**
- 3) **Gallagher's MMHG FY25 Health Insurance renewal handout**