

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

February 6, 2025

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

Attendees: Michael Buckley, Town of Hull
Wendy Lemieux, Wareham Fire District
Kathleen McCarthy, Town of Pembroke
Thomas J. O'Brien, MMHG Treasurer
Dennis Mullins, US Bank
Sheila Avery, MMHG

The meeting was called to order at 9:00 a.m. with a quorum present.

1. **Welcome new Finance Committee member**

Treasurer O'Brien welcomed new Finance Committee member Kathleen McCarthy and thanked her for volunteering.

2. **Accept meeting minutes (October 24, 2024)**

MOTION: Buckley made a motion to accept the October 24, 2024, meeting minutes.

SECOND: Lemieux

VOTE: Motion passed (Lemieux and Buckley in favor, McCarthy abstained)

3. **MMHG FY24 Audit- draft**

Treasurer O'Brien stated we received the draft audit last week and the review should be completed by next week. He said we received a very good audit and there were two minor comments regarding policy that will be reviewed by the Steering Committee. He said we reduced our IBNR (incurred but not reported) to \$7.2 million.

4. **Financial Report**

Treasurer O'Brien reviewed his financial statements dated November 30, 2024. He reviewed the investment information and stated it continues to provide enough revenue to pay our other expenses. He said we put \$4.5 million at risk for FY25 and our net assets are \$30,929,114.00. He asked if there were any questions and there were none.

MOTION: Buckley made a motion to accept and approve the November 30, 2024, Treasurer's Operating Statement and Statement of Net Assets, as presented by the Treasurer.

SECOND: Lemieux

VOTE: motion passed unanimously

5. **FY26 Rate recommendation update**

Treasurer O'Brien said MMHG consultants provided trends on FY26 rates which are 12% with no subsidy. He stated MMHG is looking at 6%-7% increase and putting around \$5

million at risk for FY26. He said many other communities are facing 14% increases and national trends are 14%-18%. He said we are in good shape to continue to stabilize rates within the mid-single digits for the next 5-7 years.

Treasurer O'Brien stated member units can use 8% for FY26 budgeting purposes.

There was a brief discussion regarding the increasing prescription costs with no action taken.

Buckley asked what the process is for joining the MMHG. Treasurer O'Brien said the potential member unit starts with negotiating with their unions, and then MMHG/Lockton analysis, Steering Committee review/vote, General Board review/vote.

Treasurer O'Brien said that the Town of Scituate requested to join MMHG and the review process is ongoing.

Avery stated that all information regarding new groups will be emailed to all Board members two weeks prior to the General Board meeting.

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

Mullins reviewed page 1 including contact information and said to call him with any questions.

Mullins gave a brief review of US Bank and stated he is allowed to trade but doesn't have access to the portfolio. He said Daniel Pace does have access to the portfolio and explained this is separation of duties for the protection of the client.

Mullins reviewed his report dated December 31, 2024, stating 2024 was a good year for stocks and bonds. He said MMHG's portfolio is roughly 30% stocks and 70% bonds. He said MMHG's portfolio is conservative and returned 6.73% total YTD net of fees. He said stocks were up 16% and bonds were up 2.45%.

Mullins explained the inverted yield curve and gave a review of economic factors regarding interest rates and inflation.

Mullins reviewed the 3 year and 5 year portfolio data. He stated MMHG's portfolio made 3.68% per year since inception.

Treasurer O'Brien stated when we started the goal was to have the portfolio increase 2-5% per year. He said we are in line with our goals for the portfolio.

Mullins said the market is in a period of uncertainty and we are watching market volatility. He stated in looking at the next year, we don't expect the market to do as good as the previous year.

Mullins reviewed the individual MMHG portfolio holdings.

Treasurer O'Brien asked about increasing our exposure to infrastructure at this time. Mullins said there is no discussion of that at this time. Mullins stated that the global infrastructure funds are real estate funds listed under commodities. Mullins said cell towers fall under global infrastructure and they are not looking to expand it right now.

Mullins said everything they are seeing indicates that the consumer is still very strong, the economy is growing, and employment numbers are strong. He said everything looks good to be on track with 2024 returns. He said inflation is at 3% right now and we will watch the interest rates closely.

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

None

8. **Next Meeting**

May 15, 2025, 9:00 a.m.

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9. **Adjourn**

MOTION: Buckley made a motion to adjourn at 10:10a.m.

SECOND: Lemieux

VOTE: motion passed unanimously

Respectfully submitted,
Sheila Avery

Reference Documents for this Meeting (2):

1) **US Bank investment review report dated December 31, 2024**

2) **MMHG Statement of Net Assets and Operating Statement dated November 30, 2024**