

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

February 23, 2023

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
Kevin Powell, Steering Committee member
Matthew Hanley, Plymouth County

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

1. **Accept Meeting Minutes**

Treasurer O'Brien stated there is a typo on the draft meeting minutes and the Treasurer's report date of October 31st should have the year as 2022 not 2023.

MOTION: Lemieux made a motion to accept the December 8, 2022 meeting minutes, as amended.

SECOND: Stevens

VOTE: The motion passed unanimously.

2. **FY22 MMHG Audit- Final**

Treasurer O'Brien said we have received the FY22 final audit. He said there was a comment regarding the Fraud policy and we are in the process of meeting with legal counsel to discuss. He said the timing of deposits was also noted and he stated one group had checks dated for July 1st but paid in June. He asked if there were any questions and also for a motion to accept.

MOTION: Stevens made a motion to accept the final MMHG FY22 Audit report.

SECOND: Lemieux

VOTE: The motion passed unanimously.

3. **FY23 Financial Report – 12/31/22**

Treasurer O'Brien reviewed his financial report and reported claims expenses exceeded claims revenue through December. He said we put over \$6 million at risk and we will be using some of it. He stated the investments are down at this time and we will hear more from Dennis on this. He stated the Incurred but Not Reported (IBNR) increased from \$5.9 million to \$7.5 million, as required, according to our lag reports. He said the Fund Balance is \$30,412,764.55.

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

SECOND: Stevens

VOTE: The motion passed unanimously.

4. FY24 Rate Recommendation update

Treasurer O'Brien reviewed the Gallagher FY24 health insurance renewal for active plans. He said the Steering Committee voted a 4.5% increase for all Traditional/Rate Saver/Benchmark plan rates, and a 2.25% increase for all of the Qualified High Deductible plans. He said this will put at risk \$5,150,000 from reserves. He said he would like to have the voted support of the Finance Committee.

MOTION: Stevens made a motion to accept the Steering Committee's voted FY24 rate recommendation of a 4.5% increase for all Traditional/Rate Saver/Benchmark plan rates, and a 2.25% increase for all of the Qualified High Deductible plans.

SECOND: Lemieux

VOTE: The motion passed unanimously.

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

Mullins stated the MMHG is up 2.5% per year since switching to US Bank 4 ½ years ago.

Mullins said the volatile market will continue and the Fed's raising interest rates is not favorable for stock market.

Mullins spoke about the market conditions including history of the stock market, inflation, and recession.

Mullins said we don't know at this time how low the market will get or if we are at the bottom.

Mullins reviewed his presentation including market review/outlook, major economic drivers, current capital market highlights, and projections.

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

Treasurer O'Brien stated the MMHG Attorney was not able to attend the meeting and asked for a motion to table this item until he is available.

MOTION: Lemieux made a motion to table until the MMHG Attorney is available.

SECOND: Stevens

VOTE: Unanimous

7. **Private Equity**

Treasurer O'Brien stated he was not able to meet with the MMHG Attorney to discuss and asked for a motion to table this item.

MOTION: Stevens made a motion to table "Private Equity"

SEOND: Lemieux

VOTE: Unanimous

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

None

9. **Next Meeting**

May 18, 2023, 9:00 a.m.

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10. **Adjourn**

MOTION: Stevens made a motion to adjourn at 9:55 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 December 31, 2022

US Bank Investment Selected Period Performance report/Portfolio overview, dated 2/23/2023

Gallagher's MMHG FY24 Active plan Health Insurance Renewal summary