

Fire Fighters & Law Enforcement Advisory Committee Meeting



February 12, 2025, Meeting Minutes

Committee members in attendance: Shonna Poulin-Gutierrez, Chief David Groder, Chief Richard Caton, Ronnie Green, Paul Gaspar, Dan Felkel

Committee members absent: John Martell

Others present: Jack Moore and Steven Pawlak – Harpswell Capital Advisors, LLC; Susan Ryerson, Emily Charlton and Neva Parsons – Employee Health, Wellness and Workers' Compensation

Agenda Item	Discussion	Action/Next Steps
I. Call to Order (8:31 am)	Shonna Poulin-Gutierrez called the meeting to order.	
II. Approval of Meeting Minutes	Meeting minutes from September 18, 2024, were reviewed.	A motion to accept September 18, 2024, meeting minutes was made by Chief Caton. The motion was seconded by Ronnie Green. Motion approved to accept the September 18, 2024, meeting minutes.
III. Legislation Update	<p>Shonna Poulin-Gutierrez asked if there were any legislative updates. Ronnie Green had no new information to present at this time.</p> <p>Paul Gaspar asked if any boycotts or State withdrawals from certain types of funds were on the horizon. Shonna Poulin-Gutierrez responded to Paul Gaspar that she was unaware of proposed legislation focused on boycotts or limitation of certain funds.</p> <p>Shonna Poulin-Gutierrez shared that there is legislation to update the office name from the Office of Employee Health and Wellness to the Office of Employee Health,</p>	

	Wellness and Workers' Compensation.	
IV. Financial Reports	<p>Jack Moore of Harpswell Capital Advisors, LLC:</p> <p>Overview: Real gross domestic product (GDP) increased at an annual rate of 3.1% in the 3rd quarter according to the "third" estimate released by the U.S. Bureau of Economic Analysis. In the 2nd quarter, real GDP increased by 3.0%. The increase in real GDP primarily reflected increases in consumer spending, exports, nonresidential fixed investment and federal government spending. Imports, which are a subtraction to GDP, were revised up as well.</p> <p>The Federal Reserve lowered its key interest rate by ¼%, the third consecutive reduction and one that came with a cautionary tone about additional cuts in coming years. The target range of 4.25%-4.5% is back to its December 2022 level. However, the Fed did indicate that it may only lower rates twice more in 2025, down from four, setting lower expectations since the economy has been stronger than anticipated along with a resilient labor market.</p> <p>Equities: Domestic Equities ended December on a sour note as investors focused on fewer Fed rate cuts than anticipated just a few months earlier. S&P 500 lost 2.4% in December, ending with a 25% gain for 2024. Technology and Consumer Durables managed small gains while Energy, Materials and Real Estate posted double digit losses in the month. Russell 2000 posted an 8.3% loss in December. Small Cap equities have earned 11.5% in 2024 although Small Value only gained 8.1% for the year while Small Growth earned 15.2%. International – EAFE lost 2.3% in December in line with Domestic equities; however, on a local currency basis, EAFE gained 0.4%. In 2024, the strong Dollar negatively impacted EAFE results by 7.5%. European results were mixed with Germany, Italy and the UK posting gains while France and Portugal incurred losses for the year. Emerging Mkts lost 0.1% in December although China moved higher by 2.7%</p>	

in the month, ending the year with a 19.7% gain. In contrast, India, Mexico and Latin America incurred losses in the month, offsetting China's positive results.

Fixed Income: Yields were mixed in the month as short-term rates fell in response to the Fed's rate cut. However, longer rates moved higher as investors worried that a resilient economy and persistent inflation would lead the Fed to pare down future rate cuts leading to higher interest rates. The **90 Day T-bill** rate closed down by 21 bps to 4.4% while the **10 Year Treasury** yield closed at 4.6%, 40 bps higher. The **30 Year Treasury** yield also increased by 40 bps to 4.8%. The December yield curve is now approaching a positive slope where maturities that are 7 years and longer offer the highest yields. The current spread between the T-Bill and 10 Year Treasury is +20 bps. In July, the spread was -130 bps. Tax-exempt yields moved higher as well in the month. The **Municipal 1 Year** rate rose by 20 bps to 3.0% while the **10 Year Municipal** rate moved up to 3.1%, adding 30 bps.

International: **German** yields rose in December, up 20 bps to close at 2.1% for the 2 Year Bund and higher by 10 bps to 2.4% for the **10 Year**. The **UK 10 Year Gilt** yield closed 40 bps higher to 4.6% while the **2 Year Gilt** rose by 20 bps to yield 4.4%. The **Japanese 10Yr Bond** yield rose 10 bps to close at 1.1% although the **2Yr Bond** remained unchanged to yield to 0.6%. **High Yield** bonds moved lower by 0.4% in the month while the Aggregate Bond Index lost 1.6% as yields moved higher for the intermediate and longer-term maturities. The Bond index has gained 1.3% for 2024.

Commodities: **WTI Crude Oil** rose by \$3.9/barrel to close at \$71.9/barrel in December. U.S. crude oil inventories fell for a sixth consecutive week boosting prices in the month. Analysts note that crude inventories are typically drawn down at the end of the year for tax purposes.

V. Membership Update	<p>Susan Ryerson presented membership numbers effective 12/31/2024.</p> <ul style="list-style-type: none"> • The number of municipalities currently participating is 79. • The number of active members that are contributing increased by 10. • There are 7 new hires that waived participation in the program. • Members that withdrew is 4. • Total members terminated is 8. • Contributing Membership is 747. <p>Maine PERS is crediting 109 members' subsidies through their retirement checks. Below is the breakdown:</p> <ul style="list-style-type: none"> • MMEHT 67 participants • Cigna 22 participants • Anthem 20 participants <p>Direct Reimbursement:</p> <ul style="list-style-type: none"> • Each month 24 retirees are being directly reimbursed. 	
VI. Updates	<p>Susan Ryerson reviewed the current council seats and term dates. This is a 5-year term; after that members would need to provide a letter from the Administration to continue the service.</p>	<p>Susan Ryerson will follow up on the required letters to maintain council seats. Susan Ryerson will also send an email to John Martel as a reminder as he was not present at this meeting.</p>
a. Appeals	None	
VII. New Business:	There was no new business.	

VIII. Other Business:	<p>Susan Ryerson established 2025 meeting dates and times:</p> <p>May 14, 2025, from 8:30-10:00 a.m.</p> <p>August 13, 2025, from 8:30-10:00 am.</p> <p>November 12, 2025, from 8:30-10:00 am.</p> <p>All meetings will be held in Conference Room 400 at the State of Maine’s Burton Cross Building (111 Sewall Street, Augusta, ME) and through Microsoft Teams.</p>	<p>Susan Ryerson reviewed the 2025 meeting schedule.</p>
VIII. Adjourn Meeting (9:27 am)	<p>Shonna Poulin-Gutierrez adjourned the meeting. The next meeting is May 14, 2025, from 8:30 to 10:00 am.</p>	<p>Paul Gaspar made a motion to adjourn. Seconded by Dan Felkel. Motion approved. Meeting adjourned.</p>

SR 2/21/25