



BOXBOROUGH AFFORDABLE HOUSING TRUST
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Meeting Minutes
September 9, 2015
10:00 AM
Morse-Hilberg Room, Town Hall, 29 Middle Road

Members Present:

Les Fox, Chair
Neal Hesler
Al Murphy
Channing Wagg

Members Absent:

Ron Vogel

Others in Attendance:

Adam Duchesneau, Town Planner
Patrick McIntyre, Town Treasurer
Michelle Newcomb, Bartholomew & Company, Inc.
Joshua Paul, Bartholomew & Company, Inc.

The Chair called the meeting to order at 10:07 AM.

Review of the Boxborough Affordable Housing Trust Funds

Ms. Newcomb provided an overview of the 2015 Annual Review Packet. Mr. Paul then provided an overview of the portfolio allocations. There was discussion regarding the common and preferred stocks. Mr. Wagg inquired what portion of the portfolio was being held as cash. Mr. Paul indicated as much as they felt was appropriate, but they did not feel cash was very valuable at this time. Mr. Hesler asked if there was a legal list of bank CDs and Mr. Paul indicated there was. Mr. Paul also noted the recent shocks to the market have occurred outside of the United States. Mr. Murphy indicated it appeared the recent market chaos has had a minimal impact on the Affordable Housing Trust's funds. The report proves that Bartholomew & Company, Inc. has done their job and the Trust fund is fairly safe against market gyrations.

Mr. Wagg noted that as trustees, they have an obligation to do their own due diligence to manage the Affordable Housing Trust's funds. There was then some discussion about Other Post Employment Benefit (OPEB) funds. Mr. Murphy noted that while the discussion may be relevant to the Town, it is not relevant to the Affordable Housing Trust as they are two different funds. Mr. McIntyre indicated the Affordable Housing Trust is only a portion of the funds in the Town's entire portfolio. Mr. Murphy stated the Affordable Housing Trust should have the authority to make changes to the investment strategy for the Trust's funds. Mr. McIntyre indicated if the trustees did not think the investment strategy was working, the only option would

be to pull the Trust's funds out of Bartholomew & Company, Inc. and have the Trust go on its own.

Mr. Fox asked if the Affordable Housing Trust funds were to be broken out of the Town's portfolio, realistically, how would the money be handled. Mr. Wagg stated he was not sure he could make that decision on the fly. Mr. Fox stated he was hoping to conclude there were no other realistic choices other than to remain in the Town's portfolio. Mr. Wagg indicated the question is how does the Trust meld the Affordable Housing Trust's funds and its goals with the rest of the funds in the Town's portfolio.

Mr. Paul stated that Bartholomew's investment strategy for each of its client towns is determined by the risk profile for each town, which is determined by the towns individually. Bartholomew then manages each client portfolio accordingly. Towns may adopt differing risk strategies or profiles. Mr. Fox then asked if it would be possible for Bartholomew to provide a report of risk profiles for their client towns and the average rate of return on each of the portfolios. The intent is to see what impact a different risk profile would have on the rate of return for a Boxborough Affordable Housing Trust portfolio if it were to be split out and managed separately from Boxborough's general portfolio. This data would be helpful in considering whether it would be advisable to adopt a separation strategy for the BAHT funds. Mr. Paul indicated he would work with Mr. McIntyre, Boxborough's treasurer, to see if such a report were feasible.

Mr. Hesler asked what the horizon was for the Affordable Housing Trust money and if there was a plan for the next 12 to 18 months. Mr. Fox indicated there was not a definitive plan currently, but it would be helpful to let Bartholomew & Company, Inc. know what their plans were in advance because it could dictate their actions. Mr. Murphy asked if the money which comes back from the sale of the Stow Road property is an opportunity to start another fund, or would it simply be rolled back into the existing Affordable Housing Trust fund. Mr. Paul stated it depended upon the objectives of the Affordable Housing Trust.

In closing a productive discussion and review of the Town's Trust portfolio management, the trustees agreed they had learned a lot and benefited from the briefing by Bartholomew & Company, Inc. The trustees suggested it would be beneficial if the Town Treasurer could arrange in the near future for Bartholomew & Company, Inc. to make a similar presentation to the Board of Selectmen, Finance Committee, and trustees for other Town trust funds.

Meeting Minutes of April 15, 2015

Mr. Murphy MADE a MOTION to approve the minutes of April 15, 2015. Mr. Wagg SECONDED the MOTION. All members voted in favor.

Use of Community Preservation Act Funds

Mr. Murphy indicated that he and Mr. Wagg were exploring the creation of a Rental Voucher Program using Community Preservation Act (CPA) funds, but the funds could be sent to the Affordable Housing Trust to be dispensed. Mr. Murphy noted they would need a separate account to disperse the funds. One way to handle this would be to have the funds allocated to the Affordable Housing Trust with restrictions. Mr. Fox asked if the funds could also be sent to the

Housing Board and Mr. Murphy indicated they could be, but one issue would be figuring out who administers the money. Mr. Murphy also added he and Mr. Wagg were trying to gain support from the Well-Being Committee. Mr. Hesler asked who is currently assisting this very marginalized portion of the population. Mr. Wagg stated there is really no on-going assistance being provided at this time. Mr. Murphy indicated there are about 40 to 50 people on state and federal voucher program waiting lists. He also added that Eastham, Massachusetts has already implemented this type of program using CPA funds.

Adjournment

With no further business, the meeting was adjourned at 11:57 AM on a MOTION by Mr. Murphy, SECONDED by Mr. Fox, with all members voting in favor.