

Trustees of Town Donations  
REPORT FOR THE FISCAL YEAR ENDING June 30, 2018

Robert Donelan, Chair  
Christine Ayotte-Brennan  
James Dohoney  
Janet Rhodes Friedman  
Frederick Miller

Kerry A. Lafleur, Treasurer

Citizens of Concord today continue to benefit from the remarkable generosity of those who preceded them. Our community is strengthened in important ways by the consideration of our forebears. Beginning more than 250 years ago, various funds were established according to the wishes of the donor. Generally, these wishes addressed specific needs such as scholarship funding, library materials, health and environmental concerns, and beautification of the Town.

For those individuals making their estate plans, the Trustees would be pleased to respond to inquiries about creating a new trust and/ or adding to an existing fund.

During FY2018, the Trustees received \$205,852.63 in Interest Earnings and Receipts, net of fees and expenses, including \$37,195 from the sale of Cemetery lots, and recorded \$218,999.46 of realized capital gains. The Trustees distributed at total of \$136,114.38, including: \$66,250 of cemetery lot sale proceeds to the Town's Cemetery Fund; \$8,160 for the repurchase of cemetery lots; \$8,741.38 for maintenance of Chamberlin Park; \$33,447 from income according to the terms of the various trusts; and made special disbursements from temporarily restricted assets totaling \$5,800 (permitted expenditures from accumulated capital gains). Additional disbursements include \$13,716 for administrative expenses and advisory and investment management fees of \$37,730.40 (approximately 48 basis points annually and charged on a monthly basis). Administrative expenses are primarily for the services of the Concord Finance Department. Advisory and investment management fees were paid to BNY Mellon Wealth Management.

BNY Mellon Wealth Management is retained to manage the portfolio. The annualized rate of return to June 30, 2018 (fiscal year reporting period), net of fees, is as follows:

**PORTFOLIO RATE OF RETURN  
as of June 30, 2018**

*Annualized, net of fees*

	<u>One Year</u>	<u>Three years</u>	<u>Five years</u>
Concord	6.53 %	+ 5.78 %	+ 6.46 %
Benchmark	7.75 %	+ 6.63 %	+ 7.55 % (gross of fees)

The portfolio blended benchmark is: 60% MSCI ACWI and 40% BarCap U.S. Intermediate Gov/Credit.

The Trustees have established the target portfolio asset allocation as follows:

Large cap stocks	30%-55%
Mid cap stocks	0%-10%
Small cap stocks	0%-10%
International (developed)	0%-20%
International (emerging)	0%-10%
Fixed Income	35%-50%

As of June 30, 2018, the market value of assets was recorded at \$7,918,101.84 an increase of 5.65% from the year earlier.

A partial listing of disbursements made by the Trustees during FY 2018 (the period ending June 30, 2018) includes:

- \$15,000 from the Silent Fund transferred to the Board of Selectmen, distributed by the Board of Selectmen to individuals in need (Fund #1);
- \$1,200 from the bequest of Cyrus Stow (1878) to benefit the Concord-Carlisle High School (Fund #5);
- \$5,000 from the William M. Prichard bequest (1899) to benefit students in Concord public schools (Fund #6);
- \$3,015 from the Sarah E. A. Richardson Fund (1926) and the Estate of Mary E. Gross to benefit Emerson Hospital (Funds #7 and 10);
- \$160 from the bequests of Edward B. Caiger (1960) and Edith F. Sellors (1984) for the Concord Free Public Library to purchase books (Funds #25 and 26);
- \$3,800 from the Anna Holland Fund for college tuition scholarship awards made in conjunction with the Concord-Carlisle Scholarship Fund (Funds #8 and #9);
- \$8,741 from the Anne B. Chamberlin Park Fund (1970) for support of the maintenance of the park area that stretches between Lowell Road and the Mill Brook in Concord Center (Fund #30);
- \$66,250 from earnings on the Cemetery Perpetual Care Fund, transferred to the Town's Cemetery Fund and used for support of the Cemetery maintenance costs (Fund #34);
- \$500 from the Maureen Taggart Memorial Fund for a student award conferred by the Recreation Commission and a charitable donation to an organization selected by the student (Fund #36).
- \$7,000 from the Guy P. DiGiovanni Family Scholarship Trust for academic scholarship awards made in conjunction with the Concord-Carlisle Scholarship Fund (Fund #39).

The Town of Concord Trustees of Town Donations administers the following funds:

**1. *Silent Fund***

A trust fund for the benefit of the poor of Concord, established in 1731, income therefrom to be used for the aid of said poor, as directed by the Board of Selectmen of Concord.

**2. *Hugh Cargill Fund***

Income paid annually to the Board of Selectmen of Concord and added to funds administered by the Hugh Cargill Committee for the aid of Concord residents in need.

**3. *Hugh Cargill Trust***

A trust fund for the benefit of the poor of Concord, income therefrom to be used for the aid of said poor, as directed by the Board of Selectmen of Concord.

**4. *Public School Donations***

Bequest of John Beaton and John Cumming.

John Beaton: to improve the schooling of the youth.

John Cumming: benefit to a school, Town of Concord and to be under the direction of the Selectmen.

**5. *High School Donations***

Bequest of Cyrus Stow in 1878, the net income to be expended by the School Committee for said Town for the benefit of the high school.

**6. *Manual Training School Donations***

Bequest of William M. Prichard, income to be used for the purpose of manual training, industrial arts, mechanical drawings, and domestic science and in furtherance of those subjects.

**7. *Sarah E. A. Richardson Fund***

Bequest of Sarah E. A. Richardson in 1926 of \$12,000 to be held as a permanent fund, the income thereof to be used by the Trustees of Town Donations for the Town of Concord for the assistance of people suffering from physical disabilities in a hospital, or as the Trustees of Town Donations shall deem best.

**8. & 9. *Anna M. Holland Fund***

Income to be used for:

A. Frederic M. Holland Scholarships: Higher Education for boys and girls over 16, who have been students in the Concord High School.

B. Anna M. Holland Scholarships: Higher education for young women over 16, residents of Concord who have attended school in Concord for at least two years.

**10. *Mary E. Gross***

Income to be paid to Emerson Hospital of Concord.

**11. *Shade Tree Donations***

Bequest of Reuben N. Rice in 1886 of \$2,000 and Samuel Hoar in 1904 of \$1,000, the principal to be invested and the income thereof annually expended in planting and the care of shade or ornamental trees in the public square, or on the highways and streets of Concord.

**12. *Adelaide Fowler Tree Fund***

To be held as trust fund for 100 years or for such less periods as the Board of Selectmen or the Trustees of Town Donations may deem advisable, income thereof to be used by it for the setting out and care of trees and shrubs.

**13. *Hapgood Wright Semi-Centennial Trust Fund***

Gift of Hapgood Wright, August 25, 1885. Income to be used for the semi-centennial celebration of

the incorporation of the Town of Concord until the third centennial year of the incorporation of the Town of Concord.

**14. Hapgood Wright Centennial Trust Fund**

Gift of Hapgood Wright in 1916 for the benefit and improvement of the Town or the citizens of Concord as determined by a two-thirds vote of Town Meeting.

Part A. \$1,000 principal, the earnings therefrom above the initial principal to be available as of 1985 and at each 100 years thereafter;

Part B. \$1,000 principal, the earnings therefrom above the initial principal to be available as of 2035 and at each 150 years thereafter.

**15. Nineteenth of April Donations**

Bequest of Ebenezer R. Hoar in 1895 to be safely invested and the income added to the principal, and in the year 1925, and in every 25th year thereafter, so much of the then existing accumulations of income as the town shall think fit, shall be used for the celebration of the Nineteenth of April 1775, and the surplus, if any, for such educational purposes as the Town may determine. The principal, however, to be always kept intact.

**16. Melvin Fund**

Bequest of James C. Melvin in 1917, the sum of \$2,000 to provide income to be used in connection with the 19th of April celebrations.

**17. The Colonel James Barrett Fund**

Bequest received in 1936. Income to be accumulated for periods of 60 years to be spent as Selectmen designate.

**18. Charles Hosmer Walcott Fund**

Legacy from the Estate of John Walcott, income to be used by the School Committee for a prize for papers of historical or other subjects relating to Concord.

**19. Fanny E. Wheeler Fund**

Bequest from Fanny E. Wheeler, parcel of land situated at the junction of Sudbury and Assabet rivers containing 7.9 acres more or less and having thereon "Egg Rock" so called. Bequest subject to the restriction that no building of any kind shall ever be erected or placed on said premises. Also a bequest of \$1,000 the income therefrom to be used for the care and maintenance of said premises.

**20. Martha R. Hunt Legacy**

Remainder of the legacy from Martha R. Hunt of \$1,000 income to be expended for the improving, repairing, and renovating on grounds, fences, and structures of the Old Hill Burying Ground.

**21. Mary Stone Eaton Fund**

For the benefit of the people of Concord who are physically disabled in a hospital.

**22. Harriet Louise Eaton Fund**

For the benefit of the people of Concord who are physically disabled in a hospital.

**23. The George F. Flavin Scholarship Fund**

This fund created by bequest in 1984, the income to be used exclusively for the higher education of worthy boys and girls who are graduates of the Concord-Carlisle High School.

**24. Edward B. Caiger Fund**

The income of this fund, by bequest in 1960, is used for prizes for high school seniors.

**25. Edward B. Caiger Library Fund**

Bequest received in March 1978. Principal to remain intact and income to be paid to the Concord Free Public Library.

**26. Edith F. Sellors Library Fund**

Bequest by Edith F. Sellors in 1984. Trust fund to be administered by Board of Public Library Trustees, the income thereof to be expended in each year for the purchase of books for the library, in addition to those provided from town appropriations or other funds. By decision at the 1984 Annual Town Meeting (article 54) "to authorize the Trustees of Town Donations to hold, manage and administer such legacy in accordance with said will."

**27. Political Science Scholarship Fund**

This fund created by a gift in 1963, the income to be used for the benefit of a girl, in the graduating class of Concord-Carlisle Regional High School, most interested in the science of government.

**28. Ruth E. Helsher Scholarship Fund**

This fund created by bequest in 1965, the income to be used for the higher education of boys and girls who are graduates of the Concord-Carlisle Regional High School.

**29. Eleanor Baldwin Fenn Memorial Fund**

Gift from the League of Women Voters of Concord, June 1980, to be supervised and invested by the Trustees of Town Donations. The gift is required to be retained as principal. The income each year will be awarded to a member of the Concord-Carlisle Regional High School graduating class who has demonstrated an ongoing personal commitment to servicing the community. The Scholarship and Awards Selection Committee at the high school shall choose the recipient. If there is no qualified recipient, the income for that year shall be divided and presented to the award recipients over the next three years. This award is given in beloved memory of Eleanor Baldwin Fenn who devoted her life to active, informed, concerned citizenship throughout the community.

**30. Anne B. Chamberlin Park Fund**

Gift in March 1970, from the Chamberlin family, of which a sum up to \$2,000 may be spent for plans and construction of a path from Lowell Road to the Town land on the westerly side of Mill Brook. The balance of such sum to be held in trust, the income to be expended on direction of the Natural Resources Commission, or its successor, toward the maintenance of the path and its borders.

**31. John Upshire Smith Memorial Fund**

A trust fund for the benefit of the needy of Concord, income therefrom to be paid to the Silent Poor Fund.

**32. Sleepy Hollow Cemetery Fund**

Income to be paid annually to the Town Treasurer, to be used by the Cemetery Department.

**33. Sleepy Hollow Burial Lot Fund**

Payments for lots purchased in Sleepy Hollow Cemetery; principal and income to be paid to the Town of Concord annually.

**34. Cemetery Donations - Sleepy Hollow Cemetery**

Funds paid for perpetual care on lots in Sleepy Hollow Cemetery; income paid to the Town Treasurer quarterly for the maintenance of Sleepy Hollow Cemetery.

**35. Cemetery Donations - St. Bernard's Cemetery**

Donations for care of lots in Saint Bernard's Cemetery. Income to be paid to St. Bernard's annually.

**36. Maureen Taggart Memorial Award**

The Recreation Commission established the Maureen Taggart Memorial Award in January 1985. The award is open to any high school student, public or private, who is a resident of Concord or Carlisle, and who has demonstrated a loving and giving spirit through voluntary service in the community. The recipient will have the privilege of designating a deserving organization and/or individual to receive a financial grant in Maureen's name. The recipient's name will be placed on two plaques - one at the Harvey Wheeler Community Center, and the other at the school of the chosen student. The citizens of Concord and Carlisle and any faculty member or student of the

candidate's high school will make nominations. Nomination forms are available at the Concord Recreation Department, the local high schools, the two Concord libraries and the Carlisle Library. Nominations should be sent to the Recreation Department. Submittal deadline is April 1.

### **37. Concord Scholarship Fund**

A Fund established to receive gifts to be used for scholarships to further the education of Concord residents. Gifts should be made payable to the Town of Concord and the fund is to be administered by the Trustees of Town Donations to be called "Concord Scholarship Fund." Gifts are tax deductible as a charitable contribution on individual tax return.

### **38. Concord's 350th Birthday Fund**

Funds received from the Town of Concord. The Board of Selectmen voted to use remaining funds raised for the Town's 350th-birthday observance to set up a permanent trust fund for the "maintenance and improvement of the Monument Square Flagpole, related lighting, and flags." The principal and interest can be expended on the authorization of the Board of Selectmen.

### **39. DiGiovanni Family Scholarship Trust**

Initial funds received April 1999 from Guy P. DiGiovanni, the income to be paid to the Town Treasurer annually and, through June 30, 2011, to be used by the Concord Recreation Commission for the funding of summer camp scholarships for programs managed by the Concord Recreation Department. After June 30, 2011, the donor revised the purpose of the fund; income will be applied to academic scholarships for Concord students attending college.

### **40. Beede Center Endowment**

The Special Town Meeting of November 5, 2007 acted under Article 4 to transfer to the custody of the Trustees a gift of \$300,000 from the Alfred Sawyer Trust for the purpose of establishing an endowment for the Beede Swim and Fitness Center. The Town Meeting vote further stipulated that the principal was to remain intact and the income was to be made available upon request of the Town Manager for the operation and maintenance of the Beede Center. Subsequently, the gift was accepted by the Board of Selectmen on December 27, 2007 with further condition of the Sawyer Trustee that use of the endowment income would be restricted to capital expenses. \$55,000 was applied for such purpose in fiscal year 2014.

## **Other funds under management by the Trustees of Town Donations:**

### **Alfred H. Sawyer Trust Gift**

Article 4 of the Special Town Meeting of November 5, 2007 also transferred to the custody of the Trustees of Town Donations "the sum of \$1,700,000 or any other sum that may be accepted by the Board of Selectmen from the Trustees of the Alfred Sawyer Trust to create an expendable fund for sustainable energy and other resource conserving initiatives for town buildings, said funds to be expended under the direction of the Town Manager, in accordance with certain terms and conditions to be agreed upon by the Board of Selectmen and the trustees of the Alfred Sawyer Trust."

On December 21, 2007, the Board of Selectmen executed a Memorandum of Agreement with the Trustees of the privately held Alfred Sawyer Trust and on January 3, 2008 the sum of \$1,730,437.58 was received into the custody of the Town of Concord Trustees of Town Donations. Subsequently, the sum of \$15,507.80 has been received into the fund as supplemental distributions from the Sawyer Trust trustees

As this is an Expendable Trust which initially was expected to have a payout period extending five to seven years, the Town of Concord Trustees of Town Donations placed the funds in a short-term bond fund account. In August 2013, the remaining funds were transferred into a money market account, an action taken in view of the diminished return available on the short-term bond fund account and the expected short-term horizon for disposition of the remaining balance of the Sawyer

Trust gift account balance. Through June 30, 2018, \$258,763.80 has been earned on the funds under the custody of the Trustees of Town Donations and added to the Sawyer Trust gift account by the Trustees.

Through the end of fiscal year 2018, 71 energy conservation projects in various town-owned buildings have been funded. Activity since inception and for the most recent fiscal period ended June 30, 2018 is as follows:

**ALFRED SAWYER RESOURCE CONSERVATION FUND**

	<b>Fiscal Year 2018</b>	<b>Since Inception</b>
Market Value, BEGINNING	\$ 214,563.89	\$ 1,730,437.58
Additions to trust capital	\$ 0.00	\$ 15,507.30
Income	2,329.85	204,854.50
Realized gains	0	53,909.30
<b>Less:</b>		
Project funding – transfer to town	\$ 82,605.00	\$ 1,870,419.94
Market value, ENDING	<u>\$ 134,288.74</u>	<u>\$ 134,288.74</u>

## Treasurer's Report for the Year Ended June 30, 2018

### Combined statement, all funds

#### Beginning Balance @ June 30, 2017

		Book Value	Market Value
Bank of America	\$ 34,239.90		
Mellon Cash Reserves	56,387.06		
Mass Municipal Depository	25,169.05		
<b>Total cash accounts</b>		\$ 115,796.01	\$ 115,796.01
Equity - stock and mutual funds		3,583,211.61	4,678,146.32
Fixed Income		2,726,091.78	2,701,039.31
<b>TOTAL ASSETS @ June 30, 2017</b>		<b>\$ 6,425,099.40</b>	<b>\$ 7,494,981.63</b>

#### FY2018 RECEIPTS:

Interest	\$ 495.39	
Other income	0.00	
Dividends	166,497.64	
<b>Total Interest and Dividends</b>		\$ 166,993.03

#### Other receipts:

Cemetery lots	37,195.00	
Cemetery Perpetual Care	39,395.00	
Realized gains	218,745.14	
Other revenue	0.00	
<b>Total Other Receipts</b>		\$ 295,335.14

**TOTAL Gross Receipts** \$ 462,328.17

#### Less

General expense	(9,934.31)
Investment mgmt. fees	(37,730.40)

**TOTAL NET RECEIPTS** \$ 414,663.46

#### FY2018 DISBURSEMENTS

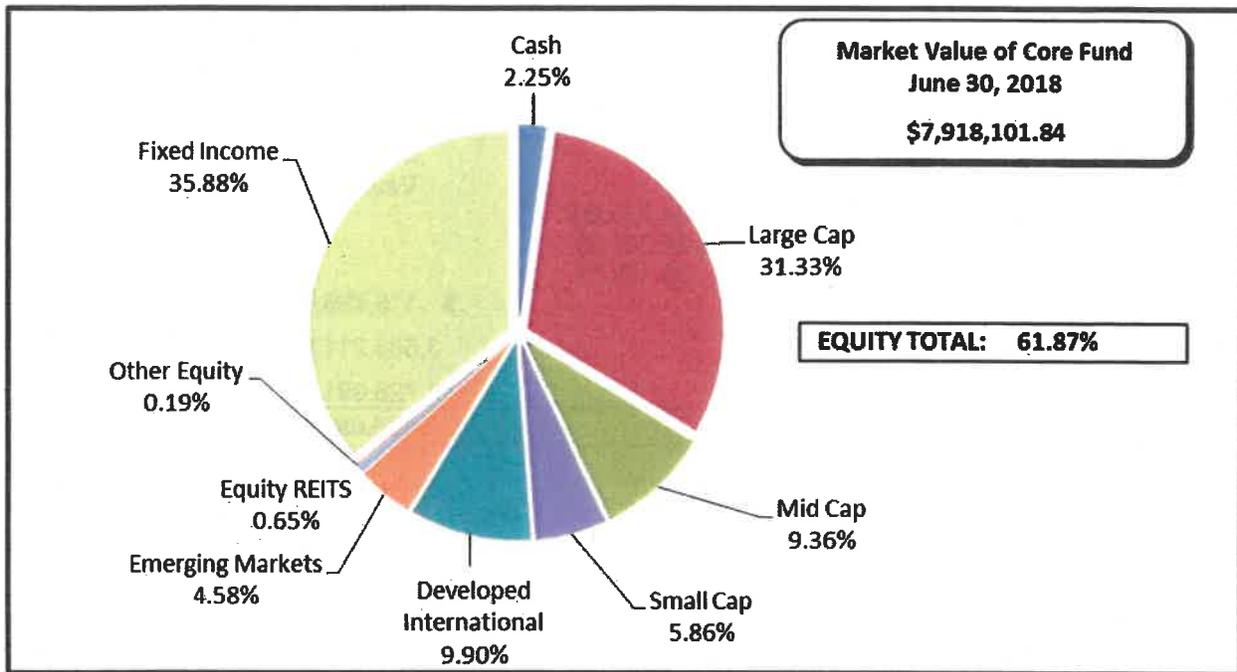
Distributions from income	\$ 24,542.75
Distributions from temporarily restricted assets	31,683.00
Cemetery lot sales proceeds to Town	60,500.00
Cemetery lot buybacks	9,200.00

**TOTAL DISBURSED** \$ 125,925.75

**NET ACTIVITY, FY18** \$ 288,737.71

#### Ending Balance @ June 30, 2018

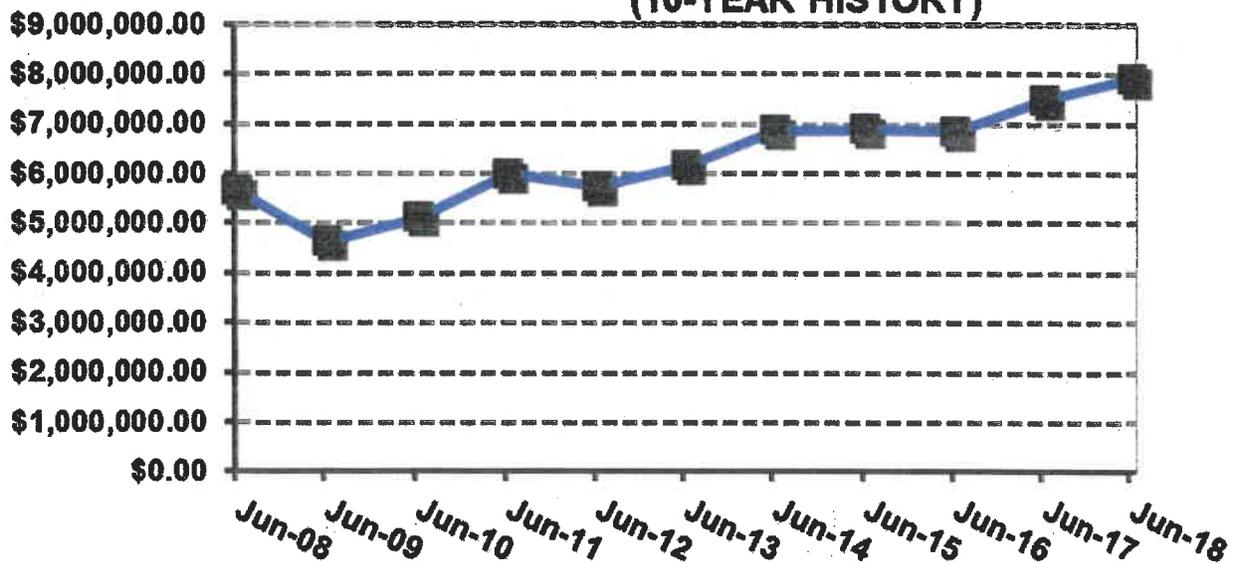
		Book Value	Market Value
Bank of America	\$ 36,385.85		
Mellon Cash Reserves	128,419.91		
Mass Municipal Depository	13,407.30		
<b>Total cash accounts</b>		\$ 178,213.06	\$ 178,213.06
Equity - stock and mutual funds		3,620,983.52	4,898,624.12
Fixed Income		2,914,640.48	2,841,264.65
<b>TOTAL ASSETS @ June 30, 2018</b>		<b>\$ 6,713,837.06</b>	<b>\$ 7,918,101.83</b>



**Change in asset allocation:** (totals may not sum due to rounding)

	6/30/15	6/30/16	6/30/17	6/30/18	FY18 Change (% of total)
Cash	2%	3%	1%	2.25%	+1.25%
Equities	63%	59%	65%	61.87%	-3.13%
Fixed Income	35%	37%	34%	35.88%	+1.88%
Other Assets	0%	0%	0%	0%	no change

**Assets at Fiscal Year End to June 30, 2018  
(10-YEAR HISTORY)**



**Trust Fund assets: Book and Market Value @ 6/30/18**

	identification	Tax Cost	Face Value	Book Value	Market Value		% of Core portfolio
		Book Value	or # shares	per share	@ price	Value	
Bank of America	830-40809	36,385.85				36,385.85	
BNYMellon	CON00433000	128,419.91				128,419.91	
MMDT	44-201242	13,407.30				13,407.30	
<b>Total cash accounts</b>		<b>178,213.06</b>				<b>178,213.06</b>	<b>2.25%</b>
<b>US large cap</b>							
Individual stock holdings		1,013,246.00				1,215,165.29	15.35%
Dreyfus Basic S&P 500 Stock Index	DSPIX	727,096.00	21,819.719	33.323	54.6100	1,191,574.85	15.05%
Dreyfus US Equity Fund	DPUYX	55,434.70	3,755.738	14.760	19.6800	73,912.92	0.93%
<b>US mid cap</b>							
Western Gas Equity Partners LP	WGP	20,202.33	446.000	45.297	35.7500	15,944.50	0.20%
ISHARES TR S&P Midcap 400	IJH	404,946.79	3,725.000	108.710	194.7800	725,555.50	9.16%
<b>US small cap</b>							
ISHARES TR S&P Smallcap 600	IJR	105,367.50	1,575.000	66.900	83.4600	131,449.50	1.66%
Dreyfus Select Mgrs Small Cap Growth	DSGYX	101,141.03	6,047.727	16.724	30.2700	183,064.70	2.31%
Dreyfus Select Mgrs Small Cap Value	DMVYX	111,545.44	5,816.155	19.179	25.6700	149,300.70	1.89%
<b>Developed international</b>							
Mellon International Fund	MPITX	247,531.68	20,568.613	12.034	13.4300	276,236.47	3.49%
Glaxo Smithkline PLC Spons ADR	GSK	18,532.02	460.000	40.287	40.3100	18,542.60	0.23%
Dreyfus Int'l Small Cap Fund	DYYPX	155,825.18	11,295.303	13.796	16.7500	189,196.33	2.39%
Dreyfus/Newton Int'l Equity	NIEYX	150,108.55	7,609.676	19.726	21.1700	161,096.84	2.03%
Dreyfus Int'l Stock Fund	DISYX	100,920.22	7,505.541	13.446	18.5400	139,152.73	1.76%
<b>Emerging markets</b>							
Dfa Emerging Markets Core	DFCEX	268,874.56	13,134.620	20.471	21.1700	278,059.91	3.51%
Virtus Emerging Markets	HIEMX	80,538.42	7,477.586	10.771	11.2100	83,823.74	1.06%
<b>Equity reits (Real Estate Investment Trust)</b>							
New Residential Investment Corp	NRZ	23,680.61	1,745.000	13.571	17.4900	30,520.05	0.39%
Starwood Property Trust	STWD	21,002.73	970.000	21.652	21.7100	21,058.70	0.27%
<b>Other equity</b>							
Crown Castle International Corp Preferred		14,989.76	14.000	1070.697	1069.2010	14,968.81	0.19%
<b>Total Equity</b>		<b>\$3,620,983.52</b>				<b>\$4,898,624.12</b>	<b>61.87%</b>
Dreyfus Floating Rate Income Fund		174,500.00	14,545.287	11.997	12.0100	174,688.90	2.21%
Dreyfus High Yield Fund		110,369.56	17,826.878	6.191	6.1000	108,743.96	1.37%
Mellon short-term US Govt Securities		767,000.00	66,167.173	11.592	11.5100	761,584.16	9.62%
Mellon Intermediate Bond Fund		833,974.97	67,614.218	12.334	12.2300	826,921.89	10.44%
Mellon Bond Fund		1,028,795.95	78,806.971	13.055	12.3000	969,325.74	12.24%
<b>Total Fixed Income</b>		<b>\$2,914,640.48</b>				<b>\$2,841,264.65</b>	<b>35.88%</b>
<b>Sutbtotal, Core</b>		<b>\$6,713,837.06</b>				<b>\$7,918,101.84</b>	<b>100%</b>
Sawyer Trust/MMDT money market		134,288.74				134,288.74	
<b>GRAND TOTAL</b>		<b>\$6,848,125.80</b>				<b>\$8,052,390.58</b>	