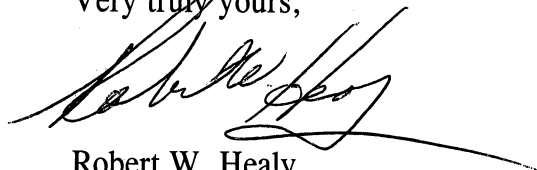


The Honorable, The City Council
May 10, 1999
Page 2

In answer to the question of publicity regarding the Trust, please be advised of the following. Requests for donations to the Fund go out with all real estate and motor vehicle tax bills. To notify potential recipients of the scholarships, the following practices are utilized. First, the applications are sent to Rindge and Latin High School where the guidance department works with the students. Applications are also sent to private and parochial secondary schools in Cambridge. Secondly, notices are published in the Cambridge Chronicle, The Cambridge Tab, and the weekend edition of The Boston Globe. There are little or no expenses of the Fund other than the scholarships as existing Finance Department staff has taken on any related workload issues.

Currently, the Trust does not issue loans. Prior to the establishment of such a practice, the City would need to look closely at repayment issues and defaults so as to not jeopardize the Fund. Additionally, the issuance of loans would entail additional administrative costs to track and collect loan repayments.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Robert W. Healy', with a long horizontal flourish extending to the right.

Robert W. Healy
City Manager

RWH/mec



CITY OF CAMBRIDGE
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TEL. 349-4300
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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

May 10, 1999

To The Honorable, The City Council:

In response to Awaiting Report Item No. 99-26, regarding the status of the City of Cambridge Scholarship Fund, please be advised of the following:

The Cambridge City Council established the Scholarship Fund in 1993 pursuant to the acceptance by the Council of State enabling legislation. Since the establishment of the Fund, \$258,017 has been collected from taxpayers and other donors for an average annual income of just over \$36,000. During the same period, the Fund has awarded \$93,900 in scholarships to Cambridge residents attending post secondary educational institutions. These scholarships were awarded to 65 individuals. The table below details the annual activity of the Fund.

SCHOLARSHIP TRUST FUND

	INCOME*	EXPENDITURES	NUMBER OF SCHOLARSHIPS
FY93	\$ 13,219	\$ 6,000	6
FY94	\$ 64,289	\$12,000	10
FY95	\$ 40,314	\$27,900	17
FY96	\$ 28,038	\$18,000	12
FY97	\$ 30,710	\$15,000	10
FY98	\$ 44,867	\$15,000	10
TOTAL	\$258,017	\$93,900	65

Balance: \$164,117 as of 4/24/99

* includes interest earnings

It should be noted that a goal of the Fund since its inception has been to steadily build the principal of the Fund while still awarding annual scholarships. Hence the difference between annual income and expenditures. The increase principal is made more difficult due to the fact that state law restricts investment of the Fund to conservative investment instruments such as certificates of deposit and money markets.

Consent Agenda #3

3445

Relative to AW Rpt. #99-26,
regarding the status of the
City of Cambridge Scholarship
Fund.

In City Council May 10, 1999

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