

TRUSTEES OF THE TRUST FUNDS
CITY OF PORTSMOUTH, NEW HAMPSHIRE
CORRECTED MINUTES OF JUNE 7, 2012 MEETING

A regular meeting of the Trustees of the Trust Funds for the City of Portsmouth, New Hampshire was held on June 7, 2012 at the Shaw Building at Prescott Park. The meeting was called to order at 7:30 a.m.

Present were Trustees Phyllis Z. Eldridge, Dana S. Levenson and Thomas R. Watson. Also present were Peter Torrey, David Allen, Robert Sullivan, Michael Warhurst, Benjamin Anderson, Daniel O'Connor, Daniel Plummer, Thomas Dwyer, Robert Stover, Cathy Sununu.

The Trustees welcomed Mr. Allen as the newly appointed liaison to the Board of Trustees by the City Manager.

The minutes of the May 17, 2012 meeting were reviewed and, upon motion duly made and seconded, were approved.

Payroll and operating expense checks were reviewed and signed.

The next order of business concerns the agreement with the Prescott Park Arts Festival ("PPAF") for the current season. Speaking on behalf of PPAF was Mr. Dwyer. He confirmed receipt of the most recent version of the agreement prepared by Attorney Sullivan on May 17, 2012. Mr. Dwyer explained that the Board of Directors of PPAF had not had an opportunity to formally vote on this draft due to the timing of their monthly meetings. However, he opined that he had reviewed the agreement and was prepared to recommend its adoption by the Board.

Trustees Eldridge and Watson presented an outline of how the Trustees wish to approach the agreement for the current season and subsequent years. Specifically, they propose that (1) the current version of the contract be executed by the parties; (2) PPAF pay to the Trustees the sum of \$8,000 as a impact payment for the current season in lieu of trying to determine and/or negotiate a sum in the fall; and (c) that the parties develop a mutually agreeable method of allocating park-related costs, consistent with the impact analysis recently prepared by Mr. Torrey, for determining impact in future years. Mr. Sullivan noted that, in light of the parties' discussion, a slight modification of Paragraph 19 of the proposed agreement was in order. After suggesting the language, he indicated that he would submit a revised draft for everyone's review and approval by noon. Mr. Dwyer indicated that he would present the revised agreement, payment request and impact analysis to his board or executive committee for action as soon as possible.

Mr. Dwyer also presented the Trustees with a list of improvements which PPAF is seeking to fund through its proposed capital campaign. After further discussion, the Trustees and Mr. Dwyer agreed upon a protocol for future communications from PPAF to the Trustees. Hereafter, informational emails or requests for action or approval from the Trustees will be directed to Ms. Eldridge with a copy to Mr. Allen. Ms. Eldridge will circulate them to other trustees. Mr. Allen will be responsible for circulating them to other individuals in the city government, as appropriate.

Mr. Snover and Mr. O'Connor then presented an update on the status of dock reconstruction project. Specifically, they presented three schematics for the replacement dock, with associated cost projections, based upon funding options. A discussion ensued as to whether the replacement of the docks might serve as an appropriate opportunity to upgrade the electrical service serving the docks. A discussion of the estimated cost of such an upgrade occurred. Following a review of the plans and related discussion, it was determined that further consideration of the options will need to wait the outcome of the grant research and financing proformas which are being prepared under the auspices of the City Manager. Mr. Snover agreed to contact that office to ascertain the status of those efforts.

Mr. Torrey then presented his financial report, including a review of the profit and loss statement for the period ending May 31, 2012. Mr. Torrey also presented a summary of the scholarships which were awarded this month from the funds under management by the Trustees.

A discussion then ensued concerning the proposed policy for donating securities to the Trustees, prepared by Mr. Torrey and previously circulated to the Trustees. On motion duly made and seconded, it was unanimously voted to adopt that policy.

Mr. Sullivan reported on two issues currently under consideration by the City which would affect the Trustees. The first involves a conversion of private scholarship fund ("Durgin Scholarship") to public management. He reported that the original trustees of the fund have reached the point where they are no longer able to manage it and have offered to turn its management over to the Trustees. Because the Trust Agreement does not provide for such management, Mr. Sullivan will shortly be initiating a *cy pres* action in Rockingham Probate Court to authorize the same.

The second development concerns a discussion among members of the School Board to establish an "educational endowment trust" that would accept donations from the public and be used to fund education-related enhancements not covered by tax dollars. The discussion is in the early stages but envisions that the trust would be managed by the Trustees but disbursements would be subject to the direction of the School Board.

Mr. Warhurst next presented his park report. He stated that he had had some preliminary discussions with a representative of New Hampshire Art Association on a possible juried sculptor exhibit in the park later in the summer. He reported that Caroline Amport of the Fairy House Tour would like to address the Trustees at our next meeting. He reported that he has been contacted by Susan Turner of Families First to indicate their intention to hold a memorial service for the homeless in the public forum area of the park on December 21, 2012.

Mr. Warhurst reported the receipt of a request by Robin Normandeau on behalf of the Southend Vendors Association to place brochures advertising the businesses and members of the Association in the park during the summer. After discussion, the Trustees voted to decline the request as being contrary to the park policies of limiting commercial activity in the park.

Mr. Warhurst reported the receipt of a request by Bill Buckley to conduct tai chi sessions between 6:00 and 7:00 p.m. on Monday evenings during the months of July and August in the lawn area southerly of Water Street. Upon motion duly made and seconded, the Trustees approved Mr. Buckley's request subject to the park policies governing such activities.

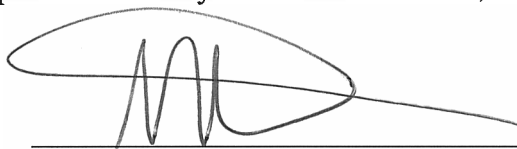
Mr. Warhurst reported receipt of an invitation to the Trustees from the Gundalow Company to attend its annual meeting on June 20th. He also distributed a number of complimentary tickets to the Trustees to sail on the Gundalow. Finally, he reported on the receipt of a request by the Gundalow Company to install an informational table in the park adjacent to the ramp that accesses the Gundalow. After discussion, the Trustees resolved to decline the request believing that the purposes of the table could be equally served by a single chair for the person providing the information.

Finally, Mr. Warhurst reported on the receipt of a quote from Stepping Stone Masonry to repoint the brick work in the Hovey Fountain at a cost of \$2,400. Mr. Torrey reported that such an expenditure would be paid from the funds established by the Howell family for the benefit of the Hovey Memorial. Upon motion duly made and seconded, it was unanimously voted to approve the repair work and expenditure to Stepping Stone.

Ms. Eldridge reported on the receipt of a request by Jameson French to utilize the Trustee offices in the Shaw Building for a reception for former members of the PPAF Board in conjunction with PPAF's upcoming capital campaign and to allow for the service of wine at the reception. Attorney Sullivan reported that city ordinances prohibit the consumption of alcoholic beverages on city property absent the approval of the City Council.

The chair reported that the next meeting will take place on June 28, 2012.

There being no further business, upon motion duly made and seconded, the meeting was adjourned at 9:45 a.m.

A handwritten signature in black ink, consisting of a large, sweeping oval shape followed by several vertical, wavy lines and a long horizontal tail extending to the right.

Thomas R. Watson, Secretary