

TRUSTEES OF THE TRUST FUNDS
CITY OF PORTSMOUTH, NEW HAMPSHIRE
MINUTES OF MARCH 5, 2015 MEETING

A regular meeting of the Trustees of the Trust Funds for the City of Portsmouth, New Hampshire was held on March 5, 2015 at the City Hall 4th Floor Law Library. The meeting was called to order at 7:34 a.m.

Present were Trustees Phyllis Z. Eldridge, Dana S. Levenson and Thomas R. Watson. Also present were Peter Torrey, David Allen, Robert Sullivan, John Bohenko, Peter Robbins and David Hines.

The minutes of the February 19, 2015 meeting were reviewed and, upon motion duly made and seconded, approved.

Payroll and operating expense checks were reviewed and signed.

Mr. Sullivan presented the latest version of the proposed agreement with The Gundalow Company. He explained that this draft incorporates comments recently received from Mr. Watson. After further discussion, the Trustee unanimously approved the agreement and requested that Mr. Sullivan present it to The Gundalow Company for execution.

Mr. Robbins and Mr. Hines appeared on behalf of H.M. Payson. They distributed reports and led a discussion of the investment results from the Trustees' portfolio managed by Payson. They noted that the portfolio realized a rate of return in 2014 of 6.26% and compared that outcome to certain market based indexes. They also gave an overview of the market outlook.

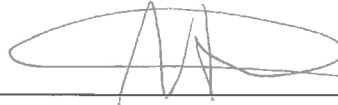
Mssrs Robbins and Hines recommended that the Trustees adjust the portfolio allocation among investments by using some of the accumulated cash in the Scholarship Funds and in the Prescott Fund to acquire iShares Intermediate Credit Bond ETs. After further discussion, upon motion duly made and seconded, the Trustees unanimously approved use of up to 50% of the accumulated cash in the Prescott and Scholarship Funds to purchase the iShares.

Mr. Torrey then presented a brief financial report. He distributed and led a discussion of the financial statements for the Prescott Fund for the period ending February 28, 2015. A discussion then ensued concerning the Trustees' use of calendar year reporting and the need or desirability of converting to fiscal year reporting as the Trustees' budget involves into the City's budgeting.

Mr. Torrey reported that the lottery for allocation of the seasonal docks took place in February with the result of ten of the eleven resident applicants receiving the opportunity for a seasonal license and leaving one city resident and one non resident on the waiting list. Mr. Torrey inquired of the Trustees as to how they wish to handle charging seasonal boat owners for the cost of utilities now that the seasonal docks will have water and power. He noted that the Trustees had already adopted a policy of charging transient boaters \$10 a day for such services. A discussion of the same then ensued, following which the Trustees resolved to keep the current utility fee structure in place for both seasonal and transient boaters.

The chair reported that the next meeting will take place on March 26, 2015.

There being no further business, upon motion duly made and seconded, the meeting was adjourned at 9:34 a.m.

A handwritten signature in black ink, appearing to read 'T. Watson', is written above a horizontal line. The signature is stylized and somewhat cursive.

Thomas R. Watson, Secretary