

TRUSTEES OF THE TRUST FUNDS
CITY OF PORTSMOUTH, NEW HAMPSHIRE
MINUTES OF JULY 26, 2012 MEETING

A regular meeting of the Trustees of the Trust Funds for the City of Portsmouth, New Hampshire was held on July 26, 2012 at the Shaw Building at Prescott Park. The meeting was called to order at 7:31 a.m.

Present were Trustees Phyllis Z. Eldridge, Dana S. Levenson and Thomas R. Watson. Also present were Peter Torrey, Michael Warhurst, Robert Sullivan, John Bohenko, David Moore, David Allen, Thomas Dwyer and Benjamin Anderson.

The minutes of the July 12, 2012 meeting were reviewed and, upon motion duly made and seconded, were approved.

Payroll and operating expense checks were reviewed and signed.

David Moore reported on the results of the research by the City into the conditions and restrictions which may be imposed upon the City's/Trustees' use of proceeds from a BIG grant from the federal government to help finance the cost of reconstructing the docks at Prescott Park. He reported that there are long-term commitments associated with the receipt of such a grant that would entail significant cost to the City/Trustees, particularly surrounding the requirement of maintaining minimum water depth levels. These will likely require dredging in the future. He also reported that there would be requirements for signage, marketing and promotion of the availability of the slips to transient boaters, particularly owners of larger boats, and of the possible loss of some of the existing seasonal boat slips. After examining these restrictions, Mr. Bohenko indicated that the City would not be inclined to want to utilize BIG grant money for this project. The City's experience in taking other grant money for other projects in the past has often resulted in unanticipated long-term financial obligations.

A discussion then ensued with the Trustees and Mr. Bohenko as to funding the reconstruction of the docks through a loan from the City. Mr. Bohenko indicated that the proper route for requesting such an arrangement would be to ask that the docks be placed in the capital improvement budget. Mr. Levenson asked if it was appropriate to include additional potential capital improvements in the Park as part of that application and Mr. Bohenko indicated that the Trustees would be better served by submitting the dock reconstruction as a stand-alone request.

Mr. Bohenko then led a discussion about succession planning with the Trustees. He indicated that the City is presently undergoing succession planning in many of its departments. He suggested that the Trustees may wish to do the same, anticipating the ultimate retirement of Mr. Torrey. Mr. Bohenko suggested that the City would be favorably disposed to an arrangement whereby the services that are currently rendered by Mr. Torrey be rendered, after his retirement, by a member of the City's Finance Department. A certain portion of that person's time could be assigned to the Trustees and a cost sharing arrangement between the City and the Trustees worked out. The Trustees indicated their interest in such an arrangement and authorized Mr. Torrey to begin a conversation with the City towards working out how such an arrangement might look.

Mr. Torrey then presented his financial report. He distributed materials and led a discussion showing that, after healthy first quarter investment returns this year, second quarter growth was negative. Nonetheless, the combined funds under the Trustees show a year-to-date annualized average growth of 4.1%. Mr. Torrey also provided an historical review of the market values of each of the trusts as well as their allocations.

Mr. Warhurst delivered his Park report. He reported that the temporary sculptures placed in the southern section of the park recently sustained damage due to vandalism, requiring that one sculpture be removed. He reported that the investigation/work on the Shaw Building revealed the existence of sludge-like material which will likely require removal, thereby increasing the cost of the renovations to that building.

Mr. Warhurst also reported on the receipt of a request by Chief Christopher LeClaire of the Portsmouth Fire Department on behalf of Amy's Treat, a non-profit organization that serves cancer patients, to design and construct a mediation/healing garden somewhere in the City. Mr. LeClaire suggested that Prescott Park might be an appropriate location. After some discussion, Mr. Warhurst was directed to respond to Mr. LeClaire that, while the goals of the garden are exemplary, locating it in Prescott Park would be contrary to long-standing policy and practice of the Trustees.

Mr. Warhurst also reported on his observations about the condition of the Lower State Street Pocket Garden, sometimes known as Jay's Pocket Garden, for which the Trustees manage a minor fund. Mr. Warhurst reported that friends of Jay have, for a number of years, indicated a desire to upgrade the park but have yet to do so. The Trustees reminded Mr. Warhurst that the pocket park is outside of the Trustees' jurisdiction but suggested that he encourage those who have an interest in the park to move forward with improving it.

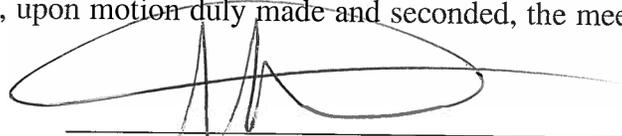
Mr. Dwyer and Mr. Anderson addressed the Board on behalf of Prescott Park Arts Festival (PPAF). They expressed their interest in continuing the discussion which had occurred at the last meeting of the Trustees during which all parties had done a visual inspection of the areas of the Park utilized by PPAF. They wish to focus, in particular, on how the Trustees currently felt about relocating the stage more southerly from its current location. A discussion ensued about what Mr. Dwyer saw as three current options: (1) leave the stage at its current location; (2) relocate the stage southerly in conjunction with retrofitting the Shaw Building so as to allow it to accommodate storage for items used during productions and as an area for performers and others associated with PPAF to rest/relax during productions; and (3) relocate the stage southerly in conjunction with the erection of a new warehouse style building that would serve those purposes, to be located adjacent to the access way which runs from Marcy Street northerly of the Players' Ring building to the river. A discussion of the relative pros and cons of these options ensued.

At the conclusion of that discussion, the consensus of the Trustees that they were not prepared to move forward with either changing the use of the Shaw Building or erecting a new building. Such options would require a great deal more thought and planning. While they were not ruled out all together, it was suggested to PPAF that it not invest substantial monies into developing either option at this time. The Trustees did express their continued desire to see the areas directly behind the stage which are currently occupied by a tent and trailers, etc. to be cleaned up so as to appear more slightly.

Mr. Anderson next raised PPAF's interest in installing a bicycle rack in the park for use by those attending performances and others visiting the park. Mr. Bohenko suggested that any bike rack in Prescott Park be of the same design and materials as those now being installed elsewhere in the City. The Trustees expressed interest in encouraging Park users to travel to and from the Park by means other than motor vehicle and gave their approval to PPAF to place a bike rack in the Park that is consistent with the other rack now being installed by the City. PPAF was directed to work with the Park Superintendant on finding a suitable location.

The chair reported that the next meeting will take place on August 8, 2012.

There being no further business, upon motion duly made and seconded, the meeting was adjourned.



Thomas R. Watson, Secretary