

TRUSTEES OF THE TRUST FUNDS
CITY OF PORTSMOUTH, NEW HAMPSHIRE
MINUTES OF SEPTEMBER 6, 2012 MEETING

A regular meeting of the Trustees of the Trust Funds for the City of Portsmouth, New Hampshire was held on September 6, 2012 at the 4th Floor Law Library at Portsmouth City Hall. The meeting was called to order at 7:33 a.m.

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

The minutes of the August 23, 2012 meeting were reviewed and, upon motion duly made and seconded, were approved.

Payroll and operating expense checks were reviewed and signed.

Mr. Torrey distributed and reviewed several copies of a Report of Trust and Capital Reserve Funds and a Report of Common Trust Fund Investments, for the fiscal year ending 6/30/2012, to be filed with state agencies consistent with statutory requirements. After review, these documents were executed by the Trustees and Mr. Torrey was instructed to proceed with their filing.

Mr. Torrey also distributed a revised version of the fiscal year summary distributed at the last meeting of the Trustees.

In Mr. Warhurst's absence, Chair Eldridge presented the park report. She reported that a lamp post in the park had been taken down or fallen down over the weekend and that the cost of replacing it would likely fall within the \$2,000 deductible of the Trustees' current insurance coverage. Ms. Eldridge also reported on the receipt of a request by The Gundalow Company to use a portion of the Sheaf building. As the proposed use would conflict with usage rights granted to Prescott Park Art Festival, the request was referred to PPAF for its consideration.

Mayor Spear stopped by the meeting to introduce himself and inquire on the current work of the Trustees. He thanked the Trustees for their efforts on behalf of Prescott Park and the City.

Ms. Eldridge noted that, in the past, the Trustees had received requests for grants from one or more of the funds currently managed by the Trustees and that it might be an appropriate time to inventory those funds which allow for such grants under the donative purposes for which they were established and to publicize such availability. Mr. Torrey offered to compile a list of such funds and report back to the Trustees at a future meeting.

Ms. Dwyer appeared on behalf of PPAF. He gave a brief report on a number of items which were left outstanding at prior meetings with the Trustees. His primary reason, however, for appearing at this meeting was to request a letter of support from the Trustees in conjunction with PPAF's upcoming submission to the City Council for approval of an agreement with the City on the new concession building. He reported that PPAF had reached a tentative agreement with the City Manager whereby PPAF would cover the first \$200,000 of the construction cost of the building, the City would cover the next \$200,000 and PPAF would cover all expense

thereafter, as well as the cost of fitting out the kitchen, in exchange for a lease term to the building for a period of 25 years. Current estimates for the building are \$420,000 and fit-out of the kitchen is estimated to cost \$120,000.

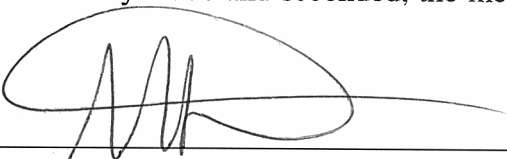
Mr. Sullivan reported that the outline presented by Mr. Dwyer is still conceptual rather than exact and that the terms of the lease are yet to be drafted. Nonetheless, he confirmed that the proposal will be submitted to the City Council for its review and approval at its next meeting. Mr. Sullivan also reported that, as a result of some concerns raised by the Trustees at recent meetings about the effects that a long-term lease on the concession building would have on the operating agreement between PPAF and the Trustees, he has recommended that the lease include a provision which provides that any violation of default under the operating agreement would also be a default under the lease agreement.

After further discussion by the Trustees, they voted to issue a letter to the City Council endorsing the construction of the new concession building under a joint arrangement between PPAF and the City without endorsing the particular terms of the lease to be negotiated but requesting that the final version of the lease include the cross-default provision discussed with Mr. Sullivan.

Ms. Eldridge suggested that the Trustees move forward with their plans to schedule a retreat. Further discussion resulted in a consensus that a day at the end of October or in the first half of November would be appropriate. A date certain will be set in the near future. In the interim, the Trustees discussed a number of areas that they would like covered during the retreat.

The chair reported that the next meeting will take place on September 20, 2012.

There being no further business, upon motion duly made and seconded, the meeting was adjourned at 8:52 a.m.



Thomas R. Watson, Secretary