

TRUSTEES OF THE TRUST FUNDS
CITY OF PORTSMOUTH, NEW HAMPSHIRE
MINUTES OF NOVEMBER 15, 2012 MEETING

A regular meeting of the Trustees of the Trust Funds for the City of Portsmouth, New Hampshire was held on November 15, 2012 at the 4th Floor Law Library at Portsmouth City Hall. 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, Michael Warhurst, Robert Sullivan, Tom Dwyer and Ben Anderson.

The minutes of the October 25, 2012 meeting were reviewed and, upon motion duly made and seconded, were approved.

Payroll and operating expense checks were reviewed and signed.

Mr. Torrey presented his report. He noted the receipt of a check from Prescott Park Arts Festival for its impact contribution for 2012.

Mr. Torrey distributed proposed docking rates for the Prescott Park Marina for the period commencing July 1, 2013. A discussion ensued on whether adjustments to the rates were appropriate, following which the Trustees unanimously voted to adopt the docking rates as presented and to ask Mr. Torrey to forward them to the city financial office for adoption by the City Council as part of the budgetary process for Fiscal Year 2014.

Mr. Torrey next distributed financial statements for the period ending October 31, 2012 and led an overview of the same. It was noted that certain expenditures relating to repairs and maintenance and supplies have exceeded their budgeted amounts for the year and that it is likely that year-end results will show a slight deficit.

Finally, Mr. Torrey noted that among the checks issued today is one for \$6,000 payable to the City of Portsmouth which represents the final amount due under the City's loan to the Park for construction of the docks in the late 1990s.

Mr. Anderson and Mr. Dwyer appeared on behalf of Prescott Park Arts Festival ("PPAF"). Mr. Anderson inquired if the Trustees had drawn any further conclusions with respect to PPAF's request to relocate the stage southerly of its current location. Ms. Eldridge reported that the Trustees had given further consideration to the proposal but were not prepared to agree to the proposal as currently envisioned. The Trustees expressed their concern about giving up the open space (formerly known as the Marconi lot) which currently separates the Shaw Warehouse from the trailers and performers' tent southerly of the stage. Mr. Anderson expressed his opinion that some of the ancillary demands (trailers, etc.) currently behind the stage and proposed to be relocated on the Marconi lot under PPAF's request could be eliminated if additional space in the Shaw building was made available to PPAF. A discussion ensued

concerning the competing needs for space in the building. Mr. Dwyer suggested that a better approach would be to defer further discussion on the subject to allow PPAF to prepare a needs analysis which would delineate the space needs of each of the functions currently fulfilled in the trailers, tent, etc. behind the stage in terms of both square footage and the need for proximity to the stage. He suggested PPAF would ascertain if there were certain functions (storage, etc.) that could be served at an off-site location.

Mr. Dwyer also reported that, in response to allegations earlier this year, that members of the PPAF staff had consumed alcohol in the Park, PPAF conducted an independent investigation and was able to confirm that that was not the case. He also reported that the Board of Directors of PPAF has adopted a new requirement in its employment agreements with all staff members that they not only refrain from consumption of alcohol in the Park, but also refrain from such consumption during a period of time immediately preceding their work activities within the Park.

Mr. Sullivan reported on a number of items that he had agreed to investigate at the request of the Trustees. They included:

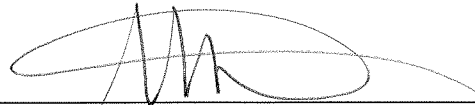
- He reported that the City Council has approved the new dock policies recently adopted by the Trustees.
- He reported that he met with David Moore of the Community Development Office on the availability of grants to cover some of the Park improvement projects that the Trustees would like to undertake. Mr. Moore indicated that there is not a list of available grants. Rather, he recommended that the Trustees include their proposed improvements in the City's Capital Improvement Plan and, as part of considering that plan, his office would look for grants.
- Concerning the Gundalow, Mr. Sullivan reported that his review of the City files concerning agreements governing the Gundalow's use of the Park and its docks revealed that the last such agreement was entered into in April 1996 when the Gundalow was still owned by Strawberry Banke, Inc. A copy of that agreement was distributed to the Trustees.
- Mr. Sullivan also reported on the receipt by the mayor of a proposal from Mr. Erik Crago to develop a new marina adjacent to Prescott Park at the location where the Gundalow is currently docked. A copy of Mr. Crago's request and a photo showing the proposed location were distributed. Mr. Sullivan reported that the mayor would like the input of the Trustees on the proposal and suggested that the mayor would like the feedback of the Trustees on the proposal. After further discussion, it was agreed that Mr. Crago will be invited to a meeting of the Trustees to present his proposal in greater detail and be available to answer questions.

The Trustees then went into an executive session with Attorney Sullivan to discuss a pending litigation matter.

Upon returning into open session, Mr. Warhurst reported that there is now renewed interest in placing some of the Memorial Bridge plaques at a location within the Park rather than in the traffic island proposed for its entrance. Mr. Allen added that the City was in the process of setting a time for a walk-through of the northern part of the Park to review options, and indicated that Mr. Warhurst will be invited to attend.

The chair reported that the next meeting will take place on November 29, 2012.

There being no further business, upon motion duly made and seconded, the meeting was adjourned at 9:15 a.m.

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

Thomas R. Watson, Secretary