

TRUSTEES OF THE TRUST FUNDS
CITY OF PORTSMOUTH, NEW HAMPSHIRE
MINUTES OF OCTOBER 10, 2013 MEETING

A regular meeting of the Trustees of the Trust Funds for the City of Portsmouth, New Hampshire was held on October 10, 2013 at the 4th Floor Law Library at Portsmouth City Hall. 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, Michael Warhurst, Robert Sullivan, David Allen, Ben Anderson, Claudette Barker, Robert Shouse, Mark Wiley, Padi Anderson, Kelley Marggraf and Karen Marzloff.

The minutes of the September 26, 2013 meeting were reviewed and, upon motion duly made and seconded, approved.

Payroll and operating expense checks were reviewed and signed.

Mr. Torrey presented an updated draft of the three-year capital improvement plan for the Park. The new plan includes underground electrical work and perimeter fencing. After further discussion concerning the same, upon motion duly made and seconded, the Trustees unanimously voted to approve the revised plan for submission to the City Council.

Mr. Torrey distributed and led a discussion of the financial reports for the Park and Trust Funds for the period ending September 30, 2013. He noted that he also recently met with the City's outside auditors. Mr. Torrey also distributed and led a discussion of the performance reports for the funds under the Trustees' management for the period ending September 30th. He noted that the combined funds have shown an annualized rate of return of 11.4% through September 30th.

The Trustees then reviewed RFP materials prepared by Attorney Sullivan soliciting interested financial managers for the funds under the Trustees' control. After further discussion and input from the Trustees on modifications to the RFP, Attorney Sullivan was directed to finalize the document and proceed with its distribution.

Mr. Torrey next presented a request from Superintendent of Schools, Edward McDonough, on behalf of the Futures Advisory Board to have the Trustees reallocate \$100,000 of the balance in the Futures Fund held by the Trustees from cash accounts into investments. After further discussion, upon motion made by Mr. Levenson and seconded by Mr. Watson, the Trustees, with Ms. Eldridge abstaining, unanimously voted to make that reallocation.

Ms. Barker and Mr. Anderson next addressed the Trustees on behalf of Prescott Park Arts Festival. They first responded to the complaints of Eric Anderson concerning the Fishtival set out in his letter of September 12, 2013, a copy of which was forwarded to the Trustees in mid-September. Copies of PPAF's written response to Mr. Anderson's letter, dated October 9, 2013, were distributed to the Trustees. Mr. Sullivan noted that Mr. Anderson was invited to attend this meeting and speak to the Trustees regarding his concerns. Mr. Wiley, who appeared on behalf of the UNH Sea Grant and Marine Docents and Ms. Marzloff who appeared on behalf of Seacoast

Local, also addressed the Trustees concerning the structure and history of the collaborative effort that gave rise to the Fishtival.

Ms. Barker advised the Trustees that PPAF is currently interviewing architects who will be retained to redesign the stage area consistent with the "stage area" concept currently being circulated by the Trustees. Mr. Watson suggested that it would be more fruitful, once PPAF has selected its architect, that the architect meet with the Trustees before designing the area so the Trustees can provide him or her with a sense of what the Trustees will be looking for in that area. Ms. Barker agreed that such a meeting should occur.

A discussion then ensued among the Trustees and Ms. Barker and Mr. Anderson concerning the 2014 operating agreement. Mr. Sullivan noted that he has been compiling a list of issues with respect to the operation of the arts festival that have developed over the past year. He proposes to address them with Mr. Anderson when the negotiations commence in the next few weeks. Mr. Watson noted that PPAF and the Trustees have yet to reach an agreement on the "impact fee" to be paid by PPAF to the Park in 2013. He requested that Mr. Anderson provide year-to-date financial statements for PPAF within the next few days and Mr. Anderson agreed to do so.

Kelley Marggraf appeared on behalf of Juliet Marine Systems, Inc. to speak to Juliet Marine's request to stage a media event in Prescott Park on October 28, 2013 to announce and celebrate Juliet Marine's GHOST boat breaking a speed record. She expounded on the GHOST and the proposed event. The Trustees advised Ms. Marggraf that her proposal is a form of "expressive speech" and must therefore be conducted in the public forum area of the Park and subject to the Park's usual policies concerning such activity. Mr. Sullivan explained the reasoning and history behind the public forum area. After a further period of questions and answers, Ms. Marggraf agreed to be bound by the policies of the public forum area. Mr. Sullivan advised that he would memorialize that understanding in a letter agreement duly executed by Juliet Marine. Thereafter, upon motion duly made and seconded, the Trustees unanimously voted to approve Juliet Marine's request to hold an event in the public forum area of the Park on October 28th subject to its execution of the letter agreement and compliance with its terms and the public forum policies.

Mr. Warhurst then gave his Park Report. He reported receipt of a request by Paul O'Connor on behalf of the unions at the Portsmouth Naval Shipyard to stage a gathering and rally of its members in the Park on October 17th. The event will take place solely within the public forum area. After further discussion, upon motion duly made and seconded, the request was approved subject to the requirement that the unions comply with all "forum area" policies.

Mr. Warhurst presented to the Trustees a request by Ronald L. Anderson to have one of the memorial benches in the Park inscribed in honor of Gail N. Anderson. The proposed inscription was presented as part of a request. After discussion, upon motion duly made and seconded, the Trustees unanimously approved the request subject to Mr. Anderson paying the usual memorial bench fee.

Mr. Warhurst presented a progress report on the efforts to remove and dispose of old Trustee records currently being stored on the third floor of the Shaw Building. He reported that approximately 90% of the records previously stored on the third floor have now been relocated elsewhere in the building and that the review and destruction process is progressing.

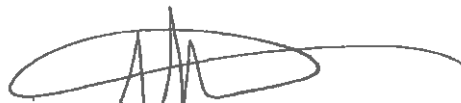
Mr. Warhurst presented to the Trustees two checks totaling \$1,100 from the Friends of the South End given as a donation out of the proceeds of this year's Fairy House Tour. After discussion, the Trustees instructed that Mr. Torrey deposit those funds in to the Friends of the South End Flower Fund.

At this point, pursuant to motion made by Mr. Levenson and seconded by Ms. Eldridge, and pursuant to a roll call vote, the Trustees unanimously voted to go into non-public session to meet with Attorney Sullivan and discuss confidential negotiations and legal issues.

At approximately 10:25 a.m., the Trustees, upon motion duly made and seconded, unanimously voted to return to public session.

The chair reported that the next meeting will take place on November 7, 2013.

There being no further business, upon motion duly made and seconded, the meeting was adjourned at 10:31 a.m.

A handwritten signature in black ink, appearing to read 'Thomas R. Watson', is written over a horizontal line. The signature is stylized with a large loop and a long horizontal stroke extending to the right.

Thomas R. Watson, Secretary