

TRUSTEES OF THE TRUST FUNDS
CITY OF PORTSMOUTH, NEW HAMPSHIRE
MINUTES OF FEBRUARY 6, 2014 MEETING

A regular meeting of the Trustees of the Trust Funds for the City of Portsmouth, New Hampshire was held on February 6, at the 4th Floor Law Library at Portsmouth City Hall. The meeting was called to order at 7:32 a.m.

Present were Trustees Phyllis Z. Eldridge, Dana S. Levenson and Thomas R. Watson. Also present were Peter Torrey, Michael Warhurst, Robert Sullivan, William Duncan and Ben Anderson.

The minutes of the January 23, 2014 meeting were reviewed and, upon motion duly made and seconded, approved.

Payroll and operating expense checks were reviewed and signed.

Mr. Torrey presented his financial report. He first distributed and led a discussion of the revenue and expense summary for the Prescott Fund for January 2014. Mr. Torrey next reported that many of the certificates of deposits held by the Trustees are subject to renewal during the month of March. His review of current rates of return in the market suggests that the Trustees roll over the CDs for another term. After further discussion, the Trustees approved that plan of action.

Mr. Torrey inquired as to the Trustees' interest in being involved as a donee in the Donation Program created by the National Recreation and Park Association and Macy's Inc. to support local parks. This program is further described in the handout given to the Trustees at the last meeting. After discussion, the Trustees unanimously approved participation in the Donation Program and asked Mr. Torrey to respond to the program and provide information about Prescott Park as may be required.

Mr. Anderson and Mr. Duncan appeared on behalf of Prescott Park Arts Festival. Further to the work session which occurred last week, Mr. Anderson distributed a new site plan depicting the proposed backstage area for the 2014 season. It was noted that the plan depicts an area 72' x 118' defined by a perimeter fence. The plan differs from earlier versions in that no portion of the backstage area extends beyond the northerly boundary of the old right-of-way. After discussion, the Trustees unanimously approved the backstage layout, as presented, with the understanding that it is approved for the 2014 season only and is not approved for subsequent years.

Ms. Eldridge expressed her displeasure at learning via email yesterday that PPAF is publicly soliciting students for participation in its acting camp in Prescott Park in 2014. She reminded PPAF that the decision of the Trustees to approve the addition of an acting camp to PPAF's calendar in 2013 was done on an experimental basis without any commitment by the Trustees to approve conducting a camp in future years. Mr. Levenson noted that that understanding and condition are reflected in the minutes of the February 21, 2013 Trustees' meeting. Each Trustee confirmed that it was his or her understanding that PPAF would return to the Trustees with a request to conduct any acting camps in future years before actually planning

such events in order to allow for an examination of the impacts of the additional activity in the Park.

Mr. Anderson apologized for what he believes was a misunderstanding. He was under the impression that, in November or December, the Trustees had approved a level of activity for PPAF in 2014 that was no greater than the activity in 2013. Mr. Watson stated that the Trustees' approval in November-December was limited to allowing PPAF to conduct events in the Park on six rather than five evenings per week.

The Trustees proceeded to discuss the proposed acting camp for 2014. After doing so, the Trustees unanimously agreed to approve the camp on condition that it be subject to the same limitations in place for 2013 as reflected in the minutes of the February 21, 2013 Trustee meeting and with the further understanding that any proposals for acting camps in future years must be approved by the Trustees in advance. Mr. Watson asked Mr. Anderson to provide the Trustees with a proposed calendar for PPAF's 2014 season even if details regarding the artists are not included so as to give the Trustees an early glance at PPAF's expected program.

At 8:30 a.m., the public meeting was suspended in order to allow the Trustees to meet with counsel to conduct interviews with financial advisor candidates who responded to the Trustees' RFP for advisory services.

At 10:25 a.m., the Trustees returned to public session. At that time, they discussed the relative strengths and weaknesses of the candidates who were interviewed. The comparative analysis included attention to relative fee structures, investment track record, size of the candidate's total portfolio, experience with management of public funds, management philosophies and community involvement. After much discussion, the Trustees unanimously approved retaining H.M. Payson & Co. as investment advisor for their trust funds. Mr. Sullivan was asked to confirm the arrangement with Payson in writing.

The chair reported that the next meeting will take place on February 20, 2014.

There being no further business, upon motion duly made and seconded, the meeting was adjourned at 11:01 a.m.



Thomas R. Watson, Secretary