

NEW ORLEANS FIRE FIGHTER'S PENSION AND RELIEF FUND (Investment Board Meeting)

Martin Gaal
Board President

Tommy F. Meagher, III
Secretary-Treasurer

SUBJECT:

Board of Trustees Investment Board Meeting
Fire Fighter's Pension & Relief Fund

TIME, DATE AND PLACE:

9:00 am February 12, 2014
3520 DeGaulle Drive
Suite 3001
New Orleans, Louisiana 70114

Board President Martin Gaal called the meeting to order. The following members of the Board of Trustees were present: Gaal, Meagher, Lavene, Foster, and Jacobs.

Absent: McConnell and Marchaese

Five (5) members present and two (2) members absent. With a quorum being present, the Board President declared the meeting duly convened to conduct business at 9:16 a.m.

Also present

Paul Mitchell
Jesse Evans, NOMERS
Joe Bogdahn, Bogdahn Group
Jon Brett, Bogdahn Group
Richard Hampton, Firefighter
Keith Noya, Firefighter
Nick Felton, Firefighter
John Petruska, Firefighter
Kenny Prevost, Firefighter
Derrick Francis, Mayor's office
Jennifer Schwartz, Bureau of governmental research
Keith Cubba, Colliers International
Ken Arimitsu, Colliers International
Steve Ekovich, Marcus & Millichap

COMMUNICATIONS:

NCPERS annual conference: Mr. Meagher informed the Board that the National Conference of Public Employee Retirement Systems is holding their annual conference this year in Chicago. The conference begins on April 28, 2014 through May 3, 2014. There is also a session for new trustees preceding the regular conference. Board members were encouraged to review their schedules and the conference agenda and confirm attendance with Peggy Melancon. Discussion followed on conference attendees, educational opportunities in Louisiana, education credits, conference agenda, and budget.

MOTION: Moved by Gaal and seconded by Meagher to approve attendance to the NCPERS conference for interested Board members and staff.

Motion passed.

NO OBJECTIONS

TEXPERS conference: Mr. Meagher noted that the TEXPERS spring conference is scheduled March 23-26, 2014. TEXPERS fees for attending this conference \$25.00. The Conference is being held in Fort Worth, Texas. Discussion followed on conference agenda, registration, and continuing education hours. Paul Mitchell and Mr. Meagher expressed an interest in attending.

MOTION: Moved by Gaal and seconded by Meagher to approve attendance to the TEXPERS conference for interested Board members and staff.

Motion passed.

NO OBJECTIONS

REVIEW & ACCEPT MINUTES:

MOTION: Moved by Lavene and seconded by Jacobs to approve of the December 2013 and January 2014 Investment Board minutes.

Motion passed.

NO OBJECTIONS

OLD BUSINESS:

Natchez: We understand that the sale agreement is still being reviewed by all members of the buying group. No information on a closing date has been set. Our legal team and advisers are pushing for a close before year end.

Lakewood Restoration: Mr. Meagher noted that he has met with individuals interested in assuming the maintenance services at Lakewood restoration. He presented a budget to the Board prepared by Cynthia Rico to take over maintenance of the Lakewood Restoration Inc. property. Discussion followed on the anticipated savings to the Fund once the property was maintained by Ms. Rico.

Mr. Meagher noted that the Board will hear presentations today from two firms interested in serving as brokers. A third firm selected to present has opted not to attend. Both firms are present and ready to meet with the Board.

MOTION: Moved by Meagher and seconded by Gaal to take items out of order of the agenda.
Motion passed. NO OBJECTIONS

Collier International represented by Mr. Keith Cubba and Ken Arimitsu presented his firm's qualifications which include the sale of over 75 golf courses, 12 during 2013. Mr. Cubba discussed the firm's methodology, approach to maximizing value and marketing process. Using a best practices strategy the firm expects to sell at the highest price in the most timely and professional manner. Their strategy includes performing a thorough market and property analysis with hopes of defining and addressing issues a buyer might raise. A marketing campaign follows and precedes the sale or delivery phase. The firm asks for clarification of certain issues regarding both courses. The ground lease at Falcon Head could result in a 15% discount to the purchase price of the same property without such a lease. Discussions followed on seller financing, the pool of first time buyers and challenges. Alternative methods to market the property discussed. Adding the PGA designation at Falcon head is one option. Fees and expenses discussed next. The presentation exceeded 30 minutes.

Marcus & Millichap represented by Mr. Steven Ekovich presented his firm's qualifications. Steve noted he has over 25 years experience and over \$3.5 billion in sales. His firm has worked for all major golf course lenders including BOA, GE and M&T Bank. He noted that his firm has a national profile, specializes in golf and resort sales, and a unique approach which locates out of market buyers more often versus local buyers. Out of market buyers tend to buy at higher process. Discussion followed on his firm's approach to selling the properties, which include a property analysis, preparing the course for sale, reviewing the financial data of each course and determining a value for each course. Discussion followed on the characteristics of each course, initial valuations and a sales/marketing approach. The presentation exceeded 30 minutes.

Jon Brett closes with a comparison of both firms. Joe Bogdahn suggested that the Board review both presentations and meet soon to reach a decision. Following a discussion on possible meeting dates the Board agreed to hold a special meeting on February 18, 2014 at 5:00pm at the Roosevelt Hotel at the Huey P. Long meeting room. Joe Bogdahn will be available to assist in the discussion.

MOTION: Moved by Meagher and seconded by Gaal to move to regular order of business.
Motion passed. NO OBJECTIONS

REGULAR BUSINESS:

Fund performance - period ended January 31, 2013

Total Equities

Down 4.03 % vs. -3.46% for S&P for current month
Down 4.03% vs. -3.46% for S&P quarter to date
Up 6.13% vs. 21.52% for S&P one year

Total Fixed Income

Up 0.47% vs. 1.47% for Barclay's Aggregate current month
Up 0.47% vs. 1.47% for Barclay's Aggregate quarter to date
Up 5.31% vs. 0.12% for Barclay's Aggregate trailing 1 year

Jon Brett led the discussion on the performance of the Fund and provided commentary on the performance of various sectors and money managers in particular.

Sail: One of the firm's holdings, Xtreme Power has filed for bankruptcy. Jon discussed the impact on the filing. He noted that the equity position in our portfolio will be written off by the investor. He expects the investment to incur a 12% write down as a result of this event.

Cocowalk: Bodgahn noted that this retail property has suffered due to loss of a major tenant. Management expects that it will take 2-3 ½ years for the traffic to reach a level that would produce a buyer for the property. Mr. Crenshaw will provide details on options to purchase this property.

American Pension Consultants: Jon noted that he will attempt to schedule a meeting with Wayne Triche, accountant for the plan to discuss specifics of this investment. Management of the investment works in Baton Rouge, La. Jon expects to review the cash reserves, premiums, policies, etc. Paul Mitchell and Tommy Meagher expressed an interest in attending the meeting.

Fireflix: Mr. Tufaro has provided a check for movie sales in the amount of approximately \$14,000.

Land Baron: Jon Brett noted that and Baron has received a new offer on the property. The firm will review the offer in the next few weeks and report to the Board at the next regular meeting.

NEW BUSINESS:

Falcon head right of way issues: Mr. Meagher noted that certain land owned by the Fund surrounding the Falcon head property has been acquired for right of way by an adjacent land owner. Mr. Meagher engaged a local Texas property attorney on behalf of the Fund to determine

the appropriateness of the actions of the developer in taking of the property. The attorney's findings indicated that easement rights were available to the adjacent landowner.

Mr. Meagher noted that property taxes on this property have risen. He expects to research the reason for the increase and seek the appropriate appraisal on the property.

There being no further business, the meeting adjourned at 1:45 p.m. The next Investment Board Meeting of the Board of Trustees will be on March 12, 2014.

APPROVED:  DATE: 3/27/14