

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

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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 July 9, 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, McConnell, Marchese, and Foster.

Absent: Jacobs

Six (6) members present and no members absent. With a quorum being present, the Board President declared the meeting duly convened to conduct business at 9:010 a.m.

Also present

Paul Mitchell  
Jesse Evans, NOMERS  
Jon Brett, Bogdahn Group  
Kenny Prevost, Firefighter  
Nick Felton, Firefighter  
Derrick Francis, Mayor's office  
Louis Robien, Board attorney  
Gary Wetchel, Orleans Capital  
Scott Gill, Orleans Capital

**COMMUNICATIONS:**

None

**REVIEW & ACCEPT MINUTES:**

Members were provided copies of the minutes by Mr. Meagher for review and approval.

**MOTION: Moved by Gaal and seconded by Marchese to approve of the June 2014 Investment Board minutes.**

**Motion passed.**

**NO OBJECTIONS**

**OLD BUSINESS:**

**Natchez:** Mr. Mitchell noted that the Natchez sale is scheduled for closing on Friday July 11, 2014.

**Orleans Capital presentation:**

Gary Wetchel and Scott Gill made a presentation to the Board about its Energy Opportunities Energy and Resources Strategy. This is a long only public equities strategy designed to produce long term capital appreciation through investments in the developing energy and natural resources markets. The proposed strategy is more diversified in cap size and sector weightings than the Orleans Energy Opportunities strategy we currently utilize.

Discussion followed on the back tested returns, portfolio characteristics, and peer group data of the proposed strategy.

Mr. Wetchel also discussed the performance of the Orleans Energy Fund. He noted that the Fund's performance exceed the performance of the S&P since inception, but trailed the S &P in the last 1 to 5 years. Mr. Foster felt the trailing performance made a good case for indexing as he believes it is very difficult to find managers who can beat the index. Discussion followed on indexing versus active management.

The presentation resulted from the Board's desire to move to a less concentrated portfolio. The Board previously approved moving portions of the Orleans Capital portfolio to a Vanguard index. Orleans Capital could not accommodate this request and has suggested the strategy noted above. (Board members were reminded that assets in the Orleans Capital portfolio are pledged against the FNBC loan. Movement of the assets is limited to this portfolio or payment of the debt.) Foster requested additional information on the collateral requirements before making a decision to adjust the portfolio.

**NEW BUSINESS:**

**Approval of Winstead Law Firm:** Mr. Mitchell noted that he has held discussions with three law firms in an effort to get assistance revising the effluent water contract at Falcon head Golf course. Tarcza and Associates, Keith Suley of CoxSmith Law firm, and the Winstead Law firm were consulted on the pending issues with the water contract and WTCPUA. Derek Seal of the Winstead Law firm presented the most experienced and efficient approach to our problems. Our approach will attempt to avoid litigation. Legal fees could exceed \$50,000 to resolve the contract issues. Mitchell requested a motion to approve engagement of the Winstead Law firm.

**MOTION:** Moved by Gaal and seconded by Lavene to approve engaging the Winstead Law Firm up to \$50,000. Mr. Meagher is authorized to execute an engagement letter.  
Motion passed. **NO OBJECTION**

**REGULAR BUSINESS:**

Fund performance - period ended June 30, 2014

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. He noted that the portfolio reflects recent audit adjustments. The adjustments are posted as of January 1, 2014. Equity performance for the month, quarter and year to date exceed the S&P 500 for the same period. Performance on the fixed income portfolio requires adjustment to reflect a zero balance in Fletcher. Consideration will be given to moving American Pension Consultants to the alternative investments section versus fixed loans.

Jon expects to have a detailed quarterly presentation for the next meeting. Selected comments on other investments follow.

**American Pension Consultants:** Mr. Mitchell informed the Board that Mr. Triche did visit the Fund offices on Friday June 20, 2014. A check in the amount of \$958,476.79 was deposited on July 2, 2014.

**Clinton Magnolia Fund:** The remaining balance in the account of \$1.8 million is expected to be redeemed by year end.

**Corner Pocket and Sadie Creek:** Closing documents have been signed by the Secretary Treasurer and a closing date is set for the first week of September 2014.

**Westwego property:** Jon Breth noted that Mr. Crenshaw will discuss finalizing his offer to make the first takedown of a 3 stage purchase of the property.

There being no further business, the meeting adjourned at 10:35 a.m. The next Investment Board Meeting of the Board of Trustees will be on August 13, 2014.

APPROVED:  Date: 8/13/14