

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

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Martin Gaal  
Board President

Thomas F. Meagher, III  
Secretary-Treasurer

SUBJECT:

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

TIME, DATE AND PLACE:

9:30 am April 15, 2015  
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, Marchese, and Lavene. McConnell and Foster absent.

Four members present, two absent and one vacancy. With a quorum being present, the Board President declared the meeting duly convened to conduct business at 9:30 a.m. The Secretary Treasurer opened the meeting with the Pledge of Allegiance and a moment of silence for fallen firefighters.

Also present  
Paul Mitchell  
Jon Breth, Bogdahn Group  
Kenny Prevost, Firefighter  
J. Petruska, Retired Firefighter  
Louis Robein, Board attorney

## COMMUNICATIONS:

None

## REVIEW & ACCEPT MINUTES:

Minutes were made available for review and approval with minor corrections..

**MOTION:** Moved by Marchese and seconded by Gaal to approve the March investment minutes.

Motion passed.

**NO OBJECTIONS**

**OLD BUSINESS:**

**Fletcher update:** Mr. Mitchell noted that oral arguments in the Fletcher matter will be heard at the US Court of Appeals, fifth Circuit on Monday April 27, 2015 beginning at 9:00 am.

**HCH Land Partners:** The Board was informed that a purchase price of \$3.6 million is being negotiated with the buyers of the Falconhead Golf course. Closing is expected within 60 days.

**Falconhead sale:** Buyers have requested an additional 15 day extension. This request has been approved.

**Cocowalk:** Bob Whalen noted that sale is moving forward. Final sales price is unchanged at \$87.5 million. Closing is expected during May.

**NEW BUSINESS:**

None

**REGULAR BUSINESS:**

Fund performance - period ended April 30, 2015

Jon Breth led the discussion on the performance of the Fund and provided commentary on the performance of the market. We were provided with Bogdahn's March 31, 2015 market update. Jon noted that equities rebounded during the month, particularly growth and small cap stocks.

Our portfolio was down .56. Orleans Capital outperformed their index. Orleans moved more into refining stocks which performed well in this cycle. Orleans is still bullish on service companies. The current environment is positive for oil stocks. Clifton had a positive impact on the portfolio. International stocks were down as well as the S&P was down 2.9%.

Jon provided the Board with an overall market outlook, discussing small cap returns versus other equities as well as sector performance and interest rate issues.

**Investment policy:** Jon presented the Board with a revised investment policy which included changes discussed at a previous meeting. He hoped that all Board members would review the document and be prepared to approve the document at the next Board meeting.

**Clinton Magnolia:** Jon noted that the redemption process is continuing. He reminded the Board that the redemption process began last year, with the Fund receiving approximately \$8 million. The Fund currently holds several legacy positions which were restricted from sale. The four positions include a warrant pool, bank pool, cash and a consumer products firm. The stock in the consumer products firm has fallen from \$7.00 per share to \$.75 risking delisting from NASDAQ due to value falling below \$1. Clinton representatives have offered to redeem the three positions For \$1,590,000 and allow the fund to hold the consumer products position until conditions improve. Our redemption agreement allows the transaction without further action from the Board.

**Fire Flix:** Jon noted that J. Tufaro will attend the May meeting.

**Greensprings:** The Fund is continuing its liquidation.

**Murphy Ventures:** This venture Capital fund will utilize the services of Capital Dynamics to extend the life of the Fund in lieu of issuing shares directly to investors and liquidating the fund. This decision overrides the desires of a single investor who pushed for liquidation. The fund is expected to be fully liquidated within two years.

**La Fund I:** The Fund is expected to perform well this year pending the completion of proposed IPO's of two of the Fund's holdings. The holdings are carried at conservative valuations to date.

**Sail:** Bankruptcy discussions on a few of this venture capital fund's holdings continue. FRS and Austin police are considering legal action against management of Sail. Bob Tarcza will continue to monitor this legal activity and determine if our participation in future litigation is required.

**St, Raymond:** The property is under contract with an extension.

**Fire Game:** We are working with a real estate agent to get this property listed.

**Intercontinental:** The liquidation of this real estate fund is moving well and with favorable results. Jon reminded the Board that the Fund recently entered into a sale of this fund to a REIT. The \$360,000,000 sale price will provide excellent returns on this investment this year. He expects proceeds from the sale to be delivered before year end.

**Kreate Fund:** Jon noted that this asset is two years away from being placed on the market.

Management believes the value of the building will rise significantly once the lease is renewed. The investment currently produces \$30,000 in income each year.

**Land Baron:** Walt Brown has made the Board an offer on the Sadie Creek parcel. The offer is larger than the one received from our partners. Counter offers will be proposed to both parties. Board members were reminded that Walt Brown purchased the note on Corner Pocket, the adjourning property during 2014.

**Westwego property:** Mr. Crenshaw indicated that his partners will move ahead with the project. We expect movement within 30 days.

**GASB:** Jon noted that he is working with the auditors with the implementation of the new GASB accounting rules which take effect for this reporting year.

**MOTION:** Moved by Gaal and seconded by Marchese to go into executive session to discuss matters relating to litigation with the City of New Orleans.

Motion passed.

**NO OBJECTIONS**

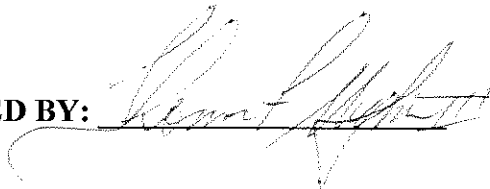
**MOTION:** Moved by Lavene and seconded by Marchese to come out of executive session.

Motion passed.

**NO OBJECTIONS**

There being no further business, the meeting adjourned at 11:10 am. The next Investment Board Meeting of the Board of Trustees will be scheduled for May 13, 2015.

APPROVED BY:



DATE:

6/3/15