

# **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 January 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, Marchese, Foster, Jacobs and McConnell.

Absent: Lavene

Six (6) members present and one (1) member absent. With a quorum being present, the Board President declared the meeting duly convened to conduct business at 9:10 a.m.

Also present

Paul Mitchell  
Jesse Evans  
Joe Bogdahn, Bogdahn Group  
Jon Brett, Bogdahn Group  
Richard Hampton, Firefighter  
Nick Felton, Firefighter  
John Petruska, Firefighter  
Kenny Prevost, Firefighter  
Darryl Klumpp, Firefighter  
Derrick Francis, Mayor's office

**COMMUNICATIONS:**

None

**REVIEW & ACCEPT MINUTES:**

**MOTION:** Moved by Marchese and seconded by Jacobs to defer approval of the December 2013 Investment Board minutes.

Motion passed.

**NO OBJECTIONS**

**OLD BUSINESS:**

**Metairie Hotel:** Mr. Meagher noted that closing documents were signed on Tuesday Jan. 7, 2014.

**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 also noted that he is having discussions with Mr. Werner to allow him the ability to continue serving us at Lakewood, but at a reduced salary. Previously Mr. Werner was responsible for monitoring the construction of the Bank, roadways and other work necessary to complete the current development plans in addition to monthly maintenance responsibilities. His engineering talents are useful to the golf course and property in reducing costs for various maintenance issues in both time and fees utilizing the current staff in place versus hiring outside contractors Mr. Meagher noted he expects to have additional information by the next meeting.

**Fletcher Asset Management:** Mr. Mitchell noted that Mr. McMahon, the Cayman Island JOL has proposed to the Grand Court of the Cayman Islands to: a). sanction the liquidators to cause Leveraged and Arbitrage to vote in favor of and enter into the Plan of the Chapter 11 Trustee or, b) sanctioning the Liquidators to cause Leverage and Arbitrage to enter into a litigation funding agreement and commence litigation against Citco. Our attorneys do not support b).

Litigation against certain entities will be initiated by the New York trustee and Louisiana based attorneys. Adding a third lawsuit could serve to reduce recoverable amounts because of the additional legal fees.

The Cayman Courts will hear the request today.

**REGULAR BUSINESS:**

Fund performance - period ended December 31, 2013

Total Equities

Up 1.60% vs. 2.53% for S&P for current month

Up 5.65% vs. 10.51% for S&P quarter to date

Up 16.71% vs. 32.39% for S&P one year

Total Fixed Income

Up 0.42% vs. -0.57% for Barclay's Aggregate current month

Up 1.36% vs. -0.14% for Barclay's Aggregate quarter to date

Up 5.33% vs. -2.02% 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. Performance for the total portfolio is down .01% as a result of the write down of the Bellaire sale. While the equity markets have soared this year the portfolio has not because of its heavy weighting in non-equity positions.

**Whalehaven:** Jon noted that he has had discussions with the principals at Whalehaven regarding the liquidation of the Fund. Jon discussed the difficulties of liquidating this fund. He noted management agreed to provide him with a detailed description of each holding and their liquidation efforts. Information provided to date has not been as complete as promised. Jon will consider having the principals meet with the Board at the next meeting.

**Fire Game:** Jon Brett noted that he has been contacted by Ms. Christine Slay. She is involved with a group interested in bringing a casino to the gulf coast. She expects that a feasibility study will be completed by month end. The proposed casino will be built on property that we own.

**Stephen's Garage:** Mr. Wiznia could not make the meeting and has not secured new financing options as of this date. Jon Brett will keep us posted.

**Bellaire:** The property sold last month. Jon noted that the Fund was an investor in this property which sold for over \$22 million. The property had about \$20 million in debt, resulting in \$177,224 in proceeds from the sale to the Fund. This resulted in an 86% write-off of our balance at year end.

**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:** Jon Brett has discussed the status of the three investments with Mr. Tufaro. Mr. Tufaro has agreed to meet with Mr. Mitchell and Bogdahn on Wednesday January 15, 2014.

**Land Baron:** Jon Brett noted that the request for calls for offers drew three offers. Two were lower than expected but open to counters. Management has elected to counter offer the property at \$7.50 /sq ft. If accepted the price will produce \$4.9 million. It is anticipated that after the sale approximately \$2.9 million will be available for distribution to the three owners. The Fund maintains about 68% of the property and could expect at least \$1.8 million from the proceeds at that sale price. This would result in a write down of \$1.2 million. Discussion followed on the attributes of the property. Bogdahn noted that the property is ½ the size of the adjoining properties, making it less attractive for big box opportunities. Vacant land is being developed about 1 mile from this location and there is a drainage ditch on the property which requires fill before any work can commence. Realtors have indicated these factors have hurt the value of this particular property.

**Golf Courses:** Jon noted that his firm has contacted two national real estate brokers who have experience in marketing golf courses. He expects to have proposals from three candidates (Bill Hale is the third) to serve as agents in our bid to sell the properties. Discussions followed on the work necessary to get the proposals and a selection of a broker completed. Jon and Paul will coordinate the collection of financial data needed by the bidders in preparing the bids, which should include a sales plan and appraisal of the property.

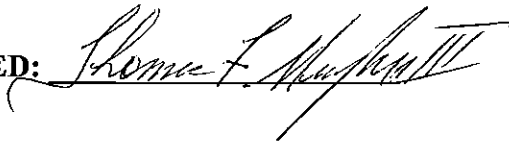
#### **NEW BUSINESS:**

**FNBC:** Mr. Mitchell provided the Board with a schedule depicting the financial results of the sale of our holdings of FNBC stock. All remaining shares (110,000) were sold over a five day period at an average price of \$30.61 per share, resulting in net proceeds of \$3,337,904.22. Total proceeds from the sale of all shares amount to \$15,812,047.27. The Fund's total investment in FNBC was \$6,500,000 at an average cost of \$10.64 per share. The average sales price was \$25.88 per share.

**Curtis Crenshaw presentation:** Mr. Curtis Crenshaw was on hand to provide the board with an update on his interest in acquiring the Firewall property. The property is in Westwego, La. near Bayou Signette and across from the Alario Center on the west bank. The property comprises about 60 acres, zoned for assisted living, retail and multifamily residential. Mr. Crenshaw expects to acquire all of the property over time. He plans to begin development of the assisted living facility shortly and would like to purchase about 10 acres for about \$2 million. He discussed the \$22 million project indicating that he has an investor and lender willing to assist him in the project. He also expects to utilize some tax credits.

There being no further business, the meeting adjourned at 11:45 p.m. The next Investment Board Meeting of the Board of Trustees will be on February 11, 2014.

APPROVED:



DATE: