

# 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 March 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, McConnell, Marchaese, Foster, and Jacobs.

Absent: None

Seven (7) members present and no (0) members absent. With a quorum being present, the Board President declared the meeting duly convened to conduct business at 9:16 a.m. Norman Foster entered the meeting at 9:20. Scott Jacobs left the meeting before the second executive session on Michael Byrne.

Also present

Paul Mitchell  
Jesse Evans, NOMERS  
Jon Brett, Bogdahn Group  
Keith Noya, Firefighter  
Kenny Prevost, Firefighter

## COMMUNICATIONS:

None

**REVIEW & ACCEPT MINUTES:**

**MOTION:** Moved by Lavene and seconded by Jacobs to approve of the Feb 2014 Investment Board minutes.

Motion passed.

**NO OBJECTIONS**

**OLD BUSINESS:**

**Michael Byrne:** New Fund firefighter, age 59 with 23 years of service is making an application for a 50% Service Connected Disability. Additional Medical documentation was requested during a March 7, 2014 Board meeting.

**MOTION:** Moved by Marchese and seconded by Lavene to go into executive session to review medical documentation and reserve privacy rights to members for Service Connected Disability Pension applications.

Motion passed

**NO OBJECTIONS**

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

Motion passed.

**NO OBJECTIONS**

Certain matters under review during executive session were deferred until legal counsel can be consulted. The Board continued with the regular order of business until legal counsel is available later in the morning.

**Parks of Plaquemines:** Management has scheduled closings on lot sales in the near future. The Fund receives a portion of the proceeds from lot sales subject to release of related liens on the property being sold. Management has requested Board approval of a resolution allowing Mr. Meagher and Mr. Gaal to act on behalf of the Board in connection with these respective real estate transactions. The proposed resolution has received the approval of the Board's legal counsel.

**MOTION:** Moved by Lavene and seconded by Marchese to approve the proposed resolution requested by Parks of Plaquemines.

Motion passed.

**NO OBJECTION**

**Natchez:** No update available

**Lakewood Golf:** At a prior meeting the Board requested additional information on the operations of Lakewood Golf course. Lakewood is requesting a capital contribution of \$270,000 to assist in meeting expenses and to cover historical losses. Mr. Mitchell prepared an analysis depicting EBITA and capital expenditures at Lakewood Golf course for the period January 1, 2011 to February 28, 2014. The analysis indicated that the course has projected cash needs of \$425,000 at February 28, 2014. Discussion followed on the specifics of the analysis and the outlook for 2014. Members noted that the course needed to continue with its spring maintenance plan, particularly with the possibility of a sale. Management has reduced current year operating expenses and

expects to produce a positive EBITA for 2014.

**MOTION:** Moved by Lavene and seconded by Foster to approve a \$200,000 capital contribution to Lakewood golf.

Motion passed.

**NO OBJECTIONS**

**Fletcher Asset Management:** Mr. Mitchell noted that several news articles regarding the Fletcher investment and bankruptcy were provided to Board members via email.

UCBI, a Georgia bank, recently agreed to purchase warrants for approximately \$12 million. Proceeds will be used to pay bankruptcy trustee expenses before distribution to investors.

**MOTION:** Moved by Jacobs and seconded by Gaal to take items out of order on the agenda.

Motion passed.

**NO OBJECTIONS**

**NEW BUSINESS:**

**Approval of Louisiana Compliance Questionnaire:** State Statutes require that the Board approve the completion of its annual compliance questionnaire prepared in connection with our annual audit.

**MOTION:** Moved by Gaal and seconded by Lavene to approve completion of the Louisiana Compliance Questionnaire for the year ended December 31, 2014.

Motion passed.

**NO OBJECTIONS**

**MOTION:** Moved by Jacobs and seconded by Gaal to return to regular order of business per the agenda.

Motion passed.

**NO OBJECTIONS**

**REGULAR BUSINESS:**

Fund performance - period ended February 28, 2013

Total Equities

Up 4.77 % vs. 4.57% for S&P for current month

Up 0.56% vs. 0.96% for S&P quarter to date

Up 11.67% vs. 25.37% for S&P one year

**Total Fixed Income**

Up	0.00%	vs.	0.53%	for Barclay's Aggregate current month
Up	0.57%	vs.	2.02%	for Barclay's Aggregate quarter to date
Up	4.94%	vs.	0.15%	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. Jon indicated that the monthly report was prepared before performance information could be obtained from Clinton. Fixed income performance is therefore understated.

**Orleans Capital:** Jon noted that Orleans Capital was up 6.3% for the month. Discussions with this manager to diversify the portfolio were favorable. Diversification can occur in several ways. Orleans manages a fixed income product and an equity portfolio. Moving to either portfolio would provide reduced exposure to the small cap arena and lower fees. Moving a portion of the portfolio to ETFs was also discussed. Jon indicated moving to a growth / dividend driven portfolio is also being considered. Other options included reducing the entire allocation and paying down the debt. Members were reminded that the Orleans portfolio is pledged against the FNBC loan outstanding.

**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. Events remained unchanged through Feb.

**End Game:** Jon noted that he has held conversations with Bob Newton of End Game. Jon reminded us that Endgame has two lines of business, movie production and movie advertising. In the movie advertising area, End game provides funding to advertise and promote completed movies producing a 12%-15% return. Management is seeking a replacement for its source of financing for this arm of its business. Management has indicated that its current audit report will show equity of \$38 million. NOFFP maintains at 3.3% interest which if correct could result in a write up of our investment at year end.

**St. Raymond and Westwego properties:** Jon noted that appraisers have been hired to provide a value for both properties.

**Wiznia properties:** Management has indicated that a distribution was received on the Maritime property. No movement on the Saratoga property.

**American Pension Consultants:** Jon continues his 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.

**Fireflax:** Norman Foster requested that we schedule Mr. Tufaro for a presentation at the next board meeting.

**Fire game:** Management reports that the feasibility study has been completed. Developers are working to locate funding for the project which they expect will take 60-90 days.

**Fire Lake and Fire Phoenix:** Collier's contract is being reviewed by the Tarza law firm. No delays are expected. Collier has been provided with contact information for key personnel.

**Land Baron:** Jon Brett noted that and Baron has received a new offer on the property. There was a counteroffer on the property by Land Baron. The proposal requires takeover of the note on Corner Pocket of \$1.8 million and purchase of the Sadie Creek property for \$3.2 million. The Fund would receive 65% of the proceeds from the sale of Sadie Creek.

**MOTION:** Moved that the Board authorize Mr. Meagher and the Bogdahn Group to continue to negotiate prices for the Land Baron properties at or around \$5 million.

Motion passed.

**NO OBJECTIONS**

Scott Jacobs left the meeting.

**MOTION:** Moved by Marchese and seconded by Lavene to go into executive session to review medical documentation and reserve privacy rights to members for Service Connected Disability Pension applications.

Motion passed

**NO OBJECTIONS**

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

Motion passed.

**NO OBJECTIONS**

**MOTION:** Moved by Gaal and seconded by Lavene to approve a 50% service connected disability.

Motion failed.

**Foster and McConnell objected**

**MOTION:** Moved by McConnell and seconded by Foster to have the staff request additional medical support for the disability application.

Motion passed

**NO OBJECTION**

**MOTION:** Moved by McConnell and seconded by Foster to approve a 50% non-service connected disability.

Motion failed.

**Gaal and Marchese objected**

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 April 8, 2014.

APPROVED: Charm L. [Signature] DATE: 4/9/14