

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

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:

9:00 am January 11, 2017
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 Muse and Foster. Lavene and McConnell were absent.

Five members present. With a quorum being present, the Board President declared the meeting duly convened to conduct business at 9:05 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
Louie Robein, Board attorney
Nicholas Felton, President Local 632
Kenny Prevost, retired firefighter
Michele Conway, Mayor's office

COMMUNICATIONS:

None

REVIEW AND ACCEPT MINUTES

Board members were requested to approve the minutes of the August 2016 Investment Board meeting. There was no September 2016, October 2016, November 2016 or December 2016 Investment Board meeting.

MOTION: Moved by Meagher and seconded by Marchese to approve the minutes of the August 2016 investment Board meeting.

Motion passed.

NO OBJECTIONS

REGULAR BUSINESS:

Jon Breth noted that the firm has changed its name to And Company Consulting. Jon noted that the firm was simply rebranding. He believes the name reflects the Company's desire to put its clients first. The firm's new color will be Citron.

Fund performance - period ended December 31, 2016

Jon Breth give the Board an overview of the market environment, the national and global interest rate environment, Brexit impact, market sector performance and market outlook. He noted that December sentiment is high. The market expects that a pending tax cut will boost spending. Small cap stocks rose 11% in November out performing big company stocks, who are hurt by the \$ and trade issues raised by the new Administration.

The strong increase in interest rates hurt global bonds and benefited the high yield bond market.

Tim McConnell arrives at 9:25

The portfolio ended the year with a positive return. Kreate, Green springs and Trans Europe Buyout Funds all had positive gains due to write-up in asset values.

Kreate Fund: Breth noted that financing fell through on one of the purchase offers made on the property. Management will continue to review all offers to purchase the property.

Sail : Litigation facing this hedge fund continues. We are not a party to the litigation. Breth noted that there is no value left in this investment.

Endgame; Breth continues to reach out to the new CFO without response.

Lakewood The property, like all investments in our portfolio is up for sale. Meagher noted that the Fund should make another evaluation of this investment. The current pro shop is past its useful life. Management at the course believes that it can increase its revenues significantly by adding a clubhouse which could provide a venue for receptions and indoor post tournament catered events.

OLD BUSINESS:

Fire Flix update: Jon noted that he has had conversations with Mr. Tufaro regarding a settlement offer. Those conversations have not produced an offer worthy of presenting to the Board. We will continue discussions.

NEW BUSINESS:

Casa Fuego III (Parks of Plaquemine) offer. David Waltemath has presented an offer to pay off the loan and all interest outstanding through the end of the year. The offer anticipates that we will forgo our equity position with this buy out. Mitchell requested that the Board, via a motion, authorize the staff to allow the negotiations to continue with the authority to accept no less than full payment of the principal and interest through the end of the year. Mitchell noted that Waltemath indicated that he has found cheaper financing and that our loan would be replaced with another. A review of the most recent financial statements indicates that the equity position of 20% has a negative value. Because debt will continue to be present on the financials, because of expansion to Phase III of the development, the likelihood of a positive equity position is years away.

MOTION: Moved by Meagher and seconded by Muse to permit the staff to continue negotiating with Mr. Waltemath, with the authority to accept no less than outstanding principal and interest on the loan.

Motion passed.

NO OBJECTIONS

Fire Game

Mitchell noted that we would need the authority to engage a realtor to list the property in Biloxi. Mitchell noted that he has had conversations with several real estate agencies and will select one with the most reasonable commission rates. Foster suggested that the property is appraised before any sale is finalized.

MOTION: Moved by Gaal and seconded by Marchese to authorize the Secretary Treasurer to engage a realtor to list the Fire game property.

Motion passed.

NO OBJECTIONS

Firewall (Westwego)

Mitchell noted that we would need the authority to engage a realtor to list the property in Westwego. Mitchell noted that he has had conversations with several real estate agencies and will select one with the most reasonable commission rates.

MOTION: Moved by Gaal and seconded by Marchese to authorize the Secretary Treasurer

to engage a realtor to list the Fire game property.
Motion passed.

NO OBJECTIONS

ADJURNMENT:

MOTION: Moved by Meagher and seconded by Marchese to adjourn the meeting.
Motion passed.

NO OBJECTIONS

APPROVED BY: Thomas F. Meagher III DATE: 3/15/17