

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 December 10, 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, Marchese, McConnell, and Foster.

Six (6) members present and no member absent and one vacancy. With a quorum being present, the Board President declared the meeting duly convened to conduct business at 9:03 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
- Joe Bogdahn, Bogdahn Group
- Jon Breth, Bogdahn Group
- Kenny Prevost, Firefighter
- J. Petruska, Retired Firefighter
- Louis Robein, Board attorney
- Bob Tarcza, Tarcza and Associates
- Nick Felton, Local 632, President
- Derick Francis, Mayor's office

COMMUNICATIONS:

None

REVIEW & ACCEPT MINUTES:

Minutes were made available for review and approval.

MOTION: Moved by Marchese and seconded by Lavene to approve the November investment minutes.

Motion passed.

NO OBJECTIONS

OLD BUSINESS:

None

NEW BUSINESS:

None

REGULAR BUSINESS:

Fund performance - period ended November 30, 2014

Joe Bogdahn led the discussion on the performance of the Fund and provided commentary on the performance of various sectors and money managers in particular. Joe noted that the energy sector is down and our diversification away from this sector helped performance this month.

Maritime Bldg. Paul Mitchell and Jon Breth visited with Marcel Wiznia at the Maritime Bldg. Wiznia provided some background on the investment. He noted that the original note carried an equity interest, and that the 12% note would be repaid at the end of the construction period. Bridge financing was delayed as construction deadlines ran over. As a result, there were not sufficient funds at closing to pay off the note. Marcel noted that the building is 98% occupied, but higher than anticipated costs were preventing him from making distributions to the Fund. He noted that utility costs were 30% higher than planned and that the doorman, a unique feature in New Orleans, was adding 15 cents per square foot to operating costs. His rents were at market rate. Higher rents are difficult to impose because of the HUD loan restrictions. He has hired a new building management executive to support his efforts to reduce overhead and operating costs.

Stevens Garage: The Fund holds the second mortgage after Mississippi River Bank. Marcel estimates that development costs could exceed \$21 million. He thinks completion of the building is two years away.

St Raymond: The Fund has received an offer of \$600,000 for the property. Documents are being forwarded to legal counsel.

Firewall (Westwego property): Mr. Crenshaw has agreed in principal to a 3 tranche purchase of the property. Crenshaw will purchase 11 acres closest to Lapalco for \$2 million; option 10 acres for \$1.9 million at \$10,000 and the remaining 30 acres for \$4.35 million at \$10,000 in 18 months, all sales cash. The initial purchase is expected to close by the end of the first quarter.

Casa Fuego III (Parks of Plaquemines) David Waltemath anticipates making a \$195,000 payment during early 2015.

Firehouse VIII (Coco Walk): The sale is moving forward. Due diligence ends December 16, 2014. This sale is expected to pay off the loan and provide a return.

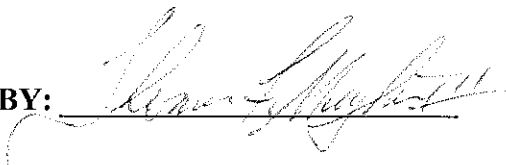
Land Baron (Sadie Creek and Corner Pocket): We received an informal offer of \$5, 000,000 for both parcels which Land Baron personnel are working with. We have stopped payment on the Corner Pocket note because the note exceeds the value of the property. We will continue to explore sale options on the Sadie Creek property.

HCH Land Partners: The listing agreement has been signed. Pricing the property is dependent on potential future use. The multifamily use designation expires during 2015; however it is not expected to present a problem for new owners.

Jon noted that the Bogdahn Group has hired a new consultant. Chris Kuhn lives in Michigan and will be supporting Jon on this account.

There being no further business, the meeting adjourned at 10:10 am. The next Investment Board Meeting of the Board of Trustees will be on January 14, 2015.

APPROVED BY:



DATE:

2/19/15