

# 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 14, 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, McConnell, and Foster. Lavene absent.

Five (5) members present and one 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  
Jon Breth, Bogdahn Group  
Kenny Prevost, Firefighter  
J. Petruska, Retired Firefighter  
Ernest Pollick, Firefighter  
David Waltemath  
Jesse Evans, City of New Orleans  
Louis Robein, Board attorney  
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 Gaal to approve the December investment minutes.

**Motion passed.**

**NO OBJECTIONS**

**OLD BUSINESS:**

**Casa Fuego III (Parks of Plaquemines):** David Waltemath, developer, was on hand to discuss the project. His project was a 100 acre development, 280 units total, 2 phases under construction at this time. Phase 1 is sold out. Other phases planned. David noted that his development was the largest and last available development on the west bank. He noted that absorption was lower than the North shore and Baton Rouge, areas which had larger available inventories. He expected that this area was temporarily lagging the metro area market and that sales in 2015 would pick up. His discussion covered several key statistics on the project. Average lot sales price (\$92,786) exceeded original prices (\$72,480), Total income projected (\$20,904,000) exceed original projections (\$16,235,000), expenses are higher and expected cash flow after expenses is estimated to be \$6,854,000 versus \$5,189,000 planned. Waltemath noted that our investment pays 10% interest quarterly. The note is not in default. Absorption was 18 lots during 2104 versus a projected 40. There are 44 available lots out of a total of 125. His analysis noted that the sale of 36 lots would pay off the loan, as we receive a portion of lot sales.

**NEW BUSINESS:**

None

**REGULAR BUSINESS:**

Fund performance - period ended December 31, 2014

Jon Breth led the discussion on the performance of the Fund and provided commentary on the performance of various sectors and money managers in particular. Jon discussed the decrease in Fund value due to the fall in oil stocks and S&P movement.

**Fire Assist (St. Raymond) sale:** Mitchell noted that the Fund has received a signed offer sheet for the St. Raymond property. This property is located in Jefferson Parish near Oschner hospital. Original plans for the property included assisted living and a high rise development. The fund has invested \$3,015,000 in the project, which has gone through bankruptcy and developer defaults. Foster inquired about the sales price and buyer plans for the property. The property was recently (April 2014) appraised for \$595,000. The sale price is \$600,000. The Buyer is represented by Don Randon, a real estate agent. Mr. Randon noted that he could not disclose the name of the buyer and no plans have been made for the property at this time. Discussion followed on the history of

the investment, with Board member McConnell noting past articles found through web searches on development plans at the site.

Members questioned whether the Fund should sell the property or hold for a higher price. The fund knew of no other development opportunities and the price was in line with the recent appraisal.

**MOTION:** Moved by Meagher and seconded by Gaal to move forward with the sale of the St. Raymond property at the \$600,000 sales price. Mr. Gaal and Meagher will take the necessary steps to execute the sale.

Motion passed.

**NO OBJECTIONS**

**Firehouse VIII (Cocowalk):** Bob Whelan has informed the Fund that he has a buyer for the property at a price which was anticipated to exceed \$100 million but following due diligence is at a price that may reach \$89 million. Breth noted that at the \$89 million sales price the Fund would receive its entire investment and some accrued interest. Several smaller investors in the project would not get any return. Whelan is seeking permission to authorize a sale at \$89 million or above.

**MOTION:** Moved by Meagher and seconded by Gaal to allow Whelan to continue negotiations on the sale of Coco walk investment at a price of \$89 million or above.

Motion passed.

**NO OBJECTIONS**

**Firewall (Westwego):** Closing is expected to be Tuesday January 20, 2015, pending receipt of the surveys. Earlier minutes outlined the sale options agreed to which were as follows. 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.

**Investment policy:** Jon provided the Board with a draft copy of the investment policy. This draft is a rewrite of the current policy. Jon proposed that each Board member read the draft before the item is discussed. Foster wants an opportunity to review the document, particularly the prohibited transactions section, as does other Board members. Mr. Meagher will place the item on the agenda in the future.

Mr. Foster noted that he is still interested in contacting each vendor of the Fund and having them confirm that they have no contracts or financial transactions with Board members. Discussion followed on the merits and potential results of such a request. No further action was taken following the discussion.

**Falconhead/ Lakewood sales offers:** Our realtor has received several offers for the properties. Most have not met our sales objective. Once a sales offer of significance is received the Board will be contacted. With respect to the PUA, they have not responded to our request to rework the

water agreement. Mitchell noted that the sales contract requires renewal. He would appreciate a motion from the floor to allow for an extension of the agreement.

**MOTION: Moved by Meagher and seconded by Marchese to extend the sales agreement with Colliers for one year.**

**Motion passed.**

**NO OBJECTIONS**

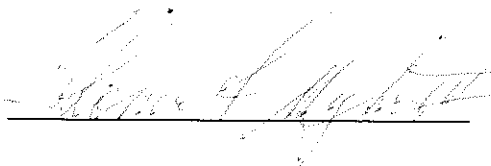
**Fletcher:** Mr. Mitchell and Mr. Meagher attended a meeting regarding Fletcher bankruptcy. FRS and MERS representatives were in attendance. During the update we were reminded that the courts have not issued an opinion on the location of a hearing. The Funds seek a trial in Louisiana, while the defendants seek a hearing in Federal court in New York. Phil Pries, attorney, expects to hear comments from the Federal courts shortly.

**End Game:** Jon mentioned that he is contacting another investor in the End Game investment to discuss liquidation options. Preliminary discussions with management indicate that no distributions will be made to the Fund resulting from 2014 activity. Discussion followed.

**Bogdahn Group changes:** Jon noted that Joe Bogdahn has sold a major portion of his firm to the current President of the Bogdahn Group. Joe was a major shareholder of the employee owned firm. Jon indicated that this move was the first of what is anticipated to become part of a succession plan with provides ownership opportunities to other key employees of the firm. He hopes that the Board finds this news as positive.

There being no further business, the meeting adjourned at 10:55 am. The next Investment Board Meeting of the Board of Trustees will be on March 11, 2015.

APPROVED by:



DATE:

