

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 August 10, 2016
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, Lavene, McConnell and Muse. Foster was absent..

Six 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
Mike Hammer,
Marcel Wiznia
Barry Carouso, firefighter
Kerrie Carouso

COMMUNICATIONS:

None

REVIEW AND ACCEPT MINUTES

Board members were requested to approve the minutes of the June 2016 Investment Board meeting. There was no June Investment Board meeting.

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

Motion passed.

NO OBJECTIONS

OLD BUSINESS:

None

NEW BUSINESS:

Wiznia presentation:

Mr. Meagher noted that Mr. Marcel Wiznia and Mike Hammer were on hand to provide the Board with an update on the investments managed by Mr. Wiznia which are Maritime Building, Saratoga Building and Stephen's Garage.

Mr. Wiznia noted that the Maritime Bldg. and Saratoga Bldg. are both completed but struggling financially in the marketplace. He noted that a onetime shortage of downtown apartment space two years ago has completely reversed as 2,000 apartments have come on line since then. He noted that the Maritime Bldg. has a current occupancy in the low 70%. Sales efforts are ongoing through social media and other ad campaigns. His tenants have left because they want to try out the competition. Wiznia expected the rental market to return as demand catches up with supply. Wiznia notes that the Saratoga Bldg. was a pioneer, as the first in its area to offer housing to the medical community. People were slow to move into the area than he anticipated. Since then, several other bldgs. have opened, including 234 Loyola and Elks place. Two hotels are under construction as well which may offer opportunities with leasing. Wiznia discussed other operational hurdles he faces with higher real estate taxes and IRS challenges to the historic tax credits applicable to both bldgs. which have contributed to lower operating margins, He expects the HUD loan refinancing to lower operating costs. He noted that with the increases in taxes and lower rents, a distribution is not likely. Conversion of the Maritime Bldg. to condos is not expected before 2018. The Saratoga bldg. is eligible for conversion in 2017.

Wiznia noted that he cannot move forward with Stephen's Garage due to a tough financing market. He noted the building has \$6,000,000 in loans in place. The plan provides for 51 apartments and 11 condos with the capacity to park cars on the same floor of the residence. The Bldg. is valued at \$6-7 million.

Fire Game

Mitchell noted the Fund, as owner, was cited for high grass on the property located on Callivet Street in Biloxi, MS. Quotes were obtained from various vendors in the Biloxi area. Doug DiSivery of Biloxi Boy Lawn and Handy Man Service provided timely and competitive quotes. The Fund was billed \$350 to cure the violation. A monthly maintenance agreement will be executed to keep the property in compliance with the code.

The Fire Game investment was part of a 12 acre parcel scheduled for development as a casino. NOFF through Fire Game owned a portion of the property. The Guiellotte family owned a majority of the adjoining real estate. The project and prospects for a casino has faded over the years.

REGULAR BUSINESS:

Fund performance - period ended July 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.

Fire Flix Jon has not been able to get a return call from Mr. Tufaro. Mr. Tufaro has been requested to attend a Board meeting as soon as possible.

Intercontinental III. This Fund continues to liquidate properties in this fund.


Kreate Fund: the building continues to produce income. The current tenant has agreed to a lease with a shorter rental time and higher rental rate. This shorter lease period will negatively affect the market value of the building.

ADJURNMENT:

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

Motion passed.

NO OBJECTIONS

Approved By:  Date: 4/12/17