

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

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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 March 15, 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, Lavene and Muse. Foster and Marchese were absent. McConnell arrived late.

Four members present. With a quorum being present, the Board President declared the meeting duly convened to conduct business at 9:27 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  
Michele Conway, Mayor's office  
Keith Cubba, Colliers Group  
Ken Arimitsu, PM Realty Group  
Robert Tarca, Board attorney

**COMMUNICATIONS:**

The next regular Board meeting will be held April 5, 2017 beginning at 10am.

**REVIEW AND ACCEPT MINUTES**

Board members were requested to approve the minutes of the January 2017 Investment Board meeting. There was no February 2017 Investment Board meeting.

**MOTION: Moved by Meagher and seconded by Gaal to approve the minutes of the January 2017 investment Board meeting.**

**Motion passed.**

**NO OBJECTIONS**

**REGULAR BUSINESS:**

Mr. Meagher noted that Mr. Keith Cubba was available to discuss the status of the sale of the Falconhead golf course. He noted that that item will be discussed in executive session.

**MOTION: Moved by Meagher and seconded by Lavene to take items out of order.**

**Motion passed.**

**NO OBJECTIONS**

**MOTION: Moved by Lavene and seconded by Gaal to go into executive session to review matters relating to the sale of the Falconhead golf course. The executive session is necessary to discuss strategy and offers not subject to public record.**

**Motion passed.**

**NO OBJECTIONS**

McConnell arrived during the executive session.

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

**Motion passed.**

**NO OBJECTIONS**

**MOTION: Moved by Meagher and seconded by Lavene to go into executive session to review matters relating to the settlement offer for the Wiznia investments (Maritime Building, Saratoga Building and Stevens garage). The executive session is necessary to discuss strategy and offers not subject to public record.**

**Motion passed.**

**NO OBJECTIONS**

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

**Motion passed.**

**NO OBJECTIONS**

**MOTION: Moved by Gaal and seconded by Lavene to authorize the Secretary Treasurer to continue negotiations to secure a sale of the Wiznia properties.**

**Motion passed.**

**NO OBJECTIONS**

**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, market sector performance and market outlook.

**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. The Building remains fully occupied and rents are providing monthly income. The Building is more difficult to sell now that the current tenant has a six month termination clause. The Building's value may be reduced accordingly.

**Endgame** Breth continues to reach out to the new CFO. No additional news available.

**Louisiana Fund 1:** This Fund is reaching maturity. Secondary offers are sought by the Fund's largest investor, Louisiana Teachers. There is unlocked value, but a sale is not planned by Fund managers.

**Land Baron:** Walt Brown, the owner of a nearby property, has reengaged our partners in this deal. No offers have materialized.

**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.

**Casa Fuego III (Parks of Plaquemine) offer.** David Waltemath has presented a revised 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. Mr. Waltemath has agreed to pay \$30,000 for our equity position and 5% per annum interest on any amounts outstanding after March 31, 2017. Waltemath does not expect to close until April or May of 2017.

**MOTION:** Moved by Gaal and seconded by Muse to accept the buyout terms of the Waltemath offer and to allow the Secretary Treasurer and President to execute the transaction.

Motion passed.

NO OBJECTIONS

**Fire Game**

A Latter and Blum representative has been selected to list and sell the property. Meagher noted that comp properties have been on the market for nearly three years.

The appraisal of the property is not complete.

**Firewall (Westwego)**

Latter and Blum has been selected to list and sell the property.

**Waterpark:**

Meagher noted that the Fund has not received any returns from the Waterpark. He requested that Mr. Tarcza contact the majority owners and schedule a meeting.

**American Pension Consultants:**

Mitchell noted that all insureds have passed away. Mr. Triche, the fund's manager, currently maintains the proceeds from the final policy. We are awaiting receipt for proceeds from him.

**DROP revoke:**

Mr. Robein led a discussion on the proposal to allow current participants in DROP to revoke their original decision to participate in DROP. Key components of the proposal require members to pay employee contributions before DROP can be revoked, and establishes September 30, 2017 as the deadline to complete the election to revoke the DROP decision. McConnell suggested that actuarial increases, if any, are included in the Fund's annual appropriation calculations, and that employee contributions shall be paid before the DROP revoke election is effective. Finally McConnell suggested that the revoke agreement is discussed with the City Attorney to consider whether this action should be included in the CEA. Mr. Robein agreed to contact the City Attorney and obtain her position on the matter of inclusion in the CEA. Members of the Board expressed no objections amending the CEA if required by the City Attorney.

**MOTION: Moved by McConnell and seconded by Gaal to approve the DROP revoke provision as follows:**

**WHEREAS**, the Trustees of the Firefighters Pension & Relief Fund for the City of New Orleans ("Trustees") were ordered by the Judgment dated October 27, 2016 in the matter of *New Orleans Firefighters Pension and Relief Fund, et al v. The City of New Orleans, et al* ("Judgment") to recalculate retirement benefits based on the formula set forth therein.

**WHEREAS**, the Trustees, in enforcing the terms of the aforementioned Judgment, have evaluated the impact of the Judgment on the members' election to participate in the Deferred Retirement Option Plan, La. R.S. §11:3385.1, ("DROP"), particularly, §11:3385.1(D) which permits the member to participant in DROP only once.

**WHEREAS**, the Trustees understand and acknowledge that the recalculation in compliance with the Judgement results in a reduced benefit amount and assumptions with regard to members who elected to participate in the DROP prior to the Judgment to such members' detriment.

**WHEREAS**, the Trustees wish to permit members who detrimentally relied on the benefit amount calculated at the time of their DROP election, prior to the Judgement, to revoke their election to participant in the DROP, which election will be null and void *ab initio*.

**WHEREAS**, a member who wishes to revoke his DROP election shall pay the employee contributions mandated under La. R.S. §11:3363(B, owed and due as if the DROP election never occurred.

**WHEREAS**, employer contributions shall be paid as if the DROP election never occurred in accordance with the terms and in a manner determined by the Trustees and the City of New Orleans in consultation with the Fund's actuary.

**WHEREAS**, a member wishing to revoke his DROP election shall properly file the appropriate form and pay employee related employee contributions no later than September 30, 2017.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, that:

1. A member who elected to participate in the DROP prior to the Judgment dated October 27, 2016 shall be permitted to revoke said election, which election to participate in DROP shall be null and void *ab initio*.
2. A member shall file and complete such revocation on the appropriate form with the Trustees no later than September 30, 2017. After September 30, 2017, a revocation of a DROP election shall no longer be offered.
3. A member filing such revocation shall be permitted to elect to participate in the DROP in accordance with §11:3385.1 at another date.
4. A member shall pay employee contributions in accordance with a R.S. §11:3363(B), due and owing as determined by the Trustees before September 30, 2017 and as a condition of revocation.

5. Contributions owed by the City of New Orleans shall be determined by the Fund's Actuary during the Fund's annual ARC calculations. Amounts owed will be included in subsequent year's employer contributions.


**Motion passed. McConnell, Muse and Gaal voted for the motion. Lavene and Meagher abstained.**

**ADJURNMENT:**

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

**Motion passed.**

**NO OBJECTIONS**

Approved By:  Date: 6/15/17