

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:

10:00 am February 13, 2019
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, McConnell and Marchese. Norm White was absent.

Five members present. With a quorum being present, the Board President declared the meeting duly convened to conduct business at 10:15 a.m. The Secretary Treasurer opened the meeting with the Pledge of Allegiance and a moment of silence for fallen firefighters.

Also present,
Jon Breth, & Co. Consulting
Paul Mitchell
Kenny Prevost, retired firefighter
Christina Carroll, board attorney
Brandon Krsak, active firefighter
Thibodaux, active firefighter

COMMUNICATIONS:

Derrick Muse has resigned from the Board. Meagher noted that Muse will be missed. His participation in board meetings and attention to detail was outstanding.

REVIEW AND ACCEPT MINUTES

September 2018 Investment Board Minutes require approval.
There was no Oct., Nov., or Dec 2018 and Jan 2019 Investment Board meeting.

Meagher noted that the approval of the September 2018 will be deferred until the next Investment Board meeting.

REGULAR BUSINESS:

Thomas Meagher noted that the management of Lakewood is available to make a presentation on the Lakewood Golf Course. He would like a motion to take items out of order.

MOTION: Moved by Gaal and seconded by Lavene to take items out of order and hear a presentation from the Lakewood management team.

Motion passed.

NO OBJECTIONS

MOTION: Moved by Meagher and seconded by Gaal to go into executive session to discuss matters related to Lakewood.

Motion passed.

NO OBJECTIONS

Jay Mamus, general manager and general partner of Lakewood and Brad Weaver, golf pro and assistant manager were available for the presentation.

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

Motion passed.

NO OBJECTIONS

Meagher noted that Mamus' presentation noted that the course's pro shop is in need of repair and updating to allow the course to better market to golf tournaments. Manus noted that it has been over ten years since any major maintenance has been done on the pro shop. He has held discussions with representatives of various golf tournaments who indicate that the competition for golf tournaments is keen since the opening of City Park. Lakewood remains highly rated in the community as a golf destination. However the facilities require upgrades. Manus has indicated that he can renovate the club house by closing in the deck and provide the seating space needed by larger tournaments. Other discussion followed.

MOTION: Moved by Meagher and seconded by Gaal to provide for a \$300,000 capital call to provide for improvements to the club house, pro shop and dining area.

Motion passed.

NO OBJECTIONS

Fund performance

Jon indicated that fourth quarter performance in the market was one of the worse since the depression. Poor performance was driven by market fears arising from Brexit issues, the China tariff matters and Federal Reserve changes. That poor performance was followed by one of the best markets in January. Total Fund performance for January was up 2.7 %, equity was up driven primarily by the performance of the Equity portfolio which was up 8.5%. The January performance nearly erased the fourth quarter underperformance.

Jon also discussed the benefits of long term investing. He noted that over the long term, a portfolio that initiated its investment in a down market versus one that initiated its investment in an up market had a difference in performance over 20 years of only 90 basis points.

He discussed the performance of each of the mutual funds held by the Fund.

Page 10 of our monthly report provides a long term view of the performance of the funds we hold. The funds are low cost, in the top quartile performance wise, provide daily liquidity and are well diversified.

Whalehaven is still in liquidation. The push is on since 2011 to liquidate this fund. This is a hedge fund/private equity investment started in 2007. There have been no positive results in liquidating the Fund. We are in conversations with the managers and continue to seek liquidation.

Endgame: Has cut staff, has an interim CEO. Proceeds from a customer may be available for distribution. The Endgame is working on this matter. Discussions with the investment continue.

Fire Flix update: Jon noted that Culling and Tell Tale Heart still in bankruptcy by the distributor. Tufaro has not been able to claim the revenues or movies from bankruptcy. Vertical entertainment has acquired the movies out of bankruptcy. National Lampoon movie, Dirty Movie II, is not in bankruptcy no update on this movie that has not been released to date. Amazon Prime video in the UK is showing the movie.

Murphree Venture Partners:

The board of this fund is moving to liquidate the Fund. Our investment is about \$300,000.

Louisiana Fund I: We are still trying to liquidate or sell this Fund. New offers will be sought after financials are released. Two biotech holdings are being marketed to create liquidity.

Kreate Fund:

Meagher questioned the status of the sale of the building. Jon noted that the annual distributions have been sizable, but the building is subject to a short term lease and could result in no revenue to the Fund and no tenant. Jon will contact the tenant and get an update on the progress of the sale efforts.

ADJURNMENT:

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

Motion passed.

NO OBJECTIONS

APPROVED BY; Thomas J. Meagher III Date; 8/14/19