

DENVER EMPLOYEES RETIREMENT PLAN

Minutes of the Retirement Board Thursday, August 14, 2008 - Meeting #652

The 652nd meeting of the Board of the Denver Employees Retirement Plan was held in the conference room of the Retirement Plan located at 777 Pearl Street, Denver, Colorado, on Thursday, August 14, 2008. Board Members present: Ms Cheryl Cohen-Vader, Mr. Irving Hook, Mr Bonney Lopez, Mr Tom Migaki, and Mr. Robert Strenski. Advisory Committee Members present Mr. Mike Aleksick, Dr. Adeniyi Kelani, and Ms Erma Zamora. Others present Mr. Steven Hutt, Executive Director, Ms Roni Kirchhevel, Assistant Director, Ms. Fran Augenblick, Assistant Director, Ms Janney Sims, Chief Investment Officer, Mr Randy Baum, Incoming Chief Investment Officer, Ms. Stephanie Starns, Investment Analyst/Asst Portfolio Manager, Mr. Mike Clark, Accounting Manager, Mr Rich Harris, Finance and Compliance Officer, and Ms. Vicki Halliday, General Counsel

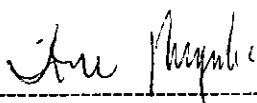
1. The minutes of meeting #650 were approved by a unanimous vote of the Board Members
2. The Board unanimously accepted Retirement List #513 and Refund List #411, Plan Operating Expenditures, and the Financial Statements for the period ending July 31, 2008
3. Ms Fran Augenblick gave an update on the Benefits Administration Computer Replacement Project. Members of Plan staff evaluation team have worked on talking with other public pension fund users of the various systems being proposed for the Plan to purchase, and developing product demonstrations for the finalist vendors. The Plan evaluation team and Mr William Morrow of L.R. Wechsler visited the co-location center recommended by two of the vendors as a backup site/command center for the new system. The staff evaluation team, plus Ms Cheryl Cohen-Vader, and the consultants held a phone conference to discuss and evaluate the vendors.

Ms. Augenblick explained that there are strong reasons for continuing the review process with two out of the three vendors. The Board unanimously approved a motion to move forward in the selection process with those two vendors, Sagitec and CPAS. The Plan evaluation team will schedule user-site visits and full-day project demonstrations with those vendors, notifying the third that the Plan will not be proceeding with them. The two vendors will be asked to perform full-day project demonstrations at the Plan offices on September 4 – 5, 2008, which the Board was invited to attend. Site visits to the offices of other public funds using the relevant computer systems will take place September 8 -10, 2008, in Topeka, KS and Concord, CA.

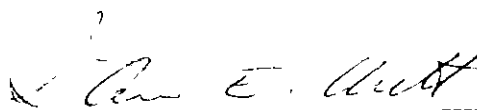
The interim Disaster Recovery Project is also moving forward, and retirement benefits are scheduled to be processed a week ahead of schedule, prior to the DNC, to prevent delay in the event of some sort of trouble in the City or in the area during the DNC.

4. Mr. Steve Hutt reviewed the dates for upcoming events in the month of August and in early September. The Open House for retirees is to be held on Wednesday, August 20, 2008. The retirement reception for Ms. Janney Sims will be held on Thursday, August 21, 2008. A special Board Meeting to make a decision on the Investment Consultant will be held Wednesday, September 3, 2008.
5. Mr. Randy Baum presented the Staff Investment Report. Contained in that report were updates of the asset allocation position, performance data and other related investment information. As of July 31, 2008, the market value of the Plan was \$1,960,236,908.51(p). The market value was down \$32,826,798.49(p) in July and is down \$179,609,933.70(p) since December 31, 2007.
6. Ms. Sims discussed a comparison of the Plan's performance, in relation to our peers. Despite a financial dip, the Plan still retains good long-term numbers, and is categorized as having an outstanding investment performance over a number of periods in comparison to peers. Mr. Hutt noted the personal credit that should go to Ms. Sims for her management of the Plan's investment strategy, throughout this period of out-performance. He noted that this would be her last meeting with the Board after 31 years on the Plan staff, and thanked her for her record of accomplishment. Mr. Tom Migaki added his thanks on behalf of the Board, and asked that the meeting be dedicated to Ms. Sims in her honor.
7. The Ordinance change to allow an Additional Benefit Payment was approved unanimously by City Council. Mr. Rich Harris continued his previous discussion of possible allocation structures for payout of the additional funds, bringing forward one more payment option. Mr. Irving Hook made a motion that no Additional Benefit Payment be made in 2008. The motion failed for lack of a second. Moving forward, Mr. Bonney Lopez made a motion to select the benefit allocation structure that distributes evenly to members a one-time payment of \$153.00 per retiree, to members who retired prior to December 31, 2007. This motion was approved by the Board by a 4-0 vote with Mr. Hook abstaining. The staff's goal will be to distribute this payment with the October 1, 2008 benefit payment, along with an informative announcement/Q & A on the new payment. This Q & A will also be available on the Plan website.
8. Mr. Hutt shared with the Board the thankful messages received from Sit Investment Associates and UBS Realty, for memorial donations made by the Plan.

- 9 Ms. Stephanie Starns presented the Large Cap Equity Manager Review for Independence Investment Associates.
- 10 Ms. Janet Perkins, Senior Vice President, and Mr. Thomas Spicer, Senior Vice President, of Independence Investment Associates, provided a portfolio and performance review of the equity portfolio they manage for the Plan Also discussed by Ms. Perkins was the recent large loss of assets under management by their firm, mostly due to funds that they were still managing from the original era of their ownership by the John Hancock company having been taken back to be managed by a Hancock-related company.
- 11 Ms Stephanie Starns presented the Large Cap Equity Manager Review for Cadence Capital Management.
12. Mr. Michael Skillman, CEO and Managing Director, and Mr. Steve Shaw, Principal and Account Manager, provided a portfolio and performance review of the equity portfolio they manage for the Plan
13. Ms. Stephanie Starns presented the Large Cap Equity Manager Review for Sit Investment Associates, Inc
- 14 A special Board Meeting to continue the discussion and make a decision on the Investment Consultant will be held on Wednesday, September 3, 2008 at 8.30 a.m. at the Denver Employees Retirement Plan.
- 15 The next regularly scheduled Board Meeting will be on Thursday, September 18, 2008 at 8:30 a.m at the Denver Employees Retirement Plan
- 16 The meeting was adjourned at 12:25 p.m



Chairman



Executive Director