

## **DENVER EMPLOYEES RETIREMENT PLAN**

### **Minutes of the Retirement Board Friday, December 14, 2007 - Meeting #642**

The 642<sup>nd</sup> 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 Friday, December 14, 2007. Board Members present: Mr. Irving Hook, Mr. Bonney Lopez, Mr. Tom Migaki, and Mr. Robert Strenski. Board Member absent: Ms. Kathy Selman. 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. Janney Sims, Chief Investment Officer, Mr. Randy Baum, Incoming Chief Investment Officer, Mr. Mike Clark, Accounting Manager, Mr. Rich Harris, Manager of Fiduciary Compliance and Ms. Vicki Halliday, General Counsel.

1. The minutes of meeting #641 were approved by a unanimous vote of the Board Members.
2. The Board unanimously accepted Retirement List #505 and Refund List #403, Plan Operating Expenditures, and the Financial Statements for the period ending November 30, 2007.
3. Mr. Steven Hutt introduced new Plan staff member, Ms. JonEll Nichols.
4. Mr. Hutt pointed out to the Board, while reviewing the Staff Financial Report, that the Plan has hit a milestone, paying out over \$100 million in benefits year-to-date through November 30, 2007. He also noted that the Plan is poised to earn over \$1 million this year from securities lending.
5. Mr. Tom Migaki submitted his travel report for his attendance at the IFEBP Scholar Series in Board Governance, November 3-4, 2007.  
  
Mr. Robert Strenski submitted his travel report for his attendance at the IIEF 6<sup>th</sup> Annual Global Shareholder Activism Conference, November 29-December 1, 2007.
6. Mr. Hutt announced to the Board the Plan's receipt of the GFOA "Certificate of Achievement for Excellence in Financial Reporting" for the 2006 CAFR.
7. Ms. Janney Sims updated the Board on a Portfolio Manager change at Templeton. Portfolio Manager Ms. Cindy Sweeting was promoted to President of Templeton Global Advisors, LTD. Taking her place as the Plan's Portfolio Manager will be Mr. Peter Nori.

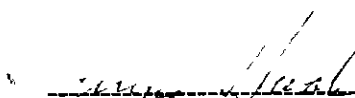
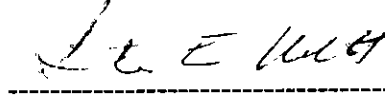
8. Mr. Hutt gave an update on the Ordinance Amendment process. Mr. Hutt and Ms. Vicki Halliday presented the Ordinance to the City Council Finance Committee on December 5, 2007. The Ordinance was approved and forwarded to the full City Council, for enactment prior to year end
- 9 Mr. Hutt gave an update on the Computer System Replacement Project. L.R. Wechsler is continuing to work with the Plan on the next phase of the project: drafting a very detailed RFP for the replacement system. The firm has agreed to lower their charges for the next phase by \$8,000. Mr. Will Morrow will be returning to the Plan to work on-site during this next phase.
10. Mr. Hutt presented to the Board the Proposed 2008 Meeting and Manager Presentation Schedule. The 2008 Schedule was amended to include Pyramis Investment Management at the Board Meeting in April, and Cadence Capital Management at the Board Meeting in August.
11. Mr. Hutt informed the Board that Ms. Fran Augenblick has been monitoring the 2007 Investment Management Budget. There is a possibility that, due to higher than expected investment returns, the Budget may need to be amended to accommodate the fees due the managers for the 4th Quarter of 2007.
12. Mr. Hutt gave an update on the Audit process. BKD will be visiting the Plan the first week of January to initiate the audit. Interim work should be completed in February. The Audit Committee for 2008 will be set in January, appointed by the new Chairman of the Retirement Board.
13. Ms. Vicki Halliday and Mr. Hutt gave updates on Securities Litigation:

Ms. Halliday gave an update on Able Labs, informing the Board that there will be a mediation hearing on January 23-24, 2008. Mr. Robert Strenski will attend the mediation with Ms. Halliday.

Mr. Hutt gave an update on EFI. The settlement process appears to be moving forward and a second mediation hearing will be taking place on January 15, 2008 in Wilmington, DE.
14. Mr. Rich Harris gave an update on the Actuary finalist presentations and the discussions of the Actuary RFP Review Committee meeting held on December 13, 2007. The recommendation from the Committee was to hire the firm of Gabriel, Roeder, Smith, & Co. (GRS) as the Plan's Primary Actuary, and to hire Milliman & Co as the Plan's Reviewing Actuary. The GRS work would begin immediately upon execution of a contract; the Milliman reviewing work would first be performed after the 1/1/09 actuarial valuation. Mr. Harris handed out to the Board a summary of the reasons

for the recommendation The Board unanimously voted that the Plan hire GRS as the Plan's Primary Actuary. The Board also unanimously voted that Milliman & Co be retained as the Reviewing Actuary.

15. 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 November 30, 2007, the market value of the Plan was \$2,144,938,953.95(p). The market value was down \$44,958,693.76(p) in November and up \$154,263,734.63(p) since December 31, 2006.
16. Ms. Janney Sims presented the Fixed Income Manager Review for Seix Advisors.
17. Mr. Tom Meyers, Managing Director and Senior Investment Manager of Seix Advisors, provided a portfolio and performance review of the high-yield fixed income portfolio they manage for the Plan.
18. The next regularly scheduled Board Meeting will be on Friday, January 18, 2008 at 8:30 a.m. at the Denver Employees Retirement Plan.
19. The meeting was adjourned at 11.52 a.m.

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