

## DENVER EMPLOYEES RETIREMENT PLAN

### Minutes of the Retirement Board Friday, December 12, 2008 - Meeting #660

The 660<sup>th</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 12, 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, Mr. Randy Baum, Chief Investment Officer, Ms Stephanie Starns, Investment Analyst, and Ms Vicki Halliday, General Counsel

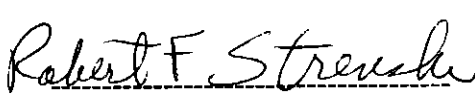
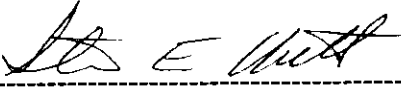
- 1 The minutes of meeting #659 were approved by a unanimous vote of the Board Members.
2. The Board unanimously accepted Retirement List #517 and Refund List #415, Plan Operating Expenditures, and the Financial Statements for the period ending November 30, 2008.
- 3 Mr Irving Hook received the Board's authorization to attend the GAIM USA 2009 Hedge Fund Session, January 25-28, 2009  
  
Mr. Irving Hook received the Board's authorization to attend the Sit Investment Associates 27<sup>th</sup> Annual Client Workshop, February 12-15, 2009.  
  
Mr. Robert Strenski received the Board's authorization to attend a Colorado Bar Association conference on Private Equity, December 19, 2009.  
  
Mr Irving Hook submitted his report on the Franklin/Templeton Client Conference, November 8-11, 2008  
  
Mr. Robert Strenski submitted his report on the International Foundation 54<sup>th</sup> Annual Employee Benefits Conference, November 16-19, 2008.  
  
Mr Robert Strenski submitted his report on the IIEF Global Shareholder Activism Conference, December 4-6, 2008.  
  
Ms. Erma Zamora submitted her report on the International Foundation 54<sup>th</sup> Annual Employee Benefits Conference and the Certificate of Achievement in Public Plan Policy pre-conference, November 15-19, 2008.

4. Mr. Hook highly recommended to the Board their attendance at the Franklin/Templeton Client Conference, reporting that the speakers are very thorough, experienced, and knowledgeable in their fields. This conference is held every two years
5. Ms. Cohen-Vader, Mr. Baum, Mr. Hook, Mr Lopez, and Ms. Starns gave a report on their site-visit to Summit Strategies on December 3, 2008. Mr. Lopez requested more information and education on the topic of asset/liability modeling. Summit is scheduled to present an in-depth session on that topic at the January 23, 2009 Board meeting.
6. Mr. Migaki reported on the 13<sup>th</sup> Annual Superbowl of Indexing conference attended December 7-10, 2008, stating that the subjects covered were interesting, and well worth taking the time to attend.
7. Mr. Hutt presented the proposed 2009 Board Meeting schedule. All meetings will be held on the third Friday of the month with the exceptions of January and December 2009, due to foreseen date conflicts. One manager will present per meeting, with other managers presenting to staff and any interested Board members at the Plan offices. The schedule of topics to be covered by Summit Strategies was also presented.

Mr. Hook proposed that a formal Investment Committee, comprised of two members of the Board, be present at the manager presentations to be held at the Plan offices. The Board agreed to the 2-person Investment Committee, comprised of Mr. Hook and Mr. Lopez, and accepted the 2009 Board Meeting schedule as drafted.

8. Mr. Hutt presented a Resolution to expand the Under-65 Health Insurance Premium Reimbursement to in-state members who reside in outlying portions of Colorado. The Board unanimously adopted the Resolution, which will go into effect January 1, 2009.
9. Mr. Hutt updated the Board on an 11th-hour objection from Denver Health regarding the \$2 million Supplemental Contribution that they owe for 2008. Since the payment calculation is being disputed, a meeting has been scheduled with Denver Health executives and the relevant actuaries and attorneys to review the numbers. If a resolution cannot be reached by December 31, 2008, they will pay the undisputed portion of the \$2 million by December 31, 2008.
10. Mr. Hutt and Mr. Migaki are scheduled to meet with the Mayor on December 17, 2008 to discuss the status of the Plan's investment performance, and to provide a projection of what to expect in 2009 in terms of funding.
11. As a follow-up item to the Strategic Planning Session, Mr. Hutt presented proposed changes in the content and format of the Staff Financial Report, intended to make the report more "user friendly" for the Board members. The proposed changes were arrived at via a meeting with Mr Lopez, Mr. Strenski, and members of the staff. The Board unanimously accepted these changes, and they will go into effect January 1, 2009.

- 12 Mr. Hutt presented the finalized contract with Sagitec for the CRIS (Comprehensive Retirement Information System) project. The contract was approved by the Board
- 13 Mr. 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, 2008, the market value of the Plan was \$1,519,021,006.62(p). The market value was down \$60,452,090.05(p) in November and is down \$620,825,835.59(p) since December 31, 2007.
- 14 Mr. Baum went over highlights of the Third Quarter Investment Performance Report prepared by Callan Associates for the Plan
- 15 Ms. Starns presented the Fixed Income Manager Review of Seix Advisors.
- 16 Mr. Eric Storch, Managing Director and Senior Investment Manager, and Mr. Michael McEachern, Head of High Yield Group, of Seix Advisors provided a portfolio and performance review of the high yield fixed income portfolio they manage for the Plan.
- 17 The next regularly scheduled Board Meeting will be on Friday, January 23, 2009 at 8.30 a.m. at the Denver Employees Retirement Plan
- 18 The meeting was adjourned at 1:05 p.m.

   
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Vice Chairman Executive Director