

DENVER EMPLOYEES RETIREMENT PLAN

Minutes of the Retirement Board Wednesday, December 16, 2009 - Meeting #676

The 676th 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 Wednesday, December 16, 2009. 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 and Ms. Erma Zamora. Advisory Committee Member absent: Dr. Adeniyi Kelani. Others present: Mr. Steven Hutt, Executive Director, Ms. Roni Kirchhevel, Assistant Director, Mr. Mike Clark, Assistant Director, Mr. John Finamore, Accounting Manager, Mr. Randy Baum, Chief Investment Officer, Ms. Stephanie Starns, Investment Analyst, Mr. Rich Harris, Finance and Compliance Officer, and Ms. Vicki Halliday, General Counsel.

1. The minutes of meeting #675 were approved by a unanimous vote of the Board Members.
2. The Board unanimously accepted Retirement List #529 and Refund List #427, Plan Operating Expenditures, and the Financial Statements for the period ending November 30, 2009.
3. Ms. Cohen-Vader received authorization to attend the International Foundation's Wharton Course on Hedge Funds, Real Estate, and Other Alternative Investments, July 19-21, 2010.

Mr. Strenski received authorization to attend the International Foundation's Investments Institute conference, April 19-20, 2010.

Dr. Kelani submitted his report on the IFEBP 55th Annual Employee Benefits Conference, November 8-11, 2009.

Ms. Zamora submitted her report on the IFEBP CAPPP Employee Pensions Part II and 55th Annual Employee Benefits Conference, November 7-11, 2009.

4. Mr. Hutt updated the Board on the City and DHHA's Retirement Incentive Programs. The final number of eligible City employees to retire under the Incentive was 357, or approximately one-third of members eligible. Mr. Harris created a table that showed that the retirements were essentially evenly distributed by age. The City Budget Office determined that the retirements under the Incentive will save the City millions annually in personnel costs, even if half the positions are eventually filled.

The window for the DHHA Incentive just closed. Out of 82 eligible DHHA employees, 32 employees retired under this Incentive, for an acceptance rate of 39%. Those who have chosen to retire under the DHHA Incentive have the option of remaining employed and retiring as late as March 1, 2010. Mr. Hutt commended the

Plan staff for their hard work during these Incentive periods, getting every retirement processed timely in order for each member to receive his or her first benefit payment by December 1.

5. Mr. Hutt reported to the Board on his site visits to Smith Graham's new New York office and JPMorgan's securities lending operation. Following Mr. Baum's visit to Smith Graham's Houston office, Mr. Hutt's visit to Smith Graham in New York allowed a view of how their New York and Houston offices are now working together. The impression from both Houston and New York was positive.

Mr. Hutt also met with staff from JPMorgan's securities lending operation. He suggested having a representative from JP Morgan Securities Lending present to the Board to share the information that he received about the operation. The Board agreed to invite a JPMorgan representative to present at one of the January Board meetings.


6. Mr. Hutt reported on the results of the Anthem Insurance open enrollment. There had been a concern over the increase in Anthem's rate and the number of members who would remain with Anthem. A provision in the Plan's contract with Anthem stated that if enrollment were to either increase or decrease by more than 10%, that they had the right to re-adjust their rates. However, member enrollment in Anthem actually increased by 50 members for 2010, due to Denver Health's Medicare members being moved to Anthem, so there will be no additional rate adjustments.
7. Mr. Hutt presented the proposed 2010 Board Meeting Schedule, and the 2010 schedule for presentations to the Investment Committee and staff. After adjusting one meeting date, moving the Board meeting in May from the 21st to the 15th, the Board adopted the meeting and presentation schedules. Updated copies reflecting the adjustment will be redistributed, and the managers will be notified via mail of their upcoming presentation dates.
8. Mr. Hutt explained the DERP practice of permitting the transfer of residual sick leave balances by City employees recruited to leave Career Service status and become Plan staff employees. After Mr. Hutt's detailed explanation of the mechanics of transferring and then re-reducing residual sick leave balances upon final termination of employment, the Board agreed to let the practice stand as is, without adjustment.
9. The Board met in executive session, pursuant to Section 24-6-402(4)(b) of the Colorado Revised Statutes to discuss, with General Counsel, potential settlement of contested issues with Denver Health.

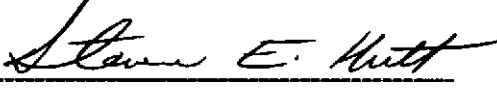
"I, Robert Strenski, as Chairman of the executive session, attest that these written minutes accurately reflect the substance of the discussion held during the executive session."



Robert Strenski, Chairman

10. Following the executive session, the Board returned to open session. The Board unanimously agreed to approve the proposed settlement with Denver Health as described by Mr. Hutt.
11. Ms. Starns presented the High Yield Fixed Income Manager Review for Seix Advisors.
12. Mr. Eric Storch, Senior Investment Manager, and Mr. Michael McEachern, of Seix Advisors, provided a portfolio and performance review of the high yield fixed income portfolio they manage for the Plan.
13. After the presentation, Mr. Baum discussed with the Board his judgment and the opinion of Summit Strategies in regards to Seix Advisors' performance.
14. 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, 2009, the market value of the Plan was \$1,638,700,493.74(p). The market value was up \$36,018,981.29(p) in November and is up \$98,867,104.74(p) since December 31, 2008.
15. Mr. Baum presented a summary of Summit Strategies' 3rd Quarter Investment Performance Report.
16. Mr. Baum briefed the Board on the Master Limited Partnerships (MLP) search process. The Board ratified the designation of finalist firms as recommended by the Investment Committee and staff. It was agreed that Mr. Hook, Mr. Strenski, Mr. Hutt, Mr. Baum, and Ms. Starns would travel to conduct on-site due diligence visits to the MLP candidates. These site visits will be made in mid-January.
17. The Board's Annual Educational Session will be held on Wednesday, January 13, 2010, at 8:15 a.m. at The DoubleTree Hotel, 3203 Quebec Street.
18. The next regularly scheduled Board Meeting will be on Friday, January 15, 2010 at 8:30 a.m. at the Denver Employees Retirement Plan.
19. The meeting was adjourned at 1:25 p.m.


Chairman


Executive Director