

## DENVER EMPLOYEES RETIREMENT PLAN

### Minutes of the Retirement Board Friday, January 23, 2009 - Meeting #661

The 661<sup>st</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, January 23, 2009. Board Members present: Ms Cheryl Cohen-Vader, Mr Irving Hook, Mr. Bonney Lopez, 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, Mr. Rich Harris, Finance and Compliance Officer, and Ms Vicki Halliday, General Counsel.

1. The minutes of meeting #660 were approved by a unanimous vote of the Board Members.
2. The Board unanimously accepted Retirement List #518 and Refund List #416, Plan Operating Expenditures, and the Financial Statements for the period ending December 31, 2008
3. The Board unanimously agreed to defer the 2009 Election of Board Officers to the next Board Meeting, to be held February 20, 2009
4. Mr. Irving Hook received the Board's authorization to attend J.P. Morgan Asset Management's 2008 Global Real Assets Conference on Real Estate and Infrastructure, April 28-30, 2009, in place of the GAIM USA 2009 Hedge Fund Session, January 25-28, 2009.

Mr. Bonney Lopez received the Board's authorization to attend the Sit Investment Associates 27<sup>th</sup> Annual Client Workshop, February 12-15, 2009.

Mr. Irving Hook submitted his report on the 13<sup>th</sup> Annual Superbowl of Indexing conference, December 7-10, 2008

Dr. Adeniyi Kelani submitted his report on the International Foundation 54<sup>th</sup> Annual Employee Benefits Conference and the Scholar Series in Board Governance, November 15-19, 2008

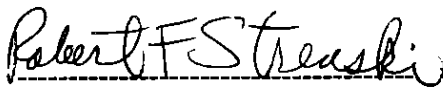
Mr. Tom Migaki submitted his report on the 13<sup>th</sup> Annual Superbowl of Indexing conference, December 7-10, 2008.

Mr. Robert Strenski submitted his report on the Colorado Bar Association's "Private Equity: Down But Not Out" conference, December 19, 2008.

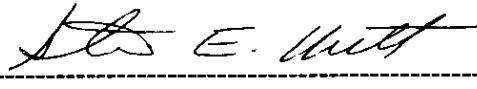
5. Mr. Hutt updated the Board on the dispute with Denver Health regarding the \$2 million Supplemental Contribution that they owe for 2008. Denver Health is disputing the amount owed, based on a claim that the updated actuarial assumptions used in the 2008 Annual Valuation increased the amount of the Supplemental Contribution. Mr. Hutt explained that this is a contractual dispute rather than an actuarial one, since the contract between DERP and DHHA does not provide for the carve-out of the amount that DHHA has withheld. The contract has a dispute-resolution process calling for mediation with Denver Health. A mediator has been agreed upon and they are in the process of scheduling a mediation. Mr. Hutt has briefed the Mayor's Chief of Staff on the issue, who in turn has briefed the Mayor.
  6. Ms. Augenblick updated the Board on the CRIS computer project. The contract with Sagitec was signed in December, 2008, and Sagitec has been onsite for the last three weeks. The project began with a kick-off meeting at the Plan, which provided employees with background information on the project, and emphasized the track necessary to keep within the timeline and budget provided. Currently, all of the system requirements listed in the RFP are being reviewed in order to fit all the specified requirements into the framework of the new system. Beginning in February, Sagitec will be onsite at the Plan the 1<sup>st</sup> and 3<sup>rd</sup> weeks of each month. The Board has been invited to attend any meeting, to observe the process.
  7. Mr. Hutt presented an update on the Strategic Planning Process. Ms. Nancy Williams, of Ennis Knupp, is currently finalizing a Summary Booklet containing all of the work accomplished at the Strategic Planning Session. This Booklet will be delivered to the Board members upon completion, within a week. The setting of Goals and Objectives should be finalized at the February Board meeting.
  8. Ms. Halliday updated the Board on the completion of the Plan's request for a "Determination Letter" from the I.R.S. This is a periodic process of having the I.R.S. confirm the tax-exempt status of the Plan.  
  
Ms. Halliday also gave an update on the Able Labs securities fraud litigation. Another mediation session has been scheduled in February to negotiate with the company's liability insurance carriers.
  9. Mr. Hutt mentioned the free classes now being offered by the Denver Community Credit Union, and described our posting of a link with that information on the Plan website.
  10. Mr. Hutt requested formation of an Audit Committee to oversee the 2008 Audit. The Audit Committee will be comprised of Mr. Bonney Lopez (chairman), Ms. Cheryl Cohen-Vader, and Dr. Adeniyi Kelani.
  11. Mr. Hutt distributed the annual personal Financial Disclosure forms to the Board members, due back January 30, 2009.
  12. 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 December 31, 2008, the market value of the Plan was
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\$1,544,200,822.60(p). The market value was up \$31,687,562.74(p) in December and is down \$595,646,019.61(p) since December 31, 2007.

13. Mr. Tim Sant, Senior Vice President, Mr. Tom Pollihan, Senior Vice President, and Mr. Chris Jordan, of Summit Strategies Group provided a briefing on their initial work on the Asset/Liability Study, as well as an overview on hedge funds
14. The next regularly scheduled Board Meeting will be on Friday, February 20, 2009 at 8:30 a.m. at the Denver Employees Retirement Plan.
15. The meeting was adjourned at 12:17 p m.



Chairman



Executive Director