DENVER EMPLOYEES RETIREMENT PLAN

Minutes of the Retirement Board
Friday, July 18, 2008 - Meeting #650

The 650th 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, July 18, 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 and Ms Erma Zamora. Advisory Committee Member absent. Dr. Adeniyi Kelani. 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 meetings #648 and #649 were approved by a unanimous vote of the Board Members

2 The Board unanimously accepted Retirement List #512 and Refund List #410, Plan Operating Expenditures, and the Financial Statements for the period ending June 30, 2008.

3 Dr. Adeniyi Kelani received approval for attendance at the 54th Annual Employee Benefits Conference and the Scholar Series in Board Governance pre-conference, November 15-19, 2008.

Mr. Mike Aleksick submitted his travel report for attendance at the CAPPP Employee Pensions I & II Training Sessions, June 10-13, 2008

Ms. Cheryl Cohen-Vader submitted her travel report for attendance at the Wharton School Portfolio Concepts and Management Conference, May 19-21, 2008

Mr. Irving Hook reported on the Memorial Service held for Mr. Gene Sit, in Minneapolis, MN, on July 1, 2008, which Mr Hook attended on behalf of the Plan He noted the huge outpouring of support for Mr. Sit's family in recognition of Mr. Sit's life and accomplishments

4. Ms Vicki Halliday reported on the NAPPA meeting she attended in June, where she participated in two timely sessions. One had IRS employees present, who discussed and answered questions in regards to the process of public pension

funds getting Determination Letters from the IRS The other session covered negotiating software agreements, where subgroups of people who have had similar experiences shared both their successes and difficulties, and offered advice.

5 The date of the October Board Meeting has been shifted from Friday, October 17, 2008 to Thursday, October 16, 2008

6 Mr. Steven Hutt reported on the Retirement Planning Seminar that was held on June 25, 2008. The Seminar had new presenters from Social Security and ICMA It was well received by the members attending, with them giving it an average score of 9 2 on a scale of 1 to 10, with nobody rating it less than an 8 The goal is to return to holding two Retirement Planning Seminars per year. Mr. Hutt thanked Roni Kirchhevel for making all the arrangements for the Seminar for the first time since Pat Peterson's retirement last year

7. Mr. Hutt gave a final report on the Beneficiary Update Initiative. Out of 538 letters that were sent to members with no beneficiary listed, 98 responses were received Out of 276 letters that were sent to members with ineligible beneficiaries listed, 65 responses were received. Overall, there was a 20-25% response. More efforts will be made in the future to encourage the remaining members to give us updated information.

8 Ms Fran Augenblick gave an update on the Benefits Administration Computer Replacement Project. Three proposals from potential firms have been received. Plan staff, divided into three groups (Technical, Functional, and Reference Checks), reviewed the proposals and will meet on July 21 to select two finalists After this selection, site visits will be scheduled Board approval was requested and received to retain the services of L.R. Wechsler for Phase 3 of the project, which will involve assistance with project management and quality control.

9 Mr. Hutt updated the Board on the RFP process for the Investment Consultant. Site visits have been arranged for Los Angeles and San Francisco, CA in July, and St. Louis, MO in August Mr. Hutt, Mr. Tom Migaki, Mr. Robert Strenski, Ms Janney Sims, and Mr. Randy Baum will conduct the due diligence visits. A comprehensive, four-hour meeting will be held with each Consultant finalist A special Board meeting will then be held on Monday, August 11, 2008, for the full Board to interview each finalist.

10. Mr. Migaki discussed the Board Education Process, which would cover topics such as stock selection, benchmarks, and asset/liability modeling, among other subjects. He suggested that one, two-hour session be held every other month, beginning in September, and asked the Board for suggestions on scheduling and topics. These sessions will be developed and presented by Plan staff combined with outside resources. The Board agreed with the recommendation of Mr Migaki and Mr. Hutt that the first topic be the asset/liability modeling process

11 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 June 30, 2008, the market value of the Plan was $2,003,725,063 43(p) The market value was down $80,968,304.01(p) in June and is down $136,121,778.78(p) since December 31, 2007

12 Ms. Stephanie Starns presented the Fixed Income Manager Review for NCM Capital Management

13. Mr. Marc Reid, Director of Client Services, and Mr. David Cater, Portfolio Manager, of NCM Capital Management provided a portfolio and performance review of the fixed income portfolio they manage for the Plan

14. Ms. Starns presented the Fixed Income Manager Review for Smith Graham & Company

15. Mr. Hutt gave an update on the Additional Benefit Payment approval process with City Council. The proposed Ordinance change to allow the Board to go forward with this payment eventually received the unanimous support of the City Council Finance Committee earlier in the week Mr. Hutt therefore predicted unanimous support from the full City Council, with enactment of the Ordinance expected in early August Mr. Rich Harris went through four possible structures of allocating the Additional Benefit Payment, highlighting the pros and cons of each distribution method Mr Hook made a motion that it be the sense of the Board to grant no Additional Benefit Payment in 2008. The motion failed for lack of a second Mr Hutt said his intent would be to have the Board come to a decision at the August meeting about which option to use to calculate and distribute the Additional Benefit for 2008.

16 The Special Meeting to interview the Investment Consultant finalists will be on Monday, August 11, 2008 at 8:30 a.m. at the Denver Employees Retirement Plan

16 The next regularly scheduled Board Meeting will be on Thursday, August 14, 2008 at 8:30 a.m. at the Denver Employees Retirement Plan.

20. The meeting was adjourned at 12 49 p m

Chairman

Executive Director