

## **DENVER EMPLOYEES RETIREMENT PLAN**

### **Minutes of the Retirement Board Friday, May 9, 2008 - Meeting #647**

The 647<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, May 9, 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. 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

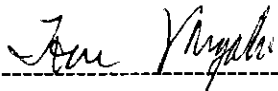
1. The minutes of meeting #646 were approved by a unanimous vote of the Board Members
2. The Board unanimously accepted Retirement List #510 and Refund List #408, Plan Operating Expenditures, and the Financial Statements for the period ending April 30, 2008
3. Mr. Randy Baum reported on the JP Morgan Real Estate conference, informing the Board that JP Morgan is proactive in getting appraisals that ensure that property values are accurately reflected. The fundamentals throughout the three portfolios held by JP Morgan remain strong overall
4. Mr. Steven Hutt informed the Board of a pending clarification of the Agreement with Denver Health regarding hospital employees who transition from Career Service to DHHA status. New DHHA employees become members of DHHA's own retirement plan. However, members who were employed at the Hospital under Career Service who cross over to DHHA status remain eligible for continued membership with Denver Employees Retirement Plan. Mr. Hutt, Ms. Vicki Halliday, and Ms. Roni Kirchhevel met with Denver Health to clarify this issue, and mutually agreed to initiate an amendment to the Agreement to make this policy explicit
5. Mr. Baum presented a status report on the RFP process for an Investment Consultant. The RFP Committee pre-qualified 12 firms to send the RFP to. It will also be sent to any interested firms that contact the Plan staff. It is projected that at least 8 of the original 12 firms will submit proposals. The process is running on schedule. Each firm has had the opportunity to make inquiries, and answers have been sent back to all firms. The Proposals are due on May 23,

2008. The finalists will likely be narrowed down to three firms, to be discussed at the June Board meeting. There will be a special Board meeting in July to interview the finalists and make a selection.

- 6 Ms Janney Sims reported on the employee buyout of Adams Street Partners. In 2001, Adams Street Partners spun off from UBS. Afterwards, UBS still held a 25% ownership of Adams Street Partners. Recently, the employees have bought out the 25% position from UBS. Adams Street Partners is now 100% owned by the employees, allowing the firm to compensate and give ownership to the Adams Street employees. This is therefore considered a positive development.
- 7 Ms. Halliday gave an update on the pending securities litigation with Siemens. The Board had previously authorized a shareholder derivative action against Siemens. A demand letter was sent to the board of Siemens, as is required before litigation can be initiated. No response has been received. If satisfactory resolution of the issues does not occur, then the litigation will proceed.
8. 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 April 30, 2008, the market value of the Plan was \$2,053,411,529.08(p). The market value was up \$49,325,653.91(p) in April and is down \$86,435,313.13(p) since December 31, 2007.
9. Mr. Dennis Yockey, Partner, and Mr. Jerry M. Laflen, Senior Manager, of BKD, LLP, presented the 2007 Audit and Financial Statements for the Plan. The Audit went smoothly, and there were no Management Letter comments produced, about any flaws in controls or accounting practices and procedures. Mr Hutt thanked Mr. Mike Clark for his work in preparing the Financial Statements and coordinating the audit work.
- 10 Ms. Leslie Thompson, Senior Consultant, and Mr. Joe Herm, Consultant, of Gabriel, Roeder, Smith & Company (GRS), presented the 2008 Valuation Report. The key findings were that the pension fund ended 2007 at 98.2% funded, as a result in part of another year of strong investment returns, but hampered by the unexpected growth in active member salaries from 2006 to 2007. The Actuarially Required Contribution for 2008 as calculated by GRS is 10.97%, compared to 11.22% in 2007. The Board then had a preliminary discussion about possible affordable benefit increases for current retirees.
11. The Board set the date for its annual Strategic Planning Session. It will be held on October 27-28, 2008, facilitated by Ms Nancy Williams.

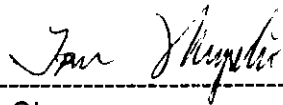
- 12 The Board met in executive session, pursuant to Section 24-6-402(4)(b) of the Colorado Revised Statutes, to discuss, with General Counsel, the proposed settlement for the Electronics For Imaging, Inc. ("EFI"), shareholder derivative litigation

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



-----  
Tom Migaki, Chairman

13. Following the executive session, the Board returned to open session. The Board voted unanimously to approve the terms of the recommended EFI settlement.
14. The next regularly scheduled Board Meeting will be on Friday, June 20, 2008 at 8:30 a.m. at the Denver Employees Retirement Plan.
15. The meeting was adjourned at 12:30 p.m.



-----  
Chairman



-----  
Executive Director