

DENVER EMPLOYEES RETIREMENT PLAN

Minutes of the Retirement Board Friday, November 21, 2008 - Meeting #659

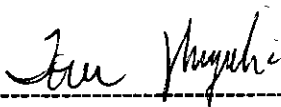
The 659th meeting of the Board of the Denver Employees Retirement Plan was held in the conference room of the Retirement Plan located at 777 Pearl Street, Denver, Colorado, on Friday, November 21, 2008. Board Members present: Ms. Cheryl Cohen-Vader, Mr. Tom Migaki, Mr. Bonney Lopez, and Mr. Robert Strenski. Board Members absent: Mr. Irving Hook. 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, Mr. Randy Baum, Chief Investment Officer, Ms. Stephanie Starns, Investment Analyst, Mr. Mike Clark, Accounting Manager, Mr. Rich Harris, Finance and Compliance Officer, and Ms. Vicki Halliday, General Counsel.

1. The minutes of meetings #657 and #658 were approved by a unanimous vote of the Board Members.
2. The Board unanimously accepted Retirement List #516 and Refund List #414, Plan Operating Expenditures, and the Financial Statements for the period ending October 31, 2008.
3. Mr. Tom Migaki received the Board's authorization to attend the 13th Annual Superbowl of Indexing conference, December 7-10, 2008, in place of the IIEF Global Shareholder Activism Conference, December 4-6, 2008.
4. Mr. Steven Hutt updated the Board on status of the transition to Summit Strategies. Both Callan Associates, Inc. and The Townsend Group are sending historical DERP investment performance data to Summit so that they may begin work on a data base for the Plan. GRS and Summit have been in contact for GRS to send Summit the actuarial data needed for the Asset/Liability Study that Summit is beginning. Mr. Migaki recommended that a formal educational session with Summit regarding Asset/Liability work be scheduled in the near future. In the meantime, Ms. Cheryl Cohen-Vader, Mr. Irving Hook, Mr. Bonney Lopez, Mr. Randy Baum, and Ms. Stephanie Starns will be traveling to St. Louis for a site-visit with Summit in December.
5. Mr. Hutt reported to the Board on his November 5th presentation to the City Council Finance Committee. Mr. Migaki, Mr. Robert Strenski, and Mr. Rich Harris also attended. Mr. Hutt discussed the Plan's strong comparative performance and funding status relative to peers, and the challenge of the extremely volatile current markets. He felt the presentation was well-received by the Finance Committee.

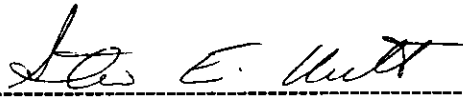
6. Mr. Hutt announced the appointment of Mr. Harris to the national G.F.O.A. Committee on Retirement and Benefits Administration. The appointment is for a three-year term, involving two meetings per year. The Committee tracks industry practices and issues best-practices guidelines to public pension funds. The Board congratulated Mr. Harris on his appointment, which begins January 1, 2009.
7. Ms. Fran Augenblick reported to the Board on the Interim Disaster Recovery Planning. The IT department has completed the programming, and has solved the issue with the print program for producing benefit checks if necessary. In the case of an emergency, or should the mainframe become inaccessible, the Plan will now be able to distribute benefit checks and direct-deposit amounts using stored information from the previous month. The IT staff will soon conduct a full-scale test of the recovery system, simulating the need to produce the entire monthly check run.
8. Ms. Augenblick updated the Board on the Benefits Administration Computer Replacement Project. A contract with Sagitec is in final review and nearing completion. Sagitec will be hosting the daily production environment at a secured offsite facility, and will own and maintain all hardware. The Plan will own the software licenses for the new system. Sagitec will be responsible for ensuring the performance of the system in accordance with "service levels" to be specified in the contract. The development and test environment will be located at the Plan. The contract covers implementation beginning in January 2009, and will go through the first quarter of 2012.
9. Ms. Victoria Halliday discussed with the Board a Disability Appeal from member John Aragon. A hearing must be set within 180 days of the petition date. Ms. Halliday recommended that the Board delegate the requested hearing to its contracted Hearing Officer, which the Board unanimously approved.
10. Mr. Hutt discussed with the Board with a recommendation to expand the Under-65 Health Insurance Premium Reimbursement Program to in-state members living in outlying portions of Colorado. This recommendation was generated after the receipt by the Plan of a letter from a member in an outlying part of the state who has very limited insurance options due to the area in which he lives. The Board approved the idea and directed the staff to prepare a formal written resolution regarding the expansion of the Reimbursement Program, to be adopted at their December meeting, with an effective date of January 1, 2009.
11. Mr. Hutt discussed the Strategic Planning Session that was held in October. The Session facilitator, Ms. Nancy Williams, met with Mr. Hutt and senior staff after the Session to follow-up. The Plan's Mission and Vision Statements, along with a listing of Core Values, were finalized and brought to the Board for approval. After one adjustment was made in the language, the Board unanimously adopted the Mission and Vision Statements, and the list of Core Values. The new Mission Statement is: "To provide promised retirement benefits and exceptional service to our members, through prudent investment and administration."
12. Ms. Augenblick reviewed the new draft of the 2009 Budgets, sharing with the Board the changes and adjustments made since the October meeting, primarily the

inclusion of the budgeted amount for the new computer system. The Board unanimously approved the 2009 Budgets. They also unanimously approved a 7.7% salary increase for the Executive Director for 2009, and authorization for him to convert future accrual of sick leave to equivalent accrual of vacation leave.

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 October 31, 2008, the market value of the Plan was \$1,599,926,432.39(p). The market value was down \$194,934,575.66(p) in October and is down \$539,920,409.82(p) since December 31, 2007.
14. Mr. Baum provided a review of the Plan Staff Fixed Income Portfolio for Denver Employees Retirement Plan.
15. Ms. Starns presented the Fixed Income Manager Review for Loomis Sayles & Company.
16. Mr. John Hyll, Vice President, and Mr. Robert McManama, Vice President/Senior Portfolio Manager, of Loomis Sayles & Company provided a portfolio and performance review of the fixed income portfolio they manage for the Plan
17. Ms. Starns presented the Fixed Income Manager Review for Lehman Brothers Asset Management.
18. The next regularly scheduled Board Meeting will be on Friday, December 12, 2008 at 8:30 a.m at the Denver Employees Retirement Plan.
19. The meeting was adjourned at 12:38 p.m



Chairman



Executive Director