

DENVER EMPLOYEES RETIREMENT PLAN

Minutes of the Retirement Board Friday, November 16, 2007 - Meeting #641

The 641st 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 16, 2007. Board Members present: Mr. Irving Hook, Mr. Bonney Lopez, Mr. Tom Migaki, Ms. Kathy Selman, and Mr. Robert Strenski. Advisory Committee Members present: Mr. Mike Aleksick and Ms. Erma Zamora. Advisory Committee Members absent: Dr. Adeniyi Kelani. Others present: Mr. Steven Hutt, Executive Director, Ms. Roni Kirchhevel, Assistant Director, Ms. Fran Augenblick, Assistant Director, Ms. Janney Sims, Investment Portfolio Manager, Ms. Stephanie Starns, Investment Analyst/Asst. Portfolio Manager, Mr. Mike Clark, Accounting Manager, Mr. Rich Harris, Manager of Fiduciary Compliance and Ms. Vicki Halliday, General Counsel.

1. The minutes of meeting #639 and #640 were approved by a unanimous vote of the Board Members.
2. The Board unanimously accepted Retirement List #504 and Refund List #402, Plan Operating Expenditures, and the Financial Statements for the period ending October 31, 2007.
3. Mr. Jonathan Weil, a columnist for Bloomberg News who had presented at a conference attended by Mr. Irving Hook, spoke to the Board about various investigative reporting he had done about corporate malfeasance and the need for corporate governance reform.
4. Mr. Robert Strenski submitted his travel report for his attendance at the Center for Investment Training "Callan College," October 15-17, 2007.
5. Mr. Hutt presented an update on the conversion to Anthem Blue Cross Blue Shield. 1,356 completed Anthem applications have been received by the Plan, nearing the target goal of 1,460 applications (based on the number of members who were enrolled in Rocky Mountain Health Plans and PacifiCare Secure Horizons). This enrollment figure has allowed the Plan's applicants to fall into the range required to prevent any re-rating for 2008 by Anthem. Fewer Premium Reimbursement forms (approximately 70) have been sent out to members than expected. Mr. Hutt commended the Membership Services department and the rest of Plan staff for their hard work during Open Enrollment.

6. Mr. Hutt introduced Mr. Randy Baum to the Board as the Plan's new Chief Investment Officer. Mr. Baum will be replacing Ms. Janney Sims upon her retirement later in 2008.
7. Ms. Vicki Halliday presented an update regarding the Qwest litigation. As authorized by the Retirement Board at the October meeting, a final settlement agreement was reached and signed between the parties. DERP's net recovery, after payment of attorney's fees and costs is \$332,870.43, which is 42 times more than it would have recovered had it not opted out of the class action settlement. The settlement contains a clause that if Qwest pays a higher settlement percentage to any other opting-out party than it has agreed to pay to DERP, then DERP's settlement would be adjusted to match the new settlement. The final settlement also removed confidentiality restrictions, thus allowing DERP to discuss not only the fact that the case had settled but also the specific details of the settlement.

Mr. Hutt presented an update on litigation with EFI pertaining to fraudulently issued stock options for company officials and employees. He attended a court-ordered mediation session on behalf of the Plan. No settlement occurred, although some progress was made, particularly on the corporate governance changes being sought.

8. Ms. Vicki Halliday outlined for the Board three proposed technical changes to the Plan Ordinance that would bring it in line with other changes that have occurred in the City Ordinance. These changes pertain to the listing of appointed and elected officials, the time limit for disability retirement applications, and the issue of survivor benefits provided after the death of a deferred member. The Board unanimously voted to approve the changes to the Plan Ordinance and authorized Mr. Hutt to present them to the City Council.
9. Mr. Rich Harris described the RFP process for Actuarial Services. The RFP was sent out on November 1, 2007, to a distribution list compiled by researching which firms provide actuarial services to other public pension funds. The RFP submittal due date is November 26, 2007. A Committee, consisting of Mr. Tom Migaki, Mr. Robert Strenski, and Mr. Mike Aleksick was appointed to work with the Plan staff to review the responses and proposals, in order for the Board to make a final selection at their December meeting.
10. Mr. Hutt presented a revised draft of the New Board Member Orientation, a process to train and educate new Board Members on the information necessary to function most effectively on the Retirement Board. The orientation will include specific meetings with Plan senior staff, review of

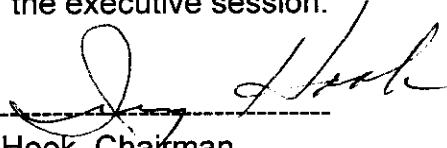
detailed materials, and a recommended sequence of training conferences. The Board approved the draft, and it will be finalized for use.

11. Ms. Stephanie Starns 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, 2007, the market value of the Plan was \$2,183,114,141.14(p). The market value was up \$34,800,925.41(p) in September and up \$192,393,921.82(p) since December 31, 2006.
12. Ms. Starns presented the Fixed Income Manager Review for Lehman Brothers Asset Management.
13. Mr. Tom Marthaler, Senior Vice President, and Mr. Thomas A. Sontag, Managing Director/Portfolio Manager, of Lehman Brothers Asset 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 Denver Employees Retirement Plan.
15. Ms. Sims provided a review of the Plan Staff Fixed Income Portfolio for Denver Employees Retirement Plan.
16. Ms. Starns presented the Fixed Income Manager Review for Loomis Sayles & Company.
17. Leon Wechsler, President; Ben Lott, Chief Operating Officer; and Will Morrow, Project Manager; of L.R. Wechsler, Ltd. presented their Needs Analysis, Risk, and Options Assessment for the Computer System Replacement Project. They discussed the option costs, benefits, risks, and schedules involved in the project, and stated their recommendations for the following systems: Pension Benefits Administration, Imaging System, Accounting System, and the IT Infrastructure, as well as going over other costs, benefits, and risks. Their main recommendation was to initiate a competitive process to obtain a commercially-available software package for retirement benefits administration, rather than undertaking the creation of custom-written software. The Board unanimously voted to approve the recommendations, and also unanimously voted to give authorization to Mr. Hutt to negotiate a continuation of the Plan's contract with L.R. Wechsler to provide consulting services throughout the RFP and acquisition stages of this major project.
18. Ms. Fran Augenblick presented the 2008 Budget, containing an additional page to accommodate the Computer System Replacement Project. The Board unanimously approved the 2008 Budget with that amendment, as

well as the addition of \$25,000 to the Operating Budget for consulting work related to strategic planning.

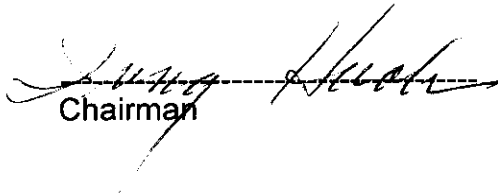
19. The Board met in executive session, pursuant to Section 24-6-402(4)(f) of the Colorado Revised Statutes, to discuss a personnel issue.

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



Irving Hook, Chairman

20. Following the executive session, the Board returned to open session. The Board voted unanimously to increase the Executive Director's salary for 2008 by the equivalent of 6.2%.
21. The next regularly scheduled Board Meeting will be on Friday, December 14, 2007 at 8:30 a.m. at the Denver Employees Retirement Plan.
22. The meeting was adjourned at 3:45 p.m.



Chairman

Executive Director