

## **DENVER EMPLOYEES RETIREMENT PLAN**

### **Minutes of the Retirement Board Thursday, September 18, 2008 - Meeting #655**

The 655<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 Thursday, September 18, 2008. Board Members present: Mr. Irving Hook, Mr. Tom Migaki, and Mr. Robert Strenski. Board Members absent: Ms. Cheryl Cohen-Vader, and Mr. Bonney Lopez. 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. Mike Clark, Accounting Manager, Mr. Rich Harris, Finance and Compliance Officer, and Ms. Vicki Halliday, General Counsel.

1. The minutes of meetings #651, #652, and #653 were approved by a unanimous vote of the Board Members.
2. The Board unanimously accepted Retirement List #514 and Refund List #412, Plan Operating Expenditures, and the Financial Statements for the period ending August 31, 2008.
3. Mr. Irving Hook received the Board's authorization to attend the Franklin/Templeton Client Conference, November 8-11, 2008.

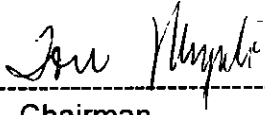
Mr. Tom Migaki submitted his report on the NCPERS Program for Advanced Trustee Studies, July 22-24, 2008.

4. Mr. Steven Hutt gave a report on his visits the previous week to New York and Boston. JPMorgan Chase in New York gave Mr. Hutt an in-depth review on the securities lending program. Mr. Hutt also made visits in Boston to Pyramis and Independence Investments.
5. Ms. Fran Augenblick gave an update on the Benefits Administration Computer Replacement Project. Given the positive view of both finalists' systems gleaned from the recently-completed visits to users of the two systems, but the dramatic difference in cost between the two systems, she asked for approval for the Executive Director to issue an award letter to the lower-cost proposer, subject to receipt of "best and final offers" from the proposers. The Board made inquiries regarding the reasons for the cost-differences between the two final vendors, CPAS and Sagitec, including questions as to why Sagitec was charging a significant amount less than CPAS, and whether any unexpected charges would emerge over time. They also wanted to know about any exceptions noted by the


would-be vendors regarding the draft contract included with the Plan's RFP. Mr. Hutt proposed having the project consultant respond to some of these questions at the already-scheduled upcoming Special Board Meeting, to be held September 23, 2008. The Board agreed with that suggestion.

6. Mr. Hutt distributed copies of the 2009 Health/Dental/Vision insurance rates to the Board, and mentioned the upcoming Open Enrollment meeting to be held October 8, 2008 at the Denver Botanic Gardens. He highlighted that unlike last year, no changes in carriers are being made. He also explained the benefit to those enrolled in the Medicare-eligible Anthem product of the cap on the renewal rate, negotiated a year ago, governing the 2009 rates.
  7. The Board discussed the location of the upcoming Strategic Planning Session, to be held October 27-28, 2008. It was agreed that the event will be held at the DoubleTree Hotel in Stapleton. Facilitator Nancy Williams is scheduled to conduct individual interviews with all of the Board, Advisory Committee, and senior Plan staff participants in the next several days.
  8. Mr. Hutt discussed the feedback from Plan members regarding the Additional Benefit Payment to be distributed in October. The ratio of member response has been approximately 4:1 positive. Mr. Hutt distributed a hardcopy of an e-mail dialogue between himself and an upset member regarding the upcoming \$153 payment.
  9. Mr. Randy 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 August 31, 2008, the market value of the Plan was \$1,953,383,097.48(p). The market value was down \$3,029,141.90(p) in August and is down \$186,463,744.73(p) since December 31, 2007. Mr. Baum discussed at length the impact of recent events on the Plan's portfolio.
  10. Mr. Hutt presented a token of appreciation to Mr. Michael O'Leary, Executive Vice President of Callan Associates Inc., in recognition of the long-standing relationship between Callan and the Plan, thanking Mr. O'Leary for his years of advice and service to the Plan.
  11. Mr. O'Leary provided a Mid-Year Investment Performance Review and performance evaluation, describing the overall investment results of the portfolio and highlighting certain managers' performance, and adding his firm's perspectives on the recent upheaval in the capital markets.
  12. A special Board Meeting will be held on Tuesday, September 23, 2008 at 8:30 a.m. at the Denver Employees Retirement Plan.
  13. The next regularly scheduled Board Meeting will be on Thursday, October 16, 2008 at 8:30 a.m. at the Denver Employees Retirement Plan.
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14. The meeting was adjourned at 12.53 p.m.



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Chairman



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Executive Director