

DENVER EMPLOYEES RETIREMENT PLAN

Minutes of the Retirement Board Friday, September 18, 2009 - Meeting #673

The 673rd 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, September 18, 2009. Board Members present: Ms. Cheryl Cohen-Vader, Mr. Irving Hook, Mr. Bonney Lopez, and Mr. Robert Strenski. Board Member absent: Mr. Tom Migaki. 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, Mr. Randy Baum, Chief Investment Officer, Ms. Stephanie Starns, Investment Analyst, Mr. Rich Harris, Finance and Compliance Officer, and Ms. Vicki Halliday, General Counsel.

1. The minutes of meetings #671 and #672 were approved by a unanimous vote of the Board Members.
2. The Board unanimously accepted Retirement List #526 and Refund List #424, Plan Operating Expenditures, and the Financial Statements for the period ending August 31, 2009.
3. The Taft Hartley Pension Investing Summit, September 23-25, 2009, to be attended by Mr. Migaki, was cancelled. In its place, Mr. Migaki received authorization to attend the Institute for International Research's Public Fund Boards Forum, December 12-15, 2009.
4. Mr. Hutt updated the Board on the Retirement Incentive Program. He and the plan staff assisted Career Service in composing an informative flier on the Incentive Program, containing a summary of the program and an FAQ, which was released to the entire City workforce via hardcopy and email. Mr. Hutt also shared with the Board copies of correspondence to the Plan from GRS, which contain assurances that the ordinances proposed in relation to the Incentive Program will not have any actuarially detrimental effect on the Plan and that, rather, should cause some actuarial gains from the retirements resulting from the Incentive.

The monthly Brown Bag Retirement Information meeting was held on September 17, 2009, attended by Mr. Hutt, Mr. Harris, and Ms. Halliday, along with representatives from Membership Service. 80 City employees attended, and the majority of inquiries were about the Retirement Incentive Program. The Plan has done much to prepare for the increase in membership traffic, to accommodate for more retirements and for the simultaneous Health Insurance Open Enrollment in October.

The Plan is also working with Sagitec on adjusting the work schedule for the CRIS project. This is being planned in such a way as to maintain the same staffing from Sagitec for the project, on a revised timeline. A written proposal will be sent from Sagitec soon. Mr. Hutt said he expected the proposed cost impact caused by DERP's delay on the project would be reasonable.

5. Mr. Hook, pending his availability, received the Board's authorization to attend the IFEBP 55th Annual Employee Benefits Conference, November 8-11, 2009.
6. Mr. Hutt discussed with the Board the issue of the additional 2%-of-pay contribution, to provide additional funding to the Plan. The City Administration made the decision to have the additional 2% contribution come from employees, with no additional contributions from the City. This decision was included in their announcements made to the employees on September 15th about the various upcoming budget impacts to be experienced by employees. The employee contribution rate will increase to 4.5%, and the City rate will remain at 8.5%, for a total contribution of 13%. This rate is expected to be only the first of future contribution increases. The expected effective-date for the contribution-rate increase is to be the first full pay period in November, 2009.
7. A Budget Committee was formed comprised of Mr. Irving Hook, Mr. Tom Migaki, and Ms. Erma Zamora, to review the proposed 2010 Budget.
8. Mr. Baum presented to the Board the recommendation for a Renewal Commitment, for 2010, with Adams Street Partners. Consistent with the Plan's need to attain its target allocation in alternative investments, periodic commitments to funds must be made. The total of such commitments must always exceed the target allocation due to the unique cash flow and market value curves that such funds exhibit. The Plan investment staff, with the concurrence of the Investment Committee and Summit Strategies, recommended to the Board a \$20 million commitment to Adams Street Partners' 2010 fund program. The Board unanimously voted to commit \$20 million to the Adams Street Partners 2010 fund.
9. 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 August 31, 2009, the market value of the Plan was \$1,593,886,520.55(p). The market value was up \$27,048,716.55(p) in August and is up \$54,053,131.55(p) since December 31, 2008.
10. Ms. Starns presented the Large Cap Equity Manager Review for Cadence Capital Management and Sit Investment Associates, Inc.
11. Mr. Roger Sit, President/CEO/Global Chief Investment Officer, Mr. Kent Johnson, CFA/Senior Vice President, and Mr. David Brown, CFA/Vice President, of Sit

Investment Associates, Inc., provided a portfolio and performance review of the large cap domestic equity portfolio they manage for the Plan.

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, potential litigation and settlement with Denver Health.

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

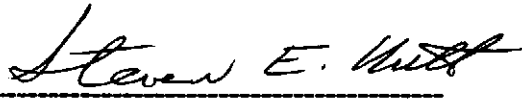


Robert Strenski, Chairman

13. Following the executive session, the Board returned to open session.
14. The next regularly scheduled Board Meeting will be on Friday, October 16, 2009 at 8:30 a.m. at the Denver Employees Retirement Plan.
15. The meeting was adjourned at 1:25 p.m.



Chairman



Executive Director