

DENVER EMPLOYEES RETIREMENT PLAN

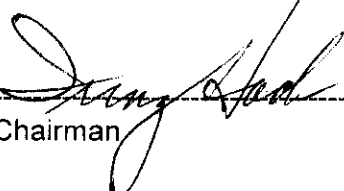
Minutes of the Retirement Board Friday, June 18, 2010 - Meeting #684

The 684th 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, June 18, 2010. Board Members present: Ms. Cheryl Cohen-Vader, Mr. Irving Hook, Mr. Harry Lewis, Mr. Tom Migaki, and Mr. Robert Strenski. Advisory Committee Members present: Mr. Mike Aleksick, and Dr. Adeniyi Kelani. Advisory Committee Member absent: Ms. Erma Zamora. Others present: Mr. Steven Hutt, Executive Director, Mr. Mike Clark, Assistant Director, Mr. John Finamore, Accounting Manager, Mr. Randy Baum, Chief Investment Officer, Ms. Stephanie Starns, Investment Analyst, and Mr. Rich Harris, Finance and Compliance Officer.

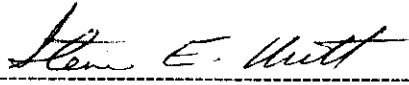
1. The Minutes of meeting #683 were approved by a unanimous vote of the Board Members, after an amendment was made to adjust the wording regarding the vote taken by the Board in accepting the Audited Financial Statements for 2009.
2. The Board unanimously accepted Retirement List #535 and Refund List #433, Plan Operating Expenditures, and the Financial Statements for the period ending May 31, 2010.
3. Mr. Strenski received authorization to attend the NCPERS Program for Advanced Trustee Studies at Harvard Law School, July 26-28, 2010.
4. Mr. Hutt presented the recommendation to replace Anthem with Humana in 2011 as the carrier, along with Kaiser, for Medicare-eligible insurance for retirees. Bids were received from four carriers, along with two entities which would assist with enrollment if the Plan were to switch to subsidized individual coverage from the current group coverage. The Review Committee ruled out switching to individual coverage, and moved forward with the review of the insurance carriers. The Committee first narrowed the bids to Anthem (the incumbent) and Humana as the two finalists, heard presentations from both firms, and then chose Humana for recommendation to the Board. The decision was based on many factors, including a decrease in the premium compared to the current Anthem premium, two structures of coverage for members to choose from including one which will mean that no member will have to switch doctors, and Humana's agreement to a negotiated formula to limit the increase in premiums at renewal next year for the 2012 year. The Board unanimously voted to replace Anthem with Humana as the Medicare-eligible insurance carrier for 2011.
5. Mr. Hutt discussed an intended distribution to members of a refund provided to the Plan by Kaiser Permanente Colorado. Kaiser reached an agreement with the Colorado Division of Insurance to provide financial relief to employers offering coverage to non-Medicare and to Medicare subscribers. Half of the agreed-upon amount was distributed to subscribers in 2009, and the second half will be distributed this year. The Plan has received a lump-sum credit for each subscriber enrolled in the Kaiser Under-65 and Over-65 plans. The Board voted unanimously to approve the recommendation to distribute this refund to members in proportion to the average percentage of the Kaiser premium paid by the members and the Plan via our Premium Reduction Program. All amounts are based on Kaiser enrollment as of April 2010. Covered members will receive an explanatory letter, and will either be mailed a refund check or receive the refund via direct deposit, in July.

6. Mr. Clark presented an update to the Board on the Disaster Recovery planning. In the search for the best option to promptly ensure the ability to produce benefit payments under emergency conditions, I.T. Manager Emit Hurdlebrink found a software product that is specifically designed to take data from a mainframe environment and run it in a Windows environment via an enhanced laptop computer. This means that in the event of either failure to our mainframe computer, or the DERP offices being unavailable, benefit payments would still be produced. The Plan has now purchased this software and a laptop with increased CPU and storage capacity. Installation of the software will occur next week. Data stored on the laptop will be updated two to three times a week, so that the most current data is always accessible. The laptop and blank check-stock will be stored separately, off-site, the locations to be determined, for emergency access. This backup plan is an interim solution, until CRIS goes live at the beginning of 2012. Once CRIS goes into effect, the Plan's data will reside daily at a second location at a secure, off-site data center.
7. Mr. Hutt updated the Board on his meeting with the City regarding the contribution rate for 2010. Mr. Hutt and Mr. Harris met with Claude Pumilia, the City's CFO, to review in detail the actuarial funding model and the resulting requirement of the Actuarially Required Contribution for 2010 coming in at 15%. Mr. Pumilia understood the working of the model and the results and committed to carry forward the recommendation to Roxane White, Chief of Staff, and Mayor Hickenlooper.
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 May 31, 2010, the market value of the Plan was \$1,616,769,350.60(p). The market value was down \$86,725,046.40(p) in May and is down \$39,998,928.69(p) since December 31, 2009.
9. Mr. Tim Sant, Senior Vice President, of Summit Strategies Group, presented the 2010 1st Quarter Investment Review for the Plan, describing the Plan's overall performance and that of individual money managers which either added to or subtracted from the overall return relative to peers and benchmarks.
10. Mr. Tim Runnals, Senior Research Analyst, of Summit Strategies Group, presented the annual review of the Plan's real estate investments. After the presentation, Mr. Runnals and Mr. Baum made a recommendation to begin a search process for a Distressed Real Estate Manager, to further diversify the Plan's real estate investment portfolio. The Board unanimously agreed to the recommendation. The advisors from Summit Strategies will initiate the search by bringing an initial set of potential candidates to the attention of the Investment Committee and the staff.
11. Ms. Joanna Mulford, PRISA Portfolio Manager, and Mr. Darin Bright, PRISA II Portfolio Manager, of Prudential Real Estate, reviewed the performance of the two Prudential real estate funds in which the Plan is invested.
12. Ms. Ann Pfeiffer, Mr. Justin Murphy, Mr. Rick Sheppard, Ms. Ann Cole, and Mr. Joel Damon, of JP Morgan Real Estate, reviewed the performance of the three JP Morgan real estate funds in which the Plan is invested.
13. The Annual Meeting immediately followed the regular Board meeting. Separate official Minutes were prepared covering that Meeting.

14. A Special Board Meeting to interview Hedge Fund of Fund Manager finalists will be held Tuesday, June 22, 2010, at 8:45 a.m. in the Denver Employees Retirement Plan conference room.
15. The next regularly scheduled Board Meeting will be on Friday, July 16, 2010 at 8:30 a.m. at the Denver Employees Retirement Plan.
16. The meeting was adjourned at 3:17 p.m.



Chairman



Executive Director