

WASHINGTON STATE INVESTMENT BOARD

**Administrative Committee Meeting Minutes
October 16, 2003**

The Administrative Committee met in open session at 8:32 a.m. at the Washington State Investment Board (WSIB) office at 2100 Evergreen Park Dr S.W., Olympia, Washington.

Committee members present: George Masten, Chair
 Patrick McElligott, Vice-Chair
 Mike Murphy
 John Charles
 Glenn Gorton

Others Present: Joe Dear, Executive Director
 Sue Hedrick, Executive Assistant
 Paul Silver, Assistant Attorney General

Chair Masten called the meeting to order and identified the members in attendance.

ADOPTION OF MINUTES - July 17, 2003 and July 2, 2003

Mr. McElligott moved to adopt the Board minutes of July 17, 2003 and July 2, 2003. Mr. Charles seconded.

The motion was approved unanimously.

BUDGET UPDATE

Mr. Dear presented an update on the budget. He said there have been a few developments since the Legislature approved the budget last session. While the budget for the this biennium authorizes 60 full time equivalent (FTE) staff, we only have funding for 58 positions, even with the savings from the four FTE cuts that have been taken already.

Mr. Dear said there are not many expenses to cut in order to fund additional investment staff, and he listed actions that have been taken to save money, including providing detailed monthly reports to managers on discretionary spending, centralizing AG legal service requests and managing travel costs more effectively.

Mr. Dear said he would like to have the option to submit a supplemental budget request that would transfer funding of the Financial Control Systems (FCS) contract from appropriated to non-appropriated funds. The appropriated funds would then be used to fund two additional investment officers for Fixed Income and Real Estate. It would also be used to reallocate three existing investment officers to assistant senior investment officers, based upon the recommendation by the Callan Study.

Discussion ensued on whether a supplemental budget should be proposed and whether the Legislature would need to approve the two new FTEs. Mr. Dear said the agency currently has the authority to add two new staff, but there is no money available to do it. He said he hopes to negotiate an understanding by letter on transferring the funding of FCS and then not need to request a supplemental budget. Treasurer Murphy asked how much of the \$1.2 million would go to the investment officer positions. Mr. Dear responded that it would be \$655,000.

Treasurer Murphy moved that the Administrative Committee recommend to the Board that the Executive Director be authorized to request a supplemental budget appropriation, if necessary. Mr. McElligott seconded.

The motion passed unanimously.

DRAFT PUBLIC DISCLOSURE POLICY

Mr. Dear presented the draft public disclosure policy to the Committee. He said that one of the recommendations from the Administrative Review was to have a Board-adopted policy on public disclosure. This draft is an attempt to craft a policy that sets forth in writing the existing practice as it has emerged through administrative procedure and litigation. The policy does not seek to expand or contract the scope of the WSIB's current practice. It requires the disclosure of all public information, unless there is an express provision in law for asserting the confidentiality of a public record. The essential task of this policy is to reconcile the board members' duty as fiduciaries to act for the exclusive benefit of fund beneficiaries and the general requirement of the agency to comply with the Public Records Act.

Treasurer Murphy pointed out that some information we receive from our consultants is marked confidential and some isn't. There doesn't appear to be consistency in this. He suggested, too, that personnel actions be included under the personal privacy exemption.

Mr. Charles said there needs to be some way to identify to the Board materials that are presented that are considered confidential from the Board's standpoint, and these should then be marked confidential on each page, not just the cover page.

Mr. Dear said staff would revise the draft policy to incorporate the Committee's suggestions and then distribute it to all of the Board members for review. Suggested changes should be sent to him. A final draft will be considered by the Administrative Committee and the Board at their November meetings.

There being no further business to come before the Committee, the meeting adjourned at 9:25 a.m.