

WASHINGTON STATE INVESTMENT BOARD

Administrative Committee Meeting Minutes January 15, 2004

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
 Debbie Brookman
 John Charles
 Glenn Gorton

Others Present: Joe Dear, Executive Director
 Gary Bruebaker, Chief Investment Officer
 Sue Hedrick, Executive Assistant
 Paul Silver, Assistant Attorney General

[Names of other individuals attending the meeting are not included in the minutes, but are listed in the permanent record.]

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

ADOPTION OF MINUTES – December 18, 2003 and January 12, 2004

Mr. McElligott moved to adopt the Board minutes of December 18, 2003 and January 12, 2004. Ms. Brookman seconded. The motion was approved unanimously.

DRAFT PUBLIC DISCLOSURE POLICY

Mr. Dear briefed the committee on the latest draft of the proposed public disclosure policy. He said he believes we have worked through the policy to a point where he is ready to recommend committee and board action.

Mr. Dear said Treasurer Murphy still has concerns about the trade secrets exemption and believes it should be taken out.

Mr. Charles moved that the Administrative Committee recommend to the Board adoption of the public disclosure policy. Mr. McElligott seconded. The motion was approved unanimously.

PRE-APPROVED BOARD CONFERENCE LIST

Mr. Dear reminded the Committee that the conferences listed on the pre-approved list means that members only have to indicate a desire to attend and attendance is allowed without needing the Chair's approval. All board members' travel is tracked, including travel to conferences on the pre-approved board conference list.

Mr. Charles said his concern is a potential lack of oversight. He said his understanding was the intent was to identify a listing of conferences, training, seminars that would be beneficial for board members to attend. He said the board also asked staff to create an identification of which conferences would be beneficial to people who are new to the board as opposed to board members who are more knowledgeable about and experienced in investments. His concern is that the policy would permit a large number of board members to attend the same conference, which might not be an efficient use of board resources. He said he doesn't think the executive director should be the one to decide whether members attend conferences or not; it's really the board chair's responsibility.

Mr. Charles said that, under Section 9 of the Board Operations Policy, board members may attend any pre-approved conference without the approval of the board chair provided such attendance is consistent with the board travel policy. However, the board travel policy still requires that any travel request be sent to the board chair through the executive director for approval.

Mr. Masten agreed that the Board does have a conflict in the two policies. He suggested having the Administrative Committee look at the board travel and education policies and reconcile them, then bring them back to the Board for approval.

Mr. Charles moved that the board travel and education policies be referred to the Administrative Committee for review and to determine if there's a recommendation to come back to the full Board for reconciliation. Mr. McElligott seconded. The motion passed unanimously.

EXECUTIVE DIRECTOR EVALUATION

Mr. Masten said this item would be discussed in the Board meeting following the Administrative Committee meeting.

OTHER ITEMS

Mr. Charles asked about legislation that has been introduced that has an impact on the Board. Mr. Dear said that House Bill 2346, sponsored by Rep. Velma Veloria, is scheduled for a hearing on January 23, 2004 in the House Trade and Economic Development Committee. Mr. Dear said that staff will prepare a fiscal note and explain its concerns about the bill in testimony to the committee.

There being no further business to come before the Committee, the meeting adjourned at 9:03 a.m.