

WASHINGTON STATE INVESTMENT BOARD

Administrative Committee Meeting Minutes June 17, 2004

The Administrative Committee met in open session at 8:20 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
Glenn Gorton

Committee Members Absent: John Charles

Others Present: Joe Dear, Executive Director
Theresa Whitmarsh, Deputy Director for Operations
Erwin Vidallon, Finance and Budget Manager
Kristi Walters, 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.

ADOPTION OF MINUTES – MAY 20, 2004

Ms. Brookman moved to adopt the Administrative Committee minutes of May 20, 2004. Mr. Gorton seconded and the motion was approved unanimously.

BOARD OPERATIONS POLICY 2.00.210 REVISION

Mr. Dear introduced housekeeping changes to the Board Operations policy 2.00.210, which is the last policy update resulting from the July 2003 Board workshop. It incorporates the standalone teleconferencing policy into the Operations policy.

Mr. Gorton moved that the Administrative Committee recommend that the Board adopt the revised Board Operations Policy 2.00.210. Ms. Brookman seconded and the motion passed unanimously.

[Mr. McElligott was in attendance at 8:23 A.M.]

2005 – 2007 BUDGET PRESENTATION

Mr. Dear introduced staff's recommendation for the 2005-2007 budget and described the submittal process. The WSIB's current appropriation is \$13.2 million for 60.8 FTEs. The

proposal adds 12 staff and \$1.98 million to budget, which represents a 14 percent increase in spending and 20 percent increase in staff. Mr. Dear described how the proposal fits within the organization's strategy and purpose to meet or exceed the financial objectives of those we serve. He provided an overview of the agency's scorecard. The budget packet includes three initiatives: investment officer staffing needs, corporate governance, and investment systems decision support and analysis. The proposal adds eight investment staff, two information technology staff, and two support FTEs. Mr. Dear explained the budget breakdown and noted the adjustment to move the cost of the investment accounting system, Financial Control Systems, to non-appropriated funds. Staff proposes a \$15.3 million budget and staffing level of 72.8 FTE.

Mr. Vidallon said the impact on participant fees would be an increase from 1.29 to 1.33 basis points to reflect investment administrative costs. The 1.33 basis points represent the total appropriated operating budget, which is three percent of the total cost of 40.3 basis points.

Mr. McElligott moved that the Administrative Committee recommend that the Board approve the proposed budget for the 2005-2007 biennium. Ms. Brookman seconded.

Mr. Dear said that staff would provide a concise budget write-up for use in responding to questions from legislators.

The above motion passed unanimously.

2005 AGENCY REQUEST LEGISLATION

Mr. Dear said that there were no staff recommendations for agency request legislation. Ms. Brookman noted the Michigan law regarding public disclosure and venture capital and asked if staff had considered this for agency request legislation. Mr. Dear said that staff had, but believes that the Board's recently adopted policy is sufficient. Mr. Masten noted the difficulty the Board would experience if it sought legislation in this area.

There was no further business to come before the Committee. The meeting adjourned at 8:56 A.M.