

WASHINGTON STATE INVESTMENT BOARD
Administrative Committee Meeting Minutes
January 17, 2008

The Administrative Committee met in open session at 8:35 a.m. in the boardroom at 2100 Evergreen Park Drive SW, Olympia, Washington.

Committee Members Present: Glenn Gorton, Chair (via teleconference)
Sandy Matheson, Vice Chair (Acting Chair)
Patrick McElligott (via teleconference)
Mason Petit

Other Members Present: Charlie Kaminski (via teleconference)
John Magnuson
Treasurer Mike Murphy
Bob Nakahara (via teleconference)
David Nierenberg
Mike Ragan
Judy Schurke

Also Present: Joe Dear, Executive Director
Kristi Haines, 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.]

Acting Chair Matheson called the meeting to order.

ADOPTION OF THE DECEMBER 20, 2007, MINUTES

Mr. McElligott moved to adopt the December 20, 2007, Administrative Committee meeting minutes. Mr. Petit seconded and the motion passed unanimously.

EXECUTIVE DIRECTOR EVALUATION

Acting Chair Matheson announced that the Committee would go into executive session to review and discuss the performance of a public employee. She said the executive session was expected to last until approximately 9:15 a.m., at which time the Committee would reconvene in open session.

[The Committee went into executive session at 8:38 a.m.]

[Treasurer Murphy arrived at 8:52 a.m.]

[Mr. Magnuson arrived at 9:25 a.m.]

[The executive session ended and the Committee reconvened in open session at 9:31 a.m.]

[Mr. Ragan and Ms. Schurke arrived at 9:31 a.m.]

2008 RECOMMENDED CONFERENCES

Acting Chair Matheson asked for members' comment on the 2008 Recommended Conferences list. Mr. Masten had two concerns: (1) some worthwhile conferences may not be on the list, and (2) he does not believe Board members should travel outside of the 48 contiguous states unless they can show that conferences held in other locations are as inexpensive as within the 48 states. Further, members should not travel at the expense of the fund for attending general partners' meetings or education sessions. Mr. Masten requested that the Board take a position on international travel. Treasurer Murphy pointed out that no conferences on the proposed list require foreign travel.

Mr. Kaminski noted that venture capital and general partner meetings he requested to have added last year were not included. He said that, since the WSIB is an international investor, it should not isolate itself to the U.S. Mr. Kaminski prefers that members not concentrate on any one general partners' conference but disperse their focus around the world. Mr. Nierenberg suggested a purposeful approach to individual members' education. He believes the Board should restrict its travel. Mr. Nierenberg remarked that he is mindful of the WSIB's expanding international investments, but prefers that managers come to the Board. Mr. Magnuson shared a concern that restricted travel could limit the information WSIB receives on particular investments, which could create losses. Treasurer Murphy said that he does not see a problem with international travel of obvious benefit. He believes it would be counter to the Board's fiduciary responsibilities to restrict travel outside of the U.S. given that 42 percent of the private equity portfolio is held internationally.

The Committee asked for further staff work. Mr. Dear agreed to add venture and private equity partners' conferences, but noted that most general partners limit attendance. He said the recommended conferences list does not exclude members from seeking the Chair's approval to attend conferences not on the list. Mr. Masten said the Board should adopt a policy relating to international conference attendance. Acting Chair Matheson directed staff to come back next month with a proposed policy relating to international travel by Board members, and a more comprehensive list of recommended conferences. Mr. Petit asked staff to add audit-related conferences to the list.

[Mr. Nakahara joined the meeting at 9:53 a.m.]

ASSISTANT ATTORNEY GENERAL'S REPORT

Mr. Silver had nothing to report

OTHER ITEMS

There was no further business to come before the Committee and the meeting adjourned at 9:54 a.m.