WASHINGTON STATE INVESTMENT BOARD
Administrative Committee Meeting Minutes
December 18, 2008

The Administrative Committee met in open session at 8:34 a.m. on December 18, 2008, in the boardroom at 2100 Evergreen Park Drive SW, Olympia, Washington.

Committee Members Present:	Glenn Gorton, Chair (via teleconference) Sandy Matheson, Vice Chair Patrick McElligott Mason Petit (via teleconference) Mike Ragan
Other Members Present:	George Masten
Also Present:	Joe Dear, Executive Director Gary Bruebaker, Chief Investment Officer Theresa Whitmarsh, Chief Operating Officer Kristi Haines, Executive Assistant Steve Dietrich, Assistant Attorney General

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

Vice Chair Matheson called the meeting to order.

ADOPTION OF THE NOVEMBER 20, 2008, MINUTES

> **Mr. McElligott moved to adopt the November 20, 2008, Administrative Committee meeting minutes. Mr. Ragan seconded, and the motion carried unanimously.**

2009 STRATEGIC PLAN

Mr. Dear presented the 2009 Strategic Plan for the Committee's consideration. The plan is similar to last year and is based on the six-year plan with some suggested adjustments due to market conditions. The strategic framework of value, support, and capacity, which rests upon a skillful Board, serves as the organizing principle of the Strategic Plan. Mr. Dear reviewed conclusions from the six-year planning discussions and resulting budget plan. He discussed the current market environment including the credit crisis, liquidity, deleveraging, housing prices, credit spreads, and commodity price and stock declines.

[Mr. Masten arrived at 8:40 a.m.]

Mr. Dear reviewed the projects selected for 2009. Within the value area, staff suggests conducting an asset liability study to enable a review of the strategic asset allocation of the Commingled Trust Fund, completing a thorough liquidity analysis, and improving risk

management. Tactical initiatives are to implement the 2009 investment plans, and develop the 2010 plans.

Within the support area, staff suggests projects relating to public outreach and communication, and collaboration. Tactical initiatives are to expand the compliance program including real assets and securities lending.

Within the capacity area, staff suggests increasing capacity to manage global funds, tangible assets, active marketable securities funds, and other innovative vehicles; as well as plans to attract, develop, and retain skilled staff. These efforts depend in part on budget approval. Staff also plans to undertake expense reduction and efficiency efforts. Tactical initiatives are planned in the areas of data and analytics, investment accounting, human resources, and electronic records.

To support a skillful Board, staff has planned strategy sessions on liquidity and asset allocation; and education sessions on research, risk, infrastructure, behavioral finance, and governance.

> **Mr. McElligott moved that the Administrative Committee recommend that the Board approve the 2009 Strategic Plan. Mr. Ragan seconded, and the motion carried unanimously.**

EXECUTIVE DIRECTOR PERFORMANCE EVALUATION PROCESS
Chair Gorton said the suggested process for the executive director's performance evaluation follows the same process as last year with a few recommended wording changes from Human Resources that he supports. Vice Chair Matheson noted a typo correction on the form itself. No other changes were suggested.

ASSISTANT ATTORNEY GENERAL'S REPORT
Mr. Dietrich said he had nothing to report.

OTHER ITEMS
There was no further business to come before the Committee and the meeting adjourned at 9:12 a.m.