

**WASHINGTON STATE INVESTMENT BOARD**  
**Administrative Committee Meeting Minutes**  
**September 16, 2010**

The Administrative Committee met in open session at 9:02 a.m. in the boardroom at 2100 Evergreen Park Drive SW, Olympia, Washington.

Committee Members Present: Patrick McElligott, Chair  
Treasurer Jim McIntire, Vice Chair  
George Masten  
Mike Ragan

Committee Members Absent: Steve Hill

Other Members Present: Bill Longbrake  
Richard Muhlebach  
Jeff Seely

Also Present: Theresa Whitmarsh, Executive Director  
Gary Bruebaker, Chief Investment Officer  
Victor Moore, Chief Operating Officer  
Liz Mendizabal, Public Affairs Director  
Steve Lerch, Research Director  
Celina Verme, Financial Manager  
Kristi Haines, Executive Assistant

Steve Dietrich, Assistant Attorney General

[Names of other individuals attending the meeting are listed in the permanent record.]

Chair McElligott called the meeting to order.

**ADOPTION OF THE JUNE 17, 2010, MINUTES**

**Mr. Masten moved to adopt the June 17, 2010, Administrative Committee meeting minutes. Mr. Ragan seconded, and the motion carried unanimously.**

**NON-VOTING BOARD MEMBER PROCESS RECOMMENDATION**

Mr. Masten introduced the sub-committee's proposed modification of the non-voting Board Member nomination procedures. He reported the draft procedures had been distributed to the full Board inviting comments, but none were received. He described the re-drafted procedures provide for evaluation of non-voting members by voting members in executive session at the end of their first term; and, if it is consensus the non-voting member has performed well, the Administrative Committee would forward a recommendation to the Board to reappoint that member. Mr. Masten said the procedures call for the Board to run an open recruitment after a second term and thereafter. The procedures also include a recruitment announcement, which describe the role and the desired expertise of non-voting Board members.

[Mr. Seely arrived at 9:05 a.m.]

**Mr. Masten moved the Administrative Committee recommend the Board approve the revised non-voting Board member nomination process and vacancy announcement for future use. Mr. Ragan seconded the motion.**

Chair McElligott thanked the sub-committee for its proposal. He believes it clarifies nomination processes. Mr. Longbrake concurred the proposal improves past nomination practices.

**The above motion carried unanimously.**

#### **QUARTERLY BUDGET UPDATE**

Mr. Moore reported on the WSIB's budget as of the fiscal year ended June 30, 2010. There is a \$2 million balance within appropriated funds. He said the WSIB has been mindful of the state's budget condition while proceeding with recruitment of positions provided for in its supplemental budget. Mr. Moore commented on goods and services and revolving fund expenditures. He reported that staff applied prudence in managing the budget. Mr. Moore reported there was a \$445,000 reduction to the Board-approved budget reducing the FTE request from three to two positions, as existing capacity was found to fulfill resource needs within the Real Estate unit.

Ms. Whitmarsh reported on restrictions she had imposed on staff travel and education due to the state of the economy. She informed the Board she planned to provide for increased consideration of such opportunities determined to be essential for staff development. Chair McElligott agreed such expenditures are vital; Messrs. Seely and Masten concurred. Mr. Masten encouraged management to continue to apply good prudence in this area.

Mr. Moore responded to Vice Chair McIntire's questions relating to the non-appropriated budget variances. Ms. Whitmarsh described that swings in asset values contribute to imprecise methodology in developing the non-appropriated budget.

#### **2011 MEETING SCHEDULE**

**Mr. Masten moved the Administrative Committee approve the proposed 2011 meeting dates. Vice Chair McIntire seconded, and the motion carried unanimously.**

#### **ASSISTANT ATTORNEY GENERAL'S REPORT**

Chair McElligott announced the Committee would go into executive session to discuss litigation or potential litigation with legal counsel since public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the WSIB. He said the executive session was expected to last about two minutes, at which time the Committee would reconvene in open session.

[The Committee went into executive session at 9:17 a.m., and reconvened in open session at 9:27 a.m.]

#### **OTHER ITEMS**

There was no further business to come before the Committee, and the meeting adjourned at 9:27 a.m.