

**WASHINGTON STATE INVESTMENT BOARD**

**Administrative Committee Meeting Minutes**

**September 15, 2011**

The Administrative Committee met in open public session at 9:01 a.m. at the Washington State Investment Board (WSIB) boardroom at 2100 Evergreen Park Drive SW, Olympia, Washington.

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

Committee Members Absent: Steve Hill

Other Members Present: Judi Owens  
Bill Longbrake  
Richard Muhlebach (via teleconference)  
Bob Nakahara (via teleconference)  
David Nierenberg

Others Present: Theresa Whitmarsh, Executive Director  
Victor Moore, Chief Operating Officer  
Gary Bruebaker, Chief Investment Officer  
Celina Verme, Finance and Administrative Services Director  
Kristi Haines, Executive Assistant  
Patty Davis, Administrative 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 at 9:01 a.m. and took roll call.

## **ADOPTION OF THE APRIL 21, 2011, MINUTES**

**Mr. Masten moved to approve the April 21, 2011, Administrative Committee meeting minutes. Treasurer McIntire seconded, and the motion carried unanimously.**

### **BOARD GOVERNANCE *AD HOC* COMMITTEE REPORT**

Ms. Owens presented the Board Governance Ad Hoc Committee report. The Committee met on September 1, 2011, to follow-up on issues raised at the July Board off-site meeting. At the Board's direction, the Committee debated on making the Committee a permanent entity. At this time, the Committee is not making a recommendation to the Board to make the Committee permanent. The Committee will continue to meet on an *ad hoc* basis and create and prioritize a 'to do' list of issues facing the WSIB. They will also develop action plans as necessary to address issues going forward. The Committee discussed strategy on telling the "WSIB's Story" to various stakeholder organizations so there is a shared understanding of issues facing the WSIB.

### **QUARTERLY BUDGET UPDATE**

Ms. Verme presented the state fiscal year 2011 financial status report as of June 30. The appropriated budget closing balance for Fiscal Year 2011 was \$2.4 million dollars or a 14.6 percent savings. Ms. Verme reported the balance results from investment officer vacancies and management's decision to restrict discretionary travel in response to the difficult budget situation in the state.

The non-appropriated budget closing balance for Fiscal Year 2011 was \$44.9 million dollars or a 13.2 percent savings. Ms. Verme reported the balance resulted from lower management fees and reduced use of consultants and legal services.

### **2012 MEETING SCHEDULE**

Ms. Whitmarsh presented the Administrative Committee 2012 meeting schedule for approval.

**Mr. Masten moved to approve the 2012 meeting schedule. Treasurer McIntire seconded the motion, and the motion carried unanimously.**

### **Assistant Attorney General's Report and Annual Succession Planning Discussion**

Chair McElligott announced that 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. The Committee will also discuss the performance of public employees. The executive session is expected to last until about 9:30 a.m. at which time the Committee will reconvene in open session to adjourn.

[The Board went into executive session at 9:20 a.m. and reconvened in open public session at 9:33 a.m.]

[Mr. Muhlebach and Mr. Nakahara arrived at 9:30 a.m. via teleconference]

There was no further business to come before the Committee and the meeting adjourned at 9:33 a.m.