

**WASHINGTON STATE INVESTMENT BOARD**  
**Administrative Committee Meeting Minutes**  
**June 20, 2013**

The Administrative Committee met in open public session at 9:04 a.m. at the Washington State Investment Board (WSIB) boardroom at 2100 Evergreen Park Drive SW, Olympia, Washington.

Committee Members Present: Treasurer James McIntire, Chair  
George Masten  
Mike Ragan

Committee Members Absent: Judi Owens  
Natasha Williams

Other Members Present: Richard Muhlebach  
Bob Nakahara  
David Nierenberg  
Jeff Seely

Others Present: Theresa Whitmarsh, Executive Director  
Gary Bruebaker, Chief Investment Officer  
Victor Moore, Chief Operating Officer  
Steve Draper, Senior Investment Officer – Real Estate  
Shawna Killman, Audit Director  
Kristi Haines, Executive Assistant  
Mary Hougan, Administrative Assistant - Operations  
  
Steve Dietrich, Assistant Attorney General

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

Chair McIntire called the meeting to order and took roll call.

**ADOPTION OF MINUTES – APRIL 25, 2013**

**Vice Chair Ragan moved to adopt the April 25, 2013,  
Administrative Committee minutes. Mr. Masten seconded,  
and the motion carried unanimously.**

**BOARD SELF-EVALUATION PROCESS**

Chair McIntire suggested continuing to use the evaluation tool provided in the Committee materials. In addition, he will have personal conversations with each Board member between now and the July meeting to fulfill his responsibilities as Chair and to determine goals and objectives for the Board.

**Chair McIntire moved that the Administrative Committee recommend the Board use the proposed evaluation tool for conducting its self-evaluation at the July Board meeting. Vice Chair Ragan seconded, and the motion carried unanimously.**

#### **QUARTERLY BUDGET UPDATE**

Mr. Moore said the Committee materials contain the second quarterly update. The WSIB is in good shape as it ends the biennium. For the appropriated budget, the WSIB will end the biennium with about 7.2 percent, or \$1 million, more than estimated primarily due to salary and benefit savings from delayed hiring of investment officers. Mr. Moore said staff will use some of the savings to replace older microphones in the boardroom and purchase new copy machines. Mr. Moore reported the non-appropriated budget is also under budget by about \$32 million. He said the non-appropriated budget includes costs that are tied to asset class fees and underspending in securities lending.

Chair McIntire said the WSIB has appeared on the Office of Financial Management's (OFM's) website as an agency to be open July 1, despite legislative outcome on a budget. He said the WSIB looked at the legal issues and ability to continue operations. He added the Office of the State Treasurer (OST) is also required to stay open in order to maintain activities of other agencies, including the WSIB. Mr. Dietrich commented that two legal arguments were advanced to the OFM solicitor general including that: 1) the WSIB functioning is essential to other programs that are authorized by Legislature to operate without a budget, and 2) the WSIB not operating would impair the contract between the retirement plans and individual plan participants and beneficiaries. He said based on the materials and arguments supplied by the WSIB, OFM was convinced that the agency should continue to operate. Chair McIntire said staff handled the OFM contingency planning request quite well, and the WSIB's response summarizing essential activities was a good exercise.

[Mr. Seely arrived at 9:16 a.m.]

There was no further business to come before the Committee, and the meeting adjourned at 9:20 a.m.