

WASHINGTON STATE INVESTMENT BOARD
Administrative Committee Meeting Minutes
November 20, 2014

The Administrative Committee met in open public session at 8:30 a.m. at the Washington State Investment Board (WSIB) boardroom at 2100 Evergreen Park Drive Southwest, Olympia, Washington.

Committee Members Present: Marcie Frost, Chair
 Kelly Fox
 George Masten
 Treasurer McIntire
 Joel Sacks

Other Members Present: Arlista Holman
 Bob Nakahara

Others Present: Theresa Whitmarsh, Executive Director
 Victor Moore, Chief Operating Officer
 Gary Bruebaker, Chief Investment Officer
 Liz Mendizabal, Institutional Relations Director
 Mary Hougan, Administrative Assistant

 Mary Lobdell, Attorney General's Office

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

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

ADOPTION OF THE SEPTEMBER 18, 2014, MINUTES

Mr. Masten moved to approve the September 18, 2014, Administrative Committee meeting minutes. Mr. Sacks seconded, and the motion carried unanimously.

QUARTERLY BUDGET UPDATE

Mr. Moore reported the Fiscal Year 2015 appropriated budget has a balance of \$2.2 million (10.8 percent savings), and the non-appropriated budget has a balance of \$30.2 million (8.7 percent savings). The unspent balance will remain in the various funds WSIB manages for the beneficiaries.

ASSISTANT ATTORNEY GENERAL'S REPORT

Ms. Lobdell provided an update of the IndyMac case. She shared the WSIB signed on to an amicus brief in May with regard to a tolling issue. She said the Supreme Court accepted the IndyMac case for argument; however, IndyMac litigants settled a part of the litigation and the U.S. Supreme Court determined the remaining issue relating to the tolling of claims was moot. Ms. Lobdell said with the current split in the courts, outside counsel is watching the tolling issue on behalf of the WSIB.

[Treasurer McIntire arrived at 8:37 a.m.]

NON-VOTING BOARD MEMBER SPECIFICATIONS PROPOSED REVISIONS

Chair Frost shared that the Non-Voting Board Member *ad hoc* Committee finalized revisions to the specifications. Revisions included the clarification of the roles of fiduciary and investment experts, meeting expectations, and provisions for state residency and potential conflicts of interest.

Mr. Sacks moved that the Administrative Committee recommend the Board approve the proposed revisions to the Non-Voting Board Member Specifications. Mr. Masten seconded, and the motion carried unanimously.

2015 RECOMMENDED BOARD EDUCATION LIST

Ms. Whitmarsh presented the list of proposed 2015 Board educational opportunities recommended by staff. She said there may be additional recommendations brought to the Board throughout the year. Members were reminded to obtain prior approval from the Chair for their participation.

Treasurer McIntire moved that the Administrative Committee recommend the Board approve the 2015 Recommended Board Education list. Mr. Fox seconded, and the motion carried unanimously.

EXECUTIVE SESSION

Chair Frost announced 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 approximately ten minutes, at which time the Committee would reconvene in open session.

[The Committee went into executive session at 9:05 a.m.]

Executive Director's Compensation Non-Voting Board Member Candidate Interview

[The Committee reconvened in open session at 9:25 a.m.]

Mr. Sacks moved that the Administrative Committee recommend the Board approve the Executive Director's compensation level of \$320,000 annually, effective November 20, 2014. Mr. Fox seconded, and the motion carried unanimously.

Mr. Sacks moved that the Administrative Committee recommend the Board reappoint David Nierenberg for a three-year term from January 1, 2015, until December 31, 2017. Mr. Fox seconded, and the motion carried unanimously.

There was no further business to come before the Committee, and the meeting adjourned at 9:30 a.m.