

**WASHINGTON STATE INVESTMENT BOARD**  
**Administrative Committee Meeting Minutes**  
**June 18, 2015**

The Administrative Committee met in open public session at 8:45 a.m. at the Washington State Investment Board (WSIB) boardroom at 2100 Evergreen Park Drive SW, Olympia, Washington.

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

Other Members Present:         Arlista Holman  
  Judy Kuschel  
  Steve Miller

Others Present:                   Theresa Whitmarsh, Executive Director  
  Gary Bruebaker, Chief Investment Officer  
  Liz Mendizabal, Institutional Relations Director  
  Beth Vandehey, Risk and Compliance Director  
  Celina Verme, Finance and Administrative Services Director  
  John Lynch, Contracts and Public Records Manager  
  Cathy Nielsen, 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 APRIL 16, 2015, MEETING MINUTES**

**Mr. Fox moved to adopt the April 16, 2015, Administrative Committee minutes. Mr. Sacks seconded, and the motion carried unanimously.**

**BOARD SELF-EVALUATION**

Chair Frost recommended using the same self-evaluation process as last year so there is a good baseline to see if there is any movement. Chair Frost added this would happen at the September 2015 Board meeting rather than at the work session.

**Chair Frost moved that the Administrative Committee recommend the Board follow the same process as last year to conduct its self-evaluation at the September 2015 Board meeting. Mr. Fox seconded, and the motion carried unanimously.**

**3-YEAR POLICY REVIEW**

Ms. Vandehey reported that Board review of agency policies is required every 3 years to ensure that they are relevant and appropriate. Ms. Vandehey stated the policies being reviewed fall under the purview of the Administrative Committee.

Ms. Vandehey stated there was substantive change to the Public Records Policy 2.00.250. Ms. Vandehey explained these include changes to the policy section, adding reference to the Public Records Act (PRA), and general reference to the growing body of case law to help the agency

negotiate between competing demands of transparency and judiciary responsibility. Ms. Vandehey said specific language was added to protect both Board and staff personal information, for disclosure requirements of real estate appraisals, and to add attorney client privilege as protected communication.

[Treasurer McIntire arrived at 8:48 a.m.]

[Ms. Holman arrived at 8:50 a.m.]

Mr. Sacks asked about the rationale of the concept of, regardless of the identity of the requestor, public records requests will be processed in the order in which they are received, and what it means to be processed. Ms. Vandehey asked Mr. Lynch to address the question. Mr. Lynch said the reason the language was added is to clarify that requests are treated in the sequence they arrive. Mr. Sacks asked about what process means and if it inhibits staff from working with a requestor's deadline. Mr. Lynch stated that deadlines are taken into account.

Mr. Sacks asked about trade secrets and how the Board deals with trade secrets. Is that a determination that staff makes or is it where the third party is informed and it becomes their obligation to go to court to seek an injunction? Mr. Lynch said when the request is going to address something that pertains to a possible trade secret, staff reach to the provider of that information and discuss with them what their view is. Trade secrets are treated as an exemption under the PRA, called the Other Statute, if the record is exempt under any other statute. The determination is made by WSIB staff.

Mr. Masten said that general partners need to defend their positions. Mr. Lynch agreed.

**Mr. Fox moved that the Administrative Committee recommend the Board adopt the proposed substantive changes to Policy 2.00.250. Mr. Sacks seconded, and the motion carried unanimously.**

Ms. Vandehey discussed the six policies containing technical changes, stating the changes are updates to statutory references and terminology, and general grammatical edits to improve comprehension.

**Mr. Fox moved that the Administrative Committee recommend the Board adopt the proposed technical changes to policies 1.00.180, 1.05.100, 2.00.150, 2.00.175, 2.00.210, and 2.00.260. Mr. Sacks seconded, and the motion carried unanimously.**

## **MANAGEMENT**

Ms. Verme presented the financial status report and quarterly budget update as of March 31, 2015, and said the appropriated budget has a projected balance of \$2.7 million (13 percent savings), due to staff vacancies and associated savings for benefits and travel. Ms. Verme stated the non-appropriated budget has a projected balance of \$38.6 million (11.1 percent savings), due to lower management fees in private equity and real estate. She added there was very little change from last quarter.

## **ASSISTANT ATTORNEY GENERAL'S REPORT – Seaport Village**

Ms. Lobdell reported at a prior meeting that the WSIB had been dismissed from litigation in Delaware involving Seaport Village Operating Company. In mid-May, the WSIB was served with a subpoena for documents. Even though the WSIB is not part of the litigation, it is still subject to court jurisdiction for purposes of the subpoena. Ms. Lobdell coordinated a response to the subpoena, and there currently is a deposition of a staff member planned.

## **EXECUTIVE SESSION**

Chair Frost announced the Committee will now go into executive session to review and discuss the performance of a public employee. The executive session is expected to last about 5 minutes, at which time the Board will reconvene in open session.

[The Committee went into executive session at 8:59 a.m.]

[Ms. Kuschel arrived at 9 a.m.]

[Mr. Miller arrived at 9:12 a.m.]

[The Committee reconvened in open session at 9:15 a.m.]

**Treasurer McIntire moved that the Administrative Committee recommend the Board reappoint Ms. Theresa Whitmarsh to a new 3-year term from October 1, 2015, until September 30, 2018, and forward this action to the State Finance Committee. Mr. Sacks seconded, and the motion carried unanimously.**

## **OTHER ITEMS**

There was no further business to come before the Committee and the meeting adjourned at 9:17 a.m.