WASHINGTON STATE INVESTMENT BOARD

Special Board Meeting Minutes

Board Governance Workshop
July 31- Aug 1, 2003

The Washington State Investment Board met in open public session at the Port Ludlow Resort, 1 Heron Road, Port Ludlow, WA 98365.

Present:	John Charles Deborah Brookman Glenn Gorton Jeff Hanna Charlie Kaminski John Magnuson George Masten Patrick McElligott Mike Murphy Bob Nakahara Dave Scott Jeff Seely Representative Helen Sommers Paul Trause Senator Joseph Zarelli
Also Present:	Joe Dear, executive director Gary Bruebaker, chief investment officer Sue Hedrick, executive assistant Dr. John Por, Cortex Applied Research Tom Iannucci, Cortex Applied Research

Chair Charles called the meeting to order at 2:16 p.m. and identified the members in attendance. The board members then reviewed and discussed the draft board policies and charters prepared by Dr. John Por and Tom Iannucci, consultants with Cortex Applied Research.

Proposed Board Education Policy

A lengthy discussion ensued on the proposed Board Education Policy and considerable changes were made to the draft policy. The Board members asked staff to incorporate the edits into a new draft and bring it back to the Board the next day for review and action.

Proposed Board Operations Policy
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The meeting adjourned at 6:04 p.m.

The Board reconvened at 8:34 a.m. on Friday, August 1, 2003, the second day of the workshop. Discussion continued on the topics previously mentioned.

Board Self Evaluation Policy
The Board agreed to modify the proposed Board Operations Policy to include an annual offsite meeting that would provide an opportunity to discuss ways the Board could improve its effectiveness as a fiduciary body.

Proposed Code of Conduct Policy
The Board discussed the proposed Code of Conduct Policy extensively. Chair Charles asked for a hand vote on the proposed policy. The Board members voted 7-6 against adopting a Code of Conduct policy.

Treasurer Murphy asked for reconsideration. The members agreed to consider, at a subsequent meeting, a document that will be prepared by staff and the Assistant Attorney General with Board member input.

> **Treasurer Murphy moved that the Board develop a Code of Conduct policy to be reviewed at a later date. Mr. McElligott seconded. The motion passed unanimously.**

Board Charter

> **Treasurer Murphy moved that the Board Charter be adopted as amended. Ms. Brookman seconded. The motion passed unanimously.**

Administrative Committee Charter

> **Mr. McElligott moved that the Adminstrative Committee Charter be adopted as amended. Treasurer Murphy seconded. The motion passed unanimously.**

Audit Committee Charter

> **Treasurer Murphy moved that the Audit Committee Charter be adopted as amended. Ms. Brookman seconded. The motion passed unanimously.**

Private Markets Committee Charter

Mr. McElligott moved that the Private Markets Committee Charter be adopted as amended. Treasurer Murphy seconded. The motion passed unanimously.

Public Markets Committee Charter

Mr. McElligott moved that the Public Markets Committee Charter be adopted as amended. Treasurer Murphy seconded. The motion passed unanimously.

Charter of the Board Chair

Treasurer Murphy moved that the Charter of the Board Chair be adopted as amended. Mr. McElligott seconded. The motion passed unanimously.

Charter of the Board Vice Chair

Treasurer Murphy moved that the Charter of the Board Vice Chair be adopted as amended. Mr. Scott seconded. The motion passed unanimously.

Executive Director Charter

Treasurer Murphy moved that the Executive Director Charter be adopted as amended. Senator Zarelli seconded. The motion passed unanimously.

Executive Director Perfomance Evaluation Policy

Treasurer Murphy moved that the Executive Director Performance Evaluation Policy be adopted as amended. Ms. Brookman seconded. The motion passed unanimously.

Service Provider Policy

Treasurer Murphy moved that the Service Provider Selection Policy be adopted as amended. Mr. McElligott seconded. The motion passed unanimously.

Mr. McElligott raised his concern with the current telecommunications policy and asked that it be considered for modification to allow members more opportunities to participate via teleconferencing at Board meetings. A lengthy discussion ensued on such things as how many times members should be allowed to teleconference per year, the reasons for granting teleconferencing privileges, and the difficulty some members have attending meetings in person due to their work schedules.

The Board members asked staff to review the teleconferencing policy and present suggestions to the Board at a later date.

Board Education Policy

Treasurer Murphy moved that the Board Education Policy be adopted as amended. Mr. Trause seconded. The motion passed unanimously.

Board Operations Policy

Treasurer Murphy moved that the Board Operations Policy be adopted as amended. Mr. Scott seconded. The motion passed unanimously.

Board Monitoring and Reporting Policy

Mr. Masten moved that the Board Monitoring and Reporting Policy be adopted as amended. Senator Zarelli seconded. The motion passed unanimously.

The meeting adjourned at 2:09 p.m.

John Charles
Chair

ATTEST

Joseph A. Dear
Executive Director