



**Thursday, April 21, 2022  
Administrative Committee**

**Webex  
8:15 A.M.  
Dial-in information available upon request**

**1. Call to Order/Roll Call (8:15a)**

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**2. Adoption of Minutes (8:15-8:20)**

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A. Adoption of the February 17, 2022, Minutes

**3. Biennial Investment Officer Compensation Review (8:20-8:50)**

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A. Biennial Investment Officer Compensation Review

B. Proposed Investment Officer Salary Bands

**4. Ad Hoc Committee Report (8:50-9:05)**

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**5. Executive Session (9:05-9:15)**

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A. Executive Assistant Compensation

**6. Other Items (9:15-9:20)**

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**7. Adjourn (9:20a)**

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**WASHINGTON STATE INVESTMENT BOARD  
Administrative Committee Meeting Minutes  
April 21, 2022**

The Administrative Committee met in open public session via Webex video conference, with dial-in access available to the public.

Members Present: Tracy Guerin, Chair  
Yona Makowski  
Greg Markley  
Treasurer Mike Pellicciotti  
Joel Sacks

Also Present: Allyson Tucker, Chief Executive Officer  
Curt Gavigan, Chief Operating Officer  
Bobby Humes, Human Resources Director  
Stacy Conway, Executive Assistant  
  
Mike Oak, McLagan  
Maureen Reilly, McLagan  
Tor Jernudd, Attorney General's Office

**CALL TO ORDER**

Chair Guerin called the meeting to order at 8:15 a.m. and took roll call; all Committee members listed as present were able to fully participate in the meeting.

**ADOPTION OF MINUTES**

**Chair Guerin moved to adopt the February 17, 2022, meeting minutes.  
Ms. Makowski seconded, and the motion carried unanimously.**

**BIENNIAL INVESTMENT OFFICER COMPENSATION REVIEW**

Ms. Tucker reminded the Committee of the process to set the WSIB investment officer salary bands, including the requirement of a peer salary survey as set forth in state statute. She introduced Mr. Oak and Ms. Reilly to present the results of McLagan's biennial investment officer salary survey.

Mr. Oak described McLagan's methodology used to arrive at the recommended salary bands, including a review of position descriptions to determine appropriate comparisons, consideration of pay data from the firm's 2021 public funds compensation survey, and a comparison of the WSIB's total compensation levels with that of its peers. He noted that total expenditure for WSIB investment officer positions is 22 percent lower as compared to the average of peers. He detailed the WSIB's individual positions, noting the increases for each and summarized McLagan's proposed salary range for each position.

Discussion ensued regarding the 2-year lag in salary comparison data; the reasons behind the lack of increase in the Investment Officer (IO) category; the appropriateness of the peer group used by McLagan in the analysis and inability to broaden the comparison group due to the specific requirements set forth in state statute; inclusion of peer base salary and incentive compensation in the analysis; timing of implementation and inclusion of approved salary ranges into the budget; and notification process to the Joint Legislative and Review Committee (JLARC).

**PROPOSED INVESTMENT OFFICER SALARY BANDS**

Mr. Humes shared a brief overview of the process for the salary survey and resulting recommendation, summarizing the individual recommendation for each investment officer category:

Chief Investment Officer	\$438,984-\$716,496
Senior Investment Officer	\$202,344-\$371,496
Assistant Senior Investment Officer	\$162,672-\$280,344
Investment Officer	\$113,712-\$199,000
Assistant Investment Officer	\$81,468-\$134,868

**Chair Guerin moved that the Administrative Committee recommend the Board adopt the proposed salary ranges for Investment Officers, provide notice to the director of the Office of Financial Management and the chairs of the House of Representatives and Senate fiscal committees, and provide an effective date for the new salary ranges of 60 days after notice is given to OFM and the fiscal committee chairs. Ms. Makowski seconded, and motion carried unanimously.**

**AD HOC COMMITTEE UPDATE**

Mr. Markley reported that the *ad hoc* committee met on March 23 to address the WSIB’s Investment Beliefs and the potential inclusion of specific language relating to racial justice. The Committee had robust discussions, and Ms. Tucker shared that staff had some concerns around the implementation of the suggested racial justice language options. The Committee consensus was to allow staff to continue its work on the blueprints to be presented to the full Board for discussion at the July planning meeting.

Discussion ensued regarding the work of the *ad hoc* committee, including its support of an educational component around racial equity and DEI at the July Board strategic planning meeting; acknowledgement that there is work to be done related to diversity in decision-making positions at the WSIB; desire for a focus on the Board’s Investment Beliefs along with the larger DEI issues to be addressed; confirmation that the *ad hoc* committee did not make any decisions, with the exception of consensus to grant staff additional time to present the work to the full Board for discussion; and education around the nexus between DEI issues and climate change.

**Chair Guerin moved that the Administrative Committee recommend the Board disband the *ad hoc* committee that was formed in November 2021 to address social responsibility in the context of fiduciary duty, as it has completed its intended work and made its recommendation. Mr. Markley seconded the motion.**

Treasurer Pellicciotti inquired about the appropriateness of having the Administrative Committee make a recommendation to the Board to disband the Committee.

Chair Guerin noted that because the original formation of the *ad hoc* committee was done through a recommendation from the Administrative Committee to the Board, the disbanding of the committee will follow the same process.

Mr. Jernudd stated that the Board has the authority to take any final action. As this is a recommendation by the Administrative Committee to the Board for the action, he has no objection.

Chair Guerin restated the motion, noting that the original motion was seconded by Mr. Markley.

**The motion carried unanimously.**

#### **EXECUTIVE SESSION**

**Chair Guerin announced that the Committee would go into executive session to review the performance of a public employee. The executive session was expected to last approximately 10 minutes, at which time the Committee would reconvene in open session.**

[The Committee went into executive session at 8:55 a.m.]

#### **Executive Assistant Compensation**

[The Committee reconvened in open session at 9:13 a.m.]

**Chair Guerin moved that the Administrative Committee recommend the Board take the action discussed in executive session related to a personnel matter. Ms. Makowski seconded, and the motion carried unanimously.**

#### **ADJOURNMENT**

There was no further business to come before the Committee, and the meeting adjourned at 9:14 a.m.