



**Thursday, September 21, 2023
Administrative Committee**

Call to Order - 8:00 A.M.

-

**In-Person Attendance: Washington State Investment Board
2100 Evergreen Parkway SW, Olympia, WA 98502**

-

The link to join online can be found at www.sib.wa.gov/meetings.html

1. Call to Order/Roll Call (8:00a)

2. Adoption of Minutes (8:00-8:05)

A. Adoption of the June 15, 2023, Minutes

3. 2024 Administrative Committee Meeting Schedule (8:05-8:10)

A. 2024 Administrative Committee Meeting Schedule

4. Board Education (8:10-8:20)

A. 2022-2023 Board Conference and Education Report

B. 2023-2024 Board Conference and Education List

5. Quarterly Budget Update (8:20-8:30)

A. Quarterly Budget Update

6. Non-Voting Board Member Recruitment Process (8:30-8:40)

A. Non-Voting Board Member Recruitment Process

7. Executive Session (8:40-9:10)

A. Succession Planning Discussion

B. Board Self Evaluation

8. Other Items (9:10-9:15)

9. Adjourn (9:15a)

**WASHINGTON STATE INVESTMENT BOARD
Administrative Committee Meeting Minutes
September 21, 2023**

The Administrative Committee met in open public session at the office of the Washington State Investment Board (WSIB) at 2100 Evergreen Park Drive SW, Olympia, Washington and via Microsoft Teams video conferencing available to participants and members of the public at <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1>; Meeting ID: 263 315 177 73; Passcode: xJwuhM; Dial-In Telephone Number 1-360-726-3322; Phone Conference ID: 113 478 053#

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

Other Board Members
Present:

Also Present: Allyson Tucker, Chief Executive Officer
Curt Gavigan, Chief Operating Officer
Stacy Conway, Executive Assistant

Tor Jernudd, Attorney General's Office

CALL TO ORDER

Chair Guerin called the meeting to order at 8:00 a.m. and took roll call. All Committee members listed as present were able to fully participate in the meeting while in attendance.

ADOPTION OF MINUTES

Board Member Markley moved to adopt the June 15, 2023, meeting minutes. Board Member Makowski seconded, and the motion carried unanimously.

ADMINISTRATIVE COMMITTEE MEETING SCHEDULE

Presenter: Tracy Guerin, Administrative Committee Chair

The proposed 2024 meeting dates of February 15, April 18, June 20, September 19, November 21, and December 12, coincide with the proposed Board meeting dates.

Chair Guerin moved that the Administrative Committee adopt the 2024 meeting dates as proposed. Board Member Makowski seconded the motion.

Treasurer Pellicciotti noted a conflict with one of the dates and, therefore, would not vote in support of the motion.

The motion carried, with Treasurer Pellicciotti opposed.

BOARD EDUCATION

2022-2023 Board Conference and Education Report

Presenter: Allyson Tucker, Chief Executive Officer

The Board Education Policy requires that the Chief Executive Officer (CEO) report to the Board annually on the relevant conferences and educational events attended by Board members during the previous year. Reporting is from September to August of each year. The report provided lists the external WSIB-paid and supported conference and education events, along with the education sessions included in Board and Committee meetings. In addition, a request was sent out giving members the opportunity to include relevant events they may have attended outside of the purview of the WSIB.

It was noted in discussion that there was an error on the report – a notation of Board Member Pugh’s attendance at a workers compensation conference rather than the correct attendee, Board Member Sacks. Staff will make the necessary correction to the report for presentation to the Board.

2023-2024 Board Conference and Education List

Presenter: Allyson Tucker, Chief Executive Officer

The Board Education Policy also provides for the annual adoption of an approved list of conference and education opportunities. The list includes activities and events that have been vetted by staff and Board members and determined to contain valuable content and networking opportunities relative to the work of the WSIB. As the list is produced well in advance of some of the later events, specific dates and locations may not yet be published. Staff will follow up with additional details as they become available.

Chair Guerin moved that the Administrative Committee recommend the Board approve the 2023-2024 Board Conference and Education List as proposed. Board Member Sacks seconded, and the motion carried unanimously.

QUARTERLY BUDGET UPDATE

Presenter: Curt Gavigan, Chief Operating Officer

The appropriated budget closed the fiscal year ending June 30, 2023, with a balance of \$9.2 million or 21.9 percent savings, which includes a \$4.9 million balance from fiscal year 2022 that rolled over due to biennial appropriation. Savings are due in large part to staff vacancies, along with professional services, goods and services, and travel. The one-time additional expenditure of \$1.2 million was due to audio visual equipment for the newly remodeled Seattle office and the purchase of equipment for the recommended 4-year

refresh of staff devices. The non-appropriated budget closed the fiscal year with a balance of \$86 million, an 11.6 percent savings, from savings across all categories. Of this balance, \$79 million is related to line items within the category of fluctuating costs driven by the market. The total operating budget closed the fiscal year with a balance of \$95.3 million for a 12.2 percent savings.

Discussion ensued regarding the the challenges in predicting private market fees and the improved modeling methodology used to estimate fees in the private equity category. Discussions are occurring to pursue modeling refinements for the real estate portfolio, which ended the year well below projections. Although the private equity projected fees ended the fiscal year very close to actual, the enhanced modeling may or may not work over time. Staff confirmed that the budget variances are not a result of unpredictability in the program, but rather in markets.

NON-VOTING BOARD MEMBER NOMINATION AND RECRUITMENT PROCESS

Presenter: Allyson Tucker, Chief Executive Officer

This item was presented as a follow up to prior conversations regarding nomination procedures for the Board’s Non-Voting Board Member positions. A draft nomination and recruitment process was provided to the Committee for consideration. Although not a formal action item, consensus around the proposed process was requested.

Discussion ensued regarding previous Non-Voting Board Member recruitments, the importance of seeking the right candidate to fill vacancies, and time needed for the recruitment to fill the vacancy left by Board Member Longbrake, who has agreed to serve until a replacement is appointed.

The Committee discussed specific desired attributes of a successful candidate, including experience in the areas of artificial intelligence and machine learning, venture capital, tangible assets, innovation portfolio opportunities, and governance, as well as an understanding of climate and diversity, equity, and inclusion (DEI) issues. Relevant board experience is also desired. It was mentioned that someone with an economics background may be beneficial, although the Board does have that expertise with Board Member Pugh. There was Committee concurrence that Washington state residency be a requirement.

The Committee also discussed previous methods of recruiting. Historically, successful candidates have been sourced by Board members or staff. Board Member Longbrake provided names of three potential candidates for the upcoming vacancy; however, none have the time to serve. CEO Tucker has one potential candidate interested and will follow up after today’s meeting.

There was Committee consensus around the process proposed.

EXECUTIVE SESSION

Chair Guerin announced that the Committee would go into executive session to review the performance of public employees. The executive session was expected to last approximately 30 minutes, at which time the Committee would reconvene in open session.

[The Committee convened in executive session at 8:30 a.m.]

Succession Planning Discussion

Presenter: Allyson Tucker, Chief Executive Officer

Board Self Evaluation

Presenter: Tracy Guerin, Administrative Committee Chair

[The Committee reconvened in open session at 9:00 a.m.]

ADJOURNMENT

There was no further business to come before the Committee, and the meeting adjourned at 9:02 a.m.