



Final Minutes
Endowment Fund Investment Special Board Meeting
September 13, 2007

Investment Manager Presentation – 8:00-8:45 a.m.

Mac Nickey, Relationship Manager and Brad Adams, Fixed Income Product Manager, from Northern Trust Global Investment Services, made a presentation regarding Northern Trust's management of fixed income index funds. A quorum of the board was not present at the beginning of the presentation.

Board & Staff present: Dean Buffington
Tom Kealey
Susan Simmons
Gavin Gee
Brad Little
Max Black
Larry Johnson
Chris Halvorson
Andy Potter
Judy Shock

Guests included: Brian Hill, Clearwater
Adam Benton, Clearwater
Bobby Lawrence, Eide Bailly
Tamara Humiston, Parks & Recreation
Dave Ricks, Parks & Recreation
Jane Wright, Dept. of Lands
Clive Strong, Attorney General

A special meeting of the Endowment Fund Investment Board (Board) was held in the Board Conference Room at 816 W. Bannock Street, Ste. 301, Boise Idaho on September 13, 2007. Chairman M. Dean Buffington called the meeting to order at 9:01 a.m. and recognized that a quorum was present.

Member's Present:

Dean Buffington
Brad Little
Tom Kealey
Susan Simmons
Max Black
Gavin Gee
Vaughn Heinrich
Richelle Sugiyama
John Taylor (*arrived 9:04 a.m.*)

Member's Absent:

None.

Staff Present:

Larry Johnson
Chris Halvorson
Andy Potter
Judy Shock

Legal Counsel:

Julie Weaver (*arrived 9:04 a.m./departed 9:55 a.m.*)

Guests:

Bobby Lawrence, Eide Bailly
Jane Wright, Dept. of Lands

Hard copies of board materials were mailed and delivered six days prior to the scheduled board meeting and a meeting notice was posted on the door of the EFIB office beginning September 6, 2007.

FY 2007 – Financial Statements

Members of the Audit Committee and Mr. Lawrence reviewed the financial statements and related audit reports and opinion. Mr. Lawrence stated there were no issues identified in the audit.

Ms. Weaver and Mr. Taylor arrived 9:04 a.m.

Staff noted that when the EFIB's policies are reviewed in February, the audit policy will be revised to clarify that the audit committee has the authority to approve the financial statements.

Mr. Taylor made a motion to accept the report of the Audit Committee regarding the FY 2007 Financial Statements. The motion was seconded by Senator Little and approved unanimously.

Draft Annual Report to the Land Board

Staff reviewed a draft of the EFIB's annual report to the Land Board, to be presented at the November 15 Land Board meeting. The board requested changes regarding the wording "quality of recommendation regarding Spending Policy". The board also discussed the objective: "long-term, increase distributions to 4% of the value of the endowment funds plus average land revenues".

Julie Weaver departed at 9:54 a.m.

Jane Wright departed at 10:10 a.m.

EFIB Staff Reports

Mr. Johnson reviewed the Agency Profile report that is submitted to Division of Financial Management each year. The board directed staff to have future reports show net, rather than gross, Land Revenues.

Mr. Johnson reviewed the process to be followed in selecting a candidate for the Small Cap Growth mandate. The board discussed options for selecting investment managers and directed staff that the final selection should be made by the board or a committee of the board rather than staff and the consultant.

Mr. Halvorson reviewed the returns of the Ag College endowment fund for June thru August, when it operated as a separate pool for two-and-a-half months of that period.

The board discussed the criteria to be used to accept or reject requests to manage additional endowment funds.

Mr. Johnson stated that a memorial plaque is on display in the EFIB office recognizing individuals whose unclaimed estates over the last ten years have been deposited in the Public School Endowment Fund.

Minutes

The board discussed the appropriate level of detail for the minutes and directed staff that minutes should consist of a brief summary of the discussion, approved motions, and action items.

Adjournment

There being no further business to come before the board, Senator Little made a motion to adjourn, seconded by Mr. Gee, and passed unanimously. The meeting adjourned at 10:59 a.m.