



State of Washington
PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908
(360) 753-1111 • FAX (360) 753-1112

Toll Free 1-877-601-2828 • E-mail: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

9:30 a.m.

June 27, 2013

MINUTES-REGULAR MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Amit Ranade, Chair
Barry Sehlin, Vice Chair
Grant Degginger, Member
Kathy Turner, Member

STAFF PRESENT

Andrea McNamara Doyle, Executive Director
Nancy Krier, General Counsel
Lori Anderson, Communications & Training Officer
Phil Stutzman, Director of Compliance
Kurt Young, Compliance Officer
Jennifer Hansen, Filer Assistance Specialist
Michael Smith, Chief Information Technology Officer
Linda Dalton, Sr. Assistant Attorney General
Jana Greer, Confidential Secretary
Cullen Gatten, Law Clerk
Michael Woo, Law Clerk

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Amit Ranade at 9:40 a.m. in the Evergreen Plaza Building, Room 206 Olympia, Washington.

Opening Comments

Chair Ranade called the meeting to order.

Citizens Comments/Concerns

No comments or concerns expressed.

Commissioner Comments/Concerns

No comments or concerns expressed.

Minutes

Motion 13-034

Moved by Commissioner Sehlin, seconded by Commissioner Turner that:

The Commission adopt the minutes of May 22, 2013 special meeting.

The motion passed.

Interpretations

Evolving Technology and Campaigns
(Continued)

Possible approval of amendments to:

- 95-05 Fundraising through 900

Nancy Krier presented proposed revisions to Interpretation 00-02, *Guidelines for Internet Contributions* for Commission discussion and possible adoption.

telephone numbers/ 00-02
Guidelines for Internet contributions

She noted that the proposed revisions would combine Interpretation 00-02 with Interpretation 95-05 (*Fundraising Through 900 Telephone Numbers*), making the interpretations more consistent.

She also noted that at the May Commission meeting staff suggested the Commission seek more stakeholder input, and that is what has prompted Michael Altschul to participate in the meeting.

Mr. Altschul, General Counsel for CTIA, provided input via teleconference.

Staff recommended the Commission adopt the revised amendments and repeal as presented.

Moved by Commissioner Sehlin, seconded by Commissioner Degginger that:

The Commission adopt the amendments to Interpretation 00-02 and repeal Interpretation 95-05.

The motion passed.

Motion 13-035

- 07-04 Campaign activities on the Internet

Ms. Krier summarized the history of the Commission's discussions regarding possible updates to Interpretation 07-04 Campaign activities on the Internet.

She noted that Interpretation 07-04 should be revised to reflect the Commission's recent rulemaking concerning online campaign activities.

She presented draft language for the Commission's consideration. The Commission suggested one edit.

Moved by Commissioner Sehlin, seconded by Commissioner Degginger that:

The Commission adopt the amendments to Interpretation 07-04 as modified by the discussion.

The motion passed.

Motion 13-036

Lori Anderson presented updated brochures: Political Advertising Guide, and Independent Expenditures and Electioneering Communications Supplement.

Rules

Review of anticipated/possible rulemaking activity during July-December 2013.

Ms. Anderson provided an overview of upcoming potential rulemaking activity for the remainder of the year. She noted that in July the agency files notice with the Code Reviser of the Commission's projected rulemaking activity as required by the Administrative Procedure Act. She invited additional suggestions.

Informational

Review of recent Governor's executive orders and directives affecting PDC

Andrea McNamara Doyle updated the Commission on recent directives and orders issued by Governor Inslee that affect the PDC.

Legislative/Budget

- 2013 Special Sessions update
- 2013-15 Budget Allotment Process and Schedule
- Initial review of possible 2014 agency-request legislation

Ms. Doyle updated her written memo. She discussed the agency's plan to close on July 1 and temporarily lay off employees if a new state budget is not enacted.

Ms. Doyle discussed the budget allotment process and the discretionary expenditures in the agency's budget.

She discussed the need for fixed money allotted for technology equipment purchases and expenditures. Commissioner Turner asked that this technology topic be discussed at the upcoming Commission retreat.

As an initial review of possible agency request legislation for 2014, Ms. Doyle discussed the list of possible proposals that the Commission and staff compiled last year.

Retreat Planning Discussion
(Continued)

Ms. Doyle and the Commission discussed a draft outline of potential topics for the August Commission retreat.

Executive Director Evaluation Process

Ms. Krier provided a history of the past executive director evaluation processes.

Commissioner Ranade requested an executive session be scheduled at the July regular meeting to perform the evaluation.

Commissioner Sehlin will seek comments from stakeholders, and Commissioner Turner will seek staff comments.

Reporting Modifications

Renewals with no change

- *Norman Gutzwiler*, PUD
Commissioner Chelan County

Commissioner Degginger recused himself.

Jennifer Hansen presented Norman Gutzwiler's request for reporting modification renewal with no change.

Staff recommended approval of Mr. Gutzwiler's request for a renewal of his reporting modification.

Motion 13-037

Moved by Commissioner Sehlin, seconded by Commissioner Turner that:

The Commission grant the partial reporting modification as requested, finding that literal

application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed.

New

- *Amit Ranade*, Member, Public Disclosure Commission

Commissioner Ranade recused himself.

Ms. Hansen presented Amit Ranade's request for a new reporting modification.

Ms. Hansen stated that Mr. Ranade is requesting a new reporting modification that would exempt him from disclosing the business customers or business clients that made payments of \$10,000 or more to Hillis Clark Martin & Peterson in 2012. Mr. Ranade is a partner in this law firm.

She noted that Mr. Ranade has disclosed the identity of clients for whom he did legal work for during 2012.

He also disclosed other clients listed on the firm's website and in firm promotional materials, and the governmental clients of the firm.

Staff recommended approval of Mr. Ranade's request for a reporting modification.

Motion 13-038

Moved by Commissioner Turner, seconded by Commissioner Degginger that:

The Commission grant the partial reporting modification as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed.

- *Heather Shadko*, City Council candidate, City of Puyallup

Commissioner Turner recused herself.

Ms. Hansen presented Heather Shadko's request for a new reporting modification.

She stated that Ms. Shadko is requesting a new reporting modification that would exempt her from disclosing her personal residential address information for the previous 12 months for safety reasons.

Ms. Shadko's husband is employed as a federal drug enforcement agent and has been actively involved in the arrests and incarceration of offenders for the past 15 years. Staff recommended approval of Ms. Shadko's request for a new reporting modification.

Motion 13-039

Moved by Commissioner Sehlin, seconded by Commissioner Degginger that:

The Commission grant the partial reporting modification as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed.

- *Benson Wong*, City Council candidate, City of Mercer Island

Ms. Hansen presented Benson Wong's request for a new reporting modification.

She stated that Mr. Wong is requesting a reporting modification that would exempt him from disclosing the business customers that paid \$10,000 or more during the reporting period to Keller Rohrback LLP, a law firm. He is a partner with Keller Rohrback serving on its Executive Committee and his duties involve setting general policy and approving contracts.

He disclosed the reportable business customers for which he has done legal work in the last 12 months. He disclosed that some representative clients of the firm are listed on the firm's website and in Martindale-Hubbell.

Staff recommended approval of Mr. Wong's request for a new reporting modification.

Motion 13-040

Moved by Commissioner Sehlin, seconded by Commissioner Degginger that:

The Commission grant the partial reporting modification as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed.

Staff Reports

Executive Director

Ms. Doyle updated the Commission on the recruitment for the vacant executive assistant position.

She discussed the June staff retreat. Staff identified projects for LEAN processing to improve the way the agency does business. Staff reviewed the current strategic plan goals. Staff identified priority projects to recommend to the Commission for the next strategic plan. Ms. Doyle will provide the results of the staff

retreat to the Commission at its August retreat. She also highlighted the ongoing efforts regarding group enforcement activities and reminders to filers. Ms. Doyle provided statistics of agency efforts in responding to customer inquiries and in providing staff opinions. Staff will continue to monitor these types of requests to show the growing workload in those efforts.

Ms. Doyle noted that the 2013 COGEL conference dates have been set for December 8th through the 11th in Quebec, Canada.

Chief Information Technology Officer

Michael Smith reported on IT projects in the agency. Mr. Smith demonstrated the Last Minute Contribution (LMC) application.

General Counsel

Ms. Krier thanked the summer law clerks, Cullen Gatten and Michael Woo, for the good work they are doing. She noted that a Gonzaga University Law School representative would be coming to the PDC for a site visit.

Executive Session

The Commission went into executive session at 11:46 a.m. to discuss pending and potential litigation with legal counsel.

The Commission returned to public session at 1:05 p.m.

Enforcement

1. *North Central Affordable Housing Council*, Case No. 13-029, involving alleged violations of:

- A. RCW 42.17A.235 and .240 by failing to timely file multiple Cash Receipts Monetary Contributions reports (C-3 reports) and Campaign Summary Receipts and Expenditures reports (C-4 report's) disclosing contribution and expenditure activities undertaken during the 2012 election;
- B. RCW 42.17A.305 by failing to timely file an Electioneering Communication report (C-6 report) disclosing newspaper and radio electioneering communications identifying two candidates for Douglas County Commissioner in the November 6, 2012 general election;
- C. RCW 42.17A.260 by failing to

Phil Stutzman summarized the allegations and the information presented with the parties' proposed Stipulation as to Facts, Violations and Penalty (Stipulation). He also discussed controls the Respondent had implemented to avoid future noncompliance with RCW 42.17A.

Mark Straub, Executive Director, North Central Affordable Housing Council participated via telephone and addressed the Commission.

Staff recommended the Commission accept the Stipulation as presented. Mr. Straub also requested the Commission accept the Stipulation.

During the Commission discussion, the parties confirmed the scope of the Stipulation with respect to RCW 42.17A.

timely file an Independent Expenditure report (C-6 report) disclosing independent telephone and yard sign political advertising expenditures supporting two candidates for Douglas County Commissioner in the November 6, 2012 general election; and

- D. RCW 42.17.080 and RCW 42.17.090 by failing to timely file multiple C-3 and C-4 reports disclosing contribution and expenditure activities undertaken from the 2008 election through the 2010 election.

Motion 13-041

Moved by Commissioner Sehlin, seconded by Commissioner Degginger that:

The Commission accept the Stipulation as to Facts, Violations and Penalty as proposed and discussed.

The motion passed.

Commissioner Sehlin nominated Commissioner Ranade for the position of Chair beginning July 1, 2013.

Election of Officers

Motion 13-042

Moved by Commissioner Sehlin, seconded by Commissioner Degginger that:

Commissioner Amit Ranade serve as the Chair of the Public Disclosure Commission.

The motion passed.

Commissioner Ranade accepted.

Commissioner Sehlin nominated Commissioner Degginger for the position of Vice Chair beginning July 1, 2013.

Motion 13-034

Moved by Commissioner Sehlin, seconded by Commissioner Turner that:

Commissioner Grant Degginger serve as the Vice Chair of the Public Disclosure Commission.

The motion passed.

Commissioner Degginger accepted.

Recognition

Ms. Doyle recognized Mr. Stutzman for his 25 years of state service at the PDC.

Adjourn

The meeting adjourned at 1:23 p.m.

Corrected Minutes Approved

July 25, 2013.