

**State of Washington**  
**PUBLIC DISCLOSURE COMMISSION**  
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**MINUTES – Regular Meeting**

9:30 a.m. | December 5, 2019  
Evergreen Plaza Building, Room 206  
711 Capitol Way  
Olympia, Washington

**Commission Members Present**

David Ammons, Chair; Russell Lehman, Vice Chair; Anne Levinson, member; Bill Downing, member; Fred Jarrett, member.

**Staff Present**

Peter Lavalley, Executive Director; BG Sandahl, Deputy Director; Kim Bradford, Communications and Outreach Director; James Gutholm, Chief Information Officer; Sean Flynn, General Counsel; Jana Greer, Administrative Officer; Kurt Young, Compliance Officer; Chad Johnson, Department of Enterprise Services (DES), Senior Financial Consultant; John Meader, Assistant Attorney General representing the Commission; and Chad Standifer, Assistant Attorney General representing PDC Staff.

The regular meeting of the Public Disclosure Commission (PDC) was called to order by Commission Chair David Ammons at 9:30 a.m.

**Chair Opening Comments | [PDC Meeting Video](#)**

Chair Ammons made opening remarks and provided a year-end recap of the 2019 PDC developments, initiatives, and accomplishments.

Commissioner Downing briefed the Commission about his recent attendance at an event recognizing the launch of The Center for an Informed Public, a University of Washington and Washington State University joint initiative.

**Public Comments | [PDC Meeting Video](#)**

Dmitri Iglitzin (via telephone) commented on the proposed update to [PDC Interpretation 17-02](#) Regarding the Primary Purpose Test for Political Committees.

The Commission Chair noted that it was not the intent of the Commission to vote on this at this meeting and that a stakeholder input period would be open for comments for further consideration, before the Commission takes action at the January or February 2020 Commission meeting.

**Meeting Minutes | [PDC Meeting Video](#)**

Meeting minutes were presented to the Commission for consideration and possible approval:

- September 19, 2019 Special Meeting
- September 26, 2019 Regular Meeting
- October 24, 2019 Regular Meeting

**MOTION 19-066** Moved by Commissioner Downing and seconded by Commissioner Jarrett that:

**The Commission approve the meeting minutes for the September 19, 2019, September 26, 2019, and October 24, 2019 as discussed and amended.**

The motion passed 5-0.

Meeting minutes format discussion: [PDC Meeting Video](#)

The Commission determined that the format of the future PDC meeting minutes will change to a high-level discussion capturing decisions, motions, tasks, and follow-up, given the accuracy and online availability of full audio and video records of all meetings, for those seeking further detail.

**2020 Public Disclosure Regular Meeting Dates** | [PDC Meeting Video](#)

The [2020 regular meeting dates](#) were reviewed by the Commission for consideration and possible adoption.

**MOTION 19-067** Moved by Commissioner Lehman and seconded by Commissioner Downing that:  
**The Commission adopt the 2020 regular meeting dates and times as presented.**

The motion passed 5-0.

**Public Hearing on Proposed Rules to Implement SHB 1195** | [PDC Meeting Video](#)

The Commission considered proposed updates to [WAC 390-19 \(Draft\)](#) and [WAC 390-20 \(Draft\)](#), related to electronic filing and lobbying.

PDC Staff presented drafts of [WAC 390-19](#) and [WAC 390-20](#) that incorporated suggested amendments and changes made through stakeholder outreach and at the October 24, 2019, Commission meeting.

**MOTION 19-068** Moved by Commissioner Lehman and seconded by Commissioner Jarrett that:  
**The Commission adopt the amendments to WAC 390-19 and WAC 390-20 as presented and discussed.**

The motion passed 5-0.

Next Steps/Follow-up:

- PDC staff will incorporate the amendments as discussed and file the rules with the Code Reviser.

**Rulemaking** | [PDC Meeting Video](#)

The Commission considered changes to proposed permanent Rules for Chapter [390-18 WAC](#) related to Political Advertising.

PDC Staff presented proposed language for [390-18 WAC \(Draft\)](#), which incorporated suggested changes and amendments requested by the Commission at the October 24, 2019, Commission meeting.

**MOTION 19-069** Moved by Commissioner Lehman and seconded by Commissioner Levinson that:  
**The Commission adopt the amendments to WAC 390-18 as presented.**

The motion passed 5-0.

Next Steps/Follow-up:

- PDC staff will incorporate the amendments as discussed and file with the Code Reviser.

**Budget Update** | [PDC Meeting Video](#)

Chad Johnson, Department of Enterprise Services (DES) Senior Financial Consultant, updated the Commission on the agency's budget.

A scheduled projection meeting will take place January 2020 with Executive Director Lavallee to discuss planning related to labor for the 21-23 biennium.

Commissioner Levinson asked that refinements be made to agency budget materials in order to more clearly explain the purposes of the projects as well as their alignment with the goals of the Transparency Fund.

Mr. Johnson also discussed the most recent State Revenue Forecast Update.

**Next Steps/Follow-up:**

- Staff will refine agency materials referencing budgeted uses of the Transparency Fund to more clearly explain the purposes of the projects and their alignment with the goals Transparency Fund.

**Legislative Discussion** | [PDC Meeting Video](#)

PDC staff reported on initial meetings with legislators, and presented and discussed a revised draft of the [PDC agency-request bill](#) for Commission consideration and approval so that staff can move forward with seeking sponsorship.

**MOTION 19-070** Moved by Commissioner Lehman and seconded by Commissioner Jarrett that:

**The Commission adopt the proposed agency request bill for the 2020 Legislative session as presented.**

The motion passed 5-0.

**Follow-up/Next Steps:**

- Staff will finalize the draft and seek to secure sponsorship of the agency-request legislation.
- Staff will draft possible amendments identified during the Commission discussion, make sure the agenda for the special meeting on January 16<sup>th</sup> includes topics noted in the discussion and ready any actions from the January 16<sup>th</sup> discussion for approval at the Commission's January 23<sup>rd</sup> meeting.
- Staff will report to the Commissioners regarding non-profit directorship reporting requirements and, if necessary, any amendment language to be included in the January 23<sup>rd</sup> meeting actions.

**Executive Session** | [PDC Meeting Video](#)

The Commission went into Executive Session at 12:23 p.m. to discuss matters allowed in Executive Session pursuant to [RCW 42.30.110](#), including but not limited to discussion of enforcement matters, pending and potential litigation with legal counsel, and review of performance of public employees.

The Commission meeting returned to open session at 1:35 p.m.

**Interpretations** | [PDC Meeting Video](#)

Staff presented to the Commission for review and consideration changes to [PDC Interpretation 07-02](#)—Primary Purpose Test for Political Committees. This interpretation update helps to clarify the origins, purpose, and elements of the primary purpose test.

Next Steps/Follow-up

- Based on Commissioner discussion, staff will seek further stakeholder comment on the draft Interpretation as revised by Commissioner input with comments due back in time for consideration of the Interpretation at the Commission’s January or February meeting along with consideration of possible statutory changes.

**Annual Report** | [PDC Meeting Video](#)

Kim Bradford, Communications and Outreach Director, presented a draft of the FY 2019 PDC Annual Report. The report will be finalized after it is updated to reflect November reporting from campaigns. [PDC Meeting Video](#)

**Prioritization of IT Portfolio** | [PDC Meeting Video](#)

James Gutholm, Chief Information Officer, provided an update on prioritization of the IT Portfolio. The current prioritization shows the replacement of the Online Reporting of Campaign Activity (ORCA) is the next project in the queue to be completed. [PDC Meeting Video Additional priority projects are:](#)

- 2020 F-1 Online Filing Application Update.
- Website Usability Study and Consulting Update.
- Commercial Advertisers Archive initial steps
- Campaign Finance Reporting System Update.

The Commission concurred with the portfolio prioritization as presented.

**Enforcement Updates** | [PDC Meeting Video](#)

Kurt Young, Compliance Officer provided the enforcement update report for period: October 22, 2019 – November 25, 2019

146 Cases Open

96 Cases Opened during the Period

101 Cases Closed during the Period:

- 24 Cases Closed with No Evidence of Violations
- 37 Cases Closed with Reminder
- 10 Cases Closed with Formal Written Warning
- 4 Cases Closed Administratively
- 4 Cases Closed as a Request for a Technical Correction
- 8 cases Resolved through Statement of Understanding
- 9 Cases Closed as Unfounded
- 5 Cases Closed with Commission Finding Violations

**Follow-up/Next Steps**

- Staff will add updates on compliance with enforcement orders to the monthly reports.

**Management Team Updates** | [PDC Meeting Video](#)

Peter Lavalley, Executive Director presented updates to the Commission.

- Ad Archive
- Legislation
- Center for Informed Democracy Update

Kim Bradford, Communications and Outreach Director provided customer service and Filer Assistance updates to the Commission.

- Introduction of a new PDC staff member, Customer Service Specialist Jordan Campbell.
- PDC Data Audit.
- PDC Promotion.
- Customer Service Statistics and Filer Assistance.
- Lobbyist Training and Reminders.

The Commission discussed holding Commission meetings around the state now that agency has the staff and operating resources to support them.

#### Follow-up/Next Steps

- Staff will map out options for holding meetings around the state in 2020 and public outreach in conjunction with the meetings.

James Gutholm, Chief Information Officer, provided an update on the PDC IT activity report.

- Financial Affairs Reporting System Update.
- Kudos to the PDC Team.
- F-1 Improvements and Requesting Personal Financial Affairs (F-1) Reports after 2020.

Process Improvement—Preview of January Special Meeting on Digital Political Advertisements | [PDC Meeting Video](#)

Peter Lavalley, Executive Director presented the Process Improvement Spotlight to the Commission members.

- Staff expectations for the January special meeting.
- Location Information for January special meeting.
- Broad outlines for January 16 special meeting agenda.

#### Next Steps/Follow-up:

- Staff will create a draft agenda for the Commission to review for the January 16, 2020 special meeting. [PDC Meeting Video](#)

Meeting adjourned at 3:17 p.m.

Approved January 23, 2020.