

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

9:30 a.m. | July 22, 2021  
711 Capitol Way S. #206  
Olympia, Washington

**Commission Members Present**

Fred Jarrett, Chair; Nancy Isserlis, Vice Chair; Bill Downing, Member.

**Staff Present**

Peter Frey Lavalley, Executive Director; Kim Bradford, Deputy Director; Sean Flynn, General Counsel; James Gutholm, Chief Information Officer; Jana Greer, Administrative Officer; Jennifer Hansen, Compliance Officer.

**Staff Present (Participated via Microsoft Teams Online)**

Chip Beatty, Interim Customer Service and Outreach Director; Kurt Young, Compliance Officer; Tabitha Townsend, Compliance Coordinator; Diann Lewallen, Financial Consultant, Department of Enterprise Services (DES); Bret Skipworth, 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 Fred Jarrett at 9:30 a.m. ([PDC Meeting Video](#))

COVID 19 update: The July 22, 2021, Public Disclosure Commission Meeting was streamed live at <https://www.youtube.com/user/WASTPDC/live>.

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

Chair Jarrett welcomed all attendees and viewers to the July 22, 2021, regular Commission meeting. The Chair noted the July 22, 2021, regular Commission meeting was the first in-person meeting since the beginning of the Covid-19 pandemic.

Executive Director Peter Frey Lavalley provided opening remarks on the PDC office and meeting safety protocols surrounding Covid-19.

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

As noticed and was announced, a Teams video, conference line and public access was provided for public comment during this time.

The following person(s) provided public comment:

- [Conner Edwards, Campaign Treasurer](#) – LMC reporting requirements and ORCA.
- [Kathy Sakahara, League of Women Voters](#) – LMC reporting requirements and other legislative priorities.
- [Maxford Nelson, Director of Labor and Policy, Freedom Foundation](#) – Enforcement case resolutions.

**Consideration and Possible Approval of Meeting Minutes | [PDC Meeting Video](#)**

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

- June 24, 2021, Regular Meeting

**MOTION 21-056** Moved by Commissioner Downing and seconded by Commissioner Isserlis, that the Commission approve the meeting minutes for the June 24, 2021, regular meeting as presented.

The [motion passed](#) 3 - 0.

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

Executive Director Peter Frey Lavalley, Diann Lewallen, Senior Financial Consultant, Department of Enterprise Services (DES), and Bret Skipworth, DES Senior Financial Consultant, presented budget updates.

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

Sean Flynn, General Counsel, presented topics for consideration in determining possible PDC legislative priorities for the 2022 session.

- [Legislative Priorities Memo](#)
- [Maya Manus, PDC Legal Extern](#), provided a report on [HB 1586](#) regarding grassroots lobbying disclosures and reporting.

The following person(s) provided comment on potential PDC legislation:

- [Representative Gerry Pollet](#) – Grassroots Lobbying Disclosures and Reporting.
- [Representative Alex Ramel](#) – Last Minute Contribution Reporting Requirements.

**Continuation of Initial Order Reconsideration | [PDC Meeting Video](#)**

11:00 a.m. The Commission reviewed the request for reconsideration of the order and penalty assessed in [PDC Case No. 58694](#), Martin Morgan. Mr. Morgan participated in-person and Jennifer Hansen, Compliance Officer, presented the case to the Commission.

- Martin Morgan – PDC Case No. [58694](#) – Candidate, City Council Member, City of Kirkland, [RCW 42.17A.205](#) and [RCW 42.17A.700](#)

**MOTION 21-057** Moved by Commissioner Downing and seconded by Commissioner Isserlis that the Commission approve the request and reconsider the final order and penalty assessed in PDC Case No. 58694, Martin Morgan.

The [motion passed](#) 3 - 0.

**MOTION 21-058** Moved by Commissioner Downing and seconded by Commissioner Isserlis that the Commission approve the request for reconsideration and assess a civil penalty of \$400 with \$200 suspended contingent on payment schedule detailed within the Final Order.

The [motion passed](#) 3 - 0.

**Reporting Modification Requests | [PDC Meeting Video](#)**

11:10 a.m. The Commission conducted a hearing concerning requests for reporting modifications. Jennifer Hansen, Compliance Officer, presented the requests to the Commission for consideration and possible approval.

**Continued from Prior Meeting**

- [Richard Hartman](#) – City Council Member Candidate, City of Ocean Shores [WAC 390-28-100\(1\)\(b\)](#) and [WAC 390-28-100\(1\)\(e\)\(iii\)](#)

Richard Hartman did not participate in the hearing but, through counsel, submitted a written request that his matter be continued.

**MOTION 21-059** Moved by Commissioner Isserlis and seconded by Commissioner Downing that The Commission defer the matter of Richard Hartman to the August 26, 2021, regular Commission meeting.

The [motion passed](#) 3 - 0.

**New**

- [Michael Keaton](#) – School Director, Puyallup School District 003 [WAC 390-28-100\(1\)\(e\)](#)

Michael Keaton and Duncan Fobes, attorney for Mr. Keaton, appeared in person.

**Closed Session**

The Commission went into closed session at 11:15 a.m. to discuss matters allowed in closed session pursuant to [RCW 42.17A.120](#) and returned to the public meeting at 11:30 a.m.

**MOTION 21-060** Moved by Commissioner Downing and seconded by Commissioner Isserlis that the Commission grant the partial reporting modification as discussed, on the basis that literal application of the law would cause a manifestly unreasonable hardship on the applicant and that the limited modification would not frustrate the purposes of the Act, and that the information received in closed session be kept confidential from public disclosure.

The [motion passed](#) 3 - 0.

**Externship Presentation** | [PDC Meeting Video](#)

Mackenzie Taylor, PDC Legal Extern, presented a report on the emerging issue of crypto currency used as a method of donating to political campaigns.

**Break/Executive Session**

The Commission went into Executive Session at 12:00 p.m. to discuss matters allowed in Executive Session pursuant to [RCW 42.30.110](#), including but not limited to discussion of enforcement matters and pending and potential litigation with legal counsel, and review of performance of public employees. Possible action regarding litigation, or other matters properly discussed during executive session, will be taken following the executive session.

Returned to public meeting at 1:02 p.m.

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

General Counsel Flynn continued discussions on PDC legislative priorities for the 2022 legislative session.

Possible agency legislation and emergent issues discussed ([See Legislative Memo 07-16-2021](#)):

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- [HB 1195](#) Concerning the efficient administration of campaign finance and public disclosure reporting and enforcement.
- [HB 2772](#) Concerning the administration of election campaign activities and reporting statements of financial affairs.
- [HB 1586](#) Concerning disclosures for grassroots lobbying.
- Clarifying political advertising reporting for ballot initiatives.
- Ballot proposition committee registration and reporting.
- Contribution limits for recall PACs.
- Adjusting campaign reporting schedules.
- Clarifying Last Minute Contributions report timing.
- Aligning Independent Expenditure reporting categories.

Chair Jarrett directed the staff to draft legislative language based on the commission's discussion for approval at the August PDC meeting.

#### **Strategic Plan Update and Discussion** | [PDC Meeting Video](#)

- [Audits](#).
- [Enforcement Process Map](#).
- [Campaign Reporting Modernization](#).
- [Digital Political Advertising Disclosure](#).
- [Training Program Expansion](#).

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

- Executive Director Updates.
- Deputy Director Updates.
- IT Activity Report.
- [Customer Service and Filer Assistance Update](#).

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

Kurt Young, Compliance Officer, presented the enforcement report for the period June 16, 2021, through July 14, 2021.

Jennifer Hansen, Compliance Officer, presented an enforcement report regarding ongoing PDC group enforcement.

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

James Gutholm, Chief Information Officer, presented the IT portfolio update to the Commission.

Meeting adjourned at 2:10 p.m.

Approved August 26, 2021.