

State of Washington
PUBLIC DISCLOSURE COMMISSION
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MINUTES – Regular Meeting

9:30 a.m. | July 27, 2023

711 Capitol Way S. #206

Olympia, Washington

Commission Members In-person

Nancy Isserlis, Chair; Allen Hayward, Vice Chair; Fred Jarrett, Member; J. Leach, Member.

Staff Present In-person

Kim Bradford, Deputy Director; Sean Flynn, General Counsel; Jana Greer, Administrative Officer; Phil Stutzman, Compliance Officer; Tabatha Blacksmith, Compliance Officer; Tanya Mercier, Compliance Officer; Ian Spencer, Compliance Coordinator; Tabitha Townsend, Compliance Coordinator; Chad Standifer, Assistant Attorney General representing PDC staff; John Meader, Assistant Attorney General representing the Commission.

Staff Present (Participated via Microsoft Teams)

Peter Frey Lavalley, Executive Director; James Gutholm, Chief Information Officer; Kendra Hodgson, Customer Service and Outreach Director; Susie Giles-Klein, Assistant Attorney General representing PDC staff; Bret Skipworth, Senior Financial Consultant, DES.

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

The July 27, 2023, Public Disclosure Commission Meeting is posted for viewing TVW at WAPDC.07.27.23. Public attended remotely via a MS Teams Link.

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

Chair Isserlis welcomed all attendees and viewers to the July 27, 2023, Regular Commission meeting.

Public Comment | [PDC Meeting Video](#)

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

The following person(s) provided public comment:

- [Conner Edwards](#), campaign treasurer, commented on an enforcement matter.
- [Joe Kunzler](#) commented on petition for rulemaking.
- [Tallman Trask](#) commented on [RCW 42.17A.490](#) and an enforcement matter.
- [Glen Morgan](#) commented on the complaint process and an enforcement matter.
- [Tim Eyman](#) commented on an enforcement matter.

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

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

- June 22, 2023, Regular Meeting.
- June 29, 2023, Special Meeting.

MOTION 23-0044 Moved by Commissioner Jarrett and seconded by Commissioner Leach that the Commission approve the meeting minutes as submitted for the June 22, 2023, regular meeting.

The motion [passed](#) 4 – 0.

MOTION 23-0045 Moved by Commissioner Jarrett and seconded by Commissioner Leach that the Commission approve the meeting minutes as submitted for the June 29, 2023, special meeting.

The motion [passed](#) 4 – 0.

Budget Update | [PDC Meeting Video](#)

Executive Director Frey Lavalley and Bret Skipworth, Senior Financial Consultant, DES, provided the budget update to the Commission.

Contribution Reporting Discussion | [PDC Meeting Video](#)

Deputy Director Kim Bradford gave a [presentation](#) to the Commission on contributor employer reporting.

Rulemaking Update | [PDC Meeting Video](#)

General Counsel Flynn presented the six-month rulemaking agenda for the second half of 2023 to the Commission for consideration and possible approval. Staff recommended the adoption of the six-month rulemaking agenda for publication.

• [Rulemaking agenda for second half of 2023](#)

MOTION 23-0046 Moved by Commissioner Hayward and seconded by Commissioner Leach that the Commission adopt the six-month rulemaking agenda for the second half of 2023.

The motion [passed](#) 4 – 0.

General Counsel Flynn [presented](#) the [Petition for Rulemaking – Kunzler](#), requesting modification to [WAC 390-05-271 \(1\)](#) to make clear that public comment is not to be used for campaigning purposes.

MOTION 23-0047 Moved by Commissioner Hayward and seconded by Commissioner Jarrett that the Commission deny the petition for rulemaking.

The motion [passed](#) 4 – 0.

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

10:40 a.m. | The Commission conducted a hearing concerning requests for reporting modification. Compliance Coordinators Ian Spencer and Tabitha Townsend, presented the request to the Commission for consideration and possible approval.

New

• [Philip Bloch](#) – 2023 Candidate for Bellevue School District 405 – [WAC 390-28-100\(1\)\(e\)\(iv\)](#)

MOTION 23-0048 Moved by Commissioner Jarrett and seconded by Commissioner Leach that the Commission grant the partial reporting modification, 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.

The motion [passed](#) 4 – 0.

Enforcement Cases | [PDC Meeting Video](#)

10:45 a.m. | The Commission conducted a hearing for multiple PDC cases with alleged violations of [RCW 42.17A.700](#). Compliance Officers Tabatha Blacksmith and Tanya Mercier presented the cases to the Commission for consideration and possible action.

- [PDC Case 138794](#) – [Charla Neuman](#), Councilmember for City of Sumner: Alleged violation of [RCW 42.17A.700](#) for failure to file annual Personal Financial Affairs Statement (F-1 report) for CY2022. Charla Neuman [participated](#) via Phone on Microsoft Teams.

MOTION 23-0049 Moved by Commissioner Hayward and seconded by Commissioner Jarrett that the Commission assess a civil penalty of \$3,000 with \$1,000 suspended contingent on no further violations for four years, payment arrangements made for all penalties or paid, and all missing reports filed within 30 days of the Final Order.

The motion [passed](#) 4 – 0.

- [PDC Case 138110](#) – [Pamela Martin](#), Water & Sewer Commissioner for Coal Creek Utility District, Alleged Violation of [RCW 42.17A.700](#) for failure to timely file annually required Personal Financial Affairs Statement (F-1) for CY2022.

MOTION 23-0050 Moved by Commissioner Jarrett and seconded by Commissioner Leach that the Commission assess a civil penalty of \$3,000 with \$1,500 suspended contingent on no further violations for four years, all penalties paid, and all missing reports filed within 30 days of the Final Order.

The motion [passed](#) 4 – 0.

- [PDC Case 138111](#) – [Danny Walling](#), Fire Commissioner for Clark Fire Protection District 10, Alleged Violation of [RCW 42.17A.700](#) for failure to timely file annually required Personal Financial Affairs Statement (F-1) for CY2022.

MOTION 23-0051 Moved by Commissioner Jarrett and seconded by Commissioner Hayward that the Commission assess a civil penalty of \$10,000 with \$5,000 suspended contingent on no further violations for four years, all penalties paid, and all missing reports filed within 30 days of the Final Order. The Commission additionally instruct that Staff seek enforcement through the Attorney General if reports are not filed, and penalties are unpaid.

The motion [passed](#) 4 – 0.

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- [PDC Case 138699](#) – [Dave Collins](#), Director for Toutle Lake School District: Alleged violation of [RCW 42.17A.700](#) for failure to file annual Personal Financial Affairs Statement (F-1 report) for CY2022.

Dave Collins [participated](#) via Phone on Microsoft Teams.

MOTION 23-0052 Moved by Commissioner Leach and seconded by Commissioner Jarrett that the Commission assess a civil penalty of \$2,000 with \$1,000 suspended contingent on no further violations for four years, all penalties paid, and all missing reports filed within 30 days of the Final Order.

The motion [passed](#) 4 – 0.

Enforcement Continuation | [PDC Meeting Video](#)

11:28 a.m. | The Commission conducted a hearing for [PDC Case 136626](#), Zack Zappone, former candidate for State Representative and current Spokane City Council member. Alleged violations of [RCW 42.17A.235](#) and [.240](#) by failing to file the required individual contributor information for surplus funds transferred as a lump sum from his 2020 campaign for State Representative to his 2021 campaign for Spokane City Council. Tanya Mercier, Compliance Officer, and Susie Giles-Klein, Assistant Attorney General representing PDC staff, presented the case to the Commission for consideration and possible action.

Closed Session The Commission went into closed session at 11:50 a.m. to discuss matters allowed in closed session pursuant to [RCW 34.05.449\(5\)](#) and [RCW 5.60.060\(2\)\(a\)](#) (attorney-client privilege).

Returned to the public meeting at 12:10 p.m.

Chair Isserlis announced the Commission would be issuing a written order on the Zappone matter following the meeting.

PDC Case 136626, Zack Zappone – [Final Order](#)

Enforcement Updates | [PDC Meeting Video](#)

Phil Stutzman, Compliance Officer, presented the enforcement update report as of May 16, 2023.

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

- [Executive Director Update](#)
- [Deputy Director Update](#)
- [Customer Service and Filer Assistance Update](#)
- [Information Technology Update](#)
- [IT Portfolio Update](#)

Break/Executive Session

The Commission went into Executive Session at 12:10 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.

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Returned to public meeting at 12:48 p.m.

Meeting adjourned at 12:48 p.m.

Approved August 24, 2023