

State of Washington
PUBLIC DISCLOSURE COMMISSION
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MINUTES – Regular Meeting

9:30 a.m. | June 25, 2020

711 Capitol Way S. #206

Olympia, Washington

Commission Members Present (Participated via Microsoft Teams Online)

David Ammons, Chair; Russell Lehman, Vice Chair; Bill Downing, member; Fred Jarrett, member; Nancy Isserlis, member.

Staff Present (Participated via Microsoft Teams Online)

Peter Lavalley, Executive Director; BG Sandahl, Deputy Director; Kim Bradford, Communications and Outreach Director; Sean Flynn, General Counsel; James Gutholm, Chief Information Officer; Jana Greer, Administrative Officer; Kurt Young, Compliance Officer; Jennifer Hansen, Compliance Officer; Fox Blackhorn-Delph, Compliance Coordinator 2; Tabatha Blacksmith, Compliance Coordinator; Chad Johnson, Senior Financial Consultant, Department of Enterprise Services (DES); 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 9:33 a.m.

[PDC Meeting Video](#)

COVID 19 update: The March 26, 2020 Public Disclosure Commission Meeting was streamed live at <https://www.youtube.com/user/WASTPDC/live>.

The June commission meeting was held remotely pursuant to the Governor’s Emergency Proclamation [20-28](#) regarding COVID-19, waiving in-person meeting and access requirements.

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

The Chair reflected on the period since his election to the position of PDC Chair in October; he noted new staff, legislation, tools and the initial work both PDC staff and the Commission started, and continue to do, even as the reality of the pandemic continues to affect the nation. Chair Ammons commended staff on their transition to telework and stated the Commissioners appreciate staff’s productivity during these odd and unusual times.

Prior to hearing public comments, Director Lavalley reviewed the extensive stakeholder work done regarding financial affairs (F-1) reporting reform, including the change to exclude children’s names on the F-1 and the online availability of F-1 reports.

Public Comment: A Public Comment period was noticed and announced, and a conference call line was provided for public comment during this time.

[Jill Reinmuth](#) – Nonpartisan Professional Staff, House of Representatives, shared her and her colleagues’ concerns about online publication of Professional Staff F-1 personal financial affairs statements; she asked that the Commission continue its practice of providing Professional Staff F-1s only through Public Record Requests. Ms. Reinmuth noted that she used personal leave to participate

in today's meeting.

[Jim Morishima](#) – Nonpartisan Professional Staff, House of Representatives, asked that the Commission proceed with their continued practice of providing Professional Staff financial affairs through public records requests; he stated while some of the information contained in the F-1 could easily be found online, not all of the information is as readily available online such as bank accounts, vehicles and names of dependents. Mr. Morishima noted using personal leave to participate.

[Kelly Leonard](#) – Nonpartisan Attorney, Office of Program Research, House of Representatives, noted she is a long term F-1 filer with the PDC and has provided comments previously about her stance on publishing Professional Staff's financial affairs online and how it can lead to increased vulnerability to harassment, identity theft, with which she has dealt with personally, and general concerns of privacy. She asked that the Commission consider public records requests for Professional Staff as a solution. Ms. Leonard took personal leave to comment.

Election of 2020-2021 Chair and Vice-Chair per WAC 390-05-100 | [PDC Meeting Video](#)

Per [WAC 390-05-100](#) requiring the Commission to elect a Chair and Vice Chair.

MOTION 20-051 Moved by Commissioner Downing and seconded by Commissioner Isserlis that:

Since becoming chair in October, the Commission extend Commissioner David Ammons's term as Chair through December 31, 2020, and elect Commissioner Fred Jarrett Vice Chair, with the expectation of assuming the role of Chair at the end of Commissioner Ammons's term.

The motion passed 4 – 1.

Commissioner Ammons, Jarrett, Isserlis, and Downing voted yes.
Commissioner Lehman voted no.

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

Meeting minutes were presented to the Commission for consideration and possible approval of the May 28, 2020 Regular Meeting.

MOTION 20-052 Moved by Commissioner Jarrett and seconded by Commissioner Isserlis that:

The Commission approve the meeting minutes for the May 28, 2020, Regular Commission Meeting as presented.

The motion passed 5 – 0.

Discussion and Possible Commission Action Regarding Financial Affairs Disclosure Online Availability | [PDC Meeting Video](#)

The Commission had decided at the [May 28, 2020](#) regular Commission meeting to pause publication of F-1 Personal Financial Affairs Statements for PDC filers, in order to gather more information regarding cyber security and safeguards of data. Through further analysis of online traffic, staff found

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no evidence of PDC data being used nefariously and no breaches within the PDC or its systems. The Commission and staff discussed the categorical information the PDC contains and potential ways to address dispersing the data.

The Commission directed staff to make 2020 F-1 Personal Financial Affairs available online by June 26, 2020 with the exception to nonpartisan legislative staff which is to be discussed in the July 2020 Regular Meeting.

Rulemaking and Interpretations | [PDC Meeting Video](#)

Rulemaking Agenda | [PDC Meeting Video](#)

Deputy Director BG Sandahl presented the six-month rulemaking agenda to the Commission for consideration, recommending that the Commission continue with permanent rulemaking for SB 6152, concerning the level of foreign national ownership and control of entities that participate in Washington state elections, as well as some possible changes to the F-1 not requiring legislation, in the period July 2020 through January 2021. Staff will submit the agenda to the code reviser for publication.;

MOTION 20-053 Moved by Commissioner Jarrett and seconded by Commissioner Downing that:

The Commission approve the six-month rulemaking agenda from July 2020 through January 2021 as recommended by Staff.

The motion passed 5 – 0.

Interpretations Agenda | [PDC Meeting Video](#)

General Counsel Sean Flynn presented the six-month interpretations agenda to the Commission for consideration, recommending that Staff continue to move forward in the next six months on the draft Primary Purpose interpretation and begin work on drafting an interpretation on the handling of Surplus Funds.

Next Steps/Follow-Up: General Counsel Flynn to bring a draft Interpretation regarding Surplus Funds to July Regular Commission Meeting.

Enforcement Updates | [PDC Meeting Video](#)

Kurt Young, Compliance Officer, provided the enforcement update report for the period of May 15, 2020 to June 16, 2020:

45 Active Cases Open

19 Initial Hearings held

26 Cases Under Assessment

14 Cases Closed during the Period

- 2 Cases found no evidence of violations
- 2 Cases Closed with Reminders
- 2 Cases Closed with Formal Written Warning
- 2 Requests for Technical Corrections
- 2 Cases Resolved through Statement of Understanding

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- 1 Case Closed with Violations Found by the Commission
- 1 Case Dismissed
- 1 Case Closed as Unfounded
- Twitter Case Referred to the Attorney General's Office

In response to a Commission request, Executive Director Lavalley relayed that staff has made significant progress toward resolution of the City of Olympia matter, [PDC case 59039](#).

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

Peter Lavalley, Executive Director presented updates to the Commission.

- Telework update
- Precautions and considerations regarding future re-opening of PDC offices
- Inaccurate information printed in article regarding F1 pause

BG Sandahl, Deputy Director presented updates to the Commission.

- Compliance Team Update
- Case Closures
- Audit Plan
- "Group Enforcement" Audits

Kim Bradford, Communications and Outreach Director, provided Customer Service and Filer Assistance updates to the Commission.

- Candidate Registrations
- Telework email/phone Customer Service Statistics
- PDC Zoom Campaign Finance Classes
- Mini-to-Full Reporting Change Requests and Deadlines
- Website Usability Study

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

- Furlough Impacts to IT Projects
- PDC Staff Support
- Project Schedule Update
- Reprocessing and Validation of PDC Data

Agency Spotlight

- Judicial Election Certification
- New Declarations Improvement Process

Budget Update | [PDC Meeting Video](#)

Chad Johnson, Senior Financial Consultant, Department of Enterprise Services (DES), updated the Commission on a directive the Governor sent out requiring Executive Cabinet and Small Cabinet agencies to furlough their Staff as well as exempt management staff making more than \$53,000 a year from an approved 3% general salary increase. The PDC, although an independent agency, has chosen to participate, noting that furloughs count toward the target 15% fiscal cut to achieve budgetary savings in FY21. Mr. Johnson also discussed the budget instructions for 21 – 23 budget requests, including a 15% cut scenario.

Executive Director Lavallee provided an overview of the furloughs and what impacts it may have on the agency, such as longer case resolution times, larger workloads and timelines for answering filer questions. Staff continues to work with DES and OFM to outline the 15% budget cut scenarios, and the ongoing budget concerns the PDC and all other Washington state agencies face.

Executive Session | [PDC Meeting Video](#)

The Commission went into Executive Session at 11:48 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 personnel matters.

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

Executive Director Update | [PDC Meeting Video](#)

Director Lavallee gave an update on a letter received, addressed to the Commission from Representative Gerry Pollet, concerning F-1 disclosures and his belief that it is important for F-1 reports to be available online, as both the public and media should be able to sort through data.

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

1:04 p.m. The Commission heard requests for reporting modifications. Fox Blackhorn-Delph, Compliance Coordinator 2; Tabatha Blacksmith, Compliance Coordinator; and Jennifer Hansen, Compliance Officer, presented the requests to the Commission for consideration and possible approval.

New

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

Participated by phone via Microsoft Teams.

MOTION 20-054 Moved by Commissioner Downing and seconded by Commissioner Lehman that:

The Commission deny the partial reporting modification as requested, on the basis that the applicant has failed meet his burden to show that literal application of the law would cause a manifestly unreasonable hardship and that the modification would not frustrate the purposes of the Act.

The motion passed 5 – 0.

[Jason Whalen](#) – Council Member, City of Lakewood [WAC 390-28-100\(1\)\(e\)\(i\)](#)

Participated by phone via Microsoft Teams.

MOTION 20-055 Moved by Commissioner Downing and seconded by Commissioner Jarrett that:

The Commission grant the partial reporting modification as requested, 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.

Modification approved for term ending: 12/31/2021

The motion passed 5 – 0.

[David Green](#) – Commissioner, Spokane County District 2 [WAC 390-28-100\(1\)\(b\)](#)

MOTION 20-056 Moved by Commissioner Downing and seconded by Commissioner Jarrett that:

The Commission grant the partial reporting modification as requested, 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.

Modification approved for term ending: 12/31/2024

The motion passed 3 – 1 – 1. Commissioner Downing, Commissioner Jarrett and Commissioner Ammons voted yes.

Commissioner Lehman voted no.

Commissioner Isserlis recused herself.

[Carl Zapora](#) – Trustee, Edmonds Community College [WAC 390-28-100\(1\)\(b\)](#)
Participated by phone via Microsoft Teams.

MOTION 20-057 Moved by Commissioner Downing and seconded by Commissioner Jarrett that:

The Commission grant the partial reporting modification as requested, 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.

Modification approved for term ending: 12/31/2021

The motion passed 5 – 0.

Renewal

[Linda Lee](#) – Appeals Court Judge, Appeals Court Div. II [WAC 390-28-100\(1\)\(e\)\(iv\)](#)

MOTION 20-058 Moved by Commissioner Isserlis and seconded by Commissioner Jarrett that:

The Commission grant the partial reporting modification as requested, 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.

Modification approved for term ending: 12/31/2025

The motion passed 5 – 0.

Potential Commission Statement on Campaign Books Inspection Practices | [PDC Meeting Video](#)

PDC staff and the Commission went on record strongly encouraging people, in light of current public health risks, to use the electronic option provided in statute regarding the inspection of books of accounts, and for the requestors to accept that option whenever possible so as to reduce in-person contact between parties.

Meeting adjourned at 2:29 p.m.

Approved July 23, 2020.