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

MINUTES – Regular Meeting 9:30 a.m. |April 27, 2023 711 Capitol Way S. #206 Olympia, Washington

Commission Members In-person

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

Staff Present In-person

Peter Frey Lavallee, Executive Director; Kim Bradford, Deputy Director; Sean Flynn, General Counsel; Jana Greer, Administrative Officer; Tabitha Townsend, Compliance Coordinator; Erick Agina, Compliance Officer; Chad Standifer, Assistant Attorney General representing PDC staff; Susie Giles-Klein, Assistant Attorney General representing PDC staff.

Staff Present (Participated via Microsoft Teams)

James Gutholm, Chief Information Officer; Kendra Hodgson, Customer Service and Outreach Director; Tanya Mercier, Compliance Officer; John Meader, Assistant Attorney General representing the Commission; Bret Skipworth, Senior Financial Consultant, DES.

The regular meeting of the Public Disclosure Commission (PDC) was called to order by Chair Jarrett at 9:31 a.m.

The April 27, 2023, Public Disclosure Commission Meeting was streamed live via TVW at WAPDC.04.27.23

Chair Opening Comments | PDC Meeting Video

Chair Jarrett welcomed all attendees and viewers to the April 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:

- <u>Tallman Trask</u>, commented on agency guidance regarding use of contributions from a past campaign (RCW 42.17A.490).
- Joe Kunzler, commented on PDC Case 120879.
- <u>Conner Edwards</u>, campaign treasurer, commented on agency request legislation.
- <u>Derek Schoonmaker</u>, attorney with Barnard Iglitzin and Lavitt, commented on agency guidance regarding use of contributions from a past campaign.

Consideration and Possible Approval of Meeting Minutes | PDC Meeting Video

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

• March 23, 2023, Regular Meeting

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MOTION 23-0014 Moved by Commissioner Isserlis and seconded by Commissioner Hayward that the Commission approve the meeting minutes as submitted for the March 23, 2023, regular meeting.

The motion passed 4 - 0.

Budget Update | PDC Meeting Video

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

Presentation on Social Influencers as Political Advertising PDC Meeting Video

Etta Lanum, PDC legal extern, <u>presented</u> their presentation on Social Influencers as Political Advertising.

Next Steps/Follow-Up: Etta Lanum will provide a detailed memo to the Commission regarding online political advertising.

Technical Difficulties | PDC Meeting Video

The meeting was paused at 10:13 a.m. due to technical difficulties.

Meeting <u>Returned</u> at 10:26 a.m.

<u>Consideration and Possible Action on Petitions for Declaratory Order; and Discussion re RCW</u> <u>42.17A.490 Use of Candidate Funds for Different Office PDC Meeting Video</u>

General Counsel Flynn presented petitions for declaratory order to the Commission for consideration and possible action.

- Petition re Interpretation of <u>RCW 42.17A.490</u> (Trask)
- Petition re Interpretation of <u>RCW 42.17A.405</u> (12) & .<u>442</u> (SEIU)

The Commission asked staff to bring these matters back to a special meeting on May 11th, 2023, in which staff will present draft interpretations for the Commission's review; and to allow time for public comment.

MOTION 23-0015 Moved by Commissioner Hayward and seconded by Commissioner Isserlis that the Commission hold a May 11th, 2023, special commission meeting to review petition re interpretation of <u>RCW 42.17A.490</u> (Trask) and <u>RCW 42.17A.405</u> (12) & 442 (SEIU); and schedule a public hearing for the May 25th, 2023 regular commission meeting for consideration and possible action. The motion <u>passed</u> 4 – 0.

Rulemaking Update | PDC Meeting Video

General Counsel Flynn presented an update to the Commission regarding grassroots lobbying and inflationary adjustments.

Legislative Update | PDC Meeting Video

General Counsel Flynn updated the Commission on the status of agency request legislation.

Penalties and Collections Report | PDC Meeting Video

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This matter was deferred to the May 2023 regular Commission meeting.

Enforcement Updates | PDC Meeting Video

Tanya Mercier, Compliance Officer, presented the enforcement update report as of April 17, 2023.

Strategic Plan Update | PDC Meeting Video

- <u>Commissioner Outreach Program</u> | Executive Director Peter Lavallee
- <u>Lobbying Disclosure</u> | Deputy Director Kim Bradford
- Electronic Filing Modernization | CIO James Gutholm
- Compliance Process Improvements | BG Sandahl
- <u>Digital Political Advertising</u> | Executive Director Peter Lavallee, Deputy Director Kim Bradford, and General Counsel Sean Flynn

Management Team Updates | PDC Meeting Video

- Executive Director Update
- Deputy Director Update
- <u>Customer Service and Filer Assistance Update</u>
- Information Technology Update

Break/Executive Session

The Commission went into Executive Session at 11:53 a.m. to discuss matters allowed in Executive Session pursuant to <u>RCW 42.30.110</u>, 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 12:58 p.m.

Reporting Modification Requests | PDC Meeting Video

12:59 p.m. | The Commission conducted a hearing concerning request for reporting modification. Tabitha Townsend, Compliance Coordinator, presented the request to the Commission for consideration and possible approval.

New

• Jed Spencer – City Council Member, City of Liberty Lake – WAC 390-28-100(1)(b)

Jed Spencer participated via Microsoft Teams.

MOTION 23-0016 Moved by Commissioner Downing and seconded by Commissioner Isserlis 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.

• Maritza Rivera – City Council Member, City of Seattle – WAC 390-28-100(1)(e)(iv)

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Maritza Rivera participated via Microsoft Teams.

MOTION 23-0017 Moved by Commissioner Isserlis and seconded by Commissioner Downing 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 <u>passed</u> 4 - 0.

• <u>Allyson Page</u> – Regent/Trustee, Columbia Basin College – <u>WAC 390-28-100(1)(e)(i)</u>

<u>Allyson Page</u> participated via Microsoft Teams.

MOTION 23-0018 Moved by Commissioner Isserlis and seconded by Commissioner Hayward 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 | PDC Meeting Video

1:20 p.m. The Commission conducted a hearing for <u>PDC Case 120879</u> alleged violations of <u>RCW</u> <u>42.17A.205(1)</u> and <u>RCW 42.17A.700(2)</u> by failing to file the required Candidate Registration (C-1 report) and Personal Financial Affairs Statement (F-1 report) within two weeks of declaring candidacy for public office in the 2023 election year, as required by law. Susie Giles-Klein, Assistant Attorney General representing PDC staff, presented the case to the Commission for consideration and possible action.

PDC staff and AAG representing PDC Staff recessed at 1:45 p.m. Returned to the public meeting at 1:52 p.m.

Closed Session | PDC Meeting Video

The Commission went into executive session at 1:56 p.m. to discuss matters allowed in closed session pursuant to <u>RCW 34.05.449(5)</u>, including but not limited to discussion of enforcement matters.

Returned to the public meeting at 2:00 p.m.

MOTION 23-0019 Moved by Commissioner Hayward and seconded by Commissioner Isserlis that the Commission find the respondent in violation and assess a civil penalty of \$5,000 with \$2,000 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.

Meeting adjourned at 2:02 p.m. Approved May 25, 2023