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 11:30 a.m. |June 22, 2023 Spokane Convention Center 334 West Spokane Falls Blvd Spokane, Washington, 99201

Commission Members In-person

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

Staff Present In-person

Peter Frey Lavallee, Executive Director; Sean Flynn, General Counsel; James Gutholm, Chief Information Officer; Jana Greer, Administrative Officer; Kendra Hodgson, Customer Service and Outreach Director; Phil Stutzman, Compliance Officer; Chad Standifer, Assistant Attorney General representing PDC staff.

Staff Present (Participated via Microsoft Teams)

Kim Bradford, Deputy Director; Tanya Mercier, Compliance Officer; John Meader, Assistant Attorney General representing the Commission; 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 Jarrett at 11:30 a.m.

The June 22, 2023, Public Disclosure Commission meeting was streamed live via TVW at WAPDC.06.22.23

Break/Executive Session | PDC Meeting Video

The Commission went into Executive Session at 11:30 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 11:49 a.m.

Closed Session

The Commission went into closed session at 11:50 a.m. to discuss matters allowed in closed session pursuant to <u>RCW 34.05.449(5)</u>, The provision of law is the attorney/client privilege at <u>RCW 5.60.060(5)</u>, including but not limited to, discussion of enforcement matters and pending and potential litigation with legal counsel.

Returned to the public meeting at 12:07 p.m.

Chair Opening Comments | PDC Meeting Video

Chair Jarrett welcomed all attendees and viewers to the June 22, 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:

- Joe Kunzler, commented on an enforcement matter.
- <u>Conner Edwards</u>, campaign treasurer, submitted <u>written comment</u> and commented on an enforcement matter.
- Zach Pekelis, Attorney with Pacifica Law Group, commented on an enforcement matter and the Interpretation of <u>RCW 42.17A.490</u>.

Consideration and Possible Approval of Meeting Minutes | PDC Meeting Video

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

- May 25, 2023, Regular Meeting.
- **MOTION 23-0032** Moved by Commissioner Hayward and seconded by Commissioner Isserlis that the Commission approve the meeting minutes as submitted for the May 25, 2023, special meeting.

The motion <u>passed</u> 3 - 0, with one abstention. Commissioner Leach did not vote, as he was not a Commissioner as of the May 25^{th} special meeting.

Lobbying Disclosure Updates | PDC Meeting Video

- - Rulemaking for lobbying disclosure
- Grassroots lobbying rulemaking Sean Flynn, General Counsel
- <u>Online reporting system replacement</u> James Gutholm, CIO
- Inflationary adjustments Sean Flynn, General Counsel
- Public comment
 - o <u>Written comment submitted</u>
 - League of Women Voters Cindy Madigan

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

No person(s) provided public comment.

PDC Budget for 2023-25 and Use of Transparency Account | PDC Meeting Video

Executive Director Peter Frey Lavallee and James Gutholm, CIO, presented the PDC budget for 2023-25 biennium and updates on use of the Transparency Account to the Commission.

Enforcement | PDC Meeting Video

Staff withdrew the matter for <u>PDC Case 138097</u>, Joshua Quantrell, from the June 22, 2023 regular commission meeting without prejudice due to new information from the jurisdiction regarding Quantrell's service dates.

12:54 p.m. The Commission conducted a hearing for <u>PDC Case 138099</u>, <u>Jonathon Rodeback</u>, for alleged violation of <u>RCW 42.17A.700</u> by failing to file a Personal Financial Affairs Statement (F-1 report), due no later than April 17, 2023, disclosing financial information for calendar year 2022.

Phil Stutzman, Compliance Officer, presented the case to the Commission for consideration and possible action.

MOTION 23-0033 Moved by Commissioner Isserlis and seconded by Commissioner Hayward that the Commission find the respondent in violation of <u>RCW 42.17A.700</u> and assess a civil penalty of \$10,000 with \$5,000 suspended contingent on all missing reports being filed, all past due and current penalties being paid, and no further violations committed in the next four years.

The motion <u>passed</u> 4 - 0.

Break/Recess PDC Meeting Video

The Commission went into break/recess at 1:00 p.m.

Returned to the meeting at 1:20 p.m.

Overview of 2023 Legislation Session and Discussion of Policy Proposals for 2024 Session PDC Meeting Video

General Counsel Sean Flynn presented PDC agency request legislation and other bills of interest.

Enforcement | PDC Meeting Video

1:33 p.m. The Commission conducted a hearing for PDC Case <u>136626</u>, Zack Zappone, for alleged violations of <u>RCW 42.17A.235</u> and <u>.240</u> 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.

Susie Giles-Klein, Assistant Attorney General representing PDC staff, and Tanya Mercier, Compliance Officer, presented the case to the Commission for consideration and possible action.

Zack Zappone <u>participated</u> in person.

MOTION 23-0034 Moved by Commissioner Hayward and seconded by Commissioner Isserlis that the Commission accept the proposed stipulation as to facts and violations in the matter of PDC Case 136626, Zack Zappone.

The motion passed 4 - 0.

The Commission held the record open for further deliberations and discussion at the July 27, 2023, regular commission meeting.

<u>Election of Commission Chair and Vice Chair per WAC 390-05-100</u> <u>PDC Meeting Video</u> Per <u>WAC 390-05-100</u> requiring the Commission to elect a Chair and Vice Chair.

Chair Jarrett asked the Commission members for nomination of 2023 – 2024 officers.

MOTION 23-0035 Nominated by Commissioner Leach that the Commission elect Commissioner Isserlis for Chair, and Commissioner Hayward for vice chair for the Washington State Public Disclosure Commission for 2023 – 2024.

The motion passed 4 - 0.

Enforcement Issues/Use of Public Facilities in Elections | PDC Meeting Video

Phil Stutzman, Compliance Officer, presented an overview on the prohibition against using public facilities to assist a candidate for election or to promote or oppose a ballot proposition.

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>Sarah Gillispie</u>, Executive Director of Communications and Public Engagement in the Puyallup School District.
- David Beil, Executive Director of Communications for Central Kitsap School District.
- John Trumbo, Kennewick City Council Member.
- <u>Catherine Carbone Rodgers</u>, Chief Communications Officer for Highline School District.
- Jayme Taylor, Executive Director of Communications for Lake Stevens School District.
- <u>Robyn Chastain</u>, Executive Director of Communications and Public Relations for Kennewick School District.
- Ed Peterson, Director of Public Relations, and Communications of Othello School District.
- Theresa Tanner, Social Media and Marketing Specialist for Spokane Public Schools.
- <u>Amy Jean</u>, Communications Specialist for Dieringer School District.
- Conner Edwards, campaign treasurer.
- Joe Kunzler.
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Update on Digital Political Ads Research | PDC Meeting Video

Travis Ridout of Washington State University and the Wesleyan Media Project gave a <u>presentation</u> to the Commission on research into digital political ads.

Break/Recess PDC Meeting Video

The Commission went into break/recess at 3:13 p.m.

<u>Returned</u> to the public meeting at 3:36 p.m.

Overview of 2023 Legislation Session and Discussion of Policy Proposals for 2024 Session

Continued PDC Meeting Video

Leonard Christian, State Representative 4th district, commented on campaign reporting and agreed to collaborate with the Commission on upcoming Legislation.

Election Law Update | PDC Meeting Video

Vicky Dalton, Spokane County Auditor, and Marianne Nichols, Pend Oreille County Auditor, provided a briefing to the Commission on election-related bills that passed during the 2023 Legislative session.

- <u>Senate Bill 5082 Encouraging electoral participation and making ballots more meaningful by</u> abolishing advisory votes.
- Senate Bill 5182 Concerning procedures and deadline for candidate filing.
- Senate Bill 5437 Concerning vacancies of the governing body of special purpose districts.

• <u>Senate Bill 5152 – Defining synthetic media in campaigns for elective office and providing relief for</u> <u>candidates and campaigns.</u>

Meeting adjourned at 4:12 p.m.

Approved July 27, 2023