



**State of Washington
PUBLIC DISCLOSURE COMMISSION**

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MINUTES – Regular Meeting

Evergreen Plaza Building, Room 206
711 Capitol Way South
Olympia, Washington

9:30 a.m.

February 26, 2015

COMMISSION MEMBERS PRESENT

Grant Degginger, Chair
Katrina Asay, Vice Chair
Amit Ranade, Member
Anne Levinson, Member
John Bridges, Member

STAFF PRESENT

Andrea McNamara Doyle, Executive Director
Tony Perkins, Acting Assistant Director
Lori Anderson, Communications & Training Officer
Jennifer Hansen, Filer Assistance Specialist
Linda Dalton, Sr. Assistant Attorney General
Callie Castillo, Assistant Attorney General
Chad Standifer, Assistant Attorney General

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Grant Degginger at 9:42 a.m. in the Evergreen Plaza Building, Room 206 Olympia, Washington.

Opening Comments

Commissioner Degginger called the meeting to order.

Citizens Comments/Concerns

No comments or concerns were expressed.

Commissioner Comments/Concerns

No comments or concerns were expressed.

Minutes

Motion 15-004

Moved by Commissioner Ranade, seconded by Commissioner Asay that:

The Commission adopt the regular minutes of January 22, 2015 special meeting.

The motion passed.

Enforcement

- *New Majority (Reagan Fund) PAC*, Case No. 15-038 involving alleged violations of RCW 42.17A.305 by failing to timely file three Electioneering Communications C-6 reports; RCW 42.17A.225, 42.17A.235, and 42.17A.240 by failing to provide, on a C-4 report of receipts and expenditures, the required information and detailed breakdown of independent expenditure activities; and RCW

Tony Perkins presented a Stipulation of Facts, Violations, and Penalty for Commission consideration. Staff believes that the Stipulation accurately described the nature of the violations, the relevant facts, and appropriate penalty.

Mr. Perkins gave a brief summary of the alleged violations by New Majority PAC (Reagan Fund): failing to timely file C-6 reports; failing to provide receipts required on a C-4 report, and for failing to timely file a C-3 report online.

He stated that the new majority (Reagan Fund) PAC has agreed to pay a civil penalty of \$10,000, with \$6,500 suspended on the condition of no further violations within

42.17A.245 by failing to timely file a Monetary Contributions C-3 report by the required electronic method.

four years from the date of the final Order and payment of the non-suspended portion of the penalty within 90-days.

Dan Brady, Counsel for Respondent, addressed the Commission. He stated that the Committee takes this matter very seriously and agrees with the terms of the Stipulation as presented.

Motion 15-005

Moved by Commissioner Ranade, seconded by Commissioner Asay that:

The Commission accept the Stipulation of Facts, Violations, and Penalty as proposed.

The motion passed.

Reporting Modifications (New)

- *Kay Brown*, Board Member, Pollution Control/Shorelines Hearings Boards

Jennifer Hansen presented Kay Brown's request for a new reporting modification that would exempt her from disclosing the business and other governmental customers that paid \$12,000 or more during the previous 12 months to the University of Washington where her dependent daughter serves as an appointed Student Regent.

Motion 15-006

Moved by Commissioner Ranade, seconded by Commissioner Asay that:

The Commission grant the partial reporting modification as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed.

- *Gregory A. Tisdell*, Candidate, Snohomish County Council

Ms. Hansen presented Gregory Tisdell's request for a new reporting modification that would exempt him from disclosing the business customers that paid \$12,000 or more during the previous 12 months to Encore Cabinets, Inc. Mr. Tisdell serves as Vice President and has a 19% ownership in the company.

Motion 15-007

Moved by Commissioner Ranade, seconded by Commissioner Asay that:

The Commission grant the partial reporting modification as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed.

Reporting Modifications (Renewal with No Change)

- Michael Finkle, Judge, King/Snohomish County District Court - Northeast
- Raymond Lawton, Member, WA St Student Achievement Council
- David Wilson, School Director, Shoreline School District

Motion 15-008

Jennifer Hansen presented requests to renew reporting modifications application, with no changes for Michael Finkle; Raymond Lawton; and David Wilson.

Moved by Commissioner Ranade, seconded by Commissioner Asay that:

The Commission grant the partial reporting modifications as requested, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed.

Enforcement

- *Tom Albro, Port of Seattle, Case No. 14-006* involving an alleged violation of RCW 42.17A.555 by using and authorizing the use of Port of Seattle facilities to play four recorded audio messages featuring incumbent port commissioners Tom Albro, Stephanie Bowman, John Creighton, and Courtney Gregoire over the public address system at Seattle-Tacoma International Airport between April and October of 2013, and in so doing, assisting the commissioners' campaigns for election or reelection in 2013.
- *John Creighton, Port of Seattle, Case No. 15-032* involving an alleged violation of RCW 42.17A.555 by using Port of Seattle facilities to play a recorded audio message featuring incumbent port commissioner John Creighton over the public address system at Seattle-Tacoma International

The Commission conducted a consolidated hearing on the matters of Tom Albro, Port of Seattle, Case No. 14-006; John Creighton, Port of Seattle, Case No. 15-032; Courtney Gregoire; Port of Seattle, Case No. 15-033; and Stephanie Bowman, Port of Seattle, Case No. 15-034. PDC staff was represented by Chad Standifer, AAG. Respondents were represented by: Robert Klein, on behalf of Tom Albro; Keith Scully on behalf of John Creighton; Becky Roe on behalf of Courtney Gregoire, and Stephanie Bowman.

The presiding officer, Chair Degginger, addressed preliminary matters, including admission of exhibits and a joint stipulation of facts entered into by the parties. The parties presented opening statements and examined the following witnesses: Tony Perkins, PDC Assistant Director; Tom Albro, Commissioner; John Creighton, Commissioner; Courtney Gregoire, Commissioner; Stephanie Bowman, Commissioner; and Jane Kilburn, Director of Tourism Development and Senior Communications Counsel and acting Public Affairs Director. After closing arguments presented by Mr. Standifer and Mr. Klein, the Commission went into closed session for deliberations.

The Commission returned to public session, and Chair

Airport between May and October of 2013, and in so doing, assisting his campaign for election or reelection in 2013.

- *Courtney Gregoire, Port of Seattle*, Case No. 15-033 involving an alleged violation of RCW 42.17A.555 by using Port of Seattle facilities to play a recorded audio message featuring incumbent port commissioner Courtney Gregoire over the public address system at Seattle-Tacoma International Airport between April and October of 2013, and in so doing, assisting her campaign for election or reelection in 2013.
- *Stephanie Bowman, Port of Seattle*, Case No. 15-034 involving an alleged violation of RCW 42.17A.555 by using Port of Seattle facilities to play a recorded audio message featuring incumbent port commissioner Stephanie Bowman over the public address system at Seattle-Tacoma International Airport between May and October of 2013, and in so doing, assisting her campaign for election or reelection in 2013.

Rule Making

Request for rulemaking regarding reporting of transfers of contributions received for one office to a campaign for a different office

Degginger announced the Commission's decision to dismiss the charges against all four Respondents on the basis that staff did not meet its burden of establishing that the Respondents' authorization and use of the Sea Tac sky bridge public address system was for the purpose of assisting a campaign for election as prohibited by RCW 42.17A.555.

Chair Degginger noted that it was understandable why the complaint was brought to the Commission under these circumstances. He also encouraged the Port Commissioners and its staff to interact with its own legal counsel and PDC staff if similar questions about Commissioner use of public facilities during elections come up again.

Andrea McNamara Doyle introduced a request from Senator Roach that the Commission consider rulemaking regarding reporting of transfers of contributions received for one office to a campaign for a different office.

Lori Anderson gave a brief background and overview of the subject matter.

She explained the two types of situations when this could occur: when surplus funds are moved from a past election; and when an active campaign for one particular office is discontinued in order to run for a different office.

Ms. Anderson summarized Senator Roach's requests to require additional disclosure for these transferred contributions so that the public is able to discern whether contributions disclosed by the new committee are transfers

from a previous campaign for a different office or new contributions direct from the contributor for the current office sought. She also noted that Senator Roach suggests including some form of a check box or code on the reporting forms to address this.

Ms. Anderson noted that because the PDC forms are Rules, staff treated this as a rulemaking request. In addition she noted that any form changes would require ORCA filing software program updates, which may take beyond June to complete.

Senator Roach participated via conference call. She noted her concern that the current system does not allow sufficient transparency and can give the misleading appearance of a fundraising advantage where one does not, in fact, exist.

Commissioner Levinson asked staff for a list of both current rulemaking agenda issues as well as the IT projects backlog in order to provide better context for considering new rulemaking requests such as this one.

She also asked about Stakeholder outreach for rulemaking purposes.

Ms. Anderson reviewed the current process in place for outreach to stakeholders.

The Commission asked staff to research additional possible alternative avenues for them to consider prior to proceeding with rulemaking.

Legislative and Budget Report

Andrea McNamara Doyle updated the Commission on items that have changed since her written memo.

Ms. Doyle noted that the session is approaching the “half-way” mark, last Friday was the first cut-off for bills to advance out of policy committee and this Friday is the first cut-off for bills that have a fiscal impact to be acted on by the fiscal committees.

She highlighted items on the PDC bill tracker, and noted that all of the PDC request bills have survived the first cut-off and moved to the Senate Rules committee.

Ms. Doyle reported that although the most recent revenue forecast came out earlier than usual, the House and Senate budget proposals are still expected to come out in the middle of March, with the House expected to release its first. It will be at this time that the PDC will know how the PDC budget request has been received.

Disclosure of Independent Expenditure Political Advertising

Discussion of the different timeframes and reporting requirements applicable to candidates versus independent expenditure political advertising activity.

Commissioner Degginger discussed his concern of the variation between when disclosure for political advertising for public advertising is required for a candidate campaign versus an independent expenditure made in the same race.

He had asked staff to look at this issue and to determine if there is an alternative for reporting these advertising expenditures that is more consistent between direct and independent spending groups.

Lori Anderson gave examples and discussed how the PDC staff provides instructions to campaigns on reporting debts and orders placed.

She noted that reminders are sent to campaign treasurers with a focus on candidates and state-wide measures. In preparing for the meeting; it was determined that staff has not been very consistent with including instructions about reporting debts within these reminders. Staff make an effort to regularly remind campaigns of the debt disclosure requirements.

Ms. Anderson discussed the high-level of differences when reporting debt by candidates and political committees that are sponsors of the advertisements versus by the independent spenders that do not report debt.

Staff Reports

Executive Director

Andrea Doyle informed the Commission of a recent News challenge by the Knight Foundation, in collaboration with the Democracy Fund, The Hewitt Foundation, and the Rita Allen Foundation, in which \$3 Million in grant monies will be awarded to groups that are able to identify projects or innovative ideas to increase civic engagement before, during, and after elections.

Commission staff will meet to determine if there is an opportunity for PDC to submit a project or be part of a collaboration submission with other applicants. The submissions must be in by March 19, 2015.

Chief Information Officer

James Gutholm informed the Commissioners of the need to complete the annual required IT Security training. He noted that Jana Greer will send the Commissioners information on how to access this training online.

Executive Session

The Commission went into Executive Session at 3:00 p.m. to discuss pending and potential litigation with legal

counsel for approximately 30 minutes. Due to no action being anticipated following Executive Session, and no other agenda items the regular meeting will adjourn the meeting at 3:00 p.m.

Adjournment

The meeting adjourned at 3:00 p.m. Executive Session concluded at approximately 3:30 p.m.

Approved by the Commission on March 26, 2015.