



**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.

August 27, 2015

COMMISSION MEMBERS PRESENT

Katrina Asay, Chair
Anne Levinson, Vice Chair
Grant Degginner, Member
John Bridges, Member
ABSENT MEMBER
Amit Ranade, Member

STAFF PRESENT

Fred Kiga, Interim Executive Director
Lori Anderson, Communication and Training Officer
Tony Perkins, Director of Compliance
James Gutholm, Chief Information Technology Officer
Jennifer Hansen, Filer Assistance Specialist
Linda Dalton, Sr. Assistant Attorney General
Jana Greer, Executive Assistant

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Asay at 9:35 a.m. in the Evergreen Plaza Building, Room 206 Olympia, Washington.

Opening Comments

Commissioner Asay called the meeting to order at 9:35 a.m.

Citizens Comments/Concerns

No comments or concerns were expressed.

Commissioner Comments/Concerns

No comments or concerns were expressed.

Minutes

Chair Asay asked Commissioner Levinson to review the amendments she requested be made to July 23; July 31; and August 7, 2015 meeting minutes. Commissioner Levinson noted the items and that the staff had incorporated her changes and amendments in the minutes as presented.

July 23, 2015 Regular Meeting

Commissioner Degginner stated, for the record, he was not in attendance at the July 23, 2015 meeting and to amend the minutes to reflect such.

Motion 15-0076

Moved by Commissioner Levinson, seconded by Commissioner Bridges that:

The Commission adopt the regular meeting minutes of July 23, 2015 as amended.

The motion was passed.

July 31, 2015 Executive Director
Screening Panel Meeting

Motion 15-0077

Moved by Commissioner Levinson, seconded by
Commissioner Bridges that:

**The Commission adopt the executive director
screening panel meeting minutes of July 31, 2015
amended.**

The motion was passed.

August 7, 2015 Special Commission
Meeting

Motion 15-0078

Moved by Commissioner Levinson, seconded by
Commissioner Bridges that:

**The Commission adopt the special meeting minutes
of August 7, 2015 as amended.**

The motion was passed.

**2013-15 Strategic Plan – Final
Progress Report**

Lori Anderson presented the final progress report for the
2013-15 agency strategic plan.

Ms. Anderson explained the strategic plan process,
highlighting the Commission and staff involvement in
planning and implementing throughout.

She noted that staff shortages and budget cuts resulted in
revisions to the strategic plan after it was initially adopted.
The revisions categorized the goals as critical and other,
since it was apparent that all of the action items would not
be accomplished without adequate staff and money.

Ms. Anderson highlighted updates which occurred to date
and noted that earlier updates are listed on the PDC
website.

Ms. Anderson discussed the accomplishments that are
reflected in the update:

- The critical goal of restoring funding.
- Increasing the effectiveness of compliance efforts.
- Staff have begun to work with the Secretary of
State's office to come up with a way to have an
integrated filing system for the candidates.
- Improving efficiency and effectiveness of
enforcement efforts via alternative responses for
enforcement: Rulemaking hearing is planned for
next month.
- Compliance and enforcement manual - still being

drafted: Template letters have been used so that items can be dealt with quickly.

- Adapt the Commissions method of receiving and distributing data to the changing technological environment: Since the electronic signature bill has passed staff have begun to implement this change. PDC is working towards eliminating the signature cards that are required of a filer to complete.
- Expanding the size of the audience: Earlier this year staff advised the Commission that PDC FY15 savings were used to participate in King County Elections' informed voter marketing campaign. This has been very successful and the PDC now has additional plans to continue with advertising.

Fred Kiga stated, with respect to the 2013-15 strategic plan, he has given a lot of thought to the PDC mission statement and how the agency gives life to this via the strategic plan and agency values.

He is meeting with management to look at and develop action steps to provide timely and accurate public access to the PDC information. What are the values that we want to instill in staff to carry out the agency's mission?

Commissioner Degginger stated that the PDC has accomplished a lot in the last biennium, considering the budget and staff constraints the agency has dealt with. He noted that PDC Information Technology Division has received well needed funding and now there is a need to create a sense of urgency to implement key projects. He asked staff to prepare a prioritization of the key priority projects and the schedule of time frames for implementation.

Commissioner Levinson stated that it would be helpful to have in the strategic plan, very specific milestones and deliverables so that the Commission is able to monitor staff's progress. She noted that it would be beneficial to receive regular status reports summarizing items/work related to PDC priorities for which the Commission has expressed concern.

Fred Kiga stated that the PDC needs better measurements, a cultural shift within the agency that will empower staff to take action, and a reaffirmation that the public has a right to quick resolution of complaints.

Commissioner Levinson stated that by having these milestones in place, it will allow the Commission to move

forward and is a helpful dynamic for a small agency that has limited resources.

Mr. Kiga stated that staff needs to re-earn the trust and confidence of the Commission on these matters, demonstrating to the commission that we are efficient, and effective, and that we are committed to carry out the mission of the commission.

Rule Making

Discussion and possible approval of draft language to amend WAC 390-17-400 (converting PDC Interpretation 01-04 to rule)

At the request of Commissioner Levinson, Lori Anderson provided a guide showing the status of PDC with rulemaking efforts.

Ms. Anderson stated that she has not changed any of the substance of PDC Interpretation 01-04 but has inserted it into WAC 390-17-400. The rule will now say that someone who is subject to the legislative contribution freeze can be a draw for a fundraiser but the money raised at the fundraiser is still subject to the session freeze.

Staff requested the Commission approve the proposed draft language to amend WAC 390-17-400 which will convert PDC Interpretation 01-04 to rule. Once the language is approved staff will schedule a public hearing for comment on the rule change.

Commissioner Levinson inquired about any other PDC Interpretations the Commission should be looking at converting to rule. She requested a list and prioritization/recommendation of the Interpretations.

Lori Anderson will prepare a list and bring to the Commission at the next meeting.

Moved by Commissioner Degginger, seconded by Commissioner Levinson that:

The Commission approve the language proposed for WAC 390-17-400 time limit to solicit or accept contributions.

The motion was passed.

Reporting Modifications – (New)

- *Thomas Wampold* – Fire Commissioner, N. Mason Regional Fire Authority

Jennifer Hansen presented Mr. Wampold's request for reporting modification.

Ms. Hansen stated that Mr. Wampold requested a reporting modification that would exempt him from disclosing reportable real estate with a value of over \$12,000 in which he held a personal financial interest

during calendar year 2014.

She noted that Mr. Wampold stated that disclosing his real estate would allow others to take advantage of this information and potentially jeopardize his safety. In addition, as a minority owner of these properties he does not possess all of the information required to be disclosed and that creating a list of reportable real estate would take a substantial amount of time.

Thomas Wampold was present and addressed the Commission.

Commissioner Degginger stated that the request presented should be deferred to allow Mr. Wampold a chance to review the items discussed and make an evaluation if he would like to modify his request.

Moved by Commissioner Degginger, seconded by Commissioner Levinson that:

The Commission defer action on Thomas Wampold's request for reporting modification until the September Commission meeting.

The motion passed.

Ms. Hansen presented Erica Morgan's request reporting modification.

Ms. Hansen stated that Ms. Morgan requested a reporting modification that would exempt her from disclosing the business and governmental customers who paid \$12,000 or more during 2014 to Morpac Industries, Inc. (MORPAC), of which she is a partner with a 17.6% ownership interest.

Ms. Morgan also requested a retroactive reporting modification that would exempt her from disclosing the business and governmental customers who paid \$12,000 or more during calendar year 2013 and from May 2012 to December 2012 to MORPAC.

The Commission asked that Ms. Morgan disclose governmental customers.

Moved by Commissioner Degginger, seconded by Commissioner Bridges that:

The Commission grant the partial reporting modification in part on the grounds of identification of the business customers only, finding that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited

Motion 15-0080

- *Erika Morgan – City Council Member, City of Black Diamond*

Motion 15-0081

modification would not frustrate the purposes of the act.

The Commission deny the request for partial reporting modification in part on the grounds of identifying governmental customers in the request for modification.

The motion passed.

2016 Legislation

Lori Anderson reviewed the potential topics for consideration for 2016 agency request legislation.

She noted that The Governor's Office has confirmed that proposals will need to be submitted for review by Sept 21, 2015.

Ms. Anderson presented a comprehensive list of potential ideas for Commission consideration and reviewed the respective categories:

- Enhanced Disclosure
- Responding to Court Rulings
- Stakeholder and Staff suggestions

The Commission identified items that the agency should pursue as agency request legislation for 2016.

Commissioner Levinson stated that the agency should move forward with requiring as much e-filed reports as possible for all reporting that comes to the Commission, and draft language for any relevant rule.

With regards to the language in the description of the proposals, Commissioner Levinson asked to include what the current state is in the description so that it is apparent what the rule or action is moving to.

Enhance disclosure of large contributions

Commissioner Degginger stated that there is a need to look at the statutory change in the 7- and 21-day before election provisions, because these are meaningless given the use of vote by mail elections in Washington State.

Commissioner Degginger expressed that disclosures that do not coincide to the day that ballots are mailed make these types of contributions harder to track.

Commissioner Levinson stated that instead of referring to election day language should state a specific number of days before ballots were mailed.

Commissioner Degginger stated that this needs to

happen. He is concerned that a lot of money is contributed to campaigns shortly before election day and is not disclosed to the public until after the election. Commissioner Degginger requested staff collaborate with the Secretary of State's office on potential legislative revisions.

Ms. Anderson stated that she has spoken with Senator Billig and confirmed he plans to reintroduce SB5153, which addressed increasing transparency in contributions made by certain entities that do not fit the definition of political committee.

SB5153 also proposed eliminating the out of state political committee allowance so that all political committees participating in Washington state elections follow the same disclosure requirements which Commissioner Levinson had requested be included in the Commission's legislative agenda. Ms. Anderson informed Senator Billig that the PDC Commission may want to pursue this as agency request legislation which he encouraged.

Respond to court rulings

- Invalidations of the \$5,000 restriction within the last 21 days as it applied to ballot measure committees (past agency request legislation)
- Invalidations of limits to a recall ballot measure committee
- Definition of political committee

Commissioner Levinson stated these would be lesser than the other items on the legislative agenda. She suggested finding other administrative ways to implement these, or work in collaboration, if an option, with the Attorney General's office to accomplish this.

Stakeholder and staff policy suggestions

- Amend the 45-day Citizen Action Letter Statute

One option would be to take another look at the amount of days that are allowed.

Commissioner Levinson stated that the 45-day statute as it exists requires the Commission to prioritize those cases ahead of others regardless of the issue or length of time existing complaints have been in the queue.

Amending the statute would allow the Commission more flexibility to prioritize complaints based on established criteria. Commissioner Levinson stated that all possible

strategies must be used to eliminate the back log.

Lori Anderson suggested that criteria could be established under which the Attorney General or Prosecutor would be allowed to dictate if the citizen action would be subject to the 45-day timeline.

Fred Kiga suggested proposing a 90 day timeframe as a reasonable time for a complaint to be addressed, as well as an amendment that state action include any action taken under the Administrative Procedure Act.

Commissioner Levinson stated the real impact of the 45 day letter needs to be articulated.

- Modernize the F1 reporting and modification requirement – renewal of SB 5308, introduced last year as agency request legislation.

Lori Anderson stated that most of the revisions proposed by SB 5308 were suggested by stakeholders.

She noted that the technical amendments were ordered by priority.

- Modernize the performance measure reporting – change the measures to eliminate the ones that have become standard practice and implement new ones that are meaningful.
- Authorize Commission to issue modifications for official's term of office, instead of 1 year, so long as no changes needed (reduce need for annual renewals of modifications).
- Authorize Commission to use brief adjudicative process when considering all reporting modification request, rather than only renewals requested within 3 years of original request.
- Allow received date for mailed reports to be a date other than the post office cancellation date (It is currently the post office cancellation date; the USPS does not cancel mail bearing postage purchased through stamps.com)

Commissioner Levinson noted that some items listed as technical amendments are more substantive and to consider creating categories such as: moving complaints through rapidly; enhancing disclosure; being responsive to the public.

Moved by Commissioner Levinson, seconded by Commissioner Degginger that:

The Commission move forward with agency request legislation as discussed and make a decision as to prioritization once reviewed by the Governor's office.

No vote was taken.

Ms. Anderson stated that a motion is not needed at this time. Staff will proceed forward with 2016 agency request legislation as discussed.

Staff Reports

Executive Director

Fred Kiga reported on the recent PDC reorganization and its effects.

He noted that the reorganization will help address the peaks and valleys of some of the work load.

Mr. Kiga provided a status of the recruitment for an executive director. Completed background and reference checks have been performed on Candidates C and F. Mr. Kiga will provide a full background on each candidate to the Commission for review. He is finalizing case studies which the candidates will review the day prior to the final interview.

Mr. Kiga announced that former PDC assistant director, Susan Harris has been engaged to assist in decreasing the T-file back log.

Communications and Training Officer

Lori Anderson reported on recent stakeholder engagement and ongoing process improvement efforts.

Ms. Anderson noted that when there are measurable results from process improvement efforts, they will be reported to the public. She will continue to update the Commission on the accomplishments as they progress.

Chief Information Officer

James Gutholm reviewed the process improvement (value stream) that is currently displayed on the commission meeting room wall.

He reviewed/provided the Commission with a list of IT prioritized projects.

Mr. Gutholm introduced Kyle Veldhuzien and James Coleman, the newest additions to the Information Technology division.

Director of Compliance

Tony Perkins discussed the benefits of process improvement efforts to the Compliance and Enforcement Division members. He offered appreciation to James Gutholm and Lori Anderson for their work in facilitating process improvement.

He discussed the impact of the agency reorganization on

the division, and staff's efforts to provide greater oversight and accountability for the timely processing of complaints and investigations.

Mr. Perkins discussed the recent agreement reached with former PDC staff member Susan Harris to assist in processing pending complaints. Although she had only very recently begun her work with staff, he stated that by working closely with Ms. Harris, the division was already on track to cut the backlog of complaints down by as much as one-third.

Executive Session

The Commission went into executive session at 12:55 p.m. to discuss pending and potential litigation with legal counsel. The Commission anticipated being in executive session for a duration of 35 minutes.

The Commission announced a time extension of 5 minutes at 1:30 p.m. and an additional time extension of 5 minutes at 1:49 p.m.

The Commission returned to the public session at 2:00 p.m.

Enforcement

Gina Tveit, Case No. 15-045 involving alleged violations of: (1) RCW 42.17A.205 by failing to timely file a Candidate Registration; (2) RCW 42.17A.235 and .240 by: failing to timely report contributions and expenditures; (3) RCW 42.17A.405 by accepting an over-limit in-kind contribution; and (4) RCW 42.17A.245 by failing to file contribution and expenditure reports using the required electronic method, during her 2014 campaign for Stevens County District Court Judge.

Case No. 15-045 was held over to a future meeting date and time.

Adjourn

The meeting adjourned at 2:01 p.m.

Approved

September 24, 2015.