

State of Washington
PUBLIC DISCLOSURE COMMISSION
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MINUTES – Regular Meeting

9:30 a.m. | July 23, 2020
711 Capitol Way S. #206
Olympia, Washington

Commission Members Present (Participated via Microsoft Teams Online)

David Ammons, Chair; Fred Jarrett, Vice Chair; Bill Downing, member; Russell Lehman, 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; Tabitha Townsend, Compliance Coordinator; 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 9:39 a.m.

[PDC Meeting Video](#)

COVID 19 update: The July 23, 2020 Public Disclosure Commission Meeting was streamed live at <https://www.youtube.com/user/WASTPDC/live>.

The July 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](#)

Chair Ammons thanked his fellow Commissioners and PDC staff for working through the challenges and impacts of the COVID-19 pandemic, a challenging time for all state government. Additionally, he acknowledged all PDC staff will be impacted by state-mandated furloughs July - November of 2020, and PDC staff took a reduction of 20% in time and pay for the month of July. Furloughs for August through November will be one day per month.

2021 Legislation- The PDC continues to work with legislators, including House sponsor of the “faux mailer” legislation. Chair Ammons noted County Clerks are potentially coming forward to ask for address confidentiality, and there is the possible continuing conversation around legislative staff F1s and potential redaction of some fields.

Director Lavalley spoke on the PDC staff’s continued efforts to continue operations while keeping high morale. He recognized the IT team for providing and ensuring agency staff needs. The agency executive management team continues to work to articulate the impact of any potential decrease in budget.

[A public comment period](#) was noticed and announced, participants joined via Microsoft Teams or conference line.

The following participants noted that they were representing themselves in their personal capacity, and had used personal leave time from their state employment to express their concerns regarding the publication of the F-1s online:

- [Jim Morishima](#) – Assistant Director, nonpartisan Office of Program Research, House of Representatives,
- [Kelly Leonard](#) – Staff Attorney, nonpartisan Office of Program Research, House of Representatives,
- [Jill Reinmuth](#) – Director, nonpartisan Office of Program Research, House of Representatives,
- [Curt Gavigan](#) – Director, nonpartisan Senate Committee Services.

Public Comments were received via email and distributed to the Commission prior to the meeting:

- Christopher Blake regarding publication of Professional Staff financial affairs.
- Freedom Foundation regarding Interpretation 07-02 Primary Purpose
- Glen Morgan regarding [PDC Case 59039, City of Olympia Officials](#)

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

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

MOTION 20-059 June 25, 2020 Regular Meeting moved by Commissioner Jarrett and seconded by Commissioner Downing that:

The Commission approve the meeting minutes for the June 25, 2020, regular meeting as presented.

The motion passed 5 - 0.

Budget Update | [PDC Meeting Video](#)

Executive Director Lavalley updated the Commission on continued direction from Office of Financial Management (OFM) to propose a model showing a 15% cut to the PDC budget for the next biennium.

Chad Johnson, Senior Financial Consultant, Department of Enterprise Services (DES), noted that vendors still had time to get June billings out causing expenditures reports to be incomplete at this time. DES received a memo from David Schumacher, Director of OFM, directing agencies to work with OFM analyst to identify and implement savings.

Enforcement | [PDC Meeting Video](#)

Chad Standifer, Assistant Attorney General, presented a proposed stipulation as to facts, violations and penalty in [PDC Case 59039](#), former City Manager Steve Hall - [City of Olympia Officials](#), involving alleged violation of [RCW 42.17A.555](#) by authorizing the use of City of Olympia resources to produce and distribute a mailer providing information urging a “no vote” on Initiative 976 in 2019.

Steve Hall, former City Manager of Olympia, and Jeff Myers, counsel to Steve Hall, participated by phone and video via Microsoft Teams.

Commissioner Ammons and Commissioner Lehman noted they were acquainted with Mr. Hall but said that would not impede their ability to consider the matter impartially.

MOTION 20-060 Moved by Commissioner Downing and seconded by Commissioner Isserlis that:

The Commission approve the stipulation as presented as to facts, violation and penalty.

The motion passed 4 - 1.

Commissioners Ammons, Jarrett, Downing, and Isserlis voted to approve.

Commissioner Lehman voted no.

Discussion and Possible Commission Action on Online Availability of Legislative Staff F-1 Reports | PDC Meeting Video

Chair Ammons provided an overview on the publication of all PDC financial affairs statements (F-1 reports) online, and the exception that was made for legislative professional staff, giving the Legislature another session to consider the handling of these reports.

After some discussion, the Commission concluded it would not alter its previous decision to put F-1s for professional staff online after the July Commission meeting.

James Gutholm, Chief Information Officer, notified the Commission the reports would be made available in the next week.

Rulemaking, Interpretations and Legislation | PDC Meeting Video

Deputy Director BG Sandahl provided an update and timeline of the next steps for the permanent rules process regarding donations to foreign nationals and F-1 rules. The current emergency rule regarding foreign nationals expires in October and would need to be extended until February 11, 2021.

Sean Flynn, General Counsel, updated the Commission on the Primary Purpose Interpretation [07-02\(DRAFT\)](#). The draft included technical cleanup to language, citations of recent case law, and additional guidance for filers. General Counsel Flynn noted an updated court citation relating the Grocery Manufacturer's Association case that he wanted to add to the draft.

MOTION 20-061 Moved by Commissioner Jarrett that:

The Commission lower the 30% guide for the primary purpose interpretation to 20%.

The motion died for lack of a second.

MOTION 20-062 Moved by Commissioner Jarrett and seconded by Commissioner Downing that:

The Commission approve the proposed revision to the Primary Purpose interpretation 07-02 as circulated with the agreed amendment to the insertion of the updated court citation in relation to the Grocery Manufacturers Association (GMA) case.

The motion passed 5 - 0.

Executive Session

The Commission went into Executive Session at 12:05 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 1:00 p.m.

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

1:03 p.m. The Commission conducted a hearing of requests for reporting modifications remotely. Tabitha Townsend, Compliance Coordinator, and Tabatha Blacksmith, Compliance Coordinator, presented the requests to the Commission for consideration and possible approval.

New

[Arthur Coday](#) – Candidate for State Senator, Legislative District 01, WA State Senate [WAC 390-28-100\(1\)\(d\)](#) & [WAC 390-28-100\(1\)\(e\)](#)

Participated by phone via Microsoft Teams.

MOTION 20-063 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.

Renewal

[Kevin Ranker](#) – Candidate for Charter Review Commissioner, San Juan County [WAC 390-28-100\(1\)\(d\)](#) & [WAC 390-28-100\(1\)\(b\)](#)

Participated by phone via Microsoft Teams.

Commissioner Jarrett noted that he is acquainted with Mr. Ranker but said that would not impede his ability to consider the matter impartially.

MOTION 20-064 Moved by Commissioner Downing and seconded by Commissioner Jarrett that:

The Commission grant the partial reporting modification as requested as it relates to Income and Ownership, 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 the term of Candidacy.

The motion passed 5 – 0.

MOTION 20-065

Moved by Commissioner Jarrett and seconded by Commissioner Lehman that:

The Commission deny the partial reporting modification as requested as it relates to the address, 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.

New

[Kelly Wicker](#) – Professional Staff, Office of the Governor [WAC 390-28-100\(1\)\(d\)](#)

MOTION 20-066

Moved 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.

The motion died for lack of a second.

MOTION 20-067

Moved by Commissioner Lehman and seconded by Commissioner Downing 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 4 – 1.

Commissioners Ammons, Downing, Lehman and Isserlis voted to approve.

Commissioner Jarrett voted no.

Renewal

[Douglas Shae](#) – County Prosecutor, Chelan County [WAC 390-28-100\(1\)\(b\)](#)

MOTION 20-068 Moved by Commissioner Jarrett and seconded by Commissioner Downing 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: 12/31/2022

The motion passed 4 – 1. Commissioner Lehman voted no.

Enforcement Updates | [PDC Meeting Video](#)

Kurt Young, Compliance Officer, provided the enforcement update report for the period June 16, 2020, to July 14, 2020:

As of July 14, 2020, 44 Active Cases Open

19 Under Investigation with Initial Hearings

25 Cases Under Assessment

Currently 57 Active Cases Open

5 Pre-effective date of House Bill 2938

52 Post-effective date of House Bill 2938

16 Cases Closed during the Period

- 2 Cases found with No Evidence of Violations
- 5 Cases Closed with Reminder
- 1 Case Closed with Formal Written Warning
- 2 Cases Closed Administratively
- 1 Case Resolved through Deferred Enforcement
- 3 Cases Resolved through Statement of Understanding
- 2 Cases Closed as Unfounded or Frivolous

Since July 14, 2020, 22 new cases had been opened; that of which most were allegations in failure to file PDC reports.

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

[Peter Lavallee](#), Executive Director presented updates to the Commission.

- Overview of Staff and Management throughout COVID 19
- Auditing Pilot Program
- Furlough Update

[BG Sandahl](#), Deputy Director presented updates to the Commission.

- Continuity of Operations Plan (COOP plan)
- Internal Policy Updates
- Diversity, Equity, and Inclusion

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[Kim Bradford](#), Communications and Outreach Director, provided Customer Service and Filer Assistance updates to the Commission.

- F-1 Review Report
- Filer Assistance and Customer Service Furloughs and Support for Filers
- Website Usability Update

[James Gutholm](#), Chief Information Officer, provided an update on the PDC IT activity report.

- Furlough Impacts in IT
- Operations Update - PDC Phone System
- Update on Modernization Efforts/ORCA

Meeting adjourned at 2:32 p.m.

Approved August 27, 2020.