State of Washington PUBLIC DISCLOSURE COMMISSION

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MINUTES – Regular Meeting 9:30 a.m. | January 23, 2025 711 Capitol Way S. #206 Olympia, Washington

Commission Members

Allen Hayward, Chair; J. Leach, Vice Chair; Nancy Isserlis, Member; Douglass North, Member; James Oswald, Member.

Staff Present

Peter Frey Lavallee, Executive Director; Kim Bradford, Deputy Director; Sean Flynn, General Counsel; Jana Greer, Administrative Officer; Nate Meyer, Customer Service and Outreach Manager; BG Sandahl, Compliance Officer; Jennifer Hansen, Compliance Officer; Tabitha Townsend, Compliance Officer; John Meader, Assistant Attorney General representing the Commission, Chad Standifer, Assistant Attorney General representing the Staff.

Staff Present (Participated via Microsoft Teams)

Tabatha Blacksmith, Compliance Officer; Christina Shearer, DES Senior Financial Consultant; Susie Giles-Klein, Assistant Attorney General representing the Staff.

The regular meeting of the Public Disclosure Commission (PDC) was called to order by Chair Hayward at 9:30 a.m.

The January 23, 2025, Public Disclosure Commission meeting streamed live via TVW at WAPDC.1.23.25. Public attended in-person and remotely via a MS Teams Link.

Chair Opening Comments | PDC Meeting Video

Chair Hayward welcomed all attendees and viewers to the January 23, 2025, Regular Commission meeting.

Consideration and Possible Approval of Meeting Minutes | PDC Meeting Video

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

• December 12, 2024, Regular Meeting

MOTION 25-01 Moved by Commissioner North and seconded by Commissioner Oswald that the Commission approve the meeting minutes with an amendment to page 4 for a grammatical correction for the December 12, 2024, regular meeting.

The motion passed 5-0.

Request for Reporting Modification | PDC Meeting Video

9:31 a.m. | The Commission conducted a hearing concerning request for reporting modification. Compliance Officers Tabitha Townsend and Jennifer Hansen presented the requests to the Commission for consideration and possible approval.

NEW

H.S. Wright III – Regent, Washington State University WAC 390-28-100(1)(d) & WAC 390-28-100(1)(e)

Commissioner Isserlis recused herself.

H.S. Wright III participated via Microsoft Teams.

MOTION 25-02

Moved by Commissioner Leach 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.

• <u>Erin Hardy & Colleen Echohawk</u> – 2021 Candidate for Seattle City Mayor & Campaign Donor <u>RCW</u> 42.17A.120 & RCW 42.17A.240.

Erin Hardy participated via Microsoft Teams.

MOTION 25-03

Moved by Commissioner Isserlis and seconded by Commissioner Leach 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 5-0.

<u>Next Steps/Follow-up:</u> The Commission and staff to review the reporting modification process and the possibility of moving some requests to Brief Adjudicative Proceedings (BAP).

Enforcement Request for Review | PDC Meeting Video

9:55 a.m. |The Commission conducted an enforcement hearing concerning PDC Case 159274, James (Jim) Wilson III.

Susie Giles-Klein, Assistant Attorney General representing the staff, <u>addressed PDC Case 159274</u>, James (Jim) Wilson III for alleged violations of <u>RCW 42.17A.205</u> and <u>WAC 390-16-125</u> by exceeding Mini Reporting limits prior to receiving the approval of their application to change to Full Reporting option.

Conner Edwards, attorney for James (Jim) Wilson III, <u>participated</u> via Microsoft Teams.

MOTION 25-04

Moved by Commissioner North and seconded by Commissioner Hayward that the Commission find a violation of <u>RCW 42.17A.205 and WAC 390-16-125</u> and assess no civil penalty.

The motion passed 5-0.

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:

- Glen Morgan, commented on agency enforcement.
- <u>Joe Kunzler</u>, commented on agency enforcement and the petition for declaratory order.
- Conner Edwards, campaign treasurer, commented on the petition for declaratory order.

Written comment(s) submitted:

- Kunzler
- Edwards
- Finley

Budget Update | PDC Meeting Video

Executive Director Frey Lavallee provided the budget update to the Commission.

Management Team Updates | PDC Meeting Video

- Executive Director Update.
- Information Technology Update.
- Deputy Director Update.
- Customer Service and Filer Assistance Update.

Enforcement Update | PDC Meeting Video

Tabatha Blacksmith, Compliance Officer, presented the enforcement update for January 2025.

• Enforcement Report – Categorization and Status of Open Complaints.

Caseload Management Workgroup Report to Commission | PDC Meeting Video

Chair Hayward introduced the caseload management workgroup and its members.

Deputy Director Bradford <u>provided</u> a summary of the workgroup's findings and recommendations. <u>Next Steps/Follow-up</u>: The Commission asks staff to follow the criteria recommended by the caseload management workgroup to reduce the current complaint and case backlog..

Legislative Update | PDC Meeting Video

General Counsel Sean Flynn discussed proposed bills and issues related to the upcoming 2025 legislative session.

Chair Hayward <u>announced</u> his upcoming departure and the need for the Commission to appoint a new legislative committee. The Commission appointed Vice Chair Leach and Commissioner Oswald as the legislative subcommittee.

Agency Rulemaking | PDC Meeting Video

General Counsel Sean Flynn <u>presented</u> the Petition for Rulemaking (Kunzler) re: limitations on political advertising during open public comment for consideration and possible action.

- APA Rulemaking Petition (Kunzler).
- APA Rulemaking Petition (Kunzler) Staff Memo.
- APA Rulemaking Petition (Kunzler) 2023 Dismissal Ltr.

Joe Kunzler <u>participated</u> via in-person.

MOTION 25-05

Moved by Commissioner Isserlis and seconded by Commissioner Leach that the Commission dismiss the Petition for Rulemaking (Kunzler) re: limitations on political advertising during open public comment.

The motion passed 5-0.

General Counsel Sean Flynn <u>presented</u> the Petition for Rulemaking (Edwards) re: requiring in-state inspection of commercial advertiser records for consideration and possible action.

- APA Rulemaking Petition (Edwards) Cover.
- APA Rulemaking Petition (Edwards) Petition.
- APA Rulemaking Petition (Edwards) Staff Memo.

Conner Edwards, campaign treasurer, <u>participated</u> via Microsoft Teams.

MOTION 25-06

Moved by Commissioner Leach and seconded by Commissioner North that the Commission dismiss, with further discussion about the issue under the agency's rulemaking agenda. The motion passed 5-0.

General Counsel Sean Flynn discussed the six-month rulemaking agenda with the Commission.

• July 2025 Rules Development Agenda Memo

Petition for Declaratory Order (Edwards) | PDC Meeting Video

General Counsel Sean Flynn presented the petition for declaratory order (Edwards) re: reporting campaign expenditure activity for written checks.

Conner Edwards, campaign treasurer, <u>participated</u> via Microsoft Teams.

MOTION 25-07

Moved by Commissioner Leach and seconded by Commissioner Isserlis that the Commission dismiss the petition for declaratory order (Edwards).

The motion passed 5-0.

Election of Commission Chair and Vice Chair | PDC Meeting Video

WAC 390-05-100 requires the Commission to elect a Chair and Vice Chair.

Chair Hayward asked the Commission members for nomination of 2025-2026 officers.

MOTION 25-08

Commissioner Isserlis nominated Commissioner Leach for Chair and Commissioner North for Vice Chair for the Washington State Public Disclosure Commission for 2025-2026. The motion passed 5-0.

Break/Executive Session

<u>12:38 p.m.</u> Discussion of matters allowed in executive session pursuant to <u>RCW 42.30.110</u>, regarding enforcement matters, review of performance of public employees, and discussion with legal counsel of litigation or potential litigation when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence. Final action regarding these matters, or other matters properly discussed during the executive session, will be taken following the executive session.

Executive session ended <u>01:36 p.m.</u>

Adjourned at <u>01:36 p.m.</u>

Approved February 27, 2025.