

OPEN SESSION
MINUTES OF THE MEETING OF THE
NEBRASKA ACCOUNTABILITY AND DISCLOSURE COMMISSION

Friday, March 1, 2013

The Ferguson House

700 South 16th Street

Lincoln, Nebraska

Call to Order – Chairman Hosford called the meeting to order at 9:01 a.m. and announced the location in the meeting room of a copy of the Public Meetings Law.

Roll Call –

- Kevin Brostrom – Excused
- Sean Conway - Present
- John Gale – Present
- Joseph Grant - Present
- Paul Hosford - Present
- Jan Mumm - Present
- Richard Nelson – Present
- Timothy Schulz - Present
- Brad von Gillern - Present

Approval of the Open Session Minutes of the January 18, 2013 Meeting - Chairman Hosford referred the Commissioners to their copies of the Open Session Minutes of the previous meeting.

Motion by Mumm, second by Nelson, that the Open Session Minutes of the January 18, 2013 meeting be approved as presented - Roll Call Vote: Commissioners Gale, Grant, Mumm, Nelson, Schulz and von Gillern voted yes. Commissioner Conway and Commissioner Hosford abstained. Motion carried (6-0-2).

Report on Late Filing Fees, including requests for relief - Executive Director Daley indicated that there were no applications for relief.

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Executive Director's Report (includes personnel activity, budget status, budget process and litigation status) – Executive Director Daley announced that Commissioner Conway's confirmation hearing before the Government, Military & Veterans Affairs Committee went well. Thereafter, the Legislature voted without opposition to confirm Commissioner Conway's appointment.

The Executive Director the Commission is now seven months into the current budget year and has expended approximately 45% of the budget. Mr. Daley pointed out that this percentage under budget will probably not stand for two reasons. First, in April there are 3 pay periods which will have the effect of reducing the under budget percentage. Second, the State, which is self-insured, concluded that the payment of health insurance premiums was not necessary for several periods during the current fiscal year. It is likely that the Commission will be required to return these unpaid premiums to the General Fund.

The Executive Director indicated that there is currently \$914,000 in the Campaign Finance Limitations Act Fund.

The Executive Director reported that he had registered as a lobbyist for the purpose of testing the new electronic system. His first impression is that it went generally well. Daley noted that the system will require some changes in business practices since both lobbyists and principals must open accounts before any filings are made. He also noted that tweaks will be needed to perfect the system. For example, when compensated lobbyists register they are required to show the amount or basis of their compensation, i.e. \$10,000 per session or percentage of salary pay that is attributable to lobbying. Currently, the system allows a lobbyist to register without providing this information.

Discussion followed.

Executive Director Daley reported that in the area of litigation, the appeal of the Skinner v. Tlustos case is still before the District Court of Lincoln County.

Lastly, the agency budget hearing has been scheduled for March 14th before the Appropriations Committee.

Discussion followed.

Legislative Update – The Executive Director next gave the legislative update of bills.

LB 79 – This bill by Senator Avery would repeal the CFLA, change reporting thresholds, require filing of campaign statements and other documents electronically and provide money to the Commission for the development of an electronic filing system. As amended by the Government Committee, the bill would provide for no significant change in reporting thresholds and no

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requirement to file electronically. It would require limited liability companies (LLCs), limited liability partnerships (LLPs) to report campaign contributions. There would be the transfer of CFLA money to the Commission for the development of an electronic filing system. The Commission previously voted to support this bill.

Discussion followed.

LB 98 - A bill by Senator Mello relating to the Administrative Procedures Act. It is now on General File. The Commission previously voted to monitor this bill.

LB 242 - A bill by Senator Howard relating to the Administrative Procedures Act, is in general file. It is now on General File. The Commission previously voted to monitor this bill.

LB 294 - A bill by Senator Seiler. This bill was drafted in direct reaction to the Skinner and Tlustos cases which are now on appeal in Lincoln County. The original bill would create an exception to the use of public resources for campaign purposes. This bill was broad and vague and hard to understand, and once amended with new language borrowed from federal statute it created new problems for this bill. The Commission previously voted to oppose the bill as drafted.

Discussion Followed.

Report of Conflicts Committee – Commissioner Grant indicated that there are no challenges to report.

Report of Executive Committee – Chairman Hosford indicated that there are no issues to present at this time.

Closed Session - Motion by Grant, second by Conway, that the NADC go into Closed Session pursuant to the confidentiality provisions of the NPADA - Roll Call Vote: Commissioners Conway, Gale, Grant, Hosford, Mumm, Nelson, Schulz, and von Gillern voted yes. Motion carried (8-0-0).

The NADC went into Closed Session at 9:25 a.m.

The NADC returned to Open Session at 10:55 a.m.

Action on or Announcement of Closed Session matters - Executive Director Daley indicated there were two actions of the Commission to be announced from Closed Session.

- 1) **Patrick McPherson v. Ben Gray (#12-11)** - The Commission approved a settlement agreement in which Ben Gray agreed that the

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Commission could find that he violated §49-1455 by failing to list all expenditures of more than \$250 on a campaign statement. The Commission approved the settlement agreement and assessed a civil penalty of \$250 with eight Commissioners concurring, none dissenting and none abstaining.

- 2) **John Yoakum v. Mike Hilgers (12-16)** - The Commission approved a settlement agreement in which Mike Hilgers agreed that the Commission could find that he violated §49-1474.01 by failing to include a proper disclaimer on printed campaign material. The Commission approved the settlement agreement and assessed no civil penalty with eight Commissioners concurring, none dissenting and none abstaining.

Adjournment – Motion by Conway, second by von Gillern, that the NADC adjourn. Roll Call Vote: Commissioners Conway, Gale, Grant, Hosford, Mumm, Nelson, Schulz, and von Gillern voted yes. Motion carried (8-0-0).

Chairman Hosford declared the meeting adjourned at 11:00 a.m.