

OPEN SESSION
MINUTES OF THE MEETING OF THE
NEBRASKA ACCOUNTABILITY AND DISCLOSURE COMMISSION
Friday, June 13, 2014
State Capitol, Room 1525
Lincoln, Nebraska

Call to Order – Chairman Hosford called the meeting to order at 9:02 a.m. and announced the location in the meeting room of a copy of the Public Meetings Law.

Roll Call –

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

Approval of the Open Session Minutes of the May 2, 2014 Meeting - Chairman Hosford referred the Commissioners to their copies of the Open Session Minutes of the previous meeting.

Motion by Grant, second by Conway, that the Open Session Minutes of the May 2, 2014 meeting be approved as presented - Roll Call Vote: Commissioners Brostrom, Conway, Grant, Hosford, Mumm, and Schulz, voted yes. Commissioner von Gillern abstained. Motion carried (6-0-1).

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

Executive Director's Report (includes personnel activity, budget status, budget process and litigation status) – Executive Director Daley indicated that Commissioner Hosford's term on the Commissioner would end on June 30th. His successor will appointed by the Governor from a list of 5 names submitted by the Legislature.

The Executive Director indicated that 11 months into the current budget year the agency has expended approximately 41% of the agency budget. It was noted that this number is not remarkable as it might first appear. The cash balance is uniquely inflated by the money given to the agency by the Legislature for the electronic filing project.

The Executive Director reported that the agency entered into a contract with Social Eclipse LLC to develop the specifications for the electronic filing project. Brian Hess of Social Eclipse will also assist in the scoring of proposals received. Tentatively, Mr. Hess will have the specifications complete by the end of July.

Primary election campaign statements were due on May 5th. Those that were filed are available for review on the Commission's website. The Post Primary campaign statements are due June 23rd. Lobbyists' Statements of Activity were due on June 2nd. The statements disclose the legislative bills the lobbyist supported or opposed. Those filed are available for review.

The Executive Director indicated that the decisions in the Skinner and Tlustos cases are still pending before the Nebraska Supreme Court.

Executive Director Daley reported on the complaint filed by Fred Conley against Scott Japp. Mr. Daley noted that Mr. Japp had invoked his right to make the matter public. Also, Mr. Daley reported that interrogatories and a subpoena duces tecum had been served on both Mr. Japp and K.C. Engdahl. Neither has responded. General Counsel Danberg filed an action in the District Court of Lancaster County asking the court to compel them to respond. The matter is pending.

Discussion of Budget and Budget Process for 2015/2017 Biennium - Executive Director Daley explained that the budget of the State of Nebraska works on a two year cycle called a biennium. The budgets of all state agencies for the two year period beginning July 1, 2015 through June 30, 2017 must be submitted by September 15th of this year. The Commission staff will prepare a budget in accordance with budget instructions provided to Deputy Director Hinman. Mr. Hinman will prepare and present a proposed budget at the August 15th meeting. At that time the Commission may approve the proposal or direct the staff to make modifications. If there are modifications to be made, the staff will make the changes and submit the modified budget for approval at the September 12th meeting.

The Executive Director further explained that the NADC's two funding sources are the General Fund and the NADC Cash Fund. Mr. Daley explained that the term appropriation means 'the authority to spend'. With this in mind the Commission needs an appropriation in order to spend any money from either of these funds. The Director noted that the biggest budget item typically is

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personnel expenses such as salaries and insurance costs. These costs normally account for 80% to 85% of the NADC's budget. Mr. Daley further reported that the Legislature had given the Commission money for its electronic filing project. It was pointed out that other than the electronic filing project the budget proposal is typical with no new initiatives.

Executive Director Daley further explained that the Commission is usually asked to prepare a modification budget. A modification budget is a backup budget in case of something like a financial shortfall should occur and leave the Commission with less money to spend.

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.

Evaluation of Executive Director and setting of salary – Chairman Hosford stated that unless Mr. Daley had anything else for Open Session that he would entertain a motion to go into Closed Session to discuss a personnel matter.

Motion by Conway, second by Brostrom, to go into Closed Session for the purpose of discussing the evaluation and setting salary of the Executive Director, the discussion in Closed Session shall be for the purpose of avoiding needless injury to the reputation of individuals - Roll Call Vote: Commissioners Brostrom, Conway, Grant, Hosford, Mumm, Schulz, and von Gillern voted yes. Motion carried (7-0-0).

Jack Gould of Common Cause Nebraska asked leave to address the Commission before it went into closed session. He expressed his appreciation for the Executive Director and his work.

The NADC went into Closed Session. 9:20 a.m. The staff was excused for deliberation and only the Commissioners remained in the room. Thereafter, the Executive Director was invited into closed session.

The NADC returned to Open Session 10:10 a.m. Discussion followed.

Motion by Brostrom, second by Mumm, to approve the evaluation of the Executive Director and place it on file - Roll Call Vote: Commissioners Brostrom, Conway, Grant, Hosford, Mumm, Schulz, and von Gillern voted yes. Motion carried (7-0-0).

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Motion by Brostrom, second by von Gillern, to raise Mr. Daley's salary by 2.5% beginning July 1, 2014 – Roll Call Vote: Commissioners Brostrom, Conway, Grant, Hosford, Mumm, Schulz, and von Gillern voted yes. Motion carried (7-0-0).

Executive Director Daley expressed his gratitude for the kind words and salary increase.

Closed Session - Motion by Brostrom, second by Conway, that the NADC go into Closed Session pursuant to the confidentiality provisions of the NPADA - Roll Call Vote: Commissioners Brostrom, Conway, Grant, Hosford, Mumm, Schulz, and von Gillern voted yes. Motion carried (7-0-0).

The NADC went into Closed Session at 10:11 a.m.

The NADC returned to Open Session at 10:35 a.m.

Action on or Announcement of Closed Session matters - Executive Director Daley indicated there was one item from Closed Session. He announced that in the matter of Robby Thompson, Case #14-04, the Commission approved a settlement agreement by which the respondent agreed that the Commission could find that he had violated §49-14,102. The Commission assessed a civil penalty of \$250.00.

Election of Officers – Chairman Hosford stated that he prepared a slate of officers for the upcoming year. He proposed that Commissioner Kevin Brostrom, Commissioner Tim Schulz and Commissioner Sean Conway serve as Chairman, Vice-Chairman and Secretary respectively. Chairman Hosford noted that all of the candidates agreed to serve if elected. He asked if there were any other nominations. There were none.

Motion by Grant, second by von Gillern, to approve the recommended slate of commission officers as proposed - Roll Call Vote: Commissioners Brostrom, Conway, Grant, Hosford, Mumm, Schulz, and von Gillern voted yes. Motion carried (7-0-0).

Recognition of the Service of Commissioner Paul Hosford – Executive Director Daley took the opportunity to comment on Chairman Hosford's tenure with the Commission which started in May of 2007. Mr. Daley noted that Commissioner Hosford had served on variety of Commission committees, and in all of the Commission's leadership positions. Daley described him as a farmer, musician, businessman, community activist, a promoter of innovative architecture in rural areas, and a true renaissance man. Mr. Daley further noted that Chairman Hosford was always respectful and unfailingly courteous to everyone who appeared before the Commission. This reflected well on the Commission.

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The Executive Director on behalf of the Commission thanked Chairman Hosford for his service and presented him with an inscribed clock as a token of appreciation. Commissioner Kevin Brostrom made a presentation on behalf of Secretary of State John Gale. Mr. Brostrom thanked Chairman Hosford and presented him with a Service Citation from the Secretary of State and paperweight displaying the Great Seal of Nebraska.

Chairman Hosford expressed his gratitude for the honor of having the opportunity to serve on the Commission.

Adjournment – Motion by Mumm, second by von Gillern, that the NADC adjourn. Roll Call Vote: Commissioners Brostrom, Conway, Grant, Hosford, Mumm, Schulz, and von Gillern voted yes. Motion carried (7-0-0).

Chairman Hosford declared the meeting adjourned at 10:50 a.m.