



State of New Jersey

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Chairman

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Vice Chairman

AMOS C. SAUNDERS
Commissioner

ELECTION LAW ENFORCEMENT COMMISSION

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PUBLIC SESSION MINUTES

January 20, 2015

Chairman DeFilippis, Vice Chairman Timpone, Legal Counsel Matthews, and senior staff were present. Director of Review and Investigation Shreve Marshall and Associate Legal Director Michelle Levy were also present. Special Programs Analyst Scott Fagerty was present for the purpose of recording the minutes. Commissioner Saunders participated by telephone.

The Public Session Minutes will be available online on the Commission's website at: <http://www.elec.state.nj.us>.

The meeting convened at 11:00 a.m. in Trenton.

1. Open Public Meetings Statement

Chairman DeFilippis called the meeting to order. Executive Director Brindle announced that pursuant to the "Open Public Meetings Act," N.J.S.A. 10:4-6 *et seq.*, adequate notice of the meeting of the Commission had been filed with the Secretary of State's Office and distributed to the entire State House Press Corps. It was also posted on the Commission's website.

2. Approval of Public Session Minutes of December 16, 2014

On a motion by Vice Chairman Timpone, seconded by Commissioner Saunders and passed by a vote of 3-0, the Commission approved the Public Session Minutes of December 16, 2014, as amended by Chairman DeFilippis and Executive Director Brindle.

3. Executive Director's Report

- A. Computer Upgrade – Executive Director Brindle stated that the Commission has yet to receive the approvals necessary to move forward on the planned upgrade. He noted that the Commission has waited seven months to receive these approvals, and that the period of time is unacceptable. In order to gain these approvals, Executive Director Brindle will attend a meeting with the Division of Revenue and Enterprise Services and the Office of Information Technology. The Executive Director disclosed that he will also meet with legislative leaders who have supported the Commission's computer

upgrade and that he will not allow the Commission to be criticized for the lack of progress.

- B. Office Relocation – The Executive Director informed the Commission that the initial steps in the relocation have been completed. He stated that the next steps will be handled by Division of Property Management and Construction, who will refurbish the office space that ELEC will occupy. The Executive Director maintained that the move should be complete by July.

Chairman DeFilippis asked if the relocation will affect the computer upgrades.

Executive Director Brindle replied that it will not.

- C. Training Sessions – Executive Director Brindle described an active training session calendar, noting the following sessions will be held:

- January 26 through March 25, 2015 – four pay-to-play seminars;
- March 18 through April 23, 2015 – three candidate treasurer training seminars;
- March 26, 2015 – one political party committee training seminar; and
- March 19 through April 28, 2015 – three electronic filing seminars.

The Executive Director also mentioned that on January 24, Associate Compliance Officer Nancy Fitzpatrick will conduct a treasurer training seminar sponsored by the Hunterdon County Clerk's Candidate Center.

- D. 2014 Big Six Activity – The Executive Director reported that 2014 state political party entity financial activity was at its lowest point since 2002. He stated that a total amount of \$4.9 million and \$4.0 million have been raised and spent, respectively. He suggested that the edge in fundraising demonstrated by the two parties has shifted, noting that Republican committees have raised \$2.3 million to the \$2.6 raised by Democratic committees.

- E. Campaign Finance Issues – Executive Director Brindle stated that the Court has again supported strong disclosure requirements by refusing to hear two cases. The first, Vermont Right to Life v. Sorrell involves a challenge to Vermont's requirement that certain advocacy organizations register as political action committees and disclose contributors. The second case, Stop This Insanity Employee Leadership Fund v. FEC would test restrictions on certain types of spending activities by political action committees.

- F. Special Election for Governor – Executive Director informed the Commission that under current law, a vacancy in the office of governor would trigger a special election to fill the seat. If the sitting governor vacates the office prior to 60 days before a general election, a special election would be held on the date of that general election. However, if the office is vacated within 60 days of the general election, a special election would be held on the date of the general election in the following year. The Executive Director noted that current law does not explicitly provide for public

financing of special election gubernatorial candidates. In addition, he stated that the law does not provide for any special election primary contest.

Chairman DeFilippis asked how candidates would become nominated.

Executive Director Brindle replied that at present, no mechanism exists to nominate candidates in a special election for governor, and legislation is needed to determine how nominations would be accomplished.

G. Kyle Morgan – Executive Director Brindle introduced to the Commission Intern Kyle Morgan. Mr. Morgan, a fellow at the Eagleton Institute, will work with Deputy Director Donohue on a lobbying project.

H. Future Meetings Schedule

- February 17, 2015 at 11:00 a.m. in Trenton;
- March 17, 2015 at 11:00 a.m. in Trenton;
- April 21, 2015 at 11:00 a.m. in Trenton.

4. White Paper No. 25

Deputy Director Donohue reported on the newly issued White Paper No. 25, titled, “Top Local Elections in New Jersey - A Tale of Two Cities and More.” The Deputy Director described the white paper as a review of local government elections, with a focus on Newark and Jersey City. After witnessing the millions of dollars of independent funds spent in the most recent election in Newark, Deputy Director Donohue recognized a need to evaluate such spending in local elections. In addition to documenting the rise of independent group activity, it also shed light on the changing nature of campaign expenditures. In recent elections, Super PACs spent large amounts on television advertisements and the purchase of airtime. Previously, the majority of expenditures were for “shoe leather” campaigning.

Deputy Director Donohue stated that the white paper recommends three changes. First, it highlights the need that independent expenditure groups be required to disclose their financial activity. Second, once disclosure is required and expended to electronic filing, create a searchable database listing expense data. Finally, the white paper calls for disclosure of activity by agents that are lobbying local officials.

5. Proposed Amendment Concerning Annual Fee for Governmental Affairs Agents (GAA)

Associate Legal Director Michelle Levy presented the proposed amendments concerning annual registration fee for each GAA. She said that pursuant to the authority of N.J.S.A. 52:13C-23j, the Commission has established by regulation a \$425.00 annual registration fee for each GAA; see N.J.A.C. 19:25-20.20(a). She mentioned that the annual fee was established in 2004, and that during the intervening ten years the Commission has created, implemented and maintained an electronic filing system for annual reports, and is producing a similar electronic system for lobbying quarterly reporting. She said the disclosure system has been vastly improved by implementing a searchable electronic reporting system of lobbying financial records. Additionally, she mentioned that the electronic filing

system increases disclosure to the public, as well as increasing efficiency for both GAAs and the Commission.

Associate Legal Director Levy stated that the Commission proposes to increase the annual fee by \$100.00 to \$525.00 in order to establish and maintain the Commission's electronic infrastructure used to administer the Legislative and Governmental Process Activities Disclosure Act. She said that, if approved by the Commission, the proposed amendments and new rules will be filed at the Office of Administrative Law for publication in the New Jersey Register, and would be the subject of a public hearing scheduled for the May 19, 2015 meeting.

Chairman DeFilippis noted that the proposed amount does not accurately account for inflation, added administrative costs of the Commission related to increased filing requirements, and for the increase in the amount of lobbyist activity. He suggested that the annual fee be raised by \$150.00 to \$575.00 to accommodate all of these factors.

On a motion by Vice Chairman Timpone, seconded by Commissioner Saunders and passed by a vote of 3-0, the Commission accepted the increase of the annual fee for GAAs as amended to a rate of \$575.00 per year.

6. Public Comments

Chairman DeFilippis asked if any members of the public wished to comment. Seeing none, he asked for a motion to enter Executive Session.

7. Resolution to go into Executive Session

On a motion by Vice Chairman Timpone, seconded by Commissioner Saunders and passed by a vote of 3-0, the Commission resolved to go into Executive Session to discuss anticipated litigation and current litigation, which will become public as follows:

- A. Final Decision Recommendations in complaint proceedings which will not become public. However, the Final Decisions resulting from those recommendations will become public not later than seven business days after mailing to the named respondents.
- B. A report on requests from the public for investigations of possible violations, which report will not become public in order to protect the identity of informants and maintain the integrity of investigative procedures and priorities. However, any complaint alleging violations, which complaint may be generated as a result of a request for investigation, will become public not later than seven business days after mailing to the named respondents.
- C. Matters under current litigation, the substance of discussions of which will not become public in order to protect the attorney-client privilege and the deliberative process. However, any litigation in which the Commission is currently a party is a public matter and will become public subject to the above limitations and privileges.

Return to Public Session

8. Adjournment

On a motion by Vice Chairman Timpone, seconded by Commissioner Saunders and passed by a vote of 3-0, the Commission resolved to adjourn at 12:08 p.m.

Respectfully submitted as true
and correct,

Jeffrey M. Brindle
Executive Director

JMB/elz