

NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION

PUBLIC SESSION MINUTES

MAY 21, 1984

PRESENT

Andrew C. Axtell, Chairman
Alexander P. Waugh, Jr., Vice Chairman
Haydn Proctor, Member
Scott A. Weiner, Executive Director*
William R. Schmidt, Asst. Executive Director
Gregory E. Nagy, Staff Counsel
Leslie G. London, Election Finance Analyst**
Edward J. Farrell, Counsel

* Mr. Weiner attended only the public session of the Commission meeting.

** Ms. London attended a portion of the executive session.

Chairman Axtell called the meeting to order and announced that pursuant to the Open Public Meetings Law, P.L. 1975, c.231, annual 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.

The meeting convened at 10:45 a.m. at the offices of the Commission, 28 West State Street, Trenton, NJ.

1. Approval of Minutes of Public Session of Commission Meeting of May 2, 1984

On a motion by Commissioner Proctor, seconded by Commissioner Waugh and a vote of 3-0, the Commission approved the minutes of the public session of May 2, 1984.

2. Advisory Opinion No. 10-1984

The Commission reviewed a two-page April 25, 1984 advisory opinion request from Arthur L. Raynes on behalf of Friends of Steve Wiley as supplemented by a one-page May 7, 1984 letter from Mr. Raynes concerning the reporting and public financing requirements associated with the sponsorship of a fund-raising auction. The Commission also reviewed a six-page May 15, 1984 memorandum from Staff Counsel Nagy setting forth six issues raised by Mr. Raynes' advisory opinion request.

The Commission held an extensive discussion during the course of which a hypothetical example was presented of someone contributing a set of books worth \$200 to be auctioned and someone else paying \$300 for the set of books at the auction. With that set of facts, the responses to the six questions raised in Mr. Raynes' advisory opinion request would be as follows:

- The committee's reporting requirements for the goods and services donated at the auction, in this case, would be a \$200 in-kind contribution which would also be a \$200 in-kind expenditure.
- The donor of the books worth \$200 would be subject to the contribution limit and, in this example, the donor could contribute an additional \$600 (assuming an \$800 contribution limit.)
- The \$200 value of the books donated to be auctioned would not be eligible to be matched with public funds.
- The committee's reporting requirements for the funds it receives from the person purchasing the books would be as follows: \$100 would be credited as a contribution from the person purchasing the books and other \$200 would be reported as a refund of an expenditure. As a result the entire \$300 paid by the purchaser would be reported by the committee.
- The person purchasing the books is subject to the \$800 contribution limit; of the \$300 the purchaser pays for the books, valued at \$200, \$100 is credited against the purchaser's \$800 contribution limit and the purchaser then can contribute another \$700.
- Only that portion of the purchase price above the fair market value, in this case \$100, is eligible to be matched with public funds.

Commissioner Waugh asked whether the public financing forms for the 1981 elections permitted the type of reporting set forth above. Mr. Schmidt said there is a "Schedule 2" which is a schedule for contributions, only part of which are eligible for match. Furthermore, the expenditure schedules include schedules to report refunds of expenditures.

Mr. Nagy said the advisory opinion itself would be much briefer than his six-page memorandum. On a motion by Commissioner Proctor, seconded by Commissioner Waugh and a vote of 3-0, the Commission authorized Mr. Nagy to send the advisory opinion.

3. Advisory Opinion No. 13-1984

The Commission reviewed a one-page April 24, 1984 advisory opinion request from Steven Bellows, Treasurer, Friends of Marie Sheehan Muhler and a two-page draft advisory opinion dated May 21, 1984, prepared by Staff Counsel Nagy.

On a motion by Commissioner Proctor, seconded by Commissioner Waugh and a vote of 3-0, the Commission approved the advisory opinion.

4. Report on Computer Project

Mr. Schmidt reported that Ms. Schultz and he had visited with two vendors, Prime Computer and Information Systems/Wang to see demonstrations of the equipment of each vendor. Both Prime and Information Systems are

preparing proposals. Mr. Schmidt said a proposal has been received from a service bureau, New Jersey Educational Network. He said two State data centers will not be submitting proposals. He said he has stressed with each of the vendors the necessity that the system be up and tested in November 1984 in time for the 1985 gubernatorial public financing program.

5. Pending Legislation

Mr. Weiner said that the Senate State Government Committee, last week, reported out a bill introduced by Senator Jackman which would allow regulated industries, i.e. insurance companies and banks, to pay the administrative costs of setting up a PAC. He said that Mr. Nagy had appeared at the committee meeting and had stated that the Commission has no position with respect to the public policy of the bill but did cite certain technical problems with it. Mr. Nagy reported that the committee adopted his recommended amendments. It was noted that this bill would reverse Attorney General Kimmelman's opinion on this issue.

Mr. Weiner said that the Senate State Government Committee is meeting today, Monday May 21, and has on its agenda Senator Orechio's bill S-1523, which would amend the public financing program. Mr. Weiner said he expects the Legislature to take action before July 1.

6. Executive Session

On a motion by Commission Waugh, seconded by Commissioner Proctor and a vote of 3-0, the Commission decided to go into executive session to discuss enforcement, investigative and personnel matters, the results of which will be made public at their conclusion.

7. Advisory Opinion No. 11-1984

The Commission reviewed a two-page May 8, 1984 advisory opinion request from C. Derek Fields, Deputy Treasurer, Builders Political Action Committee of New Jersey. In addition, the Commission reviewed a three-page May 21, 1984 draft advisory opinion prepared by Staff Counsel Nagy. Commissioner Waugh suggested that the last sentence in the second paragraph on page 3 be revised. It was generally agreed to change the wording to read as follows: "Upon receipt of evidence, satisfactory to the Commission, to the effect that the transactions were loans . . ."

Commissioner Waugh also suggested that the footnote on page 2 be expanded to include the point that the South Jersey BPAC also amend its reports.

On a motion by Commissioner Proctor, seconded by Commissioner Waugh and a vote of 3-0, the Commission approved the advisory opinion, as amended.

8. Return to Executive Session

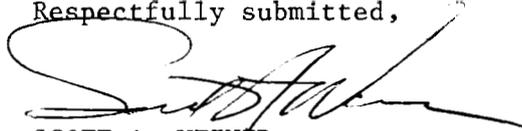
On a motion by Commissioner Waugh, seconded by Commissioner Proctor and

a vote of 3-0, the Commission decided to return to executive session to discuss personnel matters, the result of which will be made public at their conclusion.

9. Adjournment

On a motion by Commissioner Proctor, seconded by Commissioner Waugh and a vote of 3-0, the Commission voted to adjourn.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Scott A. Weiner", written over a large, stylized circular flourish.

SCOTT A. WEINER
Executive Director

SAW/slm