

NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION  
PUBLIC SESSION MINUTES  
OCTOBER 21, 1986

Present

Andrew C. Axtell, Chairman  
Alexander P. Waugh Jr., Vice Chairman  
Haydn Proctor, Member  
Owen V. McNany III, Member  
Frederick M. Herrmann, Executive Director  
Edward J. Farrell, General Counsel  
Jeffrey M. Brindle, Deputy Director  
Gregory E. Nagy, Staff Counsel  
Richard J. Magee, Director of Administration  
Vratislav Pechota Jr., Assistant Examiner

Chairman Axtell called the meeting to order and announced that pursuant to the "Open Public Meetings Act," P.L. 1974, c. 231, special 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 9:15 a.m. at the New Jersey Election Law Enforcement Commission office, Trenton, New Jersey.

1. Approval of Public Session Minutes of September 16, 1986

On a motion by Commissioner Proctor, seconded by Vice Chairman Waugh, the Commission approved the public session minutes of September 16, 1986, by a vote of 4-0.

2. Executive Session

On a motion by Chairman Axtell and a vote of 4-0, the Commission voted to go into executive session to discuss investigative and enforcement matters, the result of which will be made public at their conclusion. At the conclusion of the Executive Session, the Commission returned to public session.

3. Advisory Opinion Request 08-1986

The Commission reviewed a request for an advisory opinion from James S. Marotta, Esq., acting Director of "Citizens for Change in County Government," which group is circulating petitions for a change in the form of county government. General Counsel Farrell circulated a two-page draft response which set forth that campaign reporting requirements would be imposed only if the public question is certified for the ballot and thus an election is conducted. Mr. Farrell said this result was a compromise from requiring reporting even without certification.

On a motion by Commissioner Proctor, seconded by Commissioner McNany, and a vote of 4-0, the Commission approved the draft of the advisory opinion and directed the General Counsel to issue it.

4. Adoption of Surplus Funds Regulations

General Counsel Farrell reported that subsection (c) to proposed N.J.A.C. 19:25-7.4 is not ready, but he will present the draft at the Commission's next meeting.

5. Executive Director's Report

I. Administrative

a. Executive Director Herrmann acknowledged Vice Chairman Waugh's and General Counsel Farrell's interest in attending the COGEL Conference in Hartford, Connecticut, in December. Travel arrangements will be worked out.

b. Executive Director Herrmann reported that the Christmas party will take place at the Glendale Inn following the Commission meeting on December 16, 1986. A separate room has been rented. The choice of entrees is left to the staff.

c. Executive Director Herrmann reported about new items in the Fiscal Year 1988 budget. He said that the budget proposes an increase in the Commissioner's per diem from \$250 to \$350 per meeting. This amount would be consistent with that given to Commissioners of the State Commission of Investigation. He said that in the FY 1988 budget, ELEC is also asking for expansion of its data entry operator staff through a proposed increase of \$15,000 in its salary account for one new position. Director Herrmann reported that the third budget request would convert two temporary positions into permanent ones, establishing the positions of computer technician and compliance officer.

Executive Director Herrmann commended Richard Magee and his staff for doing an excellent job in preparing this proposed budget. At this time, Vice Chairman Waugh excused himself from the rest of the meeting, stating that he reviewed the budget in its entirety and that it appears to be fine. Commissioner McNany asked why the FY 1986 expenditures for telephone expenses were larger than the amount appropriated. Director of Administration Magee explained that it was largely because of Public Financing that this account was overexpended. He said that the existence of the Public Financing Program also contributed to the increase in postage and insurance during FY 1986. Mr. Magee explained that these accounts were never reimbursed by Public Financing.

Commissioner McNany also inquired about the budget line item entitled professional services and was informed that the costs incurred in this category constituted payment to General Counsel as well as reimbursements to county sheriffs for subpoena fees. He also asked about the expenditure for account number thirty-nine. It was explained that a separate budget object for the new Office of Telecommunications and Information Service (OTIS) in the Department of Treasury was required to be established to distinguish payments for OTIS data processing services from those paid to outside contractors. According to Mr. Magee, the \$11,000 was merely transferred from the thirty-four, data processing account, and was not taken from any other

source not intended for data processing. Commissioner McNany next questioned the appropriation for parking. Mr. Herrmann explained that ELEC does not receive an appropriation for employee parking and that this cost must be funded from other account balances. Executive Director Herrmann added that most other state employees receive free parking and that a decision was made a year ago to expend \$4,000 out of the operational budget to rent parking spaces for ELEC employees. He said that this benefits data entry and filing personnel in particular, many of whom make a salary of just about \$10,000 a year.

Chairman Axtell asked why the Commissioners' per diem account appropriation is so high. Executive Director Herrmann explained that the figure is based on about 30 Commission meetings per year. Director of Administration Magee added that it is important to have adequate funds in this account in the event that the number of meetings increases in future years, which is highly likely. The money, when unexpended, goes back to the general treasury for other purposes.

Chairman Axtell next questioned the purchase of furniture from FY 1986 funds. Director Herrmann stated that it was essential to replace much of the old, damaged furniture which dated back to 1973. Deputy Director Brindle added that the staff has been extremely frugal and that ELEC has been managed very efficiently during the past year. He said that the Commission should keep in mind the \$52,000 surplus realized by the Commission in FY 1986.

Next, Director of Administration Magee informed the Commissioners that the budget has to be submitted to the Office of Management and Budget in the Department of Treasury and from there is forwarded to the Legislature.

On a motion by Commissioner McNany, seconded by Commissioner Proctor, the Commission approved the budget request for FY '88 by a vote of 3-0.

d. Executive Director Herrmann spoke about two newsletter workshops that Director of Compliance and Information Evelyn Green attended. The newsletter received a high evaluation, but nevertheless there will be improvements in the next newsletter, he said.

On October 20, 1986, Executive Director Herrmann and Director of Compliance and Information Green will attend the League of Municipalities Conference in Atlantic City, New Jersey. On October 16, 1986, Executive Director Herrmann addressed the National Public Affairs Council about campaign financing and lobbying requirements in New Jersey. He also was invited to speak about Public Financing to the Election Law Committee of the State Bar Association. Director Herrmann added that the COGEL membership drive has been a great success, stating that 13 new members were recruited, the most of any region. The next step is to contact law schools and MPA placement offices, and various election magazines, he said.

## II. Legislative

a. Executive Director Herrmann reported that he testified before the

Assembly State Government Committee on October 9, 1986 on A-2996 (Zimmer), a public financing reform legislation. This bill would eliminate expenditure limits, employ Consumer Price Index adjustments, and would make only certain individual contributions eligible for matching.

The bill, Mr. Herrmann said, also has significant problems because it handicaps candidates of limited means. He said, however, that after presenting analytical charts prepared by the staff, Assemblyman Zimmer appeared persuaded to amend the original proposal so that the initial thresholds would not be unduly restrictive.

In addition to the above, further disclosure by State contractors and employees would be required, costing ELEC about \$200,000 a year to administer. Director Herrmann proposed to the Committee that a more cost effective alternative would be to require the State Treasury to provide ELEC with this information.

Finally, the bill also prevents corporate/union coordinated membership communications and establishes a predominant theme test for coordinated joint advertising. The bill, stated Director Herrmann, was held for additional testimony.

b. Director Herrmann reported that an Assembly Committee Substitute for SCS 840 (Russo)/ 1866 (Van Wagner), A-2970 (Martin), and A-2971 (Martin) was in the process of consolidation. He said that together the bills contain ELEC annual report recommendations as outlined in both 1984 and 1985. According to Director Herrmann, three items were contested. One of Assemblyman Martin's bills raises the limit for identifying a contribution in detail from \$100 to \$200. It also raises the threshold for reporting a contribution on a 48-hour notice from \$250 to \$500. Finally, it raises the reporting obligation for independent expenditure to \$1,000. Director Herrmann reported that Senate President Russo disagrees with these changes, as does Common Cause, which would like more, rather than less, reporting. Executive Director Herrmann stated that he will report on the bill's future development.

Chairman Axtell inquired about the length of appointment terms of SCI Commissioners and when the five-year terms for ELEC Commissioners would come into effect. SCI Commissioners serve for a three-year term. Executive Director Herrmann stated that if the bill is enacted, the provisions of it would come into effect beginning with the next term after the adoption of the legislation.

#### 6. Future Commission Meeting Dates

The Commissioners agreed to the following meeting dates:

November 19, 1986 - 9:00 a.m.

December 16, 1986 - 10:00 a.m.

These meetings will be held at the New Jersey Election Law Enforcement Commission office in Trenton, New Jersey.

7. Adjournment

On a motion by Commissioner Proctor, seconded by Commissioner McNany and a vote of 3-0, the Commission voted to adjourn at 11:15 a.m.

Respectfully submitted,



FREDERICK M. HERRMANN

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