

**STATE OF MINNESOTA  
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD**

.....  
**April 14, 2015  
Room 225  
Minnesota Judicial Center**

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**MINUTES**

The meeting was called to order by Chair Beck.

Members present: Beck, Flynn, Oliver, Rosen, Sande (arrived during the Chair's Report)

Others present: Goldsmith, Sigurdson, Fisher, Pope, staff; Hartshorn, counsel (present only for Other Business)

**MINUTES** (March 17, 2015)

After discussion, the following motion was made:

Member Flynn's motion: To approve the March 17, 2015, minutes.

Vote on motion: Unanimously passed (Sande absent).

**CHAIR'S REPORT**

**Board meeting schedule**

The next Board meeting is scheduled for May 5, 2015.

**New member confirmation hearings**

Mr. Goldsmith said that the Board would not adjourn at 10:00 a.m. as previously announced because the time of the member confirmation hearing before the House Elections Committee had been changed to 11:00 a.m. Mr. Goldsmith stated that the Board therefore would have enough time to finish its work and adjourn before members had to leave for the House confirmation hearing. Mr. Goldsmith said that the confirmation hearing before the Senate Rules Committee was scheduled to begin after the conclusion of the House confirmation hearing.

**Resolution recognizing the service of retired members**

Chair Beck read proposed resolutions to recognize former Board members Neil Peterson and Deanna Wiener for their service.

After discussion, the following motions were made:

Member Sande's motion: RESOLVED, that the Campaign Finance and Public Disclosure Board recognizes Neil Peterson for his service from 2012 to 2015 as a member of the Board and offers this resolution in appreciation for his investment of time and energy in support of the mission and objectives of the Minnesota Campaign Finance and Public Disclosure Board.

Vote on motion: Unanimously passed.

Member Sande's motion: RESOLVED, that the Campaign Finance and Public Disclosure Board recognizes Deanna Wiener for her service from 2011 to 2015 as a member of the Board and offers this resolution in appreciation for her investment of time and energy in support of the mission and objectives of the Minnesota Campaign Finance and Public Disclosure Board.

Vote on motion: Unanimously passed.

Mr. Goldsmith told members that the luncheon honoring the retired members tentatively was scheduled for May 5, 2015.

### **EXECUTIVE DIRECTOR TOPICS**

#### **Third quarter review of Board budget**

Mr. Sigurdson presented members with a memorandum on this topic that is attached to and made a part of these minutes. Mr. Sigurdson told members that the third quarter of the fiscal year ended on March 31, 2015. Mr. Sigurdson said that the Board's spending was on track to meet its budget with the exception of the unspent \$150,000 in IT funding that the Board was asking to carry forward to the next biennium.

#### **Status of office operations**

Executive Director Goldsmith reported that staff had been busy with the normal workload since the last meeting.

#### **Website redevelopment**

Mr. Goldsmith told members that the process necessary to hire a temporary web developer had been completed and that this developer would start work on April 20, 2015. Mr. Goldsmith also said that he and Mr. Sigurdson were scheduled to meet with MN.IT during the next week. One topic at this this meeting would be to clarify the extent to which MN.IT's approach to websites to be hosted on the new Tridion hosting system are requirements and what aspects are options.

### **Legislative session update**

Mr. Goldsmith reported that the Board's technical bill was now on the floor in both the Senate and the House. The Senate bill was similar to the Board's recommendations; the House bill had some different provisions. Mr. Goldsmith did not expect any action on the bills immediately because they were noncontroversial and both bodies were busy with finance matters. Mr. Goldsmith said that the \$150,000 carryforward language was in the Senate budget bill. The House budget bill would be introduced and heard in committee later in the week.

Mr. Goldsmith told members that a proposal to repeal the public subsidy program had been introduced in the House. Mr. Goldsmith said that language to repeal the contribution refund portion of the public subsidy program was in the House Tax Committee but the provisions repealing the direct payment portion of the program were not currently before any committee.

### **ENFORCEMENT REPORT**

#### **Discussion Items**

##### **A. Request to withdraw lobbyist registration – William C. Griffith**

Mr. Fisher told members that Mr. Griffith registered as a lobbyist on behalf of Bass Pro Shops on June 25, 2014, and terminated the registration on September 24, 2014. No costs or fees were paid by Bass Pro Shops. Mr. Fisher said that Mr. Griffith asked to withdraw his lobbyist registration on behalf of Bass Pro Shops so that the principal would not have to file the 2014 Annual Report of Lobbyist Principal.

After discussion, the following motion was made:

Member Rosen's motion:	To allow Mr. Griffith to withdraw his lobbyist registration on behalf of Bass Pro Shops.
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Vote on motion:	Unanimously passed.
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##### **B. Request for reconsideration of waiver of \$300 late filing fee – Mahnomen County RPM**

Mr. Fisher said that at its meeting of January 6, 2015, the Board considered a waiver from the Mahnomen County RPM for a \$300 late filing fee that accrued on the party unit's pre-primary-election report due on July 28, 2014. Mr. Fisher told members that the original waiver request stated that the treasurer attempted to file on time but that the fax would not work. The treasurer stated that she also was busy remodeling her business at that time. Mr. Fisher said that the treasurer believed that the report was only one or two days late but the report was, in fact, six business days and eight total days late.

Mr. Fisher said that at the time of the original waiver request the party unit's most recently reported cash balance was \$341. Mr. Fisher said that presently, the party unit's most recently reported cash balance was \$344. Mr. Fisher told members that the party unit had been granted previous waivers for a \$50 late filing fee on its 2012 pre-primary-election report and a \$350 late filing fee in 2004. Mr. Fisher reported that since the Board had considered the initial waiver

request, the treasurer had resigned from her position with the party unit and terminated her registration as treasurer with the Board. Mr. Fisher said that other than this fact, the party unit had not provided any new information in support of its waiver request.

After discussion, the following motion was made:

Member Oliver's motion: To waive the \$300 in late fees accrued by the Mahnomen County RPM.

Vote on motion: Unanimously passed.

**C. Request for a payment plan – Lobbyist Frank Miskowiec**

Mr. Fisher told members that Mr. Miskowiec accrued a \$100 late filing fee on the Lobbyist Disbursement Report due on June 16, 2014, and a \$25 late filing fee on the Lobbyist Disbursement Report due on January 15, 2015. Mr. Fisher said that Mr. Miskowiec requested a payment plan of \$20 per month for the \$100 late filing fee. Mr. Fisher stated that staff had reached out to Mr. Miskowiec and the principal to see if they would instead like to terminate Mr. Miskowiec's lobbyist registration, as no disbursements had ever been made for their lobbying efforts and Mr. Miskowiec had not been paid. Mr. Fisher said that staff had not received a response and therefore now presented Mr. Miskowiec's original five-month payment plan with the addition of a sixth payment to incorporate the additional \$25 late filing fee. The proposed payment plan was as follows:

- Five monthly \$20 payments due by the 1st of each month, beginning May 1, 2015; and
- One final payment of \$25 due by October 1, 2015.

After discussion, the following motion was made:

Member Sande's motion: To approve the proposed payment plan.

Vote on motion: Unanimously passed.

**D. Waiver requests**

<u>Name of Candidate or Committee</u>	<u>Late Fee Amount</u>	<u>Civil Penalty Amount</u>	<u>Reason for Fine</u>	<u>Factors for waiver</u>	<u>Board Member's Motion</u>	<u>Motion</u>	<u>Vote on Motion</u>
Tollefson for House	\$102.89 LFF	\$0	2/2/2015 YE Report	Candidate terminated committee as of 12/31/2014. Candidate forwarded remaining \$97.11 in committee funds to the Board as partial payment of the \$200 late filing fee.	Rosen	To waive the late fee.	Unanimous
Bryan P. Bjornson for State Rep	\$25 LFF	\$0	2/2/2015 YE Report	Candidate states that late filing fee would cause financial hardship. Committee terminated as of 12/31/2014.	Rosen	To waive the late fee.	Unanimous
Lake of the Woods RPM	\$50 LFF; \$200 LFF; \$200 LFF; \$25 LFF	\$0	2012 PPR; 2012 PGR; 2014 PPR; 2014 YE	Party unity has a new treasurer, as the old treasurer was frequently nonresponsive, and a low cash balance.	Flynn	To waive the late fee.	Unanimous

MN Council on Economic Education	\$200 LFF	\$0	3/16/15 Principal Report	Association attempted to file the report prior to the reporting deadline. Board logs confirm that the association logged in prior to the deadline, but the submission was not completed.	Flynn	To waive the late fee.	Unanimous
Captain Jack Sparrow Campaign Committee	\$25 LFF	\$0	2/2/2015 YE Report	Candidate could not figure out how to attach a scan of his report to an email on the filing deadline.	Rosen.	To waive the late fee.	Motion passed (4 ayes, 1 nay)
Minnesota for Marriage	\$175 LFF	\$0	3/16/15 Principal Report	Filer believed that she had completed the principal's report prior to deadline. Board records indicate that the report was filed 7 business days late.	Rosen	To waive the late fee.	Motion failed (1 aye, 4 nays)
MN Assn of Resources for Recovery and Chemical Health	\$125 LFF	\$0	3/16/2015 Principal Report	The association's executive director left the association with little advance notice at the end of January. Report was filed on the same day that the new contact was notified.	Sande	To waive the late fee.	Motion passed (4 ayes, 1 nay)

**Informational Items**

**A. Payment of a late filing fee for 2014 Year-end Report of Receipts and Expenditures**

Sarah Anderson Volunteer Committee, \$25  
 Robin Courier for House, \$25  
 Chris Eaton for Senate, \$75  
 Committee to Elect Matt Gieseke, \$50  
 Tom Huntley Volunteer Committee, \$125  
 Hutchison (Jason) for Judge, \$75  
 Reid Johnson for House 45B, \$25  
 Committee to Elect Spencer Stevens, \$75  
 Bridget Sullivan for Judge, \$75  
 Jon Tollefson for House, \$97.11

IFAPAC Minn, \$100  
 MPA Political Action Committee, \$25  
 School Lunch Bunch, \$50

**B. Payment of a late filing fee for 2014 pre-election 24-hour notice**

Driving MN, \$1,000

**C. Payment of a late filing fee for March 16, 2015, Annual Report of Lobbyist Principal 2014**

Caribou MSP Airport, \$50  
 Greater Minn Housing Fund, \$25  
 MedImmune LLC, \$175  
 MN Laboratory License Coalition, \$200  
 MN Muskie Alliance, \$100

MN Professional Firefighters, \$25  
NARAL Pro-Choice MN, \$25

**D. Payment of a civil penalty for a contribution from an unregistered association without disclosure**

Minn College Republican Political Fund, \$12.50  
John Kline for Congress, \$12.50

**LEGAL COUNSEL'S REPORT**

Mr. Goldsmith told members that Benjamin Kruse had filed all three outstanding reports. Mr. Goldsmith said that some reconciliation work was necessary on the 2012 report which would require corresponding amendments to the beginning and ending balances on the 2013 and 2014 reports. Mr. Goldsmith also stated that Mr. Kruse still owed the assessed late fees and civil penalties. Mr. Goldsmith said, however, that because Mr. Kruse was cooperating with the Board, there was no need to continue the civil process efforts at this time.

**EXECUTIVE SESSION**

The Chair recessed the regular session of the meeting and called to order the executive session. Upon completion of the executive session, the Chair reported the following matters into regular session:

Order in the Complaint of Carson regarding the Fischer for Representative committee

Order of dismissal in the staff review of the Taffe (Nancy) for House committee

**OTHER BUSINESS**

Mr. Hartshorn said that he had nothing to add to the provided legal report that is attached to and made a part of these minutes.

There being no other business, the meeting was adjourned by the Chair.

Respectfully submitted,



Gary Goldsmith  
Executive Director

Attachments:

Memorandum regarding the third quarter review of the Board budget

Legal report

Order in the Complaint of Carson regarding the Fischer for Representative committee

Order of dismissal in the staff review of the Taffe (Nancy) for House committee

# *Campaign Finance and Public Disclosure Board*

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190 Centennial Building . 658 Cedar Street . St. Paul, MN 55155-1603

**DATE:** April 7, 2015

**TO:** Board Members

**FROM:** Jeff Sigurdson  
Assistant Director

**TELEPHONE:** 651-539-1189

**SUBJECT: Third Quarter Review of Board Budget**

The third quarter of the state fiscal year ended on March 31, 2015. The attached document provides a high-level overview of the current status of the Board's budget. The document provides the original Board budget spending plan at the beginning of the fiscal year, adjustments to the budget that have occurred over the last nine months, the amount actually expended by budget item, a percentage of the budget that has been spent, and the remaining balance in the budget category.

New for this quarters report is the addition of the column Obligated or Contracted. This represents the amount that staff anticipates will be paid for existing obligations in major line items. This information was added so that the balance remaining more accurately reflects money available in the last quarter of the year.

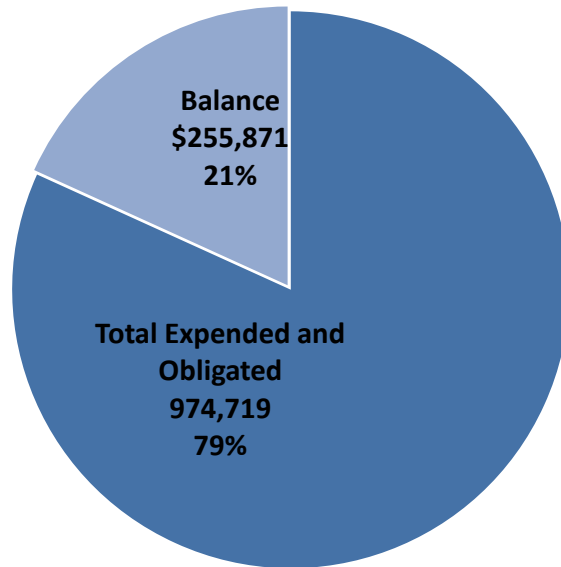
**Attachments:**

3<sup>rd</sup> Quarter Budget Report

**Fiscal Year 2015**  
**3rd Quarter Report - July 1, 2014 through March 31, 2015**

	Board Spending Plan	Adjusted Budget	Change in Budget Item	Expended	Obligated or Contracted	Expended and Contracted	Percentage Expended	Balance
<b>Full time salaries</b>	\$741,000.00	\$741,000.00		\$512,429.00	\$184,116.00	\$696,545.00	69.15%	\$44,455.00
<b>Part time salaries</b>	\$70,000.00	\$60,000.00	-\$10,000.00	\$33,684.00	\$17,420.00	\$51,104.00	56.14%	\$8,896.00
<b>Other Benefits</b>	\$5,000.00	\$5,000.00		\$3,679.00		\$3,679.00	73.58%	\$1,321.00
<b>Space Rental</b>	\$39,966.00	\$39,966.00		\$39,966.00		\$39,966.00	100.00%	\$0.00
<b>Repairs</b>	\$500.00	\$2,500.00	\$2,000.00	\$2,101.50		\$2,101.50	84%	\$398.50
<b>Printing</b>	\$4,600.00	\$3,600.00	-\$1,000.00	\$1,371.21		\$1,371.21	38.09%	\$2,228.79
<b>Professional Legal Services</b>	\$5,000.00	\$5,000.00		\$3,384.95		\$3,384.95	67.70%	\$1,615.05
<b>IT Professional Technical Services</b>	\$92,000.00	\$280,000.00	\$188,000.00	\$37,438.13	\$91,911.00	\$129,349.13	46.20%	\$150,650.87
<b>Computer Systems and Services</b>	\$12,000.00	\$40,000.00	\$28,000.00	\$38,427.33		\$38,427.33	96.07%	\$1,572.67
<b>Postage</b>	\$5,000.00	\$9,000.00	\$4,000.00	\$7,204.05		\$7,204.05	80.05%	\$1,795.95
<b>Travel - In State</b>	\$1,400.00	\$2,400.00	\$1,000.00	\$1,610.82		\$1,610.82	67.12%	\$789.18
<b>Travel - Out of state</b>	\$5,400.00	\$5,400.00		\$2,531.83		\$2,531.83	46.89%	\$2,868.17
<b>Supplies</b>	\$6,404.00	\$6,695.00	\$291.00	\$5,252.25		\$5,252.25	78.45%	\$1,442.75
<b>Equipment Rental (Copier)</b>	\$2,700.00	\$2,700.00		\$1,964.11		\$1,964.11	72.74%	\$735.89
<b>Maintenance Contract</b>	\$1,200.00	\$1,200.00		\$937.15		\$937.15	78.10%	\$262.85
<b>Equipment</b>	\$0.00	\$10,000.00	\$10,000.00	\$8,873.68		\$8,873.68	88.74%	\$1,126.32
<b>Employee Training</b>	\$1,700.00	\$6,000.00	\$4,300.00	\$5,668.00		\$5,668.00	94.47%	\$332.00
<b>OAH Rule Services</b>	\$5,000.00	\$2,500.00	-\$2,500.00	\$545.00		\$545.00	21.80%	\$1,955.00
<b>Other Operating Costs</b>	\$1,130.00	\$7,630.00	\$6,500.00	\$5,972.75		\$5,972.75	78.28%	\$1,657.25
<b>Total</b>	<b>\$1,000,000</b>	<b>\$1,230,591</b>	<b>\$230,591</b>	<b>\$713,041</b>	<b>\$293,447</b>	<b>\$1,006,488</b>	<b>58%</b>	<b>\$224,103</b>

**Percentage of Original Budget  
Spent or Obligated in Fiscal Year 2015**







STATE OF MINNESOTA  
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

ORDER

In the matter of the Fischer (Peter) for Representative committee (17360);

On October 22, 2014, a complaint was filed with the Board alleging that the Fischer for Representative committee (the Committee) produced lawn signs that did not include the statutorily required disclaimer. On November 18, 2014, the Board Chair made a determination that the complaint stated a prima facie violation of Chapter 10A or of those sections of Chapter 211B under the Board's jurisdiction. On January 6, 2015, the Board made a determination that probable cause existed to believe that a violation had occurred and ordered an informal investigation in the form of a staff review. The Board considered the matter at meetings of February 3, 2015, March 17, 2015, and April 14, 2015.

Minnesota Statutes section 211B.04 (a) requires campaign material to include a disclaimer that prominently states the name and address of the person or committee causing the material to be prepared or disseminated. Section 211B.04 (b) states that the form of disclaimer by a principal campaign committee is: "Prepared and paid for by the (name) committee, (address)." Section 211B.04 (e) provides an exemption for "objects stating only the candidate's name and the office sought."

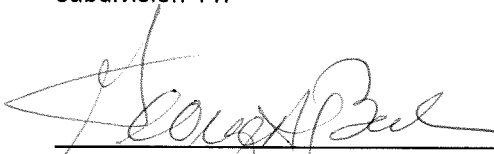
The subject lawn signs stated "Peter Fischer" in the body, with the designation "OUR STATE REPRESENTATIVE" in all capital letters in a smaller font across the bottom. The signs did not contain any form of disclaimer.

In a letter to the Board dated November 5, 2014, the Committee acknowledged that it had paid for the signs and explained that it believed the signs fell under the disclaimer exemption for objects stating only the candidate's name and the office sought.

After due consideration, the Board is unable to reach a decision on the merits of the complaint by the required vote of four members. As a result, the Board issues the following order:

**Order:**

The investigation in the above matter is concluded without a final determination as to its merits and hereby made a part of the public records of the Board pursuant to Minnesota Statutes section 10A.02, subdivision 11.

  
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George A. Beck, Chair  
Campaign Finance and Public Disclosure Board

  
\_\_\_\_\_  
Date

STATE OF MINNESOTA  
CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

IN THE MATTER OF THE STAFF REVIEW  
OF THE TAFFE (NANCY) FOR HOUSE COMMITTEE

ORDER OF DISMISSAL

Nancy Taffe ran for office in 2014 and lost in the primary election. The Taffe (Nancy) for House committee's pre-primary-election report did not disclose any unpaid obligations. The committee was not required to file a pre-general-election report because Ms. Taffe's name was not on the general election ballot. The committee's year-end report disclosed that the committee had used all of its remaining funds to pay mileage and staff compensation expenses in December 2014, four months after the candidate had stopped running for office.

Because candidates typically do not incur mileage or staff compensation expenses during months when the candidate is not running for office, the presence of these expenditures on the committee's report suggested that the committee might have improperly used campaign funds for personal purposes. See Minn. Stat. § 211B.12 (listing permitted uses of money collected for political purposes). Alternatively, the committee might have inaccurately reported its expenditures. See Minn. Stat. §§ 10A.01, subd. 9 (expenditure considered made on date when obligation to pay expense is incurred); 10A.20, subd. 3 (reports must disclose all expenditures).

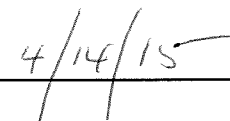
On February 3, 2015, the Board authorized a staff review of the committee. During the staff review, Ms. Taffe provided a written response, mileage logs, and an informal oral statement. Board staff also informally interviewed a committee staff person.

Based on the information gathered during the staff inquiry, the Board concludes that the Taffe (Nancy) for House committee did not improperly use campaign funds for personal purposes because the mileage and staff compensation expenditures disclosed on the committee's year-end report were for campaign-related activities. The committee is not required to amend its pre-primary-election and year-end reports to correct the date of the expenditures because the amounts are correct and because Ms. Taffe intends to terminate the committee's registration after this matter is resolved.

**Order**

The staff review of this matter is dismissed and hereby made a part of the public records of the Board pursuant to Minnesota Statutes section 10A.02, subdivision 11.

  
\_\_\_\_\_  
George A. Beck, Chair

  
\_\_\_\_\_  
Date