

Seattle Ethics and Elections Commission Special Meeting
January 10, 2024

The January 10, 2024, Seattle Ethics and Elections Commission (SEEC) Special Meeting convened in Seattle Municipal Tower Conference Room 4096 and remotely. Vice Chair Kristin Hawes and Commissioner Susan Taylor were present. Chair Zach Pekelis and Commissioners Richard Shordt and Chalia Stallings-Ala'ilima participated via Webex. Commissioners David Perez and Hardeep Singh Rekhi were absent. Executive Director Wayne Barnett and staff members Fedden Amar, Cliff Duggan, Polly Grow, and René LeBeau were present with Chrissy Courtney and Randal Fu, joined by Assistant City Attorneys Gary Smith and Joe Levan, via Webex.

The Chair called the meeting to order at 4:02 p.m.

Final Action Items

1. Approval of December 6, 2023, Commission Regular Meeting minutes

Upon hearing no comments or questions, the Chair entertained a motion to approve the minutes. Commissioner Taylor so moved, and Commissioner Shordt seconded. The December 6, 2023, SEEC Commission Regular Meeting minutes were unanimously approved.

2. Election of 2024 SEEC Commission Chair and Vice Chair

The Chair noted that in a previous conversation, the Vice Chair had expressed interest in becoming the Chair-Elect. The Chair asked if any other Commissioners would like to be considered for the position. Hearing no comment, the Chair entertained a motion to elect Vice Chair Hawes as the 2024 SEEC Chair. The motion was made by Commissioner Shordt and seconded by Commissioner Taylor. The motion to elect Vice Commissioner Hawes as the 2024 Chair was unanimously passed.

Chair Pekelis encouraged Commissioners Stallings-Ala'ilima and Taylor to consider the role of Vice Chair. After discussion, the Chair called for a motion to elect Commissioner Taylor as the new Vice Chair. Chair-Elect Hawes made the motion, and it was seconded by Commissioner Shordt. The Commission unanimously approved Commissioner Taylor as the 2024 SEEC Vice Chair.

Discussion Items

3. 2025 Election Cycle

Chair Pekelis relinquished the Chair position and responsibilities to Chair-Elect Hawes. Chair Hawes thanked Commissioner Pekelis for his leadership in 2023.

The three topics for discussion are Maximum Campaign Valuations (MVC), Mandatory Limits on Campaign Contributions, and Contribution Limits Applicable to Democracy Voucher Participants.

The Director stated that the start of the 2025 election cycle was January 1, 2024. The Commission is required to set up the rules under which the SEEC will conduct the upcoming election for Mayor, City Attorney, and the two At-large City Council positions. The key rule concerns Maximum Campaign Valuations. The Director expressed his opinion that the MCV has not worked as designed; it has been lifted repeatedly over the last two elections and did not hold down campaign costs.

The Director recommended consideration of removing the MCV as a measure and moving to something like a maximum voucher redemption limit. However, the Director does not believe the Commission has the rulemaking authority to delete a major pillar of the program.

Another option would be to true-up the MCV to what it actually costs to run for office. This would be prohibitively expensive. In 2021, Mayor Harrell's campaign and independent

expenditures favoring his election spent \$2.7 million dollars in total; City Council races attracted approximately \$1.143 million, and \$815,000 for the City Attorney race. The Director believes setting those limits would set the Commissioners up to fail in their fiduciary duty as the funds could quickly bankrupt the program.

The Director's remaining recommendation would be to make a modest change to the MCV in the last election cycle under this levy consistent with the past procedures. The Director will need Ms. LeBeau and Ms. Courtney to run budget numbers for an approximate amount of funds to be made available. The Director recommends that the information be available for the next Commission meeting.

The Director said that updating the MCV rule generally occurs in December. However, the previous election has just finished leaving only one Commission meeting after that to make all the major election changes. The Director added he is unaware of anyone putting together a 2025 campaign at this time.

Vice Chair Taylor agreed with the Director that the Commission does not have the authority to eliminate the current MCV but to "reasonably adjust the amount." This may change in 2026 but is not the current Commission's concern. The Chair asked for any other comments from the Commissioners.

Commissioner Shordt put forward a technical question. The threshold has been set for 2024; may candidates for 2025 races also file beginning January 1, 2024? Ms. LeBeau explained that people running for a City office in 2025 may declare their candidacy now by filing a C-1 Candidate Registration form with the SEEC. However, the official candidate filing takes place May 6-10, 2024, through King County Elections.

The Chair said it would be very beneficial if the Director and Ms. LeBeau could pull together some MCV numbers for the February Commission meeting. Commissioner Shordt asked another question about the December SEEC meeting discussion on adjusting the manner in which contribution limits are allocated; i.e., allocating a greater percentage in the Primary Election than the General Election. The Commissioner inquired if the decisions on the MCV and the allocation percentage should be made at the same time. The Director believes that would be best for the Commission. As the election cycle is already underway, choices will need to be made soon. Commissioner Shordt asked if the Director's recommendation was based on his January 10 MCV memo to Commissioners in the discussion here; i.e., there would be a modest change to stay in line with what was established for the 2024 Special Election or if there was an anticipation of increasing the amounts for 2025. The Director believes it would be appropriate to make the two At-large Council seats and the City Attorney match the established 2024 MCV amount. The Commission will need to review and approve the MCV amount for the 2025 Mayor's race.

The Chair noted the December 6, 2023, discussion regarding the Primary and General Election allocations and said additional information on this issue would be helpful; i.e., who, how those funds were used in the Primary versus the General in past races and making that decision. The question before the Commissioners is if the allocation should remain 50-50 for the 2025 election cycle.

Commissioner Shordt recalled the November 1, 2023, presentation given by Mr. Michael Fertakis, a Principal with the Seattle campaign consulting firm Upper Left Strategies. It was Mr. Fertakis' opinion that a reallocation for a larger percentage in the Primary Elections would benefit campaigns, particularly campaigns unlikely to raise independent dollars and who want to

participate in the Democracy Voucher Program. Commissioner Shordt also mentioned a later discussion that theoretically if too much money is spent in the Primary, it could impact the bottom line and cost too much money. The Commissioner does not know in practice what that would mean based on the number of candidates that would be anticipated and what the actual pool of money available is knowing that this is going to be the last election cycle for the current levy. Commissioner Shordt was curious if additional public comment or thoughts from individuals active in campaigns would provide a better understanding. Otherwise, the Commissioner does not feel the need to move away from the 50-50 allocation based on the one discussion in November.

The Chair generally agreed with Commissioner Shordt. The Chair questioned, based on that discussion, that there would seem to be substantial budgetary impact if it was moved to a Primary with the option of a Primary-first allocation. The Chair said it would be helpful to see what, based on past campaigns and how many candidates participated, if they allocated all their funds to the Primaries, what that overall figure might be.

The Chair mentioned that the Director had previously asked for public comment on the MCV issue which resulted in only one person participating. The Director confirmed that a call was put out to campaign professionals and noted that the November SEEC Commission meeting was only one week before the General Election. The Director is confident that response for public input will be greater at this time of year. The Chair asked that the request be renewed for the February meeting.

Commissioner Pekelis asked the Director to clarify their fiduciary concern with having a more dramatic increase in the MCV. The Director explained that a candidate has a limited amount of money which has to be spent wisely in order to comply with their legal applications.

So, if a much more robust MCV is adapted, the program is going to run through that money very quickly. It might be possible that there would be no money left. The Director said that the Commission's focus is to make sure there is enough money to use for people to get through the race. If the MCV is too high, the program might be required to alert candidates and the public that no more funds were available.

Commissioner Pekelis inquired about the connection between the Democracy Voucher outlay and the MCV. Ms. LeBeau commented that Initiative I-122 – Honest Elections Seattle requires the program to budget for six candidates using all voucher-funded money to run their campaigns (SMC 2.04.690.G).

The Chair moved on to campaign contributions Rules 17.A and 17.B. The Director does not believe the Commissioners will want to make a change that is different from what was approved for the 2024 Special Election as those calculations were based on very recent figures. The Director recommended maintaining the same limits for 2025. The Chair suggested giving notice of a public hearing and voting on 2025 election cycle Rules 17.A and 17.B at the February meeting.

4. Democracy Voucher Program report

Ms. LeBeau discussed the Democracy Voucher Program update report beginning with a quick summary of 2023 election figures. A much larger reporting of activities will appear in the upcoming 2023 Biennial Report. The Utilization of Available Program Funds chart features 2017-2023 available funds, distributed funds, and the utilization rate to show what funds are being set aside and why.

The program is well underway for 2024. Eight Community-Based Organizations (CBOs) will be performing outreach. Work is continuing on the DVP website for the 2024 candidate

information. The first campaign update has been distributed and linked on the website so campaigns may go back and refer to them over the year. Ms. LeBeau shared images of the 2024 DVP packet that is on target to be mailed out on March 12. These materials are being translated and will be distributed for outreach purposes.

5. Executive Director's report

The Director has reached out to Council President Nelson's office about filling Commissioner Rekhi's position. Commissioner Rekhi has agreed to stay until a replacement has been appointed. The Director also said paperwork will be submitted regarding the Chair's reappointment to the Commission.

The Chair asked the Commission if there were any other matters to take up before adjourning. Hearing none, the Chair adjourned the January 10, 2024, SEEC Commission Special Meeting at 4:36 p.m.