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THE STATE OF ARIZONA
CITIZENS CLEAN ELECTIONS COMMISSION

REPORTER'S TRANSCRIPT OF PUBLIC MEETING

Phoenix, Arizona
November 18, 2010
9:32 a.m.

Reported By:
Angela Furniss Miller, RPR
Certified Reporter (AZ 50127)

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1 A PUBLIC MEETING, BEFORE THE CITIZENS CLEAN
 2 ELECTIONS COMMISSION, convened at 9:32 a.m. on November
 3 18, 2010, at the State of Arizona, Clean Elections
 Commission, 1616 W. Adams, Conference Room, Phoenix,
 Arizona, in the presence of the following Board members:

4 Ms. Royann Parker, Chairperson
 5 Mr. Gary Scaramazzo
 Ms. Lori Daniels
 6 Mr. Louis Hoffman
 Mr. Jeff Fairman

7 OTHERS PRESENT:

8 Todd Lang, Executive Director
 9 Colleen McGee, Deputy Director
 Paula Thomas, Executive Assistant
 10 Michael Becker, Voter Education Manager
 Daniel Ruiz, II, Campaign Finance Manager
 11 Jim Barton, Attorney General Office
 Rhonda Barnes, Perkins, Coie, Brown & Bain
 12 Steve Clawson, Moses Anshell

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P R O C E E D I N G

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 3 CHAIRPERSON PARKER: I'd like to call to order
 4 this meeting of the Citizens Clean Elections Commission.
 5 Today is Thursday, November 18th. It's 9:32 a.m.
 6 And pursuant to A.R.S. 38-431.02 -- I'm sorry,
 7 -431.03. We may, if we need to, go into executive
 8 session. And that statute says that minutes of and
 9 discussions made at an executive session are
 10 confidential pursuant to A.R.S. Section 38-431.03(B),
 11 and shall not be released to anyone unless specifically
 12 authorized by law.
 13 Executive Director's report. Todd.
 14 MR. LANG: Good morning, Commissioners --
 15 COMMISSIONER DANIELS: Minutes?
 16 CHAIRPERSON PARKER: Oh, no, no.
 17 COMMISSIONER SCARAMAZZO: No, I don't want to
 18 do those.
 19 CHAIRPERSON PARKER: Okay. Let's start with
 20 the minutes.
 21 COMMISSIONER DANIELS: Madame Chairman, I move
 22 the approval of the minutes of the October 22nd
 23 Commission meeting.
 24 COMMISSIONER FAIRMAN: I'll second that.
 25 CHAIRPERSON PARKER: Okay. The motion's made

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1 by Commissioner Daniels, seconded by Commissioner
 2 Fairman, to approve the minutes of the October 22nd,
 3 2010, Commission meeting.

4 COMMISSIONER FAIRMAN: I do have one comment.
 5 CHAIRPERSON PARKER: Yes.
 6 COMMISSIONER FAIRMAN: On Page 9 of the minutes
 7 themselves, I want it noted that I know something about
 8 the Internet and IT, because I actually gave advice to
 9 -- to our -- our -- our Executor Director and he
 10 followed it, and we got to the -- the program. So, my
 11 wife was very impressed with that, and I wanted everyone
 12 to note that.

13 CHAIRPERSON PARKER: So note for the record.
 14 COMMISSIONER FAIRMAN: Thank you.
 15 COMMISSIONER SCARAMAZZO: Duly impressed.
 16 COMMISSIONER FAIRMAN: Thank you.
 17 COMMISSIONER SCARAMAZZO: Okay.
 18 COMMISSIONER DANIELS: Did we vote on this yet?
 19 MR. LANG: No.
 20 CHAIRPERSON PARKER: There's a motion on the
 21 table. It's been seconded. All in favor say "aye."
 22 (Chorus of ayes.)
 23
 24 CHAIRPERSON PARKER: Opposed? Motion carries.
 25 Executive Director's report. Todd?

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1 MR. LANG: Thank you, Madame Chair. Good
 2 morning, Commissioners. You see the statistics there.
 3 I'll mention the COGEL conference. Sadly, I'm
 4 the only one going. Apparently, Washington D.C. in the
 5 middle of winter isn't that appealing. But I am looking
 6 forward to it, and I am making a presentation on the
 7 status of our -- our program here in Arizona. And of
 8 course, the matching funds issues and where we go from
 9 here.

10 Speaking of that, there is legislation. I've
 11 already seen one bill drafted. Doesn't have a number
 12 yet. It wasn't by us or for us, but it's in regard to
 13 trigger reports. I -- the issue there, of course, is
 14 that matching funds have not yet been struck down, so
 15 right now triggering reports are still necessary. And
 16 so, we have a -- a number of ideas that the legislature
 17 has discussed with us on ways to improve the law, and we
 18 hope to have those addressed this legislative session.
 19 Commissioner Parker will -- her five years will
 20 be up in January, and her replacement will be named by
 21 the highest-ranking Democrat, because Commissioner
 22 Scaramazzo's replacement is by the highest-ranking
 23 Republican which, of course, is Governor Brewer. And
 24 the highest-ranking Democrat is Corporation Commissioner
 25 Paul Newman. He and Sandra Kennedy are both -- were

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1 both elected at the same time, but Paul Newman received
 2 more votes; and you have to determine seniority in some
 3 objective fashion, and that's the objective fashion
 4 we -- we used. And that --
 5 CHAIRPERSON PARKER: In June?
 6 COMMISSIONER DANIELS: Not in -- January.
 7 CHAIRPERSON PARKER: Oh. Okay.
 8 MR. LANG: It's the highest-ranking official of
 9 the other party and --
 10 CHAIRPERSON PARKER: Okay. In January, I'm
 11 sorry.
 12 MR. LANG: In January, that will be a
 13 Republican so --
 14 CHAIRPERSON PARKER: Okay.
 15 MR. LANG: -- we had to go to Corporation
 16 Commission. I think that will be the first time a
 17 Corporation Commissioner has appointed a Commissioner.
 18 And, of course, the Commissioner who replaces you will
 19 be a Republican or an Independent not from Maricopa
 20 County. So...
 21 CHAIRPERSON PARKER: Appointed by the --
 22 MR. LANG: Depending on who -- actually, it
 23 depends on who is --
 24 COMMISSIONER DANIELS: Appointed by a Democrat.
 25 That is -- yeah.

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1 MR. LANG: That's right.
 2 COMMISSIONER DANIELS: Okay. This is a little
 3 confusing.
 4 MR. LANG: Right. Or a Green or a Libertarian.
 5 COMMISSIONER DANIELS: Okay.
 6 COMMISSIONER FAIRMAN: We could get a Green
 7 party person who is now a -- who was a street person now
 8 just a short time ago.
 9 MR. LANG: Right. You could get one of the
 10 fake Greens, yes.
 11 COMMISSIONER FAIRMAN: Yes. Exactly.
 12 COMMISSIONER DANIELS: This could be a lot of
 13 money making for them.
 14 COMMISSIONER FAIRMAN: That's true. That's
 15 true. Probably increase their salary by a lot.
 16 MR. LANG: So there we are.
 17 CHAIRPERSON PARKER: I have faith in our
 18 elected officials that -- that they will appoint good
 19 people to replace Gary and I.
 20 MR. LANG: Otherwise, that concludes my report
 21 unless you have questions.
 22 COMMISSIONER DANIELS: Sorry, Todd.
 23 MR. LANG: No, no.
 24 CHAIRPERSON PARKER: I would like to make a
 25 comment on your -- your one item on your report about

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1 MR. LANG: Yes. And it depends on who Governor
 2 Brewer picks, because Governor Brewer cannot pick a
 3 Republican, and so she'll pick an Independent or a
 4 Democrat to replace Commissioner Scaramazzo. And
 5 depending on who he [sic] picks, the Corporation
 6 Commissioner could actually appoint a -- a Republican.
 7 I mean, who Governor Brewer picks, the Corporation
 8 Commissioner could pick a Republican, depending on
 9 how -- remember, there's no more than two of any party.
 10 So, it just depends on how that breaks down.
 11 COMMISSIONER DANIELS: So, if Governor Brewer
 12 appoints someone in January to replace Gary, and that he
 13 -- she could then do a Republican, am I wrong? Because
 14 she -- or, but no, then there would be three of us.
 15 MR. LANG: Right.
 16 COMMISSIONER DANIELS: Okay. So until -- oh,
 17 that's really awkward.
 18 MR. BARTON: She could appoint -- she could --
 19 she'll have to appoint an Independent.
 20 COMMISSIONER DANIELS: Okay.
 21 MR. BARTON: Or a Green or a Libertarian.
 22 COMMISSIONER DANIELS: So then whoever -- so
 23 the ranking Democrat, has -- going to have to put a --
 24 oh, they could do an Independent or a Republican, but
 25 not a Democrat?

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1 Mike Becker coming to the high school and speaking and
 2 just to have it on the record that I was very thankful
 3 that he came. The students really enjoyed his
 4 presentations. And I think he -- he spoke very well for
 5 the Department, and so I just want to go on record
 6 thanking Mike.
 7 MR. LANG: Thank you. Mike does a good job.
 8 I should also mention there will -- there
 9 will be several enforcement matters for the next
 10 Commission meeting.
 11 CHAIRPERSON PARKER: Thank you, Todd.
 12 The next item on the agenda is discussion
 13 and possible action on the 2011 Voter Education Plan.
 14 Hi, Mike.
 15 MR. BECKER: Hello. Good morning,
 16 Commissioners.
 17 COMMISSIONER SCARAMAZZO: Good morning.
 18 MR. BECKER: Before you is the proposed 2011
 19 education plan. Just a little recap of what we've done
 20 in 2010. 2010 saw the creation of the Closed Door
 21 Syndrome Campaign, or CDS. That was designed around the
 22 idea that the political process was closed off to the
 23 average Arizonan or having a door closed in their -- in
 24 their -- and have it be in their way. But with Clean
 25 Elections, that door was open and they were allowed to

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1 -- they had the ability to be involved. We got good
 2 response from it. We had a lot of positive calls, a lot
 3 of positive letters from people saying that they liked
 4 it, they saw it, and they -- they understood it. So, we
 5 were pretty happy with that.

6 We also did something different in 2010. We
 7 partnered with Arizona State University Athletics for
 8 the first time and -- and branched out with our message
 9 to them. We had in-game spots where the play-by-play
 10 announcer would read a 10-second spot about Clean
 11 Elections. We also had 30-second spots during -- in the
 12 game, as well. We had our Commission logo as well as a
 13 10-second read on the Jumbotron for both men's and
 14 women's basketball, as well as football for Arizona
 15 State.

16 Again, another area we had never touched on
 17 before. We had a good response. Quite a few people I
 18 know who have season tickets saw it, liked it. It was a
 19 good way to go. Reached out to a group of individuals
 20 that may or may not be as politically involved as they
 21 would like to be, but it's our way of getting a -- a
 22 foothold in their -- in their minds so if they maybe see
 23 an ad or see something later on, they'll -- they'll come
 24 back to us.

25 MR. LANG: Increasing awareness.
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1 A couple areas I want to fo- -- to point out
 2 that have been different, again, of what we've done in
 3 the past. Again, we're hoping to partner with Arizona
 4 Athletics once again, same process. We're also looking
 5 to partner with UofA, University of Arizona Athletics.
 6 They're -- they are bigger. In terms of recognition,
 7 they are a bigger program. More eyes will be on -- on
 8 our -- our information, both in -- in basketball as well
 9 as baseball. We will have -- same as we do for Arizona
 10 State, we'll be having in-game radio spots, we'll have
 11 PA announcement reads. We'll also have permanent
 12 signage in the McKale Center where basketball is played
 13 for both men's and women's, as well as any other event
 14 that goes on.

15 And we're also looking to partner with the
 16 Phoenix Coyotes to do the same exact thing as we're
 17 doing with the -- the universities. Again, we would
 18 have in-game signage. We're looking to have signs along
 19 the boards. If you have ever seen a -- a hockey game,
 20 you see all the signs along the boards where the players
 21 get smashed into. You will see a Clean Elections sign.
 22 We're also looking to have in-game reads. Sponsorships
 23 in terms of maybe a night sponsored by Clean Elections
 24 where we give out T-shirts or something to that effect.
 25 But these are all in the works and these are all
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1 MR. BECKER: It definitely helps to increase
 2 aware -- awareness with the Clean Elections system.

3 For 2011, we're trying a little bit different
 4 than what we normally do. 2010 was getting people
 5 involved in the political process about becoming a
 6 candidate or assisting candidates so that your voice is
 7 heard. For 2011, we're looking at establishing and --
 8 and showing what the Commission does beyond that in
 9 terms of how our funding is received, not coming from
 10 the General Fund, what the Commission does with some of
 11 the excess funding in terms of giving money to the -- to
 12 the General Fund. Since 2003, over \$44 million has gone
 13 back -- has gone to the General Fund.

14 So, that's an area we've never touched on
 15 before, really, and this -- for 2011, I recommend
 16 focusing on that area to try and get the message out.

17 We always do a survey at the end of the year,
 18 which we are in the process of doing right now.
 19 Previous surveys has always showed that, unfortunately,
 20 people do not know where the funding comes from; they do
 21 not understand beyond the -- the basics of helping
 22 candidates be involved in the political process; what
 23 Clean Elections does offer to Arizona. So, I think this
 24 is a good way to go ahead and -- and get that message
 25 out there in an off-year.
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1 conceptual ideas right now. But those are the three
 2 areas that are a -- a bit different than what we've done
 3 in the past.

4 And the reason for that is it's in -- it's our
 5 way of spreading the awareness and -- and increasing
 6 awareness to groups that may or may not be as
 7 knowledgeable about Clean Elections. And with that, I'm
 8 happy to answer any questions.

9 COMMISSIONER SCARAMAZZO: Michael, I'd like to
 10 stress to you the importance, since we're looking at ASU
 11 and UofA, that I think it would be imperative to get
 12 with NAU also.

13 MR. BECKER: Commissioner, to that point, I
 14 have been in contact with NAU, and they're putting a
 15 package together as we speak --

16 COMMISSIONER SCARAMAZZO: Okay.

17 MR. BECKER: -- to try and do the same exact
 18 thing. It's a little bit different, they have some more
 19 hoops to jump through. But we're definitely working
 20 with them to do the same thing.

21 COMMISSIONER SCARAMAZZO: Okay. Good. Thank
 22 you.

23 CHAIRPERSON PARKER: Todd.

24 MR. LANG: I -- I've -- you know, Mike and --
 25 and staff and I all discussed the education plan, and
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1 the frustration we have every year is the polling that
 2 shows that people just don't understand Clean Elections.
 3 They don't understand that it helps folks get involved,
 4 they don't understand how they can get involved, how
 5 they can interact with candidates. And -- and we keep
 6 getting the same -- or, nearly the same percentage of
 7 folks who don't know about it.

8 And we've used -- you know, we had some ads on
 9 Horizon, which of course, as you know, is an opinion
 10 leader show. It's an important show. Though it has a
 11 small viewership, those viewers are opinion leaders.
 12 And we -- and, you know, I hear our ads on NPR in the
 13 morning. And -- and this is an opportunity -- and I
 14 thought Mike's idea was a good one. This is an
 15 opportunity to get, you know, sports fans, who are in
 16 many ways opinion leaders as well. They have disposable
 17 income, they go to these games, but they're not in the
 18 traditional news market. So even though they are
 19 community leaders in many cases, they're not -- they're
 20 not listening to NPR, necessarily.

21 And so this is an opportunity to reach out to
 22 those folks, and we'll see how it goes. But it also
 23 increases our awareness. We're -- we'd be sponsoring
 24 the "Hero of the Game" at the Coyotes game, which I --
 25 I've been to several Coyotes games. They -- they always

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1 spent on federal office campaigns to get into the
 2 U.S. Senate, the amount of money this last year. Have
 3 we ever talked or ever thought about trying to tweak
 4 that some way to get into people's mind, that, you know,
 5 this is a -- a limited amount of money. It is, you
 6 know, it's statewide offices, granted. But -- but at
 7 least they're -- we're not going crazy with the way --
 8 the amount of money they had spent because of this
 9 system. And I think that lends some credibility to it.

10 I -- and I don't know if there's a way to work
 11 that out, but I just know, I heard over and over again
 12 people saying, you know, \$5 million, \$25 million to run
 13 for the U.S. Senate is just ridiculous.

14 MR. LANG: It -- it's a tricky thing.

15 COMMISSIONER DANIELS: Yeah. Because it's -- I
 16 know it's apples and oranges, but...

17 MR. LANG: Well, and also if we say it's not a
 18 lot of money, but yet we're giving a million dollars to
 19 the gubernatorial candidates, some folks may take
 20 offense to that. I mean, that is a lot of money. But,
 21 you're right, for a political campaign, the message that
 22 Mike could have is, you know, this is enough money to
 23 get your message out, it's not going to dominate the air
 24 waves, it's not going to overwhelm anyone. It's just to
 25 get your message out in the marketplace with ideas.

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1 highlight armed services personnel who is in active
 2 duty. Every game someone's -- comes to the game and
 3 is -- and -- and -- is -- is -- you know --

4 CHAIRPERSON PARKER: That's great.

5 MR. LANG: -- recognized. And it's really
 6 nice. And everybody stands up and gives them a standing
 7 ovation. And we would -- we would be involved with
 8 that. And I think that's a nice tie-in, our civic
 9 responsibility along with that person's hope- -- you
 10 know, very impressive civic duty. So, I -- I think Mike
 11 came up with a really good plan. And -- and that's --
 12 that's where we are headed with it.

13 CHAIRPERSON PARKER: Lori, did you have a
 14 comment --

15 COMMISSIONER DANIELS: Madame Chairman,
 16 Michael, I have -- I have one comment and then another
 17 issue, maybe. But I was going to say, you know, you
 18 said that UofA has, you know, more people than ASU
 19 watching sports. Are you knocking ASU?

20 MR. BECKER: No.

21 COMMISSIONER DANIELS: You know where I went to
 22 school? You know, I'm just -- I'm a season ticket
 23 holder here, so I was just curious.

24 Now, have we ever thought about, I think people
 25 are totally disgusted with the amount of money that is

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1 But, that's a very delicate message to get to
 2 the average person. So, we'll -- I'll -- Mike will work
 3 on it.

4 MR. BECKER: Yeah. We can get somebody to look
 5 at --

6 COMMISSIONER DANIELS: If you can't, I
 7 understand, but I just -- I know --

8 MR. BECKER: -- trying to see if we can tweak
 9 the message and get that out there to the public.

10 CHAIRPERSON PARKER: Is there a reason we
 11 didn't look at the Suns and the Cardinals? Is it just
 12 cost?

13 MR. BECKER: The cost, that's the bottom line.
 14 Yeah. With ASU, UofA, and -- and the Coyotes, it was
 15 very reasonable to -- for what we're getting. But those
 16 organizations, the Suns and the Cardinals, they're a
 17 higher demand and the -- the cost is just a little bit
 18 out of our range.

19 CHAIRPERSON PARKER: Okay. I wasn't sure.
 20 Then I guess it would probably hold true for the Bowl
 21 game then?

22 COMMISSIONER DANIELS: Yeah.

23 CHAIRPERSON PARKER: Yeah, okay. That's a
 24 great idea, Mike.

25 COMMISSIONER SCARAMAZZO: The only other

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1 comment, tongue in cheek, is if the Clean Elections
 2 Commission could come up with a way where you could
 3 prohibit street signs funded, you will be a hero in the
 4 public's eye.
 5 COMMISSIONER DANIELS: Exactly.
 6 MR. LANG: On a serious note on that, that's --
 7 you know, we don't give a lot of money to candidates,
 8 especially legislative candidates. And so one effective
 9 way that they can spend their money is with the street
 10 signs. If we gave them a lot more money, they would buy
 11 TV ads. But as Commissioner Daniels knows, TV ads are
 12 very expensive, and so they buy the street signs. So,
 13 it's a challenge based on our funding level, I think.
 14 CHAIRPERSON PARKER: Jeff?
 15 COMMISSIONER FAIRMAN: Mike, how do you
 16 determine your budget every year?
 17 I know that -- that Commissioner Scaramazzo
 18 talked about Northern Arizona University. Is it a
 19 matter of adding that or do you have a set budget that
 20 you work with? One of my questions was going to be, you
 21 know, I think the sports is great, but I'd rather see
 22 some coverage in Northern Arizona rather than more
 23 coverage in the valley, which would be the -- the hockey
 24 games. How do you determine your budget? How does that
 25 come about?

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1 about -- seeing as some of the radio stations up north
 2 would probably be less expensive, maybe doing some type
 3 of routine ads or something smaller and going to do that
 4 up north?
 5 MR. BECKER: Commissioners, that -- that is
 6 part of the plan. We -- we will do radio spots
 7 throughout Arizona: North, south, east, west. In fact,
 8 a lot of our radio spots are done more in the -- in the
 9 northern and western portions of the state, because
 10 it -- it's -- that's where people get their news, that's
 11 where people get a lot of information. So we do work
 12 with them a lot.
 13 CHAIRPERSON PARKER: Okay. Great.
 14 COMMISSIONER SCARAMAZZO: You do anything with
 15 reservations?
 16 MR. BECKER: We have in the past but the
 17 response has never been very positive. It's been
 18 lukewarm at best. But we can look into it, with working
 19 with them again. That's definitely something --
 20 COMMISSIONER SCARAMAZZO: I'm just thinking,
 21 Navajo Times has a huge publication range up there.
 22 Or --
 23 MR. BECKER: Okay. We can definitely look into
 24 doing that again.
 25 CHAIRPERSON PARKER: Well, the other thing is

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1 MR. BECKER: Well, we look at -- the bottom
 2 line is we have to spend at least the 10 percent of the
 3 cap.
 4 COMMISSIONER FAIRMAN: Uh-huh. Right.
 5 MR. BECKER: Which is about one point -- \$1.4?
 6 \$1.4 million of the upcoming year. And then we look at
 7 other areas that we may not have touched on in the past,
 8 such as these areas, such as NAU, you know, different
 9 things like that, and try to -- try to weigh the cost
 10 and pros and cons of that and add that in. And, you
 11 know, working with Colleen, we just try to get to a
 12 number that's -- doesn't exceed what the Commissioners
 13 have said in the past of what they're comfortable with,
 14 but also is allowing us to get the message out to as
 15 many people as possible.
 16 This -- for 2011, we're looking at about
 17 roughly \$2.2 million overall for an education plan, with
 18 about \$1.8 or so of that for this -- the outreach
 19 through the TV, the -- the -- the sports, things like
 20 that.
 21 COMMISSIONER FAIRMAN: Okay.
 22 MR. BECKER: And that stays in line with what
 23 we've done in -- in the past few years.
 24 COMMISSIONER FAIRMAN: Thank you.
 25 CHAIRPERSON PARKER: Mike, have we thought

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1 basketball is huge on the Reservation and when they have
 2 their big tournaments or something, we'd like to have a
 3 presence there.
 4 MR. LANG: It's a Native American invitational
 5 basketball tournament.
 6 COMMISSIONER SCARAMAZZO: I used to love them.
 7 CHAIRPERSON PARKER: Uh-huh. That's what I
 8 mean. But the whole town shows up for their high school
 9 games. You'll have 50,000 people at a basketball game.
 10 Do I have a motion to approve the Voter
 11 Education Plan?
 12 COMMISSIONER SCARAMAZZO: So moved.
 13 COMMISSIONER FAIRMAN: Second.
 14 CHAIRPERSON PARKER: Okay. Motion's been made
 15 and seconded. All in favor?
 16 (Chorus of ayes.)
 17
 18 CHAIRPERSON PARKER: Opposed? Motion carries.
 19 Thank you, Mike.
 20 MR. BECKER: You're welcome.
 21 CHAIRPERSON PARKER: Next Item, No. V,
 22 discussion and possible action on the 2010 excess monies
 23 given to the State General Fund.
 24 MR. LANG: Commissioners, I brought up Colleen
 25 McGee to -- because she's going to be discussing our --

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1 our budget with you.
 2 You can see what we came up with. What we
 3 recommend is a transfer of \$20 million, which is
 4 \$10 million more than we anticipated several -- you
 5 know, several months ago. But, obviously, one major
 6 change in our budget is that there were no matching
 7 funds. Unfortunately, it meant that some candidates
 8 weren't as competitive and the voters didn't hear both
 9 sides of the story, and some of our participating
 10 candidates were at a disadvantage. But nonetheless,
 11 we're recommending a transfer of \$20 million.

12 We're -- right now we have \$26 million on hand,
 13 and that will leave us with \$6 million. But by the end
 14 of 2011, based on our projected income, which you saw
 15 later in the budget, we'll have about \$18 million. Of
 16 that, we project between \$7 and \$10 million for the 2012
 17 election; another \$5 million for education in the
 18 election year, which includes the candidate statement
 19 pamphlets, which as you know is a big chunk of the
 20 expense.

21 And so we will have enough money on hand to
 22 cover any foreseen issues; and enough money on hand so
 23 that if funding is increased, as I hope it is, or if
 24 matching funds are put in place in a legal -- in a
 25 fashion that the Supreme Court would not object to --

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1 crisis, we wanted to be as aggressive as we can while
 2 still being careful to meet all our statutory
 3 obligations.

4 COMMISSIONER DANIELS: Madame Chairman, I move
 5 that we transfer \$20 million in excess funds to the
 6 State General Fund.

7 COMMISSIONER SCARAMAZZO: Second.
 8 (Whereupon Commissioner Hoffman is now present
 9 for the meeting at 9:52 a.m.)

11 CHAIRPERSON PARKER: Okay. Motion's been made
 12 and seconded to transfer \$20 million from the Clean
 13 Elections to the State General Fund. All in favor, say
 14 "aye."

(Chorus of ayes.)

CHAIRPERSON PARKER: Opposed?

18 COMMISSIONER HOFFMAN: I'll abstain since I
 19 didn't hear the discussion.

CHAIRPERSON PARKER: Welcome, Luis.

COMMISSIONER HOFFMAN: Sorry I'm late.

22 CHAIRPERSON PARKER: Okay. Motion is carried.
 23 And I'd like to see us do a press release.

MR. LANG: Okay.

COMMISSIONER SCARAMAZZO: Yeah.

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1 and we have some ideas on that -- this -- we would have
 2 enough money on hand to cover that eventuality. And I
 3 think it's prudent to cover that eventuality, because
 4 I've heard from R's and D's, but from leadership, there
 5 is some interest in -- in seeing what we can do about
 6 the Clean Elections Act.

7 Even if they -- others try to repeal it, I
 8 think we have enough pragmatic folks who understand,
 9 while it's here we need to make it better. And I think
 10 that's the -- the -- the leading attitude, which I
 11 think, of course, is the most statesmanlike attitude,
 12 which is: I might not like it, but let's make it
 13 better.

14 And so, what I'd ask you to do is approve a
 15 \$20 million transfer to the State. You'll see that that
 16 actually gives us a total in the history of the
 17 Commission of \$64 million transferred from the
 18 Commission to the State General Fund. That's
 19 \$64 million that would not have been there but for Clean
 20 Elections. If Clean Elections was never enacted by the
 21 people of Arizona, that money would have not be there.
 22 So, there's some programs out there that have benefited
 23 from this transfer.

24 So, we recommend \$20 million. Obviously,
 25 that's an aggressive amount, but we -- given the budget

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1 CHAIRPERSON PARKER: You know, letting them
 2 know what we've done and how much we've done in the past
 3 and why we do it.

MS. MCGEE: Mike usually produces that.

5 MR. BECKER: Commissioners, it's already
 6 drafted.

CHAIRPERSON PARKER: Okay.

8 MR. LANG: Would you like us to make one of the
 9 big checks for you to hand to --

10 CHAIRPERSON PARKER: I'd love -- I think it
 11 would be wonderful.

12 MS. MCGEE: And then also Daniel has created a
 13 little site on our Website with a, looks like a little
 14 gift to the General Fund with "\$20 million" on it.

CHAIRPERSON PARKER: There you go.

16 MS. MCGEE: So that will be on our Website too.
 17 And I'll have that transfer completed by the end of the
 18 month, so...

CHAIRPERSON PARKER: Very good. Thank you.

20 Okay. We're on Item VI, discussion and
 21 possible action on the 2011 expenditure cap.

22 MR. LANG: Commissioners, as you know, we're
 23 required by statute to determine the expenditure cap
 24 based on the number of Arizona taxpayers. And normally
 25 that number goes up, and I think when the folks were

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1 drafting the law they intended for it to go up, but the
 2 last couple of years that number has actually gone down,
 3 so our cap has gone down slightly. It went down by
 4 150,000 taxpayers in 2008, and went down by 160,000
 5 taxpayers in 2009.

6 So, that's been our number. It's 2,345,000,
 7 which is a decrease of 300,000 voters -- tax returns
 8 from the prior two years. So, our expenditure cap for
 9 2011 will be \$11 million seven hundred twenty-five
 10 million -- 725,435. Of course, we will not hit the cap.
 11 We spend below the cap, because then we use that -- that
 12 extra cap room in the election years to fund the
 13 elections, which is permitted under the statute. You
 14 know, we have a four-year cap, and of course we adjust
 15 it so that we spend a lot more in election years, for
 16 obvious reasons.

17 So we'd ask that you approve this calculation
 18 of our expenditure cap. Do you have anything to add?

19 MS. MCGEE: No, that's it.

20 COMMISSIONER DANIELS: Madame Chairman, I would
 21 move we approve the 2011 expenditure cap of \$11,725,435.

22 COMMISSIONER FAIRMAN: Second.

23 CHAIRPERSON PARKER: Okay. The motion is made
 24 by Commissioner Daniels, seconded by Commissioner
 25 Fairman, to approve the 2011 expenditure cap at
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1 I've come up with these projections by using our past
 2 two years prior. So, you will notice in an election --
 3 in a non-election year, we do not have \$5 qualifying
 4 contributions and our civil fines that the Commission
 5 enf- -- imposes goes down. So, that's the difference
 6 between a non-election year and a election year
 7 calculation.

8 But in our next four years, we will have enough
 9 money to fund our candidates, based on our calculations,
 10 and our calculations are always a little lower than what
 11 we actually do. Because we just never know what we're
 12 going to -- especially with -- if we're going to have
 13 matching funds or new funding levels.

14 So, this is our calculation. On the next page
 15 is just a chart that we produced for you to show how
 16 from the very beginning of Clean Elections how our civil
 17 penalties keep increasing. Some years it goes up
 18 10 percent, 11 percent. We've actually gone up as far
 19 as 13 percent. But like I say, the last two years with
 20 the economy, our civil fines have actually sort of
 21 levelled off also. But we have leveled off our \$5
 22 tax-off -- or tax check-off because of even our
 23 voluntary donations that we've received in the last
 24 three months, it's down. We're not even close -- we
 25 haven't even received \$25,000, and we usually receive
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1 \$11,725,435. All in favor.
 2 (Chorus of ayes.)
 3
 4 CHAIRPERSON PARKER: Opposed? Motion carries.
 5 Item VII, discussion and possible action
 6 on the 2011 through 2014 revenue projections.

7 MR. LANG: Madame Chair, as you know, under
 8 16-954(D), the Commission is required to project the
 9 amount of revenue that we will collect over the next
 10 four years, in part in order to be able to figure out
 11 how much money we can spend in -- in election years and
 12 how to calculate that money and how to limit ourselves
 13 in non-election years. And Colleen has put together
 14 this chart for you -- for your consideration and for
 15 your review. Colleen?

16 MS. MCGEE: Basically, Commissioners, what
 17 we've done is we've looked at the last two years. Our
 18 two major funding sources are the civil fine and
 19 penalties and our \$5 check-off. So, we looked at those
 20 two amounts, and then in the last two years, our
 21 \$5 check-offs have gone down 6.7 percent be- -- we're
 22 assuming it's because the number of income tax returns
 23 are down. Our civil fines have gone up over 8 percent
 24 over the last two years.

25 So, I've taken those amounts and I've -- and
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1 anywhere -- around \$200,000 during that three-month
 2 period. So, we'll either get a big rush in December or
 3 that source of income will also be down for us.

4 So, we've taken all that into account and we've
 5 come up with these revenue projections for you.

6 CHAIRPERSON PARKER: Thank you. Lori?

7 COMMISSIONER DANIELS: Madame Chairman,
 8 Colleen, I just have a question.

9 MS. MCGEE: Sure.

10 CHAIRPERSON PARKER: On the assessments, photo
 11 radar tickets, we got some of those moneys, did we not?

12 MS. MCGEE: Yes. We received approximately
 13 \$4 million --

14 COMMISSIONER DANIELS: Okay. That is --

15 MS. MCGEE: -- from photo radar. That is not
 16 included, though, Commissioner Daniels.

17 COMMISSIONER DANIELS: That's what I was
 18 concerned -- yeah. Because I know that that's pretty
 19 much going away in a --

20 MS. MCGEE: Yes.

21 COMMISSIONER DANIELS: -- in a lot of places.

22 MR. LANG: It doesn't help us project our
 23 revenue.

24 MS. MCGEE: Right.

25 MR. LANG: It's not a useful data point. So
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1 she didn't include it.

2 MS. MCGEE: Right. We removed that --

3 COMMISSIONER DANIELS: I just wanted to make

4 sure.

5 MS. MCGEE: Yes. We removed that just because

6 we knew -- now is we're receiving approximately \$150,000

7 a month from that, from just people who are late paying

8 the bills, but...

9 COMMISSIONER HOFFMAN: Madame Chair?

10 CHAIRPERSON PARKER: Luis.

11 COMMISSIONER HOFFMAN: I would also find it

12 useful to have projections -- even though it's hard to

13 do -- of what expenditures might be in the two elections

14 forthcoming, because, you know, based on previous year's

15 data --

16 MS. MCGEE: Sure.

17 COMMISSIONER HOFFMAN: -- and any sort of known

18 adjustments. Obviously, you can't predict -- we don't

19 expect you to be put on your Carnac hat and --

20 MS. MCGEE: Right. I think --

21 COMMISSIONER HOFFMAN: -- but -- but it would

22 be helpful, I think, to see the expenditures so that we

23 can tell if there's -- if there's enough money to

24 transfer and if our expenditures in the current year is

25 at an appropriate level.

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1 to the General Fund because of our funding source.

2 CHAIRPERSON PARKER: Any other questions?

3 Jeff?

4 COMMISSIONER FAIRMAN: Just for my own

5 curiosity, do you see any correlation between the

6 economy and the increase in -- in fines collected? Is

7 there a -- is there any way to -- to kind of look at a

8 certain degree of greater amount of crime or desperation

9 or whatever it happens to be?

10 MR. LANG: It hasn't gone up --

11 COMMISSIONER FAIRMAN: It hasn't?

12 MR. LANG: -- so, it's not -- it's not a -- you

13 know, it's not as if folks are getting unemployed and

14 then committing more crimes.

15 COMMISSIONER FAIRMAN: You don't see a direct

16 cross-over of that?

17 MR. LANG: Because, of course, the majority of

18 our pen- -- our, you know, I call them crimes, but a lot

19 of it is traffic offenses and parking.

20 COMMISSIONER: All right. Okay.

21 MR. LANG: So, there may be an increase in bank

22 robberies due to our economy, but it's not going to show

23 up in our funding amount. It's just not -- there's just

24 statistically not enough of that.

25 COMMISSIONER FAIRMAN: The reason I ask is I

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1 MS. MCGEE: Sure. I'll be glad to put that

2 together for you, Commissioner Hoffman, and we will

3 e-mail it to all the Commissioners.

4 COMMISSIONER HOFFMAN: Kind of see that if we

5 -- if we chop off \$20 million, that we'll still have

6 enough money in the election years and so forth.

7 MS. MCGEE: Right. Are you just --

8 COMMISSIONER HOFFMAN: I just meant in future

9 times when we run through --

10 MS. MCGEE: Sure.

11 COMMISSIONER HOFFMAN: -- budgetary matters.

12 MS. MCGEE: Right. Todd touched on that. You

13 just missed on his presentation, where we have looked

14 into the 2012, to make sure and calculate our funding

15 amounts.

16 COMMISSIONER HOFFMAN: Well, I know you have,

17 and I -- I didn't mean to suggest otherwise. I -- I was

18 simply saying that, you know, a numeric chart

19 presentation as well would be -- would be helpful to see

20 that.

21 MS. MCGEE: We will do that.

22 CHAIRPERSON PARKER: Any other questions?

23 MR. LANG: The nice thing about fines and

24 penalties is it's recession proof. So, even though our

25 economy is hurting, we're still able to transfer money

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1 have a friend who is -- is involved in -- in --

2 MR. LANG: Bank robbery?

3 COMMISSIONER FAIRMAN: -- in violent crimes,

4 from the good side, and they do see an increase in

5 violent crimes, given the economy.

6 MR. LANG: Right. And I -- I think that's true

7 but it just -- it's not -- there are not enough of them

8 to --

9 COMMISSIONER FAIRMAN: Yeah.

10 MR. LANG: -- impact our statistics. And as

11 McGee --

12 COMMISSIONER HOFFMAN: You also don't

13 necessarily find them.

14 MR. LANG: Right. And as Colleen --

15 COMMISSIONER FAIRMAN: That's true. That's

16 true.

17 MR. LANG: -- as Colleen pointed out, it --

18 our -- our funding is actually not increasing by as

19 much. So, the surcharges are down as a percentage, but

20 it's still -- it's still going up --

21 COMMISSIONER FAIRMAN: Yeah. Right.

22 MR. LANG: -- just not as much as it had been.

23 COMMISSIONER FAIRMAN: Just curious.

24 COMMISSIONER DANIELS: So we don't have a

25 funding source that allows us every time somebody goes

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1 to prison we get a thousand dollars from them?

2 MR. LANG: We do, but they have to actually

3 pay.

4 COMMISSIONER FAIRMAN: That's the downside.

5 MR. LANG: They actually have to have the

6 money.

7 CHAIRPERSON PARKER: Do I have a motion?

8 COMMISSIONER FAIRMAN: I'll make a motion we

9 approve.

10 COMMISSIONER SCARAMAZZO: Second.

11 CHAIRPERSON PARKER: There's a motion by

12 Commissioner Fairman and seconded by Commissioner

13 Scaramazzo to approve the 2011 to 2014 revenue

14 projections. All in favor say "aye."

15 (Chorus of ayes.)

16

17 CHAIRPERSON PARKER: Opposed? Motion carries.

18 Item VIII, discussion and possible action

19 on the Commission's 2011 calendar year budget.

20 MS. MCGEE: Before you, Commissioner, is our

21 2011 proposed budget. Since we are in a non-election

22 year, our budget goes down drastically compared to an

23 election year. As Todd had stated earlier, our

24 expenditure cap for 2011 is going to be \$11,725,435.

25 The Act requires that for administration and

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1 all.

2 MS. MCGEE: Right.

3 MS. THOMAS: Nothing is going out for bid

4 unless we decide with the printing, that's a

5 possibility.

6 MS. MCGEE: And that would be for the 2012

7 voter education pamphlet.

8 MS. THOMAS: We will work on the RFP in 2011.

9 CHAIRPERSON PARKER: Anybody have questions

10 about it? Do I have a motion to approve the budget?

11 COMMISSIONER SCARAMAZZO: So moved.

12 COMMISSIONER FAIRMAN: Second.

13 CHAIRPERSON PARKER: Motion by Commissioner

14 Scaramazzo, seconded by Commissioner Fairman, to approve

15 the Commission's 2011 calendar year budget. All in

16 favor?

17 (Chorus of ayes.)

18

19 CHAIRPERSON PARKER: Opposed?

20 COMMISSIONER DANIELS: No.

21 CHAIRPERSON PARKER: Okay. Motion carries.

22 MR. LANG: We need that, but I'll talk to you

23 about it.

24 CHAIRPERSON PARKER: Item IX, litigation

25 update. Jim?

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1 enforcement, we stay 10 percent above our expenditure

2 cap. And this year we're calculating that for

3 administration and enforcement, we're going to project

4 at \$1.1 million. Then for Mike's education project for

5 2011, the Act requires us to spend at least 10 percent

6 of our expenditure cap on voter education projects, and

7 so we're estimating that we're going to spend

8 \$2.2 million, which is 19 percent of our 2011

9 expenditure cap. And of course, we're not appropriating

10 anything for candidate funding since it's a non-election

11 year.

12 We've outlined for you our major expenditures

13 for our 2011 budget. I'll be glad to answer any

14 questions that you have regarding those expenditures or

15 any other questions you have regarding our budget.

16 CHAIRPERSON PARKER: Do we have to do new

17 contracts or anything?

18 MS. MCGEE: Our contracts are automatically up

19 for renewal. And so we don't have anything that we have

20 to send out, right, Paula? Paula is our con- -- our

21 contract person. Is there -- when there's -- we don't

22 have a contract that's going out on the streets, right?

23 MS. THOMAS: Yeah, there's a couple that come

24 up for renewal.

25 MR. LANG: But nothing is going out for bid at

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1 MR. BARTON: We have -- all I can tell you now

2 is that the Supreme Court is going to be considering the

3 Petition for Certs during its November 23rd conference.

4 We expected they would have done it on either the 5th or

5 the 12th. They -- they scheduled it to be on the 23rd,

6 which means if the petition is granted, that they will

7 be briefing over -- they get 40 days, so their brief

8 will run -- their briefing time run over both

9 Thanksgiving and Christmas. I feel kinda bad. I feel

10 bad for them. I feel bad for Goldwater and Institute

11 for Justice.

12 So in any case, that's -- so that's the only

13 update I have is that we will know on the 23rd whether

14 or not the petition is granted.

15 CHAIRPERSON PARKER: Okay. If you could let us

16 know right away, we'd appreciate that.

17 MR. BARTON: Absolutely. And I can tell you

18 that we've had some contact from potential amici from

19 some cities and from some states, and we'll start

20 putting that together once -- once we know one way or

21 another.

22 CHAIRPERSON PARKER: Okay. Public comment.

23 Anyone from the public like to speak?

24 COMMISSIONER DANIELS: Anybody here? Just one.

25 CHAIRPERSON PARKER: Okay. Do I have a motion

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1 for adjournment?
 2 COMMISSIONER DANIELS: I move we adjourn.
 3 COMMISSIONER FAIRMAN: Second.
 4 CHAIRPERSON PARKER: Okay. Motion made and
 5 seconded for adjournment. All in favor?
 6 (Chorus of ayes.)
 7
 8 CHAIRPERSON PARKER: Okay. Thank you.
 9 (Whereupon the proceeding concludes at 10:05
 10 a.m.)

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C E R T I F I C A T E

I, Angela Furniss Miller, Certified Reporter,
 do hereby certify that the foregoing pages numbered 1
 through 38, inclusive, constitute a full and accurate
 printed record of my stenographic notes taken at said
 time and place, all done to the best of my skill and
 ability.

DATED, at Phoenix, this 22nd day of November,
 2010.

 Angela Furniss Miller, RPR
 Certified Reporter (AZ50127)

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