

MINUTES - June 20, 1977 Meeting

PRESENT

ABSENT

Frank P. Reiche, Chairman
Josephine S. Margetts, Member
Archibald S. Alexander, Member
Lewis B. Thurston, III, Executive Director
Edward J. Farrell, Legal Counsel
Herbert Alexander, Consultant
Neil Upmeyer, E.L.E.C. staff

Sidney Goldmann, Vice-Chairman

*Mrs. Margetts attended the meeting until 4:00 p.m.

Pursuant to the Open Public Meetings Law, P.L. 1975, c.231, annual notice of the meetings of the Commission, as amended, was filed with the Secretary of State's office, copies were posted in the State House Annex, copies were mailed to the Newark Star Ledger and the Philadelphia Bulletin and the entire State House Press Corps.

The meeting convened at 10:20 a.m.

1. Report by Counsel on Current Litigation

Counsel reported to the Commission on the current status of two suits against the Commission by Common Cause and on another suit by Dr. Donato, an independent candidate for Governor, the latter challenging the use of public financing funds from the income tax checkoff in which the executive director is named as one of the defendants.

2. Current Investigation

Pursuant to C.10:4-12 of the Open Public Meetings Law, the Commission went into executive session to discuss a current investigation involving a 1977 election. At the conclusion of the discussion, the Commission returned to public session.

3. Proposed Regulation on Disclosure Reporting of Political Action Committees

Counsel's draft of a proposed regulation on this subject was discussed in detail. A number of suggestions for amendment were agreed upon. Counsel was directed to redraft the proposed regulation in accordance with the discussion for presentation to the Commission for further discussion at the next Commission meeting. It was further agreed that it would be desirable to complete Commission action on the proposed regulation so that it might be submitted by July 20 to the Division of Administrative Procedure for inclusion in the August 4 New Jersey Register. A public hearing will be held on this proposed regulation on August 25 and the earliest it could be adopted would be on August 29.

4. \$600 Contributions Limit for Gubernatorial General Election Regarding Union Members and Corporation Employees Re Political Action Committees

The subject of whether contributions made to or through or in conjunction with political action committees of corporations or unions or others and whether such contributions are considered separate \$600 contributions from the original source was discussed. Counsel

and the executive director were directed to prepare a list of examples and suggested ways of handling them in regard to this subject for discussion at the next Commission meeting.

5. Activity of National Political Party Committees in 1977 Gubernatorial General Election

A memorandum on this subject prepared by counsel was discussed and its content generally agreed upon. It was agreed that guidance in this area be provided through the vehicle of advisory opinions and not by proposed regulations of the Commission. Counsel will prepare an advisory opinion in response to 0-24-77 (Ronald Eastman, Democratic National Committee).

6. Personnel Matters

Pursuant to C.10:4-12 of the Open Public Meetings Law, the Commission went into executive session to discuss the terms of the contractual arrangements with legal counsel Edward Farrell and consultant Herbert Alexander for fiscal year 1977-78. Messrs Farrell and Herbert Alexander left the room prior to discussion of this matter. At the conclusion of this discussion, the Commission returned to public session. Commissioner Alexander did not participate re Herbert Alexander in view of his membership on the Board of Trustees of Citizen's Research Foundation of which Dr. Herbert Alexander is the Director.

It was agreed that Mr. Farrell be retained as legal consultant for the Commission for fiscal year 1977-78, generally on the same terms and conditions as in fiscal year 1976-77. Maximum compensation would be \$35,000 but it is anticipated that this amount will not exceed \$25,000 if an able staff counsel is recruited soon. It was further agreed that Mr. Herbert Alexander be retained as consultant to the Commission for fiscal year 1977-78 at a rate of \$20 per hour with a maximum of \$4500. It is anticipated that Mr. Herbert Alexander will spend additional time for the Commission on evaluating the Commission's operation, assisting in regard to public financing, the format and content of the 1977 Annual Report of the Commission and doing research in regard to the extension of public financing to primary elections and legislative elections and the evaluation of the public financing experience in New Jersey. It is further anticipated that he will spend fewer hours in attendance at those portions of Commission meetings devoted to enforcement matters.

7. Adjournment - The Commission adjourned the meeting at 4:15 p.m.

Respectfully submitted,



LEWIS B. THURSTON, III
Executive Director