

NEW JERSEY ELECTION LAW ENFORCEMENT COMMISSION

MINUTES - April 18, 1977 Meeting

PRESENT

Frank P. Reiche, Chairman
Sidney Goldmann, Vice-Chairman
Josephine S. Margetts, Member
Archibald S. Alexander, Member
Lewis B. Thurston, III, Executive Director
Neil Upmeyer, E.L.E.C. staff

ABSENT

Edward J. Farrell, counsel
Herbert Alexander, consultant

The meeting convened at 10:15 a.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.

1. Minutes of Commission meeting of April 6, 1977

The draft of these minutes was discussed and a number of changes suggested. It was agreed to hold approval of the minutes until the next meeting to give counsel an opportunity to review them.

2. Report by Executive Director

The executive director reported on the Commission's budget hearing with the Legislative Joint Appropriations Committee. He indicated that 2 resolutions to reduce the Commission budget by eliminating \$1.8 million or \$200,000 respectively were defeated in the Committee deliberations. He indicated further that it appears that the Governor's recommendations for the Commission budget will be included in the general Appropriations Act agreed on and to be reported out by the Committee.

The executive director also reported on a meeting he had with Assemblyman Albert Burstein concerning proposed amendments to the Campaign Contributions and Expenditures Reporting Act. Assemblyman Burstein indicated a willingness to sponsor a bill to amend the definitions of political information organization and political committee to condition expenditure limits to elections involving public financing, and to add an additional provision re penalties to section 22 of the Act.

Mr. Thurston also reported that Assemblyman Burstein agreed to propose amendments to his bill A706, which contains more comprehensive amendments to the Act. Mr. Thurston indicated that they discussed a draft of these and he agreed to provide Mr. Burstein with an amended version of the draft. It was agreed that Mr. Thurston would forward a copy of the draft to the Commission members for possible review at the April 27th or subsequent meetings of the Commission.

3. Report on Public Financing by Neil Upmeyer

Neil Upmeyer reported concerning the latest developments on public financing. This included a report on the meeting held on April 13 with representatives of the gubernatorial candidates and progress concerning development of certification procedures, forms for use by the gubernatorial candidates in the general election and an explanation pamphlet regarding the public financing law. It was agreed that the subject of the certification procedures be included in the next meeting agenda.

The status of the \$1.00 checkoff for public financing of elections on the state income tax form was discussed. It was agreed that the executive director would check with the Attorney General's office to determine the status of the request for an opinion made by the State Division of Taxation and with the Treasurer in regard to the status of the revenue checked off by the taxpayers on the State income tax. It was further agreed that if no definitive response is forthcoming, that representatives of the Commission might meet directly with the Attorney General to discuss the matter.

4. Recruitment Effort re Staff Counsel Position

The efforts to recruit a person for the staff counsel position were discussed and the executive director reported on the latest status of the effort.

5. Public Hearing on Proposed Additional Public Financing Regulations

It was agreed that the first part of the Commission meeting of April 27 would be devoted to a public hearing on the proposed public financing regulations agreed to at the last Commission meeting.

6. Food and Beverage Exemption re Expenditure Limit

This subject was discussed in general and the Commission's proposed regulations to eliminate the exemption by deleting 19:25-12.2 subsection (b) of the Commission regulations also were discussed. Messrs. Thurston and Upmeyer presented data concerning the substantial amount of expenditures for food and beverage incurred by candidates for governor in the 1973 election.

Commissioner Alexander made a motion, seconded by Vice-Chairman Goldmann, to adopt the proposed regulations to delete the food and beverage exemption re the expenditure limit by deleting section 19:25-12.2 subsection (b) of the Commission regulations. The vote was 2-2 with Vice-Chairman Goldmann and Commissioner Alexander voting in the affirmative and Chairman Reiche and Commissioner Margetts voting in the negative. Therefore, the motion was declared lost because it did not obtain the necessary 3 votes.

7. Matters Under Investigation or Inquiry

Pursuant to C.10:4-12 of the Open Public Meetings Law, the Commission went into executive session to discuss certain matters under investigation or inquiry. Upon the conclusion of the discussion, the Commission remained in executive session to discuss the next item of business.

8. Commission vs. Paterson Taxpayers Association, C-05-76

Pursuant to C.10:4-12 of the Open Public Meetings Law, the Commission discussed the determination of this matter in executive session. After discussion of the matter, the Commission returned to public session.

At this point Commissioner Margetts left the meeting.

9. Referral of Bank Contributions to the Attorney General's office

The executive director presented information that a 1975 report of the Union County Democratic Committee indicated a \$225 contribution to that Committee from Community State Bank of Lindon, N. J. On a motion by Vice-Chairman Goldmann, seconded by Commissioner Alexander, the Commission agreed to refer all pertinent information about this matter to the Attorney General's office as to how it may relate to 19:34-45 for whatever disposition they may wish to make. The vote was 3-0 with Commissioner Margetts absent.

10. Inquiry Re Irving W. Shertzer

The executive director presented information indicating that Mr. Shertzer, council candidate in Bradley Beach Special Election in June of 1976, reported \$1610.77 in loans from himself to his campaign which appeared not to have been deposited in a campaign depository or through a campaign treasurer possibly in violation of sections 11 and 12 of the Act. After discussion of this matter, on a motion by Vice-Chairman Goldmann, seconded by Commissioner Alexander, the Commission voted 3-0, with Commissioner Margetts absent to file a complaint against Irving W. Shertzer for the alleged violations cited heretofore.

11. Inquiry Re I. Michael Heine and "Argyle Rooster"

The executive director presented information indicating that Mr. Heine made campaign expenditures in favor of a referendum at the November, 1976 General Election in Haddonfield on a change in the liquor laws in that community. The executive director reported that Mr. Heine designated a treasurer and bank account and reported the expenditures and contributions in connection with his activity but not strictly according to the Commission's normal procedures. Mr. Heine indicated that all funds used for the expenditures came from the operating account of his restaurant, the Argyle Rooster. On a motion by Vice-Chairman Goldmann and seconded by Chairman Reiche, the Commission directed the executive director to forward a letter to Mr. Heine relating the procedural deviations by him but indicating that the basic disclosure requirements were met, that the Commission will consider the matter closed if he resubmits all the information on the proper forms and the Commission will expect strict compliance with all procedural and other provisions in the future. The vote was 2-1 with Commissioner Alexander in the negative indicating that he feels there may have been a violation of the Act and Commissioner Margetts absent.

12. Expenditure Limitation Cases

The executive director reported in regard to the following five cases involving only allegations of expenditure limitation violations:

<u>Name</u>	<u>Municipality & Office</u>	<u>Election</u>
Salvatore Gatto	Sea Bright - Council	1974 General
Leroy S. Gibson	Sea Bright - Council	1974 General
James Mihalik	So. Hackensack - Council	1974 General
Chester G. Salamandra	Washington Twp.-Council	1973 General
Committee to re-elect Dominick Merino, D. Merino and Edith Tassi, Treasurer	Greenwich Twp.	1975 General

On a motion by Chairman Reiche, seconded by Commissioner Alexander, the Commission voted 3-0 with Commissioner Margetts absent to dismiss the complaints in each of these matters because the expenditure limitation provision is no longer enforceable in view of the Buckley v. Valeo case and its application to New Jersey as indicated in the opinion of the New Jersey Attorney General in response to the Commission's request for same.

13. Adjournment - The Commission adjourned the meeting at 4:00 p.m.

Respectfully submitted,



LEWIS B. THURSTON, III
Executive Director