

COMPLAINT FOR VIOLATION OF THE CAMPAIGN FINANCE AND PUBLIC DISCLOSURE ACT

11 JUL 26 PM 1:38
CAMPAIGN FINANCE &
PUBLIC DISCLOSURE BOARD
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PUBLIC DISCLOSURE BOARD

All information on this form is private and confidential until a finding is issued by the Board.

Information about complaint filer

Name of complaint filer KARL BREMER	
Address 10949 STONEBRIDGE TR. N.	
City, state, zip STILLWATER, MN 55082	Daytime telephone no. 651.773.7493

Identify person/entity you are complaining about

Name of person/entity being complained about THE CONACH GROUP AND/OR MIKE CAMPBELL	
Address CURRENT ADDRESS UNKNOWN; 2007 ADDRESS: 16526 W. 78TH ST. #104	
City, state, zip EVEN PRAIRIE, MN 55346	
Title of respondent (if applicable)	
Board/Department/Agency/District # (if legislator)	

Karl Bremer
Signature of person filing complaint

7.22.2011
Date

Send completed form to: Campaign Finance & Public Disclosure Board
Suite 190, Centennial Building
658 Cedar Street
St. Paul, MN 55155

If you have questions call: 651/296-1721; 800/657-3889; or
for TTY/TDD communication contact us through the Minn. Relay Service at 800/627-3529
Board staff may also be reached by e-mail at: cf.board@state.mn.us.

Give the statute cite of the portion of Chapter 10A, or Minn. Rules you believe has been violated.

CH. 10A, 4511.0100

You will find the complete text of Minn. Stat. §10A and Minn. Rules Chapters 4501 - 4525 on the Board's website at www.cfboard.state.mn.us.

Nature of complaint

Explain in detail why you believe the respondent has violated Chapter 10A, the Campaign Finance and Public Disclosure Act. Attach an extra sheet of paper if necessary. Attach any documents, materials, minutes, resolutions or other evidence to support your allegations.

SEE ATTACHED

Minn. Stat. 10A.02, subd 11 - Violations; enforcement.

The board shall investigate any alleged violation filed in writing with the board. For an alleged violation of sections 10A.25 (expenditure limits) or 10A.27 (additional limits) the board shall either enter into a conciliation agreement or make a public finding of whether or not there is probable cause, within 60 days of the filing of the complaint. For alleged violations of all other sections, the board shall within 30 days after the filing of the complaint make a public finding of whether or not there is probable cause to believe a violation has occurred.

The deadline for action may be extended by a majority vote of the board. Within a reasonable time after beginning an investigation of an individual or association, the board shall notify that individual or association of the fact of the investigation. The board shall make no finding without notifying the individual or association of the nature of the allegations and affording an opportunity to answer those allegations.

Any hearing or action of the board concerning a complaint or investigation shall be confidential until the board makes a public finding concerning probable cause or enters into a conciliation agreement.

Except as provided in section 10A.28, after the board makes a public finding of probable cause the board shall report that finding to the appropriate law enforcement authorities.

**COMPLAINT OF KARL BREMER RE:
THE CONACH GROUP, MIKE CAMPBELL AND CITY OF STILLWATER**

On April 19, 2011, the City of Stillwater entered into a contract with The Conach Group, signed by Mike Campbell, to provide "legislative support" for several projects at the rate of \$1,500 per month. The following services are to be provided, according to the contract:

"To secure the required support of the Federal Government State of Minnesota and any administrative Department of either entity for the approval and funding of the pending St. Croix River Crossing at Stillwater.

"To secure Minnesota Legislative funding for the State purchase of the MN Zephyr Railroad Right of Way as an extension of the State Trail system support for the New Armory Project and Phase III of the Levy Wall Project.

"General Services work will include Federal and State projects given prior authorization by the City Council.

"It is understood that Consultant services will be rendered largely at the Consultant office and the State of Minnesota Capitol and not in the Offices of the City Travel to Washington DC or other remote locations is not contemplated and will require prior authorization by the City Council."

I can find no registration with your office for The Conach Group or Mike Campbell, who represented The Conach Group before the Stillwater City Council and whose name appears on the contract for "legislative support." Nor can I find any registration for Mike Campbell or The Conach Group as far back as 2005, even though Campbell presented a lobbying proposal to the City of Stillwater in 2007.

The work The Conach Group is doing for the City of Stillwater as described in the contract clearly falls within the definition of lobbying found in your agency's Lobbying Handbook, which states that you must register as a lobbyist **"If you are engaged for pay or other consideration and receive more than \$3,000 from all sources in any year, for the purpose of attempting to influence legislative or administrative action or the official action of a metropolitan governmental unit by communicating or urging others to communicate with public officials or local officials in a metropolitan governmental unit."** The City of Stillwater has paid The Conach Group \$6,000 so far this year.

Therefore, I submit that The Conach Group and/or Mike Campbell is in violation of the State of Minnesota's Campaign Finance and Public Disclosure Laws, **Definitions, registration and reporting requirements, Ch. 10A, 4511.0100**. And clearly, if The Conach Group has been submitting lobbying proposals to the City of Stillwater since 2007, when its group included a former state legislator, it should be well aware of the reporting requirements

If the City of Stillwater knowingly entered into a contract for paid lobbying services with an unregistered lobbyist, I submit the City also may be in violation of those same laws.

I've attached copies of the Stillwater City Council minutes of the discussion of this contract; the resolution passed to enter into the contract; and a copy of the contract as submitted to the City of Stillwater (the only change made was in the termination clause of the contract). I've also included a copy of the 2007 lobbying contract The Conach Group submitted to the City of Stillwater, even though it was never acted upon, to demonstrate that they are not novices to this business..

Councilmember Cook asked about the Parking Commission's recommendation, and Chief Gannaway reported that the Commission's stance has been to charge whatever the rate is, keeping in mind the Council can negotiate rates for the contract events.

Mayor Harycki suggested that staff to prepare a contract agreement for this event, with a fee of \$50 per week for the parking spaces use, with the contract to be brought back for Council approval at the next meeting.

In discussion, it was noted the lot being used if a free lot, those showing their cars are not charged and this event is free to the public.

On a question by Councilmember Roush, Mr. Zahren responded that he thought charging the cars \$3 per space would have a negative impact on the event.

Motion by Mayor Harycki, seconded by Councilmember Cook, to direct staff to prepare a contract agreement for this event for approval at the next meeting. All in favor.

Possible approval of Legislative Consultant Contract 2011 with The Conach Group for Legislative support for the St. Croix River Crossing, Levee Project, extension of the State Trail system and Armory Project

Councilmember Cook asked about the qualifications of this group and suggested there ought to be due diligence done before handing the work to this person without exploring other options.

Administrator Hansen responded that Mr. Campbell was very instrumental in helping the City obtain about \$1 million for the Brown's Creek project, understands the legislative process, and has lots of connections.

Mayor Harycki spoke of some of Mr. Campbell's professional background.

Mr. Hansen noted that the City did go through the interview and RFP process for lobbying services a number of years ago and he was not very impressed with many of the candidates, and the costs considerably higher.

Councilmember Roush expressed that his only concern was with the termination clause and suggested that be changed to 60 days, rather than 90.

Councilmember Cook suggested that she would like more flexibility for the City, so it is not tied to a long-term agreement, and also expressed concern about the language "as is reasonably necessary" describing the time devoted to work as being vague and ambiguous; she also suggested that language be added to general services to require reporting to the Council on a monthly basis.

Mayor Harycki suggested that any published reporting may impede some of the ongoing discussions.

Councilmember Cook explained that given the magnitude of the project and controversy surrounding the project, it seems very wrong not to have things out in the open. She talked about the frustration people in general experience when government talks about transparency and then conducts meetings in private.

Mayor Harycki moved to proceed with the contract and keep the 90 clause in place. Motion failed for a lack of second.

Motion by Mayor Harycki, seconded by Councilmember Roush, to adopt **Resolution 2011-64**, approval of Legislative Consultant Contract 2011 with The Conach Group (for Legislative support for the St. Croix River Crossing, extension of the State Trail system, support for the new armory

project, and Phase III of the levee wall project) and include a 60-day termination clause, rather than the 90-day clause.

Councilmember Cook questioned why the residents of Stillwater should be paying for a lobbyist when the Bridge Coalition already has a paid lobbyist.

Mayor Harycki noted this contract is for legislative consultant and that the Coalition is representing a broader constituency, while this is looking at items very specific to the City, such as the Zephyr trail, the armory and levee wall.

Councilmember Polehna spoke of the value of the Zephyr trail to the City.

Councilmember Cook indicated that she supported the Zephyr trail and levee wall, which is why she is requesting an accounting to time spent, as she fears the majority of time will be spent on the new bridge.

Councilmember Polehna agreed with the need to have reporting on the status of some of these items.

Ayes: Councilmembers Menikheim, Polehna, Roush and Mayor Harycki

Nays: Councilmember Cook

Possible approval of purchase of landscape trailer

Public Works Director Sanders reviewed the request that will result in a more efficient mowing operation, and in savings of fuel costs and vehicle maintenance. He indicated that the purchase price would come from the parks capital outlay fund.

Motion by Councilmember Polehna, seconded by Council Menikheim, to approve the requested purchase. All in favor.

Councilmember Polehna questioned why this request would have to come before Council and City Administrator Hansen answered that it is due to the capital expenditure freeze instituted by the Council.

There was discussion as to why there isn't a threshold for approval of bills and Councilmember Roush pointed out from an auditing standpoint, it is preferable for the Council to see line item details of spending.

Councilmember Polehna and Councilmember Menikheim suggested it is micromanaging to require Council approval of a \$3,000 item and it was decided to add this issue to the Council retreat session.

Resolution in support for Sunday liquor sales

Councilmember Roush read the proposed resolution in support of Sunday liquor sales, saying that the essence of this for him is the issue of free market – providing the option for both consumers and businesses.

Police Chief Gannaway noted for the record that the Police Department would not be in favor of the resolution.


Councilmember Roush pointed out that this resolution is just asking the City's legislative delegation to support the state bill.

RESOLUTION NO. 2011-64

APPROVING 2011 LEGISLATIVE CONSULTANT CONTRACT
WITH THE CONACH GROUP

BE IT RESOLVED, by the City Council of Stillwater, MN that the Legislative Consultant Contract 2011 with The Conach Group, and the City of Stillwater for Legislative support for the St. Croix River Crossing, extension of the State Trail system, support for the New Armory Project and Phase III of the Levee Wall project, is hereby approved and authorizes the Mayor and City Clerk to sign the agreement.

Adopted by the City Council of the City of Stillwater this 19th day of April, 2011.



Ken Harycki, Mayor

ATTEST:



Diane F. Ward City Clerk

LEGISLATIVE CONSULTANT CONTRACT
2011

This contract is made this _____ day of April, 2011, between the City of Stillwater, a Home Rule Charter City of the third class, existing under the laws of the State of Minnesota, with offices at 216 North 4th Street, Stillwater, Minnesota 55082, ("City"), and The Conach Group, ("Consultant").

RECITALS

The City desires to retain the services of the Consultant to obtain Legislative support for programs or projects that are listed in Section I of this Agreement. Consultant agrees to perform these services for the City under the terms and conditions set forth in this Contract.

In consideration of the mutual promises set forth herein, it is agreed between the City and the Consultant as follows:

SECTION I.
NATURE OF WORK

A. ST. CROIX RIVER CROSSING

1. To secure the required support of the Federal Government, State of Minnesota, and any administrative Department of either entity for the approval and funding of the pending St. Croix River Crossing at Stillwater.

B. GENERAL SERVICES

1. To secure Minnesota Legislative funding for the State purchase of the MN Zephyr Railroad Right of Way as an extension of the State Trail system, support for the New Armory Project and Phase III of the Levy Wall Project.

2. General Services work will include Federal and State projects given prior authorization by the City Council.

SECTION II.
PLACE OF WORK

It is understood that Consultant services will be rendered largely at the Consultant's office and the State of Minnesota Capitol and not in the Offices of the City. Travel to Washington, D.C. or other remote locations is not contemplated and will require prior authorization by the City Council.

SECTION III.
TIME DEVOTED TO WORK

The City will rely upon the Consultant to put forth such effort as is reasonably necessary to fulfill the spirit and purpose of the Contract.

SECTION IV.
COMPENSATION

The City will pay to the Consultant as follows:

\$1,500 per month or \$18,000 per year.

SECTION V.
DURATION

This Contract will be effective from April 1, 2011 and continue until 90 days after written notice of termination is provided to Consultant. However, the nature of the work done by consultant will be reviewed at least quarterly to determine whether work should be deleted or added based upon changed circumstances.

SECTION VI.
STATUS OF CONSULTANT

This Contract calls for the performance of the services of the Consultant as an independent contractor and the Consultant will not be considered an employee of the City for any purpose.

SECTION VII.
INDEMNIFICATION

Any and all claims that arise or may arise against the Contractor, its agents, servants or employees as a consequence of any act or omission on the part of the Consultant or its agents, servants or employees while engaged in the performance of this Contract shall in no way be the obligation or responsibility of the City. Consultant shall indemnify, hold harmless and defend the City, its officers and employees against any and all liability, loss, costs, damages, expenses, claims or actions, including attorney's fees, which the City, its officers or employees may hereafter sustain, incur or be required to pay, arising out of or by reason of any negligence or willful act or omission of the Consultant, its agents, servants or employees, in the execution, performance or failure to adequately perform Consultant's obligations under this Contract.

SECTION VIII.
AUTHORITY

The City hereby grants to the Consultant all authority reasonably necessary to pursue and achieve the objectives of this Contract.

IN WITNESS WHEREOF, the parties have set their hands as of the date first written above.

CITY OF STILLWATER

By _____
Ken Harycki, Mayor

By _____
Diane F. Ward, City Clerk

CONACH GROUP, INC.

By _____
Michael Campbell

11 JUL 26 PM 1:38

CAMPAIGN FINANCE &
PUBLIC DISCLOSURE BOARD



the CONACH *group*

■ ■ ■ *Committed to your Success!*

This Legislative Proposal Prepared
for
The City of Stillwater
February, 2007



the CONACH group

■ ■ ■ *Committed to your Success!*

16526 West 78th Street
Suite 104
Eden Prairie, MN 55346
612.270.2023 voice
952.445.6223 fax

Washington, DC
theconachgroup@comcast.net

February 11, 2007

Dear Mayor Harycki;

The attached proposal for State and Federal legislative services from The Conach Group is submitted for your review and approval by the Stillwater City Council as a whole. As you and your fellow members of the Council know, Stillwater has many needs as a community; not the least of which is the seeing the St. Croix River Bridge Project to timely fruition. The experience, creativity and determined efforts of The Conach Group will provide the essential guidance and legislative solutions to see that most important project, as well as other efforts, to success.

I need not remind you, Mr. Mayor, of our legislative success with respect to the Brown's Creek Protection Initiative. Working in a voluntary capacity as a concerned citizen activist, and with your significant participation, I secured \$1.3 million in state bonding to complete the North Hill sanitary project. Few, if any, truly believed that this project could possibly be funded. But through creative and determined efforts, the naysayers were proved wrong. It is precisely that hard-working and creative approach to the legislative process that sets The Conach Group apart from other legislative affairs organizations. This proven success, where others would not even attempt the effort, is not atypical of The Conach Group's efforts.

Speaking on behalf of all of us at The Conach Group, I look forward to working with you, the entire City Council as well as staff as we navigate Stillwater's policy requests through the legislative process.

Sincerely,

Mike Campbell
Director of Governmental Affairs
The Conach Group



the **CONACH** group

■ ■ ■ *Committed to your Success!*

16526 West 78th Street
Suite 104
Eden Prairie, MN 55346
612.270.2023 voice
952.445.6223 fax

Washington, DC
theconachgroup@comcast.net

EXPERIENCE

Three principals comprise The Conach Group: Tom Osthoff, Jack Bell and Mike Campbell. Each brings decades of professional experience to The Conach Group. Their bipartisan blend of business, government affairs, elective office, public relations, entrepreneurship and creative legislative solutions means success for their clients.

Tom Osthoff

A democrat who served in the Minnesota House of Representatives for 28 years, Mr. Osthoff is considered by many to have been one of the most effective legislators of his generation. He is known widely as a thoughtful representative who worked across party lines in a bipartisan fashion. Since his recent retirement from the Minnesota House, Mr. Osthoff now takes his invaluable experience as a legislator and committee chairperson and applies it to creative approaches to legislative solutions with The Conach Group.

Jack Bell

A former assistant to the Chairman at General Mills, and Senior Executive and General Counsel at Gelco Corporation, Jack Bell is President of The Conach Group. He is responsible for legal and legislative counsel, as well as strategic planning for all lobbying activities. His entrepreneurial background and leadership skills, developed from his long and successful business career, are important added value components to The Conach Group.

Mike Campbell

Mike Campbell is a former Director of Intergovernmental Affairs for the City of Saint Paul appointed by then Mayor Norm Coleman. Mr. Campbell has worked in numerous executive positions ranging from Executive Director of the Senate Republican Caucus to Director of Governmental Relations for Davis Family Holdings, a Minnesota company with over 1,400 employees. His unique, determined and highly creative approaches to legislative and business affairs have produced countless success stories.



the CONACH group

■ ■ ■ *Committed to your Success!*

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Suite 104
Eden Prairie, MN 55346
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Washington, DC
theconachgroup@comcast.net

February 11, 2007

The Conach Group agrees to perform legislative affairs services for The City of Stillwater for a period beginning March 1, 2007 and ending December 31, 2008. These services include (in listed order of suggested priority):

- Funding for the Minnesota/Wisconsin Interstate Bridge
- Funding for stage three of the Stillwater floodwall
- 2007 bonding request
- National Guard Armory
- Review State legislation that would impact the City of Stillwater, and provide recommendations on approaches to support or oppose such bills.
- Create and recommend an annual legislative priorities list for review, recommendation and approval of the Stillwater City Council.

The Conach Group will meet with all levels of elected officials, their staffs and governmental officials to advocate for the listed and approved legislative agenda.

The Conach Group will monitor pertinent House and Senate committee hearings.

The Conach Group will provide legislative progress reports to the City of Stillwater, directly to the Mayor, on a routine basis.

The Conach Group will continually assess the progress of the aforementioned legislative initiatives, and make any necessary strategic changes ongoing and with consultation and approval of the City of Stillwater.

COMPENSATION

The City of Stillwater agrees to pay The Conach Group four thousand dollars (\$4,000.00) per month, payable the first of each calendar month, for a period of time beginning March 1, 2007 and ending December 31, 2008.

The City of Stillwater will pay travel and accommodation expenses to The Conach Group as they relate to the activity of the aforementioned legislative work for the duration of the term. The Conach Group will provide detailed verification of such expenses as well as detailed receipts.

Terms are 30 days net

By

By

Mike Campbell of The Conach Group
Director of Governmental Affairs

Mayor Ken Harycki
City of Stillwater

On this date

On this date
