

MINUTES OF THE STATE AUCTIONEERS COMMISSION
OHIO DEPARTMENT OF AGRICULTURE Room 308
8995 E. MAIN STREET, REYNOLDSBURG, OH 43068
January 18, 2008

PRESENT:

Commissioner Joseph Zielinski
Commissioner Gary Cain
Commissioner Mike Baker
Adam Ward, ODA Legislative Liaison

William Hopper, Chief, Legal Counsel
Donna Brinker Potter, Administrative Assistant III
Jim Patterson, Assistant Attorney General

Members of the Public:

None

Meeting called to order 9:32am with the Pledge of Allegiance. Donna Potter called roll. There is a quorum of members of the commission present. There are two vacancies on the commission.

Adam Ward, ODA Legislative Liaison was asked by Donna Potter to give a presentation regarding Spending Authority and Controlling Boards. Mr. Ward stated that his job duties for the department consist of lobbying for the department on department and budget matters and controlling board requests. All requests go to his office where he discusses the merits of the request. They are submitted to the Director for approval; once approval is received he then crafts the request and submits it to the Office of Budget and Management. OBM will then review the request before forwarding it to the Controlling Board. He cited examples of controlling board requests such as lab training and equipment where they need to get waivers when they reach the spending thresholds with vendors for the release to continue doing business with the company. He also handles capital request which deal with infrastructure requests. He explained the budget process. At the end of this year, ODA will be submitting the next biennium budget which needs to be submitted by 6/30/09 to pass. Commissioner Mike Baker stated that there is approximately \$180,000 in the education fund. He wanted to know how do they get to it and how do they spend it. Adam Ward stated that if there is a particular program that the commission would like to put on that they work in advance to adjust the budget. He stated that the department does not like to go to the Controlling Board to ask for spending authority increases. He stated that the current political situation is not good for increased spending, that it is a politically charged process. He recommended that the commission bring the program to the department. He stated that they can make a decision as a board, talk to the Director, Adam, and Fiscal and they will determine what they can do to educate the Governor, Controlling Board and other stake holders. Commissioner Baker asked if there were other organizations like this and Adam Ward answered yes.

Commissioner Baker asked what is the budgeting cycle? Adam Ward stated that we are currently in the first year of the biennium that the second year begins 7/1/08 through 6/30/09.

Commissioner Cain asked if it would be best to get the request in by the end of this year. Adam Ward stated that if the commission gets something in by September, they will be able to role it into the next biennial budget. Bill Hopper stated that they are basically looking 18 months down the road. Commissioner Baker asked what would happen if they increase the budget but don't spend the money. He wanted to avoid having to eliminate programs that were done in the past. Adam Ward stated that they did not want them to come to the controlling board for additional money if they don't have an idea what they are spending the money on. Bill Hopper stated that you needed to have details and benefits. Commissioner Cain stated that if they were looking into a large scale program they would need to look at a budget increase. Commissioner Baker asked when would it need to be in. Donna Potter stated that it would need to be decided in the April & July meeting.

The next item that Adam Ward covered was the appointments for the two vacant positions. Mr. Ward acknowledged that they are looking to appoint two new commissioners, one auctioneer and one member of the public. He stated that he hoped the positions would be filled by the next commission meeting and he felt that the Governor's Office was close to making an announcement. Commissioner Zielinski asked if Commissioner Schnaidt would be reappointed and Adam Ward stated that he did not know. Commissioner Baker stated that the openings put everyone in a bad position. He wanted to know if there is anything that they should be doing. Adam Ward stated that he did not think that was necessary at this point. He stated that it is a process matter. He stated that they make recommendations to the Governor whose office gets to it as soon as they can. Sometimes it takes longer than others. He was hopeful that there would be a quick resolution to the matter. Mr. Ward moved to the next topic of HB 48. He stated that this bill would exempt tax exempt organizations. He stated that the department has not taken a position and that the department is following it closely. He stated that there had not been any indication as to when the bill will move out of committee. He mentioned another proposal that would allow an apprentice to conduct charity auctions without the supervision of the sponsor. He stated that this is being introduced by Rep. Batchelder from Medina. He stated that the department expressed some concern with the language regarding liability and that the department's concern would be eased if the sponsor signed off accepting liability for the apprentice. It will be introduced within the next month. He stated that commission's insight will be appropriate as it moves forward. Commissioner Baker stated that there are people who do this for a living and everyone is happy until there is a problem. Commissioner Cain stated that this needed to be monitored. He felt that the sponsor needed to know what the apprentice is doing if they are liable. Adam Ward wrapped up by stating that if they needed anything, or if there was something they wanted to bring to his attention, please do. He said he has an open policy and that his door is always open. He stated that they might not always agree but he will listen to come to the best solution.

The next item on the agenda was the election of a chair. Commissioner Cain stated that he was in favor of electing a chair. Mike Baker stated that David Schnaidt has done a good job and they do not know if he will be reappointed. Commissioner Cain stated that it did not sound like a slam dunk. Commissioner Baker recommended an interim chair. Commissioner Cain made a motion to elect Mike Baker as interim chair. Commissioner Zielinski seconded. No discussion noted. Motion carried.

Interim Chair Mike Baker asked everyone to stand and recite the pledge of allegiance. He asked everyone to review the last meeting's minutes. Commissioner Cain moved to accept the minutes as written. Commissioner Zielinski seconded. No discussion noted. Motion carried.

The next item on the agenda was the Spring Seminar. Donna Potter stated that it was her understanding that the OAA was not going to seek funds for the BAS designation until fall. She stated that they would need to either finalize the plan for the spring seminar at today's meeting, move the seminar or not have one. Interim Chair Baker stated that he hated not to do one because they did not have one the previous year. He stated that he also agreed with Commissioner Zielinski and did not want to do something half way. Commissioner Cain recommended that they do the seminar. Commissioner Baker stated that he would really like to see a seminar with Dennis Kruse talking about the business. He stated that there is a wealth of knowledge there. Donna Potter recommended round table sessions in the afternoon. It was decided that the commission would ask the department of taxation, ODA, BMV and ATF to participate. Interim Chair Baker stated that he would ask Dennis Kruse at the OAA Winter Convention to see if he was available. He asked if they could do an approval not to exceed a certain amount for the speaker and if Dennis was not available to use alternative speaker from the profession. Bill

Hopper stated that they could approve the topics. Commissioner Cain made a motion to not to exceed \$3,600 for the seminar and for the speaker in the morning and the round tables in the afternoon. Commissioner Zielinski seconded. Motion carried. The date of the seminar would be reliant on the dates the speaker was available.

Jim Patterson asked if he could give the enforcement update out of order due to another commitment. He stated that the department received the report and recommendation from the hearing officer in the Paranzino matter. He stated that there was no director's order in place. He stated that currently they were in the objection period. Once the objection period lapsed, the director could adopt the hearing officer's report and recommendation, adopt in part, or overrule the hearing officer's findings. He then will issue an order. Mr. Patterson stated that the case related matters back in the first six months of 2004. He stated that it took 2 years to complete the investigation and the hearing was held in February and July of 2007. He stated that due to the sheer volume of the matter it took a long time. ODA had proposed to revoke the licenses of Tim and Tom Paranzino as well as the company. There were various allegations that gave rise to the recommendation. He stated that it is entirely up to the Director to rule based on the facts; he will decide if evidence supports the findings and if he is going to adopt the hearing officer's report and recommendation to revoke. He stated that the director does not prejudge and will review the facts. He stated that he will update the commission at the next meeting. He stated that there is an appeal process for a director's order. He stated that if the director's order is appealed it will not be completed by the next meeting. Commissioner Baker stated that a case like this had to have stemmed from a complaint. Jim Patterson stated that cases like this can come from a number of areas. Donna Potter stated in this matter we had an anonymous and a signed complaint. Jim Patterson stated that ODA always follows a specific process. There is always an investigation. The next matter to update is the Spartan Stores matter in Lucas County. Mr. Patterson stated that we are still waiting a ruling on our motion for summary judgment.

Donna Potter then updated the commission on the upcoming NALLOA seminar. She also advised the commission that with the 2008 renewals the department was going to start requiring letters of good standing from corporations/LLC with the renewals. This is due to individuals failing to maintain the corporate status with the State and continuing to renew their auction license and do business under the non-existent corporation.

The next item on the agenda is the education subcommittee recommendations. Donna Potter asked the commission if they wanted her to send a letter of thanks to the subcommittee members. She presented the recommendations to the commission for review. Donna Potter asked if they wanted time to review and to bring it back to the next meeting. Interim Chair Baker tabled the matter until the next scheduled commission meeting.

With no other business before the commission, Commissioner Zielinski moved to adjourn. Commissioner Cain seconded. No further discussion. Motion carried. Meeting adjourned at 11:31am.

Approved Interim Chairman