

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Government, Military and Veterans Affairs Committee  
May 26, 2015

---

[CONFIRMATION]

The Committee on Government, Military and Veterans Affairs met at 12:00 p.m. on Tuesday, May 26, 2015, in Room 1507 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on gubernatorial and Secretary of State appointments. Senators present: John Murante, Chairperson; Tommy Garrett, Vice Chairperson; Dave Bloomfield; Joni Craighead; Matt Hansen; and Tyson Larson. Senators absent: Mike Groene; and Beau McCoy.

SENATOR MURANTE: Welcome to the Government, Military, and Veterans Affairs Committee. My name is John Murante, state senator for District 49 which encompasses Gretna and northwest Sarpy County. And I am the Chairman of this committee. Today we are here to review some gubernatorial appointments and an appointment from the Secretary of State's Office. The order of business will be taken up in the order in which they appear on the agenda which is listed outside of this room. If you are here to testify either on behalf of yourself, in support, in opposition, or in neutrality to any of the appointees today, I would ask that you fill out one of these green pieces of paper which are located on both sides of the room. And when you come up to speak, turn it in to the bin right in front of our committee clerk. If you're here in support of someone or in opposition to someone but do not wish to testify, there are sign-in sheets located on either side of the room on the same table. Just fill those out and we will take your opinion into consideration just as if you had testified. If you begin...or when you begin testifying, we ask that you, please, state and spell your name for the record which is very important for our transcribers office. The order of procedure will be that the appointees will come and make opening remarks. They will be followed by any proponents followed by any opponents followed by anyone wishing to testify in the neutral capacity. And then we will close the public hearing. We will be using the light system today. Every testifier is given the opportunity to speak for four minutes. When the amber light comes on, you have one minute remaining and we ask that you begin concluding your remarks. When the red light comes on, that is the end of your testimony and we will open the committee up to any questions they may have of you. Please turn off and...or silence any cell phones or any other electronic devices that make any noise. And if you have a prepared statement, an exhibit, or anything you would like distributed to the committee, please, give it to the page and he will distribute it to the members of the committee. We ask that you, please, provide us with 12 copies. If you don't have 12 copies, that's just fine. Again, give it to the page and he will take care of providing copies for us. As our members continue to trickle down, I'll introduce the members that are present right now. To my immediate left, State Senator Matt Hansen from Lincoln. To the far left, State Senator Joni Craighead from Omaha. To the extreme left is Sherry Shaffer who is our committee clerk. To my immediate right is our legal counsel (sic), Charles Isom. Showing up at some point will be Senator Beau McCoy of Omaha; State Senator Tommy Garrett of Bellevue who is the Vice Chair of this committee; State Senator Dave Bloomfield from Hoskins, Nebraska; to his right, State Senator Tyson Larson from O'Neill; followed by State Senator Mike Groene of North Platte. So

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Government, Military and Veterans Affairs Committee  
May 26, 2015

---

that is it for formalities but we have to wait for two more members to trickle down so that we are at quorum and can begin our business for the day. So we will stand at ease while the Legislature is standing at ease waiting for some people to arrive. All right. So formalities dispensed with, we will welcome Richard Grauerholz to...for an appointment to the State Emergency Response Commission. Welcome.

RICHARD GRAUERHOLZ: (Exhibit 1) Good morning, Senators. I am Richard Grauerholz, R-i-c-h-a-r-d, Grauerholz, G-r-a-u-e-r-h-o-l-z. I sent an application and a note to the Governor's office earlier this year to ask them if there will be an open position that they have on the State Emergency Response Commission. This position was for a local elected official to fill that position. And in December, I took the seat of mayor of Ashland and previously to that I'd been talking to some representatives of the Nebraska Emergency Management Agency and they had indicated that this position was open and they were looking for somebody to help fill in that position. Then shortly after that I retired from my job and, like I said, I took over as mayor of Ashland. I've got some background in emergency response. For 30 years I taught emergency response fire and emergency behavior for State Fire Marshals training division. I also did a lot of education and training for law enforcement, EMS, and fire personnel in the areas of hazardous material, response, and safety. I...that was with the State Fire Marshal training division. I also did hazardous material response for Nebraska Hazardous Incident Response Team (sic). I feel I've got some good background in that area that will serve well on that committee and with my education and knowledge and I've got the time to fill in and help make the state of Nebraska a whole lot safer in that area. [CONFIRMATION]

SENATOR MURANTE: All right. Thank you very much for your testimony. Are there any questions from the committee? Seeing none, thank you very much for coming down to day. Much appreciated. [CONFIRMATION]

RICHARD GRAUERHOLZ: Thank you. Thank you, Senators. [CONFIRMATION]

SENATOR MURANTE: Thank you. Is there anyone in the audience wishing to testify in favor of the appointment? Is there any opposition? Is there any neutral testimony? Seeing none, that will close the public hearing on Richard Grauerholz to the State Emergency Response Commission and we will proceed to the next item on the agenda, Patrick Guinan to the State Personnel Board. Welcome. [CONFIRMATION]

PATRICK GUINAN: (Exhibit 1) Good afternoon. My name is Patrick Guinan. It's G-u-i-n-a-n. I'm here applying for the State Personnel Board. I'm an attorney by trade. I've been practicing for 22 years up in Omaha and I work for a firm called Erickson and Sederstrom. My primary focus is litigation and appellate work. I also represent a number of small companies, contracting issues,

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Government, Military and Veterans Affairs Committee  
May 26, 2015

---

employment issues, stuff in that regard. Prior to working at Erickson and Sederstrom, I was a deputy Douglas County Attorney on the civil side. Prior to that I was...two years, I was at a company called Accent Service Company. I was general counsel, inhouse counsel for them. I heard about this position...my...I understand that Mr. Wayne Boyd is resigning from the position and there's two years left on the term. I heard about it through a friend of mine who is on the Governor's staff. And I think he asked me to consider it partly because of my experience when I was at the county attorney's office. For about a year, year and a half, I handled civil service commission hearings on behalf of the county. So if there was a grievance by an employee and they wanted to appeal that disciplinary action, I would defend whatever supervisor there was in those evidentiary hearings. So I do have a little understanding of what this particular position...one of the main focuses of this position being that they would...the board hears these grievances by state employees that have had some sort of discipline. So I think it was that kind of experience that my friend asked me to look at the position...I thought I could...something I've had a little bit of experience with, with my litigation background, my appellate practice. It's something I...I thought that it's something I could do for the committee. And that's why I decided to apply for it. I'd be happy to answer any questions anybody has regarding my background or desire to have this position. [CONFIRMATION]

SENATOR MURANTE: Thank you very much for your testimony. Are there any questions? Seeing none, thank you very much for coming down today, much appreciated.  
[CONFIRMATION]

PATRICK GUINAN: Thank you. [CONFIRMATION]

SENATOR MURANTE: Does anyone here wish to testify in favor of the appointment of Patrick Guinan to the State Personnel Board? Are there any opponents? Is there any neutral testimony? Seeing none, that closes the public hearing on the appointment of Patrick Guinan to the State Personnel Board. And we will proceed to the next item on the agenda, Timothy Hruza (phonetically)? Hruza? [CONFIRMATION]

TIM HRUZA: Hruza. [CONFIRMATION]

SENATOR MURANTE: ...Hruza to the Nebraska Accountability and Disclosure Commission. Welcome. [CONFIRMATION]

TIM HRUZA: (Exhibit 1) Thank you, Chairman Murante. My name is Tim Hruza. That's H-r-u-z-a. Chairman Murante and members of the committee, I'm here as a proposed appointment for the position of a member of the Accountability and Disclosure Commission. I'm in private practice. I'm an attorney in Grand Island, Nebraska. I work for a firm called Leininger Smith

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Government, Military and Veterans Affairs Committee  
May 26, 2015

---

Law Firm. My practice right now primarily deals with civil litigation, mostly with regard to real estate litigation and other, you know, private client disputes. I also practice in the areas of business formation, business organization. I do some real estate transactions, buying and selling of corporations and LLCs. I've been practicing in Grand Island for a little over...going on three years now. And I've had a great experience out there doing that. I was approached a few months ago by the current chairman of the commission, Kevin Brostrom, who is an attorney in Grand Island as well. He and I have worked together as...adversarial, I guess, in practice out there. We've gotten along really well. And he thought that I might be interested in applying for this and that it might be something that, you know, my political interests as well as my personal interests would fit well with my...I guess my legal background and my skills. I put in my application and was appointed by the Governor's Office. I think that I'd be great for the position in that I think that the Accountability and Disclosure Commission serves a very important role in our government both by keeping political candidates accountable for their actions but also by providing the public access to the information that it needs to know about you elected officials that end up, you know, becoming successfully elected to that position. I think the commission is a very important role. I'm excited to work to further the interests of the Nebraska citizens in ensuring that, you know, elections are...continue to be open and hold elected officials accountable. So with that, I would entertain any questions about the position or about myself or my background as well, so. [CONFIRMATION]

SENATOR MURANTE: All right. Thank you very much for your testimony. Are there any questions? Talk to me just a little bit about your role with Nebraskans for Civic Reform. [CONFIRMATION]

TIM HRUZA: Sure. I've been involved with Nebraskans for Civic Reform for a number of years now. It dates back to probably my college days. Senator Morfeld and I were acquaintances through student government. I was at the University of Nebraska at Kearney. He was at Lincoln there. And then we actually roomed together my first year at law school. (Laugh) So Senator Morfeld and I have been together...known each other for a number of years. He approached me with regard to joining Nebraskans for Civic Reform when we were roommates, I think. I've been the corporation secretary for the nonprofit since we organized then. Nebraskans for Civic Reform is a nonpartisan, nonprofit 501(c)(3) corp. that deals with promoting civic (education)...or civic engagement, I guess, democratic participation, and deals with...we also do some lobbying with regard to election issues and I'm sure most of you are familiar with that as well. So it's something that I'm interested in, I'm passionate about. I think that it's important for people to be civically engaged, involved in the elective process. I think that the civic engagement has to start young and I'm proud of what Nebraskans for Civic Reform has done in that regard. And I also think that elections need to be as open and accessible as possible when they can be, so. [CONFIRMATION]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Government, Military and Veterans Affairs Committee  
May 26, 2015

---

SENATOR MURANTE: Okay. Senator Larson. [CONFIRMATION]

SENATOR LARSON: You've mentioned...are you still on the board for the Nebraska Civic (sic)... [CONFIRMATION]

TIM HRUZA: I am presently, yes. [CONFIRMATION]

SENATOR LARSON: If you get this appointment, do you plan on leaving the board? [CONFIRMATION]

TIM HRUZA: I had considered it. I had spoke with Mr. Frank Daley here about whether or not that would be a serious conflict of interest, I guess. Mr. Daley assured me that to the extent that being a member of the board, I guess, we're not directly involved in any of the lobbying activities that Nebraskans for Civic Reform does. I don't make any calls about what we do as far as that goes. I do have a vote, I guess, when we take a position on a bill or on an issue. [CONFIRMATION]

SENATOR LARSON: I only ask because... [CONFIRMATION]

TIM HRUZA: Sure. [CONFIRMATION]

SENATOR LARSON: ...to me it is a little concerning in the sense of, we see them come up here and testify on issues that directly affect the Nebraska Accountability and Disclosure Commission and directly affect the, you know, changes to the commission and changes to, you know, things that are happening within the commission. So I view that as a direct conflict of interest... [CONFIRMATION]

TIM HRUZA: Sure. [CONFIRMATION]

SENATOR LARSON: ...in the sense of it's...you know, political views aside, when we have someone that's being appointed to one of these positions that sits on a board of an organization that actively lobbies in this committee, actively lobbies issues that directly affect that board that you're sitting on, it's, in my point of view--and I don't know how the rest of the committee feels--but that's a pretty big concern for me. [CONFIRMATION]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Government, Military and Veterans Affairs Committee  
May 26, 2015

---

TIM HRUZA: Sure. And I completely understand that concern, Senator Larson. As I mentioned, I had spoken with Mr. Daley. He has assured me that, to the extent that there's any sort of real conflict that a conflict of interest statement could be filed... [CONFIRMATION]

SENATOR LARSON: Could be. [CONFIRMATION]

TIM HRUZA: ...and that I would refrain from participation as far as that goes. If the committee has serious concerns about it--and I've talked with Senator Morfeld, too, about...obviously I had some concerns about it initially as well--I'd be willing to resign from that position to serve in this capacity. I think that this is an important role and as...and I think I would be good for the position too. I'm objective. I'm fair. I understand the legal implications of the rules and regulations in the area. And I believe I can apply them fairly as well. [CONFIRMATION]

SENATOR LARSON: And I don't doubt any of that. [CONFIRMATION]

TIM HRUZA: Sure. [CONFIRMATION]

SENATOR LARSON: I'm just saying when you sit on a board of an organization that does actively lobby and actively lobby on issues that deal with the Nebraska Accountability and Disclosure Commission, I understand Mr. Daley's position in terms of offering you counsel... [CONFIRMATION]

TIM HRUZA: Sure. [CONFIRMATION]

SENATOR LARSON: ...and what's happening and that you could file a potential conflict of interest. I'm just saying I'm not comfortable with it... [CONFIRMATION]

TIM HRUZA: I understand that. [CONFIRMATION]

SENATOR LARSON: ...if it's done in any circumstance. I'm not going to be comfortable with that just because of, like I said, you...they take positions. They lobby directly on things that do affect that. So that's kind of where I'm coming from. [CONFIRMATION]

TIM HRUZA: I understand, Senator Larson, and, like I said, to the extent that the committee has serious concerns about it, it's...I would be happy to resign from that position if we were concerned about a legitimate conflict, I guess. [CONFIRMATION]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Government, Military and Veterans Affairs Committee  
May 26, 2015

---

SENATOR MURANTE: Okay, Senator Larson. Senator Craighead. [CONFIRMATION]

SENATOR CRAIGHEAD: Hi, Tim. I, too, echo Senator Larson's comments on that. I would have a problem with you serving on that board if you were on NADC. [CONFIRMATION]

TIM HRUZA: Sure. Sure. And I guess, if there's multiple people, I can tell you right now I'd be happy to resign from that position. I don't think there will be any serious repercussions from doing that. Senator Morfeld, our executive director, and I have talked about it. And I've told him, too, that if there's any conflict I'm happy to resign. I would do that this afternoon, so. [CONFIRMATION]

SENATOR MURANTE: Senator Bloomfield. [CONFIRMATION]

SENATOR BLOOMFIELD: Your position with them is not a paid position, is it? [CONFIRMATION]

TIM HRUZA: Oh, absolutely not, no. [CONFIRMATION]

SENATOR BLOOMFIELD: I didn't think so. [CONFIRMATION]

TIM HRUZA: It's been volunteer from the beginning. I do serve as the corporation's secretary so I guess to that end I'm an executive officer. But like I said, aside from having a vote, I don't get involved and have never been involved directly in the lobbying. [CONFIRMATION]

SENATOR BLOOMFIELD: I share the concerns. I was appointed to this body, to the Legislature, when I first got here and I was member of the Republican Party in Wayne County. And I was told I should resign that at that point. And I think the same thing probably applies here. [CONFIRMATION]

TIM HRUZA: Sure. [CONFIRMATION]

SENATOR BLOOMFIELD: It's probably nothing wrong but let's just do away with the appearance of anything possibly (inaudible). [CONFIRMATION]

TIM HRUZA: Absolutely. I have no problem with doing that, so. [CONFIRMATION]

SENATOR BLOOMFIELD: Okay. Thank you. [CONFIRMATION]

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Government, Military and Veterans Affairs Committee  
May 26, 2015

---

SENATOR MURANTE: Okay. Additional questions? Seeing none, thank you very much for coming down today. [CONFIRMATION]

TIM HRUZA: Thank you, Senator Murante. [CONFIRMATION]

SENATOR MURANTE: Is there any proponent testimony for this appointee? Any opposition? Any neutral? Seeing none, that closes this public hearing and we will proceed to the last item on the agenda, the appointment of Matt Enenbach to the Nebraska Accountability and Disclosure Commission. Welcome. [CONFIRMATION]

MATTHEW ENENBACH: (Exhibit 1) Thank you. Good afternoon, Mr. Chairman and members of the committee. My name is Matthew Enenbach. It's E-n-e-n-b-a-c-h. I'm an attorney in Omaha. I've been practicing for approximately 11 years. The last nine years have been with Kutak Rock where I'm a litigation partner. I do primarily commercial litigation but I also represent companies in investigations by government agencies, mostly the federal alphabet soup of FDIC, SEC, DOJ, even the CPSC. Prior to that, I was an assistant Attorney General with the state of Nebraska where I worked for two years in the drug and violent crime division/section. I did mostly appeals as well as investigations and prosecutions of various crimes ranging from illegal gambling machines all the way up to sex offenses. If you...I think most of you have my resume. I have a long history of engaging in charitable and other civic activities. This is another one that...being on the Accountability and Disclosure Commission, I think, serves me well both with my legal background involved with prosecution as well as investigations by government entities. And I like to give back to the state and this is another way for me to do that. I want to thank Secretary Gale for his nomination and I look forward, hopefully, to working with the other members of the commission. Do you have any questions? [CONFIRMATION]

SENATOR MURANTE: Thank you very much for your testimony. Are there any questions? Seeing none, thank you very much for coming down today. [CONFIRMATION]

MATTHEW ENENBACH: Thank you. [CONFIRMATION]

SENATOR MURANTE: Are there any proponents wishing to testify on behalf of Matt Enenbach's appointment to the Nebraska Accountability and Disclosure Commission? Are there any opponents? Any neutral? Seeing none, that closes the hearing on Matt Enenbach and closes the hearing on the day. So let's stick around for a couple minutes to vote on this per the request of the Speaker and thank you very much, gentlemen, for coming down. [CONFIRMATION]