

Executive Committee Teleconference
October 29, 2013

Status: Approved June 26, 2014

Mr. Neale called the meeting to order at 9:31 PM (all times Eastern). Executive Committee members in attendance: Geoff Neale (chair), Lee Wrights (vice-chair), Tim Hagan (treasurer), David Blau (secretary), Bill Redpath (at-large), Dan Wiener (Region 4), Jim Lark (Region 5S).

Other LNC members listening: Starchild (at-large), Norm Olsen (Region 1), Vicki Kirkland (Region 2), Scott Lieberman (Region 4 alternate), Dianna Visek (Region 6), and Gary Johnson (Region 7). Non-LNC members listening: Wes Benedict (executive director), Robert Kraus (operations director)

The meeting was called to discuss whether to enter into formal negotiations to purchase 1428 or 1432 Duke Street in Alexandria, Virginia to serve as the National Headquarters.

Mr. Blau read out the attendance. Ms. Visek asked what happened to the 1101 King St. property. Mr. Kraus replied that we were outbid by \$50,000, and that the contract closed today. Dr. Lark asked whether our interest in King St. was parlayed into a better offer; Mr. Kraus replied that it was probable.

Mr. Blau moved (Mr. Hagan seconded) for purposes of discussion:

To authorize

- *proceeding to obtain a purchase and sale agreement for 1428 Duke Street in Alexandria, Virginia; and*
- *to obtain a mortgage.*

Mr. Blau reminded the listeners that this property had come to the attention of the previous LNC, and asked Mr. Kraus to speak regarding changes since the last time the property had been considered. Mr. Kraus stated that the water damage from 2011 has been repaired, and that \$20-30,000 worth of cosmetic renovation would need to be done. The listing price would be about \$870,000.

Ms. Visek asked what other properties might be available. The property 1432 Duke Street is on the market and has the same general layout, although it needs more cosmetic work: perhaps \$30-35,000 worth. Neither unit would require a build-out. Another two-unit property is available in the same complex; the owner is a real estate broker occupying 1426 Duke Street. There is no other interest in these properties. There are no other properties in Arlington or Alexandria that meet our criteria.

Starchild asked why money should be spent on purely cosmetic appeal. Mr. Wrights replied that we would now be owners, and Mr. Neale said that it's better to do so before the space becomes a working area. Mr. Blau said that this is a national headquarters space, and we may be inviting

important donors and political figures into the space. Mr. Wrights expressed his opinion that we should start acting like business professionals.

Mr. Neale informally polled the Committee for their opinions: Mr. Blau supports a good deal for our donors and a good space for staff to work, and believes the property fits both. Dr. Lark weakly supports the purchase. Mr. Redpath has visited the property, weakly supports the purchase, believes the property is adequate, and that we cannot afford a great property. Mr. Hagan thinks the property would be adequate. Mr. Wiener spent time two years ago reviewing this property's finances and believes that it's adequate, but not ideal. Mr. Wrights can't find anything wrong, but is hesitant to buy a property without looking at it. Mr. Neale agrees that the property is not ideal, but it's functionally the same size as the Watergate, and owning a space permits us to allow people into the space at any hour of any day. He said security is a concern.

Mr. Neale opened the call to questions from LNC members. Ms. Visek has no problem proceeding with exploring the complex. Mr. Wiener asked about the current status of the building fund. Mr. Neale reported that as of today, net receipts (cash in the bank) is \$313,883.47 and with pledges added, \$357,953.47 of which at least \$25,000 are pledges from LNC members. Mr. Wiener asked what expenses that amount must cover in addition to the mortgage; this would include moving costs plus closing costs (of about 2.5%-5%).

Dr. Lark asked about interest rates; current rates are at approximately 4.8%. Mr. Wiener asked about the possibility of extending our mortgage; several banks offer this option. Dr. Lieberman asked why we never considered renting a cheaper space in the Watergate; while this was a possibility, the LNC did not vote to do so.

There was discussion regarding adding a kitchen to the space at 1428 Duke Street, the neighborhood, nearby hotels, shopping, and parking. Mr. Neale is concerned about aluminum wiring in the building, although this would be addressed by an inspection. Mr. Wiener asked whether the lack of elevators would be a problem for staff; Mr. Kraus did not believe so. Mr. Benedict said the layout was not ideal but could be made to work.

Mr. Olsen asked whether the meeting is confidential; Mr. Neale replied that it was not. Mr. Benedict asked whether anyone was concerned about how much time we were spending on making this decision. Starchild stated that if we can host our LNC meetings at the building, we can save several thousand dollars per year. While he was speaking, Starchild lost his connection to the call.

Mr. Wiener moved (Mr. Blau seconded) to amend the motion to add "or equivalent properties in Roundhouse Square." [Roundhouse Square is the name of the complex of buildings of which 1428 Duke Street is a member.]

A roll call vote was taken on the motion to amend.

Voting aye: Blau, Hagan, Lark, Neale, Redpath, Wiener.
Abstaining: Wrights.

Mr. Neale declared the amendment passed. The Committee moved to a vote on the main motion as amended, reproduced below:

To authorize

- *proceeding to obtain a purchase and sale agreement for 1428 Duke Street in Alexandria, VA or equivalent properties in Roundhouse Square; and*
- *to obtain a mortgage.*

Voting aye: Blau, Hagan, Lark, Neale, Redpath, Wiener.

Abstaining: Wrights.

Mr. Neale declared that the main motion passed.

Starchild reconnected to the call during the voting. He requested a response to his concerns about having enough meeting space for LNC meetings. Mr. Neale responded by stating that there can be no guarantees given the varying number of attendees, and asked how many observers we should be able to accommodate. Starchild would like us to be able to accommodate as many visitors as want to observe, and suggested that if our space was insufficient, we should suspend any ongoing meeting and reconvene in a space that is large enough to accommodate everyone.

Dr. Lark moved to adjourn. Without objection, the meeting was adjourned at 10:53 PM.

Submitted by:

David Blau

Secretary, Libertarian National Committee