



LNC Meeting Minutes, August 14-15, 2004, Cleveland

To: Libertarian National Committee

From: Bob Sullentrup

CC: Joe Seehusen

Date: 8/15/2004

Version 0.2, Date Produced: 8-17-2004

First version released to the LNC for corrections and comments

Do not include this version in the November LNC meeting binder

Attendance

Attending the August 14, 2004 LNC meeting in Cleveland were members and officers: Michael Dixon, Lee Wrights, Mark Nelson, Mark Rutherford, George Squyres, Adm. Michael Colley, BetteRose Ryan, Rick McGinnis, Dan Karlan, Aaron Starr, Bob Sullentrup, M Carling, Dena Breudigan Jeremy Keil. Michael Gilson-DeLamos, Ed Hoch, Jim Lark, Bill Redpath.

Sean Haugh, Tim Hagan, Chris Farris, Tony Ryan, Chuck Moulton, Emily Salvette, David Macko, Robert Butler, Joe Seehusen, Mark Schreiber.

Mark Cenci was at home in Maine hosting the Badnarik campaign in its New England swing as well as securing ballot access for the state.

The meeting commenced at 8:32.

Moment of Reflection

Chair Michael Dixon called for a moment of reflection.

Public Comment

David Macko of the Northeast Ohio LP welcomed the LNC to Cleveland.

Credentials Report

Secretary Bob Sullentrup confirmed the attendance of the members and alternates listed above.

For completeness, the following table lists the composition of the current LNC as accepted at the May 31, 2004 meeting.

Region	States	Representative	Alternate
Region 1, East	Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, New York, Connecticut, New Jersey	Dan Karlan, New Jersey	Mark Cenci, Maine
Region 1, West	Alaska, Washington, Montana, Wyoming, Idaho, Colorado	Ed Hoch, Alaska	1 st : Joseph Thompson Colorado 2 nd : Mike Fellows Montana
Region 2	California, Oregon, Hawaii	Aaron Starr, California M Carling, California	1 st : Mark Hinkle California 2 nd : Scott Lieberman California
Region 3	Indiana, Michigan, Ohio, Kentucky	Dena Bruedigam, Ohio	Emily Salvette Michigan
Region 4	Georgia, Florida, Alabama, Mississippi, Tennessee, North Carolina, South Carolina	Michael Gilson deLemos, Florida	Chris Farris, Georgia
Region 5 West	Wisconsin, Illinois, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas	Jeremy Keil, Wisconsin	Tony Ryan, South Dakota
Region 5 East	Virginia, Maryland, Delaware, West Virginia, District of Columbia, Pennsylvania	Jim Lark, Virginia	Chuck Moulton Pennsylvania
Region 6	Nevada, Texas, New Mexico, Arizona, Utah, Oklahoma	George Squyres, Arizona	Tim Hagan, Nevada

Paperwork Check

Mike Dixon noted the contents of the binders including LNC Minutes, Officer Reports, Staff Reports, Consent Agenda, Reports/Action Items Previously Submitted, Reports/Action Items Not Previously Submitted (null content, by definition), Regional Reports and the Policy Manual and Bylaws. A late entry added after compilation was the budget to actual financial report in section 2.

Report of Potential Conflicts of Interest

Lee Wrights reported he is a board member of a 527 organization, Freedom Ballot Access.

Rick McGinnis reported he is an investor in BumperSticker.com, which is providing materials to the Badnarik campaign.

Approval of the Agenda

Aaron Starr recommended we change the title of the section "Consent Agenda" to "Committee Appointments". The LNC accepted and adopted the change.

The group also decided to allocate 20 minutes for Ballot Access after hearing from the presidential campaign.

Jim Lark recommended we discuss the Sarbanes Oxley legislation and implications in executive session with counsel.

The agenda was accepted as amended.

Approval of the Minutes

From the May 27 minutes, M Carling pointed out that in the succession of LNC reps, Joe Dehn was replaced by Mark Hinkle. Mark Hinkle was replaced by Scott Lieberman. Scott Lieberman was replaced by M Carling. In the version of the May 31 minutes available at the meeting, this was noted, but corrected incorrectly.

M moved to change the 5-27 minutes, and the item passed with the required 2/3rds majority.

In the version of the May 31 minutes available at the meeting,

- Michael Gilson-DeLemos's name was spelled incorrectly.
- Dr. Jim Lark's name was omitted from the attendance list.
- Chuck Moulton was also in attendance.
- On page 9, "the five were approved" should have been "the four were approved".
- On page 7, "nature" should have been "signature".
- On page 7, "\$20" should have been "\$20k".
- For the purpose of those minutes only, Mike Dixon is the same as Michael Dixon.

(Secretary's Note: At some point in June, the Secretary made many of these changes. Clearly the version presented at the meeting was not the most current. This oversight will be easily rectified for future meetings by putting a version number and date produced prominently at the start of the minutes.)

The minutes were approved as amended.

Officer Reports

Chair's Report

Chair Michael Dixon turned the gavel over to vice chair Lee Wrights while presenting his report.

Chair Michael Dixon introduced his report by relating his observations during his first quarter in the job. He reiterated his campaign promise to stress that 'rules matter'. At the same time, he stressed his focus on process as much as destination.

Michael has provided weekly reports and has invited feedback from stakeholders. He noted it's his role to make 'a first cut' at decisions, but will defer to the body on more substantial issues worthy of their attention.

Michael characterized himself as a "Strategy 19 and 20" kind of guy (adequate resources needed and increased activism with enjoyable activity). In that vein, he noted an element in our party's culture to "run roughshod over people". He encouraged we develop a culture of respect within and without the party.

The Chair's Report is attached to these minutes.

Michael noted Marriott's final convention bill was negotiated 8-11. It had dropped from \$40k to \$29k and now resides at \$20.6k and change. He has directed staff to 'pay that bill quickly'.

Michael brought contracts with him for the LNC Counsel, the Badnarik campaign, Genama (Geoff Neale's consultancy) and the Executive Director. He made them available for inspection by the

members on hand, but did not want to distribute them via e-mail due to the risk of them being forwarded generally.

Michael's report also includes a prospective schedule for LNC meetings, the next being slated for November 13-14 in Washington DC. M Carling noted the March 5-6 meeting in Las Vegas conflicts with the Oregon convention, and Bob Sullenstrup noted the Missouri Convention, a possible four state affair including KS, NE and IA, was also scheduled for the same weekend.

Bill Redpath moved to meet three times per year in April, August and December. Ed Hoch seconded. The motion failed.

M Carling moved to move the LNC meeting tentatively scheduled for March 5-6, 2005 to the last weekend in February. This motion carried.

Continuing, Michael noted we have "20,000 members who think they are in charge." To combat that and preserve order within the party, Michael recommended we follow a chain of command and to keep internal squabbles "at the dining room table." As an example, if the opinion is Raiser's Edge will not work, then Joe Seehusen needs to hear that, not the party member.

Dan Karlan wanted to know the process for registering queries regarding website content and operation. This is important for Strategy Item 5 involving campus LP organizations. Michael promised to disseminate information on how to post IT logs.

Michael also reported the light at the end of the tunnel is visible with the Raiser's Edge 'go live' date targeted for September 13. What remains is to develop input and output functions. Geoff Neale is heavily involved in the Badnarik campaign and will not be able to finish those items. Geoff Neale is no longer the 'responsible party' for Raiser's Edge, but remains involved in the project to some extent.

We expect to be able to have the input and output functions created in Raiser's Edge using a relatively small amount of contract developers requiring \$40/hour or so for their services.

The minutes from the 2002 convention in Indianapolis have yet to be produced. Dan Karlan is working on them and may be able to recreate a substantial portion of them.

The February 21, 2004 meeting minutes do not exist. Geoff Neale may have the audio recording from that meeting.

Mark Nelson moved that draft minutes not be posted on the website in advance of them being approved by the LNC. The motion passed 8-6.

The group addressed "Region One-gate". This is the situation spawned by someone anonymously posting a claim that the membership numbers used to form regions at the convention were incorrect. The allegation was the denominator did not include the approximately 40 members out of 19000+ who do not belong to any affiliate. Some of these members live in Puerto Rico where we have no affiliate, or the UK, or New Zealand or are affiliated with the military and have APO addresses.

The issue has become the LNC's version of the Florida hanging chad controversy.

The Bylaws award one regional representative for every 10% of total national party membership by the states which band together to form a region. Region One achieved its 20% target for two members by a slim margin, but would not have if the denominator were much larger.

The numbers the Secretary disseminated for LNC region formation were the same used by the prior Secretary to determine delegate allocations for the convention. They were available in the delegation chair's manuals both weeks before the convention in electronic form as well as in hard copy at the

convention. Two-thirds of the states requested and received the delegation chair's manuals prior to the convention. No challenge to the validity or appropriateness of the numbers was raised before or during the convention, or in the LNC meeting immediately following the convention at which the new regions were submitted, accepted and approved.

The Secretary's position, issued early on after the anonymous poster issued his (or her) challenge, can be summarized as follows:

- While the set of numbers used were not the ones that some may have wanted, they went unchallenged and thus are 'official' even if incorrect.
- The methodology for deriving the numbers was the same methodology used at prior conventions.
- Using the alternative set of numbers would have precluded the formation of a 'super-mega-region' consisting of the entire country entitled to 10 representatives. The additional line item for unaffiliated members included in the total would have left that combined region with only 99.8% of the total, even though it would be comprised of all affiliates.
- We are well beyond the point specified in the Bylaws for the formation of regions.
- The LNC certified the regions at its meeting on May 31.
- No one has claimed any harm.

George Squyres moved to define membership as affiliate members and Mark Rutherford seconded. After some discussion, the motion was ruled out of order as an implicit change to the Bylaws.

After further discussion, Mark Rutherford appealed the ruling of the chair, BetteRose Ryan seconded. Some members noted an apparent ambiguity in the Bylaws owing to a distinction between 'membership' used in certain contexts versus 'national membership' used in others.

The ruling of the chair was upheld, and George Squyres' motion remained out of order.

After several extensions of time for debate, Michael Gilson DeLemos moved to defer this matter until the next convention at which time the delegates could address the related issue of delegate allocation. George Squyres seconded.

Michael Dixon moved to amend to endorse the convention action as final and unchangeable without regard to its correctness and will refer the matter to the Bylaws Committee for deliberation and a recommendation. Bill Redpath seconded. This measure passed, and the Bylaws Committee will take up the matter. Meanwhile, Region One's representatives including Ed Hoch and Dan Karlan remain seated.

Treasurer's Report, First Try

Treasurer Mark Nelson began his report by moving to amend the agenda to extend for 10 minutes the time allotted to the chair's report. That passed.

Chair's report, Extension Period

Michael Dixon noted his Appendix B (recast as Appendix A.2 in these minutes) was a request by the Badnarik campaign for 'full and complete' access to the LP database. Michael did not 'take the first bite of this apple', but brought the matter before the LNC.

After some discussion and a five minute extension, Michael Gilson DeLemos moved to amend agenda to discuss the matter after hearing from Fred Collins Sunday morning and after our ballot access discussion for 10 additional minutes. Bill Redpath seconded, and the amendment to the agenda carried.

Finally, Michael noted he was inclined to provide Kia software source code to a single party member who had requested it after the party member signed a non-disclosure agreement.

M Carling moved to make Kia software source code available to affiliate parties who signed confidentiality and non-disclosure agreements. The motion failed by one vote.

Treasurer's Report

The complete text of Treasurer Mark Nelson's report is included in these minutes as Appendix B. Highlights follow.

Mark noted an unbudgeted capital expenditure of \$38,000 for computers has 'seriously eroded our cash flow'.

An inaccuracy in the FEC report filed in June had been apparently corrected. Subsequently Mark discovered that it still was not correct. Mark is unsure at this point what exactly to do about that.

Mark moved staff provide timely financial statements consistent with the policy manual and budgetary outlines. BetteRose seconded. The motion passed.

Mark continued by informing the group that convention funds had been commingled with general funds over the last several months, and added that he believed no inappropriate action had occurred. However, at an LNC meeting in June 2003, the LNC ascribed a high priority to the task of creating a separate bank account for convention funds.

The Campaign Contract has no relationship with the Convention Banquet Fund Raising. Mark stressed that the two items should be decoupled.

Mark discussed membership noting a distinction between "certification-signing members" and "those who contribute \$25 or more". The latter are of more interest to the treasurer, particularly lapsed members. He moved to change Policy Manual Section 2, Paragraph B, in the last paragraph as follows:

Current policy:

A membership report including starting membership, lapsed members, number of previously lapsed members who renewed, new members, and ending membership.

Change to:

A membership report for a minimum of two years in arrears, including starting membership, lapsed members, number of previously lapsed members who renewed, new members, and ending membership, and an identical report for LP News subscribers.

Dan Karlan seconded, and the motion carried.

Next Mark discussed the reserve requirement, noting that we were not in compliance at the end of June or July, and does not expect to be in compliance at the end of the year. Lee Wrights asked if we had ever been in compliance. To anyone's knowledge, we never were.

Mark had no action item attached to this information, other than fulfilling his disclosure of the situation to the body.

Next Mark broached the topic of restricted funds. To assist in the oversight of restricted funds, Mark proposed the following change to the Policy Manual, Section 2, Paragraph B, first paragraph:

Current policy:

A balance sheet summary based on closed books for the month.

Change to:

A balance sheet summary based on closed books for the month, including the balances in all restricted accounts.

Lee Wrights seconded the motion and the measure carried.

On the topic of outreach (member prospecting), Mark noted it costs us money to 'chase' lapsed members, and the question remains how to best incorporate this activity into our business model. Mark proposed no specific action at this time, but was informing the LNC of the issue. See Appendix B for more information.

On the issue of ballot access, Mark moved to request that the ED provide a report on the cost to Ballot Access for LP News Ads, staff time for letter creation and all other direct costs, consistent with the project model, by the next meeting. Bob Sullentrup seconded.

Joe Seehusen noted that these costs have not been tracked separately, and doing so competes for time with other important activities. M Carling moved to postpone consideration to next meeting. That item failed. Mark's original motion passed.

An outstanding bill payable to Marriott remains. The bill started at \$40k, then \$29k and now can be settled for \$20.6k. It exceeds 10% of the budgetary YTD line item amount and thus must be approved by the LNC. Mark Nelson moved to pay it, Michael Gilson DeLemos seconded and the motion passed.

Mark discussed pledge income and the problems with its incorrect reporting. The ED's bonus depends in part upon the growth of pledges. Since there has been minimal growth in pledge income, for practical purposes the problem with incorrectly reporting pledge income at this time is moot. Accordingly, Mark's motion to remove the provision for the ED bonus to be based on pledge growth was eventually withdrawn.

Next came the issue of convention banquet fundraising. At the banquet, the expectations set with convention goers was 'for the national party's use for the presidential campaign'. Details are now outlined in the LNC's contract with the campaign.

Mark moved to 'direct the ED to provide a report on the use of and outcomes obtained from the Convention banquet funds.' Michael Gilson DeLemos seconded, and the motion passed.

Another budgetary item involves occupancy costs. Mark moved to 'direct the ED to provide an explanation for the variance in the Occupancy line item.' BetteRose Ryan seconded and the motion passed. Following up, Mark then moved to add \$1,000 a month to the occupancy budget for the balance of the year (August through December), and remove a similar amount from contract labor. Dan Karlan seconded and the motion passed.

Regarding the budgetary line item for operations, Mark Nelson moved the LNC suspend the requirement to comply with 10% variance requirement until an explanation emerges and until the apparent miscoding errors are corrected. This is largely an accounting issue.

M Carling moved to commit this to the EC. Dan Karlan seconded and the motion carried.

Mark noted of potential cost overruns on the Raiser's Edge project. If the expenditures exceed budgeted costs of \$96k costs by 10%, the Chair and EC would need to move funds from Contingency. No action is needed at this time.

Mark then moved to 'direct the ED to work with the Treasurer to develop answers to all questions from the Audit Committee Report and to provide a final report by August 30, 2004.

After a second by Jim Lark, the motion was amended to specify a September 15 due date. Both the amendment and amended motion passed.

With the lease at the Watergate offices expiring, Mark moved to have the ED explore the best outcome after collecting and analyzing alternatives.

The exact language for the text of the motion comes from the Treasurer's report:

Direct the ED to provide a report at the November meeting on:

- The program and likelihood of success and impact on organization of fund raising for purchase of a building, and
- The rates and terms (and relationship requirements) at which the LP would be likely to obtaining mortgage financing.

George Squyres seconded and the motion passed.

The group decided to move the discussion of membership policy included in the Treasurer's report to another time. Jim Lark recommended we move this to the end of the meeting. Without objection, that was so ordered.

Mark introduced an additional policy manual change affecting the ED's authority. See Article 4, Section 2, Part A, 7:

Current Policy:

initiates, reviews, and approves the appointment, employment, and termination of all LPHQ personnel, with the advice and consent of the Chair;

Replace with:

initiates, reviews and approved the appointment, employment, and termination of all LPHQ personnel, vendors and volunteers.

Mark argued this 'makes more sense to our business model'.

While the motion passed, Michael Gilson DeLemos and Lee Wrights wished to have their votes in opposition recorded in these minutes.

Finally, Mark noted his first task as Treasurer was to approve a reimbursement for \$15 for subway travel at the convention. With the following motion, he proposed to set the limit as \$200.

In Policy Manual, Article 5, Section 4, Paragraph A:

The Party Chair or Treasurer shall be required to approve and evidence by signing or initialing all expenses and expense account reimbursements made to the Executive Director or other officers prior to payment. No officer shall approve his or her own expenses. To . . .

Insert:

“More than \$200” after “expense account reimbursements” in the first sentence.

This motion carried.

Counsel

Bill Hall asked for questions on his report distributed at the end of July. Hearing no questions, Bill moved on to the two items he had prepared for the meeting.

The recent audit revealed an issue regarding the LNC’s articles of incorporation and Bylaws, citing a ‘direct conflict between the Committee’s articles of incorporation and Bylaws.’ Bill did not think this was a particularly troubling issue, and still thinks so.

The second item involves ongoing litigation. In *Federal Election Commission v Libertarian National Committee, Inc*, there is still nothing new to report. The FEC is proposing to fine us \$3,200 for having filed a report six days late on September 26, 2003, around the time of the remnants of a hurricane passed through DC and closed the FEC offices for a couple of days. The FEC acknowledged receipt of the LNC’s correspondence of last December, but has yet to respond.

Bill also reminded the group of the issue of confidentiality, whether via e-mail or in ‘Executive Session.’ There are both legal and non-legal aspects to the matter. The former would apply to pending or new litigation, or our strategies to comply with laws. Non-legal aspects would involve political strategies or practical business reasons, such as employee performance matters.

Bill pointed out the opportunity for attorney-client privilege. Matters discussed with Bill could fall under that category and provide an argument for non-disclosure, were the matter ever to come before a judge. In addition, it serves as a kind of safeguard against slander after raising claims of possible fraud or malfeasance that turn out to be unjustified.

Matters disclosed in executive session must not be divulged. To do so not only waives ‘attorney-client privilege’ for you, but exposes others to discovery. It is a violation of the fiduciary duties LNC membership entails.

At this point the LNC entered executive session.

Secretary’s Report

Bob Sullentrup prepared a ‘convention improvement plan’ attached to these minutes as Appendix C.

Meanwhile, Bob deferred to Dan Karlan who had independently sought the role of custodian of the Policy Manual. In keeping with the requirement of notifying the LNC of technical corrections to the Policy Manual, Dan noted the following:

Page 4, Article I, General Policy, Section 2, Meetings, Item G, Executive Sessions

*Change “If any topic other than those listed below **are** given,”*

*To “If any topic other than those listed below **is** given,”*

Page 5, Article I, General Policy, Section 2, Meetings, Item G, Executive Sessions, Point 5

Change specifications “Section V E i” and “Section V E ii” to ‘i’ and ‘ii’ since they refer to items within the current local context. (I say again, Dan is the Man)

Page 7, Article I, General Policy, Section 4, Mail Ballots

All three paragraphs should be labeled, not the first unlabeled and the second and third as A and B

Page 8, Article I, General Policy, Section 5, Conflicts of Interest, Item B
Change *“Nothing in this section shall modify the requirements **of** Section 3 A”*
To *“Nothing in this section shall modify the requirements **in** Section 5 A”*

Page 8, Article I, General Policy, Section 6, Literature, Item B
Change *“**Advertising/Publications Review Committee**”*
To *“**APRC**”*

Page 11-12, Article II, Membership, Section 8, Alternative Unified Membership, Item A
Change *“**in the amount of**”*
To *“**of**” (in two places)*

Page 19, Article IV, National Headquarters, Section 2
First Item should be ‘A’, not ‘D’, and subsequent items ‘B’ through ‘F’ rather than ‘E’ through ‘I’

Page 21, Article IV, National Headquarters, Section 2, Position Description of the Executive Director, Item B (formerly E), element 3.c
Change *“the Executive Director **distributed** to the Committee:”*
To *“the Executive Director **shall distribute** to the Committee:”*

Page 22, Article IV, National Headquarters, Section 2, Item B (formerly E), element c, 6th bullet
Change *“and revenues **associate** with that direct mailing”*
To *“and revenues **associated** with that direct mailing”*

Page 25, Article V, Finances, Section 2, Budget, Item A
Change *“12 months through October **31st**”*
To *“12 months through October **31**”*

Page 27, Article V, Finances, Section 3, Personal Liability of LNC Members, Item A
Change *“Provided for in Article I, Section **5 H**”*
To *“Provided for in Article I, Section **2 G 8**”*

Page 28, Article V, Finances, Section 5, Liquidity Requirements, Item B
Change *“In **additional**,”*
To *“In **addition**,”*

Page 37, Article VIII, Campaigns, Section 3, Limitations on Party Support for Public Office
Change *“or (c) the service or candidate **have** been approved”*
To *“or (c) the service or candidate **has** been approved”*

Dan also noted that in Article III, Officers, Section 1, Position Description of National Chair, Item A, that the chair being a non-voting member of the Committee is unstated. Presumably this omission is covered by Robert’s Rules.

With Bob Sullentrup’s report with proposed improvements to the 2006 convention in the binder and broached on the LNC e-mail list, the chair asked for questions. Hearing none, the group moved on to other business.

Bob will use the LNC list to ask the questions he has of the group regarding these measures.

Staff Report

The Executive Director’s Report is attached to these minutes as Appendix D.

Joe Seehusen thanked BetteRose and Tony Ryan for coming to DC and clearing out storage rooms in the national office. Releasing this space saves \$160/month.

Joe also noted the office has many copies of *Viewpoints* and will offer them to the states in 5-10k increments at only the cost for shipping.

Joe mentioned he has stressed creating work processes within the national office to ensure that activities are system-dependent, not person-dependent. The idea is systems can more readily be preserved after employees leave than person-dependent structures. In the latter case, the individuals take their expertise with them.

Joe also noted efforts to recapture pledge money from donors whose credit cards have changed have proved fruitful. For every day that a staff member devotes to the activity of updating changed credit card numbers, another \$180 in monthly pledge donations is realized.

He added that efforts are underway to persuade members to become pledgers, and that a major donor program is in its beginning stages.

The upcoming Raiser's Edge installation will allow an opportunity to revisit office operations and capitalize on its potential for outreach. His approach will be to get started with Raiser's Edge and make adjustments and refinements as the process proceeds.

Rod Severson noted the bill from the Atlanta Marriott Marquis covered 63 pages. Legal and FEC issues regarding when the payable went onto the books, how to treat the downward revisions and when the associated items should be reported are matters currently being addressed.

Committee Appointments (formerly Consent Agenda)

Advertising/Publications Review Committee (APRC)

Committee chair Lee Wrights moved to seat Sean Haugh and David Dellinger on this 3-person committee. Michael Gilson DeLemos seconded.

BetteRose Ryan was also nominated for the committee. However, BetteRose declined her nomination, deferring to the selections made by the APRC chair.

The group approved a vote by secret ballot. Both candidates were approved with 15 votes for David Dellinger, 11 for Sean Haugh and one ballot rejected ("whatever").

Note: These appointments were soon to become moot with the elimination of the APRC altogether. See below.

Audit Committee

Audit Committee chair M Carling moved to seat Dr. Deryl Martin and Robert Franke on the committee. The motion passed.

Convention Committee

The group accepted the Convention Committee chair's written motion to seat Michele Pogue (BetteRose Ryan's sister) and M Carling. The motion passed and the two join chair Mark Cenci who was at home in Maine hosting the Badnarik campaign and working on ballot access.

Someone, probably Dan Karlan, noted that two of these subcommittees are not mentioned in the Policy Manual. The group encourages the affected subcommittees to draft the appropriate language for their inclusion in the Policy Manual.

Appointment of Strategy Champions

Michael Dixon nominated Jeremy Keil as the 'champion' (cheerleader, evangelist) for Strategy Item One, Branding. Jeremy was appointed, selected by acclamation, and officially acclaimed by Michael Gilson DeLemos with a mideastern-style salute fit for a raja, sheik or harem-owner.

Jim Lark was appointed the Champion of Strategy Item 6 for campus organizing, without the accompanying fanfare but with the gratitude and appreciation of his colleagues.

Reports and action items previously submitted in writing:

Policy Manual, Conflict of Interest

LNC Secretary Bob Sullentrup submitted a revision to simplify and clarify the Conflict of Interest section of the policy manual. The proposal essentially states that potential conflict of interest notifications will be put into the LNC meeting minutes.

The following text, Article I, Section 5, Conflict of Interest, was approved

- A. Each LNC member and each Party officer or employee shall disclose to the LNC situations in which such person's own economic or other interests, or duties to others, might conflict with the interests of the Party in the discharge of his/her duties.
- B. Any such disclosure shall be made at the earliest opportune moment, prior to the discharge of such duties and clearly set forth the details of the conflict of interest, in a written disclosure statement provided to the Secretary. The Secretary shall note the disclosure in the minutes of the subsequent LNC meeting citing the LNC member and pertinent details needed to identify the conflict of interest.
- C. No LNC member, Party officer or employee shall: (a) transact business with the Party unless the transaction is fair and equitable to the Party; or (b) use information gained in the discharge of Party duties to the disadvantage of the Party.

APRC, Lee Wrights

In his report Lee announced it was the unanimous determination by the APRC that sections of the Libertarian Party Program were in variance with the Libertarian Party Platform. The LP Program is outlined in Article 6 of the Bylaws, and calls for the program to contain no more than 10 issues receiving widespread publicity.

Accordingly, the APRC chair and national chair directed staff to stop distributing the LP Program and remove it from the website.

After some discussion including expanding the size of the APRC to five members, Aaron Starr moved to abolish the APRC from the Policy Manual, and Mark Nelson seconded.

The motion carried 11-5, and the APRC has been abolished.

Michael Gilson DeLemos and others wanted the voting recorded in the minutes:

Voting to dissolve the APRC: Bob Sullentrup, Bill Redpath, Jeremy Keil, Mark Rutherford, Tim Hagan, Admiral Colley, Rick McGinnis, Dena Bruedigam, M Carling, Aaron Starr, Mark Nelson.

Voting otherwise: Dan Karlan, Michael Gilson DeLemos, Jim Lark, Ed Hoch, Lee Wrights.

The group desired to recess at 5:00pm until 8:30am Sunday. M Carling corrected the group that it stood adjourned until 8:30 am Sunday. Otherwise the group would have had to remain close at hand for fear of being called back into session. This came as a relief to those whose plans included vacating

the hotel to attend the Twins-Indians game at Jacobs Field and to find the superior brews of Cleveland. The whereabouts of the latter remain unknown to the investigation committee.

Sunday

Dan Karlan began the day noting that after having removed the APRC from the Policy Manual, Article 1, Section 6, Item B now reads:

All wording on material produced by the Party shall be regarded as integral to the piece, and no wording shall be added to materials after approval of their form and content by the LNC ~~or the APRC~~. It is understood that this requirement shall not apply to copyrights, addresses, etc.

This throws the task of approving form and content to the LNC.

EPCC

Mark Rutherford's report from the Employment Policy and Compensation Committee is attached as Appendix E.

Mark Rutherford moved to award a second quarter bonus of \$1100 to the Executive Director. The \$1100 is comprised of \$800 based on a performance survey and \$300 based on membership growth. Details had been provided to the LNC earlier.

The motion passed.

Campus Activity Report

Jim Lark's Campus Organizing report is attached as Appendix F.

Dr. Lark noted he recently met with Jessica Wilson and Paul Westerford and had a productive session identifying opportunities and devising plans for campus organizing.

In Columbus on Friday evening before the Cleveland LNC meeting, Jim helped arrange a September 23 visit by Badnarik at Ohio State, sponsored by the local LP campus group.

Jim will be interviewed by John Cloud of *Time* magazine on Wednesday, August 18 on the growth of LP organizations on college campuses.

Mark Nelson stressed that under the LNC's current business model, campus activities as well as other activities must be self-funding. Staff work costs money and funds should be raised to support those efforts.

Reports and Action Items not previously submitted in writing

Presidential Campaign Report and Ballot Access

Fred Collins
Campaign Manager
Badnarik for President

2916 Wakefield
Berkley, MI 48072

Fred@badnarik.org

512-637-6864

Fred Collins, campaign manager for the Badnarik campaign, reported recent campaign activities have focused on New Mexico.

The campaign chose New Mexico for several reasons. Harry Browne's votes (1800) in New Mexico in 2000 were three times the winning margin in the state. Nader's chances are 50-50 of being on the

ballot in 2004, and the Constitution Party is a virtual non-entity. The \$65k of TV advertising goes much further in New Mexico than it would in places such as Ohio, Michigan or Florida.

The choice was the brainchild of Fred's spouse, Barbara Goushaw (keynoter from the 2000 convention in Anaheim). "All the data we could find said New Mexico", Fred added.

A baseline poll conducted August 3 in the state consisting of 500 randomly selected voters put Kerry at 48%, Bush at 43% and Badnarik at 5%.

After TV and radio ads and a swing through the state by the candidate, the Badnarik campaign will sponsor another survey August 15. "I'll know if it's a success tomorrow", Fred stated. "If the New Mexico model works, we'll repeat it."

The campaign spent \$11k in radio ads announcing upcoming Badnarik appearances. This resulted in one event attracting 150 people, a third being non-libertarians, thus becoming the largest Libertarian event in the history of the state. In addition, the campaign raised \$10k during the week.

The campaign spent another \$65k on 298 TV ads. "Everybody we asked during the campaign stops said they had seen our commercials", Fred noted. After Badnarik greeted people in cafes and campaign stops – he's very good at simply talking with people – Barbara would talk with them asking about the commercials and other things. Even the first person the campaign met in NM, the agent at the rental car agency, said "oh yeah, I saw your commercial."

An interesting point is that Badnarik emerged in the poll as the second choice of 60% of NM voters. Voters who believe it is vital at this time to unite the country might appeal to the notion of Badnarik as a unifying choice, rather than the polarizing choices available from other parties.

The campaign has a new treasurer, Deryl Martin, the former LNC treasurer. The website is receiving between 9k – 15k hits per day and stands at a 33000 Lexa rating (best is 1), and is catching up to the George Bush website.

Fred stated the campaign has put \$30k into ballot access initiatives and asked the LNC for action on:

1. The ballot access problem, citing its importance in attracting donors from a given state – why give if you can't vote for the guy?
2. Coordinating a campaign fund for TV ads. Fred noted the DNC and RNC paid for TV ads in NM, so why not the LNC? Moreover, the Badnarik campaign can collect \$2k max from donors while the LNC's limit is higher
3. Providing the campaign the LNC membership list for tele-fundraising. The campaign raised \$100k on one letter, but needs to accelerate its fundraising. It will use Ed Thompson's (Wisconsin gubernatorial candidate in 2000 or 2002) list next.

In particular, Fred requested Bill Redpath's idea of an 'interfund loan' to support ballot access.

Bill Redpath next outlined the situation with ballot access.

When complete, Bill expects Badnarik to be on the ballot in 49 states plus DC, all but OK. Without the LNC's involvement, that number would have been 38 states. We would have missed AL, CT, DC, IL, KY, ME, NY, ND, OK, PA, SD, TX, and WV. In this list Texas, New York, Illinois and Pennsylvania represent the 2nd, 3rd, 5th and 6th most populous states. We would have missed 30% of the population in those states and it would have been our worst showing since 1976.

Oklahoma represents 1% of the population.

In addition, NH and RI received assistance in the form of manpower, not money.

Bill noted the ballot access drive has raised \$158k in revenue but has spent \$196k. The \$38k deficit was made up with at \$13k starting balance and \$25k as a loan from convention fundraising.

The monthly ad in LP News and the returns from the tele-fundraising from a pool of 1500 names are slowing.

M Carling asked if we had contacted George Soros. Bill committed to pursue that option.

Bill declared he needed \$27k by tomorrow and \$50k for the remainder of the work. Many states are wrapping up their work, and some states lack only the fee to be paid. The following states are approaching the finish line and may or may not have paid petitioners: AL, KY DC, LA (fee only), MN (all volunteer), NY, ND, OH, RI and TN (volunteer – how could the Volunteer State be otherwise?).

(at this point a motion to extend the discussion for 30 minutes failed 10-6, but a 15 minute extension passed 13-3)

Bill Redpath moved the LNC authorize a '\$50k inter-fund loan' (essentially, permission to run a negative fund balance) to be repaid by ballot access fundraising.

M Carling moved to amend the amount to \$27k. M's amendment failed.

Voting proceeded to the main motion and emerged 8-8, thus causing the motion to fail for lack of having attained a majority.

Those voting yes included: Bill Redpath, Dan Karlan, Rick McGinnis, Ed Hoch, Jim Lark, Lee Wrights, Chris Farris and Bob Sullentrup.

Those opposing the appropriation included: Mark Nelson, M Carling, BetteRose Ryan, Tim Hagan, Admiral Colley, Mark Rutherford, Jeremy Keil, and Aaron Starr.

After a vote to approve a 5 minute extension, a motion to permit a \$27k 'inter-fund loan' (permission to run a project deficit) to be repaid by ballot access fundraising passed.

On the issue of the mailing list, Mark Nelson moved to not give the mailing list to the Badnarik campaign.

Aaron Starr moved to amend the motion to make the mailing list available to the Badnarik campaign, and Bill Redpath seconded.

After approval for a 15 minute extension, Aaron Starr withdrew his amendment.

M Carling moved to amend that the LP make available to the presidential campaign a paper copy of the mailing list to be held by one person designated by the Executive Director as the custodian of the list. Chris Farris seconded.

M's amendment Passed.

Voting yes were Lee Wrights, Aaron Starr, M Carling, Chris Farris, Jim Lark, Ed Hoch, BetteRose Ryan, Tim Hagan, Admiral Colley, Mark Rutherford, Dan Karlan and Bill Redpath.

Voting no were Dena Bruedigam and Mark Nelson.

At this point, the campaign was going to get at least a paper copy.

Mark Rutherford moved to provide the campaign an electronic copy of the list.

Mark's motion carried.

Voting yes were Bob Sulentrup, Dan Karlan, Lee Wrights, Chris Farris, Jim Lark, Ed Hoch, BetteRose Ryan, Tim Hagan, Admiral Colley, Mark Rutherford, and Bill Redpath.

Voting no were Mark Nelson, Aaron Starr, M Carling

On these votes Rick McGinnis, working for the Badnarik campaign, recused himself.

Program Committee

After a short recess the group reconvened at 10:30. Dan Karlan began taking minutes as Bob Sullentrup departed to catch his flight.

The report of the Program Committee was distributed. The Chair suggested the Committee should continue.

Strategy 3 Report

George Squyres distributed the Strategy 3 Report attached as Appendix H.

Convention 2004 Final Report

The Convention 2004 report slated for this point in the meeting was not presented.

Convention Committee

The Convention 2006 report/motion was presented. It is attached as Appendix G. M Carling moved and Mark Rutherford seconded the motion. The motion targets Austin, Denver and Portland, OR as prospective host cities.

Mark Nelson moved and Lee Wrights seconded, to add Nashville and Memphis to the list of candidate cities.

M Carling objected to adding those two, or any, cities. Aaron Starr also spoke against the amendment. Admiral Colley raised a question regarding subscription of off-year conventions.

Dan Karlan asked about preparation time for a convention, and expressed concern that the precedent for the 2004 convention, in avoiding the July 4 weekend, had been ignored. M Carling answered those questions, in particular noting that July 4 2006 is on a Tuesday.

Aaron Starr called the pending question (the amendment). The Amendment (addition of Nashville and Memphis) failed on a voice vote.

Mark Nelson moved to delete the words "Substantially" and "financially" from the motion. The Amendment passed.

Jim Lark yielded to Chuck Moulton, who strenuously objected to the July 4 period, referring to local petitioning.

The Main motion (already distributed, in the binder) passed.

Audit Committee Report (Carling)

M Carling, for the Audit Committee, presented an oral report. He moved:

To retain Frye and Wolcott as auditors for fiscal year 2004.

Mark Nelson asked if the dollar figure has been set; M Carling replied that it has not. Mark Nelson expressed objection to this firm without a quoted price. Lee Wrights expressed objection to any contract without a quoted bid price.

Aaron Starr moved to amend the main motion “with the proviso that their bid not be more than the cost of the prior engagement”.

Time expired on this item. The amendment passed and the main motion passed.

On a roll call vote (main motion), the Ayes were Redpath, Karlan, Hagen, Lark, Farris, Carling, Starr (7); the Nays were Wrights, Nelson, Hoch, Colley, McGinnis, and Keil (6); abstaining was Rutherford.

2005 Budget Preparation (Treasurer)

The 2005 Budget preparation was distributed (2 page handout). Mark Nelson moved the 7 bullets (“assumptions”) as a starting point for the 2005 budget. There was discussion of the relation between budget and spending authority. Mark Nelson clarified that the handwritten bullet (#7) reads “That the proposed budget include the 2004-Q4 review as specified in the Strategic Plan.”

Admiral Colley moved (Jeremy Keil seconded) to add another bullet

◆ The budget as a directive for spending authority

Aaron Starr objected to “The Colley Amendment”, as it will forever be known. After a 10-minute extension, the Colley Amendment passed (11-2-4). Dan Karlan proposed the deletion of “, increase advertising rates and decrease paper size” from bullet 5 as unnecessary micro-management; this was accepted by general consent. Bill Redpath proposed adding a Political Director be budgeted and a line item for Ballot Access be added. There was no action taken.

The main motion passed.

Membership Policy

The proceedings then took up the last, deferred, item: Membership Policy, from the Treasurer’s report – to move from a membership to a donor system.

Aaron Starr moved and Bill Redpath seconded, that the dues be increased from \$25 to \$50. Specifically,

That the Policy Manual Article II Section 2 A change \$25 to \$50 and Section 2B change \$10 to \$35.

After some informal discussion, the motion was amended to add that this change would be effective January 1, 2006.

There was more discussion. Eventually, Lee Wrights moved to postpone consideration of this entire item (not the motion) to the November LNC meeting. The postponement passed.

To accommodate those states that do not recognize the action taken by the delegates at our Convention, Dena Bruedigam moved

That the LNC nominate Michael Badnarik and Michael Campagna as our national candidates.

The motion passed, with the explicit recognition that the vote was unanimous; Rick McGinnis, as a sub-contractor of the Badnarik campaign, abstained.

Opportunity for Public Comments

The Chair invited public comments.

Sean Haugh solicited funds for Freedom Ballot Access.

Fred Collins offered a DVD with debate extracts.

Chuck Moulton spoke strongly against a July 4 Convention, noting that the July 4 weekend is orders of magnitude better for petitioning than any other day of the year. This would result in a net loss of time and money for the party if activists were drawn to a convention instead.

Chuck Moulton asked that the agenda be composed with consideration of those members who have to leave before the close of business.

Chuck Moulton asked that alternates be given copies of all reports.

Chuck Moulton recommended addition to the Strategic Plan of a strategy of implementing an institutional memory.

Bill Redpath asked for a balance sheet (from staff).

Bill Redpath expressed concern about the financial stability, and advised the creation of a Finance Committee.

Bill Redpath expressed dismay over the small number of US House candidates, with 21 states running no US House candidates.

BetteRose Ryan expressed interest in a resolution to address the "Region One" question, and was informed that this has been settled.

Mark Rutherford singled out George Squyres and Bill Redpath for commendation.

Michael Dixon thanked the Ohio party for their hospitality.

Michael Dixon commended the LNC for an effective meeting.

Michael Dixon said he will endeavor to get his reports out two weeks before the meeting, and asked that they be actually read.

On a personal note, re the Executive Director, Michael Dixon expressed his frustration with the difference in expectations from those of his predecessor.

Adjournment

The meeting was adjourned at Noon.

Next Meeting

The next meeting of the LNC is scheduled for November 13-14 in Washington, DC.

The following meeting will be February 26-27, 2005.

Meanwhile, the Libertarian State Leadership Alliance will meet in St. Louis January 21-23.

Chair's Report LNC#2 2004-2006

General Comments:

Review – Items for Information:

Financials: Signature Cards have been executed for the National Party bank accounts, signors are Joe Seehusen, George Getz, myself, and Mark Rutherford (simple explanation– 2 in DC, 2 outside of the metro area; 2 staff, 2 board, not the Treasurer or Rod as they handle the financial records).

D&O policy was renewed over my signature. I expect that later this fall each of you will receive a communication that will ask you to answer a series of questions related to your business and activities outside of your service on this board. Please answer this communication promptly and completely so that our coverage in this area will remain in force without question.

I have been participating in the cash flow planning weekly with Joe and Rod.

Ballot Access:

I have been releasing Ballot Access funds as requested by the project manager. A summary of these expenditures (Year to Date) is included as Appendix A. I have presented these expenses along with the ballot access plan approved by the LNC in February '04.

EPCC:

I have appointed Jeremy Keil and BetteRose Ryan to serve with Mark Rutherford, the chairman, on this committee.

Agreements for review:

Counsel
Campaign
Genama
Executive Director

Meeting Schedule:

2004 Q4 meeting	November, 13-14	Washington DC
2005 Q1 meeting	March, 5-6	Las Vegas, NV
2005 Q2 meeting	May, 14-15	Dallas, TX
2005 Q3 meeting	August, 13-14	tba, NH
2005 Q4 meeting	November, 12-13	tba (Veterans Day)
2006 Q1 meeting	March, 10-11	tba
2006 Q2 meeting	day prior to convention	

Convention site selection

The LNC in its winter '04 meeting directed investigation of 2 cities and 2 weeks of time in June of 2006. The primary (Portland, OR) of these sites has been visited. These site visits were made by the 2004 convention chair, the executive director, and the current Chair and Treasurer.

Appendix A. Chair's Report, Cleveland, August 14-15, 2004

No comprehensive decision criterion is established for making this decision. The various elements of success and failure have never been prioritized by the LNC. I propose that the staff present options and specific contract pricing for consideration and disposition at the November meeting.

Strategic Plan:

I have prepared several pages of material specific to the Strategic Plan which I hope you will read and use. It is attached under Appendix D. Within the Strategy Grid the codes are N=National Party (staff), S=State Party, L=Local Party, C=National Committee.

It is my opinion that in addition to those Strategies we have already addressed (or will address today) we should develop action plans for the following Strategies and possibly appoint champions who will put forward our efforts and coordinate them with the affiliates and the staff as needed.

Strategy 5
Strategy 11
Strategy 14
Strategy 19/20
Strategy 21

EC: No action or consultation

Board Relations:

On our visit to the National Office, Mr. Wrights and I held a staff meeting where we outlined some of our expectations. We discussed our vision of staff-board-member relationships. I would like to share these brief comments with you.

Raiser's Edge:

Data Load #1 was completed and assorted research and clean up of data was done in insure improvement in the process for Load #2.

Geoff Neale's Resignation as project director on this has thrown some amount of work onto me, as I have been his contact and have some knowledge of where he was in the process.

In his absence, Joe Seehusen is responsible for the timely completion of the conversion and is working directly with Blackbaud staff. The second data load has been delayed by this transition but at this time there remains the expectation of an on time completion.

The contract that had been used with Geoff as well as various added documents are available at the meeting.

Action Items:

Minutes:

What is available (in the binder) and needs approval (5/31/04)
What is approved but not available (12/13/03), this is included but may not be final.
What is not approved and not available: 2/21/04, as well as convention 2002 which is not expressly our concern at this time. How should these be recreated?

Action Items:

Should draft minutes be posted on the web site?

Region OneGate:

A person who does not wish to be identified has come forward and suggested to us that our method of seating the representatives of region 1 is invalid with regard to our by laws.

What happened – an ambiguity exists in how regions should be calculated. We seated region one as 20% of affiliated membership, when their exact membership count is incrementally below the level of 20% of total membership. The issue at hand is that one of two rules could be applied:

- a) a region is 10% of total membership
- b) a region is 10% of the total the membership which has affiliated

What are the issues –

The regions are formed by the convention and then subsequently seated/credentialed by us.

It appears that the regions were formed based on the numbers of total affiliated membership which were distributed by the prior Secretary in advance of his resignation.

What are the options –

we could do nothing, accepting the prior actions without statement

we could endorse the convention action as final and unchangeable without regard to its correctness

we could accept the seated reps and affirm the total affiliated membership argument.

we could uncredentialed Region 1 and ask those state chairs to convene and name a single representative and alternate, thereby affirming the total membership argument.

What is the next step --

In my opinion we must act, and regardless of our action, it is possible that the matter will be referred to the Judicial Committee.

It seems unlikely to me that Mr. Givot followed different rules in data use for 2004 than he did in any of the prior years that he was Secretary.

For that reason:

I move the acceptance of the actions of the prior Secretary in distributing the region information based on "affiliated" membership and establish as the policy of the Libertarian Party that regions will be calculated based upon the total affiliated membership as of the date specified in the Bylaws.

Campaign:

This area remains the area that is taking far more time than anticipated in this job. We remain at this point unable to structure data transfers of satisfaction to either side of this partnership.

The first communication I received from the campaign was several weeks into the job and was comprised by an obscenity laden voicemail indicating that they were not going to take my actions any further. That for "weeks" they had been demanding action on a particular situation and they were sick and tired of it. The matter was cleared up within 36 hours of my receiving the voicemail.

Appendix A. Chair's Report, Cleveland, August 14-15, 2004

The second communication I received from the campaign was a conference call where I was taken to task about other matters outside of my direct responsibility or control, but which were also resolved within a day of my notification.

August 3rd I was presented with two demands. The first I have outlined in a weekly update.

The second request was for complete, and total, access to our database pursuant to the campaign's interpretation of the Bylaws. The text of this demand letter is attached as Appendix B.

Action item:

LNC action is required.

Request for Database code to NYLP:

Bonnie Scott has requested that she be given the LNC database code, in order that the LPNY can use it and enhance it with the goal of ultimately making certain modules (which are not redundant within Raiser's Edge) available for affiliate use. The text of this request is attached as Appendix C.

The LPNY has offered to enter into a nondisclosure agreement to protect all parties in this matter. The details of which I believe would be best left to Mr. Hall.

Action item:

LNC action is required.

Thank you:

I wish to thank each of you, for your efforts and sacrifices, as well as, for your patience dealing with the challenges of getting this term up and running. I will endeavor to be more available to each of you in the coming quarter.

Appendix A.1 Chair's Report's Appendix A

APPENDIX A: Ballot Access (cont'd)

January-July

State	Group	Priority	LP Members @ 7/31/03	Base State Signature Obligation	Net State Signature Obligation	Assistance Threshold	Raw Signatures	LNC Share Signatures	Assistance % of Total	Estimated Cost	Total Cost Ranking	2004 Expenditure Petitioning	2004 Legal Expenses	2004 BA Costs			
Alaska		4	106														
Arizona		4	397														
California		4	3642														
Colorado		4	586														
Delaware		4	64														
Florida		4	1072														
Georgia		4	1037														
Hawaii		4	87														
Idaho		4	119														
Indiana		4	560														
Kansas		4	177														
Mass.		4	599														
Michigan		4	915														
Mississippi		4	71														
Missouri		4	311														
Montana		4	86														
Nebraska		4	73														
Nevada		4	249														
New Mexico		4	179														
No. Carolina		4	494														
Oregon		4	393														
So. Carolina		4	221														
Utah		4	150														
Vermont		4	80														
Washington		4	713														
Wisconsin		4	278														
Wyoming		4	58														
Group 1 - Ballot Access Assistance Eligible & Required										Total spent	\$	-	\$	-	\$	-	
Group 2 - Ballot Access Assistance Eligible (hopefully not needed - stretch)										Grand Total	\$	-					
Group 3 - Ballot Access Assistance Ineligible - not yet on Ballot																	
Group 4 - On the Ballot																	

Appendix A.2 Chair's Report's Appendix B

Received via email 8/3/04 11:11am

From: Geoff Neale 'opmgr@badnarik.org'

Michael:

Please consider this a formal request for an extract of the HQ database, to include all current and past donors who have given to the LP since January 1, 2003.

The information we require will be membership number, name, full address, all phone numbers and emails, the total donations received from all sources since January 1, 2003, their expiration date, and current status.

It is my position that the contract (as we understand it) does not limit the services we can receive from the LNC, but defines certain items of performance and reporting.

In support of this request, I offer the following:

Bylaws of the Libertarian Party, Article 14, paragraph 4 state:

The National Committee shall respect the vote of the delegates at Nominating Conventions and provide full support for all nominees for President and Vice-President as long as their campaigns are conducted in accordance with the Platform of the Party.

Article 10, paragraph 1 states:

The National Committee shall have control and management of all the affairs, properties and funds of the Party consistent with these Bylaws. The Libertarian National Committee shall establish and oversee an organizational structure to implement the purposes of the Party as stated in Article 3. The National Committee shall adopt rules of procedure for the conduct of its meetings and the carrying out of its duties and responsibilities. The National Committee may delegate its authority in any manner it deems necessary.

My position is as follows:

The LNC is to provide FULL SUPPORT to the Presidential Campaign. Full and conditional are contradictory.

The LNC has the authority to create its own rules and procedures, consistent with the Bylaws.

The LNC has rules in place that require LNC approval for any party to receive the membership list, but the LNC cannot make a rule that supercedes the Bylaws.

The LNC rule requiring LNC approval for distribution of the membership list cannot, therefore, apply to the presidential campaign.

Appendix A.2 Chair's Report's Appendix B

I think upon examination, you will agree that the Bylaws give us the authority to request the list, and you the obligation to provide it to us. The words "provide full support" are unconditional in nature. I believe your hands are tied, and you are also there absolved. If people don't like it, they should change the Bylaws.

Please respond ASAP - we need to get people calling on behalf of the Libertarian Party Presidential ticket.

Geoffrey Neale
Operations Manager
Badnarik / Campagna 2004

Appendix A.3 Chair's Report's Appendix C

Received via email July 23, 3:01 pm

From Bonnie Scott

Proposal for Evaluation of the “Kia Code”

July 23, 2004 -- Why the LNC should agree to let some person or group evaluate the code currently powering <http://www.lp.org/>, which was written for the LP by Kia Internet Solutions, Inc. (<http://www.kia.net.>), with whom our development and code maintenance relationship is now terminated.

This code, which uses the freely-available MySQL database and PHP scripting language, is an asset of the party in which we have made significant investment. It has been confirmed that it was a work made for hire—that all rights to this code are owned by the Libertarian Party.

Everything known about the Raisers Edge implementation indicates that the Kia code has some useful functionality that Raisers Edge will not provide at the outset (and will not provide without additional investment in development).

These sections of code could be run in tandem with Raisers Edge on <http://www.lp.org/> (or cooperating servers) until replacements are developed.

The Kia code has many component parts. Some of them could stand alone and could be deployed to benefit LP party web sites. Several LP affiliates' webmasters have the technical skills necessary to enable this activity without requiring support from LP staff.

Possible stand-alone components include:

- * Media database with integrated Letters to the Editor and Media Quotes modules.
- * Congressional lookup with integrated Write to Congress module.

Components unlikely to be duplicated at the outset by Raisers Edge include:

- * Campus Libertarian Groups -- staff is currently updating this information. State-level access does give states the ability to update this section for their own state.
- * Candidate and Elected Official Tracking -- this module is highly customized, and evidently the results of precise specification, although one 'hot-button' issue involves adding three or four fields to this database to distinguish between elected and appointed officials, and to determine the start and end of their terms. The election results section shows various statistics calculated across the entire set of election results for each general election. State-level access does give states the ability to update information in this section for their own state.

The Kia code is extremely data-driven (evidence from testing to prove this is available upon request). That means that additional *coding* is not necessary each year to create pages like the state listing of candidates for the year. All that is needed is to keep updating the data, and (sometimes) to change links highlighting the information to specify the current year.

Therefore, the Kia code is an asset that still has some value for the LP and its affiliates. Any transitions on <http://www.lp.org/> to new code should be done while not jeopardizing the value of the current asset

Appendix A.3 Chair's Report's Appendix C

for current and future use. An evaluation will recommend an archival strategy for the Kia code and disaster recovery scenarios to recreate the environment in which it runs, should that be necessary (and if it has not yet been documented in the LP's operations manual). Recommendations for isolating sections of the Kia code while replacing others can be developed if requested.

The proposed non-disclosure agreement for the initial phase of evaluation

Please see the attached non-disclosure agreement.

Respectfully submitted by:
Bonnie Scott
Secretary, LPNY and former LNC Regional Alternate
Editor and webmaster for <http://ny.lp.org/>

Treasurer's Report

As the first report of the term, this report is (hopefully) considerably longer than the subsequent reports will be. My intent is to provide a comprehensive overview of the financial metrics to give the LNC a consistent terminology and base to reference.

General Comments:

My visit to the office in June left me with several concerns about our financial reporting. The following items were not being clearly recorded in terms of the budget, either from system problems or staff's lack of understanding of the policies and requirements passed by previous boards:

- o Pledge income;
- o Outreach income and expense;
- o Salaries and Contract Labor.

I went through the process of researching and developing spreadsheets explaining how these items are to be reported, and providing staff with the information necessary to correct the problems. Additionally, Geoff Neale was in the office for a Raiser's Edge conversion while I was in DC, and he assisted in researching the inaccuracies in our Pledge income.

I also have concerns about the following items:

- o the "budgetary" tracking of depreciable assets being capitalized rather than expensed,
- o accounting for projects and restricted funds;
- o budgeting for the completion of Raiser's Edge;
- o financial reporting for the convention.

Additionally, the June 2003 LNC directive to segregate all convention funds in a separate account was not followed. This was to be tracked and confirmed by the previous treasurer. Convention funds were still in the general account on June 24, 2004.

As noted in his weekly report, Chairman Dixon became more involved in the financial report in last July. However, the most recent financial statements forward to me by Chairman Dixon still have substantive errors.

I used the best available data available (to me) to create the traditional budget to actual report, and develop a Treasurer's report based on that information. I appreciate your patience, and would like your support in requiring our staff to comply with the Policy Manual, and our budgetary framework, in their financial reporting.

Action Item

A resolution supporting Treasurer in working directly with staff to provide timely financial statements consistent with the Policy Manual and the budgetary outlines.

Appendix B. Treasurer's Report, Cleveland, August 14, 2004

MEMBERSHIP:

The primary LNC budget metric is membership. Membership, defined as both certification signing members, and LP News subscribers, was budgeted to average 22,500 during 2004. This suggests that midyear, to be on track with projections, membership should be at 22,500. The end of year, 2003 "members" and subscribers, and similar data from June 30, 2004 are shown below. Membership falls 579, or 2.57%, short of this projection.

	Members	Subscribers	Total
12/30/03	19,410	1,633	21,043
06/30/04	19,834	2,087	21,921
Change	424	454	878
% change	2.18%	27.80%	4.17%
Budget			22,500
Shortfall			-579
% variance			-2.57%

The June 30, 2004 monthly membership report, which is for "members" and not subscribers, was used for the summaries of the January through June 2003 and 2004 performances shown below

Members	Lapsed	Renewals	New
Jan-June '04	4,398	3,686	
Net Renewing		-712	
New Members			1,136
Net Increase			424
Jan-June '03	5,618	2,731	
Net Renewing		-2,887	
New Members			716
Net Increase			-2,171

Similar information on subscribers was not readily available. An action item in this report will update our policy manual to direct staff to provide similar data on subscribers in our monthly report.

The information provided indicated that our renewal efforts in 2003 have been more effective, while the results in obtaining new members have only modestly improved. This is consistent with the Outreach efforts, which have been solely focused on lapsed members. Notably, there has been no programmed external outreach. The new members are "organic" growth, from the core systemic efforts to obtain members (web site, states, etc.), which has traditionally increased during the presidential election year.

Action Items

Policy Manual change Section 2, Paragraph B, last paragraph

Current policy:

A membership report including starting membership, lapsed members, number of previously lapsed members who renewed, new members, and ending membership.

Change to:

A membership report for a minimum of two years in arrears, including starting membership,

Appendix B. Treasurer's Report, Cleveland, August 14, 2004

lapsed members, number of previously lapsed members who renewed, new members, and ending membership, and an identical report for LP News subscribers.

Reserve Requirement:

The reserve requirement (Article 5, Section 5, Paragraph B) requires an average of 2.5% of Budgeted Revenue, with 2% of Budgeted Revenue in December.

As of June 30, 2004, we were not in compliance with the reserve requirements. No prior month comparisons were made during the prior LNC term.

The cash noted below does not include the Convention balance, but does include the restricted funds, which may not be in compliance with a strict interpretation of the policy.

Additionally, the policy calls for 90% of this reserve amount (\$32,000) to be held in interest bearing CD deposits, which they were not.

Budgeted Revenue	\$1,783,750.00	2004 Budget
Minimum Reserve	\$35,675.00	2.00%
Plus current AP	\$41,440.00	June 2004
Reserve Required	\$77,115.00	Reserve plus AP
Cash on Hand	\$71,898.00	

Compliance with the CD requirement may not be feasible. However, if memory serves me, the LNC has changed the reserve policy three times in four years. I would rather monitor our compliance with the current policy (which has not been done) prior to proposing changes.

BUDGET TO ACTUAL

The June Budget to Actual Comparison is on attached sheets. As previously discussed, this is my creation based on the best information available. With one minor exception it ties to the total income and expenses reported in the Quick books reports.

Top Line and Bottom Lines:

The income and expenses both exceeded the overall budget for June. Year to date, the income is \$250,000+ ahead of budget, while the expenses are \$181,000+ over what was budgeted.

As with the previous Budget to Actual reports, this is deceiving because of anomalies, primarily in Ballot Access, Convention including Banquet, Outreach, and Acquisitions (more on these below). Additionally, two adjusting entries on 1/1/04 (Program Reimbursement Income and Occupancy) and a withholding tax refund skew the comparisons. Additionally, Contingency and Surplus have been removed (explanation below). These lines have been removed on the bottom of the pages.

As adjusted, the June Income is \$7,947 under budget (a -5.54% variance), while the June Expenses were \$12,611 over what was budgeted (a -10.50% variance). The Year to Date Income is \$42,587 behind budget (a 4.94% variance), while the expenses are \$24,069 over budget (a -3.27% variance).

We are moderately below our projections year to date in the areas where we should be able to reasonably estimate income and expenses. These negative variances, coupled with the historic

Appendix B. Treasurer's Report, Cleveland, August 14, 2004

pattern of higher income earlier in the year and the highly competitive fundraising environment for the remainder of the year, suggest that the LNC should be very cautious for the remainder of the budget year.

By Major Category:

Programs: A summary of Project balances as of 6/30/04 is shown below.

Program Summary			
June 2004			
	YTD	Year end	6/30/04
	Net	Balances	Balance
Ballot Access	-\$34,101	\$13,045	-\$21,055
Branding	-\$4,299	\$24,332	\$20,033
Camp/Candidates	-\$2,157		-\$2,157
Campus	-\$372	\$826	\$453
Convention	\$7,749	-\$3,383	\$4,366
Drug War	-\$21		-\$21

There is a significant variance in the Program Categories, primarily due to Ballot Access and the Convention. The net activity in both accounts is negative.

To assist in the oversight of restricted funds I suggest we direct staff to report the restricted funds balances, by category on the balance sheet, consistent with the audited financial statements. Additionally we may want to receive a monthly income and expense report on each restricted account to ensure that the funds are being properly handled.

Action Items

Policy Manual change Section 2, Paragraph B, first paragraph

Current policy:

A balance sheet summary based on closed books for the month.

Change to:

A balance sheet summary based on closed books for the month, including the balances in all restricted accounts.

Consider requiring month-end and year-to-date income and expense reports for all restricted accounts.

Outreach, in the draft 2004 Budget was described as below:

Outreach:

This new line item was formerly labeled Prospecting, which was considered a Fund-raising line item. The reclassification from Fund-raising/Prospecting to Program/Outreach was made by the Executive Committee. This is more consistent with the types of activities anticipated by the Executive Director.

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The budget includes \$75,000 in 2004 for all types of outreach. The overall intent of this Outreach is to create revenue and increase membership, although it is understood that many activities will be a net loss. Any funds raised, after paying for all costs associated with the activity and the 10% of gross revenue used to offset common costs, are available for continued Outreach activities.

It is the Executive Committee's opinion that this meets or exceeds the LNC requirement that this budget accommodate increased inquiry traffic during 2004.

Outreach was lowered to \$40,000 in the final budget approved in December 2004. Based on the information provided, the net loss due to outreach activities is \$16,931, against a budgeted loss anticipated of \$19,998.

The lapsed member outreach activity was not accounted for in the manner budgeted (I have reconstructed the income and expenses with the best available data). All of the income and expenses from this activity were booked as Membership Income and Expense, possibly further skewing the membership income.

I am concerned because these lapsed members previously resulted in a loss to the LNC, by not renewing after a minimum of eight renewal letters and an hourly paid telemarketing contact. Based on prior history, it is highly questionable, in aggregate, whether they will make future donation at a level to account for the cost of obtaining them, and cover future membership costs.

Additionally, the research completed in 2002 indicates that the majority of lapsed members consider themselves libertarians, and vote for libertarian candidates when possible. This outreach effort, by not providing new donors or new prospects names, does not expand our support base.

Based on the above, I suggest that the LNC consider:

- Directing staff to cease outreach to lapsed members, other than prior high dollar donors,

and/or

- Directing staff to report the aggregate donor pattern for the lapsed members that renewed from the 2003 lapsed member outreach at the next six LNC meetings.

And that the LNC considers directing staff to focus outreach efforts for the balance of the year on new members.

Ballot Access was not budgeted, but was designated an accordion item (in an accordion line, the income and expenditure roughly offset). As of the end of May, the Ballot Access line item has overspent its balance by \$21,055, using an advance of funds from the convention fundraiser. Additionally, contrary to the project model, Ballot Access has not paid for LP News advertising or for staff time in writing the Ballot Access letter(s).

Action items:

Request that the ED provide a report on the cost to Ballot Access for LP News Ads, staff creation time for letter and all other direct costs, consistent with the project model.

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A detailed report is to be made by the Convention Committee in Cleveland. A further, detailed review of the Convention Income and Expenses will be necessary following this report.

Based upon the financial information provided, the convention program line shows a \$4,366 balance. The balance sheet shows a balance of \$1,955. The final Marriott bill is being reviewed by the convention chair. In its current form, it shows a balance due of slightly over \$29,600. This is reportedly the last outstanding billing for the Convention.

This data suggests that the Convention lost money. A motion to exceed budgetary limitations (the Executive Director has the authority to exceed budgetary limits by 10% Article 5, Section 2, Paragraph C) may be required to pay the final billings.

Action items:

Direct the ED to provide an explanation for the exclusion of the Marriott billing from the June 30, 2004 Accounts Payable report.

If needed, a motion allowing the ED to exceed Budgetary Authority for the Convention.

List rental has generated an unexpected \$13,000 in income. The June income may reflect the presidential campaign's use of the list. More details on this are needed.

LP News income has modestly exceeded projections. The Salaries have been removed from LP News expenses. The accounting adjustments make the June monthly comparison of expenses impossible, but the annual comparison shows LP News is being produced and mailed well below budgetary projections.

Fund Raising:

Comparisons of **Donations** and **Memberships** are skewed by our inability to segregate membership and donation income. Again, both are modestly below budgeted projections.

The **Pledge Income** deserves special attention. It appears that Pledge income was miscoded, beginning in November 2003, and continuing through June 2004. Admittedly, I am out of my depth in understanding the various software problems that "could" be the cause of this problem. Even with that knowledge, it is my opinion that the "why this is wrong" question is clearly outside of the LNC scope of authority. That it is wrong, that it has been since November 2003, that the problem had been repeatedly brought to the attention of staff without action, and that no action would have been taken as the result of my June visit without Geoff Neale's involvement, and that no clear solutions are present today, are clearly within the LNC's scope of authority.

Additionally, during my June visit, I discovered that roughly 30% of all charge attempts for the pledge fail. No programmed second attempt to use these charge pledges was in place. Additionally, no programmed effort to contact the pledgers to correct any problems was in place.

Beginning in the 2003 budget, the LNC has directed that special attention be given to increasing pledge income. This was continued in the 2004 budget.

The annualized 2003 pledge income was \$19.43/member at the time the 2004 budget was created.

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The 2004 budget for pledge income was set at \$20/member.

To achieve this increase pledge revenue, the associated pledge expenses were increased from \$1.26/member to \$1.60/member, and a portion of the Executive Director's bonus was based upon increasing pledge income.

The Pledge Income and Expenses, and the budget, from the June 30, financials, and a per member analysis, are shown on the following page.

	Actual to date	Budget to date	Variance
Pledge Income	\$186,861	\$225,000	-\$38,139
Membership	21,921	22,500	
Income/member - 6 months	\$8.52	\$10.00	-\$1.48
Annual Income/member	\$17.05	\$20.00	-\$2.95
Pledge Expense	\$12,321	\$18,000	-\$5,679
Membership	21,921	22,500	
Expense/member - 6 months	\$0.56	\$0.80	-\$0.24
Annual Expense/member	\$1.12	\$1.60	-\$0.48

Using the best available information, pledge income is well below 2003 levels, and budgeted targets. Offsetting this modestly, pledge expenses are below projections.

Action Items

Remove the provision of the ED bonus based on Pledge because of the inability to accurately measure the base data and the ongoing results.

Direct the ED to provide a report by no later than September 15 that correctly accounts for pledge income from November 2003 to September 2004 and ensures the LNC that pledge income is properly accounted for forward.

And possibly require some additional monthly reporting detail to be sure the budgetary targeted is obtainable, and to assist the LNC in deciding whether it needs to make some budgetary expense adjustments based on the decline in projected income.

Convention (Banquet Fundraising) Income:

Convention fundraising was budgeted as general income, not project income. Nothing said during the fundraising efforts at the convention indicated that these were to be restricted, or project funds.

Thus, the funds advanced to Ballot Access need to be replaced by future Ballot Access fundraising. The presidential campaign contract calls for two house letters to be sent out for the "LNC's political activity in connection with the 2004 general election." One of these letters can be for Ballot Access to reimburse these advanced funds, with the net funds after reimbursement going to Ballot Access.

Any action varying from this would require LNC approval.

Actions Items

Direct the ED provide a report on the use of and outcomes obtained from the Convention banquet funds.

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Management:

The management income comparisons are highly skewed because of Surplus and Contingency. We are not tracking Surplus in any tangible fashion, and if we were, it should correlate to net income. I suggest we remove the Surplus lines from the 2004 Budget.

The management income is primarily unbudgeted income from the Raiser's Edge fund raising, and the project reimbursement income (10% of project income).

The project reimbursement income is well ahead of projection. As previously noted, \$10,602.55 of this income is an adjusting entry made on 1/1/04. However, after removing the project reimbursement income still exceeds 10% of the project income. The variance is minor enough (and other anomalies are large enough) that I suggest we not give it further attention at this time.

Management monthly expenses are skewed by the LP News salaries being transferred to Salaries. The YTD expenses are still below what was budgeted, due to the Raiser's Edge budget. However, removing the Raiser's Edge budget shows we are substantially over spending in Management relative to our budget.

Occupancy costs contain an unexplained \$8,377 adjusting entry from 1/1/04. Removing this, the expenses are still \$6,582 over budget. This is out of compliance with our budgetary limitations. Technically, the ED violated the Policy Manual by paying the rent in August. (the Executive Director has the authority to exceed budgetary limits by 10% per Article 5, Section 2, Paragraph C.)

This variance is partially due to our not considering \$2,300+ in annual expense adjustments, which were paid in April. The balance of the variance needs more investigation.

I recommend that we ask the ED to provide us an explanation for the variance.

If we follow our current policies, we could add \$1,000 a month to the occupancy budget for the balance of the year (August through December), and remove a similar amount from Contract Labor, which has a sizable positive variance. Alternatively, we could pass a resolution allowing the ED to exceed the budget line by a percentage greater than 10%.

The **Operations** line was \$14,884 over budget for June, and is \$68,269 over Year to Date. Previously, this was assumed to be explained by computer hardware purchases. However, it appears these have been capitalized and removed from the expenses in the most recent financial statements. This is significantly out of policy manual compliance.

I suggest that we ask the ED for an explanation to be delivered by August 30, along with a projection of expenses for the balance of the year.

I also suggest we empower the Chair, with the approval of the EC, to make a line item adjustment up to the surplus funds budgeted, or pass a resolution allowing the ED to exceed budgetary authority by a greater percentage.

Salary expenses are modestly below budget Year to Date. Without an \$8,682 withholding tax refund, they would be modestly over budget. The staff changes made in July will result in the salaries

Appendix B. Treasurer's Report, Cleveland, August 14, 2004

remaining within the budget.

There continues to be a positive variance in the **Contract Labor** line item. An explanation of the two categories from the 2004 Budget is below.

Salary:

All costs related to the employment of all permanent staff, including wages, bonuses, income related taxes, benefits, etc. This line item includes additional staff for the media department and the LP News changes as directed by the LNC at the September 2003 meeting. Details on each line will be provided at the December 2003 LNC meeting.

Contract Labor:

All non-permanent labor utilized for office functions unrelated to projects. This includes all costs associated with hourly paid, part time support staff for the media department, the Executive Directive and basic operations.

The expenses in the Budget to Actual report I created are reported consistent with the Budget.

All **Raiser's Edge** expenses were removed from the most recent financial statements. I assume they were capitalized. This creates some systemic problems, since we still need to track the expenditures relative to our budget expectation.

I recommend that the LNC direct the ED for a complete recap of all expenditures from December 1, 2003 (the month Raiser's Edge was purchased) through July 30, 2004 for Raiser's Edge and any hardware or software purchases associated with the installation of Raiser's Edge, and a report of all additional expenditures required to complete the installation, the report to be delivered by August 20, 2004. If the expenditures exceed the budgeted amount of \$96,000 by more than 10%, the Chair, with the Executive Committee's approval, will need to move additional funds from Contingency.

Action Items

Remove the Surplus line from the 2004 Budget.

Direct the ED to provide us an explanation for the variance in the Occupancy line item.

Add \$1,000 a month to the occupancy budget for the balance of the year (August through December), and remove a similar amount from Contract Labor.

Direct the ED for an explanation of the variance in the Operations line, to be delivered to the LNC by August 30, along with a projection of expenses for the balance of the year, and empower the Chair, and the EC to make an appropriate adjustment using a portion of the surplus funds budgeted.

Direct the ED for a complete recap of all expenditures from December 1, 2003 through July 30, 2004 for Raiser's Edge and any hardware or software purchases associated with the installation of Raiser's Edge, and a report of all additional expenditures required to complete the installation, the report to be delivered by August 20, 2004. If the expenditures exceed the budgeted amount of \$96,000 by more than 10%, the Chair, with the Executive Committee's approval, will need to move additional funds from Contingency.

Audit Committee Report responses:

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I have attempted to work with the Executive Director to answer the audit committee requests, but have yet to receive a response. I recommend that the LNC direct the ED to work with the Treasurer to develop answers to all questions from the Audit Committee Report, and provide a final report by August 30, 2004.

Action Items

Direct the ED to work with the Treasurer to develop answers to all questions from the Audit Committee Report, and provide a final report by August 30, 2004.

Lease Expiration:

My visit to Washington, D.C. in June, suggests that the optimum solution to our office circumstance is buying a building. Ideally it would be a retail storefront, roughly 3,000 sq.ft. or modestly less on the ground floor, with apartments or living space above, in an average or better area, within three to five blocks of a Metro stop in DC.

IMO, the decision path is "can we raise the funds for this by x date" and "can we borrow x amount of money, under what terms."

The fundraising goal would appear to be a minimum of \$250,000. If we can borrow 80% loan to value, this puts us in the \$1,000,000 to \$1,250,000 range. Several listings that seemed reasonable were available in this general range. However, it appears that our bank relationship is not functional for this type of transaction. We will need to establish a better banking relationship.

An arrangement along these lines would result in office costs equal to, or moderately below, what we are now paying, if all the information I have is accurate. More detailed, accurate information on properties will become available as we move forward in site selection.

I ask that the LNC authorize the ED to do preliminary fundraising outreach to see how much might be available, and to research financing options, and report back in November. Attention needs to be given to the possible negative effect this fund raising may have on our general fundraising efforts.

If both fundraising and financing are feasible, the ED would begin fundraising in earnest before year's end (these would be permanently restricted funds.) There could be some regulatory (FEC compliance) benefit, if high dollar donors are available, to taking funds in 2004 and 2005.

If the fundraising proceeds successfully, we can authorize the ED to begin site selection at the February/March LNC meeting with the intent to close on a property, renovate it to our needs, etc. taking occupancy during November 2005. (Our lease ends on December 31, 2005).

Alternately there are plenty of options, including extending/renegotiating where we are. Unless I am missing something, site selection and organizing a move should require less than six months lead time, and can be delayed until late Spring, 2005.

As we go forward with this, I must dispel any perception of my being "the" expert. I am in the Real Estate industry, and have been for 20+ years, and have worked in the DC markets. But I haven't done what we are doing. Local experience in this specific area trumps a broader knowledge base.

Action Items

Direct the ED to provide a report at the November meeting on:

- ◆ **the program and likelihood of success and impact on organization of fund raising for purchase of a building, and**
- ◆ **the rates and terms (and relationship requirements) at which the LP would be likely to obtaining mortgage financing.**

Membership Policy:

I suggest we move from a membership system of operation to a donor system. To accomplish this we eliminate "dues," and simply comply with the Bylaws, which state that a member is someone who has signed the certification. A complimentary copy of the LP News is given to donors who have given \$50 (or more) in the current or previous calendar year(s). Reportedly, this is similar to the frequent flyer rewards system. This would result in an increase in revenue per member served.

Although hard evidence is limited, this change could assist in a cultural change of that encourage donors, rather than newsletter subscribers. It also could result in a decrease in expenses. We no longer would need to send our membership renewal letters, many of which appear to lose money. (After UMP, pursuing renewals is the largest per member cost). The EC would explore various systems of fundraising, in whatever fashion creates the greatest overall return.

Finally, based on my conversations with the audit firm, it would end the need to account for deferred revenue and any associated liability.

States would be free to experiment with "dues." UMP could be replaced with a short-term agreement (five years?) to provide \$1/month support for each mailed LP News in return for the doing a few simple things (share names, keep dues below \$100/head, mail at least X newsletters each year, do some fundraising, maintain a web page, put our Presidential Candidate on the ballot).

This would result in a decrease in UMP revenue, but UMP revenue would decrease if we simply raised dues and did not adjust the UMP payments, resulting from a drop in membership from the dues increases. My rough analysis suggests the trade off is roughly equal. More feedback from the states needs to be obtained.

Also, a change in the delegate allocation requirements would need to be made. This will require changing Article 2, Section 2 of the Policy Manual. This should not be a problem.

Overall, this change would require many substantive changes in the Policy Manual. Additionally, the changes need to be consistent with the capabilities of Raiser's Edge.

I recommend that a resolution of support for a donor-based system be passed, and that Dan Karlan be tasked to work the Treasurer and Secretary in developing the necessary Policy Manual Changes, that the EC provide input on the capabilities of Raiser's Edge relative to the proposed changes.

Action Items

Resolution supporting the change to a donor-based system.

Direct the Treasurer, Secretary and Dan Karlan to draft proposed Policy Manual changes.

Direct the ED to provide information on the capabilities of Raiser's Edge informing the proposed Policy Manual changes.

Additional Policy Manual Changes

Appendix B. Treasurer's Report, Cleveland, August 14, 2004

Executive Director Authority

The executive director has asked for the following change to Policy Manual Article 4. Section 2, Position Description of Executive Director, Part A, Number 7

Current Policy:

initiates, reviews, and approves the appointment, employment, and termination of all LPHQ personnel, with the advice and consent of the Chair;

Replace with:

initiates, reviews and approved the appointment, employment, and termination of all LPHQ personnel, vendors and volunteers.

Travel Reimbursements

My first act as Treasurer was to approve reimbursements for staff subway travel at the Convention. Obviously, this is a matter of approval that should be able to be handled in the office, by the Executive Director. Thus, I propose the following change.

Article 5, Section 4, Paragraph A.

The Party Chair or Treasurer shall be required to approve and evidence by signing or initialing all expenses and expense account reimbursements made to the Executive Director or other officers prior to payment. No officer shall approve his or her own expenses. To . . .

Change

Insert "more than \$200" after "expense account reimbursements" in the first sentence.

Projects

There appears to be a need to provide more definition for projects. A one-page outline is included with this report. Please review this in comparison to Article 9, Section 1. We may need to make changes prior to budget preparation, and may need to change the Policy Manual.

Draft Project Explanation

Projects

Core activities are loosely defined as activities that benefit all members equally.

Projects are non-core activities of the LNC with clearly delineated goals.

They can be:

- a perpetual project, such as candidate support;
- a long term project, without a clear end date, such as ballot access or branding; or
- a short term project with a discernable completion date, such as Raiser's Edge.

Appendix B. Treasurer's Report, Cleveland, August 14, 2004

It is the LNC's intent that projects are to develop a dedicated funding stream, raising restricted funds, in a manner that does not substantially denigrate core fund raising. Use of direct response mail, bulk e-mailing or telephone fundraising to the complete membership list is discouraged. Developing targeted mailings, dedicated single purpose e-mail lists, and targeted telephone fundraising, along with dedicated pledges, is encouraged.

The LNC will separately account for the restricted funds. Most often separate accounts will not be established. This decision is the discretion of the Executive Director.

Restricted Project Funds are to pay:

All of the direct expenses of fundraising, including:

- dedicated staff time;
- all of the hard costs associated with fundraising (LP News ads, printing and postage).
- A 10% surcharge on the gross income to cover common costs. This includes:
- caging and accounting for funds received;
- management oversight of caging and program implementation;
- and the allocated occupancy and operations cost.
- All of the direct expenses necessary to implement the project.

Projects activities, including fundraising, are to be directed by the project manager. However, these fall under the oversight and control of LNC Staff. Vendor contracts, project communications to donors or service receivers, and the fundraising content and timing are to be coordinated with the Executive Director.

Convention 2006 Process Improvement Plan

submitted 8/14/04
Submitted by Bob Sullentrup

Overview:

By all accounts, the 2004 Atlanta Convention was a rousing success for the Libertarian Party. Looking ahead to 2006, we can address the following items to make it even better.

Since these items are under the Secretary's domain, submission to the LNC for approval is presumably not required. However, ideas, input and suggestions are always welcome. This document reduces therefore to one listing issues and tasks.

The goal in all of this is to have a smooth and orderly convention that projects a positive image to voters.

One cohesive principle is in play:

Simple is better than Complicated;
Easy is better than Hard;
Faster is better than Protracted;
Cheaper is better than Expensive.

1. Meeting Quorum Requirements Late in the Convention

As delegates leave the convention to get back home and return to work, holding a 40% quorum *based on the maximum registration count during the convention* becomes difficult. This resulted in a 30 minute delay on 5-31-04.

At least two alternatives exist for rectifying this problem.

- a. (high end) use barcode readers to have delegates re-register their presence at each session. Provide convention badges with barcode encryption.
- b. (low end) ask delegates when they get credentialed when they plan on leaving, and provide delegation chairs with delegate lists at each upcoming session.

Item b, being simpler, etc., is preferable.

Tasks: Review Bylaws to ensure feasibility or draft an amendment to the Bylaws; modify credentialing software to include an end date and reporting capability.

2. Platform Plank Balloting

Tabulating ballots on 62 platform planks which traditionally pass by a 2-1 margin and up is an arguably useless task.

Alternatives include:

- a. Considering the sweeping changes of the Atlanta Platform, change the Bylaws to eliminate platform plank balloting.
- b. Organize a 'laptop brigade' for 2006 and capitalize on their volunteerism.

Appendix C. Secretary's Report, Cleveland, August 14-15, 2004

Item a, being simpler, is preferable.

Tasks: Draft an amendment to the Bylaws to eliminate the platform plank ballot; review the Bylaws to ensure we comply with "computer readable" ballots in the case it does not pass; review the convention schedule to ensure we have enough time to tabulate the ballots; organize the 'laptop brigade'.

3. Produce a Chair's "Manual" and Convention Scoreboard

The 2004 convention proceedings exposed glaring gaps in organizational details. The Secretary was unsure when the platform plank tabulations were due; the chair needed help from the Secretary in real time to explain some aspect of the procedure; a delegate challenged Ken Bisson's handling of the platform deliberations, the delegate was not as familiar with the details and nuances of the Bylaws as the chair and secretary were (ahem).

What's missing were:

- a. A document detailing, not assembling, a convention schedule with methodology – a 'chair's manual' – distributed to the LNC and major participants prior to the convention.
- b. A diagram to display the platform plank deliberation methodology.

The manual would have details like "at this point, the presidential candidate addresses the convention for five minutes (Bylaws X.Y) to recommend a VP candidate." And this item would be placed correctly either before the VP nominations or afterward.

This idea expands upon the idea of making procedural information more readily, widely and conveniently available. The Delegation Chair's manuals were a fledgling attempt in 2004.

For 2006, ideas include:

- a. Expanding the Delegation Chair's manual to be sent to each delegate before the convention – or put on the web with the link identified.
- b. Providing "Conventioneering" as a presentation at the state chair's conference
- c. Creating the Convention Chair's manual as described. Use it as a basis for identifying associated tasks and then analyze it to determine if it is feasible (eg, can we tabulate platform planks in that amount of time? What will it take to confirm presidential and vice-presidential petitions, and can we do it in that amount of time?)
- d. (pipe dream?) creating software to display the stack of motions in play at any one time, who's on deck, etc.

Tasks: For a, b, c, start early and get it done. For d...(?)

4. Presidential and Vice Presidential Petitions (2008)

The methodology in 2004 exposed a weakness here. To tabulate the petitions properly, we needed to have 1) entered the lists of signatures into a computer, 2) validate the signatures against the credentials list, and 3) identify duplicates. None of this was done.

For 2008 we might issue sequentially numbered cards to delegates. Delegates sign the cards and this becomes their "petition signature". A candidate would ask for the card from a delegate, affix his/her name, and submit them to the Secretary. The Secretary sorts the cards from each candidate numerically and compares the top (lowest numbered) cards in each stack to check for duplicates. In this case, duplicate numbers would indicate fraud.

Appendix C. Secretary's Report, Cleveland, August 14-15, 2004

Color coding separates presidential petitions from vice presidential ones, and delegates are issued two such cards upon credentialing.

Tasks: Review the Bylaws to determine if an amendment is necessary; prepare an amendment to the Bylaws if deemed necessary (can be done in 2006); organize the 'laptop brigade' otherwise.

5. Secretary's Tables and Recorders

We will have a table at the 2006 convention off the stage and staff it with two people.

The people at the table on the stage will be focused exclusively on

- the convention ... the motions in being made
- taking minutes
- preparing amendments for display
- prepping the chair and backing him up

The people at the table off the stage will be focused on

- accepting platform and Bylaws amendments, time stamping them, and sorting them into boxes according to whether the submitter used the form correctly or a free-form piece of paper. Free form gets handled second, and this will be clear in the pre-convention materials
- accepting notes for delivery to the people on stage
- accepting region formation documents
- printing ballots
- minimizing interruptions to the people on stage who must focus on the ephemeral "words of the convention"

As a backup, we will have someone, or several people, identified ahead of time to make electronic recordings of the proceeds.

Tasks: Organize ahead of time and make it happen. Figure out how to best display current and proposed amendments, ensuring pre-work is in place.

6. Tighten Credentials Committee Interface

Address the needs of the Credentials Committee to ensure it has the tools and resources to do its job, focusing on:

- Determining its reporting requirements to delegations chairs (eg, providing current delegate lists and forecasts)
- Coordinating with the Secretary for data interface, including ordering of the states by name or code
- Staffing, creating a manual, communicating with state chairs on their responsibilities, primarily getting delegation lists submitted on time 30 days in advance.

Tasks: Organize ahead of time and make it happen.

LP EXECUTIVE DIRECTOR'S REPORT

TO: Libertarian National Committee, Inc.
August 14, 2004, Cleveland, OH

FROM: Joe Seehusen, Executive Director

NATIONAL OFFICE REPORT

Executive Director's and Headquarters Report for the LNC Board Meeting August 13 and 14, 2004 Cleveland, Ohio:

Greetings and Best Wishes:

This report essentially covers the months of June and July 2004 since the last LNC meeting. And the watchword certainly seems to have been change. New chairman, officers and board. Some new directions and approaches. Some new staff. And of course the change that comes with having a national quadrennial presidential campaign.

The end of July brought our fifth consecutive month of increased membership. As a result of an outreach program we have increased our membership rolls (member and subscriber) by well over a thousand to where it now stands at 22, 017 as of close of business July 31, 2004. On a 'cash on cash' basis, most outreach programs lose money to gain members. So far our program has been able to gain members and make money at the same time. We will continue to build on this program as we await the anticipated additional boost in membership generated by presidential campaign activities.

Development made some positive strides, especially in the areas of logistics and the pledge program. Operations continues to tool and retool our processes with the automated budget to actual report initiated with the June 2004 period. Raiser's Edge implementation is our highest priority. Media had some big wins. I'll let Rod, George and Jessica tell you about it.

Operations update from Rod Severson: The preparation, completion and aftermath of the convention activities effectively eliminated any discretionary activities until the end of June.

During July 2004 several initiatives were taken.

The Quick Books Chart of Accounts was revised to correlate to the budget document completed in October 2003 and the export capabilities of Raiser's Edge. Substantial reclassification of individual transactions was completed to conform to a "function" based chart. This caused a delay in the accounting documents being finalized and a significant shift in several of the previously reported amounts. Of course, the overall totals were not affected, merely the classifications within the accounts. This correlation will allow automated budget documents (previously hand constructed) and in the future automated deposit information (currently hand inputted).

The presence of Geoff Neale in the office and his expertise in programming allowed the successful first "drop" of a Raiser's Edge database and the creation of several routines to correct errors within the current database. The first drop was accomplished the 3rd week of June with Geoff and Chase Moore from Blackbaud. Conversion errors were identified and

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reported back to Blackbaud for a second drop. Discrepancies in over 600 pledge source codes, over 400 certifications, and other miscellaneous data errors have been identified and corrected.

This drop means the national office has the data through January 9, 2004 inside the Raiser's Edge software. All the reporting capabilities of the software can be prepared, reviewed, modified if necessary and formalized for Libertarian Party use. For example, a membership report needs to be prepared, modified (how do we treat subscribers?) and reviewed by the LNC so the current report can be replaced. This will be the major focus during August 2004.

Other initiatives included dates of Life Membership being compiled and a complete re input of the FEC reports for 2003.

* * *

Media update from George Getz: We credentialed approximately 80 media outlets for the national convention, and the organizations that either covered the event or called to schedule a Michael Badnarik interview afterward included the Associated Press, CNN, Reuters, National Public Radio, The Economist, The Atlanta Journal-Constitution, Reason magazine, the Washington Post, the Washington Times, The Atlanta Journal-Constitution, the Austin Chronicle, Chicago Sun-Times, the Alan Colmes and Michael Medved radio shows, FoxNews.com, the AP radio network, two local ABC News affiliates and several international news outlets, including a Russian TV network and the Slovak Radio Network.

As expected, C-SPAN covered the candidates' debate as well as the election live.

In my pre-convention report I said I believed that our single best chance at getting national coverage was to make the case that the LP presidential candidate has the potential to affect the outcome of the race, and events have proved that to be the case.

As a result of LP press releases on this theme, Michael Badnarik was invited onto the O'Reilly Factor on June 23 (an interview which unfortunately was cancelled at the last-minute because of a breaking news story), and we also received calls from producers at CNN's "Inside Politics" with Judy Woodruff and John McLaughlin's "One on One," both of whom are considering doing a segment on the issue.

The "Libertarians-can-affect-the-outcome" theme has also been the subject of dozens of news articles, the most significant of which is the July 21 Los Angeles Times piece, which is posted on our home page.

Badnarik also has done a number of nationally syndicated radio interviews on the subject, and an NPR reporter plans to interview him for a piece in mid-August.

Finally, an ABC News reporter took Badnarik and several staffers out to a get-acquainted lunch in Washington last week because they want to stay up to speed on what the campaign is doing and are considering doing a piece on him.

As you know, the LP headquarters media department is working along with the campaign by sharing media contacts, helping to arrange interviews and writing press releases quoting Badnarik.

One example is our July 15 release opposing proposed federal legislation banning gay marriage, which generated several interviews for Badnarik, including one on the Michael Medved show, broadcast on 140 stations. Another is our July 22 release on the findings

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of the September 11 commission, which resulted in five interviews heard on 112 stations.

As the campaign progresses we will continue to work with the Badnarik campaign as well as issuing releases that promote the party generally. Our July 27 press release denouncing the Democratic Party for accepting taxpayer money for its Boston convention quoted LP Chair Mike Dixon, who did several of the interviews himself, including one that aired July 28 on approximately 2,000 stations on the Metro News network.

The media department will continue to work along two tracks by working to promote the campaign and the party generally.

A note on Liberty magazine:

No doubt many of you read Liberty magazine's semi-annual (and semi-accurate) hit pieces on the LP, and I want to respond to the author's claim that he was denied media credentials. The fact is that Bradford never bothered asking me for them, and had he done so he would have received them. Instead he waited until a week or so before the event, and then submitted the request not to me but to a member of the National Committee, who relayed the request to me, at which point I immediately granted them.

A note on our New Vision brochures:

You might remember that a couple of weeks ago a problem was discovered in our "New Vision for America" brochures. The problem was that in some of the brochures, some of the pages were repeated.

Here's a quick follow-up: We contacted the printer and learned that this had happened somewhere along the line in the assembly process (not the printing process). As a solution, the printer offered to hire somebody at \$10/hour, at his expense, to look through all of our remaining stock to remove the bad ones, and of course he will give us a refund for them.

Then we contacted the mailhouse, which has several thousand of the brochures on hand (the majority of them are at LP HQ.) We asked them to check their stock, and they didn't have any bad brochures.

At this point the person checking the stock at LP HQ has gone through half of the remaining brochures and has found that 6 out of 1,000 are bad. I'll let the LNC know if this error rate (0.006 percent) is any higher on the second half of our inventory.

Meanwhile, we have ensured that no more bad ones can be sent out, and Daniel Cloud has put a short item in the upcoming LP News to notify people about the problem and tell them we'll replace any bad brochures.

* * *

Development update from Jessica Neno Wilson:

Direct Mail: We are making progress on systematizing our direct mail process. After the convention I assumed responsibility for the logistical portion of the mailings, which will free up more of George Getz's time for writing the letters and for media-related tasks.

In an Excel spreadsheet on my desktop, I keep tabs on everything from the total costs of a mailing (postage, printing, and mail-house) to the target population, total count sent out, when notifications are sent to state chairs, and when copies are mailed to APRC for review. For

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house letters and project fundraising letters, we outsource certain time-consuming logistical elements (getting printing bids, etc) to a direct mail consultant – a process that has proven effective while allowing HQ staff to maintain control over the process..

Pledge Program: With the direct mail program systematized and the convention behind us, we began to focus on raising more revenue by enlarging the pledge program. We now have 119 more pledgers than we had in February 2004, for a total of 2,117 Liberty Pledgers. Promised pledge revenue has increased by about \$2,500 per month.

However, due to a variety of reasons (ranging from credit cards expiring each month to Bill-By-Mail pledgers not sending back checks in a timely manner), we were never able to collect the entire promised amount of pledges. So we started a calling program to reconcile the actual pledge revenue to the promised pledge revenue. In June, I began the process of culling the data necessary to “pick the money up off the floor,” and began developing scripts and systems. The logical first step was to call all pledgers whose credit cards had expired.

Over a two or three week period (9 sessions total) thus far, I have been able to devote an average of 2 hours of some workdays to testing these calls. Thus far I have averaged nearly 40 call attempts per session, and I have made at least one attempt on every expired credit card pledger from July 2003 to the present.

Every day that I call I recover an average of \$187 in monthly pledges, which equates to about \$2,241 annually. Thus, in nine sessions, Headquarters has made a yearly stride of over \$20,000 towards closing the gap between real and promised pledge revenue. The maintenance of future credit card expires has already become an institutionalized systematic process and will continue in future months.

I am in the process of hiring and training student development associates to help with calling so I can prototype new and profitable projects for the LNC. The program will consist of updating credit card expiration dates; a declined credit card program; renewal notices by phone; encouraging members to become pledgers; welcome to the Party calls; thank you calls; and encouraging pledgers to increase their monthly pledge.

Major Donors: We are in the very early stages of setting up a major donor program. The cultivation of this program will be assisted in a few ways. First, implementation of Raiser's Edge will allow us to pull more accurate listings of major donors. Second, the strong basis built by the calling program will allow us to use the infrastructure to communicate with major donors. Projects such as these have a natural progression and synergistic momentum, as each one makes the next one more profitable.

* * *

Note on the Atlanta convention. A substantial invoice from the Marriott Marquis Convention Hotel is being reviewed for accuracy by Geoff Neale. While we do not know the final overall financial outcome of the convention, we deemed a \$30,000 set aside (currently in the bank) to be prudent business practice.

For your consideration: In its future deliberations on how conventions are run, who runs them and in calculating their total cost, might I encourage the board to take a hard look at the impact these conventions have on the regular and proposed work of the LNC HQ functions. For months preceding and for weeks after, convention activities consume all but the most rudimentary staff functions and obviate growth and development projects.

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Staffing Update: After several years of fine service to the party working at HQ, Dianne Pilcher has decided to pursue some other opportunities. In characteristic fashion, Dianne put the party first by giving several months notice of her intention to leave and agreeing to stay as long as it took to find her replacement. Dianne worked in member services and was the HQ coordinator for the State Chairs. Her hard work, dedication and loyalty will be sorely missed.

Sam New has joined us and is working in member services and with the State Chairs group. In his own words here is his introduction:

"My name is Samuel New, and I am originally from Arkansas. I am a recent graduate of Rhodes College in Memphis, TN, where I obtained a BA in international studies in May 2004. As an undergraduate, I was afforded the opportunity to work with the staff of Congressman Harold Ford, Jr. in Memphis. I have long held a personal commitment to libertarian ideals, and I am pleased to be working with the LPHQ.

Before I began my official duties at the LPHQ, Joe Seehusen explained that in my new position, I would be a man who "wears many hats." This statement has proved remarkably true. As the newest associate, my goal is to provide a high level of service to members and affiliates. I am pleased to have the opportunity to work with each of you, and if we have not yet spoken, I look forward to meeting you personally. Please let me know if I can ever be of service."

Jessica Neno Wilson has put together a promising intern program which she reports on:

Intern Program: One duty I am tasked with is the development of a stable and systematized program for incorporating interns into the work of Headquarters to leverage the time of staff. Although we have hosted interns at National Headquarters before this summer, there was no institutionalized program in place to assist interns, recruit them, and set priorities for them while working on staff.

In late March, I began writing recruitment materials and working to cultivate relationships with intern placement organizations and programs across the city. This resulted in the submission of about a dozen or so applications from college students. Of those, a handful were interviewed and three were offered summer positions. Chris Thorman, a senior at St. Louis University, and Paul Westerberg, a senior at SUNY-Fredonia, began their summer by attending the National Convention. (Another intern, Paul Schwartz, a sophomore at George Washington University, did not attend the National Convention and worked for roughly a month before pursuing other opportunities.)

Many board members met these exceptional contributors during the convention and I can honestly say that they have outperformed my expectations at every stage of the internship.

Beginning their summer by coming to Atlanta for our National Convention, Chris and Paul immediately made themselves an integral, in fact, essential part of the convention work. Upon arrival back in Washington, Chris and Paul attacked their duties with the same energetic determination that they had displayed in Atlanta. One particularly helpful area where Chris contributed is he learned how to update our website and made regular updates to the candidate and campus sections of our site. Paul shadowed Dianne Pilcher in order to learn and document her job and thereby helped to train Sam New, when he took that position over the summer.

Chris Thorman was also interviewed and quoted by the Washington Post for three paragraphs about his internship experience. The article can be read at www.washingtonpost.com/wp-dyn/articles/A39217-2004Jul9_2.html. Paul was filmed for a

Appendix D. Executive Director's Report, Cleveland, August 14-15, 2004

documentary sponsored by the State Department for a Ukrainian film on youth, freedom, and voting.

These interns will receive a letter of recommendation written by me and signed by Joe Seehusen to show our appreciation for their efforts.

And finally:

Kudos: BetteRose Ryan and her husband Tony came to LPHQ and MADE IT HAPPEN! The Ryans joined our LPHQ team as volunteers for two weeks and completely got on top of an important project. They collected, sorted, catalogued, and created a database for all of our archived media materials, such as VHS tapes and audiocassettes. Now these materials are efficiently stored and can be located easily. This is a valuable archive project as many of those tapes have historic value. It was great to have them in the office. Thank you BetteRose and Tony!

**Employment Policy and Compensation Committee Report
to the Libertarian Party National Committee**

Mark W. Rutherford, Chair
August 2004

The membership and pledge numbers are as reported to me by Rod Severson on July 15th:

A. Membership

Apr 21,084

May 21,250

Jun 21,921

Bonus component - Increase of donor base: The Executive Director shall be awarded \$400 for every \$1000 increase in the monthly pledge revenue with a maximum award quarterly of \$2000.

B. Pledge

Apr \$34,053.14

May \$32,680.02

Jun \$26,200.61

Note: Pledge income for June not adjusted for bad source codes.

Bonus component - Increase of membership: The Executive Director shall be awarded \$200 for every 3% increase in the national membership levels with a maximum award quarterly of \$1000.

C. Media information unavailable at time of preparation of this report.

Bonus component - Increase media placements: The Executive Director shall be awarded \$250 for every national TV appearance by himself, the Director of Communications, or any National Officer, or National or State Candidate. The placements must be arranged and managed by the National Office Staff (not a campaign staff or third party organization). The Executive Director shall be awarded \$250 for each national print story placement (not mention within a story) in a nationally prominent newspaper or magazine. The maximum award for this category will be \$1000.

D. Here are the average results of the LNC survey:

Professionalism 4.1

Media Presence 3.2

Business Mgmt 3.8

Libertarianess 4.0

Staff Management 4.0

Fundraising Performance 3.6

Total of Scores 22.7

% of total 76%

Possible bonus \$ 1000

Earned bonus \$756.67 (if standards of previous LNC are applied)

Bonus component - LNC Satisfaction: Quarterly evaluation, via survey, of the members of the LNC (and alternates) to assess the Executive Director's fulfillment of criteria of the job and the satisfaction of the members of the LNC and the affiliates. Maximum award \$1,000.

The committee will be meeting Saturday morning, August 14th to determine recommendations on bonus for the above areas. These will be made at the

Appendix E. Employment Policy and Compensation Report, Cleveland, August 14-15, 2004

Respectfully submitted,
Mark W. Rutherford
At-large Representative
Libertarian National Committee

CAMPUS ORGANIZING REPORT

Submitted to: Libertarian National Committee, August 2, 2004

Submitted by: James W. Lark, III
Representative, Region 5E
Libertarian National Committee

The following report will provide information concerning efforts to build and support Libertarian campus organizations. I shall provide an updated report at the LNC meeting should additional information become available.

At this time, we are in the process of revamping our campus organizing effort. Jessica Wilson of the national office organized a teleconference on June 29 to discuss various aspects of the process. Participants included Ms. Wilson, Joe Seehusen, Chris Thorman (LP HQ intern), Paul Westerberg (LP HQ intern), Trevor Southerland (chairman, National Libertarian Party Youth Caucus), and I. After discussion, Ms. Wilson, Mr. Thorman, and Mr. Westerberg began preparation of a draft campus Libertarian outreach plan.

The draft was distributed on July 19. The plan, which I consider to be basically sound, consists of three phases: "Coordination and Communication," "Building Networks," and "Future Employee." Proposed timelines and cost estimates are provided. During the coming months, I shall work with LP staff, Mr. Southerland, and selected colleagues to finalize the outreach plan. I shall provide a formal report on the proposed outreach plan prior to the next LNC meeting; this report will include proposals for budgetary allocations.

Mr. Thorman and Mr. Westerberg have already begun the process of updating the campus webpage (www.lp.org/organization/campus.html) of the LP website. They are also investigating the possibility of building a campus organizing website that will be separate from the LP website. In addition, they are updating the campus organizing handbook.

I anticipate that Mr. Southerland and I shall work extensively with the Badnarik and Campagna campaigns. Among other things we shall put the campaigns in contact with campus activists who are willing to assist the campaigns. We anticipate that the campaigns will provide contact information for students who become supporters of the campaign.

Mark Nelson informed me that he is interested in scheduling a college training session to take place at the 2005 conference of state chairs in St. Louis. I approve of the idea, and I am willing to participate in such a session. Should the session be scheduled, I shall work with Mr. Nelson to develop the details.

The Libertarian Party of Oregon is planning to hold its 2005 convention on March 5-6, 2005, at a site to be determined. Adam Mayer, chair of the LPO, is interested in holding a regional campus organizing workshop at the convention. He has asked me to participate in this event. I have informed him that at this time I consider it very likely that I shall be able to participate in the event.

Appendix G. Convention 2006 Committee Report, Cleveland, August 14-15, 2004

The Convention Committee requests passage of the following motion:

That staff negotiate deals with hotels in Austin, Denver and Portland to host the 2006 Libertarian Party convention the preferred weekend of 30 June 2006 through 3 July 2006 but also any weekend in May or June for which substantially better pricing is available; and

That staff report to the Convention Committee the deals available, including draft contracts offered by the hotels, not later than 22 October 2004; and

That staff may, but is not expected to, include in its report deals in other US cities if substantially more attractive financially than the best deal offered in the cities above; and

That the Convention Committee be empowered to clarify these directions as may be necessary; and

That the Convention Committee report to the LNC at the November 2004 meeting of the latter a set of choices including advantages and disadvantages for each choice.

Strategy Three Report

George Squyres

Since the adoption of the Atlanta format at the convention, considerable positive feedback has been received from many quarters on the results. An article summarizing the work up to and through the convention has been published in the July issue of LP News. In that article I have tried to lay out the future of the project and our hopes for its continued progress. The online involvement of the membership, in determining which of the remaining planks most need revising, was heavily stressed.

The website that was authorized by the LNC at the post convention meeting in Atlanta is, as of this writing, still not up and running. This is problematic in that a second article in the August issue of LP News contains the website address and invites member feedback. That feedback has begun coming in, and is being handled manually by Steve Trinward, to whom the committee and the party owes a debt of thanks. Hopefully the severe workload imposed by the campaign will pass and allow time and resources to get the website up and running.

The August LP News carried an article on the Immigration plank with a copy of the proposed new plank that was tabled in Atlanta. The proposed plank is not simply a reformatting of the old plank, but is a substantive change in the party's position on immigration. It contains considerable input from Dr. John Hospers and his recent article, "A Libertarian Argument Against Open Borders." The LP News article argues that the previous position based solely on the considerations of economic freedom was inadequate, and that other considerations must be given if the plank is not to appear naïve.

The response to the new plank so far has been almost unanimously positive, not simply from the format, but from the position. I believe the new format enables our membership to consider the plank from a wider perspective, and enables us to view far more of what is relevant in the topic rather than simply respond with a knee-jerk position.

Two more articles are expected from members in New Mexico, which held a symposium on the immigration plank at their state convention in June, and from Florida, which is heavily involved in immigration issues. Both have indicated strong support for the new plank.

Continued success of Strategy Three will involve continued work not only by the Special Committee, but by all members of this committee, and especially by the state chairs organization. I will present a progress report to the state chairs' conference in January.