



LNC Meeting Minutes, March 11-12, 2006, Charlotte, NC

To: Libertarian National Committee
From: Bob Sullentrup
CC: Shane Cory, Sam New
Date: 3/12/2006

Current Status: Draft

Version last updated March 14, 2005.

These minutes due out in 30 days:	April 11, 2006
LNC comments due in 45 days:	April 26, 2006
Revision released (latest) 14 days prior:	June 16, 2006*
Barring objection, minutes official 10 days prior:	June 20, 2006*

*** Relative to June 30 Portland Meeting**

The meeting commenced at 8:37am on March 11, 2006.

Attendance and Credentials

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

Attending the March 11-12, 2006 LNC meeting in Charlotte, NC were:

Officers: Michael Dixon, Lee Wrights, Mark Nelson, Bob Sullentrup

At-Large Representatives: BetteRose Ryan, Admiral Michael Colley, Mark Rutherford, and Bill Redpath. Rick McGinnis was not in attendance.

Regional Representatives: Dan Karlan, Ed Hoch, M Carling, and Dr. James Lark. Not attending were Aaron Starr, Jeremy Keil, Dena Bruedigam, Michael Gilson deLemos (aka MG), and George Squyres.

Regional Alternates: Tony Ryan, Scott Lieberman, Tim Hagan, and Chuck Moulton attended. Not attending were Richard Burke, Trevor Southerland, Emily Salvette, and Mark Cenci.

Acting Chief of Staff and Director of Communications Shane Cory attended.

Also attending were Sean Haugh (ED NC), Daniel Cloud (*LP News*), Robert Kraus, Phil Jacobson (NC Chair) Thomas Hill, Bruce Dovner, Sam New, and Chris Thorman.

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

Region	Affiliates	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 : Richard Burke Oregon 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	Trevor Southerland 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

Public Comment

Phil Jacobson, the NC chair, welcomed the LNC to Charlotte. He thanked the LNC for its past help in getting the Party on the ballot. All third parties in NC have required such assistance.

Sean Haugh also welcomed the LNC to Carolina. Sean drives to meetings, and it felt strange for him to have driven for only two hours and already be at the meeting.

Consent Agenda

The Baltimore meeting minutes were automatically approved on March 1 in accordance with the provisions in the Policy Manual, there having been no objection to the final version released earlier.

Approval of the Agenda

The group amended the agenda as follows (the appended item appears in italics):

Libertarian National Committee **March 11-13, 2006**

Call to Order	Saturday March 11, 2006	8:30 AM
Moment of Reflection		1 minute
Opportunity for Public Comment		10 minutes
Credentials Report and Paperwork Check (Secretary)		5 minutes
Report of Potential Conflicts of Interest		5 minutes
Approval of the Agenda		10 minutes

Standing Reports

Chair's Report	30 minutes
Treasurer's Report	20 minutes
Secretary's Report	10 minutes
EPCC Report	10 minutes

Staff Reports

Chief of Staff Report	60 minutes
Operations Director's Report	
Development Director's Report	

Executive Session

To receive confidential reports from the Treasurer	30 minutes
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Reports

Campus Organizing Report (Lark)	15 minutes
Ballot Access Report (Redpath)	15 minutes
Program Committee Report	15 minutes
Audit Committee Report (Redpath)	15 minutes
<i>Policy Manual (Karlán and Moulton), amendment to agenda</i>	30 minutes

Topics for Discussion

Convention Planning Report (Chair/Lark)	30 minutes
Status Report of LNCC (Carling)	10 minutes
Affiliate Services Agreement	30 minutes
Opportunity for Public Comment	10 minutes
Adjournment	

The agenda with the Policy Manual topic amendment was approved.

Moment of Reflection

Chair Michael Dixon called for a moment of reflection, a practice at LNC meetings.

Paperwork Check

Chair Michael Dixon reviewed the items in the binders.

Report of Potential Conflicts of Interest

Chuck Moulton noted a potential conflict of interest: Chuck has accepted a position as an intern with CATO.

Richard Burke has accepted a contract position selling convention space for vendor booths at our upcoming convention.

No other conflicts of interest were reported since the last meeting in Baltimore, MD.

Officer Reports

Chair's Report

Chair Michael Dixon pointed out a *New York Times* article, 'Is Freedom Just another Word for Many Things to Buy?' The article is useful for our candidates and for our branding project as parties interact with the public, many of whom may view 'freedom' in a different light.

Michael also noted he had been interviewed by Neil Cavuto of Fox News the day before. The interview pertained to third parties and was put together at the last minute.

Michael has been devoting a good deal of time to the convention since the last meeting in Baltimore.

Treasurer's Report

Mark Nelson's treasurer's report is attached as Appendix A.

Mark fielded questions and reviewed additional financial items including payables and aging. Additional financial reports that Mark provided not included in Appendix A are:

- Profit and Loss by Expense Class
- Profit and Loss by Month
- Receivables aging
- Payables aging
- Quickbooks reconciliation

Secretary's Report

The secretarial convention plans and work have been detailed in prior meetings.

Employee Performance and Compensation Committee (EPCC)

Admiral Colley noted he still "had not found the right person" for the Executive Director. Moreover, he has terminated his search. For the time being the LP cannot afford the expense.

M Carling moved to commend staff for its hard work and dedication in the absence of an Executive Director.

Admiral Colley noted the office has moved to another floor of the same building. With the same amount of space it offers better utilization. The Admiral reported the southern California owners of the property had proved 'hard to work with'.

The Chair thanked Admiral Colley for taking on the office move which relieved him of this time-intensive task.

The LNC would enter executive session later to discuss treasury and employment matters.

Staff Reports

Executive Director's report

Shane Cory presented the Executive Director's and HQ reports attached as Appendix B.

Shane's presentation was interrupted occasionally with discussion on adjunct topics as well as certain motions. Accordingly, the group extended the time allotted for his report.

Shane began by noting he has been consumed by 'keeping the doors open'. February was a particularly tight month. A special e-mail appeal saved the day.

Returns are beginning to emerge from the annual report appeal. Approximately \$23k has been received to date. Shane expects \$50-60k.

Shane noted the office move is complete. The improved layout with more rooms will avoid having guests 'stand around the walls' for group meetings.

Dr. Lark inquired whether there would be a "grand opening" for the headquarters, and noted that such an event could be used as a fundraising opportunity. He also suggested that we should consider raising funds by offering naming rights for the conference room and other parts of the headquarters.

Shane also noted an issue affecting the Convention. Members who have signed the pledge and are current on dues constitute the basis for delegate allocation to the national convention, as stipulated in the Bylaws. Following other Bylaws specifications, Secretary Bob Sullentrup used membership as of 12-31-2005 for delegate allocation. His allocation basis was 15,300 members.

As of January 1 with the zero dues model, anyone who has signed the pledge is 'current on dues'. There are approximately 98,000 such 'members' now current on dues in the LP database. This list is reasonably accurate in as much as Blackbaud provides notices of deaths and address changes.

The LNC was curious as to how the delegate allocation for 2006 might have been different if it had been based on the 98,000 'members' rather than the 15,300 used.

Accordingly, *Mark Nelson moved to have the Secretary, working with staff, to provide a state-by-state analysis of the delegate allocation were it to have used 98,000 records as a basis, by April 1.* The motion carried.

This analysis has been completed and is included in these minutes as Appendix D.

Shane reported the telemarketing program has eliminated daytime calling, which had produced revenues insufficient to recover costs. Calls are made in the evenings as of now.

The issue of boundaries of authority for project managers was raised. At the culmination of the discussion, *M Carling moved to have a committee of Mark Nelson, BetteRose Ryan and Bill Redpath draft a proposal to establish project manager boundaries of by the end of May.* The motion passed.

Shane also fielded a question pertaining to his recommendation of hiring a political director in his report. The political director would work with state affiliates, candidates (within limits of FEC requirements), and provide candidate tracking.

Robert Kraus discussed office procedures and updates.

Sam New noted the passing of Harry Browne, expressing his sadness. Harry Browne's impact can be measured by the press he received in his passing. The LA Times, NY Times and George Stephanopolus on his TV show noted Mr. Browne.

The Libertarian Leadership School's second semester will commence later in March.

Sam, who has served as both Joe Seehusen's and Shane Cory's 'right hand man', will return to school in May. Shane thanked Sam for his many months of quality work.

At this point the LNC entered executive session

Coming out of executive session, *Tony Ryan moved to have Mark Nelson and Shane Cory create a policy and procedures manual that addresses our internal accounting procedures and policies in order to better comply with our FEC filing needs and internal financial reporting.*

This motion carried.

Mark Nelson moved to empower the Chair to negotiate a contract through March 31, 2007 with Shane Cory offering him the position of Executive Director of the Libertarian Party at a salary that is within our budgetary constraints and crafted to include performance expectations to be approved by the EC.

Three LNC members requested a roll call vote.

M Carling moved for a vote by ballot. M's motion failed. M left the room and was not on hand to cast a roll call vote.

Everyone in the call of the roll cast votes in the affirmative, including: Lee Wrights, Mark Nelson, Bob Sullentrup, BetteRose Ryan, Admiral Michael Colley, Mark Rutherford, Bill Redpath, Dan Karlan, Ed Hoch, Dr. James Lark, Tony Ryan, Scott Lieberman, Tim Hagan.

Campus Organizing

Dr. Lark's report is included as Appendix C. Dr. Lark was recently in Indiana and congratulated LP of Indiana for their assistance and dedicated work. Mark Rutherford, the Indiana chair, thanked Dr. Lark for his work in the state.

Ballot Access

Bill Redpath discussed ballot access initiatives across the nation. Highlights include:

- Bill is working through an issue with New Mexico. The validity rate of recently collected signatures is a disappointing 46%.
- The next step in the North Carolina ballot access drive is to send an e-mail to solicit funds.
- Bill Peirce will run as governor in Ohio and needs 5000 signatures. Bill is working with Ohio to coach them through the process of getting signatures. The issue in Ohio is more procedural than financial.

Program Committee

Bruce Dovner of the Program Committee distributed a draft of LP Program. The LNC had named Sean Haugh, Bruce Dovner and Dena Breudigam as Program Committee members at its Baltimore meeting in November, 2005.

The board appreciated the hard work of the Program Committee and asked that the final draft be presented to the LNC by the end of April. This would allow two months to review, approve and produce as a part of the convention package.

See Lp-ca.org for the text of the party program.

Audit Committee Report

Bill Redpath reported he has received one bid to perform an audit of the LP. The fees are \$17k for one year or \$30k two years.

The LNC requested that Bill make additional inquiries to obtain additional auditors from which to choose. The goal is to have the auditing completed by the Portland Convention.

Policy Manual Adjustments

Chuck Moulton moved to add the following sentence to Article I, Section 2.A, *Agenda and Reports*, of the LNC Policy Manual:

The agenda shall also be posted on the LP.Org website at least seven days prior to the meeting.

Chuck's motion carried.

Chuck Moulton also moved to insert a section after Section 2.D of Article III:

E. Archiving of Minutes

The Secretary shall send an official copy of meeting, conference call, and convention minutes to staff within 14 days of the promotion of those minutes from draft to official status. Staff shall post all official minutes to an archive section on the LP.Org website.

Chuck's motion carried here as well.

Dan Karlan moved to combine Strategy 21,

Track the performance of core and critical activities in the national party and develop and implement a plan to remediate performance shortfalls.

with Strategy 4,

Track the performance of core and critical activities in state and local Libertarian Party organizations; encourage and support these organizations in creating and executing plans to improve performance.

resulting in:

Track the performance of core and critical activities at all levels in the Libertarian Party; at the national level, use this to develop and implement a plan to remediate performance shortfalls; at the state and local level, encourage and support these organizations in creating and executing plans to improve performance.

M Carling moved to amend this motion to 'Delete Strategy 21'. M's motion failed for lack of a second.

Dan Karlan's motion carried 8-3

Lee Wrights and M Carling requested their abstentions be recorded in the minutes. Bob Sullentrup requested his abstention not be recorded in the minutes.

Dan Karlan followed up with a motion to amend the policy manual with a new section:

Article IV, Section 4: Strategic Plan

The LNC shall review the Strategic Plan annually, to set metrics and monitors for future years, and amend, as needed, those parts of the Plan that are the responsibility of the LNC or staff.

- *Amendments to the Goals or Strategies in the Strategic Plan may be made by a two-thirds vote of the LNC in two successive meetings, between which there must be at least two (2) weeks.*
- *Amendments to Tactics, metrics and monitors may be made by a simple majority at a single meeting.*
- *Within the Strategic Plan document, an appendix shall maintain a record of when all such changes were made.*

There was some question whether it was in order to discuss this. At the 2004 convention, as the last order of business, MG moved the following, the account of which is taken from the convention draft minutes:

MG de Lemos (FL) proposed a resolution for the body to accept the Strategic Plan developed by the Strategic Planning Team authorized by the LNC. The resolution failed.

The Chair ruled it was in order to discuss this. The Convention failed to approve Mr. Gilson's motion because that motion was introduced without adequate knowledge, and because many delegates were uncertain as to the impact of the motion should it be approved. Moreover, the LNC which had produced the Strategic Plan had accepted it, thus owning it and paving the way to act upon it.

Mark Nelson moved to amend the first bullet point, replacing 2/3rds with 3/5ths and striking everything after "LNC".

- *Amendments to the Goals or Strategies in the Strategic Plan may be made by a three-fifths vote of the LNC.*

Mark Nelson's amendment carried.

M Carling moved to add an additional bullet point

- *A strategy can be deleted by a one-third vote of the LNC.*

M's amendment carried 7 – 5.

The main motion as amended carried 7 – 4

Finally, Dan Karlan was tasked to recommend an appropriate "home" for the orphaned provision that was inadvertently lost when UMP was abolished. That provision was:

Special agreements with states require the approval of the full LNC.

Dan suggested two alternatives and *Mark Nelson moved to create a new Article X Affiliate Relations section.*

Mark's motion carried without objection.

The LNC adjourned for the day at 4:55pm.

SUNDAY

The Sunday session commenced at 8:40 am

Convention Report

Michael Dixon reported convention registrations are running a bit slower than registrations leading up to the 2002 Indianapolis convention. The off-year 2002 convention forms a better basis of comparison for 2006 than the Atlanta presidential nominating convention.

Part of the reason for this lag is the fact that aside from Bob Barr, big name speakers have not been secured as yet. In addition, BetteRose Ryan, a veteran of prior conventions, noted that a 'slick convention registration brochure' has not arrived as yet. That typically has been the trigger for a quick ramp up in convention registrations.

The lag also underscores the need for the LNC and state chairs to promote the convention.

Shane Cory noted that the annual report contained a check box to send convention materials. This approach will of course not be a mass mailing.

Chuck Moulton suggested we mail delegates from the 2002 and 2004 conventions.

Mark Nelson moved staff provide the LNC by the 10th of each month a summary of registrations by package for the convention including revenue, cash outlays and committed expenses. The motion passed.

Michael distributed a letter from Adam Mayer, the Oregon Chair, that detailed 'where and when the Libertarian Party of Oregon will provide volunteers'. It serves as something of an outline of convention activities:

Thursday, June 29, 8am – 5pm	Platform Committee Meeting
Thursday, June 29, 8am – 5pm	Bylaws Committee Meeting
Friday, June 30, 9am – 9pm	Conference Registration
Friday, June 30, 8am – 5pm	Platform Committee Meeting
Friday, June 30, 8am – 5pm	Bylaws Committee Meeting
Friday, June 30, 1pm – conclusion	National Committee Meeting
Friday, June 30, 7pm – 9pm	Opening Reception
Saturday, July 1, 7am – 5pm	Conference Registration
Saturday, July 1, 7:30am – 8:30am	Breakfast Buffet
Saturday, July 1, noon – 1pm	Lunch
Saturday, July 1, 5pm – 6:30pm	Pledge Reception
Sunday, July 2, 8am – noon	Conference Registration
Sunday, July 2, 7:30am – 8:30am	Breakfast Buffet
Sunday, July 2, noon – 1pm	Lunch
Sunday, July 2, 6pm – 10pm	Reception and Banquet
Monday, July 3, 7am – 9am	Breakfast for Torch Club
Monday, July 3, 9am – noon	National Committee Meeting

LNCC Status

M Carling reported the LNCC has been formed, the FEC reports filed, and currently in business. Its goal is to support winnable legislative races.

There will be an LNCC meeting in Portland to elect a new board. Currently, M Carling serves as chair Admiral Colley serves as vice chair; Chuck Moulton serves as secretary; Bill Redpath is treasurer. See LNCC.org for more information.

Database Access

Dr. Lark inquired whether the staff intended to establish the capability for state affiliate database managers to update membership and inquiry information online; he also asked about a timetable for the implementation of this capability.

Shane Cory noted it takes staff about 30 minutes per month to make the updates it receives from affiliates. Accordingly, it is not cost or resource effective to clone the RE database and make an

updateable copy. It makes much more sense to provide a web form for updates, and this is Shane's plan.

Dr. Lark requested Shane craft a note sent to state chairs that outlines what staff plans on doing in this regard, and when staff plans on doing it. Shane agreed to provide the requested note.

Affiliate Services Agreement

Michael Dixon attended the LSLA meeting in Phoenix in late January and discussed with state chairs what might be included in an 'affiliate services agreement'. *Such an agreement would be voluntary on the part of states to sign.* This initiative stems from Strategy 5, "Define and codify relationships between (and expectations among) national, state, local and campus Libertarian Party organizations".

In turn, this issue came to a head when a state in 2000 chose to put its candidate on the ballot rather than the candidate nominated in Anaheim.

Michael laid out his list of items from Phoenix. After discussion, alteration and a ballot by show of hands, the following items emerged, ranked by popularity:

- (10) Ensure an affiliate places the LP presidential nominee on the ballot
- (9) Ensure an affiliate has an anti-takeover provision in its bylaws
- (8) Define data exchange for inquiries including content and exchange frequency
- (8) Ensure an affiliate adopts the LP brand (logo, colors)
- (7) Ensure the LNC and affiliates adopt an information privacy policy (no reselling of lists)
- (7) Ensure the LNC compiles and maintains reports of core and critical activities (Strategy 4)
- (7) Ensure compliance with FEC rules
- (7) Guarantee access to training and other programs
- (0) Guarantee web connectivity for RSS feeds

An item relating to the harassment policy is already in the Policy Manual and provides that an item relating to the principles of the Anti-Harassment Policy must be in the affiliate agreement. An expulsion provision does not exist in the LP Bylaws at this time, though that may change at the Portland convention. Accordingly, a provision to uphold an affiliate's expulsion of a person cannot be entertained until after Portland.

Strategic Plan Review

Mark Nelson introduced the topic of the Strategic Plan hammered out and adopted in 2001. A 21st strategic plank was crafted in Atlanta was adopted but never incorporated into the Strategic Plan.

The Executive Summary of the Strategic Plan is included as Appendix E.

While some apparently think 20 planks is too many for a strategic plan, Mark believes the document can serve as a touchstone for the continuity of LNCs whose composition and character can change drastically from session to session. This can also serve to keep prominent the goals, initiatives and

directions the Party has committed it to, as opposed to its all too frequent mode of 'send out a letter and navel gaze' as Mark put it.

Chuck Moulton, if he were omnipotent Strategic Plan czar, would modify items 3, 5, 6 and 7 and delete the rest.

While the LNC took no further action at this time, some identified the November meeting as one at which we could set aside a day to review, revise and update the Strategic Plan.

Announcements

Dan Karlan noted no LNC meeting has ever been held in New Jersey and invited the group. Dan is also pleased to note that no one asked, at least at this point, "what exit"?

Dan Karlan also announced he is the co-author of an upcoming book entitled "*The 101 Most Influential People who Never Lived*", due out in the summer. Essay topics include Big Brother and Santa Claus.

Chuck Moulton requested that the LNC send out their reports and meeting agendas by the deadlines listed in the policy manual.

Mark Nelson distributed a list of donations given by LNC members.

Mark also noted he plans to attend the "Heritage Institute Resource Bank" which provides an opportunity for the LP go get in front of prospective donors and others involved with 501(C3) or 501(H) organizations.

Resolution of Thanks to Charlotte

Bob Sullentrup, on behalf of the LNC, expressed his thanks and appreciation to the Party members of North and South Carolina for their gracious welcome and hospitality.

Public Comment

Daniel Cloud, *LP News* editor, requested counties, states and LNC members send him leads on news stories for the publication. Daniel would also like to receive affiliate newsletters. His preferred e-mail address is Daniel.cloud@lp.org.

Sean Haugh thanked the LNC for coming to Charlotte. He also asked the group to keep Platform Committee member Tim West, whom many of us met in Baltimore, in our thoughts. Tim has been diagnosed with a brain tumor and is being treated in Georgetown University Hospital. Go to the blog 'Liberty for Sale' and leave your well wishes to both Tim and his fiancée Gloria.

BetteRose Ryan mentioned that her sister has prepared a proposal for hosting the 2008 national convention in Denver. She noted that the board should consider the proposal soon, as it possible that the Colorado group may withdraw the proposal. The Chair requested BetteRose forward the proposal to him and the LNC may take action at Portland or before.

Resolution on the Passing of Harry Browne

The Libertarian National Committee expresses its sadness at the recent passing of Harry Browne, and we offer our condolences to his family and friends.

Mr. Browne was a great Champion of Liberty and his passing is a great loss for the Libertarian movement.

Adjournment

The meeting ended at 10:45 am.

Next Meetings

The schedule for subsequent LNC and national meetings is as follows

2006 Q2 meeting	June 30, 2006	Portland, OR
2006 National Convention	July 1-2, 2006	Portland, OR
2006 New LNC	July 3, 2006	Portland, OR

Treasurer's Report

LP News Treasurer's Report

2005 - We Survived!

The post presidential election year let down is difficult for the Libertarian Party. Toss in the dampening effects of the hurricane relief efforts, and it was a bad environment for all fund raising. The 2005 revenue decreases occurred in the irregular, project based activities, such as ballot access. Your donations to the core income lines dropped only modestly, showing your continued strong support for the LP's basic activities.

An application problem in the new fund-raising software created a drop in pledge revenue throughout the first half of 2005. This was corrected, and the pledge revenue has started to increase.

On the expense side, the LNC continued to focus on stabilizing costs, making more effective use of your donations. Our largest expenses, staff costs, continued to be lowered. This was done partially through outsourcing, resulting in an increase in the professional services expense. Further, fund-raising expenses have been fine tuned, lowering expenses more than 10%, while increasing the return.

Affiliate Support (the Unified Membership Program - UMP), continued to be the second largest expense for the LNC. The conversion to \$0 dues ended the UMP program in September, 2005. The final payout of UMP contracts ends in September, 2006. The removal of this major expense should provide the LNC more financial stability.

The rent expense continued to drop, as we gave up some leased storage space. In February, 2006, we were able to cheaply move from the lower level to the 2nd floor, with little disruption. Occupancy costs were lowered by taking a smaller space, while the efficiency of the office should improve in the better configured, more functional space. With less of your donations going to rent, more will be available to promote Libertarian candidates.

The largest expense increase in 2005 was in the LP News printing and postage. Outsourcing the LP News to cut costs was investigated. However, outside vendors were not able to increase advertising revenue or decrease costs over our current arrangements. We will continue to investigate means to control these costs.

Driven by the Bi-Partisan Campaign Reform Act (BCRA), the material sales were outsourced to a primary printing vendor. This should be a successful relationship, providing a broader range of offerings, and a steady supply of the most popular materials to activists and campaigns.

Appendix A. Mark Nelson, Treasurer's Report, Charlotte, NC, March 11, 2006

After changes in 2004, no internal accounting changes were made in 2005. The modest increase in the net worth was due to the reallocation of deferred revenue from a liability to membership revenue. The modest net income in 2005 operations was also due to a decrease in the deferred revenue liability being allocated to membership revenue. The actual cash deficit in 2005 was more than \$80,000. This resulted in higher accounts payable, and no reserve, at the end of 2005.

The LNC's continued inability to sustain a reasonable reserve leaves us susceptible to downturns, such as the 9/11 terrorist attacks and the 2005 hurricane relief efforts. The LNC needs to create cash reserves so our work isn't interrupted by short term cash flow variances. Please join me in asking the LNC to develop the discipline to set aside a prudent cash reserve.

The financial challenge for 2006 is breaking even on the National Convention. The prior non-presidential convention in 2002 lost more than \$150,000. The repercussions of this loss continued through the 2004 presidential campaign. The National Convention is by far the most exciting event for Libertarians. The 2006 convention has been pared back to a two-day event, to be held in Portland, OR on July 1 & 2. The shortened format will lower hotel costs so more members can attend, making the convention a successful event.

In 2005, the Libertarian Party continued to make better use of your donations by reducing core expenses. However, the opportunities to continue reducing expenses are diminishing. To effectively advance our shared political vision, the LNC must increase its core cash flow. This is best done through building the pledge program. I encourage all donors to become monthly credit card pledgers. The sustaining support of pledgers is essential to our success at advancing your political agenda.

Libertarian National Committee, Inc.
Balance Sheet
 As of December 31, 2005

	<u>Dec 31, 05</u>
ASSETS	
Current Assets	
Checking/Savings	
11 · Cash	
111 · Checking Account #1 (Federal)	(18,823.00)
112 · Convention Restricted Account	1,515.30
113 · Hagerstown Trust	<u>822.33</u>
Total 11 · Cash	<u>(16,485.37)</u>
Total Checking/Savings	<u>(16,485.37)</u>
Accounts Receivable	
12 · Accounts Receivable	<u>7,386.11</u>
Total Accounts Receivable	7,386.11
Other Current Assets	
13 · Other Receivables	
131 · Mail House Settlement	
131R · Mail House Settlement	10,000.00
131U · Allowance for Uncollectables	(6,000.00)
131D · Accumulated Discount	<u>(721.00)</u>
Total 131 · Mail House Settlement	3,279.00
132 · Mailing List Receivables	
132R · Mailing List Receivable	11,238.42
132U · Mailing List Allowance	<u>(330.34)</u>
Total 132 · Mailing List Receivables	10,908.08
139 · Allowances for Doubtful Account	<u>(1,000.00)</u>
Total 13 · Other Receivables	13,187.08
14 · Inventory	11,053.20
16 · Prepaid Expenses	
161 · Bulk Mail Account	1,062.97
163 · Metro Passes	<u>400.00</u>
Total 16 · Prepaid Expenses	<u>1,462.97</u>
Total Other Current Assets	<u>25,703.25</u>
Total Current Assets	16,603.99
Fixed Assets	
17 · Fixed Assets	
172 · Furniture and Fixtures	
17214B · Basis	37,617.97

Appendix A. Mark Nelson, Treasurer's Report, Charlotte, NC, March 11, 2006

17214D · Accumulated Depreciation	<u>(37,617.97)</u>
Total 172 · Furniture and Fixtures	
174 · IS - Hardware	
17211B · Basis	30,068.96
17211D · Accumulated Depreciation	<u>(30,068.96)</u>
Total 174 · IS - Hardware	
175 · IS - Software	
17212B · Basis	182,403.52
17212D · Accumulated Depreciation	<u>(182,403.52)</u>
Total 175 · IS - Software	
176 · Capital Lease	
17221B · Basis	18,241.00
17221D · Accumulated Depreciation	<u>(18,241.00)</u>
Total 176 · Capital Lease	
Total 17 · Fixed Assets	
Total Fixed Assets	
Other Assets	
19 · Security Deposits	
191 · Rent Deposit	<u>7,020.00</u>
Total 19 · Security Deposits	<u>7,020.00</u>
Total Other Assets	<u>7,020.00</u>
TOTAL ASSETS	<u><u>23,623.99</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
21 · Accounts Payable	<u>121,461.78</u>
Total Accounts Payable	121,461.78
Other Current Liabilities	
24 · Accrued Vacation	4,213.24
25 · Accrued Payroll Taxes	
251 · Federal	
2511 · Income Tax Withheld	1,297.85
2512 · Social Security	
25121 · Employer Liability	(313.11)
25122 · Employee Taxes Withheld	<u>(313.11)</u>
Total 2512 · Social Security	(626.22)
2513 · Medicare	
25131 · Employer Liability	(73.23)
25132 · Employee Taxes Withheld	<u>(73.23)</u>
Total 2513 · Medicare	<u>(146.46)</u>

Appendix A. Mark Nelson, Treasurer's Report, Charlotte, NC, March 11, 2006

Total 251 - Federal	525.17
Total 25 - Accrued Payroll Taxes	525.17
271 - Other Deferred Revenue	
2711 - Deferred Regular Dues	271,397.92
2791 - Deferred Rent Liability	6,812.00
Total 271 - Other Deferred Revenue	278,209.92
Total Other Current Liabilities	282,948.33
Total Current Liabilities	404,410.11
Total Liabilities	404,410.11
Equity	
31 - General Operating	(431,928.34)
32 - Fund Balances	
321 - Fund - Ballot Access	724.51
322 - Fund - Branding	20,125.16
323 - Fund - Camp/Cand	(6,594.84)
324 - Fund - Campus	347.60
325 - Fund - Convention	(12,388.70)
327 - Fund - Lib Leadership School	9,562.06
Total 32 - Fund Balances	11,775.79
Net Income	40,314.35
Total Equity	(379,838.20)
TOTAL LIABILITIES & EQUITY	24,571.91

Libertarian National Committee, Inc.
Profit & Loss - YTD Net Comparison

	<u>TL 05 INC</u>	<u>TL 05 EXP</u>	<u>TL 05 NET</u>
	<u>Jan - Dec 05</u>	<u>Jan - Dec 05</u>	<u>Jan - Dec 05</u>
05-Management			
Capital Acquisitions			
Software/Website Upgrade		(17,703.52)	17,703.52
Hardware		1,049.99	(1,049.99)
Total Capital Acquisitions		(16,653.53)	16,653.53
Governance		14,250.45	(14,250.45)
Professional Services		69,912.61	(69,912.61)
Common Costs			
Salary		430,186.52	(430,186.52)
Operations	4.48	153,785.88	(153,781.40)
Occupancy		107,519.42	(107,519.42)
Project Reimbursement	4,593.07		4,593.07
Total Common Costs	4,597.55	691,491.82	(686,894.27)
Total 05-Management	4,597.55	759,001.35	(754,403.80)
05-Project			
Libertarian Leadership School	13,733.20	4,171.14	9,562.06
Convention		12,388.70	(12,388.70)
Presidential Campaign	22.50		22.50
Ballot Access	36,228.19	6,677.87	29,550.32
Total 05-Project	49,983.89	23,237.71	26,746.18
05-Fundraising			
Membership/Renewals *	343,095.19	55,487.45	287,607.74
Contributions			
Direct Solicitations			
DS-Major Donor	36,725.00		36,725.00
DS-EDLACC Joe	46,100.00	2,819.50	43,280.50
Direct Solicitations - Other			
Total Direct Solicitations	82,825.00	2,819.50	80,005.50
Pledge	307,715.28	21,665.21	286,050.07
Donations	545,472.72	92,799.93	452,672.79
Total Contributions	936,013.00	117,284.64	818,728.36
Total 05-Fundraising	1,279,108.19	172,772.09	1,106,336.10
05-Program			
Unified Membership Program		278,145.27	(278,145.27)
Outreach	74,242.12	116,989.95	(42,747.83)
Media Relations		7,903.51	(7,903.51)

Appendix A. Mark Nelson, Treasurer's Report, Charlotte, NC, March 11, 2006

Material Sales	11,895.90	10,520.24	1,375.66
LPNews	56,714.77	79,011.97	(22,297.20)
Campaign/Candidate Training			
List Rental	<u>10,406.10</u>	<u></u>	<u>10,406.10</u>
Total 05-Program	<u>153,258.89</u>	<u>492,570.94</u>	<u>(339,312.05)</u>
TOTAL	<u><u>1,486,948.52</u></u>	<u><u>1,447,582.09</u></u>	<u><u>39,366.43</u></u>

Libertarian National Committee, Inc.
Profit & Loss Budget vs. Actual
EOM - YTD - Side by Side Comparison

	EOY INCOME			EOY EXPENSE		
	Jan - Dec 05	Budget	\$ Over Budget	Jan - Dec 05	Budget	\$ Over Budget
05-Management						
Capital Acquisitions						
Software/Website Upgrade				(17,703.52)	15,000.00	(32,703.52)
Hardware				1,049.99	15,000.00	(13,950.01)
Total Capital Acquisitions				(16,653.53)	30,000.00	(46,653.53)
Governance				14,250.45	30,000.00	(75,749.55)
Professional Services				69,912.61	105,000.00	24,912.61
Common Costs						
Salary				430,186.52	525,000.00	(94,813.48)
Operations	4.48			153,785.88	150,000.00	3,785.88
Occupancy				107,519.42	110,000.00	(2,480.58)
Project Reimbursement	4,593.07	25,000.00	(20,406.93)			
Total Common Costs	4,597.55	25,000.00	(20,402.45)	691,491.82	785,000.00	(93,508.18)
Total 05-Management	4,597.55	25,000.00	(20,402.45)	759,001.35	950,000.00	(190,998.65)
05-Project						
Libertarian Leadership School	13,733.20			4,171.14		
Convention				12,388.70		12,388.70
Presidential Campaign	22.50		22.50			
Ballot Access	36,228.19		36,228.19	6,677.87		6,677.87
Total 05-Project	49,983.89		49,983.89	23,237.71		23,237.71
05-Fundraising						
Membership/Renewals *	343,095.19	629,109.00	(286,013.81)	55,487.45	48,393.00	7,094.45
Contributions						
Direct Solicitations						

Appendix A. Mark Nelson, Treasurer's Report, Charlotte, NC, March 11, 2006

DS-Major Donor	36,725.00					
DS-EDLACC Joe	46,100.00			2,819.50		
Direct Solicitations - Other		192,000.00	(192,000.00)		36,000.00	(36,000.00)
Total Direct Solicitations	82,825.00	192,000.00	(109,175.00)	2,819.50	36,000.00	(33,180.50)
Pledge	307,715.28	480,000.00	(172,284.72)	21,665.21	38,400.00	(16,734.79)
Donations	545,472.72	480,000.00	65,472.72	92,799.93	66,000.00	26,799.93
Total Contributions	936,013.00	1,152,000.00	(215,987.00)	117,284.64	140,400.00	(23,115.36)
Total 05-Fundraising	1,279,108.19	1,781,109.00	(502,000.81)	172,772.09	188,793.00	(16,020.91)
05-Program						
Unified Membership Program				278,145.27	342,000.00	(63,854.73)
Outreach	74,242.12		74,242.12	116,989.95	300,000.00	(183,010.05)
Media Relations				7,903.51	7,500.00	403.51
Material Sales	11,895.90		11,895.90	10,520.24		10,520.24
LPNews	56,714.77	54,000.00	2,714.77	79,011.97	54,000.00	25,011.97
Campaign/Candidate Training					9,999.96	
List Rental	10,406.10		10,406.10			(9,999.96)
Total 05-Program	153,258.89	54,000.00	99,258.89	492,570.94	713,499.96	(220,929.02)
TOTAL	1,486,948.52	1,860,109.00	(373,160.48)	1,447,582.09	1,852,292.96	(404,710.87)

* Membership revenue in December includes an adjusting entry for deferred membership of \$120,562.50

LPHQ Update

3/9/2006

Chief of Staff's Report

by Shane Cory

Operations

The weekend of February 25th, we conducted the office move to suite 200 of the Watergate. This move was a longtime coming and I would like to thank Robert Kraus, Michael Colley and Bill Hall for making this happen. In particular, Robert managed all aspects of the renovation of the new suite along with the specifics of the move.

Thanks to Robert's work, we were able to move to a fresh and functional suite with many aspects custom built to suit our needs. This was all done at minimal expense and little disruption. LPHQ was shut down for one afternoon to allow for packing. The following Monday, staff was able to quickly unpack and get back to their duties.

While in suite 100, we had four individual offices, eight workstations and a large storage/server room. There was an abundance of dead space due to the layout of the suite. In suite 200 (freshly painted and carpeted), we have seven offices, a separate conference room, a dedicated server room, seven workstations and a kitchen area with seating. The new space is much more functional and professional.

While Robert has been pulling double-duty with the office move, he has also been able to make improvements to the RE data dumps along with looking for more ways to reduce operating costs.

Finance and Fundraising

These last several months had been a great concern to me as revenue was expected to drop due to the elimination of dues on top of a tough time for fundraising with the holiday/tax season.

We were able to continue with keeping expenses down by developing our direct mail packages in-house and carefully selecting the mail recipients to increase returns and minimize mailing and printing expenses.

Through Chris' management of the calling program we have also been able to make gains in the pledge program, taking it from an August low of \$20,068 to the January high of \$27,262 (the highest level since March of 2005). We have also been able to keep the credit card decline rates in check between 12% and 8% (a significant improvement over the ten month average of 33% since December of 2004).

Appendix B. Headquarter's Report, Charlotte, NC, March 11, 2006

However, even with the improvement of the program, significant gains are still necessary to get back on track with the pre-Raiser's Edge levels when monthly pledge income was above \$30,000.

February was the month of most concern to me. We had no mail returns coming in as we waited for the Annual Report. Out of caution, I delayed UMP payments and created a payout schedule of which states were informed.

Thankfully we were able to beat this schedule by a few days as a result of the response to an e-mail fundraiser and the generosity of our donors on the Internet. We were also able to mail this month's UMP checks as scheduled.

As the returns from the Annual Report fundraiser have been coming in for a little over one week, we have been able to reduce our accounts payable by over \$40,000. Our current A/P shows a balance of \$112,423. Within that balance is included \$17k in UMP payments to be mailed at the end of the month and \$15k in conference expenses to ENTCo (to be paid from convention funds).

Our financial standing is improving rapidly even though Annual Report revenues are not expected to be as strong as previous years. In May, our UMP payments drop from \$16k to \$8k as we will have reached the six month mark in the payout schedule.

Barring a catastrophic event that effects national giving, we should be able to significantly pay down our A/P and possibly develop a cash reserve this year.

As we expect to improve our position as the months progress, we plan to begin prospecting activity in June. While in no way do we plan large prospecting runs, it is important to take advantage of the election year by finding new donors. If we fail to do this, we run a serious risk of burning out our current donors.

All said, our future outlook is very positive as long as we continue to keep spending down and move forward with improving our pledge and direct mail programs.

Zero Dues Transition

Chris Thorman has settled into the position of development coordinator and is doing a yeoman's job. We have revamped the renewal program to take into account the zero dues transition along with creating a thank you program. One of the challenges under zero dues is capturing new members and converting them to donors.

As it stands, we have gained 830 new members since zero-dues was implemented. Of those 830, only 238 have donated \$25 or more (subscribing to LP News). Our conversion rate is at 29% although it is still too early to judge this statistic.

Chris provides greater detail within his report.

Special Projects

Libertarian Leadership School

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In January we were able to launch the Libertarian Leadership School as scheduled and begin classes. We began with ten classes with nearly 100 students registering for the first semester.

Although we faced many challenges with instructors, we were able to move forward with all but two expected classes. Sam and I both took over classes at the last minute and were able to create courses which have been received positively by students.

The next semester is set to begin on March 28th. We will be adding one additional class (Advanced Campaign Management) but may drop FEC Compliance until the third semester.

Voter Identification and Candidate Tracking

I recently put out a call for volunteers to assist with the development of the Voter ID Database and our new program, the Candidate Tracker. A positive response was received with nearly 30 qualified volunteers offering their assistance. Currently the specifics of developing these programs are being discussed online at www.lp.org/volunteers and project leaders are being assigned.

Additionally, I've created an Internet advisory team that will offer guidance in implementing a new look and feel for LP.org while implementing the new candidate tracker. While we would be able to launch a new site at this time, it would be incomplete without the addition of the Candidate Tracker as a feature.

I would expect that all of these projects can be completed by convention.

Convention Preparation

Nearly each day I am in contact with our convention planner, Terry Quick. We have been able to open registration, develop a theme and logo and Terry is currently lining up high-profile convention speakers. Terry has included a separate report.

In the coming week, we will begin mailing welcome packages to current registrants that includes information from the Portland Visitor's Bureau. Additionally, we will begin follow-up with those individuals who elected to receive more information with their response to the Annual Report.

I appreciate Terry's diligence in managing the convention and do not feel that this is something that LPHQ could have effectively handled this year.

Staff Update

Our staff levels continue to remain low with many of us taking on additional duties and positions.

- Sam continues to serve as the acting director of communications until his planned departure in May (Sam is moving on to complete a graduate degree at George

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Washington University). We have already started to look for a competent replacement.

- Chris Thorman is improving his skills as the development coordinator in addition to filling in part-time in handling the front desk.
- Matt Dailey, while serving as our policy analyst has also taken on some of Chris' duties to lighten the workload.
- Robert continues to serve as our controller and director of operations while working closing with our FEC consultant and handling data issues for our state affiliates.
- Susan Dickson has been promoted from an hourly employee to full-time. This was done recently to recognize her for accurate and hard work.
- Gladis who served in the same position as Susan was recently released. This was done not due to her performance but because there was simply not enough work in this position for two employees. Susan has been able to pick up the additional workload without issue, now filling her day.
- Our calling program has been shifted from daytime hours to evening hours. We will no longer carry callers during the day. As a result we have hired one additional caller, Mark, and shifted John to evenings. While we had four or more callers in the past, we now only need two callers due to their increased effectiveness in the evenings.
- Sara has shifted her part-time position from calling to assisting with the front desk during the day. Lorena has done the same yet has taken over the duties of Kelly in producing Pledge News (Kelly has temporarily resigned due to her student teaching). Pere Garlinghouse also works one day per week and assists in a variety of topics.

Future Recommendations

In order to adequately move forward with our primary mission, electing Libertarians to public office, I feel that we must have a political director (or whatever the LNC chooses to call the position) that will manage our Voter ID Database, Candidate Tracker, the LLS and will work with our state and local affiliates and, most importantly, our candidates.

I strongly feel that this position is a must have for LPHQ.

As our operations and financial situation continue to improve and stabilize, I will be able to continue down the path set by Joe Seehusen in building relationships and alliances. However, in order to do this with confidence, I need to be named the executive director by the LNC. As I have been doing the job for nearly eight months, I feel that it is past time for the LNC to consider this. I have asked the chair to request consideration from the LNC who will let me know of their decision in April.

If you have any questions regarding this report, please don't hesitate to contact me at your convenience.

Director of Operation's Report

by Robert Kraus

Blackbaud

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We have successfully come to a resolution with Blackbaud based on some of the difficulties we encountered setting up NetSolutions and RE:Que (as explained in our last report). This resulted in several concessions including an additional 2 days of on site consulting to be used in 2006 for a total of 4 days, a doubling of our training hours at their DC Training Center, plus an extension of the NCOA Updates (address, death, phone number, congressional dist, etc.) thru the end of 2006. They continue to feel that the on-site services should not be used until we have firm business rules in place.

Customer Service and Data Dumps

Effective this month, we have finished restructuring the Data Dumps to account for the feedback we received from the states along with the helpful input from Marc Martoni of VA and Hardy Machia from VT. The final version of the dump once again includes congressional districts and flags for the signed oath. Information on the new format went out thirty days prior and states received both the new format and old format Dumps for March. States have been told that they can request both Dumps as needed for the next several months. We have received many positive comments about the new format.

In terms of the "office environment" we continue to have staff meetings several times a week. With Shane's help we are implementing a more "professional" office environment now that we moved into our new suite. We are monitoring working hours of not only hourly staff but salaried employees as well. We have increased the night calling program and track the caller's progress to assure we are getting our moneys worth.

Financial

Over the last couple of months, we continued to struggle with the reduced income due to Zero Dues and, as reported with many other non profit groups, the lower giving in general over the holidays. We have worked to control and maintain our expenses but have been forced to be conservative with our cash disbursements. Expectedly, this has resulted in a return to the higher A/P levels we previously experienced earlier last year. We feel confident, however, that as the Annual Report proceeds come in this month we can start to pay down the A/P and return to a more stable financial position.

We had received very little guidance as to how to set up our accounts (Quickbooks) and funds (for RE) to properly relate to the new Zero Dues structure of the LP. Thus, we have continued to use the format developed in late 2004. We are in the process of working with the Chair to re-format our RE: Business Rules for 2006, clarifying how and when to split gifts, what benefits to give constituents based on what kind of gifts they give. Once this process is complete, then we can further work towards creating the operating and accounting procedures needed to support those business rules. We have suggested, based on prior meetings with our FEC Consultants (Kooch and Hoos along with Paula Edwards), creating an alternate chart of accounts so that we are better able to report our financials to the board. However we have been advised to continue using the current account with minor changes to reflect the new budget.

Overall, we feel we have made positive improvements and are continuing to focus on solving problems, reducing costs, while creating a more professional working environment. We still feel however that we could benefit from more open communications with the board and additional guidance and direction.

FEC Filing

I continue to use Paula Edwards to complete the FEC Filing Process on a monthly basis and handle our amendments. I send her both financial reports from Quickbooks and donor records off RE. I do an audit of the donor records to make sure the funds match what we have in Quickbooks.

From a recent memo from Paula on Current Status of FEC Reports, Paula had this to share:

For the most part, the disbursement data seems to reflect accurately the Quickbooks data.

I would recommend that LNC develop an accounting Policies and Procedures manual with specific instructions as to how the accounting Department should function for a National Party Committee. Without this, the most expensive system in the world will not help.

At your current level of activity, FECFILE and Quickbooks are sufficient, but you can convert to another system at any time. I think that you may also want to clean up your chart of accounts, obtain a bank line of credit to even out cashflow, and schedule an audit by an outside auditor.

If you have any other questions, please don't hesitate to contact me.

Sincerely,

Paula Y. Edwards, CPA, MST

Paula has made a number of good recommendations over the last 12 months I have found her easy to work with and I would encourage the LNC to continue in their push to get all the states on board filing with the FEC either monthly or quarterly. Paula has shown her willingness to work with the States by teaching a FEC class for the LLS and holding a meeting in Phoenix. I would encourage the states that do not wish to learn how to file themselves to hire Paula's firm to do this for them.

The Move

Finally, we have moved to our new office suite and completed the build out in time to move by the near impossible deadline imposed by our new landlord, Bentley Forbes. Adm Colley as well as the Chair had been continuously updated on our progress (I'll leave all the details to Adm. Colley for his report). We look forward to each of you visiting us in our new office suite.

Director of Communication's Report

by Samuel P. New

Media Relations

Appendix B. Headquarter's Report, Charlotte, NC, March 11, 2006

Harry Browne's death marked a sad day for the Libertarian Party, libertarian movement, and American society. We received a number of calls from party members, the media, and Mr. Browne's personal fans. The general response was that Mr. Browne was one of the single greatest contributors to the cause of freedom in our society, and that his mark will forever be evident. I issued a press release that was carried by the Associated Press. A quote from my press release was carried by most major newspapers in the country, including *The New York Times* and *The Los Angeles Times*. Additionally, I arranged a media appearance for Shane in response to the press release.

I have conducted a handful of media appearances in recent weeks, mostly on moderately small radio markets. My skills are improving with each appearance, and I am beginning to better-anticipate the questions that are asked, and craft more notable responses. We have established a two-to-three-press-release-per-week output. This seems like a good on-average output, but actual output may vary depending upon current events and/or party activity. Simply put, sometimes we have a lot to say, sometimes we do not have much material. If you are interested, you can always read our press releases at <http://www.lp.org/press.shtml>. Moreover, I always welcome your comments and suggested topics.

Libertarian Leadership School (LLS)

As you probably know, the Libertarian Leadership School (LLS) officially began course offerings on January 31, 2006. After resolving some of the initial kinks (i.e. certain instructors failing to deliver any course content whatsoever), the school has run quite smoothly. First semester courses include FEC Compliance, Campus Organizing, Candidate Recruitment, Campaign Management, Candidate Training, Personal Health and Appearance, Media Communications, Campaign Fundraising, Blogging, and Member Recruitment.

Campaign Management, delivered by instructor Stephen Gordon, has been particularly successful. In general, students have been seemingly satisfied, and believe that they are receiving quality instruction. I personally taught two classes, Candidate Recruitment and Member Recruitment. These courses were, in my opinion, decent, considering my lack of experience in either area.

Registration has already opened for the second semester, which begins officially on March 14. We expect a similar enrollment, and anticipate a smooth transition into the second semester. To learn more, please visit www.lp.org/lis. Please contact me at sam.new@lp.org if you have suggestions, would like to enroll in a course, or have an interest in teaching.

Material Sales

The material (formerly known as The Liberty Store) has been transitioned to an independent vendor. Webb Garlighthouse or Topeka, KS based National Electronic Type, now operates the program, which has been dubbed LPStuff.com. In addition to traditional outreach literature (such as *A New Vision for America*), LP members, and

others interested in obtaining LP materials can now purchase an array of products. I encourage you to visit www.LPStuff.com to view the product offerings.

The updated and revised version of the ever-popular outreach publication *A New Vision for America* is now complete. This publication is largely the same as the original version, with a few updates and some new artwork. To purchase this publication in bulk, please visit www.LPStuff.com.

Development Coordinator's Report

by Chris Thorman

Since the November LNC meeting, I have essentially been tasked with rebuilding our direct mail program to reflect the change to zero dues. This has meant new editions of renewal letters, inquiry letters and new member letters. All of these have been rewritten to reflect zero dues language, with the renewal program being handled by our mail house and the new member and inquiry letters being handled in house.

We have set a schedule so that a batch of four different renewal letters is dropped on the 15th of each month, with the new member and inquiry letters being printed and mailed out each week in house. Also, when one of the fundraising callers gets a donor who refuses to give a credit card over the phone, we are sending them a letter that day detailing their call and a reply envelope so they can send their donation in. In the month this has been implemented, it has been very successful. While only a few letters go out each day, the response rate is well above 75% because the letter is tailored to the donor and it is received in a timely manner and they are expecting it in the mail. I believe this small but effective method of garnering donations will continue to do very well in the months to come.

We have also instituted a "Thank you" program. Donors who donate at least \$100 will be called and sent a thank you letter, with the thank you letters being rewritten every 3 months or so. Also, there will be two tiers of thank you letters with different letters for each—one for donors of \$100 to \$249 and one for donors of \$250 and over.

The pledge program's income has been holding steady the last few months, due mainly to a lack of promotion in my opinion. We just do not have the time or funds it seems to dedicate to it what we should. In my opinion, a huge push to recruit new pledgers, however we do it, is necessary. This program guarantees us such a large portion of our monthly revenue and is so easy to do each month that it would be wise for us to greatly add to the number of monthly pledgers. One plus is that because of our callers Marc and John, we have been increasingly successful in recovering up to date credit card numbers while simultaneously reducing the declination rate.

The direct mail statistics are enclosed with each binder. I am working on tweaking a new format for this spreadsheet that Raiser's Edge just spits out whenever I need it. By the next meeting, the format will be more professional and more descriptive. Our fundraising mailings to our "House" file continue to perform the best, while other groups such as new "Zero Dues" members and inquiries are, at this point, seemingly a waste of time to

pursue. I'm sure once we get funds to finance a much larger prospecting mailing, our overall direct mail program will benefit greatly.

Between the direct mail program, the fundraising calling program and my retained receptionist duties, it has been increasingly difficult to find the time to manage everything I am responsible for. The callers' help and clear direction from Shane on what my priorities are have helped me manage my load much better in recent weeks.

Overall, the amount of work and responsibility for me continues to increase since the last LNC meeting in Baltimore. I find that I am learning every day and becoming more efficient and productive in the process.

Policy Analyst' Report

by Matthew Dailey

Since the January LNC meeting I have taken on more responsibility and increased my workload. I continue to write 1 to 2 blog entries per day for the LP blog. Generally my blog topics are topical. I look for topics that are currently in the news and are of interest by LP members. I also devote occasional blog entries to what is happening with the party. I have started an occasional series of updates on state affiliates, to keep members informed around the country. In the coming months I plan to continue writing updates on Libertarian candidates as we get closer to the mid-term elections.

In addition to writing for the LP blog, I write the outrage of the week, the daily poll question and web articles. For web articles I usually write about a Libertarian Party victory, or initiative or candidate. Recently I wrote an article about the Vermont LP's Supreme Court case against the state's 1997 campaign finance law.

I am now responsible for answering emails that go to the info@lp.org email address. Much of the email that is sent to the info@lp.org address is spam. There are a small percentage of the emails that require a response, such as people inquiring about their membership status or the party's position on a particular issue. I am also in charge of clearing off the spam on the LP blog, mainly in the trackbacks section.

I have taken on the responsibility of updating the content on the website. I hope to bring the sections of the website that have fallen out of date to be more current. Even though the updating of the state affiliate pages on the national website is the responsibility of the respective state party, some state affiliates are still not clear that it is their responsibility to update their own page on the national website. Every state affiliate is provided with their own login and password that enables them to update their own page on the national website.

Some people have requested that the LP website have a discussion forum. It would be a great place for LP members from across the country to trade ideas. There is a demand for a forum on the national website. Currently, some use the comments section on the LP blog as a de-facto forum and we have received some complaints regarding this. There

Appendix B. Headquarter's Report, Charlotte, NC, March 11, 2006

would be problems logistically in setting up a discussion forum, such as finding a moderator.

Libertarian Leadership School

In addition to my regular duties, I am teaching the Candidate Training course as part of the Libertarian Leadership School. The course covers the basics every successful candidate for public office should know, such as getting on the ballot, dealing with the media, debate preparation, and fundraising. I currently have seven students enrolled in my class. I have gotten good feedback from some of the students. One student said she found the class to be informative and enjoyed taking it.

Libertarian Candidates

I assigned one of the interns that is with us for the semester the task of compiling a current list of Libertarian candidates that are running for office this year. I would like to eventually use the information we gathered in conjunction with the development of our Candidate Tracker. I have done research in regards to the 2006 House races in finding out those races that could be competitive and where an LP candidate could influence the outcome of the race by garnering 5 to 10 percent of the vote.

CAMPUS ORGANIZING REPORT

Submitted to: Libertarian National Committee, February 24, 2006

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.

- 1) Due to my schedule, I am still unable to devote as much time to campus organizing activities as I would like. Thus, some projects I had hoped to complete by this time remain uncompleted.
- 2) I am still in the process of revising the campus organizing manual. While this project has taken much longer than I had hoped, the delay in completion will allow me to prepare what should be a much more useful document.

As mentioned previously, while work on the revision continues, I am distributing to interested parties an article on the “nuts and bolts” of campus organizing that I prepared in 1997 and have updated on a regular basis. So far the article has been well received.

- 3) I am continuing to investigate opportunities for LP representatives to appear at conferences, workshops, and other events that involve young people (especially political activists).
- 4) As I prepare this report, I am in the fourth week of my service as the professor of the Libertarian Leadership School course on campus organizing. Ten students registered for the course; at least one student had to withdraw due to a change in his work situation. (Two other students have failed to submit any of the assignments so far; in addition, so far they have failed to respond to my messages.)

I am pleased to report that so far the feedback I have received about the course has been very positive. I shall provide more information to the LNC after the course ends.

- 5) In a previous report I mentioned that Sharon Harris, president of the Advocates for Self-Government, has expressed considerable interest in seeing the Advocates become more involved in helping Libertarian students become successful communicators of the ideas of liberty. I am a member of the Board of Directors of the Advocates; the Board will hold a meeting on March 3-4. During the meeting I intend to discuss ways in which the LP and the Advocates can work together on this project.

- 6) I conducted a campus organizing session at the LSLA conference in Phoenix on January 29; the feedback was overwhelmingly positive. I anticipate that I shall conduct several campus organizing training sessions and workshops during the year. In particular, I am planning to meet with campus activists in Florida at the LP Florida convention in late March.

Appendix C. Jim Lark, Campus Organizing Report, Charlotte, NC, March 11, 2006

The Libertarian Party of Indiana sponsored the “2006 Collegiate Conclave” on Feb. 4 at the University of Indianapolis. This event was organized by (in particular, by executive director Dan Drexler and vice chairman Sam Goldstein). I gave the keynote address at the event, which drew at least 20 campus activists from throughout the state of Indiana.

From what I can tell, the event has been hailed as a great success by both the attendees and the LPIN. The event generated a nice article in the Indiana University student newspaper. During the conclave student attendees established a statewide organization of Indiana campus groups. A major emphasis for the group will be assisting the campaign of Mike Kole, LPIN candidate for Secretary of State this year. (This is the “ballot access race” for the LPIN.)

7) After a substantial amount of consideration I believe it would be best to establish a campus organizing website that is separate from the LP website. I shall probably engage the services of Donor Town Square to help in building the website.

8) I shall work with Region 4 alternative representative Trevor Southerland to arrange a campus organizing workshop during the 2006 national convention. Mr. Southerland, chairman of the National Libertarian Party Youth Caucus, is working to organize a meeting of the Caucus during the national convention.

Appendix D Delegate Allocations based on Zero Dues, Charlotte, NC, March 11, 2006

Analysis of Delegate Allocations

Average of 2006 and 2004 versus 'Zero Dues' Members

Bob Sullentrup

With zero dues now in place, the Party is likely to change the basis of allocating convention delegates for 2008. Since no dues are required, anyone who signs the pledge is a member who is current with his dues.

As of January 13, 2006, national had 97,898 people in its database who had signed the pledge. This database is reasonably up to date – national processes a data feed from a vendor that helps identify deceased individuals. Another 760 records are not associated with any affiliate.

The table below shows what would have been the case had the 97,898 'zero dues' members had been used as the basis of delegate allocation instead of the 15,506 who were current with positive dues. January 13 numbers are used as the basis of membership comparison since the 12-31-05 membership totals were not official until January 13, allowing for 2005 postmarks as prescribed in the Bylaws.

Percentage changes are determined from an adjusted basis for delegates from the presidential vote, averaging delegates based on the 2000 and 2004 presidential elections.

	Zero Dues Members	Percentage	Delegates Based On Zero Dues Members	2006 Delegates based on Members	Gain / (Loss) in Delegates		Average '04, '06 Delegates based on Presidential Vote	Estimated Gain / (Loss) Percentage		Delegate Gain / (Loss) Ranking Based on Zero Dues Members	Delegate Gain / (Loss)	Percentage Gain / (Loss)
Alabama	1124	1.148%	12	12	0		3.5	0%		North Dakota	1	50%
Alaska	573	0.585%	6	6	0		4.5	0%		Rhode Island	1	33%
Arizona	2240	2.288%	23	20	3		6	12%		Utah	3	30%
Arkansas	580	0.592%	6	5	1		3	13%		Montana	1	20%
California	16879	17.241%	173	165	8		49.5	4%		West Virginia	1	17%
Colorado	2590	2.646%	27	29	(2)		11	(5)%		Mississippi	1	15%
Connecticut	1085	1.108%	12	13	(1)		4	(6)%		Arkansas	1	13%
D.C.	273	0.279%	3	3	0		1	0%		Arizona	3	12%
Delaware	279	0.285%	3	4	(1)		1	(20)%		Idaho	1	11%
Florida	5550	5.669%	57	61	(4)		15.5	(5)%		Maine	1	11%
Georgia	4538	4.635%	47	44	3		28.5	4%		Kentucky	1	10%
Hawaii	391	0.399%	4	5	(1)		2	(14)%		Massachusetts	3	8%
Idaho	544	0.556%	6	5	1		4	11%		South Carolina	1	7%
Illinois	3248	3.318%	34	34	0		23	0%		Michigan	3	6%

Appendix D Delegate Allocations based on Zero Dues, Charlotte, NC, March 11, 2006

	Zero Dues Members	Percentage	Delegates Based On Zero Dues Members	2006 Delegates based on Members	Gain / (Loss) in Delegates	Average '04, '06 Delegates based on Presidential Vote	Estimated Gain / (Loss) Percentage	Delegate Gain / (Loss) Ranking Based on Zero Dues Members	Delegate Gain / (Loss)	Percentage Gain / (Loss)
Indiana	2174	2.221%	23	27	(4)	18	(9)%	Georgia	3	4%
Iowa	714	0.729%	8	10	(2)	4	(14)%	California	8	4%
Kansas	880	0.899%	9	10	(1)	5	(7)%	Pennsylvania	2	3%
Kentucky	711	0.726%	8	7	1	3.5	10%	Washington	1	2%
Louisiana	668	0.682%	7	7	0	3.5	0%	Alabama	--	--
Maine	628	0.641%	7	6	1	3	11%	Alaska	--	--
Maryland	1766	1.804%	19	21	(2)	6.5	(7)%	D.C.	--	--
Massachusetts	2371	2.422%	25	22	3	17	8%	Illinois	--	--
Michigan	4174	4.264%	43	40	3	14.5	6%	Louisiana	--	--
Minnesota	1405	1.435%	15	16	(1)	5.5	(5)%	Missouri	--	--
Mississippi	410	0.419%	5	4	1	2.5	15%	Nebraska	--	--
Missouri	1561	1.595%	16	16	0	9	0%	Nevada	--	--
Montana	366	0.374%	4	3	1	2	20%	New Hampshire	--	--
Nebraska	390	0.398%	4	4	0	3	0%	New Jersey	--	--
Nevada	1312	1.340%	14	14	0	4	0%	New Mexico	--	--
New Hampshire	1104	1.128%	12	12	0	2	0%	Oklahoma	--	--
New Jersey	2368	2.419%	25	25	0	6	0%	South Dakota	--	--
New Mexico	875	0.894%	9	9	0	3	0%	Vermont	--	--
New York	3410	3.483%	35	36	(1)	10	(2)%	Wisconsin	--	--
North Carolina	2219	2.267%	23	25	(2)	12.5	(5)%	Wyoming	--	--
North Dakota	109	0.111%	2	1	1	1	50%	Texas	(1)	(1)%
Ohio	3238	3.308%	34	38	(4)	15	(8)%	New York	(1)	(2)%
Oklahoma	659	0.673%	7	7	0	4	0%	Oregon	(1)	(4)%
Oregon	1755	1.793%	18	19	(1)	8	(4)%	Tennessee	(1)	(5)%
Pennsylvania	4512	4.609%	47	45	2	17	3%	Minnesota	(1)	(5)%
Rhode Island	196	0.200%	3	2	1	1	33%	Colorado	(2)	(5)%
South Carolina	1071	1.094%	11	10	1	5	7%	Florida	(4)	(5)%
South Dakota	166	0.170%	2	2	0	1.5	0%	North Carolina	(2)	(5)%
Tennessee	1521	1.554%	16	17	(1)	5	(5)%	Connecticut	(1)	(6)%
Texas	5742	5.865%	59	60	(1)	32.5	(1)%	Kansas	(1)	(7)%
Utah	811	0.828%	9	6	3	4	30%	Maryland	(2)	(7)%
Vermont	330	0.337%	4	4	0	1.5	0%	Ohio	(4)	(8)%
Virginia	2945	3.008%	31	38	(7)	14	(13)%	Indiana	(4)	(9)%
Washington	3404	3.477%	35	34	1	13.5	2%	Virginia	(7)	(13)%

Appendix D Delegate Allocations based on Zero Dues, Charlotte, NC, March 11, 2006

	Zero Dues Members	Percentage	Delegates Based On Zero Dues Members	2006 Delegates based on Members	Gain / (Loss) in Delegates		Average '04, '06 Delegates based on Presidential Vote	Estimated Gain / (Loss) Percentage		Delegate Gain / (Loss) Ranking Based on Zero Dues Members	Delegate Gain / (Loss)	Percentage Gain / (Loss)
West Virginia	460	0.470%	5	4	1		2	17%		Hawaii	(1)	(14)%
Wisconsin	1342	1.371%	14	14	0		7	0%		Iowa	(2)	(14)%
Wyoming	237	0.242%	3	3	0		2	0%		Delaware	(1)	(20)%
Total	97,898	100.00%	1024	1024	0		425					

Executive Summary

SPT recommends that the LNC adopt a multi-year strategic plan for the purpose of achieving progress toward six goals in support of the LP's mission:

- Goal 1: Increase the number of Libertarians holding public office²
- Goal 2: Strengthen Libertarian Party state and local organizations
- Goal 3: Increase the Libertarian Party's support base (members, contributors, and volunteers/activists)
- Goal 4: Increase the Libertarian Party's market share among youth
- Goal 5: Increase public awareness of, acceptance of, and support for Libertarian ideas
- Goal 6: Remain the Party of Principle as we grow

Along with each goal, SPT recommends adoption of a metrics and or monitors. Metrics constitute targeted levels of achievement which can be measured to determine whether the implementation of the strategic plan is achieving those targets. Monitors constitute measurable levels of achievement for which no specific target is presented because of lack of benchmark data or because the measured values may not be directly controlled or influenced by the LP at its present size and composition.

In support of these six goals, SPT recommends that the LNC adopt the following strategies, and that the LNC recommend these strategies to its affiliates:

- Strategy 1: Define, develop, and promote the LP brand
- Strategy 2: Develop and use high-quality presentations of Libertarian ideas, which present both direction and destination, to support the work of affiliates, campaigns, the national party, and individuals
- Strategy 3: Redevelop the Libertarian Party Platform, presenting both direction and destination, with an eye toward electoral success without compromising core beliefs
- Strategy 4: Track the performance of core and critical activities in state and local Libertarian Party organizations; encourage and support these organizations in creating and executing plans to improve performance
- Strategy 5: Define and codify relationships between (and expectations among) national, state, local, and campus Libertarian Party organizations
- Strategy 6: Expand and strengthen Libertarian Party organizations at levels other than the affiliate level (e.g. local, city, county, campus)
- Strategy 7: Recruit more and better qualified candidates
- Strategy 8: Target races and allocate resources for maximum effectiveness
- Strategy 9: Coordinate campaign activities within and among campaign levels
- Strategy 10: Increase the number of new people comprising the Libertarian Party's support base
- Strategy 11: Increase the commitment of those already within the Libertarian Party's support base
- Strategy 12: Strive to achieve a left/right balance among the Libertarian Party support base
- Strategy 13: Provide training, training materials, and training support to Libertarian Party candidates and campaigns (e.g., campaign methods), ³SPT recognizes that not all affiliated state parties have LP organizations under them. In this report, the term "affiliates" in the context of affiliates of a affiliated state party includes chapters, districts, regions, affiliates, clubs, and any other LP organizations established beneath affiliated state parties. Libertarian organizations (e.g., organizational matters), and individuals (e.g., communications skills).
- Strategy 14: Develop and implement an internal program of ideological education
- Strategy 15: Target public opinion leaders to embrace and espouse libertarian ideas
- Strategy 16: Target existing independent groups to act in support of Libertarian Party efforts and provide opportunities for us to spread our message

Appendix E Strategic Plan Executive Summary, Charlotte, NC, March 11, 2006

- Strategy 17: Encourage state, local, and campus Libertarian Party organizations and our entire support base to be involved in political processes at all levels outside of campaigns and elections
- Strategy 18: Focus resources to achieve the repeal of drug prohibition at the federal level by 2010 and get substantial credit for it
- Strategy 19: Develop an awareness that success requires adequate resources of all sorts
- Strategy 20: Motivate the Libertarian Party support base to increase activism by recognizing and rewarding both effort and success and by making involvement in the Libertarian Party an enjoyable, positive experience

In support of each strategy, SPT presents a number of tactics which are intended to demonstrate the feasibility of implementing the strategy. Because much of the implementation of this strategic plan is dependent upon acceptance and support by the LP's affiliated state parties and their affiliates³, SPT does not recommend that implementation be limited to the listed tactics. Rather, SPT hopes that state and local LP organizations will elect to support this strategic plan and will determine for themselves which tactics are most appropriate and effective for themselves.

This report includes a discussion of third-rail issues – issues which have the potential to be divisive within the LP's membership. Classification of an issue as a third-rail issue was not intended to convey a sense that the membership was evenly split on the issue. Rather it recognized that a significant number of members passionately hold opposing views on certain issues and that care must be taken to avoid loss of support for whatever strategic plan SPT recommends.

Additionally, there is an extensive SWOT⁴ analysis demonstrating that the strategies proposed by SPT meet the following four criteria:

- The proposed strategies build on identified strengths of the LP
- The proposed strategies seek to remediate identified weaknesses of the LP
- The proposed strategies seek to take advantage of opportunities available to the LP
- The proposed strategies attempt to minimize exposure to threats to the LP

A prospective planning cycle is also presented for consideration.

[1] In this report, the term "Libertarians" refers to members of the Libertarian Party and "libertarians" refers to individuals who hold viewpoints generally consistent with those held by the Libertarian Party.

[2] SPT recognizes that not all affiliated state parties have LP organizations under them. In this report, the term "affiliates" in the context of affiliates of a affiliated state party includes chapters, districts, regions, affiliates, clubs, and any other LP organizations established beneath affiliated state parties.

[3] SWOT is an acronym standing for Strengths, Weaknesses, Opportunities, and Threats