



LNC Meeting Minutes, August 19-20, 2006, Denver, CO

To: Libertarian National Committee  
From: Bob Sullentrup  
CC: Shane Cory, Chris Thorman  
Date: 08/20/2006

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Current Status: [Automatically approved 11-1](#)

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These minutes due out in 30 days:	September 19, 2006
LNC comments due in 45 days:	October 4, 2006
Revision released (latest) 14 days prior:	October 28, 2006*
Barring objection, minutes official 10 days prior:	November 1, 2006*

\* Relative to November 11 DC Meeting

The meeting commenced at 8:32am on August 19, 2006.

Moment of Reflection

Chair Bill Redpath called for a moment of reflection, a practice at LNC meetings.

Paperwork Check

Chair Bill Redpath asked the Secretary Bob Sullentrup to review the items in the binder to ensure members had complete sets of enclosures. Geoff Neale requested copies of the financial reports be provided to the LNC.

Attendance and Credentials

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

Attending the August 19-20, 2006 LNC meeting in Denver, CO were:

Officers: Bill Redpath, Chuck Moulton, Geoff Neale, Bob Sullentrup

At-Large Representatives: Admiral Michael Colley, Pat Dixon, Dan Karlan, Angela Keaton, and Jeremy Keil, and

Regional Representatives: Tony Ryan(1), M Carling(2), Aaron Starr(2), Emily Salvette(3), Mark Bodenhausen(4), Dr. Jim Lark(5), Wes Benedict(6), and Hardy Machia(7)

Regional Alternates: Julie Fox(1), Scott Lieberman(2), Stewart Flood Jr(4) and Nancy Neale(6) attended. Rebecca Sink-Burris(3), Richard Burke(2), Steve Damerell(5), and Eric Sundwall(7) did not attend.

Executive Director Shane Cory and office chief Robert Kraus attended.

For completeness, the following table lists the composition of the current LNC as accepted at the July 3, 2006 meeting, and has yet to be amended.

<b>Region</b>	<b>Affiliates</b>	<b>Representative</b>	<b>Alternate</b>
Region 1	Alaska, Colorado, Illinois, Iowa, Kansas, Minnesota, Missouri, Montana, South Dakota, Wisconsin, Wyoming, (maybe) North Dakota, Nebraska <sup>1</sup>	Tony Ryan (SD)	Julie Fox (WI)
Region 2	California, Oregon, Washington, Idaho	M Carling, Aaron Starr	Richard Burke (OR), Scott Lieberman (CA)
Region 3	Kentucky, Michigan, Ohio, Indiana	Emily Salvette (MI)	Rebecca Sink-Burris (IN)
Region 4	Florida, Tennessee, Alabama, South Carolina, Georgia, Mississippi, North Carolina	Mark Bodenhausen (AL)	Stewart Flood (SC)
Region 5	Virginia, Pennsylvania, Maryland, Delaware, DC	James W. Lark, III, (VA)	Steve Damerell (VA)
Region 6	Utah, New Mexico, Arkansas, Nevada, Louisiana, Arizona, Texas	Wes Benedict, (TX)	Nancy Neale (TX)
Region 7	New York, Massachusetts, New Jersey, Vermont Connecticut, New Hampshire	Hardy Machia (VT)	Eric Sundwall (NY)

<sup>1</sup> So we do not forget, Scott Kohlhaas (AK) has volunteered to become an alternate or representative for Region 1 should either Tony Ryan or Julie Fox resign. The Bylaws stipulate Region 1 is entitled to one representative and one alternate. A second alternate is not permitted. Footnotes in minutes have no limitation or restriction.

Mail Motion since the Last Meeting

Chair Bill Redpath indulged a request by Aaron Starr to introduce a ballot by mail. After Bill Redpath notified the Secretary on July 28, the Secretary forwarded the following question to the LNC on July 29:

*Resolved, the LNC hereby creates a Fundraising Committee to be chaired by Aaron Starr and authorizes him to add and delete members to the committee as he deems appropriate. The Secretary shall maintain in the minutes any board member commitments made public during the meetings to contribute or raise money and the progress made toward meeting these commitments.*

Upon Mr. Starr's request, the chair withdrew the motion several days later. For the record, the Secretary had collected five votes in opposition and zero in favor when the motion was withdrawn.

Report of Potential Conflicts of Interest

Between meetings Stephen Gordon reported via e-mail:

*When I was still living primarily in Alabama, I volunteered to be a contact person for Outright Libertarians in the state. They were trying to establish a permanent affiliate there and didn't have a local GLBT contact who could assume responsibility for the job.*

*I was not aware this made me a member of their executive board. As a result, please add this letter to the conflict of interest section of the next LNC meeting.*

*My intent is to serve until such time as a suitable replacement can be found. Should any voting situation arise where any money might be directed toward any political candidate or cause, I intend to abstain from that particular vote.*

Dr. Jim Lark reported he was the finance director for the campaign to elect Arin Sime to the Virginia Senate in District 24.

Chair Bill Redpath reported he was on the Board of Directors of 'Citizens in Charge'.

Aaron Starr noted he is a member of the board of a newly formed California candidate support committee.

Approval of the Agenda

The group amended the agenda by appending several items to the original. The appended items appear in italics. As the meeting subsequently progressed, other items were added to the agenda and are denoted as '(Added later)'.

## **Libertarian National Committee, Inc. August 19-20, 2006 Meeting Agenda Denver, Colorado**

**Saturday, August 19, 2006**

Call to Order

8:30 a.m.

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	5 minutes
<i>Approval of minutes</i>	<i>5 minutes</i>
<b>Standing Reports</b>	
Chair's Report	30 minutes
Treasurer's Report	60 minutes
Secretary's Report	10 minutes
<b>Staff Report</b>	
Staff Report	60 minutes
Convention Report & Income Statement	15 minutes
Counsel's Report	30 minutes
FEC/Ballot Base	10 minutes
<b>Action Items Previously Submitted in Writing</b>	
None	
<b>Reports Previously Submitted in Writing</b>	
Campus Organizing Report (Lark)	5 minutes
Region 5 (Lark)	5 minutes
Region 1 (Ryan)	5 minutes
Other Regions	5 minutes per
<b>Topics for Discussion</b>	
Goal Setting	10 minutes
LP Logo	15 minutes
LP Website	20 minutes
LNC Involvement in Fundraising & Member Recruitment	15 minutes
Ballot Access Project (Redpath)	15 minutes
EPCC Update (Colley)	10 minutes
Carver Policy Governance	10 minutes
Formation of a Convention <del>Host</del> Committee	<del>15</del> 30 minutes
State Executive Director's Project (Moulton)	10 minutes
Information Technology Committee (Moulton)	10 minutes
Building Project (Moulton)	15 minutes
APRC (Karlan)	10 minutes
<i>Name Project Champions , and distribute a campus organizing report</i>	<i>10 minutes</i>
<i>(Added later by Geoff Neale) Electronic meetings</i>	<i>15 minutes</i>
<i>(Added later by the Chair) 2007 Budget Process</i>	<i>5 minutes</i>
<i>(Added later by Geoff Neale) Membership Categories</i>	<i>15 minutes</i>
Adjournment	5:30 p.m.

### Sunday, August 20, 2006

Call to Order	8:30 a.m.
<b>Topics for Discussion</b>	
Consideration of 2008 <i>and</i> 2010 Convention location	60 minutes
Carryover from Saturday	

Opportunity for Public Comment

10 minutes

Adjournment

12:00 p.m.

The agenda as amended was approved.

Approval of minutes

M Carling moved to strike all references in the draft minutes of June 30 and July 3 to Starchild. The motion died for a lack of a second.

M Carling noted Scott Kohlhaas who had agreed to step in as Region 1 alternate or representative should not be so included in the table listing regional representatives and alternates since the Bylaws do not provide for a provisional member. (The Bylaws do not prohibit footnotes and Mr. Kohlhaas's willingness to serve shall be so noted without the implicit entitlement his notation in the table might imply.)

M Carling noted that according to Robert's Rules of Order, public comments are usually not included unless there is a specific request that such comments be included.

Aaron Starr moved to strike the Public Comments sections from the 6-30 and 7-3 minutes. After a roll call vote, the measure passed 11-5.

Voting for the removal of the Public Comments sections were: Geoff Neale, Aaron Starr, Jeremy Keil, Admiral Colley, Dan Karlan, Mark Bodenhausen, Dr. Jim Lark, Hardy Machia, Tony Ryan, M Carling and Emily Salvette.

Voting against the proposal were: Bob Sullentrup, Pat Dixon, Wes Benedict, Angela Keaton, Chuck Moulton.

Without objection, both the 6-30 and 7-3 minutes were approved as amended.

## Officer Reports

### Chair's Report

Chair Bill Redpath provided an oral report that included:

- He is flying to Amsterdam Monday to attend a conference sponsored by Reason.
- He conducted two interviews, one on a Florida talk show and another for publication in New Izvestia. He asked if someone could translate the interview from Russian. M Carling knows Russian and could translate it.
- He publicized his cell phone, 703-864-2132, for important matters that have become inadvertently buried.
- He has been to the national office to meet with ED Shane Cory and staff.
- He has met with Craig Shirley, a media consultant from a PR firm, and is expecting a bid for his services to help arrange media contacts, events and promotions.
- He attended the Harry Browne memorial service in Kernersville, NC on August 12. 100 or so people attended the 2-3 hour event. He met Michael Munger, the Chair of the Political Science department at Duke, who is seeking the LPNC nomination for Governor in 2008. With initiatives underway in the NC legislature to reduce the ballot access requirement from 10% to 2%, Mr. Munger stands a good chance of gaining and retaining ballot access for NC.

- He is promoting video conferencing for Executive Committee meetings.

At this point Geoff Neale moved to add to the agenda an item to discuss electronic meetings for 15 minutes. Without objection, the item passed.

Continuing,

- The Chair recommended we enter executive session on Sunday to discuss our major donor program.
- He has called state chairs, and noted we did not have a lot of affiliate data on lp.org. Nor do state websites list correct, current officers in many cases.
- He reported he helped Iowa in its petition drive, one that requires only 1500 signatures, sending paid petitioners there paid for by the Iowa LP.
- He reported the MA ballot access had not been pursued owing to 'not enough time, not enough money and internal dissention'.
- He has spoken with Bob Barr since the convention and Ed Crane of the American Conservative Union. He has plans to call Ed Crane of CATO.

#### Treasurer's Report

Geoff Neale's treasurer's report is attached as Appendix A.

Geoff started by noted the LP financials are in "bad shape", but there are signs of improvement. Lingering UMP payments are ending and this will improve the payables balance.

Geoff also noted some costs are not reflected on the financial statements. In particular, the "morale cost" of the LP maintaining balances insufficient to cover payroll is high. This reiterates a point made last year by Admiral Colley as chair of the EPCC. In sum, Geoff said LNC financials look like those of a "college kid who doesn't know where his rent is coming from".

Geoff reviewed the financials noting the questions that he had and which he had tried to resolve with Robert Kraus. As an ongoing operating principle, if he is unable to determine the source or composition of the numbers listed on financial reports, then "they will come out".

Geoff Neale moved to change the Policy Manual, Article V, as follows:

Rename Section 5: Liquidity Requirements to Reserve Requirements.

As part of this motion, delete A.

~~A. Liquidity Requirement: The Executive Director shall ensure that the LNC maintains sufficient cash balances to provide prudent coverage of accounts payable. For purposes of this section, a minimum prudent level is deemed to be that cash assets including CD's but excluding the special events account must exceed accounts payable (not including accounts related to special events) at each month end. Also, no single account payable shall ever go beyond 60 days past due including revolving accounts where minimum payments are due each month.~~

Replace all of B with new text:

~~B. Reserve Requirement: The reserve for each month is calculated as the excess of all cash assets not including the special events account (federal checking, non-federal checking, time deposits, and credit card balance) above accounts payable (not including accounts related to special events) measured at month end, provided that no less than 90% of such excess is held in interest bearing CD deposits. The reserve should average 2.5% of budgeted revenue. In addition, the reserve at the end of each December should be no less than 2% of budgeted revenue. CD maturities must be no less than one month but longer term CD's may be purchased at the discretion of the Executive Director. Early withdrawal is not allowed except by explicit approval of the Treasurer. Not renewing a maturing CD requires consultation with the Treasurer.~~

The reserve for each month is calculated as the total cash balance less the sum of all restricted funds and accounts payable at month end. The reserve target shall be the sum of all occupancy, labor and governance monthly expenses.

There being no objection, the motion passed.

### Secretary's Report

Bob Sullentrop noted for the benefit of new LNC members in particular, the Policy Manual provides for a mechanism to approve minutes automatically.

After the draft meeting minutes are produced and distributed, typically within three days but after 30 days at the latest, LNC members can submit comments until 45 days after the meeting. This provides at least a half month for review, and typically six weeks. After the comment period, the Secretary will provide a version that is termed "candidate for automatic approval" no later than 14 days prior to the next meeting. If no objection to this version emerges by 10 days prior to the next meeting, the meeting minutes are approved.

### Staff Reports

#### Executive Director's report

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

Shane began by introducing Robert Kraus. Robert noted his complete report is included in the Appendix and many of the items he is involved with have been addressed in the Treasurer's report.

Robert emphasized the Party's payables have improved significantly from \$159k, now at \$95k and dropping. In addition, pledges are increasing.

Geoff Neale praised Robert Kraus and other members of staff noting their performance has 'exceeded my expectations'. When he makes a request for information, he receives it in short order without having to wait the 2-3 days he would expect and be happy with.

Executive Director Shane Cory noted:

- An internal tasking system which tracks and gauges response times has recorded 363 requests in the two weeks it has been operational.

- Sean Haugh has been instrumental in improving reporting requests established by the LNC. Sean has been recording LP candidates and office holders by state.
- He has been using two consultants to write direct mail pieces while he is trying to get out into the community more and build bridges to affinity groups and contacts.
- Raiser's Edge provided old e-mail addresses, many of which are still current, and resulted in reenrolling lapsed donors. One lady renewed a pledge of \$85/month.
- We will be prospecting for new members shortly with a 25k-50k piece drop.

For a complete report, see Appendix B.

## **Saturday Lunch**

The LNC resumed at 1:38pm.

Convention Report and Income Statement

This topic was moved to Sunday's executive session.

Counsel's Report

Dr. Jim Lark expressed our appreciation to Bill Hall, our legal counsel and party member. Mr. Hall and his firm have been retained for \$2500 / month. Unfortunately, the LP's financial situation has not always permitted timely payment of this retainer. The relatively large and persistent payables may become sooner or later an issue with the firm and its partners.

The LP has sent two checks to Mr. Hall this month and expects to be able to reduce to \$5,000 the payable by September 30.

FEC/Ballot Base

This topic was moved to Sunday's executive session.

Reports Previously Submitted in Writing

Campus Organizing Report

Dr. Lark's campus organizing report is attached as Appendix C.

Dr. Lark reported the campus organizing website is moving forward and should be ready for trial soon. The website would be used for a variety of purposes including how to get involved and recruiting students as petitioners. However, in Dr. Lark's experience, many Libertarian students are able to obtain summer jobs that provide better pay than they would receive by serving as petitioners.

Regional Reports

Dr. Jim Lark noted an additional item for the Region 5 report. At the "Steppin' Out" Festival in Blacksburg, VA, Nic Andrews of WPIN radio asked whether the New River Libertarians would be interested in having an hour-long radio show each week. Jim and his New River Libertarians colleagues will be working with Mr. Andrews to bring the program to fruition.

Bob Sullentrup stated that he had been reluctant to include regional reports as appendices to these minutes because of their spotty delivery. However, he will begin including these reports as appendices



but would not 'baby sit' regions to track down representatives to obtain these reports. He asked whom he might annoy with such a practice. There being no objection, Bob will begin including regional reports in the minutes.

## Topics for Discussion

### LNC Goals

Jeremy Keil recommended:

1. That the LNC set goals
2. Have as a goal to increase the number of sustaining members
3. Have as a goal to increase the number of libertarians in the voter database
4. Have as a goal to increase recurring gifts to meet reserve targets
5. Have as a goal to meet reserve targets

Pat Dixon moved the LNC adopt as its top priority full compliance with the reserve requirements as outlined in Article V, Section 5 of the LNC Policy Manual by December 31, 2007.

Pat argued this was step one and fundamental to set the LP back on proper footing. Dr. Jim Lark recommended we review this matter in the context of goal setting for the 2007 budget.

Pat Dixon's motion failed 5 – 10.

Voting for the motion were Bob Sullentrup, Geoff Neale, Pat Dixon, Wes Benedict, Angela Keaton

Voting against the motion were Aaron Starr, Jeremy Keil, Dan Karlan, Dr. Jim Lark, Admiral Colley, Hardy Machia, Tony Ryan, M Carling, Emily Salvette, Chuck Moulton.

### New LP Logo

The redesign of the LP logo was an item that had been 'on the to-do list for a while' according to Shane Cory. He submitted the logo to the Chair and presented it in an e-mail to the LNC last term soliciting feedback.



The 12 stars on the periphery of the logo represent the month of December. The two larger single stars to the left and right of Lady Liberty represent 11 (one-one). Combined, this represents December 11, 1971, the date on which the Party was formed.

Opinions were varied on the logo itself as well as the process of logo production and delivery. By various accounts the process either short-circuited the LNC or took the progressive tack of 'asking for forgiveness after the fact rather than permission in advance'.

The body reached no consensus regarding the logo nor produced any resolution, motion or action plan.

#### LP Website

The body discussed the LP website. The consensus was the new website version was very attractive, useful and very well architected. The group in particular discussed the pros and cons of the blog. Others lamented the disappearance of the calendar.

Addressing a question raised by Bob Sullentrup, Shane Cory noted the goals of our website, in addition to informing members, are 1) to raise money, 2) to attract volunteers and 3) get our message out to the media.

The blog software is architected to 'ping' other websites and attract visitors. An LNC article would be posted at a blog website. Visitors clicking on the article would be redirected to the LP site, thus stimulating traffic. There, however, visitors could see comments posted regarding the article, some of which convey to some reviewers a less-than-flattering image of some of our members.

The body formulated no motion or action in this discussion.

#### Additional Agenda Items

After a short break, the Chair requested we add a five minute discussion to the agenda on the 2007 budget process. With no objection, this item was approved.

Geoff Neale proposed 15 minutes for a discussion of membership levels / categories. Without objection, this was approved.

#### LNC Involvement in Fundraising & Member Recruitment

This topic was moved to Sunday's executive session.

#### Ballot Access (Redpath)

Bill Redpath noted 'there is a time for ballot access, and not a time for ballot access'. He declared the season for 2006 ballot access to be over and has no plans to expend funds between now and the November meeting.

At the next meeting Bill committed to delivering a plan for 2006 – 2008 for ballot access by state.

#### EPCC Update (Colley)

Admiral Colley noted EPCC members include Pat Dixon and Aaron Starr in addition to himself.

Over the previous term, his role as EPCC chair expanded at the request of the Chair. He will submit at the November meeting updates to the Policy Manual to reflect this expanded role of EPCC.

Another goal of this term is for the EPCC to update the employee manual and submit it for approval to the LNC.

#### Carver Policy Governance

Scott Lieberman discussed the Carver model of board governance. He proposed the following motion, after accepting a friendly amendment to authorize Scott himself to perform the research rather than the Executive Director or designee:

The LNC authorizes Scott Lieberman to research providers of Carver Policy Governance facilitation and present bids from at least two such providers at the next LNC meeting.

The motion passed 13-2 with a roll call vote as follows:

Voting in favor were: Geoff Neale, Pat Dixon, Scott Lieberman, Angela Keaton, Jeremy Keil, Dan Karlan, Mark Bodenhausen, Dr. Jim Lark, Admiral Colley, Hardy Machia, Tony Ryan, M Carling, Chuck Moulton

Opposed were: Bob Sullentrup and Emily Salvette.

Abstaining was Wes Benedict.

#### Formation of a Convention Committee

Bill Redpath entertained the idea the LNC form a committee to recommend a date certain and site certain for the 2008 convention by the November meeting. In addition, he entertained the idea the LNC form a completely separate entity, a Presidential Nominating Convention Committee to accept soft money for the benefit of convention goers.

Geoff Neale clarified the BCRA distinctions among convention host committees, site selection committees and Presidential Nominating Convention Committees.

Dr. Jim Lark moved to postpone the issue and combined it with the convention discussion on Sunday. Without objection, the postponement passed.

#### State Executive Directors Project

Chuck Moulton discussed an item floated on the discussion list, a project to encourage states to acquire and support executive directors. Chuck noted the consensus essentially was this was a bad idea, though brainstorming at this meeting might reverse that.

M Carling moved the LNC move on to the next topic. Without objection the measure passed.

#### Information Technology Committee

Chuck Moulton noted that serving with him on the IT committee were Hardy Machia, Bonnie Scott, Marc Montoni and Kevin Takanaga. Chuck studying for the bar exam prevented much progress. He expects more activity and results in the upcoming weeks.

Responding to a question Chuck noted the purpose of the IT committee is twofold: to advise the LNC on IT issues and recommend Policy Manual changes as well as to serve as an advisory committee to staff. The Committee addresses web and database issues.

Aaron Starr moved staff provide the LNC with a report of the number of site visitors, inquires, donation amount, number of donations and volunteer signups.

Without objection this motion passed. Shane noted the information may be made available more or less continuously by authorizing access to web pages where such statistics are already available to administrators.

#### Building Project

Chuck Moulton had broached the idea of the LNC purchasing a building rather than renting space.

Chuck moved we form a building project committee consisting of Geoff Neale, Richard Burke and Admiral Colley to investigate the possibility and desirability of buying or erecting an owned building.

Dan Karlan moved to table the issue. That motion was ruled out of order owing to there being no other order of business of higher priority to supplant the motion.

The motion failed 1-14

Voting in favor was Chuck Moulton.

Opposed were: Bob Sullentrup, Geoff Neale, Pat Dixon, Aaron Starr, Wes Benedict, Angela Keaton, Jeremy Keil, Dan Karlan, Mark Bodenhausen, Dr. Jim Lark, Admiral Colley, Hardy Machia, Tony Ryan, Emily Salvette.

M Carling abstained.

#### APRC

Dan Karlan raised the question whether the APRC should "point out statements made in conflict to the Bylaws", Article VI, Organizational Structure, Section 3, Administration, Item E.1, Advertising and Publication Review Committee states:

*The LNC shall appoint an Advertising & Publication Review Committee (APRC), and shall appoint the chair of the committee. The APRC, which shall consist of three members of the LNC, shall review the contents of advertising, publications, and other materials produced or distributed to the Party, to ensure that they are consistent with the Statement of Principles and the Party Platform.*

On the face of it, the above text does not allow the committee to correct items in conflict with the Bylaws.

Dr. Jim Lark moved to change the text above to this: "to ensure that they are consistent with the Statement of Principles, the Party Platform and the Bylaws".

Without objection this motion passed.

#### Name Project Champions

Chuck Moulton noted Policy Manual changes adopted on June 30 call for projects having proposals, descriptions, project managers and champions.

Accordingly, Jeremy Keil and Dr. Jim Lark provided project descriptions and other supporting materials.

Jeremy Keil moved to adopt Campus Organizing project description and appoint Dr. Jim Lark Champion.

Without objection this motion passed.

Dr. Lark moved to adopt the Branding project description and Jeremy Keil be appointed as its champion.

After a friendly amendment to change the text in the branding project description from 'ongoing project' to 'long term project' under 'Purpose', the motion carried without objection.

Apparent Contradiction in Policy Manual Article IX

The body voted to suspend the rules to consider an apparent 'inherent contradiction' pointed out by Shane Cory in Article IX, Section 1 of the Policy Manual.

The contradiction involved the third sentence in Section C,

*The Project Manager's responsibilities fall under the oversight of LNC Staff.*

Versus the first sentence after the bullets in Section D,

*Staff shall not be responsible for oversight or direction of any project activity.*

Geoff Neale moved to postpone implementation of Article IX until 2007. Article IX had been substantially revamped at the 6-30 meeting.

After some discussion, Geoff withdrew his motion.

The matter was addressed again on Sunday (see below).

A motion to extend consideration of the matter until 6pm failed, and the body adjourned for the day at 5:40pm.

## **SUNDAY**

Thanks

On behalf of the LNC Dr. Jim Lark expressed his thanks to the Colorado LP for the splendid reception Saturday evening.

In addition, Dr. Jim Lark thanked the Adam's Mark hotel for their splendid hospitality.

Electronic Meetings

Bill Redpath noted an upcoming Executive Committee meeting will employ video conferencing technology.

An online demo is available at <http://www.webex.com/media/movie/theMovie.htm>

The technology will allow unlimited guests and at least two classes of access – participants and observers. Individuals can participate by telephone only or with a webcam.

## 2007 Budgeting process

The Executive Committee will provide a prospective 2007 budget to the LNC by the November meeting.

Geoff Neale plans to finalize the budget after the September books have closed. Meanwhile, he will start developing 'cost factors' and performing other preliminary work this month. Geoff plans to have a budget to the LNC 3-4 weeks in advance of the November 11 meeting.

Dr. Jim Lark encouraged the LNC to begin thinking about 2007 goals immediately. LNC goals will ultimately drive the 2007 budget, and many of the details will be worked out on the LNC discussion list.

## Membership Levels / Categories

Geoff Neale broached the idea of providing incentives and recognitions for various donation categories. Geoff proposed a "military model" with "campaign ribbons" denoting participation and contribution levels.

Geoff broached the idea that as of December 31, there be no life members. Instead, all life members will become 'legacy' life members. Beyond that point, there would be three classes of life members – bronze (\$2500 donation), silver (\$5000) and gold (\$10,000).

This exclusivity breeds desire, and this mechanism provides a kind of 'ritual', something that arguably missing in the LP. *LP News* and convention recognition events would help fill these voids.

The initiative will proceed with a 'working group', not a committee, consisting of Geoff Neale, Dan Karlan, Shane Cory and Steve Dasbach.

## Executive Session

The LNC entered executive session to:

- Discuss the past convention
- Discuss sensitive national office matters
- Discuss fundraising and member recruitment
- Discuss FEC / Ballot

## Consideration of 2008, 2010 Convention Location

M Carling moved:

*The chair is authorized to sign contracts with the Denver Adam's Mark and the Austin Hilton for the 2008 and 2010 conventions respectively*

Without objection the motion passed.

Geoff Neale moved to

*Require a four day convention for 2008*

Geoff's motion passed 13-3

Voting in favor were: Geoff Neale, Pat Dixon, Aaron Starr, Angela Keaton, Jeremy Keil, Dan Karlan, Mark Bodenhausen, Dr. Jim Lark, Admiral Colley, Hardy Machia, Tony Ryan, Chuck Moulton, M Carling.

Opposed were: Bob Sullentrup, Wes Benedict, Emily Salvette.

M Carling moved to adjourn. The motion died for lack of second.

Chuck Moulton moved to create a standing convention committee of size five. Chuck initially named Nancy Neale, Barry Dively, Angela Keaton, Julie Fox and Dr. Jim Lark as committee members but accepted a friendly amendment

After additional discussion, Chuck withdrew the motion without objection

#### Agenda Change

Chuck Moulton moved to suspend the rules and make the goal setting discussion the last item of business. The action was approved without objection.

#### Fundraising

Aaron Starr presented materials and discussed his plan for major donor fundraising. He named individuals and amounts LNC members had pledged to either 'give or get'.

Shane Cory will identify donors and assign visits or phone calls for the solicitors to make. He will also provide profiles on each person to help tailor conversations to the prospective donors.

The body noted certain issues to be aware of including FEC donation limits, currently \$26,700 per person per year. Donations could also be earmarked for certain projects.

At the November meeting, Aaron will arrange to have a fundraising expert make a presentation as a means of coaching the fundraising activity.

#### Policy Manual Correction to Address Apparent Contradiction

By Sunday afternoon Dan Karlan and Geoff Neale had drafted a set of changes to Article IX of the Policy Manual to fix the apparent contradiction noted above. Dan's motion was extensive and included the following:

- In Section B, remove "or task force"
- In Section C, change "Approved" to "Selected"
- In the second sentence remove "as outlined in the proposal".
- Remove the third sentence
- In Section D, make a new bullet item after the semicolon
- In the new bullet item change "creating" to "create" and insert "of the" before "project manager"
- In the last bullet insert 'the' before "projects" and change "projects" to "project"
- In the paragraph at the end of Section D, change "all projects activities" to "all project activities"
- In Section E, remove the word "process" at the end of the second sentence and delete the remainder of the paragraph.
- In Section F, remove the first sentence
- Remove the third sentence
- Replace "is not allowed without" to "shall require" in the last sentence
- Delete Section G, Project Accounting (already a part of GAAP)
- In Section H, item 1, remove "of the"
- In item 1, bullet 2, remove "of the hard"
- In item 1, bullet 3, change "credit card discount" to "merchant fees"

- Insert a new bullet “All other expenses necessary to implement the project”
- In Item 2, change “includes” to “shall account for”
- Delete Item 3
- Delete Section 2

Aaron Starr noted a redundant “is anythings” in Section A. That was accepted as a friendly amendment, and the Secretary was entrusted to choose the one to delete. (instead, the Secretary deleted the first ‘anythings’ and second ‘is’)

The resulting action is presented in the table below.

The motion passed without objection.

<p>ARTICLE IX.        PROJECTS</p> <p>Section 1:        REQUIREMENTS FOR ESTABLISHMENT OF A PROJECT</p> <p>A. DEFINITION</p> <p>A <b>Project</b> is anything <del>is anything</del> that is not a core activity or which is not required to perform core activities. It can be:</p> <ul style="list-style-type: none"> <li>• a perpetual project, such as candidate support;</li> <li>• a long term project, without a clear end date, such as branding;</li> <li>• a short term project with a distinct completion date, such as implementation of an accounting system; or</li> <li>• an intermittent project, one that returns periodically, such as purchasing lists of registered voters.</li> </ul> <p>B. PROPOSAL</p> <p>A detailed proposal specifying the purpose, means, personnel, and objectives proposed for the project <del>or task force</del> must be prepared in writing and approved by the LNC. (All existing projects are to provide a proposal by the LNC meeting following the approval of this section.)</p> <p>C. PROJECT MANAGER</p> <p>A Project manager shall be <del>approved</del> <b>selected</b> by the LNC. The Project Manager will be responsible for the development and execution of the project <del>as outlined in the proposal. The Project Manager's responsibilities fall under the oversight of LNC Staff.</del> Vendor contracts, project communications to donors or service providers, and the fundraising content and timing are to be coordinated with the Executive Director. Use of the dedicated fund raising list, access to new LNC donor information, or access to available funds shall not be unreasonably withheld.</p>
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#### D. STAFF FUNCTIONS

LNC staff will:

- process and cage all fund raising receipts and maintain all project donor records in the donor database;
- pay all approved project expenses and maintain records of all project expenditures;
- ~~creating~~ create contact (mail, e-mail, phone) lists at the request of the project manager;
- send bulk e-mails at the request of the project manager;
- provide bids for all printing and mailing expenses;
- provide an approved list of vendors for project expenses, where applicable;
- establish separate bank accounts, at the discretion of the executive director;
- establish an easy and prominent way to donate and pledge to the projects on the website.

Staff shall not be responsible for oversight or direction of any project activity. All projects activities are to be directed by the Project Manager, or by a delegated party.

#### E. BUDGET

A budget for a new project must be included as part of the proposal to be approved by the LNC. Budgets for ongoing projects will be included in the annual budget process. ~~The approval of ongoing project budgets requires the approval of the LNC, including projects being operated as "accordion" budget lines.~~

#### F. FUNDING

~~All project funds are restricted.~~ Projects are to develop a dedicated funding stream, raising funds in a manner that does not substantially erode core fund raising. ~~Developing targeted mailings for historical project donors and new LNC donors, dedicated single purpose e-mail lists, targeted telephone fundraising, and dedicated pledges are encouraged.~~ Use of the complete donor list for direct response mail, bulk e-mailing or telephone fundraising ~~is not allowed without~~ shall require the approval of the LNC.

#### ~~G. PROJECT ACCOUNTING~~

~~The LNC will separately account for the revenues and expenses associated with all projects. The cash balance for all project funds will be reported as a separate line on the Balance Sheet.~~

#### H. PROJECT EXPENSES

Restricted Project Funds shall be charged:

1. All of the direct expenses of fund raising, including:
  - dedicated staff time for writing and/or proofreading;
  - all of the hard costs associated with fundraising (LP News ads, printing and postage).
  - ~~Credit card discounts~~, **merchant fees** if any.
  - **All other expenses necessary to implement the project**
  
2. A 10% of the amount of each contribution not to exceed \$10 which **includes shall account for**:
  - caging and accounting for funds received and expenses paid;
  - management oversight of caging, expenses and program implementation; and
  - an allocated portion of occupancy and operations cost.
  
3. ~~All of the direct expenses necessary to implement the project.~~

~~Section 2: JULY 4 ADOPTED~~

~~Independence Day (July 4<sup>th</sup>) is the holiday most exemplifying the principles of Libertarians. All Libertarians are encouraged to make a special effort to present programs, events, public advertising, and any other means available of bringing the Libertarian message to the public celebrating Libertarian principles and philosophy and strengthening intra-Libertarian ties.~~

Dates for future meetings

Prior to the meeting the LNC had settled on a meeting in DC the weekend of November 11-12.

The subsequent meeting will be March 3-4 in Austin, TX. The meeting date was accepted without objection.

The LNC will set its June-July meeting date and location at the DC meeting.

## Goal Setting

The body discussed the goals it might entertain as ones to adopt for this term. They were classified as financial, political and organizational goals.

Prospective champions are noted in parentheses

### Political

- 45 states ballot access (Bill Redpath)
- 218 congressional candidates (Chuck Moulton)
- 1 million presidential votes (Angela Keaton)
- Increase elected officeholders (M Carling)
- Increase libertarian voters identified (Jeremy Keil)
- Double voter turnout in half the states
- Libertarian caucus in a state house, 3 or more (Hardy Machia)
- 2008 candidate a guest on the Daily Show
- Increase media exposure

### Financial

- \$50,000 in monthly recurring gifts
- Meet reserve target (Pat Dixon)
- Increase sustaining membership (Jeremy Keil)
- Raise or give \$100,000 from LNC members (Aaron Starr)
- Break even 2008 convention (Julie Fox)
- Bring payables down (Wes Benedict)
- Quality GAAP/FEC/highly auditable books
- Full compliance with reserve requirements as per policy
- Increase active donors to 25,000 from 12,000 (Jeremy Keil)
- Restructure rewards system (Geoff Neale)

### Organizational

- 51 operational affiliates (Dan Karlan)
- Ballot base rolled out
- Operational campus organizing network coordinators in 50 states (Dr. Jim Lark)
- Carverize the Policy Manual (Scott Lieberman)
- Recruit new quality board members (Bob Sullentrup)
- Define core activities

LNC members will use approval voting as a mechanism to rank order these items. Chuck Moulton will conduct the balloting and manage the tabulation, which is to be complete by September 15.

The LNC is expected to retain the top three goals in each category as measures of success. However, anyone wishing to adopt one or more of the above goals is welcome to do so.

### Resolution of Thanks to Denver

Bob Sullentrup, on behalf of the LNC, expressed his thanks and appreciation to the Party members of Denver and Colorado for their gracious welcome, hospitality and additional events they organized.

## Adjournment

The meeting ended at 1:30pm.

## Next Meetings

The schedule for subsequent LNC and national meetings is as follows:

2006 Q4 meeting	November 11-12, 2006	DC
2007 Q1 meeting	March 3-4, 2007	Austin, TX
<i>LSLA (State Chairs)</i>	<i>March 11-12, 2007</i>	<i>Orlando. Contact Doug Klippel. Pat Dixon.</i>

## Treasurer's Report August 19-20, 2006

### Introduction and Background:

I expect this first report to this LNC will be much longer than subsequent reports. I prefer not to write lengthy reports, but feel it is appropriate to lay the groundwork for this coming term.

First, I want to provide feedback regarding my interactions with staff up to this point. I have found the staff, especially Robert Krause and Shane Cory, to be especially professional, totally forthcoming, timely and responsive to my requests, and completely open to input and suggestions. I am encouraged by our interactions to date, and am very hopeful for a productive and positive term.

I spent two days at HQ on August 7 and 8. I spent a lot of time with Shane and Robert, and have gotten partly up to speed. Unfortunately, there is still a lot more to do, and far more of my time will be necessary to raise my knowledge and confidence to appropriate levels.

During my visit, I met with Paula Edwards, our FEC consultant. She is very knowledgeable and of definite value to our organization. The majority of our time was spent discussing the intricacies of convention organizations. I will not go into any detail regarding convention committees at this time, as I feel an open discussion with the entire LNC is a more appropriate venue.

I also met with Timothy Koch, who was contracted by the prior Treasurer. Timothy has developed an FEC compliant procedure manual that is most helpful in identifying the proper methods of handling receipts and expenditures in a manner consistent with FEC regulations. Additionally, Timothy has developed a chart of accounts for our use. This is still in a preliminary phase, and I have already given some specific recommendations to him. Since I believe the chart of account structure is vital to providing meaningful reports, I believe certain changes to his recommendations are in order. Timothy seemed to feel that my feedback was valuable, and is working on incorporating these changes.

Additionally, Shane and I had several lengthy discussions regarding fundraising and finances in general. The fundraising issues will be presented to you for your consideration as part of my verbal report in Denver, partly because this is a work in progress, and mostly because much of what we have been discussing would be significantly enhanced by your input.

### Financial Reports to the Board:

I have looked over all of the reports provided to the LNC by the staff in support of the Treasurer. In my opinion, there are too many reports, and many of the reports are too detailed. It is my hope to provide some new reports that drive our decision making in a more appropriate manner. Some of these will be graphs, rather than a page of numbers. Oftentimes, a good graph speaks far more clearly to our situation than ten pages of numbers.

I have a great deal of experience in designing and developing board reports for major corporations. In general, from this experience, board reports should have certain characteristics:

First, they should be designed and structured to support sound decision making. I do not think the LNC should spend any significant amount of time reviewing detail information, unless it is absolutely necessary. If a report we receive does not drive us towards a proper conclusion, the report should be eliminated or modified.

Next, they should be a high-level view of the organization. It is one of the jobs of the Treasurer to provide the necessary oversight to ensure that the reports are accurate, thus eliminating the need of the LNC to delve too deeply into minutia. Again, we must fight the urge to know every single detail of the business - it's not our job, and represents an unproductive and undue burden upon staff.

Also, reports should be exception based. By this, I mean that detail is most appropriate when there are situations that require monitoring, but they should not be detailed when monitoring is not required. A perfect example of this would be an AP aging report. It is justifiable when we're deep in debt, as we are now. Once we have the debt under control, we have no need to review a list of current payables. All we need to know as LNC members is the status of contested payables.

I feel we desperately need to review what reports are required by the Policy Manual, as the current report requirements are onerous.

#### **Finances:**

Basically, we're in bad shape. Things have been worse in the past, but our financial situation can in no way be considered good. In fact, I think that we've been in bad shape so often and for so long over the last five years that we as an organization have come to consider bad shape to be situation normal, and of no significant concern. I couldn't disagree more.

Below I will give you my opinion of several of the balance sheet accounts that I feel are of special interest.

#### **Accounts Payable:**

Our accounts payable balance has improved measurably this year, but is still incredibly bad. Our July month end AP balance was \$95,186.90, of which \$65,747.21 was past due.

A high AP balance can be indicative of excessive expenses, or diminished revenues. In our case, it's both. Although we cancelled UMP last year, we're still paying out the contractual obligations of UMP. Additionally, we stopped soliciting the major source of revenues associated with UMP - dues. Much of our current financial situation is due to this "perfect storm", but there is good news: including our current payables for UMP, the total amount remaining to be paid is \$10,635.70, and this amount should be paid out by October. The other good news is that our AP balance has been reduced by \$26,407.68 since 12/31/2005, even while paying out large sums to satisfy our UMP obligations.

We still owe large amounts of money to other organizations, including our legal counsel and our FEC consultant. This condition represents not only a bad financial situation, but an unacceptable risk to our relationships with vendors.

One condition of concern to me is the way past due credit payable amount for the Washington DC LP. This resulted from an overpayment of UMP back in 2004. This is so old that it does not belong on the AP register. This needs to be reclassified as a receivable. At that point, in my opinion, we should write off this receivable amount. Currently, the DC party does not exist, and we have no reasonable expectation of receiving this money in the foreseeable future. If the DC party reforms itself, I doubt that we could consider the first act of the LNC with regards to DC to be the presentation of a large bill to be a positive action. Quite the contrary, I would think it might make them think twice about reforming.

I have included a graph of our long term AP trending in order to emphasize where we currently stand compared to prior periods in our history. I intend to provide this graph at every meeting at least until our AP situation is in a healthy status. The graph is titled "LP HQ AP Trending".

#### **Accounts Receivable:**

Too many people owe us too much money. Much of this is from advertising charges for LP News.

Additionally, since we've stopped advertising in the LP News, we now have credit receivables balances for numerous people, because of our inability to fulfill prepaid advertising contracts.

Staff has informed me that they are attempting to convince many of these individuals to reclassify the excess advertising receipts as donations. If these individuals are not willing to do this, we will reclassify these negative receivables as payables, and settle the accounts. I have direct staff that I want all of these cleared, one way or the other, by the October month end.

Additionally, we have reduced about \$1000 of receivables by writing them off.

We had a single receivable amount for \$300 from a donor that sent us a check that subsequently bounced. I have informed staff that I do not approve of considering a bounced check or a rejected credit card charge to be a valid receivable. In the future, in these circumstances, the donation will be reversed, and a nice polite letter will be sent to the donor asking for a new donation. I see no value in sending "past due" statements to donors who bounce checks, with the one exception being event sales that bounce after the event.

Additionally, we had a sum of about \$600 receivables where the average age of the receivables was 22 months. These amounts were small. Upon my recommendation, Bill Redpath approved writing these AR amounts off.

Realistically, if we no longer sell advertising, the AR balance should normally be zero.

#### **Mail House Settlement:**

This item requires a little background. First off, Robert states that he cannot locate any files regarding this asset line. I can understand why, since the description is a little misleading.

Back in the 1990's, the LNC sued an individual over the inappropriate use of our mailing list. After some significant amount of time and expense, the LNC reached an agreement with the individual, and a settlement amount was agreed upon. To the best of my knowledge, we have never received a penny from this individual, so we still carry this on our books.

When I was Chair, there was a motion to forgive this settlement amount, but the motion failed. Perhaps the time is now better to consider such a motion.



However, in the meantime, we are carrying this on the books. The account description is a misnomer, because the settlement was not with a mail house.

**Mailing List Receivables:**

These accounts, according to Robert, concern amounts owed to us by an external mailing list administrator. Robert has not located any files supporting these amounts, and the amounts date from 2002 and 2003. I am in the process of attempting to garner what information I can from Mark Nelson, and will try to have more updated information by the meeting.

However, I have a different opinion as to what this number is, and I believe it is incorrectly classified. Back in 2002, we hired and subsequently terminated an employee who had run up over \$10,000 in personal charges on an LNC credit card, and was unable at his salary level to repay the amounts. He accepted responsibility, and I believe we have a promissory note somewhere - probably in the personnel files. Of course, it is possible that he prior LNC adjusted this particular debt, but I need to research this in more detail.

Regardless, this number, like the Mail House Settlement, is questionable in its valuation, and I believe inflates our assets. I want to see these two resolved before the year end.

**Fixed Assets:**

The policy of the previous LNC whereby all non-real estate assets were expensed was in violation of GAAP. As of now, there has been no change in the asset valuation.

It is my intention to assist staff in properly recording and reporting our assets and accumulated depreciation. I have told staff that I expect these numbers to be properly recorded and reported by year end. In reality, I'd like straightened out prior to the beginning of our budgeting process.

In the meantime, I recommend that we set the capitalization threshold at \$500. This means that any asset acquired that has a value at acquisition of \$500 or more must be listed as an asset and depreciated.

**Inventory:**

Since we outsourced our fulfillment, this can only be old materials of no value.

After a more detailed investigation, I think we can obsolete this inventory and reduce the value to zero. We currently do not carry any inventory of any value, to the best of my knowledge.

**Deferred Revenues:**

GAAP requires us to recognize the liability for services provided over the life of the service contracted for. This falls into three categories at present: subscriptions, membership services (which used to be called dues, but we now call sustaining membership), and life memberships.

Our current balance sheet shows only one line, and the calculation of that value is dubious.

Subscriptions and membership services deferred revenues should be calculated by multiplying the total future subscription and membership months times the estimated cost of providing these services.

Life membership deferred revenues should be calculated based upon an actuarial estimate of the remaining life expectancy of the life members in months times the estimated cost of providing these services. Currently, I believe we estimate the life expectancy of life members to be ten years. This is clearly inadequate. However, we use a rate of \$25 a year for this calculation, which could very well be too high. I intend to poll the life members to determine a supported life expectancy for this calculation.

Additionally, I think it would be valuable separate the three categories of deferred revenues further into short-term and long-term. Short-term would be less than one year, and long-term would be one year or more. This would aid us by giving us a firm number on our next year's liabilities.

In order to do this, I will be assisting staff in developing reports using Raiser's Edge data. I intend to have this in place by year-end.

**Budget:**

In my opinion, our current budget reports are way too granular.

Back in 2003, I sent out an email that I titled "Budget Heresy". In it I stated that the only number I really cared about was the bottom line - profit.

My thinking is this - if staff delivers the profit I want, I'm happy. If they choose to do it by reallocating expenses, or using them in a different manner, and meet my expectations of profit, I'm happy.

I want us to think, over the next few months, exactly how we really need to budget. We should not be in the business of legislating exactly how staff performs every single function. Instead we must clearly state our objectives, and make clear to staff that they have latitude in how they achieve the results we need.

#### **Reserve Policy and Reserve Adequacy:**

We have had a reserve policy since the 1990's, and we've almost never had a report that shows us how we're doing with meeting our reserve objectives.

To me, this is the biggest reporting failure of the LNC. If there is one number we should be looking at to gauge our financial progress, it is the reserve.

Therefore, I have prepared a reserve adequacy graph. It is at the end of this report. I intend to provide a similar graph at every LNC meeting.

As to our current reserve policy, and our liquidity policy, I will be making the following formal motion:

Rename Section 5: Liquidity Requirements to Reserve Requirements.

As part of this motion, delete A. in its entirety, and replace B. with:

The reserve for each month is calculated as the total cash balance less the sum of all restricted funds and accounts payable at month end. The reserve target shall be the sum of all occupancy, labor and governance monthly expenses. All reserves shall be held in cash or cash equivalents, and investment of the reserve shall be at the discretion of the Chair, Treasurer and Executive Director, or at the discretion of an investment committee upon the creation and population of such a committee by action of the LNC.

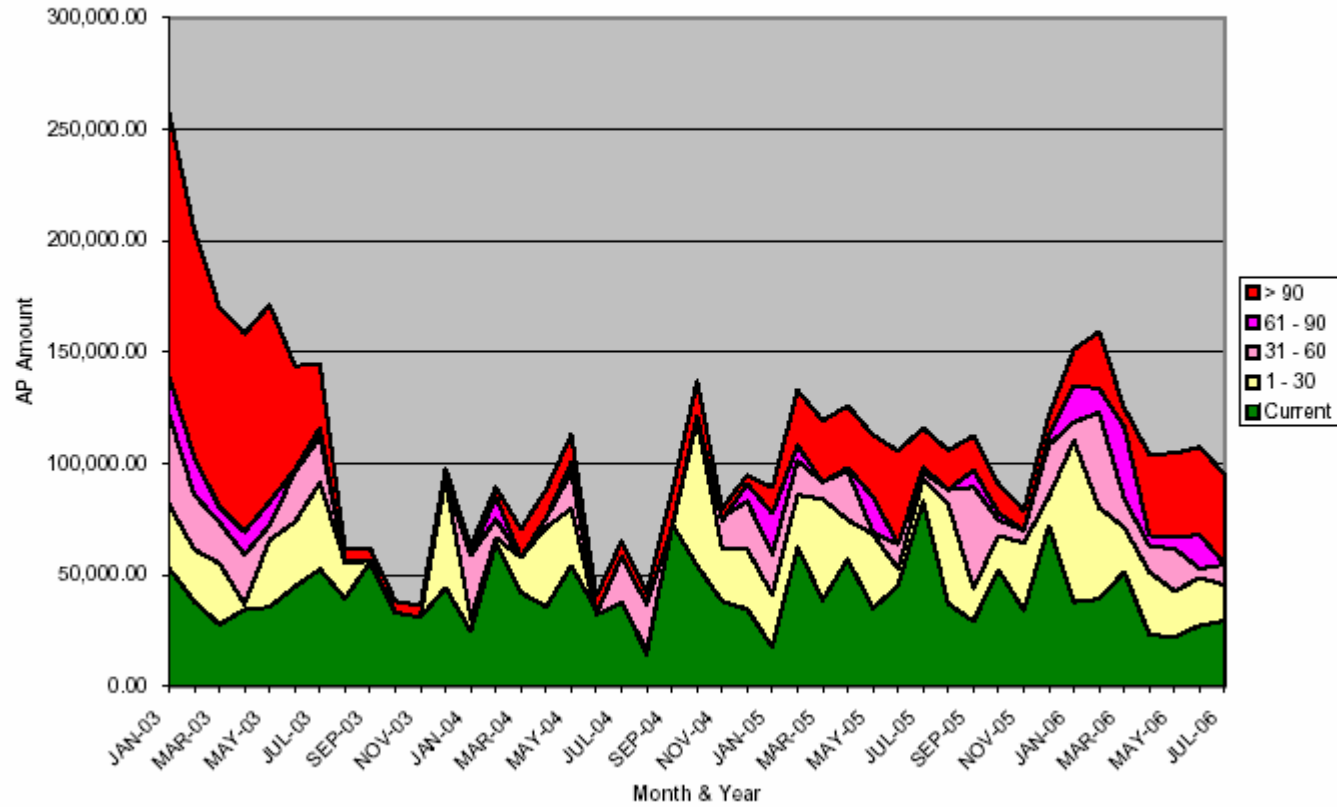
To speak to this, I think the liquidity requirement is redundant and pointless. If we have our target reserve, we are liquid. Also, I think the current language is too specific. And lastly, I think basing our reserve requirement upon a percentage of revenues is inappropriate. I think the reserve should be based upon expenses, not revenues.

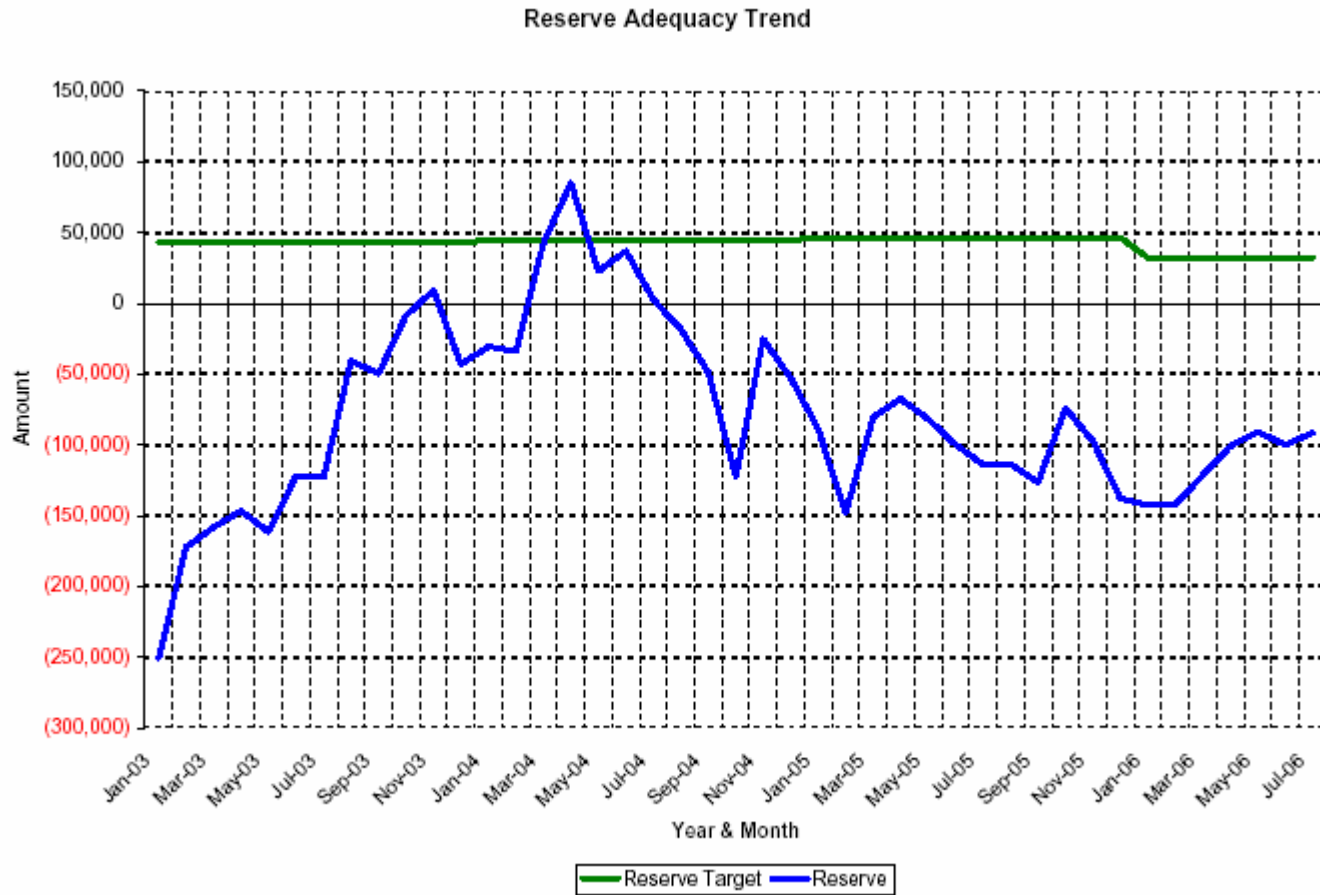
**Appendix A. Geoff Neale, Treasurer's Report, Denver, CO, August 19, 2006**

In closing this report, I have not covered everything I could, or everything I'd like to cover. Still, this document is eight pages long, and we have two entire years to make our mark. I'm going to do what I can, and I'd appreciate lots of feedback, and maybe even a little support.

Geoffrey Neale  
Treasurer

LP HQ AP Trending





**Libertarian National Committee, Inc.**

**Profit & Loss Budget vs. Actual w-Net (Class Based Report)**

EOM - YTD - Side by Side Comparison

	YTD REVENUE			YTD EXPENSE			YTD NET PROFIT
	Jan - Jul 06	Budget	\$ Over Budget	Jan - Jul 06	Budget	\$ Over Budget	Jan - Jul 06
<b>05-Management</b>							
<b>Capital Acquisitions</b>							
Software/Website Upgrade					6,417	(6,417)	
<b>Total Capital Acquisitions</b>					6,417	(6,417)	
<b>Governance</b>				7,400	7,126	274	(7,400)
<b>Professional Services</b>				30,315	35,000	(4,685)	(30,315)
<b>Common Costs</b>							
Salary				228,793	216,346	12,447	(228,793)
Operations				80,117	70,000	10,117	(80,117)
Occupancy				63,614	72,500	(8,886)	(63,614)
Project Reimbursement	6,386						6,386
<b>Total Common Costs</b>	6,386			372,523	358,846	13,677	(366,137)
<b>Total 05-Management</b>	6,386			410,239	407,389	2,850	(403,853)
<b>05-Project</b>							
Libertarian Leadership School	13,815			4,959			8,856
Drug War Strategy	549			533			17
Convention	95,201	128,782	(33,581)	106,176	123,075	(16,899)	(10,975)
Branding				16,889			(16,889)
Campus Outreach	4,500						4,500
Ballot Access	11,929			500			11,429
<b>Total 05-Project</b>	125,995	128,782	(2,787)	129,056	123,075	5,981	(3,061)
<b>05-Fundraising</b>							

Appendix A. Geoff Neale, Treasurer's Report, Denver, CO, August 19, 2006

<b>Membership (Donor Acquisition)</b>							
	<b>New Donor Acquisition</b>			3,080	11,667	(8,587)	(3,080)
	<b>Lapsed/Renew Donor Acquisition</b>				2,917	(2,917)	
	<b>Total Membership (Donor Acquisition)</b>			3,080	14,584	(11,504)	(3,080)
<b>Contributions</b>							
<b>Direct Solicitations</b>							
	<b>DS-Media</b>	10,175		12,300			(2,125)
	<b>DS-Major Donor</b>	26,525					26,525
	<b>DS-EDLACC Joe</b>	500					500
	<b>Direct Solicitations - Other</b>		58,333	(58,333)	5,833	(5,833)	
	<b>Total Direct Solicitations</b>	37,200	58,333	(21,133)	12,300	5,833	6,467
	<b>Pledge</b>	192,020	199,270	(7,250)	14,963	14,000	963
	<b>Donations</b>	393,265	378,000	15,265	58,501	59,000	(499)
	<b>Total Contributions</b>	622,485	635,603	(13,118)	85,764	78,833	6,931
	<b>Total 05-Fundraising</b>	622,485	635,603	(13,118)	88,844	93,417	(4,573)
<b>TOTAL</b>	<b>05-Program</b>						
	<b>Affiliate Development</b>				8,750	(8,750)	
	<b>Unified Membership Program</b>			75,352	75,352	0	(75,352)
	<b>Outreach</b>			4,366	2,917	1,449	(4,366)
	<b>Media Relations</b>			4,232	4,375	(143)	(4,232)
	<b>Material Sales</b>			160			(160)
	<b>LPNews</b>	32,767	37,917	(5,150)	47,164	63,000	(15,836)
	<b>List Rental</b>	660	5,250	(4,590)			660
	<b>Camp/Cand Training -Ballot Base</b>	19,150			13,716	7,292	6,424
	<b>Total 05-Program</b>	52,577	43,167	9,410	144,990	161,686	(16,696)
<b>TOTAL</b>		<b>807,442</b>	<b>807,552</b>	<b>(110)</b>	<b>773,128</b>	<b>785,567</b>	<b>(12,439)</b>



**Libertarian National Committee, Inc.**  
**Balance Sheet**  
 As of July 31, 2006

	<u>Jul 31, 06</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
<b>11 - Cash</b>	
111 - Checking Account #1 (Federal)	2,513.50
112 - Convention Restricted Account	1,296.31
<b>Total 11 - Cash</b>	<u>3,809.81</u>
<b>Total Checking/Savings</b>	3,809.81
<b>Accounts Receivable</b>	
12 - Accounts Receivable	4,436.00
<b>Total Accounts Receivable</b>	4,436.00
<b>Other Current Assets</b>	
<b>13 - Other Receivables</b>	
<b>131 - Mail House Settlement</b>	
131R - Mail House Settlement	10,000.00
131U - Allowance for Uncollectables	(6,000.00)
131D - Accumulated Discount	(721.00)
<b>Total 131 - Mail House Settlement</b>	<u>3,279.00</u>
<b>132 - Mailing List Receivables</b>	
132R - Mailing List Receivable	11,238.42
132U - Mailing List Allowance	(330.34)
<b>Total 132 - Mailing List Receivables</b>	<u>10,908.08</u>
139 - Allowances for Doubtful Account	(1,000.00)

**Appendix A. Geoff Neale, Treasurer's Report, Denver, CO, August 19, 2006**

Total 13 · Other Receivables	13,187.08
14 · Inventory	7,344.95
16 · Prepaid Expenses	
161 · Bulk Mail Account	917.23
163 · Metro Passes	<u>600.00</u>
Total 16 · Prepaid Expenses	<u>1,517.23</u>
Total Other Current Assets	<u>22,049.26</u>
Total Current Assets	30,295.07
Fixed Assets	
17 · Fixed Assets	
172 · Furniture and Fixtures	
17214B · Basis	37,617.97
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	<u>                    </u>
Total 17 · Fixed Assets	<u>                    </u>
Total Fixed Assets	

Appendix A. Geoff Neale, Treasurer's Report, Denver, CO, August 19, 2006

<b>Other Assets</b>	
19 - Security Deposits	
191 - Rent Deposit	7,020.00
Total 19 - Security Deposits	<u>7,020.00</u>
Total Other Assets	<u>7,020.00</u>
<b>TOTAL ASSETS</b>	<b><u><u>37,315.07</u></u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
21 - Accounts Payable	95,198.60
Total Accounts Payable	95,198.60
<b>Other Current Liabilities</b>	
24 - Accrued Vacation	8,765.00
25 - Accrued Payroll Taxes	
251 - Federal	
2511 - Income Tax Withheld	2,486.89
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>
Total 251 - Federal	<u>1,714.21</u>
Total 25 - Accrued Payroll Taxes	1,714.21
271 - Other Deferred Revenue	

**Appendix A. Geoff Neale, Treasurer's Report, Denver, CO, August 19, 2006**

2711 - Deferred Regular Dues	271,397.92
2791 - Deferred Rent Liability	<u>6,812.00</u>
<b>Total 271 - Other Deferred Revenue</b>	<u>278,209.92</u>
<b>Total Other Current Liabilities</b>	<u>288,689.13</u>
<b>Total Current Liabilities</b>	<u>383,887.73</u>
<b>Total Liabilities</b>	383,887.73
<b>Equity</b>	
31 - General Operating	(390,500.92)
<b>32 - Fund Balances</b>	
321 - Fund - Ballot Access	12,153.96
322 - Fund - Branding	3,236.16
323 - Fund - Camp/Cand	(6,594.84)
324 - Fund - Campus	4,847.60
325 - Fund - Convention	(23,363.00)
327 - Fund - Lib Leadership School	19,418.42
328 - Fund - Drug War	<u>16.50</u>
<b>Total 32 - Fund Balances</b>	9,714.80
<b>Net Income</b>	<u>34,213.46</u>
<b>Total Equity</b>	<u>(346,572.66)</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>37,315.07</u></u>

**Libertarian National Committee, Inc.**  
**A/R Aging Summary**  
 As of July 31, 2006

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>&gt; 90</u>	<u>TOTAL</u>
Advocates for Self Government	650.00					650.00
Badnarik for Congress	500.00		500.00	500.00	500.00	2,000.00
Cox^Alan					(60.00)	(60.00)
Dodson, James M					(75.00)	(75.00)
Ferry, Bill (Peirce 4-Gov)	455.00		455.00		422.50	1,332.50
Gilson, Michael					60.00	60.00
Hollist, David					(172.50)	(172.50)
LPWI - Libertarian Party of Wisconsin	48.75		48.75			97.50
Marshall, Leonard					150.00	150.00
MIL1 - Carl Milsted Jr				(650.00)		(650.00)
Olivier, Mark			30.00			30.00
Pilitowski, Tom					(19.50)	(19.50)
Russell, Jeffrey	255.00	255.00				510.00
Ruwart, Mary					565.00	565.00
Whiting, David					18.00	18.00
<b>TOTAL</b>	<u><b>1,908.75</b></u>	<u><b>255.00</b></u>	<u><b>1,033.75</b></u>	<u><b>(150.00)</b></u>	<u><b>1,388.50</b></u>	<u><b>4,436.00</b></u>

**Libertarian National Committee, Inc.  
A/P Aging Summary AS OF July 31, 2006**

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>&gt; 90</u>	<u>TOTAL</u>
Advanced Mailing Services, LLC	1,550.54	1,014.42	3,681.32			6,246.28
American National Insurance Co.					800.00	800.00
Arent Fox				193.75	3,646.00	3,839.75
Atlantic Mailing Systems Inc.			74.37			74.37
B & B Duplicators	681.04		675.74		1,823.13	3,179.91
CAN1 - CANANWILL, INC	832.84					832.84
Commonwealth Digital Office Solutions	138.14					138.14
Cory Consulting, Inc	1,105.00	1,005.00	1,055.00			3,165.00
De Lage Landen Financial	596.96					596.96
Edwards, Paula					20,675.00	20,675.00
ENTCO Int. Inc.	14,015.26	4,062.03				18,077.29
FP Mailing Solutions		24.60				24.60
Great American Leasing	211.03					211.03
Integram					8,903.93	8,903.93
IVO Net LLC		1,500.00				1,500.00
J&N Printing	1,366.00	4,371.71				5,737.71
Joe Ragan's	322.33					322.33
Koch & Hoos, LLC	3,337.00					3,337.00
Kraus, Robert (Petty Cash)	309.20					309.20
LPAK - LP Alaska	34.00					34.00
LPAR - LP Arkansas	27.50					27.50
LPAZ - LP Arizona	132.00					132.00
LPCA - LP California	495.50					495.50
LPCT - LP Connecticut	83.00					83.00
LPDC - LP District of Columbia	17.96				(621.05)	(603.09)
LPDE - LP Delaware	19.63					19.63
LPFL - LP Florida	363.25					363.25
LPHI - LP Hawaii	23.25					23.25
LPIA - LP Iowa	59.63					59.63

Appendix A. Geoff Neale, Treasurer's Report, Denver, CO, August 19, 2006

LPID - LP Idaho	27.25					27.25
LPIL - LP Illinois	229.25					229.25
LPKY - LP Kentucky	42.75					42.75
LPLA - LP Louisiana	47.75					47.75
LPMA - LP Massachusetts	145.50					145.50
LPME - LP Maine	35.75					35.75
LPMI - LP Michigan	245.50					245.50
LPMN - LP Minnesota	98.50					98.50
LPMO - LP Missouri	99.75					99.75
LPMS - LP Mississippi	22.25					22.25
LPNE - LP Nebraska	25.50					25.50
LPNM - LP New Mexico	60.88					60.88
LPNV - LP Nevada	81.13					81.13
LPNY - LP New York	235.50					235.50
LPOH - LP Ohio	231.00					231.00
LPOK - LP Oklahoma	42.25					42.25
LPRI - LP Rhode Island	11.00					11.00
LPSD - LP South Dakota	10.75					10.75
LPTN - LP Tennessee	103.13					103.13
LPUT - LP Utah	35.00					35.00
LPVT - LP Vermont	22.88					22.88
LPWA - LP Washington	208.38					208.38
LPWV - LP West Virginia	22.13					22.13
LPWY - LP Wyoming	12.75					12.75
MAMSI - UnitedHealth (WFG)	604.40					604.40
Stuber, Robert			750.00			750.00
Telecompute Corporation	64.04					64.04
US LEC Corp.	587.19					587.19
Walton Press		1,692.70				1,692.70
WAR1 - Warner, Norcross & Judd		2,500.00	2,800.31	5.00	5,014.25	10,319.56
Washington Pension Cente					100.00	100.00
Worldwide Express - DHL	378.17					378.17

Appendix A. Geoff Neale, Treasurer's Report, Denver, CO, August 19, 2006

TOTAL	<u>29,451.39</u>	<u>16,170.46</u>	<u>9,036.74</u>	<u>198.75</u>	<u>40,341.26</u>	<u>95,198.60</u>
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# LPHQ Update

8/14/2006

## *Executive Director's Report*

by Shane Cory

### **Overview**

Since the National Convention, the national office has been able to place a strong focus on the upcoming elections. Additionally, we have put into place strong reporting mechanisms in all areas in order to track performance and comply with the Policy Manual.

In this staff report, as per the Policy Manual, you will find a report detailing staffing changes; a report on the number of known LP candidates running for office; and a report on our media performance. I will not be including a report on our elected officials as that is a significant project for after November.

### **Staff Update**

Our staff levels are at an acceptable level with changes coming this quarter to outsource many duties to outside consultants:

- Robert Kraus 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. Robert has recently taken a greater role in personnel management as well and has been of great assistance.
- Stephen Gordon continues to serve as the director of communications and will be taking on the duty of editing *LP News*.
- John LaBeaume serves as our national campaign coordinator. John no longer tracks our candidates as that task has been given to an outside consultant. John has increased his time dedicated to the Ballot Base along with assisting with ballot access efforts in a few states.
- Chris Thorman continues to serve as the development coordinator.
- April Atkins serves as our receptionist and member services specialist. Since the convention, April has worked to improve affiliate contact information.
- Matt Dailey continues to serve as our policy analyst and produces the majority of the content for LP.org. Matt's duties related to the LLS have been outsourced to an outside consultant.
- Susan Dickson still serves as a full-time employee and remains extremely productive.
- Marc Scribner is a part-time employee who has increase his hours during the summer and has been helpful with administrative work around the office.

### **Operations**

## **Appendix B. Headquarter's Report, Denver, CO, August 19, 2006**

In order to better organize office operations and tasks, I put together the LP Support Center which manages all communication coming into LPHQ. Role-based e-mail accounts were created for each department and employees have been assigned to teams to manage the workflow.

Aside from making sure that tasks don't "fall through the cracks" as we can track the completion of each task, we can also measure our customer service performance.

Since the Support Center was brought online on July 18<sup>th</sup>, our office has handled 363 requests with an average 1 day 22 hour response time. It should be noted that our main queue for Member Services experienced a response time of 14 hours.

We are also looking to squeeze in extra savings from operations overhead while improving services. We recently negotiated an upgraded Internet connection. We currently operate with a T1 tied to our phone system offering only 512kb of Internet bandwidth. The new connection will give us at least 2.5mb of bandwidth up to 3mb (dynamically allocated based upon phone use). This is a \$500 per month increase that will allow us to bring our e-mail list hosting in-house saving at least \$700 per month.

### **Campaigns and Candidates**

I have recently started a short-term consulting agreement with North Carolina's former executive director, Sean Haugh, to find and report all Libertarian candidates for public office.

Sean has been given the specific task of finding our candidates and reporting a specific set of metrics on each candidate that is then placed into the Candidate Tracker database (to be posted on LP.org).

When the project was handed over to Sean, we had roughly 134 candidates. As of today (13 days after Sean started his task), we have 556 known Libertarian candidates for office.

While Mr. Haugh still has a great deal of work to complete, he should be commended for his efforts in such a short period of time.

### **Finance and Fundraising**

#### Direct Mail

We've continued to keep fundraising costs down by developing most of our packages in-house, however due to time constraints we have gone back to an outside consultant for house letters. We have also begun donor reacquisition efforts and have a prospecting piece in the works.

Since the last LNC we have mailed one house letter and several "renewal" letters. Returns on the house letter will begin to flow in later this week.

#### Internet Fundraising

## **Appendix B. Headquarter's Report, Denver, CO, August 19, 2006**

We've had several runs with e-mail solicitations over the past month. We have sent one solicitation for ballot access which brought in roughly \$4,000 along with several targeted e-mails for donor reacquisition.

The targeted e-mails have been targeted for donors who have recently lapsed in support (no gift in 12 months) along with donors who are grossly lapsed (18 months all the way back to 1993). The e-mails were personalized with names and some with last donation amounts.

The returns have been positive with over 180 donors renewing their support in the first round. More e-mails will be sent this week.

### Pledge Program

Since March 2006, our monthly pledge revenue had remained stagnant at around \$27,000 per month. After the iPod promotion for the nation convention, our pledge revenue increased by \$28,105. In July we experienced a decline but this was simply due to the timing of the Pledge News drop which was delayed because of the convention efforts of the staff. July pledge income was \$27,208. August should be higher as July returns will be included in the August pledge income total.

Declination rates remain extremely low. The July declination rate was 7.63%. For comparison, the July 2005 declination rate was 39.31% (based on revenue of \$23,322). This is due to a regular clean-up schedule and an aggressive program to acquire declined credit card numbers.

In the past we have placed a strong focus on the pledge program but our goal is to now slowly build or at least maintain current pledge levels while acquiring new donors through prospecting or reacquisition.

### Prospecting

A survey-based prospecting piece is currently in the works to acquire new issue specific donors that will drop in September. Additionally, we are aggressively working on donor reacquisition for sustaining memberships. By the end of the month a donor reacquisition drop will be completed for 50k grossly lapsed donors.

### Finance

A/P is down to \$95,198. This includes \$18k owed for convention costs to EntCo. Now that finances have stabilized, we will focus heavily on long-overdue payables, specifically amounts owed to Warner Norcross & Judd.

Since the convention, we have secured two donations from PAC's and one major contribution. While continuing to focus on other fundraising efforts, I will be personally soliciting for funds from PAC's and tribal entities for the next several months.

Overall, income is on a decent upward trend while expenses remain in check but higher in the salary field due to the hiring of the director of communications.

## Appendix B. Headquarter's Report, Denver, CO, August 19, 2006

With changes in membership from zero-dues to now, sustaining membership, income trends will not be established for several months. However, I have no doubt that we will see an increase in income as each month progresses with August being the exception due to transitions in the "renewal" program.

### Convention Post Mortem

On the surface, the 2006 National Convention ran smoothly thanks in large part to the outstanding volunteers from the Oregon LP along with stellar efforts of the LPHQ staff, particularly Chris Thorman and Robert Kraus.

We sold 323 packages (114 Gold; 33 Silver; 32 Bronze; 120 Premium Delegates; and 24 Basic). Only 25 individual event items were sold on site.

At the closing banquet, \$17,646 was raised which was applied to convention costs, breaking tradition. We were also able to create or increase 43 pledges on site (I don't have the exact amount at this time).

The bottom line for this convention is that we took a loss of an estimated \$27,444. Income was \$138,639 and expenses were \$166,083. While we paid the hotel \$9,417 in attrition, of note for over-budget items are the A/V (\$3,656), speaker travel (\$6,591), staff travel (\$4,791 – note that this will be reduced as three staff member's travel should not be include), convention books (\$2,756), and EntCo (\$3,734).

While there are many areas that could have been improved upon that would have made this convention break-even financially, the biggest issue is that we spent \$39,724 on an event planner, the single largest expense. While the rough national average for event planning services is 15% of the cost, we paid 27% of the budgeted expense.

Additionally, our level of attrition and penalty, \$9,000, was significant being 5% of actual costs. In the future, this can be avoided by careful examination of past conventions and current donor levels for attendance correlations. Also, it would be helpful to stick to a plan (the room blocks for the Portland convention were originally based upon a longer convention).

Financial issues aside, there were many areas in which this convention could have been better managed. Staging, event organization, media coordination, vendor placement, are just a few areas. A longer list consisting of the following examples plus more will be kept off-line for future convention organizers and staff purposes (please note that I am a perfectionist that looks at every detail and could easily be called a "nitpicker" -- but at least I'm good at it):

- Staging was planned a day before the convention
- Signage for events was poorly executed (light markers in poor handwriting)
- The state signs were a good concept but untested leading to puddles of sand on the convention floor
- There was no seating assigned for the closing banquet
- VIP tables were created five minutes before the closing banquet began

## Appendix B. Headquarter's Report, Denver, CO, August 19, 2006

- Bad mushrooms were served at the Pledge Reception (unavoidable)
- There was no A/V plan throughout the weekend
- There was no doggone signage on the doggone podium for the doggone event that aired on C-Span (my biggest single massive nitpick)

Altogether, as I said earlier, the event appeared to run smoothly on the surface, however in my opinion it was a failure simply due to the financial bottom line.

In the future I would recommend that a convention committee be formed separately from the LNC. This would open revenue streams that could cover a greater portion of convention costs. Additionally, it would take the burden off of staff to manage an event (convention planner or not) when we should be coordinating efforts before a national election. Any losses or profits by a separate committee would be that entity's responsibility or benefit as well.

Also, making a recommendation far above my pay grade, I do not feel that a convention every two-years is a benefit to the organization. If anyone would like my thoughts on that matter, please let me know.

### Future Recommendations & Miscellaneous Items

One of the biggest issues that we will face in the near future is donor burn-out. If significant efforts do not begin to acquire new donors, the current donor base will not and cannot continue to carry the burden of funding this organization alone. I will do everything within my authority to get, make or find the funds and methods to acquire new donors.

Also, given the spirit of the current donor base to carry us alone for so long, we must be very aggressive in thanking them for their support and loyalty in various ways. I plan to work with our treasurer and others on developing incentives and premiums for our outstanding donor base.

I would appreciate your thoughts and, especially, any assistance that you can provide in finding, thanking and retaining new and current donors.

## *Director of Operation's Report*

by Robert Kraus

### Blackbaud – Data Dumps – Internal Customer Service

For my report, I would like to summarize some of the progress we've made from prior operational reports to bring the new board up to speed:

#### Blackbaud

Early this year we had successfully come to a resolution with Blackbaud based on some of the difficulties we encountered setting up NetSolutions and RE:Que. This resulted in several concessions in addition to what we already achieved last year (which was a

## **Appendix B. Headquarter's Report, Denver, CO, August 19, 2006**

package worth almost \$99,000 total including a \$25,000 credit for the remaining balance due on our initial software purchase). This concession included 2 additional 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 (which we are working on finalizing with Tim Koch, one of our FEC Consultants).

In terms of NetSolutions, we have decided to continue using this program in a limited way. The reason for this, is on line transactions through NetSolutions have a very high credit card processing fee of 5% vs. the 3.5% for transactions through our RE program and a slightly lower rate through Authorize.net (Blackbaud only interfaces directly through Ticketmaster-IATS). We had made this IATS/RE exclusivity a major issue last year during our negotiations with Blackbaud. This helped get our rate reduced for non internet transactions. We are hoping to work with Blackbaud on finding another vendor that will interface with NetSolutions, or to have them help us get our rate down with IATS for these transactions.

### **Customer Service and Data Dumps**

Early this year we finished restructuring the Data Dumps to account for the feedback we received from the state affiliates. 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 as per our policy manual and states received both the new format and old format Dumps for several months as needed.

All states are now currently using the new format data dumps without issue. We appear to have created an effective dump for the states that include everything they have wanted and we continue to receive many positive comments about the new format. We had delayed the dump for Aug while we waited for Blackbaud to return our data file with the NCOA updates, but did offer each state a preliminary dump if needed.

In terms of the "office environment" we continue to have staff meetings a couple times a week. With Shane's help we are implementing a more "professional" office environment now that we moved into our new suite. We continue to make an increased effort to make sure phones are answered, installed a time clock system to better track hours (for both management and hourly employees), as well as an on-line task management system. The attitude of staff continues to be mostly positive despite the many changes made and challenges ahead. Everyone also enjoyed talking with Nancy and Geoff Neale during their most recent visit to the new office, and we welcome and encourage other board members to visit us as well.

### **Financial**

During the first half of the year, we have continued to work to control and maintain our expenses and be conservative with our cash disbursements. Over the last year, we took major steps to cut costs and keep spending in check (resulting in cutting our benefit costs in half, which produced about \$25,000 in total savings per year) and earlier this year we continued to do the same after our move (such as changing the company which does our

## Appendix B. Headquarter's Report, Denver, CO, August 19, 2006

server and computer maintenance, which will save us about \$8000 a year). We are now working to evaluate how we can further reduce other expenses such as re-negotiating our office equipment leases or property insurance and assessing whether we need to reduce staff levels.

A/P: We have made terrific progress in reducing the A/P since the beginning of the year despite the fact our on hand cash situation remains tight and it's still a week to week struggle. From a high of \$159,000 we are now down to under \$95,000. If you take out convention related accounts payable, we are below \$77,000 -- our lowest A/P level since Aug 04. We will continue to make a concentrated effort to keep payables in check by increasing our outreach, pledges and direct solicitation efforts, to boost revenue in the near term.

A/R: Effective with the current issue if LP News, we will no longer be accepting external advertising (partly due to our on going reformatting of LP News, and partly because to comply with FEC regulations). This should effectively eliminate A/R by the end of the year. As of July, we have reduced our A/R from a high of \$7300 to just over \$4400. We have worked with the Chair and Treasurer to write off about \$1000 in uncollectible old A/R. In addition, we have increased our collection efforts on past due advertisers (which has already resulted in receiving over \$1000 in August).

### FEC Filing

We continue to use Paula Edwards to complete the FEC Filing Process on a monthly basis and handle our amendments. We send her both financial reports from Quickbooks and donor records off RE. We do an audit of the donor records to make sure the funds match what we have in Quickbooks, and then she sends us the completed FEC Report for the Treasurer to review prior to filing (in order for us to make sure the ending cash on the FEC report matches our ending cash based on bank reconciliation, bank statements and Quickbooks ending cash). We are proud to say in terms of our FEC cash, that we are 'spot on' (as Hell's Kitchen Chef Ramsay puts it).

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

*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.*

Over the past year, and summarized in the above, Paula has made a number of good recommendations which we have now taken action on including hiring Tim Koch from Koch and Hoos (our FEC Consultant from last year) to provide guidance as to how to set up our

## Appendix B. Headquarter's Report, Denver, CO, August 19, 2006

internal business rules, procedures and policies so that staff knows what is needed to remain FEC Compliant.

In addition, we are receiving help and advise from Tim and the Treasurer on setting up our chart of accounts (in QuickBooks for FY-2007 based on non-profit GAAP) and funds (for RE) to properly relate to the Platform, Bylaws and Policy Manual. This will allow us to create the operating and accounting procedures needed to support those business rules and improve our financial reporting to the board.

We are also reviewing how we calculate and report deferred revenue, depreciation and fixed assets.

Overall, we feel we continue to make positive improvements and are focused on solving problems, reducing costs, while creating a more professional working environment. In addition, we enjoy the more open communications with the new board, especially the Chair and Treasurer, and thank them for their continued guidance and direction.

### *Director of Communication's Report*

by Stephen Gordon

#### **Press Releases**

Since the last meeting of the LNC, the Libertarian Party has released four general press releases covering the following topics: the proposed ban on Internet gambling, the Ballot Base, a general overview of the LP convention, and one announcing the election of Bill Redpath as our new chair. Additionally, we've issued a series of releases which inform and specifically target local media about the election of one of their community members to the LNC.

The Internet gaming release has interested a small volunteer base to help with special distribution of the release. We know that the release was picked up by two industry wide publications (Casino City Times and [igamingbusiness.com](http://igamingbusiness.com)), so far. There have been a few minor inquiries from other organizations in the industry, so we may expect at least a few more articles or mentions on their websites or trade publications.

A reporter from *Wired Magazine* came down from NYC to spend a day in the office covering the Ballot Base and related issues. Considering the quality and amount of material provided, it's likely this will provide the basis for a decent article in their publication.

As members of this board are aware, we sent out individualized releases announcing your election to the LNC to your local media. We are aware of three articles (Chuck Moulton, Dr. Jim Lark, Steve Damerell) generated from this effort. Due to the size of publications we targeted, it is difficult to track how many articles were generated. As an example, we wouldn't have known about the Dr. Lark's coverage if he hadn't informed us of it. If you were covered by a local publication, please make a member of the national staff aware of it. A similar release was issued (by the Vermont LP?) locally for Hardy Machia, which received similar coverage.



### **Media coverage from the Libertarian National Convention**

We are currently aware of 15 articles (print or major online presence) covering the Libertarian National Convention. This includes local papers, as well as one *Reason* and one *Liberty* article. There was also an article at LewRockwell.com.

The *Liberty* article provided generally positive coverage of the convention (a welcome change, of late). *Reason's* article was reasonably balanced, providing both positives and negatives. The LewRockwell.com coverage displayed platform changes in a negative light.

C-Span covered the dinner speakers at the convention. This coverage aired last weekend and is available online.

There were three radio interviews covering the convention from a national perspective. Shane Cory was interviewed by Bob Barr (syndicated by RadioAmerica) on his radio program, Stephen Gordon was interviewed by Free Talk Live (now syndicated on 15 stations in addition to a major podcasting medium), and Bill Redpath was interviewed by Paul Malloy Show (WTAN) on the direction of the Libertarian Party.

Several documentary crews were on hand and conducted interviews during the convention.

There was excellent real-time blog coverage of the convention covered by ThirdPartyWatch. Joe Magyer of the Georgia LP provided some of the best objective convention reporting I've ever seen and he is to be congratulated for such an outstanding job. The larger blogs which provided some immediate coverage were Reason's Hit and Run, Hammer of Truth and LewRockwell.com.

We were at an immediate disadvantage with respect to spin control with respect to the platform changes at the convention as we could not reasonably publish much information until we had the final official version of the platform in our hands. Considering the complexity of the platform changes, we understood the difficulty of the platform committee and secretary in submitting a final report and spent a considerable amount of time communicating this in response to frequent requests from members of the media (as well as some party members). This situation seems to have been smoothed over successfully.

As we noted that a great deal of the negative responses to the platform changes contained general inaccuracies, we allowed them to go unchallenged until we had the final platform at our disposal. We then issued a release which reinforced the message that the general principles of the Libertarian Party hadn't changed, but it was clear that the general feeling from the convention delegates was for us to shift our general party emphasis toward effective political engagement. Following this release, most of the platform criticism dissipated. *Liberty* covered the situation in this manner:

"What should one read into the changes to the platform? Says LP executive director Shane Cory in a July 12 press release: "Consider it a move that we would love the federal government to make. We've reduced our own party bureaucracy to allow our candidates to express their own viewpoints while holding true to our statement of principles." That is a fair statement of what happened, and it probably accords with the reason many

delegates voted the way they did. However, it belies the extent to which LP leadership was taken off guard by the drastic change.

It may be a good sign for the LP; it may be that longtime party functionaries aren't accustomed to useful things happening quickly, because infighting so often prevents it, and that was the reason they seemed unprepared for this revolution in an off-year convention. On the other hand, the new platform seems anemic even by third-party or small-government standards. The party would do well to fill out the platform at the 2008 convention."

The LP has video footage of the entire convention in VHS format. We are looking for some mechanism to place this on the Internet which isn't cost and manpower prohibitive. We are also working on placing the video documentary of the history of the Libertarian Party on the Internet. In this case, lack of available manpower is the key reason this project hasn't been completed.

### **Other Media Coverage**

We placed Angela Keaton on an Orange County, CA Cox Communications television debate on the immigration issue. Her opponent was Jim Gilchrist of the Minutemen Project. We don't have a copy of this coverage, yet.

At the time of the preparation of this report, I just completed an extensive interview from a reporter from *National Journal* about the technological opportunities for third party candidates, so the outcome of this interview won't be available for this report.

A video production company has completed their second lengthy telephone interview with me over healthcare issues. They intend to fly a team to Washington for a follow-up interview. This is a well-funded documentary on socialized healthcare and other alternatives to solving the "healthcare crisis" which should be covered by some major media outlet early next year.

It should be noted that most of Libertarian Party coverage was from local candidates or related ballot access issues. This is to be expected as we move closer to Election Day. In order to capitalize on the media attention from a national party perspective, we are researching material for two specific releases. One release will be specifically about ballot access issues while the other will capitalize on media coverage of controversial national congressional races.

### **Distribution of Press Releases**

We are currently looking at several vendors who can distribute press releases and/or provide large, up-to-date contact listings for reporters. The product we are most interested in at the moment is PRNewswire's Media Atlas, however, it is cost prohibitive at this moment. While one of the more expensive products on the market, it also has one of the largest databases available and perhaps contains the most current updates. This product will greatly expand the amount of people who receive our releases. Additionally, we will be able to pull down a targeted list of reporters who tend to cover specific issues. During a demonstration, we were able to successfully query reporters who had covered

## Appendix B. Headquarter's Report, Denver, CO, August 19, 2006

issues with the key words "medical marijuana" and "second amendment" in recent articles. It offers a mechanism to separate between radio, print, television and Internet reporters.

Our goal is to be able to download their contact list and incorporate it into a new database we can create internally which we can use for more successful release distribution as well as targeted distribution.

The downside of this product is the price (\$2,000 for one seat for one year) and the limitation of how many names can be downloaded per individual query. If this product is to be used, it will probably require a few hundred man-hours of volunteer or intern time to download the pertinent data in order to populate our database.

UPDATE: We've just purchased the significantly less expensive industry standard *Yellow Book* so we can at least begin individualized contact with talk radio and television programs. This doesn't address targeted or mass distribution issues, however.

### Internet

A comparison of overall Internet traffic indicates a very marginal decrease from June to July.

June had 74,042 unique visitors, 153,705 site visits for a total of 1,086,970 pages viewed. This compares to July totals of 70,910, 153,373, and 1,100,736 respectively.

This seems to fit within reasonable seasonal variation. Both the Republicans and the Democrats (as reported by Alexa.com) are following the same general trend. On most days, we continue to lead gop.com and democrats.org for daily pageviews (per million).

### Outreach

As I indicated two LNC meetings ago, one of my goals is to become an active part of the social network of media personalities in the DC area. I've attended enough social functions in the DC area that I'm now receiving event invitations at a greatly increased rate and am now on a first name basis with an increased amount of DC-based reporters and editors.

Some immediate results already include: Nick Gillespie, editor of *Reason*, asked me for a lunch meeting with him and key LP staffers. I've established a good relationship with Wonkette's new editor. Outgoing Wonkette editor Ana Marie Cox is now the new Washington editor for *Time*, so I've got a contact there when we have something newsworthy enough to push to that publication. Contact with various Cato (and other DC-based think tank and non-profit) personalities is increasing, so we can expect more opportunities or tips as a result. I intend to set up a meeting with Cato analyst/Fox News journalist Radley Balko over the next few weeks.

My personal *Washington Times* contacts have moved on to other publications and I've not made any significant contact with the *Washington Post*, yet. Any introductions members

## Appendix B. Headquarter's Report, Denver, CO, August 19, 2006

of this body can provide would be helpful. I'm starting to work on my old contacts from national television programs.

From my experiences, it is important to establish positive and personal relationships with members of the media. While a long term project, this tends to increase both the quantity and quality of coverage. I'm bending over backwards for them, and they are starting to notice, as evidenced in this *Liberty* article:

"Mark Rand and I, the observers from Liberty, arrived on the morning of Saturday the first. I assumed that the parliamentary business of Thursday and Friday would be mostly uninteresting except to devotees of LP inside politics. LP Communications Director Stephen Gordon diplomatically confirmed this supposition.

Liberty's past experiences with the usually trivial task of getting credentialed were less than inspiring.\* I'm happy to say that this year was different. A call to Gordon's cell phone brought him hurrying by, breathing heavily and obviously doing the work of ten men, but still happy to help us out."

### LP News

We are in the process of developing a new format for the next edition of *LP News*. We are currently obtaining bids from printing companies (including Walton Press and Gannett) to determine if we can reduce publication costs and/or improve the paper brightness/weight without too much additional expense. The new logo and color scheme has been incorporated into the publication and some other layout changes will take place. We will no longer be accepting advertising in *LP News*. We will no longer be entertaining debate over internal philosophical nuances, as our intent is to insure that *LP News* is more externally focused.

A key goal of the new format will be to make the paper more outreach oriented. Our goal is that a typical non-LP member reading an edition of the paper will receive three impressions:

- 1) These people (the LP) think pretty much the same way I do.
- 2) Here's what these people are actually *doing* about the way I feel.
- 3) Here's what I can do to help them out.

Depending on the specific needs of the party at the moment, we can focus point three on sustaining membership, fundraising, volunteer activities or whatever else might be our greatest need(s) at the moment.

### Talk Radio

A key goal over the next several months will be to increase the amount of national Libertarian Party talk radio appearances. Toward this end, we've already crafted an introduction letter specifically tailored to talk radio hosts and their producers. Should we obtain a product like Media Atlas (outlined above), distribution of this letter will be significantly enhanced. With or without this product, we will be distributing the letter and following up with telephone calls to the respective producers.

Once this phase of contacting new media has been completed, we will be replicating this effort with a new target of television programming.

## Metrics

*Stephen Gordon table missing*

## *Policy Analyst' Report*

by Matthew Dailey

Since the June LNC meeting, I continued to perform my regular duties along with the administration of the Libertarian Leadership School. Sam New will be taking over the LLS administrative duties soon as a consultant.

With the addition of Stephen Gordon as Communications Director, we have shared the responsibility of writing for the LP blog. I continue to write press releases and articles for the website. In addition to providing content for the website, I added a few new sections to the website, a Call Talk Radio page and a Hot Issues page. The Call Talk Radio page is a resource for party members who wish to call talk radio shows and promote libertarian ideas. The Hot Issues page lists issues currently featured in the news, such as high gas prices and immigration, with our stance on that particular issue.

In the weeks leading up to the convention, I coordinated the travel arrangements for Gregory Nojeim. I sent out letters to all the speakers notifying them of their speaking times, time allotted, etc.

During the convention I manned a booth promoting the LLS and held an informational session that was low attended. This could very well be attributed to the platform debate occurring at the same time. During my downtime at the convention I took photos with my personal camera which were featured anonymously in LP News.

The third semester of LLS suffered a drop in attendance. I pushed back the start of the fourth semester to allow more time to promote the classes and find new instructors. I've been in contact with a radio producer who expressed interest in teaching the Media Communications class. Judging from my experience in previous semesters, I believe a better effort should be made to keep the students involved in their class, perhaps having regularly scheduled chat sessions. I will continue to experiment with different aspects of LLS to see which are successful.

## *Campaign Coordinator's Report*

by John Labeaume

## Appendix B. Headquarter's Report, Denver, CO, August 19, 2006

As National Campaign Coordinator for the Libertarian Party, it is my role to offer support and assistance to our Libertarian candidates for public office.

A key method by which I promote candidates, and help them claim credit for their activity, is via timely postings on of Libertarian candidate news from the campaign trail on LP.org. As more Libertarian candidates have stepped up the activity of their campaigns, I have been able to promote more candidates on LP.org. I intend to keep increasing the frequency of Libertarian campaign updates on the website.

I have worked with Libertarian candidates, encouraging those candidates to take steps to "claim credit" for their campaign activity. As a campaign's website is its "window to the world," I have been underscoring the importance of archiving campaign activity in a calendar page or an "Events" page on the campaign website. Every parade marched in, every county fair visited, every speech delivered to the city Chamber of Commerce can be recorded on such a page.

This is crucial in demonstrating to voters, volunteers and donors how much activity the campaign has engaged in. Active, professionally run Libertarian campaigns need to let the public, the media and voters know that they can not be ignored.

Of course, the more activity that a campaign can point to that it has engaged in, indicating how many voters have heard the candidate's message, will impress the reader. This will excite volunteers, drive donations and media coverage, and garner votes.

I have extended advice and assistance to candidates in the fields of media relations, campaign strategy, crafting campaign message and fundraising and donor relations.

In the field of media relations, in particular, I have advised candidates on which types of media to target that might be most receptive to third party candidates or the Libertarian message. This includes encouraging outreach to and cultivating a favorable relationship with the influential political reporters, columnists and editors in the primary print and electronic outlets in that candidate's constituency.

I have continued to work closely with Stewart Flood, building the plan and implementation of the LP Ballot Base project.

I have worked with state affiliates to obtain voter registration lists and coordinated with Stewart as to which lists can be entered into his system. Different lists come in different formats, which require different levels of work on Stewart's technical side. Eventually, we intend to have every affiliate integrated into this system. In the meantime, I have been working with Stewart to identify as many state files as are feasible which can be integrated during this election cycle.

I have been utilizing the information gleaned from the results of the Ballot Base's trial run in June's California 50<sup>th</sup> Congressional District special election. In addition to analyzing precinct level election returns to determine why our Libertarian candidate performed better in certain precincts than others, we are incorporating the input we received from callers who participated in the trial run about how to improve the caller end of the Ballot Base.

## **Appendix B. Headquarter's Report, Denver, CO, August 19, 2006**

This includes considering how to implement functions where a caller can indicate if a voter wants more information about our candidate, how to indicate if a voter says that they will be voting for another candidate or if they remain undecided, and any other information culled by callers from the voters that they contact that may be useful for GOTV operations in that specific election.

I have been working with incoming LP Chair and former LNC ballot access point man, Bill Redpath, on how to handle ballot access issues. Bill has been very helpful in conveying his deep knowledge of the "nut and bolts" of executing a ballot access drive on the ground, including budgeting, costs, logistics and recruitment of both volunteer and paid petitioners.

I am working with Bill to identify states with later filing deadlines, where drives to obtain ballot access for Libertarian candidates can still be achieved in this election cycle.

## CAMPUS ORGANIZING REPORT

Submitted to: Libertarian National Committee, Aug. 5, 2006

Submitted by: James W. Lark, III  
Representative, Region 5  
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 next LNC meeting should additional information become available.

- 1) I am still tweaking the campus organizing manual. Within the next week it should be properly tweaked and ready for distribution.
- 2) The process of building the new website for campus outreach was delayed in July, mostly due to my faculty duties and some unanticipated availability problems for the designer I had planned to engage. However, work is now proceeding, and a decent site should be active by the LNC meeting or shortly thereafter. My gut feeling is that it will take at least two months before the site has the functionality and content I seek.
- 3) I am now updating the LP's campus contact list on a frequent (albeit irregular) basis. I continue to receive responses to the "clean up" e-mail I sent in June.
- 4) My article about the efforts to upgrade the LP campus outreach program in the June 2006 issue of *LP News* generated a very good response. I shall endeavor to provide articles about the campus outreach program to *LP News* at least once a year.
- 5) I continue to investigate opportunities for LP representatives to appear at conferences, workshops, and other events that involve young people (especially political activists).
- 6) On Aug. 21 I am scheduled to begin my fourth semester of service as the professor of the Libertarian Leadership School course on campus organizing. So far the feedback I have received about the course from the students has been very positive. However, it should be noted that several students have been unable to complete the course. The stated reason in each case is that the student's personal situation changed (illness, change of work status, etc.), and that the student no longer had the time to invest in the course. I do not know whether the stated reasons are the actual reasons.
- 7) I am continuing to work with various state and local organizations to assist their efforts for campus outreach. For example, I shall fly to Tampa, Florida in mid October to help Libertarians in the greater Tampa area (especially Hillsborough County) to build groups at colleges and universities in the area.
- 8) I believe that the campus organizing workshop I conducted at the 2006 national convention was very successful. The attendance (14-15) was higher than I anticipated (given that the



**Appendix C. Dr. Jim Lark, Campus Organizing Report, Denver, CO, August 19-20, 2006**

workshop took place prior to the start of the convention), and the feedback received was very flattering and encouraging.

Branding Project Description

Submitted to: Libertarian National Committee, August 17, 2006

Submitted by: Jeremy Keil  
At-Large  
Libertarian National Committee

The following is a brief description of the branding project for the Libertarian National Committee.

**Purpose**

The purpose of the Branding Project is to discover, promote and manage the Libertarian Party brand. This is an ~~ongoing project~~ long term project.<sup>2</sup>

**Project Manager**

The manager for this project is Jeremy Keil, who currently serves as an at-large representative on the Libertarian National Committee.

**Objectives**

The main objectives of the project are as follows:

1. Conduct projects which lead to the discovery of the Libertarian Party's brand.
2. Promotion of the Libertarian Party brand internally and externally.
3. Management of the Libertarian Party brand to ensure consistent promotion of that brand.

**Personnel**

At this time, major activities for the project will be conducted by the project manager, other volunteers, and professionals whose services are purchased by the project manager. The project requires minimal assistance from staff currently.

**Funding**

During the 2006-2008 LNC term, most of the funding for the project is likely to be raised through the income received from projects which lead to the discovery and promotion of the Libertarian Party brand.

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<sup>2</sup> 'Ongoing project' changed to 'long term project' as accepted by the LNC.

## **CAMPUS ORGANIZING PROJECT DESCRIPTION**

Submitted to: Libertarian National Committee, August 17, 2006

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

The following is a brief description of the campus organizing project for the Libertarian National Committee.

### **Purpose**

The purpose of the campus organizing project is to facilitate outreach by the Libertarian Party and its state affiliates to high school and college students. Since it is likely that the Libertarian Party will engage in outreach to high school and college students henceforth, the project should be considered to be of perpetual duration.

### **Project Manager**

The manager for this project is James W. Lark, III, who currently serves as Region 5 representative on the Libertarian National Committee.

### **Objectives**

The main objectives of the project are as follows:

- 1) Assist in the recruiting of high school and college students to the Libertarian Party.
- 2) Assist with the development of Libertarian groups at high schools and colleges.
- 3) Where appropriate, develop outreach materials that appeal to young people in general, and to high school and college students in particular.
- 4) Assist to mobilize high school and college students to participate in Libertarian Party candidate campaigns.

### **Personnel**

At this time, major activities for the project will be conducted by the project manager, other volunteers, and professionals whose services are purchased by the project manager. At present, the project will not require any special assistance from LP staff members.

### **Funding**

During the 2006-2008 LNC term, most of the funding for the project is likely to be raised by the project manager through personal appeals to interested individuals, and by donations from the project manager. (The project manager has donated over \$5000 to this project so far this year.)

**Region 1 Report**  
**LNC Meeting August 19 – 20, 2006**  
**Submitted by Tony Ryan, Region Representative**

The new LNC Region 1 consists of eleven states (part of the old Region 1 and the entire former Region 5W) as submitted to the Secretary at the 2006 national convention. Two other states within the geographic area of Region 1 (Nebraska and North Dakota) were not represented at the convention and had no authorized persons to sign on to the newly formed region. Further, I have had no luck in my attempts to contact them thus far.

The latest information that I have been able to obtain and verify from each state follows (addendum A is the latest I can get on state chairs and web sites):

**Alaska**

Ed Hoch reports – “The group has been active mostly in Anchorage since that is the most populous part of the state. They have gone to protests, are running campaigns and meet once a week for discussion. The next executive committee meeting will be in Palmer at the State Fair where all of the officers plus many more will be manning the booth and raffling off stuff.”

Alaska also has an active campaign with Sara Chambers running for Juneau Assembly.

**Colorado**

Colorado, your host party for this meeting, has been actively planning a reception for the LNC on Saturday night to welcome you to Denver. Their party is, as always, very active and this year fielded more than a dozen candidates for state office – Dawn Walker is running for Governor, and several for county offices.

Ken Walters had launched an aggressive campaign for Arapahoe County Sheriff against the previously unopposed incumbent. However, Colorado's election laws were changed in 1999 - seemingly against a 1988 court decision to the contrary - that said a candidate was required to be a party member for at least one year before he/she could be nominated by that party as a candidate for office. Unfortunately, Ken Waters joined the party last December 17<sup>th</sup> and has been informed he will not be allowed on the ballot. It may be only coincidental, but it took 63 days for the Arapahoe County Clerk (R) to notify him he could not be on the ballot (after paying for lots of printed campaign material) running against the now again unopposed incumbent (R). The Secretary of State (R) at first sided with him, and then changed, blaming the turnaround on the Colorado Attorney General (R). At this point they have been advised by counsel there is little more they can do. Many thanks from all of us to Richard Winger for remembering and sending a copy of a lawsuit on the same issued filed – and won – by the Colorado Democrats in 1988.

**Iowa**

Iowa has not reported back to me.

**Illinois**

Great web site, guys! Illinois is having their state convention (“Sweet Land of Liberty”) September 15 – 17 this year in Abe Lincoln's home town – Springfield (the one in IL, not all those other copycat states). They have a ton of good events, great speakers and lots of useful training and information scheduled.

## Appendix F. Tony Ryan, Region 1 Report, Denver, CO, August 19-20, 2006

### Kansas

Another great web site! There is so much going on you have to go to the web site – just their list of active candidates looks like this:

#### Statewide Candidates:

Carl Kramer/Kalor Hebron	Kansas Governor/Lt. Governor
Patrick Wilbur	Kansas Commissioner of Insurance
Rob Hodgkinson	Kansas Secretary of State

#### Kansas Legislature:

Larry Monaghan	House District 2	Arcadia
Robert Garrard	House District 10	Edgerton
Michael Kerner	House District 17	Lenexa
Eric Mills	House District 18	Shawnee
Jasmin Talbert	House District 19	Overland Park
Robert J. McElwain	House District 21	Prairie Village
Jason Peck	House District 24	Overland Park
Yvonne Cunningham	House District 26	Olathe
Andrea Gava	House District 2	Overland Park
Mark Darby	House District 0	Lenexa
Gerald (Chip) January	House District 43	Gardner
Marcus Kirby	House District 46	Lawrence
Lorianne Koneczny	House District 48	Overland Park
Thomas Lessman	House District 53	Topeka
Mark Seele	House District 61	Belvue
Craig W. Kew	House District 63	Atchison
Gordon Bakken	House District 83	Wichita
John Hargrave	House District 85	Bel Aire
James Pruden	House District 86	Wichita
David Moffett	House District 88	Wichita
Ryan Dancoss	House District 92	Wichita
Ben Ferguson	House District 104	Hutchinson
Beth Weber	House District 106	Hanover
Jack Warner	House District 119	Wright
Dannis Robison	House District 121	St. Peter

WOW! Do I sound like a cheerleader, yet? Maybe I'll come to the meeting with pom-poms!

### Minnesota

Yet another great web site! These folks are busy, busy, busy. They have their new '76 Club (a great way to raise money and membership), MeetUps, a booth at the state fair (August 24 thru September 4) and have listed two candidates for office: Charles Aldrich for U.S. Senate and Brooklyn Park City Council member Mary O'Connor for Hennepin County Commissioner (love those local office holders!).

### Montana

No new word from Montana. Their web site is a few years out of date....

### Missouri

Another busy state with a great, informative web site – and home of Sec'y. Bob S.! Lots to brag about: Their activists helped defeat a smoking ban in St. Louis (see Chair Darla Maloney's write-up

## **Appendix F. Tony Ryan, Region 1 Report, Denver, CO, August 19-20, 2006**

enclosed as Addendum B!); they helped the city of Sunset Hill oust their entire entourage of incumbents after multiple Eminent Domain abuses; and MO Libertarian Mike Bozarth was elected to the St. Joseph City Council! And, they are fielding two more candidates – Charles Baum for State Auditor and Frank Gilmour for U.S. Senate.

### **Nebraska**

As of this writing, there are no reports or confirmations from Nebraska.

### **North Dakota**

As of this writing, there are no reports or confirmations from North Dakota. Their web site can't be reached.

### **South Dakota**

South Dakota is working to build the party. At the June annual convention Andre Ager was re-elected State Chair, Tony Ryan was elected Vice Chair and Nathan Barton was retained as Secretary/Treasurer.

Several party members were nominated to run for public office as follows: Tom Gerber for Governor; BetteRose Ryan for Lt. Governor; Larry Rudebusch is running for Congress and Ken Iverson is also a candidate for state office.

### **Wisconsin**

Another state with a great web site – and already updated with info on new officers as of the July 22 convention! State Chair Dave Redick is up and running even though his position isn't official until August 10<sup>th</sup>. Here is what he says:

Here is the latest on WI:

1. We will have a booth at the State Fair Aug. 3-8 and hope to recruit a lot of new members, and spread the Libertarian word.
2. Plans are being developed to improve our success in gaining awareness, respect, and adoption of Libertarian principles by both our citizens and legislators. There will be greater emphasis on recruiting quality candidates at all levels, and promotion of our cause via print news and Internet op-ed articles, presentations to groups, and media interviews.

I will keep you informed as our new programs develop.

Wisconsin also has several active candidates: Roy Lendecker for Governor; Tim Peterson for State Treasurer; and Ken Ebsen for State Assessor.

### **Wyoming**

To date I have had no direct response from Wyoming. The web site seems a little dated.

To those who believe the Libertarian Party is nothing more than a “debate society” which has accomplished little or nothing in the past 35 years, I say, “THPHHFFFTTT!”

## Appendix F. Tony Ryan, Region 1 Report, Denver, CO, August 19-20, 2006

The following states need to update regional representative/alternate information on their web sites and/or their information on lp.org: AK; CO; IA; IL; MO; MT; SD.

### (Region 1) ADDENDUM A

#### LNC REGION 1 LIST

<b>Region 1 Rep:</b> Tony Ryan	<a href="mailto:brhtr@aol.com">brhtr@aol.com</a>	605-336-2985 (H) 605-521-8460 (C)
<b>Region 1 Alternate:</b> Julie Fox	<a href="mailto:jfox1214@sbcglobal.net">jfox1214@sbcglobal.net</a>	262-697-1874 (H)
Alaska Chair: Jason Dowell <a href="http://www.lpalaska.org">www.lpalaska.org</a>	<a href="mailto:Jason.dowell@gmail.com">Jason.dowell@gmail.com</a>	907-561-2914
Colorado Chair: Travis Nicks <a href="http://www.lpcolorado.org">www.lpcolorado.org</a>	<a href="mailto:statechair@lpcolorado.org">statechair@lpcolorado.org</a>	720-989-7454
Iowa Chair: Kevin Litten <a href="http://www.lpia.org">www.lpia.org</a>	<a href="mailto:k.litten@www.mebbs.com">k.litten@www.mebbs.com</a>	
Illinois Chair: Val Vetter <a href="http://www.illp.org">www.illp.org</a>	<a href="mailto:chair@lpillinois.org">chair@lpillinois.org</a>	847-712-4746(C)
Ex. Dir: Jan Stover	<a href="mailto:director@lpillinois.org">director@lpillinois.org</a>	618-664-4760(H) 800-735-1776 (LPIL)
Kansas Chair: Rob Hodgkinson <a href="http://www.lpks.org">www.lpks.org</a>	<a href="mailto:rob.hodgkinson@lpks.org">rob.hodgkinson@lpks.org</a>	913-851-4863
Minnesota Chair: Lee Brennise <a href="http://www.lpmn.org">www.lpmn.org</a>	<a href="mailto:leebrennise@lpmn.org">leebrennise@lpmn.org</a>	612-685-3342
Missouri Chair: Darla Maloney <a href="http://www.lpmo.org">www.lpmo.org</a>	<a href="mailto:LPDarla4Freedom@charter.net">LPDarla4Freedom@charter.net</a>	636-328-5391
Ex. Dir: Greg Tlapek	<a href="mailto:gtlapek@aol.com">gtlapek@aol.com</a>	877 Vote4us (868-3487)
Montana Chair: Mike Fellows <a href="http://www.mtlp.org">www.mtlp.org</a>	<a href="mailto:Mcfdos@aol.com">Mcfdos@aol.com</a>	406-721-9020
*Nebraska Chair: Dr. Tim Munson <a href="http://www.lpne.org">www.lpne.org</a>	<a href="mailto:chair@lpne.org">chair@lpne.org</a> (verifying)	
*North Dakota Chair: Web site not working <a href="http://www.ndlp.org">www.ndlp.org</a>		
South Dakota Chair: Andre Ager <a href="http://www.angelfire.com/sd2/libertarian/index.html">www.angelfire.com/sd2/libertarian/index.html</a>	<a href="mailto:Andre@blackhills.com">Andre@blackhills.com</a>	605-641-2256
Wisconsin Chair: Dave Redick <a href="http://www.lpwi.org">www.lpwi.org</a>	<a href="mailto:chair@lpwi.org">chair@lpwi.org</a>	608-469-8922

Wyoming Chair: Michael Gonsior  
[www.wyolp.org](http://www.wyolp.org)

[mgonsior@bresnan.net](mailto:mgonsior@bresnan.net) 307-587-1209

## **(Region 1) ADDENDUM B**

### **Libertarians Help Bring Down St. Louis Smoking Ban (Again)**

**By Darla Malony**

I'm pleased to report that Libertarian Party activists played an important role in successfully putting pressure on the St. Louis County Council to abandon efforts to impose a smoking ban. Last week, Councilman Odenwald (R) introduced his second attempt in as many years to ban smoking in all privately owned businesses. This time, he exempted only casinos.

Over the weekend, local LP activists worked to get a strong turnout of restaurant and bar owners to the County Council meeting. Working with other issue advocates in the area, we made phone calls and spent an evening of bar hopping and distributing pamphlets.

Our efforts paid off. At the Council meeting, small-business owners who opposed the ban outnumbered the anti-smoking activists. In addition to the business owners, economist Michael Pakko and I each had an opportunity to address the Council: Dr. Pakko spoke about property rights and economic efficiency, suggesting that a signage ordinance might be a more efficient approach than a ban. Several bar owners made similar suggestions. I used the opportunity to discuss the political consequences of voting for a smoking ban. I compared the issue to eminent domain and related it to the recent ousting of incumbents in Ballwin (smoking ban) and Sunset Hills (eminent domain). Also attending the meeting were Libertarians Eric Harris and Dr. Christopher Graviss.

Before and after the meeting, our members were recognized as being influential participants in the political process. We were approached by both business-owners and political operatives who acknowledged our influence on the debate.

In the end, the smoking ban proposal went down in a surprising turn of events. Odenwald had indicated that he would be introducing a substitute bill that would include bars, restaurants AND casinos. Since the substitute bill would not be voted on until next week, most people had gone home already. Odenwald made his substitution, but then Councilman O'Meara (D) stepped in to introduce Substitute #2, which had been circulated prior to the meeting by Councilman Campisi (R). Substitute #2 proposed that owners of bars, restaurants and casinos be required to post signs designating their smoking policies.

Substitute #2 passed in a 4-3 vote. The smoking ban is off the table. The new ordinance, to be debated over the next two weeks, will allow business owners to set their own smoking policies, requiring only that they make those policies clear to the public.

This is an important local victory for liberty, and it demonstrates again that a strategy of working with grassroots organizations on local issues pays off in terms of both political recognition and effectiveness.



**Appendix G. M Carling, Region 2 Report, Denver, CO, August 19-20, 2006**

Dear Colleagues,

First, please accept my apologies for the tardiness of this report. We just finished the candidate recruitment phase of Operation Breakthrough in California, which has been consuming about 80 hours per week of my time for the last six weeks. I was hoping that Aaron Starr would prepare this report, but he's been busy too and his computer has been down for the last week.

A few weeks ago, I did ask the Chairs of Idaho, Oregon, and Washington whether they had anything to report to the LNC. I have not received a response from Idaho or Washington. Oregon reported that they held a nominating convention on the 5th of August. They nominated several candidates for statewide office and took positions on several ballot measures.

The main news from California is that we're conducting Operation Breakthrough again for the first time since 2002. We identified nearly 800 lower-level races in which there was a chance that a Libertarian candidate could win just by filing. We sent more than 25,000 pieces of mail and made more than 10,000 phone calls. It'll be a few weeks before we know how many candidates we have and how many have already won due to uncontested races. Of course, we won't know how many elected Libertarians we'll have from the effort until after the November election. The good news is that our donors love the focus on winnable races and we've raised far more money than we've spent on the project.

M Carling  
Vice Chair, LPNY  
Chair, LNCC

Help elect Libertarians running in winnable state legislative races.

<http://www.lncc.org/donate/pledge/>



**Appendix I. Region 4 Report, Denver, CO, August 19-20, 2006**

Report from LPNC:

The bill recently passed by the NC Legislature, HB88 lowers our "retention" requirement from 10% of the vote for governor or president down to 2%, but does not lower the petitioning requirement for getting on the ballot, and adds filing fees for candidates. Thus the barrier for getting on the ballot for a would-be "new party" (as we are classified), is higher than it has ever been for us. But we've gotten over 4% in a previous governor's race and have regularly gotten nearly 2%, so the retention goal is achievable. We already have one announced candidate for governor, Michael Munger, Chair of the Political Science Dept. at Duke University.

Meanwhile local ballot access efforts are at an all-time high. With only a little outside help this cycle, we've gotten over 39,000 signatures of the 69,265 requirement. While local efforts by a "new party" in NC have never been adequate to achieve the current petitioning requirement, this is the largest "local" (in-state) contribution ever by any NC "new party" to my knowledge.

Of course we'd like to have some resources left over for campaigning.

But there is an unprecedented opportunity brewing for the LNC. At an all time low cost, an LNC investment in LPNC's ballot access petitioning would likely serve not only to put LPNC on the ballot for the 2008 election, but would likely serve to allow us to stay on through 2012. That's a low, low two-(national presidential campaigns)-for-one bargain we hope the LNC will not turn down.

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Report from LPA:

Here in Alabama, we have three active partisan candidates, and one active non-partisan candidate who received our party's endorsement (although naturally not a "nomination" in the non-partisan city race). Our partisan candidates are listed below:

Dick Coffee

US House, AL District 1

Write-in candidate

-Dick Coffee is out shaking hands and spreading the Libertarian message in Alabama's US House district 1. He is running a active write-in candidacy.

Dick Clark

AL House District 79

Partisan ballot access (L)

CitizenClark.com

-Dick Clark is running an active campaign that includes fundraising, newspaper interviews, LTEs, as well as television and radio interviews. A local religious organization of some prominence in Auburn will be hosting a debate later in the campaign season, and Clark has been invited. One local FM radio station manager has offered Clark free advertising production time and perhaps even some complimentary airtime.

Loretta Nall

Governor

Write-in candidate

NallForGovernor.com

-Loretta Nall is running an active write-in campaign with regular press releases, newsletters, and event participation. She has also participated in television, radio, and newspaper interviews.

Non-partisan endorsee:

**Appendix I. Region 4 Report, Denver, CO, August 19-20, 2006**

William McLaurine  
Mayor, Auburn  
Qualified non-partisan candidate  
WilliamForMayor.com

-William McLaurine is running as the sole opponent of Auburn's long-time mayor Bill Ham. McLaurine, who holds degrees in both civil and mechanical engineering, is running on the promise of a more responsive, transparent city government. He is also promoting his policy which he calls "government by endowment" through which he hopes to totally privatize the local economic development board and other city bureaucracies through lobbying local entrepreneurs for money with which to create private endowments that would replace tax funding of such offices. McLaurine has participated in radio and newspaper interviews, and recently made a wonderful showing at the local League of Women Voters candidate forum.

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No reports yet from MS, SC, FL, TN, or GA

Mark Bodenhausen  
LNC Region 4 Rep

## **REGION 5 REPORT**

Submitted to: Libertarian National Committee, August 5, 2006

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

The following report will provide information concerning activities of the Libertarian Party state affiliates in Region 5 since the LNC meeting of June 30, 2006. I shall provide an updated report at the LNC meeting should additional information become available.

As a personal note, allow me to express my gratitude and appreciation on receiving the "Most Valuable Player" award for the 2004-2006 LNC term. Thanks to LP Secretary Bob Sullentrup (and my LNC colleagues during the 2004-2006 term) for this award. I was greatly honored to receive the award, of which I shall always strive to be worthy. Congratulations also to Adm. Michael Colley for his "Rookie of the Year" award for the 2004-2006 term.

### **Delaware**

George Jurgensen (georgej@snip.net), LPD chairman, informed me that the Libertarian Party of Delaware has commenced a project called the Delaware Movement for Medical Rights, which will target legislation allowing medical marijuana in Delaware. He indicated that the effort is bringing together a good coalition of activists, and that the organization has prepared draft legislation. Bill Morris is the LPD candidate for the US Senate.

The LPD state board meets on the fourth Saturday of each month. The LP New Castle County meets on the third Sunday of each month. The LP Kent County meets on the third Tuesday of each month. The LP Sussex County meets on the third Saturday of each month.

### **District of Columbia**

As of this moment, I have not received a report from LP DC chair Shannon McMenamain (shannmc@yahoo.com).

### **Maryland**

As of this moment, I haven't received a report from LP Maryland chair David Sten (Chair@md.lp.org). Kevin Zeese is the LPMD candidate for the US Senate; Mr. Zeese is also the candidate of the Green Party and the Populist Party as part of his "Unity Campaign."

## **Pennsylvania**

LP Pennsylvania chairman (and LP vice chairman) Chuck Moulton (chuck@moulton.org) provided the following report in response to my request for information:

Pennsylvania is in a state of extreme flux that will not be resolved by your August 2 state report deadline but likely will be resolved by the LNC meeting. Any report I give now will be hopelessly out of date by then. Following is my best attempt.

Our signature deadline is August 1 (today). Many of our candidates are so close to the minimums that even providing a list of candidates now would be speculating. Independent Russ Diamond will not make it on the ballot. The Green Party candidates will make the ballot (due to extensive help from Santorum). There is a pending 3rd Circuit ballot access case which could have a ruling handed down at any moment. If we lose, we are immediately appealing to the U.S. Supreme Court. We are poised to either have zero statewide candidates (certainly losing minor party status) or a superstar statewide candidate (along with an end to all future ballot access troubles). Stay tuned.

## **Virginia**

The State Central Committee of the LPVa met in Richmond on July 8. The major item of business involved setting LPVa dues at \$25, with dues set at \$5 for current students.

Currently there are two LPVa campaigns for office: Bill Wood ([www.woodforcongress.com](http://www.woodforcongress.com)) is running for Congress in the Tenth District, and Arin Sime ([www.arinsime.com](http://www.arinsime.com)) is running for the State Senate in the 24<sup>th</sup> District in 2007. Mr. Wood was recently invited to participate in at least two debates with the long-term Republican incumbent (Frank Wolf) and the Democrat candidate. He recently sent a fundraising letter to the LPVa, and unveiled a new and improved campaign website.

Mr. Sime's campaign has been going extremely well. (In the interest of full disclosure, please note that I am the finance director of the Sime for State Senate campaign, and I serve as part of his three-person "kitchen cabinet.") It is likely that he will face Emmett Hanger in the November 2007 election. Mr. Hanger is the incumbent Republican who is considered a "RINO" ("Republican in Name Only"). There is some question as to whether Mr. Hanger will face a primary challenge; the sentiment at this time is that he will not. There is considerable question as to whether there will be a Democrat in the race, as the district leans conservative Republican. If Mr. Sime faces Senator Hanger and there is no Democrat in the race, I believe he (Mr. Sime) will have a nontrivial chance to win the election.

## **West Virginia**

**Appendix J. Dr. James Lark,, Region 5 Report , Denver, CO, August 19-20, 2006**

While the Libertarian Party of West Virginia is not a member of Region 5, I shall take the responsibility of providing information about the party to the LNC. LPWV members are welcome to contact me whenever I can be of service to them concerning the LNC. I have not received any information about Libertarian activities in West Virginia during the past two months.





## Appendix L. Hardy Machia, Region 7 Report, Denver, CO, August 19-20, 2006

### Region 7

I have not heard from state chairs in my region after trying multiple times of requesting a report. I'm including Vermont's report, and I'll give an overview based on the websites of the other states.

Vermont: Reached our fund initial 10/10/10 fund raising goal of \$10k for seed money for our candidates. We have seven candidates running serious races for State House. Six of the candidates are running fusion (L/R or L/D). We also have a few candidates running in county wide races. We declined to nominate anyone for state wide races because we are focusing our resources on our State House candidates. <http://www.vt1p.org>

The Supreme Court of the US sided with the Vermont LP and threw out all the contribution and expenditure levels for candidates and political parties. Vermont's Attorney General is trying to revive old laws to limit donations to candidates to \$1k per election and is saying the SCOTUS did not throw out the contribution limit to political parties so it is still \$2k. The ACLU lawyers who represented the VTLP disagree with the AG's interpretation. One donor recently exceeded the \$2k limit by an additional \$2. Another member is at the limit, and third person close to it. We are discussing what to do next.

Connecticut: Their website is in poor shape. I heard from a member who is helping their sole candidate for US Representative in western CT.

Massachusetts: State convention on September 23. Their website is in poor shape.

New Hampshire: They have six candidates listed on their website. Their state convention is October 28. Their website is in good shape.

New Jersey: They have five candidates listed on their website. Their website is in good shape.

New York: They have 18 candidates listed on their website. Their petitioning ends this weekend to put their candidates on the ballot. Their website is in good shape.

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Hardy Machia

\* Common Sense Solutions for a Free Vermont