

LNC Meeting

Washington, DC
April 21, 2001

DRAFT

Present: Jim Lark, Chair
Dan Fylstra, Vice-Chair (joined the meeting during Check of Paperwork)
Steve Givot, Secretary
Ken Bisson (IN), At Large Representative
Lorenzo Gaztanaga (MD), At Large Representative (joined meeting during Setting of Agenda)
Elias Israel (MA), At Large Representative
Lois Kaneshiki (PA), At Large Representative
Ed Hoch (AK), Region 1 Representative
Mike Dixon (IL), Region 1 Representative
Joe Dehn (CA), Region 2 Representative
Scott Lieberman (CA), Region 2 Representative
Ben Scherrey (GA), Region 4 Alternate
Richard Schwarz (PA), Region 5 Representative
Dan Karlan (NJ), Region 6 Alternate
Deryl Martin (TN) - Region 7 Representative

Also present: Carl Milsted, Jr. (VA) - Region 5 Alternate
Mary Ruwart (TX) - Region 7 Alternate

Absent: Jim Turney, At Large Representative
Jim Dexter (UT), Region 1 Alternate
Mark Nelson (IA), Region 1 Alternate
Dan Wisnosky (NV), Region 2 Alternate
Tim Hagan (NV), Region 2 Alternate
Sara Chambers (IN), Region 3 Representative
Barbara Goushaw (MI), Region 3 Alternate
Michael "MG" Gilson de Lemos (FL), Region 4 Representative

Vacant: Treasurer
Region 6 Representative

Staff: Steve Dasbach, National Director
Ron Crickenberger, Political Director

Lark called the meeting to order at 9:02 AM EDT.

Item: Credentials

Givot reported that there are currently two vacancies on the committee: LNC Treasurer and Region 6 Representative.

Item: Check of Paperwork

Dasbach reviewed the paperwork in each member's notebook.

Item: Setting of Agenda

Lieberman moved to add an Executive Session item to discuss the situation in AZ immediately prior to lunch.

There was no objection.

Israel moved that an item be added before the discussion of strategic planning to discuss proposed litigation relating to the FEC.

Givot seconded.

Israel said that it is important that this be considered in a timely manner.

Kaneshiki said that she does not want it to be discussed at this meeting because the agenda is already full. She said that she also does not want this to be delegated to the Executive Committee.

Givot said that he does want it discussed today because -- like Kaneshiki -- he does not want this delegated to the Executive Committee, that he does not feel this matter should be determined by a mail ballot vote, and that he feels it should not be delayed.

Dehn said that he does not want this discussed today. He said that the Executive Committee and the LNC have already spent a lot of time on this in the past when action supposedly had to be taken immediately, but the plans kept changing. He said that there has not been adequate opportunity to obtain independent, outside opinions on the merits of the lawsuit. He said that the associated documents were distributed as confidential which makes it difficult to get such input.

Gaztanaga suggested that this might best be dealt with at the August 2001 LNC meeting.

Ruwart said that LNC-SPT is currently considering a policy about use of the mailing list. She said that agreeing to a long-term use prior to completion of LNC-SPT's work could be a mistake.

Fylstra said that he favors consideration of this matter at the present time because overturning even part of the FECA would be a success fundamental to our mission.

The item was added to agenda on a voice vote.

Chair's Report

Lark thanked the members of the LNC for traveling to DC for this meeting.

Lark thanked Tuniewicz and Lindell for their service to Party.

Lark congratulated Kaneshiki on her recent election as LPPA chair.

Lark thanked all LNC-SPT participants, LNC-SPT facilitator Givot, and staff for their work on strategic planning.

Lark thanked Dasbach, Dehn, Tuniewicz, and Winter for their work on the Annual Report section in LP News.

Lark said that he has met with Dasbach to conduct a performance evaluation. He said that Martin has volunteered to design a more formal evaluation process for the National Director in future years.

Item: Appointment of LNC Treasurer

Kaneshiki moved adoption of the following resolution:

Whereas the LNC has received notice of the resignation of the Libertarian Party National Treasurer under what can at best be described as unusual circumstances and with certain indications that significant communication and/or organizational problems may exist,

Whereas a quick action without the ability to fully define the circumstances leading up to the resignation may be perceived as an attempt to avoid dealing with a possible systemic problem,

Whereas since the LNC has previously exempted itself from any personal liability via Article V Section 3 of the LNC policy manual, it would not be prudent to avoid an investigation of all the possible ramifications of this matter,

Whereas no urgency exists to accept the Treasurer's resignation since the staff assistant treasurer has already signed and submitted the most recent (April 15) official report from the LNC, as he has done for all the prior reports since his appointment in September 1998, and the next report is not due until July 15th,

Whereas the members of the LNC should have some time to determine from their constituents whether there are credible candidates wishing to be considered for nomination for this position,

Whereas, a majority of the membership of the National Committee constitutes a quorum for the transaction of business at all meetings, and such a majority will be meeting as part of the Strategic Planning Process in May and June,

Whereas, an inadequate or hasty solution to this possible problem may expose the party to formal complaints from individuals both within and without the party,

Therefore, be it resolved that the LNC direct the Chair to create an ad hoc committee for the purpose of investigating the circumstances leading up to the current situation and report on its findings,

Be it further resolved that the Committee be formed under the following guidelines:

1. The Committee to consist of an odd number of members,
2. The Committee to report its findings to the chair within 30 days,
3. The chair to determine whether the report shall then be presented to the LNC in open or executive session after which a permanent replacement to the Treasurer may be selected by the LNC.

Be it further resolved that in the interim, the LNC designate an assistant treasurer to replace the current assistant treasurer and provide information and analysis to aid the ad hoc committee.

Gaztanaga seconded.

Kaneshiki said that the LNC has not yet accepted the resignation of the Treasurer. She said that she believes that, therefore, Tuniewicz is still the Treasurer.

Kaneshiki said that she is concerned that the LNC has not heard "the whole story." She said that there has been no formal statement as to the reasons for his resignation. She said that this is a serious matter which should not be taken lightly. She said that it does not make sense that Tuniewicz has resigned. She said that it makes no sense to her to appoint another Treasurer until the LNC determines why Tuniewicz resigned.

Karlan said that Tuniewicz's resignation from the party makes him ineligible for continued service under LP ByLaws.

Fylstra asked Kaneshiki if she had discussed her proposal with Tuniewicz and with Martin.

Kaneshiki said that she had discussed this with Tuniewicz but not with Martin.

Israel said that -- while he would also like to know what was behind Tuniewicz's resignation -- this should not prevent the LNC from moving forward.

Dixon said that the business of the party is best served by moving forward and not holding the appointment of a new Treasurer hostage to any desire to find out more about why Tuniewicz resigned.

Lark said that his communications with Tuniewicz indicated that Tuniewicz believes the position of Treasurer should be filled at this meeting.

Karlan suggested that choosing a replacement for Tuniewicz does not foreclose looking further into the reasons for Tuniewicz's resignation.

The resolution failed on a voice vote. Martin abstained.

Israel moved to appoint Deryl Martin as Treasurer.

Givot seconded.

Fylstra said that he wanted to acknowledge that he had received a communication from George Phillies expressing an interest in serving as Treasurer.

Martin said that he considered running for LNC Treasurer at the 1998 national convention. He said that -- after conferring with others at that time -- he learned that Tuniewicz was widely respected and he supported

Tuniewicz's efforts to win election as Treasurer. He said that, as a result, he did not run for LNC Treasurer at that time.

Martin said that Tuniewicz and he have kept in touch and that Tuniewicz and he have discussed his activities as Treasurer during the past three years. He said, as a result of those discussions, he is familiar with many of the responsibilities and issues which the Treasurer faces.

Gaztanaga said that Tuniewicz's strong expression of support for Martin as his successor has convinced him that Martin will do an excellent job.

Dehn expressed concern that the form of the motion does not facilitate the past practice of conducting an election among nominees.

Israel -- with the permission of the body -- changed the form of his motion to nominate Deryl Martin.

Fylstra nominated Phillies.

Gaztanaga seconded.

Martin was elected by a paper ballot vote of 14 to 1. (Martin did not vote on this matter.)

Item: Review of LNC Minutes

Givot indicated that technical problems resulted in numerous typographical errors in the draft minutes. He said that many of them have been corrected subsequent to distribution of draft minutes to the LNC prior to this meeting. He said that typographical errors which are subsequently found will be corrected without further LNC action.

The minutes were approved by a voice vote.

Item: Treasurer's Report

Martin said that he only had a few days to prepare his report.

Martin said that there are two problems that he would like to address: liquidity issues and revenue shortfall issues.

Martin said that liquidity issues can be viewed as an internal management problem.

Martin said that revenue shortfall issues are "systemic." He said that the revenue shortfalls look bad, but they are not as bad as they might seem because expenses are -- to some extent -- scalable.

Martin said that March revenues -- at \$153,000 -- were not good.

Martin said that one of his near-term objectives is to have monthly revenue and expense budgets developed by the August 2001 LNC meeting.

Martin said that there is one major accounts payable item that is more than 30 days old in the amount of \$22,000. He proposed that instead of purchasing \$25,000 in certificates of deposit in April, May, and June, that the schedule for purchasing certificates of deposit be deferred by one month to call for purchases in May, June, and July.

Martin moved that the last three purchases of \$25,000 certificates of deposit be postponed by one month so that they will be purchased in May, June, and July.

Fylstra seconded.

Fylstra said that it is a sound thing to do and that it recognizes "reality." He said this is also a prudent thing to do.

Lieberman asked what the terms of the certificates of deposit are.

Dasbach said that these are currently one month certificates of deposit, but that over time, when the Reserve Fund is fully funded, the terms will be staggered.

The motion passed on a voice vote.

Dehn asked Martin what would be the next thing to do if revenue continues to be below budget.

Martin said that he would be talking to Dasbach about various revenue sources. He said that he will continue to work on the LP's bequest program.

Martin said that several possible explanations may exist for the revenue shortfall. He said that one may be general economic conditions. He said that he does not believe that this is the primary problem. He said that differences of opinion between what some members would like the party to do and what the party is doing might also affect revenues. He said that he would be looking into this in the coming months.

Kaneshiki said that the drop of about 1,000 members in March probably accounted for \$25,000 of the shortfall.

Fylstra cautioned the committee not to spend too much time trying to assign blame or responsibility for revenues shortfalls. He said that what we need to do is make sure that we have projects underway or planned which will stimulate people to contribute.

Milsted said that some of the membership buildup in recent years was done by Project Archimedes. He said that the disappointing presidential results may have been discouraging to many of these people leading them not to renew their membership.

Martin concurred with Fylstra's assessment that we need to develop reasons for members to give at the present time.

Givot suggested that in the development of monthly budgets, that consideration be given to the distribution of membership renewal dates and to what portion of those renewals are first-time renewals which experience a higher than typical non-renewal rate.

Discussion of LP Program:

Gaztanaga said that there is not yet a draft of the LP Program. He said that MG, Chambers, and he are the current members of the Program Committee.

Gaztanaga said that his goal is a short document which is a springboard for candidates. He said that he would like to wait until LNC-SPT has completed its work before drafting a new LP Program.

Item: Proposed Change to UMP Agreement

Dixon said that one of the underlying reasons for reviewing the UMP payment schedule is that expansion of party membership has created economies of scale which have resulted in a positive net financial result to the national party.

Dixon said that many of the affiliates in his region are small. He said that the incremental revenues that would go to affiliate parties under his UMP proposal would be very meaningful in enabling affiliate parties to rise to the next level of professionalism.

Dixon discussed some issues with in the data presented in his report. He said that he strongly believes that action of this sort need not wait until LNC-SPT reports its recommendations. He suggested that a possible dues increase to \$29 per year might be considered as well to offset some of the net costs to the Party.

Karlan asked how this relates to recent comments by Nick Dunbar about the administrative costs and difficulties involved in implementing such a change.

Dixon said that the proposal will do nothing to change the basis for making UMP payments, but only the amount of the base level payment.

Givot said that LNC-SPT has before it several UMP-related proposals. He said that they range from modification to UMP -- on one hand -- to elimination of UMP -- on the other hand. He said that as long as LNC-SPT is not going to recommend elimination of UMP, he has no problem with the LNC acting to modify UMP.

Dasbach said that he feels that any change to UMP should be integrated into the LNC-SPT developed plan. Dasbach said that any change to the UMP plan will require approval of each affiliate. He said that we cannot obligate any affiliate to accept this change.

Kaneshiki said that -- coming from a non-UMP state -- she believes that Dixon's proposal does not take into account that non-UMP states have a financial interest in this as well. She said that non-UMP states payments to the national office for a national membership purchased on behalf of a member should also be reconsidered as part of this proposal.

Gaztanaga said that he also comes from a non-UMP state. He said that his state party did not join UMP because it did not want to become lackadaisical in building their state party.

Givot said that the only proposed change to the UMP agreement is an increase in the amount that national would pay affiliates at the base level. He said that he does not feel that it would be difficult to convince any

affiliate to accept a modification to the UMP agreement whereby a greater UMP payment would be received by the affiliate each month and there is no additional requirement or obligation on the part of the affiliate.

Givot said that, with regard to Kaneshiki's comments relating to non-UMP affiliates, those affiliates are still able to purchase a national membership on behalf of their members for \$10, and that would not change under this proposal.

Fylstra said that the present financial circumstances do not provide the best environment to implement such a proposal. He said that we should wait to see what develops with the strategic plan and whether we are able to achieve revenue forecasts.

Dixon moved to raise dues to \$29 on a date set by staff with a concurrent increase in base UMP payments to \$1.25 per member and that base UMP payments would further increase to \$1.50 one year thereafter.

Martin seconded.

Givot expressed concern that determining the date for the first increase should not be left to staff.

Fylstra said that he sees two flaws with the proposal. First, he said that he does not think it is advisable to increase dues when membership is falling. Second, he said that the resulting program will raise dues revenue sharing with states from 48% to 62% at a time when national is falling short of revenue.

Kaneshiki said that UMP is one of the "third-rail issues" that LNC-SPT is considering. She said that the LNC should wait for a recommendation from LNC-SPT before taking action.

Milsted said that this is premature, considering what is going on at LNC-SPT.

Martin said that he seconded the proposal only for discussion purposes. He said that he shares Fylstra's concern. He said that, in light of the current financial problems, he does not favor this proposal at this time.

Dixon said that this is not a discussion of the merits or theory of UMP. He said that states need to have additional funding to start to do what they need to do to build their parties. He said that this proposal attempts to find a way for them to fund such work.

Scherrey said that before voting on this proposal, he would like to have direct feedback from both the National Director and the Treasurer. He said that he does not yet have that. He said that he is in favor of finding a way to get more funding to the states if it is fiscally prudent. He said that LPGA has just joined UMP and that changing dues rates and adopting this proposal would be hurtful in the near term.

Dasbach said that four of the states which have not joined UMP have expressed a philosophical disagreement with the UMP concept. He said that increasing the UMP payout would probably not convince any of these affiliates to join UMP.

Dasbach said that prior to the last increase in national dues, concern was expressed that an increase in dues would be followed by an exodus in members. He said that after that dues increase, there was no resulting decrease in membership.

Dixon said that from a marketing viewpoint, the increase in UMP payments should come at the same time as the dues increase.

Fylstra said that he is concerned that this is the wrong time to increase dues because "product sales are weak." He said that he is even more concerned about increasing UMP expenses.

Martin moved to postpone consideration of this motion until consideration of the recommendations of LNC-SPT is complete, but no later than the December 2001 LNC meeting.

Gaztanaga seconded.

The motion passed on a voice vote.

Item: Political Director's Report

Crickenberger said that his verbal report will expand on his written report.

Crickenberger said that the best thing that has happened recently was moving Marc Brandl to his group. He said that Brandl is working on campus organizing.

Crickenberger said that he hopes to produce an expanded candidate manual.

Crickenberger said that he is working to limit national tracking of the number of elected Libertarians to state level office and higher. He said that having national track Libertarians in lower level offices results in 10% to 20% inaccuracy and a great deal of work. He said that he will be working with affiliate parties to get them to take on this responsibility.

Crickenberger said that Democrats and Republicans only track elected officials, so that it is important to track elected and appointed Libertarians separately.

Crickenberger spoke favorably about the work being done by Chris Azzaro in establishing a Libertarian political action committee.

Crickenberger said that the NE ballot drive is almost complete. He said that the final work is being done to complete that task.

Crickenberger said that the NC drive is also being completed. He estimated that the LNC's cost will total about \$56,000.

Crickenberger said that ballot drives in MI and OH are about to begin.

Crickenberger said that LPOH is investigating a lawsuit which may preclude the need to petition.

Crickenberger said that LPMI is hoping to complete its drive with volunteers.

Crickenberger said that some proposals under discussion will prevent LNC members from exercising leadership many areas. He indicated that he felt adoption of those proposals would be detrimental to the party.

Kaneshiki asked who had determined that the Executive Committee should draft proposed goals for 2001.

Givot said that Kaneshiki should already be aware of the answers to her questions since she was present at the time the schedule for drafting of goals was discussed. He said that this item was discussed at the December 2000 LNC meeting, and that the minutes document that she was the principle discussant. He said that Kaneshiki argued strongly for the prevailing side which decided not to hold an LNC meeting in autumn 2000 for the purpose of having the LNC set goals for 2001. He said that -- given her prior voting record on this matter -- he took exception to her current position.

Item: Communications Director Report

Winter said that the party is experiencing a stable number of monthly interviews, but that the party is no longer getting as many media contacts because of the lack of current campaigns or widespread ballot access activity.

Winter said that Getz and he have drawn on the procedure adopted by LNC-SPT. He said that they have held a brainstorming session which developed about 40 ideas to increase media contacts. He said that these were subsequently sorted into categories and will soon be prioritized.

Lark said that Winter worked many additional hours to put together the LP News Annual Report. He complimented Winter on a job well done.

Winter reported on statements made by Timothy McVey quoted in the press in which he claims to be a libertarian. He described the response of the LP to those statements and how those responses were determined.

Kaneshiki said that important issues such as this should not be determined by a single staff person.

Givot said that he feels that this matter was handled well by staff.

Winter said that there was an LP staff meeting which determined how the party would respond.

Lark indicated that his input was also sought.

Winter reported that consideration had been given to issuing a news release relating to the recent incident of a US surveillance aircraft which made a forced landing in China.

Winter said that libertarians can differ on this and related topics. He said that, for this reason, no news release was written.

Martin said that refraining from comment on this incident was a good decision.

Israel agreed with Martin.

Winter made a presentation regarding the activities of George Getz in recent months.

Item: National Director's Report

Dasbach referred to his written report.

Dasbach said that additional columns were added to the Revenue and Expense Summary at the request of Givot. He explained the variance columns and how to interpret them.

Dasbach reviewed the Revenue and Expense Summary and identified several cases where items showed negative variances which were largely a result of timing of revenues or expenditures over the course of the year. He reminded the committee that the year-to-date budget figures -- at the present time -- reflect 1/12 of the annual budget being received or spent during each month. He said that once monthly budgets are established, the influence of timing of revenues and expenditures in creating variances should be reduced.

Dasbach said that the last components for completion of the web site are coming into place.

Dasbach said that in the near future database issues raised by affiliate parties will be explored.

Lark asked when Dasbach believes that any major problems relating to the database will be resolved.

Dunbar said that problems relating to standard inquiry or standard update transactions should already be resolved from a systems viewpoint. He said that the remaining problem is a people issue: getting affiliates to understand how to send in various requests and use the system appropriately.

The Committee went into Executive Session at 12:19 PM EST to discuss legal issues relating to Arizona.

The Committee went into Executive Session at 12:30 PM EST.

Item: Consideration of Request of Costa Rican Libertarian Party to Send E-mail to the Libertarian Party E-mail List

Lark introduced the subject. He said that the Executive Committee recommends to the LNC that the LNC authorizes a posting by the LP of Costa Rica to our email list, to be approved by the Chair, which may point to the LP of Costa Rica's web site provided that the email itself does not request contributions.

Lieberman asked whether this was for a single emailing.

Lark said that this is his understanding, but that he would welcome input from the LNC about future emailings.

Fylstra moved that the LNC adopts the recommendation of the Executive Committee regarding this subject.

Bisson seconded.

Dasbach said that, as a technical matter, the LNC would be forwarding the message to the LP list and not providing the list to any other party.

Israel said that he feels that this falls within the authority of the Chair to decide, although he appreciates the Chair seeking approval from a broader group.

Lark said that, even if it is within the scope of his authority, he feels that broader buy-in by the LNC is appropriate in this case.

Kaneshiki said that such access should not be considered until the LNC establishes a policy regarding such matters. She said that the policy for use of the email list should be consistent with the policy for the use of the regular mailing list.

Ruwart said that the policy should be considered as part of the LNC-SPT process, but that we should approve this as a one-time use.

Dehn said that he thought it was likely that they would ask to email to the list against.

The motion passed on a voice vote. Lieberman and Kaneshiki voted against the motion.

The Committee recessed for lunch at 12:32 PM EST.

The Committee reconvened at 1:42 PM EST.

Item: Region 1E Report

Dixon said that he was appointed to grow his region back to the point where it can be a standalone region.

Dixon said that four new people were elected in IL. He said that people who have attended many meetings of local government over the years are now running for office. He said that one new person was elected in MO.

Dixon said that LPMN has decided to stop being a political entity that runs candidates. He said that, instead, LPMN is becoming a radical guerilla marketing group that will market our positions aggressively. He said that the name Beacon Group will be used for this effort.

Givot suggested that staff determine what strategy should be employed to communicate the progress of this experiment to other affiliates.

Item: Region 1W Report

Hoch said that he just received information from LPHI. He said that LPHI is working on getting land back into the hands of native Hawaiians.

Item: Region 2 Report

Dehn reported that LPCA held its annual convention in February. He said newly-elected officers are slow in getting started. He said that LPCA has recently experienced a financial crisis during which it could not pay its bills. He said that the problem was remedied when some major donors stepped in to rescue the party. He said that there has been a drop in membership recently. He attributed that to Archimedes non-renewals. He said that the newly-elected LPCA chair has directed the LPCA Executive Director to concentrate on fundraising as opposed to media contact.

Dehn said that one of seven candidates was elected. He said that the person was reelected to a position as city treasurer.

Dehn said that the 2002 LPCA convention will tentatively be held in Santa Barbara county on President's Day weekend.

Lieberman said that there continues to be interest in repeating the Operation Breakthrough concept of running a large number of people for low level offices. He said that he is hoping to have 10 or 20 wins this year from such an effort.

Item: Region 3 Report

Lark said that, due to Sara Chambers' absence, he would refer members to her written report.

Item: Region 4 Report

Scherrey referred the Committee to MG's written report. He said that things are "booming" in Georgia.

Item: Region 5 Report

Gaztanaga reported on developments in LPMD. He said that LPMD Chair Steve Boone will be stepping down at the end of his current term.

Milsted said that he wanted to address concerns about database problems. He said that having the national party provide software to its affiliates to handle database and state reporting requirements would be far more valuable than providing increased funding through UMP.

Dunbar commented on the difficult of using off-the-shelf software for the national database.

Givot asked whether any work has been done to explore developing a means to provide national LP data to affiliates which can be imported into off-the-shelf political database software.

Milsted moved that a committee be formed to explore existing off-the-shelf political software for use by the national LP and/or its affiliates.

Dasbach said that his experience on the Committee is that it would be better to define the result that is desired than to form committees.

Milsted withdrew his motion with the consent of the Committee.

Item: Region 6 Report

Karlan presented a brief verbal report.

He noted that LPMA raised in excess of \$50,000 at its state convention.

Karlan said that it is disappointing that, despite how easy it is to get on the ballot in NJ, LPNJ has fewer than 5 candidates lined up.

Israel commended Karlan on his past performance as Region 6 Alternate.

Item: Region 7 Report

Martin reported that the court's ruling that led to the State of Arizona recognizing ALP as the governing body of the state-recognized party should be decided in two to four months.

Martin said that the idea of suing government seems to be more acceptable to affiliate parties. He said that two of the eight states in his region are litigating against their states. He said that LPTN is, for the first time, trying to pursue achieving major party status. He said that 25,000 signatures are required to get on the ballot, and that 5% of the votes for governor are required to retain that status.

Item: Goals for 2001

Lark introduced the topic. He said that since the LNC did not approve goals at the December meeting, the Executive Committee took upon itself the task of drafting proposed goals for 2001.

Karlan expressed his concern that adopting goals after having set the budget has taken things out of sequence. He said that this is "putting the cart before the horse."

Fylstra moved that the goals recommended by the Executive Committee be approved by the LNC. These are:

- Achieve ballot access in MI, NE, NC, and OH.
- Achieve a record number of Libertarian candidates for an odd-year election and achieve a record number of Libertarian election victories.
- Achieve a new record for media outreach.
- Achieve a new record for number of members and for the total of members and contributors.
- Achieve a net worth in excess of \$175,000.
- Achieve the creation, review, and adoption of a strategic planning process and a multi-year strategic plan by the end of the December LNC meeting.

With the following proposed measurables:

- Michigan, Nebraska, and North Carolina completed and certified by 11/30/01. Ohio completed by 11/30/01.
- At least 300 Libertarian candidates (partisan and non-partisan races) appear on the ballot in 2001. At least 45 Libertarian victories (partisan and non-partisan races) during 2001.
- Achieve new records in each of the contact categories that we currently track.
- Membership at the end of 2001 will be at least 33,563 and total contributors will be at least 39,179.
- The closed 12/31/01 balance sheet will show a net worth of at least \$175,000. In addition, cash (including reserve) will exceed accounts payable by at least \$160,000.

Israel seconded.

Fylstra said that the Executive Committee spent some time developing these goals. He said that it would have been better to address goal setting last fall. He said that it is better to adopt a reasonable set of goals now than

to adopt none at all. He said that in light of the ongoing strategic planning effort, this is basically a set of maintenance goals to take the party to the point where the LNC has the output of the strategic planning process before it.

Kaneshiki objected to the process by which the goals were established. She said that if she had understood that the Executive Committee were going to draft goals in this manner, she would have pulled out all of the stops to have an LNC meeting last fall to set goals.

Givot said that he, too, dislikes the process that led to the formulation of these goals. He said that at this LNC's first meeting in July 2000, he did everything he could to try to convince the LNC to meet between July 2000 and December 2000 for the specific purposes of drafting goals for 2001. He said that the LNC rejected those efforts. He said that every member of the LNC bears responsibility for the fact that the LNC decided not to hold such a meeting. He said that he finds Kaneshiki's comments to be "personally offensive" since she was among those who voted not to hold such a meeting and very vocally opposed such a meeting.

Israel said that there were imperfections in the process that led to the formulation of the goals and that the Committee needs to look beyond this to consider the goals on their merit.

Gaztanaga said that he, too, did not like this process. He said that -- rather than point fingers -- he wants to assure that there is a procedure in place so that this does not recur.

Lark said that finger pointing is in order, and the finger should be pointed toward him. He said that he felt that the LNC should have met between last July and last December. He said that he believes the LNC should meet at least four times each year. He said that it is his expectation that LNC-SPT will be making recommendations to assure that there is a defined process, acceptable to the LNC, in place to avoid this problem in the future.

Fylstra said that this is just a recommendation from the Executive Committee to the LNC. He said that the LNC is free to propose modifying any of these goals. He said that the proposed goals cover the basics. He said that the key goal is completing the strategic planning process.

Martin said that he would hate to see the excellent work of the prior year's Compensation Committee go unused. He asked if the work of that Committee was applicable to the 2001 budget.

Fylstra said that there were no discussions regarding this and it is not included in the budget.

Givot said that in the prior year, the LNC set very high goals. He said that the proposed 2001 goals were set quite low. He said that before a return to the sort of bonus system that was adopted for 2000, a middle ground should be found for goal setting.

Ruwart asked Dasbach whether the financial goals for 2001 are achievable. She said that she doesn't see anything to make her believe that these goals will be achieved.

Dasbach said that the financial goal for 2001 is not set low.

Kaneshiki commented on the proposed goals. She said that in PA, all she cares about is electing candidates to office.

Kaneshiki said that she favors running serious candidates rather than "paper candidates." She said that her

primary concern is getting people elected. She talked about running people for offices where they will be unopposed as a viable strategy.

Kaneshiki said that if growing membership is an important objective, then such a goal can be pursued by hiring commissioned salespeople to sell memberships. She said that the resulting members would be of a "low quality," and would not help advance the party.

Karlan said that paper candidates sometimes get elected. He said that both paper and serious candidates are recruited from the same pool of people. He asked Crickenberger how much effort is required to talk someone into running for Congress.

Crickenberger said that it took an average of one to two hours to recruit each congressional candidate that he recruited.

Givot asked Kaneshiki what the positive effects are in electing people to office if these people are unopposed because they run for meaningless offices such as Inspector of Elections. He asked how electing people under these circumstances builds the party and why such candidates are not really "paper candidates."

Kaneshiki said that Inspector of Elections is not a meaningless position. She said that these are the most important people in politics because they are making sure that the voting and vote counting is done properly on election day. She said that serving in such positions, one has an opportunity to meet all voters. She said that this creates an opportunity to demonstrate that Libertarians can serve well in important positions.

Fylstra expressed appreciation of Lois' explanation of the unique opportunity that exists in PA. He said that he wishes that there were more states where such opportunities exist. He said that the draft goals before the LNC have to take into account that different situations exist in different states. He said that the draft goals are maintenance level goals which take into account that the opportunities available in different states are quite different.

Milsted said that the draft goals do not present an inspiring goal to be used in fundraising. He said that it might inspire greater giving if the LNC were to adopt additional goals which provide such inspiration.

Gaztanaga said that he takes Kaneshiki's comments to indicate that each state party needs to define the particular opportunities that exist in their own state -- whether those opportunities arise as a result of specific elected offices, easy ballot access, or other unique opportunities.

Dasbach said that candidate support has not resulted in a strong fundraising response as compared with other appeals. He said that greater success has resulted from targeted appeals to people who already strongly endorse a given cause. He said that the national party immediately makes the names of new members and inquiries available to affiliate parties so that the affiliate party can contact those people and attempt to get them actively involved.

Lark said that one of the difficulties with the current strategic planning process is that some of our members may decline to fund projects pending completion of strategic planning because those projects are not "sexy."

Martin said that, as Treasurer, he finds the goal of having a net worth in excess of \$160,000 to be "very sexy."

Lieberman inquired about the origin of the proposed goals.

Lark said that his anticipation last July was that 2001 would be an interesting year for the party. He said that he did not anticipate an outstanding result in the presidential vote totals. He said that he felt that 2001 would be an "off-year" in which the LP would be able to do strategic planning and move to a "best practices" model of operation.

Givot said that he believes that the pending strategic planning efforts coupled with the maintenance level goals being developed has created a wait-and-see attitude among a portion of our supporters. He said that he believes that when LNC-SPT has completed its work and the LNC has responded to set a future course for the party based on the recommendations of LNC-SPT, the ability to obtain financial support will increase.

Kaneshiki moved to amend the second proposed goal to be:

- Achieve a record number of Libertarian election victories for an odd-numbered year

The motion was seconded.

Israel said that he believes that limiting the number of "at bats" will reduce the number of "home runs."

Martin said that he also favors the original language.

The amendment failed on a voice vote.

The motion to adopt the proposed goals passed by a voice vote. Givot abstained.

Item: Discussion of LNC Policy Concerning LNC Member Participation in Campaigns of Candidates for LP Presidential Nomination

Dixon said that the sole purpose of placing this item on the agenda is to initiate a discussion of what policies are appropriate relating to this matter. He said that the polling of LNC members which has begun relating to such issues has made considerable progress.

Dixon asked if someone can summarize the results of the sentiment polling of LNC members to date.

Ruwart said that she feels strongly that the LNC should define policy which is appropriate for LNC members and staff. She said that any discussion or motions today should start within LNC-SPT. She said that until LNC-SPT addresses this, it would be inappropriate to make any decision.

Lark said that Article I, Section 3 provides a clear statement of "very ethical principles" and standards regarding this.

Karlan said that his concern about delegating this to LNC-SPT is that there are LNC members who would thereby be excluded from the discussion.

Dasbach said that Article IV, Section 3 of the LNC Policy Manual lays out standards for the staff regarding such issues.

Kaneshiki said that disclosure is not sufficiently strong to address such concerns. She said that she does not agree that there is a difference between a "potential conflict of interest" and a "conflict of interest." She said that some companies have policies which prohibit working for a competitor within a certain timeframe of leaving employment with that company.

Givot moved that:

- (1) the LNC continue the sentiment polling process that Dixon has initiated to try to determine the opinions of LNC members on these issues,
- (2) the LNC reviews the results of the sentiment polling at the August 2001 LNC meeting with any proposed action on this subject to be taken no later than the December 2001 LNC meeting,
- (3) the LNC reaffirms its support for Art I, Sec 3 and Art IV, Sec 3 of the LNC Policy Manual which read:

Article I, Section 3. CONFLICT OF INTEREST:

A. It shall be the affirmative responsibility of each Libertarian National Committee (hereafter LNC) member, and each Libertarian Party (hereafter Party) officer or employee, to disclose to the LNC in connection with the performance of their respective duties: (a) if such person's own economic or other interests might conflict with the interests of the Party in the discharge of such duties; or (b) if such person's duty to others might conflict with the interests of the Party in the discharge of such duties. Any such disclosure shall be made at the earliest opportune moment, prior to the discharge of such duties and clearly set forth the details of the conflict of interest;

B. No LNC member, Party officer or employee shall: (a) transact business with the Party unless the transaction is fair and equitable to the Party; or (b) use information gained in the discharge of Party duties to the disadvantage of the Party.

C. Members of the LNC shall not be registered to vote in another political party or be a member of any political party other than the Libertarian Party.

Article IV, Section 3. EMPLOYMENT POLICIES:

A. Employees are bound by the ByLaws and the policies adopted by the LNC. A statement to this effect shall be included in all employment agreements and contracts between the Party and its employees.

B. No employee of the Party shall be a member or alternate of the LNC. Any person employed by the Party shall be terminated immediately upon his or her election to the LNC.

C. No employee shall serve as a delegate to any National Party convention.

D. Except as otherwise noted in the Policy Manual, no employee of the Party shall:

1. endorse, support, or contribute any money,

2. use his or her title or position, or
3. work as a volunteer, employee, or contractor to aid (1) any candidate for public office prior to nomination, or (2) any candidate for Party office. However, this shall not preclude any Party employee from being a candidate for public office.

Lieberman seconded.

Dixon moved to amend the motion by adding a fourth point: "The LNC affirms that employment by or other payments from a pre-nomination presidential or vice-presidential campaign may be considered to create the potential for a conflict of interest and so shall be disclosed under this section."

The amendment was taken as friendly.

Dehn moved to substitute by including Dixon's language at the end of Article I, Section 3 (A) of the LNC Policy Manual instead of as a fourth point in the main motion.

Lieberman seconded.

Scherrey said that he is opposed to making any changes to the LNC Policy Manual at this time.

Gaztanaga said that it is germane for the LNC to discuss this.

Dehn said that he believes that adopting his proposal does not constitute a change of policy -- only a clarification. He said that sentiment policy of the LNC indicates that there is support for this understanding of the meaning of the current policy. He said that in the only instance that has been cited of this kind of situation being a problem, the existing policy was interpreted to apply in this way.

Scherrey said that given the past practice of disclosure in this circumstance, he sees no need to add clarification.

The substitute motion failed on a voice vote. Dehn, Gaztanaga, Givot, and Lieberman voted in favor.

The main motion passed on a voice vote. Hoch, Milsted, and Scherrey voted against.

Item: Consideration of LNC Participation in FEC Lawsuit

Kaneshiki moved that the LNC not participate in the proposed lawsuit.

Gaztanaga seconded.

Kaneshiki said that participation in the lawsuit will distract the Party from real political activity. She said that the presence of the name of Harry Browne on the lawsuit will worsen this problem. She said that it will make it more difficult for the Party to raise money. She said that some of the terms of LNC participation -- particularly reference to "net" proceeds from fundraising -- are also troublesome. She said that the FEC is not the biggest problem we face. She said that getting more people who are interested in politics is the party's largest problem.

Israel said that he opposes the motion and supports participation in the lawsuit. He said that the fact that this lawsuit seeks to achieve a significant objective stated in the LP Platform is sufficient to encourage him to support participation. He said that the terms required to participate need to be addressed.

Gaztanaga said that -- while the FEC poses a problem to the LP -- bigger problems exist at the state level. He said that he agrees that focusing on this lawsuit will be viewed as a silver bullet by much of the membership. He said that if the lawsuit fails, this will be very discouraging to those members. He said that the LNC needs to point the party in the direction of building the party from the ground up.

Fylstra said that he opposes the motion and supports participation in the lawsuit. He said that -- notwithstanding Kaneshiki's statement -- the Mission Statement of the party says that the "mission of the Libertarian Party is to move public policy in a libertarian direction by building a political party that elects Libertarians to public office." He said that if the FECA is overturned, this will be an important step in achieving our mission.

Fylstra said that LP participation in the lawsuit will not cause the LP to "focus" on the lawsuit. He said that others will be assuming the full costs of funding the lawsuit and that no significant time or efforts on the part of the LP or its staff will be required because others are doing this work. He said that he has been told that their intention is to limit their charges to \$1,000 per mailing and that no member of their board will receive any compensation at all.

Fylstra asked Willis if these facts are correct.

Willis said this was essentially right. He said the only reason for charging is that one organization, American Liberty Foundation, will be providing the staff for another organization, Real Campaign Reform.

Fylstra said that participation of the LP is critical to the success of this lawsuit. He said that the LP joining the lawsuit adds standing to the lawsuit which will greatly increase the likelihood of success beyond what it would be if the LP did not participate.

Givot asked Willis if it is correct that he is representing that no more than an aggregate of \$1,000 in payments will go to Perry Willis, Harry Browne, Stephanie Yanik, Jim Babka, or any related person, or any related entity relating to any particular mailing.

Willis confirmed that this is correct.

Milsted said that he favors the motion because he doesn't think that the suit is likely to succeed.

Bisson asked about past practices relating to use of our mailing list without payment.

Dasbach said we have done exchanges and that the fee has been waived for some campaigns.

Scherrey said that he opposes the motion. He said that he cannot understand why any Libertarian wouldn't want to get rid of the FEC. He said that there are tactical issues relating to how we might work to achieve this, and he invited members of the Committee to discuss such issues. He said that there is strong support for this in GA.

Dehn said that it would be wonderful to do away with the FEC and FECA. He said that if he were the average member in Georgia or in California and only knew what was being promised about the suit, he would go for

it too, but he has seen many cases where a project did not turn out as originally described. He expressed concern that this effort promises more than it will likely deliver. He said that if he thought the lawsuit were likely to prevail, he would support having the party fund the lawsuit directly. He said that he is concerned that we have not gotten objective corroboration that the suit can be successful. He said that the terms of the proposed agreement are of great concern -- particularly the frequency of use of the Party's mailing list which he said seemed to be creating an 'entitlement' giving this project higher priority than projects approved through our regular budget process.

Fylstra moved to substitute that the LNC would agree to act as a plaintiff in this lawsuit subject to negotiation of final terms including use of the mailing list.

Scherrey seconded.

Fylstra said that the purpose of the substitute motion is to create an opportunity to vote for LNC participation in this lawsuit. He said that the LNC has three options: to decide not to join the lawsuit, to take no action, and to decide to join the lawsuit. He said that his motion provides an opportunity to negotiate all of the terms of the agreement which would be required to join the lawsuit.

Dasbach said that one of the items that would need to be addressed is the unlimited timeframe during which the mailing list can be used in the current proposal.

Israel said that he favors having a motion in favor of participation in the lawsuit as the better way to proceed.

Martin spoke in favor of the substitute as well.

Givot said that it is his intention -- should the substitute motion prevail -- to move to amend the motion to require a vote of the LNC to approve the final, negotiated terms for LNC participation. He said that it is clear to him that the Committee has a variety of substantive concerns about the proposed terms, and that he believes that it is appropriate to address those concerns by assuring the entire Committee that it will have final say as to whether the final proposal is acceptable.

Gorman said that he is surprised that this group does not delegate thorny issues to subcommittees. He said that it would be good to do so.

Dixon took strong exception to Gorman's remarks, noting that the proposal he made regarding a change in the UMP program had been developed by an ad hoc subcommittee.

The motion to substitute passed on a voice vote.

Givot moved to add the following sentence to the motion: "Acceptance of the final terms for LNC participation shall be determined by a vote of the full LNC."

Fylstra accepted as friendly.

Lieberman asked Willis if success in this lawsuit would have any effect on similar state laws.

Willis said that it is the opinion of counsel that -- under the 14th Amendment -- it likely would undermine similar state laws.

Bisson asked Willis if his organization would still want LNC participation absent permission for free use of the mailing list.

Willis said that -- although it might undermine his negotiating position -- he would like LP participation under any circumstances.

Givot read the motion in its final form as:

Fylstra moved that the LNC would agree to act as a plaintiff in this lawsuit subject to negotiation of final terms including use of the mailing list. Acceptance of the final terms for LNC participation shall be determined by a vote of the full LNC.

The motion passed on a vote of 10 to 4 with 2 abstentions.

Bisson, Dixon, Fylstra, Givot, Hoch, Israel, Karlan, Lieberman, Martin, and Scherrey voted for the motion. Dehn, Gaztanaga, Kaneshiki, and Milsted voted against the motion. Ruwart and Lark abstained.

Item: Strategic Planning Update

Givot presented a verbal update on the LNC-SPT process. He noted that all but two of the people participating in the LNC meeting are also LNC-SPT participants.

Givot said that the strategic planning process can be viewed as diamond-shaped along a time line. He said that for the first two months, the list of ideas was continuously expanding. He said that starting now, the process will begin to contract as LNC-SPT decides how to express goals, strategies and tactics more generally (so that one statement can encompass several ideas) and to determine which of these ideas will bring the LP the most benefit over the coming years.

Givot said that there are currently about 750 ideas on the list. He said that these are being organized into more than 50 possible goals which are grouped into five major areas: party building, electoral success, issues success, external communications, and achieving parity with the major parties. He said that he hopes that on the coming day, the parity issues will be restructured as the ultimate goal of the LP and that the specific goals stated thereunder will be incorporated into the remaining four areas.

Givot said that on the following day, LNC-SPT will be asked to determine the time frames for each of the strategic plans which it intends to propose to the LNC in August.

Givot detailed some of the steps that LNC-SPT will be taking in the coming meetings to develop its final proposal.

Kaneshiki asked Givot when LNC-SPT would be dealing with the "third-rail" issues.

Givot listed the current "third-rail" issues that LNC-SPT has identified. He said that these are issues where segments of the membership are strongly polarized, although this does not necessarily mean that large numbers of members are on each side of the issue. He said that this would be discussed in the coming meetings.

Fylstra said that several LNC-SPT participants really would like to know when the third-rail issues will be

resolved.

Givot said that these should be dealt with by no later than the end of the May LNC-SPT meeting.

Givot said that the one LNC-SPT related issue before the LNC today is whether future LNC-SPT meetings should be held as open meetings or closed meeting.

Israel moved that the remaining LNC-SPT meetings be held as open meetings.

Martin seconded.

Israel said that -- although he has seen benefit from having closed meetings -- he believes that the discussion about this topic is more distracting than is justified by the offsetting benefits that he sees coming from keeping the meetings closed.

Gaztanaga said that he continues to support open meetings.

Lark said that he found it unfortunate that the closed SPT meeting was described publicly as a "secret" meeting. He said that although he thinks a better plan will result from having closed meetings, he said that -- in his opinion -- the net benefit from having closed meetings is too small to justify the dissension that will apparently result from having open meetings. Lark urged SPT participants to use caution in their choice of language during these open meetings.

Gaztanaga said that having open meetings will demonstrate how civil we can be in such meetings despite our differences of opinions.

Givot commended the group on its ability to reach consensus shown thus far.

The motion was adopted unanimously.

Dixon raised the issue of the need for the two July SPT meetings. He said that LPTX would like to hold the first July SPT meeting in Houston.

Givot said that the number of meetings required by SPT will be dependent on the ability of the members to reach consensus.

Item: Determination of Location of Future Meetings

Dasbach suggested holding the August 25-26 LNC meeting in Las Vegas.

Bisson moved that the next LNC meeting be held on August 25-26 in Las Vegas.

Fylstra seconded.

The motion passed unanimously on a voice vote.

Givot moved that the December 2001 LNC meeting be held in Washington.

Bisson seconded.

The motion passed unanimously on a voice vote.

Gaztanaga moved to let the staff decide the location of the June LNC-SPT meeting by picking the most economical site.

Bisson seconded.

Fylstra moved to substitute to hold the June SPT meeting in Dallas/Fort Worth area provided that staff can find reasonable airfares.

Dixon seconded.

The motion to substitute failed.

Givot moved to amend the motion to read that the staff decide by picking "an economical site."

Gaztanaga accepted Givot's amendment as friendly.

The motion passed on a voice vote.

The meeting adjourned at 5:51 PM EDT.

