

# LNC Executive Committee Meeting

## Teleconference October 24, 2000

Present: Jim Lark, Chair (joined the meeting during the National Director's Report)  
Dan Fylstra, Vice-Chair  
Mark Tuniewicz, Treasurer  
Steve Givot, Secretary  
Ken Bisson (IN), At Large Representative  
Joe Dehn (CA), Region 2 Representative  
Michael "MG" Gilson de Lemos (FL), Region 4 Representative

Also present: Mark Nelson (IA), Region 1 Alternate  
Dan Wisnosky (NV), Region 2 Alternate  
Sara Chambers (IN), Region 3 Representative

Staff: Steve Dasbach, National Director

Fylstra called the meeting to order at 8:36 PM EDT.

### **Item: Agenda**

The agenda was approved as proposed.

### **Item: National Director's Report**

Dasbach reviewed the financial statements which he had previously distributed. He said that at the present time cash exceeds accounts payable. He said that within the next few days the returns from the October fundraising letter will be arriving.

Dasbach said that having received \$37,000 on one recent day, that money was spent on \$7,500 in matching funds for candidate ads, a \$5,000 radio network ad buy using the Browne ad and a generic Libertarian Party ad, and \$24,500 to CNN for Browne ads.

Dasbach said that October fundraising tied to advertising has been over \$118,000 with associated costs of about \$19,000. He said that between candidate advertising (\$27,500), radio advertising (\$5,000), and CNN advertising for Browne (\$24,500), if no overhead is taken into account, he would want to spend another \$42,000 on advertising.

Dasbach described his strategy for spending and revenues and net asset buildup for the coming two weeks. He said that he is targeting net assets of between \$50,000 and \$100,000 on election day.

Tuniewicz said that he is comfortable with Dasbach's approach.

Lark asked Dasbach about progress in selecting future convention sites.

Dasbach said that two bids have been received from Indianapolis for 2002, but nothing has been received from Atlanta for either 2002 or 2004.

Lark congratulated Dasbach on an opinion piece published in the San Francisco Chronicle.

Dasbach acknowledged the work of the communications staff in writing the piece.

### **Item: FEC Lawsuit**

Dasbach indicated that a new draft of the FEC lawsuit has been received as well as supporting material.

Dasbach read a letter from Perry Willis which clarifies that the LNC assumes no financial liability for the costs of the lawsuit. He said that the attorneys handling the case will also be sending a letter confirming this fact.

Dehn said that the brief is improved, but still has some of the things that initially concerned him. He expressed concern about statements that FEC regulations grant special status or privileges to the Democrats and Republicans.

Dasbach said that the point is that regardless of the original intent of certain regulations, that in practice things do not work as they should. He said that decades of experience watching these laws and the regulations relating to them provides different insight as to how they affect political rights.

Tuniewicz asked whether there is a sense of the Executive Committee as to whether or not the LNC should participate in this lawsuit.

MG moved that the LNC should participate in the FEC lawsuit subject to receipt of a letter from the attorneys indicating that the LNC is under no financial obligation to fund the lawsuit.

Givot seconded.

The motion passed by a vote of 6 to 0.

## **Item: Financial Situation and Reserve Policy**

Tuniewicz said that we have dipped into the Reserve Fund a few times. He said that he and Dasbach have discussed this and how the reserve policy has functioned in the past year or two. He said that these discussions included alternative policies.

Givot said there are several alternative ways to proceed. He said that a similar, cash-based reserve policy could be adopted for the coming year, the LNC might revert to the sort of net asset-based reserve policy that it initially adopted in April, 1999, or that the LNC might scrap the reserve policy altogether. He said that he is leery of the LNC's current financial situation. He said that he believes that LNC has been "skating on the brink" at times.

Tuniewicz said that reason that he has proposed the reserve policy for the last two years has been to improve the party's liquidity position. He said that he is open on what to do going forward.

Current said that the original reserve policy adopted by the LNC was to establish a reserve which was based on a measure of net current assets. He said that he believes that there should be some reserve policy. He said that he believes that the basis of the policy should be either net current assets or a current ratio test.

Fylstra said that he believes that the reserve policy has not been much of a restriction during the past year for two reasons: (1) it is based on cash (not net current assets), and (2) it has been breached several times.

Dasbach said that the policy has had a negative impact - particularly in ballot access. He said that this occurs because available funds cannot be used optimally. He cited the OK ballot drive as the first instance of this. He said that certain prospecting mailings were also affected.

Dasbach said that having a year end net asset target as a core goal is a good thing. He said that having some excess of cash over accounts payable is also a good thing. He said that a rigid reserve policy such as the current one is not a good thing.

Givot said that he agrees with Dasbach that an "unthinking" reserve policy which is so rigid that reserve funds cannot be used under any circumstances without full LNC approval is not a good thing. He noted that he has voiced support for allowing borrowing from the Reserve Fund to various degrees with various approval levels

required, but that the LNC expressed a preference for a more simple policy. He said that he believes that future reserve policies should

Tuniewicz agreed with Fylstra that the current policy has not served to restrict the LNC's operations significantly. He said that he believes that some of the problems which Dasbach cited were not caused by the reserve policy, but rather by certain discretionary expenditure decisions.

Fylstra said that the delaying payment of the convention hotel bill is a classic example of the problems presented by a cash-based reserve policy. He said that the LNC has shown a willingness to be aggressive, but not so aggressive that recovery from a financial problem would be very difficult.

MG asked Dasbach whether the ballot access problem in PA was also one which Dasbach feels was caused or exacerbated by the reserve policy.

Dasbach said that this is not likely the case. He said that the problem which develops with ballot drives is that if they are delayed, they tend to be done at the last minute. He said that under those circumstances overshooting target signature levels by large amounts becomes much more likely.

Dasbach said that he agrees with Fylstra that 9 or 10 months out of each year we should be in a net positive cash position. He said that the LP has not had a problem recovering from a slightly net negative cash position. He clarified that by "net positive cash position" he is referring to cash in excess of accounts payable.

## **Item: Strategic Planning Ideas**

Givot said that strategic planning doesn't just happen when a group walks into a room. He said that it must be planned for if it is to be successful.

Givot said that to develop a reasonable strategic plan will require an institutional commitment. He said that there is not likely sufficient time available at LNC meetings to do so. He said that he favors appointment of a strategic planning committee to develop such a plan for the LNC to review.

MG said this he thinks this is a good idea. He said that perhaps we can add a day to LNC meetings to have the LNC be the planning group.

Givot said that if eight working days were needed for planning, it would take at least a year to complete a strategic plan.

Lark said that he thinks that what Givot is describing is a good approach. He said that his goal is for the Executive Committee to have a process to propose to the LNC at its December meeting.

Givot said that among the parameters that the EC should consider are: who pays costs for people to attend and whether or not to require that all participants must attend all meetings, He said that he believes that strategic planning is a cost of doing business, just as rent, phone, and electric bills are. He said that he favors LNC paying the travel and/or hotel costs for people to attend the meeting. He said that - based on his experience - all participants in the planning process must commit to attend every meeting or drop out of the planning group. He said that absent this requirement, the group will spend far too much time backtracking to keep people up to speed.

Dasbach agreed with the need to pay at least some of the participants' travel expenses. He said that four meetings is a reasonable number. He said that perhaps we are making a mistake in rushing this. He said that having two meetings between December and April and two meetings afterwards may be a better approach as well as providing a midway point for the full LNC to buy into the work of the strategic planning group.

Givot said that Dasbach makes a good point. He suggested that perhaps the LNC schedule could be rearranged to March and June to accommodate Dasbach's point while avoiding delay in migrating to the new strategic plan.

## **Item: Remarks for the Good of the Party**

Lark said that his trip to Texas A&M; went well. He said that the media coverage as relatively good.

Fylstra asked others how the Browne appearance on Meet the Press went.

Dasbach said that he did a very good job.

Givot asked Dasbach what information he has on which news media will be reporting Browne's vote totals on election night.

Dasbach said that the Election News Service will be reporting Browne's votes on a real time basis. He said that this will be available to all of the networks. He said that staff will be contacting the networks to see which plan to use the information.

MG asked Dasbach if he would have election results the day after the election.

Dasbach said that he expects information about the presidential, gubernatorial, U.S. Senate, and U. S. House races to be available on the LP web site on the evening of the election. He said that most of the information on other state races - including statewide offices and state legislative offices - to be available within a day or two. He said that he expects only spotty information regarding other local races, with that information primarily dependent on what is provided by the various candidates.

### **Item: Next Meeting Date**

Lark said that the next scheduled meeting date is Election Day. He suggested that the next meeting be held one week later.

Givot proposed that the next meeting be held on Thursday, November 9 at 8:30 EDT.

There was consensus to meet at that time.

The meeting was adjourned at 10:00 PM EDT.