

LNC Meeting

George Washington University Inn Washington, DC December 12-13, 1998

Present: David Bergland, Chair
Hugh Butler, Vice-Chair
Mark Tuniewicz, Treasurer
Steve Givot, Secretary

Mike Dixon, At-Large Representative
Bill Hall, At-Large Representative
Jim Lark, At-Large Representative
Mary Ruwart, At Large Representative

Bette Rose Smith (CO), Region 1 Representative
Joe Dehn (CA), Region 2 Representative
Terry Savage (NV), Region 2 Representative
Ken Bisson (IN), Region 3 Representative
Chris Spruyt (NC), Region 4 Representative
Jim Turney (VA) - Region 5 Alternate (joined the meeting during Region 1 Report)
Muni Savyon (MA), Region 6 Representative
Deryl Martin (TN) - Region 8 Alternate

Also present: Ed Hoch (AS), Region 1 Alternate
Dan Fylstra (NV), Region 2 Alternate
Barbara Goushaw (MI) - Region 3 Alternate

Absent: John Buttrick (AZ), At-Large Representative
Scott Lieberman (CA), Region 2 Alternate
Gary Ilardi (FL), Region 4 Alternate
Ken Lindell (ME) - Region 6 Alternate
Bob Franke (IL), Region 7 Representative
Jackie Bradbury (MO), Region 7 Alternate
Geoff Neale (TX) - Region 8 Representative

Vacant: Region 5 Representative

Staff: Steve Dasbach, National Director
Ron Crickenberger, Political Director
Bill Winter, Director of Communications
George Getz, Press Secretary
Dan Smith, Affiliate Services

The meeting was called to order by David Bergland at about 9:10 AM EST.

Item: Announcements

There were no announcements.

Item: Credentials

Givot reported that the composition of the LNC had changed from the July 5,1998 meeting as follows:

Region 2 has appointed Dan Fylstra as an Alternate.

Region 5 Representative Amy Rule has resigned. Jim Turney is attending the meeting as Region 5 Alternate. He said that the position of Region 5 Representative is vacant.

Item: Approval of Minutes

Dehn moved to amend the minutes of the July 1 LNC meeting to change "send half a million mailings monthly which would bring in \$4,000" to "send up to half a million pieces monthly which would bring in 4,000 members." Without objection, that change was made.

Without objection, the amended minutes of July 1,1998 LNC meeting were approved. LNC Meeting

Givot said that he had corrected the July 5,1998 LNC minutes to reflect that Ed Hoch is the Region 1 Alternate and Terry Savage is a Region 2 Representative. Dehn said that the vacant position should be Region 2 Alternate.

Without objection, the corrected minutes of July 5 1998 LNC meeting were approved.

Bergland reported that he had contacted Gary Johnson regarding the 1998 National Convention Report. He said that Johnson would be working on this project next week.

Item: Setting Agenda

After a brief discussion, Bergland suggested that regional reports be given in the following order Region 1, Region 2 (NV), Region 3, Region 2 (CA), Region 8, Region 6, Region 7, Region 4, and Region 5. These would be placed in the agenda slots labeled Regional Report #1, Regional Report #2, etc.

Butler said that he has asked the Regional Representatives to advise him in advance of any request from a region for LNC action. He said that Dehn had advised him of such a request. Bergland suggested that this be added to Dehn's regional report.

Givot asked that the currently scheduled Request from the Libertarian Party of Illinois be removed from the agenda and asked that it be replaced with another proposal from the Libertarian Party of Illinois for the same amount of time.

Dehn suggested that there be a discussion regarding the LP Program. After a brief discussion of the matters of

concern, Bergland suggested that this be discussed after the Executive Session.

Tuniewicz asked that the Treasurer's Report be allotted 30 minutes. Without objection, the agenda was adopted as incorporation all suggestions above.

Item: Check of Paperwork

Dasbach itemized the materials which should each member should have.

Givot distributed the minutes of the November 24, 1998 Executive Committee meeting.

Item: Region 1 Report

Smith supplemented her written comments, saying that Wyoming spent \$5,000 to \$10,000 and ran one federal candidate, five state candidates, and one local candidate.

Smith said that states in her region expressed concern about communications between affiliate parties and the national party. Some states said they were having problems understanding the reports distributed as part of the UMP program.

Smith said that states in her region have concluded that unless a candidate is running a very serious campaign, expending energy or money on the campaign does not seem to improve vote totals. Colorado has concluded that the best strategy is to focus energy and money on one or two very serious campaigns and run paper candidates in other races.

Smith said that the highest vote total, excluding Bill Masters who was elected as an independent in Colorado, was in Wyoming.

Dehn said that LNC should consider providing a basic starting point such as a position paper or a bibliography on various topics.

Fylstra said that the Reason Foundation has an assortment of materials which might be of assistance.

Crickenberger said that we might improve candidate support by pointing our candidates in the direction of such materials.

Givot said that LNC should consider assembling packages of materials developed by other organizations to our candidates. He asked if LNC has resources to support such an effort.

Winter said that in addition to what Givot suggested, perhaps LNC should have campaign literature available for candidates to use with the Libertarian Party name on it.

Item: Executive Committee Minutes

Bisson asked if draft Executive Committee minutes could be distributed to all LNC members.

A discussion ensued on Bisson's request and the timetable for release of Executive Committee minutes. In response to the discussion Bergland and Givot said that they believed that in the future approved Executive Committee minutes should generally be distributed within a week of the meeting.

Item: Region 2 (NV) Report

Savage distributed copies of Nevada's most recent newsletter.

Savage reported on the U.S. Senate race in Nevada. He said the Democrat won by about 400 votes, with LP candidate Michael Cloud being publicly credited for the Democrat's win.

Savage said that an LPNV member is donating access to office space, three telephone lines, and an exterior sign for LPNV use. The principal use of the office will be telephone fundraising.

Savage said that LPNV is developing a strategic plan. In September, LPNV adopted a vision statement: By 2016 to elect a majority of (small "l") libertarian legislators in each house of the NV legislature, the governor, and the attorney general.

The objectives for 1999 are party-building: membership, fundraising, etc.

The objective for 2000 is to elect at least one (big "L") Libertarian to the state legislature. Savage said that the winner in these races spends about \$35,000 which LPNV can do. What is needed is a well-known candidate, an increase in registration, the right race, and adequate funding. By the end of 1999, LPNV plans to identify two or three candidate/district combinations that are attractive and focus resources in 2000 on those races.

Savage called on Fylstra to report on the Nevada Policy Research Institution (NPRI), a statewide libertarian-oriented think tank. Fylstra did so.

Savage invited Committee members to the LPNV convention in Las Vegas to be held on June 11-13.

Item: Chair's Report

Bergland thanked LNC members for attending the prior day's activities to prepare for getting down to business. He also thanked Hugh and Marsha Butler for hosting the gathering as well as all those who assisted with food or funding.

Bergland said that most of the important information to be related to the LNC will be presented by the National Director, the Political Director, the Communications Director and others.

Bergland expressed his appreciation for the work of the Executive Committee members.

Bergland disclosed to the LNC that for many years he has been a vendor to the LNC. He said that his book is purchased by LNC as a premium given to certain contributors.

Bergland then discussed how the Committee and its members should function. He said that his role is as Chairman of the Board. His primary role is to run LNC meetings. He said that he likes Robert's Rules of Order as a means to organize and conduct meetings with many attendees.

Bergland said that LNC, Inc. is a not-for-profit organization. He said that the Committee's role is to set policy, but that this gives rise to the question as to where policy setting ends and management begins. Bergland referred to the LP's ByLaws as a guide to what LNC's purposes should be:

To move public policy in a libertarian direction by building a political party that will elect Libertarians to office

To be a political organization, separate and distinct from all other political parties or movements

To charter affiliate parties throughout the United States and to promote their growth and activities

To nominate presidential and vice-presidential candidates and support their campaigns as well as those of the candidates of our affiliates

To enter into political information activities

Bergland said that the Committee's responsibility is to work to achieve these goals for our members.

Bergland said that LNC is a service organization which should service the affiliate parties who run candidates for political office. He said that for the last few years, LNC has been on track by providing affiliates with additional members, organizational help through UMP, training through the Success programs, media coverage, candidate support, and ballot access. He said that all of these programs fit nicely within LNC's defined scope. He said that he would like all of these activities to continue. He said that as membership grows, continuing to provide all of these services will become a greater challenge.

Bergland cited concerns expressed by Butler that as a fast-growing organization, LNC will be challenged to become more professional. He said that there are specific challenges that must be addressed. He cited:

Developing activities for newcomers that will make them feel welcome and show them that there is a place for them to participate in the organization.

Developing skills to interface better with new recruits who will have a broad range of temperaments.

Educating newcomers to enhance their support for our principles and beliefs.

Bergland said that Committee members must always act as fiduciaries on behalf of the LP.

Bergland stressed the importance of LNC Regional Representatives as liaisons between the national party and the affiliate parties. He suggested that the Regional Representatives work together to share information and improve their ability to work successfully at both the regional and national level.

Bergland cited the need to review and revise the existing Policy Manual to reflect the evolving professionalism of the organization.

Item: Region 3 Report

Bisson introduced Goushaw to report on a project being done by LPMI.

Goushaw said that LPMI is circulating matchbooks with messages targeting smokers. She said that this builds on the project that was begun with a television commercial. She said that their experience led to the conclusion that television ads was too broad a medium for this purpose. The matchbooks will be distributed to smoke shops, bingo parlors, bars, and other places where people are likely to be smoking. The matches include the 800-ELECT-US telephone number. The project is bringing in about 5 calls a week at the current time. She said that samples are available and that they are being offered to all affiliates to try to cut unit costs.

Dehn asked Goushaw what she meant in saying that the television ads were too broad.

Goushaw responded that television was too broad a medium to target smokers. She also said that the \$10,000 spent to air the ads was insufficient to provide adequate market saturation.

Bisson said that he wants to know if any states still feel that they don't want national to send direct mail to members in their state. No one responded.

In response to a question from Jim Lark, Bisson spoke about the importance of bringing students into the LP. Bisson talked about finding individuals to subsidize the cost of UMP membership for students.

Item: Treasurer's Report

Tuniewicz said that Nick Dunbar has been appointed Assistant Treasurer so that he can sign FEC reports. He said that all FEC reports have been filed on a timely basis.

Tuniewicz commented on his trip to the national office. He said that he reviewed operating procedures as well as plans to accommodate planned membership growth.

Tuniewicz said he had performed a financial analysis of the LNC over the last few years.

Tuniewicz said he had evaluated the stability of key suppliers and was generally pleased with his findings.

Tuniewicz said he had referred Brick Mill Studios to management as a possible new Archimedes vendor.

Tuniewicz said he had assisted Dasbach in preparing new information to submit to Dun & Bradstreet.

Tuniewicz said he had reviewed options for possible outsourcing of materials fulfillment with Dunbar.

Tuniewicz said he had reviewed cash receipts, processing, and accounts payable signoff procedures.

Tuniewicz said that a bank lockbox was one item that LNC might want to consider in the future. He said that he also reviewed the ability of current vendors to meet our future needs. He said that he recommended a possible vendor for future direct mail processing.

Tuniewicz said that he has reviewed the new accounting system. He said that it seems to be more than adequate to meet our needs.

Tuniewicz discussed a concern raised by an LPCA member regarding how LNC accounts for liabilities that

may arise under the UMP program. He said that the matter has been referred to our outside auditors. He said that three possible ways to address this matter may be proposed by the auditors:

- No change
- Adding a footnote to our financial statement commenting on UMP
- Entering a liability on our balance sheet to reflect possible UMP liability

Tuniewicz said that the first two are the most likely outcomes. He said that the third would have a serious adverse affect on our financial statement.

Dasbach said that another possible approach might be to restate the UMP plan, without changing its operating features. He said that he believes that adding a footnote to our financial statement was the most likely outcome.

Tuniewicz said that although recent Archimedes mailings have been successful, he is concerned that as these mailings grow larger, the risk associated with a less-than- expected response grows significantly in dollar terms.

Dasbach agreed that Archimedes was a possible source of budgetary volatility. He said that, absent FEC problems, he proposes to set up a separate bank account for Archimedes expenditures and receipts to make it simpler to track the results of this project.

Tuniewicz questioned the increase in budgeted 1999 revenues from \$3.0 million on the October 15 draft budget to \$3.6 million in the budget to be presented to the Committee for approval. He expressed concern in light of the fact that budgeted 1998 revenues were not achieved.

Martin asked Tuniewicz to comment on the graphs which were provided.

Tuniewicz described the graphs he had prepared showing cash on hand, working capital, current ratios, net income trends, and other financial measurements. He discussed items which contribute to volatility in LNC's bottom line. Then he presented a series of graphs. Tuniewicz explained each graph to the Committee and described the history behind the graph and the significance of each graph to him in fulfilling his role as Treasurer.

Tuniewicz answered questions relating to the graphs and the data presented.

Givot suggested that in the future it would be helpful to receive a graphical presentation which showed only variances from budgeted revenues, expenses, and net.

Dasbach said that to distinguish between volatility from projects such as Archimedes as opposed to volatility from non-project operations, he will be reporting those results separately.

Martin supported Givot's request and added that cumulative revenue, expense, and net variance should also be provided.

Lark asked about regulatory limits to the ability of LNC to use cash management tools.

Dasbach said that if a sufficient amount of cash were accumulated, it could be invested in interest bearing accounts.

Tuniewicz said that such an amount of cash was not yet available to warrant use of interest bearing accounts.

Tuniewicz briefly reviewed the Executive Committee's discussions regarding establishing a financial reserve. He said that he and Dasbach would be reviewing this in the coming month.

Martin, referring to the "Cash on Hand" graph, asked what degree of volatility exists in cash. He suggested that if this graph was typical, LNC might have funds on which it could earn interest but was not.

Dasbach explained that bank clearance times for checks and credit cards require several days. He said that the cash balances shown are as of deposit date and do not necessarily represent cleared funds. Therefore, he said, LNC maintains these cash balances to assure that it has adequate cleared funds available for operations and to avoid having to track cleared funds.

Givot asked about the amount of cash in the non-federal account and whether it was sufficiently large to consider earning interest on it.

Dasbach responded that because the transfer of funds from the non-federal account to the federal account to pay for certain expenses is done only once each month, there may be opportunities to earn interest on these funds without a significant expenditure of management effort.

Tuniewicz noted that he had reviewed LNC's Dun & Bradstreet report as well as reports for the Democrats and Republicans and found that we are rated as having a better performance in paying our bills in a timely manner than the other two parties.

Item: Region 2 (CA) Report

Dehn expressed concerns regarding the UMP program. Two concerns were related.

First, Dehn expressed concern that the scale of payments by which states receive more than \$1 per month for a given member is not sufficiently generous to the states.

Second, Dehn said that a problem exists within LPCA. LPCA sends 60% of UMP receipts to local parties. Local parties feel that is insufficient.

Dehn said that since national raises an average of about \$100 per contributor. He said that some feel that the UMP payments at membership levels in excess of \$25 a year should be increased.

Dasbach clarified what LNC actually receives on average from new members and prior members each year.

Dehn specifically asked if other states were having problems with the calculation of UMP payments.

Most regional representatives said that they had no complaints regarding the UMP payment table.

Smith said that inaccurate perceptions in Colorado were clarified by education.

Dixon said that one state in Region 7 misunderstands UMP, thinking that contributions to LNC by non-signers of the pledge were not considered part of the UMP calculation. He said that this can be remedied by education.

Givot said that LPIL does not share UMP revenue with local affiliates. He said that the answer on a state or local level should be more aggressive fundraising.

Item: National Director's Report & 1999 Budget

Dasbach presented the Annual Report being sent to members. He said that a second, somewhat abbreviated, Annual Report will be sent to lapsed members. He said that a third letter will be sent to instant members, recent prospects, and registered Libertarians. The inclusion of registered Libertarians in the Annual Report is being done for the first time. He said that this is typically the most successful fundraising letter of the year. He said that it can be expected to raise about \$150,000.

Dasbach said that the Annual Report communicates both the successes of the party and the party's position on certain issues.

Dasbach commented on the proposal from Brick Mill studios. He said that he hoped that some of the information provided in the proposal would help LNC members understand the factors which need to be considered in developing a direct mail program. He also reviewed some of the cost considerations in preparing large mailings.

Dasbach discussed several targets for the Archimedes Program. He said that if response rates can be increased, it will be economically feasible to mail to large numbers of new names.

In response to a questions, Dasbach discussed the costs of renting lists. He said that when a high degree of overlap exists between a rented list and LNC's own list, the cost per mailed piece goes up because LNC pays for all names before duplicates are purged. He said that LNC has also experimented with mailing to compiled lists based solely on demographic data.

Dasbach said that he is exploring other mailing house vendors, including Brick Mill Studios for a variety of reasons.

Dehn asked Dehn whether the proposed testing of two letters would be done before the next large scale mailing. Dasbach said that testing would be done before the next large scale mailing.

Ruwart and Bisson asked questions regarding the test schedule and methodology which Dasbach answered.

Savage suggested that certain methodologies exist for testing and asked Dasbach whether those were being employed.

Dasbach said that those methodologies related more to such things as how inclusion of a blank vs. BRE vs. stamped return envelope affected responses. Dasbach said that the appropriate methodologies would be used when it came down to testing such things.

Butler asked if Dasbach plans to prefund all of the various phases of these tests and the resulting large scale mailing. He asked if the size of the mailing can be adjusted to fit available funds.

Dasbach said that he intends to adhere to the prefunding discipline in doing this work. He said that even if the response rate is as low as we have seen to date, that those minimal revenues plus the amount prefunded would cover all costs associated with the mailing.

Givot asked if that would be a variance from the previously used prefunding discipline.

Dasbach said that the prefunding discipline was applied differently to revenue-generating and non-revenue-generating projects. He said that ultimately the Executive Committee will have to decide whether to include some assumption of minimal revenue that will be available to pay for the cost of such a mailing.

Lark asked Dasbach to comment about the perception of some members that Archimedes is not doing very well.

Dasbach referred to the page in his written report entitled "Additional Contribution History." He explained that the data suggest that the tendency of those who give to LNC is to continue to give to LNC. He said this demonstrates that a small initial loss is more than made up by subsequent contributions from new members.

Dasbach said that Archimedes mailings generated fewer than projected new LP members because the number of names mailed to in the second half of 1998 was reduced from the projected 1,000,000 to about 600,000. The reduction in mailing size resulted from having less than anticipated working capital after the convention.

Fylstra said that LP News has an article on Archimedes which provides a great deal of information supporting Dasbach's presentation.

Smith asked whether a separately-defined Archimedes account would receive both initial contributions from new members as well as subsequent contributions from the same individuals. Dasbach said that only the initial contribution would be deposited into the Archimedes account. Subsequent contributions would be deposited into other accounts, as appropriate.

Fylstra asked about the major donor program.

Dasbach described the program and how it is progressing. He said that it was important to gather information about the positive results from funds already generated from this program before going back to these contributors and asking for additional funds. He said that successful major donor programs are developed by building personal relationships with donors as well as keeping them informed of progress.

The meeting was recessed at 12:27 PM EST until 1:45 PM EST.

Item: National Director's Report & 1999 Budget (Continued)

Dasbach said that Riggs Bank had requested that a motion be adopted by the newly-elected LNC to confirm that LNC, Inc. is authorized to maintain accounts at that bank. He presented a copy of the bank's standard resolution form. (copy attached)

Butler moved that the resolution be adopted as written.

Martin seconded.

The motion passed unanimously on a voice vote.

Dasbach said that the two primary focuses of operations are implementing the new accounting system on January 1, 1999 and continued work on the new management information system targeting full cut over in

August, 1999. Dasbach informed the LNC of progress on each of these projects.

Butler asked whether national could arrange to share information with affiliate parties about the new management information system so that the affiliates can begin to prepare for the upcoming changes from national.

Dasbach said that some LNC members had already received certain documentation and that broader distribution of documentation should be available soon. He also said that Dan Gallagher will be providing a single-user version of national's system with certain functions omitted (e.g., FEC reporting) which will be available to affiliate parties.

Givot asked whether the FEC reporting capabilities would be made available to affiliates that do file with the FEC.

Dasbach said that affiliates have different FEC reporting needs than the national party, and that the programs written for the national party would not be appropriate for use by affiliate parties.

Dasbach updated the Committee on the web site development project. He described in detail some of the objectives of the project including expanding content, making the site more user friendly, and linking the LP web site to other web sites. He said that it was important to allow individuals responsible for content of specific areas of the web site be able to directly access and update their respective portions of the web site.

Fylstra advised the Committee of the cause of the delays in implementing the web site redevelopment project. He said that it was important to move the project forward, even if it is necessary to contact vendors other than the vendor he initially recommended.

Crickenberger said that in 1996 the LP raised more money online than the Dole campaign and almost as much as the Clinton campaign.

Fylstra suggested that LNC members visit the Advocates for Self-Government web site to see what they have done. He said that the site had over 10,000 visitors on its peak day, and has had more than 1,000,000 visitors overall.

Crickenberger said that we should explore "opt in" email lists as a possible electronic extension of the Archimedes approach to membership growth. Dasbach informed the Committee that Jack Dean had acquired the web addresses "libertarianparty.com", "libertarianparty.org", and "libertarianparty.net" and was willing to release the first two of these to LNC if LNC desired to acquire them. He said that Dean intends to retain rights to "libertarianparty.net" for commercial purposes.

Dehn raised the issue of what, if any, action LNC should take regarding Dean's possible use of the party's name in a commercial enterprise.

In response to a question from Tuniewicz, Dasbach explained the use of the budgeting term "accordion item" to the Committee.

Item: Region 8 Report

Martin reported that four of eight states in Region 8 are in various states of disarray.

Martin said that there is nothing going on in Arkansas where a college student is state chair.

Martin said that Tennessee ran only one candidate this year, although its problems seem to have been addressed. Tennessee will be considering a proposal to amend its ByLaws to enable it to join UMP.

In response to a request from Martin, Crickenberger reported on the continuing problems in Arizona. He said that he was encouraged by the fact that the 1999 state convention is being held in Tucson.

Hall updated the Committee on pending litigation between the two factions claiming to be the Libertarian Party of Arizona.

Savage moved to extend time for discussion by three minutes. No objection was made.

Savage asked about the basis for the dispute.

Dasbach explained some of the details of the dispute.

Lark asked how we intend to proceed if the "wrong side" wins in the current litigation.

Bergland suggested that dealing with the issues in Arizona substantively would require a great deal of time. He proposed that the discussion end and that it be brought up as a separate item if the Committee wishes to do so.

Item: Executive Session (Report from General Counsel)

Bergland called the LNC into Executive Session, as scheduled on the agenda, for the purpose of considering a report from counsel on a matter requiring confidentiality.

The Committee held extensive discussion in Executive Session, whereupon the Committee returned to open session.

Givot moved that the rules be suspended for the purpose of considering action relating to subjects discussed in executive session.

seconded the motion.

The motion passed without objection.

Item: Consideration of Action Relating to Executive Session

Givot moved that the following resolution be adopted:

Whereas the mailing list which the Libertarian Party develops, manages, owns, and rents is a primary asset and a major source of income generation for the Libertarian Party, and based upon evidence presented in executive session that a certain individual and related businesses have, on at least two occasions, made unauthorized use of that mailing list, and upon advice of general counsel, the LNC directs the Chair, on further advice of counsel, to pursue litigation against that

individual and related businesses for unauthorized use of the Libertarian Party's mailing list.

Lark seconded the motion.

Bergland called for discussion on the motion. No discussion was offered.

There being no discussion, the Committee moved to a vote.

The resolution was adopted by unanimous vote.

Item: LP Program

Dehn reviewed the history of the LP Program over the past 13 years. He said that the most recent introduction of planks developed as outgrowths of related projects such as Project Healthy Choice. He said the development of new and revised planks stopped a few years ago. He said that he believes that activity on the LP Program should resume. He solicited volunteers for the Program Committee.

Givot related his involvement in the adoption of ByLaws creating the LP Program. He reminded the LNC that the topics are to be those of interest and concern to the general population and not just libertarians.

Bergland confirmed this by reading the applicable ByLaws language creating the LP Program.

Dasbach suggested that the Program Committee would work most effectively when a member works on a particular topic rather than have the entire Committee work in detail on each topic. He said that there are three planks currently in development: foreign trade and immigration, Social Security, and education.

Dehn raised the issue of whether the LP Program should address local as well as national issues. He said that activists are mostly involved in activism at the local level, and that more planks relating to local issues would be appropriate.

Smith said that the issues of greatest general interest in Colorado are schools, Social Security, the environment, and taxes.

Dasbach said that the program is generally considered to be the Libertarian Party's national agenda, and that local issues might not fit into that category.

Dehn said that he felt that many of these issues are local in nature but national in scope.

Dasbach said that two such issues, which are already being considered, are land use and the environment.

Item: Region 6 Report

Savyon reported that LPMA had achieved major party status.

Savyon play a taped audio ad produced by Jeff Weinstein which was distributed to many radio stations.

Dehn said that he had previously been advised that there would be an opportunity to ask questions of the

general counsel regarding matters other than those presented by the general counsel.

Dehn moved that the rules be suspended for five minutes for the purpose of asking questions of general counsel.

Givot seconded the motion.

The motion passed without objection.

Item: Opportunity to Ask Questions of General Counsel

Dehn asked Hall what steps are being taken to defend against others using the name "Libertarian Party."

Hall advised the Committee of the history behind prior work done in this area. He said that he had previously asked a partner in his law firm to quote a price to achieve registration of the Libertarian Party name.

Dehn asked if there was any current policy regarding approval to use the Libertarian Party name.

Hall said that he was not aware of such a policy.

Dehn asked Hall if Hall was aware of any agreement to license the Libertarian Party name to anyone.

Hall said that he is not aware of any such agreement.

Lark asked whether a claim could be made by a trademark holder if their trademark were used as a Internet address.

Hall said that there was legal recourse.

Fylstra said that he is very familiar with the area of trademark protection in the assignment of Internet addresses. He said that circumstances have improved for trademark holders. He said that the Internet registration organization has a provision which permits the holder of a trademark to challenge the use of their trademarked name in an Internet registration made by another party. He said that if the trademark holder challenges the use of its trademarked name that the Internet registration organization requires the registrant using the name to provide information which would counter the right of the trademark holder to use that name.

Givot asked Hall the cost of having his partner proceed to register the name "Libertarian Party."

Hall said that the cost would be about \$600.

Ruwart asked the Committee for permission to present at item of disclosure.

There was no objection.

Item: Disclosure

Ruwart disclosed that she may have a potential conflict of interest as a vendor to the party. She said that she may be selling her book to the party for use as a contribution premium.

Item: Political Director's Report

Crickenberger review some of the highlights from his written report.

Crickenberger said that he plans to develop tools for candidates, including a regular newsletter (sent mostly by email), race-specific manuals (e.g., school board), manuals supportive of those who get elected (e.g., a manual for zoning board officials), generic commercials, and generic brochures.

Crickenberger said that the Libertarian Party is in new territory in terms of the number of elected candidates. There are presently 256 individuals on the list of elected Libertarians. He said that the number of office holders seems to be related to the size of the membership.

Lark introduced a newly elected official, Bill Lawry.

Fylstra asked Crickenberger for his assessment of the possibility of persuading non-Libertarian elected officials to join the Libertarian Party.

Crickenberger said that we need a better solicitation piece to help persuade such individuals to join our party. He suggested something resembling the CATO annual report - something which might include our annual report, Archimedes prospectus, and similar documents.

Bisson asked Crickenberger for his assessment as to whether the Ohio ballot drive would be completed on time.

Crickenberger said that completing the drive on time certainly can be done. He said that the most cost effective approach is to recruit candidates and have them make an investment in getting onto the ballot.

Dasbach asked Crickenberger how many signatures are being gathered weekly present time.

Crickenberger said that we had been gathering about 2,000 signatures a week, however a major producer has left the drive. He said that currently about 1,000 signatures are being gathered per week.

Butler asked Crickenberger about the likelihood of getting 218 candidates for the U.S. House or 2,000 candidates for all offices on the ballot in 2000.

Crickenberger said that either is achievable.

Butler asked what LNC could do to make either more likely to happen.

Crickenberger said that he could have gotten 218 U.S. House candidates on the ballot this year, however he had other responsibilities which conflicted with achieving this goal. He said that money to pay filing fees would have helped.

The meeting was recessed at 5:30 EST, December 12, 1998.

The meeting reconvened at 9:04 AM EST, December 13, 1998.

Item: Region Report #7

Dixon advised the Committee that he was presenting the report. He said that Franke and Bradbury had divided the responsibilities of Regional Representative, with Franke responsible for attending the meetings and Bradbury acting as liaison with the region's affiliates.

Dixon provided the Committee with a summary of activities in each state.

Dixon spoke about the experiences of the Libertarian Party of Illinois. He said that there had been some tendency to focus on recrimination or failure. He said that the experience had also resulted in a very positive bonding of party members in Illinois. He said that the LPIL also learned that as we grow and become a greater threat to other parties, our efforts will be subject to a much stronger response than we might have imagined. He said that he believes that no petition ever submitted by any party in the State of Illinois would have passed the level of scrutiny than LPIL's 1998 statewide petition experienced.

Dixon said that Region 7 was planning a regional convention in Iowa in 1999.

Discussion ensued about timing a Success '99 event in conjunction with the regional convention.

Ruwart said that she had been told that the governor-elect of Minnesota had preferred to run as a Libertarian, but that he ran under the Reform Party because that party had ballot status. She asked Dixon if this was true.

Dixon said that he had no specific information on this matter, but that he felt that it was not true.

Crickenberger said he had contacted an official of the Ventura campaign, and that this individual said that characterizations of Ventura as a Libertarian were mostly a "media slur."

Winter said that the ten issues that Ventura selected for his campaign did not express a particularly libertarian viewpoint.

Item: Communication Director's Report

Winter summarized his communications report in three words: bigger, better, more.

Winter presented a series of statistics demonstrating that the party was receiving greater media exposure than in prior years.

Winter said that plans for 1999 included purchase of a CD-ROM database of media outlets, attending several media events and conventions, attend events sponsored by other organizations where media personalities are likely to be in attendance. He said that plans for 1999 may include some media training.

Winter said that 99% of the interviews scheduled result from news releases sent out directly by the national office.

Givot asked whether national could share the media contact information it purchased on CD-ROM with

affiliate parties.

Winter said that because affiliates are separate legal entities, the sharing the information would not be permitted under the purchase contract.

Givot asked whether national could share media contact information which the national office developed itself.

Winter said that he would prefer to discuss that later.

Savyon said that the best media information is that which is generate locally.

Tuniewicz asked Winter to quantify his plans for regularly producing and distributing op-ed pieces.

Winter said that he hopes to produce these on a regular schedule - probably monthly. He said that he cannot predict the results of such an effort.

Bisson said the he was not receiving copies of op-ed pieces. He asked if they, too, could be distributed.

Getz said that it would be possible to distribute those.

Winter summarized his report regarding LP News in three words: bigger, more, better. Winter said that advertising revenues and news and editorial content are up considerably.

Winter said that most negative comments he is receiving come from individuals who feel that their states are not receiving an appropriate level of coverage.

Dehn asked whether those states were, in fact, receiving coverage.

Winter said that these states are receiving coverage comparable to other states with similar activities.

Winter said that one area where additional coverage would be desirable would be stories about the activities of elected Libertarian.

Several LNC members offered Winter suggestions of individuals and topics for such stories.

Winter summarized his report regarding The Libertarian Volunteer in three words:

smaller, fewer, less.

He said that he had produced three issues this year instead of his goal of six.

Winter said that he can continue to produce LP News at its current size and level of quality without difficulty. He said that, given his experience, the hiring of an LP News reporter was, and can be, deferred. He said that the need to hire a reporter will arise as we approach the next national convention. He said that the decision on hiring a reporter has been deferred until June, 1999.

Winter introduced Press Secretary George Getz.

Getz reported on examples of where our news releases have been used by major media personalities and outlets.

Dehn asked Winter about what appear internal factors which might limit the ability to handle media contacts.

Winter said that while we are not experiencing such limitations yet, that at some future time we would reach a such a limit based on staffing. He said that currently about 1 1/4 people handle media contacts. That level equates to about 125 media contacts per month and about 40 to 50 interviews per month.

Martin said that he could perform an analysis to provide management with better information on inquiry generation and the capacity of staff to accommodate inquiries.

With the unanimous consent of the members, setting of future meeting times and locations was considered next.

Item: Future Meeting Dates, Locations & Topics

Dasbach advised the Committee of the current schedule of Success '99 events.

Butler summarized informal conversations that he had had with various Committee members regarding meeting dates.

Givot suggested that it would be appropriate for the LNC to hold some of its meetings elsewhere in the country for a variety of reasons.

Lark spoke in support of having one or two meetings each year somewhere other than Washington. He asked Dasbach about the costs associated with doing this.

Dasbach said that the costs per staff member would be about \$500 and that he would expect to three staff members to attend: the National Director, the Political Director, and the Communications Director.

Martin spoke in support of Givot's suggestion, and said that perhaps it should be put out to bid.

Butler said that he was familiar with the topic. He said that by holding the meetings in Washington, LNC members get an opportunity to spend more time with more of our staff members.

Smith commented on her expectations were the LNC meeting to be held in conjunction with her state convention.

Crickenberger said that he feels it very valuable to hold LNC meetings outside of Washington. He said that the wide ranges of Success '99 convention locations somewhat mitigates the value of holding meetings outside of Washington.

Bergland said that just because the LNC does not meeting outside of Washington does not mean that our presence is not being shown there. He also said that costs become an issue when the meeting is held in a non-airline hub location.

Dasbach said that the costs of holding LNC meetings in accessible cities other than Washington is small

enough to be feasible.

Savage moved to adopt the following schedule:

April 10-11,1999 in Washington
August 14-15,1999 in Anaheim
December 11-12,1999 in Washington
March 11-12, 2000 in Washington

Lark seconded the motion.

Savage spoke in favor of the motion saying that this schedule calls for one meeting outside of Washington each year.

Givot moved to amend Savage's motion by leaving the location of the March, 2000 meeting location to be determined later.

Dehn seconded Givot's motion.

Givot spoke in favor of his motion saying that if it were not adopted, the only meeting locations for 2000 would be in Washington and Anaheim for the second consecutive year.

Smith said that those living west of Chicago must give up an extra day for travel to be at the meeting city at a reasonable time on Friday.

The Committee moved to a vote on the amendment. The amendment passed by a vote of 8 to 5.

The Committee moved to a vote on Savage's motion. The motion passed by unanimous vote.

Givot asked that there be some communication with affiliate parties regarding the fact that the April, 2000 meeting site was open for consideration.

Dasbach suggested that it would be appropriate for LNC Regional Representatives to communicate this to their affiliate in their regions.

Item: Region 4 Report

Spruyt reported on ballot access in his region. He said that three states in his region have particularly difficult ballot access issues.

Spruyt said that North Carolina has a difficult petitioning requirement. He said that North Carolina likes the fact that it can have continuous ballot access by circulation a petition only once each four years, with that petition covering two biennial elections.

Spruyt reported on recent changes in Florida ballot access law. He said that a court ruling now requires that the state set the same requirements for all political parties. He said that this current leaves Florida with no ballot access laws, since the current laws discriminate in favor of some parties. He said that now the state will proceed to adopt new ballot access laws. He cited the work of Tom Regnier in achieving this victory.

Spruyt said that the signature requirement for Alabama had just tripled.

Spruyt said that it would be valuable for all state parties to get information from national which would facilitate easy interchange of data between the national party and its affiliates.

Savyon said that this information on this is available.

Martin said that it is important to distinguish the difference between what national provides and what states need. He described a database product which is available for sale which provides more information that state parties would want.

Item: Request from LP of Illinois

Givot described the efforts by the national office to assist LPI in finding volunteers to assist LPIL in defending the challenge to its 1998 statewide petition. He said that more than 100 individuals from out-of-state responded and that about 40 to 50 came to Illinois. He said that without their assistance, it would have been impossible for LPIL to mount any credible defense to the challenge.

Givot said that during the course of the petition defense, conversations were held with the national office about the need to recognize the extraordinary contribution that these out-of-state volunteers were making. He said that now was the time to proceed to do so. He said that LPIL's financial condition makes it impossible for LPIL to participate financially in this effort. He said that the best idea that he had heard for providing some tangible recognition of these individuals was to provide for a one year membership renewal extension.

Givot moved that

"The LNC authorizes recognition of the extraordinary efforts expended by as many as 60 out-of-state volunteers assisting the Libertarian Party of Illinois by providing a one year extension of their membership renewal date."

Martin seconded.

Lark suggested that it would also be appropriate to recognize these individuals in an article in LP News.

Dasbach said that LNC action should not direct the specifics of LP News content.

Savyon asked how many individuals would be involved and whether Illinois participates in the UMP program.

Givot said that he estimates that 40 to 50 individuals are involved, but that he was requesting 60 to assure that there was adequate authorization. He said that Illinois does participate in the UMP program.

Ruwart asked if this proposal would reduce revenues to the state parties where these individuals reside if those affiliates are UMP participants.

Dasbach said that it would not reduce revenues to any affiliate party.

Dehn asked what the total cost of the proposal would be.

Givot said that the maximum cost of this would be \$1,500 - \$25 for each of up to 60 individuals.

Butler said that the cost might be higher because it might affect UMP payments.

Crickenberger said that he felt that by thanking and recognizing these people it would increase contributions, making the cost lower.

Dehn said that we are setting a precedent in extending membership renewal dates and that we should consider the consequences of such action.

Ruwart moved to amend the motion to replace the words "provide a one year extension of their membership renewal date" with the words "provide \$25 in the form of a certificate which would be accepted by the national party for the purchase of materials or payment of dues" for these individuals.

Butler seconded.

Dixon said that in considering this over the past months, he had concluded that membership was the best form of recognition. He said that his opinion was based on his discussion with and observation of the volunteers themselves.

Martin said that if we consider payment for services rendered that this is not setting a precedent.

Bergland said that he did not have a problem with setting such a precedent.

Dehn said that prior consideration of granting membership in return for extraordinary efforts have not been approved. He referred to a prior proposal to extend membership renewal dates for candidates.

Lark said that if we do this, then more people will ask the LNC to reward other efforts.

The Committee moved to a vote on Ruwart's amendment. The amendment passed by unanimous vote.

The Committee moved to a vote on Givot's motion as amended. The motion passed by a vote of 8 to 6. Bisson abstained. Dehn asked that his vote against the motion be recorded.

Item: Region 5 Report

Turney called on Dan Smith to report on the DC party.

Turney called on Lark to report on the Virginia party.

Dasbach recognized on the efforts of Richard Schwarz of LPPA who was in attendance. He said that Schwarz was responsible for the "lion's share" of the Pennsylvania ballot access effort.

Item: Approval of 1999 Budget

At Turney's request, the time of day is entered into the record as 11:16 AM EDT.

Dasbach presented the 1999 Budget. He presented the process by which he developed the proposed budget. He highlighted changes.

Martin asked whether the revenue projections were based on the 1998 projected ending results.

Dasbach said that they were. He said that last year began with about 23,000 members and about 2,500 LP News subscribers and that these people provided revenues of approximately \$100 each. He currently projects 1998 to end with about 30,000 members and about 5,500 LP News subscribers.

Tuniewicz complimented Dasbach on the detailed monthly breakdown of the budget. He said that we current project ending 1998 with a negative variance of about \$200,000 which he believes is a result of revenue shortfalls. He highlighted the Major Donor revenue item as a significant contributor to that shortfall. He said that a comparable overall revenue shortfall is possible in 1999.

Dasbach said that to cushion against that contingency, a large operating surplus was planned into the 1999 budget. Regarding the Major Donor line item, Dasbach said that it was being budgeted at the level actually achieved in 1997. He said that Major Donor revenue is largely dependent on individual contacts and relationships. He said that Crickenberger, he, and others will be making such contacts and soliciting Major Donor contributions as they travel the country making Success '99 presentations.

Tuniewicz asked Dasbach if it was his intent to report Project Archimedes and Major Donor income and expense separately so that any revenue or expense volatility resulting from them can easily be seen.

Dasbach said that he would be reporting them to LNC separately, but that (subject to a determination that it would comply with FEC regulations) a segregated bank account would only be established for Project Archimedes funds.

Tuniewicz asked Dasbach if this would end the use of so-called "accordion" line items.

Dasbach said that this would not be the case. He cited Inquire Response as an example a budget line item where the continued use of "accordion" line items was appropriate.

Tuniewicz expressed concern that to the extent that we continue to have many "accordion" line items, it will tend to make the monthly breakdown of revenue and expense for each line item meaningless.

Bergland said that he disagreed.

Lark asked Dasbach how large the pool of lapsed members and subscribers is.

Dasbach said that we have about 30,000 lapsed members and about 6,000 lapsed subscribers.

Dasbach said that the final budget will be footnoted to identify which are still "accordion" items.

Givot asked why expenses were so large in April.

Dasbach said that telemarketing cost to call all members for were shown in April. He said that offsetting revenue items were \$100,000 in one-time contributions as well as incremental pledge program. He said that April, as well as September, are months when three paychecks will be issued.

Givot asked why this telemarketing effort was all being done in one month.

Dasbach said that all of the calls are completely in about two weeks. He said that making all of the calls in a short time frame worked best for both the telemarketing firm and for LNC.

Turney asked for clarification regarding the \$60,000 and \$100,000 telemarketing figures in the budget and how they related to prior year figures.

Dasbach explained that there had been some telemarketing items which were incorrectly posted during the prior year. He said that, in his judgment, the effort required to correct those postings did not provide sufficient benefit to expend that effort.

Turney asked about changes in credit card budget, premium, and thank you items over the prior year.

Dasbach said that he had identified some errors by staff in recording these entries as well. He also said that there remains an unidentified bookkeeping "glitch" which he will be dealing with in the near future. He said that when the new accounting system is installed, it may be that some of these detailed line items will no longer be used.

Turney asked Dasbach about the proposed increase in staff costs.

Dasbach said that in addition to a budgeted staff increase mid-year, the temporary worker in the office now will be replaced by a new staff position. He also said that some form of retirement program should be adopted in the coming year.

Lark asked if migration into the new accounting system would be accompanied by a guide for LNC members and others about LNC budgeting and accounting procedures.

Dasbach said that the new accounting package will result in different reports which will, among other things, allocate various costs (such as staff expense) by budget line.

Dehn asked about the level of detail to be provided. He cited the allocation of credit card costs as expenses related to the various sources of credit card income.

Dasbach said that consideration would be given to where it is and is not appropriate to allocate costs and how they should be allocated.

Dehn said that there is a continuing problem with the monthly payroll varying between months with two and three paychecks. Dehn suggested whether it was appropriate to do accruals each month to smooth out monthly results.

Dasbach said that our auditors had been asked about this and that they advised that it was not worth the effort. However, the auditors did say that some organizations make an adjustment at year end for the purpose of having more accurate final statements.

Butler said that the purpose of the monthly budget is to identify variances from expectation, not to assure that there is a positive net result each month.

Tuniewicz drew the attention of the Committee to Article V (Finances), Section 2 (budget), paragraph C

(spending limit), items 1-4 of the LNC Policy Manual. In accordance with item 4, he reported that several expenditure categories had exceeded budget by the 10% limit imposed by the bylaws. A list of these categories was provided to the Secretary for purposes of the minutes.¹

¹ The list, received subsequently by the Secretary, included the following specific budget categories, and their respective per cent over budget: Credit Card & EFTS (44%), Premiums & thank-yous (73%), Prospecting (overall category) (24%), Lapsed members (92%), Proven Lists: (92%), and Inquiries and 800 # (42%).

Tuniewicz suggested that some of the categories were so-called "accordion items" and that the LNC's practice had been to allow them to fluctuate along with their corresponding revenue categories (e.g., prospecting). He indicated that this section of the bylaws may be in need of amendment.

He said that there have been some violations involving expenditures in excess of those authorized by the LNC and that he would provide a list of these to the Secretary.

Dasbach said that he intends to present revised monthly budget projections at each LNC.

Givot said that he agreed with Butler's comments regarding the purpose of developing a monthly budget. He said that he was relying on staff to determine the most reasonable method to make allocations of expenses, such as credit card charges, between line items. He said that sometimes estimating the allocation is a more efficient method than actually measuring the allocation each month.

Tuniewicz moved adoption of the 1999 Budget as presented in the 1999 columns of the 1999 Budget Summary.

Martin seconded.

Without objection the Committee moved to a vote. The motion passed unanimously.

Dehn asked for clarification as to the meaning of the motion just passed. He specifically asked whether it was the intent of the motion to apply the limitations of Article V, Section 2 of the LNC Policy Manual to (1) the annual figures, (2) the cumulative monthly figures, or (3) the monthly figures.

Discussion ensued to clarify the meaning of Tuniewicz's motion. During the discussion, Tuniewicz clarified that it was his intention that the limitations in the LNC Policy Manual would apply to the annual figures and that the monthly and cumulative monthly figures were presented for guidance and monitoring purposes only.

At the Chair's request, the Committee voted again on Tuniewicz '5 motion as clarified by Tuniewicz. The motion passed unanimously again.

Item: Committee Appointments

Appointment of Audit Committee

Bergland said that the next order of business was to appoint the members of the Audit Committee.

Dehn moved to add to the policy manual,

Section (6) (3) (f) Audit Committee: The LNC shall appoint a three person audit committee to commission and supervise an annual audit. No member of the Executive Committee shall be appointed to the Audit Committee.

Smith seconded the motion.

The Committee moved to a vote. The motion was adopted unanimously.

Bergland asked who had served on the prior Audit Committee.

Givot said that it was Neale, Franke, and himself.

Butler nominated Neale.

Hall seconded.

Lark nominated Martin.

Hall seconded.

Ruwart nominated Turney.

Dixon seconded.

There being no other nominations, Bergland suggested voting on all three nominees as a group. There being no objection, the Committee moved to a vote.

The Audit Committee, as nominated, was appointed by unanimous vote.

Appointment of Advertising and Publications Review Committee

Bergland said that the next order of business was appointment of the Advertising and Publications Review Committee (APRC). He said that it is a three person committee. He explained the purpose of the APRC.

Tuniewicz nominated Bruce Baechler.

Dixon seconded.

Dehn nominated Dehn.

Lark seconded.

Martin nominated Lark.

Smith seconded.

There being no other nominations, Bergland suggested voting on all three nominees as a group. There being no objection, the Committee moved to a vote.

The Advertising and Publications Review Committee, as nominated, was appointed by unanimous vote.

Appointment of General Counsel

Bergland said that the next order of business was appointing general counsel.

Butler nominated Hall.

Tuniewicz seconded.

There being no other nominations, Lark moved that Hall be elected by acclamation.

Hall was unanimously reappointed by acclamation.

Appointment of Internal Auditor

Bergland said that the next order of business was appointing an internal auditor.

Bergland said that Bill Redpath, who has served in that capacity in the past, has volunteered to do so again. He said that Redpath will not initiate any activities, but that he will respond to requests.

Tuniewicz asked the extent to which Redpath would be available to respond to requests.

Lark said that Redpath has substantial other commitments, but that Redpath would be responsive if the need were expressed.

Tuniewicz said that he envisioned that the Internal Auditor's work would probably be done a bit at a time "on a rolling basis."

Dehn said that if Redpath doesn't plan to devote time to the position on a regular basis, that perhaps we should find someone else.

Bergland said that the members seem to share some concern as to whether Redpath has sufficient available time to perform this function, but that it may be appropriate to appoint Redpath and see from experience whether he has sufficient time to meet our needs.

Butler said that the role of the Internal Auditor has some potential to assist the organization. He cited the particular circumstances of preparing for potential problems relating to the so-called "year 2000 problem."

Lark said that he would be glad to approach Scott Elston, Treasurer of LPVA, who has the skills required to be Internal Auditor.

Tuniewicz moved that Redpath be appointed Internal Auditor.

Lark seconded

There being no other nominations, the Committee moved to an immediate vote.

Redpath was appointed Internal Auditor by unanimous vote.

Appointment of Convention Planning Committee

Bergland asked the Committee to consider whether it was appropriate to continue to appoint a Convention Planning Committee.

Smith said that she understood that there were some budgeting problems.

Dasbach said that the existence of a Convention Planning Committee would not have affected that problem.

Givot provided background and suggested that a committee is not needed at this time.

Tuniewicz asked Givot whether he believes that, absent a formally appointed Convention Planning Committee, that staff will continue to seek input from appropriate sources.

Givot said that he felt that staff would continue to seek such input.

Dasbach said that the input would be sought regardless of whether the LNC formulated the committee. He also said that he could appoint a Committee to advise staff.

Savyon said that it was important if no other purpose than to assure that the LNC has an oversight role regarding the national convention.

Tuniewicz agreed with Savyon.

Tuniewicz nominated Savyon.

Lark seconded.

Smith nominated Smith.

Turney seconded.

Givot nominated Givot.

Ruwart seconded.

Givot nominated Tun.

Savyon seconded.

Turney nominated Turney.

Martin seconded.

Dasbach asked for clarification as to whether the Committee members could expand the membership of the Committee without LNC approval.

There was discussion on this subject. It was determined that no change to the policy manual would be made at this time, but that the Secretary would prepare suitable language to allow the Convention Planning Committee members elected by the LNC to appoint additional members to their committee.

There being no other nominations, Bergland suggested voting on all five nominees as a group. There being no objection, the Committee moved to a vote.

The Convention Planning Committee, as nominated, was appointed by unanimous vote.

Appointment of LP Program Committee

Bergland said that the next order of business was appointing the LP Program Committee. He said that prior discussion had already clarified the purpose of the Committee.

Dehn nominated Fylstra

Butler Seconded.

Martin nominated Ruwart.

Butler seconded.

Butler nominated Bergland.

Givot seconded.

Smith nominated Smith.

Lark seconded.

There being no other nominations, Bergland suggested voting on all four nominees as a group. There being no objection, the Committee moved to a vote.

The LP Program Committee, as nominated, was appointed by unanimous vote.

Item: Other Items of Business

Thank yous

Lark thanked Dan Smith and Givot for their efforts in making the meeting run smoothly.

Givot thanked Dehn for his assistance in performing roles of the Secretary.

Employee Pension Plan

Dasbach introduced the topic of establishing a pension plan for the employees of LNC, Inc. He said that some

work had been done to determine what sort of plan might serve the organization and its employees well.

Givot moved that "the LNC authorizes the formation of a 401-K profit sharing plan, authorizes the National Director to establish the plan, and appoints the National Director as the trustee of the plan."

Tuniewicz seconded.

Givot asked about the costs and whether they were all included in the budget.

Dasbach said that there would be a fixed cost of about \$1,600 annually. He said that he recommended a match of \$1 from LNC, Inc. for each \$2 contributed by the employee. He said that he is working with Judy Redpath (wife of Bill Redpath) on developing this program. He said that under the proposal, LNC would match up to the first 6% of income that any given employee puts into the plan - making LNC's maximum liability 3% of gross payroll.

Fylstra moved to amend Givot's motion to replace the words "a 401-K profit sharing plan" with "a qualified, defined contribution pension plan (which may be a 401(k), SEP-IRA, or SIMPLE-IRA plan.)."

Hall seconded.

The amendment passed unanimously.

The motion passed unanimously.

Year 2000 Preparations and Compliance

Tuniewicz raised the issue of what measures have been taken to assure that LNC, its suppliers and its vendors will not experience problems detrimental to LNC as a result of the "year 2000 problem."

Dasbach said the Butler has been appointed as the Year 2000 Compliance Officer for LNC, Inc.

Lark moved to adjourn.

The Committee voted unanimously to adjourn.