

LNC Executive Committee Meeting

Teleconference February 10, 2000

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

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

Also present: Dan Fylstra (NV), Region 2 Alternate

The meeting was called to order by Bergland at 8:35 PM EDT.

Item: Domain Names

Bergland reported that he and Dasbach had had discussions with Jack Dean regarding turning over two domain names (libertarianparty.com and libertarianparty.org) to the LP and resolving the issue of the third domain name (libertarianparty.net).

Dasbach said that Dean's company had applied for these domain names to prevent others from taking them.

Dasbach said that in his recent conversation Dean reported that Dean wanted to discuss the matter with his business partner. He said that he indicated to Dean that he was not happy with Dean's response.

Bergland said that his conversation with Dean was more positive.

Dasbach said that Dean had originally proposed retaining the libertarianparty.net domain name and turning over a portion of the profits to the LP.

Dehn said that it would be cleaner if all the domain names were turned over to the LP and a contractual agreement were reached permitting Dean to use it for certain purposes.

Bergland said that he advised Dean that the LNC has an obligation to protect against the use of its name by others. He said that Dean acknowledged that obligation.

Givot asked whether the structuring of a financial agreement with Dean would impact FEC reporting of this income and whether it would be taxable as unrelated business income.

Dasbach said that to be safe, the income could be deposited into the LNC's non-federal account although it may be possible to deposit some or all of it to the federal account. He said that depending on the source of the income, it may or may not be taxable to LNC, Inc.

Bergland said that he would contact Bill Hall to pursue this matter.

Item: Arizona Affiliate Update

Bergland reported that the Arizona state court ruled that no merger took place making ALP (as opposed to ALP, Inc.) the appropriate organization to receive voter registration lists. He said that the court also upheld the constitutionality of the AZ election laws -- a ruling which supports the position held by ALP, Inc.

Bergland said that Ernest Hancock of ALP has said that he intends, upon receiving the voter registration list, to post the entire list on the Internet for public use. He said that Hancock had sent him a copy of the AZ statute. He said that his reading of the statute is that Hancock would not be violating the statute if he were to do so.

Bergland said that he believes that the LNC has no basis to intervene regarding issues involving the use of the list of AZ registered voters.

Fylstra expressed concern regarding the court's ruling on which group represents the LP in AZ. He said that this transcends the issue of who gets the voter registration list.

Dasbach discussed a number of potentially related issues, including the selection of presidential electors.

Fylstra said that there is also the issue of who the precinct committeemen will be.

Givot said that it seemed to him that if the officers of ALP, Inc. stand for election at the next state convention, they may well be elected, ending the problem.

Dasbach said that the leaders of ALP, Inc. may not show up at the ALP state convention. He said that only 2 ALP officers will be elected this year and only 5 of 15 at-large members will be elected. He said that ALP ByLaws say that persons elected in a tax-supported primary cannot serve as an officer of ALP.

Dehn said that he asked that this be placed on the agenda because it may affect the 2000 presidential race.

Dasbach said that there is a definite possibility that there is a problem

Dehn said that he is concerned because of apparently conflicting interpretations by the two sides. He said that he is concerned by Buttrick's comments on LPUS. He said that Buttrick had raised concerns that ALP may snub the LP national convention's choice for presidential candidate and/or electors.

Dehn said that Buttrick's concerns are not supported by the statutes. He said that the section that relates to presidential electors for a party's candidate says that the chairman of the state committee determines who the presidential electors are. He said that this section of the statute is silent as to who determines who the presidential nominee is.

Dehn said that, having spoken to Richard Winger, there are apparently no AZ precedents regarding this issue. He said that he contacted the AZ Secretary of State's office, and that office advised him that his interpretation of the statute was correct. He said that they do not take the names of presidential candidates from the state party. He said that they reported that absent a court order, they will place the name of the person nominated at the national convention on the ballot.

Dehn said that the electors need to be named in mid-June.

Bergland thanked Dehn for his investigative efforts. He said that notwithstanding what Dehn had been told, it would be advisable to seek a written statement from the Secretary of State's office confirming their position.

Dehn said that a backup plan should be available and that preparation for implementing it should be made. He said that a ballot drive to get the LP presidential candidate on the ballot as an independent candidate would be the alternative. He said that the deadline is June 29.

Bergland and Givot said that they would not support starting a ballot drive to get our presidential candidate on the ballot as an independent if the written statement from the AZ Secretary of State was in hand.

Dehn said that he would not do so either, absent a showing of some other problem.

Dasbach said that the upcoming AZ state convention may give some indication as to the existence of a problem.

Item: Update on National Director's Report

Dasbach provided an update on his written report.

He said that the federal account was not, in fact, in deficit at the end of December as a result of a procedural error in December in which a deposit was entered into the accounting system twice. He said that the perceived overdraft resulted from a manually-written check which was entered into the bookkeeping system with an incorrect issuance date.

Dehn asked whether the perceived incorrect date of issuance was a second error in addition to the double entry of a deposit in December..

Tuniewicz characterized the perceived incorrect date of issuance as a "clerical error."

Dasbach agreed, saying that recording the deposit twice resulted from a "procedural error."

Givot said it was fortuitous that the federal account was not overdrawn, because had the amount of the duplicated deposit entry been somewhat larger, the federal account would have been overdrawn.

Dasbach updated the committee on resolving the credit card expiration date issue.

Dehn asked whether a year-end balance sheet and income statement was available.

Dasbach said that the final numbers for 1999 have been determined. He presented the following results as of December 31, 1999:

Cash \$27,648.23 Accounts Receivable 4,162.00 Prepaid Expenses 7,277.16 Advances 490.00 Total Assets \$ 39,577.39 Accounts Payable \$ 74,278.04 Total Liabilities \$ 74,278.04 Fund Balance 12/31/98 (\$ 164,817.18) 1999 Operating Surplus 130,116.53 Fund Balance 12/31/99 (\$ 34,700.65)

Givot expressed concern about the lack of prompt notification of each of these problems. He said that he learned of them previously because he happened to call Dasbach on an unrelated matter and asked how things were going.

Givot said that he appreciated Dasbach's desire to gather complete information regarding each problem. However, he said that he believes that Dasbach should have notified members of the Executive Committee as soon as each problem was

discovered. He cited the well-known phrase: "Houston, we have a problem," as an example of quick dissemination of the existence of a problem even though the details were not yet known. He said that failure to notify others of the problem lessens the sense of teamwork and cooperation that would otherwise exist in the organization.

Bergland said that he had a brief discussion with Dasbach some time ago in which he was notified about the problem. He said that he doesn't think it is good to have a policy that tries to describe all of the times when notification is needed. He said that adopting a policy of telling all of the Executive Committee members or requiring an Executive Committee meeting was inadvisable.

Givot said that he was not suggesting that a policy be adopted. He said that he was simply expressing his disappointment that -- given the cancellation of the January Executive Committee meeting for lack of an agenda -- there was no attempt to assure that the Executive Committee members would be aware of these developments.

Dasbach said that communicating the existence of these problems would have led to too many one-on-one conversations, too many questions, and other things which would divert attention from identifying and resolving the problems as well as other business.

Tuniewicz said that if a communication describes all that is known about the problem and requests that people refrain from calling until more information is available, then it should forestall the problem Dasbach is concerned about.

Butler that there is the "shell shocked" reaction in receiving such an email. He said that another issue is that when an officer receives an email, that officer may be obligated to respond.

Bergland said that his guidance to the National Director is that when material matters come up, he should advise the Chair and the Chair will decide the extent to which information will be communicated to others.

Tuniewicz asked that a balance sheet, income statement, and accounts payable listing be sent to him on a more frequent basis.

Dasbach said that he would provide these reports to Tuniewicz on a regular basis.

Fylstra asked for an update regarding the new web site. He said that there is a strong possibility that the web site will be substantially complete but not ready to launch on March 11. He asked what plan exists if the site is not ready.

Dasbach said that if the site is not ready on March 11, the current site will include a message regarding the delay.

Fylstra said that he believes the chances are fairly high that the site will not be ready to launch, and that there ought to be a proactive plan to present this in the best possible light.

Givot said that he agreed that a plan should be in place to prepare for that contingency.

Bergland said that Dasbach and he would discuss the matter.

Item: Compensation Committee Report

Fylstra reported on the work of the Compensation Committee. He said that more than 200 emails had been sent on the topic and no fewer than 5 different formulas have been considered.

Fylstra said that the Compensation Committee is not yet ready to present a specific plan. He said that the members have responded to a set of 12 questions. He asked for permission to send a copy of the questions and the committee's responses to Dasbach and Crickenberger. There was no objection, and Fylstra immediately emailed the questions and responses to Dasbach and Crickenberger who then read them.

Butler raised a question about a June 30 goal evaluation date. He asked Bergland and Dasbach how significant they felt it might be to award some bonus based on mid-year membership/contributor levels.

Bergland said that he sees no great reason that a bonus program should pay out to employees mid-year. He said that in his view it would be best to aim the bonus at the end of the year due to the volatility of the numbers.

Fylstra asked Dasbach whether a plan that pays mid-year would provide more or less incentive than one that pays at the end of the year.

Dasbach deferred to Crickenberger.

Crickenberger said that giving out checks right before the national convention will not look good to some members. He said that he does not think that whether bonus payments come once a year or twice a year will make much of a difference to staff.

Dasbach said that one item throws up a red flag for him: whether only the core goals are to be included in the bonus plan. He said that if the plan excludes measurement and compensation for non-core goals, it may have the effect of "truncating" the non-core goals.

Fylstra described some of the alternatives considered by the Compensation Committee.

Givot asked Dasbach what percentage of pool he would want to be determined by achievement of non-core goals to avoid the "truncation" effect that Dasbach had described.

Dasbach said that if somewhere between 20 and 40 percent of the bonus was based on achieving non-core goals that his concerns about "truncation" of non-core goals would be mitigated.

Givot asked Dasbach whether excluding some of the non-core goals but including most of them would undercut the LNC's determination that those bonus-excluded non-core goals were important?

Dasbach said that if most of the non-core goals were included in the bonus calculation, he would not be concerned that the importance of those goals excluded from the calculation would be diminished.

Bergland said that the Compensation Committee's recommendation should address these concerns explicitly and explain why the recommendation is being made as it is.

Fylstra said that there has been discussion at the Compensation Committee as to how to develop a plan that is sufficiently robust to remain a good plan if amendments are proposed by LNC members who have not benefitted from participation in the plan's evolution.

Butler asked Dasbach and Crickenberger what behavioral changes in their own performance are likely to result from the concept presented.

Dasbach said that if everything is based on the four core goals, something like the 30-minute TV outreach program might get "truncated" early. He said that time spent setting up activist training might be impacted. He said that the 2000 candidate goal might also be affected, but tempered his comments that there is already a strong commitment to that goal.

Crickenberger said that he would predict a tradeoff between the 2000 candidate goal and raising money from major donors to fund membership recruitment efforts.

The meeting was adjourned at 10:22 PM EDT.