

LNC Executive Committee Meeting

Teleconference October 21, 1999

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

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

Also present: John Buttrick - At Large Representative
Dan Fylstra (NV), Region 2 Alternate (joined during Financial Report)

The meeting was called to order by Bergland at 6:14 PM EDT.

Item: Financial Report

Dasbach commented on his written financial flash reports.

Dasbach said that the returns from the August/September Archimedes mailings were lower than expected. As a result, payment of certain Archimedes-related bills has been delayed. He said that cash remains above the required reserve level. As a result the planned November 1 Archimedes mailing will not be sent. However, a much smaller than planned mailing will be sent largely using leftover printed matter -- with about 35,000 pieces being sent to expired members and about 90,000 pieces being sent to registered Libertarians.

Tuniewicz asked about timing issues which may affect timing or amounts of revenue received.

Dasbach said that a set of problems with a vendor resulted in two delays -- one relating to problems in CASS certification, the other relating to power outages resulting from a hurricane.

Dasbach said that there was also a timing issue vis-a-vis a mailing by the Browne campaign. The Browne mailing was to have been adequately spaced from the LP mailing, but delays in sending the LP mailing put the LP mailing much closer to the Browne mailing than planned. He noted that the Browne campaign did help out by delaying its mailing by a week to increase the separation between the two mailings.

Tuniewicz asked for a clarification of the expected worst case loss from the August/September mailing. The anticipated worst case loss was \$50,000. The expected loss was \$15,000 to \$20,000. The actual loss will likely be about \$80,000.

Givot asked, in light of the actual loss being substantially worse than the anticipated worst case loss, what changes Dasbach would expect to make in future projections.

Dasbach outlined a different method of rolling out lists, using progressively larger samples with each mailing. He also said that he would be using a larger adjustment factor to discount the expected return from reused lists.

Givot asked when the next large mailing will be sent.

Dasbach said that the next large mailing will be the Annual Report. He said that this letter is sent to a broad group of people, but not to new people.

Dehn and Givot asked when the next mailing to new people would be sent.

Dasbach said that the new letter would be sent to a 5,000 to 10,000 piece sample of all large lists that have been used successfully in the past -- about 250,000 total -- in late January or thereafter.

Dehn asked what the total size of all such lists is.

Dasbach said that the total is about 2.5 million names.

Givot asked what impact the timing of the revenues and expenditures of the Annual Report would have on the ability of the LP to send the next Archimedes mailing.

Dasbach said that the Annual Report may be broken into two pieces to avoid having a negative position at year end.

Dehn said it appeared to him that this may constitute moving the mailing to a less than optimal time for the purpose of improving the appearance of the year end financial statement.

Fylstra said that every manager faces these same issues.

Dasbach said that splitting the Annual Report mailing into two parts was his way to address the LNC's concern that the year be ended in the black. He also reported that year-to-date results have produced a surplus, but not a sufficiently large surplus to raise the net worth to positive territory.

Givot said that he understood the LNC's intention to be that, by year end, the LNC's cash position should be strong enough to incur the costs of the Annual Report and still have a positive cash position.

Tuniewicz agreed.

Dasbach said that the Annual Report can be divided into two components. That portion that goes to members and contributors is a strong revenue generator. That portion that goes to prospects is essentially revenue neutral. He said that, therefore, there is a strong incentive to send the first portion as soon as possible.

Givot asked Dasbach about the likely sources of funding for the next Archimedes mailing.

Dasbach said that this is highly dependent on what money is raised for the mailing.

Dehn asked Dasbach whether he would venture an estimate of the year end profit or loss.

Dasbach said that he was not willing to do so at this time.

Dasbach reported on additional fundraising efforts this year. He said that the competition between Buchanan and Trump for the Reform Party nomination may result in a bidding war for petitioners in states where the Reform Party is not already on the ballot. He said that a fundraising appeal based on this will be done.

Dasbach also reported on efforts to reduce expenditures. He gave reducing the number of presenters at some Success '99 conferences as an example of this.

Dehn asked about year-to-date performance of our fundraising letters.

Dasbach said that the most recent letters generated about \$53,000, \$75,000, \$100,000, and \$58,000 in revenues at a cost of about \$13,000 each.

Dasbach also reported on efforts underway to get increased contributions to make certain members life members or torch club members.

Item: Ballot Access Report

Crickenberger reported on the status of the Ohio ballot drive. He said that we have sufficient signatures, but do not have much of a cushion to cover disqualification of signatures by virtue of being on petitions for more than one party. He said that they hope to buy another 5,000 signatures.

Item: Web Site Development

Dasbach said that the contract was awarded to KIA. He said that KIA has been in the office working with staff already. The details of the contract itself are being negotiated.

Dehn said that he understood that Dasbach and KIA had met last week to develop a more concrete schedule. He asked whether the refined schedule will be included in the contract.

Dasbach said that it will be.

Dehn asked how the contract addresses the issue of timely performance.

Dasbach said that the contract will define that certain work will be done for a fixed price and include a target date with some definition of a latest delivery date.

Givot asked about the LP's right to terminate the contract at various points.

Dasbach said that the contract permits the LP to terminate the contract at any point on 14 days' notice with payment made for all work done to that point.

Fylstra asked whether acceptance procedures were defined in the contract.

Dehn said that these are not in the version of the contract which he has seen.

Givot asked what resources Dasbach would need to determine whether a phase of the project was accepted by the LP.

Dasbach said that he would be working on this, but needs to see how the milestones are laid out in the contract before he can assess what resources are required.

Item: Selection of Arizona Affiliate

Dasbach said that two applications have been received. Ballots were sent out on October 19 with a 30-day period for a response. Accompanying the ballot was a cover letter. Ballots must be postmarked no later than November 18.

Givot suggested that LNC members be asked to set aside time on the evening of November 30 for a possible LNC meeting by telephone to select an affiliate party from Arizona.

There was consensus that this should be done and the time for the meeting be set for 9PM EST (6PM PST) on November 30.

Item: December LNC Meeting Planning

Dasbach said that at the December meeting, the LNC will be appointing members to the various convention committees.

After discussion, it was agreed that Dasbach would be mailing a letter to LNC members and state chairs seeking suggestions for appointments as well as publicizing this in the December issue of LP News

Dehn asked what would be done regarding the budget prior to the December LNC meeting.

Dasbach discussed how he saw the process unfolding.

Tuniewicz asked whether Dasbach would be preparing a draft budget document for discussion by the Executive Committee.

Dasbach said that this would be available for the next scheduled Executive Committee -- by November 15. He said that it would be available during the week of November 8-12.

Bergland said that the target should be November 10.

Bergland reported that he has sent Dasbach a draft strategic plan document for his comment. He said that whatever plan we adopt should tie into the budget document.

Dasbach said that the priorities in the strategic plan and the budget must be the same.

A lengthy discussion ensued regarding priorities for 2000. In particular, the relative emphasis on direct mail prospecting versus advertising was discussed at length.

Givot said that whatever determinations the LNC reaches about the coming year, both the strategic plan (including its measurable goals) and the budget must reflect those determinations.

Item: Future Executive Committee Meeting Planning

There was discussion of the need for future meetings.

Consensus was reached that meetings were scheduled for November 15 and November 22.

The meeting was adjourned at 8:05 PM EDT.