

LNC Meeting
Indianapolis, IN
July 7, 2002
Page 1 of 15

Present: Geoff Neale, Chair
Ken Bisson (IN), Vice-Chair
Deryl Martin (TN), Treasurer
Steve Givot (CO), Secretary

Mike Dixon (AZ), At Large Representative
Don Gorman (NH), At Large Representative
Austin Hough (IL), At Large Representative
BetteRose Ryan (CO), At Large Representative
R. Lee Wrights (NC), At Large Representative

Ed Hoch (AK), Region 1 Representative
Joe Dehn (CA), Region 2 Representative
George Squyres(AZ), Region 2 Representative
Mark Rutherford (IN), Region 3 Representative
Michael "MG" Gilson de Lemos (FL), Region 4 Representative
Lorenzo Gaztanaga (MD), Region 5 Representative
Mark Cenci (ME), Region 6 Representative
Steve Trinward(TN), Region 7 Representative
Mark Nelson (IA), Region 8 Representative

Also present: Mike Fellows (MT), Region 1 Alternate
Scott Lieberman (CA), Region 2 Alternate
Jeff Zweber (OH), Region 3 Alternate
Sean Haugh (NC), Region 4 Alternate
Bonnie Scott (NY), Region 6 Alternate
Tim Hagan (NV), Region 7 Alternate

Absent: Mark Hinkle (CA), Region 2 Alternate
?Childress (?), Region 5 Alternate
Bob Sullentrop (MO), Region 8 Alternate

Vacant: None

Staff: Steve Dasbach, National Director

Ron Crickenberger, Political Director
Mark Schreiber, Marketing Director
Bill Winter, Communications Director
Bill Hall, General Counsel

Nick Dunbar, Operations Director

Neale called the meeting to order 1:00 PM EST.

Item: Statement by the Chair

Neale made introductory remarks to the Committee.

Item: Adoption of Agenda

Neale asked the Committee to suggest items for the agenda.

Nelson asked that this and future meetings begin with a period of silence for reflection and a period for comments from people not on the Committee.

Dixon suggested that the comment period be limited to five minutes.

There was no objection to this.

The Committee then partook in a moment of silent reflection.

Neale asked for comments from the audience.

Al ? (MI) asked whether the LNC Policy Manual is available to the membership.

Dasbach said that the LNC Policy Manual is available to the membership online.

Dan Karlan (NJ) reminded the Committee of the history of LNC members overseeing prior national conventions. He suggested that, prospectively, the party would benefit from greater convention oversight of future conventions by LNC members.

Mary Gingell (CA) said that she has prepared a list of things which could be improved at future conventions which she will provide to Givot and Lark.

Bisson said that he has an interest in collecting this information.

Rock Howard (TX) said that the members of the Credentials Committee intend to prepare a report including suggestions about improving future conventions.

Neale suggested that a period for introduction be added to the agenda.

Givot said that disclosure of potential conflicts of interests is – as a matter of policy – always placed on the agenda of each LNC meeting.

Martin asked that there be a legal report from general counsel.

Gorman asked that an item be added to consider a proposed resolution.

Dixon said that numerous subcommittees exist. He said that the Committee consider how and whether to continue each of these subcommittees.

Givot suggested three items for the agenda. He requested that the Committee consider recommendations made by the prior LNC relating to adoption of the Policy Governance Model. He asked that the Committee consider changes to the Policy Manual proposed by the Governance Task Force. He said that there are some outstanding items from the Governance Task Force which the prior LNC has referred to this Committee to be the subject for further work.

Nelson said that the Committee should decide whether to either disband or name members to the Executive Committee.

Martin asked for time to discuss certain Treasury issues.

MG asked for discussion relating to moving the time frame of the national convention.

Gaztanaga requested a discussion of the amount of time allocated to Platform and Bylaws debate at national conventions. He said that there was insufficient time to conduct convention business related to these items.

Neale suggested setting future meeting dates.

There was agreement to begin introductions and permit the Chair and the Secretary an opportunity to organize the agenda while other are making introductions.

The members of the Committee introduced themselves.

The Chair presented the his agenda proposal which incorporated the suggestions made by Committee members.

Hoch moved adoption of the agenda.

Martin seconded.

The Committee adopted the agenda on a voice vote.

Item: Minutes

Nelson moved to direct the Secretary to limit the minutes to items such as motions made and the outcome of those motions and not to include in the minutes the discussion which took place at meetings.

Ryan seconded.

Neale ruled that this motion would only apply to the current meeting.

The motion failed on a voice vote.

Givot abstained.

Item: Disclosure of Potential Conflicts of Interest

Givot informed the Committee of the requirements of the LNC Policy Manual.

Givot informed the Committee of two disclosures made at the July 3, 2002 LNC meeting. He said that at that meeting:

- Gorman disclosed that he continued to be paid for candidate training seminars.
- Dixon disclosed that he has been appointed Treasurer of the Ed Kahn for ? campaign in AZ and that he anticipates being appointed Treasurer of the other statewide campaigns in AZ over the coming weeks.

Trinward disclosed that he is paid to provide services as the web master of LPTN and that he is paid as an editor of free-market.net.

Haugh disclosed that his full-time occupation is as Executive Director of LPNC. He said that this is almost his sole source of support. He said that he has a strong personal and professional interest in securing funding for NC ballot access and 50-state ballot access.

Ryan disclosed that she is Treasurer of Victory in Colorado now. She said that she is not paid for this work.

Wrights said that his primary source of income is free-market.net.

Dehn asked that the record note that almost every Committee member is an activist in his or her state or local parties or other organizations. He said that absent being paid for such efforts or some unusual financial dealings between those organizations and the LNC, the Committee has felt – the in past – that there is no need to report such activities.

Dasbach said that he is charged with maintaining records of these disclosures and asked that Committee members send a copy of any disclosures to him as well.

Item: Report of the Chair

Neale said that he hopes that every Committee member will take on a job relating to the national party. He said that he will send an email seeking resumes and background information to help him understand the breadth of experience available on the Committee.

Dasbach said that for purposes of director's and officer's liability insurance, he requires certain information.

Neale said that he has begun the process of establishing an orderly transition. He said that there is an agreement in principle to provide Winter with a three-month contract for the purpose of securing his services as editor of LP News. He said that the contract will include paying Winter a flat fee for producing each issue of LP News. He said that it will be extendable to a total of six months if the parties consent.

Givot asked whether the contract will address the potential conflict of interests that might arise should Winter also work for affiliate parties or candidates while serving as LP News editor.

Neale said that the contract will include all current restrictions on other employment that currently exist in the LNC Policy Manual.

Wrights asked Neale to provide the monthly cost of that contract once all of the terms of the contract are established.

Item: Appointment of the Executive Committee

Neale said that he believes that the prior number of seven (7) members seems best to him.

Neale said that he suggests appointing Dixon and Nelson to the Executive Committee.

Givot said that the Executive Committee has not met since January. He said that if the recommendation to adopt the Policy Governance model is accepted, then the Executive Committee will almost certainly be eliminated.

MG said that the reason for forming the Executive Committee was largely because failure to do so would result the giving greater authority to the Chair.

Dehn said that although the Executive Committee has not met in months, it is important to have an Executive Committee which is available to make decisions should the need arise.

Nelson said that he disagrees with Givot's statement that an Executive Committee would not exist if the Policy Governance model were adopted. Nelson said that he believes that the organization would still need an Executive Committee.

Bisson nominated Dixon, Cenci, and Nelson.

Martin seconded.

Gaztanaga nominated Dehn.

Wrights seconded.

Wrights moved that the size of the Executive Committee be set at seven.

Martin seconded.

There was no objection to setting the size of the Executive Committee being set at seven.

The Committee agreed to vote by secret ballot while continuing the meeting. The Secretary was asked to report the results later in the meeting.

Item: Appointment of Subcommittees

Dixon recommended that an Executive Director Employment Policy Committee be established as Dixon, Rutherford, and Ryan.

Trinward seconded.

The motion passed on a voice vote.

Item: Appointment of the Executive Committee (Continued)

Givot reported that the results of the vote on appointment to the Executive Committee were:

Nominee	Votes
Cenci	10
Dehn	?
Dixon	16

Nelson	14
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Cenci, Dixon, and Nelson were appointed to the Executive Committee.

Item: Governance Task Force

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Wrights moved to postpone discussion on the Policy Governance model to the next LNC meeting.

Gorman seconded.

Wrights said that he needs time to understand the topic.

Nelson said that the groundwork has been laid to make a decision on this topic.

The motion passed on a voice vote.

Item: Convention Report

Dasbach said that there were just under 1000 paid attendees at the 2000 convention. He said that the 2002 convention was planned for 900 attendees. He said that a few months ago, it was very clear that attendance would be well below 900. He said that he estimates total attendance at 700. He said that not all of these people were paid attendees.

Dasbach said that substantial expense reduction efforts were made in response to lower than expected attendance. He said that he currently estimates that the loss on this convention will likely be between \$20,000 and \$40,000. He said that this loss would be

less than the loss sustained on the 2000 convention which was about \$50,000 or \$60,000. He said that these dollar amounts exclude fundraising at each convention.

Wrights asked when the Committee can expect to see hard numbers on the financial results of the convention.

Dasbach said that he hopes to have a better estimate in two weeks and a fairly solid estimate in a month.

MG asked what the breakeven attendance figure was.

Dasbach said that it was originally set at 900, but that expense reduction has lowered this figure substantially.

Givot said that he is disturbed by the lack of solid information as to the number of paid and unpaid attendees, the number of each convention package sold, and the number of various individual convention items purchased. He said that he understands that there were some problems with the registration system. He said that he hopes that staff will have a plan in place to avoid such problems prospectively by the next Committee meeting.

Martin said that asdf.

Gaztanaga asked whether there had been significant additional expenses that were not previously anticipated.

Dasbach said that there were cases of additional audio/video equipment that was required and time overruns during at least one business session. He said that meal costs were in line with projections.

MG expressed gratitude to the staff for their efforts which resulted in a convention which ran smoothly.

Item: Treasurer's Report

Martin updated the Committee on his efforts in his prior term as Treasurer.

Martin said that the Party needs to solve its database problems. He said that – with the current database system – it is too expensive to get needed management reports.

Martin said that variability of revenues needs to be addressed.

Givot asked Martin whether he had received information on the names and amounts of any past due accounts receivable.

Martin said that he has information, but that the information may not be accurate because it is not reconciled. He declined to present the details of that information pending a complete reconciliation.

Dehn asked Martin when the Committee can expect to have accurate, reconciled information on past due accounts receivable.

Martin said that he would like to inspect the accounting records himself before reaching a determination as to whether the accounts receivable information is accurate and reconciled.

Gorman said that his understanding is that the only significant accounts receivable relates to LP News. He said that the last LNC meeting was told that Winter is responsible for collecting on these accounts receivable.

Martin said that he would like to consider separating responsibilities for billing and for collection. He said that it appears that there are no clear responsibilities and accountability for these functions.

MG asked whether there are any accounts receivable 120 days past due.

Martin said that it appears that there are such receivable – based on unreconciled information.

Wrights asked whether he understands correctly that the party pays its bills in a timely manner, but that some of the people who do business with the party appear not to be paying the party in a timely manner.

Dasbach said that regular advertisers generally pay on time. He said that Winter follows up on these payments. He said that Winter's information is then given to other staff members to enter into the accounting system. He said that sometimes ads are cancelled, and this information may not be getting to the accounting system and, as a result, an erroneous accounts receivable entry may be sitting on the party's books.

Item: Policy Manual Changes

Givot suggested that consideration of these recommendations be postponed to the next LNC meeting and that it be placed on the agenda immediately after consideration of the Policy Governance model on that agenda.

There was no objection.

Item: Consideration of a Motion Regarding the Contract of the Executive Director

Gorman moved that the Committee adopt the following resolution:

"Be it resolved that at the end of the current 30-day extension period of Executive Director Steve Dasbach's term of employment, the position of Executive Director shall be opened to other prospective applicants for consideration. Mr. Dasbach is welcome to apply to maintain his current position as Executive Director, but shall compete against other applicants in order to retain his employment."

? seconded.

Nelson moved that the Committee go into Executive Session for the purpose of discussing this matter and hearing the report of general counsel.

? seconded.

The motion passed on a vote of 10 to 4.

The Committee went into executive session at 4:15 PM EST.

The Committee returned to regular session at 4:55 PM EST.

MG said that he would like his remarks recorded for the record and would send a copy to the Secretary. He said that he believed that the process that had been suggested for asking for resumes at this time was the wrong approach; instead he said that the Committee should be obtaining information on prospective employees on a continuing basis and constantly re-evaluating the situation. He said that it should not be necessary to go into executive session to discuss this topic.

Gorman also said he did not think an executive session was needed to discuss his proposal.

Dixon moved that the record shall reflect that based on the executive session held to consider matters regarding the employment contract of the Executive Director and the BCRA legislation no action shall be taken, however, it is the sense of the body that until our next meeting date (yet to be set) we have complete confidence and support for our chairman to deal with any matters which require actions.

The motion passed on a voice vote. MG voted no. Dehn and Hoch abstained.

Item: UPCOMING MEETINGS

Neale suggested that the dates of the next two meetings be set.

Various suggestions were made for dates and cities.

Bisson moved that a meeting be held on the weekend of September 21-22 in Chicago.

Martin seconded.

The motion passed on a voice vote.

Nelson moved that a meeting be held on the weekend of December 14-15 in Washington, DC.

Gaztanaga seconded.

The motion passed on a voice vote.

Item: NOMINATING CONVENTIONS

MG noted that the party used to hold presidential nominating conventions in the year prior to the election. He suggested that while the date was already set for the 2004 convention, the Committee should consider changing the schedule for future nominating conventions. He also suggested the possibility of holding party "conferences" in off years, possibly at college campuses.

Dasbach said that ballot access issues were one reason that nominating conventions had been held so early in the past. He said that it is no longer necessary to do so for that reason. He also noted that moving the convention to an earlier time would affect the

opportunity for candidates to collect funds during the pre-nomination period.

Trinward said he has experienced both schedules and suggested that May in the even-numbered years is a good compromise.

Nelson moved to adjourn.

Bisson seconded.

The motion passed on a voice vote.

The meeting was adjourned at 5:17 PM CST .