

LNC Meeting
Evergreen, CO
March 16-17, 2002
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Present: Jim Lark (VA), Chair
Ken Bisson (IN), Vice-Chair
Deryl Martin (TN), Treasurer
Steve Givot (CO), Secretary

Mark Nelson (IA), Region 1E Representative
Ed Hoch (AK), Region 1W Representative
Joe Dehn (CA), Region 2 Representative
Scott Lieberman (CA), Region 2 Representative
Mark Rutherford (IN), Region 3 Representative
Michael "MG" Gilson de Lemos (FL), Region 4
Representative
Dan Karlan (NJ), Region 6 Representative
Mike Dixon (AZ), Region 7 Representative (present on March 17)

Also present: Tim Hagan (NV), Region 2 Alternate

Absent: Lorenzo Gaztanaga (MD), At Large Representative
Don Gorman (NH), At Large Representative
Elias Israel (MA), At Large Representative
Lois Kaneshiki (PA), At Large Representative
Jim Turney (VA), At Large Representative

Bob Sullentrup (MO), Region 1E Alternate
Jim Dexter (UT), Region 1W Alternate
Mark Hinkle (CA), Region 2 Alternate
Greg Holmes (MI), Region 3 Alternate
Ben Scherrey (GA), Region 4 Alternate
Richard Schwarz (PA), Region 5 Representative
Della Croft (PA), Region 5 Alternate
Mark Cenci (ME), Region 6 Alternate
Mary Ruwart (TX), Region 7 Alternate

Vacant: None

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Staff: Steve Dasbach, National Director
Bill Winter, Communications Director
Nick Dunbar, Operations Director
Dianne Pilcher, Affiliate Services Representative

Lark called the meeting to order at 9:04 AM MST.

Item: Announcements

Dasbach advised the Committee regarding distribution of certain documents.

Item: Credentials

Givot said that Bob Sullentrup (MO) has been appointed as the Region 1E alternate and Mark Hinkle has been appointed as the second ranked Region 2 alternate.

Item: Paperwork

Dasbach reviewed the paperwork provided to the Committee.

Givot suggested that in the future “SPT metrics and monitors” be referred to as “LNC metrics and monitors” or “strategic plan metrics and monitors” since the LNC has adopted the strategic plan proposed by SPT.

Item: Disclosure of Potential Conflicts of Interest

None were presented.

Item: Setting of the Agenda

Givot moved that the item related to a policy manual change regarding certain activities of the Secretary be removed from the agenda.

There was no objection to removing that item.

Nelson moved that an item relating to membership dues and the unified membership program be added to the agenda.

There was no objection to adding that item.

MG moved that the agenda be approved as amended.

Hoch seconded.

The amended agenda was approved on a voice vote.

Item: Chair's Statement

Lark thanked the Committee members for attending the meeting. He thanked Givot for his hospitality in hosting the meeting.

Lark said that since December several very positive things have happened for the Libertarian Party. He cited examples of this including the recent meeting of state chairs, advertising relating to the war on drugs, significant publicity garnered by the Thompson for governor campaign, the party's improving financial health, and the large number of candidates stepping forward for 2002.

Lark asked the Committee to pay special attention to distributing their reports in a more timely manner in the future.

Item: Treasurer's Report

Martin said that two issues have come up since the December meeting.

Martin said that the first issue is one of contemporaneous accounting. He said that Dehn raised the issue and that he – as Treasurer – pursued it further. He said that the issue relates to how various accounts receivable and accounts payable are handled. He said that we have relied on the auditors to provide these numbers in the past. He said that he plans to meet with the auditors in April – after the audit is complete – to discuss this matter.

Martin said that the month of December ended with the Libertarian Party in the best financial condition since September 11. He said that December showed an excess of revenues over expenses of about \$18,000. He said that the staff has done an excellent job of controlling expenses to improve the party's financial condition.

Martin reviewed historical revenue information, comparing January and February 2001 with the same months in 2002. Martin said that for the first two months of 2002 the Libertarian Party experienced average daily revenues comparable to the first two months of 2001. He said that the primary difference is that in 2002 revenues are on an uptrend while in 2001 revenues were on a downtrend.

Martin said that it is difficult to draw direct comparisons between these years because of

the significant revenues generated to fund the war on drugs ad which he referred to as a "project."

Martin said that the party is behind where it expected to be with regard to being able to fund category three efforts. He said that this is his only concern.

Martin reviewed a two month history of the new calculated reserve. He said that there has been a quick recovery in the first two months of 2002.

Martin reviewed the document he prepared relating to project accounting.

Martin questioned whether the Committee should spend time discussing what project accounting information the Committee would like to see until there is a determination as to whether the Carver model of governance will be adopted.

Givot said that regardless of what governance model the Committee adopts, it is appropriate for the Committee to determine what information it requires from staff to do its job. He said that how such determinations are formalized – but not the Committee's information needs – would be affected by the governance model the Committee selects. He said that a year ago, the Executive Committee directed staff to prepare a routine set of reports each month and that this has worked well.

Dasbach said that there is already a system of project accounting in place. He said that one issue that arises is what constitutes a project. He said that there is no single, perfect answer to how project accounting should be done. He provided an example where different methods could be used – none of which was necessarily superior.

Nelson said that – if the Committee selects the Carver model of governance – he understands that there will be ends reports, means reports, and management reports that will be available to the Committee. He said that he is displeased that the Executive Committee – rather than the LNC – determined what should be reported on a routine basis. He said that he would like this Committee to discuss what other information should be provided on a routine basis.

Martin said that – as Treasurer – he gets whatever information he requests. He said that he would like the Committee to determine what information it would like so that he is not

the decision maker as to what the Committee wants or needs.

MG said that the governance model the Committee adopts is irrelevant to the issue of what information the Committee feels it needs to do its job on behalf of the party's "owners." He said that the budget has been divided into three categories which are appropriate. He said that – within each category – there will be projects. He said that reporting for these projects needs to be determined. He agreed that there is no single, perfect way to report regarding such projects.

Hoch said that the party has no restricted funds. He said that the staff and Treasurer determine how funds can be moved from various portions of the budget to another.

Dasbach said that the term "self-funding" can get the Committee into trouble. He said that in the case of the advertising projects related to the war on drugs the expenditures on the project will be limited to funds that were previously raised specifically for that purpose. He said that in the case of other projects – for example, Internet advertising – an initial outlay of funds must be made before any revenues are received. He said that in the case of direct mail prospecting, an initial outflow is required to start the project and the project is projected to generate an initial loss. He said that various allocations can get messy.

Dehn said that the use of accordion budget items does create restricted funds to some extent. He said that if the Committee so determines, certain expenditures may not be worth the effort of allocation. He said that other expenditures may be determined by the Committee to be worth the effort of allocation.

Dehn cited the example of the advertising project relating to the war on drugs for which credit card fees were apparently being counted as project expenses where they had not been for other projects in the past. He said that this is an example of the need to avoid ambiguity in determining what expenditures should be handled in what manner.

Martin said that once the Committee sets policy the reports can be developed to meet the requirements of the Committee.

Givot said that there is currently ambiguity as to how to report for projects – both in terms of financial results and what has been achieved by the project. He said that there is insufficient time at the current meeting to determine what reporting would meet the needs

of the Committee in each of these areas.

Dasbach agreed that the results of projects should be reported.

Nelson moved that the Executive Director and Treasurer develop options for how to account for projects and their associated costs, and that they report to the LNC by June 1, 2002.

MG seconded.

Nelson said that the need to do this has been identified. Now we should work to address the issue.

The motion passed on a voice vote.

Nelson moved that the Executive Director develop a proposal for how to account for each project which is projected to cost at least some threshold level of spending showing the contribution of that project toward meeting the strategic plan metrics, and that he report to the Committee by June 1, 2002.

MG seconded.

Nelson said that this is a more difficult task, but that it would assist the Committee in developing a means to measure the effectiveness of such projects.

Dasbach said that if this is something that the Committee needs, then the Committee itself should decide what it needs to do its job. He said that if the Committee is asking for this information because the Committee believes that developing it will help the staff do their jobs, then other issues arise.

MG said that he believes that both reasons are applicable.

Karlan said that the more often the staff makes such projections and compares the results, the better the staff will become at making such projections.

Givot said that he believes that the Committee should decide what it needs and then direct

the staff to provide that information. He said that the Committee should not ask for information because the Committee believes the staff will do their jobs better for having developed the information.

Nelson said that he is asking for this information for the use of the Committee, not to assure that the staff sees this information and uses it. He said that he is asking staff to help develop this to solely assist the Committee in doing the Committee's job.

The motion failed on a vote of five to five. Lark abstained.

Martin said that he is just getting to the point where he can project near term revenue. He said that he is working on a longer term revenue projection model.

Item: Regional Representative Reports

Lark asked that – owing to time constraints – regional representatives keep their reports brief.

Hoch noted that he is pleased that only three states in his region – UT, ID, WY – failed to provide reports.

Dehn said that the LPCA convention included special candidate training sessions. He said that he has recordings of those sessions available. He distributed the recordings to the Committee.

MG said that LPFL is looking into reviewing strategic goals at each county board meeting.

Lark noted that he had addressed the LPFL convention in early February. He thanked LPFL for their hospitality and commended them on their efforts.

Karlan said the LPNJ Secretary became the Vice-Chair and he is now LPNJ Secretary.

The Committee recessed at 10:27 AM MST.

The Committee reconvened at 10:34 AM MST.

Item: Executive Director's Report

Dasbach reviewed the summary of revenues and expenses which he had previously distributed.

Dasbach said that the most significant positive variance is the direct mail house list fundraising letter. He said that the positive revenue variance was \$12,000. He said that this result was achieved notwithstanding the fact that the annual report mailing was sent two weeks late.

Dasbach said that the annual report mailing had a higher than projected response rate but a lower than projected average contribution size.

Dasbach updated the Committee on several changes which will affect the timing of certain expenditures and suggested that the monthly budgets should be revised to reflect these changes. He said that the annual budget – the sum of the monthly budgets – would remain unchanged – if this were to be done.

Martin asked Dasbach to do so.

Dasbach said that he understands that the annual budget is approved by the Committee and that the monthly budgets are merely informational. He said that he was reporting this so that the Committee would understand that he is changing the allocation of the annual budget among the months without changing the total for the year.

There was no objection.

Dasbach said that – of the contributions processed to date for the war on drugs advertising project – \$48,000 came from people who had previously contributed to the Libertarian Party and \$21,000 – about 30% – came from people who had not previously contributed to the Libertarian Party.

MG asked if this ad – relating to this specific issue – worked so well, would similar ads relating to other issues – for example, gun rights – produce similar results.

Dasbach said that this ad was run in response to a specific opportunity created outside the Libertarian Party. He said that the party should try to be sufficiently flexible to take advantage of similar opportunities as they arise. He said that the fact that the ad was placed in USA Today – which is available to our members nationwide – resulted in a strong, positive membership response. He said that the ad was also run in the Washington Times to try to provoke a response from the government. He said that we should be careful to wait for specific opportunities to arise before running such ads, rather than to pick issues, run similar ads, and expect that those ads – not run in response to specific opportunity – would be as successful.

Givot said that there are two possible paths to pursue. He said that one path is to wait for opportunities to arise as Dasbach suggestions. He said that the other path is to run issue-oriented ads on a very regular basis. He cited a very effective, long-term advertising campaign by United Technologies that existed in the 1970s and 1980s. He said that he believes that the party is not in a financial position to afford a regular, monthly advertising campaign. He said that he believes that staff is right on target with regard to waiting for opportunities to arise before running issue ads.

Dehn requested distribution of an accounts receivable aging report for the Committee to review.

Item: Communications Director's Report

Winter updated the Committee on communications activities in recent months. He reported about a series of news releases.

Winter reported on issues relating to the amount of coverage given to the American Liberty Foundation (ALF) in LP News. He said that he had reviewed LP News coverage of various organizations, campaigns, and activities over the past 12 months.

Winter said that during the past year ALF had been covered 9 times while the CATO Institute had been covered 31 times.

Winter said that the Thompson for governor campaign had been covered 5 items in a total of 98 column-inches, while the Howell for governor campaign had been covered 2 times in a total of 72 column inches.

Winter said that LP News also ran two articles covering Howell's Committee for Small Government.

Winter said that perhaps those people who felt that Howell was getting disproportionate coverage in LP News were being influenced by the size and number of paid Howell ads in LP News.

MG said that the very figures Winter developed and cited were apparently being misused and actually disproved Winter's case, and ALF coverage was very disproportionate. He stated that we must realize the Committee has set no standards on the subject. He said that he was not advocating that standards be set. He said that he perceives that ALF did, in fact, receive more coverage than the Reason Foundation, for example, and that this was annoying members and seemed to give the impression that staff intended to undermine LNC policy decisions. He said that the issue is not ALF but consistency.

Winter announced that he will be resigning from the Libertarian Party staff effective sometime in July. He said that Dasbach and he have discussed the possibility that he would continue to edit LP News for a period of up to six months after leaving the staff.

Givot moved that

Whereas Bill Winter has been a dedicated and faithful employee of the Libertarian

Party for many years,

And whereas the results of Bill Winter's efforts have been exceptional and have advanced the mission of the Libertarian Party,

And whereas the strategic plan of the Libertarian Party calls for recognizing and rewarding both efforts and success,

The Libertarian National Committee hereby grants a Life Membership to Bill Winter in recognition of and as a reward for his distinguished service.

MG seconded.

MG said that – while he has “more than once jabbed” Bill Winter – he recognizes that Winter has had a very difficult job and that he is happy to second the motion.

The motion passed on a voice vote.

Dehn objected to the passage of the motion by acclamation.

Item: Resolution Regarding the USA Patriot Act

Givot moved adoption of the following resolution:

Whereas, securing our liberties and protecting our rights are among the primary purposes of the United States government,

And, whereas, the acts of September 11, 2001 have made threats to the security of the United States a priority issue in the minds of government officials and the general public,

And, whereas, in response to those acts the United States government has enacted the USA Patriot Act, which sacrifices many of our liberties and curtails many of our rights in the name of military security, thereby compromising some of the purposes for which that government was created,

And, whereas, we do not support sacrificing our liberties and curtailing our rights in the name of military security,

Be it resolved that the Libertarian National Committee calls for the repeal of the USA Patriot Act.

Bisson seconded.

Bisson, Dehn, Givot, Hoch, Martin, Karlan, Lark, Lieberman, MG, Rutherford, and MG voted in favor of the motion. Nelson abstained.

Item: Systems Review

MG updated the Committee on the progress of the systems review.

MG said that a periodic systems review should be done by any organization. He said that the three steps are: an initial analysis, and implementation of changes, and a process of maintaining whatever has been approved.

MG said that the systems has four parts: strategic planning process, education of the leadership in various management concepts, review of recommendations from the field, and changing the management culture to improve our own operations as well as to demonstrate our leadership ability to those outside the Libertarian Party.

MG described how the strategic planning process helped bring forth ideas from all levels of the party. He said that the formulation of specific goals resulted. He said that a broad set of metrics was also established. He said that specific strategies were also set forth.

He said that a consensus building approach replaced previous methods of establishing the party's direction. He said that some of the techniques learned in the process of strategic planning have proven to be valuable at other levels of the party.

MG said that the party is learning to develop and highlight what needs to be done and explaining to various levels of the party. He cited examples such as measuring variances, adopting a governance model, creating buy-in, practicing intentional dialog, building consensus, and adopting best practices as examples of methods and terms that have become understood within the party. He said that the development of a regimen of routine reporting has also been established.

MG said that we have begun the process of Platform review, ending factionalism, and handling matters via policy rather than ad hoc decision making.

MG said that changing the culture of the LP is a long-term process, not a one shot project.

MG said that he intends to propose establishing a volunteer management and systems advisory team. Its purpose would be to spread information about SPT, to network information about what the party is doing to the wider management community, and to make specific recommendations to the LNC.

Lark thanked MG for the time and effort he has devoted to this task.

Lark said that he believes that the Committee has moved to a better understanding of the role of the board within an organization. He thanked various members of the LNC for their specific contributions to reach this result.

Item: Appointment of Credentials Committee

Karlan nominated Gary Johnson.

Rutherford nominated Dena Bruedigam.

Givot nominated Richard Fischer.

Givot nominated Bette Rose Ryan.

Martin nominated Nick Dunbar.

Nominations were closed without objection.

The Committee voted to vote on the nominees en banc.

The appointment of all five nominees was approved on a voice vote.

Karlan nominated Gary Johnson as interim chair of the Credentials Committee.

Johnson was appointed as interim chair of the Credentials Committee without objection.

The Committee recessed at 12:47 PM MST.

The Committee reconvened at 2:03 PM MST.

Item: Customer Service Review

Nelson reviewed the history of the customer service review project.

Nelson said that one of the things that came out of the recent meeting of state chairs was a sense that greater responsiveness on the part of the national office was desired. He said that the national party's response may not necessarily satisfy the requests made by state parties, but that simply "touching them back" was important.

Martin cited the maxim that “what you get is what you measure.” He said that it is important to “provide an audit trail” so that such things can be monitored. He said that the Customer Service Review team discussed the sort of things which should be monitored so that, hopefully, performance would improve in those areas.

Givot said that it appeared that staff is familiar with some of the service issues that the team itemized and that staff seemed to have a plan in place to address most of these. He said that there were some areas of disagreement between the team and staff and that he feels that more work should be done by the team and the staff to see if agreement can be reached as to what to do regarding these.

Lark asked the board whether “the customer is always right.”

Nelson said that the customer is not always right, but the customer is always the customer.

Dasbach said that some of the concepts advanced by the team would be difficult to implement. He said that staff suggested some alternative means to achieve a similar result.

Winter said that if there are delays in customer service, there is a reason for it. He said that mandating improvement does not provide a solution.

Givot said that the customer is not always right, but that the customer does deserve a timely response whether or not the customer’s request can or will be met. He said that he believes that the team and staff can develop workable solutions that will minimize incremental demands on staff resources.

Martin said that he feels that one source of problems is that Dunbar already has a considerable workload.

Nelson said that he does not recall being told that scarcity of resources was an issue in resolving outstanding service issues.

MG said that his experience is that setting customer service standards for staff is appropriate. He cited his experience where he required that phones be answered on the third ring and that problems be resolved within one day. He said that standards should be

developed from experience in consultation with staff.

Nelson said that he would deliver a report to the pre-convention meeting in July.

Dasbach said that many of the items on the team's list set forth standards which are already being met.

Givot said that it is not unusual for organizations to set standards which happen to be lower than typical current levels of achievement. He said that there was a "disconnect" in the draft report that the team prepared in that it did not explicitly comment on the extent to which each proposed standard was currently being achieved.

Item: Database Report

Dunbar said that the major business computer system at the national office is a large Foxpro application which has not been completed. He said that this creates problems in monitoring the quality of data input to the system.

Dunbar informed the Committee about problems he has encountered in finding qualified programming resources to complete the database system.

Dunbar said that he is currently exploring commercially-available software to replace the current database system. He estimated that the cost for this software would be about \$60,000.

Nelson said that the customer service audit called for prompt completion of the initial web site development contract.

Dasbach said that additional work has been done. He said that the contractor has been told that if they do not complete the work soon, they will be replaced, and they will not receive the final payment under the contract.

Dasbach updated the Committee on development of an automated, online credit card processing facility.

Dehn raised issues relating to the relocation of the web site development/hosting firm overseas and its effect on continuing to use that vendor for hosting the party's Internet site.

Item: Review of 2002 Budget

Lark asked the Committee if there are specific areas of concern regarding the 2002 budget.

Nelson said that Martin's current revenue estimate for 2002 is about \$250,000 lower than projections. He asked whether any action needs to be taken to bring budgeted revenues in line with projected revenues.

Givot said that there are both favorable and unfavorable variances which are not fully reflected in the February 2002 financial statements solely because of timing issues. He said that the LNC has already approved the budget which was developed by staff. He said that the staff should be entrusted with full responsibility for delivering performance against the budget which staff proposed.

Dasbach said that the newly-hired Director of Development should have a positive impact on revenues during 2002. He said that it is right for the Committee to be concerned by these factors and to pay attention to them, but that there is no reason to take action at this time.

Martin said that the overarching problem is the sense of the Committee that – because a major item causing concern is the ad relating to the war on drugs – the Committee seems to feel that the project is a category three item. He said that he is not at all certain about that.

Bisson asked whether the alternative actions the Committee might take are either to let

staff proceed with the budget already adopted or to redraft the budget today.

Nelson said that there are other alternatives which lie between the two listed by Bisson. He said that the issue is whether the Committee should delineate priorities for staff or whether the Committee should leave such matters to the staff.

Dasbach reviewed the three categories used to develop the budget.

MG said that the Committee has set certain boundaries and given suggestions to the staff and that the staff seems to be using those. He said that he believes that the staff is on track. He said reporting actual financial results compared with planned financial results by category was beginning to be done. He said that – in industry – this is called an “executive report.” He suggested this be done on a regular basis prospectively.

Givot said that the three categories developed by staff may be very helpful to staff in its planning. He said that he believes that the Committee is misdirecting attention by focusing on these or even considering these in its discussions. He said that the financial impact of a given stream of revenues or expenses are independent of any categories and that discussion of what category any given stream falls into is non-productive.

Dehn said that the Committee should discuss the various categories if the staff’s performance is to be judged based on this breakdown.

Nelson said that he believes that financial results for each category should be presented separately.

Nelson moved that staff be directed to provide financial results by category beginning June 1, 2002.

MG seconded.

Dasbach explained the methodology he would use to provide such a report.

Nelson said that his objective is to have staff report along the same lines as the budget was prepared.

The motion passed on a voice vote.

Givot informed the Committee about an electronic voting system that was available for use for the upcoming national convention. He said that the cost would be about \$47,000. He made no recommendation to the Committee.

MG said that he is hesitant to approve such a proposal.

Dasbach said that if the Committee decides to pursue this, he would appreciate having the Committee determine which expenditure items should be reduced to balance the budget.

Item: Discussion of Implementation of the Strategic Plan

Lark updated the Committee on his efforts as champion of strategy 20.

Nelson updated the Committee on his efforts as champion of strategy 5. He said that he expects to “open negotiations” with state chairs on a formalized agreement between the national and state parties at the national convention.

Lark thanked LPMO Chair Bob Sullentrup for the excellent report he produced describing the state chairs’ meeting. He said that he will express that directly to Sullentrup.

MG updated the Committee on his efforts to improve the membership feedback and improvement process. He said that his proposed metric is to identify and reduce unresolved member complaints. He said that he is modeling his efforts on the action-needed program in use by LPFL. He explained this model to the Committee.

Dasbach reviewed the current level of achievement of strategic plan metrics.

! There are currently 297 Libertarians in elective office.

! It now appears that there will be more candidates than in 2000.

- ! Work is being done to determine which 10 items will be sought, but that a longer list of items will be created for those states willing to provide the information.
- ! Currently there is no progress on the number of affiliates with an active written plan to close gaps in one or more areas because prerequisite work has not yet been completed.
- ! Membership is down 1,144 (4%) since the start of the year.
- ! The current revenue rates indicate that the year-end membership metric can still be achieved.
- ! There are currently 204 campus listings and 74 campus groups.
- ! The latest Zogby poll indicates that 1.5% of those polled between the ages of 18 and 24 (inclusive) self-identify as having a libertarian political philosophy.
- ! Work on developing a contract with affiliates is about to begin.
- ! Feedback and advice from state chairs on four issues is complete.
- ! Membership definition and certification requirements needs a champion to be determined later in this meeting.
- ! The governance review is well underway consistent with the proposal presented. There will be a report presented later in this meeting.
- ! Development of the membership improvement / feedback process is under way.

Givot urged Committee members to step forward and support Gaztanaga in his Platform project. He said that Gaztanaga has asked for our help. He said that if we fail to step forward, then we must share responsibility if his project does not succeed.

Dasbach reviewed staff efforts to implement several of the twenty strategies.

Dasbach said that he would like a policy decision during this meeting on the use of a welcome letter drafted by Mary Ruwart. He asked the Committee to read the letter so that the Committee can consider this matter the next day.

The committee recessed at 5:00 PM MST.

The committee reconvened at 9:00 AM MST.

Item: Appointment of Champion for Review of Membership and Certification Requirements

MG volunteered to champion this effort.

Item: Branding Presentation

Dasbach reviewed two proposals he has received related to the branding strategy and project. He said that the first proposal is built around a series of detailed interviews of about 100 subjects. The other proposal is built around a written survey. He said that certain individuals within the party who have marketing experience may be of assistance in evaluating these proposals.

Dasbach said that he needs clarification regarding the intent of the budgeted line item for branding. He asked whether the LNC expects him to raise the corresponding revenues prior to spending money on branding.

Givot said that he understands that the budgeted spending levels in the budget are not

predicated on first raising the corresponding revenue. He said that his understanding is that staff can spend money on the branding effort prior to raising budgeted funds associated with that project.

There was no objection to Dasbach proceeding to spend money on the branding project prior to raising the corresponding revenues.

Dasbach said that the departure of Winter – or any other staff member – provides an opportunity to reconsider staff structure and positions. He said that he believes that the organization would be well served if – instead of hiring a new Director of Communications – the party were to hire a Director of Marketing. He said that Mark Schreiber – who submitted one of the two branding proposals – would be an excellent choice to fill that position.

Nelson expressed concern about using someone who has been a member of the party for several years to conduct the branding research. He said that he understood that the party would be looking outside the party to see how people outside the party view us.

Dasbach said that he believes that the time will come when we will need to find someone outside the party to do branding work. He said that he feels that this may not be the best place to begin.

Dehn asked Dasbach to reconcile his plan to have Winter edit LP News from a remote location in light of Dasbach's prior statements about the importance of having the LP News editor at the headquarters.

Dasbach said that Winter's long history of working at the headquarters gives him familiarity which will enable him to edit LP News from a remote location for a limited period of time.

Givot said that he agrees with Dasbach's approach to implementing the branding strategy. He said that branding research should begin with understanding why the party loses supporters and then expand to exploring how to attract others to the party.

Rutherford disclosed that Schreiber is Vice-Chair of the LPIN and that he is a vendor to Rutherford's business.

Rutherford informed the Committee of some of Schreiber's efforts on behalf of LPIN. He said that Schreiber's efforts have been successful. He said that the effects of Schreiber's efforts are also visible.

Dixon said that he has met with Schreiber. He said that his assessment is that Schreiber is a very strong businessman.

Item: Approval of the Minutes of the December 2001 LNC meeting

Lark said that the minutes were distributed not as soon as the Committee might like. He suggested delaying approval of the minutes of the December 2001 LNC meeting.

Without objection, the Committee delayed approval of the minutes of the December 2001 LNC meeting until July 3, 2002.

Item: Report of the Governance Task Force - Bylaws Proposals

Givot said that the Governance Task Force consists of Gorman, Dixon, Nelson, Martin, Lark, Karlan, and himself. He said that Martin and Dixon were unable to attend the Task Force's teleconference, but he believes that they are familiar with the recommendations being made today.

Givot said that the Task Force has not completed its work. He said that two items were prioritized:

- ! proposed recommendations to the Bylaws Committee
- ! review of the LP's governance structure and consideration of the Carver model of governance.

Givot said that his report will be presented in two sections dealing with these two topics separately.

Givot said that the Task Force has suggested that the LNC proceed by assessing the sentiment of the LNC regarding each of the potential Bylaws changes to determine where consensus exists so that discussion time can be used to focus on areas of controversy.

The sentiment of the Committee was taken on the various proposals, and is represented in the following table:

The Bylaws should be changed to...	Strongly Agree	Tend to Agree	Have No Opinion	Tend to Disagree	Strongly Disagree
...have simultaneous election voting for Vice-Chair, Treasurer, and Secretary at the national convention.	4	4	2	0	1
...change the method of voting for any nomination or election of one person to a position at the national convention to instant runoff voting.	6	1	2	2	0
...change the method of voting for at-large LNC representatives and the Judicial Committee to approval voting.	3	4	3	0	0

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The Bylaws should be changed to...	Strongly Agree	Tend to Agree	Have No Opinion	Tend to Disagree	Strongly Disagree
...change the method of voting for at-large LNC representatives and the Judicial Committee to instant runoff voting.	0	1	0	4	6
...provide that when approval voting is used, that runners up would become rank-ordered alternates down to the level of 50% approval.	8	1	0	1	0
...to have Judicial Committee members appointed by each region with the same number of Judicial Committee members as LNC regional representatives.	9	0	1	1	1
...to reserve the first five minutes of debate for any Bylaws or Platform proposal for debate, precluding any amendments during that period.	11	1	0	0	0

The Bylaws should be changed to...	Strongly Agree	Tend to Agree	Have No Opinion	Tend to Disagree	Strongly Disagree
...allocate convention delegates in proportion to state population rather than LP membership while retaining the current allocation based on presidential vote.	2	0	3	3	4
...prohibit national LP candidates from calling for equal time under the "equal time rule."	0	1	2	4	4
...require the LNC to state – in writing – the cause for any disaffiliation of an affiliate party at the time of disaffiliation.	11	1	0	0	0
...prohibit LNC members from being affiliated with another political party.	7	2	1	0	0

Karlan asked how the Bylaws Committee will be informed of the sentiment of the LNC.

Givot said that he will forward a letter to the Bylaws Committee showing the sentiment of the LNC on each of these recommendations.

MG requested that the minutes show his strong opposition to simultaneous voting for Vice-Chair, Treasurer, and Secretary.

Martin asked that his strong support for elimination of nominating and seconding speeches

for None of the Above be noted.

Givot said that he had not tabulated his own sentiment on any of these Bylaws proposals. He asked the permission of the Committee to add his sentiment to the totals tabulated.

There was no objection to Givot doing so.

(Secretary's Note: The table above includes Givot's sentiment.)

Item: Report of the Governance Task Force - Discussion of Carver Model of Governance

Givot said that members of the Committee have had an opportunity to see a videotape presentation by John Carver regarding the Policy Governance Model which he developed.

Givot said that Carver uses the term "CEO" to refer to the top-ranked staff position. He said that at the 1998 national convention a proposal to assign this title to the top-ranked staff position was rejected by the delegates. He said that Carver uses this term to describe the person on staff whom the board holds responsible for the implementation of board policy. He said that the Committee should not get "tied up" on the term "CEO" because of the vote taken at the 1998 national convention. He said that the focus in the discussion should be whether the board can look to the Executive Director to assure that policy is followed and implemented.

Givot said that it is the sense of the Task Force – with the exception of Gorman and perhaps Lark – that the LNC should consider whether it is interested in exploring the Carver model of governance with a commitment of the Committee to study the Carver model of governance prior to its next meeting and vote on whether to adopt the Carver model of governance at its next meeting. He said that – in the interim – the Task Force will prepare a proposed transition plan to migrate to the Carver model of governance.

Dehn said that there are two questions before the Committee. He said that the first

question is whether adoption of the Carver model of governance would be good for the LP. He said that the second question is whether adoption of the Carver model is consistent with the Bylaws. He said that he believes that any motion that indicates that the LNC has decided to adopt the Carver model would be out of order because it violates the Bylaws.

Dehn said that the Bylaws use the term "chief executive officer" to describe a role, not a title. He said that Carver makes a case for a governance system which clearly delineates responsibilities in a manner that is inconsistent with the current Bylaws.

Karlan said that when the Task Force had its discussion, he was not fully familiar with the Carver model. He said that the elimination of the Executive Committee would be a likely consequence of adopting the Carver model. He said that he believes that this feature might result in winning Gorman's support for adopting the Carver model.

Martin asked Dehn for specific text in the Bylaws which would preclude adoption of the Carver model.

Martin said that he is not aware of any such language.

Dasbach read an excerpt from an online forum written by Carver:

First, let me define CEO the way I am using the term: a single person through whom all authority is passed by the board to the operational organization is granted and upon whom all accountability of the operational organization to the board is exacted.

It turns out that most non-profit or government board do not treat their ostensible CEO in that way. They allow authority downward and accountability upward to leak around the edges or fail the required vigor of delegation.

Governing an organization responsibly is very difficult for a board if there is no CEO as I have defined it. The reason is obvious. The CEO gives the board a single point to instruct and a single point of accountability. Not having that makes the job more complicated for the board, opening up the complexity of delegating to multiple points and judging the performance of

multiple points.

Having a CEO is not required in order to use policy governance, but implementation is easier.

Dasbach read another excerpt from the online forum:

The policy governance model does not require a single person CEO or, for that matter, any CEO at all. When policy governance is explained, it is easier and ordinarily accurate for most situations to describe the board to management relationship in terms of board to CEO, but the CEO role is not a necessary component to the model.

Dehn said that the CEO role is not necessary to the Carver model, but the current Bylaws require that the Chair is the chief executive officer of the Party.

Lark read Article IX, Section 4 of the Bylaws:

The Chair shall preside at all Conventions and all meetings of the National Committee. The Chair is the chief executive officer of the Party with full authority to direct its business and affairs, including hiring and discharging of National Committee volunteers and paid personnel, subject to express National Committee policies and directives issued in the exercise of the National Committee's plenary control and management of Party affairs, properties and funds.

Givot said that he understands that this grants the LNC the authority to limit and restrict the Chair's authority in exercising the listed authority.

Karlan said that the discussion that took place at the 1998 national convention away from the formal debate was that the person selected as Chair of the Party is the person "on the spot" for the performance of the Party. He said that this sense needs to be addressed.

Martin said that he disagrees that the Carver model is inconsistent with the Bylaws.

MG asked the Chair to read from the Bylaws the description of the role and responsibility of the National Committee.

Lark read Article X, Section 1 of the Bylaws:

The National Committee shall have control and management of all the affairs, properties and funds of the Party consistent with these Bylaws. The Libertarian National Committee shall establish and oversee an organizational structure to implement the purposes of the Party as stated in Article 3. The National Committee shall adopt rules of procedure for the conduct of its meetings and the carrying out of its duties and responsibilities. The National Committee may delegate its authority in any manner it deems necessary.

Givot said that this section makes it clear to him that the National Committee is empowered to adopt an organizational structure of its choosing.

Dehn said that the LNC is empowered to delegate its own authority, but not the authority of the Chair. He said that the language which says that the Chair's role can be limited by the National Committee is very similar to Carver's sense that the "CEO" can be limited by policy set by the board. He said that he does not believe that this Committee can take away the authority or responsibility of the Chair. He said that a similar discussion took place when Turney was Chair. He said that the sense of the Committee at that time was that the Committee could not do so. He said that the Carver model takes away "half of the Chair's job."

Dasbach said that all of the discussion has focused on the Bylaws issue and not whether adoption of the Carver model would be good for the organization.

Givot said that the Bylaws make it clear that the Committee has the authority to restrict the authority of the Chair. He said that Carver's own writing makes it clear that authority and responsibility for operating the organization within stated policy can be vested in the chief operating officer and that the title associated with the top staff person in his governance model is not important. He said that the Executive Director is, in fact, the Party's chief operating officer.

Karlan said that a decision to go to the Carver model of governance needs to be marketed to the membership.

MG said that he supports the concept behind the Carver model. He said that the Party has been moving in the direction of appointing an agent to implement policy for some time. He said that this is the basic principle of the Carver model of governance.

Givot said that what the Task Force is asking is for a commitment by the Committee to become fully informed about the Carver model by its next meeting. He said that the Task Force is asking for a commitment to vote on adopting the Carver model at its next meeting.

Hoch said that individual situations have come up when he has delegated to others and, as a result, he has been backed into a corner because he delegated to others.

Dixon said that one of the advantages of the Carver model is that it takes the board out of discussion of minutiae. He said that it obligates the board to look forward instead of backward. He said that Carver redirects the board to look forward and then be very specific about delegation. He said that four years ago when this was first considered, he said that he could not tell others if this makes sense for the LP. He said that now he strongly believes that this governance model would provide an improved structure and format.

Lieberman asked Dixon about his experiences with governing under the Carver model.

Dixon said the Carver model is employed by one of the largest child welfare agencies in Illinois. He said that the Carver model would provide structure because ends and means statements are reviewed on a routine, scheduled basis. He said that the Committee does not currently do this.

Givot said that Dixon mentioned something that is critical to the discussion. He said that the amount of time the Committee has to spend together is precious. He said that looking at the agenda of the current meeting demonstrates that the Committee spends very little time looking forward. He said that most of the time the Committee spends is devoted to looking back or looking at the present. He said that the only issue on the agenda which was completely forward-looking is the discussion of governance. He said that adoption of

the Carver model will compel the Committee to look forward, not backward.

Nelson said that one of his focuses has been increasing professionalism. He said that the Party is in transition from a volunteer organization to a professional organization. He said that — to him — professionalism is more a matter of attitude than compensation. He said that Carver is another step in the direction of professionalizing the party.

Givot moved that the LNC finds that adoption of the Carver model of governance might offer substantial benefits to the Libertarian Party, asks all LNC members and alternates to become fully informed about the Carver model of governance prior to the July 3 2002 LNC meeting, and plans to make a decision on whether to adopt the Carver model of governance at that meeting.

Karlan seconded.

Givot said that the if the Carver model is going to be pursued by the Committee, it should first find that the model offers possible benefits to the Party. He said that the Committee must then decide to educate all Committee members regarding the Carver model. He said that the Committee should set a date certain to consider adoption of the model.

The motion passed on a voice vote without objection. Dehn abstained.

Item: Libertarian Party Foundation

Dixon said several months ago Peter Schmerl proposed creation of a Libertarian Party Foundation. He said that it seemed similar to some ideas discussed during the strategic planning process. He said that there are many tactics that were discussed during the strategic planning process that need not be implemented by the Libertarian Party itself. He said that having an outside organization available to pursue those tactics might be of benefit to the Libertarian Party.

Dixon said that continuing discussions focused on the value and validity of offering

scholarships to high school students, marketing a warm positive message to high school teachers, and introducing libertarianism to high school students. He said that the proposed organization would be a 501(c)(3) organization.

Dixon said that the proposed foundation would be closely tied to the Libertarian Party by virtue of the proposed agreement involving use of the Libertarian Party name and the placement of the LNC Chair on the board of the proposed foundation. He said that the "initial mission" of the foundation would be to offer scholarships to high school students. He said that offering such scholarships would be something that very few people could criticize.

Dixon said that it has been suggested that Schmerl and he were remiss in not forwarding the proposal to Bill Hall for his review and comments. He said that he regrets not having done so. He said that he would like to have a discussion of this proposal by the Committee, but that he does not expect the Committee to act on this proposal until Hall has had an opportunity to review and comment on the proposal.

Karlan said that he has reservations about the proposal because he questions whether the objective is "legitimate." He said that given the Committee's authority to lend its name to such an organization, he wonders whether doing so would "contaminate" that organization.

MG said that when the original strategic plan for the Libertarian Party was formulated by Murray Rothbard and himself, one of the original concepts was to establish other organizations "chartered" by the Libertarian Party. He said that – as far as he knows – this was never rescinded by the Committee. He said that the Cato Institute was one such organization. He said that the Cato Institute has since gone its own way for various reasons. He said that at least one affiliate party is looking into this. He said that Hall's input should be sought about establishing a "correspondent relationship" with such organizations. He said that it is important for the national party to retain some sort of control over the continuing use of its name.

Dasbach said that there has been some communication with Hall on this subject. He said that Hall cannot respond to questions regarding maintaining tax-exempt status without consulting one of his partners. He said that he understands that funds will be required to have advice about this matter.

Givot said that he believes that this should be explored. He said that insufficient information is available today to act on this. He said that the presence and advice of Hall is required. He thanked Schmerl and Dixon for bringing forth the proposal. He said that – unlike most of what the Committee has done over the weekend – this is a positive, forward-looking proposal.

Dehn agreed that this should be explored by the Committee but that it should not be decided today. He said that he believes that the Bylaws do not grant the Committee the authority to permit another organization to use the Libertarian Party's name.

MG said that this proposal stands on its own. He said that the basic idea is very good. He said that he would respond to Schmerl that he cannot use the name "Libertarian Party," but that the proposal does not require that the name be used.

Dixon said that when Schmerl first presented this proposal to him, he asked Schmerl to go out and find some prominent individuals within the LP – but not on the Committee – to seed his initial board of directors. He said that Schmerl and he are looking for good people to serve on the board.

Martin said that this is forward-looking and proactive. He said that Schmerl has undertaken to attend this meeting and that he would like to hear directly from Schmerl.

Schmerl said that he would like to see the Committee set something in motion to implement this project.

MG moved to direct the Chair to gather information on the process of chartering such a foundation and to report to the Committee on his progress at its July 3 2002 meeting.

Martin seconded.

Dasbach asked whether there is a sense of the Committee as to the amount of money that should be spent to obtain legal advice on this topic.

The Committee provided guidance to the Executive Director on what is needed.

The motion passed on a voice vote without objection.

Item: Proposal Regarding the Unified Membership Program (UMP)

Dasbach said that any change that relates to UMP payments will require a change to the database. He said that this is a complex, substantive change to the database. He said that this should not preclude the Committee from making such changes, but may delay implementation.

Dasbach said that the first-year cost is \$33,000 which may be spread out over several fiscal years. He said that he believes the cost to be inconsequential in light of potential benefits. He said that there are several features in the proposal that are generally good.

Martin said that he has many questions about the analysis presented. He complimented Dasbach on his analysis.

MG said that there will be a need to define which members joined the party by virtue of the activities of state parties and which members joined by virtue of activities of the national party, as the current system makes this difficult and would – as state parties set up calling programs like MA and FL – become a hot button.

Nelson said that he wants to increase funding to the state parties to fund infrastructure needs at the state level. He said that this can be partially funded by increased efficiencies at the national level.

Nelson said that he proposes leaving dues at \$25. He said that he proposes offering affiliates an alternative payout plan under UMP which would create incentives for states to increase their membership recruiting activities. The alternative UMP payment schedule would call for paying \$0.50 per member per month for the first year, paying \$1.50 per member per month for subsequent years, elimination of higher payout levels for larger contributors, and an additional payment of \$12 to the state party if the new member was recruited by the state.

Martin said that this proposal relates to strategy 20. He said that different states have

different proportions of people in the various giving categories. He said that adoption of this proposal offers benefits to every state.

Givot moved that the LNC adopts the proposed revisions to the unified membership program proposed by Nelson, subsequent to receiving commitments from affiliates with a total of at least 12,000 members which elect this alternative.

Nelson seconded.

Dasbach said that it may be difficult to get affiliates with that many members to commit to this change in the near term.

MG said that he would like to know what will create incentives for donors going to higher levels of giving.

Dixon said that he is not aware of any states that use the UMP giving levels to motivate their organizations to get donors to give at higher levels.

MG said that LPFL offers donors a choice as to where their contributions will be sent.

Nelson offered a friendly amendment that the threshold for implementing the alternative UMP payment schedule upon the commitment by either affiliates with a total of at least 10,000 members or 10 states.

The amendment was accepted as friendly.

Martin said that he feels this would be very beneficial.

Bisson said that he supports this proposal because it adds a new option rather than forcing a change to the current program.

Dehn said that the existing plan does not create incentives for higher giving levels very well. He said that before adoption of UMP, the incentives were greater. He said that many states already have various categories of membership. He said that if things are being changed, we should try to improve things. He suggested that when the state party brings in new members, instead of the national party paying the state party \$12 of a new donor's

contribution, the proposal could be revised to call for the state party submitting \$13 to the national party for new members and retaining any balance above that amount.

Dasbach said that the Committee should consider the impact of Dehn's concept on \$1,000 contributions which would purchase a life membership for the donor.

Givot informed the Committee of the practice of LPIL regarding payments in excess of dues. He said that when LPIL received a check for membership in excess of \$25, LPIL deposited the check into its account and then wrote a check to the national party for \$25 to purchase a one-year membership for the individual.

Dasbach said that LPIL's handling of this is different from most UMP states.

Dehn moved to amend the motion to provide for retention of all but \$13 by the affiliate party if the affiliate recruits a new member, or in the case of life memberships the retention of all but \$500 by the affiliate if the affiliate recruits a new member.

Hoch seconded.

The amendment passed on a voice vote.

The main motion passed on a voice vote without objection.

Item: Establishing a Student Class of Membership

Nelson moved that a new category of membership be established – student membership – which would cost \$5, require signing the certification, be excluded from UMP calculations, be excluded from delegate allocation calculations, and would not include a subscription to LP News.

Givot seconded.

Givot asked if it is intended that UMP states could reach their own determination as to whether such national memberships will be provided any services or membership in the state party.

MG said there has long been a need for formalizing student and low-cost membership, and that this is a wonderful idea.

Lieberman said that he likes the general idea, but he questions whether this is worth the effort for the limited number of members that it will attract. He said that he does not see \$25 a year in dues as a significant barrier to prospective student members.

Dehn moved to amend the motion to add the words "for students" after "established."

Givot seconded.

The amendment passed on a voice vote.

The main motion passed on a voice vote. Lieberman voted against the motion.

Item: Discussion Relating to Proposed Ruwart "Welcome Wagon" Letter

Lark asked the Committee for its sense regarding the draft letter.

Givot said that he has numerous problems with the text of the letter.

Lark said that he likes the idea of a welcome letter. He said that he likes letting new members know that they are part of a large movement, but has problems with the letter.

Martin said that the letter reads like a for-profit sales letter.

Dasbach said that if he is to work with Ruwart to develop such a letter, that he thinks it is important for the Committee to clearly define the problems it has with the letter.

Lark suggested that Committee members might provide him with their individual input which he could relate to Ruwart.

Nelson said that he believes that the LNC should state a policy about the letter.

Givot suggested two limitations that should be placed on any welcome letter: (1) nothing should be offered for sale in the letter, and (2) only things which are offered free of charge.

Dixon said that the letter should promote literature offered by the Party and the national party's website.

Dehn questioned why the letter should be written on behalf of ISIL instead of the Libertarian Party. He said that absent some justification for doing so, the letter should be sent on behalf of the Libertarian Party and should be returned to the Libertarian Party.

Nelson said that he opposes promoting any other organization in the letter.

MG said that the Committee should remember that Ruwart was asked to look at several educational, movement-awareness, and other issues for a welcoming process. He said that this is apparently reflected in her draft.

The sense of the committee was taken on the items proposed. This is represented in the following table:

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A "Welcome Wagon" letter should....	Strongly Agree	Tend to Agree	Have No Opinion	Tend to Disagree	Strongly Disagree
...should sell nothing.	10	0	0	0	1
...should only offer things free of charge.	0	6	4	0	1
...should promote LP literature and website.	11	0	0	0	0
...should be sent out by the LP.	7	4	0	0	0
...should be returned directly to the LP.	8	1	2	0	0
...should not promote other organizations or their literature.	2	3	1	4	1
...may include a list of materials offered by other organizations which are not already offered by the LP for sale.	1	1	0	3	5
...should not promote other organizations.	6	0	0	2	3

The Committee agreed that there was strong consensus that a "welcome wagon" letter should sell nothing, that it should promote the LP literature and website, that the letter should be sent out in the name of the LP, and that the letter should be returned directly to the LP.

The Committee agreed that it would acceptable to offer things free of charge. There was a sense that a list of things available for sale by the national headquarters would be acceptable to include in the letter.

Item: Confirmation of next LNC meeting

The Committee agreed that its next meeting would be held at 1:00 PM on July 3, 2002 in Indianapolis.

Item: Announcements

Lark thanked Givot and Tom Gworek for their hospitality. He thanked Ann Marie Compagne and Cameron Martin for their efforts to feed the Committee over the course of the weekend.

The Committee adjourned at 1:11 PM MST.