

Minutes for The Chicago, Illinois Meeting of The Board of Directors of The Libertarian National Committee, Inc. August 26 - 27, 1995

1 Call to order

at 9:00 am by the Chairman Stephen Dasbach

2 Announcements

Fundraising dinner Saturday evening hosted by the Illinois Party

3 Credentials

John D. Famularo

National Committee Members in attendance:

Stephen Dasbach	Chair
Karen Allard	Vice-Chair
John Famularo	Secretary
Hugh Butler	Treasurer
Sharon Ayres	At Large
Ron Crickenberger	At Large
Gary Johnson	At Large
Don Ernsberger	At Large
Eric Lund	Region 2
Thea McLean	Region 2
Steve Linabury	Region 3
Gary Illardi	Region 4
Dan Karlan	Region 5
Joseph Brennen	Region 6
Robert Franke	Region 7
Tom Paswater	Region 8

Absent:

James Dan	Region 1
Bill Evers	Region 2
Joe Hauptman	Region 3
Tamara Clark	At Large

Alternates in attendance

Jesse Markowitz	Region 5
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Steve Winter Region 6

Non-Voting:

Perry Willis National Director
 Bill Winter Communications Director
 Bill Redpath Ballot Access Chair
 Mike Ginsberg Illinois State Chair

New Alternate for region 8
 Joe Lusardi

4. Approval of Minutes

from the August 26th meeting.

Mr. Dasbach said that the minutes should more consistent in indicate which written reports were submitted. Karen Allard and Hugh Butler suggested that the description of the censure discussion could have been more expansive. Discussion of the more timely production of the minutes, John Famularo asked the committee if they wanted to continue to receive minutes that attempted to summarize the discussions or minutes that just recorded the topics of discussion, motions, and the voting results. It was the sense of the committee that they wanted to include summaries of the discussions. Mr. Famularo said that he would attempt to summarize the discussions but that there would always be differences of opinion as to whether the summary accurately reflected all the nuances of the discussion. Any member could ask to amend the minutes at the next meeting. Mr. Dasbach said that the attempt to summarize the discussions could affect the amount of time necessary to produce the minutes.

Minutes of August 26th, 1995 meeting were approved on voice vote

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6 Check of Paperwork

Chairs Report
 Executive Committee Minutes
 Insurance Application
 Directors Report
 Communications Directors report
 Treasurers Report
 Auditors Report
 Convention Oversight Committee Report
 Development Report
 Campaign Support Report
 Affiliate Support Report
 Region 2 report
 Region 3 report
 Region 4 report
 Region 8 report
 Budget Amendments
 Future Meetings

7. Chairs report

Stephen Dasbach

Mr Dasbach said that the goals are being reviewed and we are taking a hard look at the expense areas and revenues to update our projections. So far the only major problem has been in the membership renewal efforts which have had a greater cost of than originally anticipated. Membership has past the 13,000 level. The major gifts program has begun to take off with \$35,000 received. The Arizona registrations are at 14,500, with our current goal of 16,000 by Oct 1st.

Don Ernsberger said that we should look at membership increase more critically since our current total represents a very successful reinstatement of lapsed members and not new members. Mr. Dasbach said that

this was according to previously reported plans to concentrate on lapsed members first, next the conversion of prospects to members and then new prospecting. Discussion of the new members versus reinstated members and the nature of a membership organization. Mr Willis mentioned that the old five letter renewal cycle gave up too soon on lapsed members and he agreed that we will need to increase our new member prospecting. Mr. Karlan suggested we track renewal rate by the original prospecting letter. Further discussion of renewal rate evaluation. Mr. Famularo suggested that we standardize the method by which we evaluate renewal rate. Further discussion of pessimism versus optimism and realistic evaluation of projects.

8 Executive committee report

A. Executive committee minutes

Gary Johnson

Bill Hall is pursuing a freedom of information request for any FBI files on the LP Mr Karlan asked why the Council of State chairs meeting was being discussed since it was an Ad Hoc organization chaired by Alicia Clark. Mr. Dasbach said that we were getting calls at the headquarters asking for information.

B. Liability and Officers Insurance.

John Famularo

Mr. Famularo said that we are currently well protected by our headquarters liability insurance, our incorporation status, and the DC volunteers statute, but that further work has to be done to investigate the possibility of Directors and Officers insurance(D&O;). The DC statute states that it only applies if a "Good Faith effort" has been attempted to get insurance in the public market. After reviewing a number of applications it appears that an audited financial statement is a necessary prerequisite. Mr. Famularo said that he has approximately 25 hours of investigation to do before he can make a specific recommendation to the executive committee. He will be attending an "insurance for non-profits" seminar in October a La Salle University. In reviewing the type of questions that are asked on the applications, we may have to make certain changes in our internal operations to present the organization as the lowest risk possible to the insurers.

9 Headquarters report

A. National Director

Perry Willis

Since the last meeting we have:

- Hired a project manager(Cynthia Fellows)
- Moved the office
- Replaced the computers
- Switched over the telemarketing operation to the headquarters

- Developed a 15 letter fulfillment cycle for telemarketing.
- Developed a major prospecting letter.
- Added a split list testing capability for mailings
- FEC follow-up letters are automated.
- Certification statement letters are going out weekly

Our projections show that we should raise more than one million dollars this year. We are continuing to file FEC reports on a monthly basis, and we have refiled our 1994 reports in order to have our reports in sync with the new data on our database.

One of the problems with our budget is our direct mail which is not performing as well as last year, partly because we have not had enough mailings and partly because we are dealing in a new environment where the Browne campaign is renting and mailing to our list. A recent mailing which focused on increasing our monthly pledgers only brought in \$11,000 but has generated 158 new monthly pledgers, 81 of which are credit card pledgers. Projecting the fulfillment rate out over the next year, the letter should be worth \$32,000. The letter was a success, but up-front expenses has a cash flow impact.

Mr Willis explained that the use of our mailing list by the Browne campaign was being handled out of the headquarters and not by the list rental company. He said this was the same for any internal campaign such as for governor or city council. All candidates are provided id numbers and source codes if they desire.

Mr Willis discussed that the rising staff costs will be showing benefits in the near future. The increased benefit of the project manager Cynthia Fellows will be seen within the next few months. He said he would continue to use Stuart Reges as a consultant for the foreseeable future.

B. Communications Director

Bill Winter

Mr Winter commented on the publication of the Activist Directory and that information contained therein was the best information available. Many of the states provided out of date information or did not reply. A new directory may be produced in six months with additional and updated information such as a provision for one or more E-Mail Addresses.

Media contacts are continuing to increase in number and quality over previous years. Radio and Television appearances are also increasing in number and quality and consuming more time. If these continue rise at this rate into 1996, more of this work load will have to be taken over by Cynthia.

A questionnaire was sent out to all those on the Libertarians in Office list with about 50% responding. Some responses raised some questions about registration and party membership. Mr Winter suggested we should review our policy regarding future inclusion in the list. Discussion on possible standards and various state rules. Mr. Butler said that the party should discourage any Libertarian from registering in another party for the purpose of affecting that party's primary.

United We Stand America declined our request to be invited to their conference in Dallas earlier this month.

We have a new active state chair in Arkansas along with 16 new state chairs since our last LNC meeting. Mr Winter said our state chair turn over is a major problem.

The original mechanicals for "Liberty Today" are no longer available and may have to be reconstructed.

Responses to "Odd ball image" article in the Libertarian Activist received generally favorable responses with a few exceptions.

C Use of LPHQ resources.

Don Ernsberger

Mr Ernsberger asked Mr. Dasbach what policy he had set up for the use of headquarters personnel and resources in relation to the presidential candidates. Mr Dasbach said that the conflict of interest provision of the LNC policy manual states that: (article I section 2)

D. Neither the National Director nor any other employee of the Party shall:

1. Endorse, support, contribute any money, or use his or her title or position to aid any candidate in any Party primary, or in any campaign for office, or nomination, within the Party or any State Party.
2. Serve as a delegate to any National or State Party convention.
3. Permit LPHQ to be used by anyone at any time to aid any candidate in any Party primary, or in any campaign for office, or nomination, with the Party or any State Party.

E. PROVIDED, HOWEVER, that nothing in this section shall prevent the National Director or any employee of the Party from providing the same information and services that would be provided to any other member of the Party to any such candidate.

F. No Party funds may be expended in any of the types of campaigns described in this section.

Mr Dasbach said that there has been some paid work has been done by both Mr Willis and Mr Winterl. He said that he requested that they do not do any further work until the matter could be presented to the LNC. In each case some of the work was done on the computers at the headquarters and Mr Dasbach indicated that this was not acceptable.

Mr Willis explained that Michael Emerling was asked to run Mr. Browne s campaign and he asked the woman Mr. Willis was living with to be the primary staffer on the campaign. Mr Willis said that contrary to rumors he was not at all involved in the early days of the campaign except as giving some advice. Subsequently when Kianna left the campaign and Michael Emerling stepped down, Sharon Ayres took over the Browne campaign. Since the object of the major donor program was to approach people who maxed out as contributors to the Browne campaign and that was to be one of Kianna s responsibilities. When Kianna left the campaign Mr Willis decided to go to the next major investment conference. Sharon Ayres asked Mr Willis to write a campaign plan to be given to the people at the investment conference to try to boost their interest in ballot access. At the same time Bill was being asked to do formatting work for the Browne campaign and the Jorgenson Campaign. Mr Willis and Mr Winter reviewed the policy manual and the only thing that seemed to be at issue was the word "support" and they determined that if the Browne campaign or the Jorgenson campaign hired an outside vendor it would not constitute support for the campaign but just a contractual relationship. Mr Willis said that he has not done any work for any campaign since Mr. Dasbach has asked him not to.

Mr Winter said that when he was originally asked to do some work for the Browne Campaign he did not think there was any problem since he considered the work he was doing was as Bill Winter and not as the

Communications Director for the Libertarian Party.

Mr Dasbach said he had his discussions with Mr Willis and Mr Winter in February or late March of 1995 about the type of work, but not where it was being done. He indicated to them that he did not see a problem with what they were doing. It was not until June in response to questions from Jesse Markowitz in June that he became aware of the use of headquarters equipment.

Mr Dasbach said that it was his interpretation of the policy manual that if Mr Willis or Mr Winter were to provide volunteer services it would be considered support, but as long as they are being paid it does not constitute support.

General discussion concerning fiduciary responsibility and perceptions of conflict of interest.

In response to Mr Ernsberger, Mr Willis said that the FEC reporting programs written by Stuart Reges were the property of the Party and the programs that Stuart was using for the Browne campaign were completely different.

In response to Mr Paswater, Mr Willis said that he would inform the executive committee before doing any more campaign work.

Mr Famularo said that organizations usually have conflict of interest provisions to protect against the appearance of conflicts and pressure on the staff.

10 Treasurers Report

Hugh Butler

Mr Butler said that competing interests for the spending of the Party s resources must be resolved in favor of fiscal responsibility, The policy of fiscal restraint outlined in the April treasurers report are still in effect. Although we still overspend some budget items, we balance by underspending in other areas. We are making progress toward building up a reserve fund to pre-fund projects. At various times In past years executive committees spent a lot of time just deciding what vendors to pay. For example, the major donor program was designed to provide the revenues for ballot access drives in some of the high expense states and although 51 state ballot access is a common goal and can be achieved, we are not going to make it by spending first and raising the revenues later.

11 Auditors Report

Thea McLean

Ms McLean is planning to visit the headquarters to perform an audit prior to the next LNC meeting in December. Mr Hall will be performing an audit of the FEC reports using copies of the FEC reports and output from the accounting system. Mr. Butler said that the internal audit provided by Ms McLean is good enough for time but would not satisfy the insurance companies. Ms McLean said her audits of our procedures leads her to believe that we would pass an external audit. Mr Dasbach said that it was his intention to have an external audit performed before next years convention. Mr Dasbach said that the cost of an audit should be

part of the insurance investigation.

12 Convention oversight committee

Dan Karlan

1996 Convention

Mr Karlan has received two monthly financial reports from Dave Walter. October 1st is the deadline for Mr Karlan to inform the LNC of the selection of the Keynote speaker and January 1st is the deadline for the LNC to veto the Keynote speaker without incurring a penalty. The deadline for the selection of the bylaws committee is three months prior to the convention (April 3rd). The deadline for the Platform committee must be selected no later than the last day of the fifth month prior to the convention (February 29th). The credential committee must be selected no later than one month prior to the convention (June 3rd). The deadline for the LNC to veto vendors is mid-April. Mr Dasbach said that if we have an LNC meeting on March 31st the list of proposed vendors should be available. One possible complication arises from the rules for selection the Platform Committee where 10 members are selected by the LNC and ten members selected by the 10 largest affiliates. No more than 5 members selected by the LNC can be from the 10 largest affiliates; however, the 10 largest affiliates can not be selected until December 31st. Mr Dasbach said that we can use the procedure where the results of the LNC voting are retained so that a selected candidate that becomes ineligible due to a change in state standing can be replaced by the candidate with the next highest vote total. The 10 largest states and those who may be in the top ten by December should choose their candidates and alternates as early as possible.

Mr Ernsberger said that FEE will be accepting early bird registrations to the convention on September 1st. The November LP News will feature the Convention and the early bird package prices. The early bird pricing is the lower than the last two conventions. Anyone with ideas for speakers should contact Dave Walter who is putting together the speakers and panels and workshops. The hotel staff has committed to providing us with the exact specifications for the stage and decorations, but if the Party wants to do more than the contact specifies then Dan Karlan should inform FEE. Ms Ayres suggested that an interior designer be consulted for ideas. C-SPAN will be covering the convention all day Thursday and all day Saturday on the floor, Friday will be shifted over to workshops.

Mr Winter asked if any special events were being considered for C-SPAN, Mr Ernsberger said that there was a plan to have the Program read by various members of the party with personal connections to the issues in the Program. Mr Ernsberger said he will bring a proposal to the December LNC meeting to utilize a Scantron system to process the votes on the Platform planks.

1998 Convention

Mr. Karlan said we have no outside bidders for the 1998 convention which leaves us with using an outside meeting planner or using headquarters personnel. Mr Willis is not prepared with a formal proposal at time but we can decide on a place and a date. The proposed place is Atlanta, Georgia on the July 4th week in 1998. Returning to the Labor day date would require a bylaws change. Mr Willis said that the Atlanta site is based on the fact that this convention will be a non-presidential convention and that there is 600 mile limit that C-Span will cover, which limits us to an east coast city, Mr Karlan moved :

"That we hold the 1998 convention in Atlanta on the July 4th Weekend"

Motion was passed on voice vote.

13 Program Committee

Stephen Dasbach

We have completed work on the third item "Ending the welfare state" and it has been approved by the APRC. It is now in the formatting process in preparation for printing. The fourth item on immigration, free trade and foreign affairs that is nearing the draft stage.

14 Development Report

Sharon Ayres

The total major donor funds raised is \$36,000. Discussion of the \$13,000 spent on Dean, Spear and associates. Mr Franke raised the question as to whether LNC travel and lodging expenses would be credited to Life Membership. Discussion of the FEC reporting requirements. Mr Willis said our advisor at the FEC said he thought this would not have to be reported. Mr Butler raised the question of creating an obligation to report. Mr Crickenberger raised the question as to what the advantage to the party would be to reward LNC members for service and expenses. Mr Famularo said that some general mechanism to reward volunteer time and expenses for any party member might be considered.

Mr Butler asked what the projections were for the major donor program. Ms Ayres said that the Jack Williams letter just went out. Mr Willis said that he expected an additional \$93,000 by the end of the year with a cost of funds being 35%. Mr Dasbach said that this would give us 140,000 by the end of the year which would be enough for completing West Virginia and one-half of North Carolina assuming we loose the law suit.

15 Campaign Support

Ron Crickenberger

The candidate surveys responses are running at about 10% and the state chair survey response is running much lower. The information will take approximately 20 more hours to tabulate, Candidates are saying 3 to 1 that they will run again. We have the beginnings of a libertarian voter profile, We have about 80 candidates for 95 so far and 50 candidates for 96. California says it will have 50 candidates in 1996. Our goal for candidates in 1996 is 1000, The 218 goal for house candidates will depend on Texas and California due to their early filing deadlines. Work is in progress on a recruiting manual and a libertarian voter profile.

Discussion of the "Libertarian Congressional Committee" being organized by Elizabeth Michael. Mr Crickenberger he has a positive impression of her but does not think that he project may not be possible for 1996, but may be possible for 1998 or 2000. She ran for congress as a Republican before joining the Libertarian Party.

Mr Ernsberger asked if the 218 house candidates for 1996 was a formal goal of the Party. Mr Dasbach said that it had not been adopted as such. Discussion on running candidates in races against incumbents with good libertarian voting records. Mr. Ernsberger said that Mr Scully of C-Span said if we did have the 218 candidates to pose in front of the Capitol building it would be considered a "news worthy" event.

16 Affiliate Support

Karen Allard

Ms Allard commented on the positive changes in Ballot Access management over the last two years. The new fund accounting procedures, the hiring of Cynthia Fellows in May who has worked well helping Bill Redpath and providing timely reports. Bill Winter is doing a great job on Affiliate Party support.

Mr Redpath said that we achieved 51 state ballot access in 1992 and if we repeat that in 1996, we will be the first to repeat like that since the socialist party in 1912 and 1916. As of January 1 1995 we had 293, 281 valid signatures to go, since then we have gathered 31,400 signatures which means that 13% of the job is done and 42% of the time is gone, We will have to get 23,000 valid signatures per month to reach our goal. Since we have finished Alabama the requirements have been raised from 1% to 3%. Connecticut has reduced it's requirements to 7,500 signatures.

Mr Dasbach said that the ACLU has given the Florida non substitution case to a staffer to review. Mr Illardi said that the Secretary of State office said that if we file a law suit we will probably win based on Anderson vs Firestone 1980.

Discussion of the status of various state ballot drives and the use of National Voter Outreach (Rick Arnold) for North Carolina. Discussion of the per signature contract costs. Gary Sinowski will be able to handle the Illinois law suit for approx \$5000 with \$1000 coming from the Illinois party, \$1000 from Richard Winger and \$2000 from Ron Crickenbergers budget. Mr. Redpath suggested targeted fund raising mailings. Mr Markowitz said that the Maryland party has met with the ACLU to discuss a law suit. Ms Allard raised a question about our history of having to pay more money at the end of the contract. Mr Dasbach said that when we are up against a deadline and are short of our goal, it is may be necessary to raise the per signature rate to get additional people to work on the project.

Mr. Redpath said that the reason we went over in Alabama was that we did not have some one to do check testing. In response to a question by Mr Famularo, Mr Redpath said that the NVO contracts have no penalty for low signature validity.

17 Legal Action Committee

No Report

18 Regional Reports

Region 2

Thea McLean

No Discussion

Region 3***Steve Linabury***

Two candidates with a chance of winning
Ralph Mullinger is running as a libertarian Republican
Terry Bowen is running as a libertarian Democrat

Region 4***Gary Illardi***

Alabama is on the Ballot.
Jimmy Blake is being asked to run for the Senate as a Republican and would be considered the front runner.
Arkansas is finally organized.
DC party is growing.
We have a libertarian radio station in the Florida Panhandle
North Carolina should be taken to the Supreme Court.

Region 5***Dan Karlan***

Region 5 chairs met recently.
The un-convention was canceled and a smaller event is being planned.
The Pennsylvania convention is scheduled for March 1-3, 1996 in Valley Forge.
The New Jersey Convention is set for March 16th
The Maryland Party became an officially recognized party on June 6th with 1476 registered Libertarians.

Region 6***Joseph Brennan***

Maine chair to appear on radio talk show
New Hampshire convention to be held on Oct 15th. A question was raised concerning the effect of the New Hampshire primary on the national convention. Mr Dasbach said that the National Bylaws do not allow unit voting and each delegate is free to vote as he pleases.
New York has a new chair, Blay Tarnoff
Vermont state chair has been unresponsive.
Connecticut is attempting an all volunteer petition drive
Can not contact Massachusetts Chair
No report from Rhode Island chair because his wife is having a baby.

Region 7

Robert Franke

Kansas has a new chair, Dale Wilson and an 800 number and membership is up 25% since January of 1995.
 Iowa looking for a new chair
 Missouri working on infrastructure and recruiting 100 candidates for 1996 including all statewide offices.
 Organizing more county parties.
 Nebraska - state chair reports the petition drive is going
 Wisconsin - state fair was a great success, signed up 15 new members
 No response from North Dakota
 Minnesota, New chair Charles Tess has a bi-monthly newsletter.
 Illinois Strategic plan being introduced to all county parties. Gearing up for the first Libertarian Primary in 1996.

Region 8

Tom Paswater

New alternate LNC representative is Joe Lusardi.
 Oklahoma petition drive is for party status. Convention to be held in Tulsa in October.
 Mississippi doing Each one Reach one project
 Louisiana has a radio program
 Arizona - the Pia County break away group has filed suit against the recognized affiliate party to be recognized as the official state party. " I have been asked to relay the ALP executive committee s response to the LNC request for \$2,000 to finish the voter registration drive in Arizona. It was the decision of the ALP executive committee to not send any funds to the LNC for the following reasons:
 1. The lack of response to the ALP executive committee letter of May 29
 A. No copy of the contract with Alexis Thompson.
 B No indication that the ALP will not be responsible for fraud.
 C. ALP has not kept informed as to progress.
 2. Less than a prompt, full response to a request from the ALP chair for copies of voter registration forms, particularly from Pia county (Tucson)

The ALP is attempting to raise funds for voter registration at this time. There may be a need to fight a legal battle due to a variety of loopholes in A.R.S. Title 16, mostly due to the fact that no party has ever qualified for permanent ballot status by voter registration.

Mr Dasbach said he had been informed that it was probably going to require some funds (\$6,000) to pay for registrations outside PIA county which is the only place where the "Kahn for Mayor" funds could be spent. Each presidential campaign was contacted and the Arizona LP to see if they were interested in participating. The Arizona LP did not respond. The Browne campaign contributed \$2,000. The National Party contributed \$1,500. The Schiff campaign could not contribute but thanked us for asking.

Mr Dasbach said that when the national party decided to put funds (\$9,000) into the Arizona ballot drive, the vendor, Alexis Thompson was also contracting with Pia county, the LP, and the Kahn campaign. At that time they thought they could complete the drive without additional funds from the National Party. The ALP was

asked at that point if it looked like there was any danger of them not having enough that we would want an early warning instead of an emergency request for funds. The recent projected short fall was 1,500 registrations which translated to \$6,000. Alexis wanted to get people collecting in Phoenix, The LNC had no budgeted funds to allocate, so the campaigns and the ALP were asked for funds for direct payment to Alexis Thompson. Mr Dasbach said he contacted Tamara Clark by phone and answered her concerns. Alexis Thompson verified the registrations and turned over any fraudulent ones to the election board. We made arrangements for Ms Thomson to send copies of all the registrations to the national office which were in turn copied and sent to Ms Clark. We did not receive copies of the registrations that we were not paying for, but we received totals which we forwarded to Ms Clark on a weekly basis. The May 29th letter was received after Mr Dasbach had talked to Ms. Clark. Later in July when requested, Mr Dasbach replied in writing to Ms. Clark.

Mr Dasbach said that in relation to the law suit it was the position of the national party that the state party of Arizona chaired by Ms Clark was the official state affiliate. All materials collected at the Arizona convention were forwarded to Bill Hall. Mr Hall said it was his opinion that it was a gray area as to whether or not they could reject the one dollar memberships. Some number of the proxies may have been valid.

19 1995 Budget Amendments

Consideration of this Item moved to Sunday Morning

20 Resolutions

No resolutions

21 Future meetings

Mr Willis requested that the December meeting be held at the Watergate hotel. 1995 Budget Amendments.

Mr Dasbach suggested that the spring LNC meeting be held at the convention hotel (Hyatt Capitol; Hill) on March 30 - 31. Mr Ernsberger said that the hotel offered the meeting room gratis. Mr Butler moved that the date for the Spring meeting be set at March 23-24. Motion passed on voice vote.

Meeting recessed Saturday 5:00 pm

Meeting Reconvened Sunday 9:00 am

19 1996 Budget Amendments

Perry Willis

Direct mail income reduced due to fewer mailings, lower returns from some experimental mailings and competition from the Browne campaign. We will reduce the number of times the Browne campaign mailings.

Discussion of various proposed budget amendments. Un-attributed contributions (White mail) is down

because we now have all of our brochure coupons coded with a source code. Software and equipment and Legal is up because of too many open projects without a project management system. Budgeting no use of Stuart Reges for the next four months. Administrative area increases due to the move, furniture, and computers. Development increases due to higher cost of funds due to one time costs for telemarketing software development. In the future all bills will have to be entered into a spread sheet to determine where we stand on the budget since the current accounting system is useless for project management.

Discussion and arithmetic corrections to budget amendment spread sheet.

Motion to accept the changes as reflected on the budget amendment spread sheet.

General discussion of future possibilities. Mr Willis and Mr Dasbach said that the both the revenue projections are conservative and that while certain expense projects may have to have their budgets "impounded" if there is a revenue short fall, that this is not expected. Mr. Butler said that as a standard warning, organizations get in trouble by budgeting expenses too close to expected revenue, and that in effect this budget has 27,000 worth of spending authority that could result in a deficit if the Executive committee spends the funds before the revenues are realized.

General discussion Mr Famularo, Mr Karlan, Mr Dasbach, Mr Butler, on Mr Butlers warning. Since the pre-funding procedure is a practice of the Executive Committee and not a policy of the LNC, the LNC is in effect trusting the Executive Committee not to violate it s practice. Mr Butler said that writing a policy to cover this would be difficult.

General discussion of the effect of a deficit budget and the Executive committee s ability to control spending. Mr Famularo asked what the problem would be if we cut an expense item to balance the budget and Mr Dasbach said that since the executive committee can not create spending authority, there would have to be a mail ballot if additional revenue was realized and that the time necessary to do that would be excessive in the case of an emergency candidate funding request.

Further discussion of policy versus practice.

Mr Franke moved to amend the budget to remove \$13,165.35 of spending authority from campaign support.

Mr Crickenberger said that we need some good wins and December is too late.

Mr Crickenberger made a substitute motion to add 13,165.35 to the prospecting budget. Motion to amend passed on voice vote.

Motion as amended passed on voice vote.

Motion to accept the budget change proposal as amended passed on voice vote

Note: The actual final budget spread sheet attached was produced on August 29th, and reflects a \$3,450 correction made by Perry Willis to make the budget balance which was the intention of the committee.

Mr Butler raised a point of information

If there are expenditures that we already know about for the next year that are not in this budget how should this be handled?

Example membership card printing for the January mailing

Mr Dasbach said that these are normally expended in the current year, but they are normally on a 30 day payable so that they are not paid until the next year. Mr Butler said that we are currently on the accrual system and that expenses should be posted when an invoice is received by the vendor.

Motion to Adjourn

passed on voice vote

Meeting Adjourned.

Respectfully Submitted,

John D. Famularo, Secretary

Attachments:

- Original Budget Amendment spread sheet
- Final Budget Amendment spread sheet