

LNC Meeting

Alexandria, VA

December 11-12, 1999

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

John Buttrick, At-Large Representative
Mike Dixon, At-Large Representative
Bill Hall, At-Large Representative
Jim Lark, At-Large Representative
Mary Ruwart, At-Large Representative

Ed Hoch (AK), Region 1 Alternate
Joe Dehn (CA), Region 2 Representative
Dan Fylstra (NV), Region 2 Alternate
Ken Bisson (IN), Region 3 Representative
Chris Spruyt (NC), Region 4 Representative (arrived during check of paperwork)
Jim Turney (VA), Region 5 Representative
Muni Savyon (MA), Region 6 Representative
Bob Franke (IL), Region 7 Representative
Geoff Neale (TX), Region 8 Representative

Also present: Barbara Goushaw (MI), Region 3 Alternate
Deryl Martin (TN), Region 8 Alternate

Absent: Bette Rose Smith (CO), Region 1 Representative
Terry Savage (NV), Region 2 Representative
Scott Lieberman (CA), Region 2 Alternate
Gary Ilardi (FL), Region 4 Alternate
Richard Schwarz (PA), Region 5 Alternate (arrived during chair's report - goals for 2000)
Ken Lindell (ME), Region 6 Alternate

Vacant: Region 7 Alternate

Staff: Steve Dasbach, National Director
Bill Winter, Director of Communications
Nick Dunbar, Director of Operations
George Getz, Press Secretary

Guests: Elias Israel (Chair, LPMA)

The meeting was called to order by David Bergland at 9:07 AM EST.

Item: Announcements

Givot asked the members to speak with greater projection to aid in recording the meeting.

Item: Credentials

Givot reported that there has been no change in the composition of the Libertarian National Committee since the April 1999 LNC meeting.

Givot said that the membership of LNC Region 7 Alternate Jackie Bradbury had lapsed making her ineligible to sit on the Committee although she remains the designated alternate. He said that he had discussed the matter with Franke and that Franke would notify the state chairs in Region 7 of the situation.

Item: Approval of Minutes of August 1999 Meeting

Bergland said that, at request of Givot, approval of the August 1999 meeting would be the first item of business to be taken up on Sunday morning.

Item: Setting Agenda

The Committee set the order of regional reports as: 3, 6, 2NV, 1, 2CA, 5, 7, 8, 4.

Dehn requested adding a discussion of the LP Program immediately after approval of minutes on Sunday.

These changes adopted without objection.

Item: Check of Paperwork

Dasbach said that everything available has been included in the notebooks with the exception of the minutes of the November 30 LNC teleconference.

Dehn distributed a handout on the LP Program plus a handout relating to a convention committee nomination.

Item: Region 3 Report

Bisson referred to his written report.

He said that the only additional information is that LPOH has received notification that for the first time since 1982 they are on the ballot for 2000 with party status.

Bisson said that his region has become "energetic" during the past year. He said that LPIN has a full time executive director, and LPMI has a part-time executive director. He said that LPOH is planning to hire either a part-time or full time executive director.

Bisson said that LPOH already has 70 candidates toward its goal of 100 candidates. He said that LPIN is shooting for 250 candidates.

Bisson said that KY and WV say they will be active as well.

Item: Executive Committee Minutes

Givot reported that Executive Committee minutes have been distributed for meetings on October 21, November 15 and November 22. He said that a few typographical changes had been brought to his attention and will be made. He asked Executive Committee members for any substantive changes.

Dasbach and Dehn said that the correct figure for the number of states retained in 1992 (on page 7 of the November 22 Executive Committee Minutes) is 20.

Item: Region 6 Report

Savyon said that LPVT gets ballot status by organizing and has met the requirement twofold.

He said that LPMA and LPNH have offered discounts for out-of-state attendees. He said that about 10% of attendees at the last LPMA convention were from out-of-state.

Savyon said that last year's LPMA state convention had 250 attendees. He said that one of the prime reasons for this was LPMA Chair Elias Israel. He asked Israel to report to the Committee

Israel reported that the 1998 election cycle was very successful.

Israel said that as a result of vote totals in 1998, LPMA now has gained major party status. He said that this creates a problem. He said that two Libertarian Party organizations exist in the state at this time -- one recognized by the state and the other recognized by the LNC as its affiliate. He said that these two organizations have substantially identical leaderships and work in harmony. To avoid future problems, the organizations are hoping to get approval at their 2000 convention to merge the two organizations into a single organization. He said that this would avoid the need to fight the state and the costs associated with such a fight.

Israel presented the LNC the proposed charter and ByLaws for the merged organization and asked that members with comments contact him. He invited all LNC members to the April 15, 2000 convention to be held at the Newton Marriott. He solicited questions from the Committee.

Lark asked whether there is any known opposition to the merger in MA.

Israel said that all parties have been invited to participate. He said that there are some people who may be sorry to see the current structure change. He said that he is not aware that there is any opposition to the merger.

Buttrick asked whether there are completely identical officers in both organizations.

Israel said that the officers are not identical but that they are close to being so.

Buttrick asked whether Israel is aware of any people who are concerned that their office is going to be eliminated as a result of the proposed merger.

Israel said that he is not aware of any such people.

Tuniewicz said that the merger represents a broadening of the base of the state committee because MA law provides certain structural requirements which will include more representation from around the state.

Item: Chair's Report -- Goals for 2000

Bergland thanked the people who have been "doing the real work and getting things done."

Bergland said that he was very pleased at the way that the polling of LP national members in AZ regarding their preference for selection of a new AZ affiliate party proceeded.

Bergland thanked the people involved in the web site vendor selection process. He cited the specific work of Crickenberger, Dasbach, Dehn, Givot, Fylstra, Tuniewicz, and Winter.

Bergland described the process which resulted in the current draft strategic plan document. He said that this process culminated with development of the proposed goals for the year 2000 which are recommended to the LNC by the Executive Committee. He referred the Committee to the draft strategic plan document which is included in their materials.

Givot suggested that the 13 goals be considered as a consent agenda, with members pulling off for discussion those items where there is any need for discussion.

There was no objection to this procedure.

Goal 1: To achieve 50 state plus DC ballot access for the presidential ticket in 2000, either on a party- or independent-basis.

There was no discussion. Consensus was reached regarding this goal.

Goal 2: To field at least 2000 candidates for all levels of office, running for both partisan and non-partisan offices, in the year 2000.

There was no discussion. Consensus was reached regarding this goal.

Goal 3: To field at least 218 candidates for the U. S. House of Representatives in 2000.

Turney asked Crickenberger whether he had heard much dissension expressed by people contacting him about meeting Goal 2 or Goal 3.

Crickenberger said that he has not been contacted by people expressing that concern.

There was no further discussion. Consensus was reached regarding this goal.

Goal 4: To develop and approve a completely revised Libertarian Party Program that our

congressional candidates can support no later than the March 2000 LNC meeting.

Bergland said that there was considerable discussion of this at the Executive Committee, and that the proposed language resulted from that discussion.

Dasbach said that a significant staff effort will be required to reach this goal, but hiring of a reporter onto staff will make this possible.

There was no further discussion. Consensus was reached regarding this goal.

Goal 5: To purchase at least \$1 million worth of television and other public media advertising during 2000.

Bergland said that there was considerable discussion at the Executive Committee about availability of \$1 million.

Hoch said that the LNC should not go into debt to meet this goal.

Dasbach said that another goal addresses this concern.

Neale asked whether this goal is in addition to the candidates' advertising expenditures.

Dasbach said that this goal relates only to LNC spending, not candidates' spending.

Turney asked whether the \$1 million includes production costs.

Dasbach said that this represents \$1 million in retail advertising costs. He said that the LNC would book its own ads, retain the agency fee of about 15%, and use that 15% to cover production costs.

Martin asked what media were being considered for the ads.

Dasbach said that this has not been decided yet, nor has the timing or subject matter been decided.

Tuniewicz said that although this is being proposed as a goal, it may be scaled back if funding is not available.

There was no further discussion. Consensus was reached regarding this goal.

Goal 6: To break even on the 2000 convention excluding fundraising revenue from the banquet.

Ruwart asked whether this has been achieved in the past.

Dasbach said that this was done in 1998, but only because of the penalty paid to the LP when the convention hotel canceled the event. He said that there is much tighter control on convention costs for the 2000 convention.

Hoch asked what flexibility the party has regarding fees charged.

Dasbach said that they have already been set and publicized.

Hoch asked whether the fees had been set high enough to cover costs.

Dasbach said that the fees were set based on perceived market forces. He said that this goal will be achieved by controlling costs.

There was no further discussion. Consensus was reached regarding this goal.

Goal 7: To complete initial development of and launch the new Internet site by no later than March 11, 2000.

Fylstra asked how the target date relates to the vendor's current estimated completion date.

Dasbach said that the vendor's current estimated completion date is February 4. He said that the vendor has been told that our requirement is completion by February 18. He said that the goal was set to provide additional contingency time.

Butler asked whether it is possible to pare back the specifications for the initial launch in order to keep to the schedule. He said that we can help the vendor make this goal by doing so. He asked whether, in adopting this goal, we are saying that we are willing to do so.

Dasbach agreed that, to a point, it is possible to do this.

Fylstra said there is an online discussion underway on about the details of this development project. However, he said, participation is very narrow. He said that now is the time for LNC members to participate to avoid last-minute requests to do things differently.

Dasbach said that he does not think it would be beneficial to have 20 LNC members participating in the design effort.

Turney asked which LNC members are involved in this process.

Dasbach said that Dehn, Fylstra, Givot, and Tuniewicz are involved.

There was no further discussion. Consensus was reached regarding this goal.

Goal 8: To retain party ballot status in 28 to 31 states.

Dasbach said that ballot status retention in 28 states is a very realistic low end goal. He said that achieving this would not require extraordinary presidential vote totals. He said that since 1998, legislative changes in FL and HI law have been helpful. He said that the potential for a gain -- not requiring extraordinary improvements in vote totals -- exists in another seven states.

There was no further discussion. Consensus was reached regarding this goal.

Goal 9: To achieve a paid membership level of at least 50,000 members by June 30, 2000 and a contributor level of at least 60,000 contributors by June 30, 2000.

Goal 10: To achieve a paid membership level of at least 80,000 members by December 31, 2000 and a contributor level of at least 100,000 contributors by December 31, 2000.

Spruyt asked whether achieving these goals requires an increase in the rate of growth.

Dasbach said that these goals are set at very ambitious levels and would require an increased rate of growth. He said that based on the 1996 rate of growth, he would project about 66,000 contributors by the end of the year.

Schwarz asked for clarification of what being a contributor means.

Givot said that this is defined in the November 22 1999 Executive Committee minutes. He said that the term contributor is being used here to talk about people who would be considered dues-paid members if they were to sign the pledge.

Dasbach said that there is one minor exception: if a state joins UMP, state members are made national members or contributors immediately.

Martin said that the current statistics show about 33,300 members and 38,900 contributors.

Dasbach said that direct mail prospecting will not be sufficient to attain these goals. He said that different efforts, including work at the local level, will be required to achieve this.

Ruwart asked what plan has been developed to achieve this.

Dasbach said that the LP is going into uncharted territory. He cited the Defend Your Privacy project as an example of the sort of effort that might help generate the number of inquiries required to grow membership and contributors to these levels.

Neale referred to Goal 5 as a possible means to generate this growth. He asked whether there has been budgetary work done to define the timing of advertising or other growth-generating activities.

Dasbach said that most direct mail will probably be in the first half of the year. He said that most advertising will probably be in the second half.

Lark asked whether the infrastructure required to support these efforts is in place.

Dasbach said that the staff infrastructure is not yet in place. Otherwise, he said, the infrastructure is ready.

Turney asked how would it impact staff decisions, duties, or obligations if the goal of reaching 50,000 members by June 30 were reduced?

Dasbach said that it would not make much of a difference. He said that it helps to set aggressive goals in a few areas, even if we fall short in some. He said that the result is generally a better performance trying to reach the more aggressive goal.

Turney said that there is an advantage that comes from doing better than expected.

Givot said that there is some benefit from setting a slightly less aggressive goal given the preoccupation among some LP members with membership goals which are not met.

Franke said that the LNC ought to set minimum goals and consider setting "stretch" goals on top of the

minimum goals.

Dasbach proposed deferring action on Goals 9 and 10.

The Committee reached consensus to defer further consideration of Goals 9 and 10.

Goal 11: To achieve gross revenues of between \$5,000,000 and \$6,000,000 during calendar year 2000.

Bergland said that these are based on past experience.

Dasbach said that these projections were based on data from most recent three prior election years and the year preceding each. This was used to project contributors and contributions. He said that the budget line items were also integrated into his analysis.

Dasbach said that the 2000 budget proposal calls for revenue of \$5.4 million.

Neale said that this is not an appropriate subject for goal setting, because the organization does not exist for the purpose of generating revenues. He said that he feels that it should be removed as a goal.

Fylstra said that it is helpful to have quantifiable metrics. He said that revenue is required to achieve other goals, so it is appropriate to set a revenue goal. He questioned the use of a range, saying that if more than \$6 million is raised one might suggest that we failed to make our goal.

Butler moved to amend to read: To achieve gross revenues of \$5 million during calendar year 2000.

Fylstra seconded.

Tuniewicz asked whether amending the amount to \$5.4 million would be deemed friendly.

Butler said that it would not be deemed friendly.

The amendment was made by consensus.

The Committee adopted to include Goal 11 stated as: **To achieve gross revenues of \$5 million during calendar year 2000.**

Goal 12: To produce a half-hour television outreach program suitable for home viewing, public access television, or cable television and measure the following:

- **the number of copies sold**
- **the number of copies distributed for airing on public access or cable channels**
- **the number of copies given as a premium for contributions solicited to specifically produce the program**
- **the number of times aired using purchased time**
- **any other helpful distribution or airing information.**

Lark said that it is implicit that this will be done within the budget. He asked for an estimate of the cost. He said that depending on the budget, the resulting program could be either "cheesy" or elaborate.

Dasbach said that a high quality production could be created for about \$100,000. He said that retention of the advertising agency fees of about \$150,000 would fund that cost.

Franke suggested that the language "any other helpful...info" be removed.

The Committee reached consensus to remove that language.

Turney said that there are means to measure response to the program. He said that we should attempt to do so.

Dasbach said that staff intends to measure responses whether or not they are required to do so by the adopted goal.

Turney said that it should be part of the adopted goal.

Lark said that he has no problem spending the money if the response level will be proportionate with the costs.

Dasbach suggested that the LNC might want to add an inquiry generation goal.

Bisson suggested adding a requirement to measure "the response to each outreach effort."

Givot suggested adding the words "when feasible" to Bisson's language.

Dasbach said that there is a problem with tracking each separate mechanism as a generator of responses.

Neale said that Goal 5 should be combined with Goal 12.

Bergland ruled Neale's motion out of order.

Bisson accepted Givot's language as a friendly amendment.

Dehn said that the reason that measurement is specified here and why it is important to measure as much as possible is that this goal, absent measuring anything, may be considered by some to be a waste of money. He said that we have talked about this for years, and we have produced tv programs or ads that were subsequently forgotten. He said that merely producing the program doesn't necessarily achieve anything. He said that measuring as much as possible will help determine the effectiveness of the expenditure.

Turney agreed with Dehn. He suggested that the words "to the extent feasible" be used instead of "when feasible."

After additional discussion, without objection the proposed additional language was modified to read: "the response to each outreach effort to the extent feasible."

The Committee voted to add this language to Goal 12.

Neale moved to incorporate Goal 12 into Goal 5 by appending to Goal 5 all language from Goal 12 starting with the words "and measure."

Dasbach said that it would be inappropriate to incorporate Goal 12 into Goal 5 because the specifics of Goal 12 are not germane to Goal 5.

Givot said that Goal 5 relates to purchased television ads while Goal 12 relates to a lengthy television program for which time will not be purchased. He said that addition metrics for Goal 5 is alright, but that Goals 5 and 12 are so different that they should not be combined..

Bergland ruled Neale's motion out of order.

Hall moved to insert the words "and distribute" after "produce."

Givot seconded.

The amendment was adopted without objection.

There was no further discussion. Consensus was reached regarding Goal 12 which was adopted as:

Goal 12: To produce and distribute a half-hour television outreach program suitable for home viewing, public access television, or cable television and measure the following:

- **the number of copies sold**
- **the number of copies distributed for airing on public access or cable channels**
- **the number of copies given as a premium for contributions solicited to specifically produce the program**
- **the number of times aired using purchased time**
- **the response to each outreach effort to the extent feasible.**

Goal 13: To end calendar year 2000 with LNC Inc. having an excess of cash over accounts payable of at least \$150,000.

Dasbach said that the purpose of this goal is to avoid spending all available money at the last minute during a presidential election year.

Hall asked Dasbach for his estimate of cash that would be available at the end of 2000.

Dasbach said that he estimates \$300,000 will be on hand at year end.

Neale asked how accounts payable are recorded.

Givot said that he understands that accounts payable are entered on the date the invoice was issued not the date of receipt of the invoice.

Dasbach confirmed this.

There was no further discussion. Consensus was reached regarding this goal.

Fylstra moved to amend Goal 5 to add the words "and measure the response" to the end of the goal.

Givot seconded.

Goal 5: To purchase at least \$1 million worth of television and other public media advertising during 2000 and measure the response.

Goal 14: To achieve the following targets for media coverage:

- **Average 130 media contacts per month**
- **Average 55 media interviews per month**
- **Produce and distribute 18 op-ed columns during 2000**
- **24 television appearances during 2000.**

Dasbach said that the first two items are extensions of what staff has been doing. He said that hiring a staff reporter should make the 18 op ed piece result achievable.

Dasbach said that targeting television appearances is a new push to get television coverage. He said that this is in addition to whatever television coverage the presidential campaign receives.

Tuniewicz noted that the LNC has not seen these targets before. He asked how these targets compare with prior years.

Winter said that many things cannot be predicted. He said that the first five months of a campaign year are likely to be a continuation of the prior year. He said that since there are not likely to be any vigorously contested LP presidential primaries, the LP probably will not be on the radar until June. He said that media interest will probably turn down sharply by the end of November.

Winter said that the Browne campaign has hired a full time media person. He said that the Browne campaign will be run from outside the national office. He said this is a big difference from 1996 because, in 1996, Browne campaign media inquiries were funneled into the national office. He said that this year we can expect more calls coming into the national office. He said that \$1 million in advertising should also contribute to more media calls coming into the national office. He said that having a writer on staff will also drive more calls to the national office. He said that current media activity levels and an anticipated doubling of media contacts from June to November led to the proposed goals.

Winter said that in 1996, the LP averaged 350 media contacts per month from June to November. He said that a 30% increase in media contacts is projected.

Turney said that he would like to see a goal of at least one national evening news appearance by the LP during the year.

Lark asked what is meant by television appearances.

Dasbach said that this refers to any television appearance booked by the national office. He said that the appearance might feature staff, members, the Chair, or candidates. He said that national appearances would include those on CBS, NBC, ABC, FOX, or CNN.

Dasbach said that it is highly unlikely that 2000 would see an LP spokesperson on a national news program. He said that placement of the presidential candidate is more likely.

There was no further discussion. Consensus was reached regarding this goal.

Goal 15: To provide 3,000 person hours of campaign and activist training at the national convention, state conventions, and other events during calendar year 2000.

Tuniewicz asked how many training events are envisioned in achieving this goal.

Dasbach said that he does not know at the present time. He said that he plans to work with state parties to achieve this goal. He said that this is already underway with LPIL. He said that the results will be highly dependent on what state parties do.

Consensus was reached regarding this goal.

The committee agreed to continue discussion of Goals 9 and 10, placing that discussion on the agenda after discussion of the LP Program and before consideration of the 2000 Budget on Sunday.

Dehn said that it is his understanding that the LNC had just completed adoption of several goals but not adopted the strategic plan document itself.

Bergland said that Dehn's understanding is correct.

Item: Region 2 (NV) Report

Fylstra referred the committee to his written report.

Fylstra highlighted the possible candidacy of Aaron Russo. He said that James Dan should be credited with getting Russo to register as a Libertarian. He said that this is good news, but that the "celebrity phenomenon" has both plusses and minuses. He said that Russo is not doing what a non-celebrity candidate would do. He is asking LPNV what LPNV is prepared to do to support his campaign rather than going out and doing things himself.

Fylstra said that many of the circumstances are favorable at this time for another potential state legislative candidate in NV. He said that the candidate has not announced publicly because LPNV does not wish to alert the incumbent regarding the candidacy. He said that the candidate has committed to spend up to \$50,000 on the campaign. He said that the district is small enough that about 3,500 votes could win the election. There are plans to walk the district several times. Multiple mailings are already planned. The competitive spending level is \$100,000. The campaign plans to spend more than that.

Lark asked how many seats there are in the NV House.

Fylstra said that the Republicans control the NV Senate by one vote. The Republicans are in the minority in the NV House by one vote. He said that this race may determine the balance of power.

Buttrick asked voter registration in the district.

Fylstra said that about 60% of the voters in the district are registered as Democrats and about 40% are registered as Republicans.

Buttrick asked why the Republicans are not running a candidate?

Fylstra said the Republicans have other places where they want to concentrate.

Fylstra said that the contribution limit is \$5,000 for the primary and another \$5,000 for the general election campaign.

Item: Treasurer's Report

Tuniewicz said that the report he distributed was a draft report and asked permission to submit a revised and extended report.

There was no objection to his request.

Tuniewicz commented on the new bequest plan and the efforts of Bill Winter in that regard. He said that he has been contacted by several people and estimates that about \$1.3 million have been pledged in the form of bequests to the LP thus far.

Tuniewicz noted that membership growth results for 1999 have fallen short of goal.

Tuniewicz introduced Internal Auditor Bill Redpath who continues in that position. He said that he has Redpath's draft report and will distribute it on request.

Tuniewicz introduced his graphs showing financial liquidity.

Tuniewicz said that the Reserve Fund continues to grow. It stands at \$57,000 at the end of November. He said that this enforced discipline has been good for the LNC.

Tuniewicz reviewed the history of the current Reserve Fund program which constitutes a set aside of 3% of all revenues commencing with April 1, 1999. He said that the current program terminates at the end of 1999. He said that if the Committee takes no action, there would be no Reserve Fund beginning January 1, 2000.

Tuniewicz proposed that the current program be extended but that the set aside amount be 2% of revenues. He said that the projected increase in revenues to \$5.4 million would place another \$108,000 in the Reserve Fund next year. Added to the December 1999 contribution to the Reserve Fund, this would result in a December 2000 Reserve Fund balance of between \$165,000 and \$170,000.

Tuniewicz reviewed how the Reserve Fund methodology is functioning, and he said that it is working well.

Spruyt asked whether the Reserve Fund contribution would revert to 3% in 2001.

Tuniewicz said that he is proposing a one year extension that would terminate the program at the end of 2000.

Spruyt asked Tuniewicz why he proposes to reduce the Reserve Fund contribution to 2% in 2000.

Tuniewicz said that since 2000 is an election year, we would prefer to make the additional 1% available for expenditures.

Martin asked whether Tuniewicz's proposal is consistent with the goals just adopted.

Tuniewicz said that it is. He said that Goal 14 calls for an operating \$150,000 excess. He said that if year end accounts payable are \$150,000 then the Reserve Fund of \$165,000 to \$170,000 would provide approximately the excess specified in that goal.

Butler asked Tuniewicz what material effects the Reserve Fund policy has had on decisions that were made during 1999.

Tuniewicz said that, in his opinion, there had been no material delay of projects as a result of the Reserve Fund policy.

Butler said that he also felt that the Executive Committee did not significantly delay projects as a result of the Reserve Fund policy.

Dasbach cited two effects. He said that staff went into a mode of delaying payment of bills sooner than it would have otherwise to comply with the reserve requirement. He said that having the Reserve Fund policy did not significantly assist in avoiding problems that have been had in the past. He said that from March through July there was no change in the LNC's financial position. He said that in August and September the LNC fell into a negative position as a result of a poorer than anticipated response to an Archimedes mailing. He said that other fundraising in August was also below what was anticipated. He said that in November and December 1998 the LNC fell down to a low current ratio which was restored within three months. He said that the recovery from September 1999 to date occurred in roughly the same amount of time as the recovery in early 1999.

Dasbach said that he recommends replacing the current Reserve Fund policy with a policy of maintaining the quick ratio at a minimum of 2:1 coupled with a goal of ending the year with \$150,000 of cash in excess of accounts payable as just adopted for 2000. He said that without pre-funding of projects and without a Reserve Fund, he would proceed to go "full tilt" until a flag was waved. He said that the Reserve Fund leads to delaying some expenditures until the safety net is created. He said that the current Reserve Fund policy minimizes swings but at the cost of limiting some progress.

Dehn said that he favors Tuniewicz's proposal. He said that it may sound as though Butler had said that the Executive Committee authorized spending money in the Reserve Fund. He said that the Executive Committee had not done so. He said that the Executive Committee approved a project with the Reserve Fund in mind, assuring that the worst case projections for the project could be funded without dipping into the Reserve Fund.

Dehn said that it did affect behavior because, absent the Reserve Fund policy, that money may have been used for something else, leaving the LNC in a negative position once again.

Dehn said that continuing this policy, as opposed to adopting a new methodology using the quick ratio, is a good thing.

Martin asked Dehn whether he was saying that reverting to Dasbach's proposal would result in the red flag being raised too late.

Givot said that the Committee does not have enough information to consider Dasbach's proposal. He said that Dasbach and Tuniewicz should proceed to develop an alternative and present it if it is going to replace the current plan.

Dasbach said that there is a fundamental difference in how the LNC operated under the Reserve Plan and how the LNC would operate under the sort of plan he believes would be more effective. He gave a proposed Archimedes mailing as an example of how he would behave differently under the two plans. He said that, absent the current Reserve Fund policy, projections would be made, but that a date would be fixed and the project would go ahead even, if in the 45 days from scheduling to execution, the LNC's financial position deteriorated. He said that with the current policy in place, staff will not know until immediately before execution whether or not to proceed.

Givot said that he prefers the discipline imposed by the Reserve Fund policy as Dasbach has described it.

Bergland clarified that the effect of the proposal would be to set aside 3% of gross revenues through the end of 1999 and 2% of gross revenues on a monthly basis for all of 2000.

Dasbach said that only the LNC would be able to authorize dipping into the Reserve Fund.

Fylstra said that he supports the proposal because much of what we do involved risks which are difficult to determine. He said that the current Reserve Fund policy may be the best we can do to provide a means to dampen exposure to risk. He said that he does not want the tone of the discussion to reflect LNC concern that -- absent adoption of this policy -- the National Director might behave imprudently.

Givot said that it was not his intention to convey concern about what the National Director might do in the absence of a Reserve Fund policy.

Bergland said that he opposes the proposal. He said that the LP has paid a price for having the current Reserve Fund policy measured by reduced membership growth. He said that having a management that knows what is going on and has the tools to manage the organization is sufficient to deal with financial volatility.

Neale said he opposes the continuation of the Reserve Fund. He said that he would rather take risk in an election year and have a chance to make significant gains than reduce financial volatility and risk making those gains.

Butler said that he opposes continuance of the Reserve Fund policy. He said that prefers the prefunding policy which was previously in existence. He said that prefunding of projects allows for greater flexibility. He said that although the Reserve Fund policy has had, at most, a minor effect on decisions, he prefers the prefunding approach.

Bisson asked Dasbach for his estimate of the operating surplus at the end of December 1999 and what it was budgeted to be.

Dasbach said that his low end estimate is an operating surplus of \$180,000 for year, resulting in a year end positive net worth of \$16,000. He said that his high end estimate is an operating surplus of \$238,000, resulting in a positive net worth of \$74,000.

Bisson asked Dasbach if he had any doubt that the LP will end 1999 with an operating surplus sufficient to cover the prior year's operating loss.

Dasbach said that he had no doubt about this.

Spruyt asked what would happen if Tuniewicz's proposal is not adopted. He asked if this would mean that there is no Reserve Fund policy.

Dasbach said that if the LNC takes no action, there would be no Reserve Fund policy in 2000.

Givot said that this would mean that the \$60,000 Reserve Fund built up during 1999 would be completely unrestricted starting January 1, 2000.

Dasbach said that a 2:1 target quick ratio is the correct target. He said that anything beyond that must be looked at very carefully.

Tuniewicz said that the discipline of pre-funding projects in their entirety is no longer being adhered to by the Executive Committee. He said that the LNC does not yet, as an organization, display the discipline required to avoid financial problems.

Martin said that there is a compromise solution available if accounts payable balances are increasing at a rate slower than revenues.

Dasbach said that if new projects are not added, this may happen. He said that if a lot of projects are coming up, this may not happen on a continuous basis.

Martin asked what the quick ratio would be if the current Reserve Fund balance of \$57,000 is excluded from the calculation.

Dasbach said that it would be about 1:1 today.

Tuniewicz's motion passed.

Item: Region 1 Report

Hoch said that he had understood that Smith would be present and reporting. He said that he would report on activities in AK.

Hoch said that the state has confirmed that the LP is on the ballot in AK by virtue of registrations. He said that the failure to get 3% of the vote in 1986 resulted in disenfranchising those who had previously been registered Libertarian.

Item: Region 2CA Report

Dehn said that LPCA has just completed an intense effort to get candidates on the ballot. He said that all of the work for getting candidates on the ballot for 2000 had to be completed a week ago. He said that the final results are not yet known.

Dehn said that there are 153 partisan offices up for elections in CA. He said that candidates had been identified for 133 of those offices. He said that several of factors have resulted in having candidates for about 110 of those offices. He said that 110 LP candidates in CA would be a record. He thanked Crickenberger for his assistance.

Dehn said that LPCA has set a goal of 200 candidates statewide for partisan and non-partisan races. He said that LPCA has never before had 90 candidates for non-partisan races. He said that he expects that about 150 candidates will be fielded for both partisan and non-partisan races. He said that the deadline for filing for many non-partisan offices has already passed.

Dehn said that 21 measures are also on the ballot and LPCA has taken a position on most of them. He described three measures: one to repeal a cigarette tax increase, one to repeal the requirement of a 2/3 supermajority to pass tax increases, and one to include "None of the Above" on the ballot.

Dehn said that LPCA continues to have financial difficulties. He said that for the last half year, LPCA has been experiencing monthly deficits. He said that this has resulted in delayed distribution of certain revenues to local parties within CA. He said that two activities have been curtailed as a result of financial problems: suspension of the "Proposition 215 Now" web site and cancellation of two issues of the monthly LPCA newsletter.

Dehn said that the LPCA convention is scheduled for February in San Diego on the weekend of February 18-20.

Crickenberger thanked Dehn for his efforts to get LPCA to fill candidate positions for congressional districts. He also noted that LPCA's efforts were spurred by the efforts of the Natural Law Party which threatened to have more candidates than the LPCA.

Item: Report from General Counsel

Hall reported that the LP has been named as a defendant in the Middle District of TN along with every other national party and some individuals. He said that the claim is on certain constitutional issues and not for damages.

The Committee went into Executive Session for the purpose of discussion pending litigation.

The Committee returned to open session and recessed for lunch at 1:03 EST.

The Committee reconvened at 2:31 PM EST.

Item: National Director's Report and 1999 Budget

Dasbach introduced new staff members Mark Brandl (Customer Service Representative) and Peter Orvetti (Deputy Director of Communications).

Dasbach explained the 1999 Revenue Variance Analysis to the Committee. He described those revenue items which he considers to be significant variations from the 1999 budget.

Crickenberger said a lack of particularly attractive campaigns this year is leading to the variance in campaign support revenues.

Dasbach said that the variance in major donor revenues resulted largely from a lack of time to contact major donors. He said that two ways to address this prospectively are to free up time for Crickenberger and Dasbach

to contact potential major donors and to formalize the Torch Club program.

Dasbach said that the variance in pledge income results in part because a telemarketing pass for the pledge program was not done in 1999 in response to feedback from new members. He said that part of that feedback was that being contacted by a non-libertarian was not as effective as being contacted by a libertarian. He said that the last pass through the list for this purpose was followed by significant falloff in the following months.

Dasbach said that the variance in prospecting income resulted from lower than anticipated results from the second Archimedes mailing in 1999 and financial developments which resulted in canceling the third Archimedes mailing in 1999.

Ruwart said that she would be willing to assist in calling members to solicit contributions from major donors or participation in the pledge program.

Dehn commented on the presentation. He asked whether a similar presentation -- showing a reallocation of revenues in terms of budget accounts -- would be provided in 2000.

Dasbach said that this would probably not be required since the new accounting system is already in place and the accounts are now defined.

Tuniewicz said that in his prior communications he has said that the staff has done a good job of controlling expenses to reflect revenue shortfalls. He said that although as of the end of November this was not the case, he believes this is a temporary situation and expects that by year end expense cuts for the year should be equal to revenue shortfalls.

Fylstra asked Dasbach to clarify his comments on the effect of canceling the third Archimedes mailing of the year.

Dasbach said that since Archimedes mailings were budgeted to lose money, the decision not to do the third Archimedes mailing had the effect of reducing the loss for the year that would have otherwise existed had the mailing been done.

Dasbach reviewed membership statistics for 1999 describing the sources of membership growth and attrition. He said that from this data he has concluded that if there is to be any cutback in funding and mailing in 2000, those cutback should be made from external lists rather than from internal lists.

Dehn said that he sees no evidence that more internal prospecting mailing would have increased the number of members significantly.

Dasbach said that the shortfall in responses from internal mailings was less than the falloff from external mailings.

Givot asked whether the data suggests that direct mail prospecting to outside lists may have reached a point of diminishing returns.

Dasbach said that he does not believe that responses have reached a point of diminishing returns yet. He said that LPNV got a 1.5% response to a one page letter that contained no ideological content, but instead promoted what is being done by the LPNV. He said that this shows that there the point of diminishing returns for internal lists had not been reached yet. He said that a comparable approach can be taken with external

lists. He said that this approach is currently being explored. He said that a letter initially drafted by Tim O'Brien in MI, edited by Winter, targeted ACLU members in MI. He said that although the response rate was low (0.3%) there are things that can be done to improve the response rate. He said that he believes that the creativity of Perry Willis may have been exhausted for this purpose and that, in the near future, Winter will be working on writing and improving these letters. He also said that focusing on lists of subscribers to financial newsletters and publications may prove more successful. He said that dropping a mailing after television ads begin to air in 2000 should also improve results.

Fylstra said that in an election year, direct mail which exists in the context of the election campaign, may improve performance.

Fylstra asked Dasbach what is being done to retain members. He also asked if a survey of lapsed members has been done.

Dasbach said that feedback from lapsed members provides two reasons given by most: (1) lack of money, and (2) not enough progress by the LP. He said that he interprets both responses as pointing to the same reason -- that people are not seeing enough progress to justify continuing financial support. He said that first year renewal rates are at or above those typical of other organizations. He said that the first year renewal rate for the LP is running about 50%.

Lark asked if there is any geographic breakdown of renewal rates that might correlate renewal rates with local activity or local success.

Dasbach said that the only data that he can look at easily is state data.

Givot asked if a report showing the sources of membership growth and attrition similar to that on page 4 of the National Director's Report could easily be provided for a given state.

Dasbach said that it could not be done easily.

Tuniewicz asked what percentage of pre-qualified prospects had received a mailing from the LP already.

Dasbach said that all pre-qualified prospects have already received at least one mailing.

Lark ask whether other libertarian organizations are also seeing a plateauing of contributors.

Turney said that he recently attended a meeting of several libertarian organizations and all report growing contributor breadth and contributions.

Dixon said that he is aware of one organization that is growing.

Dasbach said the bulk of growth required to achieve the membership and contributor goals in 2000 will have to come from inquiries generated during the campaign cycle rather than from direct mail prospecting.

Crickenberger said that we would need to do multiple million piece mailings to learn enough to reach any conclusions.

Crickenberger said the names generated from the AZ registration drive yielded an exceptionally poor response to direct mail prospecting.

Fylstra asked Dasbach to estimate the cost per member for mailing to inquiries.

Dasbach said that it would generate a profit with about 10% to 20% of those people ultimately responding.

Dehn asked if Dasbach has a chart similar to that on page 4 of his report for the 2000 budget.

Dasbach said that he did not currently have such a chart, but he could probably have one for the next day's meeting.

Dasbach said that the hiring of a staff writer will result in progress on several projects including an enhanced welcome pack, *Liberty Today*, something dealing with Libertarian solutions, and information on how the party works. He said that this package is scheduled for early in 2000.

Ruwart offered to assist in writing.

Dasbach said that a review of space needs through the end of 2000 leads him to believe that no additional space will be required through the end of the year. He said that an 18 month lead time prior to the end of a lease is a good time to plan for future space needs and begin renegotiation or investigation of possible relocation.

Dunbar said that the new database system is approaching completion. He said that testing is proceeding well. He said that the FEC module of the database has been delivered and produces an FEC report identical to the current software. He said that January 3, 2000 is the cut over date to the new database system. He said that there may be some interruptions or delays in January and February.

Dunbar said that in July he signed up for a DSL line. He said that after months of delay, he canceled that order and placed an order with another vendor. There are also problems with the second vendor, but he expects the problems to be worked out within a week.

Item: Region 5 Report

Turney called on Richard Schwarz to report on activities in PA.

Schwarz said that five Libertarians were elected in PA -- four town auditors and one township commissioner. He said that a total of 39 candidates ran. He said that PA is a good state to run candidates in odd years.

Schwarz said that in PA the signature requirement is based on the highest statewide vote total in the prior biennial election. He said that this requires less than 22,000 signatures as opposed to 24,000 signatures two years ago.

Karlan said that a month ago the LPNJ had a convention solely to nominate candidates. He said that this was the first time this has been done. It was held about five months before the regular state convention. He said that the March 2000 convention will be able to nominate congressional candidates. He said that this affords more time for candidates to set up their campaigns, raise money, etc.

Lark said that for the first time, LPVA is hoping to have a candidate for statewide office. Gary Reams, Chair LPVA, will likely be running for the US Senate.

Item: Communication Director's Report

Winter said that in 1999 he anticipates that an average of 96 media contacts will have been handled per month. He said that the goal was 100 media contacts per month. He said that there has been about a 17% across-the-board improvement from the prior year. He said that this results from the fact that the worst months were much better than in prior years, while the best months were comparable to prior years. He said that the president campaign cycle and the hiring of an additional staff person will enable staff to achieve its goal for 2000.

Winter said that staff is working to improve radio exposure. He said that much of the exposure improvement comes from getting on programs which are broadcast on more and more stations.

Winter said that the next step is to gain exposure on national television. He said that he expects the first breakthroughs to come on cable networks such as CNBC, Fox News, and C-SPAN. He said that Getz is researching television training seminars with the intention of sending two or three people from staff to these seminars. He said that he hopes to send staff to such a seminar in January or February.

Winter said that Peter Orvetti has been hired as the staff writer for LP News. He said that Orvetti has the title of Deputy Director of Communications. He said that Orvetti will be involved in writing for LP News, the Liberty Pledge letter, Liberty Today, new member outreach materials, and other projects.

Fylstra asked about placing media content on the Internet.

Winter said that he is interested in any suggestions that Fylstra may have about pursuing this.

Getz said that the LP has always agreed to participate in web-based broadcasts.

Winter said that between 5% and 10% of monthly media contacts come from the Internet.

Ruwart asked Winter if he has a strategy for getting onto television.

Winter said that no current strategy exists.

Getz said that aside from the television training seminar, some contacts have been generated with television media and there has been discussion of attending local meetings of television industry people.

Winter said that television works on a much faster news cycle than radio or print journalism. He said that most of the current news releases operate on a 12 hour news cycle. He said that television tends to operate on a twelve hour news cycle. He said that there has been discussion of shortening the news release time frame for the purpose of attracting television coverage.

Givot asked Winter about the potential use of radio actualities.

Winter said that the LP has not used them. He said that 90 to 95% of radio appearances are interviews or talk radio and that the LP is not generally included in news reporting.

Givot said that this might change if radio actualities were available and perhaps publicized by broadcast email.

Item: Region 4 Report

Spruyt reported that the AL ballot drive is underway.

Spruyt said that for the first time there will be a Libertarian primary for governor in NC. He said that there are three candidates in the race at the present time. He said that there have already been joint appearances by at least two candidates. He said that LPNC has agreed to permit unaffiliated voters to vote in the LP primary. He said that the Democrats and Republicans also permit this.

Item: Political Director's Report

Crickenberger reported that there are 265 elected and appointed Libertarians in 37 states. He said that this figure represents greater accuracy more than an excess of positions lost over positions gained. He said that after multiple mailings and telephone calls to all people who are believed to be in office, nearly 60 people have failed to respond to confirm whether or not they hold public office.

Crickenberger said that one newly elected Libertarian -- Phil Miller -- complimented Success '99 for teaching him how to run a winning campaign.

Crickenberger reported on some of the decisions made to support or not support various campaigns.

Crickenberger reported that there are currently over 400 candidates already announced toward the goal of 2,000 candidates next year.

Crickenberger said that there is a potential problem in MS because there appears to be no state chair.

Winter said that attempts have been made to contact all of the officers of LPMS, but no response has been received.

Crickenberger said that there are nearly 100 candidates for the US House toward the goal of 218 for next year. He said that there is some uncertainty about the number of candidates for the US House in CA. He said that he still believes that we will meet the goal of 218 candidates.

Crickenberger said that the AL and OH ballot drives were completed for \$0.66 per signature. He said that this cost will not continue. He said that he cannot get anyone to petition in OK for less than \$1.00 per signature. He said that Rick Arnold reports that the minimum he is paying circulators for signatures is \$1.00.

Crickenberger said that he is concerned by ballot access in NM. He said that the need in NM is to increase the number of registered Libertarians. He said that another 1,000 registered Libertarians need to be signed up by Christmas Eve. He said that if the registration goal is not met then we can still get our candidates on the ballot in NM.

Tuniewicz said that a recent article reported that the Reform Party requirements could be met by gathering only 6,000 signatures. This is different that what we thought previously. He said that this may mean that previously expressed concerns about potential Reform Party candidates driving up petitioning costs may have been overstated.

Crickenberger said that barring some burst of activity in ND, the LP will probably seek a candidate petition -- rather than a party petition -- in ND.

Crickenberger said that the Natural Law Party is targeting 50 state ballot access, 218 US House candidates, and 2,000 candidates nationally. He asked LNC members to urge their states to work on candidate recruitment to assure that the LP has more candidates to offer than the Natural Law Party.

Crickenberger said that if additional staff were available to concentrate on major donor fundraising, substantially more money could have been raised.

Crickenberger said that in some states -- including MA -- the election authorities are using the party's web site to determine which names to place on primary ballots.

Israel said that in MA any of three mechanisms can place a candidate on the primary ballot -- (1) the Secretary of the Commonwealth, based on media coverage, (2) the state chair can designate which candidates are on the ballot, or (3) a petition with 2,500 signatures can be tendered. He said that in MA, the state was relying on the national web site. He said that he is attempting to put together some criteria and hopes to persuade the state to include only a limited number of candidates.

Israel said that he sees a difference between working to exclude candidates who don't meet criteria and working to exclude other candidates.

Franke asked whether the legal changes in FL have been taken into consideration in Crickenberger's projections of candidates.

Crickenberger said that the people in FL do not really know what the law requires yet.

Givot asked what plans Crickenberger had developed for Illinois.

Crickenberger said that he has been contacting ballot assess professionals with an eye to securing professional management for the IL drive.

Item: Region 8 Report

Neale said that the chair of LPAR does not respond to calls.

Neale said that LPAZ Chair Peter Schmerl is pleased with the outcome of the polling and the LNC's affiliation decisions. He said that LPAZ will be joining UMP.

Neale said that the new chair of LPLA is getting things moving and is setting up organizations in various parishes.

Neale said that the chair of LPMS does not respond. He said that another individual is taking over some contact responsibilities.

Neale said that the main issue for LPNM is achieving ballot access by gathering about 1,000 additional voter registrations.

Neale said that LPOK Chair Robert Murphy reports that the main issue is ballot access.

Neale said that LPTN is active and involved in various activities, including introduction of a ballot access bill in January.

Neale said that LPTX is planning a lawsuit against the state for failing to publish the vote totals of any candidates other than Democrats and Republicans and normalizing percentages to show Democratic and Republican votes totaling 100%. He said that LPTX now has 67 county chairs out of over 250 counties.

The Committee recessed at 5:32 PM EST.

The Committee reconvened at 9:12 AM EST.

The Committee went into Executive Session at 9:13 AM EST for the purpose of continued discussion relating to pending litigation.

The Committee returned to Open Session at 9:54 AM EST.

Item: Approval of LNC Minutes of August 14-15 and November 30.

Frank moved approval of the minutes of the LNC meeting of August 14-15 subject to correction of any typographical errors.

Givot seconded.

The motion was passed.

Tuniewicz moved approval of the minutes of the telephone LNC Meeting of November 30 subject to correction of any typographical errors.

Lark seconded.

The motion passed.

Item: Region 7 Report

Franke said that he got no response from any state in Region 7 other than NE.

Franke said that the LPNE Chair reports that they are lining up candidates and moving forward. He said that LPNE is looking into use of a voice-response telephone system and said that he would ask Winter to review the proposal and respond to the LPNE Chair.

Givot reported on LPIL. He said that the state had moved the petitioning period forward from May through August to March through June. He said that this would make petitioning more difficult. He said that LPIL was working to raise money for ballot access, but that results thus far were weak.

Item: Convention Report and Appointments

Bergland opened nominations for the ByLaws Committee for the 2000 convention.

Bisson nominated himself.

Butler nominated Jim Dexter.

Butler nominated Bruce Baechler.

Tuniewicz nominated himself.

Bergland nominated Karen Allard.

Bisson nominated Greg Dirasian.

Fylstra nominated himself.

Lark nominated himself.

Butler moved to appoint these eight individuals.

Givot seconded.

The motion passed without objection.

Bergland said that the additional places will be filled at the LNC's March 2000 meeting.

Givot nominated Bisson as interim chair.

Bisson seconded his nomination.

Without objection Bisson was appointed interim chair.

Bergland opened nominations for the Platform Committee.

Lark nominated Givot (IL). Givot declined.

Turney nominated Ellissa Tiller (VA).

Tuniewicz nominated Eve Maler (MA).

Bisson nominated Erin Hollinden (IN).

Bisson nominated John Brown (WV).

Bisson nominated Don Gallick (OH).

Bisson nominated Tim O'Brien (MI).

Bisson nominated Keith Edwards (MI).

Ruwart nominated Bob Hunt (DC).

Dehn nominated Starchild (CA).

Savyon nominated Dan Karlan (NJ).

Givot nominated Buttrick (AZ).

Dehn nominated Bill Hajdu (CA).

Dixon nominated Dixon (IL).

Committee members were afforded an opportunity to speak on behalf of the nominees.

The committee submitted written ballots to Crickenberger for tallying and moved on to other business while their votes were being tallied.

The Committee deferred appointment of the Credentials Committee until the March 2000 meeting.

Item: Chair's Report -- Goals for 2000 (continued)

Franke said that he believes that Goals 9 & 10 should set a minimum acceptable level of performance and hold the staff accountable for achieving that growth. He said that he would like to set that at a 20% annual growth rate.

Dasbach said that growth is not linear -- year after year -- so that this would not be a realistic approach.

Givot asked Dasbach how he would revise his membership and contributor goals for 2000 given the LNC's adoption of a 2% reserve for 2000.

Dasbach said that he would propose figures of 50,000 members and 60,000 contributors for year end as the minimum acceptable level

Franke said that 15 goals are far too many. He said that the Committee should adopt three or four core goals for which the staff should be held accountable.

Givot said that he favors adoption of all 15 goals while designating a small subset as core goals.

Dasbach presented his analysis of the major factors contributing to contributor growth estimates for 2000.

Current number of contributors	38,720
Lapsed contributors	(9,000)
Initial inquiries	8,000
Generated by the web site	6,000
Generated by external prospecting	10,000

Generated by internal prospecting 8,000

Projected 12/31/00 contributors 61,720

Turney said that he favors strong accountability and setting of attainable goals. He said that the LNC should accept the staff numbers, but inform the staff that there will be accountability if goals are not met.

Franke said that there is a history of successively modified and lowered goals. He said that this needs to end.

Givot moved to substitute, as follows, using numbers provided by Dasbach and Bisson:

To achieve a minimum paid membership of 50,000 and 60,000 contributors by 12/31/00 while striving to achieve a paid membership of 80,000 and 100,000 contributors by 12/31/00.

To achieve a minimum paid membership of 39,000 and 46,000 contributors by 6/30/00 while striving to achieve a paid membership of 50,000 and 60,000 contributors by 6/30/00.

Bisson seconded.

Tuniewicz said that he has confidence in the staff. He said that he sees no need to reduce the thresholds.

Ruwart said that historically we have published "stretch" goals. She said that past failure to achieve stretch goals has led to disappointment among our members. She said that she favors the substitute language for this reason.

Dehn said the proposed substitute language calls for a minimum 50% increase in membership over the coming year while striving to achieve a much larger growth.

Dasbach said that the budget should be adequate to achieve the minimum levels in his chart. He said that the unknown variable is the ability to drive traffic to the new web site and how successful it will be in promoting membership growth.

Dehn asked about the effects of doing \$1 million of advertising on the outcome.

Dasbach said that in 1996 the LP did \$250,000 of advertising and the result from that advertising has been taken into consideration in making his projections.

Dixon said that measurement is only important if it is done consistently and on a schedule. He questioned the propriety of providing mid-year goals.

Givot cited the need to report progress to the convention delegates as a reason to do so. He said that it also makes it clear that the LNC is not expecting 50% of the projected growth to occur during the first half of the year.

The motion to substitute passed.

Lark moved to change the minimum paid membership goal for 6/30/00 from 39,000 to 40,000.

Dixon seconded.

Fylstra said he opposes the amendment. He said that rounding up for 1,000 is significant.

Turney said that he does not care if the goal numbers are round numbers. He said that accountability is what is important.

The amendment failed on a vote of 6 to 10.

The main motion passed.

Givot asked what goals are at risk with the 2% Reserve Fund contribution.

Dasbach said that his recommendations on goals would not change as a result, with the possible exception of the ability to fund the half-hour infomercial. He said that funding the infomercial is a timing issue. He said that with the 2% reserve in effect, funding may not be available in sufficient time to produce the infomercial sufficiently early in the year to make it worthwhile to proceed.

Item: Approval of 2000 Budget

Dasbach presented the manner in which the budget was built and fielded questions from members regarding the methodology used. He said that, in general, he calculated the growth of budget line items from 1995 to 1996 and applied that growth factor to projected 1999 year end results. He said that he made some adjustments to this formula where he deemed it to be appropriate.

Fylstra asked if there is funding in the budget for advertising for the web site. Dasbach said that the \$1 million advertising line item would promote the web site. He said that in general, outreach activities will promote the web site as well.

Dasbach said that he may want to add funding for ballot access. He said that he had added significantly to the budget for ballot access to reflect possible cost increases. He said that the most recent information may indicate that he had not added enough funding. He said that he may want to shift funding to accommodate this concern.

Dasbach said that he believes that direct mail prospecting is probably the place that funding would come from. He said that the proposed budget presumes about as much direct mail will be done as we have lists to support.

Dixon complimented staff of the quality of the budget presentation.

Dasbach explained that the numbers presented in boldface in this budget proposal are the totals which are subject to the budget limit policies in the Policy Manual. He said that in cases where there are offsetting income and expense items (e.g., prospecting), he views both the expenses and the net deficit to be subject to budgetary policy limitations. He said where there are only expenses, the budgetary policy limitations apply directly to those expenses.

Tuniewicz moved adoption of the budget.

Franke seconded.

Givot moved addition of a line item "Bonus Pool" in the amount of \$120K, that a Compensation Committee should be appointed, and that the Compensation Committee be directed to prepare a recommendation to the March 2000 LNC meeting on if, when, and how that Bonus Pool should be paid to staff.

Fylstra seconded.

Lark said that it is not appropriate to do so at the present time.

Dehn moved to divide the question.

Givot seconded.

The motion to divide passed.

The Committee then considered the motion to appoint a Compensation Committee to report in March 2000.

The motion passed.

The Committee then considered the motion to add a \$120K budget line item titled "Bonus Pool."

Neale said that he opposes the motion because it needs more study.

Tuniewicz said that he opposed the motion because it was being presented in an ad hoc manner.

The motion failed.

The Committee then considered adoption of the 2000 Budget.

The motion to adopt the budget passed.

Item: Convention Report and Appointments (continued)

Crickenberger reported the results of voting for Platform Committee:

Candidate	# of Votes
Dixon	17
Buttrick	17
Hollinden	16
Tiller	15
Maler	15
Brown	14
Karlan	14
O'Brien	12

Hunt	10
Gallick	9
Starchild	6
Edwards	5
Hajdu	5

The Committee recessed at 11:59 AM EST.

The Committee reconvened at 12:25 PM EST.

Item: Convention Report and Appointments (continued)

The committee unanimously agreed to appoint Platform Committee Alternates in the following sequence: Starchild, Edwards, Hajdu, Baechler.

Givot nominated Buttrick as Interim Chair of the Platform Committee.

Butler seconded.

Buttrick was appointed by unanimous consent.

Item: Appointment of Compensation Committee

Bergland suggested a three person committee be appointed.

There was consensus that three was the appropriate size of the committee.

Bergland said that Fylstra, Butler, Tuniewicz, and Givot have expressed interest in serving on the Compensation Committee communications.

There was consensus to expand the committee to four members.

Without objection the Committee agreed to appoint Butler, Fylstra, Givot, and Tuniewicz as members of the Compensation Committee.

Butler nominated Fylstra to chair the Compensation Committee.

Givot seconded.

The Committee voted to appoint Fylstra to chair the Compensation Committee.

Item: LP Program

Dehn said that it is important to determine which current Program Committee members are willing to continue to work toward achieving the goal adopted by the LNC. He asked whether the current members are

willing to work to achieve this goal.

(The current members were Bergland, Fylstra, Ruwart, and Smith.)

Fylstra said that he is over committed.

Dehn said that he would be willing to serve.

Dasbach said some work has already been done to identify topics.

Bisson asked Dehn what he feels the ideal size of the Program Committee.

Givot said that all that the LNC needs to do is to appoint additional members as needed. He said that non-appointed members can always assist the Program Committee.

Bisson nominated Dehn.

Givot seconded.

Givot nominated Turney.

Butler seconded.

Butler asked whether having a larger committee would make it harder to get final approval of Program Committee recommendations.

Bergland said that the ByLaws do not provide for the internal workings of the Program Committee. He said that he believes that the Program Committee will be able to define how it works successfully.

Dehn said that it is important that committee members are willing to respond when polled.

Crickenberger said that he is concerned that only one candidate is on the Program Committee.

Butler asked Turney if he wants to be on the Program Committee for the purpose of endorsing the output of that committee.

Fylstra resigned from the Program Committee for lack of available time.

The Committee unanimously voted to add Dehn and Turney to the Program Committee, resulting in a Program Committee comprised of Bergland, Dehn, Ruwart, Smith, and Turney.

Butler nominated Dehn as Chair of the Program Committee. Givot seconded.

The Committee appointed Dehn unanimously.

Item: Future Meeting Dates, Locations, Topics

The Committee set its pre-convention meeting for 2 PM on June 29 in Anaheim.

Item: Website Development Project

Dasbach reported on the process used to select KIA as the web site contractor. He said that Dehn, Fylstra, Givot, Tuniewicz from the LNC were joined by Crickenberger, Winter and himself from staff in this process.

Dasbach said that prior to meeting at LPHQ, the group narrowed the field from about 30 bidders to 5 finalists. He said that two of the finalists were large firms and three were smaller firms.

Dasbach said that KIA was selected largely on the strength of the extent to which their proposal matched our specifications and their clear commitment to work very hard to build a successful site.

Fylstra said that the decision was difficult because all five finalists were strong. He said that three, in particular, were very strong. He said that it would have been easy to pick one of the larger firms, but that as the group got deeper into its analysis, it appeared that the larger firms might not be as sensitive to our organization's needs as some of the smaller firms.

Fylstra said that KIA's proposal was more responsive to our proposal than any other proposal. He said that KIA showed a strong understanding of the different sorts of visitors who might visit our site and coupled that with a discussion of how to get each type of visitor to return for repeat visits. He said that KIA also responded comprehensively regarding allowing affiliate parties to contribute content to the web site. This included an automated content checker for submissions by affiliate parties. He said that one advantage of selecting KIA is that we would have 100% of their attention during the pendency of the project. He said that one potential drawback from KIA was that if two people are sick, then our project comes to a halt. He also cited the pregnancy of one of the principals of KIA. He said that although KIA does not have a lot of branded sites online, the committee reviewed work-in-progress that KIA had done and was impressed with that work. He said that while most of the finalists had at least one Libertarian involved in their bid, both of KIA's principals are committed Libertarians.

Lark said that he believes that the committee did a very good job. He asked, given that KIA does not have a large portfolio of commercial sites, what basis there was for selecting KIA.

Fylstra said that both principals come from other firms and their prior work was not under the KIA umbrella.

Crickenberger said that KIA had the best written proposal. He said that their existing web sites did not impress him at all. He said that the reason that he opposed the selection of KIA was that it would be difficult to raise money to fund site development by KIA because of a lack of sufficient good site references for potential donors to explore. He said that it was the assessment of the committee that KIA offered the greatest upside but also the greatest downside.

Tuniewicz said that the evaluation process was a good one. He said that it was very detailed and the best he has seen at the LP. He said that once the finalists were designated there was consensus that any of the finalists would have been capable of doing the job. He said that KIA did the best job of analyzing our current site as well as presenting a very detailed project plan for the new site. He said that KIA said that they would not object to cloning of the national web site for use by affiliate parties. He said that KIA also had an excellent response to our desire to be able to quickly put up issue sites.

Martin asked the range of bids.

Dasbach said that, for the five finalists, the bids varied from \$32,000 to \$50,000. He said that KIA's bid was slightly over \$43,000.

Givot said that the decision to go with KIA was not based on risk aversion. He said that the group felt that KIA was the vendor most likely to deliver a truly great web site, but that the tradeoff was some greater risk of delay in delivery.

Fylstra said that he believes that the risk with KIA is limited to delivery time.

Dasbach said that there was another possible risk -- one relating to the acceptability of the aesthetic design of the site. He said that KIA is committed to continue to work on design with us until we are satisfied with the results.

Fylstra said that since work began, there are several things which have been presented. In addition to technical documentation, several utilities are already online as well.

Hall said that he would like to hear what is going to be done to drive traffic to the site.

Tuniewicz said that he understands that the \$1 million budget line item for advertising includes some portion that would be used to direct people to the site.

Dasbach said that all advertising will attempt to direct people to either the web site or the 800 number. He said that email will go out to the LP's email list to encourage people to visit -- and get others to visit -- the new web site. He said that lists like the Defend Your Privacy list could also be asked to visit the new site.

Fylstra said that KIA's proposal includes suggestions that are typical of what we found in all vendors' proposals. The finalists were consistent in expressing how much marketing could be done within the scope of the targeted \$50,000 budget. They said that aside from getting the site listed in search engines, there was insufficient money to achieve much more. He said that the vendors' response was very realistic.

Dasbach said that the new site will include issue areas to which other organizations may be willing to link.

Givot said that there is no way to ascertain how effective the site will be until it is up, running, and we have attempted to drive traffic to it. He said that what the LP is most able to control is assuring that -- on first visit -- the site is sufficiently attractive and useable and helpful to people that they will want to visit again.

Butler said that it is important to get Winter involved to make the site as attractive as it can be.

Martin asked if people will be able to join online by credit card.

Dasbach said that they already can on the current site.

Item: Identification of Core Goals

Givot said that the 50-state ballot access and member/contributor levels should be considered core goals.

Dixon said that the launch of the Internet site, ballot retention, and year end financial balances should be core goals.

Dasbach said that the ballot retention goal is one that cannot be controlled but can be influenced by staff, and therefore should not be a core goal.

Butler said that membership falloff is a large concern. He said that retention is easier than getting new members. He said that there are things that can be done, but they are sub-goals. He said that he believes that the 50 states, members/contributors goals, and year end cash would be his core goals.

Dehn said that there may be two concepts of what "core goals" mean. He said that one concept relates to which goals are most important. He said that another concept is what we can most directly control. He said that he believes that core goals are those which best define how much progress we have made as an organization. He said that he needs to know which meaning we give to the term "core goals" before deciding which are core goals.

Dasbach said that he believes that in designating core goals, the LNC should be giving guidance to the staff as to the LNC's priorities if choices must be made.

Spruyt said that many of our goals are means to an end. He said that he thinks of core goals are those closest to the desired end.

Franke said that perhaps the best way to define core goals would be to rank each goal and see what consensus exists on priority.

Buttrick said that we have four different types of goals: electoral, membership, project, and fiscal. He said that 50-state ballot access is electoral. He said that one project goal is advertising spending. He said one fiscal goal is ending the year with \$150,000.

Spruyt said that the categories can also be ranked.

Fylstra agreed with Buttrick, except he believes that project goals are tactical and probably should not be included.

Fylstra moved that the 50-state-plus-DC ballot access goal, the member/contributors goals, and the year end \$150,000 financial goal be established as core goals.

Buttrick seconded.

Spruyt moved to divide question to make designation of the \$150,000 year end result a separate question.

The Committee consented to the division.

Bergland said that the Committee would consider designation of the 50-state-plus-DC ballot access goal and member/contributors goals as core goals first.

Spruyt said that 50-state-plus-DC ballot access goal and member/contributor goals are continuing, long-term goals and that this qualifies them as core goals.

Dehn moved to amend the motion to also designate the 218 congressional candidate goal as a core goal.

Butler seconded.

Dehn said that if the only core goals are the 50-state-plus-DC ballot access goal and the member/contributor goals, the LNC will be adopting goals which show little political progress even if achieved. He said that we need to adopt goals which, if achieved, will demonstrate political progress.

Crickenberger said that the most that we can do at a national level is to run 218 congressional, run 2000 total candidates, and gain 50-state-plus-DC ballot access. He said that national can do some work to achieve the 218 congressional candidate goal, but that there is relatively little that national can do to achieve the 2000 total candidate goal. He said that if we are trying to narrow things down, he would stress 50-state-plus-DC ballot access.

Butler said that running 218 congressional candidates would be an historical event. He said that if it is possible to influence this outcome, he would achieve this rather than spending more than \$1 million for advertising or a developing a new web site.

The amendment to designate running 218 congressional candidates as a core goal passed.

The motion to designate the 50-state-plus-DC ballot access goal, the member-contributor goals, and the 218 congressional candidate goals as core goals passed.

Discussion now turned to the question of whether to designate the year end \$150,000 goal as a core goal.

Martin said that he gets feedback that the LNC spends too much money. He said that he believes that fiscal responsibility is very important.

Dasbach said that the overwhelming majority of our members support what is being done with money. He said that this is demonstrated by the fact that our members continue to contribute to support what it being done.

Butler said that this goal is not about budget and staff but rather about LNC members who do not want a repeat of what has happened in the past.

Tuniewicz said that he is glad that this goal has been adopted, but he said it should not be listed as a core goal. He said that -- using a corporate analogy -- our reason for existence is not financial.

Fylstra said that we are in the business of building liberty and that requires financial strength.

Lark said that a slight shortfall in achieving the financial goal would not concern him and that he would not want to elevate this goal to a core goal.

Givot said that the financial goal is measured on a continuum. He said that he could not reasonably prioritize these goals without a lengthy discussion and set of alternative tradeoffs to consider.

Dasbach said that he understood that the only circumstance that the Committee would find appropriate to result in a loss for the year would be achieving 50-state-plus-DC ballot access.

The motion to designate the year end \$150,000 goal passed.

Consensus was reached to label the two sets of goals as "core goals" and "supporting goals."

Dasbach asked the committee to rank the core goals.

There was consensus that the 50-state-plus-DC goal was the top goal.

Turney said that he wants all of the core goals to be achieved.

Tuniewicz said that all of the supporting goals are also available for tradeoffs.

Martin said that tradeoffs can be addressed in March.

Givot said that the Executive Committee can deal with prioritization as needed. He said that tradeoff decisions will have to be made after the exact circumstances are known and only at that time can reasonable decisions be made.

Item: Convention

Dasbach said that detailed planning for the 2000 convention must now begin. He said that immediately after the 2000 convention, the staff will need to work on site designation for 2002. He said the LP has held five conventions in the East, four in the West, and one in Chicago. He said that he believes that the LP should be considering a site in the South or Midwest for 2002.

Item: Other Business

Lark thanked Dehn and Givot for their work on the minutes.

Franke moved to adjourn.

Martin seconded.

The Committee voted unanimously to adjourn at 2:00 PM EST.

