

LNC Meeting

Chicago Marriott Suites O'Hare Rosemont, Illinois 21-22 September 2002

DRAFT

Present: Geoff Neale, Chair
Ken Bisson, Vice Chair
Deryl Martin, Treasurer
Mike Dixon, At Large
Don Gorman, At Large
Austin Hough, At Large
BetteRose Ryan, At Large
R. Lee Wrights, At Large
Ed Hoch, Region 1 Representative
Joe Dehn, Region 2 Representative
George Squyres, Region 2 Representative
Mark Rutherford, Region 3 Representative
Sean Haugh, Region 4 Alternate
Fred Childress, Region 5 Alternate
Mark Cenci, Region 6 Representative
Steve Trinward, Region 7 Representative
Mark Nelson, Region 8 Representative

Also Present: Jeff Zweber, Region 3 Alternate
Bonnie Scott, Region 6 Alternate

Absent: Steve Givot, Secretary
Michael Gilson de Lemos, Region 4 Representative
Lorenzo Gaztenaga, Region 5 Representative
Mike Fellows, Region 1 Alternate
Mark Hinkle, Region 2 Alternate
Scott Lieberman, Region 2 Alternate
Tim Hagan, Region 7 Alternate
Bob Sullentrup, Region 8 Alternate

Vacant: none

Staff: Steve Dasbach, Executive Director
Bill Hall, General Counsel

The meeting was called to order by Neale at 8:37 on Saturday.

Item: Announcements

Nelson made announcements relating to evening activities.

Item: Public Statements

Neale noted that there was nobody in the "gallery" to make any statements.

Item: Credentials

Neale noted that in Givot's absence Dehn was acting as Secretary for this meeting.

Dehn said he was not aware of any changes in LNC membership since the last meeting. He noted that, other than Givot, all other LNC positions were represented at this meeting, for a total of 17 possible votes.

Item: Check of Paperwork

Dasbach pointed out reports in the binders that had not been previously distributed by e-mail.

Members reviewed their binders.

Dasbach noted that there was a printing problem with the Policy Manual and new copies would be provided later in the meeting.

Item: Disclosure of Potential Conflicts of Interest

Dixon reported that he is now employed as the Executive Director of the LP of Illinois, and said he would not participate in discussions regarding Illinois.

Childress reported that he is the campaign manager for Ron Crickenberger.

Ryan reported that her husband is a member of the board of the LP of Colorado.

Neale indicated that it was not necessary to disclose associations of a spouse.

Dehn noted that practically everybody on the LNC is involved with other LP organizations and that we have not been making a practice of reporting such associations.

Neale said that such disclosures would be appropriate in cases where the member was receiving payment.

Item: Setting of Agenda

Gorman asked whether it was Neale's intention that motions should be proposed on Saturday but not voted on until Sunday. Neale said that he would like that to be done when possible but that some items would have to

be acted on during reports as they come up. He said that recent events had made it difficult to follow his original plan for this meeting, but that he would rule motions out of order during reports if there was an agenda item scheduled later under which they could be considered.

Martin said that there were some matters in his Treasurer's Report that would call for an executive session, and also noted that he was proposing several Policy Manual changes. Neale said that an executive session could be held during the time set for the Treasurer's Report and that the policy manual changes could be considered under the Policy Manual agenda item.

Trinward asked when would be the time to bring up discussion of various projects. Neale said that there was an item for questions relating to staff reports and also an item for general discussion.

Nelson noted that the projects in question were covered by the Political Director's report and asked whether that would be the time to bring them up. Neale said that the time allocated for a report could be used to ask questions about the report but that discussion of future action should be handled separately.

Dixon moved to approve the agenda as submitted; the motion passed without objection.

Item: Approval of Minutes

Dehn explained that the minutes of the 3 July meeting were based on an initial draft prepared by Givot which had some gaps, which Dehn then completed and corrected. He said that Givot had distributed a fairly complete draft of the minutes of the 7 July meeting some time ago, but that there were things that needed to be corrected and there had not yet been a distribution of a revised draft. He said that it might be better to wait on approving either of them.

Neale said that he could not comment on the minutes for 3 July since he was not a participant in that meeting.

Dehn said that he had more confidence in those minutes since he had personally gone through and compared them with the tapes and made the corrections he thought were necessary.

Nelson moved to approve the minutes of the 3 July meeting.

Cenci said that the attendance list should show that he was present.

The minutes, with this correction, were approved without objection.

Item: Chair's Report

Neale said he assumes that people have read the reports that were distributed ahead of time so he won't repeat those things, but will answer questions about them and provide updates.

Nelson asked about the meeting Neale was to have had in Dallas on 12 September.

Neale said it did not happen because of a miscommunication about the agenda of that meeting.

Neals said he had an interesting conversation with John Mackey of the natural food chain Whole Foods

Market, who commented that we have no "brand".

Neale said he went to the national office last weekend and interviewed four candidates for LP News editor. He said that Bill Winter spoke with the candidates about the technical aspects of the job while Neale and Dasbach dealt with "character and chemistry".

Neale commented on the qualifications of the candidates and said that he felt that it would not serve us well to rush the decision about a new editor. He said that another resume has come in since then of somebody who may be qualified.

Neale said he wanted to discuss discretion and confidentiality, particularly with regard to the LNC discussion list. He said that Trinward had expressed a desire for a forum in which LNC members could "blue sky" and not be quoted out of context. Neale said there are times when we may want to consider things that after debate we decide would not be a good idea, and asked for suggestions about how we could discuss such things and reach consensus without everything being published. He asked if there was an expectation that things posted to the discussion list should be treated as confidential.

Dehn said that there was a conflict between two interests. He said there is value in people being able to think and talk to each other without everybody listening in, but that as a body responsible for an organization that has a tradition of openness, and operating in a political environment where openness is expected of political organizations generally, we have a need to keep what we do as a body available to the people that we represent.

Dehn said that traditionally our meetings have been open and, except for explicit executive sessions, everything has been considered reportable to others. He said that if the e-mail list is used to discuss things that would have been discussed in a physical meeting and and we make that private, then we would be destroying that value of openness.

Trinward cited the fact that Dasbach's resignation message, which was posted to the list, was redistributed before we had a chance to figure out what to do about it. He said he considered that a private posting. He said we need a process of "brainstorming" and that if we don't have a way to do that privately between meetings we will hamstring ourselves in terms of getting anywhere.

Cenci said that as a regional representative he needed guidance about this. He said that he had redistributed Dasbach's message to the state chairs in his region to get their comments before this meeting, and didn't think it was inappropriate to do that.

Neale noted that we are employers and companies do not normally publish employee letters of resignation, but that we are also a public body. He said employers normally issue a separate public statement, but that he had not done that yet in this case because the meeting was coming up so soon and he wanted the LNC to be able to make the statement. He said it wasn't inappropriate for our members to see Dasbach's statement, but that we must keep in mind our role as employers.

Neale said that he knew his Chair's Report was redistributed because he received comments from people about what he said about the audit of accounts receivable, specifically about the fact that certain names were mentioned. He said that he included names because he was trying to show clearly that we took due diligence and found no fault with respect to certain people. He said he does have a problem with this case, because he considers his official report to be what is in the binder while what he sent to the LNC was preliminary and

LNC members should have a chance to offer corrections, as with draft minutes.

Cenci said he felt it was his obligation to communicate such things in order to get feedback from his region.

Neale said that lawyers and auditors use certain phrases in their writing that may sound like there may be a problem, but it is just boilerplate that doesn't necessarily indicate that there is an actual problem. He said in his report all the people on the accounts receivable list were discussed in order to show that all of the cases had been checked out. He said that the audit did not show that these customers did anything wrong, but rather amateur accounting practices on the part of staff.

Dehn said that the Chair did nothing wrong in how he reported this and that the intent would have been clear to most readers although there will always be people who misinterpret things. He said that if reports are going to be distributed prior to the meeting with the idea of soliciting corrections and providing a new version at the meeting, they could be marked "draft" to make that clear to readers. He said that without Neale's comment he would not have had any idea that what was in the binder was different from what had been distributed by e-mail.

Neale said that it was not different, because he didn't receive any corrections. He said that if there had been changes he would have pointed that out.

Gorman said that we are not going to resolve this now and that we are not addressing the question of how to "blue sky".

Nelson moved that the LNC-discuss list be treated as confidential and messages not copied off the list without permission of the Chair.

Trinward said he has a concern that there should be a way to announce publicly in a general way what is being discussed so that we don't give the impression that we are a closed body keeping secrets, but there has to be a "fence".

Scott suggested as a friendly amendment that archives be made available after six months so that members can see the discussion in context. Nelson indicated that he would not accept that as a friendly amendment, and there was no second for it.

Squyres said that transparency is important but there are people who will misconstrue things that are said, so we need a forum where people can offer ideas privately. He said that letting people see it after six months was a good idea but confidentiality should be maintained while the discussion is going on.

Wrights said we can't have it both ways -- confidential and at the same time transparent and open. He said that making the list confidential would put us in "a perpetual state of executive session" between meetings.

Neale said that there are no motions or votes on the e-mail list. He said that the minutes of a meeting do not include everything that is said, and that if 18 of us were talking on the phone there would not necessarily be a recording, so he doesn't see it as inconsistent to have the e-mail discussion be confidential.

Dehn said that it would be extremely inconsistent with what we have done in the past. He said that "since time immemorial" recordings of the meetings have been available to members who are interested. He said there is a problem even with the concept of treating things as confidential simply because they have been

posted to a particular list. He said people use the list for different reasons, sometimes simply because it is an easy way to reach everybody on the LNC. He said that if there had been no LNC-discuss list Dasbach would have sent his memo to the LNC some other way and there wouldn't have been any question about whether it could be made available. He said that declaring the whole discussion list confidential would raise difficult questions about how much is confidential, that LNC members could be prohibited from talking about something with members because somebody mentioned it on the discussion list, and it would become difficult to know where to draw the line. He said the current policy of considering things to be available by default, with specific postings that need to be kept confidential for some special reason labeled up front, was more sensible.

Scott agreed that it was significant that recordings are currently available.

Neale said that recordings need to be transcribed before they can be quoted and it is much easier to copy from e-mail messages.

Hough said he supports the motion. He said different people perceive e-mail differently and when messages are forwarded they can be interpreted differently by different people. He said that discussion lists should be kept confidential among the participants and having our meetings be public is sufficient.

Dixon said it was inappropriate to be having this discussion in the middle of the Chair's report and asked that Nelson withdraw his motion.

Neale said he had been asked to address the question as part of his report.

Hoch moved to table the motion. The motion to table passed on a voice vote.

Nelson asked if it was the LNC's job to develop a bad debt write-off policy.

Neale said it was appropriate for the LNC, rather than staff, to do this but it would require discussion including what sorts of bad debt exist. He said a policy could be proposed under the Policy Manual agenda item.

Nelson asked if we would be discussing staff leave and payroll policies.

Neale said that would come up under the Personnel Issues agenda item.

Item: Treasurer's Report

Bisson assumed the chair.

Martin said that his presentation would not be as eloquent or in as logical a sequence as usual due to the special circumstances, and that some things would have to be handled in executive session.

Martin said that with respect to accounts receivable, the review conducted by Martin and Neale showed that "no one negotiated special deals". They could find no evidence of anybody negotiating a side deal contrary to the policies which were administered by staff; the same deals were offered to everyone. He said that Elias Israel specifically asked about the propriety of the arrangements and was assured by Bill Winter that the same deal was available to every advertiser. He said that Israel then chose to pay by the month which was a choice

available to everyone. He said that Lois Kaneshiki also took advantage of this. He said that it was true that this offer went beyond what was the written policy, but it was consistently applied to everyone, so if there was a violation it was by staff not by advertisers.

He said that the new policy that he and Neale suggested to staff retains the pay-as-you-go option, along with a discount for paying up front. He said that the new policy puts an end to the practice of allowing multi-insertion discounts for combinations of ads from different organizations, but this was done because such arrangements are difficult to administer from an accounting standpoint not because of who had used this option in the past.

Neale assumed the chair.

Bisson asked if he wanted to buy ads for different things but all paid for by him would he qualify for a discount based on the total number.

Neale said that if one person is responsible for paying the bill it would be fine. He said the problem arises when different people are supposed to pay for different ads and the collection process becomes confusing.

Martin noted that under the new policy artwork charges must be paid up front.

Martin said that the billing policy was "pretty messed up". He said that under the new policy billing amounts would be calculated in a way to ensure that if somebody fails to pay they will end up getting only the discount appropriate for the number actually paid.

Neale said that this was the time for anyone who feels that this was not dealt with in an open and fair matter to speak up, and otherwise he will consider silence to be an endorsement of these actions.

Neale said that he and Martin put a lot of time into dealing with this problem and hoped that the LNC will take note that it was handled properly and tell other people so.

Martin distributed copies of several proposed changes to the Policy Manual. He said some of these rules may seem like they should not be needed but apparently we need them.

Martin said previous attempts to encourage budgets not to be so "rosy" had failed. He said that revenue comes in cycles rather than jumping up suddenly. He said the first proposal is designed to allow for a 10% increase from one year to the next.

Martin said that there should be reporting when revenue is below expectations; the second proposal requires this where existing policy only requires reporting when expenses are above expectations.

Martin noted the third proposal, dealing with special events accounts.

Martin read the fourth proposal, dealing with booking of obligations.

Neale said that these proposals will be considered under the Policy Manual agenda item.

Martin reviewed a handout listing accounts payable that would soon be 60 days past due. He said it was possible that some of these have now been paid, but he wanted the LNC to be aware of the extent to which we are likely to be in violation of the 60-day policy.

Martin made note of memos relating to an IRS penalty and to the handling of the special event account.

Nelson asked for more information about some of the accounts payable. Dasbach provided explanations and noted that there is a current payables report in the binder.

Neale said that at the request of the Treasurer we would go into executive session; there was no objection.

The committee went into executive session at 9:55.

The committee came out of executive session and recessed at 10:37.

The committee resumed business at 10:53.

Item: Questions Regarding Previously Submitted Staff Reports

Neale said that he was assuming that everybody had read the reports so this time would only be for asking questions.

Nelson asked whether the renewal rates are still holding. Dasbach said that there are still flaws in the reports but that they give a good approximation and they do show a drop. He said that other organizations were experiencing similar drops so it could be due to general economic factors.

Nelson asked about an average contributions per member figure of about \$78. Dasbach explained that this figure represents the average amount that people who joined in a particular year contributed during that year.

Item: Executive Director's Report

Neale asked that Dasbach cover the reports of other staff members first.

Dasbach reviewed the contents of the Marketing report from Mark Schreiber. He said that Schreiber has conducted interviews with staff and LNC members. He said that the second phase was originally to be done by mail but given the large number of e-mail addresses available it was decided to use e-mail to save on costs. He said Schreiber still needs to talk with major donors and he would be able to do that in conjunction with fundraising. He said there would not be a survey of registered Libertarians because we don't have a good source of e-mail addresses and because results so far have been consistent enough that surveying the registered Libertarians might not provide useful additional information. He said that interviewing of media has not been pursued because it might be viewed by the media people as intrusive. He said use of focus groups has been deferred for cost reasons. He said there would be a survey of general voters to compare results with the other lists. He said that because of the use of e-mail expenses had been relatively low.

Dehn asked how e-mail surveying of the general public would be conducted to avoid the perception of it being "spam". Dasbach said that an "opt-in" list would be used.

Dasbach said that the report showed consistent results regarding why people join. He noted that members had also been asked what would add value to their membership.

Trinward asked whether lapsed members were asked what would bring them back.

Dasbach said that they were asked why they left. He said lapsed members were more likely to give no response to questions, and they tended to be less connected with the organization.

Dasbach noted that the lapsed member category included some people who were still receiving renewal letters but that it would be possible to separately analyze the responses of such people and of people who have failed to respond to the full renewal reminder process.

Dasbach said that the results could be useful in improving both the way we reach out to lapsed members and in how we respond to inquiries.

Dasbach noted that the compiled results show that we are not making as much of a connection with our local parties and candidates as we could. He said that the fact that inquiries generally have a high opinion of us even though they have not joined represents an opportunity. He said people who inquired but have not joined still show an increased identification with libertarian philosophy compared with their earlier views. He said that all categories show strong identification with our views according to the "Gallup questions".

Dixon asked that Dasbach comment on the issue questions.

Dasbach said that choices were constructed according to the way the issue is framed in public debate, while making sure that some libertarian choice was included. He said the responses could help show both how the public would respond to our proposals and where we might get resistance from our own members.

Nelson asked how reliable these results are and much weight should be put on them by candidates.

Dasbach said that with respect to the groups surveyed the results are fairly reliable.

Nelson said that the results were consistent with the idea that the longer people are involved with the party the more consistent they become with respect to libertarian ideas.

Dasbach said that education is a tough issue, with even members being spread out among different approaches and a significant number of inquiries favoring more government involvement.

Dasbach said that some people say we put too much emphasis on the drug issue but there is no indication that this is an obstacle among inquiries.

Dasbach said that the gun control question might have provided more useful information if the choices had been worded differently.

Dasbach said that the report showed the extent of the problem with the abortion issue.

Nelson asked if there was information about the environmental issue.

Dasbach said this was similar to education, with less of a consensus among inquiries than members, but it is not as much of a problem as abortion or immigration and foreign policy.

Ryan said that for some of the issues there were too many "right answers" offered.

Hough said that it was notable that one fifth of life members said they seldom vote.

Dasbach said that care should be taken in drawing conclusions about life members because the sample size was small.

Dasbach noted that the survey included demographic questions.

Nelson asked whether the text answers were archived.

Dasbach said all the responses were archived.

Haugh asked whether the responses were representative of the people in our database.

Dasbach said there are always questions about representativeness of samples, and that in this case one factor was that we only surveyed people with e-mail addresses. He said that the responses to demographic questions seemed to correspond with what he would expect, at least with respect to the larger groups.

Dasbach reviewed the contents of his written Executive Director's Report.

With respect to the metrics for this year, Dasbach said he expected we would be near the goal for elected officials. He said we would have about 1550-1600 candidates. He said the "core and critical activities" survey was just being readied but he hoped it would be done by the end of the year. He said with what we have learned about inquiries and lapsed members we can probably keep membership from dropping lower than where we are now but may not be able to go higher than that. He estimated that revenue would be about \$2.3 million assuming he, Crickenberger, and Schreiber will be able to devote sufficient time to fundraising. He said that nothing other than direct mail prospecting had proven able to significantly increase membership. He said a reason for the revenue shortfall was the failure to get a significant major donor program going.

Dasbach said that we are limited in fundraising by what our contributors are willing to contribute for; they respond enthusiastically to projects to increase visibility and get our ideas out, but not as well to membership prospecting projects.

Dasbach said we are on target for the campus organizing goal. He said that since 2001 we have been getting market share information by age and other demographic categories quarterly from the Zogby polls.

Dehn asked where the youth figure of 1.7% for 2000 in the metric table came from. Dasbach said it might have come from a Rasmussen poll.

Dehn asked what sort of documentation existed of how the campus organizations are being measured and tracked. Dasbach said such questions would have to be answered by Marc Brandl.

Dasbach said that he expects total votes for a Libertarian candidate to be at or above goal. He said we are on track for the marketing plan metric in 2003.

Dasbach said that the students who had been working in the office in the summer were now gone.

Dasbach said the Development Director, Eric Caron, was no longer working for us and that he has asked Schreiber to take on the Development responsibilities. He noted that Schreiber had originally applied for the Development job and has qualifications in this area.

Nelson moved to table the remainder of the Executive Director's report until LNC members had a chance to

read it.

Neale said that the Caron matter will be covered under the Personnel Issues item regardless of whether this motion passes.

Dasbach pointed out certain pages in his report that members might want to review and commented on the significance of some of the tables.

The motion to table the remainder of the report passed on a voice vote.

Item: Personnel Issues

The committee went into executive session at 11:45.

The committee recessed for lunch at 12:53.

The committee resumed in executive session at 14:09.

The committee came out of executive session at 14:18.

Item: Resolutions Concerning the Executive Director

Trinward moved:

In accepting the resignation of Steve Dasbach as Executive Director of the Libertarian Party, the Libertarian National Committee thanks him for more than 20 years of service to the Party, culminating in his 5 years as National Chair and his 4 years as Executive Director. We commend his dedication to the cause of liberty and recognize his tireless efforts in this often difficult pursuit.

The motion passed unanimously.

Ryan moved that, in accordance with the Policy Manual, the LNC directs that the Chair assume the responsibilities of the Executive Director and that Mr. Dasbach be moved to a consulting role.

Dixon noted that later in the meeting we would be discussing what deliverables and reports the LNC will be expecting from the Chair.

The motion passed unanimously.

Martin moved that, in consultation with the Treasurer, the acting Director shall determine whose signatures are authorized to expend party funds.

Neale said that this consultation should be done today so that the LNC can take any necessary action tomorrow.

Martin said that the current authorized signers are Neale, Dasbach, and Crickenberger.

The motion passed on a voice vote.

Neale said he would be authorizing the Employment Policy and Compensation Committee to initiate a search for a new Executive Director. He noted that the current members of that committee are Dixon, Rutherford, and Ryan.

Item: Legal Report

Hall apologized for arriving late. He said that he had only two things to report on since his last written report.

He said that in the Section 527 lawsuit a judge had ruled against a reporting requirement as it applies to state and local committees engaged in non-federal activities. He said this would not be finally resolved for some time.

He said that the FEC continues to issue hundreds of pages of regulations attempting to implement BCRA, which creates a moving target for compliance. He said he has requested an advisory opinion concerning our LP News ads and mailing list rentals but doesn't know how long it will take to get a response.

He said the discussion of how to deal with the BCRA requirements would have to be in executive session.

Neale asked Hall to comment on disclosure of the accounts receivable reports that would show that somebody owes us money.

Hall said if there is a significant possibility that the report is in error then we would not want to make it public, and based on what he has heard about past accounting practices he doesn't think the information we have now can be considered accurate. He said we might want to make such reports public in the future.

Neale said that he asked this to show LNC members that there is potential liability and so members have a responsibility for their actions.

Dehn asked if there would be a problem with making public a listing of what accounts receivable we had, after the errors have been cleaned up.

Hall said that from a legal standpoint, there would not be a problem as long as we reveal the whole report rather than revealing only parts. He said there might be other reasons not to do this, such as advertisers being reluctant to advertise if they fear their financial information is going to be made public.

The committee went into executive session for a discussion of BCRA at 14:42.

The committee recessed at 16:14.

The committee resumed in executive session at 16:34.

The committee came out of executive session at 17:12.

Neale summarized the conclusions of the discussion:

In transactions between the state parties and national there will be two options: that the state

party becomes an FEC filer and we continue as before, or that all transactions are by individuals rather than the state party.

With respect to contributions from minors, action necessary for compliance could not be determined at this time.

Administration of LP News, possibly including rental of the subscriber list, will be outsourced.

We will immediately establish a contract with an independent committee that may operate our conventions.

Item: Population of Committees

Neale said that we need to appoint members for the APRC, Audit, Program, and Convention Committees.

Neale said that the APRC reviews materials for publication. He said that Dehn has observed that more and more things have been redirected around this committee. He said there is a need for this committee. He said it needs to be populated by people who have a dedication to principles but also have a sense of urgency in reviewing things.

Martin nominated Dan Karlan.

Haugh nominated Wrights.

Neale suggested that Dehn might want to continue.

Dehn said he was concerned about the way things had been redirected. He said he was willing to serve if one of the first things the committee was going to do was review its procedures to make them more consistent with how materials are currently developed. He said this might streamline the requirements in some ways but apply them to more things.

Neale said Dehn should consider himself nominated.

Karlan, Wrights, and Dehn were elected without objection.

Neale invited nominations for the Program Committee.

Haugh nominated Randy Holcombe of Florida and Art Olivier of California.

Neale said we don't have enough information to know if Olivier would be willing to serve.

Dixon said it is important to get a new Program in place.

Ryan suggested that Mary Ruwart and David Bergland who had worked on a previous attempt might be interested in serving again.

Neale suggested we wait until we know how many of these people would be willing to serve.

Martin moved to table consideration of appointments to the Program Committee. The motion passed on a voice vote.

Neale said that the purpose of the Audit Committee is to oversee the annual audit, and that members of the Executive Committee cannot serve on the Audit Committee. He said that the purpose of the audit is to make sure the financial records are correct, not to pass judgement on policies.

Dixon noted that the Audit Committee does not itself perform the audit, but just interfaces with the auditor.

Childress nominated Jim Turbett.

Gorman nominated George Phillies.

Martin nominated Hough.

Dixon said there was nothing in the Policy Manual about the Audit Committee.

Neale said in that case he was defining it as a committee of three members, not members of the Executive Committee or staff, at least one an LNC member.

Rutherford nominated Zweber.

Nelson nominated Sullentrup.

The election was conducted by paper ballot (see below).

Dixon said that the Convention Oversight committee would take on new significance if we are going to be contracting out the convention to an independent committee.

Nelson asked for clarification of the purpose of the committee.

Ryan said when she was on the committee they went to see the site that the staff had already picked out and that was all they did.

Neale noted that he had already appointed Haugh to chair an ad hoc committee to review the 2002 convention and that committee could later be transformed into the Convention Oversight Committee.

Dehn suggested that one of the things that the review committee could address in its report is a recommendation for what sort of oversight committee there should be for future conventions.

Wrights nominated Ryan.

Neale nominated Nancy Neale.

Haugh nominated Dehn.

Haugh, Ryan, Nancy Neale, and Dehn were elected on a voice vote.

Neale reported the results of the election for Audit Committee: Hough 16, Sullentrup 11, Turbett 10, Zweber

6, Phillies 5 (Hough, Sullentrup, and Turbett elected).

Item: Employment Policy and Compensation Committee

Dixon said that his written report asks for action on three points: adding language to the Policy Manual to make this committee permanent, approving an Executive Director responsibilities statement, and approving an Executive Director position requirements statement.

He noted one change to the responsibilities statement: In the section titled "Office", first paragraph, second sentence, add to the end "and until notice is given". He said that the point of this is that once notice of termination has been given either by the Executive Director or by the LNC, the Executive Director would no longer have hire/fire authority.

Dixon moved to amend LNCPM VI.3 to add a new section:

F. Employment Policy and Compensation Committee: The Chair shall appoint a Committee of three current members of the LNC. The Employment Policy and Compensation Committee shall develop the documents necessary to administration of the employment of the Executive Director, including but not limited to a performance review. Proposed procedures, including forms, for the Executive Director performance review shall be presented by the Employment Policy and Compensation Committee to the LNC for its advice and consent in the 4th quarter of each calendar year. The proposed procedures shall include the administration of the Executive Director performance review in the 1st quarter of each calendar year. The results of the review and any additional recommendations of the Employment Policy and Compensation Committee will be reported at the first available LNC meeting following the review period.

Squyres moved to change "documents necessary to" to "documents necessary for the"; this was accepted without objection.

The proposal as amended passed on a voice vote.

Dixon said that it is not necessary to approve the other documents at this time. He said that the committee would be working on the method of advertising the open position and will report back to the LNC as often as there is major news. He said if LNC members want to provide input to this process now is the time to let the committee know.

Haugh asked about the meaning of the phrase "in the field, or in a virtual environment" in the responsibilities statement.

Dixon said this was intended to convey to candidates for the job that they are expected to manage political actions both done directly by people and through electronic media, and by managing people both face-to-face and at a distance.

Nelson said that this job description is "not definitive".

Neale said that the phrase does not mean that the Executive Director himself is in the field or in a virtual environment but simply that actions that he supervises may be.

Dehn asked how these documents relate to the existing position description in the Policy Manual.

Dixon said these new documents were not intended to replace that, but are rather marketing documents to describe the job.

Dehn suggested that the committee review the documents for consistency with each other so that we don't end up with three descriptions of the same job that don't match.

Item: Gene Cisewski

Gorman said he would like to make a motion and have it immediately tabled, to give Hall a chance to comment on it while he is still here.

Trinward moved to suspend the rules to allow this to happen.

Gorman moved to forgive Gene Cisewski's debt of \$10,000 to the LNC.

Gorman moved to table. The motion to table passed on a voice vote.

Hall said there would be nothing legally wrong with doing this; if we want to forgive the debt we are free to do so.

The committee recessed for the day at 18:07.

The committee resumed business at 8:38 on Sunday.

Item: Announcements

Hough announced that our Illinois candidate for Governor was scheduled to be on TV at about 9:30, and suggested that we take a break at that point to watch this.

Neale commented on the "trend" that Hough had started of local people providing donuts in the morning.

It was noted that in Massachusetts and Arizona all the gubernatorial candidates would be in a televised debate.

Hough said this was the first year in a long time that the gubernatorial candidates in Illinois are not participating in a debate sponsored by the LWV. The requirement the LWV had set for participation was 5% in a poll and when our candidate met that the Democrat and Republican candidates said they were having debates without the LWV.

Neale reviewed the remaining agenda items including things that had been mentioned on Saturday that still need to be considered.

Childress said we need to reconsider the Audit Committee election because Turbett said he would prefer not to serve.

Neale said that if there is no objection the fourth-ranked person (Zweber) would be placed on the committee. He clarified this was not intended to set a precedent for future elections but just a way to deal with this particular situation. There was no objection.

Neale polled the committee concerning when people need to leave.

Item: Regional Reports

Neale asked for updates since the written reports.

Scott said that one of the people listed on the web as a candidate in New York is not actually a candidate but they had discovered another person running for office so they still have 11 people running.

Hoch said he had submitted his report but it isn't included in the binder.

Trinward noted that he had sent an updated version of his report since what appears in the binder.

Squyres said that the "carpetbaggers" had lost in the Arizona primary.

Dehn reported that David Molony had set 5 October as his last day as Executive Director in California. He said it seemed to be a "strange cusp" that both the national organization and the largest affiliate are looking for both a new executive director and a new newsletter editor all at the same time.

Dehn said that the LP of California Executive Committee last week revoked the endorsement of gubernatorial candidate Gary Copeland but this would not affect his appearance on the ballot.

Trinward asked if there might be a recount in the Arizona gubernatorial primary; Squyres said as far as he knows there would not be.

Item: Policy Manual Review

Neale said that the proposals from the Treasurer should be taken up first.

Martin said that as a result of some discussions in the meantime he wanted to propose a changed version of his first proposal. Martin moved:

To add to the end of LNCPM V.2.A a new sentence:

No budget shall be submitted to the LNC for approval that exceeds 110% of the actual revenue over the immediate past 12 months through October 31st of the current year.

He said that this would allow time in November to evaluate the situation and still provide the proposed budget at least two weeks before the typical December meeting, while retaining the basic 10% increase idea of the earlier version.

Nelson asked how this would deal with the variation in revenue between even and odd years, and noted that it would not preclude the LNC from adopting a budget beyond the 110% limit if other types of projections

suggested a different amount.

Martin agreed that the LNC would be able to set the budget at will. He suggested that situations like election years could be dealt with by the Executive Director providing, along with a proposed budget that meets the rule, additional information for the LNC to consider in deciding whether to approve a different amount.

Neale said that his understanding was that this would not bind the LNC but would require the Executive Director to offer a budget that does not exceed the 110% limit.

Martin said his intent was to change the default budget so that it is not "pie in the sky".

Bisson expressed concern that this would tie the hands of the Executive Director and lead him to play games, resulting in a budget proposal that is not as accurate or realistic as we might otherwise get.

Nelson said that he shares that concern, and also that he thinks the policy should say the budget is prepared by the Executive Director in consultation with the Executive Committee, rather than by the Executive Committee, because a professional executive would be uncomfortable with a budget that he was not involved in producing, and also because the current language concentrates too much power in the Executive Committee.

Dehn said that the motion on the floor does not propose any change relating to who produces the budget, and that the proposed limit would be a constraint on the existing authority of the Executive Committee. He said this would be sending a message to both the Executive Director and the Executive Committee not to bring to the LNC something too high. He said it is important that the Executive Committee bring to the LNC something realistic because by the time the LNC gets to consider the budget it is too late to re-evaluate everything.

Bisson moved to substitute that "Executive Committee in consultation with the Executive Director" be changed to "Executive Director in consultation with the Executive Committee" in the first sentence of the existing policy, without adding the new sentence.

Cenci asked for a show of hands of how many members had worked on a budget cycle. Many people raised their hands.

Rutherford said he favored the substitute because it would help the EC become a policy-making body rather than an operational body, and would allow the ED to prepare the budget without unnecessary constraints. He said putting limits in the Policy Manual should be done only as a last resort.

Trinward said he favored the original motion because the 110% is important regardless of the roles of ED and EC.

Dehn said that historically when there were lots of committees there was a separate Budget Committee and that although this job has now been taken over by the Executive Committee it has always been done by some sort of LNC subcommittee, so switching the responsibility to staff would be a significant change.

Dasbach said that despite the existing language in reality in the past few years the budget has been produced by the ED in consultation with the EC in line with the proposed language.

Haugh said that if we are going to expect the ED to operate with the budget then the ED should have the

major role in producing it, and that being able to do so was one of the skills we should expect from an ED.

The motion to substitute failed on a vote of 6 to 8.

The main motion passed on a voice vote. Cenci abstained.

Martin said his remaining proposals were unchanged from what he presented previously.

With respect to his second proposal:

To add to LPCPM V.2 a new section:

D. REVENUE SHORTFALL REPORTING At the end of each month within a fiscal year, the Executive Director must immediately report to the Executive Committee if cumulative revenue is less than 90% of the accepted budget and submit detailed plans for appropriate expense reductions for the remainder of the budget period.

Martin said that existing policy imposed reporting requirements and limitations on the Executive Director if expenses exceed budget, but do not deal in a similar way with shortfalls in revenue.

Neale ruled that this proposal was now on the floor.

Nelson moved to consider the remaining three proposals together.

Dehn said that he would like the opportunity to ask questions about each of the proposals and that considering them separately would better structure the discussion.

The motion to consider them together failed on a voice vote.

Ryan said it was important for the LNC to be aware of revenue shortfalls.

Dehn asked for clarification of the meaning of a comparison of cumulative revenue to the budget.

Martin said that policy requires that we have monthly budgets and the comparisons would be based on that.

Squyres said that if we had such a policy in place we might not be in our current situation.

The motion passed on a voice vote.

With respect to his third proposal:

To add to LNCPM V.1 a new section:

D. The LNC or the Executive Committee may designate certain Party efforts as "special events". All revenues for special events must be directly deposited into "Special Events" accounts dedicated for that purpose. All disbursements for special events must be made from these same accounts to the extent their balances permit. Other party funds shall not be dispensed for these events without prior approval of the Chair.

Martin said the purpose is just to make sure that special event accounts are used for special events.

Neale asked whether this would already be covered by GAAP.

Martin said that it is possible to implement GAAP to different degrees and this would make a specific statement about this point.

Martin noted that the wording allows for more than one special events account which would allow the option of greater control.

Wrights said this was common sense and a good thing to include.

Dehn said that the proposed language does not appear to directly address the actual problem that we had recently, which was funds from the special account being spent on other things.

Trinward moved to append at the end: "nor shall special events funds be used for other purposes until all obligations relating to that event have been discharged."

The amendment was accepted without objection.

The main motion passed on a voice vote.

Neale asked if there was any objection to the fourth proposal:

To add to LNCPM V.1 a new section:

E. Unless applicable law requires otherwise, all financial records of the Party shall be maintained consistent with GAAP (Generally Accepted Accounting Principles), and especially, contractual obligations of the Party shall be booked as liabilities when incurred instead of when invoices for such obligations are rendered.

Dasbach asked if this would mean that the books should show an obligation for the 2004 convention since we already have a contract, and for the office rent since we have a five-year lease.

Martin said that the lease is currently recognized as advised by the auditor.

Neale said that the convention contract should be reflected on the basis of potential cancellation fees minus any deposits already made.

Dehn asked for clarification that the intent of this policy is to require normal purchases to be booked when the item is purchased or ordered, rather than when we get the invoice.

Neale confirmed that was the meaning and that it was how it was supposed to work under GAAP.

The motion passed on a voice vote.

The meeting recessed at 9:29 and resumed at 9:59.

Nelson said he wants to discuss an area where we are not adhering to the Policy Manual.

Neale said we should handle actual motions first.

Dixon said we should handle the things that we have previously said we would consider under this agenda item before considering new things.

Gorman said he has a motion but questioned whether we should go into executive session.

Neale said unless we are going to discuss particular individuals an executive session should not be necessary.

Gorman moved:

That the LNC create a Steering Committee of up to ___ members, at least one a current member of the LNC, to assist, review, recommend strategies and procedures for the Political Director of the national Libertarian Party. This committee should consist of the highest elected and/or the most experienced elected Libertarians past or present in the LP. This committee shall be charged with getting Libertarians elected to public office. This committee shall have veto power over actions, procedures, and policies of the national Political Director unless overturned by the LNC.

Nelson suggested a straw poll to see if there is enough support to spend time on this. Nine members indicated they wanted to consider it.

Neale said there was a problem with the language because the Political Director does not have the authority to set policy. He said giving a group the authority to veto a policy that can be overturned by the group that made the policy is circular and inappropriate.

Gorman said he is open to amendments but he wants to present the case.

Dixon said if this does not say that the LNC can override policies set by the Political Director, then it is saying that the LNC can overturn the strategies and tactics of the strategic plan, which he doesn't like because a lot of people spent a lot of time developing the plan and that shouldn't be replaced by whatever the LNC thinks is right today.

Gorman said it isn't a question of general policies but of the specific person which is why he suggested an executive session.

Neale said that as long as this can be framed as a policy regardless of the individual occupying the particular position then it was appropriate. He said it would not be appropriate at this time to offer a motion rebuking an individual.

Haugh said the basic idea was to shift the focus at the national level away from things like "Project Majority" and toward things like giving support to potential winning county commissioner candidates. He said this proposal may not be the right way to go about this but he would like a discussion of shifting focus.

Neale asked whether this was the intent of the motion.

Gorman said that he is open to alternative language, such as "advise and consent" rather than "veto", but he agrees we need to change the direction.

Neale ruled the motion out of order because, although there may be comments about individual decisions that

the Political Director has made, the priorities were set by the previous LNC through the strategic plan, so the discussion should instead be about the priorities in the strategic plan rather than in a policy. He said that it conflicts with other portions of our standing policies and directives to staff, which would need to be addressed in the motion to accurately reflect what we are trying to do.

Scott appealed the ruling of the chair on the grounds that Gorman is willing to have the language amended.

Hough said that Gorman might be able to clear up his intent and then we could either come up with alternative language or decide the motion is inappropriate.

Neale said Gorman has made clear that we need to go into executive session for him to make his case but if that is true then it is not a policy change.

He said that a motion to appeal the ruling of the chair is not debatable.

Gorman said he was willing to discuss this in open session.

Dehn said he doesn't think it is right that appealing the ruling of the chair is not debatable. He said it doesn't make sense that the chair can give his reasons for his ruling and then other members are not allowed to explain why they disagree.

Dixon said that the maker of the motion had given the argument.

Neale ruled that since a majority of the members think that a ruling of the chair is not debatable we will go immediately to a vote.

The chair's ruling was upheld by a vote of 9 to 7. Dehn requested that his 'no' vote be recorded.

Gorman said that he did the best he could and was willing to leave it to wordsmiths to rearrange it, but what he has to say about the political direction of the party is important and needs to be said.

Neale said that one his primary duties is to make sure that things are handled in an appropriate manner and identify problems with things that are brought up. He said it would be appropriate for Gorman to propose general discussion on the topic. He said this particular motion would have put him in a position of not knowing what to do and this could not be fixed with a simple amendment.

Squyres moved to have a general discussion on this topic.

Dixon said this would require a 2/3 vote because what is on the agenda at this point is Policy Manual changes.

Neale said that a 2/3 vote would be required in any case because if we don't suspend the rules to allow general discussion now we will have to suspend the rules during the general discussion item to allow a Policy Manual change.

Dasbach noted that there is an item on the agenda for SPT champion reports and what the Political Director does is related to SPT strategies so it could be discussed then.

Neale ruled that it would be necessary in that case to suspend the rules to consider a Policy Manual change at

that point.

Squyres withdrew his motion.

Trinward asked if there is a problem with anything other than the last sentence.

Neale said that it was obviously nonsensical to give oversight to a body to decide that policies are not appropriate for policies set by this body which this body can then overrule that body, but there is also a problem that the motion provides for review of personnel when our policies give the Executive Director that authority.

Cenci noted that there there is an item on the agenda for "other resolutions".

Gorman said that Neale had told him this was the appropriate time to bring his proposal up.

Neale ruled that a suspension of the rules is the only way to do this since it covers two agenda items.

Dehn appealed the ruling of the chair. He said that Neale seemed to be saying that Policy Manual changes can only be made under the Policy Manual agenda item. He said that is not the rule we have followed in the past and was not the rule that we followed yesterday when we approved a change to the Policy Manual relating to the creation of a committee. He said it has always been the case that if something comes up and we decide that an appropriate way to deal with it is to amend the Policy Manual then we amend the Policy Manual. He said the Policy Manual is not supposed to be some separate thing that gets amended as its own process, it is supposed to be the ongoing record of our policy decisions. He said it was not reasonable to tell someone that his idea can't be discussed now but that if it is discussed later he can't put his proposal in the form of a change to the Policy Manual.

Dixon agreed but said that the plan for this meeting was to present things, allow time for us to discuss them and reflect on them, and then vote on them at a later point, and he is concerned that this is being rushed through. He asked where in the Policy Manual this would be placed.

Dehn said it would go under committees.

Neale said that the creation of the Audit Committee yesterday was not done by a change to the Policy Manual but simply by action of the chair.

Dehn said he was referring to the amendment of the Policy Manual concerning the Employment Policy and Compensation Committee.

Neale reversed his ruling and said it would require only 50% rather than 2/3 to go into discussion.

Dasbach noted that there was language concerning the role of the Political Director that had been adopted at the December or March meeting and might be affected by this but it had not yet been incorporated by the Secretary into the Policy Manual.

Squyres said he would wait to propose further discussion of this topic until a later time.

Nelson moved:

That dedicated fundraising efforts be required to conform to the standards of Special Projects in Article V Section 1.B and Article IX Section 1.

Nelson said that Crickenberger had been asked for a cost-benefit analysis of Project Majority, the Bob Barr project, and the drug war focus ad, which were all dedicated fundraising projects. He said that it was appropriate for these kinds of projects to conform to the rules that have been established for special projects.

Dasbach said this didn't apply well to things relating to the drug war. He said we often do e-mail fundraising for things that have already been approved as part of the general budget, and fundraising letters often mention specific projects. He said the LNC should be clear on what the intent is. He said in the case of Project Majority we already had a budget and direction to try to help candidates get on the ballot and the fundraising was an attempt to underwrite some of those costs, which is different from the case of the drug war strategy where the spending was limited to what was raised for the project.

Nelson said he understands that some things are budgeted but is looking for language that is appropriate.

Rutherford said he is nervous about the line between "micromanaging" and "macromanaging" so although he might favor the idea after more discussion he will vote against it at this time.

Ryan said that this idea was applied in Colorado and she favors such a constraint on fundraising but we need clearer language.

Haugh asked if it would be appropriate to table this to give Nelson an opportunity to refine the language.

Neale ruled that even if the motion was voted down if it was brought back with significantly different language that would be appropriate.

Nelson asked if a dollar limit would make the proposal more acceptable.

Dehn said the problem was understanding exactly to which activities this would apply. He noted that we have things that are part of broad budget categories within which staff can make spending decisions, and we also we have "accordian items" where the staff can spend based on the money raised. He asked whether this would apply to specific projects that are within fixed budget categories.

Nelson said he wants to have a written analysis of what projects cost us and what they get us so he can decide whether to support them in the next budget. He said he wants a feedback process so that we can debate facts and not just abstractions. He said he also wants a gauge of how much staff time is involved in these projects as part of considering reconfiguration of staff.

Dasbach asked if it was the case that Nelson would want such an analysis only in cases where there is dedicated fundraising or if he would want it regardless of how funds are raised. He cited the example of general fundraising for ballot access vs. fundraising for a particular state

Rutherford said there are many scenarios for which he does not see an answer, so this should be considered at a future meeting.

The motion failed on a voice vote with nobody voting in favor.

Gorman said he was still working on rewriting his proposal.

The meeting recessed at 10:45 and resumed at 10:59.

Gorman moved:

That the LNC create a Political Steering Committee of up to __ people, at least one a current member of the LNC, to assist, review, and recommend strategies and procedures for the Political Director of the national Libertarian Party. This committee shall be charged with assisting Libertarians in getting elected to public office, consistent with the goals of the LNC. This committee shall advise the national Political Director on actions, procedures, and policies.

Gorman said he felt it was essential to get something like this in front of the LNC. He said he has been putting on seminars around the country and has a lot of experience in the real world of politics. He said he doesn't intend to run for office again, he thinks that helping other candidates is the best way he can help the LP, and that he is doing this because the Political Director does not have procedures for getting people elected to office. He said the policy of running many candidates for Congress was not useful, that candidates don't get the training they need, and that the Political Director has been spending his efforts on fundraising rather than candidate support.

Gorman said he wants there to be a committee of people who have been elected to office and can give advice on how to get elected rather than just run for office. He said we have committees for audit and convention but we don't have one for politics.

Martin said that it is important that the people be willing to serve.

Squyres said that Gorman made excellent points.

Bisson asked how the work of this committee would relate to what Gorman is currently doing to help candidates.

Gorman said that each candidate is responsible for running his or her own campaign with assistance at the state level, and that the national effort would be just providing general support.

Haugh moved to insert 5 as the number of members; there was no objection.

Nelson said he agrees with the goal but fears that this puts the committee into an operational mode that could lead to meddling. He said that the LNC is responsible for the organization, while campaigns should be separate.

Dixon said he doesn't understand whether electing five people to this committee means that those who were not elected cannot give advice to the Political Director -- what this committee will change from what people can do now individually.

Gorman said that this will facilitate a group of experienced people forming consensus on a recommendation.

Bisson said that the difference will be that these people will be making their recommendations under the auspices of the LNC.

Neale said that the committee's advice would have added value because it was appointed by the LNC.

Cenci said that Gorman's advice had been helpful in Maine, and suggested that such efforts might be more successful not as an official function of the LNC.

Bisson said it would be better to have a Political Director with such experience and hope that he would be willing to seek advice from elected officials without the LNC having to set up a formal committee for that purpose.

Wrights said that we should not just "hope" for such things but see to it that something happens.

The motion passed on a vote of 8 to 7.

Neale said that the appointments will be made at the December meeting and asked Gorman to seek people who are willing to serve.

Neale said that this should be inserted in an appropriate place in the part of the Policy Manual relating to committees.

Item: SPT Champion Reports

Nelson said, as champion of a contract with the state parties, that there are two things that are obstacles to his efforts. He said that because a large part of such a contract would relate to the membership database, he is uncomfortable pursuing an agreement until we have something we can provide. He said that he also would like to be able to incorporate some ideas from Schreiber about branding and would like to be able to include that from the start.

Nelson said that nine states are ready to go with the alternative UMP and he expects to have a tenth one shortly. He said he is concerned about the ability of the national office to implement the new plan in a timely fashion.

Nelson said he would like to have some ideas developed by the December meeting and have something that can be presented to the state chairs in February. He said he is afraid that this process will be more contentious than we would like. He said that promises were made at last February's meeting of state chairs that have not been kept.

Dasbach said that the specifications for the alternative UMP have been provided to the database programmers.

Neale said it might be better to implement this along with Raiser's Edge rather than spending money to implement it in the existing system for just a short time.

Wrights asked what kinds of promises were made that were not kept.

Nelson said the main one was a web interface for address changes.

Neale said this was another case where we could make the change using the existing systems but it would involve an investment of money in something that will have a very short life cycle if we go with Raiser's Edge. He said going to Raiser's Edge will provide the states much more than an interim project would provide and so was a better business decision, even though it will take slightly longer to implement.

Dixon said that the Platform rewrite group is setting things aside until after Election Day. He asked that regional representatives encourage interested members to participate in the e-mail discussion lists concerning structure and issues.

Dixon said there is also the question of internal education which is the subject of a memo from Mary Ruwart. He said that the Platform group's position is that internal education is a function of the Platform and that the structure that they will report back will include transitional and internal educational items, and that they will take the lead on interfacing with Ruwart and her work to have it included in the process.

Dasbach said there is an issue about how the Platform executive summary should be implemented on the web site.

Dixon said several ideas have been bounced back and forth but there wasn't yet a plan with which everybody is comfortable.

Dasbach suggested that this might be an opportunity to deal with the question when everybody is here.

Dehn said it would be difficult to address in this body without all the background.

Dixon said that a handful of people will just have to sit down and figure it out.

Haugh said his understanding was that the convention passed the Executive Summary and it exists and putting it on the web site should be straightforward.

Dixon said that it may appear to be just a question of formatting but that there may be an issue of substance with respect to whether the convention approved it as a permanent document or a temporary document.

Dehn said there is no question that it is in effect for the next two years and should be made available. He said the question is whether adopting that text meant that the existing Platform should be presented in a different way. He said if the text is just added as a separate page with links to other pages then additional issues would not come up, but if the summary is inserted between the topic headings and the existing planks, either as another level of links or at the top of each plank page, that would in fact be changing the existing planks which was never considered by the convention.

Haugh said he is displeased to hear this because the intention of the convention was to provide a short document that candidates could use during the campaigns, and this deliberation has subverted the will of the convention.

Scott noted that the text of the summary has been made available. She said that on the web site it should be introduced as the summary and have each summary statement link to the corresponding plank.

Dasbach said that one idea had been that when somebody first goes to the Platform they would see the summary and then click on each statement to get the complete plank, but that Dehn felt that was not appropriate and that people going to the Platform should get a table of contents and be able to click to either get the individual planks or the executive summary.

Dehn said that when it was presented to the convention somebody said the Executive Summary would be inserted at a particular point in the printed version.

Dixon said he said it was the table of contents.

Squyres said it was never the idea that the individual summary statements would be used as introductions to planks but rather that the executive summary would serve as a stand-alone document, although there could also be links from it to the planks.

Ryan said when she voted on it she envisioned it as something that would be presented in front of the Statement of Principles and everything else.

Dehn said that it was specifically stated that it would not be in front of the Statement of Principles.

Hoch said the model was a pyramid and the Executive Summary was intended to be at the top.

Haugh asked whether convention minutes are available.

Dehn said no.

Haugh asked whether there was a record that could be reviewed to see what the convention adopted. He said we should determine exactly what the convention requested and implement that without embellishment or further interpretation.

Zweber asked whether the Executive Summary has been implemented in the printed version.

Dasbach said we have not generally been printing copies of the Platform anymore. He said he wants input from the LNC on how to implement it.

Zweber said that the distinction then was between a hypertext version and the non-dynamic version.

Dasbach said there is a printable version of the Platform on the web which can be printed out if somebody orders one.

Trinward said that in the Tennessee delegation the expectation was that the summary would be the first thing that people would see.

Dehn apologized for the delay. He said it was never the intent to delay having the Executive Summary available but rather to come up with the best way of doing it. He said he sees no problem in putting a copy of the Executive Summary online immediately while the rest of the issues are worked out.

Dasbach said staff will put it up in whatever manner the LNC decides. He said staff doesn't want to make the decision of how to do it and then be criticized for it.

Neale said it was appropriate for the staff to seek guidance and it was appropriate for the decision to be made by the LNC since there is disagreement about how to interpret the intentions of the convention.

Haugh said this is an example of making the perfect the enemy of the good. He said that the convention was the appropriate body to make the decision, not the LNC.

Neale said that the fact that there is disagreement shows that there is not a unanimous understanding of the intention of the convention and so it has to be resolved by the LNC.

Dehn moved that a subcommittee consisting of Dixon, Dehn, and Scott be delegated to resolve this issue and give direction to the web maintainers within one week.

Dehn said it doesn't make sense to debate the details among the full LNC now but it also doesn't make sense to delay this to the next meeting. He said we could not just "do what the convention said" because the convention didn't actually say anything, as the convention, about this. He said that people said different things at the convention that may not be entirely consistent and we have to review the legislative history and do the best we can.

Neale questioned whether such a committee should have full decision-making authority and suggested that the recommendation could be made to the Executive Committee.

Wrights questioned whether a committee was needed just to decide how something should appear on the web site.

Trinward said we should just decide now.

Dixon moved that this be postponed until after the lunch break and the three people mentioned will bring back a recommendation after lunch. The motion passed without objection.

Nelson moved to confirm Mary Ruwart as Internal Education Coordinator. He said we should do this to show support for her efforts.

The motion was approved without objection.

Nelson moved to authorize Ruwart to place 2-3 ads or articles in LP News per year at her discretion.

Dasbach said she might also use the announce list.

Neale said this was basically for volunteer recruitment.

The motion passed without objection.

Nelson moved that 30 minutes be allocated at the December meeting for discussion of Internal Education.

The motion passed without objection.

Martin announced that he had to leave. He thanked the committee for their work on financial matters.

The committee recessed at 11:50.

The committee resumed business at 13:05.

Neale thanked committee members for going along with the idea of not spending time rehashing reports that have already been distributed. He said it was inevitable that motions will arise from discussions but that proposals made ahead of time seem to have a smoother reception.

Dixon said that Dehn and Scott have a motion to present concerning the Platform web presentation.

Dehn moved that

The front page of the Platform section of the LP web site shall be a splash page without the text of any portion of the Platform but including the following links:

- Executive Summary web page
- Executive Summary PDF (i.e., printable)
- entire Platform
- entire Platform PDF (i.e., printable)
- table of contents / list of planks

The various subpages shall be interlinked and the printed version of the Executive Summary shall include the printed URL of the Platform splash page.

Dasbach said that he had requested guidance. He said that if a motion is passed then it will not be possible to change it without a new motion.

Dixon said the wording was intended to be clear about what is to be included without setting limits on what else could be included in the future.

Neale said this was appropriate because otherwise the staff could change it at will.

Dehn said his preference had been not to have the LNC adopt a motion but his sense was that the LNC wanted to take action. He said if the LNC now considered what was planned to be satisfactory without passing a motion that would be OK too. But if the motion is adopted, the wording was chosen to not preclude new things, for example a new way of displaying the same content. He said the key concepts are that all of these things should be equally available from the first page and that it should be possible to get from one version to another.

Dasbach said currently the "printable" versions are not PDFs. He asked if it was the intention to require PDFs.

Dehn said that it would be fine to have more than one printable version.

Scott said that this was requesting an additional format.

Dehn suggesting changing "PDF (i.e., printable)" to "printable version(s)" in both places.

Childress said the current printable versions don't work well for everybody and there should be at least a PDF version.

Scott said many users don't know how to set their browsers for printing and PDFs would simplify things for them.

Hoch asked how long it would take to implement this page.

Dehn said it should be possible to have it done in a few days.

Hoch said that this was not what was promised at the convention; at the convention people were promised the

page would be available by the time they got home.

Dehn said we can't do anything about that now because they are already home.

Neale said it was stupid to put the promise in those terms.

Dehn said that it is in fact online, just not on the LP web site.

Hoch said some candidates running for office want to be able to use it.

Scott said that it was given to all the state chairs at the convention.

Wrights said there shouldn't be a problem with changes because it will change infrequently. He noted that the text and summary would not be changing except at a convention.

Neale said that this only addressed the structure of the content, not style.

Dehn said he was sorry that the wording mentioned PDFs. He said it should not be difficult to provide PDFs. He said some people don't like them because they are proprietary. He said that file formats do not belong in a motion passed by the LNC.

Dehn moved to amend by changing "PDF (i.e., printable)" to "printable version(s)" in both places.

The amendment passed on a voice vote.

The main vote passed on a voice vote.

Item: Governance

Trinward said that with the chaotic situation we are in it is premature to discuss how to govern it.

Neale said this is not a discussion of Carver. He said this is when the LNC might indicate something like how the Executive Director should report. He said it would not involve changing the policy manual or creating new committees.

Dixon said we might also discuss how we want the agenda structured.

Nelson suggested that we start with a discussion of the information we want from Neale. He listed various items on which the LNC might want to have status reports.

Neale suggested an informal discussion to develop a consensus.

Wrights noted that the Executive Committee had requested a number of reports. He asked if they had been provided.

Bisson said they are in the binder.

Neale said they were not received in time for people to spend time analyzing them.

Dehn said that one of the requested reports, concerning how to cut the budget, was not delivered to the Executive Committee.

Neale said it was only delivered to him.

Dasbach said that the explanations for negative variances were not included because he ran out of time.

Wrights said that he only asked because with Neale now acting as Executive Director if the reports had not already been provided this would be the time to request them again.

Gorman said we were back to his old nemesis, the Executive Committee.

Neale said that if Gorman wished to make a motion he could do so but he was hoping to stick to the topic of what the LNC wants from him.

Cenci noted that Martin was going to approach vendors to try to restructure our obligations, and asked if that is something that we want to be kept informed about.

Neale said that would be an addendum to the reporting of accounts payable.

Neale asked if monthly reporting was satisfactory.

Bisson said monthly should be the default unless we asked for a specific report on a different basis.

Ryan said that, at least until the next meeting, she would like to see the financial reports at least every two weeks, with other reports on a monthly basis.

Neale said that Martin gets a weekly cash report. He asked if it would be satisfactory if Martin just forwarded that to the LNC.

Ryan said that would be fine.

Neale said that he will ask Martin to put annotations on that before forwarding them to us.

Ryan said that we should consider such reports confidential.

Neale said that was appropriate since cash reports do not necessarily represent a closed number.

Dasbach said that Martin gets the income statements and balance sheets by fax because the electronic versions are hard to work with. He said Martin gets an electronic version of the daily revenue reports.

Neale said he would do what he can to comply with these requests.

Ryan asked that these things be marked confidential.

Neale asked if everybody will agree to keep them confidential.

Dehn said that if we are receiving more detailed reports because we are in a crisis and we want to mark them confidential that makes sense, but he wants to make sure that there is no implication that the monthly reports

that we have traditionally received and not considered confidential are now to be considered confidential.

Ryan said her comments applied just to the additional reports.

Nelson questioned whether the monthly revenue and expense summary is supposed to be publicly available.

Dehn said it was a report to the LNC.

Haugh said his understanding is that the only reason we are keeping financial information confidential is a concern about reliability, so if the information is reliable there shouldn't be a problem.

Neale said that any report for an open period cannot be considered trustworthy.

Dehn said that the distinction between reports that are partially computed and ones that are supposed to represent a completed period is a useful one.

Nelson said that the monthly summaries are not audited.

Neale said they are not audited but they have been reconciled.

Neale said he would try to provide a briefing every two weeks about what he is doing. He said if something comes up people should send him e-mail or call.

Nelson said he understands we would be getting accounts receivable, accounts payable with notes on terms negotiated, and a cash report on a bi-weekly basis.

Ryan said a summary of major revenue categories would be sufficient.

Neale said he will try to provide what will fit on one page.

Nelson said he understands that Neale will be providing the other reports on a monthly basis, and asked by what date he should be asked to provide them.

Dasbach said that the current practice is to provide them by the 26th of each month but that he recommends that reports other than revenue and expenses be done after the end of the month so they can cover a complete month with the revenue and expense reports distributed as soon as the month is closed.

Neale asked why it takes until the 20th to do the monthly close.

Dasbach said we must wait for the bank statements and reconcile the credit card statements. He said there are certain FEC requirements about how to treat things.

Neale said it will not require a motion to request additional reports; he will try to answer reasonable requests.

Neale said that he plans to put data together and run it by Ryan and Nelson since they were the ones who had the most comments, and if they find it satisfactory then he will distribute it to everybody else.

Cenci asked that the agenda for the next meeting be provided a day before the meeting.

Neale said a circumstance a few days before this meeting changed the whole agenda but that he intends to provide them ahead of time in the future. He said he hopes to be able to have a standardized agenda.

Nelson said that last year the LNC asked for the budget to be presented significantly in advance of the December meeting. He asked when the LNC wants to see a budget this year. He said we were constrained by the new rule that the budget is limited by the actual revenue through the end of October. He said 1 December would be the normal deadline for the meeting.

Wrights asked if that would provide sufficient time to consider the proposal.

Nelson said it was not sufficient last year.

Neale said that the situation is that Executive Committee won't have final numbers for October until 26 November which leaves only 5 days. He said a preliminary budget can be produced earlier but even preliminary numbers for October won't be available until a certain date.

Dixon said it takes a lot longer to build, and also a lot longer to read and analyze, a budget with lots of detail. He said it would be much easier if we had a budget with only a few categories.

Haugh suggested presenting broad categories of expenses and what we expect to accomplish with that money.

Neale said the emphasis on expenses is a mistake, the important thing to budget first is revenues. If we look at expenses first and just "plug" the revenue to match we will end up with the same kind of budgets we have had in the past. He said the most important thing is to figure out how much money we can raise.

Haugh said he meant to apply the concept to both revenue and expenses.

Neale said there is a cyclical nature to income and expenses and the LNC should not have to be examining things month by month in a preliminary budget.

Gorman said that if most people will agree with what he is about to say we can eliminate the need for more discussion. He said he is extremely pleased with the way that Neale has been handling the difficult problems that have come up in this meeting, and based on that he would say Neale should go and do whatever he thinks is correct. If the LNC gets to the point that we think he is screwing up we can let him know.

Neale thanked Gorman for his comments.

Dehn said that while he agrees with the comments about the particular people he disagrees with the conclusion. He said this is how the committee got into trouble eight years ago, by telling the chair at that time, things are bad, you know better than us, go do it, and then they went to sleep for several years. He said we should not make the same mistake.

Gorman said "that was that committee then, this is this committee now, and this committee is not going to go to sleep".

Hough said there always must be checks and balances, so it is not asking too much for certain communications even though the trust is there. He said he is optimistic that things are going to get better.

Neale said that guidelines from the committee about approximately the level of detail needed were helpful

but that the committee does not need to specify every line.

Nelson said that he trying to find out how much detail the committee wants. He said if we want to consider the details of how many fundraising appeals will be sent out that implies having a monthly budget and budgets for letters. He said that level of detail can be produced if the information is available. He said that Neale is talking about changing the budget format so we may be seeing something unfamiliar.

Ryan asked about having layers of differing detail to accomodate people with different levels of interest in accounting.

Nelson said last year for the first time there was text explaining the assumptions behind the numbers. He said if he is involved he intends to provide a reasonable amount of text.

Dehn said we could combine these approaches by providing different levels of detail on different schedules. He said it is important to provide details for people who want to verify that things make sense. He said we are required by policy to have monthly budgets but we don't need those details to see if we are on the right track. He suggested having a budget with broad categories and without monthly breakdown available one month before the meeting so we can start discussing things, with all the details to be available by the time of the meeting so that when we are debating an item all the backup material is there.

Neale said that sounded reasonable. He said there is already a meeting tentatively scheduled for 9 November for the Executive Committee to discuss the budget. They can use the best October numbers available at that point and they should be able to produce a first draft of a high-level budget by the end of that weekend -- that would be a little more than a month before the meeting.

Dehn said that all the details still need to be provided by the time of the meeting.

Neale agreed, provided that LNC members are giving feedback during that time. He said he didn't want to go to all the work of providing all the details and then discover that the LNC dislikes the basic approach.

He said it would probably not be a good idea for other LNC members to attend the budget meeting because it will be hard enough with seven people.

Nelson asked whether there was now agreement on when the preliminary budget would be provided to the LNC.

Neale said we were talking about one month before the meeting.

Dixon said that meant 13 or 14 November, to include some text explanations.

Nelson said he understood that the monthly details were to be provided by the time of the meeting.

Item: Upcoming Meetings

Neale said the next meeting is scheduled for 14-15 December somewhere in the DC area.

Dasbach said that there had been requests for a somewhat higher quality hotel than we have previously used.

Dixon said the meeting room was the important factor.

Neale said he had been able to stay at the Hyatt in Crystal City for \$73/night.

Dixon moved that a winter meeting be held, concurrent with and in the same hotel as the state chairs conference, including any LNC members who would like to attend as well as those members of the SPT who completed the process (Eli Israel, Jim Lark, Phil Miller, Dan Karlan), not to be an LNC meeting but rather (1) to allow us to spend time with state chairs and (2) to allow us to spend some time revisiting the strategic plan, maybe revising some metrics, maybe discussing some prioritizations, but also providing some new and common terminology among all of us. He said it would be valuable for us to spend some time thinking about things in this way.

Neale said this would be in Houston, 22-23 February.

Nelson said the strategic plan itself points to a major review in the 1st quarter of 2003.

Rutherford said that there were many state chairs and directors who did not like the process at the 2001 conference because they did not like the split into two rooms. He said we should do this in a way that doesn't take away from the state chairs conference but rather enhances it. He said that people were much happier with the 2002 conference.

Dehn said he didn't like the 2001 arrangement from the perspective of being on the SPT, because the state chairs were in the other room and there wasn't opportunity to communicate with them. He agreed that the 2002 conference was better. He said this would not take away from the state chairs conference because many of the things the state chairs want to talk about are related to the strategic plan anyway, even if they don't talk about them in those terms.

Dixon said he isn't sure whether people are saying they don't like concurrent meetings or if concurrent meetings are OK as long as the agendas are structured correctly.

Dehn asked how much of the meeting would be joint.

Dixon said he was not responsible for the agendas yet but was just trying to get us to a meeting.

Dehn said his comments were based on the assumption that the meetings would be mostly joint.

Nelson said that the group at the 2002 meeting was charged with its own internal governance, so we need to ask them how much of us they want and in what capacity.

Cenci suggested that Givot might be able to offer a short course on terminology used in the SPT process.

Wrights said that he understood this would not be an actual LNC meeting, and asked then what is the purpose of passing a motion about it.

Dixon said it was for people who want to be involved in revisiting the SPT.

Neale said the SPT serves the LNC so it is appropriate for the LNC to schedule a meeting for the SPT when it is needed. He said there would be no official LNC business.

Dehn said that from the original description he got the impression that the state chairs would be invited to participate in the strategic plan update, so that's why he thought it was to be mostly a joint meeting, as opposed to us going to talk about the strategic plan and the state chairs going to talk about something totally different.

Neale said that his interpretation was that by holding the meetings at the same place and time it would provide an opportunity for joint sessions but this would not dictate how much of the sessions would be joint.

Dixon said this should be left to the people setting up the agendas.

Neale said it was convenient to make these arrangements for an SPT meeting because all the groundwork has already been done for the state chairs conference.

Gorman said that having been to both SPT meetings and state chairs meetings he feels that they should be kept separate. He said he enjoyed getting input from state chairs that had nothing to do with the SPT or LNC.

Dehn restated the motion as:

To schedule a winter meeting to be held concurrent with and at the same location as the chairs meeting, to include LNC members and the people on the SPT who completed the process; this would not be an LNC meeting but would allow us to spend time with the state chairs and to discuss revising the strategic plan metrics and language.

The motion passed on a voice vote.

Nelson said it would be beneficial to talk about what we want to do with meetings next year. He said that even though we will be having this February meeting we should still meet as the LNC in March or April. He said we typically try to have four meetings but expense is an issue.

Haugh suggested quarterly in March, June, September, and December. He said there had been mention of having a March meeting in Arizona.

Hoch said a lot of us will be at the meeting in February.

Neale said that we would not be able to conduct business at that time because the bylaws are specific that notice is required.

Neale suggested that we distribute a calendar on which people can mark dates that are bad. He said we can agree on the idea of meeting four times per year without making it a formal policy.

Dehn said the calendar idea is good but we can do that in the next week or two and then a date can be approved by mail ballot.

Ryan said she was leaving.

Neale suggested a goal that we try to get consensus by December.

Scott said that there is a service called freeconference.com that she is trying out for conferences among the state chairs and other leaders in her region.

Item: Other Resolutions

Dixon moved adoption of the following resolution:

The Libertarian Party, like many non-profits, has experienced a downturn in fund-raising over the last 12 months. Though many special projects have been successful, and Libertarian Party candidates across the country are succeeding like never before, the national office fund-raising appeals have underperformed.

Based on this knowledge, the LNC has taken steps to control costs at the national office, and is working with our vendors to improve our cash position.

The LNC asks for the understanding and support of our valued members and donors in this difficult time. With the continued support of our members, contributors, volunteers, and activists the LNC is confident that the Party will return to solid financial footing in the near future, and that it will remain a strong member driven organization serving its state affiliates.

Hough asked if we have ever announced something like this before.

Nelson said there have been fundraising letters.

Dehn said there have been crises including times when we didn't have LP News for several months.

Neale said there was no motion that this would be published in LP News but it will be in the minutes. He said this is a statement that people can quote.

Scott said there is a crisis of confidence among the membership and that one thing we need to do is acknowledge our position.

Trinward said we need to be pro-active about several issues. He said we need to make a statement but in a way that diffuses rumors.

Gorman said that it would reinforce the statement if we could say that the LNC has pledged \$100 each or something that says we are putting our money where our mouth is.

Nelson said that he does not see a crisis of confidence and speculated that it was because people in Nelson's region are doing "political things" like running for office.

Dasbach cited statistics from the survey of members on the question of whether they thought the LP was headed in the right direction.

The motion passed on a voice vote.

Neale said there are some people who feel we should make a statement about Eric Caron. He said he wants to say for the record that Eric Caron's employment was ended due to financial improprieties specifically in regard to use of a party credit card, but that all public statements will just say that his employment with the party has ended and nothing more.

Dehn noted that the minutes are available publicly.

Neale said we have the right to make statements about our employees and have them reflected in our minutes and that is not a violation of any law. He said we cannot publish a statement about him in LP News but somebody else can cite the minutes. He said we have an obligation both to our members and to propriety that this approach addresses.

Dixon suggested that we could also say that steps have been taken to prevent this sort of issue in the future.

Neale said it was important not to do something that could create a liability for our members but we have a fiduciary responsibility to terminate employees who are violating their responsibilities and it is necessary to make clear in our minutes that we dealt with this situation.

Dehn said he understood that by "public statement" Neale was just talking about what we would say if asked, not that there will be a press release.

Dasbach noted that there is a form when employees leave on which they indicate what sort of response they want us to give if the office is contacted about their employment.

Item: Gene Cisewski (continued)

Squyres said he was leaving.

Gorman moved to take from the table "to forgive Gene Cisewski's debt of \$10,000 to the LNC". It was taken from the table without objection.

Gorman said this is basically a good-will gesture. He said Cisewski has a lot of friends who are in the party or who left the party over his situation. He said a lot of people feel that Cisewski paid a very severe price. He said currently there is a \$10,000 "fine" but we are not going to see any of that money so it would not cost us anything to forgive it. He said he has discussed this with Cisewski and with Hall. He said there is no question that Cisewski made a mistake but he is still a loyal Libertarian who helped with the Ed Thompson campaign and won election to local office.

Neale asked if we are carrying this debt on our books.

Dasbach said we are, with a discount for time and an allowance for doubtful collection, and it nets out to about \$2,400. He said it is actually a promissory note for \$9,000 because he paid \$1,000 in cash.

Bisson asked if in conjunction with this there would be some sort of apology from Cisewski.

Gorman said he had not discussed that with Cisewski but he would be willing to talk with him about it.

Dasbach reviewed that there was a lawsuit which then led to a settlement. He said this was not a "fine" but a settlement agreed to as a condition of ending the lawsuit.

Cenci suggested that we could combine this with forgiving Perry Willis.

Childress asked whether we could reduce the amount.

Gorman said he imagines that the LNC could do that but Cisewski is not likely to be able to pay more than he has.

Dixon said he doesn't see what would come of this. He said we are being asked to give something away and he expected to hear that we are going to get something from it.

Gorman said that Cisewski might apologize and that he might rejoin the party.

Wrights said he expected there would be increased participation by a number of people.

Neale said that if we forgive the debt there are people who will say it shows that he was right. He said he is willing to move forward, but that Cisewski needs to offer an apology.

Gorman said one of the purposes of offering the motion was to get this kind of feedback.

Trinward said it is up to Cisewski to take some kind of step.

Neale recommended that Cisewski admit what he did, acknowledge that it was his action that started this, and then pay us \$25 along with a membership signature.

Dixon said that it makes him really mad when somebody says if we only do X lots of people will rejoin the party. He said that in July we were told that members were coming back as a result of the good news from the convention but we have lost 1000 members since then. He said he wants to see a stack of membership cards with a stack of checks. He said he would like to see an apology or a check for the amount of time he spent on this.

Zweber said that he hasn't paid a lot of attention to this in the past and he has not been on one side or the other. He said that continuing to worry about this when we have more serious things to deal with sends a bad message. He said we should just forgive him and move on.

Bisson said that more important than an apology to us is an apology to the people who blindly accepted that he did nothing wrong.

Gorman said that nobody can promise that hoardes of people will come back to the party if we act on this but he will speak with Cisewski and convey our reaction.

Wrights said it does not appear that we are going to resolve this now.

Gorman withdrew his motion and said he would like the topic on the agenda for the next meeting.

Bisson said that he had to leave.

Item: Program Committee

Haugh moved to take from the table election of the Program Committee; there was no objection.

Dixon nominated Phil Miller.

Haugh nominated Randy Holcombe.

Haugh nominated Michael Gilson de Lemos.

Dixon nominated Trinward.

Dehn noted that since there isn't a limit of how many people are on the committee it would be possible to add somebody else later.

These four nominees were elected without objection.

The committee recessed at 14:53.

The committee resumed business at 15:03.

Item: Confidentiality

Nelson moved to take from the table the motion that the LNC-discuss list be treated as confidential; the motion was taken from the table without objection.

Nelson said that he made the motion because his view tends in this direction and also to get discussion of the subject. He said there have been questions about whether Neale has been doing anything, and he knows that Neale has been doing things, but that a lot of the discussion has been going on off the list. He said that if there is a desire for more inclusivity then the cost is confidentiality. He said we need to agree on how we are going to behave and because he doesn't know how people are going to behave he chooses to be cautious.

Childress said it is too easy for somebody to circumvent a rule about an e-mail list. He asked how such a rule would be enforced. He asked, given our philosophy of voluntary cooperation, why can't we just say that when people ask that something be kept confidential people will comply.

Nelson said that without an explicit rule there is no way to say that somebody has gone beyond the boundaries.

Childress said that if one of our roles is as an employer we need some forum where we can make confidential comments without undermining morale.

Dehn said he feels that there was an understanding that there would be voluntary compliance when somebody asked that a particular thing that dealt with legal liability, employee relations, or a similar topic be kept confidential. He said such requests were made concerning particular messages, not where they were posted. He said making a list confidential sounds like controlling to whom messages are delivered, which accomplishes nothing since messages can be forwarded.

Neale said we could mitigate the situation by having a separate confidential list, which would not include staff, where all messages are assumed to be confidential without being separately marked.

Scott said that just as in economics where "bad money drives out good", it wouldn't work because all the conversation would end up on the confidential list.

Gorman said he is uncomfortable with making a list confidential. He said he has no problem treating messages as confidential when they are marked as confidential.

Neale said that if he has to explain every time why what he is writing needs to be kept confidential then his tendency will be to not say anything until the meeting.

Hough said that the name "LNC-discuss" combined with the fact that we are the only ones on it implies that the discussion is confidential. He said that when he wants something to be public he will post it to an announcement list. He said that if what he writes will not be treated as confidential then he will stop using that list.

Trinward said that it would be better to assume that everything posted to the list is confidential unless somebody says it can be distributed to the world.

Nelson said that his intent was that the Chair could make something public.

Wrights said his objection is that if this passes as worded it essentially puts us in executive session as soon as we adjourn and remain in executive session until we again meet face to face. He said he doesn't have a problem with the idea that some things should be kept confidential but to address it this way is putting on too many restraints.

Neale said that there was a case where he wanted to get confidential feedback and so instead of using e-mail he called everybody individually and this took about 10 hours. He said is a cost that would not be necessary if he thought e-mail would be kept confidential.

Dehn said that illustrates a problem with the proposal. He said that if somebody instead of using the list sends messages directly to other people and doesn't mark them confidential, or calls people and talks about something without explaining that it is confidential, then the other individuals may not know to treat it as confidential. He said that the important question is whether the nature of the material combined with the claim of confidentiality being made about it makes it obvious that it should be kept confidential, not whether it comes through an e-mail list or by phone or on paper.

Nelson said that different people have different standards about that.

Hoch said that when we are using a list as a business list, to do our work, it should not be available to others.

Rutherford said that he tends to the side of openness. He said that he doesn't post much but when he posts he assumes that what he writes may become public.

Hough said that he doesn't post because he is afraid somebody will forward it. He said not only will our members get it, but also people from other parties.

Dehn said that while some people who prefer confidentiality will be reluctant to post if the list is not considered confidential, it works the other way too. He said some people who prefer openness have only been willing to use the list because it was only semi-private and will not be comfortable participating if everything has to be treated as confidential. He said that the way we have been treating it has been a compromise that didn't satisfy everybody but allowed for people to communicate, but if the list becomes officially secret this could lead to a conscious split between inside and outside discussions.

Haugh said this was a case where private efforts could work better than a rule. He said that if we made it an official policy that the list is confidential that would send a bad message to our members.

Nelson said there is a problem because there is not a common understanding about what needs to be kept confidential. He said there is a wide gap and that if that gap could be narrowed then it could be OK but now it is not.

Dixon said that because of this issue a lot of discussion is going on in twos and threes, which causes gaps in knowledge and understanding. He said he keeps thinking that he doesn't have to say something because he has already written about it but then it turns out he only sent it to certain people.

Dixon said that his experience during the last two years was that everything on LNC-discuss was public because it was copied immediately to a group of people who were using it for completely different purposes. As a result, he tried to write in a way that it could be read by the guy on the street. He said he was encouraged that we are moving closer together on this.

Nelson withdrew his motion. He said he felt he accomplished what he wanted by making it.

Item: Bank Signatures

Neale said that he wants to suspend the rules to deal with an action and Policy Manual change concerning bank account signatures. There was no objection to suspending the rules to consider this.

Neale said that he wants the Policy Manual to allow the Vice Chair to be a signer.

Dasbach said that the Policy Manual currently says "officers".

Neale said in that case there is no need for a Policy Manual change and LNC approval is not required to change the list. He said that the list would be changed to be himself, Bisson, and Ron Crickenberger. He said he was removing Dasbach not because he doesn't trust him but because it is standard practice to remove such authority as soon as possible.

Dasbach said that Crickenberger will be out of the office when the next checks are written. Neale said Dasbach was authorized to sign those checks. He noted that the new signature forms could not be filed that quickly anyway.

Dehn asked if a separate banking resolution is necessary.

Dasbach said he doesn't think the bank requires that for a signature change.

Dixon moved to change the signatories for all checking accounts to the Chair, Vice Chair, and Ron Crickenberger. The motion passed without objection.

Item: General Discussion

Haugh said that we had talked about the need to discuss additional budget cuts.

Neale said that he spoke with Martin and suggested that it might make sense to talk in terms of cutting dollar amounts rather than staff counts, that way it would not be necessary to discuss individuals.

Haugh said he would not want to discuss individuals unless that was necessary to take an action.

Neale said that the first thing we need to do is get our systems and accounting process in order. He said we need a controller-type person on staff. He said once we have done that then we need to start looking at resources and tools and where people best fit, rather than terminating somebody and then discovering that he would be perfect for one of the newly arranged jobs.

Haugh said that when we ended the discussion yesterday he was under the impression that certain things were going to be revisited today but that if now they are going to be handled another way that would be OK.

Neale said that the Executive Director is responsible for all hires and fires and complying with budget. He said we may have to cut additional staff. He said that first we need to determine how much we need to cut from salaries and then determine how that can be done. He said some people may be willing to go part time. He said Martin would come up with this number.

Wrights asked whether Neale intends to keep the LNC informed as this process unfolds.

Neale said yes, without question.

Nelson said that he is attempting to organize an outing to a Heartland Institute event on 23 October. He said that he expects 6 or 7 people at a table for his region. He said he is asking that Mark Schreiber be invited join them as it is a good opportunity to meet big donors. Hough said Illinois will probably have its own table.

Nelson said he is looking at the office lease and the market for office space. He said that the suburban office market is weak with substantially lower rents. He said he is arranging a meeting with a broker to look at options.

Neale said that purchase is one option.

Wrights asked if Nelson intended to offer any motion concerning this.

Nelson said at this point he is just gathering information.

Dixon said that Neale has asked him to visit the office to review and assess our major donor fundraising program.

Haugh said that a member had asked him to raise the question of filing with the FEC on a monthly schedule instead of the current "quarterly" schedule.

Neale advised against making a motion on this subject since Martin is not present.

Neale said FEC filing would probably become simpler under BCRA since all funds would be "federal".

Dasbach said most of the time constraints have to do with making sure that the information is acceptable to the system, and doesn't relate to the federal vs. non-federal question.

Neale asked what the advantage would be to filing monthly.

Dasbach said that Martin had made a comment about not being interested in filing a government form any more often than necessary.

Neale said that he understands that this is the only way in which we make certain information available to our members, but if donor reporting was not required by government we would undoubtedly decide not to disclose information about private people giving money.

Haugh said he thinks the concern is more on the expense side, that members use the reports to see how the party is spending money.

Neale said that people have come to wrong conclusions about our spending because they are only seeing the federal part which has been reported, so they are not getting a complete picture. He asked whether we make information about payables available independent of the FEC reporting.

Dasbach said that if we got a request from a member for the summary of where we are spending our money by project type we would provide it, but not the payables themselves.

Neale said that people are using the government to get this information and if they think it is important perhaps they should work to get the bylaws changed to require disclosure. He said he thinks they would find that the members would say no. He said that now they will have more complete information via the FEC since all spending will be reported, and this would be true whether we file monthly or "quarterly".

Scott said that this choice doesn't affect the amount of information but it does affect the timeliness of it. She said that the downside is that it would be more work but the upside would be showing our members that we are serious about self-discipline.

Neale said that now that many state parties may be starting to file with the FEC it might be more worthwhile to arrange for software that makes the job easier. He said that if this happens then at some point it might be decided that the work to file monthly is small enough that we should do it but right now with the current software it would be a significant amount of additional work for our staff.

Dehn said that, in response to some e-mail complaints that we should find out what is working in the states and help other states to do that, and with the idea that at this meeting we might be considering ways to redo our budget in light of the financial situation, he solicited comments about what is in fact working at the state level. He said that even though it turned out that we did not get into such a discussion, he still wanted to pass on some of the suggestions.

He said he only got a handful of responses and most were not actually things that were working on the state level. He said some were good ideas that we might already be doing, such as seeking a place with lower rent. He said one suggestion was that state parties do interesting new things, examples being the recent calendar and racing sponsorship projects. Another was to create a single piece of literature that could be mailed instead of the info pack; this is similar to what has been tried recently in Indiana and also what we used to have with Liberty Today. Another was tactics to more aggressively work the media to get them to pay attention to us; there are a few states where this seems to have caused something to happen.

Scott said that we might want to ask the state affiliates to voluntarily forgo or defer some of their UMP

payments.

Neale said if a state party made such an offer he would thank them but consider it as something to keep in mind if we get really desperate.

Dasbach said we have an obligation to the state parties and that should be one of the last things to go.

Cenci said states could offer to pay the expenses for their chairs to attend the state chairs conference.

Hough said that in Illinois he has sought out major donors who are in a position to buy him tickets using their frequent flier miles.

Neale said that this idea could be applied at the national level to provide transportation for staff or the Chair.

Hough said that suggestions like the ones that Dehn is reporting would be appropriate if they were coming from candidates.

Dasbach said that we have tested a self-mailer as a replacement for the info pack but it got only about 1/4 the response.

Dehn said that we should consider making a statement about the UMP in light of the financial situation, especially now that the possibility of deferring payments has been mentioned. He said he believes there is a consensus that we have an obligation to the states and that it would be the last thing to go.

Scott said she was only talking about the possibility of voluntary deferrals.

Dehn said that regardless of her intent now that the topic has been raised we might want to have a statement about our priorities. He said he has his own idea of what the priority should be but it would be more valuable to have a statement from the people who are going to have to actually make the decision of what not to pay.

Neale said that as the Executive Director he considers the UMP payments our highest obligation and the last option for deferral of payments in a timely manner.

Hough moved to adjourn. There was no objection.

The meeting was adjourned at 15:55.

