LNC Meeting Minutes, February 26-27, 2005, Portland, OR

To: Libertarian National Committee
From: Bob Sullentrup
CC: Joe Seehusen
Date: 2/27/2005

Version last updated March 1, 2005.

Attendance

Attending the February 26-27, 2005 LNC meeting in Portland, OR were

Officers: Michael Dixon, Lee Wrights, Mark Nelson, Bob Sullentrup

At-Large Representatives: BetteRose Ryan, Adm. Michael Colley, Mark Rutherford, Rick McGinnis, Bill Redpath

Regional Representatives: Dan Karlan, Ed Hock, Aaron Starr, M Carling, Dena Bruedigam, Jim Lark, George Squyres

Regional Alternates: Tony Ryan filling in for Jeremy Keil; Chris Farris filling in for Michael Gilson deLemos; Emily Salvette, Scott Lieberman

Executive Director Joe Seehusen.

Also attending were Sean Haugh, Adam Mayer, Jessica Neno-Wilson, George Getz, Richard Burke, Phil Schmitt (OR), Glenn Tatum, Shane Cory, Rene Kimbal and her mother.

The meeting commenced at 8:33.

Moment of Reflection

Chair Michael Dixon called for a moment of reflection which has been our practice at LNC meetings.
Public Comment

Oregon’s chair Adam Mayer welcomed the LNC to Portland and noted that this was the first time the LNC visited the state. Oregon Executive Director Richard Burke welcomed the LNC to attend the evening’s festivities including dinner with locals and a reception at the home of Frank and Margie Dane.

Credentials Report

Secretary Bob Sullentrup confirmed the attendance of the members and alternates listed above.

For completeness, the following table lists the composition of the current LNC as accepted at the May 31, 2004 meeting.

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<tr>
<th>Region</th>
<th>States</th>
<th>Representative</th>
<th>Alternate</th>
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<tbody>
<tr>
<td>Region 1, East</td>
<td>Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, New York, Connecticut, New Jersey</td>
<td>Dan Karlan, New Jersey</td>
<td>Mark Cenci, Maine</td>
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<tr>
<td>Region 2</td>
<td>California, Oregon, Hawaii</td>
<td>Aaron Starr, California 1st: Mark Hinkle California 2nd: Scott Lieberman California</td>
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<tr>
<td>Region 3</td>
<td>Indiana, Michigan, Ohio, Kentucky</td>
<td>Dena Bruedigam, Ohio Emily Salvette Michigan</td>
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<tr>
<td>Region 4</td>
<td>Georgia, Florida, Alabama, Mississippi, Tennessee, North Carolina, South Carolina</td>
<td>Michael Gilson deLemos, Florida</td>
<td>Chris Farris, Georgia</td>
</tr>
<tr>
<td>Region 5 West</td>
<td>Wisconsin, Illinois, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska Kansas</td>
<td>Jeremy Keil, Wisconsin Tony Ryan, South Dakota</td>
<td></td>
</tr>
<tr>
<td>Region 5 East</td>
<td>Virginia, Maryland, Delaware, West Virginia, District of Columbia, Pennsylvania</td>
<td>Jim Lark, Virginia Chuck Moulton Pennsylvania</td>
<td></td>
</tr>
<tr>
<td>Region 6</td>
<td>Nevada, Texas, New Mexico, Arizona, Utah, Oklahoma</td>
<td>George Squyres, Arizona Tim Hagan, Nevada</td>
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Paperwork Check

Many items were distributed right before the meeting. The binder included LNC minutes from November meeting in DC and the January 21, 2005 conference call, the Treasurer’s report, Executive Director’s report, Communication Director’s report, Operation Director’s report, Affiliate Services report, LP News Editorial report, Development Coordinator’s report, Campus Organizing report, Region 5E report, LP Policy Manual and the Bylaws.
Mike Dixon noted the day-of-the-event additions: the Chair’s report, a proposal to increase dues and alter UMP, a Corporation Secretary’s Certificate and Exhibit A, office floor plans (submitted by Admiral Colley) for the new office, a proposal for caging services, and a response from the Audit Committee to an LNC request made via mail ballot in late December.

**Report of Potential Conflicts of Interest**

No conflicts of interest have been reported since the last meeting in Washington, DC in November and none were reported at the Portland meeting.

**Approval of the Agenda**

The group amended the agenda as follows:

The reconstituted Feb 21, 2004 minutes from the Austin meeting (Givot’s last) were not distributed to the LNC in advance of this meeting and will not come up for approval at this meeting. Only the approval of the November 13, 2004 and January 18, 2005 minutes remain on the consent agenda.

Rick McGinnis wanted to address the LNC to express his appreciation of Geoff and Nancy Neale. Five minutes allotted.

George Squyres wanted 10 minutes to discuss the Oklahoma ballot access lobbying efforts.

George Squyres wanted to discuss Nevada’s name change from the Libertarian Party to the Liberty Party. The group decided to discuss this as a part of Dan Karlan’s Strategy 5 item.

The agenda was accepted as amended.

**Officer Reports**

**Chair’s Report**

Chair Michael Dixon began his remarks by noting “every group in group dynamics goes thru stages of conflict and cooperation”. In particular, he noted “form, storm, reform and perform”. By now we should be beyond that, particularly since Strategies 19 and 20 address that. He urged the group to get on with the business of building the Party.

Michael stated the Party is financially firm but not as well off as we’d hoped. We suffer from a post-election dip.

Michael noted the next meetings would be in Dallas and Milwaukee. However, the group requested changing the May 14-15 meeting to Las Vegas. Michael committed to see if he could move it.

The Milwaukee meeting would be August 6-7, not the following weekend. The Reds are in town.

Plans for the November meeting are as yet undetermined.

Michael noted he visited a caging operation in Hagerstown, MD, because outsourcing caging (the operation of accepting, posting and processing donation checks and receipts) is “the right thing to do.”
Michael will finish up a “letter of instruction” Sunday after the meeting, outlining for his own purposes setting expectations of the Executive Director.

Staff has retained a professional management agent to deal with the Hilton for the 2006 convention. In addition, we are seeking to outsource non-vital tasks which our agent is also addressing. While the contract was not finalized, Michael later in the day received an update copy of the contract in which the Hilton acquiesced to many of the requests we had made.

The strategic plan drafted in 2001 is due to be reviewed and updated in 2005, in as much as the Party operates on a 4-year business cycle. The chair introduced a motion to form a committee consisting of five prior strategic plan committee members and five ‘small l or elected Libertarians’ at the May meeting who will review the strategic plan and report at the August meeting.

The chair’s report can be found in the Appendix.

**Treasurer’s Report**

Mark Nelson began his report by noting a new bookkeeper is in place. He continues going over the database with a fine toothed comb attempting to rectify remaining discrepancies, particularly among individuals noted as life members.

Mark commended staff for having done a fine job of managing expenses that it can control including fundraising expenses some $75k below budget as well as others.

Mark noted the ballot access account shows a negative balance amounting to $29k.

He cautioned the group to plan prudently over the upcoming months, noting a ‘significant financial risk’ of the 2006 convention.

Mark moved that staff prepare a budget for the 2006 convention to be presented at the August LNC meeting. The motion passed.

Mark ended by praising Joe Seehusen for having driven down costs for LP News, for processing renewals and so on.

The Treasurer’s report is attached to these minutes as Appendix B.

**Secretary’s Report**

Bob Sullentrup reported we had one vote by mail since the last meeting occurring in late December as follows:

> I (BetteRose Ryan) move that we instruct the audit committee to present the LNC with the names of the three qualified firms, other than Frye and Walcott, from which the committee can then appoint one to do our 2004 audit.

Result: 8 votes in favor, 7 opposed.

Bob also noted plans are in the works for the 2006 convention, and has met with Dan Karlan and Emily Salvette concerning the credentialing process.
In addition, Dan Karlan gave a presentation to state chairs at the LSLA meeting in January in St. Louis on Conventioneering. The expected changes to be proposed were accepted by the chairs rather well. These include:

- Having delegates declare the dates when they plan on leaving. This would have the effect of reducing the number of credentialed delegates on the last days of the convention and make the 40% quorum requirement easier to meet.
- Eliminating the platform balloting for each of the 60 or so platform items for all delegates (max of 90,000 individual decisions)
- In 2008 having ‘petition signatures’ for presidential and vice-presidential candidates take the form of cards which candidates would collect in order to obtain 16 or 11 minutes of convention time for their candidacies.

**EPCC Report**

Mark Rutherford surveyed the group to determine:

1. What should the executive director do?
2. What should the executive director not do?

While a job description of the executive director is in the policy manual, he requested LNC members answer those questions in writing and present them to him by the end of the day.

Joe Seehusen’s contract ends June 30, 2005.

The group entered executive session.

Coming out of executive session, the group recessed to tour the facilities of the Hilton in order to learn where the various convention events would be held.

**Staff Reports**

**Executive Director’s report**

The Executive Director’s, the Development, Communication Director’s and other reports are in Appendix C.

Joe noted his report ‘summarized his journey’ as ED going from reducing our debt to turning around the membership to ongoing outreach.

On the last point, Joe noted at length the many groups he has been connecting with. These include the NRA, a 4000-member physicians group, senior writers for various newspapers, a cattlemen’s organization, an organization of 1700 independent beer distributors and brewers and so on. This Joe sees as having ‘endless opportunities’ for outreach to form coalitions.

He has met with Wayne LaPierre (NRA) and ‘bumped into’ Michael Medved, managing to get on the radio with him for what turned out to be dynamic radio.

Joe recommends that, unlike 2004, his involvement in the 2006 convention be zero. This would free him up for major donor fundraising and broadening our outreach portfolio. There is a significant opportunity cost to the Party for Joe’s attention to be diverted away from these thrusts.
He sees national’s role as migrating from one that had been ‘inward looking’, minding the store, to ‘outward looking’, acting as a sales organization offering liberty, prosperity and peace.

Joe also addressed a question concerning why Jennifer Villarreal left. “She left for many reasons, including her view of the LP as institutionally repugnant and offensive. On her first day on the job, she dealt with phone calls and e-mails from some state chairs and IT professionals who used the F word in their communications, and it went downhill from there”, Joe explained. One state complained about an $11 shortfall in UMP payment and demanded a check that day.

Jennifer will stay on for a while as a consultant working on caging, Raiser’s Edge and FEC reporting.

Joe then turned the session over to Communications Director George Getz who along with Shane Cory unveiled the next version of the LP.ORG website.

The current website required someone to know HTML and required an IT professional to update pages. The new version

- Addressed the site update problem by providing tools via software called cPanel to eliminate the need for HTML knowledge and IT professional involvement to update a page
- Has mimicked the style of content and offerings of popular issue-organization sites such as Peta (People for the Ethical Treatment of Animals), focusing on items of interest to the general public including polls, light and fun topics, our heroes and successes, puzzles, and interesting stories
- Is situated on powerful servers in Texas
- Has sharper, crisper graphics

Shane gave a demo of the site at libertarianparty.net. It lacks only content which is continuing to be developed. The site will be available for a short time, but then burrow underground to finish up prior to its deployment.

The system will also be able to create and maintain generic e-mail addresses such as ‘secretary@hq.lp.org’ mapping to ‘rwsully@charter.net’.

The system supports a discussion list that the Platform Committee is already using or slated to use.

States will be able to update their own contact information, and all that is needed to do so is a browser.

Report any bugs or comments to George Getz.

Shane Cory is also the power behind ‘Judicial Watch’, [www.washingtondispatch.com](http://www.washingtondispatch.com).

A request for an extension of time to quiz Joe about fundraising failed 8-6, needing a 2-3rds majority.

The group entered executive session again.

Coming out of executive session, Mark Rutherford moved to award Joe Seehusen $2k as a quarter four bonus and $1.5k as a 2004 bonus. The motion passed.

**Consent Agenda**

The minutes from the November meeting in Washington, DC and January 18, 2005 required the following corrections:

- Spelling errors on Page 1 of the November minutes
- Some members attending were listed twice
• Nancy Neale was in attendance but was not mentioned.
• Jim Lark was reporting what he had discussed with Richard Campagna regarding the $200k, not necessarily offering it as fact
• Aaron had a change on page 9 to reflect his request to address the committee in February.

These changes have been incorporated and will be distributed in the appropriate manner.

Action Items Previously Submitted in Writing

Membership Dues Increase

Aaron Starr noted his dues increase proposal in November failed 8-8. He returned today with a simplified proposal that he drafted with others including Mark Rutherford.

Aaron’s proposal would retain the $25 introductory fee but raise renewals to $50. Moreover, UMP payments would increase.

Mark Nelson asked Joe Seehusen if an April 1 implementation date were feasible. Aaron said he was willing to accept a delay of 3, 6 or 9 months.

Aaron moved and Bill Redpath seconded to change the Policy Manual as follows:

 ARTICLE II. MEMBERSHIP
 SECTION 2: DUES

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<tr>
<td>For the purposes of determining delegate apportionment and eligibility to hold Party office under Article 7, Section 3 of the Party Bylaws, a member’s dues shall be considered current if</td>
<td>For the purposes of determining delegate apportionment and eligibility to hold Party office under Article 7, Section 3 of the Party Bylaws, a member’s dues shall be considered current if any of the following apply</td>
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<tr>
<td>A. He or she has contributed Membership Dues of $25 to the National Party during the preceding 12 months; or</td>
<td>A. He or she is a first-year member who has contributed Membership Dues of $25 to the National Party during the preceding 12 months; or B. he or she has contributed Membership Dues of $50 to the National Party during the preceding 12 months; or</td>
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<td>B. an affiliate party has collected $10 from the member on behalf of the Party and forwarded it to the National office during the preceding 12 months; or</td>
<td>C. an affiliate party has collected $10 from the first-year member on behalf of the Party and forwarded it to the National office during the preceding 12 months; or D. an affiliate party has collected $20 from the member on behalf of the Party and forwarded it to the National office during the preceding 12 months; or</td>
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<tr>
<td>C. he or she is a life member of the Party</td>
<td>E. he or she is a life member of the Party</td>
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 ARTICLE II. MEMBERSHIP
 SECTION 8: ALTERNATIVE UNIFIED MEMBERSHIP

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<tr>
<td>A. Affiliate parties which join the Alternative Unified Membership Plan shall receive monthly payments of</td>
<td>A. Affiliate parties which join the Alternative Unified Membership Plan shall receive monthly payments of</td>
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<td>• $0.50 per member or contributor having national</td>
<td>• $0.50 per member or contributor having national</td>
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dues-paying status, including life members, in the first twelve months following their membership or contribution, and dues-paying status, including life members, in the first twelve months following their membership or contribution, and

- $1.50 per member having national due-paying member status, including life members, after the first twelve months of their membership or contribution
- The following per member or contributor having national due-paying member status, including life members, after the first twelve months of their membership or contribution

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Mark Nelson moved to postpone the decision until May. The motion was withdrawn and replaced with Chris Farris' motion to receive from staff a report at the next meeting on how these changes would be implemented and what impact they would have regarding:

- Impact on Raiser's Edge
- Impact on the number of members
- Impact on revenue

Chris's motion failed.

M Carling moved to amend Aaron's motion above, pushing the dates back 9 months.

The amendment carried.

Mark Rutherford moved to divide the question into the $50 dues piece (Section 2) and the UMP piece (Section 8)

Aaron moved for a ballot vote, which passed. A ballot vote allowed the measure to be decided anonymously by having members mark their votes on slips of paper.

The issue of the dues increase then passed 11-6.

(A possibility of a $25 fee for students can be devised in the remaining 9 months, someone suggested)

The issue of the UMP alteration failed 12-5.

These decisions the LNC made despite Lee Wrights' admonition to not "pick our peaches before they're fuzzed up good" in some context during the discussion.

**Authorization of the LNCCC**

M Carling presented his proposal for the LNC to form a "Libertarian National Congressional Campaign Committee", LNCCC.

At the outset, M noted that the very latest discussions with counsel indicated we could drop the word 'Campaign' from the name, making it the LNCC.

The purpose of this organization is to focus on getting Libertarians elected. In the wake of Campaign Finance Reform, the practical result of these changes is to allow contribution limits to increase from $2k to $25k.
Political parties can have three such committees, and the Republicans and Democrats already have theirs in place. The purpose of the LNC authorization is the signal to the FCE that the LNC and the LNCC are on the same team, and both are to use the Libertarian name.

The board of directors of the LNCC would control the funds managed by the Committee. Bill Hall is working on Bylaws.

The incorporators of the committee would select its initial board of directors after the organization is constituted. That initial board of directors would consist of Ed Clark, Jim Lark, Admiral Colley, Mark Rutherford, M Carling, Jim Gray and Ben Brandon.

Chris Farris moved to authorize, subject to the board of directors being named as above, the LNCC incorporation. The motion carried.

Note: *The Secretary will sign the letter of incorporation before the board can be named. The chair has a right of refusal and can dissolve the LNCC if the board of director composition condition is not met.*

**National Office Location**

Admiral Colley discussed his efforts to find a new location for the HQ. The best spot he has found turns out an area in the same building. The criteria he used included 1) professional looking environment, 2) access to DC area Metro, 3) cost, 4) usability and so on.

The new office in the Watergate is especially attractive for its professional look.

The new location is on the second floor, not the basement. It actually has fewer square feet than the current area. However, since it is already built out and offers more *useful* space, it appears to be bigger than the current office and at about the same cost.

Moving within the same building reduces moving expense.

Mark Nelson moved to authorize the executive director to complete negotiations for the new office space. The motion carried.

**Portland Hilton**

Dave Spacik, a sales rep for the Portland Hilton who is involved in the contract negotiations showed up to field various questions about the convention site.

**Affiliate Caging Proposal**

Aaron Starr offered a service to state parties to collaborate with national to outsource ‘caging’ operations. ‘Caging’ is the operation of recording and posting donations and depositing the remittances into the proper accounts.

The proposal took the form of a Bylaws change as follows:

**ARTICLE V. FINANCES**

**SECTION 8: AFFILIATE CAGING SERVICES**

> To better support affiliates with their efforts to raise money, the Party shall provide affiliates participating in either the Unified Membership Plan or the Alternative Unified Membership Plan with caging services:
A. The national office shall set a fee structure designed to cover the costs of handling funds collected from members and subscribers on behalf of affiliates, including monthly pledges and one-time contributions.

B. Forms that affiliates use for remitting such funds and source codes required for tracking their various projects shall be approved in advance by the national office.

C. Monthly reports shall be sent to those affiliates on whose behalf the Party has collected funds. The reports shall include at least the following for each contribution: date received, the contributor’s identification number, name, address, the amount contributed, any dues withheld, the fee charged by national and the source code. Reports shall be sorted by date, name and source code, with appropriate subtotals.

D. Funds collected, net of fees and dues withheld, shall be remitted to affiliates monthly.

The motion failed.

Sunday

Audit Committee Report

M Carling noted that Deryl Martin has resigned from the Audit Committee around the first of the year.

M nominated Richard Morley to fill the vacancy. Mr. Morley is a professor of auditing at the University of Phoenix who ran for Secretary of State in Oregon.

The nomination passed.

The mail ballot mentioned in the Secretary’s report above resulted in the Audit Committee naming Deloitte & Touche Tohmatsu, Price Waterhouse Coopers, and Ernst & Young as the three firms to be named other than Frye and Walcott as the LP auditor.

Mark Nelson introduced the following motion which read, after amendment by Jim Lark:

Mark Nelson moves to rescind our bid to Frye & Walcott as LP auditor and instructs the Audit Committee to receive bids from different auditors by April 1.

The motion carried.

Frye’s work for the Party has expanded over the past year to include performing bookkeeping duties. This eliminates Frye and Walcott as the 2004 auditor.

Reports Previously Submitted in Writing

Campus Organizing Report

Jim Lark submitted the attached campus organizing report included as Appendix D.

Jim noted a major project is in progress to improve the Campus Organizing website.
Topics for Discussion

Policy Manual Redesign

M Carling reported on the work to partition the policy manual into three parts:

- One part on special policy rules that serve to supersede Roberts Rules,
- Standing rules for the LNC
- Standing rules for the staff.

M envisions three separate booklets which he expects to have completed in time for the May meeting. Jim Lark and Dan Karlan are helping M with this effort.

Strategy 1 Report

With Jeremy Keil not in attendance, Joe Seehusen reported on progress on the branding initiative:

STRATEGY 1: DEFINE, DEVELOP AND PROMOTE THE LP BRAND

Joe noted several interviews with consultants who would help us with our branding initiative are slated for the next few weeks.

In addition, the website changes demoed on Saturday reflect minor changes to the ‘look and feel’ of the site, anticipating that the branding initiative may lead to a revamping of the site. Two major overhauls to the site would be more traumatic to frequent visitors than one.

Finally, Jeremy has recommended a book to the group written by one whose ideas overhauled Nike and Starbucks, launching them to greater levels of prosperity and success.

LPNC Resolution

Michael Dixon noted the North Carolina Libertarian Party, of which he is a member, passed the following resolution:

BE IT RESOLVED, THAT THE LIBERTARIAN PARTY OF NORTH CAROLINA DEPLORES THE ACTION BY THE LIBERTARIAN PARTY NATIONAL COMMITTEE AT ITS NOVEMBER 13-14, 2004 MEETING WHEN IT REFUSED TO HEAR A COMPLAINT FROM A MEMBER. THE NATIONAL COMMITTEE IS ELECTED BY AND ANSWERABLE TO THE MEMBERSHIP OF THE LIBERTARIAN PARTY. IT HAS THE RESPONSIBILITY AND OBLIGATION TO LISTEN TO AND RESPOND TO CONCERNS RAISED BY ANY PARTY MEMBER, AT ANY TIME AND UNDER ANY CIRCUMSTANCE. IT IS UNCONSCIONABLE FOR THE NATIONAL COMMITTEE OF THE “PARTY OF PRINCIPLE” TO REFUSE TO LISTEN TO ITS MEMBERS. WE CALL UPON THE LIBERTARIAN PARTY NATIONAL COMMITTEE TO LIVE UP TO THIS COMMITMENT. WE DEMAND THE COMMITTEE ALLOW THE INDIVIDUAL WHO WAS DENIED THIS MEMBERSHIP RIGHT BE HEARD AT THE NEXT COMMITTEE MEETING. FURTHER, WE CALL ON ALL LIBERTARIAN STATE PARTIES TO JOIN US DEMANDING THAT THE NATIONAL COMMITTEE HONOR ITS OBLIGATION TO BE ANSWERABLE TO THE MEMBERSHIP.

Michael abstained in that vote in North Carolina.
Michael also noted LNC Secretary Bob Sullentrup responded to the LPNC as LNC Secretary and as a recipient of the above resolution, not as a spokesman for the LNC.

The chair requested members who are concerned about this matter come to the May meeting prepared with a ‘structural’ response to it. That is, the APRC may have formerly handled the member’s concern, and now it may, or may not, be appropriate to introduce some kind of ombudsman, or simply leave the matter alone, making the member pursue the issue with the Communications Director, his/her LNC rep or gaining a seat on the LNC.

**Project Manager Bounds**

Mark Nelson pointed to pages 10, 11 and 24 of minutes from the November meeting which broached the topic of ‘project manager bounds’. This refers to the limitations imposed on project managers, sub-committee chairs and others who are in position to spend the Party’s money or obligate the Party to disbursements.

Mark and Dan Karlan are going to draft language to codify expectations after the policy manual is partitioned into the three sections named above (see Policy Manual Redesign above).

In the ensuing discussion, several points emerged:

- Some Policy Manual provisions covering this already exist, for example, the need for a project to have a financial plan
- Self-funding projects cannot obligate the Party beyond what is planned. See Article V, Finances, Section I, Financial Procedures, Section B, Special Projects and Task Forces:
  
  1. **SPECIAL PROJECTS AND TASK FORCES MAY NOT BE USED TO RAISE MONEY UNLESS AND UNTIL THE REQUIREMENTS IN ARTICLE IX, SECTION 1 HAVE BEEN FULFILLED.**
  
  2. **PROJECTS SHALL BE SELF FUNDING AND SHALL EXPEND OR OBLIGATE ONLY MONEY WHICH HAS BEEN RECEIVED UNLESS SUCH EXPENDITURES OR OBLIGATIONS ARE APPROVED IN ADVANCE BY THE LNC.**
- Apparently, review and oversight provisions are missing from the Policy Manual
- From the prior minutes, Mark noted: “Vendor contracts, project communications to donors or service receivers, and the fundraising content and timing are to be coordinated with the Executive Director.”

**Strategy 5**

Strategy 5 calls for the LNC to define and codify relationships between affiliates and campus organizations by drafting formal written agreements.

**STRATEGY 5: DEFINE AND CODIFY RELATIONSHIPS BETWEEN (AND EXPECTATIONS AMONG) NATIONAL, STATE, LOCAL AND CAMPUS LIBERTARIAN PARTY ORGANIZATIONS**

Accordingly, Strategy 5 addresses ballot access, UMP and certain obligations, such as ensuring our nominee for president appears on the affiliate’s ballot or ensuring anti-takeover provisions are in place in
their bylaws. Many operational agreements are not documented but assumed, such as list sharing and access to Raiser’s Edge data.

Dan Karlan addressed the issue at the January LSLA meeting in St. Louis. Dan reported the LSLA responded by naming Florida chair Doug Klippel as their point man.

Dan wanted to review UMP contracts, copies of which Mark Nelson immediately provided.

George Squyres raised an additional issue involving the Nevada affiliate. Certain members of the Nevada affiliate want to change the name to the Liberty Party. One problem is the Nevada Secretary of State may reject ballot access for the Nevada Liberty Party. An additional problem is the potential for an acrimonious division in Nevada resembling Arizona in 2000.

Several members expressed regret that such matters seem to stand in the way of ‘doing something useful to get Libertarians elected’. Nevertheless, as we codify our relationships with affiliates, George recommended we do less rather than more for the time being. As a witness to the 2000 debacle in Arizona, George noted the LNC’s involvement provided the losing side a target for their rage. Had the LNC stayed out of the matter in 2000, the state very likely would have worked matters out for themselves.

**Projects without Submitted Reports**

The group noted the status of several additional projects.

- **Ballot Access Audit.** At the November meeting the group authorized MG to produce an audit of the 2004 ballot access expenditures. Jennifer Villarreal had been gathering data as best as she could, but the results are sketchy. The report is not complete.

George Squyres moved to request MG produce and deliver the audit report by April 1. The content of the report should include the money delivered to states, how the funds were spent and to whom, what vendors participated, what petitioners. The specific form to use was provided in the November minutes.

The motion carried.

- **Michael Dixon** reported the Program Committee is making great progress and keeping stakeholders well informed on the progress.

- **George Squyres** noted that with respect to Strategy 3, the platform that a new website for platform comments is in place. George gave a presentation at the January LSLA conference in St. Louis and reports that his comments were well received.

**Dues Increase Reconsideration**

Jim Lark moved to allot time to reconsider the previous day’s resolution to increase recurring dues to $50. Jim Lark was prepared to recommend $35.

The motion to allot time for reconsideration failed.

**Saluting the Neales**

Rick McGinnis moved and Jim Lark seconded to commend Geoff and Nancy Neale for their extraordinary efforts, support and outstanding service to the Libertarian Party for many years. As a
gesture of its appreciation, the LNC named them as honorary life members. The motion carried unanimously.

**Oklahoma Ballot Access Lobbying Effort**

George Squyres reported Oklahoma HB 1429 to change the ballot access requirements for the state, emerged in the ‘right way’. The Oklahoma LP hired a lobbyist, found a sponsor and is seeking to secure ballot access by changing the requirements rather than complying with them.

Oklahoma plans to start by spending $1500 on a direct mail campaign targeting voters whose representatives are identified as ‘swing voters’. More expenses are expected later on.

While the measure may not pass the first time – in Colorado it required three passes – it will come up again and again.

OK needs 50k signatures for ballot access and spends sums approaching $100k. Thus the targeting of the legislature makes good economic sense.

Michael Dixon noted he plans to supplement OK’s efforts by directing his quarterly discretionary $1000 allotment to them.

George Squyres moved to send OK a donation for ballot lobbying legislative effort of a ‘fill in the blank’ amount.

M Carling noted the manner to resolve a ‘fill in the blank’ motion is to vote on successively lower amounts among those offered until an amount is accepted.

Time expired on the issue and the chair ruled that in as much as a final motion could not be called, we would not proceed to a vote.

M Carling appealed the ruling of the chair which died for lack of a second.

Mail ballots on this matter are of course are in order after the meeting.

**Opportunities for Public Comment**

Sean Haugh noted he endorses the OK ballot process. In complying with BCRA, LNC resources cannot be used to solicit funds for this activity. However, Sean is free to do so and encouraged donors to provide prospective donors with the names of the individuals in OK through his Freedom Ballot Access organization.

Chuck Moulton stated he would like 1) agendas in advance of the meeting, 2) a binder that contains full set of reports on Friday night, 3) enough copies for all members and all alternates who attend.

Lee Wrights noted that while he will not be in Dallas, the LNC should be mindful of the consequences of its decision making. This weekend the LNC voted to raise recurring dues to $50 yet keep 100% of the UMP proceeds.

Adm. Colley, upon hearing that some of the Party’s IT professionals and chairs used the F word in communications with headquarters, implored members to be mature, cordial, and civil in their communications.
Phil Schmitt of Oregon noted the LPNV might change its name to “the LP of Nevada” thus avoiding the problem with possible loss of affiliation or ballot access.

Rick McGinnis pointed out how proud of us he is to be among patriots who dedicate themselves as we do to restoring Liberty to America.

The Chair announced he will begin at noon on Monday determining the location of the May 14 LNC meeting. Bill Redpath will not be able to attend, nor will Lee Writges or Dan Karlan. BetteRose would be able to attend if the meeting were in Las Vegas but not Dallas.

The Chair announced the August 6-7 meeting will be in Kansas City or some other midwestern city.

The November 12-13 meeting may be in Denver. If not, it will be in DC, the default location for the budget meeting.

The LNC unanimously acknowledged the passing of Lynn Tinsley from Illinois. She had worked with and influenced both Michael Dixon as well as Jim Lark. She was a splendid colleague and great friend who made tremendous contributions to the cause.

The Chair requested that prior to the next meeting the EPCC formulate an improved (shortened) methodology for determining ED bonuses.

The Chair requested the Treasurer to report at the next meeting the projected budgetary impact of the dues change enacted for 2006.

The Chair noted he has cornered Chris Farris and Jim Lark as individuals to serve in an oversight role for the 2006 convention. The Chair has not completed his buttonholing and conscripting volunteers.

The Chair apologized for the failure to get documents into the binders and to distribute them in advance of the meeting. The deadline for this is two weeks prior to the meeting, which will be April 29 for the next meeting.

Jim Lark commended Adam Mayer for LP OR’s superb hospitality.

**Next Meeting**

The next meeting of the LNC is scheduled for May 14-15, 2005 in Dallas, TX or Las Vegas, NV.

The schedule for subsequent LNC meetings is as follows

- **2005 Q2 meeting** May, 14-15 Dallas or Las Vegas
- **2005 Q3 meeting** August, 6-7 KC, Milwaukee or Midwestern city
- **2005 Q4 meeting** November, 12-13 Denver or DC (Veterans Day)
- **2006 Q1 meeting** March, 10-11 tba, Florida
- **2006 Q2 meeting** June 30 Portland, OR
Chair’s Report LNC#4
2004-2006

General Comments:

- **Mission Vision Values**
  - Form/Storm/Conform/Perform
  - Culture of Respect (Strategy 19/20)

- **Our responsibilities to each other**
  - Solve it within the room, not in the public forum or directly with staff
  - This is particularly relevant in light of the various threats and accusations that have flown amongst this group and our staff over the last few months.

Review – Items for Information:

**Financials:**
Cash flow remains satisfactory

The last several mailings have been somewhat less productive than hoped for, but in light of the place in the 4 year cycle this is not completely unexpected. They were the result of a new writer and this should to be acknowledged and Staff is looking at this. The annual report response is just beginning and this is positive and on schedule.

**Meeting Schedule:**

- 2005 Q2 meeting May, 14-15 Dallas, TX
- 2005 Q3 meeting August, 6-7 or 13-14 tba (Midwest)
- 2005 Q4 meeting November, 12-13 tba (Veterans Day)
- 2006 Q1 meeting March, 10-11 FL
- 2006 Q2 meeting day prior to convention

**Staff Management**

Over the past quarter I have participated in many conference calls with staff on specific projects. I additionally traveled to the proposed Caging operation and met with that vendor, along with our Executive Director and Operations Manager.

As directed by this body at our last meeting I have developed a comprehensive Letter of Instruction outlining for my own purposes expectations of the Executive Director. This will be presented to Joe, and discussed in specific detail, before this weekend is out.

**Convention Management**

The Staff has retained professional support in negotiating the convention agreement, and is seeking outsource opportunities to manage non-vital portions of the convention operation.

Unfortunately, to date, no one has submitted a proposal to manage any parts of the convention.
Some parts of the event could/should be outsourced to a volunteer or for-profit entity, or must be done by staff. However, there are clearly parts of the event that are necessarily in the purview of the LNC.

To this end, I will, without direction to the contrary, proceed in personally addressing the matters that specifically are the management of the business meeting. I will ask a small group of LNC members, or other Libertarians leaders, to join me in an ad hoc group to oversee the progress of the other areas. This group will report to you beginning with next month’s EC conference call.

As an additionally matter, the contract between the LNC and the Hilton Portland has not been completed. There remain 6 points of disagreement in the contract. I met Friday with our agent on this contract and reviewed the negotiations and options. She was then to meet again with the hotel staff to attempt to resolve the matter.

It was our expectation that the final language would be ready for signature this weekend, however, I am not sure that will be possible now.

**Strategic Plan:**

Any Strategic Plan must be reviewed, revised, and refocused periodically or it fails to remain useful and informative to the organization. In order to continue the progress of the 2001 Strategic Plan, I am proposing a formal review of that plan in the 2005 calendar year.

The current budget anticipated some additional costs in this area.

I am planning that the second day of the August LNC meeting will be an SP review day. I would like to propose the following motion be approved by you.

**MOTION:** To authorize the chair to recruit 5 members of the 2001 Strategic Planning Team and an additional group (not to exceed 5) comprised of elected libertarians and small l libertarians to serve on a review of the SP to be held in August of 2005. This group would be joined by a group of 5 new Strategic Plan participants to be named by the LNC at that group’s May meeting.

If approved, this motion would require that those interested in serving on this team submit their nominations to me 30 days prior to the May meeting.

**EC:**

Ongoing monthly calls in the months when no LNC meeting is held. The next conf call will be held around March 15.

**Raiser’s Edge:**

This product continues to serve the national office very well. It is faster, more robust and allows more variable data to be retained on individual members.

I continue to receive complaints and dire predictions of doom if we do not immediately scrap the product and do something else. The complaints have recently shifted to indicate near unanimity among the states that the product is a failure, but no clear agreement on the product that should be used to replace it.

To assist in addressing these issues I have asked Chris Farris to be our point person on this project. He has been participating in the Yahoo group established by some of the state database coordinators and has taken it upon himself to gather their input. I specifically would like him to serve as this conduit between the state database
manager’s and our staff and to report to this body as often as is necessary to keep us up to date on the success of the project, the satisfaction of the customer’s, and the responsiveness of the staff.

I would like to reiterate that this is one of the many areas where I continue to be the target of requests that we hire members to do work. I do not believe that the LNC is an employment agent for our members. We should not be in the business of hiring our members to do things that can be purchased off the shelf. Absent direction from you I will continue to work in this model.

Minutes:
You should note that Minutes for February 2004 are included in your packet. I am not warranting their absolute accuracy. I am asking for approval in order to complete the file and provide something which can be reviewed and amended if necessary.

Standing Committee’s of the Convention:

ByLaws:
This committee will need to be named and set to work later this year. I request that each of you communicate to members that the selection will be made at our May meeting. Those members interested in being named to this committee should submit (in writing) their nomination to the Secretary 30 days before the May Meeting.

Region FourGate:
Members in Region 4 (the Southeast) have begun meeting to determine how they might achieve a new, and comprehensive election, for Regional Representative.

I have been contacted by all sides (as in more than 2) of this matter looking for me/the LNC to act on the matter.

To this point I have responded that it is not our place to be involved in regional representative matters.

For the purposes of this matter the Region in question is comprised of the states FL, GA, NC, SC, MS, AL, TN.

MG has agreed to represent LA and AR but these states were not reported out as part of the region during the convention as proscribed by our bylaws.

I have offered the services of the National Party’s teleconferencing operations to facilitate a regional call if needed to resolve the matter.

Thank you:

I wish to thank each of you, for your efforts and sacrifices in participating in this body. I will endeavor to be more available to each of you in the coming quarter.
Treasurer’s Report

2004-2006

General Comments:

The December and End of Year financial statements appear to have corrected the majority of the large scale miscodings that occurred during the year. The variance between the December and End of Year Financial is the closing of the short term projects (Convention and Raiser’s Edge)

The Executive Director hired Jennifer Villereal, a very competent and qualified operations manager, but for a variety of reason, she has resigned. I believe that the LNC should address the problems that contributed to Ms. Villereal’s departure. A new “bookkeeper” has been hired.

FEC filings - the open requests for additional information that we received in 2004 have been addressed. We have one open request from 05. The staff copied me on these letters, but communication on the status and content of the responses has been spotty. I trust this circumstance will change with the addition of a new staff bookkeeper.

I attended an FEC round table discussion at the FEC office in January, and have made arrangement to attend a 3 day training session in DC in Mid March. With the departure of the operations manager, I believe the LNC should explore contract alternatives for FEC filings.

The Balance Sheet now shows the restricted segregated funds, as directed at the August meeting.

The report on membership/subscribers changes reflect the changes directed at the August meeting.

While in DC in January, I reviewed membership information as part of the calculation of deferred revenue, focusing on non-life member expiration dates that were past 2008. This resulted in 52 members (two of these “members” were organizations) being switched from various active status to lapsed, and 40 member being changed to life members. A listing of the affected members is included with this report. This change resulted in a drop in members in January. I have asked that the membership report be footnoted to show this.

Based on this limited search and review, I believe a large scale review is needed to clean up the membership data. A review of Life Members will find several members who have not made a qualifying donation, and a substantial number of Life Members that have not made donations in over 10 years. I suggest the board take actions to address these members status, at least in regards to UMP payments.
Membership:

The primary LNC budget metric is membership. Membership, defined as both certification signing members, and LP News subscribers, was budgeted to average 22,500 during 2004. This suggests that in December membership should have been xx,xxx. The end of year, 2003 “members” and subscribers, and reported total membership on December 31, 2004 are shown below. Membership falls x,xxx, or x.xx%, short of this projection.

<table>
<thead>
<tr>
<th></th>
<th>Members</th>
<th>Subscribers</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/30/03</td>
<td>19,410</td>
<td>1,633</td>
<td>21,043</td>
</tr>
<tr>
<td>09/30/04</td>
<td></td>
<td></td>
<td>21,714</td>
</tr>
<tr>
<td>Change</td>
<td></td>
<td></td>
<td>671</td>
</tr>
<tr>
<td>% change</td>
<td></td>
<td></td>
<td>3.19%</td>
</tr>
<tr>
<td>Budget Average</td>
<td></td>
<td></td>
<td>22,500</td>
</tr>
<tr>
<td>9/30/04 Projection</td>
<td></td>
<td></td>
<td>23,221</td>
</tr>
<tr>
<td>Shortfall</td>
<td></td>
<td></td>
<td>1,507</td>
</tr>
<tr>
<td>% variance</td>
<td></td>
<td></td>
<td>-6.49%</td>
</tr>
</tbody>
</table>

Reserve Requirement:

The reserve requirement (Article 5, Section 5, Paragraph B) requires an average of 2.5% of Budgeted Revenue, with 2% of Budgeted Revenue in December. As of December 31, 2004, we were seriously out of compliance with the reserve requirement. It appears we were out of compliance for all of 2004.

Again, as stated in August and November, I would rather monitor our compliance with the current policy (which has not been done) prior to proposing changes. I would appreciate private suggestions on how the reserve policy should be addressed. It is my intention to craft some changes for the August 2005 LNC meeting, after a review of cash flows for the first half of 2005.

Accounts Payable/Receivable:

The AP is higher than typical, including $24,188.93 to Blackbuad and $5,500 to Rubino and McGeehin, along with higher than typical balances to regular vendors.

I reviewed the AR with Daniel Cloud, and assisted him in contacting The Advocates about their past due amount, resulting in a payment. Although higher than I would like, the balance of the receivables are being properly managed.

BUDGET TO ACTUAL:

The December and End of Year Budget to Actual Comparison are included with this report.

Top Line and Bottom Lines:
The expenses were on target in December, the income was well below budgeted estimates. This is partially attributable to membership projections being low. However, I believe the majority of the variance is due to the post election timing.

End of Year, before adjustments for deferred revenue, the total revenue was $340,000+ ahead of budget, while the expenses were similarly $340,000+ over what was budgeted. As with the previous Budget to Actual reports, this is deceiving because of anomalies, primarily in Ballot Access, Convention including Banquet fund raising, Outreach, and Acquisitions (more on these below). Additionally, as previously noted, two adjusting entries on 1/1/04 (Program Reimbursement Revenue and Occupancy) and a withholding tax refund skewed the comparisons. Additionally, Contingency and Surplus have been removed. These lines are removed in the comparisons on the bottom of the pages.

As adjusted, there are not significant changes in the December Revenue or Expenses.

As adjusted, the Year to Date Revenue (before adjustments) was $174,500.74 below budget (a -10.58% variance), while the expenses were $135,469.73 under budget (a -8.84% variance).

We were 15% to 22% below our revenue projections in the areas where we should be able to reasonably estimate revenue and expenses. I believe that fund raising for Ballot Access and the Presidential Campaign seriously eroded core income, without proving substantive benefits to the party’s core mission. I suggest the LNC address this prior to the next federal election cycle.

On the expense side, the Executive Director was able to manage:

- Outreach such that he used only $116 of the $40,000 budgeted,
- Fundraising expenses such that they were $75,000+ under budget,
- and the combination of Salary and Contract Labor was $48,000+ below budget.

Expense for operations, primarily associated with unbudgeted hardware updates and service for Raiser’s Edge implementation were substantially over budget. Additionally, Occupancy was misbudgeted, resulting in an $16,549 negative variance.

Programs: A summary of Project balances is shown in the attached Balance Sheet.

Outreach:

The outreach activity has been accounted for in the manner budgeted. Based on the information provided, the net expense due to outreach activities was $116.96, against a budgeted expense anticipated of $40,000.

Ballot Access:

Ballot access has a negative balance of $29,062.82. I suggest the LNC require the Ballot Access coordinator to submit a plan to retire this debt.

LP News:

LP News Revenue is 29% above what was budgeted, with YTD expenses being 35% below budget. I encourage the LNC to recognize the Executive Director’s and LP News Editor’s success in increasing revenue and reducing costs.
Convention:

The convention was treated as a project in the 2004 budget, and the only consideration for staff reimbursement was the 10% project fee, or roughly $18,000. This substantially understates the staff’s contribution of time and resources to the convention. If, as originally approved in June, 2002, staff time and resources were to be directed compensated from Convention Revenue, the convention loss would be significantly greater.

I encourage staff, in developing a budget for the 2006 convention, to reasonably estimate the actual staff costs associated with convention operations.

Considering the potential of a financial loss at the 2006 Portland convention, I encourage the LNC take steps to address this risk in 2005, and protect the financial solvency of the organization. As part of this, I ask that we direct staff to have a 2006 Convention budget projection to the LNC for review and approval at the August, 2005 Meeting.

UMP:

The UMP formulas in Raiser’s Edge did not recognize Life Members unless they contributed in the past year. I believe this is being corrected, with adjustments being made to the states UMP payments in the near future.

During the Raiser’s Edge installation, moving to only one Unified Membership Program was discussed. The Executive Director and the Chair both report that the Alternative UMP program is easier to administer, and that moving to one program would create some modest operational savings. The anticipated costs for the Alternative UMP programs are slightly higher (this could reverse if the LNC obtained a significant number of new members, which is projected in the 2005 budget).

I recommend that the LNC discontinue the original UMP program effective July 1, 2005. All states will have the option of migrating to the alternative program, or not participating in UMP.

I also ask that the LNC amend the UMP program for UMP payments for life members so that the LNC does not make UMP payments for life members that have made a donation in over 10 years.

Membership:

The 2002 membership surveys, completed the last time the LNC considered a dues increase, are available for review. The survey included 300 members who paid only a $25 donation in the past year, and focused on the support for an increase in dues to three levels, $40, $50 and $100.

As the $50 level, the survey information reported that only 25.7% of the 300 members surveyed would definitely renew, and 20.3% would probably renew. With a renewal rate of only 46% of those currently contributing only $25, an increase in dues to $50 would result in a reduction in gross revenue. It is questionably whether any financial benefits would be realized, as fixed common costs are spread across a substantially (25%) smaller membership base.

At the June, 2002 meeting, Michael Dixon, as strategy champion prepared a report showing that the net financial impact of a dues increase to $40 was negligible. This was based on a projected 68.7% of those surveyed either definitely, or probably renewing at the $40 level.
There was some increase in gross revenue due to the increase, but the financial benefits from the increase were at least half due to the reduced costs associated with membership (renewal costs, loss on LP News). The 2004 historical information showed a sharp drop in renewal expenses due to prudent management. In 2005, these expenses are budgeted at 30% below the 2002 levels. Additionally, the per member loss on LP News is projected to be 50% of 2002 levels. LP News is budgeted to break even in the 2005 budget. The removal of these cost savings further deteriorates the financial benefit to be realized, if any, from a dues increase.

As demonstrated by the 2005 budget (tab labeled Membership Cost Analysis) using the costs directly associated with membership, there is no structural need for an increase in dues. Using simple estimates and allocating common costs based on a percentage of revenue, this analysis suggests the loss on each membership is $4.00 at our current membership levels. However, a membership increases to 30,000 results in the loss dropping to $1.00/member.

Admittedly, this is a simple calculation. In my opinion the percentage allocation of common costs overstates the common costs associated with basic membership services. The calculation also does not include Outreach costs. Outreach for new members should not be considered a common cost. This is supported by our historical budget structure which moved Outreach to a project/program activity. The cost of obtaining new members is more analogous to a capital investment than an ongoing expense, with the return from Outreach coming from future donations and related activity. This similar to a retail company purchasing market share by offering a discounted below cost product to build loyalty and create opportunities for additional income.

I believe membership is a two pronged tool - Mission and Development.

In support of Mission, the 2002 Branding survey information reported that once they became members, even when they lapsed, individual still identified themselves as Libertarians. Encouraging membership, and making it a relatively inexpensive, easy process helps our states and locals identify those in agreement with our political ideas, which will assist in the realization of our Mission.

As a Development tool, membership works as a prospecting vehicle. It qualifies individuals who will donate to a political party, which is a small subset of those interested in politics. After qualifying these individuals, it gives us the opportunity to develop them into the steady swimmers, individuals who donate regularly to appeals, or make smaller monthly pledges, and the bigger fish, the individuals with the capacity and willingness to make larger donations.

I encourage the LNC to reject any significant dues increase proposals. If the LNC wishes to explore a dues increase to the $40 or $50 level, I strongly encourage the LNC to obtain a new survey of the membership, similar to the 2002 survey, complete a new analysis based on that survey, and to extensively communicate with the state leadership, and general membership for feedback prior to taking any action.

At the most, if the LNC considers a dues increase necessary, I urge them you consider a modest increase, allocating a portion of the new funds specifically to covering Convention expenses. The Convention is required by our organizational structure, and is a benefit to all members. Yet it is paid for only by a small fraction of the membership, those attending.
LP EXECUTIVE DIRECTOR’S REPORT

TO: Libertarian National Committee, Inc.
February 26-27, 2005 • Portland, OR

FROM: Joseph Seehusen, Executive Director

EXECUTIVE DIRECTOR’S REPORT 2005

On May 27, 2003 I had the privilege of becoming your Executive Director.

Let’s take a look at where we started and where we are now.

05.27.03: The Libertarian Party was insolvent. It had over $400,000 in overdue bills and was unable to pay them. Payroll was not being met. UMP payments were months in arrears. Vendors were unwilling to extend credit and demanded cash in advance for services. There was no programmatic system in place to raise funds. The accounting system had unreconciled accounts, unallocated receipts and an Accounts Payable list in disarray. The membership numbers had been dropping precipitously, unchecked year after year. Budgets were not being met and vendor costs were high and went unchallenged. The “corporate culture” was “inward” directed and showed little understanding of why that might not be desirable. The primary talent pool for staff and vendors was existing party members. Staff and member morale was low. We had no legislative agenda. Our political presence in Washington D.C. was moribund.

Where we are today:

As a result of my management as your Executive Director, the Libertarian Party has gone from insolvent to solvency and from financial instability to financial stability. We have a programmatic approach to fund raising in place. I have personally spoken with over 700 of our largest donors. I have been told this is unprecedented. That experience has given me a clear understanding of what donors will financially support. They want to see the business part of the Libertarian Party run as a business. They want to see real activity in the real world of politics and legislation. They want viable candidates to run for office. They want to see outreach and growth.

In 2004 our membership grew by 1,134 new members and subscribers over the previous year. 2004 was the first full year of membership growth after four consecutive years of decline, specifically 2000, 2001, 2002, 2003. I implemented “Operation Welcome Back”, an outreach program designed to get former members to rejoin. In 2004, 1,943 Libertarians rejoined the party. The monies generated from this program paid all of the cash expenses of the program, plus a $25 membership fee for each returning member and had significant funds left over, which were put back into the outreach fund allowing for only a $116 decrease in a fund that was slated to lose $40,000. In the words of our direct mail expert, Dan Lewis, it is “the single most successful direct mail program I have seen in Washington.”

Our vendor costs have gone down while our vendor service levels have risen. The cost of membership has been reduced, and continues to decline. This is a significant cost savings to the organization and it’s members. We have reduced the number of membership renewal letters from eight to four. We have
Appendix C.1 Executive Director’s Report

a comprehensive donor, pledge and member call center responsible for increasing member contributions. We have brought our member renewal calling program in-house while simultaneously reducing costs and increasing control over member and donor contact. My personal network yielded a vendor able to reduce and subsequently control our substantial staff health care costs. The cost of producing LP News has been reduced.

In each instance where I have replaced members of the staff I inherited, the new staff member has been hired for a salary lower than their predecessor. For the year 2004 my salary /contract labor cost was $48,000 under budget. We currently have an industrious, quality staff in place. Vendor relationships are continuously scrutinized to optimize the service to cost ratio. Time consuming repetitive functions have been automated with costs and time reduced. The monthly Federal Election Commission report which took the better part of a week to prepare and involved two staff members, now takes one person several hours. The budget to actual monthly reports are generated automatically out of QuickBooks and are sent out on schedule. The monthly UMP report took more than a day, now takes a few hours. Our costly and cumbersome, material sales function, has been outsourced to a vendor who can serve our members better and less expensively. Please see the report of staffer Sam New who took ownership of this project for more details.

I am mining my personal network to create outreach and increased visibility for the party in the political community by connecting with the leadership of such organizations as The Institute for Responsible Citizenship; a group that mentors African American youth to champion free markets and individual liberty and pursue senior positions in government, Americans for Tax Reform, American Family Business Institute, The National Rifle Association, Citizens Against Government Waste, The National Taxpayers Union.

I initiated a meeting with a senior political columnist for the Wall Street Journal.

Mark Nelson set up a dinner meeting for me with a senior executive of the AFL-CIO.

Michael Dixon made introductions for me to an editorial board member of the Chicago Tribune and nationally syndicated columnist, and the Business Editor of The Chicago Sun Times, for face to face meetings in Chicago.

We are making our first appearance as a co-sponsor of the February 2005 CPAC convention in Washington. Please see the attached announcement titled: Libertarian Party Announcements, for more details.

We have the beginnings of a legislative agenda. As a result of my personal network, I have been invited to join the Death Tax Repeal Working Group. This group is comprised of the heads of over 50 organizations committed to having passed in the Congress and signed by the President, a permanent repeal of the death tax. The group is currently backing the Cox Bill H.R. 64, whose stated purpose is to repeal the Federal death tax, including the estate and gift taxes and the tax on generation-skipping transfers. I am meeting and working with the leadership of such organizations as:

National Beer Wholesalers Association
60 Plus
Club for Growth
National Cattlemen
American Legislative Exchange Council
National Electrical Contractors
Small Business Survival Committee
National Automobile Dealers
Empower America /Freedom Works
Appendix C.1 Executive Director’s Report

Much has been accomplished in these past 18 months and there is much we should all be proud of. Please see the Appendices section under Libertarian Party Announcements – Death Tax Working Group for more details.

It is noteworthy that we have had to achieve this progress on the financial, membership and political visibility fronts, while simultaneously fielding several large projects and significant organizational changes. These include the Atlanta Convention, the QuickBooks conversion, the Raisers’Edge conversion, a new LNC, new LNC officers, significant turnover in HQ staff, the ballot access project and a presidential campaign.

I did not negotiate contracts for the Atlanta Convention, the QuickBooks Conversion or the Raisers Edge purchase and implementation. I did not have full authority to unilaterally execute on these projects. The areas where I have negotiated contracts and had full authority to unilaterally execute implementation, has been with vendors, budgets and staff.

Wednesday February 2, 2005, I attended an event in the Members of Congress Room of the Library of Congress sponsored by the newly invigorated Objectivist Center to honor the 100th birthday of Ayn Rand. A group of about 150 people filled up the room. Included were members of Congress, congressional staffers, think tank staff, scholars and activist group leaders. Some speakers included Fred Smith, Chair of the Competitive Enterprise Institute, Bob Poole, Reason Foundation, Ed Crane of Cato Institute and Congressional Representative Paul Ryan (R-WI). An extended portion of the session enumerated the people and organizations that had played an important role in the Objectivist-Libertarian-Freedom movement over the past 50 years. The Libertarian Party was mentioned once as follows ‘The Libertarian Party, now there is a group that hasn’t exactly done a lot of reaching out, have they?’ This one sentence was spoken by a prominent member of the movement, a name we would all recognize. What was the response of the audience? They laughed.

It was therefore ironic when I was introducing myself to the guests after the event; I was buttonholed by Don Ernsberger, Deputy Chief of Staff for Congressman Dana Rohrabacher (46-CA), and a former member of the LNC. He congratulated me on my being invited to participate with the Death Tax Repeal Working Group. He mentioned the high profile nature of the group and why that was good exposure for the LP. He went so far as to write a letter to our Chairman mentioning our outreach efforts. Please see the attached letter in the Appendix.

Later that night, at an event hosted by the Atlantic Monthly, also at the Library of Congress, I had an opportunity to be introduced to the Chairman of the holding company for that publication.

Others are noticing as well.

Staffers from libertarian organizations go out of their way to congratulate me on our new visibility.

We are getting a positive buzz on the web and in the blogosphere.

Chuck Muth wrote in his column:

“Right Move For the LP: The Libertarian Party is showing more signs of political progress. LP Executive Director Joe Seehusen attended for the first time a well-known but highly secret weekly gathering of the vast, right-wing conspiracy in Washington. Just being in that meeting can’t help but help the LP in broadening its support and coalition-building.”
Appendix C.1 Executive Director’s Report

I intend to build on the success of the past 18 months and continue to grow our membership, financial strength, visibility and political relevance. There are, of course, plans and action already underway to bring these goals to fruition. I will announce each new success as it is achieved.
LP DEVELOPMENT COORDINATOR’S REPORT

TO: Libertarian National Committee, Inc.
    February 26-27, 2005 • Portland, OR

FROM: Jessica Neno Wilson, Development Coordinator

DEVELOPMENT REPORT 2005

Annual Report

The Annual Report dropped in the mail on February 10th, without incident. Great care was taken to ensure data integrity and correct designations for members. Pulling and setting up the data for the membership cards was significantly easier with the Raiser’s Edge system than the anecdotal stories of last year’s process. No de-duping process was necessary and the files were triple checked before being sent off. A rigorous proofing process for all pieces of the report ensured a quality product. They should begin arriving any day now in members’ mailboxes.

Pledge Program

We can now track pledge revenue with more accuracy than ever before. I keep detailed statistics on the program, in an attempt to identify any holes in the revenue stream and areas for improvement. Credit card revenue topped $25,000 for February, due to our continued efforts to acquire accurate expiration dates and our monthly declined card calling program. Recharging declined cards each month generates between $1000 and $2000 of additional revenue each month. By getting new expiration dates before they expire, we avoid the loss of around $400-$500 monthly that would otherwise go by the wayside.

Now that we seem to have a method that works for credit card pledges, I am now turning my attention to increasing the response rate for bill-by-mail pledges. I am experimenting with several different approaches, including emailing the bill-by-mail pledgers reminders and posting articles in Liberty Pledge News encouraging them to switch to credit cards.

We are reaching an impasse with some pledgers though (around 300 or so). Many have had between seven and eleven notices, phone messages, and emails. These pledgers will not call us back and their credit cards keep getting declined every month and some of their memberships are expiring because they haven’t given in so long (in some cases 1998!) We need to consider the implications and benefits of deactivating these pledgers, so that we do not continue to waste dollars (Liberty Pledge News costs) and staff time (calling and writing) trying to reach them. This would free up time to focus on growing the program with new, excited individuals who want to pledge. (However, we will still need more callers and computers to begin that project.) This will also give us a better, more accurate picture of what the pledge program is really worth each month, by eliminating phantom dollars that never materialize into revenue.

Major Donors
Through a variety of research and queries, I have found our top prospects for major donor giving. Most are based on a variety of criteria from their past giving history. A few were identified through a complimentary sample wealth screening from Blackbaud Analytics. (As a Blackbaud customer, we received a free screening of 500 of our donors. The data was interesting, extensive, and informative.)

The “top 50” or so donors have had their donor profiles placed into two binders in my office. Joe and I are working to contact donors every day. We are currently talking with one donor about the specific amount that they will give.

As always, we continue to experiment with the major donor thank you event (be it a reception or dinner). We had some success in St. Louis, during the State Chairs Conference, connecting party leadership with Mike Lewis, a previously unknown major donor from Missouri. Another couple (the Garstangs) had to back out of the event at the last minute due to illness, but they were very enthusiastic and appreciative of the idea.

Customer Service

The Development team now keeps track of every (or as many as possible) customer service requests. This is done by means of an extensive Excel spreadsheet, which they can log the customer name, date of request, type of request, a customer rating (indicating the level of agitation of the member), any follow-up actions required, and list who they referred the problem to in the office, if necessary. These are then lumped into categories which can be statistically analyzed on a routine basis.

This allows us to cross reference and identify customer service problems quickly, by recognizing patterns. It also makes it easy to highlight the customers who require follow-up and make sure everyone is taken care of to the best of our ability. Customer service in general has become a significant part of the callers’ jobs. They can provide adequate attention to every person logged, thus not only fundraising -- but doing double duty, cultivating donors by providing stellar service.

In addition to these developments, we have been proactively offered service by re-instituting new member welcome calls and high dollar donor thank you calls. Kelly and Margaret have added this to their repertoire of duties and it has been very successful and well received by the new members especially. I also now generate (with the touch of a few buttons) instant, personalized thank you letters for Joe to sign for everyone who gives above $100 in a single gift. I personally call or email every person who joins the Pledge Program as well. By proactively offered ourselves as resources for people, we can curb a good deal of the future frustration when quirks happen or we make mistakes.

Member Renewals

We are have transitioned from eight letters to four letters. For two months (February and March) we are working with only the first four old letters. In April, we should be on the “new” four letter system. These are being rewritten by George Getz. This process should make the letter series cheaper to produce and more profitable for the LP.

Of late, many questions about the renewal data have been brought up. There is no problem with the generation of the renewal data files. Once the problem happened in October (due to errors on the part of Chase Moore, our Blackbaud consultant,) checks and balances were put in place to ensure the accuracy of the data. Now, Juliet Agyare pulls the files from the Raiser’s Edge and I look over the entire files for coherency and choose about twenty names from the file to spot check and cross check within Raiser’s Edge.
As far as I can tell given four hours of research, the problems with certain people who claimed to have gotten the wrong renewal notice last month were, in fact, problems with certain people's records and not a systematic issue. There were quirks in every record in question, my double checks were accurate, and the mailhouse records indicate that the files were executed properly.

Regarding renewal calls, our callers only track real renewals, either those who give them a CC right then or they write down the names of those who say they will send it in the mail. Once they can confirm the renewal happened they credit that renewal to their stats.

Yes rates are up, with changing to calling in the same month of expiry rather than a month after. Making this one change resulted in yes rates (the percentage of people who talk to the callers that actually renew) skyrocketing from 34% to 63%. Together, Kelly and Margaret generated $1565 in renewals for the month of January, renewed 55 members, and generated about $110.82 together per hour on the phone. The average gift is above the minimum, at $29.72.

Outreach (Prospecting)

We have been testing different direct mail approaches to growing the membership. We mailed to all of the inquiries (including the inquiries from the Badnarik campaign) in early January. We tested two different approaches and used an email campaign in conjunction with it. The test was interesting however; we are still expecting more returns to come in from those mailings, as we are only about six weeks out from the drop date.

We are also in the process of testing some prospecting letters. We are doing three tests, using names that we are owed from other organizations in the libertarian world. One of these mailings has already dropped to 25,000 people (on January 21st). This letter was prospecting version of our Patriot Act Petition house letter, and it was sent to “left” libertarian groups, such as the Drug Policy Alliance. We are just beginning to see some results.

As for the other tests which are in production, what we are calling the “Pork” letter is dropping in stages over the next three weeks. It will drop to 25,000 names from “right-leaning” libertarian groups, such as American Enterprise Institute and the Heritage Foundation. This letter encourages prospects to sign a petition for Congress to get rid of the pork barrel projects in the newest budget.

As a third test, which should drop in early March, we will test a basic membership invite letter to more “traditional” libertarian groups – for example, Reason magazine, the Institute for Humane Studies, etc. It will also go to around 25,000 individuals.

The purpose of these tests is not only to test the letters but to see if certain letters jive with certain groups who we may want to solicit in a more concerted way in the future. The fact that we do not have to rent the lists to do these test is a blessing, keeping overhead costs for prospecting down. We should have a more solid idea of the degree of success of these letters by the end of the next quarter.

We are also revisiting the lapsed recruitment program, known as the “Guilt” letter as well as a program to recruit Registered Libertarians.
LP COMMUNICATION DIRECTOR’S REPORT

TO: Libertarian National Committee, Inc.
   February 26-27, 2005 • Portland, OR

FROM: George Getz, Communication Director

MEDIA REPORT 2005

Media efforts over the past three months have yielded an interesting mix of publicity for the LP, with a surprising number of major media opportunities, including calls from the O’Reilly Factor, the Daily Show with Jon Stewart, Nightline, and CNN; a mention in USA Today; and largely favorable articles in Roll Call, The Weekly Standard and other publications. Unfortunately, all of the TV opportunities with near-misses, in which we were contacted either for background information or as a potential guest but did not make the final cut.

The single event that generated the most publicity for the LP nationally over the past few months (though the national office was uninvolved in this) was Michael Badnarik’s role in the Ohio recount.

For obvious reasons, the recount effort prompted significant national coverage as well as saturation coverage in Ohio. LP headquarters got just four calls, however: one each from AP and UPI, one from the Washington-based Dispatch Media Group and one from a talk radio network that wanted to schedule a Badnarik interview.

Since the national LP had no connection to the lawsuit, we did not try to pursue it as a publicity opportunity, and merely referred calls to the Badnarik campaign.

TV media

Nightline: A few days before the November election we got a call from an ABC Nightline producer, who wanted to get details of Badnarik’s schedule because she was considering having him in for a live-shot based on our “Badnarik can affect the outcome” press releases. Unfortunately, this one didn’t pan out, but it’s nice to know we were on Nightline’s radar screen.

O’Reilly Factor: On January 13 a producer for The O’Reilly Factor called in response to our “Attack on Satanist/hate crimes” press release. This wasn’t a total surprise, because I did an interview on O’Reilly a couple of years ago on the hate crime issue, and learned that O’Reilly was actually in favor of such legislation. Moreover, this was a made-for-TV issue, and I’m surprised it didn’t get more publicity.
Appendix C.3 George Getz, Communication Director’s Report

The producer responded to the release by saying, “So you’re saying the attack on the Satanist should NOT be treated as a hate crime?” I responded, “Yes. These hate crime statutes are basically an Endangered Species Act for people, in which different categories of people are given “protected” status and others aren’t. He said, “Sounds like an interesting show. Let me run it by O’Reilly and see what he says.” Apparently, the producer couldn’t quite close the sale with Bill on this one, so the interview didn’t happen. But it’s nice to know they’re still calling when they get an interesting release, especially since we had feared that O’Reilly’s treatment of Badnarik would rub off on the party generally.

Daily Show with Jon Stewart: Also on January 13, I got an interesting call from a booker for the Daily Show with Jon Stewart. They were doing a segment on Social Security reform, probably prompted by the impending release of Bush’s plan. The booker said, “Just to be clear, you Libertarians are the ones saying “leave the current system alone, right?” I explained our actual position, and we talked for awhile. But it was clear that he already had his “pro-privatization” person and was looking for someone with the opposite view. That said, I now have a person I can call over there to make a pitch in the future.

CNN: On January 18, I got a call from a CNN producer who was familiar with the LP’s strong defense of civil liberties and was shopping around for a “victim” of anti-terror laws. That week CNN was doing a “Defending America” series, and it was her idea to counterbalance it with a segment called “Defending America’s Rights.” I contacted a few potential interviewees, such as John Gilmore, the CA LP member who is filing suit over the government ID requirement on planes, and Gary Nolan, who was reportedly prevented from flying during the campaign because his name somehow wound up on the government’s no-fly-list, but neither was selected for the segment.

Print media

USA Today: Here’s more proof that successful political activism goes a long way: Back in 2000, the LP launched a campaign against the “nosy bureaucrats at the Census bureau” and urged Americans to answer just one question: How many people live in your home?

Our campaign ignited a firestorm of controversy over the Census and the LP was credited by the AP, the Washington Times, the Detroit News, the Oregonian and others as leading the charge.

On January 12 we received a call from USA Today reporter Haya el Nasser, who was just assigned a story on the new, “rolling” Census, also called the American Community Survey, which will go out to a few hundred households a month, starting this year. Apparently she did an Internet search to find out who might be opposing the Census, and discovered the LP’s 2000 campaign. She wanted to know if the LP was again urging people to boycott the Census, and we decided that yes, we were.

So we quickly revised our previous arguments and put up a web link and enough information on our home page to launch a mini-campaign, and were included in her article.

Weekly Standard: On Oct. 29, The Weekly Standard ran a piece on the Libertarian impact in the November election. Reporter Rachel DiCarlo had received our Badnarik press releases and wanted information about other state and federal races in which we might have an impact. We faxed her our fact sheet on previous Senate and gubernatorial races in which LP candidates were credited with tilting the outcome. You might recall that the Standard did a similar piece in ’02, which was favorable enough that we were able to use it in our Annual Report.

Roll Call: On Nov.17, Roll Call, which circulates in all Capitol Hill offices, published an article headlined, “Libertarians Are Looking for a Few Disgusted GOPers,” which reported on the Badnarik campaign and mentioned the LP’s subsequent efforts to reach out to fiscally conservative voters.
Appendix C.3 George Getz, Communication Director's Report

Both the Roll Call and Weekly Standard articles are attached.

Press release highlights

Our Nov. 23 release ridiculing Congress for its “Thanksgiving Pork” bill generated five radio interviews, including one on KFNX, a 50,000-watt station in Phoenix, and one on the nationally syndicated Alan Handelman show, which has 2.7 million listeners and is carried on 57 FM stations.

Our Dec. 6 press release on the United Nations funding scandal, which called for an end to UN funding, seems to have struck a nerve: It resulted in six broadcast interviews heard on 123 stations, including the Talkstar Radio Network (estimated listenership: 100,000); the Wisconsin Radio Network (42,000 listeners); and on single-market shows in Tampa, FL; Lexington, KY; Knoxville, TN. Then I converted the release into an op-ed, which ran in the Greenwood, SC, Index-Journal on Dec. 14, and perhaps other papers.

Our Dec. 9 press release on the controversy over steroids in baseball resulted in getting longtime Missouri activist Ken Bush MO LP activist on 36 stations in St. Louis. The release, which chastised Sen. John McCain for proposing government intervention and urged a strict separation of sport and state, drew a call from the 36-station Metro News Network in St. Louis. The producer said she preferred to interview a local spokesperson, so we contacted LP Secretary Bob Sullentrup, who in turn scheduled Bush for the interview.

The LP’s Feb. 3 press release on Bush’s Social Security plan generated both publicity for and controversy within the LP. We did interviews on KQV radio, a major station in Pittsburgh, and with conservative talk host Chuck Harder on the 108-station TalkStar network.

I also got about a dozen e-mails from Libertarians, who claimed we were selling out or watering down the LP’s position because we credited Bush with starting the debate over privatization and remarked that we hoped the plan could be improved as it worked its way through Congress.

The criticism came despite the fact that the release explicitly said that the plan “falls far short of the truly private, no-strings-attached plan that the American people really want” and that Libertarians prefer a plan that “puts the money into the hands of individuals and private companies rather than entrusting it to politicians who have broken their promises so many times in the past.” The controversy illustrates the difficulty we sometimes face in getting publicity: We must craft a message that is seen by the media as relevant enough to include in the debate without ticking off our members.

Attached news articles:

A Libertarian Surprise?

The Libertarian Party’s presidential candidate, Michael Badnarik, is on the ballot in 48 states.

by Rachel DiCarlo
The Weekly Standard
10/29/2004

DEMOCRATIC ACTIVISTS, many still seething over what they perceive as Ralph Nader’s role in spoiling the election for Al Gore four years ago, have filed numerous court charges against the Green Party candidate to try and keep him off the ballot this year.
Republicans, by contrast, have said and done little about their potential spoiler, the Libertarian Party’s candidate for president, Michael Badnarik. Badnarik, a 50-year-old computer programmer from Texas who once ran for Congress, was nominated at the party’s convention Memorial Day weekend in Atlanta.

Badnarik’s polling shows him drawing his tiny number of supporters from both Bush and Kerry. Most, about two-thirds, are from the right side of the aisle. Others are liberal antiwar voters. And others still are voters disgusted with both parties who would only vote a third-party ticket.

Third-party candidates haven’t mattered too much in the popular vote since the days of Ross Perot. Nader is only polling around 1 percent nationally. Badnarik is roughly the same. But his campaign manager, Stephen Gordon, says Badnarik might have the opportunity to be kingmaker in several swing states.

Most voters will have access to Badnarik. He is on the ballot in 48 states and the District of Columbia. He is excluded only in New Hampshire, where the race is still tight, and Oklahoma, where it is not.

Nader made it onto the ballot in 35 states, but was left off in several key battlegrounds, such as Pennsylvania and -- fortunately for the Democrats -- Ohio. If the theory holds that most third-party voters whose candidate is not on the ballot will then choose the candidate closest to their ideological persuasion, Democrats hold an advantage.

Most national polls include Nader but don’t ask about the Libertarian candidate. Some state polls do, though. In September, a Rasmussen poll gave Badnarik 3 percent of the vote in Nevada, and in August Rasmussen showed him taking five percent of the vote in New Mexico -- both considered potential swing states.

In a horse race like this one, the numbers could prove significant. In 2000, Al Gore carried New Mexico with just 366 votes, about two-thirds of a percent. Moreover, in Nevada, though it is trending slightly Bush, Kerry’s campaign benefits from efforts on his behalf by Senator Harry Reid.

“Badnarik could very easily have an impact on an election as close as this one,” Richard Winger, editor of Ballot Access News, an online publication that tracks third-party candidates says.

Badnarik’s campaign recently purchased ads in Pennsylvania and Ohio, where there is no Nader factor, and in other battleground states, including Florida and Wisconsin, where Nader is on the ballot. His campaign also has a market buy to advertise on Fox News Channel to attract more conservative voters, Gordon says. They are also looking to get an antiwar ad on CNN during these last days before the election.

Gordon says his candidate has been making inroads with a lot of groups: Muslim and Arab-Americans who are opposed to the war, in particular. He recently spoke at the American Muslim Alliance in Orlando, where he agreed with the group’s complaints about government-backed discrimination against those of the Islamic faith. He also won the endorsement of the Arab-American Republicans Against Bush, a group of a few thousand, who say the Bush administration has eroded their civil rights.

Asked if he considers his party a spoiler for Republicans, George Getz, press secretary for the national Libertarian Party, says, “Bush and Kerry don’t own anyone’s vote. The people own their votes.”

Rachel DiCarlo is an editorial assistant at The Weekly Standard.

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Appendix C.3 George Getz, Communication Director’s Report

http://www.rollcall.com/pub/50_52/players/7446-1.html

Libertarians Are Looking for a Few Disgusted GOPers

November 17, 2004
By Bree Hocking, Roll Call Staff

Heading into Election Day, the Libertarian Party had high hopes that its presidential nominee, Texas computer programmer Michael Badnarik, might prove the decisive factor in a handful of key battleground states.

“At one point we seemed to believe that was going to happen,” said Libertarian Party Executive Director Joe Seehusen.

Instead, President Bush defeated Sen. John Kerry (D-Mass.) by more than 3 million votes while Republicans expanded their majorities in the House and Senate. Nationwide, Badnarik netted less than 400,000 votes, despite making the ballot in 48 states and the District, and none of the party’s Congressional candidates came close to winning.

But rather than representing a stunning defeat, Libertarian officials say the Republican victory may prove a blessing in disguise for the nation’s most prominent third party. According to Seehusen, the GOP’s election trifecta represents an opening for his party to make inroads with fiscal conservatives, and social progressives opposed to the Patriot Act and GOP efforts to ban gay marriage.

“They have no one to restrain them,” he said of Republicans. “If you are a real fiscal conservative ... there is no way you can conclude that is happening under a Bush presidency and a Republican Congress.”

Enter the Libertarian Party.

“We are a party that represents much of what America thinks,” Seehusen asserted.

With that in mind, Seehusen says the party is set to launch “an aggressive growth plan,” which includes roughly $300,000 allocated for party building and outreach efforts. That’s a pittance to Democrats and Republicans, of course, but a respectable amount of money to a third party.

The initiative will focus on both forging and strengthening relationships with “a wide range of groups we think are aligned with our thinking,” Seehusen says. As an example, he cites the conservative Citizens for a Sound Economy, civil libertarian groups such as the American Civil Liberties Union and even Sierra Club “free market environmentalists.”

“I have no reason to think we can’t reach out to African American voters who have not fared particularly well under government programs,” adds Seehusen, pointing to the war on drugs and the Aid to Families with Dependent Children program as two federal efforts often described as failures that could attract black voters to the Libertarian Party.

Former Republican Rep. Bob Barr (Ga.), who voted for Badnarik and now considers himself an Independent due to his disagreements with the GOP over civil liberties, believes the political environment is ripe for the Libertarian Party to gain ground by providing a voice for those unhappy with the Bush administration’s record.
“I do see an opportunity given the overtly unconservative policy seen over the last four years by the administration... for the Libertarian Party to be much more of a voice for conservatives and to influence national policy in ways it hasn’t been able to in the past,” Barr says.

He adds that the party’s influence shouldn’t be limited to a mere ideological lobbying role but should extend to the ballot box.

Despite such optimism, the reality remains that aside from its 600 or so local office holders (about 350 are elected), the party has yet to deliver on the Congressional or presidential level.

And though Libertarian candidates may have siphoned off critical votes from the Democratic contender in the Washington gubernatorial contest — where Libertarian Ruth Bennett, a socially liberal lesbian who supports gay marriage, has netted more than 60,000 votes in a race so close that no winner has been declared — not one statewide elected official in the United States currently claims the LP as its own.

“The numbers say to me there were plenty of disgruntled Republicans who independent of being disgruntled still voted for George Bush,” says former Libertarian National Committee Executive Board member Don Ernsberger, deputy chief of staff to Rep. Dana Rohrabacher (R-Calif.).

“Most Americans think of [politics] like a football game. There are two teams. One’s going to win, and one’s going to lose,” Ernsberger says. Aside from those times when major “personalities” such as Ross Perot and Ralph Nader have launched presidential bids, “the interest in people voting for a third party is not there.”

Not since the Civil War era, when Abraham Lincoln ran on the then-upstart Republican Party ticket, has a third party catapulted to lasting national prominence.

“And that was only because the Whigs fell apart,” Ernsberger adds, noting that although he is no longer active in the party he still votes Libertarian as a matter of principle.

Ernsberger, who has run on the Libertarian ticket for House and Senate seats, says the “best-case scenario is that the party exerts influence in the GOP that would move the GOP to be more tolerant socially and more traditionally conservative fiscally.”

Republicans known for their small “l” libertarian tendencies also downplayed the potential for Libertarians to wield any kingmaker influence on the Congressional or presidential level.

“They have so far to go,” says Rep. Jeff Flake (R-Ariz.). But, he adds, “I'm glad they are there. Sometimes in [candidate] debates they can make me look downright moderate.”

Within Congressional circles, Ernsberger estimated there were roughly 35 House Republicans, including his boss Rohrabacher, Flake, and Rep. Ron Paul (R-Texas), the Libertarian Party’s 1988 presidential candidate, who not only “talk about free enterprise and lower government, but actually vote that way.”

But Badnarik, the defeated Libertarian presidential candidate whose official campaign biography boasts of his one-time status as a “big man on campus” during his college days at Indiana University, says he has no plans to work “with a corrupt Congress that is growing the size of the federal government.” Nor is he particularly disappointed with the results of the election given that he “doesn’t trust the accuracy of the result” from paperless electronic voting machines.

Nevertheless, Badnarik, who developed an eight-hour class on the Constitution that he travels around the country teaching, says he will run for president again in 2008 and is putting together an advisory committee to weigh his options for a bid for elective office in Texas next cycle.
Ultimately, Badnarik predicts, Libertarians will be elected to numerous federal offices because neither Republicans nor Democrats can be trusted to uphold the Constitution. “If I thought George Bush or John Kerry were willing to adhere to the Constitution, I would have stayed home and voted for one of them,” he says.
OPERATIONS REPORT 2005

Raiser’s Edge

Background

Since the implementation of Raiser’s Edge in September 2004 several issues have continued to deter the LNC from leveraging the benefits of the new system in a productive and on-going manner. These issues, coupled with expected post-go-live adaptation phase by both LNC Headquarters staff and State users, further complicated our efforts to declare the procurement of Raiser’s Edge a success.

Issues

Data Dumps to the States –
Most States were surprised when they received their first monthly data dump after the implementation of the new system. While the extracts contained most of the data elements provided by the previous system, the “look” and “feel” was significantly different. This is to be expected with most new system implementations as the main point in procuring a new system is improved data efficiency and to not replicate the old system.

But the failure to communicate with and prepare State database administrators for the change was a huge mistake. With all new systems, users naturally resist change, but the issue is compounded when they do not know the change is coming.

While we cannot replicate the data dumps from the old system exactly by the very nature of the fact that our data is now housed in a completely different manner and format, we can work and have worked to better the lines of communication between the LNC Headquarters staff and the States. This increased communication, in the form of weekly updates and periodic conference calls, has helped to calm the waters while allowing for the States to understand how and why their data extracts have changed.

We have stabilized the layouts and formats of the monthly data dumps. While changes to the extracts may be deemed necessary in the future, Headquarters has adopted a policy of complete and timely information sharing with the States so as to allow them ample time to prepare for the modifications.

Raiser’s Edge Data Conversion –
A major issue with our RE database stems from the manner and way the data conversion was conducted. While the old system, FoxPro, was comprised of 2 separate databases, one for Members and one for Prospects, RE is 1 single database. The correct way to convert data from 2 databases into
Appendix C.4 Operations Director’s Report

1 is to “de-dup” the data and to validate that entries are not made twice under 2 separate unique keys. Unfortunately this was not done during the conversion and instead both FoxPro databases were converted into RE thus resulting in a system with thousands of duplicate records.

While efforts are underway to “de-dup” and “clean up” the system, it is a tedious, time-consuming, and risky venture. Each possible duplicate must be reviewed one-by-one and the appropriate updates or deletions made.

RE:Anywhere Access –
To lessen the strain of the time and effort needed for the Headquarters’ staff to process data updates and extracts, the LNC has allowed States to access the Raiser’s Edge database via the Internet. We successfully completed a 3-week beta-test that included the participation of 15 state database administrators. Topics covered by the test included query creation, membership access, and data updates.

While we are still in the process of reviewing the post-beta-test survey results, the following conclusions can be made based on a preview of the results:

1. Most testers found that RE:Anywhere was “slow” in terms of processing speed even though most individuals were using a high-speed Internet connection. This probably has more to do with crossing the LNC Headquarters’ firewall than with the productivity of the RE:Anywhere software.
2. Most testers that completed the survey specified that they had a difficult time navigating and understand the system and that they felt they needed training above and beyond the beta-test user manuals prepared for them. While the manuals covered simple exercises and were constructed for the purpose of beta-testing only, some testers felt they were too difficult to follow. One tester also failed to use the manuals because he did not open the attachment to his beta-test introductory email. More than half of those surveyed requested face-to-face Raiser’s Edge training.
3. Several testers complained that they could not find the data values that they needed or that the same values were in several locations in the database.
4. One tester commented on duplicate values in the system.
5. Most testers were hesitant when asked if felt they could prepare their own monthly data extracts as opposed to relying on the data dumps prepared by Headquarters.

Other beta-test observations – During the beta-test period several instances of a failure to uphold data integrity were witnessed by Headquarters staff. For example, while “Member ID” (the key value for a membership) is an editable field and a security flaw prevents it from being made uneditable, it should never be changed. We witnessed instances where this value was changed by a beta-tester and thus lead to confusion for other data users on the State side, as well as Headquarters’ staff. The “Member ID” field is present on most mailings that we use here at the office and is a key element used by staff when updating information in the system based on returned mailings. It should never be changed.

Judging by the results of the survey and observations described above, as well as the apparent skill levels of the individual database administrators, I cannot foresee that State’s access to RE:Anywhere will be a viable solution to the issues at hand. For RE:Anywhere to be successfully implemented at a state level the following would be minimum requirements:

1. Extensive training and documentation preparation.
2. Purchase of more licenses.
3. Promise and assurance by the states to uphold data integrity
4. Ongoing and timely user support by trained Headquarters staff.
LP AFFILIATE SERVICES REPORT

TO: Libertarian National Committee, Inc.
February 26-27, 2005 • Portland, OR

FROM: Sam New, Affiliate Services Specialist

AFFILIATE SERVICES REPORT 2005

Material Sales

When I became a member of LPHQ staff in late June, material sales was one of the biggest problems that the national office faced, operationally. The quantity of orders far exceeded what HQ staff could be expected to ship in a reasonable timeframe. With the looming election and increased demand for campaign materials, the problem worsened. Moreover, our long-time shipping volunteer left DC to continue his retirement abroad. As the problem worsened, customers (including campaigns, affiliate organizations, and the general public) became angry at the poor quality of service. At this point, our material sales program was seemingly creating more problems than it was solving. The solution was to enlist the support of a third-party vendor.

ASAP Mailing is a mailing and fulfillment firm based in Alexandria, VA, that specializes in working with a variety of Washington, DC non-profit groups. Now that we have outsourced the Liberty Bookstore, customers can call ASAP directly at 1-888-LIB-1776, as well as order via mail, fax, or the web. The orders are fielded, entered, and processed at ASAP. ASAP then ships the orders within 24 hours of receipt. Customers have the option of requesting FedEx 2 Day Air, or FedEx overnight. Orders shipped to a P.O. Box must be sent via USPS.

Weekly, ASAP provides HQ with a spreadsheet of all orders placed, so that we may have this information for the purposes of Quickbooks entry and FEC reporting.

Thus far, the material sales outsourcing project has transitioned beautifully. Currently, customers receive their orders in a timely fashion. The orders are professionally packaged, and complete. Complaints from customers have been virtually eliminated, as customer service standards have improved ten-fold.

CPAC

This year, the Libertarian Party is participating in the Conservative Political Action Committee (CPAC) annual conference as a co-sponsor. The conference will be held February 17-19 at the Ronald Reagan Building in downtown Washington, DC. I am the project manager. The CPAC conference is one of the biggest outreach exhibitions of political action groups in the DC area, and we look forward to a substantial turnout. As a co-sponsor, the LP will receive not only exhibiting privileges, but also access to restricted areas and special events during the conference. Additionally, the LP website is linked on the CPAC website.

During the conference, the LP booth will be manned by HQ staff and by volunteers. Pamphlets such as “A New Vision for America,” as well as other miscellaneous literature will be distributed through the
booth. Moreover, each attendee at the conference will receive a bag of various pieces of literature from each co-sponsor, and this bag will include “A New Vision for America.” Visitors to the LP booth will be able to join the party, make contributions, sign up to volunteer, and request more information. We expected to collect many new members as well as inquirers.

State Relations

In an attempt to improve relations between the national LP and affiliate groups, we have begun a series of conference calls involving state chairs, executive directors, and LP staff. The first conference call was an update on Raiser’s Edge, and featured operations director Jennifer Villarreal. Participants were asked to email questions regarding Raiser’s Edge. The questions were answered on the call, and a follow-up Q&A session followed the call. All states were invited to participate in the call via state chairs’ discuss. Only eight states actually dialed into the call, but for those who participated, the experience was beneficial. Due to the success of the first conference call, HQ staff plans to continue this program.
There are two major changes being made in LP News operations this spring: I am taking over the graphic design role in addition to my pre-existing duties as editor, primary writer and salesman; and the newspaper is now supposed to be self-funding, through advertising revenues rather than having income and expenses continue as essentially unrelated items.

First, the design stage: In recent months I have taken two classes in Adobe InDesign, the program we’ve used since March 2004 to lay out the paper, and have also been watching Steve Rosa (our design contractor) lay out the pages, learning by his example.

The classes were highly beneficial for my technical understanding, but short on the hands-on training necessary to adequately do the job. That’s where the on-site tutorial from Rosa proved invaluable. And as proof that the transition has been successful, I can only ask you to look at the March 2005 issue of LP News, which will be the first I’ve completed on my own. Rosa sat by and coached me through the process, which I expect (as I write this in mid-layout session) to go with few hitches.

Rosa’s assistance with the paper over the last year has been essential; now that I can phase into doing the job myself, I’ll be able to save the party approximately $1,200-$1,400 per month on design fees.

Which brings me to the second major change: The LNC voted in November to make the LP News self-supporting (or as close to that goal as possible) over the current year. That was a major goal, as production costs (design, printing and postage) in 2004 (and prior years) were consistently higher than revenues from advertising.

Upon the direction of Mark Nelson, I have begun “charging” the other departments of the LP for ads they run in LP News, including ads for membership, for the material sales, for the pledge program, and for planned giving. These ads constitute a significant portion of the advertising in LP News, and the various departments now “contract” with LP News to run their ads.

I’ve also begun more aggressively (and inventively) to sell ads to outside organizations, as well as reaching out to prior advertisers, in some cases offering them incentives to bring them back.

While researching ways to cut costs of LP News, I discovered that to print a 24- or 28-page paper costs almost double what a 20-page paper costs; therefore, I’ve cut the paper to 20 pages each month, thus cutting the cost from approximately $2,800 per month down to approximately $1,550 -- depending on the current expense for paper itself. Of course, this change was made simultaneously with striving to increase ad revenue, and the paper will over time become slightly more ad-heavy as a result.
However, the market average hovers around 50 percent ad content, even 60 percent or higher in some markets, compared to the 33 percent (or lower) ad content LP News has enjoyed for years. By way of comparison, the January 2005 issue of LP News was almost exactly 40 percent advertising. Ad revenue for that issue (counting both internal and external ads) was $5,588, with well over half ($3,455.50) coming from external sources. Expenses for that issue amounted to $6,508.78 -- $920 more than revenues. And considering that design work cost $1,287.50, had I designed that issue, I would have more than broken even for the month.

February was a different story: The loss of just a couple of larger ads cut my ad content down to 25 percent of the paper, and it lowered the total revenues to $3,787.75, $2,708.55 below the expenses -- which totaled $6,496.30. Even without the cost of design work, the February 2005 issue would still have brought in $1,408.55 less than it cost to print and mail the issue.

I’ll continue learning the marketing and sales side of the job throughout the year, and hope to keep ad content at about 40 percent of the paper as a whole.

I was told when the LNC approved the budget -- requiring LP News to pay for itself via ad revenues -- that I was not expected to succeed, merely to get as close to a balanced book as possible. However, I enter no enterprise -- especially one with an understood directive from my bosses -- with the intent of failing.

It remains to be seen how the year will go, but I’m on target for getting close to making the party newspaper pay for itself.

Design work will soon (or has already) been taken entirely in-house, eliminating that cost from April 2005 on; the cost of printing has been cut to the minimum amount possible without requiring the use of a mimeograph machine; only postage can’t be cut. It remains near $3,600 or $3,700 no matter how much the paper’s size is cut. Of course, that’s a charge of only about 16 cents to mail each copy of LP News -- which seems almost a bargain compared to the 37 cents charged for a first class letter. If you want that cost cut any further, talk to the USPS.
February 5, 2005

Michael Dixon
National Chairman
Libertarian Party

Dear Michael:

I want to congratulate you for what I see as a growing presence of the Libertarian Party at political and educational events in the Washington DC area over the last several months.

As a former member of the LP National Committee and an activist in the party from 1972 through 1996, and currently Deputy Chief of Staff with Congressman Dana Rohrabacher (2000-2005), I have attended many free market and personal liberty events over the past several years that had zero Libertarian Party presence.

Lately, I have seen your National Director and your Communication Director attending a number of functions and promoting the Libertarian Party to those in attendance. This is indeed a welcome sign.

Sincerely,

Don Ernsberger
Deputy Chief of Staff
Rep. Dana Rohrabacher (46-Ca)
LIBERTARIAN PARTY ANNOUNCEMENTS - CPAC

This year, the Libertarian Party is -- for the first time -- taking part in the Conservative Political Action Committee (CPAC) annual conference as a co-sponsor. The conference will be held February 17-19 at the Ronald Reagan Building in downtown Washington, DC.

A disparate group of organizations will sponsor the event, including the Objectivist Center, Americans for Tax Reform, the National Rifle Association, Regent University, National Taxpayers Union, the ACLU, Heritage Foundation, Bureaucrash, Log Cabin Republicans, Drug Policy Alliance, the College Republican National Committee and a host of others.

“A prime example of the disparity of opinions in CPAC sponsors is seen in the fact that at this conference, there will be a discussion about the War on Drugs, and whether it should continue with wholehearted conservative support,” said Libertarian Party National Director Joe Seehusen.

“In the past, both sides of the debate would have been in support of the Drug War. The inclusion of this discussion shows that many conservatives are at least willing to consider a change.”

As a cosponsor of the CPAC conference, the Libertarian Party will have access to restricted areas and special events, will host a booth manned by party headquarters’ staff and volunteers, and will distribute literature to every conference attendee -- and the Libertarian Party’s Web site, www.LP.org, will be linked on the CPAC Web site for a year.

“The CPAC conference is one of the biggest outreach exhibitions of political action groups in the DC area, and we look forward to between 4,000 and 5,000 people attending,” said Samuel New, who is organizing the party’s activities at the conference.

“Visitors to the LP booth will be able to join the party, make contributions, sign up to volunteer and get more information about the party. We expect to receive a number of inquiries from people who otherwise might not have encountered Libertarians, and to showcase Libertarian ideas.”

“While we aren’t aligned with the political views of these other groups on all subjects, the other groups that are involved don’t necessarily line up, either,” Seehusen said. “By taking part in this CPAC conference, we hope to show that Libertarians are the true fiscal conservatives -- much more so than the Republicans are.”

Along with the other activities Libertarians will pursue while at the conference, there is also a chance that a Libertarian Party representative will take part in a debate regarding the Cuban trade embargo, but details haven’t been set, New said.
LIBERTARIAN PARTY ANNOUNCEMENTS – DEATH TAX WORKING GROUP

Libertarian Party Executive Director Joe Seehusen was recently invited to join the American Family Business Institute's Death Tax Repeal Working Group, whose goal is to help all those advocating the end of the death tax become more informed and productive in their efforts.

"Death taxes -- including estate taxes and gift taxes -- are an immoral assault on our American way of life," Seehusen said. "Hardworking Americans work their whole lives to be able to leave behind a legacy to their children and their loved ones. And then, at their most vulnerable point, the Washington fat cats snatch it away from them and flush it down the drain.

"I'm looking forward to working with this group, to explore ways the Libertarian Party can contribute to the effort to end the death tax. Many Americans spend their lifetimes paying taxes and still manage to save money to provide for their children and grandchildren after their deaths. But when they die, 40-50 percent of their savings are confiscated by the federal government."

"We believe there should be no taxation without respiration," says Dick Patten, executive director of the American Family Business Institute, explaining that the organization "exists for one reason: to kill the death tax.

"It's interesting to us to have the Libertarian Party involved because our constituency is all owners of family businesses and family farms," he said. "The death tax is the great barrier for a family farm or other family business to transcend to the next generation. And I know that lowering taxes is certainly a part of what the Libertarian Party is interested in. It seems like a good match."

The American Family Business Institute is pushing a bill it hopes to have approved by the current Congress -- H.R. 64, which was introduced in the House of Representatives by Rep. Christopher Cox, R-Cal.

If approved, the bill would repeal the death tax -- including estate and gift taxes -- retroactively effective Dec. 31, 2004.

"These transfer, estate and gift taxes punish lifelong habits of thrift; they discourage entrepreneurship; they penalize families; and they have a negative effect on other tax revenue sources," the bill says in part.

Repealing the death tax would eliminate "less than 1 percent of the federal budget," Patten said. "It's not that much of the federal government's budget, in the big picture.

"But more than that, it's just plain wrong for the government to have the gall to say, 'OK, you've died, so we'll just take half your life savings.' It's completely immoral."

This issue is a battleground between "two completely different worldviews," he added. "There's the left wing, whose political belief is that wealth should be redistributed by the government. For them, this is a perfect model for how the rest of the world should operate: Take money from those who save, and redistribute it.

"And then there are those of us on the other side, including the Libertarian Party, who believe that we have constitutional rights to protect property rights, and that property rights are an extension of our right to life. When I die, it should be my right to bequeath my money to whoever I want -- and the government shouldn't be able to take 50 percent of it to spend as they please."
CAMPUS ORGANIZING REPORT

Submitted to: Libertarian National Committee, Feb. 11, 2005

Submitted by: James W. Lark, III
Representative, Region 5E
Libertarian National Committee

The following report will provide information concerning efforts to build and support Libertarian campus organizations. I shall provide an updated report at the LNC meeting should additional information become available.

1) I am negotiating with a web hosting firm for the purpose of building and maintaining a campus organizing website that is separate from the LP website. The current costs under discussion are very reasonable, given the quality of the firm.

2) The campus organizing manual is still undergoing revision. I had hoped to complete this task by now, but I have not had the time.

3) I am investigating opportunities for LP representatives to appear at conferences, workshops, and other events that involve young people (especially political activists). I am still searching for volunteers to build and maintain a calendar of events for such activities. I contacted a student who would have been excellent for the position. However, he declined my invitation to lead this project, indicating that he doubted he would have the time needed to do justice to the project.

4) As in the case of finding someone to organize and maintain a calendar of outreach opportunities, I have found it difficult to find people who can commit substantial amounts of time on a volunteer basis to the task of responding to inquiries and contacting campus representatives on a regular basis. Hence, the best way to handle these tasks at the acceptable level of performance may be to purchase release time for members of the LPHQ staff who are willing to perform the tasks.

Trevor Southerland (chairman of the National Libertarian Party Youth Caucus) and I continue to consider various ideas concerning campus organizing activities and fundraising opportunities. Some additional items of interest:

* The LP will cosponsor the Conservative Political Action Conference in Washington, D.C. on Feb. 17-19. We shall sponsor an information booth at the event. (This effort was organized by the LPHQ staff.)

* Mr. Southerland and I organized a campus organizing workshop at the state chairs’ conference on Jan. 22. Jeremy Keil was a speaker at the event. I believe the event went well. In addition, I gave a brief talk on the subject of campus organizing during the main session of the conference.

* I anticipate meeting with campus activists in Oregon during my visit to the state on Feb. 25 – March 6.
Mr. Southerland will conduct a campus organizing workshop during the 2005 LP Indiana convention in late April. I consider it likely that I shall participate with Mr. Southerland in a campus workshop at the LP Tennessee convention on April 8-10, and that I shall conduct a campus workshop during the LP Pennsylvania convention on April 30.

- I have not received additional feedback concerning a special membership rate for students. Should the LNC decide to increase membership dues at the basic level, it may be appropriate to allow students to purchase a basic membership for $25.