



LNC Meeting Minutes, May 14-15, 2005, Dallas, TX

To: Libertarian National Committee  
From: Bob Sullentrup  
CC: Joe Seehusen, Sam New  
Date: 5/15/2005

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Version last updated June 22, 2005. Version has undergone the 45-day review period. Version may become official on July 27. Updated for Region 2 alternates on July 9.

#### Attendance

Attending the May 14-15, 2005 LNC meeting in Dallas, TX were:

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

At-Large Representatives: BetteRose Ryan, Rick McGinnis, Michael Colley, Mark Rutherford

Regional Representatives: Jim Lark, George Squyres, Dena Bruedigam, Ed Hoch, Jeremy Keil Aaron Starr, Michael Gilson deLemos (aka MG),

Regional Alternates: Chris Farris, Michael, Scott Lieberman, Tony Ryan, Emily Salvette, Tim Hagan, Chuck Moulton

Executive Director Joe Seehusen

At-Large representative Bill Redpath and regional representatives Dan Karlan and M Carling were not in attendance.

Also attending were Sean Haugh, Jessica Neno-Wilson, Robert Kraus, Shane Cory, 2004 I presidential nominee Michael Badnarik, Wes Benedict Austin, Arthur Dibianca Austin, Matthew Moseley (Dallas), Raymond Bryant (Dallas), and TX chair and newly elected Libertarian Pat Dixon, Michelle Shinghal and Justin Gray.

The meeting commenced at 8:42.

## Moment of Reflection

When Chair Michael Dixon called for a moment of reflection, a practice at LNC meetings, Jim Lark requested to read a missive prepared by Dan Karlan:

*Certainly the best way, and perhaps the only way, to lead is by example.*

*Former Presidents Bush and Clinton, once fierce adversaries, treat each other with more respect, courtesy, and decency than some of us treat each other. That saddens, embarrasses, pains – and frightens – me.*

*In February, at the Portland LNC meeting, I was asked by the Chair to prepare a policy on harassment and offensive behavior. With Michael Colley's help, I prepared that policy. But if we NEED a policy to advise Libertarians to treat each other with respect, can we really expect non-libertarians to treat each other – and us – decently? If we can't lead by a proper example, how can we ever expect to bring society around? "Do as we say, not as we do" is a recipe for failure.*

*Certainly the best way, and perhaps the only way, to lead is by example.*

*At the Anaheim Convention, in 2000, I adopted and reiterated Don Gorman's mantra "The enemy is not in this room." Clearly Don intended to impress upon us the guidance that it is oppressive and intrusive government that robs us of our property and liberty, and also stands in the way of the I gaining a foothold in the political process, and retaining that focus is critical. But more recently it was pointed out to me, and I realized with a chill up my spine, that an alternative view is also correct: that the enemy IS in this room. We are, in a critical sense, our own worst enemies. The recent eruption of hostilities, online and in the office, within the LNC, between LNC members and state affiliate officers, and among the various state affiliate members, sealed it for me. We are not the examples we must be.*

*Certainly the best way, and perhaps the only way, to lead is by example.*

*The level – and even existence – of mean spiritedness, sniping, and offensive and otherwise disrespectful language, and especially the presumption of malice, are inappropriate within the I and anathema to a party that bases its philosophy on the dignity and worth of the individual. If we are to have any chance, we must become the exemplars of our own philosophy and principles. Nothing short of that will succeed.*

*I ask all of us to lead by example, not by counter-example.*

*Dan Karlan, March 22, 2005*

## Public Comment

Libertarian Party 2004 presidential candidate Michael Badnarik welcomed the LNC to Texas, extending the hospitality of the Lone Star State, inviting the group to enjoy themselves while here and saluting the LNC for its dedication to Liberty.

## Credentials Report

Although not called on to do so in open session, Secretary Bob Sullentrup confirmed the attendance of the members and alternates listed above as the meeting progressed.

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

<b>Region</b>	<b>Affiliates</b>	<b>Representative</b>	<b>Alternate</b>
Region 1, East	Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, New York, Connecticut, New Jersey	Dan Karlan, New Jersey	Mark Cenci, Maine
Region 1, West	Alaska, Washington, Montana, Wyoming, Idaho, Colorado	Ed Hoch, Alaska	1 <sup>st</sup> : Joseph Thompson Colorado 2 <sup>nd</sup> : Mike Fellows Montana
Region 2	California, Oregon, Hawaii	Aaron Starr, California M Carling, California	1 <sup>st</sup> : <b>Mark Hinkle (*)</b> California 2 <sup>nd</sup> : Scott Lieberman California (***)
Region 3	Indiana, Michigan, Ohio, Kentucky	Dena Bruedigam, Ohio	Emily Salvette Michigan
Region 4	Georgia, Florida, Alabama, Mississippi, Tennessee, North Carolina, South Carolina	Michael Gilson deLemos, Florida	<b>Chris Farris, Georgia (**)</b>
Region 5 West	Wisconsin, Illinois, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas	Jeremy Keil, Wisconsin	Tony Ryan, South Dakota
Region 5 East	Virginia, Maryland, Delaware, West Virginia, District of Columbia, Pennsylvania	Jim Lark, Virginia	Chuck Moulton Pennsylvania
Region 6	Nevada, Texas, New Mexico, Arizona, Utah, Oklahoma	George Squyres, Arizona	Tim Hagan, Nevada

(\*) **Mark Whitney is replacing Mark Hinkle, it was announced at the meeting's end.**

(\*\*) **Subsequent to the meeting Chris Farris resigned in June, 2005. Trevor Southerland is his replacement.**

(\*\*\*) **It was learned in early July that Scott Lieberman has become Region 2's first alternate and Richard Burke of Oregon has become second alternate.**

#### Paperwork Check

Chair Michael Dixon called for those who had distributed items at the meeting. MG noted he had distributed:

- A program status Report
- A report on classes of membership
- A ballot access audit report
- Richard Campagna's VP campaign report
- A report on critical activities.

## Report of Potential Conflicts of Interest

No conflicts of interest were reported since the last meeting in Portland, OR.

## Approval of the Agenda

George Squyres' item to consider an alternative to dues was moved to 'action items previously submitted.', and UMP proposals would follow that.

Hiring a political director was allocated 15 minutes after 'Policy Manual Redesign'.

The agenda was accepted as amended.

## Officer Reports

### Chair's Report

Chair Michael Dixon began his report noting this has been a "terribly interesting 3 months". He brought with him three confidential documents to distribute to the LNC including the results of employee surveys, the Executive Director's contract and a survey on Executive Director's performance. While none of these items would breach attorney-client privilege, they are nevertheless confidential.

Over the last three months, someone breached the confidentiality on a related matter, putting the LNC at risk. Michael noted this was "enormously distressing" to him.

Michael read an e-mail from Nathan Allen, Michigan's new chair and relatively new to the Party. He noted the Party spent more time arguing about the dues increase than it did in productive conversations about electing Libertarians to office. He noted we had raised and spent \$1M in the prior presidential election with little to show for it.

Perhaps we would have been better off to have put that \$1M into a single state and win it.

Michael declared the e-mail as 'spot-on' and encouraged the board to become better at 'accomplishing things'. He and others noted the tremendous improvement in the website as such an accomplishment. Michael Badnarik's work has been exemplary as well. Joe Seehusen has been doing a great job in outreach, and Jim Lark's campus organizing has been bringing in new blood.

Meanwhile, many of are spending too much time at tables and on our internal lists instead of our neighbors, media, and interacting with the world.

At the end of the day Saturday, the Chair also mentioned Lorenzo Gaztañaga was to be attending the New Jersey 'crisis meeting' as representing the LNC.

A Policy Manual addition on sexual harassment was tabled until Sunday and allocated 15 minutes.

The Chair wished to include in these minutes his thanks to M Carling for having made the arrangements for the meeting at the Intercontinental.

## Vice Chair's report

Vice Chair Lee Wrights noted he had attended the National Election Reform conference in Nashville where he was treated with love and respect for being a Libertarian. He was a hero even to this 'roomful of socialists', and underscores a theme echoed by the Chair and Executive Director to get out and meet others.

A similar meeting of the National Election Reform will be held in July in Philadelphia. Lee recommends locals attend.

## Treasurer's Report

Mark Nelson's treasurer's report is attached as Appendix A.

Mark noted cleanup of data inside of Raiser's Edge is ongoing to facilitate QuickBooks integration to standardize internal coding. Another item has to do with outreach, and is being corrected.

Mark noted he has some concerns regarding the finances for the 2006 convention and is having discussions with Joe Seehusen.

By the end of the year, Mark anticipates we be in position to make a dent into our reserve requirement which is woefully out of compliance. Mark suggests we continue to monitor.

Membership continues to rise toward our budgeted average of 24,000.

Mark recommends we establish an 'honorary life member' donor category whose UMP sharing terminates after 10 years of lapsed donations.

*LP News* is running at about a breakeven. With the value of our own ads thrown in, worth \$2300, we are more than breaking even. YTD the account stands about \$1k behind budget.

Mark also prepared an analysis of the dues increase, attached as Appendix B.

Mark then distributed certain documents, and LNC entered executive session.

Coming out of executive session, Mark Nelson moved to have the LNC approve his doing the research necessary, working with the Executive Director, legal counsel, and the National Chair, to review the options available in developing a non-profit entity to publish the *LP News*, or some similar structure, with a proposal to be presented at the August LNC Meeting.

The motion carried.

## Raymond Bryant, National Youth Contact Initiative

2004 LP Presidential Candidate Michael Badnarik noted he received standing ovations on college campuses during the campaign when he promoted the cause of Liberty. At Loyola in New Orleans, he converted six potential hecklers into supporters after a few minutes discussing Liberty.

He introduced Raymond Bryant, formerly a Republican youth organizer and fundraiser for Democrats who is very interested in promoting Liberty in much the manner the Chair and later Executive Director espoused.

Raymond noted that aside from gains made by Jim Lark and others, the LP has largely failed to tap into the reservoir of youth with its passive approach. Raymond recommended we get more active in the arena and has a vision of hiring a five-member team for \$250k to stage 'three day extravaganzas' on campuses, one per week that includes debate challenges, speakers and training.

Raymond outlined a plan and exchanged contact information with LNC members.

See [libertymove.org](http://libertymove.org) (Liberty Movement)

## Secretary's Report

Bob Sullentrup proposed a change to the Policy Manual to promote draft meeting minutes to official between meetings as follows. Item B would be inserted after Article III, Section 2.A as follows:

### *B. Promotion of minutes from draft to official between meetings*

*Meeting minutes may be promoted from draft status to official during the time between LNC meetings as follows:*

*Whenever successive LNC meetings, excluding conference calls, are scheduled more than 70 days apart, attendees may submit corrections, clarifications and changes to the draft minutes for the Secretary's consideration within 45 days of the meeting. The Secretary shall distribute an updated version of the draft minutes not later than 14 days prior to the subsequent meeting which reflects the content the Secretary deems appropriate.*

*The updated version shall be deemed official if no LNC member challenges the content to the Secretary before 10 days in advance of the next meeting. These provisions are void if the Secretary fails to distribute the draft minutes within 30 days after the initial meeting, or fails to distribute an updated version as described above.*

The motion carried 8-7.

A question emerged after the vote regarding whether this required a 2/3rds majority. It did not and the motion stands.

Bob Sullentrup reported he distributed the delegate allocations for the 2006 convention based on presidential vote totals to the affiliates before the April 30 deadline. States have until May 31 to challenge the numbers. Bob will then distribute a final allocation based on the presidential vote by July 31.

This allocation is based on final election results published on the FEC website, aside from a single vote the Secretary has accepted from Oklahoma. The OK Chair confirmed to the Secretary he had written in the name of "Michael Badnarik" in a state in which the Libertarian Party did not gain ballot access in 2004. This 'fraction thereof' effectively awards one convention delegate to Oklahoma.

Another component of delegate allocation is based on membership, which will require membership numbers of November 30 or December 31 depending upon whether the 2006 convention starts June 30 or July 1.

## Staff Reports

### Executive Director's report

The Executive Director's and HQ report is attached as Appendix C.

A key point of Joe's comments centered around his 'epiphany' when out to lunch with a newspaper man in DC. Joe was unloading his Libertarian gospel on his lunch partner when he interrupted him to say "go talk up that fireplace", pointing to a cozy fire in the corner, "because that's as much good as it will do. Everyone has an agenda, everyone has an opinion. In DC what matters is the outcome of the daily struggle between the pro-freedom forces and the statist."

With that Joe realized a truism of Woody Allen – just show up in the world of politics.

*Joe's strategy is to find core Libertarian issues, like taxation, that are popular with the general populace, that are in play with a strong likelihood of passage, and join the parade while waving our Libertarian flag. "Truth is, we are the 98-pound weakling in this bout, but that's how we can participate for the time being."* Joe believes there are millions of Americans, many republicans disaffected by George Bush, some enlightened Democrats and others casting about for a political home.

This is the group we could capture, and it starts with just showing up in the political arena.

Joe introduced Robert Kraus who discussed negotiations with Blackbaud to reduce costs and issue credits among other things. Robert's full report is attached.

Chris Farris fielded questions regarding Raiser's Edge.

Jessica Neno-Wilson discussed Development and customer service improvements, as well as producing and procuring a one-year supply of revamped renewal letters George Getz produced before his departure.

Shane Cory demoed the new website launched April 23. He noted the daily poll has been an immediate hit getting 100-200 votes per question.

The blog feature is also very popular and has 'incredible potential' according to Shane. Our Alexa ratings, a Nielsen rating for the web, stands at 23770, up 10000 positions from the launch. This translates into 75 visitors per one million web browsers. We "beat the pants off of the Republicans with these numbers" and we are approaching CATO. The DNC stands at 18000.

Full reports can be found in Appendix C.

#### Consent Agenda

The minutes from February 2005 in Portland as well as the Convention 2002 minutes, finalized by Dan Karlan, were approved. Aaron Starr noted the subject line of the February 2005 minutes contained a mistake, 2004 not 2005. However, the text has the correct date. Since the title reflects Portland, OR, these minutes will not be corrected for this minor change and redistributed.

#### Action Items Previously Submitted in Writing

#### Executive Director

Aaron Starr moved the group enter executive session to review the performance of the Executive Director. The motion failed.

The group in open session asked Joe Seehusen a series of questions, which were interspersed with comments, clarifications and other remarks by LNC members.

During the hour devoted to this matter, several members broached 'for completeness' several of the 'charges' several departed employees have leveled against Joe.

Emily Salvette asked Joe if he had ever threatened to cancel health insurance of an employee. It turns out that was an apparent misunderstanding of an employee for several hours, but was rectified in short order.

Jim Lark noted that during the Portland meeting, Mr. Seehusen discussed the resignation of Jennifer Villarreal, and that he emphasized a particular reason for her departure (the rude treatment she had received in dealing with some state party officials). Dr. Lark also noted that on March 8, Jennifer Villarreal sent an e-mail to LNC members that provided reasons for her departure, that she said a major reason for her departure was the conduct of Mr. Seehusen, and that her account and Mr. Seehusen's account seemed at odds. Dr. Lark asked Mr. Seehusen for his comments. Mr. Seehusen said there were many reasons for her resignation, including that she was worried about the financial position of the LP.

Did Joe endeavor to 'push someone out?' Again, this was apparently not the case and many countered with additional clarifications and comments.

Michael Colley noted in such employee and other matters, the 'apallee' has all the cards. Making claims, substantiated or not, puts the recipient on the defensive. It's not right or fair, but it happens and adds emotional fuel to overstate the situation.

In that vein, George Squyres noted that he has managed up to 15 employees and only when an employee leaves for a better job does he leave contented. Otherwise, the outcome is usually unpleasant.

Scott Lieberman pointed to the Policy Manual, page 19, sections 6, 7 and 8 dealing with the employee performance, appraisal and personnel policies. He asked if Joe had been performing his job according to these sections. Michael Dixon stepped in to note that while the LNC had tasked Joe to manage these matters, he was perfectly within his performance expectation to delegate this as he sees fit.

Countering the questioning, Bob Sullentrop saluted Joe for having accepted the job when the Party was in 'dire straits' and for gaining traction in fundraising and outreach. This comes despite having too few resources at his disposal and being beleaguered with aggravation that did not appear to have been his fault. "Nothing I'm hearing here is sticking", Bob declared.

Joe fielded a question from BetteRose Ryan regarding Dollie Parker's health insurance. An e-mail from Geoff Neale had addressed that situation prior to the meeting. Dollie's employment contract specified the terms of health insurance, and that's why she lost it. Joe said that he made no promises to the contrary of her contract.

Several other questions were of a decidedly positive tone, leading with Jeremy Keil asking what might the LNC do to help its Executive Director. "Get engaged in the world of politics", was the answer.

George Squyres noted much of the questioning had been of the 'pointing a finger' variety and backward looking. "What do you want to accomplish in two years?", George asked. Here Joe noted "a gaping hole in the marketplace with millions of Republicans, small 'L' libertarians and perceptive Democrats who don't know where to turn." He wanted us to have an impact on legislation in two years and to delve into politics.

Aaron Starr pressed for metrics. Joe views his primary responsibility is to 'meet the budget'. There is \$300k in outreach in that budget. Meanwhile, Joe intends to find the appropriate political parades – those with core Libertarian issues, widely popular and likely to succeed – and run along and let people take notice.

A motion to extend the time devoted to this failed.



Michael Dixon moved to retain and extend the employment contract for Joe Seehusen as Executive Director along the general terms currently in place, with no more than a 90-day mutual severance clause.

Aaron Starr moved for a written ballot on the matter. The motion failed.

Aaron Starr then moved for additional time to debate the motion which had just been introduced by the chair. This motion also failed.

Scott Lieberman called for a roll call vote and with two others joining in, prevailed.

Voting in favor of the motion to retain and extend the employment contract of Joe Seehusen as Executive Director:

Lee Wrights, Mark Nelson, Bob Sullentrup, BetteRose Ryan, Rick McGinnis, Michael Colley, Mark Rutherford, Jim Lark, George Squyres, Ed Hoch, Jeremy Keil

Voting against the motion to retain and extend the employment contract of Joe Seehusen as Executive Director:

Michael Gilson deLemos, Scott Lieberman, Aaron Starr. Aaron Starr passed but then voted no.

Voting to abstain: Dena Bruedigam

Motion carried with 11 yes, 3 no, 1 abstention.

Membership Dues Increase (Decrease)

The LNC fielded three proposals concerning its action in Portland to raise dues to \$50 in the second and subsequent years of membership.

The chair ruled that Jim Lark's proposal to make dues \$35 for both initial and renewal memberships was an override to Portland's previously adopted action and would require a 2/3rds majority for passage.

Proposals from George Squyres and MG, since they were new proposals, were to require simple majorities for passage.

Jim Lark moved to establish dues at \$35 for both initial and renewal memberships, affecting page 10 of the Policy Manual. This motion died for a lack of a second.

George Squyres' proposal outlining the components of an alternate dues structure is included as Appendix D.

George moved to adopt this dues structure. He noted it calls for no dues or UMP payments, items that have consumed untold quantities of time and energy by this board. It would require we move members to contributors and would put an onus on the states to make that happen.

Mark Nelson moved the LNC adopt the proposal as George Squyres outlined, and to bring the appropriate Policy Manual changes with implementation plan at the August meeting. He offered this as a substitute motion.

In the discussion of the Squyres motion and Nelson substitute motion, Dr. Lark raised the point that the proposal includes an action (granting national membership to members of state parties) that the LNC cannot take, as this action would likely be in conflict with the national bylaws. He also noted that

membership in the LP is already free, since membership is defined in the bylaws with reference to signing the certification (sometimes known as "the pledge").

A motion to change the verb 'adopt' to 'endorse' in Mark Nelson's substitute motion passed.

Aaron Starr moved to postpone the entire matter until August allowing sufficient time to, essentially, "fuzz up the peaches in the Policy Manual real good", thereby allaying the concerns of the NC contingent in particular, as well as others. 'Fuzzed up peaches' has become the LNC's catch phrase for proposals that have been sufficiently well thought through.

The motion to postpone, requiring 2/3rds for passage, failed 10-6.

Next, a vote to substitute Mark Nelson's motion for George Squyres' passed. At this point the main motion was George's original reflected in Appendix D with Mark Nelson's addendum to flesh out the corresponding Policy Manual changes by August.

At this point, the Chair noted that regardless of the outcome of the vote on the main motion, he could simply direct a committee to be formed to draft the appropriate Policy Manual changes and to provide an implementation plan to be brought to the August meeting for consideration. The committee would consist of MG, Mark Nelson and George Squyres.

This vote failed upon a 7-7 tie with one abstention. The chair declined to break the tie citing his policy to not cast deciding votes on controversial issues.

Voting in favor of the Squyres-Nelson alternative dues structure:

Mark Nelson, Bob Sullentrup, BetteRose Ryan, Mark Rutherford, George Squyres, Ed Hoch, Michael Gilson deLemos.

Voting against the Squyres-Nelson alternative dues structure:

Lee Wrights, Rick McGinnis, Michael Colley, Jim Lark, Dena Bruedigam, Aaron Starr, Scott Lieberman.

Jeremy Keil abstained.

Michael Dixon directed a committee be formed as described above.

## UMP Change

Aaron Starr brought a proposal to increase UMP II payments. The proposal affected Article II, Membership, Section 8, and Alternative Unified Membership, Item A.

The text would read as follows:

- A. *Affiliate parties which join the Alternative Unified Membership Plan shall receive monthly payments of*
- *\$0.50 per member or contributor having national dues-paying status, including life members, in the first twelve months following their membership or contribution, and*
  - *The following per member or contributor having nation dues-paying status, including life members, after the first twelve months of their membership contribution:*

- o January thru March 2006 \$1.50
- o April thru June 2006 \$1.75
- o July thru September 2006 \$2.00
- o October thru December 2006 \$2.25
- o January 2007 and thereafter \$2.50

At least two voted against the proposal expecting a more comprehensive proposal would emerge in August:

- BetteRose Ryan explicitly requested her sentiment be included in the minutes that she would vote to change UMP if the dues remained at \$50, but prefers to wait until August for the 'fix'.
- George Squyres provided the following text to be included in the minutes reflecting his view:

*I am voting against the motion because it does not solve the fundamental problems we have recognized with the UMP program. Picking up the amount of the welfare check only puts another band-aid on the problem and doesn't solve it.*

Those voting for the motion included:

Lee Wrights, Dena Bruedigam, Aaron Starr, Michael Gilson deLemos, Scott Lieberman.

Those voting against the motion included:

Mark Nelson, BetteRose Ryan, Rick McGinnis, Michael Colley, Mark Rutherford, George Squyres, Ed Hoch, Jeremy Keil

Abstaining were Jim Lark and Bob Sullentrup

The motion failed 5-8 with two abstentions

#### ByLaws Committee

A large number of nominees, 22, vied for the ten positions on the Bylaws Committee. Not more than five of these could be LNC members. LNC members had ten tallies they could cast in favor of a given candidate (+1) or against (-1).

These nine were elected outright:

Geoff Neale	14 = 14 – 0
Bill Hall	13 = 13 – 0
Dan Karlan	10 = 10 – 0
Chris Farris	10 = 10 – 0
Sean Haugh	8 = 9 – 1
Rick McGinnis	8 = 8 – 0
Deryl Martin	8 = 8 – 0
Richard Moroney	7 = 7 – 0
Tim Hagan	5 = 5 – 0

In a tie for tenth, a voice vote awarded Carl Milsted the seat with Fred Collins first alternate.

Carl J. Milsted, Jr. Ph.D.	3 = 3 – 0
Fred Collins	3 = 5 – 2

Others nominees included:

Donny Ferguson	2 = 2 – 0
Christie Ann Welty	2 = 2 – 0
Tony Wall	2 = 2 – 0
Phillip Schmitt	2 = 2 – 0
Mark Hinkle	1 = 2 – 1
Nicholas J. Sarwark	1 = 2 – 1
Bill Redpath	0 = 6 – 6
Derrick Gilliland	0 = 0 – 0
M Carling	-8 = 2 – 10
Marianne Volpe	-9 = 1 – 10
Dana Johansen	-11 = 1 – 12

Geoff Neale, having received the greatest number of votes, was named interim chair.

For the benefit of our webmaster who will create distribution lists, contact information is included below:

Geoff Neale	<a href="mailto:liber8or@austin.rr.com">liber8or@austin.rr.com</a>
Bill Hall	<a href="mailto:hallww@wnj.com">hallww@wnj.com</a>
Dan Karlan	<a href="mailto:dankarlan@earthlink.net">dankarlan@earthlink.net</a>
Chris Farris	<a href="mailto:chrisf@lpgeorgia.com">chrisf@lpgeorgia.com</a>
Sean Haugh	<a href="mailto:seanhaugh@mindspring.com">seanhaugh@mindspring.com</a>
Rick McGinnis	<a href="mailto:Rick@TheBumperSticker.com">Rick@TheBumperSticker.com</a>
Deryl Martin	<a href="mailto:dmartin301@comcast.net">dmartin301@comcast.net</a>
Richard Moroney	<a href="mailto:rkmoroney@hotmail.com">rkmoroney@hotmail.com</a>
Tim Hagan	<a href="mailto:natcom@thagan.mailshell.com">natcom@thagan.mailshell.com</a>
Carl J. Milsted, Jr. Ph.D.	<a href="mailto:lp@holisticpolitics.org">lp@holisticpolitics.org</a>
Fred Collins	<a href="mailto:Fred@Berkleyline.com">Fred@Berkleyline.com</a>
Donny Ferguson	<a href="mailto:donny_ferguson@yahoo.com">donny_ferguson@yahoo.com</a>
Christie Ann Welty	<a href="mailto:ispiritkin@yahoo.com">ispiritkin@yahoo.com</a>
Tony Wall	<a href="mailto:awall@chartertn.net">awall@chartertn.net</a>
Phillip Schmitt	<a href="mailto:vicechair@lporegon.org">vicechair@lporegon.org</a>
Mark Hinkle	<a href="mailto:mark@garlic.com">mark@garlic.com</a>
Nicholas J. Sarwark	<a href="mailto:nicholas@sarwark.org">nicholas@sarwark.org</a>
Bill Redpath	<a href="mailto:wredpath@his.com">wredpath@his.com</a>
Derrick Gilliland	<a href="mailto:br..(removed_per_request_in_2015)@">br..(removed per request in 2015)</a>
M Carling	<a href="mailto:m@idiom.com">m@idiom.com</a>
Marianne Volpe	<a href="mailto:mvolpe@starpower.net">mvolpe@starpower.net</a>
Dana Johansen	<a href="mailto:johansendr@starpower.net">johansendr@starpower.net</a>

Member List Inquiries Sharing

Chris Farris proposed a Policy Manual insertion in Section 9 of Article II on Membership.

### **Section 9: Member and Inquiry List Sharing**

*In an effort to provide support to state affiliates and as part of the Unified Membership Program, the LNC sets forth the following guidelines for data sharing:*

A. For the purposes below, "constituent" is anyone who has paid money to the LP in the past, regardless of whether or not they signed the oath, along with all individuals who have requested information from the national party (aka inquiries).

B. LNC-HQ will provide all officially recognized affiliates with a list of constituents residing in the area covered by that affiliate.

C. The list will include the following data elements:

1. A Unique ID to be provided by LNC-HQ
2. The constituent's First, Middle (if provided) and Last Name
3. The postal address on file to which the LNC-HQ sends postal mail.
4. A home and work phone and email address - if the constituent has provided such information to LNC-HQ and has not opted out of calls or e-mails.
5. The county the constituent lives in, if that information can be obtained via commonly available sources within reasonable cost.
6. The constituent's Join and Expiration Dates, if they are, or were, a member or subscriber.
7. The LNC-HQ's donation classification level (basic, life, etc)
8. Indication if the constituent has signed the certification or not.

D. The LNC-HQ may, at its discretion, provide additional data elements. However it is under no obligation to do so.

E. The LNC-HQ will make this list available within the first 5 business days of the month to the Chair of the affiliate, or his designee.

F. Only the Chair of an affiliate may request that additional people receive copies of the constituent list. HQ will establish and publish formal procedures for state chairs to follow in this regard.

G. The LNC-HQ will endeavor to provide the list in the file format requested (PDF, Excel, CSV, etc), but is under no obligation to do so, as it cannot guarantee that all file formats will always be available.

H. Should the LNC-HQ desire to change the quantity or order of the data elements, it will provide one month's notice of such change.

I. The LNC-HQ makes no further guarantees regarding the format, method of delivery or structure of the data.

J. All official communications regarding the database export format will be made via the state chairs e-mail list and a moderated database announce e-mail list to be administered by the LNC and that it is the responsibility of the affiliate chair to make sure the appropriate database contacts are on the database announce e-mail list.

The motion passed 11-4.

Voting in favor of the motion were:

Mark Nelson, Bob Sullentrup, BetteRose Ryan, Rick McGinnis, Michael Colley, Mark Rutherford, George Squyres, Aaron Starr, Jeremy Keil, Chris Farris substituting for Michael Gilson deLemos, Scott Lieberman

Voting against the motion were:

Lee Wrights, Chuck Moulton (substituting for Jim Lark), Ed Hoch, Emily Salvette substituting for Dena Bruedigam

## New Donor Acquisition Test Cost Sharing Dues

Aaron Starr brought the following resolution:

*Resolved, the Libertarian Party authorizes and encourages the execution of the "New Donor Acquisition Test Mailing Cost Sharing Agreement" with its state affiliates, subject to any modifications required by its legal counsel that doesn't change the agreement's intent.*

### **New Donor Acquisition Test Mailing Cost Sharing Agreement**

*This Agreement made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between the Libertarian Party and \_\_\_\_\_ ("Participating Affiliate").*

#### RECITALS

*WHEREAS, Libertarian Party is a national political party organization and Participating Affiliate is a recognized and authorized state affiliate party of the Libertarian Party; and*

*WHEREAS, mailings to acquire new national party donors are considered Federal Election Activities under the Bipartisan Campaign Reform Act; and*

*WHEREAS, if the Participating Affiliate engages in Federal Election Activities it may be required to incur the expense of filing complex paperwork with the Federal Elections Commission; and*

*WHEREAS, the cost of acquiring new national party donors often exceeds the initial donation generated; and*

*WHEREAS, Libertarian Party enjoys economies of scale that enable it to comply with federal campaign finance laws and make donor acquisition mailings at a lesser cost;*

*NOW THEREFORE, the parties do hereby agree to the following terms and conditions.*

#### **I. PURPOSE**

*The purpose of this Agreement is to establish the terms and conditions by which Libertarian Party may more cost-effectively test various direct mail concepts to acquire new donors by having Participating Affiliates bear at least a portion of the costs. Such test mailings are being done in anticipation of engaging in nationwide donor acquisition mailings.*

#### **II. CONSIDERATION**

*Participating Affiliate shall pay the Libertarian Party a ten dollar (\$10) bounty ("bounty") for each new donor acquired in test mailings that are sent by Libertarian Party solely to addresses within the geographical boundaries of Participating Affiliates.*

*If Participating Affiliate has a dues sharing arrangement with Libertarian Party, any bounty due to the Libertarian Party shall be offset from any and all dues sharing revenues owed to the Participating Affiliate.*

*Libertarian Party shall not exclude Participating Affiliate in nationwide direct mail roll-outs.*

#### **III. TERM**

*This agreement may be terminated with 90 days written notice by either party.*

*“Libertarian Party”*

By \_\_\_\_\_  
Michael Dixon, Chairman

*“Participating Affiliate”*

By \_\_\_\_\_  
, Chairman

The LNC voted to postpone this matter until August. Michael Dixon agreed to have legal counsel review the agreement and suggest changes, if required.

Proposal to make membership recruitment affordable

Aaron Starr brought the following proposal:

***PROPOSAL TO MAKE MEMBERSHIP RECRUITMENT ACTIVITIES MORE AFFORDABLE***

*The proposed revision to the Policy Manual eliminates Alternative UMP payments for the first 12 months of a new member and increases the bounty program to 100% of the initial membership payment.*

*This should encourage both national and state affiliates to engage in more membership acquisition activities, thus making membership acquisition more affordable for both.*

*Proposed added language is underlined in [blue](#), removed language is strike-faced in [blue](#).*

***Proposed motion to make the following changes to the Policy Manual, effective July 1, 2005:***

***ARTICLE II. MEMBERSHIP***

***Section 8: ALTERNATIVE UNIFIED MEMBERSHIP***

- A. Affiliate parties which join the Alternative Unified Membership Plan shall receive monthly payments of***
- \$0.50 per member or contributor [joining before July 1, 2005 and](#) having national dues-paying status, including life members, in the first twelve months following their membership or contribution, and***
  - \$1.50 per member having national dues- paying status, including life members, after the first twelve months of their membership or contribution.***
- B. Affiliate parties which join the Alternative Unified Membership Plan shall retain all***

initial membership income ~~in excess of \$13 for regular members and \$500 for life members~~ for members other than Life members recruited by the affiliate party.

C. A new member will be considered to have been recruited by the affiliate party in any of the following situations:

1. ~~The affiliate sends the national portion of the initial membership income to the national office.~~

~~2-1.~~ The affiliate forwards to the national office the member's original check or credit card information, in a package clearly marked as being submitted under this plan.

~~3-2~~ The national office receives payment directly from a new member accompanied by an application form with a source code indicating that it is to be credited to the affiliate. This source code and the application form must be approved by the national office before use.

~~In cases 2 and 3, the national office may deduct a processing fee, not to exceed the greater of one dollar per member or the costs of credit card processing, from the portion to be paid to the affiliate.~~

The proposal failed.

## Sunday

The Sunday session commenced at 8:47.

Emily Salvette moved to suspend the rules and allot 10 minutes to discuss the dues increase. The motion, needing 2/3rds, failed 9-5.

Policy Sexual Harassment

Michael Dixon presented the Policy on Sexual Harassment to be entered into the Policy Manual as Article I section 8.

***Proposed addition to Policy Manual to address the issue of sexual harassment and offensive behavior:***

*New Article I, Section 8 "Harassment and Offensive Behavior Prohibition":*

*The Libertarian Party is founded on the key principles of liberty, responsibility, and respect. With that foundation, it is to be expected that libertarians treat each other with professional respect, thoughtful consideration, and fundamental decency. Violation of this expectation by members of the Party not only risks substantial legal penalties, it also undermines the very legitimacy of the Party and the honor of its members. Violation of this expectation by members of the LNC, whether towards other*



LNC members or HQ staff, is therefore especially egregious. To prevent such inappropriate behavior, the following standards must be observed:

- a. All collective deprecation, whether alluding to sex, race, color, national origin, disability, age, religion, or any other protected category, must be avoided. Every person is a unique individual, and as the Libertarian Party is the Party of Individual Liberty, this injunction should doubly apply.
- b. Sexual harassment, like other forms of harassment, is prohibited. Sexual harassment includes unwelcome sexual advances, requests for sexual favors or any other conduct of a sexual nature when: (1) submission to the conduct is made either implicitly or explicitly a condition of employment; (2) submission to or rejection of the conduct is used as the basis for an employment decision affecting the harassed employee; or (3) the harassment has the purpose or effect of unreasonably interfering with the employee's work performance or creating an environment that is intimidating, hostile or offensive to the employee.
- c. Any behavior, whether verbal or physical, that clearly offends a reasonable person – libertarian or not – must be avoided. Libertarianism is a philosophy of respect for the individual, and must not be presented as being in harmony with behavior generally regarded as offensive.
- d. Any interaction which might be interpreted as abusing the apparent employer-employee relationship must be avoided. This applies to interactions of LNC members with staff, and is to be extended to interactions with any consultant hired by the LNC.

You must exercise your own good judgment to avoid any conduct that may be perceived by others as harassment. The following conduct could constitute harassment:

- ♦ unwanted physical contact
- ♦ racial or sexual epithets
- ♦ derogatory slurs
- ♦ off-color jokes
- ♦ sexual innuendoes
- ♦ unwelcome comments about a person's body
- ♦ propositions
- ♦ leering
- ♦ unwanted prying into a person's private life
- ♦ graphic discussions about sexual matters
- ♦ suggestive behavior, sounds, gestures or objects
- ♦ threats
- ♦ derogatory posters, pictures, cartoons or drawings

As a rule of thumb, if you think it might be offensive, it probably is.

Toward ensuring that all LNC members are thoroughly familiar not only with this policy but also the ramifications of it, they must participate in a standard program of exposure to the issues raised by these concerns. The Chair is responsible to select the content of this training program, in consultation with Counsel, and participation should be arranged at the earliest practicable opportunity after the person becomes an LNC member.

Any agreement that the LNC enters into with an affiliate must stipulate that the affiliate incorporate the principles set forth in the policy.

Any violation of this policy should be brought to the attention of the Chair, or the Chairman of the Judicial Committee. In response to every complaint, LNC will take prompt and necessary steps to investigate the matter and will protect the individual's confidentiality, as much as possible, recognizing the need to thoroughly investigate all complaints. LNC will take corrective and preventative actions where necessary. LNC will not retaliate against any individual who in good faith brings a complaint to the attention of LNC or participates in an investigation regarding a complaint. Any employee who violates this policy is subject to discipline, up to and including discharge.

Bob Sullentrup moved to amend by appending a sentence, which after friendly amendment by Aaron Starr read:

*Violations of this policy may result in disciplinary action against the perpetrator including removal from the LNC.*

The amendment carried unanimously.

Aaron Starr moved to eliminate what had been the last sentence:

*Any employee who violates this policy is subject to discipline, up to and including discharge.*

Aaron's amendment failed.

At this point the main motion as amended carried, but with objections:

Aaron Starr:

*While I support the new Article I, Section 8 "Harassment and Offensive Behavior Prohibition" in concept being added to the Policy Manual, I stand opposed to this because of the language "any agreement that the LNC enters into with an affiliate must stipulate that the affiliate incorporate the principles set forth in the policy." I believe this language violates Article 8, Section 5 of our bylaws and I want this noted in the minutes.*

## Reports Previously Submitted in Writing

### Campus Organizing Report

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

Dr. Lark noted Indiana's ambitious program to tap into college age Libertarians.

Dr. Lark will be working with Raymond Bryant, who gave a presentation on Saturday about the Liberty Movement initiative.

### Ballot Access Audit Report(s)

Two individuals produced reports on Ballot Access, George Phillies and MG.

MG distributed an executive summary and expects to have the entire report finished up in 10 business days. The summary is enclosed as Appendix F.

The 14-page report by Dr. Phillies was distributed in the LNC binder and is included in these minutes as Appendix G.

### Strategy I Report

Jeremy Keil discussed highlights of his report on Branding included as Appendix H.

He noted a vendor, Frost Miller, has been selected. Frost Miller envisions three stages to the process: Discover the brand, market the brand inside the LP, and market the brand outside the LP .

For more details, refer to Appendix G.

## Program Committee Report

As a part of the Program Committee, MG noted the production of materials, templates, posters, brochures and aids in promoting the Libertarian message. In addition, a helpful Libertarian website exists at [www.libertarian.uni.cc](http://www.libertarian.uni.cc).

Mark Nelson noted that while such items were useful, the central purpose of the Program Committee is to comply with the Bylaws requirement that calls for us focusing on ten of the platform planks and developing them as a means of engaging the public. It's laudable that the scope of the Committee increased well beyond the charter established in the Bylaws. However, Mark Nelson recommended we suspend activity on the Program Committee.

Instead, the Program Committee committed to have in place by the August LNC meeting the 'Bylaws portion' of their work.

A report previously distributed via the Internet follows.

### **PROGRAM STATUS REPORT May 2005**

- *The Program has been evolving into a resource tool being tested in several areas.. Starred items below (\*) are complete except for tweaking editing.*
- *A website is under development at [www.libertarianprogram.uni.cc](http://www.libertarianprogram.uni.cc) and (\*) items will be uploaded next week. Uploading will be much easier to all and cheaper to LNC.*
- *Will bring various samples of progress to the meeting as last time, back-up computer permitting. At that point I will send an article to LFA and various e-mails inviting continued testing and adaptation. I have included part of module 4 of the Detail Program and the new Welcome Kit as not taxing people's e-mail too much. I have asked Don Gorman to further test the "Program for Kids" card therein--it's his idea--and they have tested quite well here.*
- *Dr. Campagna has been very active in advising the work and is helping with a program based bookmarks outreach tool tested in the campaign.*
- *A review meeting of materials by advisory board and Program Committee leaders is scheduled in early June. At that time we should have everything except the Detail Program modules and the developing FAQ and Leading Change items. The modules we expect to produce about once a month after 4 and 5 are done starting in August with completion by the next Convention in Spring.*
- *I have after considerable effort (including digging all afternoon in 100 degree heat in somebody's storage locker) obtained samples of program materials going back to the '70's and several long unobtainable LP manuals. I will check these for consistency and post at the site as I get them scanned.*
- *Two counties in Florida have expressed interest in intensive testing of the Program tools. I would like to hear from any other local affiliates.*

## Regional Reports

Regions 4 and 5 very briefly discussed their reports distributed to the LNC.

In response to a question from Mr. Dixon, Dr. Lark noted that he attended the Libertarian Party of Pennsylvania convention in Harrisburg on April 29-May 1, and that in his opinion the convention was a success. He also praised Chuck Moulton for his help and dedication to the work of the Party.

Chris Farris noted the wide ranging opposition to the dues increase enacted in Portland among the affiliates in Region 4.

## EPCC

Michael Dixon said that he had erred in deferring the EPCC section until Sunday and failing to assign time for discussion of its issues. He asked the group's indulgence for 10 minutes.

The chair noted that Mark Rutherford has resigned from this committee and Michael has asked Michael Colley to replace him. Jeremy Keil is also off the Committee and the Chair will be looking for a replacement for Jeremy as well.

Michael Dixon recommended the LNC award bonus to the ED of \$200 for membership growth and \$733 for the LNC's \$733 subjective satisfaction rating.

Several questioned the rounding that accounted for the \$200 award on membership growth. Mr. Wrights stated, "If we didn't make the target, then we didn't make the target."

A substitute motion for \$733 failed by 5 to 'a lot', as announced by Mr. Dixon.

A request for a division of the question into two parts, \$733 and \$200, by Aaron Starr failed for lack of a second.

Finally, the \$933 bonus passed 9-5.

## Topics for Discussion

### Authorization of LNCC

The status of this project aimed at establishing a private organization for the purpose of advancing Libertarian interests without being subject to certain regulations, was briefly outlined. M Carling is the project organizer. Chuck Moulton is being kept in the loop. Bylaws and Articles of Incorporation are still in the draft stage.

M Carling, Jim Lark, Mark Rutherford, and Admiral Colley are some of the incorporators. The project remains in progress and another update will be provided in August.

### Audit Committee

Mr. Carling was not in attendance to give a report. It was noted that Mr. Carling had solicited bids from various auditors during the recent tax season, and that he awaits their responses.

### Convention 2006 Planning

Michael Dixon, Chris Farris, and Jim Lark are involved in the planning for the 2006 convention in Portland, Oregon. The group is working with LP Oregon chair Adam Mayer and LP Oregon executive

director Richard Burke and Adam Mayer to determine what convention-related tasks the Libertarian Party of Oregon will undertake. In addition, Mr. Dixon, et al. are considering whether to outsource the convention to a 527 organization.

BetteRose Ryan has a convention task list and Jessica Neno-Wilson has convention planning documents as well, which they will both send along to the principals.

#### Selection of Strategic Planning Review Committee

Michael Dixon asked the board for its sense of interest and commitment to the Strategic Planning Initiative.

Mark Nelson recommended the group focus on two or three of the 20 strategy items to achieve this term and to lay the groundwork for additional ones to achieve in next term.

Mark pointed out some of the tangible items that have been achieved as a result of or in conjunction with the SPI. These included Raiser's Edge to handle the database problem and the platform recast work, among others.

The group will revisit this in August. Meanwhile, Michael, having received affirmation of the board's interest to revisit SBI, will formulate the logistics and time frame for its discussion. This may include extended meetings on Friday or Sunday at the August meeting, likely at the Airport Marriott in KC.

#### Ballot Access

While Bill Redpath was not in attendance, Mark Nelson raised the question of how the \$29k debt on the books for ballot access in 2004 would be retired. Jessica Neno-Wilson noted \$9700 of pledges toward that project had not been fulfilled, and small amount of activity (mail merge, intern work, envelopes and paper) has been devoted to collecting it. \$700 has already come in which is a step in the right direction.

The Chair will ask Bill Redpath for a plan on how to retire debt.

#### Office Relocation Status

Admiral Colley reported on the upcoming office move. The office relocation is likely to occur in the latter half of June and cost \$1500-2000, a small amount for a DC move. The plan is to move over a weekend leaving Monday AM as the time office staff will be unpacking.

Jim Lark noted that in Portland he had asked whether sites outside DC had been considered, and that Adm. Colley indicated that he had looked only at DC locations. Dr. Lark said that it was his understanding that less expensive property (on a per square foot basis) was available in the Virginia suburbs. He then asked for a description of the decision calculus used in justifying looking only at DC locations. Mr. Dixon and Mr. Nelson mentioned that while rent may be somewhat cheaper in northern Virginia, other factors mitigate that move. Ms. Neno Wilson said that an important financial element in favor of a DC location is the easy availability of interns at nearby George Washington University and American University, some of whom come free. She said that a rough estimate puts the availability of interns as the equivalent of two full timers. This benefit may well exceed any difference in the rental cost.

In addition, locating a political party in DC is vital; the location has a Metro link nearby which is very desirable; having a recognized intern program is 'hip' and appeals to younger voters.

## Policy Manual Redesign

This item was bypassed owing to M Carling and Dan Karlan, the project's champions, not in attendance.

## Hiring a Political Director

*(Thanks to Jessica Neno-Wilson who took meeting notes from this point forward).*

Chuck Moulton and Scott Lieberman presented the resolution below to encourage the ED to hire a political director at HQ. The position would focus on electing libertarians and accomplishing the mission statement.

*Submitted by  
Chuck Moulton, Region 5E Alternate  
Scott Lieberman, Region 2 Alternate*

### **Political Director**

*Whereas, the core mission of the Libertarian Party is to "move public policy in a Libertarian direction by building a political party that elects Libertarians to public office", and*

*Whereas, the Libertarian Party has had only modest success at electing Libertarians over the past 34 years, and*

*Whereas, the Libertarian Party does not currently have a Political Director, and*

*Whereas, the Libertarian Party has in recent years focused on member services, fundraising, outreach, and legislative action, and*

*Whereas, hiring a Political Director who motivates and helps our state affiliates recruit and train candidates would directly support the Party's core mission;*

*Therefore, be it resolved that the Libertarian National Committee strongly supports the hiring of a Political Director;*

*And strongly suggests that the Executive Director hire a Political Director before the 2006 Libertarian Party National Convention, if finances permit.*

Debate and inquiry proceeded in a normal fashion: Aaron Starr inquired as to Ron Crickenberger's metrics in the position and later cost/benefit profile. George Squyres said the resolution was premature and Mark Nelson added it was outside the scope of this body in as much as the LNC should establish goals and the ED should hire as necessary to accomplish. BetteRose Ryan noted Colorado was able to make political progress not through a political director but by the grassroots organizers. Emily Salvette and George Squyres noted states might be better locales for political directors.

Joe Seehusen weighed in with the observation that a political organization is symbiotic with legislative activity, and appreciated the sentiment behind the resolution.

Voting for the resolution were:

R. Lee Wrights, Chuck Moulton, MG, Scott Lieberman

Opposing the resolution were:

Mark Nelson, Dena Brudigam, Ed Hoch, Mark Rutherford, George Squyres , Rick McGinnis, Michael Colley, Jeremy Keil, Aaron Starr, BetteRose Ryan

The proposal failed 4-10.

#### Opportunity for General and Public Comment

Pat Dixon noted the Texas conference will be held in Austin, TX September 16-18. The Leadership Institute will hold trainings sessions. Neal Boortz may broadcast from the event. This is a great candidate training opportunity.

Dr. Lark expressed the LNC's gratitude to Libertarian Party TX and especially to Pat Dixon and Rick McGinnis for their hospitality.

The November meeting will be held in Denver or Baltimore. A straw poll revealed 7 votes for Baltimore, 3 for Denver and 4 'don't care'. Dena may have voted twice.

Mark Nelson reminded the body to bring suggestions to the August meeting for the board to endorse for the by-laws committee in order to give them some guidance and direction.

Mark also reminded the body to bring thoughts on the 2006 Budget to the August meeting.

Emily Salvette reminded the body that the appointment of the credentials committee should take place at the August meeting. Jim Lark reminded the board that each of the five largest state parties (by membership) can name one member of that committee.

Jeremy Keil took a point of personal privilege and settle a bet on the presidential race to Scott Lieberman. He notes that he will be participating in the Trek 100 to cure childhood cancer.

MG thanked Mark Nelson and Aaron Starr for their comments on the Libertarian Program.

Pat Dixon addressed the group to say he hoped we had fun in Texas!

Lee Wrights commented that the true heroes of the movement are the elected officials and he wanted to recognize the newest elected Libertarian – Pat Dixon! Mr. Dixon received a standing ovation from the board.

Aaron Starr noted that a change had taken place in the representative of his region. Mark Hinkle resigned as alternate and was replaced by Mark Whitney. He noted that Mr. Whitney would be present at the next meeting.

That motion to adjourn passed without objection.

#### Addendum to Public Comment

Although he did not have an opportunity for this comment at the meeting, Chuck Moulton wanted to ensure these minutes reflected his commendation to the LNC for dealing with all important matters with roll call votes, making regional representatives more accountable to their regions and the whole LNC more accountable to the membership.

Chuck Moulton also wished to thank Michael Dixon and staff for getting the binders out Friday night.

## Next Meetings

The schedule for subsequent LNC and national meetings is as follows

2005 Q3 meeting	August, 6-7	Kansas City, likely Airport Marriott
2005 Q4 meeting	November, 12-13	Presumably Baltimore, not Denver (Veterans Day)
2006 Q1 meeting	March, 10-11, 2006	tba, Florida
2006 Q2 meeting	June 30, 2006	Portland, OR
LSLA (State Chair's)	Jan 20-22, 2006	Phoenix. Contact George Squyres.



## Treasurer's Report

**General Comments:**

The March financial statements are included in the folder. Preliminary April statements will be made available at the meeting.

To date, Robert Kraus has proven to be a competent and diligent operations director.

I attended the State Policy Network meeting and the Heritage Institute Resource Bank meeting in Miami, April 27-28. These were highly beneficial meetings. It is the second year I have attended these gatherings. The attendees were considerably warmer to the LP compared to 2004 in Chicago. This was directly related to Joe's outreach to many of these groups in DC and through CPAC.

The initial session with the State Policy Network was lead by two consultants with extensive experience in the public policy think tank movement. They provided a substantial amount of information on staffing decisions and succession planning.

The most beneficial resource bank sessions were on media campaigns and fund raising. The fund raising was especially informative on attracting bequests. Many of the specific ideas from this session will be implemented in the near term.

One presenter in the fund raising session provided Joe and I with a format for developing a board member self evaluation which should be useful.

The other idea presented, that I believe presents some context to our Outreach activities, is "friend raising" vs. "fund raising."

**Membership:**

The primary LNC budget metric is membership. Membership, defined as both certification signing members, and LP News subscribers, was budgeted to average 24,000 during 2004. The end of year, 2004 "members" and subscribers, and reported total membership on April 30, 2005 are shown below. Membership falls only 738, or 3.35%, short of this projection. With a couple of good months anticipated for new member prospecting, we should be on target.

	<b>Members</b>	<b>Subscribers</b>	<b>Total</b>
<b>12/31/04</b>	<b>20,283</b>	<b>1,894</b>	<b>22,177</b>
<b>04/30/04</b>			<b>22,609</b>
<b>Change</b>			<b>4432</b>
<b>% change</b>			<b>1.95%</b>
<b>Budget Average</b>			<b>24,000</b>
<b>4/30/05 Projection</b>			<b>23,392</b>
<b>Shortfall</b>			<b>738</b>
<b>% variance</b>			<b>-2.35%</b>

**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 March 31, 2005 and April 30, 2005, we remain seriously out of compliance with the current reserve requirement.

Again, as stated in prior meetings, I suggest continued monitoring for compliance with the current policy. It is my developing sense that the current reserve requirement is not functional for our business model. I am still open for private suggestions on how the reserve policy should be addressed. It is still my intention to craft some changes for the August 2005 LNC meeting, after a review of cash flows for the first half of 2005.

## **FEC**

- there are no open requests for additional information.
- I have a meeting with two different filing software vendors on May 9, 2005.
- I have a meeting with the two consultants we have been working with on May 9, 2005. They have provided substantial assistance in reviewing our end of year reports, in correcting recent filings and filing the April, 2005 report.
- The 3 day FEC meeting in DC in Mid March was valuable as a needed refresher. I lunched with Bradley Smith at the meeting, visited with our FEC contact, networked with various consulting groups, and Republican and Democrat state party filers. Much of the information provided for "party" filings was geared to the state parties.

## **Life Members**

Based on a March extract from Raiser's Edge:

- There are 1876 records for Life Members. It appears some are duplicates.
- There are 259 Life Members whose total donations are less than \$1,000, with 104 members with no record of gifts.
- There were 45+ life members whose only record gift was \$60 or \$62 in 1997, which reportedly was part of the UMP process, although exact details were not available.
- There are 101 life members who have given no gifts in the past 10 years.
- There are 283 life members who have given no gifts in the past 5 years (includes the 101 noted above)
- There are 157 life members whose only donation was a one time \$1,000 gift. This includes 92 new life members in 1996. The next highest years for \$1,000 only gifts was 1999, with 16, and 2000, with 13.

I suggest the LNC create a category for Honorary Life Member category for life members who have not donated in over 10 years, or have donated less than \$1,000, lifetime, to take effective January 1, 2006. The only operational change would be that UMP payments for these members would be suspended. At this time, this would result in an estimated \$10,000 in expense reductions.

Based on this limited review, I strongly support Chris Farris's proposal for an outside review of the Raiser's Edge conversion.

## **Accounts Payable/Receivable:**

The March AP is higher than typical, including Blackbaud and Rubino and McGeehin, along with higher than typical balances to regular vendors. Joe has provided details on the Blackbaud negotiations. I will review the April AP with Robert and Joe prior to the meeting and, if needed, provide more detail.

I will review the AR with Daniel Cloud on May 9<sup>th</sup>. There appear to be no anomalies in the March report.

## **BUDGET TO ACTUAL:**

### **Top Line and Bottom Lines:**

I will prepare brief comments on the End of Month April financial to be distributed at the meeting. March's revenue exceeded the budget by just under \$30,000, but the prior months were well below budgeted projections. Expenses have been well managed to come in over \$90,000 below budget.

A summary of Project balances is shown in the attached Balance Sheet. There has been no tangible change in project balances.

**Outreach:**

If time allows, I intend to review this line to be sure membership revenue is being properly accounted for in our outreach activities.

**Ballot Access:**

Ballot access has a negative balance of \$29,062.82. Attempts have been made to collect unfulfilled pledges, but this will be far short of the negative balance. I strongly encourage the LNC require the Ballot Access coordinator to submit a plan to retire this debt.

**LP News:**

LP News but has fallen short of the breakeven budget, but advances have been made each month. I will review the amount of internal advertising revenue that would have been generated during my May 9, 2005 office visit. Even with this offset, I believe the LP News will still far short of being a self supporting publication. Reportedly, costs are as low as possible, but to date, advertising rates have not been adjusted. I believe the LNC should direct the ED to bring LP News into compliance with the budget.

**Convention:**

Joe and I have begun discussion on the 2006 Convention budget projection. It is on tract for LNC review and approval at the August, 2005 Meeting.

**UMP:**

It appears that the UMP formulas in Raiser's Edge have been corrected, with adjustments being made to the states.

I recommend that the LNC discontinue the original UMP program effective January 1, 2006. All states will have the option of migrating to the alternative program, or not participating in UMP.

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

**Membership/Dues:**

The analysis requested by the chair at the prior meeting has been sent under separate cover. It is included in the meeting packet.

## Appendix B. Treasurer' s Dues Increase Analysis, Dallas, TX, May 14, 2005

### Dues Increase Analysis

By Mark Nelson

Dear LNC members and State Chairs/EDs:

As requested by the Chair at the Portland meeting, I have completed an analysis of the financial effects of the dues increase. The report follows, and references the attached spreadsheet file.

The first worksheet tab is based on a 2003 survey of \$25 only donors. The survey asked the likelihood of renewal based on renewal rates of \$40 (41.7% definitely and 27% probably), \$50 (25.7% definitely and 20.3% probably) and \$100 (7.3% definitely and 10% probably).

This survey has been criticized by a small number of LNC members, but only anecdotal arguments or personal opinions were provided. No credible evidence has been presented to disprove the findings of this survey, and the polling company affirms the reliability of the standard methodology for this type of survey.

Since \$35 has been suggested as a potential dues amount, I wanted to estimate the renewal rate for that dues amount. I also extrapolated to lower rates (\$30 and \$25) as a test of reasonableness (and for my amusement).

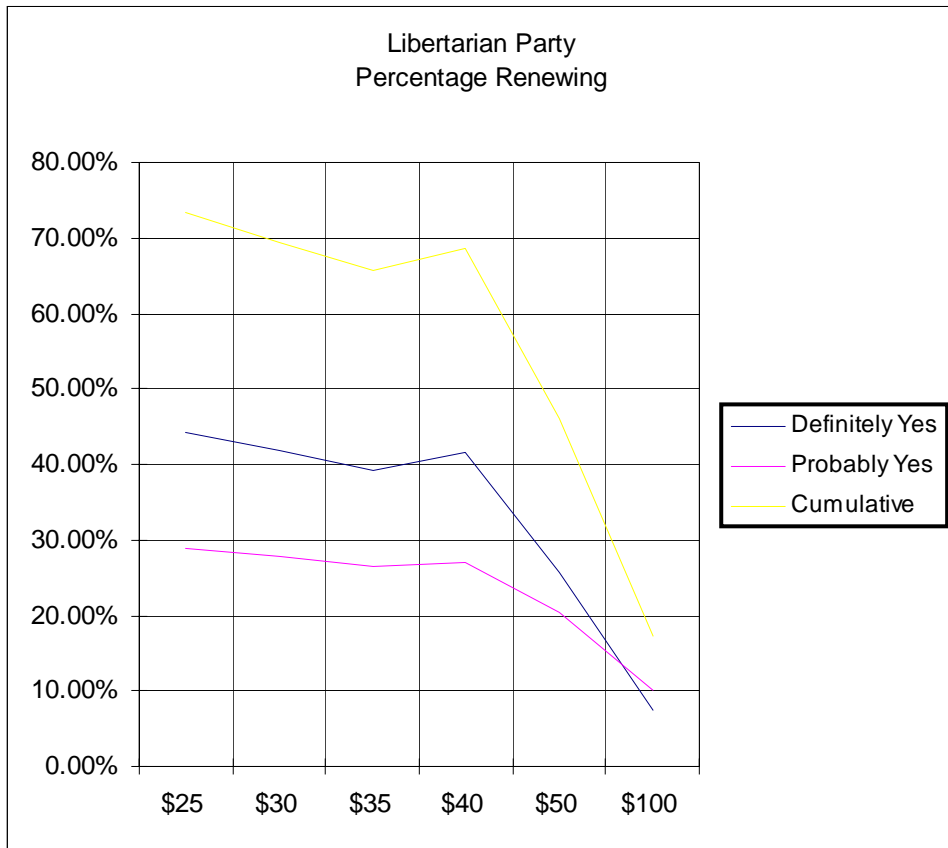
The first tab is an analysis of survey to extrapolate the renewal rates for \$35. The left side sheet is a proportional analysis (if it changed x amount from \$50 to \$40, it should 0.5x between \$40 and \$35). This didn't make sense, primarily because the renewal rate for \$25 was over 100%

#### Proportional Analysis

Dues	Definitely Yes	Probably Yes	Cumulative
\$25	65.70%	37.05%	102.75%
\$30	57.70%	33.70%	91.40%
\$35	49.70%	30.35%	80.05%
\$40	41.70%	27.00%	68.70%
\$50	25.70%	20.30%	46.00%
\$100	7.30%	10.00%	17.30%
Change from 40% to 50%	16.00%	6.70%	22.70%

To the right of that (*ed note: pictured below*) I developed a simple three observation, single variable, linear regression. In this analysis, the calculated \$35 renewal rate was actually below the \$40, which doesn't make sense.

#### Regression Analysis



Dues	Definitely Yes	Probably Yes	Cumulative
\$25	44.34%	29.00%	73.34%
\$30	41.80%	27.71%	69.52%
\$35	39.27%	26.42%	65.69%
\$40	41.70%	27.00%	68.70%
\$50	25.70%	20.30%	46.00%
\$100	7.30%	10.00%	17.30%

To Definitely - three observations

#### Regression Output:

Constant	0.5701613
Std Err of Y Est	0.0782321
R Squared	0.8967289
No. of Observations	3
Degrees of Freedom	1

X Coefficient(s)	-0.005070968
Std Err of Coef.	0.001720876

Estimate	\$25	44.34%
Estimate	\$30	41.80%

Estimate	\$35	39.27%
----------	------	--------

To Probably - three observations

Regression Output:

Constant		0.3546452
Std Err of Y Est		0.029464
R Squared		0.9408067
No. of Observations		3
Degrees of Freedom		1

X Coefficient(s)		-0.002583871
Std Err of Coef.		0.000648122

Estimate	\$25	29.00%
Estimate	\$30	27.71%
Estimate	\$35	26.42%

To Cumulative - three observations

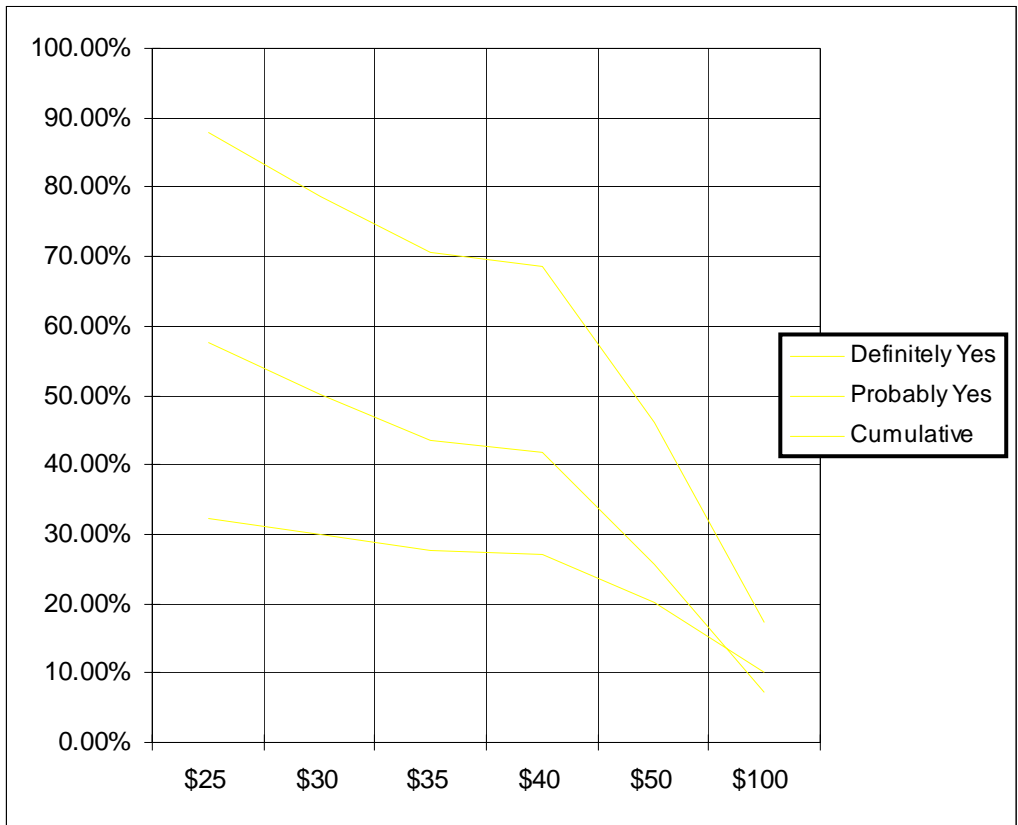
Regression Output:

Constant		0.9248065
Std Err of Y Est		0.1076961
R Squared		0.9125951
No. of Observations		3
Degrees of Freedom		1

X Coefficient(s)		-0.007654839
Std Err of Coef.		0.002368999

Estimate	\$25	73.34%
Estimate	\$30	69.52%
Estimate	\$35	65.69%

To the far right (*ed note, pictured below*), I redeveloped the regression model, using the Natural Log of the dependant variable. It worked quite well, IMO. Notably, the estimated \$25 renewal rate using this methodology is about what we experience now. The \$35 renewal rate might be a little low, but with the data available this was a good fit.



Dues	Definitely Yes	Probably Yes	Cumulative
\$25	57.61%	32.29%	87.80%
\$30	50.14%	29.84%	78.70%
\$35	43.63%	27.57%	70.55%
\$40	41.70%	27.00%	68.70%
\$50	25.70%	20.30%	46.00%
\$100	7.30%	10.00%	17.30%

To Definitely - three observations - natural log

Regression Output:

Constant	0.1434639
Std Err of Y Est	0.1475023
R Squared	0.9865563
No. of Observations	3
Degrees of Freedom	1

X Coefficient(s)	-0.0277949
Std Err of Coef.	0.0032446

Estimate	\$25	57.61%
Estimate	\$30	50.14%
Estimate	\$35	43.63%

To Probably - three observations - natural log

Regression Output:

Constant		-0.7359559
Std Err of Y Est		0.0911917
R Squared		0.9841017
No. of Observations		3
Degrees of Freedom		1

X Coefficient(s)		-0.0157821
Std Err of Coef.		0.0020059

Estimate	\$25	32.29%
Estimate	\$30	29.84%
Estimate	\$35	27.57%

To Cumulative - three observations - natural log

Regression Output:

Constant		0.4168715
Std Err of Y Est		0.1305059
R Squared		0.9830754
No. of Observations		3
Degrees of Freedom		1

X Coefficient(s)		-0.0218791
Std Err of Coef.		0.0028707

Estimate	\$25	87.80%
Estimate	\$30	78.70%
Estimate	\$35	70.55%

The 2nd tab (*ed note: pictured below*) is a stratification of our donors in 2003 and 2004 extracted from Raiser's Edge. This is used to indicate the number of donors who gave above the suggested dues amount. The assumption is that those donors would renew, while those that gave less might not. I reviewed both years to see if there was a substantial increase in 2004 donors giving more due to the election cycle. There wasn't a tangible difference, IMO.

Below these stratifications are the basic calculations of the revenue, expense and net income changes that the LNC should expect using the renewal rates estimated in the prior tab. It includes savings from lower UMP payments due to fewer members, and lower renewal costs. The expenses are based on our current budgeted estimates for these items of \$14.00/member annually for UMP, and \$2.50/member for renewal costs.

### 2004 Data

	Tier Range	# donors	Est. Donations	% donors
1				
2	\$2,500 and up	29		0.14%



3	\$1,000 to \$2,499.99	182		0.87%
4	\$500 to \$999.99	368		1.75%
5	\$250 to \$499.99	1,132		5.39%
6	\$100 to \$249.99	4,015		19.11%
7	\$50 to \$99.99	3,410		16.23%
8	\$40 to \$49.99	352	\$15,838	1.68%
9	\$35 to \$39.99	373	\$11,190	1.78%
10	\$25.01 to \$34.99	362	\$10,860	1.72%
11	\$25.00	9,727	\$243,175	46.30%
12	< \$25	1,059		5.04%
13		21,009		100.00%
14				
15				
16	<b>Pay \$35 or more</b>	9,861	members	46.94%
17				
18	<b>Current</b>	<b># of Mem.</b>	<b>Donations</b>	
19	Pay \$35 or less	11,148	\$254,035	
20	Annual UMP		\$156,072	\$1.17 /mo.
21	Net Income - National		\$97,963	
22				
23	<b>With Dues Increase</b>	<b># of Mem.</b>		
24	Agreed to pay \$35	70.55%		
25	Members remaining	7,865	\$275,259	
26	Annual UMP		\$110,103	\$1.17 /mo.
27	Net Income - National		\$165,155	
28				
29	Increase in Gross Revenue		\$21,224	
30	Increase in Net Dues Revenue		\$67,192	
31	Renewal Cost Savings		\$8,209	
32	<b>Total Financial Benefit (Budget)</b>		\$75,401	
33	<b>Savings due to UMP reduction</b>		\$45,969	60.97%
34				
35				
36	<b>Pay \$40 or more</b>	9,488	members	45.16%
37				
38	<b>Current</b>	<b># of Mem.</b>	<b>Donations</b>	
39	Pay \$40 or less	11,521	\$265,225	
40	Annual UMP		\$161,294	\$1.17 /mo.
41	Net Income		\$103,931	
42				

43	<b>With Dues Increase</b>	<b># of Mem.</b>			
44	Agreed to pay \$40	68.70%			
45	Members remaining	7,915	\$316,597		
46	Annual UMP		\$110,809	\$1.17	/mo.
47	Net Income		\$205,788		
48					
49	Gross increase in Income		\$51,372		
50	Net Increase in Income		\$101,857		
51	Renewal Cost Savings		\$9,015		
52	<b>Total Financial Benefit (Budget)</b>		\$110,872		
53	<b>Savings due to UMP reduction</b>		\$50,485	45.53%	
54					
55					
56					
57	<b>Pay \$50 or more</b>	9,136	members	43.49%	
58					
59	<b>Current</b>	<b># of Mem.</b>	<b>Donations</b>		
60	Pay \$50 or less	11,873	\$281,063		
61	Annual UMP		\$166,222	\$1.17	/mo.
62	Net Income		\$114,841		
63					
64	<b>With Dues Increase</b>	<b># of Mem.</b>			
65	Agreed to pay \$50	46.00%			
66	Members remaining	5,462	\$273,079		
67	Annual UMP		\$76,462	\$1.17	/mo.
68	Net Income		\$196,617		
69					
70	Gross increase in Income		(\$7,984)		
71	Net Increase in Income		\$81,776		
72	Renewal Cost Savings		\$16,029		
73	<b>Total Financial Benefit (Budget)</b>		\$97,804		
74	<b>Savings due to UMP reduction</b>		\$89,760	91.78%	
75	<b>Note - The \$50 revenue is overstated because it does not factor in \$25 1st year members.</b>				

### 2003 Data

	Tier Range	# donors	Est. Donations	% donors
1				
2	\$2,500 and up	16		0.08%
3	\$1,000 to \$2,499.99	172		0.88%

4	\$500 to \$999.99	257		1.31%
5	\$250 to \$499.99	849		4.33%
6	\$100 to \$249.99	3,796		19.38%
7	\$50 to \$99.99	3,796		19.38%
8	\$40 to \$49.99	376	\$16,918	1.92%
9	\$35 to \$39.99	431	\$12,930	2.20%
10	\$25.01 to \$34.99	289	\$8,670	1.48%
11	\$25.00	9,083	\$227,075	46.37%
12	< \$25	525		2.68%
13		19,590		100.00%

15 **Pay \$35 or more**

16 9,693 members 49.48%

18 **Current # of Mem.**

19 Pay \$35 or less 9,897 \$235,745  
20 Annual UMP \$138,558 \$1.17 /mo.  
21 Net Income - National \$97,187

23 **With Dues Increase # of Mem.**

24 Agreed to pay \$35 70.55%  
25 Members remaining 6,982 \$244,370  
26 Annual UMP \$97,748 \$1.17 /mo.  
27 Net Income - National \$146,622  
28  
29 Gross increase in Income \$8,625  
30 Net Increase in Income \$49,435  
31 Renewal Cost Savings \$7,288  
32 **Total Financial Benefit (Budget) \$56,722**  
33 **Savings due to UMP reduction \$40,810 71.95%**

35 **Pay \$40 or more**

36 9,262 members 47.28%

38 **Current # of Mem. Donations**

39 Pay \$40 or less 10,328 \$248,675  
40 Annual UMP \$144,592 \$1.17 /mo.  
41 Net Income \$104,083

43 **With Dues Increase # of Mem.**

44	Agreed to pay \$40	68.70%			
45	Members remaining	7,095	\$283,813		
46	Annual UMP		\$99,335	\$1.17	/mo.
47	Net Income		\$184,479		
48					
49	Gross increase in Income		\$35,138		
50	Net Increase in Income		\$80,396		
51	Renewal Cost Savings		\$8,082		
52	<b>Total Financial Benefit (Budget)</b>		\$88,477		
53	<b>Savings due to UMP reduction</b>		\$45,257	51.15%	
51					
52					
53					
54	<b>Pay \$50 or more</b>	8,886	members	45.36%	
55					
56	<b>Current</b>	<b># of Mem.</b>	<b>Donations</b>		
57	Pay \$50 or less	10,704	\$265,593		
58	Annual UMP		\$149,856	\$1.17	/mo.
59	Net Income		\$115,737		
60					
61	<b>With Dues Increase</b>	<b># of Mem.</b>			
62	Agreed to pay \$50	46.00%			
63	Members remaining	4,924	\$246,192		
64	Annual UMP		\$68,934	\$1.17	/mo.
65	Net Income		\$177,258		
66					
67	Gross increase in Income		(\$19,401)		
68	Net Increase in Income		\$61,521		
69	Renewal Cost Savings		\$14,450		
70	<b>Total Financial Benefit (Budget)</b>		\$75,972		
71	<b>Savings due to UMP reduction</b>		\$80,922	106.52%	
69	<b>Note - The \$50 revenue is overstated because it does not factor in \$25 1st year members.</b>				

On the following three tabs (*ed note: pictured below*) are the estimates shown above, with best and worse case (6% + or - based on the survey margin of error) scenarios developed for dues at \$35, \$40, and \$50, with no change in UMP payments. The 50 analysis tab is the status quo as of January 1, 2006, reflecting the vote taken in Portland. This analysis indicates that the total (net) financial benefit to the LNC from the actions taken in Portland is less than \$20,000. This recognizes that UMP payments to the states will be reduced by almost \$90,000.

## Dues Increase Analysis

## Expected Financial Effects of Current Proposals

2004	Analysis Level	\$35.00		
1	Membership and Subscribers	21,009		
2				
3	Pay \$35 or more	9,861		
4				
5	Current	# of Mem.	Donations	
6	Pay \$35 or less	11,148	\$254,035	
7	Annual UMP		\$156,072	\$1.17 /mo.
8	Net Income - National		\$97,963	
9				
10	<b>As Proposed</b>			
11	Agreed to pay \$35	70.55%		
12	Members remaining	7,865	\$275,259	
13	Annual UMP		\$110,103	\$1.17 /mo.
14	Net Income - National		\$165,155	
15				
16				
17	Increase in Gross Revenue		\$21,224	
18	<b>Estimated Net Increase in Income</b>		\$67,192	
19	<b>Cost Savings - Budget</b>			
20	<b>Incremental Costs (Budget)</b>	Lost Members	Budgeted Costs	Incremental Savings
21	Renewals each cycle	3,283	\$2.50	\$8,209
22				
23				
24	<b>Total Financial Benefit (Budget)</b>			<b>\$75,401</b>
25	<b>Savings due to UMP reduction</b>			<b>\$45,969 60.97%</b>

## Dues Increase Analysis

### Best Case Financial Effects of Current Proposals

2004	Analysis Level	\$35.00		
1	Membership and Subscribers	21,009		
2				
3	Pay \$35 or more	9,861		
4				
5	Current	# of Mem.	Donations	
6	Pay \$35 or less	11,148	\$254,035	
7	Annual UMP		\$156,072	\$1.17 /mo.
8	Net Income - National		\$97,963	
9				
10	<b>As Proposed</b>			
11	Agreed to pay \$35	76.55%		
12	Members remaining	8,533	\$298,669	
13	Annual UMP		\$119,468	\$1.17 /mo.
14	Net Income - National		\$179,202	
15				

16					
17	Increase in Gross Revenue			\$44,634	
18	<b>Estimated Net Increase in Income</b>			<b>\$81,239</b>	
19	<hr/>				
20	<b>Cost Savings - Budget</b>	Lost	Budgeted	Incremental	
21	<b>Incremental Costs (Budget)</b>	Members	Costs	Savings	
22	Renewals each cycle	2,615	\$2.50	\$6,536	
23					
24	<b>Total Financial Benefit (Budget)</b>			<b>\$87,775</b>	
25	<b>Savings due to UMP reduction</b>			<b>\$36,604</b>	<b>41.70%</b>

### Dues Increase Analysis Worst Case Financial Effects of Current Proposals

	<b>2004</b>	<b>Analysis Level</b>	<b>\$35.00</b>		
1	Membership and Subscribers	21,009			
2					
3	Pay \$35 or more	9,861			
4					
5	Current	# of Mem.	Donations		
6	Pay \$35 or less	11,148	\$254,035		
7	Annual UMP		\$156,072	\$1.17	/mo.
8	Net Income - National		\$97,963		
9					
10	<hr/>				
11	As Proposed				
12	Agreed to pay \$35	64.55%			
13	Members remaining	7,196	\$251,848		
14	Annual UMP		\$100,739	\$1.17	/mo.
15	Net Income - National		\$151,109		
16					
17	Increase in Gross Revenue		(\$2,187)		
18	<b>Estimated Net Increase in Income</b>		<b>\$53,146</b>		
19	<hr/>				
20	<b>Cost Savings - Budget</b>	Lost	Budgeted	Incremental	
21	<b>Incremental Costs (Budget)</b>	Members	Costs	Savings	
22	Renewals each cycle	3,952	\$2.50	\$9,881	
23					
24	<b>Total Financial Benefit (Budget)</b>			<b>\$63,027</b>	
25	<b>Savings due to UMP reduction</b>			<b>\$55,333</b>	<b>87.79%</b>

### Dues Increase Analysis Expected Financial Effects of Current Proposals

	<b>2004</b>	<b>Analysis Level</b>	<b>\$40.00</b>
1	Membership and Subscribers	21,009	
2			

3	Pay \$40 or more		9,488		
4					
5	Current	# of Mem.	Donations		
6	Pay \$40 or less	11,521	\$265,225		
7	Annual UMP		\$161,294	\$1.17	/mo.
8	Net Income - National		\$103,931		
9					
10	<b>As Proposed</b>				
11	As Proposed				
12	Agreed to pay \$40	68.70%			
13	Members remaining	7,915	\$316,597		
14	Annual UMP		\$110,809	\$1.17	/mo.
15	Net Income - National		\$205,788		
16					
17	Increase in Gross Revenue		\$51,372		
18	<b>Estimated Net Increase in Income</b>		<b>\$101,857</b>		
19	<b>Cost Savings - Budget</b>				
20	<b>Incremental Costs (Budget)</b>	Lost	Budgeted	Incremental	
21	Renewals each cycle	Members	Costs	Savings	
22		3,606	\$2.50	\$9,015	
23					
24	<b>Total Financial Benefit (Budget)</b>			<b>\$110,872</b>	
25	<b>Savings due to UMP reduction</b>			<b>\$50,485</b>	<b>45.53%</b>

## Dues Increase Analysis

### Best Case Financial Effects of Current Proposals

	<b>2004</b>	<b>Analysis Level</b>	<b>\$40.00</b>		
1	Membership and Subscribers	21,009			
2					
3	Pay \$40 or more	9,488			
4					
5	Current	# of Mem.	Donations		
6	Pay \$40 or less	11,521	\$265,225		
7	Annual UMP		\$161,294	\$1.17	/mo.
8	Net Income - National		\$103,931		
9					
10	<b>As Proposed</b>				
11	As Proposed				
12	Agreed to pay \$40	74.70%			
13	Members remaining	8,606	\$344,247		
14	Annual UMP		\$120,487	\$1.17	/mo.
15	Net Income - National		\$223,761		
16					
17	Increase in Gross Revenue		\$79,022		
18	<b>Estimated Net Increase in Income</b>		<b>\$119,830</b>		
19	<b>Cost Savings - Budget</b>				
20	<b>Incremental Costs (Budget)</b>	Lost	Budgeted	Incremental	
21		Members	Costs	Savings	

22	Renewals each cycle	2,915	\$2.50	\$7,287	
23					
24	<b>Total Financial Benefit (Budget)</b>			<b>\$127,117</b>	
25	<b>Savings due to UMP reduction</b>			<b>\$40,807</b>	<b>32.10%</b>

**Dues Increase Analysis**  
**Worst Case Financial Effects of Current Proposals**

	<b>2004</b>	<b>Analysis Level</b>	<b>\$40.00</b>		
1	Membership and Subscribers	21,009			
2					
3	Pay \$40 or more	9,488			
4					
5	Current	# of Mem.	Donations		
6	Pay \$40 or less	11,521	\$265,225		
7	Annual UMP		\$161,294	\$1.17	/mo.
8	Net Income - National		\$103,931		
9					
10					
11	As Proposed				
12	Agreed to pay \$40	62.70%			
13	Members remaining	7,224	\$288,947		
14	Annual UMP		\$101,131	\$1.17	/mo.
15	Net Income - National		\$187,815		
16					
17	Increase in Gross Revenue		\$23,722		
18	<b>Estimated Net Increase in Income</b>		<b>\$83,884</b>		
19					
20	<b>Cost Savings - Budget</b>	Lost	Budgeted	Incremental	
21	<b>Incremental Costs (Budget)</b>	Members	Costs	Savings	
22	Renewals each cycle	4,297	\$2.50	\$10,743	
23					
24	<b>Total Financial Benefit (Budget)</b>			<b>\$94,628</b>	
25	<b>Savings due to UMP reduction</b>			<b>\$60,163</b>	<b>63.58%</b>

**Dues Increase Analysis**  
**Expected Financial Effects of Current Proposals**

	<b>2004</b>	<b>Analysis Level</b>	<b>\$50.00</b>		
1	Membership and Subscribers	21,009			
2					
3	Pay \$50 or more	9,136			
4					
5	Current	# of Mem.	Donations		
6	Pay \$50 or less	11,873	\$281,063		
7	Annual UMP		\$166,222	\$1.17	/mo.
8	Net Income - National		\$114,841		



9					
10					
11	As Proposed				
12	Agreed to pay \$50	46.00%			
13	Members remaining	5,462			
14	New Members	3,151	\$78,784	\$25.00	dues
15	Returning Members	2,310	\$115,512	\$50.00	dues
16	Total Membership Income		\$194,295		
17					
18	Annual UMP on Renewing Membres		\$44,245	\$1.17	/mo.
19	Annual UMP on New Members		\$32,343	\$1.17	/mo.
20	Total UMP Payment		\$76,588		
21					
22	Net Income - National		\$117,707		
23					
24	Increase in Gross Revenue		(\$86,768)		
25	<b>Estimated Net Increase in Income</b>		\$2,866		
26					
27	<b>Cost Savings - Budget</b>	Lost	Budgeted	Incremental	
28	<b>Incremental Costs (Budget)</b>	Members	Costs	Savings	
29	Renewals each cycle	6,411	\$2.50	\$16,029	
30					
31	<b>Total Financial Benefit (Budget)</b>			<b>\$18,894</b>	
32	<b>Savings due to UMP reduction</b>			<b>\$89,634</b>	<b>474.39%</b>

## Dues Increase Analysis

### Best Case Financial Effects of Current Proposals

1	<b>2004</b>	<b>Analysis Level</b>	<b>\$50.00</b>		
2	Membership and Subscribers	21,009			
3	Pay \$50 or more	9,136			
4					
5	Current	# of Mem.	Donations		
6	Pay \$50 or less	11,873	\$281,063		
7	Annual UMP		\$166,222	\$1.17	/mo.
8	Net Income - National		\$114,841		
9					
10					
11	As Proposed				
12	Agreed to pay \$50	52.00%			
13	Members remaining	6,174	\$308,698		
14	New Members	3,151	\$78,784	\$25.00	dues
15	Returning Members	3,023	\$151,131	\$50.00	dues
16	Total Membership Income		\$229,914		
17					
18	Annual UMP on Renewing Membres		\$44,245	\$1.17	/mo.
19	Annual UMP on New Members		\$42,317	\$1.17	/mo.
20	Total UMP Payment		\$86,561		

21					
22	Net Income - National			\$143,353	
23					
24	Increase in Gross Revenue			\$27,635	
25	<b>Estimated Net Increase in Income</b>			\$28,512	
26	<hr/>				
27	<b>Cost Savings - Budget</b>	Lost	Budgeted	Incremental	
28	<b>Incremental Costs (Budget)</b>	Members	Costs	Savings	
29	Renewals each cycle	5,699	\$2.50	\$14,248	
30					
31	<b>Total Financial Benefit (Budget)</b>			<b>\$42,759</b>	
32	<b>Savings due to UMP reduction</b>			<b>\$79,661</b>	<b>186.30%</b>

## Dues Increase Analysis

### Worst Case Financial Effects of Current Proposals

	<b>2004</b>	<b>Analysis Level</b>	<b>\$50.00</b>		
1	Membership and Subscribers	21,009			
2					
3	Pay \$50 or more	9,136			
4					
5	Current	# of Mem.	Donations		
6	Pay \$50 or less	11,873	\$281,063		
7	Annual UMP		\$166,222	\$1.17	/mo.
8	Net Income - National		\$114,841		
9					
10	<hr/>				
11	As Proposed				
12	Agreed to pay \$50	40.00%			
13	Members remaining	4,749	\$237,460		
14	New Members	3,151	\$78,784	\$25.00	dues
15	Returning Members	1,598	\$79,893	\$50.00	dues
16	Total Membership Income		\$158,676		
17					
18	Annual UMP on Renewing Membres		\$44,245	\$1.17	/mo.
19	Annual UMP on New Members		\$22,370	\$1.17	/mo.
20	Total UMP Payment		\$66,615		
21					
22	Net Income - National		\$92,061		
23					
24	Increase in Gross Revenue		(\$43,603)		
25	<b>Estimated Net Increase in Income</b>		<b>(\$22,780)</b>		
26	<hr/>				
27	<b>Cost Savings - Budget</b>	Lost	Budgeted	Incremental	
28	<b>Incremental Costs (Budget)</b>	Members	Costs	Savings	
29	Renewals each cycle	7,124	\$2.50	\$17,810	
30					
31	<b>Total Financial Benefit (Budget)</b>			<b>(\$4,970)</b>	
32	<b>Savings due to UMP reduction</b>			<b>\$99,607</b>	<b>-2004.03%</b>

On the final tab, (labeled 50 increased UMP, *ed note: pictured below*) are the calculations of the anticipated change in revenue, expenses and net income based upon \$50 dues with an increase in UMP II to \$30. Using the current ratio of UMP II at \$18 annually, with actual UMP paid of \$14, I estimated the UMP payment with the increase would average \$24 annually. A deduction was also made for the increased UMP payments on all the members, since increasing UMP for all the members results in the states getting some of the money national is now raising and keeping.

## Dues Increase Analysis

### Expected Financial Effects of Current Proposals

2004	Analysis Level	\$50.00	Increased UMP	
1 Membership and Subscribers	21,009			
2				
3 Pay \$50 or more	9,136			
4				
5 Current	# of Mem.	Donations		
6 Pay \$50 or less	11,873	\$281,063		
7 Annual UMP		\$166,222	\$1.17	/mo.
8 Net Income - National		\$114,841		
9				
10				
11 As Proposed				
12 Agreed to pay \$50	46.00%			
13 Members remaining	5,462			
14 New Members	3,151	\$78,784	\$25.00	dues
15 Returning Members	2,310	\$115,512	\$50.00	dues
16 Total Membership Income		\$194,295		
17				
18 Annual UMP on Renewing Membres		\$75,632	\$2.00	/mo.
19 Annual UMP on New Members		\$32,343	\$1.17	/mo.
20 Additional UMP on \$50+ donors		\$91,360		
21 Total UMP Payment		\$199,336		
22				
23 Net Income - National		(\$5,040)		
24				
25 Increase in Gross Revenue		(\$86,768)		
26 <b>Estimated Net Increase in Income</b>		<b>(\$119,882)</b>		
27				
28 <b>Cost Savings - Budget</b>	Lost	Budgeted	Incremental	
29 <b>Incremental Costs (Budget)</b>	Members	Costs	Savings	
30 Renewals each cycle	6,411	\$2.50	\$16,029	
31				
32 <b>Total Financial Benefit (Budget)</b>			<b>(\$103,853)</b>	
33 <b>Savings (Loss) due to UMP reduction</b>			<b>(\$33,114)</b>	<b>31.89%</b>

## Dues Increase Analysis

### Best Case Financial Effects of Current Proposals

**2004 Analysis Level \$50.00**

1	Membership and Subscribers	21,009			
2					
3	Pay \$50 or more	9,136			
4					
5	Current	# of Mem.	Donations		
6	Pay \$50 or less	11,873	\$281,063		
7	Annual UMP		\$166,222	\$1.17	/mo.
8	Net Income - National		\$114,841		
9					
10	<b>As Proposed</b>				
11	As Proposed				
12	Agreed to pay \$50	52.00%			
13	Members remaining	6,174	\$308,698		
14	New Members	3,151	\$78,784	\$25.00	dues
15	Returning Members	3,023	\$151,131	\$50.00	dues
16	Total Membership Income		\$229,914		
17					
18	Annual UMP on Renewing Membres		\$75,632	\$2.00	/mo.
19	Annual UMP on New Members		\$42,317	\$1.17	/mo.
20	Additional UMP on \$50+ donors		\$91,360		
21	Total UMP Payment		\$209,309		
22					
23	Net Income - National		\$20,605		
24					
25	Increase in Gross Revenue		\$27,635		
26	<b>Estimated Net Increase in Income</b>		<b>(\$94,236)</b>		
27	<b>Cost Savings - Budget</b>				
28	<b>Incremental Costs (Budget)</b>	Lost	Budgeted	Incremental	
29	Renewals each cycle	Members	Costs	Savings	
30		5,699	\$2.50	\$14,248	
31					
32	<b>Total Financial Benefit (Budget)</b>			<b>(\$79,988)</b>	
33	<b>Savings due to UMP reduction</b>			<b>(\$43,087)</b>	<b>53.87%</b>

**Dues Increase Analysis  
Worst Case Financial Effects of Current Proposals**

**2004 Analysis Level \$50.00**

1	Membership and Subscribers	21,009			
2					
3	Pay \$50 or more	9,136			
4					
5	Current	# of Mem.	Donations		
6	Pay \$50 or less	11,873	\$281,063		
7	Annual UMP		\$166,222	\$1.17	/mo.
8	Net Income - National		\$114,841		
9					

10					
11	As Proposed				
12	Agreed to pay \$50	40.00%			
13	Members remaining	4,749	\$237,460		
14	New Members	3,151	\$78,784	\$25.00	dues
15	Returning Members	1,598	\$79,893	\$50.00	dues
16	Total Membership Income		\$158,676		
17					
18	Annual UMP on Renewing Membres		\$75,632	\$2.00	/mo.
19	Annual UMP on New Members		\$22,370	\$1.17	/mo.
20	Additional UMP on \$50+ donors		\$91,360		
21	Total UMP Payment		\$189,362		
22					
23	Net Income - National		(\$30,686)		
24					
25	Increase in Gross Revenue		(\$43,603)		
26	<b>Estimated Net Increase in Income</b>		(\$145,527)		
27					
28	<b>Cost Savings - Budget</b>	Lost	Budgeted	Incremental	
29	<b>Incremental Costs (Budget)</b>	Members	Costs	Savings	
30	Renewals each cycle	7,124	\$2.50	\$17,810	
31					
32	<b>Total Financial Benefit (Budget)</b>			<b>(\$127,718)</b>	
33	<b>Savings due to UMP reduction</b>			<b>(\$23,140)</b>	<b>18.12%</b>

This analysis indicates that if the UMP payments are increased as proposed, the National Party will have a net loss of over \$103,000, part of which is the payment of \$33,000+ in additional UMP payments. The renewal rate for current donors who contribute less than \$50 would have to increase to over 72% (change cell C 17 to see this calculation) for this to result in a net financial benefit to the LNC.

It is not obvious that the number of people currently giving more than \$50 would remain unchanged. Most of these people paid dues, and then something extra in response to a project that they liked. It is not obvious, especially in the lower brackets, that these people will be willing to pay more in dues that do not obviously go to the project they desired.

It has also been suggested that because of the social nature of our membership pool, that if a sizable number of the lower donors drop out, the higher donors may leave for lack of social interaction. If either circumstance occurs, and any significant number of the \$50-\$100 donors leave, we start losing significant income.

All available evidence indicates that increasing dues to \$50 is a very bad business decision, with the strong possibility of no net financial benefits to the national, or state, parties. Even with increases at the lower \$35 or \$40 level, the majority of the financial benefit to the LNC will be as a result of lower UMP payments to the states. I strongly question whether this is a responsible act on the part of the LNC.

Similarly, all available evidence strongly indicates that increasing UMP to the levels suggested would be beneficial to the states, it would be financially reckless for the LNC.

It is my opinion that the larger overview of this analysis suggests that the entire paradigm of the UMP program should be questioned. The program has been in existence long enough that a review of the financial and organization costs/benefits is needed.

## **Executive Director's and Headquarters' Report, Libertarian National Committee, Inc. Dallas, Texas: May 14, 2005**

- ◆ "I applaud the Libertarian Party for joining the coalition working to end the death tax. Joe Seehusen has raised the visibility of the Party on Capitol Hill, where voices for liberty are in short supply. I encourage the Libertarian Party leadership and its members to become more engaged in fighting government growth at ground zero in Washington. Liberty is not a special interest, but we need an active LP to lobby for freedom principles in the halls of Congress."

United States Congressman Ron Paul (R-TX)

### ◆ **Introduction and Overview by Joe Seehusen**

This past period was a period of great progress for the LNC. Rather than have me say it, I'll let others do the talking. In this report you'll hear from independent ratings agencies, Washington's political movers and shakers, LP members, university professors, LPHQ vendors and staff, political pundits, internal customers, interns, bloggers in their own words. Let's start with an independent ratings agency's look at our success with the new version of our web site LP.org.

According to the web site ranking service Alexa.com, we have increased our overall ranking by 8,000 slots. As of this writing, LP.org is ranked 24,330. This is on par with LP.org's highest achieved average which occurred in November of 2004 (election season). Kudos to Shane Cory, for his work in creating the new site.

This period may come to be viewed at some future date as a turning point for the LNC, for it was during this period that we entered the arena of national legislative politics in a modest but meaningful way. This was highlighted by our work to repeal the death tax (HR 8). We earned a seat at the table to be part of a Death Tax Repeal working group that saw the passage of HR 8 by the U.S. House of Representatives on April 14, 2005 by a margin of 272 to 162. The bill is currently before the United States Senate for passage.

For the first time the LNC attended and co-sponsored the Conservative Political Action Conference (CPAC), the oldest and largest gathering of its kind in Washington. Our presence was noticed by leaders of the freedom movement as well as members of the media who reported on our presence.

Our outreach has been sufficiently successful that we were also able to accomplish the establishment of the Executive Directors Legislative Action Advisory Council (EDLAAC). This is comprised of a group of major donors who are committed to funding national outreach and real world national legislative political action. I have raised \$43,200 in the past five week period as a result of my direct personal solicitation of those funds. These major donors are willing to invest in this work is a result of what we have already accomplished.

We have reached out to a broad spectrum of potential political allies on both the "left" and the "right", participating with groups such as The Heritage Foundation at their Resource Bank Meeting in Miami and the Marijuana Policy Project's 10th Anniversary event in Washington DC.

## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

Our new state of the art web site at LP.org was delivered on time and on budget. It is structured to not only service current party members but will also be oriented towards and marketed to small "I" libertarians, true conservatives, disenchanted Republicans and economically sophisticated Democrats.

Membership continues to go up. Our combined membership-subscriber numbers are up for the quarter, growing from 22,177 on 12.31.04 to 22,706 on 03.31.05. This quarters' growth is on top of last year which also saw an increase in membership-subscriber numbers. 2004 was the first year of positive membership-subscriber growth for the Libertarian Party in four years.

Our back office operations continue to make continuous improvement in the areas of reporting, accounting and data processing.

While the levels of national legislative activity and direct fund raising are exciting to hear about, my first responsibility is to ensure our operations, accounting, finance, budgets, data systems and customer service function at a high level. Let's look at these areas first.

### ◆ **Operations Report from Robert Kraus:**

Some of the items I'm working on:

- 1) Cost controls: I am continuing to review various contracts to cut costs and keep spending in check.
- Recently canceled contracts include Washington Cable, EarthLink, AT&T, AOL, Bacon's and US Monitor.
  - We are still working to find a new health insurance provider.
- 2) Blackbaud:
- I have completed a review of Blackbaud (RE) Invoices to the Libertarian National Committee, Inc. (LNC) and determined that Blackbaud owes the LNC \$25,735 at the minimum.

The following is a result of that review:

- a) A credit of \$3335.28 in sales taxes & freight is due to the LNC
- b) A credit of \$37893.75 is due to the LNC for the consulting services of Chase Moore.
- c) A credit of \$783.68 in due for duplicate travel charges.
- d) A credit of \$7914.35 should be issued for the second year of licensing for the RE products and services.

The LNC has withheld payment for invoices which remain in dispute due to credits owed. This includes \$7914.35 for the 2nd year of the service agreement and \$16274.58 in consulting fees.

Our stand is that RE should not deny the LNC support while there remain outstanding issues and credits owed. RE needs to continue to honor their service and maintenance agreements. A list of outstanding issues will be provided to RE.

So in summary:

## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

Total Billed to date: \$107,345.81 Includes Taxes & Shipping

Credits Due: \$(3,335.28) Sales Taxes & Shipping

\$(37,893.75) Chase's Hours

\$(783.68) Travel Overcharge

\$(7,914.35) 2nd Year license

Net Total \$57,418.75

Paid To Date \$83,153.88

Refund Owed to LNC \$(25,735.13)

The credit owed to the LNC does not include credit for selling the LNC the wrong ad-on items. Additional credits or adjustments should be made such as trading RE: Anywhere out for RE: Net Solutions or other software, or if no such software is available from Blackbaud that satisfies the needs of the LNC then the cost of RE: Anywhere should be refunded.

In addition, the contract period of the first year should be further extended out until RE provides at their expense a qualified RE: Consultant (to be chosen by the LNC from either inside or outside Blackbaud) to fix the few "bugs" that still exist.

### 3) Customer Service

I feel we have made incredible improvements in serving both our internal (State Affiliates) and more importantly our external (Paid Members and Subscribers) customers.

Under Joe's leadership, especially in the last two months since I've joined HQ staff, the entire office has a new and positive focus with the emphasis on satisfying our paid membership and raising more funds to promote the Party and affect change.

With this in mind, we are making sure that someone is available from 8:30am - 5pm to answer phones. When there is not a person available at the front desk, everyone in the office takes their turn answering general calls that come in. The new mood in the office is really a TEAM approach to solving problems and making things happen.

We are on top of the US Postal Service to assure that BRE's are delivered in a timely manner so that we can keep on top of entering membership updates and contributions.

With Shane's improvements to our web site we are seeing a rise in donations, membership changes and updates via the web. Requests for information are now being sent to both the states and our data entry people. The atmosphere now in the office is "yes" we can do that, and with Jessica's help documenting procedures, anyone who answers the phones is now able to do simple address updates, merges and handle most inquiries.

In terms of our internal customer service, we are continuing to improve the quality of the information sent to States (in terms of Data Dumps -- we have implemented the use of Address Validation so that we have appropriate ZIP-plus-4 and county info, and ran corrective queries and made global changes to update join on dates. expiration dates and to correctly show lifetime members).



## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

Additional improvements to the data was made during Chris Farris' visit to HQ 4/26-4/29, as outlined in his report dated 5/1. Chris is also working on a plan to provide remote access to RE for LNC members who have need to access, and to provide access to RE for our caging vendor. In addition, per his draft memo of 04/28, he will assist in setting up the Automated Affiliate Export System (AES) so the States can access their membership info via the web.

The "can do" attitude of Chris and his team including Fred Childress, Roy Meyers and Shane (as well as Daniel, Jessica, & Sam in the office) is refreshing, compared to all the complaining and negativity encountered from certain individuals at the State level (some of whom have nothing to do with the data base). The LP obviously has many individuals with a lot of computer and data base knowledge and Chris's group has been very open to listening and making improvements to their plan based on the various desires of the State data base guru's.

Unfortunately however, there can be "too many cooks" making the soup. The team and solutions that Chris has presented has already proved itself – one look at the new web site should be evidence enough. Chris' 4 days in DC resolved month's worth of issues. Working as a team and with Jessica's help, we are now able to do global changes to RE and have a good feeling for how to directly import changes. Furthermore, we have made great progress in cleaning up the data which is to everyone's benefit.

Just think what this Party could do if everyone had Joe's attitude of "getting things done" instead of rehashing all the problems of the past. I feel the entire office -- along with people like Chris, Fred and Roy -- shares this feeling.

Roy said best in a recent posting to what is now known as the "Yahoo LP-DB-Anger List:"

"If it doesn't constructively further the goal" (whatever that goal may be – such as changing this country for the better – or "seamless dumps/upstream updates etc.) don't talk about it - regurgitation of ancient history screw-ups do not illuminate our situation."

Here are some of our internal customers we have satisfied from the last few weeks plus some of their comments:

◆ Bill Gelineau - MI

◆ Marc Montoni -- VA

"Thank you, Robert." -- Marc (Virginia)

◆ Ken Mosher -- CT

"I really appreciate your answer. We, the db managers, are used to being ignored! I'm not being sarcastic, I really am happy you answered." -- Ken

◆ Arthur DiBianca - TX

◆ Richard Burke - OR

◆ Bob Newland - SD

◆ Emily Salvette - MI

"Thanks, Robert and Sam, for your very quick responses to my question. You guys are great! Thank you." -- Emily

## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

- ◆ Robert Butler - OH

- ◆ Aaron Star - CA

"Thank you. I'm seeing an improvement."

"By the way, I'm encouraged that the name of the county has now been populated in most records. I'm hopeful that national will continue this practice of validating addresses and including the county information. This is very useful for those states that have local parties organized by county." Aaron Starr, Chairman - Libertarian Party of California

- ◆ Alicia Mattson - TN

- ◆ Brad Klopfenstein - IN

- ◆ Jim VanBeek - TX

"Thanks for delivering the monthly dump. There were no duplicate records included in both the member and lapsed member dumps. The problem has been resolved." -- Jim VanBeek

- ◆ Rob Hodgkinson - KS

- ◆ David Jahn - PA

"I want to thank you for resolving this problem so quickly. At first, I thought I had copied an old table. The thought never crossed my mind that you would have an old table lying around to grab by mistake. I appreciate your forthright explanation that it was a mistake. Too many folks refuse to admit mistakes. I admire those who can. Thanks." -- David Jahn

### 5) FEC Reports

We are continuing to work with two outside consultants, Paula Edwards at Election Machine & Tim Koch at Koch and Hoos, to audit and amend the FEC end of year reports and first quarter reports for 2005.

In addition, they are assisting in reviewing options for replacing the free FEC provided FECFILE software due to the fact that our data is being corrupted because of the size of our file. The free software is designed for smaller organizations. If we do not find a suitable replacement -- Paula will be able to help us archive the information in our file prior to 2005, thus reducing the size of the file so it will be manageable.

## ◆ **Report from Jessica Neno Wilson**

- ◆ Customer Service

Customer service was not something anyone focused on at HQ for the first six months of my tenure here. Everything was fly-by-night, and help-only-when-you-can. In some cases, former staffers were known to let their voicemail box fill up with complaints and then not check it for months at a time. This appeared to me to be gross negligence.

Upon my recognition that this was happening, I promptly removed that responsibility and re-directed those customer service tasks to one of our part time callers. Now those calls get answered in a timely manner, and problems are solved promptly and fully.

When a task is handled is it logged on a tracking sheet, and the member/donor is given a follow-up call or email to confirm that the problem was solved. If the task was forwarded to another staffer for

## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

some reason or necessary information requested from another staffer, that is noted on the sheet as well to identify who or what is holding up the resolution of the member request.

One thing Raiser's Edge does well is it makes it easier to track a member's problems, changes, etc. We add "Actions" to a record when phone calls are made or emails are sent. We can also make open-ended notations to the records if a special situation was uncovered. The next person to interact with that member would be able to see a complete chronology of that member's service history, enabling us to better serve them.

Through renewal and pledge emails, I personally receive a good deal of mail from members. I would like to give you a few excerpts to illustrate the historical attitude towards customer service at HQ. For both members below, I helped fix their problem and resolve their issues, to the point where they wrote me a thank you email.

- ◆ *"What I'm about to say is probably something you have heard about 1000 times by now: I probably would have kept it [his membership] current had my change of address mailing been properly entered by the staff. I've been in my new address just short of one year, and haven't had a copy of LP News delivered to me since my forwarding order expired about five months ago."* Mike Kole, Indiana
- ◆ *"I tried changing my address four or five times over the past year. Once I spoke to a very unpleasant and uncooperative person at HQ. After that I sent two letters. Nothing. I missed LP News for a year."* James Wiebe, Former Liberty Pledger

I have instructed my staff to try to re-connect with these people, emphasizing how things have changed and our new ability to help them. Thanking any member that we interact with (even if they are canceling a pledge or requesting no more mailings) is the most important step.

By being attentive to their concerns and problems and showing respect, we win the members over and they conclude that we have our act together. An organization that has efficient customer service probably has an efficient total operation.

As a concrete example, Liberty Pledger, Mr. Hal Rounds brought his concerns to me about the Ohio recount, which he considered to be a misuse of Party funds. I wrote back to him and included complete information concerning his key issues. What follows is my response to him and his response back to me.

*"Hi Mr. Rounds: Thank you for your open and honest response. I sincerely appreciate the feedback and I have heard similar complaints from other contributors. However, I would like to give you a couple of items to think about in the interest of clarifying the issues for you.*

*Many people do not understand that legally, financially, and organizationally, the Badnarik campaign and the National LP Headquarters were and are different entities. The National LP works with the campaign to train the candidate for media interviews and we raised funds to run campaign ads, but other than that we have very little decision making power within the campaign.*

*Their headquarters were even in Austin, TX, while we are in DC. That said, we did not have any affiliation with the OH recount that upset you, and had no role in planning it and did not involve representatives from our staff. Our communications director, George Getz even wrote an article explaining all of the facts of the situation. I have pasted it below for your convenience, but you can read it here -- <http://www.lp.org/lpnews/0501/recount-controversy.html>.*

*I send this as an attempt to be as honest as possible. I hope you will give it some thought and let me know what you think in the future. As always, I appreciate your opinion. Please give me a call if you have any further questions. Thus, I would encourage you to reinstate your support of the Pledge*

## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

*Program, as it helps National build a stronger organization, were we can begin to have a stronger more professional presence in the national debate. Thank you for your contribution.” Jessica Neno Wilson*

*“Ms. Wilson: Thanks for your detailed response - a treat rare from political organizations.*

*First - I will probably never really leave the Libertarian Party, even when I disagree with certain specific policies. I know the Constitution is a Libertarian document, and I intend to continue trying to get it restored.*

*Second - I did make the mistake of merging the party and the Badnarik campaign in my mind - and contributions - so I apologize for that.*

*So - I was only holding back during that period, anyway. I will continue to donate as expressed in my pledge. Again, thanks.” Hal Rounds*

This sort of thing is probably not surprising to many board members, because you have experienced working with me, Sam New, or other part time staffers and seen our new emphasis on customer service. I know I have exchanged emails or spoken on the phone with over half of the board on membership and donor issues. I include these examples to show that good treatment is now not reserved only for board members and LP VIPs.

This focus on following-up and solving problems for the membership is something everyone currently on staff here is on board with. Daniel Cloud collects address changes to be entered into Raiser's Edge, which he receives because of *LP News* and Robert Kraus has been a consistent and happy helper to the development staff anytime a financial problem must be researched and/or corrected for a member.

### ◆ Raiser's Edge Data Tasks

Roughly eight weeks ago, I took over all tasks associated with pulling member and donor files and charging pledges. This added a significant bulk to my workload, which I was prepared for. However, I was not prepared for the gross negligence that I uncovered.

Before the departure of the former data manager, it was understood that complete documentation would be provided for core tasks such as how to charge the monthly pledges, how to pull a data file for mailings, how to pull the renewal files, etc. I cannot emphasize how completely this task was NOT done.

The only item I received was a slipshod document claiming to provide information on how to charge the monthly pledges (a task which brings in between \$20,000 and \$25,000 monthly). This document showed me how to log-in to Raiser's Edge and get into the batch screen (something I already knew how to do) and then provided one or two more steps only. It stopping short of telling me how to ensure no double charges happen, how to charge declined pledges later in the month and how to actually send the file to IATS (our credit card processing company). It was incomplete to the point of uselessness.

I worked with my training manual and my brain, trying to find out not only how to do it properly, but how to do it better than before. (You must think it through instead of trial and error, as you cannot afford to make mistakes with \$20,000 in credit cards.) I finally found a simple step that not only saved significant time, but ensured no double charges (which have been a problem that has plagued HQ since RE implementation.) I taught myself the entire process, improving on it as I went along.

For pulling data files for the mail-house, I had to log-in to Raiser's Edge under the former employee's name and research it myself by looking at past files. Again, I taught myself how to do it from scratch, and I realized that we had NEVER excluded people who requested “no mailings” or “reduced mailings” from our fundraising lists or the *LP News* mailing list. This shows not only poor

## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

customer service, but is a waste of LP dollars. It also gave people the false impression that LPHQ was incompetent and that Raiser's Edge was a bad product. On the contrary, it was merely the gross underutilization of the technology and indolence.

I also found out in mid to late March (via mass complaints from inquiries) that no Info-paks had been sent out to inquiries since late December. These Info-paks are a source of both revenue and new memberships.

The process for Info-paks was virtually automatic. A basic file is pulled once or twice a month and sent to our mail-house. It just wasn't done because no one was watching. Once I uncovered the issue, Sam New and I worked fast to send stock to the mail-house and learn how to pull the data. Within a week and a half, inquiries were caught up and now are sent regularly every third Monday. A 12-page guide documents the entire process, so that this never happens again. I am working on similar guides for all parts of the core functions that I handle.

Renewal files are a bit more complicated than your average mail-house data file. I was not looking forward to learning/teaching myself how to do it. A little knowledge of Raiser's Edge and Excel actually made it quite easy. I did several drafts, doing quality control each time to ensure accuracy and finally arrived at a method that is both easy and accurate. Again, we removed people who had requested "no mailings" but had continued to receive them before.

Once I learned how to pull the file though, my task was not over. It seems that all Liberty Pledgers needed to be queried by expire date and have their expiration date manually extended to keep them current and to ensure they do not receive renewal notices. The biggest selling point the Pledge Program has is the ability not to expire.

I found out, again through direct member complaints and by looking closely at the data instead of just sending it, that this wasn't being done and had not been done in a long, long time. No record or indication of a policy pertaining to this had been left behind. I developed one that made sense and used part-time staffers to get the job up-to-date. Now that it is up-to-date it is part of the renewal generation process, as a monthly quality control task. I had many pledgers complain and it costs valuable staff time to explain the situation and apologize.

Lastly, as an internal issue, I realized that certain part-time staffers had been bestowed "Supervisor" security rights in Raiser's Edge. This was done by a former staff member so that a part-time staffer could complete a project that required deletion rights (merging duplicate records project).

Instead of delving into the way the security system in RE works, this staff member just did it the easy way and gave him supervisor rights. Since this part-time staffer was trusted and valued, that was not a problem for a long time.

However, the former database manager also never established stringent requirements for individual log-ins to RE for all users. Thus, a high-school intern was given the part-time staffer's "supervisor" rights log-in and turned loose to enter inquiries with little training. Because of this oversight and misuse of the RE security system, a simple intern mistake has added over 45 new (and invalid) phone types to our system which ostensibly cannot be deleted (a quirk in the software).

Upon my initiation as the new database "manager" (among my other responsibilities), I established several levels of security for the different levels of staffers that we have (Intern only, Data Entry, Data Editor, Credit Card Charger). Now only Robert Kraus and myself have supervisory rights to database and everyone else has exactly the rights they need (and no additional ones) to complete their job tasks. I also have sent memos to all staff stating that every RE user (from intern to volunteer to part time to full time) needs a unique log-in – no borrowing. This set-up for a log-in takes 2 or 3 minutes.

## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

This new system is working beautifully to the advantage of all and to the security of our data and our data integrity.

I will say honestly that although this situation has been frustrating, I was pleased to find out that the user-friendly nature of Raiser's Edge enabled me to self-teach tasks and processes. Every time I had a new task to learn I dreaded the time it would take to learn it, and each time I was surprised by the speed with which I could ascertain which "buttons to push." I could then spend more time finding out how to perfect the process and do it better by putting my mind to the task.

Part of the transition to Raiser's Edge is the democratization of database knowledge: the more people who know how to do something, the better for the organization. I hope to continue to contribute to the institutional knowledge of the LP, so that we never end up in a situation such as the one we were in the past few months.

### ◆ Data Clean-up

My working knowledge of Raiser's Edge has been vastly expanded in the past two months, which was useful and helpful as I became a partner with Chris Farris and Robert Kraus to work out quirks in the system. I have been thoroughly impressed by Chris's ability to work with us and help us find innovative solutions to problems.

We have come a long way toward cleaning up some quirks in the system (some caused by conversion, others caused by misuse of the system since conversion). Some examples that I am sure Mr. Farris will touch on include: use of a global change function in Raiser's Edge to check a "Lifetime" box on life members who did not have it. It took 30 minutes where it could have taken hours of data entry. Use of global change, add, and delete functions and use of import fields will in the future revolutionize our use of the powerful technology we purchased.

We also worked to implement Address Validation, a product which auto-fills the ZIP+4 codes and county codes. The LNC paid for this product as part of our Blackbaud package and it was never set up correctly for our use. Former employees believed it to be functional but never ran the mass update necessary to kick it into action to benefit the states and the LNC. On April 1, 2005, I ran all 400,000+ records through this system, getting codes for states which we should have had since late September.

### ◆ Pledge Program

Many pledgers have cancelled over the past few months, some due to forces beyond our control (such as unemployment). However, I believe that much of this was caused due to the double charging incident caused by Chase Moore of Blackbaud and the continued (though less grand) double charging of some pledgers by former staff members charging pledges. Individuals did not see us as good stewards of their money and it will take a significant amount of time to make up for these errors. Now that I have found a way to prevent the double-charging, pledge revenue has decreased in the credit card realm, but that's a small price to pay for doing it right and being honest and competent.

### ◆ Renewals (Mail, E-mail, Phone and Web)

The renewal series has been completely re-written and implemented. We now have four letters (based on old letters but freshened up). I also fixed logistical problems such a dead extension given to call with membership problems on the old reply cards and removing controversial UMP language from the renewal series. Please see the section on Raiser's Edge Data Tasks for information on how I have improved the renewal data and its generation.

## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

Renewal Calls are going well. With only two callers, we made it through a rough renewal period (1800 calls were made in March, 1600 in April, where we usually have only 500-800). The productivity of the girls was amazing.

The monies generated from calling directly are tracked by an appeal code in Raiser's Edge. Since January, their calls have directly generated over \$2600. However, since the calls also encourage and remind people to send in their notices or go to the website to renew, much of the funds actually generated by our callers are tracked based on their response vehicle and not to our calling code.

That said, my callers track people who say they will send it in via mail and track that in an Excel spreadsheet and on paper. When a membership arrives that they generated, they track it in a statistics spreadsheet outside of Raiser's Edge. According to this perspective, our LP callers are responsible for over \$7100 in membership revenue since January alone, and bringing back over 180 members since January.

I will continue to work to improve the tracking system and statistical models to provide solid data with respect to the program. I believe though, that providing the members with friendly options for responding (including sending them to the website) is a good customer service strategy that will pay off in respect from our members.

I also send out emails every month to all people set to expire in the current month and for 3-4 months backwards. These emails drive people to the website to renew and encourage them to give me or the callers a ring in order to renew. This has been a very successful and inexpensive way to generate renewal dollars and members.

One member, Sonja Ryan commented, "This email was much more effective than what has been coming in the mail. I found your email to be a more pleasant nudge to get online and do the renewal."

I think her comment illustrates a few things: 1) a friendly strategy works, 2) members like the option to reply through methods other than through their point of contact, even when this strategy makes it more difficult for us to justify our productivity.

### ◆ Calling Program

This provides me with a nice segue into my next point, which is the future of the calling program. I have used my network and inroads at George Washington University to recruit candidates for summer callers. With my callers graduating and/or going home for the summer, I will be training a new class of customer service and fund-raising staffers. This is an exciting time, in my opinion. I already have six or seven highly qualified candidates, which I am presently interviewing and hope to have them in full swing by the end of May.

They will go through an all-day Saturday training session, where they will learn about the LP, practice calling techniques and learn Raiser's Edge. They will have more strict rules and standards than my 2004-2005 callers had. They will have defined goals to reach and evaluations to sit through. All in all, it will be a more disciplined efficient program. This, along with my ability to house up to four callers now, will allow me to add a new project to their repertoire: recruiting members to join the pledge program and thus growing it!

### ◆ Mailings

Mailings are going out on schedule now, for the first time in a long time. I am getting better at notification to state chairs and in general I am getting better at formalizing the logistical process

## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

involved in producing letters. Please see above Raiser's Edge section for data improvements as it pertains to house letters and lapsed letters. We are now honoring our "solicit codes" when members request no mailings, they get no mailings. Prospecting and lapsed recruitment continues to go well and contributed significantly to our membership growth during this quarter.

### ◆ Intern Program

One area where LPHQ has made great progress and is saving a good deal of money is our intern program. For over a year now, we have had at least one (and this semester up to four) college and/or high school students volunteering time through several structured programs. This is not only a source of free labor but allows the LP to build relationships with talented and smart young people who are about to graduate (many from prestigious schools).

Lastly, having a solid intern program gets you noticed in the broader D.C. world. This is happening for the LP. We are building a reputation as a great place for young people to work, contribute and learn. This is good for our image, and other organizations (Leadership Institute, Heritage Foundation, etc.) have incorporated interns as part of their approach to outreach. Our intern program is a win-win-win situation with a lot of bang for very little buck!

When I was sending out announcements for the summer session recently, I received an email back from Jennifer Gajdosik, a professor with American University's Washington Semester Program – a program we have a great and longstanding relationship with. This was an unsolicited comment about the progress we have made.

"Your organization has a great reputation for very substantive internships for students. I hope a student is able to take advantage of it this summer," Jennifer Gajdosik, American University Semester Program

The following is a letter from our most recent intern, John St. Leger:

*I'd like to take this opportunity to comment on my experiences at the Libertarian National Offices. To begin, I can say with complete confidence that my internship experience was nothing like any of my peers' also involved in American University's Washington Semester. From my first day in the office I was given important and meaningful tasks to complete while not becoming just a "catch all" for work that others did not want themselves.*

*My list of memorable projects is quite long and again, compared to my peers, incredibly interesting and satisfying. A few of the more "flashy" opportunities were the lunch meetings with U.S. Congressmen and staff, an intense morning preparing Mr. Joe Seehusen to appear on a nationally televised news program to debate Libertarian thoughts, and of course, the very rewarding Conservative Political Action Convention where we showcased ourselves quite well.*

*As I mentioned, this list does not include the many daily opportunities I had to interact with LP members, research LP ideology, and become an integral member of the National Office team. All in all, the environment exposed to me, as an intern, was fantastic and I would recommend it to anyone.*

*Like the work itself, the employees of the National Office are truly great and, in my opinion, irreplaceable. Beginning with the ED Joe Seehusen, a better LP business planner/leader can not be found elsewhere. Mr. Seehusen's ability to develop a project and then garner support for it is quite exciting and based on just the four months that I was in the office, most definitely working.*

*The next person I would like to mention is LP News editor, Mr. J. Daniel Cloud. In all honesty, Mr. Cloud puts the LP in a light that I believe, is perfect for it and his talents are always astounding. Finally, I would like speak about the two individuals with whom I had the most contact. Mr. Sam New and Mrs. Jessica Wilson are two of the most gracious, funny, hard working, and grounded people I have ever met. As the general "go to guy" of the office, Mr. New is able to answer any question that you have and help alleviate any problem that may arise. His dedication to his position was a testament*



*to the type of person he is; being a 23 year old working 10 hour days 5 days a week and never mentioning it is something I'll never forget.*

*Probably the person most involved in helping me become a member of the LP National Office, Mrs. Jessica Wilson works harder than I've seen anyone else within 30 years of her age. Speaking about just her position as the intern coordinator (she maintains at least a handful of other positions on any given day), Jessica was always prepared for me with projects and information on how to do them. Because of this I was never left with the intern nightmare, nothing to do and 8 hours to do it. Her directions were always clear and if I ever had a question, she dropped whatever she was doing and helped me get on track without making it seem like I was interrupting at all. On several occasions I have recommended the LP internship just because she directs it. I can and do say that on a daily basis, the people of the National Office are what I enjoyed the most.*

*The fact of the matter is that I enjoyed every moment of my internship at the LP National Office. What I have included here is only a small portion of my entire experience. –John St. Leger, Spring Intern LPHQ*

### ◆ **J. Daniel Cloud on Media activities for the period beginning March 17, 2005**

As you know, on March 17 the previous LP communications director inexplicably resigned to the LNC via e-mail, without notice. Because of his rapid departure (and the fact that he hadn't been in the office for a couple of days before said resignation) there was no opportunity to codify his job and define his responsibilities before he left the office.

Understandably, this left a gap in handling phone calls from various media and effectively sending out press releases to the established media contact list -- but it wasn't much of a gap, and it is rapidly closing.

Within a few days after that office was vacated, I spoke with several members of the media, including both radio and newspaper reporters who were seeking an LP voice on the topics they were researching. The phone from that office was forwarded to Sam New, who has been letting me know when a reporter calls.

I lament that I did not take notes on the phone calls I fielded, but most of them were simple requests, with journalists wanting to know where the party stands on issues including (but not limited to) the newly prevalent smoking bans, welfare benefits, the Terri Schiavo case, the Ohio recount (which is of continuing interest), and several other topics. (For the record, none of them wanted to know where the LP stands in reference to how we should treat life on other planets, once we find it.)

In most instances, the reporters already knew what the Libertarian viewpoint on a given subject would be, which I take as a positive sign. They were seeking simple confirmation and quotes to verify that what they believed to be the case was, in fact, so. In some cases, their information or assumption was fallacious, and I was able to clarify those situations, serving as a sort of filter for erroneous information. In many cases where I was able to provide assistance, I also provided information about the appropriate state party so that the callers could follow up with more localized views.

Now that it is apparent that I'll be fielding questions through the end of May, from what Mr. Seehusen says, I have begun taking notes when reporters call. If I'm asked again to provide a media report, I'll be better prepared. A few media contacts I do remember from recent weeks:

- ◆ In late March I answered a few questions for a writer with *Front Page Magazine*.

## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

- ◆ In mid-April I spoke at length with a reporter for FoxNews.com, who was asking about a host of different subjects. Eventually she boiled it down to one question: Where do we stand on social programs, including taking care of orphaned children, etc., and how such needy people would be taken care of in a libertarian world. I got her to admit that the current foster care system, welfare, etc., don't work effectively or efficiently, and told her that this is exactly why we need to get government out of the business. "Libertarians aren't hard-hearted," I told her. "It's precisely because we DO care about people that Libertarians don't want government to control such programs. Government has failed at it. Private organizations do much better -- providing services more efficiently and more effectively, and without using force to do so."
- ◆ I spoke just a few days ago with a reporter from Washington DC's *City Paper*, a weekly news, arts and entertainment paper that enjoys wide circulation in the metropolitan area. He was asking about claims that a Republican on the DC Council is a small-L libertarian, but upon questioning, I found out that she had actually claimed to be a "civil libertarian." I explained for him the difference between a Libertarian and a civil libertarian. Ends up, he is doing a story about the proposed indoor-business smoking ban, which this councilwoman opposes. So I got to explain to him that this is, in fact, a place where what she is saying IS a libertarian standpoint. This was a very good conversation, and the reporter seemed pleased to be talking to a fellow reporter who knows what questions to answer.
- ◆ And on 5-4 I spoke with a reporter from the Montrose (CO) *Daily Press*, who wanted information to go with a story about the then-upcoming Colorado LP convention. Again, I was able to connect him with people in his state who could more ably assist him with local details, but I was also able to provide him with some information for his story. He was working on deadline and appreciated the fact that there was someone to expedite his efforts.

There were also several radio show calls, which I promptly forwarded to Joe Seehusen. With his background in radio he is eminently better equipped to talk to radio personalities than I am -- and the show's producers were understandably excited about talking to the ED of the party.

Seehusen was also busy with media opportunities. As he has told you, some of his activities have included:

- ◆ Face-to-face meeting with a reporter from "The Hill."
- ◆ An interview with the famed *Village Voice*, for which I also provided some information.
- ◆ Face-to-face meeting with the Washington editor of Fort Wayne, Indiana's *Journal Gazette*.
- ◆ A 20-minute live in person interview with talk radio show host Martha Zoller. Seehusen contacted her personally and was allowed to speak at length to Zoller's 350,000 listeners.
- ◆ Face-to-face meeting with Steve Chapman, a member of the editorial board of the *Chicago Tribune* who is also a syndicated columnist;
- ◆ Face-to face meeting with the business editor of the *Chicago Sun-Times* (Michael Dixon referral)
- ◆ Face to face meeting with John Fund from the *Wall Street Journal*.
- ◆ Introduction and discussion with Nick Gillespie editor-in-chief *Reason Magazine*
- ◆ Joe was invited by MSNBC to debate Phyllis Schlafly on the Terri Schiavo case in their Washington studio for a national TV audience. As he, Sam New and John St. Leger were driving up to the building, he received a phone call saying the guest list had changed, and we were not going to be on the show.
- ◆ An appearance The Lynn Rivers Show
- ◆ In person meeting with the senior national political correspondent for the *Washington Times*
- ◆ Interview with the *Pittsburg Tribune* newspaper on the repeal of the death tax
- ◆ Face to face meeting with Anna Palmer and Joe Crea Reporters from *Influence Magazine*, The Business of Lobbying

## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

On April 6, Seehusen was invited to a press conference hosted by the DC-based Citizens Against Government Waste, to cover the release of that group's "Pig Book". Seehusen used the opportunity to point out to the dozens of reporters and TV cameras that the LP is (like CAGW) fed up with wasteful politicians and is dedicated to working to force the worst offenders out of office.

Subsequently, he was approached by a journalist from California's *Orange County Register*, and was invited to meet with that paper's DC bureau staff.

We also had an in-office meeting with Ron Burr, the publishing consultant for *Reason Magazine*. This meeting has led to an invitation from Reason to exchange advertisements, which will (I believe) prove to be a very beneficial move for the LP. Reason is one of the most respected, most politically savvy publications on the market, and they are on our side now more than ever.

### ◆ Problem Areas:

As you can see, the "talking to reporters" portion of the Communications Department's duties has been dealt with as effectively as possible.

One area of that department's responsibility that has yet to be adequately addressed is the production and distribution of press releases.

We have received numerous phone calls from the media on issues they assume we will comment on, and from journalists who encounter LP stories on our Web site, but we've been stymied when it comes to sending out press releases via e-mail and "blast fax" to newspapers, radio stations and TV show producers.

And with good reason: When the previous communications director left without warning, the procedural information about sending out press releases left with him.

Writing a press release isn't problematic. If anything, it's easier than writing an effective news story. But sending out press releases to people who have grown accustomed to hearing from the LP is problematic, when the communications director is the only staff member who knows how the system works.

Since I started here at LP HQ in January 2004, Joe Seehusen has repeatedly stressed the necessity of documenting how each job in HQ gets done, from beginning to end, so that in the unlikely event of that worker's getting hit by the proverbial bus, that job can still be done.

To the best of my knowledge, no such documentation was done by the erstwhile communications director -- which would not have been a significant problem if he had given notice of intent to leave, and had then been considerate enough to work with either a successor or other LP employees to pass along the information that had been strictly in his purview. Unfortunately, he chose neither of these two options -- instead opting to show utter disregard for continued efficient functionality of his department, directly impacting LP HQ, the LNC and some outreach efforts.

As it happens, we have received (or sought out) about as much media coverage in the past 1.5 months as we usually get, even without officially issuing press releases to media outlets via e-mail or fax. However, I am speaking a little in the dark on this one, since it was never very clear to me exactly how much media calling/interviewing/outreach our previous communications director did. I do know that each press release typically resulted in a few phone calls, under his watch, but I'm discovering that people also call even if no such release is sent out.

## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

I'm not suggesting that we stop issuing press releases. Far from it. Assuming we are able to gather the proprietary information that our previous communications director hoarded so jealously -- or at least was unable to pass along to a successor, thus costing LP HQ staff significant time, and the LNC a significant amount of money -- I believe we'll be able to issue frequent press releases that will be timely, effective, informative and printable.

Mr. Seehusen has informed me he is in the final stages of negotiation with a new media team that will include a new communications director and he expects to introduce the team by the end of May.

### ◆ **Report from Samuel P. New**

When I began working at LPHQ in June 2004, the material sales program, which was housed and administered in the national office, was all but a complete failure. Orders were lost. Cards were overcharged and undercharged. Orders were late. Customers received the wrong items or incorrect quantities. Complaints consumed a significant portion of staff time.

The problem gradually worsened, and a drastic change became necessary. I was advised that the problem was mine to correct. I was given two parameters: 1.) the materials sales program must continue and be improved. 2.) The material sales program must occur as a break-even proposition. To correct the problem, I spoke with ASAP, a mail house in Northern Virginia that specializes in printing, mailing, and fulfillment. ASAP has a wide array of non-profit clients in the Washington metro region. I visited the fulfillment center and was duly impressed with the fulfillment side of the business.

As a result, the decision was made to transition the Liberty Bookstore to ASAP. Since outsourcing of the bookstore, orders have been fulfilled in a timely, professional, and efficient manner. Customer complaints have, for all practical purposes, disappeared. This is a cost-effective solution, especially given the consideration that staff time is no longer spent taking and fulfilling orders or dealing with complaints.

In order to increase communication, and also to foster the growth of communication between HQ and the states, I have initiated a series of conference calls to answer various questions, and update the states on some of our progress. Initially, the focus of the calls was primarily Raiser's Edge-related. Recently, however, the ED and I decided to involve the states in our efforts to eliminate the death tax, believing that state chairs could mobilize local and state-level activists to support our cause.

Participants included George Squyres, Glenn Tatum, Chris Farris, Roy Meyers, Carrie Simms (American Family Business Institute), Joe Seehusen, and me. Hopefully, we can comprise a significant portion of the efforts. With the success of this cooperative effort between the national party and the states, it is our belief that we can encourage more local Libertarians to support us as we seek to be relevant in the real world of political action.

- ◆ **State Chairs' Manuals:** In further effort to improve relations/communication between the national office and states, I have begun a project to create a standardized state chair's manual. The manual will be in a binder, and will include a letter from me welcoming the state chair, explaining the necessary information that must be provided to HQ. This letter will also include a brief explanation of what the new state chair can expect from the HQ staff, and what staff will need to obtain from the chair. Additionally, the manual will contain forms that the state chair will complete. The form will help HQ staff ascertain information about activists and officers in the state. For example, when HQ staff has a database-related concern for a particular state there will be no question as to who handles those types of concerns. Moreover, the state chairs' manual will contain reproducible forms for remitting membership dollars to national, updating addresses, and processing renewals. This will, in theory, help to standardize the processes by

which states provide information to national. To complete the manual, I will include a copy of the contact information for all state organizations, an LNC Policy Manual, and a copy of the LNC bylaws.

◆ **Outreach, DC Movers and Shakers, Major Donor Activity, National Press Club and HQ Working Environment by Joe Seehusen**

I continue to have face to face visits with the leadership of political organizations. The purpose of the meetings is to say "The Libertarian Party is open for business to do the hard work of real politics. How can we work together to promote limited government and civil liberties?"

Some of these groups we are already working with. With others we have just had a brief introductory face to face visit. Most of the people I am contacting come from my own personal network, mostly from my days as host of Straight Talk Radio.

Scheduled for May: Face to face with Ed Crane, President Cato Institute

Scheduled for May: Face to face with Mike Pence, Chair of the Republican Study Group (105 Members of Congress)

Done: Dee Vaughn, Chairman National Corn Growers Association

Done: Judicial Watch

Done: American Family Business Institute

Done: Reason Foundation

Done: The office of Christopher Cox, Member of Congress

Done: Americans for Tax Reform

Done: The National Rifle Association

Done: American Conservative Union

Done: National Taxpayers Union

Done: The Leadership Institute

Done: The Office of Congressman Bob Barr (R-GA 1995 to 2003)

Done: Joe Maloney, Corporate Secretary International Trade Union, Washington DC (Mark Nelson referral)

Done: The Heritage Foundation

Done: Young America's Foundation

Done: Foundation for Economic Development

Done: Accuracy in Media

Done: Tax Foundation

Done: Maryland Taxpayers Association

Done: The Office of Steve King, Member of Congress

Done: The Office of Ron Paul, Member of Congress

Done: 60 Plus Association

Done: The Bill of Rights Institute

Done: Citizens Against Government Waste

Done: Patriots for the Restoration of Checks and Balances

Done: The Appraisal Institute (Mark Nelson referral)

Done: The Institute for Responsible Citizenship

Done: The Office of Lamar Alexander, United States Senator

Done: Institute for Policy Innovation

Done: The Objectivist Center

Done: National Federation of Independent Business

Done: Congressional Hispanic Conference

Done: US Department of Education office of the Assistant Secretary

Done: Freedom Works

Done: ACLU The American Civil Liberties Union

## **Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005**

Done: The United States Chamber of Commerce  
Done: Institute for Humane Studies  
Done: National Right to Work Legal Defense Foundation  
Done: Drug Policy Alliance  
Done: Institute for Justice

The universal response to my approach is an admixture of skepticism, hope and openness. Skepticism that we are actually ready to do the "hard work of real politics", hope that we will, and openness to begin the process of exploring the practical ways we might work together.

I repeatedly hear the expression "The Libertarian Party is a political discussion group, a supper club that does not want to do the real work of real politics." I assure them we are more than ready for total emersion in the real work of real politics necessary to achieve our mission statement.

Some of our larger formal outreach activities have included:

Done: Heartland Institute Conference, Chicago, January 2005

Done: Conservative Political Action Conference (CPAC) Co-Sponsor Washington DC, February 2005

Done: Capitol Hill "Classic Liberal" Luncheon Sponsor, Washington DC, April 2005

Done: State Policy Network Conference, Miami, April 2005

Done: Heritage Foundation Resource Bank Meeting, Miami April 2005

Done: Marijuana Policy Project MPP 10th Anniversary Celebration, Washington DC May 2005

Committed: Freedom Fest Conference Co-Sponsor, Las Vegas May 2005

Committed: National Taxpayers Union Conference Co-Sponsor, Washington DC, June 2005

Planned: Leadership Institute Fourth of July Celebration Co-Sponsor, Washington Metro Area

### **What Washington's Political Movers and Shakers are saying about our Outreach Program**

"Joe Seehusen and the Libertarian Party bring a very welcomed and fresh perspective to any outreach program. Their involvement in such projects as CPAC and the coalition to end the death tax adds a new and productive dimension to our existing coalition. The work Joe and his team have been doing is being noticed around town, and we're glad to have them join our efforts any day." Stacie Rumenap, Deputy Director, American Conservative Union, CPAC Director

"NTU is very appreciative of the LP's growing involvement and activity in issues we care about such as taxes, spending, and free speech. We've long wanted to strengthen bonds between taxpayer groups and Libertarians, and I'm glad things are moving forward. It's good to see Joe Seehusen at conferences and meetings -- it helps to have the LP actively engaged on all the important policy fights we wage." - John Berthoud, President, National Taxpayers Union

"Working with Joe Seehusen, as a fellow constitutional warrior, and as a true partner in our effort to restore constitutional balance to The USA PATRIOT Act, is a productive, exciting and pleasant

## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

experience. I learn from him even as we work together on Patriots to Restore Checks and Balances." Congressman Bob Barr (R-GA)

"For all its potential virtues, the boneheaded manner in which so many supporters of the National Retail Sales Tax (NRST) handle the issue politically leads me to believe the idea is as dead as a doornail. They make the Libertarians of days gone by (not the current leadership under Joe Seehusen) look like political geniuses by comparison. These activists seem to think this issue is going to be won on points in some kind of college debate contest rather than on the hard-scrabble political playing field in Congress. They also have the uncanny ability with their insulting rhetoric to turn potential allies into hostile opponents. Not only do many of these folks have political tin ears, they have political tin brains, as well." Chuck Muth's News and Views, May 5, 2005 Edition

"I'm glad Joe Seehusen and the Libertarian Party have been so active in the fight to permanently repeal the death tax. Their grassroots support has been extremely helpful to the cause." Dick Patten, Executive Director, American Family Business Institute

"On that account, I'm happy to say your national party appears to have recognized this and is moving in the right direction. Your national executive director, Joe Seehusen, recently began attending a well-known weekly DC briefing for leaders of the center-right coalition. The LP also just joined a conservative coalition which has formed to kill the death tax. And as we gather here today in Los Angeles, the Libertarian Party is co-sponsoring CPAC in Washington for the first time. CPAC is the oldest and largest conference for conservative grassroots activists. This is extremely smart politics and will pay big dividends for you in the long run." Chuck Muth, President Citizen Outreach from his speech to the Libertarian Party of California, February 2005

### ◆ Major Donor Fundraising: The Executive Directors Legislative Action Advisory Council

I have begun a group for major donors who want to see legislative political action on the national level. This group is called the Executive Director's Legislative Action Advisory Council or EDLAAC for short. The minimum financial donation to join EDLAAC is \$5000.

The group is focused on outreach and legislative progress, and is working currently to get the Death Tax (estate tax) repealed through the Death Tax Repeal Working Group which includes but is not limited to Americans for Tax Reform, American Family Business Institute, National Corn Growers Association, etc. The bill we are pushing for has already passed the House and we are currently lobbying the Senate to vote and pass the permanent repeal of this tax. We have also joined a coalition with former Congressman Bob Barr called Patriots to Restore Checks and Balances, which is committed to bringing the Patriot Act back in line with the Constitution. Other projects are in the pipeline and are being evaluated for suitability.

Mr. Michael J. McKay, President of the investment firm Iowa Capital Management, is the Project Champion of the Group. I have known Michael both as a friend and as a member and major donor to the LP. The money for these activities is raised by my personal direct solicitation of major donors. In the past five weeks I have raised \$43,200.

Based on my personal network I was able to have a brief conversation with billionaire financier **George Soros** about the Libertarian Party. Since I had to be in attendance at the Dallas LNC meeting I have asked Mr. McKay to fill in for me at a planned face to face visit with famed billionaire investor **Sir John Templeton** in New York this weekend to discuss EDLAAC.

◆ **The National Press Club**

I have been admitted to the National Press Club in Washington DC. This will provide a suitable venue from which to launch our major media announcements and initiatives.

◆ **HQ Working Environment:**

Recently, I have seen a marked improvement in staff morale, productivity and communication. Here is what others say.

*"Throughout my tenure here, there have been cycles of progress and stagnation, enthusiasm and low staff morale. We are currently in an up-cycle, I believe. The last six to eight weeks have seen a re-consolidation of the team spirit here at HQ, despite an increased workload on all staff (myself in particular) due to the departure of other staffers."*

*"I feel (and have always felt) that LPHQ is a place where good work and hard work is rewarded. I am learning a good deal and feel like we are making progress and improving every day. We finally have a direction (outward) and every person seems to know their role(s) and how they contribute to the team. My colleagues and I, especially Sam New and Daniel Cloud, get along very well and cooperate splendidly in order to make things happen. In short, I admit that in the past things were not always perfect or even tolerable, but I can say that things have been better lately. It seems as if we are turning a corner." Jessica Neno Wilson, Development Coordinator*

*"Joe Seehusen is a doer. While he could have easily sat in his position and maintained the status quo, he chose to take bold steps to move the party forward. His management style alone allowed me to succeed in revamping the LP website. Joe put the burden of responsibility for success or failure on my shoulders and allowed me the proper amount of creative leeway to finish the project. Had that not been the case, the site would have not been launched on time and would most likely be bogged down over design minutia." Shane Cory, Cory Consulting*

*"In the past month or two, much has changed at LP-HQ. My experience here has changed in a very positive manner. With the permanent absence of a few individuals, the atmosphere of the office has become more productive and light-hearted. There is a much better line of communication throughout all parts of the office which makes work much easier. I am pleased with how things are going and see great potential for it to truly only get better." Margaret Taylor, Development and Customer Service*

*"After a rocky period throughout the winter and early spring, things are finally looking up at LPHQ. The staff within the office is functioning as a cohesive team and communicating well; as a result, we are getting things done! It is extremely upsetting to hear that there are individuals attempting to disparage the work that we are doing in an attempt to reconcile their own feelings about their experiences here. I have truly enjoyed my time here, and am looking forward to helping move LPHQ in a positive direction." Kelly Kohut, Development and Customer Service*

*"I am currently more than satisfied with my employment at LPHQ. The executive director has taken adequate steps to insure that my working environment is reasonably comfortable, challenging, rewarding, and professional. I applaud his efforts to resolve the institutional problems that have persisted, while focusing on the world outside of the LP and increasing our public appeal. I thank him for his efforts as HQ staff work together as a team to promote the notion of a freer, more prosperous America." Samuel P. New, Customer Service/Special Projects Manager LPHQ*



## ◆ LP.org report from Shane Cory

### Update on LP.org Progress Since Conversion

The recent redesign of the Libertarian Party website consisted of a complete backend overhaul while freshening the front end design. Several new features were added as well such as the LP Blog, the daily poll and LPedia.org.

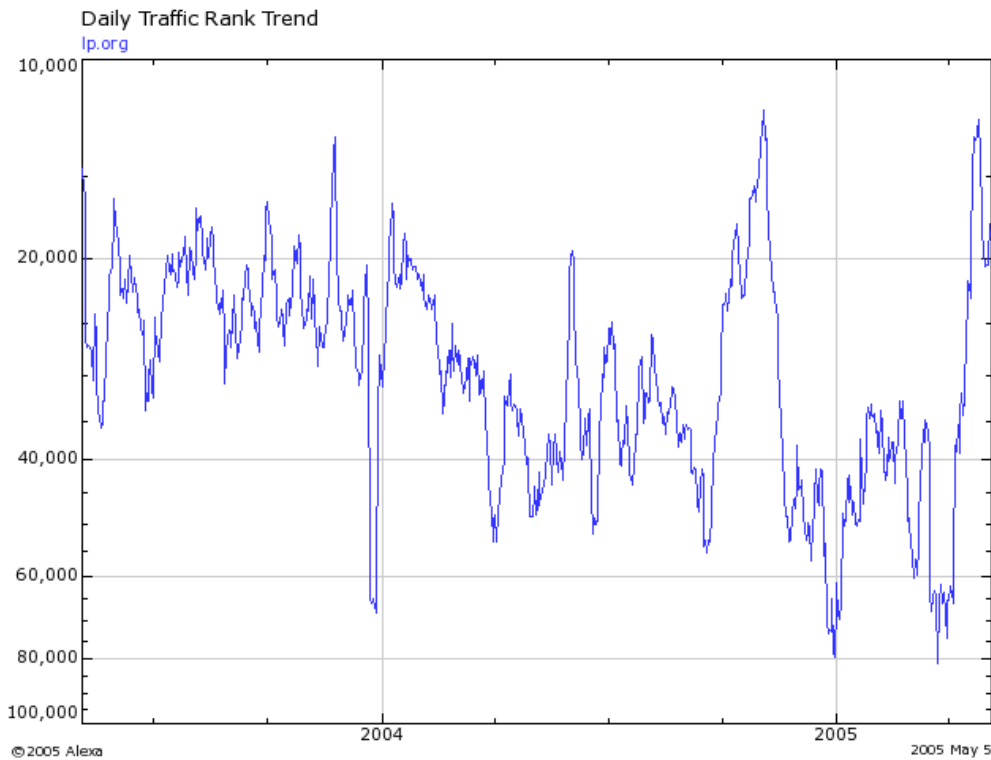
The major reason for the backend overhaul was to convert over to an up-to-date server and content management system which would ease updates, provide for more flexibility and open the door for future enhancements and redesigns. This has all been accomplished.

There were a few hold-ups in the current site's launch such as the two week dead spot in progress and the subsequent request for secrecy on the hold up by a former staff member. However, this only affected the beta testing period that was wanted by many before launch. In the end, very few errors were found and those that did arise were quickly corrected.

Since the conversion (which took place two days ahead of schedule on April 23rd), the site is already experiencing greatly increased traffic and return visits as well as a 7% increase in online transactions.

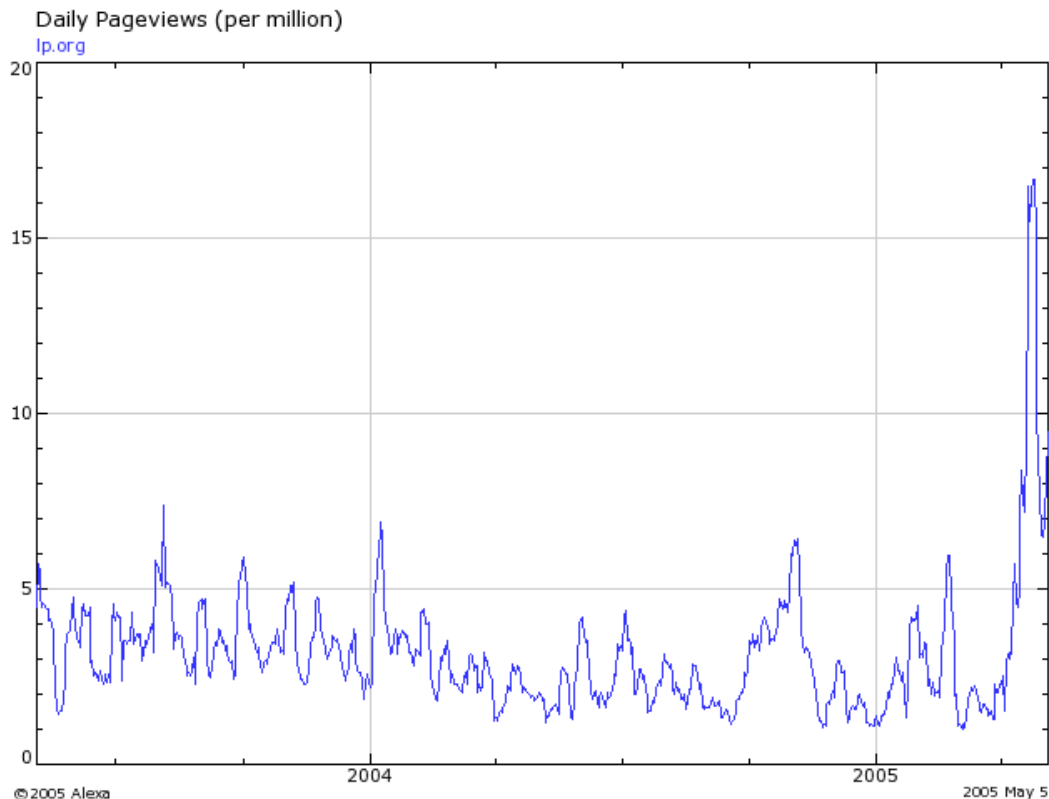
According to the site ranking service, Alexa.com, we have increased our overall ranking by over 8,000 slots. As of this writing, LP.org is ranked 24,330. This is on par with LP.org's highest achieved average which occurred in November of 2004.

The chart below is a two year trend of the Alexa ranking of LP.org:



## Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005

Alexa also tracks the page views of nearly all sites on the web. Page views represent a portion of the "stickiness" of a site and its ability to attract return visits from readers. Since the launch, LP.org's page views have increased by over 100% and represent the highest averages in the history of the site:

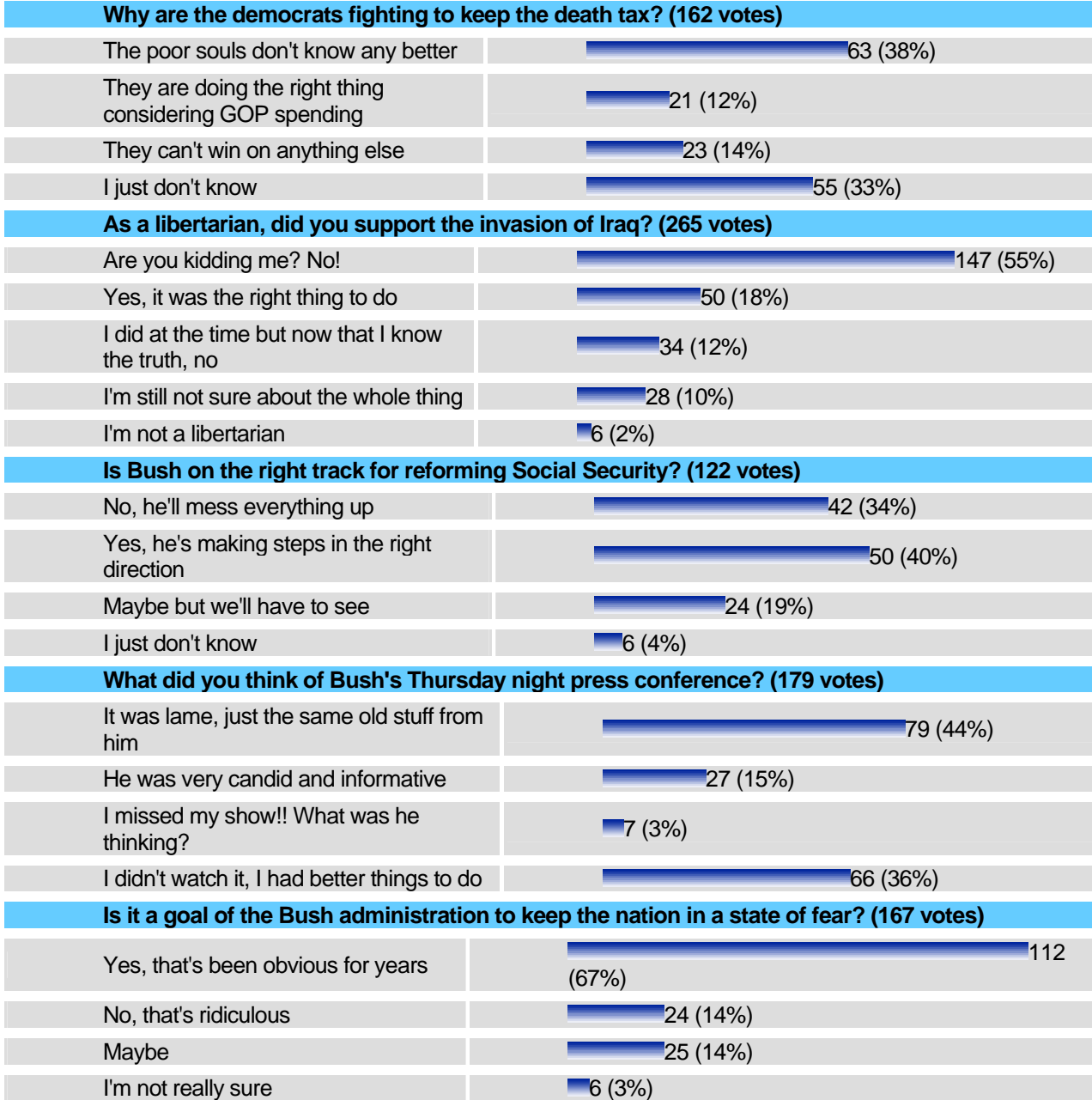


The increase in page views is directly related to the launch of the blog. The new LP Blog in addition to increasing our traffic statistics has provided us with direct feedback related to the redesign. While there were a handful of negative comments, although much fewer than expected, there were many positive comments, some of which I have listed below:

- "Great work!" – Rich Page
- "The new site looks great! I hope more content will follow from this increased functionality." Chuck Molton
- "Excellent improvement! My input would be to use the blog just like you are doing here. Incorporate the blog into the LP internet strategy just like you are doing here. Great job." – Doug Kenline
- "I just want to congratulate the LP on the launching of the new interactive website. It's terrific." – Libertarian TV
- "The site looks great. It is good to see there is now a blog, and I agree with others that the color of the comments could be a bit darker. Navigation is easy, and the content is presentable. That is more important than anything. Interesting topics, easy to read text and easy navigation will be a winner for this site." - Mike Guastella (Note that I took Mike's advice and darkened the comments)
- "Nice work, the blog looks fantastic! The site's increasing interactivity is good too. Nice to know that the first political party on the 'Net hasn't lost its edge." – Stuart Richards
- "I, too, would like to congratulate the LP. The banner up top, if my memory serves me correctly, looks crisper now. And, it's nice to see the addition of the blog." – Alex Peak

**Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005**

The interactivity of the blog has been complemented by a new daily poll and LPedia.org. The poll has already generated hundreds of votes and can provide us with a good snapshot of the stances that Libertarians take on a variety of issues. Below are a few of the questions that have already run:



While the daily poll can provide us with a non-scientific viewpoint by our membership and the general public, it also serves to increase the size of the LP Announce list. Participants of the daily poll are encouraged to join the announce list in order to receive results of the week's poll questions. Since the launch the list has grown by over 300 subscribers and now stands at 20,707.

## **Appendix C Executive Director's and HQ Report, Dallas, TX, May 14-15, 2005**

In serving the libertarian community and to increase the overall online presence of the Libertarian Party, LPedia.org was created. LPedia is an online, collaborative encyclopedia of the LP's past, present and future. While a similar "wiki" site already existed on the web, Libertarianwiki.org, it was not heavily or even moderately visited. Libertarianwiki.org ranks over 745,000 on Alexa. Having been online for only 15 days (in comparison to Libertarianwiki's 1.5 years), LPedia ranks under 375,000. The site has also generated 27 pages of content which ranges from Liberty Dollars to Peter McWilliams.

While the launch of the new LP.org has been a great success, it should be mentioned that this is just a few steps in the right direction. Much more can be done to increase the LP's presence on the web and branding with the general public and prospective members.

**Components of the Alternate Structure:**

**1) Membership:** Membership in the national party shall be without payment of any dues, and shall require only the individual's name, address and email. The only benefit the member will receive is a membership card, and this shall be a tear-off that is a part of a post card, rather than a plastic credit card type of card; benefits will instead accrue to contributors. Membership in the national party shall be automatic if one is a member of a state affiliate party. State parties may be encouraged to make membership free also, and follow the same model of turning members into contributors, or may elect to charge dues to be a member of a state affiliate. In either case, membership in the state affiliate becomes the primary vehicle. This shall not to preclude someone being a national party member only. This will greatly expand our database and give us more members that we can turn into contributors. It will also likely result in a decrease in expenses, as we no longer need to send our membership renewal letters, many of which appear to lose money.

Delegate allocation for convention will need to be reconsidered, as some states have a policy automatically making all registered Libertarians members of the state party, while other states do not allow partisan registration. This will require changing Article 2, Section 2 of the Policy Manual, and possibly Bylaws changes as well, and such changes must to be consistent with the capabilities of Raiser's Edge.

In order to transition to a new system without impacting the '06 National Convention delegate allocation, we would implement the change eliminating dues as of 01/01/06. This allows the current rubric for selecting convention delegates to stand for 2006, but forces the body to change it at the 2006 convention.

This will also force a change in regional makeup and representation, as well as life memberships, as a free membership will not necessarily expire, unless otherwise adjusted.

**2) Contributors:** The primary activity and responsibility of both the national and the state parties will be to turn members into contributors. If states utilize this model, their efforts will also be to turn their members into activists, but the latter category will be only incidental to the national party.

Benefits will accrue to contributors annually on a tiered basis starting at the \$25 (some have suggested \$50 or at the Executive Director's discretion for larger donors) level with a hard copy of LP News mailed to the contributor. This encourages donors, rather than simply newsletter subscribers. Some provision needs to be made to allow those states electing to charge membership dues to purchase discounted subscriptions of LP News as a component of a package of benefits of membership. Benefits at other levels need to be fleshed out, including Torch Club, Project Patrons, Executive Director's supporters, etc, with input from the committee as well as the ED.

**3) New State Affiliate Agreement:**

The UMP program shall be ended and a codified agreement with states shall be created specifying benefits and obligations for both national and the states. The terms of this agreement, including all necessary changes to the Policy Manual and Bylaws shall be the responsibility of a five member committee including Patrick Dixon and Doug Klippel for the LSLA, Dan Karlan and two other LNC representatives, and shall be ratified no later than the August LNC meeting.

At a minimum the agreement shall include the following:

## Appendix D George Squires, Alternate Dues Structure, Dallas, TX, May 14-15, 2005

- Ballot Access: The state must to agree to put our presidential candidate on the ballot if they have ballot access, and cooperate with LNC-driven efforts to improve ballot access and/ or lessen requirements.
- Database Resources: The states can make use of the LNC database if they agree to submit all member/donor names to the LNC. Database resources must be bidirectional, so that the databases of the states are shared with national for inclusion in the national database, and inquiries and contacts that national obtains from whatever source, such as Cato, Heartland, Liberty or Reason magazine devolve to the states. The LNC should be responsible for outreach efforts with such organizations including the purchase of their databases. The states agree to certain protocols for use of our database.
- LP News: The states can purchase LP News subscriptions for state members/donors for \$10, to be mailed by the LNC.
- Material Sales: States shall be able to buy LP materials, including brochures, at a discount and benefit from the national office's economies of scale in developing, producing and printing their own materials.
- Morals Clauses: Affiliates shall be responsible for the behavior of their members and candidates insofar as they reflect on the party at any level.
- FEC Compliance: States shall maintain FEC compliance where necessary, and the national office shall be responsible for developing a program to implement this; the individual state shall be responsible for the cost of the program as delivered.

All UMP contracts shall be phased out as of 9/30/05. This gives our state affiliates six months of full UMP payments (May for April membership, through October for September membership) from the date of the vote before payments start decreasing by 1/12 each month as we unwind from the UMP contracts. We might want to consider offering a discounted buyout for some states to start pilot programs. The phase out may be 12/31/05 as determined, with appropriate modifications to the schedule.

This will require the affiliates to do their own membership prospecting, recruitment and renewals, and candidate recruiting, fund raising, etc. It will be incumbent on the LNC to create and offer the appropriate programs to facilitate the increased responsibility of the states in the form of training, resources, organization and other help.

**4) National Resources Provided to States**: As much as possible, resources and support including training, materials and services should be outsourced, so that national develops the program, arranges its distribution to the states through the regions and their representatives, and the states pay for these resources directly to the provider. If possible under the FEC regulations, the best course is to outsource both the LP News and material sales so that those and other "services" are supplied by a non-FEC filing entity. Thus states can pay for all of these with non-federal money.

That support should include at a minimum the following:

- Quarterly or bi-annual training at LNC offices for new state chairs, Executive Directors and possibly Treasurers, all expenses paid by LNC. This would include some RE training, some FEC training, some leadership training and hooking the state leaders up with our organization.
- Holding regular professional training sessions for organizers, activists, candidates and campaign managers throughout the nation at low or no cost to our members. The use of professionals such as the Corey's from TX, the Leadership Institute or similar groups should be used to put on this training wherever possible.

## Appendix D George Squyres, Alternate Dues Structure, Dallas, TX, May 14-15, 2005

- These initiatives should be developed and offered before the end of this year, in conjunction with the LNC meetings in August and November (put the November meeting so it isn't so close to Kansas City), and at the State Chairs conference in January.
- The LNC should budget for a low of 20 to a high of 50 scholarships, including sharing transportation costs, to the Leadership Institute's training sessions.
- A substantial amount of free training sessions at the 2006 convention.

**5) Regions and Regional Representatives:** The role of the regions and their representative should be codified and detailed in terms of responsibilities to both the state affiliates and to the national committee, their role in implementing the programs, policies and benefits of the relationship between national and the states, and their role in delivering the resources and support the LNC provides to the states. Regional conventions for the purpose of delivering resources and training should become a regular component of regional activities.

## **CAMPUS ORGANIZING REPORT**

Submitted to: Libertarian National Committee, May 3, 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) In my previous report, I mentioned that I began negotiations with a web hosting firm for the purpose of building and maintaining a campus organizing website that is separate from the LP website. The costs discussed so far are very reasonable, given the quality of the firm. However, there are several reasons why it may be better for the campus organizing website to reside on the LP website, where it will remain for the time being.

I now have access to the campus organizing part of the LP website. I shall endeavor to update the contact section within the next month. During the next two months, I shall also endeavor to provide additional content on the site, such as an updated campus organizing manual (see comments below), sample flyers and posters, sample ads for campus newspapers, etc.

2) The campus organizing manual is still undergoing revision. The initial revision should be completed by May 19; that version will then be circulated for further review and comments. I anticipate that the final revision will be finished and available on the website no later than June 30.

3) I am investigating opportunities for LP representatives to appear at conferences, workshops, and other events that involve young people (especially political activists).

4) I am still looking to find people who can commit substantial amounts of time on a volunteer basis to the task of responding to inquiries, contacting campus representatives on a regular basis, and maintaining a calendar of the activities mentioned in item 3 above. Unfortunately, aside from Trevor Southerland (chairman of the National Libertarian Party Youth Caucus), so far I have not found people who are willing to commit to working on these tasks on a volunteer basis. I am planning to discuss purchasing release time for members of the LPHQ staff who are willing to perform the tasks.

Mr. Southerland and I continue to consider various ideas concerning campus organizing activities and fundraising opportunities. Some additional items of interest:

\* Mr. Southerland is currently upgrading the NLPYC website ([www.nlpyc.org](http://www.nlpyc.org)).

\* I conducted campus organizing workshops at the LP Tennessee convention on April 9 and the LP Pennsylvania convention on April 30. Both events were well attended, and I believe both events were well received.



## Appendix E. Campus Organizing Report, Dallas, TX, May 14-15, 2005

\* Mr. Southerland conducted a campus organizing workshop during the LP Indiana convention on April 30. According to his report, the workshop was well attended and well received.

\* I have been contacted recently by Maren Plagens of the LP Kansas and Kevin Ferrizzi of the LP New Jersey to assist them with their efforts to build campus organizations at colleges and universities within their states.

\* Roy Meyers, executive director of the LP Maryland, has set a goal of establishing an LP presence at every four-year college and university in the state by the end of 2005. I shall endeavor to help him to achieve this goal.

\* Chuck Moulton (Region 5E alternate representative) has requested my assistance to help build Libertarian campus groups in Pennsylvania. Evidently the LPPa will make a major effort to build campus groups in Pennsylvania this year, in part to assist with the massive petition drive that will be necessary next year. (The LPPa must gather roughly 67,000 signatures statewide; their target at this time is 100,000 signatures.)

**BALLOT ACCESS AUDIT REPORT 2005**

Audit Report on Ballot Access presented to Libertarian National Committee  
May, 2005

**NEED**

The US Libertarian Party began a new process for addressing ballot access restrictions for 2004. It differed in the following main areas from previous efforts:

- There was a consensus that ballot access restrictions must go. Ballot access should no longer be addressed statically-as something that was inevitable-but dynamically-concrete steps to remove or dramatically improve ballot access restrictions in the remaining States.
- Ballot access monies should be funded specifically by interested members--by direct, targeted, and earmarked funds to focus planning, create an automatic budget arising from actual supporter interest, and also prevent diversion of monies to other projects ("accordion funding").
- This was being done at a difficult time --where on the one hand there were many victories and accumulated expertise in ballot access, but the administrative tools at national were undergoing drastic reform, begun from the SPT process, at a time of crisis and hence, poor fundraising and staffing. An example of these problems was that State contact info obtained via the national website was not trivially inaccurate in some cases.
- Execution had weaknesses. Considerable institutional knowledge was lost with the passing of the LP political director and must be reconstructed on a team basis. There is fear that defining staff activities will lead to micromanagement. A state leader contact group was suggested, as were specific project management categories by state for auditing and project plan to actuals, and activity lists to assess whether monies retained by National for overhead were realistic. These standard practices were not implemented. .

The LNC authorized an audit and review at its November, 2004 meeting. Michael Gilson-De Lemos, who was selected to drive the project, and undertook to do so on the basis of considerable leeway in developing the vision and needed data for the estimated 6 month project. It was expected that State LP feedback would be solicited and guide recommendations. The project began at the initiative and considerable preparation of George Squyres, with continuing help from Bill Redpath, LNC Ballot Access champion. During the audit over 30 LP State leaders gave considerable time, feedback, and information. George Phillies has also begun to participate in the audit.

**STATUS**

After some 100 man hours, the project is near completion. Most states after several false starts from lack of contact info by National, round-robin confusion as to who had what, and human nature in that responding to unexpected inquiries took time have delivered data that is after various computer difficulties being put on a spreadsheet so the Chair can review what we have. More importantly, at present there is enough feedback and effort to outline key opportunities.

**SUMMARY FINDINGS**

- Future efforts need by-state management project reporting driven by National. National was unable to produce reports by state to assess the efforts financially, either summary or in meaningful detail. No meaningful project basis reporting occurred. Developing national numbers would involve tedious reconstruction that would be imprecise and meaningless as no plan to actuals were provided based on activity or state, nor as set by previous motions of the Executive Committee. Indeed, even those motions were unavailable from National or the Secretary. By state

## Appendix F. Michael Gilson deLemos Ballot Access Report, Dallas, TX, May 14-15, 2005

numbers are attained by "backing in" from state LP reports. That this is producible is evident from State reports, many of which, however, were not detailed as project reporting was not generally present or the need understood. It appears that National spent over \$250,000 on the project, but often meaningful attribution of expense-while technically satisfying accounting standards-was not readily evident for management accounting and project review purposes.. However, the good news is the formatting of state data in Appendix A in effect provides a template for design of future project management summary reporting.

- Staff and LNC plant contribution percentage needs an activity list and dedicated functions. As stands contribution value is unknowable. While a percent figure appears as employed to set aside for costs, no actual activity/task accounting appeared to occur whether on a contemporaneous or review basis. (National cannot meaningfully give imputed man-hours, so attempting to assess whether the project was over or under budget, except in a gross sense, would be an exercise in science fiction.) More importantly, even if it did occur, it would be of limited help, since no staff activity/task lists exist, and therefore it is impossible to assess if what they did was what was expected. However, such a rule-of-thumb percent figure is common in such situations, but is best used as a starting point for actual determination of plant and other contribution. In future for this and other accordion projects even a simple 10 item activity list and hours log is key. Alternatively, LNC may simply deduct a percentage of any funds raised, but it remains advisable that it actually know its financial and hour costs by detailed pre-planning.
- Strategic and tactical opportunities became evident from the audit, in matters such as overall prioritization, fund-raising presentation, and others. A spreadsheet (Appendix A) provides the raw financial data initially sought by LNC. A second highlight spreadsheet (Appendix B) will help look at valuable forward-planning ratios and thus raises issues of whether more "static ballot access" money is being spent on states with little electoral prospects or immediate value; what 5 key states what consume % of the ballot money versus % of the population; or contrast of e.g. 4 states of varying size but with high activity and EALO (Elected or Appointed Libertarian in Office) ratios, or simple visibility, all to provide subtler but basic opportunities.
- There is a need for a second 'dynamic' ballot access fund to eliminate or greatly reduce restrictions. Appendix C highlights states that National may target with high likelihood for success in relation to possible costs (this is preliminary and should be reviewed by the Chair and Region Reps for realism). . In the alternative, National may fundraise to distribute seed money impartially on the basis that the personal relations and other expertise developed will have benefits beyond ballot access. Naturally, states should be encouraged to create their own dynamic ballot access fundraising. A survey of respondents suggest that states would be receptive to two ballot access fund-an A fund for static needs, and a B fund for dynamic needs that will lead to dramatically diminishing ballot requirements.
- Non-financial opportunities should not be ignored. Low cost methods such as bringing in legal expertise, e-mail campaigns to legislators, personal intervention and lobbying, a contact group to motivate and share expertise, pointing to acceptable states as a model in literature and outreach, etc can be addressed by a support group of key state leaders in future efforts.
- There were serious personality and communication problems. While on the whole states felt the ballot effort led to a positive result, there was in some cases considerable dismay due to tensions and perceived interactions with the ballot champion and national's ability to keep promises. A state leader support group can help address such difficulties in the future.

## Preliminary Report on Presidential Ballot Access Expenditures

George D. J. Phillies phillies@4liberty.net 508 754 1859

### Executive Summary

This is the Preliminary Report on LNC Ballot Access Spending, as commissioned from me by the National Chair on Income Tax Day, April 15.

- . The National Party Headquarters, State Chairs, Treasurers, and Executive Directors of involved States, Freedom Ballot Access, the Badnarik Campaign, and Mr. Redpath were requested to transmit appropriate supporting information.
- . The National Party for direct and indirect costs spent \$200,652 on petitioning, \$21,230 on litigation and related expenses, and \$48,576 on fundraising, office, and mailing costs.
- . As practicable, a state by state breakdown of available volunteers, required signatures, and LNC spending has been generated from LNC and limited State Data. The information is severely incomplete. I have no information from eleven of fourteen states, and no information from Mr. Redpath.
- . Spending ranged from one to four dollars per signature collected. In some cases this included accommodations and meals for petitioners, as well as a per signature payment.
- . I have from the LNC a spreadsheet (attached) showing amounts spent and to whom disbursed. Some payments for petitioning do not indicate the state in which signatures were collected. I am aware of one state in which the LNC had signatures collected, for which I cannot identify any matching expenditures.
- . I have so far been unable to locate supporting documentation (cover letters for checks, receipts, contracts with petitioners, or other records) that would allow validation or interpretation of expenditures.
- . Through an oversight, I neglected to request in a timely way the breakdown of the Badnarik Campaign spending, which totaled \$39,112. That has been requested and will be included if it is obtained in my final report.

### Report by George Phillies

#### Appointment

On April 15 I was appointed by Mr. Dixon to make a report on how the LNC's ballot access money was spent. April 16 was the LPMA State Convention. On April 17 I sent requests for information to involved persons. I have started making followup inquiries to persons that have not yet responded. This preliminary report covers my findings to date. I would like in particular to thank Robert Kraus, Joe Seehusen, Sam New, Wes Benedict, Bonnie Scott, and Shannon McMEnamin for their prompt responses and assistance.

## Appendix G. George Phillies Ballot Access Report, Dallas, TX, May 14-15, 2005

### Data Collection

On April 15, the National Chair sent email to each State Chair announcing my appointment and requesting their cooperation with my efforts (Appendix A: Appointment Letter). Requests for Information were sent by me on April 17 electronically to each State Chair, Treasurer, and Executive Director in each state that appeared likely to have received money from the LNC. (Appendix B: List of States, Sample Letter). Separate requests were sent to the Party Headquarters (Appendix C: Correspondence) and to Mr. Redpath as coordinator of the ballot access project (Appendix D).

### Responses

National Party: The National HQ responded immediately and on the first following business day to my request. On April 29, I telephoned Mr. Kraus, who was extremely polite and responsive. I remind the LNC that he was not with us when most of these transactions took place, so he is working through someone else's records. He was able to forward to me a set of five spreadsheets, which he had already forwarded to Mr. Redpath. In fairness to him, he did not realize that my inquiries and Mr. Redpath's were distinct, and thought my requests already had been answered.

State Party Records: I have had responses from Texas, New York, and the District of Columbia, and from Freedom Ballot Access.

Mr. Redpath has not yet responded to my initial inquiry.

### National Party Records

I have received from the National Party a series of spreadsheets listing expenditures. In many but not all cases, these can be associated with expenses in particular states. Others are apparently fund raising expenses. I have not received copies of any cover letters, supporting memos, records of conversation, or other supporting documents. The most extensive of these spreadsheets will be attached as a separate file.

I had initially requested a copy of the supporting memoranda and others bills, and the cover letters that accompanied the checks. I had supposed that these would in each case be filed with the matching check, so finding these would not be challenging. Mr. Kraus believes that someplace there is a large file folder with all these documents, for which he is still looking. I have thusfar received no documentation that explains or justifies expenditures.

Members of the LNC reminded me of LNC rules: Policy Manual, Article V (Finances), Section 1 (Financial Procedures), paragraph B (Special Projects and Task Forces), subparagraph 2 "Projects shall be selffunding and shall expend or obligate only money which has been received unless such expenditures or obligations are approved IN ADVANCE by the LNC." I have not received the matching income statements, and cannot report when or by how much this project overspent.

### Spending by State

I have received a complete account from Wes Benedict, Texas State Executive Director (Appendix E) . I have received an extensive memo from Bonnie Scott (NY State Vice Chair) (Appendix F), and am promised a separate financial report by the LPNY Treasurer. I have received a report from Shannon McMenamain (DC Chair) (Appendix G), supported by a longer telephone conversation.

The following is a state by state aggregation of the data. The LNC Ballot Access plans provided the number of members in each state as of July 2003, and the estimated required number of

## Appendix G. George Phillies Ballot Access Report, Dallas, TX, May 14-15, 2005

signatures. LNC and Freedom Ballot Access expenditures are taken from spreadsheets supplied by the LP National office and by Mr. Sean Haugh. State Reports for the three states for which I have responses have been incorporated, and appear as Appendices.

### Alabama

Alabama had 251 members in 2003. 5000 signatures were needed for Ballot Access. The LNC sent Alabama \$2500 on July 9, \$2000 on August 17, and \$5742.38 on September 30. Between Independent Alabama and the state party, Freedom Ballot Access invested \$4030. Total investment in Alabama was therefore \$14,272.38, or \$2.80 per signature.

### Connecticut

Connecticut had 245 members in 2003. 7500 signatures were needed for ballot access. Freedom Ballot Access invested \$3600.

### District of Columbia

The District of Columbia had 66 members in 2003. 3600 signatures were needed for ballot access. 150 signatures were collected by the five active members. The LNC sent DC three checks for \$4500, \$5200, and \$4000 in late July and early August. Freedom Ballot Access invested \$30. The LPDC invested approximately \$4000 of its own money. The total was approximately \$18,000 signatures, or nearly \$4 per signature.

The LPDC faced a very narrow time window, competition from Republicans paying \$5 each for Nader signatures, and petitioners who raised their rates after it was too late to replace them.

### Illinois

Illinois had 737 members in 2003. 25000 signatures were needed for ballot access. The LNC sent Illinois \$5000 on April 12, \$10,000 on June 2, \$10,020 on June 14, and \$7500 on June 15, for a total of \$32,250 or \$1.30 per signature.

### Kentucky

Kentucky had 131 members in 2003. 5000 signatures were needed were need for ballot access. The LNC sent Kentucky \$5613.49 on September 30. Freedom Ballot Access invested \$2030.

### New Hampshire

New Hampshire had 223 members in 2003. 3000 signatures were needed for ballot access. Freedom Ballot Access invested \$30.

At least three prominent New Hampshire Libertarian activists have stated to me that the LNC did send several petitioners to NH for several weeks. These petitioners apparently collected simultaneously for Badnarik and Nader. Under NH law, when the same voter signed two petitions, whichever campaign got their petition to town hall first got the use of the signature. I have been unable to identify LNC expenditures for the New Hampshire ballot access e ort,

### New York

New York had 701 members in 2003. 15000 signatures were needed for ballot access. 24708 signatures were collected, including 9033 by volunteers. The LNC sent New York \$18000 on August 17. Freedom Ballot Access invested \$4650. The total listed here is \$22650. Bonnie Scott indicates that a more detailed report from LPNY State TReasurer Werner Hetzner is forthcoming.

### North Dakota

## Appendix G. George Phillies Ballot Access Report, Dallas, TX, May 14-15, 2005

North Dakota had 27 members in mid2003. 4000 signatures were needed were needed for ballot access. Freedom Ballot Access invested \$2030. There is no record of an LNC contribution.

### Ohio

Ohio had 704 members in 2003. 5000 signatures were needed were needed for ballot access. The LNC sent Ohio \$3000 on June 29, apparently for petitioning, and for legal expenses \$1000 on January 10, February 10, March 10, and April 10. Freedom Ballot Access invested \$1130, so the total for petitioning and legal expenses was \$8110, of which around 82 cents per signature was spent on petitioning.

### Oklahoma

In Oklahoma, lobbying and litigation were pursued. Freedom Ballot Access made available \$500 for lobbying. The LNC on various dates sent \$17,230 for litigation expenses.

### Pennsylvania

Pennsylvania had 801 members in 2003. 23,000 signatures were needed for ballot access. Freedom Ballot Access invested \$150. The LNC sent Pennsylvania \$5000 on June 10 and \$6300 on July 9, for a total of 11,300, and to petitioner Jay Russell \$2000 on June 18, \$2000 on July 9, \$8280.25 on July 30, and \$4233.81 on September 30, for a total of \$16514.06, for a grand total of \$27,964.06, for a total approaching \$1.20 per signature.

### South Dakota

South Dakota received \$4980 on March 3, \$5000 on March 24, and \$7500 on April 30, for petitioning in the one case where a reason is specified for the spending. South Dakota had 34 Party Members as of mid 2003 and needed to collect 3,346 valid signatures by collecting an estimated 5600 raw signatures to put the candidate on the ballot, or 8364 valid signatures by collecting an estimated 14,000 raw signatures to put the party on the ballot for two elections. I am advised by Richard Winger that the latter path was used, because it had been started early on. The LNC thus spent about \$1.25 per signature relative to the path chosen, or over \$2 per signature relative to the cheaper path, to put the candidate on the ballot.

### Texas

Texas, with approximately 1100 members as of mid 2003, spent \$145,000 on ballot access, including acknowledging \$45,000 from the National party, \$75,000 raised internally, and \$25,000 borrowed from members. This is close to \$90 per state member raised by the state party.

Texas needed to collect 45,540 signatures and actually filed 82,000, of which 9,500 were collected by volunteers (close to 9 per state party member) and 72,500 were gathered by paid petitioners.

The total cost per signature was \$2.00 (average of total expenses over total paid signatures was \$145,000/72,500) or \$3.18 (average total expenses over required signatures without considering volunteer signatures was \$145,000/45,540 ).

LNC records indicate sending \$5000 to "KohlhaasTX" on April 8, \$25,000 on April 26, and \$20,000 on May 6, which differs from the State Party report by \$5000.

### West Virginia

West Virginia had 71 members in mid2003. 12,693 signatures were needed for ballot access. The LNC sent \$5460 on May 13, \$1000 on June 29, and \$3000 on July 19, while Freedom Ballot Access invested \$150. The grand total was \$9610 or slightly more than 75 cents per signature.

## Appendix G. George Phillies Ballot Access Report, Dallas, TX, May 14-15, 2005

### Unaggregated Expenditures

\$17,558 was paid to Mr. Kohlhaas for fundraising. I have been unable to assign a substantial number of expenditures, including approximately \$10,000 in petitioning, to ballot access in any one state. \$9,550 for 'Ad and Admin Charges' is the largest single unallocated and undocumented expenditure, followed by matching expenditures of \$1688 and \$2972 for "Sept Renewals" and "postage".

### Anomalous Spending Issues

- . The amounts assigned by these records to the Texas Campaign (\$50,000 in
  - . payments to "KohlhaasTX", Texas, and TX) do not match the Texas Party statement that the National Party paid them \$45,000. Are there administrative/fundraising costs not seen by the Texans?
- . For 9/15/2004, item #912943 to Advanced Mailing Services, the Ballot Access
  - . campaign paid \$1,688.02 for "Sept Renewals", and two days later to the same place by \$2,972.21 for postage. I cannot name an expenditure describable as "Sept Renewals" that would be a legitimate ballot access expense, but perhaps it is the label on the entry that is odd and not the spending.
- . Payments for "Postage" were made to "Tri-State" on dates after or far after the end of
  - . the ballot access campaign, namely \$688.28 on October 12, 2004 and \$696.30 on November 29, 2004.
- . While other express transmission charges are in the \$1020 range, on June 26 UPS
  - . was paid \$157.66 to ship a package 21X1432 to Kohlhaas. This is a remarkably large sum for shipping, though it might have been to a remote point in Alaska.
- . Amounts paid to Bob Lynch on April 17, Jay Russell on September 30, LP Kentucky
  - . on September 30, and LP Alabama on September 30 are quoted as amounts paid, to an odd number of pennies, which is strange unless these were payments against itemized invoices, but as of this writing I gather that no such invoices have been found in the National Office. The same is true of some payments to UPS, to Scott Kohlhaas, and to Bill Redpath for telephone charges.
- . I cannot assign to the "Petitioner" expenses of \$6500 to Mr. Kohlhaas, \$726 to Roger
  - . Pope, \$726 to Crystal Lawson, and \$1926 to Gary Fincher to a particular state, because records available to me do not name a state.

### Challenges

- . I am still waiting for responses from most states and from Mr. Redpath.
  - . I would have expected that accompanying each expenditure there would be a paper trail: A record of the purpose, receipts as appropriate, and a signed purchase authorization indicating who approved the spending, and for what nominal reason. I have been unable to find this trail, which might have explained LNC some expenditures. I would have expected that LNC checks after being paid would be stored, in some reasonable order, together with their support documents, but apparently my assumption is not correct.
- . Mr. Jay Russell of Pennsylvania, who was paid \$16,514.06 for petitioning, was the
  - .



**Appendix G. George Phillies Ballot Access Report, Dallas, TX, May 14-15, 2005**

original LPPA U.S. Senate candidate. He received that nomination on the basis of his commitment that he would personally collect the required signatures to put him (and as an automatic bonus our presidential candidate) on the ballot, a feat he has previously been a major factor in accomplishing for another party. It is my understanding from Pennsylvania that Pennsylvanians do not recall an indication at the convention that Russell expected to be paid for petitioning.

**Appendix A – Dixon Appointment Letter**

From: ownerstatechairs@hq.lp.org Friday, April 15, 2005 8:56 AM To: statechairs@hq.lp.org  
Subject: Note to be posted to the state chairs–Message from Michael Dixon I have asked the Dr. George Phillies to coordinate the data collection and reporting of a Ballot

Access Project Audit which was requested by action of the LNC at the November meeting. He will be contacting many of you to request some financial and ballot access information from the 2004 election cycle. I hope that you will give him your cooperation and support as he attempts to compile some cost of ballot access information which the LNC has been interested in for some time. He has already obtained the data he needed from the National Office (accounting and expenditure details)

I have asked that he make a preliminary report to the LNC at our meeting in May, and a more detail report in the weeks following. For this reason, I hope that you will offer him your swift attention to the questions that he will ask of each of your organizations.

Michael Dixon  
Chair  
Libertarian National Committee

**Appendix B – List of States, State Letter**

List of States Contacted: Alabama, Alaska, Connecticut, District of Columbia, Illinois, Kentucky, New York, Ohio, Oklahoma, Pennsylvania, South Dakota, Texas, West Virginia

**Sample Letter**

Dear (names),

As you may have been advised, I have been appointed by the LNC to examine how the LNC spent its money on ballot access for our 2004 Presidential candidate. The LNC's most direct interest is how the LNC's money was spent, but in order to do a better job in 2008 the LNC would certainly be interested in seeing the big picture.

If you already have a report on ballot access suitable for the LNC, I'd be happy to receive that.

The records, that I have been sent, list LNC payments to your state for ballot access of (amounts), but this list may be incomplete.

Different states have different ballot access paths. However, in most states, it is reasonable to ask:

how many signatures did you need? how many signatures did you collect? how many were collected by volunteers?

and

how much money did your party raise in state for ballot access? how much was paid for signature collection? What did you spend it on? in particular, what did you spend the LNC's money on, e.g., per signature payments?

**Appendix G. George Phillies Ballot Access Report, Dallas, TX, May 14-15, 2005**

One set of questions does not fit every state perfectly. I'd love to talk. Late evening 508 754 1859 9AM 7PM 508 831 5334 or send email phillies@4liberty.net as to when I can call you.

Best, George Phillies

Appendix C – Communications with National Headquarters

Message to Sam New and Joe Seehusen 4/17/2005 14:09PM

Subject: Ballot Access Spending Date: Sun, 17 Apr 2005 14:09:42 0400 From: George Phillies ;phillies@4liberty.net; To: samuel.new@lp.hq.org, JoeSeehusen@hq.LP.org Dear Joe and Sam, As you may hopefully have been advised, the National Chair has asked me to report to the LNC

on how the ballot access effort was carried out last year. As you know, this was a project based effort, which succeeded in ensuring that our candidate was on the ballot in 48 of the 50 states.

One of the pieces of information I need for this is a list of where the money was sent and why. Mark Nelson has been kind enough to send me a spread sheet, which I attach. I have added states when I could guess them from the document. It is a very well presented spread sheet, but like most spread sheets it represents only an outline. In particular, for some lines I see only a person's name, but no indication of why they were sent the money or the purpose of the spending.

I therefore need copies of whatever paper records are available explaining these expenditures. I understand these may be more or less detailed. I realize that sometimes spending records are updated. If there is an updated spreadsheet, please forward it to me.

As a lower priority item, one of the points of our project based funding scheme is that expenditures were nominally only supposed to go out after the targeted money came in. Is it possible to ascertain from our records which donations covered this spending and, if so, when they arrived? The original request I received indicated an interest in having me include in my report a comparison. I understand that we ended up in the red.

If there are other records in your possession, which I would reasonably have asked for if I knew about them, copies of them would also be appreciated. All documents should be sent to Professor George Phillies  
Physics/WPI 100 Institute Road  
Worcester MA 01605 I realize you are extremely busy. I am most grateful to you for your assistance in this matter. Cordially, George Phillies

Text of Response from Sam New 4/17/2005 14:49PM

I'm going to copy this email to Robert Kraus, our new ops director, in hopes that he can help find the documents that you need. If you don't hear from me tomorrow (Monday), feel free to follow up. I'll work with Robert, and see what we can come up with.

Text of Response from Joe Seehusen 4/18/2005 10:44AM

Professor Phillies,

Thank you for this memo. I will forward it on to Robert Kraus in accounting.

Robert Kraus: Please confirm with Michael Dixon where this project fits into your priorities

and then communicate to Professor Phillies a timetable for responding to this request.

**Appendix G. George Phillies Ballot Access Report, Dallas, TX, May 14-15, 2005**

Thank you, Joe Seehusen

Appendix D—Memo to William Redpath

Memo to William Redpath 4/17/2005

Dear Bill,

As you may hopefully have been advised, the National Chair has asked me to report to the LNC on how the ballot access effort money was spent last year.

A major part of this effort is explaining where the money went and what it was used for. I realize that you were extremely hard at work actually getting people on the ballot rather than working as a bookkeeper.

I therefore need copies of whatever records are available explaining these expenditures. In particular, if you have information as to who our petitioners were, and how many signatures they collected in which states, that would simplify my efforts.

If there are other records in your possession, which I would reasonably have asked for if I knew about them, copies of them would also be appreciated.

All documents should be sent to Professor George Phillies Physics/WPI 100 Institute Road Worcester MA 01605

I realize you are extremely busy. I am most grateful to you for your assistance in this matter.

Cordially,

George Phillies

## State Reports

### Appendix E – Texas Report

I received from Wes Benedict a record of an exchange of messages, repeated below in order of transmission:

George Squyres wrote on 11/21/2004, 11:15 AM:

The LNC agreed to the audit of the Ballot Access project. While the information is still fresh and available, I would like to ask you to put together the numbers and other factors such as time that are more subjective. We are going to do this again in four years, and we have the chance now to get a lot of information that will make that process easier and far more informed. I know it is work, and there is never a lack of that, but we have an opportunity to see what this actually cost us, and educate our view into the future.

I have attached the entire audit in MS Word, but have copied below the portion that is relevant for Texas. Anything beyond that you can put into it to detail the subjective costs is welcome, as we need to know the human costs in this as well as the numbers.

Thanks to all of you in advance,

George Squyres

Subject: Ballot Access Audit Date:

11/22/2004, 11:59 PM

From: Wes Benedict wesliberty@aol.com

To: George Squyres gsquyres@earthlink.net cc: Patrick J Dixon tclppatjdixon@earthlink.net,

Rick McGinnis rmcginnis@austin.rr.com, Michael Gilson gilsondelemos@msn.com, Anthony Garcia

**Appendix G. George Phillies Ballot Access Report, Dallas, TX, May 14-15, 2005**

agarcia@erealty.com

I understand the desire to collect this information. This is a very big project and we never assembled this data here in Texas in the organized fashion or categories you are requesting. In addition to burning the midnight oil on this project, we burned through 2 treasurers this year before landing our third, Anthony Garcia, who occasionally accomplishes small miracles like you are requesting.

Below, I included preliminary estimates of the data for many of the important items.

Aside: If you can help me locate 1) the most recent LP national budget (with a report that breaks down revenue to show how much national gets from monthly pledgers) as well as 2) a membership number per state report so I can see how Texas is doing compared to the other 49, I'd appreciate it.

Thank you

Wes Benedict

Executive Director Libertarian Party of Texas 5124424910

Subject: Re: Ballot Access Audit Date: 2/1/2005, 8:27 AM

From: Wes Benedict wesliberty@aol.com

To: George Squyres gsquyres@earthlink.net

George,

I sent some numbers in the 11/22/04 email reposted below. Unfortunately, I do not have the

data to complete the rest of the numbers in the detail you are requesting. We had 2 Treasurers resign during the course of the entire ballot access project (including the months after the signatures were turned in when expenses were still being paid). We didn't have adequate accounting controls in place and couldn't find anyone to do it either.

Some subjective comments:

The ballot access drive was very expensive and time consuming. I worked as a fulltime volunteer on this project for 6 months. Several other volunteers put in lots of time as well. None of the official LPTX State officers at the time participated significantly in the ballot access project. In the end, the ballot access project in Texas exposed weaknesses in our state and county organizations, but allowed Texas to select a slate of new officers who had proven themselves by successfully completing the ballot access project in Texas.

I don't have a great solution for dealing more effectively with ballot access around the country. I understand the desire for the LNC to get out of the business and let states stand on their own. Texas would have failed without financial help from national and guidance from Bill Redpath.

– Wes Benedict

Executive Director Libertarian Party of Texas 5124424910

The Texas numerical report as transmitted to George Phillies, April 2005 Revenue

Sources:

Payments from LPN: \$45,000

Direct mail and phone solicitation: \$75,000 (includes in person, website and other categories as well—not just direct mail & phone; 75,000 is an approximate estimate at signature turnin time; the

## Appendix G. George Phillies Ballot Access Report, Dallas, TX, May 14-15, 2005

number is a moving target as funds continue to come in to pay o loan below)

Payments from campaigns:

Loans from any sources: \$25,000 (from 5 LPTX members)

Total Gross Revenue for the project: \$145,000

Direct Costs:

Total Expenses: \$145,000

Results:

Total signatures required: 45,540

Total signatures filed: 82,000

Total cost per signature:  $\$145,000/72,500=\$2.00$  (average total expenses/total paid signatures);  $\$145,000/45,540=\$3.18$  (average total expenses / required signatures without considering volunteer signatures)

Number gathered by volunteers: 9,500

Number gathered by paid petitioners: 72,500

### Appendix F – New York Report

The following is based on a series of messages from Bonnie Scott and Werner Hetzner, and has been reordered to comply with nonemail prose standards. Another report is still expected from New York.

New York needed 15,000 total valid signatures required. 2530K is what we need to be safe. New York got 24,708 in 2004.

9033 signatures were collected by volunteers in 2004. State Committee Members collected 2613 signatures, or 29% of the volunteer signatures gathered. Je Bennett, a candidate for state senate in Rockland county, collected about 50% of the volunteer signatures gathered in NY in 2004.

New York raised around \$50 instate for ballot access. It spent about \$10K of LPNY money on it altogether. That went to paid petitioners.

Bonnie Scott explains: Please note that per signature payments are technically illegal in NY. However, using average figures, the point to note is that we normally pay \$1/signature for paid sigs, but the money from National was spent at more like \$3/signature.

### Appendix G – D.C. Report

A message from Shannon McMenamin:

Hi George

Just an FYI, Carol has resigned as the DCLP Secretary, and from what I understand, is no longer even an LP member. But Rich and I will be able to answer any questions that you may have about the DCLP Ballot Access Drive.

The signature goal was 3600.

Rich worked closer with the petitioners in the finals days of the drive than I did, and I'm sure he will correct me if I'm wrong; but I recall the final number of signatures collected being around 5200, (to account for the inevitable DQs.)

We had about 150 signatures collected by volunteers, which for a party of our size (about 5 active members, only 1 of whom was willing or able to petition regularly) and level of inactivity wasn't too bad.

We solicited the help of fellow area state LPs, but most either had their hands full with their own

**Appendix G. George Phillies Ballot Access Report, Dallas, TX, May 14-15, 2005**

ballot access drives or were more inclined to send checks than to work with us for signatures.

How much money did your party raise instate for ballot access? Again, Rich will correct me if I'm wrong, but I believe the DCLP anted up around \$4K for ballot access.

How much was paid for signature collection? What did you spend it on? All of it. We only spent money on collecting signatures and housing the petitioners.

In particular, what did you spend the LNC's money on, e.g., per signature payments? Same as the above.

Had we had more time in the beginning to lay the groundwork, I can see a few things that we could have done differently. However, I assumed the Chairship at the end of June, shortly before the petitioning window started. (In DC, you cannot legally petition for ballot access until July 2, and the deadline is August 17th. Perhaps the tiny window of time provided, and the fact that we were denied a month that we could have used to petition between Memorial Day weekend when the LP chose Badnarik and when the DCLP were allowed to start petitioning on 7/2 is an issue to be raised with sympathetic LP lawyers before the next election?) If I'd had more time in office before the petitioning window opened, I'd have started a fundraising drive to supplement the DCLP treasury. Also, I'd have questioned more closely what the DCLP was paying for. It seemed like the price kept going up, then suddenly we were paying for a hotel room for the petitioners...and frankly the ones we had were not getting huge results. I'd prefer to see future hotel costs paid only when the petitioners hit certain performance goals. Also, the petitioners were seeking sigs for other petitions at the same time that they were doing ours, which I didn't think was the most professional way to handle things.

However, we did face a few very real problems that need to be taken into consideration as well:

Emotions were running high this year on both sides and the feeling that "this wasn't the year to vote third party" because "too much was at stake" was drummed into people's heads until it became dogma. That hurt us badly, because the two sides were so whipped up against each other that it really was hard to get them to see a third party candidate as a viable option. The sense that "you're not going to win anyway, and we need to stop Bush/Kerry" was pervasive. And as you can imagine, it was especially bad here in DC, where a lot of people work in politics. I can't tell you how many people wouldn't even talk to me when they found out that we were petitioning for a 3rd party candidate. We also had a problem getting and keeping quality petitioners when we couldn't compete financially with the Big Two. When the GOP is paying \$5/sig to get Nader on the ballot, it's hard to compete when you're only offering \$1.25/sig. Or \$2/sig, in the crunch time. This isn't news, but it was a large factor here.

I hope that gives you the information that you need. If you have any further questions, feel free to contact me.

Best,  
Shannon McMenamin  
Chair, DCLP

I (GP) also spoke at length with Shannon McMenamin. The LPDC was faced with the circumstance that they had a short time window, some petitioners began to demand more support after they started work, and with the short time window replacing petitioners was not always an option.

## Appendix H. Jeremy Keil's Branding Report, Dallas, TX, May 14-15, 2005

May 2005 LNC Branding Report  
Submitted by Jeremy Keil

In March, Joe Seehusen and I met with three branding companies to see which one (if any) would best be able to work with the Libertarian Party to discover and articulate its "brand."

After meeting with the companies we asked for bids from two of them. In late April Joe and I decided to work with the Frost Miller Group. Frost Miller is one of the top 25 branding and marketing firms in the DC area and has done a large amount of work with the many membership associations in DC. With their public policy and member-based focus, association marketing may be closer to the LP's needs than business marketing.

Joe and I had a conference call on April 26 with Bob James, the lead consultant for Frost Miller, where we discussed his proposal and how we would work together. From our conversation we developed a three part plan for the Branding Project:

### Discover the Brand

Frost Miller will review past branding studies, study the Libertarian Party's past and how it is perceived by libertarians inside and outside the party, as well as non-libertarians. They will then present us with our "brand" and key messages that we can use to extend our brand. The goal is to discover what the Libertarian Party has to offer to donors and voters and how to communicate that offer.

### Market the Brand inside the LP

The Frost Miller team will work with the leadership of the LNC and our HQ communications team to "roll out" the LP Brand to major donors, volunteers, and state party leadership. The goal is to get the LP communicating its brand at all levels.

### Market the Brand outside the LP

The Frost Miller team will work with the leadership of the LNC and our HQ communications team to "roll out" the LP Brand to donors, voters, and key political influencers outside of the LP. The goal is to increase our voters and donors.

From the conversation Joe and I had after talking with Frost Miller we decided that HQ would likely be too focused on the LNC meeting and other projects to make serious headway on the branding project until the end of May. At that point, Joe would meet with Frost Miller to work out a contract and get them started on Phase 1 of the Branding Project. The estimated cost of that phase is \$17,500. This is less than what is currently in the Branding budget line so additional fundraising would not be necessary to complete that phase.

Copied below is the branding report I sent to the LNC list and Michael Dixon following my trip to DC in March:

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### March 14 Branding Report:

Joe and I met with three branding consultants. Two non-libertarian and one libertarian. All three are very capable firms, however, we will be extending a bid offer to only the two non-libertarian firms. We felt that for this type of work having an "outsider" is a large advantage. Also, these two firms are much closer to the HQ and have had more work with membership organizations.

Joe and I are on the same page as far as what we want and need from the Branding Initiative. The initiative falls into two parts. The first is "cracking the code" - discovering what it is about the

## **Appendix H. Jeremy Keil's Branding Report, Dallas, TX, May 14-15, 2005**

Libertarian Party that can attract millions of voters. The second is "telling people about it" - what PR and/or direct mail campaign can we undertake to attract new voters and donors to the party. This campaign must be targeted and scalable.

We must focus on the people who are most likely to join us first, and also be able to spend a small amount of money to test out the campaign and then spend larger amounts when we've determined it's profitable.