

LNC EC

July 16, 1998

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

Staff: Ron Crickenberger, National Director
Steve Dasbach, Chief Operating Officer

Also present: John Buttrick, At-Large Representative
Bill Hall, At-Large Representative
BetteRose Smith (CO), Region 1 Representative
Terry Savage (NV), Region 2 Representative
Ken Bisson (IN), Region 3 Representative
Amy Rule (MD), Region 5 Representative

The meeting was called to order by Bergland at 8:37 PM EDT.

Item: Approval of Minutes of July 5, 1998 Executive Committee Meeting
After discussion of Hugh Butler's motion to authorize expenditure of funds to assist the Libertarian Party of Illinois in its 1998 ballot drive, clarifying language was proposed and adopted.

The minutes were adopted without objection as revised.

Item: Dasbach Contract

Bergland reported that the contract would be executed as proposed to the LNC including the changes approved by the LNC. He clarified that Dasbach would initially be Chief Operating Officer, assuming the additional title of National Director on September 19, 1998.

Item: Illinois Ballot Access Drive

Dasbach reported that since the last Executive Committee meeting, it was determined that the matching funds which LPIL said would be available would not, in fact, be made available by the contributor. He also reported that Kris Williams had attempted to locate petitioners for LPIL

Dasbach reported on the availability of funds for this project. He said that instead of owing the hotel money from the convention, the hotel owed LNC about \$8,000. Archimedes doing well with the next planned drop on August 7. He said that Nick Dunbar had produced financial data indicating that the pre-funding requirement had

been met. Dasbach said that, in his judgment, the pre-funding criteria had been met for this project.

Givot reported that two people hired to assist in the ballot drive were in place, two more are expected to arrive in Chicago later this evening, four more are due Friday, and two more are likely to arrive over the weekend a total of ten people. He said that he would like to find a few more.

Givot said that transportation and lodging for the first ten people is expected to cost approximately \$9,800 for the two week period until the end of the drive. Since the last Executive Committee meeting, LPIL has raised more than \$11,600 already received, and has more than \$2,600 in additional funds pledged and due to arrive before the drive ends. He said that nightly telephone fund-raising will continue until every LPIL member has been called.

Givot said that LPIL has cash-on-hand about \$14,000 in funds available for ballot access. Of this, about \$5,900 will be required for that portion of travel and lodging costs for the first ten petitioners that has not already been paid. This leaves about \$8,100 to pay for signatures. Remaining to be added to LPIL's funds is \$5,000 promised by candidate Jim Tobin, who has pledged personal funds to make up any shortfall if his current fund-raising letter does not provide all \$5,000.

Givot said that this leaves LPIL \$13,100 to purchase signatures. Added to that will be whatever portion of the \$2,600 already pledged actually arrives, plus whatever additional money is raised in the next two weeks.

Givot said that LPIL is counting on receiving the \$5,000 balance of the initial \$10,000 in pre-funding which LNC set aside two months ago plus an additional \$5,000 to \$10,000 in funding from the currently authorized \$22,000.

Givot said that LPIL had discussed the need to keep a reserve to pay the costs of defending the anticipated challenge by the Republicans. Givot said that Dasbach and he had discussed the matter, and it was agreed that LPIL would spend its funds to the greatest extent possible, then seek financial assistance from LNC if a challenge materializes. This assures that LNC's share of the costs will be minimized.

Bergland said that the LNC was depending on Dasbach and Givot to decide whether the drive would be successful before committing funds.

Dehn asked whether signature were being tested to determine the validity rate. Givot said that spot checking had been done and that validity rates for most gatherers was between 65 and 75 per cent.

Item: Other Ballot Drives

Crickenberger said that the New Mexico drive was done. He said that 7,000 signatures were targeted to meet a net requirement of 5,560 signatures. A total of 7,242 signatures were turned in.

Crickenberger said that the Massachusetts drive was done. The LNC contributed \$1,704 to this effort as well as providing guidance.

Crickenberger said that Connecticut was not expecting financial assistance with its drive, but that they are looking for LNC assistance in locating petitioners.

Crickenberger reported on the status of the Nebraska drive. He said that Scott Kohlhaas was currently working there, pulling away people from elsewhere. He said that he did not anticipate a problem in completing the Nebraska drive, but that it would be tighter than expected. The deadline for the Nebraska drive is August 1. Crickenberger said that Kohlhaas wants to finish Nebraska so that he can go to Illinois.

Crickenberger said that we have pledged \$5,500 to the Pennsylvania drive with about half of that money already sent. Richard Schwarz is running the Pennsylvania drive. Dasbach said that Schwarz is very competent. He also noted that candidates for lower levels of office in Pennsylvania can gather for candidates seeking higher levels of office.

Crickenberger said that LPNY has committed 10,000 gross signatures from volunteers; LNC had previously committed 4,000 gross signatures. He said that LPNY does not feel that additional LNC help, beyond the 4,000 gross signature commitment, will be required to complete its drive. A total of 15,000 valid signatures is needed to complete that drive. He said that it is estimated that 25,000 gross signatures will be required to get the required 15,000 valid signatures.

Hall asked whether the agreement reached in 1996 with LPNY required LPNY to run a credible candidate. Dasbach replied that there were two parts of the agreement. First, LNC would pledge in 1998 whatever number of signatures LPNY collected in 1996 for the national ticket. Second, additional signatures provided by LNC would be based on the perceived likelihood of getting 50,000 votes in the general election to gain permanent ballot status.

Crickenberger said that in OH, LPOH is trying to get 4 candidates on the ballot. He said that the party had until May 2, 2000 to petition for full party status. Dasbach questioned whether the deadline for the full party petition is the end of 1999. Crickenberger said that he would look into this.

Amy Rule reported on ballot status in Maryland under the new law there. She said that if LPMD turns in 10,000 valid signatures on January 4, 1998, LPMD will have full status for 4 years. She said that this translated into 15,000 gross signatures, and that LPMD already has 5,000 signatures gathered. She also said that LPPA may send down help after the Pennsylvania August deadline passes.

Givot reported on a quirk in Illinois election law. He said that since the Democrats were running no candidates for county office in Ford County and since LPIL was running candidates, if any of the LPIL candidates gets 5% or more, then LPIL would be entitled to two seats on the county board. Furthermore, he said, the second highest polling party is entitled to another seat on the county board. Since only two parties appear to be fielding slates for the Ford County Board, he said that it was possible that LPIL would end up with three seats on the Ford County Board.

Item: 1998 Convention Results

Bergland asked when the minutes from the 1998 national convention would be available. Dasbach said that this was Gary Johnson's responsibility and that he assumes that Johnson's draft minutes would be forthcoming much faster than the minutes for the 1996 convention had.

Givot asked if there was an approval process for the national convention minutes. Dasbach and Dehn said that the LNC reviews and approves those minutes. Dasbach said that the minutes of the 1996 convention were referred back to the Secretary for "obvious corrections" which were made before adoption.

Bergland said that he would call Gary Johnson to get an update.

Item: Convention Call-ins

Dasbach reported that the number of call-ins was comparable to the 1993 convention - about 3,000. He said that after elimination of duplicates about 2,000 names remained. He said that count this does not include data from the Florida office.

Crickenberger then explained that in preparation for the 1998 convention, to handle increased volume, the answering service split up calls among offices -- about 2/3 went to an office in Maryland and 1/3 went to an office in Florida. That split was temporary and is being reversed at the present time.

Bergland asked for clarification as to how inquiries are handled. Dasbach replied that names and addresses come in from phone calls, our web site, and the Advocates web site. This data is sent to Dehn, who processes it, sends it to the national office. From Dehn's processed list, info packs are sent to all inquiries.

Item: 2000 Convention Progress Report

Bergland asked for an update on the 2000 convention.

Dasbach said that a site visit to the Los Angeles/Orange County area is planned for July 22-23. He said that we would be joined by Marti Balcom, Kris Williams, David Bergland, and Sharon Ayres. He said that Givot had been invited, but declined in deference to the Illinois ballot drive. He said that Butler and Geoff Neale had also been invited. Butler said that he could not attend.

Dasbach said that he intends to use Marti Balcom more extensively to help run the 2000 convention. He said that costs will be lower in 2000 because we do not plan to use a convention hall instead relying on the hotel's meeting space for the business sessions.

Dasbach said that he had received positive feedback on the 1998 convention. Those whom he spoke to wanted comparable staging, lighting, and sound for the 2000 convention.

Dasbach said that he had received constructive feedback from exhibitors as well. They would like the exhibitor space on the same level and adjacent to the business sessions. They would also like the exhibit hall open on the last day of the convention.

Amy Rule asked why July 4th was selected for the convention date. She said that people whom she had talked to do not like attending the convention over the holiday because they felt they should be in district, campaigning, on that date. Crickenberger said that he heard similar comments.

Dasbach said that July 4th would fall on a Tuesday in 2000. He said that July 4th had been chosen because Congress is not in session immediately before or after that holiday. He said that if Congress were in session during our convention, C-SPAN would cover Congress instead of our convention.

Item: Archimedes Progress

Bergland asked for an update on the Archimedes Project.

Dasbach said that he was waiting for detailed timetable for future mailings. The next scheduled Archimedes drop date is August 7. He said that he tentatively expects to schedule additional mail drops on the first day of each successive month.

Dasbach plans to drop 250,000 letters in August, 250,000 in September. Thereafter he anticipates dropping 500,000 per month beginning in October.

Bergland asked what the current members total is? Crickenberger reported that it is 28,234 and that 5,697 of these members joined via an Archimedes mailing.

Dasbach said that there was the potential to raise membership by 5,000 to 6,000 members by calling once through the list of registered Libertarians.

Givot asked about what data was routinely available regarding Archimedes returns. Crickenberger and Dasbach said that a great deal of data was available, but not all necessarily meaningful or helpful. Givot requested occasional copies of data showing costs and returns.

Item: Current Fund-raising Progress

Dasbach reported that Crickenberger and he would write the next fund-raising letter. He said that ballot access is a good pitch and will probably be used in the near future.

Dasbach said that now that Perry Willis' contractual requirements from his termination are complete, fewer national fund-raising letters will probably be sent. Dasbach said that letters will probably be sent every two to three months. He said that monthly letters were starting to draw less of a return.

Dasbach said that future letters would target people who had previously supported certain pitches.

Crickenberger presented two ideas to raise money for candidates over the coming months. First, he suggested targeting current incumbents in non-partisan races. He said that he does not see promising partisan races at the present time. Second, he suggested development of a good, generic commercial for Senate/Congressional races -- and that perhaps the same ad could be used for state legislature.

Butler said that past estimates of downstream fund-raising from Archimedes have been about \$57. He said that this is money we are counting on to fund UMP. Dasbach said that between 5 and 10 per cent of new members also join the pledge program. Butler questioned whether sending targeted mailings will leave LNC with less than the \$57 per member in future contributions coming in unencumbered. He said that we would like to assure that will be enough funds to cover future liability for UMP checks.

Dasbach said that neither downstream revenue nor downstream costs (UMP) for Archimedes are budgeted for.

Butler said that he is concerned that our most recent new members may not continue to provide the same level of downstream funding as current members.

Dasbach said that he plans to ask Dan Gallagher to show him how to do data extracts to be able to analyze data himself. This will enable LNC staff to perform analyses without resort to paid consultants such as Reges or Gallagher. He said that such analyses can track trends which would warn of the problems Butler was concerned about.

Butler said that Archimedes is a fungible funds obligation project sized to fit available funds.

Amy Rule suggested that LNC might want to consider raising UMP dues. She said that the analysis Jesse Markowitz and she had done indicated that if LPMD joined UMP the financial impact on LPMD would range from slightly positive to very negative, depending on the assumptions made in the analysis.

Dasbach asked Givot to respond in his capacity of LPIL Treasurer. Givot said that LPIL had run comparable analyses showing a range of results from slightly positive to very positive. He said that UMP had worked very well for LPIL BetteRose Smith, said that LPCO's experience was that six lean months (during the transition into UMP where 50% payments are made) was followed by favorable financial results. She said that being in UMP saves LPCO the expense of soliciting renewals and has improved the renewal rate. Givot concurred that this was also LPIL's experience.

Dasbach said that he does not want to push dues up. He said that this might scare off states not yet in program. He said that if dues were to be raised, he does not want to cross or touch the \$30 level. He reported that recently the Democrats set their equivalent of dues at \$20 while the Republicans set theirs at \$19.96.

Givot said that he felt that a dues increase would be ill advised. He said that future increased funding needs should be met from growing the size of the LP's contributor base coupled with growing the average contribution size something which should come with improved performance.

Amy Rule said that LNC might want to look at fund-raising differently considering what donors put into campaigns as well as what is given to the party.

Dehn asked how sending out fewer letters would affect the budget.? Crickenberger said that three letters producing the same results as the 1998 "annual report" letter would exceed budgeted fund-raising letter revenues for the whole year (12 letters). Dasbach said that one factor to consider in answering Dehn's question would be the decreased costs from sending out fewer letters.

Givot asked if four fund-raising letters were sent per year, how much would revenues have to go up to meet same net as in the budget? Dasbach said that he did not have that information on hand, but that he would look into it.

Dasbach said that he needed to do an analysis to see if new members signing up currently are still bringing in as much downstream funding as they were two years ago.

Crickenberger said that new members coming in from Archimedes are proven direct mail responders.

Item: Web Site Upgrade

Bergland called on Dehn to report on the web site upgrade project.

Dehn said that an LP member has offered to put together funding for a major web site redesign and recommended a longtime friend who runs a web design firm in Silicon Valley. Dehn met with the design firm for several hours before the convention. The firm normally works for large corporate clients developing \$100,000+ corporate web sites. Dehn said the owner has a personal interest in the LP project, so he will contribute his time and a portion of his staff's time, with balance of any work to be billed as his firm would normally bill. Dehn said that much of this cost will be paid for by the funding put together by the LP member. He said that the member already put together \$25,000.

Dehn said that the next step would be for him to meet with the member and the design firm to go over their ideas and to assure that all parties shared a common vision of the scope and purpose of the web site.

Butler asked Dehn if he needed anything to proceed to the next step?

Dehn said that he would need some sense, in the near future, as to whether the LNC would be prepared to spend about \$50,000 on the project assuming that about \$25,000 of this is raised by the member's effort? Dehn said that it was estimated to be a six month project.

Givot asked how much work the design firm would do, out front, at no cost to us, to pitch us the whole project.

Dehn replied that anything on the order of story boards or similar would require designers and artists to prepare, and that these are the people who would be billing for their time.

Dehn said that he would be doing some of the technical programming work himself.

Dasbach said that if we proceeded, LNC would be getting a \$100,000 web site for \$25,000 of net budget dollars. Dasbach said that there was already adequate funding in the budget for the net cost of this project.

Dehn said that the current budget is \$60,000 for both database and web site work. He said that only \$15,000 of this is for the web site.

Dasbach said that a budget adjustment would be required.

Butler said that the developers should be asked If we commit to this amount of funding, is it their belief that this will generate additional members that we would not otherwise get.

Givot said that if one goal of this redesign is to produce a marketing tool to bring in new members, then immediate, online membership and contributions processing should be included as part of the redesigned site.

Dehn said that LNC could do that now, either way.

Bergland said that the Executive Committee is not the best forum to pursue this level of detail.

Dasbach said that all the Executive Committee needs to do is to fund the project.

Bergland said that funding is probably an LNC decision as part of the budgeting process.

Givot suggested that the LNC should be involved because of the strategic implications and the incremental spending.

Dasbach said that policy and strategy had already been determined by the LNC.

Butler said that the LNC's prior discussions were about remodeling the current web site, not about starting from scratch with a new strategic thrust. Givot agreed.

Butler asked whether the developers understood our strategic mission. Dehn said that it is important that they do.

Dasbach said that massively increasing members and becoming dominant on the Internet are two of our strategic objectives and that this project addresses both.

Bergland asked how long it would take to come back with something relatively concrete.

Dasbach said that he anticipated doing so at the September Executive Committee meeting. Dehn said that he felt that this could be done by either the September or October Executive Committee meeting.

Bergland said that the Executive Committee should plan to get an update in August and consider a decision in September or October.

Item: Regular Meeting Schedule

Consensus was reached to hold future Executive Committee meetings on the third Thursday of each month at 8:30 ET.

The meeting was adjourned at 10:35 PM EDT.
