

2014 Libertarian National Convention Report – Columbus, Ohio

This document is my attempt to present the financial results of the 2014 Convention in a manner that is both accurate and hopefully informative. I have taken on this role because I was responsible for assembling the convention budget in the first place, and I have presented the numbers in a manner that I feel is useful for future conventions.

I have not tried to make any conclusions or recommendations, but the information should be useful in such things as establishing the actual cost of the business portion of this convention. This document will not answer those questions.

The numbers in this document match with financial information provided to me by Robert Kraus, but a line-to-line match is not that easy. I have split and allocated transactions according to the viewpoint of a convention, whereas there really is no need to do so for our ongoing accounting.

Geoffrey Neale

Notes:

1. The Convention Contract specified a 3% credit on F&B (food and beverage – less bartender fees). Throughout this analysis, the credit was allocated proportionally between all F&B expenses, and the numbers shown represent the net amounts.
2. The Convention Contract specified a number of “staff rate” rooms at \$79 per night, and a “1 in 40” credit for paid rooms in total (including attendee rooms). We also purchased room nights for speakers and staff at the \$119 rate. This created a complicated cost structure that has been resolved by netting the total room night cost for staff and speakers with the “1 in 40” credit. The net total lodging cost was \$2,153.00 for 58 room nights, which works out to an average of \$67.30 per room night, which has been used to distribute lodging costs between speakers, staff, AV and security.
3. Expenses related to the Torch Club are not included, since these are not expenses that should be borne by the convention attendees as a whole.
4. Expenses related to Media (Press Room) are not included, since these are not expenses that should be borne by the convention attendees as a whole.

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Budgeting for this convention was summarized at a very high level, with supporting schedules and details that supported the summary. The budgets versus actual at this level were:

<u>Revenues</u>	Budget	Actual	Variance
Package Sales	\$179,625.00	\$101,680.00	-43.39%
A la Carte Meals	\$3,200.00	\$8,220.00	156.88%
Other Revenues	\$8,500.00	\$4,720.00	-44.47%
Total Revenues	\$191,325.00	\$114,620.00	-40.09%

<u>Expenses</u>	Budget	Actual	Variance
Meals	\$105,598.32	\$61,433.15	-41.82%
Other Costs	\$74,000.00	\$58,497.53	-20.95%
Total Expenses	\$179,598.32	\$120,893.90	-28.97%

Profit/Loss	\$11,726.68	(\$6,273.90)
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In short, expenses were managed within budget constraints, but revenues (attendance) were less than planned for. The breakeven point on this convention would have been approximately 12% higher attendance than realized, or approximately 50 additional paying attendees.

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Revenues:

The revenues are broken down as:

Package	Revenues	Advance	On Site	Total
Gold Package	\$46,775.00	112	5	117
Silver Package	\$35,695.00	103	5	108
Bronze Package	\$12,810.00	74	7	81
Basic Package	\$6,400.00	91	37	128
Total:	\$101,680.00	380	54	434
Banquet al la Carte	\$6,990.00	38	14	52
Other Meals	\$1,230.00	8	14	22
Total:	\$8,220.00			
Breakouts	\$290.00	1	3	4
Other Revenues	\$3,815.00	42	12	54
Speakers	\$615.00	8	11	19
Total:	\$4,720.00			
Total Revenues:	\$106,400.00			

Food & Beverage Expenses:

The net column is net of the applied and allocated 3% credit.

Event	Count	Actual Cost		Convention Expense	Unit Cost		
		Gross	Net		Budget	Actual	Variance
Media Room	N/A	\$117.07	\$113.62	\$0.00	N/A	N/A	N/A
Thursday Reception	300	\$7,996.09	\$7,760.57	\$7,760.57	\$25.89	\$25.87	-0.08%
Friday Breakfast	140	\$4,552.63	\$4,418.53	\$4,418.53	\$33.66	\$31.56	-6.24%
Friday Lunch	250	\$9,755.63	\$9,468.28	\$9,468.28	\$41.43	\$37.87	-8.59%
Saturday Breakfast	140	\$4,552.63	\$4,418.53	\$4,418.53	\$33.66	\$31.56	-6.24%
Saturday Lunch	250	\$10,080.81	\$9,783.88	\$9,783.88	\$41.43	\$39.14	-5.54%
Banquet	325	\$26,359.79	\$25,583.36	\$25,583.36	\$84.16	\$78.72	-6.47%
Sunday Breakfast	75	\$2,438.91	\$2,367.07	\$0.00	N/A	\$31.56	NA
		\$65,853.56	\$63,913.84	\$61,433.15			

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Other Expenses:

These budgeted numbers were best estimates based upon experience and past convention expenses. Overall, the convention was managed to the total line, without a great deal of time spent reallocating expenses between line items. Almost every one of these lines represents expenses that are not proportional to attendance.

Category	Budget	Actual	Variance
A/V & Décor	\$30,000.00	\$30,052.00	0.17%
Speaker	\$20,000.00	\$11,614.10	-41.93%
Staff Lodging	\$2,000.00	\$1,730.27	-13.49%
Staff Meals	\$750.00	\$326.75	-56.43%
Staff Travel	\$1,350.00	\$1,144.83	-15.20%
Parliamentarian	\$750.00	\$1,500.00	100.00%
Secretary	\$850.00	\$0.00	-100.00%
Security	\$2,000.00	\$2,201.91	10.10%
Awards	\$1,000.00	\$649.17	-35.08%
Badges/Ribbons	\$1,500.00	\$1,150.78	-23.28%
Binders/Printing	\$8,000.00	\$6,429.92	-19.63%
Supplies	\$1,500.00	\$1,300.55	-13.30%
Fees / Other	\$1,000.00	\$0.00	-100.00%
Promotion	\$500.00	\$0.00	-100.00%
Shipping	\$800.00	\$0.00	-100.00%
Website	\$2,000.00	\$397.25	-80.14%
Total	\$74,000.00	\$58,497.53	-20.95%

In the working budget, A/V and Décor were split into two lines, but were really managed as a composite, since the A/V vendor also provided some décor. The following was the actual working budget. These numbers are split out below, since a subsequent breakdown of A/V by usage is presented as an additional artifact.

A/V & Décor	Budget	Actual	Variance
A/V	\$25,000.00	\$27,505.22	10.02%
Décor	\$5,000.00	\$2,546.78	-49.06%
Total	\$30,000.00	\$30,052.00	0.17%

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Speaker Expense – Detail:

It should be noted that this includes speakers at workshops, from the convention floor, at meals, and also includes entertainers.

<u>Category</u>	<u>Last</u>	<u>First</u>	<u>Lodging</u>	<u>Travel</u>	<u>Fee</u>	<u>Total</u>
Banquet	Foster	Kmele	\$134.61	\$501.98		\$636.59
Banquet	Gentner	Elizabeth	\$201.91			\$201.91
Banquet	Jenkins	James			\$250.00	\$250.00
Banquet	Swann	Ben	\$134.61			\$134.61
Reception	Devito	Joe	\$134.61		\$2,000.00	\$2,134.61
Reception	Irvine	Travis			\$250.00	\$250.00
Reception	Moroz	Tatiana	\$100.96	\$461.00	\$1,250.00	\$1,811.96
Speaker	Ambler	Harold	\$201.91	\$426.00	\$599.00	\$1,226.91
Speaker	Gray	Jim	\$134.61			\$134.61
Speaker	Hubbard	Melyssa	\$201.91			\$201.91
Speaker	Johnson	Gary	\$134.61			\$134.61
Speaker	Kichanova	Vera	\$100.95	\$1,066.84		\$1,167.79
Speaker	McCobin	Alexander	\$201.91	\$463.05		\$664.96
Speaker	Montrose	Guy	\$269.23			\$269.23
Speaker	Reed	Lawrence	\$67.30	\$354.00		\$421.30
Speaker	Shumaker	Heather		\$563.00	\$378.50	\$941.50
Speaker	Skousen	Mark	\$67.30	\$477.00		\$544.30
Speaker	Tucker	Jeffrey	\$67.30	\$420.00		\$487.30
Totals			\$2,153.73	\$4,732.87	\$4,727.50	\$11,614.10

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Audio/Visual Breakdown

As noted above, media expenses are not included. Travel and lodging for AV staff are not included in this chart, but are included in the "Other Costs" budget versus actual.

Usage	Date	Room	Equipment	Labor	Svc Chg	Tax	Total
Banquet	06/27/14	Regency			\$500.00		\$500.00
Banquet	06/28/14	Regency		\$195.00		\$18.13	\$213.13
Breakouts	06/27/14	Fairfield	\$700.00	\$90.00	\$224.70	\$76.10	\$1,090.80
Breakouts	06/28/14	Fairfield	\$700.00			\$52.50	\$752.50
Breakouts	06/29/14	Fairfield	\$437.50	\$60.00	\$112.39	\$45.79	\$655.68
Business	06/26/14	Regency		\$1,920.00	\$91.64	\$150.88	\$2,162.52
Business	06/27/14	Regency	\$5,600.00	\$650.00	\$1,422.50	\$541.66	\$8,214.16
Business	06/27/14	Regency		\$720.00	\$34.36	\$56.58	\$810.94
Business	06/28/14	Regency	\$3,430.00	\$650.00		\$260.29	\$4,340.29
Business	06/29/14	Regency		\$1,905.00	\$118.50		\$2,023.50
Meals	06/27/14	Union	\$2,520.00		\$573.55	\$218.40	\$3,311.95
Meals	06/28/14	Union	\$1,346.50	\$360.00	\$126.00	\$119.34	\$1,951.84
			\$14,734.00	\$6,550.00	\$3,203.64	\$1,539.67	\$26,027.31

We came very close to breaking even, which is essentially my goal – although making some profit is desirable.

I believe that many of the problems stem from the hotel contract itself, which was negotiated and signed in September 2011. Although centrally located and within driving distance to many LP members – and with no disrespect to the fine members of the Ohio LP – the city of Columbus is just not a ‘destination’ city for many people.

Although in line with rates at other hotels in Columbus for the time period, the room rate of \$119 was perceived as too high, especially for an “off-year” convention. Add to this \$119 rate (not including 17.5% for taxes) the fact that the Hyatt had no airport shuttle and no free parking, which added more to attendees’ per-night costs. Potential attendees likely discovered that a taxi between the airport and the Hyatt was \$25 one-way; we did get a reduced rate of \$18, but people had to call in to Orange Cab to get that rate. (Much cheaper public transportation was available, but very time-consuming.) Parking was \$9/day and it was off-site.

Not enough rooms were blocked (allocated) for the Wednesday night (for those wanting to attend pre-con meetings) and may have deterred potential attendees. I tried my darndest to add more rooms, and tried to facilitate room-sharing (and ride-sharing) via a FB page.

The “Concessions” on the contract included some reduced-rate rooms, some suite upgrades at the base rate, a 1-in-40 credit, and a 3% rebate on guestrooms (those billed to the Master) and base F&B. These get convoluted for accounting, and I’d rather just see discounts on F&B, as well as a lower room rate (and free parking and/or shuttle).

Kevin Knedler really wanted professional security, which cost \$2000 for the duration (plus food and shared lodging for two). Kevin was worried that our convention could be visited by outsiders, especially from the GOP, due to political happenings in Ohio. I think Mr. Havens and his assistant did an excellent job, but it was probably more ‘security’ than we needed, as they were mostly acting as door-monitors for the Business Sessions and the meals.

We saved a lot on registration materials. [binders/printing for 2012 was about \$18,500] We came very close to budget on AV and Décor, the single biggest expense after F&B.

I tend to be very frugal (especially with other people’s money, in this case, the LP’s). Except for paying for professional entertainment for the Reception, most of the speakers cost only their travel and/or hotel and/or meals.

I invited many well-known and highly-respected speakers and activists from outside the LP, and tried to treat them well, so that they would have an overall favorable impression of the LP. I believe that I succeeded, based on the subsequent feedback I received from many of them; also the fact that both Kmele Foster and Ben Swann waived their honorariums is a testament to how positively they felt about how they were treated, by me and by others. I had also initially offered some “tentative” honorariums to Larry Reed, Mark Skousen, and Jeffrey Tucker; none of them held me to it (yes, I did follow-up with them).

I would look at the \$6,273.90 shortfall as an expense for “outreach” and “goodwill” to these “outsiders” My goal is for attendees to have an overall positive experience, which will hopefully enhance the Banquet fundraising.

We expected more advance registrations as well as on-site (at-the-door) sales. Bottom line, we just needed more.

Many thanks to Kevin Knedler and the great folks of the Ohio LP. Thanks to BetteRose Ryan for assembling a list of volunteers who helped on-site with the assembly of registration materials as well as being door-monitors for the Breakouts and other events. And a very special thanks to LPO’s Bob Bridges who stepped in near the last minute and did a yeoman’s job by coordinating volunteers on-site, as well as arranging for airport transportation for our guest speakers; he should be cloned, and I would recommend him for an honorary Life Membership in the LP.

Joe Mertz did an excellent job overseeing the A/V and in monitoring the production aspects in the Regency and Union ballrooms. He is a libertarian with a professional production company in Orlando; we should use him in 2016!

Yours in Liberty,
Nancy Neale
Chair, 2014 CMC

[PS Had the LNC somehow been able to “handle” the Vendors, we might have made money on that segment. I am grateful that the LSLA (Ken Moellman) was able to take this on, but Ken did not intend to make money for the LSLA; he did not really solicit Vendors, nor any sponsorship, etc. ‘Something’ better should be figured out for 2016 re Vendors]