



## **NATIONAL EXECUTIVE BOARD MEETING**

The National Executive Board meeting was held in conjunction with the Federation President's Meeting at the Rosen Centre in Orlando, Florida (the site of the 2014 National Convention) on July 9 – 11, 2013. This was an opportunity for these two groups to work together and share ideas about what needs to be done to increase NARFE's membership. The National Executive Board and the Federation Presidents met separately for two days and met together on the final day to share the ideas generated by each group and are discussed later in this report. It should be noted that there are 18 newly elected Federation Presidents.

### **MID-YEAR BUDGET REVIEW**

During the National Executive Board meeting, the 2013 Mid-Year budget was approved as presented by National Treasurer Dick Thissen. Projected expenses were reduced as have revenue projections, due to our declining membership. One item that members will experience that is not contained within the budget is the Holiday Card Program, which will produce additional revenue and increase net assets. Members have been extremely generous with their support of calendars, notepads, and cards – which makes a big contribution to our treasury and allows NARFE to take necessary action to achieve the goals of NARFE.

Members should be aware that membership dues only provide 69.8% of the revenue amount necessary to support NARFE; while fundraising actually provides 19%. Advertising/books provide 7.3%; Investments provide 1.4%; Royalties (from Affinity Partners [NARFE Perks]) provide 1.3% and other provides 1.2%. All financial impacts of decisions made/actions taken at the November and March National Executive Board meetings and the decision to purchase the ISI (subcontractor for database and reports) intellectual rights have been factored into the revised budget.

### **HOLIDAY CARD FUNDRAISER**

The National Treasurer reported that there will be another Fundraiser of Holiday Cards. He also reported that the "experts" state that fundraisers should be conducted every month. The forwarding letters for the fundraisers include a statement that the items (calendars, notepads, note cards) are a gift and need not be returned, nor is a contribution required, although they do provide a great source of revenue for the Association. Many members generously support these fundraising efforts, and their contributions are greatly appreciated. Remember, that members may opt-out of these incentive programs.

## NATIONAL EXECUTIVE BOARD VOTE RESULTS

The National Secretary reported that votes taken via email of the National Executive Board members resulted in the extension of the M & R Contract (for Protect America's Heartbeat) until September 30, 2013 and the purchase of the intellectual rights from ISI were unanimous.

### e-NARFE

National Vice President Paul Carew, reported a year ago, at the Federation Presidents Meeting in Sparks, Nevada, there was discussion of the growth of electronic NARFE Chapters, especially Chapter 2363. At that time, the Presidents of NARFE's 54 Federations expressed two concerns: (1) the lack of 10% funds coming from Chapter 2363 to any Federation, and (2) how to deal with the voting strength of Chapter 2363 (or any other electronic chapter). You will also recall that, as a result of these concerns, the National Executive Board voted to provide 10% funds for Federations where Chapter 2363 members reside. The National Executive Board also agreed to look into ways to satisfy any concerns with the growth of e-NARFE within NARFE's Bylaws. This process has begun, but has not yet been completed. The success of the electronic chapter has been far beyond what any of us every imagined. A year ago, we were dealing with a membership in Chapter 2363 of approximately 4,000; today, that Chapter has grown to a membership of well over 15,000 and continues to grow. At the same time, membership in our local chapters continues to decline at an alarming rate. This isn't news to any of you; NARFE has been in a decline for the past 30 years. We can point fingers and wring our hands over whose fault this is, or why it's happening, but this is not because of the growth of the electronic chapters. Our membership numbers were in decline long before the idea of an electronic chapter was a glint in anybody's eye.

This, too, is undeniable: the growth of the electronic chapters plays a key role in keeping this association afloat at this time. These chapters are perhaps the future of NARFE, or at least a major cog in that future. Therefore, with the future of NARFE in mind – and this should be of paramount concern to all of us – the National Vice President convened a Working Group meeting, held in June at National Headquarters with David Snell and Chuck Timanus of the e-Chapter 2363, Region IX Regional Vice President Lanny Ross, and Bill Shackelford, Chair of the 2013 Bylaws Committee, to examine (1) e-NARFE, and (2) the Future of NARFE. Based on the results of that meeting and the fact that as of 7/9/13, the e-Chapter 2363 has 15,090 members; the National Vice President recommended that the National President appoint a Committee to consider the role of e-NARFE in the future of NARFE, and to examine the structure of NARFE to determine whether changes need to be made, and, if so, what changes it would recommend.

It was pointed out that the structure of NARFE has remained the same since 1947, with no changes. There are currently 19 Federations with e-Divisions and their individual web sites are used as a vehicle to inform e-NARFE members about Federation activities.

A discussion ensued about the effect of members who have been merged into other local chapters when a chapter is closed. The unanswered question from this discussion, was how many of those "merged" members remained active in their new chapters? The consensus among National Executive Board members was that once chapter members are merged with another chapter, they are lost to NARFE, as few will actually "merge" into their newly assigned chapter due to travel distance, date/time of meetings, and the fact that they do not know any of the other chapter members. It is always better to work to rebuild a chapter, than to merge the chapter with another chapter.

The following motion was unanimously approved:

*I hereby move that the National Executive Board authorize the National President to appoint a committee of appropriate size to address the future of NARFE and the role of the e-Chapters as a dominant - and inevitable – part of this future. The Committee will examine all significant issues that could affect the future growth and viability of this Association. The Committee will prepare a report with recommendations to promote strengthening and ensuring long term effectiveness of NARFE for the National Executive Board to review, and, if approved the report will be published in time for dissemination at the 2014 federation conventions, and will be made available to the general membership.*

President Beaudoin will make the final decision on the scope, size and members of the committee. Each Regional Vice President is to make one recommendation for a member of the committee.

### **CONTACTING HEADQUARTERS**

The National President encouraged members to contact the Regional Vice President when asking questions, or stating concerns regarding any phase of NARFE operations. The Regional Vice President is the “local” NARFE Headquarters representative for members and should be contacted with those questions/concerns. Often questions are sent to an incorrect person at Headquarters and responses are delayed. Additionally, Officers at Chapter, District or Federation have the necessary answers, with the result being an immediate response with much less member frustration.

### **REGION IX CONFERENCE**

Lanny Ross, Region IX Vice President, reported on his First Regional Conference which was held in Ellensburg, Washington. The Washington Federation hosted the conference, and all five Federations within Region IX were represented with 92 attendees. Great attendance for a first conference! The Alaska Representative gave an IT presentation and there was a Video presentation by our National President. Further discussion ensued about how important it is for each Region to have a Regional Conference. A CD of the presentations was provided, and these presentations will be shared with Federations Presidents. It was noted that six Regions hold Regional Conferences. The remaining four Regions, who do not have Regional Conferences, were encouraged to have them, as they would provide valuable training for members.

### **UPDATE OF BYLAWS 2013 COMMITTEE**

Bill Shackelford, Committee Chairman reported to the National Executive Board and later to the Federation Presidents that the committee had met, and identified provisions within NARFE’s Bylaws that do not reflect requirements of the DC Statutes, Title 29. Specifically, John Stackpole, a parliamentarian and a member of the committee, reviewed 125 separate sections of Title 29 and created a summary from a Parliamentary viewpoint which briefly discusses the sections of possible conflict between our Bylaws and the DC statutes. Upon review, three sections of our bylaws appear mandatory for revision, and eight sections are optional. Of the eight sections, the Committee believes that four should be implemented immediately, and four should be discussed further for future consideration. The remaining 114 sections could be ignored. The Chair provided a power point presentation to both the National Executive Board and the Federation Presidents which detailed the results and recommendations of the Committee. The Committee will provide a final report of actions taken and recommendations prior to the November National Executive Board meeting.

## MEMBERSHIP

Bridget Boel, Membership Director, stated that the last growth blip in our membership was in 1999, but there has been no real growth since that time. Contributing to that problem is the OPM backlog for processing retirement claims, our aging membership base, the cultural shift away from membership organizations, and the technology based lifestyle change. Deaths are escalating, currently running 23% higher than in 2012, and do not include the deletion of unreported deaths (3,568 from Life Membership or 1,060 Honorary Membership, Jan-May). With the increase in reported deaths, we can only assume that unreported deaths are also on the rise. Both reported and unreported deaths are contributing to renewal rate erosion.

With the escalating reported and unreported deaths, the monthly average “dropped for non-payment” is on the rise from an average of 2,946 in 2011 to an average of 3,526 this year.

With dedicated promotional efforts beginning in the Fall of 2010 and culminating in the current bi-monthly mailing to lapsed members, we do see significant gains in reinstatements from an average of 720 in 2010 to an average of 1,526 this year.

Despite escalating deaths, total retention (renewal plus reinstatement) remains extremely high – 92%. NARFE is only one of the membership associations who have this high a retention rate.

OPM (blind mailing) response has declined from a high of 9% in the fall of 2005 to 4% in the spring of 2013. This perhaps is because of the OPM backlog of processing of retirement claims.

NARFE has actually utilized “rental” lists for federal employees – which are relatively small and quite expensive.

Prospecting (identifying) members remains important to high volume acquisition. Testing has revealed that highly targeted electronic newsletters are most effective, such as Government Executive Retirement Planning e-Newsletter; Federal Daily Newsletter and Government Executive Pay and Benefits e-Newsletters. Online generation and ad samples are working well through the Internet.

Pop-up ads on the Internet are working well and email “blasts” to best performing newsletters are being tested. Radio and local news (WTOP) online advertising did not produce high volume leads, only expensive exposure. September 2012 – April 2013: our online advertising generated 12, 994,330 potential members clicking onto that advertising, with 92% of these potential members being active federal employees.

Members are encouraged to limit the amount of materials provided on tables, or given to a potential member, (too much material is overwhelming and most likely will not be read) and have a rehearsed “elevator speech” that will keep the conversation focused and provide manageable, digestible information for the prospective member. The completed M-2 card is the next best thing to signing up a new member. Don’t forget to forward those completed M-2 cards to NARFE headquarters, Christina Robinson, as these names become prospects” and are entered into the database as potential members.

Headquarters uses the prospect list to: provide a “New Prospect Letter” acknowledging the potential member’s recent interest and inviting them to join. This letter is sent within a week of data entry. If the member has email, they will receive a six-part email cultivation series. Prospects, on a bi-monthly basis are offered white papers, a survey, and are invited to join. Relevant engagement (contacts) is a key factor in converting prospects to members. Prospects are selected for bi-monthly acquisition mailings. Multiple exposures are a key factor in converting prospects to members.

Beyond the substantial exposure to current federal employees via online advertising and lead generation (getting names of potential members), four additional plans are in place to “gain access into” federal buildings:

- 1) Six month plan to “gift” 165 agency HR officers with magazines, brochures, white papers, and “how can we help?”
- 2) The introductory letter from Headquarters available for use in the field. The letter will be included in the updated F-10, Chapter and Federations Officers Manual.
- 3) "Best Effort" model from Headquarters for entry and implementation into two agencies.
- 4) Call for best practices from field to be solicited in the next Recruitment and Retention Journal and shared on line.

NOTE: The Introductory Letter can be individualized for each Federation, upon request.

### **e-NARFE SOLICITATION TO DROPPED MEMBERS**

The ONLY active e-NARFE promotion to dropped members (non-members) begins **EIGHT MONTHS** after member is dropped for non-payment. Lapsed members from as far back as 2005 have been successfully reinstated.

Prior to receiving a lapsed member mailing, an individual would have received:

- 1) Three renewal notices,
- 2) A last issue cover wrap on the magazine and,
- 3) If there is an email address on file, three electronic renewal notices.

This is in addition to any chapter or federation level efforts. All encourage renewal to the local chapter.

The NARFE brochure, website and magazine all offer both local chapter and e-NARFE membership.

### **THE BOTTOM LINE**

Sole reliance on the OPM list of recent retirees and survivors has left NARFE vulnerable.

The current OPM backlog, which leaves so many recent retirees with only a partial annuity, is contributing to a decline in response to the OPM mailings.

NARFE member deaths are escalating (nearly 10,000 to date), contributing to an erosion of the renewal rates and an increase in Dropped for Non-Payment statistics.

Reinstatement statistics have improved dramatically, providing us a very strong retention rate – despite member deaths. In June 2013 membership increased by 531 in e-NARFE, while membership in local chapters increased by 329. Reinstatements for e-NARFE were 472, while reinstatements for local chapters were 708. It was requested that this information be added to the monthly Gain/Loss Report.

Recruitment of new members is our most critical initiative. With limited (and expensive) outside list options, building an internal prospect list is the key to large scale acquisition. Headquarters will solicit and compile best “Agency Entry” practices from the field and publish them in the Recruitment & Retention Journal.

Additional suggestions were made following this discussion:

- 1) For the fundraising letters, the reasons for the fundraiser should be clearly stated, and also any additional services that NARFE has been able to provide to the membership based on the funds received should be clearly stated.
- 2) With the deletion of the F-122, “What Has NARFE Done for You Recently?” a chronological listing of actions taken by NARFE to improve (or prevent) actions being taken against the federal community should be available on the NARFE website to show all members exactly how important NARFE has been to the federal community. Basically this would show the “History of NARFE” and our accomplishments throughout our 92 years.
- 3) There needs to be a space for a phone number included on the new membership application, F-135. Bridget Boel, Membership Director, stated that the F-135 is being revised to update the information provided therein and the revision would include a space for a phone number.
- 4) NARFE might consider the use of a QR code for Letterhead stationery (both for Headquarters and the Regional Vice Presidents), as well as for Posters used on recruiting tables – so potential members can scan the QR code for information.
- 5) NARFE might consider developing an “APP” available for NARFE for smart phones and iPads.

### **ONLINE PASSWORDS AND PAPER REPORTS**

National Treasurer Dick Thissen presented an overall analysis of the Report System which included chapters without: OAM passwords, Online Reports passwords, paper reports, Presidents, and no Online Password for Financial Reports. The paper report analysis revealed that 171 Chapters receive paper reports monthly, but 131 have passwords; therefore no requirement for paper reports. 40 Chapters without Online Reports password receive paper reports. One Federation without Online Reports password receives paper reports. Therefore, NARFE is maintaining a paper reporting system for 40 Chapters and one Federation at costs of approximately \$2,000/month.

A motion was approved to discontinue providing paper reports, effective October 1, 2013. Federations are requested to assist Chapters with training to allow officers to download and print reports. If there are no officers in the Chapter who can download these reports, Federation Presidents are requested to provide paper copies of reports to the chapters. The REGIONAL VICE PRESIDENT will provide copies of the paper report to the one Federation.

### **LEGISLATION**

Jessie Klement, Legislative Director, addressed the National Executive Board and explained that NARFE has not had an organized grass roots program, and was using M+R Strategic Services to assist Federations in organizing such a campaign. For a group as large as NARFE, it is important that they have an organized grass roots program in house. NARFE Legislative Staff members Sarah Holstine and Jason Freeman, are working on establishing this program and helping Federations to engage members. However, every Federation must also organize grass roots campaigns to contact every single Member of Congress. Results of grassroots campaigns for the July 4 recess were not as anticipated. The Protect America’s Heartbeat Toolkit provides help and assistance for Federations to create these effective campaigns in general. In addition, the Webinar

of June 7 discussed the importance of each federation developing a Field Plan and provided each federation with a Field Plan template to be used to develop goals, targeting members of Congress, using various tactics of persuasion and setting a timeline. HQ has also prepared state specific Toolkits which provide greater resources to place in the hands of the point person (or Congressional District Liaison) which will aid in meetings to be held during the August Advocacy Month. Concern is great, as many chapters do not meet in July and/or August and it is difficult to organize a visit to a Congressional Office without chapter meetings to raise awareness among members.

Members of Congress will listen to their constituents, and the more constituents they hear from, the greater chance that they will be aware of, and sympathetic to, issues impacting their constituents; our NARFE lobbyists do not have the same impact on your Member of Congress. Federations need to make members aware that each and every call or letter matters, and that will take an organized grassroots effort to spread the word to every member. Some members think that they are only one person, and that their call or letter doesn't matter – but history has shown us that one person can make a difference! This grassroots effort needs to focus on NARFE issues (not personal agendas) to deliver the needed impact to Congress.

The most recent NARFE Webinar, "Preparing for the August Recess: Building Relationships" held on Thursday, July 11, focused on actions which need to be done at the grass roots level to build relationships with Congressional district staff, preparing for the September 16-20 call-in week and the vote on the Chained-CPI. Strong positive relationships with Congressional district staff can be very influential to how a Congressman votes. When you have inter-action with a Congressional office – whether staff or the Congressman, please report the results of the action with our Legislative staff at [advocacyinaction@narfe.org](mailto:advocacyinaction@narfe.org), or contact Sarah, [sholstine@narfe.org](mailto:sholstine@narfe.org) or Jason [jfreeman@narfe.org](mailto:jfreeman@narfe.org). You may also wish to post the information, or any pictures you may have taken, on your Federation Facebook page.

### **NATIONAL EXECUTIVE BOARD BRAINSTORMING**

To begin the brainstorming session, our National President provided this quote, from Richard G. Scott: "To reach a goal you have never before attained, you must do things you have never before done." The National Executive Board Brainstorming efforts produced many ideas, which will be considered at a future time, but resulted in a consensus of the following top four ideas being reported to the Federation Presidents, not in any order of priority:

- 1) Most prolific federation recruiters to federation/region events/conventions with NARFE subsidies.
- 2) New category of membership "supporting member" open to all
- 3) Federation focus on rebuilding and strengthening chapters to focus on importance of the mission to the overall federal community
- 4) Initiate district/area training (federation level) focus on membership, legislation and website/OAM.

Also discussed and to be considered by HQ, though not reported to the Federation Presidents:

- 1) Distribute all press releases to Federation Presidents/membership chairs
- 2) Establish monthly Go-To-Meetings between HQ and Regional Vice Presidents
- 3) Regional Vice Presidents to provide monthly updates to Federation Presidents via Go-To-Meeting
- 4) Provide "giveaways" such as pens, for events such as health fairs

Following this discussion, a motion was made to set the first year dues for new chapter members at \$40, to be the same as the new e-NARFE member dues of \$40. Motion adopted, with two dissenting votes. The breakdown of the new first year member dues will be \$13.33 to the Chapter; \$4.00 to the Federation and \$22.67 to NARFE HQ. Following adoption of the

new member dues, an attempt was made to consider either a family membership or spousal membership as an incentive, however, there was no support among National Executive Board members for either option.

## **JOINT MEETING OF NATIONAL EXECUTIVE BOARD AND FEDERATION PRESIDENTS** **INCLUDING FIRST ANNUAL MEMBERSHIP MEETING**

The third day of the National Executive Board meeting was a joint meeting with the Federation Presidents, at which time the First Annual Membership Meeting was held in accordance with the National Bylaws, Rule V, Section 1, and in compliance with the DC Statutes.

### **NATIONAL PRESIDENT REPORT**

Our National President opened the meeting by discussing the attacks on the active federal employees such as sequestration, the three year pay freeze and furloughs as a result of sequestration. The AFEs have lost benefits, but not as many as they could have lost without NARFE and member support. He also stated that federal retirees have not lost any benefits due to the efforts of NARFE and our coalition partners.

He testified before Congress in February on Postal Reform, for which there has been no bill introduced. He testified in April before the House Committee on FEHBP, and in May before the House Committee on Backlog of Claims at OPM. At that time there were 17 OPM specialists, who retired, plus the impact of furloughs and the cessation of overtime which resulted in a backlog of processing claims of more than 90 days.

The Protect America's Heartbeat campaign has been reenergized placing more focus on media relations and grass roots efforts, with the hope that our members work together to protect our benefits. The magazine has been redesigned, the Quarterly News has been renamed, NARFE Insider, to provide members with more information regarding the business of NARFE.

Our membership has been declining for the past three decades. We are now faced with 10,000 deaths just this year so far, an average of 28.2 per day. Headquarters have been testing different ways to recruit and retain members. The e-NARFE chapters have a total of 15,100 members as of close of business 7/10/13 – just 28 months after inception.

Information Technology (IT) has been updating computers at headquarters, as many are still the original equipment from when the building was purchased. We have purchased the source codes from ISI which will save HQ money.

The Federal Benefits Department is the most popular, as many retirees need assistance. OPM has established a FEHBP Advisory Group of which NARFE is a participant and is eager to learn more about how changes in FEHBP will impact our members.

For the first time in 10 years, our NARFE budget is in the black. The independent Audit Report was published in the NARFE June Magazine and is a result of the dues increase, as well as reduced operating costs at HQ.

### **NATIONAL TREASURER'S REPORT**

National Treasurer Dick Thissen, reported that this the first time in ten years that NARFE has generated an operating surplus. Concurrent with this achievement, we were able to fund much need replacements of computers and other office equipment

Compiled By:  
Region VIII Vice President Helen Zajac



throughout Headquarters, repairs to the roof, outside exterior, the rain water drainage system and parking levers were complete. In addition we completed a total upgrade of the lighting systems in the building which modified or replaced all lights with new energy efficient systems and motion sensor switches were installed where practicable to save energy. The Audit Report is published in the June NARFE Magazine.

### **NATIONAL SECRETARY'S REPORT**

The National Secretary stated that they are mailing our 75,000 recruitment/retention letters per month and read the recommendations of the National Executive Board for increasing membership. She further stated that she is working with Coalition Partners to identify a list of conventions, which NARFE will send a representative and the list will be shared with Federation Presidents. Federal Executive Boards and Federal Executive Associations can assist Federations with agency events – and some Regional Vice Presidents have given gift memberships to the Federal Executive Board Directors.

Federation Presidents suggestions:

- 1) Resolve e-NARFE votes by referendum
- 2) Provide reports in a timelier manner – they are getting later and later (In response, the National Treasurer stated that HQ concern is accuracy over speed and reminded Federation Presidents that the M110 is based solely upon closing of records for a particular month and may vary a few days – while the M112 is truly a calendar based system from the first to the end of the month, and they will never match because of the different data accumulation dates)
- 3) Provide both the Federation President and the e-Division Coordinator with access to the e-Division members
- 4) HQ provide chapter rebuilding training for federations
- 5) HQ develop content of training for chapters

### **NATIONAL VICE PRESIDENT'S REPORT**

National Vice President Paul Carew, stated that they are working on streaming live video of the National Convention as a test at the 2014 Convention. It is anticipated that members can watch, ask questions and eventually be able to vote through online access. More sophisticated streaming/voting will be developed and be available at the 2016 and 2018 conventions. There would be a Registration fee charged each online participant. More information will be provided as these ideas are fully developed and tested.