



**Regional Vice President's Report
William "Bill" Shackelford
November, 2017**

The National Executive Board (NEB) was held in Alexandria, Virginia from November 28 – 29, 2017. The location was at NARFE Headquarters.

TUESDAY – NOVEMBER 28, 2017

National President Richard Thissen opened the meeting at 9:00 AM with a moment of silent reflection followed by the Pledge of Allegiance lead by Region Vice President (RVP) Clarence Robinson (Region III).

TRANSFER OF "NATIONAL ONLY" AND "NATIONAL LIFE" MEMBERS – The process of moving these members from all Regions to the National Division should be completed by the end of 2017. Chapter Presidents and Membership Chairs may notice a "drop" in the overall total of members in their Chapters, but please assure your Chapters that **no one** that pays chapter dues will be impacted; only those members (National-Only) that opted not to join a chapter in the mid-1980s when mandatory chapter membership was enacted and those Life Members who have stopped paying chapter dues will be affected.

NATIONAL STANDING COMMITTEES – The formation of six new NARFE Standing Committees and the one ad hoc Committee (Ballot Oversight Committee) has been completed and the Committee members have been selected. President Thissen will make contact with the Chairperson of each Committee in order to provide them with their responsibilities, Committee members and the dates for a Committee meeting to be held at NARFE Headquarters during the week of January 22, 2018.

Executive Director Barb Sido provided a detailed briefing to the NEB on the Standing Committee charges (responsibilities) showing where the charges of each committee was aligned with the Key Performance Indicators of 2018 NARFE Operating Plan as developed by the Executive Director.

In my RVP Report for the NEB Meeting which was held from October 16 – 17, I identified the four members from Region X who had volunteered for a Standing Committee assignment. This was based on information available to the NEB approximately one month prior to the

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deadline for volunteer submissions. In addition to Jim Glenn (Tennessee), Larry Minniear (Tennessee), Robert Allen (North Carolina) and Charles Talley (North Carolina), there were eight additional members from Region X who volunteered for an assignment. Here is the final listing of Region X volunteers and the Standing Committee(s) of interest.

- Advocacy Advisory – Jim Glenn (Tennessee), Larry Minniear (Tennessee), Leslie Ravenell (Virginia), Pierce Johnson (Virginia) and Gaston Gianni (Virginia)
- Bylaws and Resolutions – Robert Allen * (North Carolina)
- Communications Advisory – Jim Little (Virginia) and Henry Brattlie (North Carolina)
- Finance Advisory – Henry Brattlie (North Carolina) and Michael Cornelison (Kentucky)
- Marketing and Member Resources Advisory – Charles Talley (North Carolina) and Rhonda Mooney (Tennessee)
- Strategic Planning and Innovation Advisory – Robert Allen (North Carolina), Henry Brattlie (North Carolina) and Paul Carew (North Carolina)
- Ballot Oversight – Michael Cornelison (Kentucky)

FEDERATIONS BYLAWS – Review process and submission to Office of National Secretary/Treasurer is proceeding well. The NEB was advised that the review/approval of the Bylaws for 25 Federations has been completed.

FEDERATIONS / CLOSURE OF CHAPTERS – Secretary/Treasurer Jon Dowie announced that his office has closed 186 Chapters in the calendar year of 2017. Regional Vice President (RVP) Jim Crawford (Region I) announced that efforts are being made to keep the Vermont and New Hampshire Federations operating independently but a merger may be required in 2018. President Thissen announced that the NEB will need to be prepared to do its “due diligence” to insure that the interests of NARFE members in both states are protected.

GOVERNING DOCUMENTS – At the October, 2017 NEB meeting a presentation was made by Executive Director (ED), NARFE Parliamentarian, and NARFE Legal Counsel which addressed the need to be diligent in ensuring that Bylaws, Standing Rules, NARFE Policy Manual, and NARFE Procedures Manual (P&P Manual) are reviewed and up-to-date. The NEB unanimously voted on a motion (#10-10-17) which stated that this review would be conducted by the Executive Director and a report will be issued and given to the NEB by March 31st.

At the November meeting, a motion to amend #10-10-17 was made by RVP Adelman that would change the due date to February 28, 2108. Initially, I believed that the deadline of March 31, 2018 was appropriate. This would have allowed our ED basically a full five months to conduct a thorough review of the current NARFE Policy and Procedures Manual. This review is going to be a very intense undertaking, to say the least and would be a massive task for someone with extensive NARFE knowledge and experience. I felt that to expect an individual with less than 6 months (at the time of the assignment) of NARFE exposure to complete this effort in 120 days is unrealistic. Additionally, to the best of my knowledge, the P&P Manual

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has never been fully reviewed in the manner necessary since its inception. A change in the deadline would require that the ED review be completed in four months as which time the NEB would have 12 days to review the proposal and vote during the March 12-13, 2018 meeting on its acceptance. After one-on-one discussion with ED Sido, she assured me that she could complete the review to sufficiently provide the NEB a “draft” of each manual for NEB review in March. The amended motion was passed unanimously vote of 11 YEAS and 0 NAYS.

2018 BUDGET – NARFE Finance Director provided a detailed presentation on the 2018 NARFE Budget. The expenditures in the budget are based on a membership level of 206,000 members paying an annual dues rate of \$40.00, which should not be interpreted as an indication of a membership loss but a conservative figure to project what the organization will need to meet its financial obligations in 2018. While income from Advertising (6.9%) and Royalties (1.7%) is down, the fiscal status of the organization is stable. Additionally, the budget provides for the creation of four new staff positions at NARFE Headquarters in 2018. Creation of these new positions is being accomplished by reorganization of several of the Headquarters Departments and by redefining of duties of some of the Headquarters staff personnel. Based on a prior decision by the NEB, reduction in expenses by the Secretary/Treasurer, which is now a non-residence position has also factored into the development of the 2018 Budget.

MEMBERSHIP RENEWALS – During the discussion on the 2018 Budget and the basis for the membership levels used to structure the budget, a question was raised by RVP Konys as to whether statistics were available on the success of renewals of members who joined NARFE for the purpose of viewing one or more of the Federal Benefits Institute webinars. Based on figures compiled by the Marketing and Membership Resources Department, webinar renewals were approximately 54% in 2016.

NARFE HEADQUARTERS REORGANIZATION – Since her arrival ED Sido has been very active in exploring ways and means for the NARFE Headquarters to run more smoothly, both operationally and fiscally, by streamlining the structure and providing incentives to those staff members who are contributing to the operational success. Some the more recent changes are:

- New Executive Office Department is now separate from the Office of the National President
- NARFE Secretary/Treasurer now working part-time (non-residence)
- New Public Relations Department has been created and will be headed by a Deputy Director of Public Relations (new position)
- NARFE Mail Center and Print Shop now form the Logistic Services Department and is managed by Deputy Director Jerome Conley
- Building Maintenance, Front Desk Reception and Support Services now form the Support Services Department is managed by Deputy Director Tim Pembroke

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- On-line Seminars/webinar plus Federal Benefits Department now make up the Federal Benefits Institute under Director of Marketing Bridget Boel.
- In view of the expanded areas of responsibility handling both national and state level legislation matters the Legislative Affairs Department has been renamed the Advocacy Department. The staff member who will be coordinating state legislation matters has not been identified. Director of Advocacy Jessica Klement will be the Department Head.

In addition to the Deputy Director of Public Relations, new positions include position in the Advocacy, Finance and Administrative Departments. Some title changes may also occur. ED Sido is preparing a new NARFE Organizational Diagram that will be put up on the NARFE website in early 2018.

WEDNESDAY – NOVEMBER 29, 2017

BYLAWS AND RESOLUTIONS – At the present time, 12 Bylaws proposed changes and 5 Resolutions have been submitted to NARFE Headquarters. Four of the Bylaws proposals were submitted by the NEB and were detailed in my RVP Report in October. The fifth submission was proposed by the Strategic Planning Committee. All proposals will be forwarded by the Secretary/Treasurer Office to the NARFE Parliamentarian in order to insure that the format is proper and that there is no conflict with other provisions of the National Bylaws. After the approval of the Parliamentarian, the proposals will be sent to the Bylaws and Resolution Standing Committee for review. After some discussion the NEB voted on a motion that all proposals and the Committee report be posted on the NARFE website either in conjunction with the Bylaws and Resolutions Committee official report or after the issuing of the report, after February 1. With a vote of 10 YEAS and 1 NAYS (Region V), motion passed.

PUBLICATION OF NEB RECOMMENDATIONS – The NEB discussed whether it would be advisable to publish the NEB recommendation on any of the proposed bylaws changes and resolutions which were submitted for consideration by members and reviewed by the Bylaws and Resolution Standing Committee. It was decided by consensus that the NEB recommendations would be in addition to the full report of the Committee and that the NEB recommendations would be published without debate/opinion, by indicating:

- Support
- Non-Support
- No Recommendation

BUSINESS MODEL INNOVATION PROJECT UPDATE – ED Sido and Jeff De Cagna, Executive Advisor, ForeSightFirst provided an update on Business Model Visualization Project and facilitates a business model visualization session with the NEB. During the session, the NEB had the opportunity to use the Business Model Canvas, using the 9 Business Model Building Blocks, to create representations of NARFE's existing business model. Working in small groups, each group created a schematic which showed our organization's existing

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business model, based on the group's understanding of how NARFE currently creates, delivers and captures value. The Business Model Building Blocks, with definition, are:

- Stakeholder Segments – The distinctive, purposeful and profitable (or potentially profitable) stakeholder groups an organization consciously chooses to reach and serve. Stakeholder segments are defined separately from the relationship(s) they may have with the organization. For example, "member" is not a stakeholder segment, but a type of relationship an organization offers to its stakeholders, i.e., Active Federal Employee; Retired (FERS); Retired (CSRS) or Survivor Annuitant.
- Value Propositions – The combination of products, services, and experiences that create value for specific stakeholder segments. A value proposition is not a litany of products and services, but a simple statement about the impact of value on stakeholders.
- Channels – The methods and approaches for communicating with and reaching stakeholder segments to build awareness of and create access to value. Channels can include both physical and digital means, including conferences, marketing activities, mobile platforms, publications, social media, and websites.
- Stakeholder Relationships – The types of relationships an organization establishes with specific stakeholder segments, i.e., subscriber, contributor, financial supporter, exhibitor, learner, and collaborator.
- Revenue Streams – The actual types of income generated from each stakeholder segment.
- Key Resources – The most important physical, financial, intellectual or human assets required to make a business model work. Key resources are both tangible and intangible that incurs a cost and through which it deliver on its value propositions.
- Key Activities – The most important functions that an organization must perform to deliver on its value propositions, and for which it incurs some cost.
- Key Partnerships – The network of external suppliers and key partners and third-party contributors who provide additional resources, extend existing resources, implement key activities to deliver on value propositions for which an organization incurs some cost.
- Cost Structure – The actual costs incurred to operate a business model.

Following the individual group work, a discussion and report from each group was conducted in order to compare how the different groups framed their thinking about NARFE's current business model. In addition, a Headquarters staff-created canvas was shown to the NEB for the purpose of comparing similarities and differences in how the NEB and staff view the

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existing business model. The overall purpose of the session was to begin the process of building a shared understanding among key decision-makers about the current state of NARFE's business model and how it will need to adapt in the years ahead. ED Sido advised that the NEB and Headquarters staff canvases will be converted to a "PDF" format and distributed to the participants.

This exercise was very interesting and is **still evolving**. The overall consensus of the NEB was that it could prove to be very beneficial and NARFE makes various changes in the future to allow our organization to remain viable.

OPEN NEB MEETINGS / "ROLL CALL" VOTING – The NEB discussed the need to continue to hold open NEB meetings and the necessity to continue to conduct "roll call" voting and record voting results in official minutes. By consensus, it was decided that both practices demonstrate "openness and transparency" by the NEB and that both practices would continue.

CONFIDENTIALITY AGREEMENT – At the NEB meeting in November 2016, based on legal advice, all members of the NEB, including the National Officers, signed non-disclosure and confidentiality agreement. On the advice of the current NARFE attorney, both agreements need to be re-examined and that a clearer and more concise policy be developed. It was also noted that some issues discussed during executive sessions could be considered confidential at the time of discussion but could later be made public.

The next NEB will be held in Alexandria, Virginia from March 12 – 13, 2018. The location will be at NARFE Headquarters.

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