



REGION X REPORT

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First, I wish you and yours the best of holiday seasons and good health and safety to go with that. I am so proud of all the good works you are doing as NARFE members. On behalf of National President Richard Thissen and National Secretary/Treasurer Jon Dowie and the other members of the National Executive Board (NEB), I want to extend my sincere thanks for all of the great work that you are doing as NARFE members. The new year of 2016 is going to bring several changes to NARFE on all levels - Chapter, Federation and National.

I'll dedicate my article to the most pressing business for all NARFE members which is to help the Association survive. I'll do that by sharing highlights from the November 2016 meeting of the NEB as drafted by Sabatier Consulting, process facilitators for that session. It accurately depicts information shared and analyzed. The primary topics were the Strategic Plan and the 2016 Budget. The 12 Board members responded to the challenges put before them by carefully reviewing and discussing actions that can immediately begin to address survival issues. Thinking and strategy behind the NEB's decisions will be in a longer document to be issued soon. These Strategic Plan items are more fully explored in the latest documents posted on the NARFE website. To access it, go to the website at www.narfe.org, log in as a NARFE member with your last name and membership #, click on the "Strategic Planning" box on the right and then on the blue "**Strategic Plan - Final**" item. In addition, over the course of the next several months NARFE Headquarters will be broadcasting webinars, developing presentations for the field and including additional articles in **narfe** magazine. And, of course, there will be time dedicated to the Strategic Plan at the 2016 National Convention. Information will be available multiple times in multiple ways.

As members begin reading and commenting on the Strategic Plan the NARFE blog can be a central locale for members to share their views broadly. The NARFE blog is accessible from the top of the website after you log in. Headquarters recently provided the NEB with its perspective on this blog: "... the blog is a member to member vehicle. All are free to share and view.... The blog is specifically a vehicle for members to communicate with one another. HQ does not post there. All members are welcome to discuss the strategic plan as blog postings.

FYI – On any of the issues discussed and voted on at the NEB meeting, the meeting minutes are posted on the NARFE website, will provide you with the actual vote of the NEB members.

CURRENT SITUATION: NARFE continues to be at a very perilous stage in its evolution. The November meeting followed up on a critical step that the NEB took in the spring of 2015 to put in place the process to create a Strategic Plan for NARFE. Before the November meeting, the strategic planning team submitted a draft strategic plan, which all of the NEB members reviewed carefully

prior to the meeting. The plan laid out in full detail and confirmed what we have known for years: the financial situation for NARFE is very weak and demands that actions be taken to preserve the future of the organization. The critical driver of NARFE revenues, and thus its financial health, is membership. For several years, the number of NARFE members has been declining at a rapid rate and the rate of decline is accelerating. The primary reason for the decline is truly beyond our control - - death of members. As a result the money coming in to NARFE is declining because we are collecting less in dues, operational expenses are increasing.

SECURING THE FUTURE: To grow and improve its financial situation NARFE needs to increase the number of new members who join NARFE at a rate higher than member deaths. The segment of the population for membership which should be in our "bulls-eye" is the Baby Boomer (Ages 51 through 69) Generation. NARFE needs to sell membership to this group. Market researchers and marketers have identified and confirmed a clear behavior profile for boomers. Features of that profile relevant to NARFE are that boomers are not "joiners," but they will pay for services that they perceive to support their personal interests. NARFE's marketing team, led by Director of Marketing Bridget Boel, has done extensive research and is modifying its offer to appeal to boomers. Once the membership declines are stabilized, NARFE can focus resources on growing its membership and on accelerating its new and existing programs to build non-dues revenues.

REGIONS: The NEB voted to reverse an earlier NEB decision to decrease the number of regions from ten to five regions and to continue with 10 regions at least through November, 2018. This reversal was based on input from NARFE leaders in all regions. The role of Regional Vice Presidents (RVPs) has been cited by numerous federation, regional and chapter leaders as critically important in supporting their work in the field among the membership. Some of my colleagues reported that their workload continues to grow and that a doubling of an RVP's workload by halving the number of regions would be impractical and weaken the organization. This vote to reverse the earlier NEB decision would not prevent a future NEB from reducing the number of NARFE regions. NARFE leaders in Region X had indicated to me that they were not comfortable with the reduction in the number of regions. Overall, on a Federation level, the "vote" of the five Federations was 4 to 1 in favor of ten regions. While many of the Region X leaders agree that it will be necessary to change the role of the RVPs from its current status to that of being a national policy maker, this change should be a future change inasmuch as these leaders feel that there are more pressing issues that should be addressed at this time. Additionally, as part of this vote, the NEB opted to remain as the NEB and not to change its identification to that of Board of Directors.

NON-MANDATORY CHAPTER MEMBERSHIP: After reviewing the current situation for NARFE and fully discussing the organization's options, the NEB voted to prepare a bylaw change, ***for consideration by the delegates at the 2016 NARFE National Convention***, to eliminate the necessity for a member of NARFE to belong to a chapter. Extensive research by the marketing team has shown that mandatory chapter membership has discouraged boomers from joining NARFE and has also contributed to non-renewals by current members. This scenario has been confirmed by the rapid growth of E-NARFE. Lapsed members who have ignored renewal offers have been more likely to join E-NARFE when it is offered to them. New members are more likely to join E-NARFE than a chapter. This move to non-mandatory chapter membership is an important step to support the growth of NARFE membership, which is at the heart of the future of NARFE. The NEB does not believe that this is the death knell for chapters. Current chapter members are likely to continue their chapter memberships when they renew. All members will always have the option to join a chapter at any time. In fact, if NARFE membership as a whole grows, its financial situation stabilizes and its non-

dues revenue sources accelerate their growth, chapters with motivated and active members will benefit from increased activities to support members by the national organization. If chapters can demonstrate a value for chapter membership, chapters could grow and become stronger. Struggling or inactive chapters can be a disservice to those that are required to belong and pay chapter dues, despite their preference for National Only NARFE membership.

ONE MEMBER / ONE VOTE: The NEB also voted to prepare resolutions ensuring that each member has a vote and also to prepare a resolution to change the bylaws so that every member can run for national office. This change is related to the proposal to establish non-mandatory chapter membership and is intended to ensure that no members are prevented from getting the full benefits and privileges of NARFE membership. The current bylaws require that members wishing to hold an elected office shall be members of both the Association and a Federation-affiliated chapter. This requirement is a disservice to those members of the E-NARFE Chapter 2363.

EXECUTIVE DIRECTOR: In looking forward, key to NARFE's growth is consistency in managing the business aspects of the organization. Bringing in an Executive Director to act as the Chief Executive of the organization and lead efforts that will bring in new revenues to NARFE can position us to better secure the future. The NEB agreed to support recruiting, hiring and supporting an executive director. This person will have proven, successful experience as an association executive; recognize the opportunities for NARFE's growth and positive development in the future; and have an eagerness to take up the challenges of reversing NARFE's current direction.

DUES SETTING: The NEB voted to write a resolution, for consideration by the delegates to the 2016 National Convention, that will empower the NEB to set national dues, but would restrict changes in dues to once in every two-year period. Those of us that voted against this motion were comfortable with authorizing the NEB to set national dues, provided that the biennial increases were capped at a specified percentage (5% or 10% every two years). This motion contained no such cap. However, based on subsequent discussion, a substitute motion made "that the NEB support setting dues by the NEB, no more often than biennially, with any increase not to exceed 10%." It will be discussed and voted at the next NEB meeting in March, 2016.

BUDGET: The remainder of the NEB meeting consisted of a review and approval of the 2016 budget; membership marketing and legislative updates; the full NEB participation in the November legislative webinar; and a preview of activities related to the 2016 National Convention.

At the NEB meeting, RVP Rodney Adelman (Region VII) issued a challenge to the other RVPs to match or beat Region VII participation in the monthly legislative webinars. The more participation is all the better for NARFE. November's webinar topic was, "***One Year Out: Preparing for Grassroots During an Election Year.***" For this webinar, Region VII equaled (15) the number of participants as the next two highest regions (Region II - 8 participants and Region X – 7 participants). I would encourage every Federation President, Federal Legislative Officer, and CDL/SL to participate in the monthly legislative conference calls and webinars.

The NARFE \$10 recruitment incentive ended on December 31. It is exciting to report that October showed an actual membership gain, the-first in quite a while, During September/October, 307 recruiters in the field recruited 417 new members. Field recruitment during the two-month period was 22% of the total of 1900 new members recruited. Another recruitment effort was the November NARFE Federal Benefits Institute webinar on "***FEHBP and Medicare: Make the Best Choice.***" A

total of 1,857 individuals participated in the webinar. This participation yielded 227 new NARFE members. Another innovation from our Membership Marketing Department!

Finally, I want you to "mark your calendars" for the 2016 NARFE National Convention. It will be held August 28 - September 1, at the Grand Sierra Resort and Casino in Reno, Nevada. More information about the convention will be available on page 43 of the January, 2016 issue of your NARFE magazine. I look for an overwhelming attendance at the convention from Region X NARFE members.

Thank you for your continued membership and your support and belief in NARFE. We are all in this effort together so let's move forward before it is too late.