



**National Active and Retired
Federal Employees Association**

**2013 NARFE REGION X CONFERENCE
DISCUSSION OF 2013 FEDERATION PRESIDENTS MEETING
MainStay Suites
Pigeon Forge, Tennessee
September 11, 2013**

Good morning! I was asked to discuss the Federation Presidents Meeting that was held July 8 – 11 at the Rosen Centre Hotel in Orlando, Florida. My experience was probably a little different than most. I reserved a unit at a resort about five miles from the hotel and invited my sister and brother-in-law to go with me. On Friday, July 5, I drove to Alabama and spent the night with them. The next morning we loaded everything into my car and left heading toward Orlando. After spending a night on the road we arrived at the resort on Sunday, July 7, to begin our week.

Since most of you may not be familiar with this biennial joint meeting, I'll tell you about my experience. When I went to the Rosen Centre to register on Monday afternoon, I discovered that NARFE had arranged for complimentary parking in the hotel parking deck for anyone attending the meeting. That was a pleasant surprise and a nice little NARFE benefit; according to a sign posted near the entrance, the normal rate was \$11. Registration went smoothly and without delay.

The opening session began at 7:30 a.m. on Tuesday, July 9. We met with the NEB for an invocation, Pledge of Allegiance, description of training and introduction of the planning committee. The NEB left at 8 to meet separately and we waited patiently for almost an hour for two projectors to arrive so the Online Activities Module System Presentation could begin. After they were delivered and connected, Configuration Advisory Board Chair Patrick Dempsey gave a comprehensive demonstration of the system. At 11 a.m. the NEB joined us again for a National Bylaws Committee Report presented by Committee Chair Bill Shackelford. He reported finding four areas where mandatory applications of the DC Statute impact NARFE and eight optional applications to consider. Of the eight sections, the Committee believes that four should be implemented immediately and four should be discussed further for future consideration. This was followed by a joint luncheon with the NEB that included lunch and learn presentations by the Alzheimer's Association and Federal Employee Education and Assistance fund. I spent the afternoon in a Best Practices session and a Bylaws and Articles of

Incorporation class. There was a Meet and Greet from 5:15 p.m. until 6:30 p.m. with Dinnertainment from 7:00 p.m. until.

Wednesday followed a similar pattern; occasionally we met with the NEB but most of the time we met separately. Legislative Director Jessica Klement began her update by pointing out that federal employees have lost \$99 billion due to the three year pay freeze. In addition, new hires after January 1, 2013 have lost \$15 billion due to increased pension contributions for a total loss of \$114 billion. Under FEHBP reform, OPM proposals include "self plus one", "Regional PPOs", "premium differentials tied to wellness", and "direct contracting for prescription drugs". Ms. Klement discussed the devastating cumulative effect of switching to the Chained CPI to compute COLAs. It is our largest current threat and she emphasized the critical role of a grassroots campaign opposing the change. She stressed the importance of participating in the NARFE Call Congress Week September 16 – 20. All of us need to be activists. Everyone can make phone calls and sign letters. Some can schedule and participate in meetings, and write articles for the press. If we don't get the attention of every member of Congress, they'll think we don't care. As Paul Carew said last night, we need to make a loud noise. HQ Legislative Staff has produced excellent tools, templates, and guidance and is eager to help us use them. Ms. Klement concluded with a discussion on the importance of NARFE-PAC.

Membership Director Bridget Boes gave a membership news presentation. The title was Membership Crisis – "State of the Union". She said that the last growth blip in our membership was in 1999 and there has been no real growth since that time. Contributing to the problem is OPM's backlog for processing retirement claims, our aging membership base and the general shift away from membership organizations. Deaths are also running 23% higher than in 2012. Despite all of these factors, total retention remains extremely high at 92% and NARFE is only one of a few membership associations with a retention rate this high.

I was very interested in the Alzheimer's presentation by Dr. Dave Morgan of the Bryd Institute. Although this was our second presentation on Alzheimer's and a lot of duplicate information was presented, the Byrd Institute is fascinating. With a state-of-the-art facility and a highly qualified team of physicians, memory care specialists, researchers and educators, they are at the forefront of Alzheimer's research and patient care. The cornerstone of the clinic is the Eric Pfeiffer Imaging Center housing a sophisticated PET scan machine. New research has enabled the use of PET imaging to visualize the nerve-killing Alzheimer's amyloid proteins in the brain years before symptoms, such as memory loss, begin to appear. Dr. Morgan predicted an end to Alzheimer's by 2020.

National Treasurer Dick Thissen presented an analysis of the Reports System. A total of 171 Chapters receive paper reports monthly, but 131 have passwords so there is no requirement for paper reports. That leaves only 40 Chapters without an Online Reports password who need paper reports at an annual cost of

approximately \$25,000. So the NEB approved a motion that HQ stop providing written reports from the online reporting system effective October 1, 2013. Federations are encouraged to assist those chapters by providing the required reports.

NARFE National Service Officer of the Year John R. Ledman of Apollo-Central Chapter 1137 in Florida gave a well attended presentation on service officer duties and resources.

I attended a presentation by John Davis, President of Federal Benefits Educators. They are focused on the Federal Retirement Benefits educational needs of Federal Agencies and the Uniformed Services. I thought it was the least beneficial of any of the sessions I attended.

The last day, July 11, began with the first ever Annual Membership Meeting which was held in accordance with the National Bylaws, Article V, Section 1, and in compliance with the DC Statutes. National President Beaudoin called the meeting to order at 8:00 a.m., after which there was an invocation by John Priolo, Hawaii Federation President and the Pledge of Allegiance led by Florida Federation President Ken Thomas. National President Beaudoin presented the President's annual report and National Treasurer Thissen presented the Treasurer's annual report. After a question and answer session, the annual meeting was adjourned at 8:30 a.m.

More training sessions were offered than time was allotted to attend them. Unfortunately, I was unable to attend sessions on Electronic Meetings and Media; Three Rs and Succession; and AARP Over 50 Technology.

Several important announcements were made by the NEB during the week. For about a day and a half, they conducted a brainstorming session to address NARFE's membership crises. Ideas focused on priorities with potential to produce the most significant results. The top four that were recommended to the Federation Presidents are listed for your information as follows:

- 1) Fund NARFE's "Best Recruiters" to attend selected Federation and District meetings to share their methods of success.
- 2) Pursue a "Supporting Member" category, in an effort to attract corporate sponsors and appropriate state and local agencies.
- 3) Develop consistent Federation level district or area membership training.
- 4) Focus on rebuilding and strengthening chapters.

The 2013 Mid-Year budget was approved by the NEB as presented by National Treasurer Dick Thissen. He expressed sincere gratitude for the extremely generous member support of the calendar, notepad and card programs. Dues only provide 69.8% of the revenue necessary to support NARFE. Fundraising provides

19%; Advertising and books provide 7.3%; Investments provide 1.4%; Royalties from Affinity Partners provide 1.3% and other provides 1.2%. So the outstanding member support of the National fundraising appeals contributes a significant amount to the annual budget.

After a lot of discussion with the Federation Presidents, the NEB adopted a motion to set the first year dues for all new members at \$40 effective October 1, 2013. The distribution will be \$13.33 to the Chapter, \$4.00 to the Federation and \$22.67 to NARFE HQ.

Perhaps the most significant action by the NEB was to adopt a motion authorizing the National President to appoint a committee to address the future of NARFE and the role of eChapters as a dominant and inevitable part of this future.

As I see it, NARFE is currently in the middle of one of the most significant and rapid transitions ever. During its 92 year history, NARFE has undergone several major transitions at the National level. For example, at the first National Convention in 1950, National Officers were elected by the membership for the first time. Prior to that, they were elected by the Executive Committee. At various times officer positions have included first and second vice-president, supervisor of chapters and director of field operations. At one time there were 25 National Field Vice Presidents. But changes at the chapter level have been rare. In fact, NARFE began with Auxiliary Associations. At a March 1935 Executive Meeting, it was determined that all the auxiliaries had "been a failure" and the motion to discontinue them was adopted. It was twelve years before the first chapter charters were issued in the spring of 1947 and the structure has remained the same ever since.

The current transition began in August 2010 when our National Officers were elected for their first term. Candidate Joe Beaudoin had met with our Federation Executive Board in April 2010 and said a new report system would be a priority if he was elected National President. In December 2011 the extremely outdated On-Line Reports system that had been a major source of complaints for many years was finally supplemented by the Online Activities Module. For the first time NARFE leaders had real time report access directly from the member database. A complete revision of the National Bylaws was adopted at the 2012 National Convention. Headquarters has implemented a bidding system for goods and services which saves thousands of dollars annually. The source code and intellectual rights for the NARFE database management software was purchased from ISI for a cost savings of \$264,000 per year. NARFE finished 2012 with a \$131,000 surplus in operations revenue and a \$659,000 net gain in total assets. As you probably know, this was the first time that National has finished a year in the black in over ten years.

In addition, e-NARFE Chapter 2363 began in March 2011 with five members. At the end of July total membership was 15,174. That's an average gain of

approximately 540 members per month. While over \$600,000 in additional dues revenue from more than 15,000 eChapter members is a welcome financial windfall that few expected two years ago, there are several major concerns that will soon need to be addressed. Consequently, on August 12, National President Beaudoin announced the appointment of 12 of the 13 members on the Future of NARFE Committee. One active federal employee is yet to be named. Led by Co-Chairs Evelyn Kirby (Region II Vice President) and Bill Shackelford (Past Virginia Federation President), the FON committee will prepare a report with recommendations to promote strengthening and assuring long-term effectiveness of NARFE for the NEB to review. If approved, the report will be published in time for dissemination at 2014 federation conventions and will be made available to the general membership. This committee will play a critical role in determining how NARFE is organized and operates in the next few years.

I thoroughly enjoyed attending the NEB/Federation Presidents meeting this year and it was a valuable learning experience. Does anyone else who attended the meeting have any observations or comments that you would like to make at this time? Since I didn't stay at the Rosen Centre Hotel, I would like to close by inviting a volunteer who did to tell us about the facilities.

Questions?