



**REGION X REPORT**  
**William "Bill" Shackelford**  
**Fall 2019**

The Fall 2019 Meeting of the National Executive Board (NEB) was held in the Stevenson Room located in the Holiday Inn & Suites – Old Town; 625 First Street; Alexandria, Virginia from November 6 – 8, 2019. During the meeting the NEB was provided with a series of presentations and updates.

**NEW STAFF INTRODUCTIONS**

Executive Director (ED) Barb Sido introduced the new Advocacy Grassroots Program Manager, Marsha Goad. SVP Helen Mosher introduced her new staff members from New Business Development and Events Department Account Manager Anita Nelson and Assistant Manager Magda Halim.

**NATIONAL PRESIDENT'S ANNOUNCEMENT**

National President (NP) Ken Thomas announced that he plans to run for a second term which will begin in November 2020.

**NATIONAL SECRETARY TREASURER REPORT**

The NEB discussed the closed chapter count, chapter bylaws approved, unapproved, and pending count, and federation bylaws approved, unapproved, and pending count. The information shown below was provided by National Secretary/Treasurer Kathryn Hensley.

The total Closed Chapter Count from November 2018 To October 2019:

- 2018 = 4 Chapters
- 2019 = 50 Chapters

Several Federations and Chapters have submitted Bylaws to NARFE Headquarters for review and approval. Summary of these submissions is as follows:

**Chapter Bylaws**

- Total Approved = 102

- Total Not Approved = 31
- Total Pending Review = 24

### **Federation Bylaws**

- Total Approved = 2
- Total Not Approved = 8
- Total Pending Review = 2

### **BYLAWS AND RESOLUTIONS COMMITTEE (BRC) PRESENTATION**

Since the BRC is considered a Standing Committee, there was some discussion centered on BRC's authority to submit proposed bylaws and standing rule amendments.

BRC Chairman Robert Allen's presentation contained the following topics:

- BRC 2020 proposed bylaws amendments;
- Recommended NEB 2020 proposed bylaws amendments;
- Board of Directors Transition from the current NEB format to a format more associated with non-profit associations;
- Executive Director Duties;
- NEB Terms of Office;
- Per Capita Tax;
- Operating Guidance;
- Federation Mergers;
- Candidate Filing Deadlines;
- Submission by Arizona Federation reducing Regions from 5 to 10; and
- Submission by Maryland Federation pertaining to National Ballot production

During the discussion pertaining to the NEB Terms of Office proposal which would align the terms of National Officers with the NARFE fiscal year, there was some concern that the extension of the terms of any current officer (November-December) would constitute a monetary gain that under current NARFE Bylaws would possibly need membership approval through a referendum or ballot. NP Thomas directed the ED Sido to contact legal counsel to find out whether an extension of the NEB term of office which involves an extension of the salary qualifies as a material issue. The NEB asked the BRC to propose the bylaws amendment entitled Terms of Office instead of the NEB.

### **BYLAWS SUBMISSION DEADLINE**

Further discussion centered on the Board of Directors Transition and Candidate Filing Deadlines. BRC Chairman Allen reminded everyone that the submission deadline for proposed changes to the NARFE National Bylaws remains as January 1, 2020. BRC Chair Allen further stated that submitters of all proposals may appeal to the NEB if the BRC declares the proposal out of order or rejected. NEB will develop a timeline and procedures for addressing appeals to proposals.

### **FEDERATION AND CHAPTER ELECTIONS UNDER ONE MEMBER/ONE VOTE (OM/OV).**

The NEB discussed the impact that has occurred to Federation and Chapter elections under One Member One Vote (OMOV). Most NEB members agree that the impact is viewed in the Federations

and Chapters as an unfunded mandate by NARFE HQ. ED Sido will send out a request to federations for the following annual meeting information to be included in the *narfe* magazine: name of federation, date, location, and contact person information.

**ACTION ITEM #5:** ED Sido will send out a request to federations for the following annual meeting information to be included in the *narfe* magazine: name of federation, date, location, and contact person information.

### **NATIONAL ADVOCACY**

NP Thomas passed out NARFE's Advocacy Program for the 116th Congress (2019-2020) as developed by the NARFE Advocacy Advisory Committee and featured in the January 2019 *narfe* magazine (page 33-36).

As most of you are aware, a new Congress begins every odd-numbered year. In advance of each new Congress, NARFE compiles an advocacy program (previously the legislative program) outlining the association's general advocacy principles that officers, members and staff abide by in their advocacy efforts.

At the NEB meeting, NP Thomas stated that he would ask the RVPs to send in the names and contact information for good candidates that would be willing to serve on the Advocacy Advisory Committee. Following the receipt of the names of willing volunteers, NP Thomas selected five members to serve on the NARFE Advocacy Committee. The lead staff person for the Advocacy Advisory Committee will be John Hatton, Director of Legislative and Political Affairs, from the Advocacy Department at Headquarters. Regional representatives on the NARFE Advocacy Committee will be:

- Alan Spielman – Region II
- Mike Hopkins – Region III
- Dorman Otte – Region V
- Steve Walter – Region VIII
- Gaston Gianni – Region X

Over the course of several months, the NARFE Advocacy Committee while working in conjunction with the NARFE Parliamentarian and the Bylaws and Resolutions Committee will develop the NARFE Advocacy Program for the 117th Congress (2021-2022) and publication in the January 2021 *narfe* magazine.

### **BUDGET & FINANCE COMMITTEE REPORT**

National Secretary/Treasurer Katherine Hensley (Committee Chair) provided attendees with an update on budget and investment matters within NARFE.

Committee Members:

Robert Helfrich, RVP Region IV

Richard Wilson, RVP Region IX

James Risner, RVP Region I

Johann DeCastro, SVP (Staff Liaison)

The committee met earlier this year (January '19) and again in July '19 to review and recommend the 2019 Operating Budget and the 2019 Mid-Year Operating Budget to the NEB for approval. The NEB approved both budgets as presented with the stipulation that the AMS expenses would be recorded "below the line".

Staff met with the committee on October 23, 2019 to review the proposed 2020 Operating Budget. The committee members voted 2 to 1 to recommend approval of the 2020 budget as presented. RVP Helfrich plans to submit to the NEB his analysis of the data that shows the expenses should be reduced by \$204K.

In an executive review before the committee met, NS/T Hensley expressed my concerns with the inadequacy of the assumptions used to create the 2020 budget. It concerns me that budgets are presented without justifications and department written budget development documents. Further, NS/T Hensley continues to advise the Staff VP for Finance that we need to be cutting expenses. We do not appear to be very cost aware in our decision-making.

**Formal Motion to the National Executive Board** – The Finance Committee recommends that the National Executive Board accepts and approves the NARFE 2020 Operating Budget, as presented.

### **PROPOSED 2020 OPERATING BUDGET**

SVP Johann De Castro presentation on the 2020 Operating Budget covered the historical, budget assumptions, summary, revenue, and expenses. Each budget item was reviewed and the discussion highlighted that employee compensation and benefits is the largest expense in the budget. In light of shrinking dues revenue, various items were discussed for elimination or decrease.

Final approval of the 2020 Budget was postponed by general consensus until after the presentation on the Three -Year Plan

### **THREE -YEAR PLAN**

SVP Johann De Castro presentation on the Three-Year Recovery Plan covered the historical information, strengths & weaknesses, five options for recovery, and recommendations.

Discussion centered on the various recovery options presented to the NEB with no action taken at this time.

NP Thomas recognized RVP Adelman. RVP Adelman proposed ten items that could be addressed in the 2020 Operating Budget. The list of items was circulated for consensus by the NEB:

Ballot measure to cut RVP salaries by one-half and no COLA for NEB effective November 1, 2022 (*Requires Member Ballot – Two-Thirds Vote*).

Eliminate NEB phone and internet reimbursement beginning with 2020 terms.

Eliminate 2% discretionary fund and cut merit raise funds from 3% to 2% for 2020 budget (*Except for the Executive Director*).

Discussion pertaining to bottom line of 2020 budget with recommendation to cut 1% from bottom line of 2020 total budget expenses, not including NEB expenses.

Support the Membership Committee amendment to reduce 10% payment to 5% percent, and Headquarters to pay Federation President or designee trips to attend FEDcon, LegCon, and Federation/NEB Joint Meetings (*Requires Bylaws Amendments*).

Authorize ED Sido to research the possible outsourcing of publication of the *narfe* magazine and to pursue combining two or four magazine issues.

Support the Membership Committee bylaws proposal to raise dues to \$48 (*Requires Bylaws Amendments*)

NEB to support the proposed bylaws amendment from the BRC to adjust the one-third for chapters. It will allow the chapters to receive chapter dues instead of the one-third payment for new members.

NP Thomas requested that several guests give their opinions about the Three Year Plan. The guests were as follows: Frank Impinna, Edward Konys, Dr. Gary Roundtree, Dr. Sudha Haley, Edward Reed, and Robert Allen.

NP Thomas recognized RVP Shackelford. RVP Shackelford gave his plea to the NEB to pass the 2020 Operating Budget. Motion made by RVP Adelman and seconded by RVP Risner to adopt the proposed 2020 Operating Budget as amended. With a vote of 9 yeas, 0 nays, and 3 abstain, MOTION PASSED.

### **AUDIT COMMITTEE**

The NARFE Audit Committee (AC) met twice in 2019, earlier at the conclusion of the 2018 financial audit, to accept the audit report and to recommend the report to the NEB, and again in October 2019 to decide on the selection of an auditor and tax accountant for the association. In September 2019, staff distributed five Requests for Proposals (REP) to audit firms in the Washington, DC metro area. Three firms responded with proposals:

- Renner
- Marcum
- Councilor, Buchanan & Mitchell

Staff provided a summary of the proposals, to the AC, in the form of a rating chart, of the association needs. The committee, during its October 2019 meeting unanimously voted to select Marcum as NARFE's next auditor and tax accountant. At the time of this report to the NEB, the committee would have met with Marcum, informing the firm that it has been selected as the auditor and tax accountant for NARFE. Additionally, the committee will have copies of the proposals from the three audit firms as well as staff notes on the process, to distribute if needed, at the executive session of the NEB meeting in November 2019.

The NARFE Audit Committee recommends, to the NEB, Marcum as NARFE's next audit and tax firm. The committee further request the NEB to approve Marcum as NARFE's audit and tax firm.

Motion to approve Marcum as NARFE's audit and tax firm starting with the 2019 financial information, with a vote of 12 yeas, 0 nays, and 0 abstain, passed.

**Elimination of June Deadline for Publication of Annual Audit** – The Audit Committee recommends that the NEB propose a bylaws amendment to ensure that a financial report for the prior calendar year, including a balance sheet, list of investments and the auditor's recommendations, is published annually in the *narfe* magazine. Such report shall list separately the salary of each National Officer and Regional Vice President.

Discussion centered on the publication of the annual audit and after discussion, a motion to accept the recommendation was presented for a vote. With a vote of 11 yeas, 1 nay, and 0 abstain, MOTION PASSED.

### **ASSOCIATION MANAGEMENT SYSTEM (AMS) REPORT**

SVP De Castro gave an update on the top six field lists of items sent to the vendor to address. Highlights include the following:

- M112 – The specifications of the report that was developed, however, several items were missing. This was sent back to the vendor for correction.
- A220 – The report has been tested by the vendor and staff. The report is now pending release.
- M130 – Currently, in a testing phase.
- M131C – After the M130 is approved, the vendor will send the M131C to staff for review.
- M110 – The report has been tested by the vendor and staff. The report is now pending release.
- Congressional District Leaders (CDL) – Currently, ensuring that all the CDLs have the appropriate access to log into the system. It has been updated for four states because they are the only states that must be updated.
- M260 Recruiter Report – The report is now pending release. *(Not part of the Top Six List)*

Past reports from each report mentioned above will be available. The recruiter checks will be sent out after the M130, M131C, and M260 reports are posted.

### **NARFE HEADQUARTERS UPDATE**

ED Sido discussed topline items from each of the Marketing, Communications, and Membership, Policy and Programs, and Finance and Administration Department reports. (Reports on file). Highlights include the following:

- Marketing, Communication and Membership Department:
  - The department is currently supporting the Centennial, Membership, and Non-Dues Revenue Committees.
  - Implementation of new branding materials with regard to field support.
  - Membership marketing and non-dues revenue strategies will be available at the March 2020 meeting.

- Policy and Programs Department:
  - Continue lobbying paid parental leave, OPM-GSA merger, reemployed annuitants, and WEP reform and the federal employee pay raise.
  - Started planning for LegCon21.
  - Federal Benefits Institutes' strategic plan will be available at the March 2020 meeting.
  - Possible co-branding with Tammy Flanagan.
  
- Finance and Administration Department:
  - Moving forward with the sale of the NARFE Headquarters building.
  - Using the IT strategy to develop a financial plan for purchasing software and equipment as well as addressing the data security needs of the organization.
  - Developing an RFP for investment bankers.

**Monthly Summary Financial Report** – The NARFE Executive Director shall provide a monthly summary financial report to the NEB, the content of which is to be determined by the Budget and Finance Committee. The monthly report shall include a cash flow analysis and the summary report from NARFE's investment advisors.

**Operating Plan 2019 Update and 2020 Operating Plan Review** – ED Sido addressed topline items in the 2019 Operating Plan that are completed and pushed to 2020 (Report on file). Additionally, she briefly reviewed the 2020 Operating Plan.

### **INVESTMENT COMMITTEE REPORT**

The committee consisted of NS/T Hensley, RVP Blythe, and RVP Robinson. Our investments are doing well. Ongoing action items will be reported in March 2020.

**Morgan Stanley Report** – NS/T Hensley introduced Deborah Elmes, Branch Manager, and First Vice President of Morgan Stanley Wealth Management. Ms. Elmes discussed the year to date quarterly report as of October 31st for the following NARFE investment funds: General Operating, Contingency, and Life Members Trust Fund. Additionally, she addressed questions from the NEB. She spoke about general future economy and how it may affect our funds.

### **BUILDING COMMITTEE REPORT**

RVP Blythe, Building Committee Chair, asked ED Sido to give a status report summary relative to the use or sale of the NARFE building. Highlights include the following:

- The NARFE Headquarters building went on the market after Labor Day.
- Offer information is available to legitimate prospects.
- The Building Committee plan to address the following questions: How long are we going to keep the building on the market before we make a decision? What is a price that we will be willing to accept? What happens if we cannot sell the building?

## **CENTENNIAL COMMITTEE REPORT**

RVP Kathy Adams (Region II) provided a brief overview of the 2019 Centennial Committee Report.

Planning for NARFE's centennial is under way. At the Centennial Committee conference call on October 21, 2019, ED Sido, Staff Vice President of Communications, Marketing and Membership Helen Mosher and Director of Public Relations Jill Talley provided committee members with the following updates:

- LEGcon21 and centennial gala dates/locations are being evaluated and should be finalized by the end of 2019. A number of proposals submitted in response to NARFE's gala RFP require substantial consideration due to financial implications of potential structural changes.
- A framework for the centennial campaign has been created and includes stages of planning, product/message creation and execution with emphasis on fundraising, marketing, media relations and content curation strategies. An element of "modernization" will help drive strategy development, building off of Headquarters' "pivot to digital" objective in the 2020 Operating Plan.
- ShopNARFE, formerly the NARFE General Store, is up and running. Customer science and marketing best practices will be applied to ShopNARFE to evaluate that portal's broader role in promoting centennial items. Upon analyzing such data, staff will identify specific commemorative products available for purchase.
- An internal centennial campaign team comprising staff from Communications, Membership, Business Development, Advocacy and Administration will begin to meet in early 2020.

## **MEMBERSHIP COMMITTEE REPORT**

RVP Zajac, Membership Committee Chair, addressed the membership dues increase. She provided an overview of the information for NEB, messaging for the Field Leadership/Influencers, and messaging for general membership, including renewals.

The NEB will co-sponsor with the Membership Committee to recommend proposed bylaws amendment to increase NARFE membership dues to \$48 for one year, \$92 for two years, \$126 for three years, and \$42 for dues withholding, effective January 1, 2021.

Further discussion Supporting Member membership category. The NEB requested that the Bylaws and Resolutions Committee prepare an amendment to the NARFE bylaws to strike the category of Supporting Members. (Article III, Section 2.G.).

RVP Zajac further stated that the Membership Committee will take on the incentives agenda item. Additionally, she briefly reiterated that the messaging documents address why a dues increase is needed.

## **NON-DUES REVENUE COMMITTEE REPORT**

Committee Chair RVP Clarence Robinson (Region III) reported that the Non Dues Revenue Committee did not to have a meeting prior to the November 2019 NEB meeting due to numerous factors. The NDR Committee is down to two members (John Zottoli and Nancy Hellman). The Committee is being restructured due to the retirement of Bridget Boel. The NDR functions have been realigned and the Committee has been assigned to Helen Mosher, Staff VP for Marketing, Communications, and Membership. This realignment went into effect on September 23, 2109. SVP Mosher has not had the opportunity to meet with the NDR Committee due to magazine deadlines and the open season requirements for the NARFE magazine.

The decision has been made to wait until early 2020 for the NDR Committee to meet, at which time, the Committee will develop a strategy prior to the next NEB meeting and should have a report ready at that time.

## **SITE SELECTION COMMITTEE REPORT**

RVP Shackelford, Site Selection Committee Chair, gave the site review committee report. Highlights include the following:

- RFP was developed to solicit bids from hotel properties interested in hosting the 2021 Federation Presidents Meeting. Seven hotel properties responded to the RFP because they could work with NARFE's preferred dates.
- Additionally a list of cities with a high concentration of federal employees and retirees was considered. (List on file).
- Other sites: Magnolia Hotel in Omaha, NE; Doubletree by Hilton in San Diego Mission Valley in San Diego, CA; Doubletree by Hilton in Norfolk Airport in Norfolk, VA; Hilton in Baltimore Inn Harbor in Baltimore, MD; Hilton in Norfolk, VA; and Hilton in San Diego Mission Valley in San Diego, CA.
- Recommendation of the Site Selection Committee is the Hyatt Regency San Antonio Riverwalk in San Antonio, TX.

NP Thomas stated that as an association of federal workers and retirees, we want to start meeting in areas that have a heavy concentration of federal employees. It could serve as possible recruitment and to show what NARFE is about.

Motion made by RVP Shackelford and seconded by RVP Richards that the NEB hold the 2021 Federation Presidents' and NEB Joint Meeting at the Hyatt Regency San Antonio Riverwalk from August 8 – 12, 2021. With a vote of 12 yeas, 0 nays, and 0 abstain, MOTION PASSED.

## **POLICY MANUAL**

Parliamentarian Colette Collier Trohan provided a brief overview of the drafting process and changes in the NARFE policy manual.

NEB discussion centered on previous drafts of the policy manual and changes needed. The NEB, unanimously, requested that a Policy Manual Committee be created to work with the executive director to develop a NARFE draft policy manual to present to the NEB.

## **ALZHEIMER'S ASSOCIATION UPDATE**

**Alzheimer's Matching Gift Agreement** – NP Thomas briefly discussed the matching gift agreement and NARFE Alzheimer's National Committee Annual meeting minutes. Highlights include the following:

- Joint advertising venture between NARFE and the Alzheimer's Association will be sent out to between 8 to 12 million people electronically and approximately 2 million people by mail that donate to the Alzheimer's Association during the month of December 2019.
- NARFE does not have to match any donated funds.
- The money raised during the match goes to the Alzheimer's Association general fund. It is not earmarked for research.
- NARFE has requested that the head of the Alzheimer's Association Matching Gift Program give presentations during FEDcon20.

## **AFFINITY PARTNERS**

Aetna is requesting to send postcards and electronic communication to NARFE members. The postcard and electronic communication will display Aetna's current offerings. Mailing information is not released to the sponsor; it is sent to a third party mail house for a one-time use. NEB decided to allow Aetna to move forward with the mailing and emailing.

## **NEXT NATIONAL EXECUTIVE BOARD MEETING**

The NEB November 2019 meeting will take place at the Hilton San Diego Mission Valley.

- Address: 901 Camino Del Rio South, San Diego, CA
- Meeting Dates March 17th, 18th, and 19th 2020
- Travel Dates March 16th and 20th 2020