

**REPORT OF NATIONAL EXECUTIVE BOARD MEETING
NOVEMBER 15 - 17, 2011 AT NARFE HEADQUARTERS
HELEN L. ZAJAC, REGION VIII VICE PRESIDENT**

***PLEASE SHARE THESE NOTES WITH YOUR CHAPTER OFFICERS/MEMBERS
WHO DO NOT HAVE EMAIL!***

Note: All 6,855 Region VIII members of the Global Electronic Messaging System (GEMS) network have received this document via GEMS distribution.

*If you have email and do not receive GEMS, please provide your email to me,
Or - register on the National Web Site, www.narfe.org, "Update My Record".*

This is my attempt to share as much information with you as possible from my observations of the meeting, and update you on items happening since the meeting. If you desire any more details on a particular item, or have any comments, or questions ***please contact me*** at HLZ17@aol.com, or 707-644-7565.

The National Executive Board (NEB) meeting was held at National Headquarters in Alexandria, VA on Tuesday through Thursday, November 15 – 17, 2011, with 13 members present; Former Region I Vice President (RVP) Augie Stratoti was acting for Region I RVP Gil Blaisdell, who was ill. Subsequent to the meeting RVP Blaisdell resigned and the Federation Presidents in Region I elected Augie Stratoti to serve the remainder of this term.

The meeting began with the National Secretary announcing the results of the NEB vote (11 Ayes, 1 Abstain and 1 No Response) for Julie Tagen serving as the NARFE National Legislative Director.

The National Treasurer, Dick Thissen, presented the 2012 Budget, and discussion followed which included limited funds for continuing the M+R Contract for Protect America's Heartbeat (PAH) in target states and monies for the Marketing General Incorporated, (MGI) to work on marketing for Membership Recruiting and Retention. He has looked at everything done and using efficient, business theory, looked at ways to save costs, and presented a balanced budget. The Budget was approved as presented.

The National Treasurer also reported that he has been working with *The One Group* to develop a proposal for them to perform internal management review of Headquarters. He is also working with various vendors for the Notepad, Card and Calendar programs, and has found a company who will produce these items at a lower price. He has also been updating various reports on Chapters without passwords, non renewals versus reinstatements and providing a more comprehensive membership report which will be provided on a monthly basis as an attachment to the Gain and Loss Report.

Julie Tagen, Legislative Director, provided an update on Legislative issues, but much of her report has been provided to members through information provided in the recent NARFE Hot Lines, so I will not include it in this report. Of real concern is what will happen, now that the

Super Committee has failed to provide any real resolution to the debt crisis; so be prepared for a Legislative Alert, should you need to call, email or write to your Congressman to protect the earned benefits of the federal community – our fight is not over.

The PAH Toolkit has been updated and is posted on www.protectamericasheartbeat.org. There is also a new fact sheet to use when speaking with your local Congressmen and their staff. Don't forget to share this website with your federal friends and acquaintances – the PAH letter applies to all in the federal community, not just NARFE members.

Calls to NARFE's toll free number, 1-866-220-0044 are still important. Even though there was short notice for the November 2 call in day, there were over 3,800 calls. It was reported that some federations are notifying their members through the use of "Robo Calls" which can be used to take the place of Chapter Calling Committees. More information about "Robo Calls" will be provided. Please note that the Members of Congress receive weekly counts of the subject of telephone calls; we need to keep calling to let them know that the federal community should not be the scapegoat for reducing the budget deficit. If you can't get through on the toll free number, call your local Congressional office and give them the message.

Currently, M+R will be funded on a limited basis for the next six months, with most of their duties being accomplished in house by our legislative staff. Chuck Timanus, Director of Public Relations, will be assisting with Press Releases. The only states with local M+R organizers are Washington, Montana and Nevada.

Weekly reports of media coverage are provided to the Federation Presidents; weekly reports of actions taken by M+R are forwarded to the RVPs, and in Region VIII those reports are forwarded to the Federation Presidents.

NARFE's Pre-Retirement Seminar (PRS) Program was reviewed, and the National Treasurer reported that the budget for PRS was \$130,000, but income from PRS was \$38,000. A consultant was hired to determine if NARFE could actually obtain a GSA Contract, but to meet the criteria for a GSA Contract, NARFE would be considered a large business and would have to meet the criteria established by the Small Business Administration (SBA) regarding much of our day to day operations in house which would incur more cost and change the way we operate as an association, and if we did not meet the criteria of the SBA, we would be fined. It was also pointed out that with more budget cuts; Federal Agencies are cutting expenses for such items as PRS. There was no positive way to track those members who had joined based on their attendance at the PRS, but it was believed to be fewer than 100 members. Based on the above discussion, the NEB voted to terminate the NARFE PRS effort and the PRS Director position.

NARFE has established the eSeminar Plus on line for PRS through Economic Systems Inc. and it is available to NARFE members on our NARFE website for a cost of \$29.95 per month.

NARFE Proposed Bylaws: Mary Williams, Chair of the Bylaws Resolution Committee (BRC) discussed what the Committee has been working on regarding the comments received to date, and members of the NEB were allowed to provide comments obtained from their federations regarding the recent draft of the proposed bylaws. The Committee did not address the issue of voting strength for the eChapter nor was any mention made of the issue in the proposed bylaws as recommended by motion of the NEB at the July 2011 NEB meeting, as the BRC considers the eChapter to be no different than any other chapter.

The Chair noted the comments made by members of the NEB during the meeting and will take them back to the committee for consideration. The final version of the proposed bylaws will appear in the February Magazine, as it is too late to be included in the January Magazine. They will also be posted on the NARFE website and they will certainly be a topic for discussion at upcoming federation conventions.

One particular comment which was addressed involved opening NARFE membership to everyone. It was pointed out that if we were to do so, it would impact our status as a 501.C.5 association, and dilute our main focus on issues affecting the federal community.

NARFE Parliamentarian, Paul Lamb, advised the NEB that the proposed bylaws must be presented to the

delegates of the convention at least 60 days prior to the convention. He also explained that delegates making any resolutions to the proposed bylaws should do so at least 30 minutes prior to the convention meeting where the resolution would be considered, which will be proposed as a convention standing rule. Amendments to the proposed bylaws require a majority vote – but the adoption of the proposed bylaws, if, or as amended, must be done with a 2/3 ballot vote. He again stated that if the proposed bylaws are not passed at the 2012 Convention, the current National Bylaws will remain in effect until the National Convention in 2014.

Referendum: During the discussion of modifying the National Bylaws by referendum to disenfranchise eChapter #2363 members and give their votes to either federations or chapters it was revealed that they are not the only chapter without chapter dues; there are five other chapters without chapter dues. The eChapter is just the same as the other chapters without dues; they have a charter, bylaws and officers. At the Federation Presidents meeting, there was a consensus among the Presidents that the eChapter #2363 would meet the universal needs of any member, in any state; therefore each federation did not need to establish an eChapter unless they wanted to do so. The BRC did not make any distinction between the eChapter and any other chapter, even though the Federation Presidents thought the votes from members living in their federations should be given to the Federations. There is no provision in the current bylaws to allow votes to be taken from the eChapter and given to the Federations. After much discussion, a motion was made to amend the July Motion #05-07-11 to strike out “and voting strength” and strike out the second sentence, “The voting strength issue is to be decided by a referendum or at a National Convention.” in its entirety. The motion lost.

Based on the failure of the amendment to Motion #05-07-11, a motion was made to prepare a resolution for the 2012 Convention proposing transfer of the eChapter voting strength to the Federations based on voting strength of the member's zip code. This motion was passed by a unanimous vote.

The membership incentive of \$40 for the eChapter is in effect for two years. It should be noted, that during the recent OPM Blind Mailings, new members joined traditional chapters at a rate of 12 to 1 times that for the eChapter. Therefore, the \$40 incentive is not the only reason that members are joining NARFE. It was noted that there are no eChapter members from the Philippines, Guam or Panama.

Membership: National Secretary, Elaine Hughes, provided a progress report (which follows) of where we stand. Following her report, we were provided with an overview of planned actions from the President of MGI, Rick Whelan, who discussed how each of the proposed projects and programs would help NARFE grow membership.

In February, President Beaudoin appointed two committees – one for recruitment and one for retention. The committees, with facilitation and guidance provided by MGI Inc., submitted their completed reports to the Federation Presidents at their meeting in Reno in July. Both reports are on file at Headquarters and will provide the basis for the design of the 2012 membership plan.

NARFE has re-written and re-designed the letters and memorandums that accompany our informal PRS kits, the membership renewal series, the prospective member follow-up initiative, and the twice yearly OPM blind mailings in an effort to make them more appealing and interesting. The *Recruitment and Retention Journal* has undergone a facelift making it more visually attractive, easy to read, and filled with useful and timely information.

NARFE has enhanced our membership renewal efforts by creating an “e-Connect series” which consists of three e-mails sent during the first year of membership, the first of which hits within 24 hours of joining and the remaining two to hit at appropriate intervals prior to the first renewal notice.

To accompany the e-mail series, a survey e-mail has been created to be sent to the highest ranking officer in a chapter with e-mail access, notifying the chapter that they have a new member. It includes new member contact information, as well as a short survey which gives an indication as to the interest level of the new member.

In August, we contracted with MGI, Inc., which has vast experience and expertise in helping associations, like ours, grow membership. For the remainder of 2011, and because of limited resources available for membership, we focused on the following three projects: (1) Lapsed Member Telemarketing Campaign; (2) Test Renewal Series Enhancements; and (3) Test Promotion to Internal Prospect List.

A highlight of the three initiatives has been **The Lapsed Member telemarketing campaign** which focused on those members who dropped their membership between January 2010 and June 2011. The calling started with the most recently dropped members and worked backwards.

Total number of actual contacts made was 5,737 with 918 renewing their membership, a **16% success rate**.

In addition to the telemarketing campaign and to complement this effort, we included a special “wrap” with the November NARFE magazine to the 2010 lapsed members urging them to reinstate their membership. Because the magazine did not drop until around October 15, we are unable to assess the full impact, however, as of November 10, **we had reinstated 1,490 members**.

We included another special “wrap” with the December NARFE magazine to prospective members from 2009-2011. To further test our appeal to prospective members, we created an online prospective member e-mail series to hit at appropriate times around the time of receiving the special wrap. It is still too early to assess the results, but again, we believe this will help in boosting our reinstatement numbers.

In late September, we met with MGI to begin developing the membership plan for 2012 which is being presented to the NEB for approval and distribution to federations and chapters.

Finally, in October and November we met with members of the American Federation of Government Employees (AFGE) to discuss ways we might partner with them in efforts that will strengthen NARFE’s membership and explore ways to enhance the benefits of membership for both organizations. While it was hoped that the partnership could be beneficial in marketing the NARFE name to more members of the federal community, details could not be agreed upon which would be acceptable to each organization.

All in all, it has been a very busy year, and although our membership has continued to decline throughout the year for a number of reasons, we believe that we have laid the foundation for our numbers to begin an upward trend.

Our goal for 2012 is to realize at least a modest increase by the time the national convention convenes in Reno next August.

Current Membership Totals: As of October 2011 - **National** – 288,033 (24,406 AFEs) members with 1,389 chapters. For the month of October – 2,381 new members were recruited or reinstated; but 3,739 (only 546 deaths) members dropped their membership. Year to date statistics for recruitment gains is 19,854, but membership losses are 38,834.

Region VIII Strength – 31,326 members (6,855 w/email); CA – 25,444 (5,797 w/email); HI – 3,270 (433 w/email); NV – 2,018 (590 w/email); Philippines – 437 (19 w/email); Guam – 157 (16 w/email).

Information Technology: Donna St. John, Assistant Magazine Editor, reviewed the recent changes to the NARFE website. She also indicated that a Site Map for this web site would be very difficult to produce because of the large amount of information contained therein. Fred Hamidzada, Director of Information Technology, then demonstrated to the NEB members how the new F-7 and F-7A will work – based on recommendations provided by the NARFE Information Technology Advisory Committee. Once this format is active, the updates will be provided in real time instead of the current timeframe of 30 days. In addition he showed a preview of what the new federation and chapter reports page will identify. The former M112 will be available on line by categories, such as new members, members transferred, dropped members, deceased members and reinstated members. This new system will also have the capability of emailing members from the online roster. However, there are still 166 Chapters without passwords, who will not be able to see these updates unless they sign up on the web site. In Region VIII – there are 16 Chapters without passwords; Federation Presidents will be notified of these chapters. He also stated that the only unique way to identify people is their birth date. It is the easiest way to control access to the member’s record – as everyone knows their birth date. It is anticipated that this new system will be up and running by the end of this year.

The **NARFE Policy Manual** was reviewed, and revisions suggested by the NEB members. Following the meeting the Policy Manual, as well as the Procedure Manual were distributed electronically to the NEB and posted on the NARFE Web Site.

The NEB received advanced copies of **National Convention Committee Assignment Request Forms** which will be mailed to federation and chapter presidents on December 1. To serve on a committee, a member must be a delegate.

The **2012 National Convention** is being held at The Nugget in Sparks, NV and is hosted by the Nevada Federation. Because it is being held in Region VIII, all members are encouraged to consider attendance. The Convention will be held August 26 – 30, 2012. Cost for lodging will be \$110.83 per night; including tax.

National Secretary Hughes discussed the possibility of training sessions being held at the National Convention and the NEB voted to hold these sessions as part of a “Lunch and Learn” format. Several topics were submitted for consideration, including the NIAC presentation, Affinity Partners and how they work with NARFE, as well as legislation and membership.

National Secretary Hughes reported that NARFE is hosting a **Holiday Open House** at headquarters on Thursday, December 8 and have invited 102 Associations that have a similar agenda to ours – mainly our Coalition Partners. The effort is to partner with these associations and develop a better rapport. Past results from these joint events have resulted in the partnership with National Association of Letter Carriers which allowed NARFE informational mailings to their membership.

As a follow-up from the **Federation Presidents Meeting**, Region VII Vice President, Betty Lucero Turner discussed the possibility of NARFE establishing a Health Plan which would be used for the benefit of the federal community but also to get the name of NARFE out to a greater number of potential members. After further discussion, it was decided not to take any action.

RVP Zajac, addressed the concerns of the NV Federation over a recent **Trade Show** for the FAA Manager’s Association in Las Vegas. There were a number of last minute changes involved which changed planning for this event and the support from the local chapter members. After much discussion, it was decided that the support of these trade shows would remain with headquarters staff.

At the request of the NV Federation, RVP Zajac discussed the possibility of **reducing the staff at headquarters**, due to our declining membership. During this discussion it was learned that there is a management review and internal audit being conducted which would determine the most appropriate organizational structure for NARFE. Results of the review will soon be provided.

RVP Zajac discussed the **\$8 Finder’s Fee for AFEs** which had been incorporated into the proposed bylaws, but was removed by the BRC Committee during the presentation to the NEB. This year, the \$8 incentive has resulted in approximately 1,000 new AFE members, and many of the recruiter’s use that \$8 for purchase of giveaway items for their membership tables. A brief mention was made of perhaps changing the incentive to a \$4 rebate for AFEs and a \$4 rebate for retiree recruitment, but objections were raised over the added cost incurred by including the retirees. RVP Zajac moved to continue the \$8 Finder’s Fee for AFE recruitment; and the motion was adopted.

RVP Zajac noted that in the recent review of **EIN numbers** for chapters, that many chapters do not even have an EIN number. The requirement for having an EIN number and annual reporting to the IRS should be included in instructions to the chapter or federation. Currently, there are no guidelines from NARFE regarding

this requirement. National Treasurer Thissen agreed to write guidelines for this subject which will be incorporated into the F-10 Chapter/Federation Officers Manual during the next revision.

RVP Lucero Turner asked about the possibility of expanding the **CapWiz system to include state legislation**. After discussion, it was learned that NARFE would have to subscribe to 50 different modules of CapWiz to cover all states and that it would be cost prohibitive. Compounding the issue would be the fact that not all states have finished their redistricting process, and we would have to wait until all states have completed the process – or even greater costs would be incurred.

National Treasurer Thissen reported that the contractor for the **NARFE General Store** is being changed. Prices will be negotiated for what apparel items are left and they will be advertised on the NARFE web site. Headquarters is working with another contractor to develop a new NARFE General Store.

NARFE Notepads will be mailed out in January. We have a new contractor who has the ability to track on those members who make contributions for these notepads, and if no contributions have been received, the member will no longer receive the mailing. It is a way for NARFE to save money by not sending to all, but just those who actually support these special programs. The NEB recommended that a GEMS message be issued to inform the members of the change in contractors for the NARFE General Store. The January magazine will contain the current phone number for the badges and plaques.

National Headquarters is offering the possibility of an Officer or Staff member to participate in a **federation convention or meeting via “Skype”**. The advantage would be that instead of having one officer or staff member, there could be several to report/inform members about the latest at NARFE. Federations would have to pay for the setup of “Skype” at the meeting location.

RVP Lanny Ross stated that neither the **membership application** nor magazine have an option for **eChapter** membership. Consideration will be given to updating the applications to include eChapter membership.

Chuck Timanus, Director of Public Relations, reported on the **eChapter membership** which currently is 1,696 members. Of that number, 50 are transfers from traditional chapters; 220 are reinstatements; and 1,476 are new members who probably would not have joined NARFE without the ability to join the eChapter. 41.9% of these members are AFEs who will be running the

Association one day; we need to recruit new, younger members. Only 8% of traditional chapter members are AFEs. The good thing for federations about eChapter members is that they receive \$4 from each member. The bad thing is that in order to take away the votes of these eChapter members, there would need to be a referendum which would cost the association \$20,000. He asked that the eChapter be allowed to address their own needs, just as any other chapter. Federation Presidents could not vote the wishes of the members, because they do not know who the members are or how they wish to vote. This eChapter is a major step to the future of NARFE – we must change the way that we do business.

A motion was made by RVP Jerry Smith to allow the Federation Presidents to obtain the names of the members in their federation who belong to the eChapter. The motion was lost.

Further discussion ensued on voting rights for the eChapter members. A motion was made to reconsider a previous motion, which had failed. A motion to reconsider a previous motion was made and passed. A motion was then made to amend the July Motion #05-07-11 to strike out “and voting strength” and strike out the second sentence, “The voting strength is to be decided by a referendum or at a National Convention.”, in its entirety. The motion passed.

2016 National Convention Site Selection Committee

Report given by RVP Ross indicated that there are 16 cities bidding on the NARFE Convention. The Committee members, composed of RVP Johnson, RVP Stewart and RVP Zajac have been visiting these cities and the various hotels to see which hotel will best meet the needs of NARFE for their 2016 National Convention. A review of these hotels by the NEB will be held in March and voting will take place in July for the hotel to host the 2016 Convention.

NARFE-PAC: For the third quarter (September 2011) of the NARFE-PAC 2011-2012 Cycle the total collected from 5,407 contributors is \$171,579.37. In Region VIII, 740 contributors have given \$24,620.80. For CA: 619 contributors - \$20,966.80; NV: 47 contributors - \$1,320.00; HI: 69 contributors - \$2,219.00; GU: 5 contributors - \$115.00.

For a contribution of \$20.00 or more you will receive a PAC pin, but we appreciate any contribution you wish to make to this worthwhile cause. Thank you for your support of the NARFE Federal Retirees and Employees Defense Fund!

Alzheimers Contributions: As of October 31, 2011, NARFE Fundraising total since 1985 is \$9,399.38. During the month of May, NARFE raised a total of \$35,669.38. Thank you all Very Much!

NARFE Scholarship: The Scholarship Committee has met and decided on the essay question which will be announced in February 2012.

Newly Revised Forms: The following forms have been revised, and may be ordered from headquarters using the Requisition for Printed Supplies, F-18 (11/11), or completing the form on line. Please check your supplies of these forms, obtain the most current revision, and discard the older versions.

F-10 – Chapter/Federation Officers Manual (08/11)
F-105 – NARFE Scholarship Program Guide (10/11)
F-127 – 10 Worst Mistakes Federal Retirees Can Make (10/11)
F-122 – Look at What NARFE Has Done for You Lately (08/11)

EDITORIAL COMMENTS

As this year draws to a close, and we are facing a new year, it is time for reflection on our participation and involvement with NARFE. We are deeply grateful for all of those members who have served in leadership roles and continue to support this Association through their participation in chapter meetings, recruiting efforts, fundraisers, and PAC. **Thank You - You are greatly appreciated!**

And we need more of you – about 10% of our membership makes that extra effort to support or provide leadership to our chapters. Think of what we could accomplish through NARFE if we could get 15% or even 20% participation.

We have just celebrated our 90th year of serving the federal community, and yet with all the Congressional budget cuts which threaten our well being, our membership is declining. At a time when we should be gaining members to join us in the fight of our lives, our members are dropping out. Can we reverse this trend?

What are **members** doing to stop or reverse this trend? Do you attend chapter meetings to get the latest updates on legislation? Do you call your Congressmen when asked? Do you call friends who are NARFE members and ask if they would like a ride to the meeting, or ask them to call their Congressman? Do you routinely ask your friends and neighbors who are federal retirees/employees to join NARFE? How many new

members have you recruited? Do you volunteer to serve as a Chapter Officer or Chair or on a Committee? Would YOU volunteer to serve – most chapters **need** your help?

The cost of membership in NARFE is about 14 cents a day, less for dues withholding – for insurance that you will have an Association with professional lobbyists on Capitol Hill working to preserve our earned benefits. What can you buy today for that price that gives you such rewards?

Early this year, NARFE made a plea to all members in the *Recruiting and Retention Journal* (R&R Journal) (available on the NARFE web site) for you to contact federal retirees/employees (your friends, neighbors, acquaintances, members of your social, professional and fraternal groups) and let them know about NARFE and what we are doing for the federal community. The brochure, (F-122), *Look at What NARFE Has Done for You Lately*, gives some very good background on what NARFE has done since its founding in 1921. Give them a copy and ask them to join with us. Don't be discouraged if they don't join right away – advertising people tell us that it often takes seven (7) times of hearing a message, before people will take action. In another recent issue of the R&R Journal there is actually a sample "Elevator Speech" which is designed to help you develop a short recruiting message, which you can give a friend in 5 minutes or less.

In your local community you can place posters (downloadable from the NARFE website) around your town to let people know there is a NARFE Chapter. Place notices in your newspapers announcing your meeting time and place. Write a letter to the editor about what NARFE is doing for the federal community – or an important legislative issue – let everyone know that NARFE is working in your community. Try to get a picture or an article in your local newspaper about NARFE's contribution to find a cure for Alzheimer's, or the FEEA Scholarship Fund. Start a campaign for each member to bring a member or potential member to a meeting. Hold a Recruiting Contest in your Chapter. Have members who recently retired provide contact names for their federal agency – so you can meet with them and provide them with NARFE information.

Please consider a New Year's Resolution for 2012 to rededicate your efforts to supporting your NARFE Chapter and growing NARFE. To paraphrase the words of President Kennedy - ***Ask not what NARFE can do for you – ask what you can do for NARFE!***

All Good Wishes for the coming Year!

Helen L. Zajac, Region VIII Vice President