

**INFORMAL NOTES
NATIONAL EXECUTIVE BOARD MEETING
NOVEMBER 11-13, 2014**

OFFICIAL MINUTES WILL BE RELEASED AT A LATER DATE.

These notes are meant to share highlights quickly. Statements shown are generally in order of discussion, but not always. See the recap attachment (Pages 8-9) for key decisions reached daily. All 12 members of the Board were present. From Region X, the only individual attending the NEB meeting as an observer was Donna Shackelford. She attended on Wednesday. FYI – these meetings are open meetings and all NARFE members are welcome to attend. Use of Executive Sessions at NEB meetings will be limited.

The session opened with New National President Dick Thissen's views that we serve both of the major segments of NARFE:

- 1) Current members;
- 2) New members that we want to attract.

Overall, NARFE membership fits into three categories:

- 1) Change yesterday;
- 2) Change slowly while moving forward;
- 3) No change.

We must support the Federations and Chapters and all those who depend on us for information, assistance and advocacy. The NEB has global and Region-wide jobs. Regional Vice Presidents will "hold" two jobs:

- 1) Global support of the mission of NARFE;
- 2) Full support of Federations and Chapters.

With 55% of our members 75 years or older, our organization, as a whole, will move forward on two paths simultaneously:

- 1) NARFE as it exists today;
- 2) A new NARFE designed to attract the younger members.

The President of Chapter 2363 (E-NARFE) is no longer a NARFE employee. Chapter 2363 accounts for 10% of the overall membership.

D. Thomas Longo
Lawrence, Indiana

President Thissen urged attention to diversity across NARFE to be sure we are fairly reaching out to all, and being truly inclusive in all NARFE actions and business. Large groups (25K – 30K) of potential members do not want to join NARFE because they do not feel welcome. Each NEB member followed with brief statements regarding their careers and NARFE activities, and comments on helping to move NARFE into the future while supporting and addressing concerns of all members and prospects.

STRATEGIC PLAN: Development of the NARFE Strategic Plan in accordance with the resolution supported by the delegates at the National Convention in Orlando, Florida will be from a “square one” approach. Use of the Future of NARFE Committee recommendations will be as topics on a “blank canvas.” The NEB must due its due diligence and move forward with items that will gain the support of the delegates at the National Convention. At this time there is no issue that would garner 2/3 approval. Areas of discussion included the need to build relevance of NARFE, to grow revenue, to make sure current members are valued and their needs met, to attract the interest and applications of prospective members and serve their needs, and to examine market research to help inform us as we move toward constructive change and think strategically re any steps, re-directions, and modifications we take. By unanimous agreement, the NEB granted authority to the National President to contract with a marketing research firm and a strategic planning facilitator at a cost not to exceed \$60,000, and that the National President is authorized to appoint a standing strategic planning committee at the appropriate time. Both contracts will be to provide guidance to the NEB towards full development of a NARFE Strategic Plan. The NEB feels these actions are in keeping with desires of the 2014 National Convention delegates.

POLICY AND PROCEDURES: The Board agreed to make changes in the Policy and Procedures Manuals (Page X)

- 1) ‘Cosmetic’ edits which reflect the reduction of National Resident Officers to two (Page 10);
- 2) Paragraph 310 – Direct any funds remaining after a chapter is closed to HQ (Page 10);
- 3) Text on GEMS policy (Page 11);
- 4) Closing a chapter not affiliated with a Federation (Page 12-13);

Other updates will be made to the Procedures Manual and to the RVP Handbook. Revisions will be posted at narfe.org when ready. RVPs are to counsel chapters and Federations to use narfe.org, various manuals and other guidance, then to bring issues on which further help is needed to their respective RVP. This can help conserve HQ’s time/resources for concentration on broader matters.

The revised, approved HQ organization structure was discussed (Page 14). Reports of member deaths should be sent to Sandra Lawing in Member Records, **NOT** to anyone in the Marketing area. Chris Farrell is now working directly with President Thissen as a Senior Analyst on general data and on state-level legislative advocacy issues. The purpose of his new assignment is to enhance the relationship between NARFE and state legislatures. Any and all requests of any kind made in the past of Chris Farrell who had been in the Legislative Department must now all be directed to the Legislative Department:

- Sarah Weissmann (Grass-Roots and Protect America's Heartbeat)
- Jason Freeman (NARFE-PAC)

Chris is to forward any requests directed to him for Federal Legislative Department type information to staff members who remain in that Department. Marian Uffen will perform the Federation and Chapter Services work, e.g. certificates, charter history, etc., previously performed by Kernovia Holomah who is no longer at NARFE. At present no one in HQ has moved physically, so all current room numbers and phone numbers on previously issued HQ staff lists remain correct. Jon Dowie, National Secretary/Treasurer is on the 4th floor. In the near future updated staff lists will be issued and shared with you. Personnel staffing levels at HQ is 55 (51 – Full-time; 4 – Part-time)

Members have been reluctant to sign up for dues withholding because of the necessity to provide OPM with the SSAN. The need for the SSAN by OPM is in a negotiated agreement which has been in effect for 15 years. If we attempt to re-negotiate this agreement, we run the risk of losing OPM willingness to accept dues withholding as well as other agreements, particularly those related to recruitment, i.e., OPM mailings each six months.

BUDGET: Following a general briefing on the proposed 2015 Budget, the NEB passed it unanimously. In short, that budget sets \$11,023,513 as projected revenue, and \$10,970,380 as projected expense. It was noted that the average chapter dues is \$7.00. It was emphasized that true actuarially based rates are used for Life Memberships and that past rates set by other Boards were considerably below actuarially correct rates, which led to deficits in this category for years. We continue to subsidize Life Members, but on track to come out of this deficit.

MARKETING: NARFE Director of Marketing Bridget Boel presented a Marketing overview. Membership marketing will use a direct-response approach and business development will concentrate on increasing our non-dues revenue. During her briefing she highlighted two key needs.

- 1) To maximize NARFE memberships and revenue;
- 2) To market and spread NARFE's brand.

Key points were the memberships crisis we face [one ignored for many years] and outreach efforts and campaigns to confront it, including various tests and their results. She explained that many tests demonstrate again and again that offering more than one choice for type of membership leads to substantially lower 'joins'. NARFE must have maximum 'joins' to survive. This is the rationale that led HQ to offer e-NARFE as the membership category for its special outreach efforts. She confirmed again, as many times before, that any member who wishes to be in any chapter other than the one in which she/he is currently only needs to ask for such and that placement will occur. She pointed out that there is text in each offer that says words to the effect of "Are You Interested in Joining a Local Chapter?" Call 1-800-627-3394."

Bridget also discussed the declining revenues from our affinity partners, e.g. Choice Hotels, GEICO, etc. and early thoughts to grow affinity partnerships and enhance revenues. It appears that many partnership contracts have not had in depth review for some time. It was pointed out by another RVP that the "Member Perks" page in the narfe magazine have not changed for over 30 years. She will attempt to re-negotiate better terms for NARFE whenever possible. Royalties' income comes from monies paid by our affinity partners.

The NEB unanimously approved a motion that memberships marketing tests proposed be authorized for the next 2 yrs. These were for National Office direct mail TO NEW PROSPECTS. They would test such as:

- 1) \$39.95 for 1 year, and/or 13 months for the price of 12;
- 2) 15 months for the price of 12;
- 3) 1 year plus 1/2 price gift;
- 4) 1 year OR an optional year at \$72.

Tests would be performed over the course of 2 years, and likely not to start until March 2015.

The NEB unanimously authorized the National President to hire a Membership Marketing Deputy Director. The NEB also unanimously approved waiving the distribution of the 1/3 membership fee of Rule 1.2.C. for memberships in e-NARFE—as has been the case since the inception of that chapter per the National President. Lastly, the NEB unanimously approved two 6-month free trial membership tests of no more than 30,000 recipients in each with no Federation or chapter payments for the 6-month trial periods.

BRANDING STUDY: NARFE intends to develop a strategic plan aimed to modernize the organizational structure, create a renewed relevancy among the target audience and expand revenue sources. These efforts will begin with a study which analyzes the strengths and weakness of the NARFE brand through research with NARFE leaders, current members and prospects and delivers a brand re-launch strategy.

Brand issues identified internally:

- 1) NARFE continues to be perceived as an association for retired (old) federal employees;
- 2) The word "Active" is not associated with "currently employed" and is often construed to mean "active retirees";
- 3) There is a lack of recognition of the NARFE brand among our target audience but a strong recognition on Capitol Hill;
- 4) The current NARFE logo appears outdated;
- 5) The organizational structure, including mandatory chapter membership, is likely perceived by younger potential members to be outdated and unappealing;
- 6) The "e-NARFE chapter", the electronic chapter launched in 2010, does not require local membership. It has proven very popular but may cause confusion among potential members;
- 7) While interest, relevancy and membership among a new generation of current and retired federal employees is essential, the needs of the current membership population, steeped in tradition and resistant to change must be valued and met.

SITE SELECTION: The sites for the next two National Conventions are set in Reno, Nevada (2016) and Jacksonville, Florida (2018). The need for a Site Selection Committee for 2020 was discussed and the establishment of a committee was placed on hold. By acclimation, the NEB authorized the National President and National Secretary/Treasurer to identify and vet company/companies to assist with future convention/conference planning.

NATIONAL LEGISLATION: Jessie Klement provided a briefing, detailing the grim outlook the Federal community faces in light of the recent elections. Legislation advocacy is of prime importance in 2015. She urges continued and greatly enhanced Grassroots Advocacy—local Congressional District meetings/drop-ins, calls, letters, editorials, and other media coverage. Members are encouraged to attend the upcoming National Legislative Training Conference in March. She is planning more plenary sessions and fewer breakout sessions since so many of the messages to be delivered and broad participation and interaction are critical for all attendees. The Legislative Dept will NOT be making Capitol Hill visit arrangements for the March 17 NARFE Day on The Hill. Chapters and Federations are to do this themselves and it is recommended that the Federation President coordinate the visits. If some assistance is needed in planning for the visits perhaps the Legislative Department can offer that, but the HQ staff will not schedule the actual visits. Tell those who have attended past National Legislative Training Conferences to come in 2015 as the threats will be different and information different as we face a Congress with one party controlling both the House and Senate. She underscored the

absolute necessity of there being only a single meeting requested of any Member of Congress—both in the Senate and in the House. Multiple chapters within a single congressional district should unite for these visits. We do not want to appear disorganized by asking for more than a single meeting with a Senator or a Representative, or a member of their staff. We must demonstrate we know they are very busy and value the time they do share.

Jessie wants every Federation convention, or significant event such as a Region-wide training event to request a legislative briefing as a standing part of its agenda. She said the Legislative Department will assure each request will be granted somehow, either via a personal presentation, or via technology such as Skype or GoToMeeting or even a telecon or DVD as a last resort. In some cases, transportation may have to be paid for the Legislative Department speaker to attend the event, but as we all agree that is what member dues are for: mission support.

NARFE-PAC: NARFE-PAC contributions pay for donations to those seeking office AND for administrative costs such as caps, pins, and salaries of those performing NARFE-PAC duties, e.g. data entry of contributions. NARFE-PAC related actions are done in accordance with law and Federal Election Commission requirements. More later on the need for increase in PAC donations. Our donations are declining. They must increase so we can be more effective. At this time, moving forward with the 114th Congress and increase in NARFE-PAC donations because of the anticipated “threats” from Capitol Hill. NARFE-PAC contributions should be requested in all newsletters, meetings, and events. YES, it’s OK to put a jar out and ask for NARFE-PAC donations, BUT every person who puts in something, e.g. \$1, should also sign a sheet of paper next to the jar so that their name, address, mbrship are on record. Jessie reminded all that it is a requirement of the Federal Election Commission and PAC-applicable law/rules. PAC Coordinators should be aware of this and have the appropriate sheet available for use at all times. Jessie urges more substantial donations than those that may go in a jar, and particularly urges Sustainer donations, e.g. at least \$10 a month via credit card, bank withdrawal, or the like. New PAC ‘prizes’ or awards will start in January 2015: lowest donation for an award will be \$25, not \$20, and awards will be given for donations up to \$250—which is to be a duffle bag. PAC coordinators should be aware of their roles, requirements, and prizes available; in their absence at a meeting or event, the Federation President, or other official, should be able to handle PAC issues/contributions. PAC-related questions for HQ are to be directed to Jason Freeman in the Legislative Department.

INFORMATION TECHNOLOGY: Dan Hidayat, Director of IT, briefed the NEB briefly on steady progress on the Membership Record Module (MRM) software. He alluded to various tests, debuggings, system configurations and integrations, rollout projections, database migration actions, and processes. He also indicated work is moving ahead to

develop an Electronic Messaging System software that will replace the antiquated GEMS software. The work so far is being tested by HQ and Configuration Advisory Board (CAB) members. The new system is to have innovative features that are easy to use, meet present and future electronic communication needs and enforce NARFE's email policy requirements. IT Department responsibilities are now under National Secretary/Treasurer Jon Dowie who assured the NEB that the staff is dedicated and is laboring hard on a very long list of projects—both emerging and long-standing. He is working with them closely to assess priorities and to give top attention to the absolutely most critical needs for all of NARFE. As it becomes available info will be shared in the future on IT activities and new tools for leaders and members that are ready for use. The NEB agreed to continue the CAB. The Region X representative on the CAB is John Wells (Tennessee).

The National Secretary/Treasurer is investigating use of an e-blog on www.narfe.org for use by all members. A blog moderator needs to be identified and policy/procedures need to be developed.

The 2014 NARFE National Convention was fully streamed. The original intent was for the streaming to be a test between Orlando and NARFE HQ, however, it was streamed nationwide for free. The steaming can't continue to be free due to the fact that members watching at home lessens the number of attendees and ultimately causes NARFE to not meet contract minimums for number of rooms in the site hotel. President Thissen mentioned that the Federally Employed Women (FEW) experienced this type of difficulty with streaming at a recent event and lost \$250K.

Various RVPs were designated to serve on NARFE Standing Committees. (Page 15). The Region X representative on the Alzheimer's National Committee will be Donna Shackelford (Virginia), with 'Merv' Stuckey of Region VII (Arizona) now serving as Chair, and Genevieve 'Gen' Boguslawski of Region IX (Idaho) as Vice Chair. The Region X National Scholarship Coordinator will be Steve Sosson (West Virginia).

The NEB will next meet March 11-13, 2015, at the Arlington Renaissance Capital View Hotel, Arlington, Virginia, ahead of the National Legislative Training Conference at the same location March 14-17, 2015.

RECAP Tuesday, November 11, 2014

Policy Book Changes:

Motion:

Change language of 310 to read that remaining funds go to Headquarters for marketing rather than federations

- Amended to take out "for marketing" – passed
- Main motion: send money to HQ – passed

Motion:

- Approve changes to book to reflect officer change and do any other cosmetic changes: passed
- Amend to include two policies not previously in book – GEMS policy and closing a chapter not affiliated with a federation – passed

We will look at and update procedures and the RVP Handbook

Budget Review:

Motion

- The 2015 budget be adopted as written, passed unanimously.

RECAP Wednesday November 12, 2014

Membership marketing overview by Bridget Boel, Director of Marketing

Motion:

- Move that the membership marketing tests proposed in the Membership Marketing 2015 slide be authorized for the next two years pursuant to Standing Rule I, Part 2(B)

The motion was passed unanimously.

- By acclamation the NEB approved the President and Secretary Treasurer vetting a company to assist with meeting planning.

Motion:

- The National President is authorized to hire Membership Marketing Deputy Director.

The motion passed unanimously.

RECAP Thursday, November 13

Motion

- The distribution of the 1/3 membership fee of Rule 1.2.C be waived for membership in e-narfe as approved by the NEB's power to do so in Rule 1.2.B.

Passed unanimously

Motion

- As necessary, two direct mail tests of a six month free trial membership with no more than 30,000 offer recipients in each of the two tests. Upon renewal (or conversion from free to paid member) they will renew as annual renewing members.

Passed unanimously

Motion

- The National President contract with a marketing research firm and to contract with a strategic planning facilitator at a cost not to exceed \$60,000.00.

Passed unanimously

Motion

- The President be authorized to appoint a standing strategic planning committee at the appropriate time.

Passed unanimously

- The Audit Committee consists of Lanny Ross, Region IX, Chair; Gerald Janci, Region III and William Shackelford, Region X.
- The NEB agreed to continue the authorization of the CAB Committee.

POLICIES AMENDED TO REFLECT CHANGES TO THE MAKEUP OF THE NEB:

106	Change quorum from 8 to 7
213, 216, 303, 308, 607	Change "Secretary" or "Treasurer" to "Secretary/Treasurer"

PROPOSED POLICY AMENDMENTS:

310 CLOSING A CHAPTER- CLOSING FINANCIAL RECORDS

All outstanding financial obligations must be met prior to official closing. Any funds remaining after the chapter has met all outstanding financial obligations should be forwarded to the receiving chapter(s) on a pro rata basis. (Sufficient funds to cover per capita rates are required.)

If there are funds remaining after the above transactions have taken place, they must be forwarded to ~~the respective federation~~ **Headquarters**. Chapter bank account(s) must be closed. If the closing chapter is incorporated within its state, the Secretary of State must be notified of the closing once all funds have been appropriately distributed.

The Internal Revenue Service must be notified of the chapter closing by completing e-Postcard 990-N which chapters are required to submit annually. Franchise Tax Boards must also be notified by completing the appropriate state forms.

GEMS (E-Mail Blast) Policy

Problem: Members are opting out of any and all NARFE emails in large quantity

Reasons: Too many emails from all levels of NARFE

Repetitive information

Information considered irrelevant to the member

Solution: Email policy that addresses the reasons for opt out

Proposed E-Mail Policy:

Headquarters

- Emails to full members list should be treated as is ***narfe*** magazine:
 - Legislation, advocacy and information of interest to federal employees and retirees
 - NOT about the business of NARFE
- Emails about the business of NARFE should be treated like The Insider and go to officers ONLY
- Monthly legislative recaps should go to officers only (members would have received info on weekly basis)
- Federations/Chapters
- Monthly legislative updates should NOT be emailed but used for chapter meetings and monthly newsletters
- Emails to full Federation/Chapter lists should follow HO rules and NEVER be a repeat of what was already sent by HQ

Approved Email Categories

Headquarters

- HQ Legislation / Advocacy
- ***narfe*** magazine surveys
- HQ messages to NARFE Leaders

Federations/Chapters

- Advocacy call to action
- Federation/chapter messages to leaders

Policy Quality Control

Headquarters

- Publications Department to act as coordinator- checking each "GEMS" email for adherence to policy and appropriate context

Federations/Chapters

- Role of the NEB in quality control?

PROCEDURES FOR CLOSING A CHAPTER NOT AFFILIATED WITH A FEDERATION

There are several chapters throughout the country that have made the decision to operate independently from their respective federations. The federations have no direct oversight responsibility for these chapters, and these chapters are exempt from federation activities. As is the case with chapters that are affiliated with a federation, a non-affiliated chapter may opt to close for the same reasons. Once an independent chapter has made the decision to close, the chapter leadership should notify the RVP who has jurisdiction over the region in which the chapter is located.

Once the RVP has determined that the chapter is in jeopardy of closing and there is an increased risk of losing members, it is imperative that the following actions be taken:

1. The RVP and chapter leadership should discuss and explore all efforts and/or alternatives for reinvigorating the chapter. (This can be accomplished by holding a meeting or a conference call or via email/Instant Messaging). When solutions for saving the chapter no longer appear to be viable, then procedures for closing it should commence.
2. The RVP and chapter leadership should notify chapter members by mail or email of the pending chapter closure and the options available to the members to continue their membership through another local chapter, an e-Chapter or a chapter of their choice. Although notification by mail or email is preferable, the procedure notification must follow current chapter bylaws. All methods of notification should include sufficient time for members to communicate their choice of a transfer option.
3. If chapter bylaws require that meetings be held with a quorum of attendees, this information should be included in the notification with the date, time and purpose of the meeting. Once the meeting is called to order, and the number of attendees does not meet the minimum required to vote for the chapter's closing, a vote should be taken to waive the chapter bylaws.
4. At the conclusion of the meeting, or once the deadline for response from members has passed and the final decision for closure has been confirmed, the RVP must ensure that the steps outlined below are taken.

If chapter officials are unable to complete the process for officially closing a chapter, the RVP must complete the process.

Member and Chapter Notification

- All members, including voting and nonvoting, being transferred (both automatically or by choice) must be notified of (a) the name and number of their new chapter;

and (b) the name, phone number and email address, if available, of the new chapter's president.

- National Only members should be transferred to the LSA to the chapter of their choice, including an e-Chapter.
- Members residing outside the chapter's ZIP code may be transferred to the chapter nearest to where they reside or to the chapter of their choice, including an e-Chapter.
- Receiving chapters must be given a list of transferred members (including street address, phone number and email address). The new chapter's leadership should contact the transferred members to welcome them to the chapter and invite them to participate, if they so desire.

Closing Financial Records

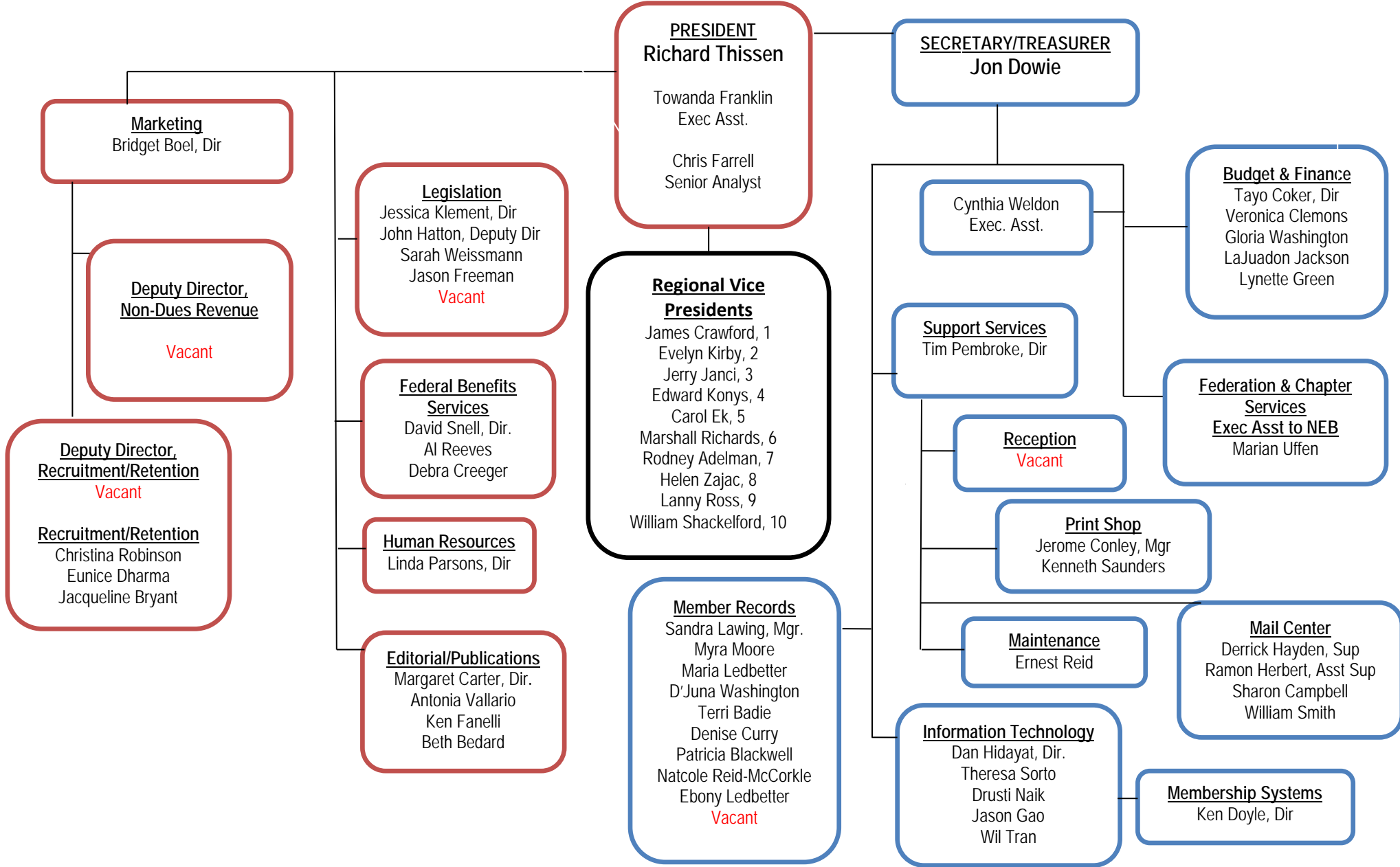
- All outstanding financial obligations must be met prior to official closing.
- Any funds remaining after the chapter has met all outstanding financial obligations should be forwarded to the receiving chapter(s) on a pro rata basis. (Sufficient funds to cover per capita rates are required.)
- If there are funds remaining after the above transactions have taken place, they must be forwarded to the federation. Chapter bank account(s) must be closed.
- If the closing chapter is incorporated within its state, the Secretary of State must be notified of the closing once all funds have been appropriately distributed.
- The Internal Revenue Service must be notified of the chapter closing by completing e-Postcard 990-N, which chapters are required to submit annually.

Regional Vice President Follow-Up

- The RVP must submit a report confirming closure of the chapter to Federation and Chapter Services at NARFE National Headquarters, along with a list of members and the chapter(s) to which they are being transferred. Additionally, the RVP must notify the federation president of the closing.
- The RVP must reassign the closing chapter's ZIP codes to other chapter(s) and complete the F46, "LSA Assignments Form," and forward to Headquarters.
- If available, the closed chapter's charter should be returned to Headquarters.

NARFE Organization Chart

National Executive Board



NATIONAL EXECUTIVE BOARD

NP Richard Thissen – Chair
NS/T Jon Dowie – Vice Chair
James Crawford – Region I
Evelyn Kirby – Region II
Jerry Janci – Region III
Edward Konys – Region IV
Carol Ek – Region V
Marshall Richards – Region VI
Rodney Adelman – Region VII
Helen Zajac – Region VIII
Lanny Ross – Region IX
William Shackelford – Region

ALZHEIMER'S COMMITTEE

National Oversight Officer
NP Richard Thissen

National Committee Chair
Mervyn "Merv" Stuckey – Arizona

FEDERAL EMPLOYEE EDUCATION & ASSISTANCE FUND (FEEA)

NP Richard Thissen
NS/T Jon Dowie – Alternate

THRIFT ADVISORY BOARD

NS/T Jon Dowie
Jessica Klement – Alternate

NARFE PREMIER FEDERAL CREDIT UNION

NP Richard Thissen – Advisor
NS/T Jon Dowie – Board Member
RVP William Shackelford – Board Member

NARFE 401K COMMITTEE

NS/T Jon Dowie

AUDIT COMMITTEE

RVP Lanny Ross – Chair
RVP Jerry Janci
RVP William Shackelford

SCHOLARSHIP COMMITTEE

NS/T Jon Dowie – Chair
RVP James Crawford
RVP Jerry Janci
RVP Carol Ek
RVP Helen Zajac

FINANCIAL PLANNING & INVESTMENT COMMITTEE

NS/T Jon Dowie – Vice Chair
RVP Edward Konys
RVP Rodney Adelman

SITE SELECTION COMMITTEE

Pending

- NP Richard Thissen is an EX-OFFICIO member of all committee except Audit Committee