

March, 2011

MEMO TO: Region IX Federation Officers, Chapter Presidents and Members of Region IX GEMS

FROM: Lanny Ross, Region IX Vice President

SUBJECT: Report on the NARFE National Executive Board (NEB) Meeting held March 2-4, 2011 at the Hyatt Regency Hotel in Crystal City

As I always state with my report, these are **NOT** the official minutes of the meetings, only notes of what took place during the meetings of the NEB. The official minutes will be published after approval in a future NARFE magazine.

This is my attempt to share as much information with you as possible, without going into great detail. If you desire any more details on a particular item, or have any comments, please contact me at lannyjean@comcast.net, phone # 360-692-9741; Fax: 7360-662-0384; Address 7450 Illahee Rd NE Bremerton, WA 98311-9431

Note: All 4,167 Region IX members of the Global Electronic Messaging System (GEMS) network have received these notes via GEMS distribution

If you have email and do not receive GEMS, please provide your e-mail address to the NARFE National Web Site at www.narfe.org "Update My Record"

Please share these notes with your chapter officers and members who do not have e-mail.

The National Executive Board (NEB) meeting was held March 2-4, 2011, with thirteen members present; National Treasurer, Charley Saylor was hospitalized and unable to attend. As most of you know, National Treasurer Charley Saylor passed away while we were at the Legislative Conference. A special meeting was called for the NEB to meet the next morning at the NARFE headquarters. I nominated Dick Thissen, the Region V Vice President to assume the National Treasurer position, and he was unanimously elected.

Travel Policy: President Beaudoin provided a draft of policy 720 regarding Regional, Federation, and Chapter Visits. The draft was modified to state that the visits by Regional Vice Presidents to Federations and Chapters must be necessary and done within the member's budget. The actual text will be available on the National Web Site, www.narfe.org. This policy also covers visits by national officers and staff to federations, regions and chapters and is an attempt to provide controls on the use of budgeted funds.

Vice President Paul Carew suggested that in lieu of actual visits, perhaps the NEB should consider working with Federations/Regions on utilizing electronic means of communication, such as Skype or Go-To-Meeting in lieu of the ever increasing price of oil, jet fuel, airline tickets, hotel stays as an alternative to actual visits. Region III Vice President Don Stewart reported that the Florida Federation recently used Go-To-Meeting and saved the Federation \$5,500 in expenses for the normal Federation meeting.

The new Assistant Legislative Director, Julie Tagen was introduced by Dan Adcock. Julie's background includes being Chief of Staff for Congressman Alan Grayson of Florida. More of her background is detailed on page 12 of the April NARFE magazine.

M+R Status Report: M+R Strategic Services provided status of their efforts (since the Contract date of 2/7/11) on building NARFE's campaign, "**Protect America's Heartbeat**". They have targeted eleven states as the "key states" to focus upon because of the significance of Senators/Congressmen in those states. The states are: Florida, Illinois, Maine, Maryland, Massachusetts, Michigan, Missouri, Nevada, Ohio, Oklahoma, and Virginia. In addition, Missouri, Oklahoma and Virginia have many federal retirees. The Regional Vice President and Federation President of each of these states have been contacted by a member of M+R Strategic Services and are already working on plans to focus on actions necessary to influence Senators/Congressmen in these states.

Collection of personal stories from members has already begun and the best will be included in the NARFE Web Site which was launched on March 8 on the non-member side of the web site. Please go to the web site, sign the petition, and complete your personal story of your federal career. They have also focused on building relationships with media outlets such as the Washington Post, Federal Eye, Wall Street Journal and Huffington Post to highlight the importance of the Federal worker/retiree to the nation and the community.

Part of the details of this campaign will be to release sample "letters to the editor" for use by chapter members as well as "tool kits" for every state. There was a presentation on March 8 in the Rayburn House Office Building to Congressmen and coalition members, such as American Federation of Government Employees (AFGE). Advocacy Training will also be available on line. Brochures and handouts will also be available from headquarters.

There was a session at the Legislative Conference about Grassroots Organizing given by M+R Strategic Services to raise awareness and build support for the campaign among all members.

Public Relations: Public Relations Director, Chuck Timanus, reported that starting in February NARFE's successful advertisements were continued on Buses, Bus Shelters, and the Metro. In addition there will be 10 second messages on a local radio station (WTOP); in addition, 30 second to one minute ads are also being anticipated in Chicago. We are also looking at on-line ads. Our ads are being coordinated with M+R Strategic Services. Chuck would like to have television ads, but they are extremely expensive. A new ad campaign will begin, once Congress introduces the first Bill that affects the federal community. Members are encouraged to make efforts with local media outlets – many cable companies and radio stations allow for public service announcements (which can be obtained from Chuck Timanus) – or perhaps a local leader could be the focus of a 5 minute interview, or a feature story in a local newspaper. We encourage members to explore the possibility of local public relations.

Legislative Director, Dan Adcock, reported that the President's Budget submission was released on February 14. In that budget he called for a 2 year pay freeze for federal employees and a \$400 billion cut in discretionary spending over ten years; there was nothing in the President's budget that was identified in the Fiscal Commission Report. There was mention of change to the requirements for Office of Worker's Compensation Program (OWCP) for federal compensation which would require the cessation of worker's comp once the employee reached social security retirement age and then retirement benefits would be based on the high three

years of salary prior to the injury; and would probably result in a reduction in the level of compensation. Details of this proposal will be in the April magazine. There were no cuts proposed for retirement or health care.

There is discussion about prescription drugs and how the drugs should be purchased in bulk for all health plans to obtain a better cost. Blue Cross/Blue Shield is the largest health care provider in FEHBP.

The House is working on an appropriations bill which would cut \$60 - \$100 billion from what the President requested. The House did pass \$4 billion in cuts to extend the current budget to March 18 to avoid a government shutdown. The potential for a government shutdown would be on that date – and since it is the middle of the month, annuities would probably not be affected. Representative Issa's attempt to freeze step increases for federal employees was defeated in a 2 AM vote. For the 2012 Budget, Congress must address the debt limit between April 15 and May 31. They must pass an increase, or the Secretary of the Treasury would borrow funds from the Civil Service Retirement and Disability Fund (CSRDF) and the "G" Fund of the Thrift Savings Plan (TSP). If the government does borrow the money, it will be repaid with interest. The CSRDF is sound and fully funded.

The Legislative Training Conference was held March 5 – 8 at the Crystal City Hyatt and was culminated with a visit to Capitol Hill on March 8 – the day when every NARFE member was requested to make calls to Capitol Hill (1-866-220-0044 relaying the message "Federal workers and retirees have already sacrificed pay and benefits. Don't single us out by making more cuts to the retirement and health benefits we earned through years of serving the public." Hopefully your calling committees contacted your members. If not, this is the time to perfect your calling committees, as there will no doubt be more legislative alerts during this Congress.

Direct Mail Fundraiser: Due to the fact that NARFE is operating with a deficit budget and most likely will continue operating with a deficit budget until October, the NEB voted to issue a direct mail fundraiser to all members to identify the crisis we are currently facing as members of the federal community. There will be specifically tailored letters for active federal employees and retirees to identify the seriousness of the threat we all currently face. Unfortunately with increased awareness of this issue, through media and advertising, there is an expense. NARFE members have been very generous with their support of Alzheimer's, FEEA, Silver Circle, Cards, and Calendars, and although not taking this request lightly, the NEB was forced to consider asking our members for their support with this fund raising letter to support our legislative efforts. The timing of this effort will precede the card program, (for which the contract has already been signed, and is in process at this time); members will receive the fundraising letter before they receive the cards. NARFE appreciates any monies that will be contributed to this fundraising effort.

Pre-Retirement Seminars (PRS): Based on some disappointing results in this program, a proposal was made by the National Secretary to discontinue the PRS program. The fact that we have not obtained approval to be identified on the GSA Schedule may have compounded these disappointing results. NARFE has recently started using a retirement calculator on the NARFE web site through "EconSystems" and we would work through them to gain new members by offering an on-line PRS by having the employees sign up as a new member to utilize the services of "EconSystems". Further discussion raised concerns that "EconSystems" is basically a financial planner and would not provide the same information as a PRS. The NEB voted to continue the current PRS program. The efforts to obtain a GSA Contract Number will be

reviewed by the National Office and attempts made to determine why we have not been able to obtain a GSA Contract number.

Trade Show Schedule: The NEB was provided with a list of Tradeshows in which the National Office will attend. Headquarter will coordinate these events with the Federation Presidents. The Public Service Recognition Week Show was cancelled because of insufficient funding.

Revised List of Associations for Networking: The National Secretary provided a revised list of Associations which members should consider working with in their local areas. Many of these associations are working with NARFE in coalitions in Washington DC, and we should also be working locally with these same associations in our federations and chapters.

Recruiting and Retention Journal: This document was distributed via GEMS and the February Issue showed members the efforts being made in Recruiting and Retention. The GEMS message also reminded members that the publication (and back issues) can be found on the NARFE website. Future issues will also include a list of “themes” that chapters can use for their meetings. Printed copies will still be distributed via mail as in the past.

Membership Committees: While NARFE’s importance and relevance to the over 2.47 million active federal employees and the 1.9 million federal retirees continue to grow significantly, there is a serious and troubling disconnect in our ability to attract and keep members engaged in our organization. Only about 15 percent of federal retirees and 1 percent of active federal employees are members of NARFE. And NARFE membership continues to decline going from 404,909 in 2001 to 305,244 as of February 2011. These numbers are alarming to say the least. That is why the NEB voted to engage the services of Marketing General Inc. to assist and guide us through the process of creating a viable membership grown plan, as well as establishing two membership committees. MGI has a successful track record in helping associations like ours to grow brand awareness, members and membership engagement. Nominations for the membership committees were solicited from each region and the two committees were appointed by President Beaudoin. Serving on the Recruitment Committee are: Mary Burkett (MN), Jerry Hall (CA), Peggy Johnson (WI), Noreen Morgan (KY) and Kay Ryan (ID). Serving on Retention Committee are: Jack Elrod (TX), Frank Impinna (CO), Don Ross (CA), Joseph Staiano (GA) and Rich Wilson (WA). The Committees met at headquarters (HQ) on February 23 and 24 to obtain an overview of NARFE membership results, practices and marketing resourced by HQ staff. MGI helped facilitate the two days of meetings and provided additional information on membership “best practices” and national results from their annual Membership Marketing Benchmarking Report survey of 400 participating national associations. The two committees were charged with strategizing draft annual plans and recommendations to increase both the number of new members who join, and those who renew NARFE membership each year. The committees began work delving into the various aspects of membership and the reasons more eligible active and retired federation employee prospects do not choose to join the association, and for these who do join, why more do not renew – especially in their first few years of membership. These draft plans will be presented to the Federation Presidents for further discussion, consideration and approval at their July meeting in Sparks, NV.

Membership:

1. Calendar year 2010 closed with 22,000 new members. The 4th quarter (Oct/Nov/Dec) was a very good quarter; we had positive growth in every month.
2. We continued to lose 22,000 members a year coupled with approximately 8,500 deaths yearly.

3. A bright spot – we formed a partnership with the National Rural Letter Carriers Association (NRLCA) and attended their National Convention in August 2010. In November, we did a joint mailing to their membership and this resulted in over 1,000 new members. We plan to do another one in 2011.
4. John Clements reported that there has been a surge in three year membership renewals prior to March 1.

Current Membership Totals: As of February, 2011; National – 302,464 members with 1,407 chapters;
Region IX – 17,212 members (4,167 w/emails); AK – 1,024; ID – 1,609; MT – 1,678;
OR – 4,221; WA – 8,680

Computer System Upgrades: Vice President Carew reported that the HQ computer system is approximately 8 to 10 years old which results in slow response time and break downs in processing the daily business of NARFE. The needed computer upgrades include purchasing generators, servers, hardware and software which would cost \$171,500. The system upgrades when completed will support the initiatives recommended by NIAC Committee to resolve problems with membership records/reports as well as assist the E-NARFE chapter to operate with its own web site, within the NARFE web site. The NEB voted to approve the system upgrades, utilizing money as it becomes available.

E-NARFE Chapter: The membership incentive pilot “E-NARFE” Chapter #2363 has been formed in Virginia due to location of HQ, yet it is not associated with the Virginia Federation. It is supported by HQ staff/officers to work out details/concerns with the operation of such a chapter and will present this idea and provide “lessons learned” at the July Federation Presidents Meeting with the hope that each Federation will launch its own E-NARFE Chapter. The chapter will not hold face to face meetings; all communication will be on line. The E-NARFE Chapter will have an active blog. Only new members will be allowed to join this chapter, and the incentive to increase NARFE membership is a \$40 membership fee. Members of the E-NARFE chapter will receive the monthly magazine. The OPM Mailing will include an option for new members to join a traditional chapter or this E-NARFE chapter. Members joining the E-NARFE chapter will have 10% of their dues returned to the Federation in which they reside.

Subsequent to the NEB meeting, several members protested the limitation that this chapter be for new members only, and not allow existing members to transfer into this chapter. The motion passed by the NEB was reviewed by the NARFE Parliamentarian and determined to be in violation of the National Bylaws; therefore, this E-NARFE Chapter is now open for all members.

Dues Renewal on Line: For those members, with email addresses recorded at HQ, you will receive a dues renewal notice on line, and you can renew on line with your credit card number. Those wishing to renew on line, may do so, (even if HQ records do not have your date of birth), you can still utilize this option. And, for those life members – you can now sign up to have an automatic renewal of your chapter dues by providing your credit card number, and your credit card will automatically be billed once a year for your chapter dues.

Update Record for GEMS: There is a new feature for GEMS options that will allow you to specify the type of GEMS messages you wish to receive. Your choices will be to (1) receive all GEMS messages, from all sources; (2) receive messages from HQ regarding legislative and membership topics; (3) receive messages from federation and local sources.

Paperless Reports: In the January 2011 *Quarterly News* there was a story about implementing Paperless Chapter/Federation Reports on March 1. As of March 1 only 476 chapters of 1407 total chapters and 14 of 54 Federations have stated they will go paperless. **After March 1, no paper reports will be provided to chapters/federations unless they specifically request paper reports.** There will be a GEMS message issued stating this requirement. If chapters/federations still require paper reports, there will be a monthly assessment (withheld from chapter/federation monthly checks) for printing and postage. A flat rate scale has been developed, by size of chapter/federation: chapters less than 100 members will be assessed \$1.00 per month; 101-300 members - \$2.00; more than 300 members - \$3.00; Federations less than 2,000 members - \$4.00; 2,001 – 5,000 - \$6.00; more than 5,000 members - \$6.00.

E-Postcard 990 Reminder: All chapters must file the E-postcards by May 15 if the fiscal year ends in December; or 15 days after the 5th of the month after the close of the fiscal year.

NARFE IT Advocacy Committee: Bob Drake and Patrick Dempsey reported on actions taken by the NIAC Committee to articulate a comprehensive 21st century strategic vision for information technology for NARFE. The committee: Charles Pratt (GA); Patrick Dempsey(MD); Robert Drake (VA);William Latham (FL); and George Walken (AR) reviewed all information technology policies, procedures and organizational structure and recommended revisions, where appropriate; analyzed NARFE’s major operating systems and recommended upgrades, where applicable; evaluate all principal data entry centers in terms of effectiveness and efficiency and recommended necessary operation modifications; reviewed communication processes and procedures between HQ, federations and chapters and recommend a more holistic and integrated strategy. They provided samples of the recommended method to obtain various reports which are greatly simplified and give the end user optimum information with a minimum number of clicks. They also recommend bringing a copy of the membership database into HQ, by utilizing a new server, which would enable the various reports to be updated within two days and available to the end user. This new format is extremely easy to use and provides the ability to obtain specific data lists with a single click of the mouse. Further it would allow the end user to prepare mailing labels, as needed. The target date for a draft of these reports is April 15; have the reports working by May 15 and complete by June 15. I was quite impressed with their presentation, the ease of use/access and believe that this will resolve the many problems noted by members. This will make it easy for chapters to obtain and use the various reports.

Use of Chapter Funds: At the request of President Beaudoin, the Accounting Firm of Councilor-Buchanan-Mitchell (who audits NARFE’s National Treasury) reviewed the Internal Revenue Services’ regulations regarding the operations of Chapters in NARFE, with special emphasis to the legality and/or appropriateness of charitable donations being made to organizations other than NARFE. Their letter of March 3, 2011, in part reports: “While the Federations and Chapters establish their own budget, any expenditure made by them should be in furtherance of their overall tax exempt purpose. Otherwise, they would risk loss of their tax exempt status. ... All of NARFE’s matters pertaining to the conduct, management and control of the business, property and its affairs *and any of its chapters and federations* shall be conducted according to the applicable laws and the NARFE Bylaws. ... Since Section 2 of Article IV states the objectives of Chapters are to “increase the scope and effectiveness of NARFE” by conducting one or more described activities, thus all expenditures of the Chapter should be with that purpose in mind. So it is reasonable to conclude that contributions to charitable organizations, other than NARFE, are not directly allowable under this definition. Such a decision would have to be based on the specific circumstances in each instance where a local

contribution was being considered. Charitable giving should be solicited separate or apart from membership dues. That's not to say a chapter wouldn't be allowed to solicit a special donation from its members for the benefit of a different charitable organization, as long as it was separate from membership dues." Therefore, the policy issued by the National Secretary and specified in the Quarterly News of October 2010 is applicable to chapters.

Region I VP Gil Blaisdell reported that MA Federation President Kenn Nolan and his wife, who was serving as Federation Secretary resigned. Their resignations were accepted by the members of the MA Executive Board and new officers have been installed.

Region II VP Ron Bowers moved that one year lapsed members be reinstated without a new member application or new membership number. The motion was passed.

Region IV VP Paul Johnson reported that members of the Indiana Federation traveled to the state house to promote state tax exemption for Federal Annuities.

Region V VP Dick Thissen reported that the College of NARFE Knowledge will be held August 29-31.

Region VI VP Jerry Smith reported on his trip to Panama which has 6 chapters with 1,706 members. He noted that only about half of the members receive the magazine, and about 2 – 3 months late; they receive no cards, no calendars. Yet many will spend 2 hours on a bus to attend their chapter meetings. They are very supportive of NARFE.

Region VII VP Betty Lucero-Turner reported that the Regional Conference will be Oct 1-4.

Region IX VP Ross highlighted the outstanding recruiting activities in Region IX and the fact that these activities continue to stand out in the R&R Journal...

SKYPE Demonstration: The NARFE Web Master Dan Hidayat demonstrated Skype and explained how it could be used for meetings utilizing your computer/laptop/I-phone. The cost is \$8.99 per month.

Contacts: In the March Issue of NARFE magazine there was a revised page which lists contacts for NARFE. The most important address is: memberrecords@narfe.org. It is how you change your address, check your membership status, find out dues owed, add your email address, and provide a death notification. Please note that any other address you have for Member Services is no longer valid.

Legislative Conference: A very informative session, which was attended by nearly 300 NARFE members. The Power Point Presentations utilized in each of the five breakout sessions is posted on the NARFE web site. Of particular interest is the short video clip of House Minority Leader Steny Hoyer speaking to the group, which appears on the non-member side of the NARFE web site; stating that – all of us – not just you, *but also me...* need to be "***Energized, On Guard, and Working Hard***". These are powerful words and ones that we should be embracing as we work together during this Congress to protect the earned benefits of the federal community, ensuring that the federal community is not singled out.

NARFE Scholarship: The form is again available in the April Magazine on page 45 with the instructions on page 50. It is also available on the NARFE website. The applications must be submitted no later than April 30, 2011.

Alzheimer's Contributions: As of March 1, 2011, NARFE Fundraising total since 1985 is \$9,017,483.89. During the month of January, NARFE raised a total of \$49,584.47. The new goal is \$10 Million by 2012. Thank you all for your most generous support!

Newly Revised Forms: The following forms have been revised, and may be ordered from headquarters using the Requisition for Printed Supplies, F-18 (3/11), or completing the form on line. Please check your supplies of these forms, obtain the most current revision, and discard the older versions.

PLEASE NOTE: the membership application H-140A appears the same; please discard any previous copies you have, that are not dated 10/10. The revised first year dues amount is \$45.00.

F-117 (01/11) NARFE's Legislative Accomplishments

FH-10 (01/11) Service Officer Guide

H-134 (01/11) Information Director for Headquarters

Dues Withholding: Save \$6.00 on your national membership dues by signing up for dues withholding. 1/12th of your national and chapter dues will be automatically withheld from your annuity; as your national dues will be calculated on \$34.00 per year, in lieu of \$40.00. It is more economical and you will never have to write another check, or miss a NARFE magazine. Please submit your DW-2 form to NARFE headquarters 60 days in advance of your dues expiration date for OPM to begin the deduction.

Just a Reminder: The addresses, phone numbers and email listings on the M114 are only as good as the information provided to HQ by the chapters. Some chapters are making a special effort to update their member records, due to the real possibility of Legislative Alerts, as well as establishing telephone trees or email notification. If there are corrections needed to your M114, please notify Sandra Lawing, Manager of Member Records at slawing@narfe.org, and she will take care of the corrections. Members can also update their record on the NARFE website, by signing on as a member and clicking on the Department tab, Membership Tab, then click on "Update My Record".

Respectfully Submitted

Lanny Ross
Region IX Vice President