

# **Newfoundland and Labrador Public Sector Pensioners' Association**

## **22<sup>nd</sup> Annual General Meeting Annual Report**



# **NLPSPA**

**Hotel Gander**

Gander, NL

Friday, September 21, 2012

NLPSPA: 22nd Annual General Meeting – Annual Report  
Appendices

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# *In Memoriam*

## 2011-2012

William Allen  
Olga Anderson  
Myrtle Aylward  
Allan Balsom  
John Barry  
Bruce Barter  
Una Barter  
Thomas Benoit  
Kathleen Beresford  
Stella Bishop  
Wallace Boone  
Issac Bown  
Celine Burke  
Joan Burke  
Bertha Butler  
Lester Butler  
Ralph Butler  
Garland Button  
David Cadigan  
Colin Calder  
Thomas Clarke  
Gary Cobham  
Gordon Colbourne  
Eugene Coombs  
Dorothy Cooper  
Josephine Cooper  
Walter Crocker  
Bertram Crummy  
Susanna Dawe  
Bernadette Delaney  
Joseph Dunphy  
David Dyke  
Oprah Earle

Pearl Earle  
Edgar Edwards  
Alvin Efford  
Frederick Evans  
Frances Fiander  
James Finn  
Eric Fowler  
Clyde Fowler  
Daphne Frampton  
John Freake  
William Freake  
Arthur Gale  
Nathan Gosse  
Theresa Goulding  
Effie Granter  
John Green  
Vera Greene  
George Harris  
Nina Hatcher  
Donald Higdon  
Freeman Hill  
Ernest Hiscock  
Owen Hiscock  
Morgan Hollett  
Mary House  
Maude Howse  
Charles Howse  
Harvey Jackman  
Margaret James  
Donald Johnson  
Josephine Joy  
Agnes Kelly  
Arthur Kennedy

Ruth King  
Norman Kipnis  
Sybil Knott  
Eithne Knowling  
Stella Laidley  
John Lane  
Thelma Langdon  
Alice Ledwell  
Peter Lee  
Boyd Legge  
Cyril LeGrow  
Aloisia Lester  
Walter Loveless  
Gerald Malone  
Leslie McDonald  
Eric McHugh  
Wallace Moores  
Mary Murphy  
Judith Newhook  
Mildred Newhook  
Linda Noftall  
Margaret Norman  
Gordon Norris  
Berthina Osmond  
Dorman Osmond  
Elizabeth Payne  
Mary Pearcey  
Roy Peaty  
Allison Peckford  
Matilda Pennell  
Amy Penney  
Pearl Penney  
Clyde Petten

Patrick Pickett  
Maxine Piercey  
Raymond Pinsent  
Elizabeth Pomroy  
Robert Porter  
Carol Power  
Vincent Power  
Ida Pretty  
Reginald Pretty  
John Priddle  
Roy Pynn  
Rosalie Quinn  
Max Riggs  
Mae Rodgers  
Catherine Rossiter  
Dorothy Rowe  
Eli Rowsell

George Rushton  
John Shaw  
Jack Sheppard  
Dorothy Sinnott  
Alton Smith  
Harold Snow  
Robert Sooley  
Patricia Sowdon  
Mary Spurrell  
Bethina Stacey  
Irene Stamp  
Joseph Stamp  
Hazel Stanley  
William Strickland  
Cecil Strong  
Hannah Synard  
James Tapper

Clyde Thompson  
Edmund Thorne  
Mary Thorne  
Maxwell Thornhill  
Gertrude Tobin  
William Trickett  
Charles Tucker  
Carmen Tuff  
Maurice Verrecchia  
Wilbert Vincent  
Joan West  
Alice White  
Graham White  
John White  
Kevin Williams  
Eric Wiseman

Words are few, thoughts are deep  
Memories of you we will always keep

**Background Items:**

- 1. Vision, Mission, and Strategic Directions**
- 2. Board of Directors and Committees**
- 3. Rules of Order**
- 4. Agenda**
- 5. Minutes of 2011 Annual General Meeting**

## NLPSPA: 22nd Annual General Meeting – Annual Report

### Background Items

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### *Vision*

Pensioners have improved pensions and insured benefits that contribute to a better quality of life.

### *Mission*

The Newfoundland and Labrador Public Sector Pensioners' Association (NLPSPA) will ensure that it is a strong, member supported organization, that it is successful in advocating for improved pensions and insured benefits, and that the Association is recognized throughout the province for its leadership role in promoting the interests of its members and all pensioners.

### *Strategic Priorities 2012-2015*

**Strategic Priority 1: Pensions and Insured Benefits:** Recognizing that action is required to protect the benefits of those who are pensioners and of those who will be pensioners in the near future, NLPSPA will seek to achieve improvements in pensions, insured benefits and the overall quality of life for its members and pensioners generally. This includes defining priorities, undertaking research, identifying opportunities to engage other pensioner organizations and strengthening communications.

**Strategic Priority 2: Membership Growth and Support:** NLPSPA will increase and support its membership. This will include collecting and analyzing data, improving communications, being more active in involving members in the actions of the association, and promoting the merit of membership in the association.

**Strategic Priority 3: Communications:** NLPSPA will improve its communications activities to ensure that accurate and timely messages are generated and directed at target and strategic audiences. This will include the development of a three year communications strategy, undertaking specific communication activities to advance the interests of its members and promoting NLPSPA as the leading pensioners' organization in the province.

**Strategic Priority 4: Leadership and Advocacy:** NLPSPA will strengthen the capacity of the association by improving its financial, human and other resources, undertaking succession planning, and engaging members and other pensioners' organizations in key advocacy actions.

NLPSPA: 22nd Annual General Meeting – Annual Report  
Background Items

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***Board of Directors: 2011/2012***

Executive:	Sharron Callahan	President
	Ralph Morris	President Elect
	Tony Patey	Treasurer
	Bernard Cook	Secretary

Directors:	Ann Bell	Doug Laing
	Bob Corbett	Geri Lutz
	David Dempster	Tom Mills
	Neil Hamilton	Al Skehan
	Wes Roberts (Western Branch)	

***Nominations/Awards Committee***

Bernard Cook, Chair	Sharron Callahan
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***Finance Committee***

Tony Patey, Chair  
Bernard Cook  
Dave Dempster  
Doug Laing

***Membership Committee***

Sharron Callahan	Ralph Morris
Robert Langdon	Pat Roberts
Geri Lutz	Al Skehan

***Convention Planning***

Ralph Morris, Chair	Robert Langdon
Sharron Callahan	Tom Mills
Bob Corbett	Frances Reid
Ethel Dempsey	Berkley Reynolds
Neil Hamilton	Pat Roberts

***Health Committee***

Ann Bell  
David Dempster

***AGM Planning Committee***

Sharron Callahan, Chair	Ralph Morris
Bernard Cook	Tony Patey

***Pension Investment Com. Repr.***

Doug Laing

***Health Insurance Com. Repr.***

Dave Dempster

***Staff:***

Cheryl Myers

NLPSPA: 22nd Annual General Meeting – Annual Report  
Background Items

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**Rules of Order**

1. The meeting shall be called to order at 7:00pm, on Friday, 21 September 2012.
2. Members wishing to speak, after recognition by the Chair, shall state their full names.
3. If two or more members rise to speak at the same time, the Chair shall decide who is entitled to the floor.
4. Speeches, including the moving of motions, shall be limited to three minutes.
5. No Member shall speak more than once on a question until all who wish to speak have had an opportunity to do so.
6. Any Member, for information purposes, may request that the motion under discussion be re-read, except when another member is speaking.
7. If a Member, while speaking, is called to order, the Member, at the request of the Chair, shall be seated until the question of order has been decided.
8. Any Member, who, upon direction by the Chair, refuses to be seated, shall be subject to suspension for the remainder of the meeting.
9. Any motion moved and seconded becomes the property of the Association and may only be withdrawn with the consent of the assembled members.
10. Questions shall normally be decided by a show of hands, except where the count is in doubt, in which case a roll-call may be ordered.
11. When a roll-call has been ordered, no adjournment shall take place until the results have been announced.
12. A motion to reconsider shall not be entertained unless by a Member who voted with a majority, and the motion received a majority vote.
13. The Chair shall only be entitled to debate on a subject under discussion after the relinquishing the Chair to the Vice-Chair.
14. When provision is not made in these RULES OF ORDER and the issue is not in conflict with the Constitution, Roberts Rules of Order shall apply.
15. These RULES OF ORDER shall govern the conduct of the Association's meeting after the approval by the assembled members at the beginning of the meeting.



NLPSPA: 22nd Annual General Meeting – Annual Report  
Background Items

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**Agenda**  
**22<sup>nd</sup> Annual General Meeting,**  
**7:00 PM, Friday, September 21, 2012**

1. Call to Order/Welcome
2. Rules of Order for Meeting
3. Adoption of Agenda for 2012 Meeting
4. Minute of Silence for Deceased Members
5. Introduction of 2011 – 2012 Board Members
6. Adoption of 2011 AGM Minutes
7. Nominations Committee Report – Chair, Bernard Cook
8. A. Treasurer's/Finance Committee Report – Treasurer Anthony Patey  
B. Presentation of 2011 Audited Financial Statements – Treasurer Anthony Patey  
C. Appointment of 2012 Auditor – Treasurer Anthony Patey
9. Presentation & Adoption of Annual Report - President Sharron Callahan
10. Presentation of Strategic Plan 2012-2015
11. Announcement of New Logo for NLPSPA
12. Resolutions
13. Election Results
14. Other Business
15. Announcements
16. Adjournment

NLPSPA: 22nd Annual General Meeting – Annual Report  
Background Items

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**NEWFOUNDLAND & LABRADOR PUBLIC SECTOR PENSIONERS' ASSOCIATION**  
**21<sup>st</sup> ANNUAL GENERAL MEETING (Part I)**  
**SEPTEMBER 18, 2011**  
**7:00 P.M.**  
**HOLIDAY INN, ST. JOHN'S**

**Call to Order:**

The meeting was called to order at 7:00 p.m. by Sharron Callahan with a welcome to everyone to the 21<sup>st</sup>. Annual General Meeting. There was a quorum present.

**Approval of Rules of Order for Meeting:**

S. Callahan gave an overview of the Rules of Order.

**Motion:** To use the Rules of Order as presented in the Annual Report. Moved by D. Byrne, seconded by F. Day. Motion **Carried**.

**Agenda for 2011 Meeting:**

**Motion:** Move to accept agenda with item number 7 and 8 transposed. Moved by D. Byrne, seconded by B. Corbett.

Question from floor: "would there be nominations for the Board tonight?"

Answer: to wait until the discussion under the Financial Report for proposal to defer election.

Motion **Carried**.

**Moment of Silence for Deceased Members:**

There was a moment of silence in recognition of deceased members.

**Introduction of 2010-2011 Board Members:**

S. Callahan introduced all Board Members and expressed a thank you to them on behalf of all members for their commitment and dedication in advancing the Vision and Mission of the Association and for their oversight of the day to day business of the Association.

**Adoption of Minutes of 2010 AGM:**

**Motion:** Move to accept Minutes of 2010 AGM as presented. Moved by A. Bell, seconded by F. Day. Motion **Carried**.

## NLPSPA: 22nd Annual General Meeting – Annual Report

### Background Items

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#### **Financial Report:**

##### **Treasurer's Financial Committee Report by Treasurer Tony Patey:**

The audited financial statement is not available for presentation. There were delays in getting the 2010 financial statement and upon receipt of the statement it was apparent that it deviated from accounting principles. An independent auditor, Noseworthy Chapman, will review the finances and prepare an audited statement for 2010.

**Motion:** Move to postpone the presentation of the 2010 Financial Statement and have an audited statement for presentation on October 16, 2011. Moved: T. Patey, Seconded: J. Downton  
**Motion Carried.**

The audited Financial Statement will be brought back to be voted on as in keeping with the Constitution.

The election will be postponed until the audited Financial Statement is available.

The recommendation from the Board is to defer the election of the new Board of Directors to October 16, 2011.

**Motion:** Move to defer the Board election to October 16, 2011. Moved: D. Dempster, Seconded F. Day.  
**Motion Carried.**

The floor was opened for question and answers.

Q. Will we get old report to compare with audited report?

A. Only audited report will be presented.

Q. How will we know where errors occurred?

A. Audited report will be presented in detail.

Q. Is it normal practice to not get report until one week before AGM?

A. There was a delay in getting report. On a go forward basis will get report earlier.

#### **Nominations:**

S Callahan asked Tom Cooper, chair of the Nominations Committee to identify the process in finding nominations to fill Board positions. Tom stated that the committee identifies the number of members to be replaced. The committee takes recommendations from people who suggest nominees. Tom will call those recommended. Nominations are also invited from the floor. Presently we have 6 nominated; we need another 3. People were encouraged to run. People can contact Tom Cooper at home by calling 722-6460 or e-mail at tomcooper9@hotmail.com.

## NLPSPA: 22nd Annual General Meeting – Annual Report

### Background Items

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#### **Awards:**

The Association can give two awards per year: one for Honourary Member and one for Honourary Director. The Honorary Director of the Association award was presented to Bob Langdon by S. Callahan. She gave a brief overview of the accomplishments under Bob Langdon's tenure with thanks for his dedication and work.

Bob Langdon thanked the Board and reflected on the work with the Board. He thanked Ann Bell and Sharon Callahan for their dedication. He stated that they were great assets to the Association. He wished all well and prosperity to everyone.

#### **Annual Report of 2011:**

S. Callahan summarized the report with an overview of the year's happenings and reflected on the partnerships of the Pensioners' Coalition. There has been no pension increase for 22 years.

There have been improvements to the office to help serve the members.

The membership is steadily growing. We have 6400 members.

There are benefits for members in joining Anthony Insurance.

The Board has been absorbed with activities on the provincial election strategy.

Sharon thanked the members of the Board and the Committees including the member association representatives of the Pensioners' Coalition for their hard work, commitment and dedication during the past year. A thank you to the retiring members of the Board of Directors: Eric Salter, Freeman Pope, Dorothy Robbins, Rick Bouzan and Bill Shallow and a very special thank you to Bob Langdon.

Sharon said it was a pleasure to be the President during the past year and pledged to continue to work on behalf of the membership for the remainder of her term.

**Motion:** Move to accept the Annual Report as presented. Moved: D. Wood, Seconded Tom Cooper.  
Motion **Carried**.

#### **Government Health Benefits Committee Report**

John Downton addressed the meeting. He gave an overview of the Government Health Benefits Committee Report.

**Motion:** Move to accept the report as presented. Moved: J. Downton, Seconded T. Patey.  
Motion **Carried**.

Ralph Morris addressed the audience indicating the "Paid up Life Policy" in the plan needs improvement, and the "Unfunded Liability" is an issue for the unions and government to deal with.

There was discussion on travel in Canada. There has been no change to time travelling in Canada. The out of country travel time begins when you leave Canada. We are looking to have the death benefit raised to \$10,000.

## NLPSPA: 22nd Annual General Meeting – Annual Report Background Items

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### **Government Pension Investment Committee Report**

Eric Salter addressed the meeting. He did an overview of the report as presented with reflection on moving some investments.

**Motion:** Move to accept the report as presented. Moved: D. Lang, Seconded J. Downton. Motion **Carried**.

### **Questions from the Floor**

Q. Do we get a report from Government on costs?

A. Terms of reference need improvement.

Q. Administrative costs very high, why don't we get a full print out of disbursements?

A. We will check.

### **Economic Evaluation of the Pooled Pension Fund**

Tony Patey did a presentation on the research of the Pooled Pension Fund. Allison Coffin provided information on the pooled pension fund showing the amount of money that would be in the pension fund if Government had invested our money instead of using the money on roads, etc.

There was a question from the floor....

Q. Are premiums correct?

A. Will ask Allison for explanation on certain premiums.

D. Dempster spoke to the audience stating that if corporations or private companies did what Government did they would be brought to court.

There was much discussion on the Unfunded Liability and Government's refusal to invest the pension fund.

The Pension Plan was legislated and not negotiated as Government has been stating.

### **Resolution:**

**Motion:** Move that NLPSPA take action to address the injustice by sponsoring an actuarial study and seeking an updated legal opinion on proceeding to legal action against the Government. Moved: B. Shallow, Seconded D. Wood.

There was much discussion on the resolution.

Motion **Carried**.

## NLPSPA: 22nd Annual General Meeting – Annual Report

### Background Items

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#### **Announcements**

The chair confirmed that there will be a press conference tomorrow and a rally to Confederation Bldg at 11:30 a.m. Transportation will be available for those who require it. Dress appropriate for walking and the weather.

There will be entertainment at lunch tomorrow and on Monday evening.

#### **Motion to Adjourn**

Move that this meeting adjourn to Sunday, October 16, 2011 at 7:00 pm. at the Capitol Hotel, St. John's to consider the receipt and approval of the Audited Financial Statements for 2010, to appoint the Association's auditor for 2011, and to conduct the election of Board Directors. Moved: B. Langdon, Seconded C. Rice.

Motion **Carried.**

Meeting concluded at 9:30 PM.

Meeting Minutes recorded by Eileen Hatch.

**NEWFOUNDLAND & LABRADOR PUBLIC SECTOR PENSIONERS' ASSOCIATION**  
**21<sup>st</sup> ANNUAL GENERAL MEETING (Part II)**  
**November 16, 2011**  
**7:00 P.M.**  
**Mount Pearl Hotel, Mount Pearl**

#### **Call to Order:**

The meeting was reconvened at 7:00 p.m. by Sharon Callahan. Sharron welcomed everyone to the continuation of the 21<sup>st</sup>. Annual General Meeting. She expressed a special welcome to Wesley Roberts, who was joining the meeting by teleconference from Pasadena, along with 12 members.

#### **Opening Remarks:**

Sharron thanked everyone for their patience during the intervening period from September 18 and for taking the time to come to this continued AGM tonight. She assured the audience that while the past two and a half months have been an extremely difficult and time consuming period for the Board, the business of the Association has functioned as it should. Many changes have been made, more are happening every day, and the Association is moving forward. Sharron also indicated that the Board was using the opportunity that had been provided by this interruption to make necessary corrections, to look forward to a new office structure, and most importantly to re-focus the Association on addressing the needs of the membership and considering new and better ways to reach out, engage, advocate, partner, and grow in strength and focus.

## NLPSPA: 22nd Annual General Meeting – Annual Report

### Background Items

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Sharron advised that this meeting was constituted as per Article V of the Association's Constitution and that the meeting had the specific purposes of:

- Receipt of the audited financial statements;
- Appointments of the auditor(s); and
- Conduct the election of the Board of Directors.

#### **Presentation of Audited Financial Statements:**

Tony Patey, Treasurer, presented the audited financial statements for the year ending 2010. He explained the differences in revenue over expenses and what the major contributing factors were to the closing balance. Tony further indicated that the Board acknowledges the Association had a problem with bookkeeping and standard office operating procedures, but the problems had been caught early and corrective measures had been implemented and are continuing. There is no indication that anything of an illegal nature had occurred, and that apart from being unable to account for an amount of less than \$3000 due to cash receivables, the affairs of the Association were as presented. Tony advised that the auditors had made certain recommendations to the Association and these were being considered and implemented as appropriate.

**Motion:** Move that the audited financial statements for 2010 be accepted as presented. Moved: R. Morris, Seconded R. Corbett.

Question: Could the Board be a bit more specific about the problems that occurred?

Answer: Tony explained the staff changes, how the problem was discovered, and how the audit process had unfolded.

Question: What staff are currently in the Office?

Answer: Tony explained that the former staff compliment of Office Clerk and Executive Director have changed, NLPSPA has two temporary workers who are doing accounting, bill payments, account postings, website, and managing the backlog of work.

A suggestion was made that we consider hiring an Office Administrator. John Downton complimented the Board of taking time to determine the best way forward and on their wisdom in decision making on a go-forward basis.

Question: Do we have another person in the Office?

Answer: Yes, we have a contracted consultant, who is managing the corrective actions and the change process. Her contract is for a defined purpose and period and she is helping us with advice on a go-forward staffing model.

Motion **Carried**. Opposed (recorded): Catherine Fagan, Honourary Board Director

#### **Appointment of Auditors for 2011:**

**Motion:** Move that the firm of Noseworthy Chapman be appointed as the auditors for 2011. Moved: J. Downton, Seconded R. Morris.

Motion **Carried**.

## NLPSPA: 22nd Annual General Meeting – Annual Report

### Background Items

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#### **Election of Board Directors:**

Tom Cooper, Chair of the Nominations Committee presented an update of the Committee Report. He thanked the Board Directors who were retiring and thanked those who had been nominated and agreed to let their names stand for election. Tom presented the slate of candidates and asked those present to stand when he called their name. He noted Geri Lutz was not present due to work commitments, but had received her indication that she still wished to be considered for election. Tom then called for further nominations from the floor (three nomination calls).

**Motion:** Move that nominations cease. Moved: Don Byrne, Seconded Frank Day. Motion **Carried**.  
**There being no nominations, Tom declared the slate elected: Al Skehen, Bob Corbett, Ralph Morris, Neil Hamilton, Doug Laing, Geri Lutz, Bernard Cook, Tony Patey, and Dave Dempster.**

**Motion:** Move the acceptance of the Nominations Report as presented. Moved: Tom Cooper, Seconded Tom Mills. Motion **Carried**.

Sharron then thanked Tom and all those who had assisted him in preparing the slate. She thanked those who were retiring from the Board this evening and welcomed those who had been elected, asking them to stay behind after the meeting for purposes of election of the Board Executive.

#### **Presentation of Coffin Economic Study of PSPP Fund:**

Sharron introduced Alison Coffin, who, on behalf of NLPSPA, had researched and authored the Report “Implications of Past Governments’ Actions on the Present State of the Pooled Pension Fund”. This report had been commissioned by the Association to determine the projected value of the Pooled Pension Fund on the premise that Government had matched employee pension contributions between 1967 and 1980. During the September 18 portion of the AGM, Tony Patey had spoken to this report and given the top line findings. The Board felt it would be appropriate to have Alison attend in person this evening and speak directly to the membership.

Alison’s presentation was well received and there were a number of questions for clarification.

**Motion to Adjourn:** Bill Shallow

Meeting adjourned at 8:15 PM

Meeting Minutes recorded by Sharron Callahan.



## **Financial Reports:**

1. Finance Committee Report
2. Financial Statements 2011

# NLPSPA: 22nd Annual General Meeting – Annual Report

## Financial Reports

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### Report of Finance

At the 2011 AGM, I stood and advised the membership that I could not present a financial statement as I was not satisfied with the statements that had been presented to me. They were riddled with questionable conclusions and anomalies and I did not believe that they reflected the Association's true financial position at the end of the 2010 fiscal year. In the interest of good stewardship I did not accept these statements and with the support of the Board requested an audit by an independent audit firm.

The Audited Statements were subsequently presented in November 2012 and I was pleased to report that we did not have a financial problem. The auditor told us that there is approximately \$2,500 that could not be accounted for. While that is not a large number, it was still \$2,500 and as such gave the Finance Committee major concerns with operations. The auditor told us in the management letter that this not unusual for a not for profit organization. The auditor is of the opinion that adequate internal controls are in place. However, we have further strengthened these. We have with respect to the review of monthly internal financial statements contracted an external accountant who will provide these statements and complete our monthly bank reconciliation. All internal accounting, such as data input re: invoices, cheques and all other accounts will be completed by a third person.

The 2011 audit has now been completed by Noseworthy Chapman and the results are printed in the following pages. Our overall revenue came in below projected by approximately \$30,000. The bulk of this projected short fall was in the area of the Convention where we had projected approximately \$50,000 in income and we received \$22,000. The Convention is a difficult project to forecast revenue in that you project based on what you hope will show. While we were able to cut expenses on the Convention from \$54,000 down to \$35,000 we were still faced with a \$10,000 loss. However our biggest over expenditure was in the area of Professional Services. Firstly this subhead includes a study we commissioned on the real cash position of the pension fund. This was completed by Allison Coffin and reported at the last AGM, an expensive but worthwhile report. Second, in 2011 we had a large audit bill which took us to the end of 2010. Third, we had legal bills as we followed a very careful path to resolve the issue with which we were faced. Fourth, we had the circumstance of being without staff just before the convention and getting ready for the audit so we hired professional staff to come in and assist. This professional services number will be dramatically reduced in 2012 as we now have staff in place and the requirement for outside professional help has been reduced. At year end, we are faced with a \$43,000 deficit. Not a bad deficit taking into consideration what we have been through, but nevertheless a deficit.

This deficit means that we took from savings to pay the bills during the year. Recognizing this as a position that we did not like, the Finance Committee brought in very strict spending rules for 2012 and with the full cooperation of the Board most of the loss has now been recaptured.

We look forward to an uneventful 2012.

Thank You

Finance Committee: Anthony Patey, Treasurer; Doug Laing; Bernard Cook; Dave Dempster

NLPSPA: 22nd Annual General Meeting – Annual Report  
Financial Reports

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**NEWFOUNDLAND & LABRADOR PUBLIC  
SECTOR PENSIONERS' ASSOCIATION**

**Financial Statements**

**Year Ended December 31, 2011**

# NEWFOUNDLAND & LABRADOR PUBLIC SECTOR PENSIONERS' ASSOCIATION

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Year Ended December 31, 2011

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Newfoundland & Labrador Public Sector Pensioners' Association

We have audited the accompanying financial statements of Newfoundland & Labrador Public Sector Pensioners' Association, which comprise the statement of financial position as at December 31, 2011 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

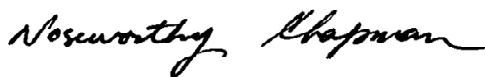
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

The Association derives revenue from conventions and Annual General Meetings as well as social events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to these items, excess of expenditures over revenues, current assets and net assets.

### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Newfoundland & Labrador Public Sector Pensioners' Association as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants  
St. John's, NL  
July 23, 2012

**NEWFOUNDLAND & LABRADOR PUBLIC SECTOR PENSIONERS' ASSOCIATION****Statement of Financial Position****December 31, 2011**

	2011	2010
<b>ASSETS</b>		
CURRENT		
Cash	\$ -	\$ 12,016
Guaranteed investment certificates	31,816	79,152
Accounts receivable	25,661	28,443
Prepaid expenses	1,930	-
	<b>\$ 59,407</b>	<b>\$ 119,611</b>
<b>LIABILITIES</b>		
CURRENT		
Bank indebtedness	\$ 6,003	\$ -
Accounts payable	19,175	46,413
Deferred income	4,167	-
	<b>29,345</b>	<b>46,413</b>
<b>NET ASSETS</b>		
Unappropriated net assets	<b>30,062</b>	<b>73,198</b>
	<b>\$ 59,407</b>	<b>\$ 119,611</b>

LEASE COMMITMENTS (*Note 5*)**ON BEHALF OF THE BOARD**\_\_\_\_\_  
*Director*\_\_\_\_\_  
*Director*

See notes to financial statements

**NEWFOUNDLAND & LABRADOR PUBLIC SECTOR PENSIONERS' ASSOCIATION****Statement of Changes in Net Assets****Year Ended December 31, 2011**

	2011	2010
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 73,198</b>	<b>\$ 107,867</b>
Deficiency of revenue over expenses	(43,136)	(34,669)
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 30,062</b>	<b>\$ 73,198</b>

**NEWFOUNDLAND & LABRADOR PUBLIC SECTOR PENSIONERS' ASSOCIATION****Statement of Revenues and Expenditures****Year Ended December 31, 2011**

	2011	2010
<b>REVENUE</b>		
Membership fees	\$ 145,816	\$ 90,318
Partnerships/advertising	49,999	48,334
Public relations	14,311	29,632
Convention and Annual General Meeting	22,847	23,576
Social events	3,846	1,938
Interest income	714	991
	<b>237,533</b>	<b>194,789</b>
<b>EXPENSES</b>		
Bank charges, interest and penalties	2,854	318
Business taxes	1,110	298
Convention and Annual General Meeting	35,364	41,417
Equipment rentals and purchases	2,321	1,950
Insurance	1,617	1,835
Miscellaneous	1,618	-
New Horizons	-	2,000
Office and administration	10,551	3,855
Pensioners meetings	5,746	4,823
Postage	13,878	12,387
Printing	7,119	8,709
Professional services	70,952	8,452
Public relations	30,036	56,122
Rent	9,940	8,990
Salaries and benefits	74,442	66,197
Social events	6,640	5,116
Telephone	4,254	3,648
Travel	533	1,647
Western Branch activities	1,694	1,694
	<b>280,669</b>	<b>229,458</b>
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	<b>\$ (43,136)</b>	<b>\$ (34,669)</b>



**NEWFOUNDLAND & LABRADOR PUBLIC SECTOR PENSIONERS' ASSOCIATION****Statement of Cash Flows****Year Ended December 31, 2011**

	2011	2010
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 243,768	\$ 168,693
Cash paid to suppliers and employees	(309,837)	(190,693)
Interest received	714	991
<b>DECREASE IN CASH</b>	<b>(65,355)</b>	<b>(21,009)</b>
Cash - beginning of year	91,168	112,177
<b>CASH - END OF YEAR</b>	<b>\$ 25,813</b>	<b>\$ 91,168</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ -	\$ 12,016
Guaranteed investment certificates	31,816	79,152
Bank indebtedness	(6,003)	-
	<b>\$ 25,813</b>	<b>\$ 91,168</b>

# NEWFOUNDLAND & LABRADOR PUBLIC SECTOR PENSIONERS' ASSOCIATION

## Notes to Financial Statements

Year Ended December 31, 2011

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### 1. DESCRIPTION OF BUSINESS

Newfoundland & Labrador Public Sector Pensioners' Association (the "Association") was incorporated under the Corporations Act of Newfoundland and Labrador on December 29, 1994 as a not-for-profit association. The Association's principal business activity is advocating on behalf of its members who are retired Provincial public sector employees.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Future changes in significant accounting policies

The following accounting standards have been issued by the Canadian Institute of Chartered Accountants (CICA) but are not yet effective for the Association. The Association is currently evaluating the effect of adopting these standards, which it expects to do in fiscal year 2012.

The Accounting Standards Board implemented Part III of the CICA Handbook Accounting Standards for Not-for-Profit Organizations effective January 1, 2012. The Association will be assessing the impact of the new standards on its financial statements over the next year. Early adoption is permitted for the new standards.

For years beginning January 1, 2009 or later, new Section 4470 requires that when allocations of fundraising and general support expenses have been made to other functions, the policies adopted for the allocation of expenses among functions, the nature of the expenses being allocated, and the basis on which such allocations have been made should be disclosed. In addition, the amounts allocated from each of these two categories and the amounts and the functions to which they have been allocated, should be disclosed. Management is currently considering the best means to comply with this requirement for their next year end.

#### Capital assets

The Association follows the practice of charging to expenditures the full amount of capital asset additions in the year of acquisition.

#### Revenue recognition

The Association follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

#### Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standard for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

# **NEWFOUNDLAND & LABRADOR PUBLIC SECTOR PENSIONERS' ASSOCIATION**

## **Notes to Financial Statements**

**Year Ended December 31, 2011**

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### **3. FINANCIAL INSTRUMENTS**

#### **Fair value**

The Association's carrying value of cash, guaranteed investment certificates, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

### **4. CAPITAL MANAGEMENT**

The Association's objective when managing capital is to ensure its ability to meet operating commitments as they become due. This is achieved primarily by continuously monitoring its actual and projected cash flows and making adjustments to capital as necessary.

### **5. LEASE COMMITMENTS**

The Association leases premises under a long term lease that expires April 2014. The Association is required to pay a base rent of \$1,224 which includes its appropriate share of utilities, property taxes, maintenance and other related costs for the leased premises.

NLPSPA: 22nd Annual General Meeting – Annual Report  
Presentations and Adoption of Annual Report

**Presentations and Adoption of Annual Report:**

1. NLPSPA President's Annual Report
2. New NLPSPA Logo
3. Nominations/Awards Committee Report

## NLPSPA: 22nd Annual General Meeting – Annual Report Presentations and Adoption of Annual Report

### **2012 President's Annual Report:**

The past twelve months since the 2011 Annual General Meeting has been a time of renewal, reorganization, and repositioning for the Newfoundland and Labrador Public Sector Pensioners' Association (NLPSPA). Following the intense public awareness campaign and series of pensioner meetings in key locations across the Province during 2010 and 2011 leading up to the date of the provincial election, it became abundantly clear that the Association needed to regroup and set a new direction on actions to increase public support for the issues of pension remediation that have been articulated for the past 22 years if the membership can expect the Government of Newfoundland and Labrador to change its entrenched position on pension reform and improvement. This repositioning included an extended outreach to groups representing other pensioner groups and seniors, increasing the visibility of the Association as a credible advocate on issues and benefits for all seniors, developing a new image for the Association that would be energetic, powerful, and contemporary, and rebuilding the operational staff support and physical premises of the Association Office to ensure the fiduciary accountability and stewardship of the Association's resources. On an ongoing basis, the Board of Directors continued its usual mandate of membership outreach and support; management of staff, property, and fiscal resources; advocacy; advisement to Government on pension investment and group insurance; and Board growth and development.

At this time, I offer a sincere thank you to the members of the Board and our Committees, including the member associations of the Pensioners' Coalition, and the additional affiliated member associations that are mobilizing under the leadership of NLPSPA to increase the voice of pensioners and seniors. Special thanks are offered to our staff, consultants and contracted persons who worked with us over the past year, and those association members who came forward when a particular task needed to be done and gave freely of their time and efforts to meet certain commitments. Your work and dedication are very much appreciated. We have had somewhat of an unusual year, resulting in turnaround of direction and the development of a new focus. The Association is now well positioned for future action.

At this time, I will highlight some of the key happenings of the past year:

### **NLPSPA OFFICE:**

**Staffing)** Following last year's Annual General Meeting and Convention, the Board of Directors engaged the services of an external consultant with a specialty in Human Resources development to undertake an examination of all office and business procedures that NLPSPA had in its history and to offer for consideration an alternative staffing model. Temporary staff persons were hired while this review was underway and after considering the organizational structures of like organizations, a new position of Office Administrator was approved by the Board, which combined the former positions of Office Clerk and Executive Director to one full time position. A position description was developed and the recruitment process was initiated in December 2011. This position description was later revised to an Administrative Assistant; NLPSPA is pleased to welcome Cheryl Myers into this

## NLPSPA: 22nd Annual General Meeting – Annual Report

### Presentations and Adoption of Annual Report

position. In addition, the Board instituted a service contract with an external source for oversight of payroll, accounts payable and receivable, deposits, and account balances. Also, an additional arrangement has been instituted by the Finance Committee to have bank reconciliations done externally from the office. This revised structure seems to be serving the Association well and is reviewed on a regular basis by the Board.

**Summer Student)** This past summer, we were successful in obtaining a grant to hire a post-secondary student through the 2012 Canada Summer Jobs Program of Service Canada. A position of Membership Support and Records Management Officer was created with the responsibilities of updating members' profile information to include email addresses and confirm accuracy of profile information; determining members' satisfaction with advocacy actions of NLPSPA; soliciting identification of members' concerns; completing an inventory of hard copy files; establishing a hard copy filing system for current and archived records; and, providing other general office support as required. We hired Kaitlin Hayward on June 25 for an eight week period to August 17, 2012. We wish Kaitlin well in her continuing studies.

**Office Renovations)** For some time, it has been obvious that the Association's office was inadequate, needing additional space, refurbishing, and improvement of the overall work site to provide a more comfortable and safe environment for staff and to better service our membership. In December, the Board approved a modest increase in rent and we were able to acquire the adjoining suite. Over the Christmas holiday period, the Board undertook some renovations of our current and newly acquired space, removing a lot of dilapidated furniture and items that had been collected and stored over the past 22 years, reallocating space and presenting a refreshed new look. The office capacity now includes an Administration/Reception Area, Management Office, Board Room and Project Office.

### **PENSIONERS' COALITION**

Following the provincial election of last October, the Pensioners' Coalition undertook an immediate de-brief of our election strategy to confirm commitment to the continuation of the Coalition and to determine next steps. All Associations in the Coalition confirmed their commitment to continue to work together to pressure Government to resolve our pension concerns.

At a reasonable time after the election, official communications with the Minister of Finance were undertaken, but with regret I advise that the Minister has rejected further meetings, saying "further discussions would not alter government's position on these issues". So as not to be deterred, Ralph Morris and Robert Langdon attended the Pre-Budget Consultations on behalf of the Coalition. As expected, pensions were attacked at the consultation by the Employers Council and the Council of Independent Businesses. Our representatives challenged the audience by bringing our long standing issues to the floor and after the meeting engaged in a spirited debate with the Minister outside the meeting in the presence of the media.

## NLPSPA: 22nd Annual General Meeting – Annual Report

### Presentations and Adoption of Annual Report

On a positive note, the Coalition has added a new member organization, Silver Lights, representing pensioners from NL Hydro/Nalcor. Over the year, various letters have been written to newspapers, some have been published and others have not, and calls continue to radio talk shows.

A Think Tank session was held in January 2012, wherein the Coalition decided to extend its reach to other affiliated pension groups, including social clubs representing seniors and federal pension associations. Given the changes to federal social security programs and rumors of other provincial and federal program changes that would have an impact on all pensioners and seniors, the objective was to engage more groups into the advocacy action and build our credibility with the general public. Work is ongoing to develop the terms of reference for this extended affiliation of associations.

I continue to message and update the contact persons in the communities Ralph Morris and I visited during the 2011 election strategy. A request for these contact persons to be more widely engaged in the dissemination of information has been accepted from some locations.

### GOVERNANCE

Since the last Annual General Meeting and election of new Board Directors, a Think Tank Session was held in January to orient the new members, to confirm work plans for the upcoming year, to articulate the production of a new Strategic Plan, and to establish the next year's standing committees.

On May 17, 2012, the Board of Directors approved a renewed Strategic Plan for the Association that will take us forward to 2015. The new priorities are: Pensions and Insured Benefits; Membership Growth and Support; Communications; and, Leadership and Advocacy. Each strategic priority has an established goal and various objectives to achieve that goal. To view the Strategic Plan 2012-2015 in detail, visit the NLPSPA website at [www.nlpspa.ca](http://www.nlpspa.ca)

One of the most exciting happenings for the Association this year has been the development of a new logo. Through the generosity and support of Anthony Insurance and the expertise and skills of Upstream Marketing, a vibrant, exciting, energetic, and contemporary logo has been developed that captures the themes of strength, forward vision, credibility of action, and unity. The new logo is being officially launched at this Annual General Meeting. See the front cover of this Annual Report.

### RESOLUTION 2011 (David Dempster)

At the 2011 Annual General Meeting, a Resolution was presented by Bill Shallow on behalf of Rick Bouzan, seconded by Doug Wood.

“Be it RESOLVED that NLPSPA take all action to address this injustice by sponsoring an actuarial study and seeking an updated legal opinion on proceeding to legal action against the Government.”  
The motion carried.

## NLPSPA: 22nd Annual General Meeting – Annual Report

### Presentations and Adoption of Annual Report

Prior to and addressing this Resolution, an actuarial study had been commissioned from Alison Coffin B.A. (Honours) (MUN), M.A. (York), an economics professor at Memorial University, that provided a projection of the value of the Pooled Pension Fund based on the premise that Government had matched employee pension contributions between 1967 and 1980 and the balance of those contributions minus pensions paid was invested. That study was presented to the membership at the 2011 AGM.

With respect to seeking an updated legal opinion on proceeding to legal action against Government, David Dempster who had represented the Public Sector Managers' Association on the Pensions Coalition during 2000-2001, was asked to direct this legal examination. An original legal opinion referred to in the Resolution was submitted by Randell Earle Q.C. in 2001 along with a draft Statement of Claim that had been prepared for use should an action be taken in the Supreme Court of Newfoundland Trial Division against the Government of Newfoundland and Labrador.

The legal opinion (2001) was stated thus:

"We caution that this action is not a panacea. There is case law out there which runs contrary to the position we have been taking, but the law is developing, particularly in the area of fiduciary duty. As well there are issues of limitation periods. It is possible, for instance, that the effect of this action will be restricted to as little as a two year period prior to the issuing of the Statement of Claim.

On the other hand while Government will no doubt assert that our action is frivolous, we are of the view that this action is not frivolous and that there are significant issues to be litigated, particularly in the area of the failure to pay in amounts in respect of which it is acknowledged that Government is liable to the Pension Plan. In this respect we would appreciate it very much if we could be supplied with the information that summarizes Government's default in making contributions to the plan and any favourable borrowings which they have made from the plan."

On February 13, 2012, David Dempster contacted Randell Earle Q.C., and identified himself as calling on behalf of the NLPSPA with respect to the legal opinion he had given on this matter in 2001 to ask if he was aware of any court decisions since then that might strengthen the NLPSPA claim that the Government should make significant additional contributions to the Public Service Pension Plan Fund.

He said that to the best of his knowledge, there had not been any such court decisions. He also advised against any legal action as, in all probability, the courts would refuse to hear it due to the time limitations. Two additional lawyers were also contacted and neither was inclined to advise NLPSPA to consider this matter further.



## NLPSPA: 22nd Annual General Meeting – Annual Report

### Presentations and Adoption of Annual Report

#### **MEMBERSHIP (Robert Langdon, Chair)**

The Provincial Membership Committee is a Standing Committee of the Association established by the Board of Directors of the Newfoundland and Labrador Public Sector Pensioners' Association (NLPSPA) to grow the membership of the Association and to establish a network of Branches and local Chapters throughout the province.

The committee was established in February 2012 and has met 8 times to date. The Committee included: Bob Langdon, (Chair), Geri Lutz, Al Skehan, and Pat Roberts. A work plan was adopted by the committee on the basis of the following principal objectives: (a) reaching out to the 6100 current members with a focus on increased and active participation by regular members, and (b) increasing membership in the Association through various means. These objectives were pursued by the committee as follows:

1. Terms of Reference for the committee were revised and approved by the Board in May 2012.
2. The committee met with staff to review and familiarize its members with the membership data base. Suggestions were made to modify the database.
3. A new membership information and application form was developed.
4. The committee was instrumental in contacting members who attended regional pre-election meetings during 2011. It is hoped that a network of regional branches can be established. A follow-up will be made during the Annual 2012 Convention in Gander.
5. A membership information and application desk will be staffed during the Annual Convention in Gander.
6. The committee supports the value of affiliate memberships as one means of achieving membership growth in the Association.
7. The committee provided support and feedback on the development of a new logo and acronym design for the Association.

Thanks are extended to the President, incoming President and committee members for their support.

#### **WESTERN BRANCH (Wesley Roberts)**

The Western Branch held its annual summer barbecue during June month. The event was attended by thirty five members and was enjoyed by all. While the event was great, the members sadly missed the presence of Keith Ambler and John White who had passed away since our last gathering. Both deceased gentlemen were founding members of our Branch. We offer our deepest sympathies to their loved ones.

## NLPSPA: 22nd Annual General Meeting – Annual Report

### Presentations and Adoption of Annual Report

#### **STATUS OF MEMBERSHIP**

As of August 22, 2012, the Association is showing a count of 6308 regular members and 184 affiliate members, for a total membership of 6492. While our membership count is fairly stable with certain periods of growth and decline, we are developing a wide circle of affiliated organizations also with considerable membership voice, which will ultimately achieve our organizational objective of being the leading pensioner association of influence in the Province on matters of public policy that affect members and other pensioners.

This year, our usual opportunity for a significant growth spurt due to Government's inclusion of our AGM/Convention flyer in the June pension account statements was taken away. We were given the reason as being an equipment malfunction that could not ensure the privacy of individual recipients by including both the pension statement and our flyer together. Despite protests and a direct ask to Government for a separate mail-out, our request was denied.

#### **REPORT OF THE PENSIONS INVESTMENT COMMITTEE (Doug Laing)**

##### **For the Year Ended December 31, 2011**

The Pensions Investment Committee (PIC) for the Newfoundland and Labrador Pooled Pensions Fund (the Fund) is appointed by the Trustee, the Minister of Finance. The mandate of the PIC is to review, monitor, administer and supervise the investment activities of the Fund. The PIC is responsible for meeting with fund managers and consultants to review performance against investment targets set out in the investment policy. The PIC may make recommendations to the Trustee in respect of the hiring and dismissal of fund managers and consultants. The PIC approves the investment policy for the Fund setting out goals for the investment and long term target asset mix for the Fund and compliance with regulatory restrictions. It is responsible for approval of the annual financial statements and reviewing the response to the auditor's management letter, if any. The PIC is responsible for reviewing actuary reports which are prepared for the various plans making up the Fund.

The PIC consists of 15 members made up of Government officials and representatives of various stakeholder groups, including the Newfoundland and Labrador Public Sector Pensioners' Association. During 2011, the PIC met with fund managers and consultants to review their performance against the benchmarks established by the investment policy.

Also a Global Market Strategy was approved in 2011. The PIC will oversee the transition to the global strategy in 2012. During 2011, the committee carried out its mandate with respect to the requirement for an annual review of the investment policy, the review and approval of the annual financial statements, the review and response to the auditor's report and response thereto.

## NLPSPA: 22nd Annual General Meeting – Annual Report

### Presentations and Adoption of Annual Report

As at December 31, 2011 the total value of assets in the Fund was \$6.0 billion compared with \$6.5 billion in 2010. The unfunded liability was calculated at \$4.6 billion at December 31, 2011, an increase of \$1.1 billion during the year.

Seventy- five percent of the Fund was invested in equities in Canada, the United States and world markets. There was considerable uncertainty in Canadian and world markets during 2011 as the debt crisis in Europe threatened to push world economies back into recession. During the year market value of the Fund declined by 4.2%, 2.5% less than the benchmark.

Investments in fixed income bonds and real estate, 20% and 3% of the Fund respectively, fared much better. The rate of return on fixed income investments was 8.7% up from 7.4% the previous year. The Fund's real estate investments are administered through a wholly own subsidiary, Newvest Incorporated. Newvest reported real estate assets of \$286 million at December 31, 2011 compared with a portfolio of \$240 million at the end of 2010. The Corporation reported income of \$30.9 million for a rate of return of 11.8% for 2011 compared with income of \$21.6 million in 2010. The real estate portfolio exceeded its benchmark by 1.2% for the year.

The negative performance of the Fund experienced during 2011 is expected to be short term and will not have a long term effect on goals set by the PIC. Since inception, the Fund has earned a rate of return of 9 % compared with the bench mark rate of 7.25%.

***During 2011 the Fund paid \$519 million in pension benefits. Total administration costs incurred during the year were \$17,284,000 including \$ 13,785,000 paid to consultants and fund managers. There were 68,276 active members of the Fund at December 31, 2011 and 24,710 pensioners.***

The volatility present in world markets in 2011 continued into 2012. However, despite the uncertainty the value of the Fund increased by \$79 million to \$6.079 billion at June 30, 2012. The rate of return was 3.08% year to date.

An asset and liability study to evaluate the appropriateness of the existing asset mix and investment goals will be completed in 2012. Revised governance practices will be recommended to the Minister.

In March 2012 the Association's nominee Doug Laing had been appointed as the Association's representative to the Pension Investment Committee (PIC) replacing Eric Salter. The Association thanks Mr. Salter for his years of service as the Association's representative on the Committee.

**NLPSPA: 22nd Annual General Meeting – Annual Report**  
**Presentations and Adoption of Annual Report**  
**Group Insurance Advisory Committee Report (David Dempster)**

As a recently retired public sector pensioner, it was a great pleasure to be elected to serve on the Board of the NLPSPA and further to be asked to serve as the Association's representative on the Group Insurance Advisory Committee (GIAC). The experience I bring to this position is the many years that I represented the Public Sector Managers' Association (PSMA) on the GIAC and worked closely with the NLPSPA and Union representatives on that committee.

The role of this committee is to provide advice to the policyholder, the Provincial Government, through the Minister of Finance and to assist in the effective management of the Group Insurance Plan by monitoring the performance of the Plan and the insurance company administering it.

In 2012, the Group Insurance Plan was renewed effective April 1, with the new premium rates being implemented on June 1, due to Government's recent policy change related to generic drug pricing. The new policy created savings for the Group Insurance Program and these savings were passed on to plan participants.

For all Retiree Participants over the age of 65, the following were the key changes made by Government on renewal:

**Supplementary Health Insurance**

- The aforementioned change in policy related to generic drug pricing enabled Government to reduce the supplementary health premium by 11.8% while maintaining all plan benefits at their existing levels.
- The supplementary health insurance premium includes travel insurance. There was a 38% increase in the travel portion of the premium due to a significant rise in travel and associated claims. That increase represented approximately 0.3% of the total supplementary health premium. Therefore, the combined supplementary health and travel insurance was a decrease of 11.5%.
- Effective June 1, 2012, semi-monthly payroll deductions for supplementary health insurance, including travel insurance, decreased by \$2.41 for single coverage and \$6.13 for family coverage making the new semi-monthly deductions for supplementary health insurance \$18.64 for single coverage and \$47.15 for family coverage.

**Optional Dental Insurance**

- Prior to June 1, dental expenses were reimbursed based on the 2009 Newfoundland and Labrador Dental Association Fee Guide. With effect from June 1, they were reimbursed based on the 2011 Fee Guide. This change resulted in an increase of 12.4% to the dental premiums.
- Effective June 1, 2012 the semi-monthly payroll deductions increased by \$1.55 for single coverage and \$3.42 for family coverage, making the new semi-monthly deductions for dental coverage \$14.07 for single coverage and \$30.99 for family coverage.
- For all Retiree Participants under the age of 65, the foregoing changes applied and in addition to the following:

## NLPSPA: 22nd Annual General Meeting – Annual Report

### Presentations and Adoption of Annual Report

#### **Basic and Dependent Life Insurance**

- The premium rate for Basic Life Insurance, which had not changed since 2006, increased by 30.4%. This increase resulted from significant growth in claims experienced since 2006.
- For members with Family Health coverage, the Dependent Life premium rate also increased by 30.4%.
- The increase in Basic Life semi-monthly deductions depends on the participant's pension level. For example, semi-monthly deductions for a participant with an annual pension of \$50,000 and a \$100,000 of Basic Life Insurance coverage increased by \$1.10.
- The flat semi-monthly Dependent Life premium per member increased by \$0.12 from \$0.42 to \$0.54.

#### **Other Group Insurance Benefits**

All other benefit rates remained unchanged for the 2012/2013 policy year including:

- Optional Participant Life Insurance benefit;
- Optional Spousal Life Insurance benefit;
- Basic Accidental Death and Dismemberment benefit;
- Optional Accidental Death and Dismemberment benefit.

While this report highlights the most important aspects of the renewal changes, all details of the plan are available on the Government of Newfoundland and Labrador website at:

[http:// www.exec.gov.nl.ca/exec/pss/working\\_with\\_us/employee\\_benefits.html](http://www.exec.gov.nl.ca/exec/pss/working_with_us/employee_benefits.html)

#### **OTHER COMMITTEES**

**Newsletter Committee:** The association continued to publish newsletters during the year. Winter, Spring and August 2012 editions were prepared and published and are always welcomed by the membership. Many compliments have been received on the colored cover pages and interesting articles. Thanks to Ralph Morris, Bob Corbett, Pat Roberts, Liz Dawe, and staff for overseeing the production of the newsletters.

**Finance Committee:** The Finance Committee, under the direction of Treasurer Tony Patey has been busy this year overseeing the budget of the Association, the annual audit, and ensuring financial accountability processes were in place and followed. In addition to Tony Patey (Treasurer), the committee included Dave Dempster, Doug Laing, and Bernard Cook.

**Pension Action Advisory Committee:** This Committee (David Dempster) was tasked with one particular piece of work this year, to follow-up on the Resolution passed at the 2011 AGM that NLPSPA take all action to address the injustice of pension plan management by Government by sponsoring an actuarial study and seeking an updated legal opinion on proceeding to legal action. The legal follow-up was directed by David Dempster and is reported elsewhere in this report.

## NLPSPA: 22nd Annual General Meeting – Annual Report

### Presentations and Adoption of Annual Report

**Convention Planning Committee:** This was an extremely busy committee this year. Meetings were held regularly, often once-twice monthly. The Convention was moved to Gander to increase member outreach beyond the metropolitan area of St. John's and has included an expanded delegate outreach to all pensioners, seniors, and other citizens with an interest in the issues under discussion. The theme for this year's convention is ***Strength in Unity: A convention that defines financial security, social well being, and challenges in retirement.*** The Convention is offering a variety of topics of interest, including a panel presentation on "Pension Issues of the Day", a session on Affordable and Social Housing and Homelessness Amongst Older Persons, a session on the Myths and Truths about Long Term Care, and another on Senior's Security. The highlight of the Convention will be the keynote address by MP Irene Mathyssen, the NDP Critic on Pensions in the House of Commons. A special thank you is extended to Bob Langdon, Neil Hamilton, Ethel Dempsey, Berkley Reynolds, Bob Corbett, Ralph Morris, Tom Mills, Francis Reid, Sharron Callahan, and Pat Roberts for all their hard work in delivering what will be an awesome event.

**Inactive Committees** this year were: Constitution, Health, Advocacy, and Communications. These will be considered in next year's work plan of the Board.

### **CORPORATE PARTNERSHIP**

The Association's relationship with Anthony Insurance continues and is definitely a financial asset for our members. The partnership has provided a sustained funding source for the past four years so that the Association is able to engage in activities to better the well-being of our members while at the same time providing a market opportunity for Anthony Insurance to offer an exclusive benefits package to members of NLPSPA. This relationship has proven mutually beneficial to both parties. The agreement between NLPSPA and Anthony Insurance is due for review in 2013.

This year, through the generosity and support of Anthony Insurance and the expertise and skills of Upstream Marketing, a vibrant, exciting, energetic, and contemporary logo has been developed that captures the themes of strength, forward vision, credibility of action, and unity. Anthony Insurance has also made provision for NLPSPA to utilize the skills of Upstream Marketing to design a new membership card that will be distributed in the Fall.

### **SOCIAL ACTIVITIES**

The Board sponsored a well attended Christmas Dinner and Dance in December 2011 at the K of C on Ricketts Road. A date and venue has already been set for 2012.

## NLPSPA: 22nd Annual General Meeting – Annual Report Presentations and Adoption of Annual Report

### **BOARD OF DIRECTORS**

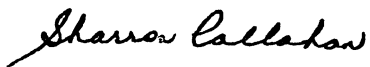
At this time, I offer a special note of thanks to those members of the Board of Directors who will not be seeking re-election to the Board at this AGM: Ann Bell and Tom Mills. I extend a warm welcome to those members who will be elected to the Board of Directors this evening. I wish you much enjoyment during your term and satisfaction that you are contributing to the sustained well being of those former public servants who contributed to the development of this Province during their employment years.

### **CONCLUSION**

Within the next ten days, I will complete my term as President of the Newfoundland and Labrador Public Sector Pensioners' Association. I am pleased to welcome Ralph Morris as your incoming President. My term has been both challenging and rewarding and while I will continue on the Board for another year as Past President, I am confident the Association has successfully come through a difficult period, is well on the road to recovery, and has forged a new direction. I leave you with a legacy of transformation that I trust will have positioned NLPSPA to be a powerful advocacy agent for the rights of pensioners, regardless of their place of former employment, seniors, and other citizens who have issues with the attack on retirement and health benefits we have all worked so hard to achieve and to which we have an inherent right.

It has been my privilege to serve public sector pensioners in this Province.

Enjoy the 2012 Convention.



President

## **ANNOUNCING.....OUR NEW LOGO!**



The lighthouse is an enduring symbol of strength and guidance. It is a symbol with which Newfoundlanders and Labradorians share a powerful historical connection.

While rooted in our shared past, the logo is also contemporary, employing a cool and confident color palette and a powerful, geometric design.

The light itself which shines first onto the NLPSPA acronym, but then is circular and reaching out, represents the single, united voice of the Association, boldly projected towards the future.

This logo was approved by the Board of Directors on July 3, 2012, with an official release date of the Annual General Meeting.



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**NOMINATIONS/AWARDS COMMITTEE**

**REPORT TO THE ANNUAL GENERAL MEETING 2012**

The objectives of the Nominations/Awards Committee are threefold: to recruit and present a slate of nominees for election to the Board of Directors; to recruit and maintain a pool of qualified and interested candidates for membership on various Board committees; to facilitate appropriate recognition of individuals who have made a significant contribution to the well being of public sector pensioners.

**Nominations:**

In preparation for the election of new Board Directors to replace those members retiring at the Annual General Meeting, the Nominations Committee has undertaken many invitations via the Association newsletter, website, and email circulation for nomination of potential Board Director candidates 2012.

As Chairperson of the Nominations/Awards Committee, it is my privilege to submit for the consideration and approval of the members attending the 2012 Annual General Meeting a slate of candidates who have indicated their willingness to serve on the Board of Directors of the Association.

Two members of the current Board of Directors have completed one three year term and have chosen not to seek re-election for another term, creating two vacancies on the Board. The current President is completing her two year term as President and she will be remaining on the Board for one additional year as Past President. Nine other current members of the Board are not required to stand for election this year. Since the NLPSPA Constitution provides for a Board of Directors of twelve members (12), plus the Western Branch President and the Past President, **three positions** are available for new Board Directors.

Immediately following this AGM (within 10 days), the Past President will convene the Board of Directors to elect the Executive members for the upcoming year and to confirm Ralph Morris as the incoming President, who will begin his two year term as President

On behalf of the Board and the Nominations Committee, I would like to thank the following Board Members who are retiring this evening for their years of service and dedication to the Association and its membership:

1. Ann Bell
2. Tom Mills

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### Presentations and Adoption of Annual Report

As a special note, the Board of Directors notes the recent advisement that Tom Mills has been named a recipient of a Memorial University of Newfoundland Alumni Humanitarian Award for Outstanding Community Service. This award acknowledges alumni who have given of themselves to improve the lives of people and their communities and we concur that Tom Mills is a most deserving recipient of this Award. Presentation of this award will take place on October 11. Congratulations, Tom.

Those remaining on the Board are the following:

1. Sharron Callahan (Past President-1 year only);
2. Bernard Cook;
3. David Dempster;
4. Neil Hamilton;
5. Doug Laing
6. Geri Lutz;
7. Ralph Morris;
8. Anthony Patey;
9. Wesley Roberts;
10. Al Skehan.

The Committee is pleased to present the following slate of candidates seeking election to the Board of Directors. In addition to bringing forth the names of people who have indicated their intention to seek election to the Board for a three year term, the Nominations/Awards Committee invites nominations from the floor at this Annual General Meeting.

1. **Craig Hall.** Craig resides in Gander and retired from the public service after a 40 year career, spanning the Department of Education and the Department of Natural Resources. He retired in 2008 as the Manager of Finance and Human Resources with Natural Resources, having worked previously with the Department of Education, (CONA -Trades Schools) in St. John's, Happy Valley, and Placentia. Craig is a CGA and has served on the Board of CGA Association for 3 terms, has been volunteer treasurer with the Thomas Howe Forest Foundation for 4-5 years, now serving as a Board Director and Vice-Chair. He is currently President and Chair of the Gander Co-op. In his spare time, Craig enjoys hunting, fishing, travel, and spending time with family.
2. **Craig Pendergast.** Craig lives in the Goulds. He retired in 2009 from the position of Classification Officer at Her Majesty's Penitentiary. Craig had a 35 year career in Corrections, having worked as a correctional officer for 8 years before transferring into classifications. Craig enjoys hunting, fishing, gardening, travel, and sports. He is particularly interested in politics and advocacy and is interested in joining the Board to utilize his interest and passion for fair and equitable treatment for retired public sector workers.

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- 3. Robert (Bob) Langdon.** Bob lives in St. John's and has a long affiliation with the NLPSPA, having served as a Board Director and President of the Association. During his career, Bob was a Manpower Training Consultant for the Government of Canada in NL, PEI, and NS, and ADM with Manpower NL and ADM with Occupational Health & Safety. He retired from the provincial civil service in 1991, as Special Adviser to the Government on Occupational Health & Safety. Bob has been involved with many Boards and Committees, including the Lung Association, St. John Ambulance, Canada Safety Council, Newfoundland Safety Council, CNIB, and many more.

Submitted by:

Bernard Cook & Sharron Callahan

Nominations/Awards Committee

*Appendices:*

*1. Appendix A – Constitution*

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### Newfoundland & Labrador Public Sector Pensioners' Association

#### Constitution - 2010

##### Article I, Name, Authority, Location

1. The name of the organization shall be the Newfoundland & Labrador Public Sector Pensioners' Association, hereinafter referred to as the Association.
2. The Association shall have and possess exclusive jurisdiction over all of its affairs.
3. The Association may, from time to time, adopt a badge or emblem.
4. The Registered Head Office of the Association shall be located in the City of St. John's, in the Province of Newfoundland and Labrador, the specific location of which shall be determined by the Board of Directors.
5. The Association has been incorporated under the terms and conditions of *the Corporations Act* of Newfoundland and Labrador. A Certificate of Incorporation was issued out of the Registry of Companies containing the Articles of Incorporation dated December 29, 1994, and has been deposited in the official file of the Association located at the Registered Head Office of the Association. The Association's Registered Corporate Number is 34545-94.

##### Article II – Objectives

The objectives of the Association are:

1. To unite public sector pensioners who are eligible for membership in the Association.
2. To promote the interests of public sector pensioners by providing a medium for collective action.
3. To advocate on behalf of public sector pensioners to Government regarding the interests of Members.
4. To promote, organize or participate in activities that are in the best interests of Members.

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Article III - Membership

1. Membership shall consist of two classes, being: (a) Voting Members and (b) Non-voting Members.
  - (a) Voting Members are
    - (i) those persons who are in receipt of a Provincial Public Sector Pension or who are surviving spouses of such persons, and who have completed and signed the Association's application for membership form; and ,
    - (ii) Founding Members who were present at the founding meeting of the Association who have paid the prescribed membership dues;
  - (b) Non-Voting Members are either:
    - (i) Affiliate Members who are those persons who are those provincial public sector employees and who are eligible to retire within five (5) years and who have completed and signed the Association's application for membership form and paid the prescribed membership dues;
    - (ii) Associate Members are spouses of Voting or Affiliate Members and are not required to complete the Association's application for membership form;
    - (iii) Honourary Members are those persons whom the Association has, by resolution passed at an Annual General Meeting, been granted a life-time membership as a result of their significant contribution to the well being of public service pensioners; and
    - (iv) Such other classification of Members that the Board may deem desirable.
3. All Non-Voting Members shall be eligible to attend all Annual General Meetings and social functions and may serve on committees subject to the approval of the Board of Directors.
4. Membership dues shall be determined from time to time by the Annual General Meeting on recommendation of the Board of Directors. No membership fees shall be assessed Associate and Honourary Members of the Association.

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### Article IV - Governing Authority

1. The Association, in Annual General Meeting, shall be the legitimate source of all authority in the Association.
2. When the Association is not in Annual General Meeting, the Board of Directors shall be the governing body of the Association.
3. The Board of Directors shall exercise supervision over all matters which may affect the interests of the Association, and endeavor to further any action decided upon by the Association in Annual General Meeting, or such other action as the Board of Directors may deem advisable which is not in conflict with this Constitution.

### Article V- Annual General Meeting

1. There shall be an Annual General Meeting of the Association which shall be a meeting of the Board of Directors and Members of the Association.
2. The Annual General Meeting shall be held at a time and place to be decided by the Board of Directors and not later than ten months after the end of the fiscal year.
3. The Board shall give notice of the date of the Annual General Meeting at least thirty (30) days prior to such Meeting.
4. No error or omission in the content of any notice of the Annual General Meeting shall affect such meeting or invalidate the proceedings.
5. The business to be transacted at the Annual General Meeting must include:
  - (a) adoption of the Minutes of the previous Annual General Meeting;
  - (b) receipt of the Annual Report of the Board of Directors;
  - (c) receipt of Committee Reports;
  - (d) receipt of the Treasurer's Report;
  - (e) receipt of the Audited Financial Statements;
  - (f) appointment of auditor(s)
  - (g) receipt of the Nominations Committee Report and election of Board Directors

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- (h) any other matter specified in the notice convening the meeting.
6. Thirty (30) Voting Members, including the Members of the Board, shall constitute a quorum for an Annual General Meeting. No business shall be transacted at an Annual General Meeting unless a quorum is present. If a quorum is not present, the meeting shall be adjourned to a date not more than fifteen (15) days thereafter and the decisions of that meeting shall be binding upon the Association regardless of the number present, provided that sufficient notice of the adjourned meeting has been reasonably distributed through the media throughout the province.
  7. The Board may submit its own resolutions to the Annual General Meeting. Those resolutions shall be circulated to the membership thirty (30) days prior to the Annual General Meeting via the Association's Newsletter and website.
  8. Voting Members of the Association may also bring matters before the Annual General Meeting for consideration by means of pre-submitted resolutions to be circulated to the membership thirty (30) prior to the Annual General Meeting via the Association's newsletter and website, or resolutions shall be in written form and distributed at the beginning of the Annual General meeting.
  9. The Chairperson for the Annual General Meeting may be a Voting or Non-Voting Member, or other designated person, as determined by the Board of Directors.
  10. The Chairperson for the Annual General Meeting, if a Voting Member, shall only be entitled to debate on an issue under discussion by relinquishing the Chair to a another Voting Member until the issue is disposed.
  11. All votes shall be by show of hands unless any member requests a vote by written secret ballot.
  12. Unless otherwise required by the Constitution, every motion shall be decided in the Annual General Meeting by a majority vote of those present and entitled to vote. If the result of the vote is a tie, the motion shall fail.
  13. The Chairperson for the Annual General Meeting, if a Voting Member, shall only be entitled to vote if:
    - (a) the vote is by written secret ballot; or
    - (b) the Chairperson's show of hands vote will change the result of the vote.



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#### Article VI - Special Meeting

1. The President of the Association, upon written request of at least fifty (50) Voting Members of the Association, shall call a special meeting of the Association at any time, providing thirty (30) days prior notice of the date, time and place of such meeting is given to the Board and the Members of the Association.
2. Thirty (30) Voting Members, including the Members of the Board of Directors, shall constitute a quorum for a Special Meeting of the Association.
3. At a special meeting of the Association, the only business which may be dealt with shall be that which has been announced in the notice calling the meeting.

#### Article VII - Board of Directors

1. The management of the Association shall be vested in a Board of Directors consisting of twelve (12) voting Members to be elected at the Annual General Meeting and those provided for in Article VII, Section 8 (Past President) and Article XI, Section 4 (Branches).
2. All Members of the Board of Directors shall be nominated and elected by the Association at the Annual General Meeting.
3. All nominees shall be Voting Members of the Association, be present at the meeting in which they are nominated or indicate in writing to the Nominating Committee their willingness to stand for election.
4. The first meeting of the newly elected Board of Directors shall be convened within ten (10) days following the Annual General Meeting by the serving or outgoing President or, in his/her absence, by the most senior officer of the previous Board.
5. The Board of Directors shall, at its first meeting following the Annual General Meeting, elect from their number,
  - (a) A President for a two (2) year term, and the President shall not be eligible for re-election for a second consecutive term;
  - (b) In the first year of the President's term, a Vice President for a one (1) year term;
  - (c) In the second year of the President's two (2) year term, a President Elect, for a one (1) year term, who shall be confirmed as President, for a two (2) year term, upon the completion of the outgoing President's term;
  - (d) There shall be no Vice President during the one (1) year term of the President Elect;
  - (e) A Secretary and a Treasurer, for one (1) year terms, and shall be eligible for re-election for further one (1) year terms, until completion of their terms on the Board.

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6. If, between Annual General Meetings, the office of President becomes vacant during the first year of the President's two (2) year term, the Vice-President shall automatically become President; During the second year of the President's two (2) year term, the President Elect shall automatically become President.
7. Vacancies on the Board of Directors that occur between Annual General Meetings may be filled at the discretion of the Board from the general voting membership. Such newly appointed Director(s) shall be entitled to fulfill only the balance remaining of the term and shall be eligible for re-election at the next Annual General Meeting. Time served by the newly appointed Director to the date of the Annual General Meeting shall not count in calculating any subsequent three-year term of election of the said Director.
8. The immediate Past President shall be eligible to serve as a member of the Executive Committee for a period of one (1) year only.
9. The President or, in his/her absence, the Vice-President or President Elect shall normally preside at every meeting of the Association. If required, another Member may be selected as Chairperson with the approval of the majority of members present.
10. The President or designate shall be the official spokesperson for the Association in communication with the media.
11. The Board of Directors may authorize the employment of such persons as it may deem necessary to carry out the administration of the affairs of the Association.
12. **The President** is the Senior Officer of the Association and is responsible for the execution of its policies in carrying out the business of the Association. The President shall act in consultation with the Board of Directors and the Executive Committee.
13. **The Vice-President** shall assist the President in his/her duties and, in the absence of the President, function in that capacity.
14. **The President Elect** shall assist the President in his/her duties and in the absence of the President, function in that capacity. Upon completion of the President's two (2) year term, the President Elect shall be confirmed as President for a two (2) year term.
15. **The Secretary** is responsible for ensuring the accurate recording and maintenance of the minutes of the Annual General Meeting, Board meetings, Executive Committee meetings, and any special meetings and shall perform such other assigned duties as determined by the Board.

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16. **The Treasurer** is responsible for receiving and depositing membership dues and other revenue, the disbursement of funds, preparing monthly financial statements for presentation to the Board, preparing financial statements for presentation to the Annual general meeting, preparing the Annual Budget for submission to and approval of the Board, and for performing other such duties associated with the office of Treasurer.
17. The Board has the power to make by-laws, subject to ratification by the Annual General Meeting.
18. Members of the Board of Directors shall be elected for a term of three (3) years. Retiring Members of the Board of Directors who have served two (2) consecutive three (3) year terms shall not be eligible for re-election for at least one (1) year.
19. Section 18 of this Article notwithstanding, if the President's tenure as a Member of the Board of Directors expires before the completion of his/her two (2) year term as President, his/her tenure on the Board of Directors shall be extended for the duration of his/her term as President and for a further year to serve as Past President. In which case, the President, on completion of such extension shall not be eligible for re-election to the Board of Directors for at least one (1) year.
20. Resignations or leave of absence from the Board exceeding two months may be filled by appointment by the Board.
21. The Board of Directors may engage, with remuneration, the services of an Executive Director as the senior employee of the Association, accountable to the Board of Directors through the President. The Executive Director shall participate in meetings and proceedings of the Board of Directors and the Executive Committee (with voice but no vote), except in such meetings or proceedings that the Board designates otherwise. The Executive Director shall be an "ex officio" member of all Board Committees (with voice but no vote).
22. The Board of Directors may engage, either with or without remuneration, such Advisers or Consultants as may be necessary to meet the Objectives of the Association.

**Article VIII - Meetings of the Board of Directors**

1. The Board of Directors shall meet at least four (4) times a year and at such times and places as the members determine or as summoned by the Secretary on the direction of the President.
2. Special meetings of the Board of Directors may be called by the President or by a notice in writing given to the Secretary by any five (5) members of the Board ten (10) days prior to the

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proposed meeting date. The Secretary shall notify all members of the Board and only such business may be transacted at the special meeting as is named in the notice.

3. Notice of any meeting of the Board of Directors shall be given in writing or by electronic means not less than three (3) days before such meeting. No notice shall be necessary in the case of a meeting held immediately upon the adjournment of an Annual General Meeting.
4. No error or omission in the content of any notice calling a meeting of the Board shall affect such meetings or invalidate the proceedings.
5. A majority of the Members of the Board of Directors, one of whom shall be the President, the Vice-President or the President Elect shall constitute a quorum for each meeting of the Board. No business shall be transacted at any meeting of the Board unless a quorum is present. In the event of no quorum, an Executive Committee meeting may be held as provided for in Article IX, Section 3, Executive Committee.
6. If any member of the Board, without due cause, is absent from three (3) consecutive meetings of the Board this person's position shall be declared vacant by the Board.
7. The Board shall keep minutes of all its meetings and a copy of the minutes of every meeting shall be sent to each Board member.

#### Article IX - Executive Committee

1. There shall be an Executive Committee consisting of the President, Vice-President or President Elect, Secretary, Treasurer and immediate Past-President. The Executive Director shall be an “ex officio” member of the Executive Committee (with voice but no vote).
2. The Executive Committee shall, in the interval between meetings of the Board, act on matters requiring urgent and special attention that are within the Association's policy and exercise such other powers of the Board as may be delegated to it by the Board; such actions shall be subject to ratification by the Board at its next meeting.
3. A majority of the Members of the Executive Committee, one of whom shall be the President, Vice-President or President Elect, shall constitute a quorum for a meeting of the Executive Committee.
4. In accordance with Section 2, the Executive Committee shall keep minutes of its meetings, a copy of which shall be sent to each Board Member.

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#### Article X - Committees

1. The Board shall appoint a Finance Committee, a Constitution Committee and such other Committees as the Board deems necessary.
2. The Board shall approve Terms of Reference for its Committees, which direct specific activities, committee composition, and reporting requirements.
3. Records shall be kept of all Committee meetings and reports to the Board shall be given on a regular basis.
4. Retiring committee members may remain on a committee until the Board of Directors appoints a successor or in the case of a Special or Ad Hoc Committee, that committee has completed its mandate.

#### Article XI- Branches

1. The Board of Directors of the Association may approve the establishment of a Branch of the Association and local chapters of a Branch of the Association.
2. The primary purpose of a Branch shall be to provide a regional forum for the achievement of the objectives of the Association.
3. The primary purpose of a chapter of a Branch of the Association shall be to provide a formal means for a group of members to provide input to the Branch in achieving the objectives of the Association and to have an opportunity for local social interaction.
4. A Branch shall operate in accordance with the Constitution of the Association. The Board of Directors of the Association may revoke approval of a Branch if it fails to operate in accordance with the Constitution.
5. Any Branch approved by the Board of Directors of the Association shall have the right to appoint one of its members to serve as a member of the Board. These appointments shall be in addition to the members of the Board as provided for in Article VII, Section 1.
6. A Branch, in the conducting of its activities, shall ensure solidarity with the Board of Directors of the Association.
7. A Branch shall report regularly on its activities to the Board of Directors and shall provide an Annual Report to the Annual General Meeting of the Association.

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8. Funding for Branches may be approved by and at the discretion of the Board of Directors based upon the submission of a budget which is to be submitted for the next fiscal year by November 30 in each current year.

#### Article XII – Remuneration of Members

All Members of the Association shall serve without remuneration and no officer of the Association shall directly or indirectly receive any profit from his or her position. Members of the Association may be paid reasonable expenses incurred by them in the performance of duties relating to the objectives of the Association. The level of remuneration, if any, will be determined by the Board and will be set forth in an appropriate policy document.

#### Article XIII - Finances

1. The Board shall:
  - (a) be trustee of all funds of the Association and of all other assets of the Association;
  - (b) arrange that all funds received by the Association shall, as soon as possible after receipt thereof, be deposited in a registered financial institution in the Province of Newfoundland and Labrador to the credit of the Association;
  - (c) invest any funds of the Association, not immediately required for any of its objects, in such manner as may from time to time be determined by the Board;
  - (d) arrange that all securities of the Association be maintained in such manner as the Board deems appropriate;
  - (e) appoint a qualified auditor who shall make an annual audit of all the books and accounts of the Association and render a report thereon to the Board;
  - (f) arrange for the report of the auditor and the financial statements to be tabled at the Annual General Meeting of the Association which immediately follows the audit;
  - (g) appoint members from the Executive Committee and the senior staff person as signing officers.
  - (h) ensure that all cheques drawn on the Association's account bear the signature of at least two persons authorized as signing officers.

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- (i) establish policies for the responsible management of all monies and other assets of the Association;
  - (j) ensure that the budgeting and expenditure of all funds are consistent with the objectives of the Association and are in accordance with generally accepted accounting practices and principals.
  - (k) ensure the preparation and approval of the annual budget.
  - (l) authorize the payment of expenses on a month by month basis based on the previous year's budget when the new year's budget has not yet been approved by the Board.
2. The financial year of the Association shall be from January 1 to December 31 of the same year.

#### Article XIV - Rules of Procedure

The rules of procedure governing meetings of the Association, Board of Directors and Executive Committee shall be those contained in Robert's Rules of Order Revised, except as otherwise provided in this Constitution.

#### Article XV - Amendments

1. Any Voting Member of the Association may propose an amendment to the Constitution in writing to the Constitution Committee. The Board will format proposals for constitutional amendments to be distributed to the general membership at least thirty (30) days prior to the Annual General Meeting at which the amendments are to be voted upon. Such notice shall set forth the article and the section proposed to be amended together with the proposed amendments.
2. Amendments to this Constitution shall come into effect when they have been adopted by a two-thirds ( $\frac{2}{3}$ ) vote of those present and entitled to vote at an Annual General Meeting.

***Approved by: AGM Membership, September 12, 2010***