

NPSPA

**NEWFOUNDLAND PUBLIC SERVICE
PENSIONERS' ASSOCIATION**

EIGHTH ANNUAL GENERAL MEETING

**Holiday Inn
May 25, 1998**

MANDATE STATEMENT

The Newfoundland Public Service Pensioners' Association exists to promote and advance the interests of its members by providing a medium for collaborative action on any matter affecting a pensioner's well-being.

PRIMARY GOALS

To seek equitable pension increases, primarily through pension indexing based on a formula mutually agreeable with Government and the Association.

To represent membership interests with respect to maintaining a comprehensive insurance program which ensures adequate medical drug-care coverage for members, including those now residing outside the province.

OBJECTIVES

To encourage our Public Service Pensioners to become members of the Association.

To promote the interests of Public Service Pensioners by providing a medium for collective action on matters affecting their well-being.

To represent Public Service Pensioners in addressing, with Government, the interests of its members, for the mutual benefit of all.

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ORGANIZATION

BOARD OF DIRECTORS

President ----- Reg Gabriel
1st Vice-President ----- Una Cook
2nd Vice-President ----- Clarence Randell
Secretary ----- Mary Codner
Treasurer ----- Gordon Withers
John Bambrick
Gordon Breen
Gerald Conran
Anne Kieley-Ryan
Bruce Peckford
Eric Salter

FINANCE COMMITTEE

Gordon Withers, Chairperson
Gordon Breen

PENSION ACTION COMMITTEE

Clarence Randell, Chairperson
John Bambrick
Bert Price
Eric Sturge

CONSTITUTION COMMITTEE

Una Cook, Chairperson

PR/MEMBERSHIP COMMITTEE

John Bambrick, Chairperson
Gerald Conran

SPECIAL PROJECTS COMMITTEE

Anne Kieley-Ryan
Vernon Simmons
Reg Gabriel

NOMINATING COMMITTEE

Una Cook, Chairperson

PENSION INVESTMENT COMMITTEE REPRESENTATIVE - John Bambrick

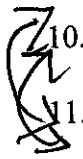

GOVERNMENT INSURANCE COMMITTEE - Eric Salter

PERSONNEL

Maureen Hogan - Executive Assistant

AGENDA

1. Call to order.
2. Moments of silence for deceased members.
3. Introduction of the Board of Directors.
4. Adoption of the agenda.
5. Adoption of Minutes of 1997 Annual General Meeting.
6. Business arising from the minutes.
7. Board of Directors/President Report.
8. Treasurer's and Auditor's Report.
9. Committee Reports:
 - a) Government Insurance Committee
 - ~~b) Pension Action/Investment Committee~~
 - ~~c) Public Relations/Membership Committee~~
 - ~~d) Special Projects Committee~~
 - ~~e) Constitution Committee~~
 - f) Nominations Committee

Communitation
- 10. Election to fill Board vacancies.
- 11. Other business.

Regional Representation
12. Election results.
13. Adjournment.

**NEWFOUNDLAND PUBLIC SERVICE PENSIONERS' ASSOCIATION
ANNUAL GENERAL MEETING
MONDAY, MAY 26, 1997
10AM
HOTEL ST. JOHN'S, KENMOUNT ROAD**

1. CALL TO ORDER:

The meeting was called to order by the President, Reg Gabriel, at 10am. A moment of silence was observed for those of our membership who have passed on since our last meeting.

2. ADOPTION OF AGENDA:

The agenda was adopted on a motion by Bert Price and seconded by Ern Shute.

3. INTRODUCTION OF BOARD OF DIRECTORS:

Members of the Board were introduced by Reg Gabriel, namely John Bambrick, Gordon Breen(absent), Mary Codner, Una Cook, Clarence Randell, Eric Sturge, Gus Vaughan, Bruce Winsor, Gordon Withers, Robert Langdon (absent).

4. INTRODUCTION OF GUEST SPEAKER - MR. JOHN BENNETT

Mr. John Bennett, assistant Deputy Minister of Finance, responsible for the direction of the Public Service Pension Plan, was the guest speaker.

His topic was a review of the Public Service Pension plan and how it is administered. This was followed by a question and answer period.

5. ADOPTION OF MINUTES OF 1996 AGM:

The minutes of the 1996 AGM were adopted on a motion by Eric Sturge and seconded by Susanne Hill.

REPORT OF THE PRESIDENT AND THE BOARD AND THE ADOPTION OF THE REPORTS

The report of the President and the Board is contained on page 14 through 16. The President took from the report some highlights to present before asking for a motion that the report be adopted. As indicated in the Report, the Board, the Executive Committee and other Committees met frequently during the year to manage the affairs of the Association.

The President concluded his Report by moving that the Report be accepted - Seconded by Bert Price.

The President asked each of the Chairs of the various committees if they would in turn move the adoption of their Reports.

The first Report is the **Government Insurance Committee Report**. **Gordon Withers** - Chair, made a motion that the report presented be accepted by the meeting. Seconded by Ivan Lethbridge.

QUESTION - Bob Rex

With regard to Government putting more money into the insurance, the whole situation is that home care costs a lot of money and the travel insurance costs a lot of money.

ANSWER - Costs for home care are really going out of wack. The increase over the previous year is up

over 40%. They are doing a pilot project now to look at all aspects of the program. With regard to travel insurance, we are dealing with a very small group of people who avail of travel insurance beyond 30 days.

Carl Smith made a resolution as follows "Whereas the Public Service Pensioners are covered by a Group Insurance Plan and whereas prior to April 1, 1997 pensioners were free to travel and still be covered by the Group Insurance Plan and whereas after April 1, 1997. Pensioners who travel will only be covered for a period of thirty days for each trip and whereas this change in coverage is a radical change in coverage is a radical departure from that in effect prior to April 1, 1997 and whereas the cost of extra insurance to compensate for the loss of coverage under the group plan will place a burden upon those pensioners, be it therefore resolved that the NPSPA investigate the feasibility of having travel insurance under the group plan extended beyond thirty days to ninety days and the extra cost related thereto and report back to its members by August 31, 1997. I so move"

The resolution was put to a vote and the motion was carried.

PENSION ACTION COMMITTEE - Clarence Randell

In addition to tabling his report, Clarence made a few comments;

- That the Committee held numerous meetings both as a Committee and with representatives of Government. A Brief which was submitted last March to the Hon. Paul Dicks - there was a response received last fall and the response basically was as Mr. Bennett announced, namely that Government was not going to take any action with respect to Indexing until all of the Plans had been funded at least to the extent of 50%.
- One of our meetings quite recently was with Mr. Gerry March of the Federal Pensioners Association. One of the most startling comments made by Mr. March was the fact that the Federal Pension Fund is in a surplus position to the extent of 200 billion dollars.

Clarence moved the adoption of the Report. Motion carried.

PENSION INVESTMENT COMMITTEE - John Bambrick

The Report was presented by John Bambrick who moved the adoption of the Report - Seconded by Eric Sturge. Motion carried.

PUBLIC RELATIONS/MEMBERSHIP COMMITTEE - John Bambrick

John Bambrick moved the adoption of the Report - Seconded by Vince Rossiter - Motion carried

TREASURER'S & AUDITORS REPORT - Gordon Withers

Gordon Withers moved the adoption of the Treasurer's Report and the Auditors Report. Seconded by Eric Sturge. Motion carried.

Nominations Committee to be combined with election of officers to replace those who will be retiring from the Board. Una Cook gave the report on the Nominations Committee. There are seven vacancies to be filled; six position for a two year term and one position for one year. Eleven members have already indicated their willingness to serve, namely, John Bambrick, George Fiander (absent), Bob Langdon(absent), Eric Sturge, Gerald Conran, Reg Gabriel, Bruce Peckford, Gus Vaughan, Ann Kieley-Ryan, Ed Langdon(absent), and Eric Salter. Before asking for nominations from the floor Una moved the

adoption of the Report.

The election of Board members was conducted by Bert Price. There being no nominations from the floor, Bert proceeded with the eleven people who were presented by the Nominating Committee to fill the seven vacancies.

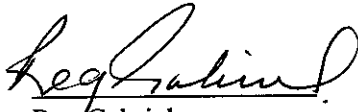
Carl Smith asked each of the nominees to give a brief profile of their public service career. Each complied.

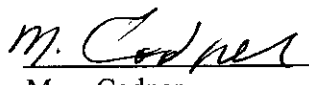
Before temporarily retiring for lunch, Bert Price expressed his appreciation to the members of the Board for their efforts during the past year on behalf of the Association members.

Elected to the Board of Directors were:

John Bambrick	Gerald Conran
Reg Gabriel	Bruce Peckford
Gus Vaughan	Ann Kieley-Ryan
Eric Salter	

The meeting adjourned at 12:15pm.


Reg Gabriel
President


Mary Codner
Secretary

REPORT OF THE PRESIDENT AND BOARD OF DIRECTORS TO THE 8TH ANNUAL GENERAL MEETING

The Board has had an extremely busy year. While we may not have achieved all of our anticipated goals, a great deal of effort and energy were expended in striving for success. Before proceeding with this Report, however, the Board wishes to acknowledge being extremely saddened over the sudden loss on one of its members, Augustus R. Vaughan. The Board, on behalf of the Association, expressed sincere condolences to his wife and two daughters.

In reviewing the year's activities, it may be helpful to note that the Board met formally on 12 occasions, and held a special meeting shortly after Government's Budget presentation in March 1998. In addition, the Executive Committee met 10 times, including the one in Grand Falls-Windsor preceding the Central Regional Meeting on 12 May 1998. Beyond that, Executive Committee and other Board members served on the Board's eight committees. Committee activities are described elsewhere in this Report by the respective committee chairs.

With new energy and determination, the Board began meeting earlier than usual after the last Annual General Meeting. It met in mid August to set goals for the coming year; and to plan strategies to ensure their achievement. The quest to attain pension indexing remains a perennial goal. In addition, we hoped

to increase the total membership. It was our understanding, and still is, that there are at least 8,700 public service pensioners. Our Association comprises far less than half of that number. It was our intent also to raise before Government and the general public a "profile" of the retired public service worker.

The Board believed that efforts toward achieving the set goals would lead to greater awareness of the Association, particularly among retired public service workers, and result in increased membership. The Board determined that contracting the resources of a management/consulting firm would be the most effective route toward achieving our goals. A call for proposals was extended in November, to management/consulting firms known to be skilled and experienced in a combination of talents; including public relations, accounting and legal resources.

It was well into January, however, before we came to realize, after much prodding for responses, that there was no interest in our request. Through informal discussion with outside contacts, we came to the conclusion that there was a perception that, as a group of pensioners, there was little chance that we would be a source for project revenue. Others declined because of a fear of conflict of interest due to being involved in Government contract work.

Frustrated and angered that our efforts were thwarted by those attitudes and loss time, we looked to the private, individual consulting arena. These efforts, however, were of no use since, due to the time lag, any concrete effort was missed in developing a public relations campaign, and researching the true facts of how public service pensioners are coping.

This apparent sense of indifference toward older persons was also reflected by Government in our efforts to obtain any kind of indication, well before the Budget of March 1998, as to their intentions regarding an increase for public service pensioners. Letters and phone calls were answered; but only after lengthy waiting periods, and our persistence in requesting a response.

When it became fairly clear to the Board that Government had no intention of granting a pension increase, we decided to publicly call attention to ourselves, as described in the Pension Action Committee's Report. We all know the result. It is regrettable that a pension increase was not realized. The experience obtained in trying to achieve that goal left this Board with the sense of having to beg for some consideration, pointing out even more clearly the need for pension indexing.

There appears to be several reasons why pension increases were not granted. Government recently introduced a policy whereby such increases will no longer be considered. In addition, pension funds are to be funded to a greater degree than presently before pension indexing will be considered. The Honourable Paul Dicks, Minister of Finance, stated several times, that he wondered why public service pensioners should expect an increase whenever public service workers got a raise? There is no similar expectation from retired persons in the private sector. Retirees from the Bowaters (now Krugers) in Corner Brook, he noted, do not get any increase whenever their employees get a raise. He commented also that one group of pensioners, (ours) could not be given a raise when all of the others, teachers for example, would not receive anything. It would not be fair, he said.

The bottom line is that, as an Association, we appear to be exerting little influence. We have reached a time in our evolution, a crossroads perhaps, where consideration must be given as how to best achieve our major goal that is pension indexing. We do have influence. And there are options with respect to how we choose to exert that influence. We must remember, however, that our Pension Fund is nearly 50 percent funded, if not more so. Yet, because the other pension funds are extremely underfunded, indeed

nearly bankrupt, we must suffer unjustly I believe, for the needs of others.

If there is to be strength in our future, we must strengthen the Association. Before this can happen, several initiatives and changes must occur. The Association's membership must increase dramatically. Alliances must be forged with those organizations, agencies and bargaining units whom we perceived to be supportive of our cause. The Association's Board must have an increase in its resources. This will enable full time concentration on pursuing its business by professional staff and other, contracted expertise. The Association's individual members must take a greater interest in demanding of their politicians an accounting of where they stand on pension indexing and other issues affecting older adults.

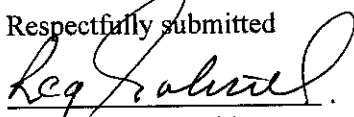
The Association's Executive Committee travelled to Grand Falls - Windsor on 11 May 1998 for the purpose of holding a regular committee meeting, and to meet with Association Members who live there and in surrounding areas. This activity is in keeping with the Board's decision in 1996, to have the Executive Committee meet in a different region of the Province once each year, in order to reach out to the membership and achieve a better sense of their needs and expectations.

The Central Regional Meeting, held at the Mount Peyton Hotel on Tuesday morning, 12 May 1998, with approximately 21 members participating. Most were from Grand Falls-Windsor, Bishop's Falls and Botwood. Part of the meeting format included a discussion or question and answer period between Board's representatives and the members. Questions raised and issues discussed included the following. Members expressed a high level of interest in how to influence Government to introduce pension indexing. The other area of interest was to see a branch or chapter of the Association established in their area. It was suggested that the Association's Board be asked to strike a committee to examine the implications with respect to constitutional changes, guidelines and other parameters in relation to establishing regional and/or local branches of the Association. The Executive agreed to present this recommendation at the next Board meeting.

It is said that to achieve in any forum, three components are essential: brains, energy and resources. We certainly have the brains. But to make things happen and to make a positive difference in our lives, we must make a greater commitment in terms of energy and resources.

I wish to take this opportunity to express sincere thanks to the Board Members with whom I have had the privilege to work during the past three years. While their tasks have been sometimes thankless, their dedication and concern have been steady. In a similar vein, I express special appreciation to Mrs. Maureen Hogan, the Association's Administrative Assistant. Her tireless efforts and efficiency are reflected in the support and assistance she provides to the membership and to the Board on a collective and individual basis.

Respectfully submitted


Reg Gabriel, President

FINANCE COMMITTEE

The Finance Committee is responsible for overseeing the Association's financial management and for advising the Board on all related matters.

Our mandate is carried out by ensuring that the Association's accounting control procedures, record keeping and financial statements provide the Board with the timely information needed to make meaningful financial decisions.

Some of our activities during 1997 to accomplish our mandate were as follows:

- Budgetary projections of our revenue and expenditure for the year were prepared and approved at a meeting of the Board of Directors.
- Detailed financial statements reflecting all of the Association's revenue and expenses were prepared on a monthly basis and presented for the review and approval of the Board.
- Details of the Association's monthly payments were presented, reviewed and approved at meetings of the Board.

The Committee reports to the membership that the financial position of the Association continued to be strong during the 1997 financial year.

Respectfully submitted



Gordon Withers
Chairperson, Finance Committee

TREASURER'S REPORT

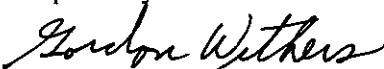
The Auditor's Report and our audited balance sheet at 31 December 1997 and statement of revenue, expenditure and members' equity for the year ended on that date are presented for your review in this section of the Report.

Our 1997 excess of revenue over expenditure totalled \$6,979 comprised of revenue totalling \$43,215 and expenditure of \$36,236.

Our total actual expenditure results for 1997 were within our approved budgetary projection of \$40,000.

We take this opportunity to express our appreciation to Association member, Mr. Nick Murphy for offering his services once again this year to conduct our annual audit. It is evident from his report to the Board that Mr. Murphy has carried out a very professional review of the Association's accounting records.

Respectfully submitted



Gordon Withers, Treasurer

MURPHY & SWEENEY

325 Duckworth Street
P.O. Box 176
St. John's, NF
A1C 5J2

CHARTERED ACCOUNTANTS

Telephone: (709) 753-0880
Facsimile: (709) 753-3608

AUDITORS' REPORT

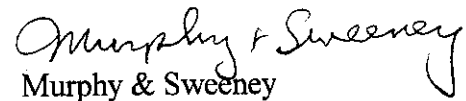
To the Members of the Newfoundland Public Service Pensioners' Association.

We have audited the balance sheet of the Newfoundland Public Service Pensioners' Association as at December 31, 1997 and the statement of revenue, expenditure and members' equity for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Newfoundland Public Service Pensioners' Association as at December 31, 1997 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

St. John's, Newfoundland
May 6, 1998


Murphy & Sweeney
Chartered Accountants

**NEWFOUNDLAND PUBLIC SERVICE PENSIONERS' ASSOCIATION
BALANCE SHEET
DECEMBER 31, 1997**

ASSETS


	<u>1997</u>	<u>1996</u>
CURRENT		
Cash	\$2,126	\$14,737
Investments	57,165	41,682
Interest Receivable	<u>1,389</u>	<u>720</u>
	60,680	57,139
CAPITAL ASSETS		
Office Equipment	<u>12,652</u>	<u>9,21</u>
TOTAL ASSETS	<u><u>\$73,332</u></u>	<u><u>\$66,353</u></u>


EQUITY

MEMBERS' EQUITY	<u><u>\$73,332</u></u>	<u><u>\$66,353</u></u>
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See accompanying notes

Signed on behalf of the Association


Reg Gabriel
President


Gordon Withers
Treasurer

**NEWFOUNDLAND PUBLIC SERVICE PENSIONERS' ASSOCIATION
STATEMENT OF REVENUE, EXPENDITURE AND MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 1997**

	<u>1997</u>	<u>1996</u>
REVENUE		
Membership fees	\$41,537	\$40,154
Interest	<u>1,678</u>	<u>2,023</u>
TOTAL REVENUE	<u>43,215</u>	<u>42,177</u>
EXPENDITURE		
Advertising	247	177
Annual Meeting	910	879
Bank Charges	63	54
Insurance	345	280
Office Supplies / Services	1,904	1,553
Postage	5,379	3,114
Printing	5,794	2,846
Regional Meeting	1,629	-
Rent	7,865	6,356
Salaries	9,448	9,344
Social Committee	520	464
Telephone	1,982	2,290
Workers' Compensation Commission	<u>150</u>	<u>-</u>
TOTAL EXPENDITURE	<u>36,236</u>	<u>27,357</u>
EXCESS OF REVENUE OVER EXPENDITURE	\$6,979	\$14,820
MEMBERS' EQUITY - beginning of year	<u>66,353</u>	<u>51,533</u>
MEMBERS' EQUITY - end of year	<u>\$73,332</u>	<u>\$66,353</u>

See accompanying notes

NEWFOUNDLAND PUBLIC SERVICE PENSIONERS' ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1997

1. ACCOUNTING POLICIES

Revenue is recorded when received except for interest on investments which is accrued to year end.

2. CAPITAL ASSETS

Capital assets are recorded at cost and are not depreciated.

3. OTHER

The Association was incorporated under The Corporations Act on December 29, 1994.
The Association has no share capital.

GOVERNMENT INSURANCE COMMITTEE

The Government Group Insurance Committee is comprised of representatives of all employee groups and retirees covered by the Government plan as well as Treasury Board. The Chair of our internal committee for the Group Insurance Program represents the Association on the Government Committee.

The Association was represented by Mr. Bruce Peckford or the undersigned at all Committee meetings for the fiscal year 1997-98. The main business of the meetings was to monitor the financial status of the plan and to consider the renewal presentation of the program underwriter Blue Cross of Atlantic Canada. The renewal date of the program was 1 April 1998.

Normally meetings regarding renewal of the Plan are held prior to April 1. However, this year due to ongoing negotiations associated with various collective agreements Treasury Board Officials were not available to meet until May 15. Therefore, the following comments are tentative and reflect impressions formed as a result of this initial meeting. The renewal date for the program has been recommended as July 1, 1998.

Renewal status of sections of the plan that would be of primary concern of pensioners are as follows:

HEALTH PLAN

The Health Plan ran a deficit of \$330,000 as of March 31, 1998. The situation was created by an increase in prescription drug claims by \$933,363 or 8% from last year. As a result the carrier is requesting an overall increase of 8.5% in contributions.

DENTAL PLAN

As of March 31, 1998, the dental plan showed a surplus of \$200,000. It was suggested that rates could be reduced by minus 1.2%.

TRAVEL PROGRAM

As you are aware travel coverage was reduced to a 30 day benefit period for out of province travel as of April 1, 1997. This action was required as the travel program was in a serious deficit situation primarily as a result of out of province travel for extended periods (in excess of 30 days). The Plan has continued to lose money in the last four rating periods following the implementation of the 30 day travel period. It was noted that retiree sections of this program presently account for 65% of the claims and 20% of the revenue. However, due to the short rating period to date no increase in rates for this program was requested.

Again, your Association's Board of Directors fully appreciates that the thirty day maximum does not meet the needs of some of our members considering the open ended coverage that we have enjoyed for a number of years. During upcoming meetings your representative will continue to try and obtain enhanced travel benefits for its membership.

GROUP LIFE, DEPENDANT LIFE & OPTIONAL LIFE PROGRAMS

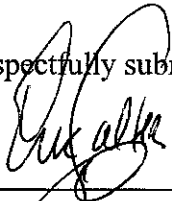
The Dependent Life Program and the Optional Life Program have experienced considerable losses during the past fiscal year. The Group Life and the Dependent Life Program experienced a loss ratio before administration of 132.7%. The Optional Life Program also experienced losses for the rating period of November 1, 1996 to October 31, 1997, the worst since 1990. Total losses in these programs were in vicinity of \$207,000. However, taking into consideration the volatility of these benefits, no increase in rates were requested as it is hoped that last years experience was not truly representative of this group.

To summarize, it was suggested that for the current fiscal year Government would cover this past deficit of \$537,000 and any additional annual deficit for 1998-99 from the Health Stabilization Fund. This would reflect no increase in premiums or decrease in benefits for this current fiscal year. In the interim, a study will be undertaken re correcting the benefit/premium matter. Any decisions made will be effective April 1, 1999. Corrective measures taken at this time would primarily deal with the current revenue losing sections of the plan.

Finally, I would like to emphasize two points:

- Although it appears that pensioners are drawing heavily on certain sections of the Plan, it was emphasized by your representative and generally agreed to by Committee Members that the Plan would be kept a universal all encompassing plan with no one group to be treated any differently from another with respect to coverage and premium cost.
- The comments made in the above text are tentative as only one meeting regarding Plan renewal has been held to date. You will be kept informed via the Newsletter of future developments.

Respectfully submitted



Eric Salter
Chairperson

PENSION ACTION COMMITTEE

Since the last Annual General Meeting your Committee has been very active in pursuing with Government the concerns of our membership regarding indexing of the Pension Plan. Most recently, your committee has focused on a possible increase in Pensions in line with the recently announced increase for active public servants.

As many of you are aware, the Association undertook a very active media campaign to pressure Government into granting a reasonable pension increase to all public service pensioners, in recognition that no increase has been given during the past nine years despite the fact that the average pension paid by the Provincial Government is in the range of eleven (11) thousand dollars annually. A special word of

thanks to those of you who responded to our request, and communicated to Government and local MHA's your personal concerns with the current situation.

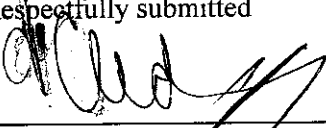
Despite written and telephone communications with the Minister of Finance and President Treasury Board, by your President, we were unsuccessful in arranging a meeting with Mr. Paul Dicks. However, our concerns were acknowledged by the Government Opposition who recently introduced a Resolution in the House of Assembly calling on Government to provide adequate increases in benefits to public service pensioners which reflect the increases in wages for public servants. The Resolution also called upon Government to cease the "clawing back" with respect to Canada Pension benefits from seniors whose income would then be below the poverty line. This Resolution was defeated by the Government majority.

Your Committee and the Board of Directors will continue, on your behalf, to try and persuade Government to change its untenable position and grant a much needed and deserved increase to pensioners.

It has been recognized by the Board of Directors and the Pension Committee that in order to deal with Government in a meaningful way, it is critical for the Association to engage expertise, knowledgeable in pension issues and benefits, to carefully analyze the current status of our Pension Plan and to assist us in preparing to address our concerns to Government in a businesslike manner. As a result of a great deal of work by an "AD Hoc Committee," appointed by the Board, we are currently negotiating with an appropriate individual with the necessary expertise, who will assimilate the information required and make recommendations to the Board for future action.

In concluding this report, we note with sadness the passing, in November of last year, of a very active member of the Pension Action Committee - namely, Mr. Gus Vaughan. Gus was a tower of strength to the Pension Action Committee, and his presence will be surely missed.

Respectfully submitted



Clarence Randell
Chairperson, Pension Action Committee

PENSION INVESTMENT COMMITTEE

The Newfoundland Pooled Pension Fund is comprised of the Public Service pension Plan (PSPP), the Teachers' Pension Fund, the Uniformed Pension Plan and the MHA Pension Plan.

The Funds asset loss exposure as compared with the asset mix policy at 1997 year ending was as follows:

	<u>Asset Mix</u> <u>At Market</u>	<u>Asset Mix</u> <u>Policy</u>
Canadian Equities	41.9%	40.0%
Foreign Equities	25.6%	20.0%
Real Estate	0.9%	10.0%

Bonds & Debentures	24.9%	30.0%
Short Term Notes	6.7%	0.0%

Pensions totalling 201.4 million were paid from the Fund during 1997 year. There were 1,554 refunds totalling \$14.4 million paid from the Fund in 1997.

During the year there was a total cashflow shortfall associated with the Public Service Pension Plan was \$6.5 million; employee and employer contributions amounted to \$105.2 million whereas Pensions, refunds and administration costs amounted to \$111.7 million.

There was an increase in the number of active employees and in the number of pensioners.

	<u>Active Members</u>	<u>Pensioners</u>
Beginning 1997	30,782	12,078
Additions	501	1,060
1997 Ending	31,283	13,138

The Pension Fund net assets for 1997 amounted to \$1,449.9 million, an increase of \$156.6 million (12.2%) over the previous years amount of \$1,293.3 million.

The Public Service Pension Plan (PSPP) has a fund balance of 1,074.0 million at 1997 ending. This is comprised of the following:

Increase in Net Assets

Investment Income -	35,811
Gain on Sale of Investments -	67,832
Current period change in	
Market value of Investments -	<u>48,549</u>
	152,192

Employee Contributions -	36,073
Employer Contributions -	<u>69,103</u>
	257,368

Decrease in Net Assets

Pensions -	95,982
Refund of Contributions	
with interest -	11,399
Administration Costs	<u>4,307</u>
	111,688

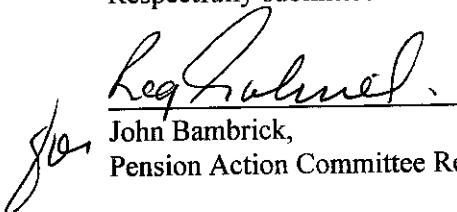
Total Increase in Net Assets	145,680
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Net Assets available at	
Year Beginning	928,348

Net Assets Available for
Benefits End of Year 1,074,028

Within the next month or so, members of our Association can expect to receive a print out of information pertaining strictly to the Public Service Pension Plan.

Respectfully submitted


John Bambrick,
Pension Action Committee Rep.

PUBLIC RELATIONS/MEMBERSHIP COMMITTEE

As of April 30, 1998 there are 3670 members registered with the Association. Since June 1997, we have increased our membership by 360 new members. While these numbers appear favourable, we are still faced with a challenge to recruit the remainder of a total population of approximately 8,701. It should be understood that these numbers pertain to members under the Public Service Pension Plan and do not include the Uniformed Services, the Newfoundland Teachers Association, and the M.H.A.'s.

Our inability to obtain the names and addresses of ex government employees who are in receipt of a pension continues to be a frustration to us. This is due to current government policy which forbids issuance of such information apparently because to do so would be a breach of confidentiality.

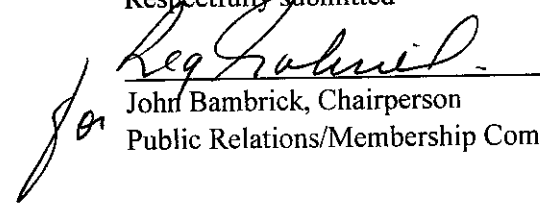
Fortunately, we do receive the cooperation of the Provincial Government Pension Division in that they include our membership application in their mail out done on a yearly basis. This procedure results in a very favourable response to recruit new members.

Publications of our Newsletter, now titled Pensioner Publication, were mailed to our members in July and December 1997, and a special lengthy publication was mailed out in April, 1998. The Pensioners' Publication is basically our only means of informing members of the current issues being addressed by the Board of Directors and its various Committees.

Feedback received from our members regarding the Newsletter publications has been very positive. They are reported to be quite interesting and very newsworthy.

My sincere thanks go to Gerry Conran for his assistance in producing and editing the Newsletter. Thanks also go to Maureen Hogan for her help in contacting the publishers and for the design and layout of the Newsletter.

Respectfully submitted


John Bambrick, Chairperson
Public Relations/Membership Committee

SPECIAL PROJECTS COMMITTEE

During the last year, the Committee has been involved in a number of on-going projects on behalf of the general membership.

Home and Auto Insurance Plan

The committee received a request from a number of members to investigate the possibility of reduced insurance rates for members of the association. The committee approached several local insurance companies and presented the request. After several meetings with company representatives, the committee decided to recommend Johnson's Insurance because of the company's comprehensive service package and rates. In the fall of 1997, Johnson's Insurance sent out information packages to approximately 3,400 members of the association. Approximately 30 people have signed up for the plan. .

Home Oil Heating Program

The committee has also been investigating the possibility of securing reduced rates on home heating oil as requested by our members. First, we surveyed our members to find out which company they currently deal with. About 250 members responded -- the majority were customers of the three major companies: Irving Oil, Ultramar and Esso.

The committee then approached those oil companies to request a special rate for members.

- Irving Oil's local office was quite interested. However, after the local staff contacted the head office in New Brunswick, the company turned down any price reduction deal.
- Esso Home Heating is willing to discuss the idea. However, because the company has franchises throughout the province, it may be very difficult to reach one deal for the whole province.
- Ultramar has offered a three-cent per litre reduction on its day-to-day rate. The committee is currently working with the company to establish a formal arrangement for the implementation of this rate.

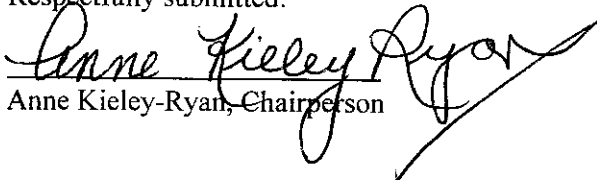
Monument for Deceased Members

For several years, the Pensioners' Association has been working on a plan for a monument to honor its deceased members. After much discussion with the Department of Works, Services, and Transportation, it was agreed to construct a monument on the grounds of Confederation Building. It would take the form of a gazebo, where people could stop and rest. An appropriate plaque will be mounted outside the gazebo to mark the contribution of public service pensioners to our province.

A tentative schedule from the Department indicated that the design for the gazebo would be completed by March 31 and construction would begin in May 1998, depending on the weather conditions. The work will be carried out by government staff and is expected to be completed by late June or early July. .

At this time, I wish to express my thanks to Reg Gabriel and Vern Simmons, the other members of the Special Projects Committee, for their hard work and enthusiasm.

Respectfully submitted:


Anne Kieley-Ryan, Chairperson

CONSTITUTION COMMITTEE

During the last year, the Constitution was completely reviewed. Most of the revisions were minor in nature, i.e. there were changes in the wording or sentence structure, but not to the intent of the article.

Any revisions/additions will be brought to the membership at the Annual General Meeting.

As stated in the Constitution - Article XIV - Amendments

1. Amendments to this Constitution shall come into effect when they have been adopted by a two-thirds majority vote by the Association meeting in general meeting.

Respectfully submitted

Una Cook
Una Cook, Chairperson
Constitution Committee

NOMINATING COMMITTEE

The purpose of the Nomination's Committee is to ensure there are candidates to fill the vacancies on the Board.

As Chairperson of the Nomination's Committee, it is my privilege to submit for consideration and approval of the members attending this Annual General Meeting, a slate of candidates who have signified their willingness to serve on the Board of Directors of the Association.

In addition to bringing forth a slate of candidates who have indicated their intention to seek election to the Board, the Nominations Committee invites nominations from the floor of this Annual General Meeting.

Four (4) members of the current Board of Directors elected in 1997 to serve a 2 year term and will be remaining are: John Bambrick Anne Kieley-Ryan
Gerald Conran Bruce Peckford

Eight (8) positions on the Board will become vacant; six (6) of these are for a two (2) year term and two (2) of these are for a 1 year term. It should be noted that the persons elected in the 7th and 8th positions (according to number of votes received) will serve for a period of one (1) year.

The eight (8) vacancies occur for the following reasons:

Gordon Withers	- completion of 2-2 year terms	Reg Gabriel - retiring - 1 year remaining
Una Cook	- completion of 2-2 year terms	Augustus Vaughan -deceased - 1 year remaining
Gordon Breen	- completion of 1-2 year term	
Mary Codner	- completion of 1-2 year term	
Clarence Randell	- completion of 1-2 year term	
Eric Salter	- completion of 1-1 year term	

The Constitution provides for the election of twelve (12) members to run the affairs of the Association. As indicated, four (4) members have on year remaining in their term office. The following candidates are hereby nominated to fill the remaining eight (8) vacancies on the Board of Directors:

Mary Codner	Rick Bouzan	Barbara Hopkins
Florence Power	Clarence Randell	Eric Salter
Ern Shute	Eric Sturge	Ralston King

As Chairperson of the Nomination's Committee, and on your behalf, I would like to acknowledge the commitment and dedication made to our Association by the retiring Board members who are not seeking re-election. And, in particular a very sincere thank you to Reginald Gabriel, the Association's President for the past three years, for his leadership and untiring efforts and the thousands of volunteer hours he has spent working on the affairs of this Association.

Respectfully submitted

Una Cook

Una Cook

Chairperson, Nominations Committee

RULES OF ORDER

1. The meeting shall be called to order at 10:00 a.m., Monday, May 25, 1998.
2. Members wishing to speak shall, after recognition by the Chair, state their names.
3. If a member, while speaking, be called to order, he shall, at the request of the Chair, take his seat until the questions of order has been decided.
4. Should two or more members rise to speak at the same time, the Chair shall decide who is entitled to the floor.
5. A member shall not speak more than once upon a question until all who wish to speak have had an opportunity to do so.
6. Any member who, for information purposes, may request the motion under discussion to be re-read, except when a delegate is speaking.
7. Any member who, upon request from the Chair, refuses to take his seat, shall be subject to suspension for the remainder of the meeting.
8. Any motion presented becomes the property of the Association and may be withdrawn only with the consent of the assembled members.
9. Speeches shall be limited to three minutes, including moving a motion.
10. Questions shall be decided upon by a show of hands except where the Chairman is in doubt, then a roll-call shall be ordered.
11. A motion to reconsider shall not be entertained unless made by a member who voted in the majority and the motion received a majority vote.
12. When a roll-call has been ordered, no adjournment shall take place until the results have been announced.
13. The Chairman shall be entitled to debate on the subject after calling a Vice-Chairman to the Chair.
14. When provision is not made in these **RULES OF ORDER** and it is not in conflict with the Constitution, Roberts Rules of Order shall apply.