

NPSPA

NEWFOUNDLAND PUBLIC SERVICE PENSIONERS' ASSOCIATION

NINTH ANNUAL GENERAL MEETING

**HOLIDAY INN
MAY 17, 1999**

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 ----- John Bambrick
1st Vice-President ----- Eric Salter
2nd Vice-President ----- Anne Kieley
Secretary ----- Mary Codner
Treasurer ----- Gerry Conran
Rick Bouzan
Barbara Hopkins
Ross King
Bruce Peckford
Florence Power
Clarence Randell
Eric Sturge

FINANCE COMMITTEE

Gerry Conran
Eric Salter

MEMBERSHIP COMMITTEE

Ross King
Mary Codner
Eric Sturge

NOMINATING COMMITTEE

Barbara Hopkins

COMMUNICATIONS COMMITTEE

John Bambrick
Gerry Conran
Eric Salter

PENSION INVESTMENT COMMITTEE REPRESENTATIVE - Clarence Randell

GOVERNMENT INSURANCE COMMITTEE - Eric Salter

PERSONNEL

Maureen Hogan - Administrative 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 1998 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) Communications Committee
 - c) Membership Committee
 - d) Pension Investment Committee
 - e) Nominations Committee
10. Other Business.
 - a) Regional Representation
11. Election to fill Board vacancies
12. Election results.
13. Adjournment.

**ANNUAL GENERAL MEETING
MONDAY, MAY 25, 1998
10:00 A.M.
HOLIDAY INN, ST. JOHN'S, NF**

PRESENT:

Reg Gabriel, President
Una Cook
Mary Codner
Eric Salter
Gerry Conran
Gordon Withers
Anne Kieley-Ryan
Clarence Randell
John Bambrick

ABSENT:

Bruce Peckford
Gordon Breen

1. CALL TO ORDER:

The meeting was called to order at 10:00 a.m. by the President, Reg Gabriel.

2. MOMENT OF SILENCE FOR DECEASED MEMBERS:

The President observed a moment of silence for deceased members, particularly Board member Gus Vaughan who passed away during the past year.

3. INTRODUCTION OF BOARD OF DIRECTORS:

Members of the Board were introduced by Reg Gabriel.

4. ADOPTION OF AGENDA:

On a motion by Eric Sturge and seconded by Leo McCann the agenda was adopted. Motion carried.

5. ADOPTION OF MINUTES OF 1997 AGM:

On a motion by Sally MacGillivray and Seconded by Eric Sturge the minutes of 1997 AGM meeting were adopted.

6. BUSINESS ARISING FROM MINUTES:

Bob Rex made reference to a resolution passed at the 1997 AGM contained on page 7 of the Annual Report regarding travel under the Group Insurance Plan. Bob noted that in order for a motion to be carried it must have a seconder. No seconder was recorded. Bob Rex was that seconder and felt that the minutes should reflect same.

7. BOARD OF DIRECTORS/PRESIDENT'S REPORT:

The President selected some highlights of his report. He stated he found it difficult to point to any major accomplishment during the year. Indeed it was a year of learning or awakening and

certainly a year of many frustrations. At the conclusion of his report, Reg moved that the report of the President and Board of Directors be adopted as presented. Seconded by Ruby Driscoll. Motion carried.

8. TREASURER'S & AUDITORS REPORT:

Gordon Withers made a motion that the Treasurer's Report and the Auditor's Report as at December 31, 1997 be adopted as tabled. Seconded by Frankie O'Neill.

At the conclusion of the Treasurer's Report, Carl Smith made a motion that the details of the return on investments of the Association be included in the notes of the Treasurer's Report. Seconded by Bob Rex. Motion carried.

9. COMMITTEE REPORTS:

a) Government Insurance Committee - Eric Salter

The Report was presented by Eric Salter who moved the adoption of the Report. Seconded by Carl Smith. Motion carried.

b) Pension Action/Investment Committee - Clarence Randell

After highlighting some aspects of his Report, Clarence moved that the Report be adopted as tabled. Seconded by Bruce Winsor. Motion carried.

c) Public Relations/Membership Committee - John Bambrick

Before making his presentation, John noted on page 18 of the Pension Investment Committee Report. paragraph two "the funds asset loss exposure" should read "The funds asset class exposure".

After highlighting some aspects of his Report, John moved that the Report be adopted as tabled. Seconded by Eric Sturge. Motion carried.

d) Special Projects Committee - Anne Kieley-Ryan

The Report was presented by Anne Kieley-Ryan who moved that the Report be adopted as tabled. Seconded by Clarence Randell. Motion carried.

e) Constitution Committee - Una Cook

Una tabled a number of minor amendments to the constitution for approval by the membership. Una outlined some of these changes which involved mostly wording or sentence structure. Following her presentation, Carl Smith moved acceptance of the revised Constitution. Seconded by Susanne Hill. Motion carried. Una then asked for a vote from those in favour of the constitutional changes. A majority vote was received.

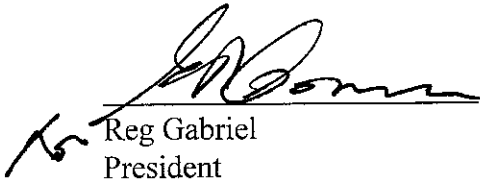
f) Nominations Committee - Una Cook

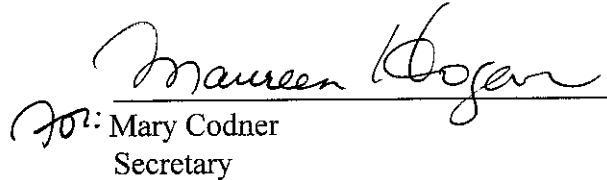
As contained in her Report on page 22 of the Annual Report, Una advised that eight positions on the Board are now vacant. Six of these for a two year term and two for 1 year. The vacancies are to replace Gordon Withers, Una Cook, Gordon Breen, Mary Codner, Clarence Randell, Eric

Salter, Reg Gabriel and Gus Vaughan(deceased). She then moved the acceptance of the Report.

Una then turned the proceedings over to Mr. Bert Price who agreed to conduct the election of officers. In addition to the nine candidates provided by the nominations Committee, one person from the floor accepted nomination. The nominees were: Mary Codner, Florence Power, Rick Bouzan, Clarence Randell, Ern Shute, Eric Sturge, Barbara Hopkins, Eric Salter, Ralston King and Catherine Fagan.

Elected to the Board of Directors were: Rick Bouzan, Mary Codner, Clarence Randell, Eric Salter, Florence Power, Ralston King, Eric Sturge, Barbara Hopkins.


Reg Gabriel
President


Mary Codner
Secretary

President'S Report on behalf of the Board of Directors to the Association's 9th Annual General Meeting

To say the least, 1998-99 has been an exceptionally busy and ever challenging year. The extremely heavy activity was due to the increasing demands placed on the Association in trying to achieve its primary goals to seek equitable pension increases and indexation. Much activity took place in trying to persuade Government to grant a pension increase to the members of the Public Service Pensioners' Association, justly and morally due. Unfortunately, this continues to be an ever challenging issue.

The media played a significant role in our efforts to obtain a pension increase. Appearances on Here & Now took place. There were VOCM news bulletins, Press Releases, Letters to the Editor, and specific articles placed in various Newspapers; all contributing to the Association's attempts to obtain a pension increase.

From June 1998, up to May 1999, there were twelve Board of Directors monthly meetings. As well, it was necessary to conduct two extra special meetings relating to pressing issues associated with our pension increase demands.

Throughout the 1998-99 turmoil, your Board of Directors felt it would be advisable to effectively liaise with two other large groups associated the pension and indexation issues. These two groups are NAPE & CUPE. In October 1998, both union organizations were written suggesting that some form of a liaison committee be struck to appropriately review and discuss pension concerns. Unfortunately, seemingly due to other pressing demands of the two organizations this

continues to be an ongoing concern.

There were two specific recommendations resulting from the 1998 AGM which required our attention. A motion was made and accepted that once a year a copy of our Pensioners' Publication (Newsletter) be mailed to all of the Public Service Pensioners, members and non-members. This task was carried out with the cooperation of the Department of Finance Pensions Division. This mail-out took place in January, 1999. It involved an additional 5239 Newsletters being printed and posted at an extra cost of \$6,000. It was a successful venture resulting in an additional 650 new members joining the Association. The other recommendation made was that the rate of interest on Investments by the Association be included in future AGM Financial Reports. This recommendation is now in place.

In May 1998, the Board of Directors gave approval for the hiring of a financial consultant to conduct a research paper on the Public Service Pension Plan which would include past pension practices in terms of pension increases, pension comparisons from a provincial and national perspectives, investments, interest being derived on investments, numbers of participants, levels of pensions entitlements etc. It was felt that the availability of such information would greatly enhance our goal to achieve a pension increase and/or indexation. Unfortunately, in November 1998, we were informed that the person chosen to complete the task had to resign for personal reasons. This was an unfortunate setback.

Past attempts to secure a deal for members to purchase oil at a reduced rate were successfully achieved in June, 1998. Thanks to our dealings with Ultramar, NPSPA members in most regions of the province can purchase home heating fuel 3 cents less per litre.

The position of our Administrative Assistant was thoroughly reviewed. As a result of this review, the position was brought more in line with the market standards and demands. Part of the adjustments included provisions of a RRSP arrangement cost shared by the Administrative Assistant and the Employer (NPSPA).

In February 1999, a provincial grant of \$4,000.00 was obtained whereby a person was hired to conduct a pension research paper throughout the months of February and March, 1999. We are pleased with having received the results of this special study.

On May 1, 1999 we relocated to 446 Newfoundland Drive. The change of location is a very favorable one as it provides for wheelchair accessibility which is critically important; as well the monthly rental fee is slightly lesser.

The following relate to the many activities carried out by your Association pertaining to ongoing attempts to convince Government that a pension increase for the Public Service pensioners is morally and justly due:

Nov. 12, 1998 - Received word that an individual contracted to research the pension system could not complete the task. We felt that such information would have enabled us to approach

Government in a more professional manner in requesting a pension increase.

Nov. 18, 1998 - NPSPA mailed a petition along with a self addressed and stamped envelope to all MHA's seeking their support of our request for a pension increase. Responses were received from all members of the Progressive Conservative party and from Mr. Jack Harris, NDP offering their support to our petition. One Liberal Member, Mr Bob Mercer supported our petition, "subject to the availability of funding and protection of the integrity of the pension plan". All other Liberal MHA's did not reply.

Nov. 20, 1998 - Met with NAPE and CUPE to discuss mutual concerns relating to pension ad hoc increase and pension indexing; how should we further proceed?

Nov. 23, 1998 - Important notice was mailed to all members providing an update on our plans to achieve a pension increase.

Nov. 26, 1998 - Mr. John Ottenheimer, MHA, St. John's East, Opposition Finance Critic, presented a petition along with 900 attached ballots in the House of Assembly on behalf of Public Service Pensioners.

Nov. 26, 1998 - Letter written to the Premier from NPSPA requesting a pension increase and/or indexation.

Nov. 27, 1998 - President of NPSPA issued a Press Release providing reasons why Public Service Pensioners' deserve a pension increase.

Nov. 28, 1998 - NPSPA commenced "Newspaper ads" in efforts to convince Government to provide a pension increase to the Public Service Pensioners. These ads have been ongoing and will continue on a periodic basis.

Dec. 1, 1998 - NPSPA in conjunction with NAPE participated in a demonstration at the Confederation Building.

Dec. 1, 1998 - Mr. John Ottenheimer, PC, presented a second petition along with an additional 90 or more ballots in the House of Assembly on behalf of the Public Service Pensioners.

Dec 2, 1998 - President of NPSPA appeared on Here & Now, CBC Evening News, to discuss pension issues with Mr. Walter Noel, MHA .

Dec. 7, 1998 - Mr. John Ottenheimer, PC, presented a third petition in the House of Assembly on behalf of the Public Service Pensioners.

Dec. 29, 1998 - Mr. Dicks, Finance Minister, responded to Mr. Bambrick's letter to the Premier dated November 26, 1998.

January 21, 1999 - Fax was sent to Premier's office requesting whether there was any indication of change to Government's position relative to Public Service Pensioner's request for an increase. No response received to date.

Jan 28, 1999 - Your Association and NAPE participated in a demonstration at The Grand Falls/Windsor Provincial Building,

Feb. 12, 1999 - NPSPA and NAPE officials met with Government representatives to further express our concerns for a pension increase.

March 10, 1999 - NPSPA and NAPE officials met with Ms. Anna Thistle, President of Treasury Board, to express our displeasure in learning we will have to await the Budget to determine whether there will be any increase for pensioners.

March 11, 1999 - NPSPA President again wrote Premier Tobin expressing dissatisfaction regarding Government's handling of the pensioners request for an increase. No response has been received to date.

March 12, 1999 - NPSPA President met with Mr. Walter Noel, Minister of Intergovernmental Affairs, to discuss the many pension issues.

March 17, 1999 - NPSPA President, invited by Jim Brown, host, CBC Morning Show, to participate as a panel member to discuss pensioners concerns following the Budget.

March 18, 1999 - NPSPA invited by NAPE to jointly participate in a demonstration at the Confederation Building.

March 23, 1999 - Letter written to Mr. Walter Noel requesting specific details of his promise to public service pensioners as per his Walter Noel Campaign 99 article. No reply received to date.

March 28, 1999 - NPSPA provided article "**Pensioners Considering Lawsuit**" to Sunday Telegram.

April 3, 1999 - NPSPA President provided details to VOCM re pensioner's pursuit for an increase.

April 12, 1999 - VOCM carried news update that NPSPA considering taking legal action against Government over pension demands for increase.

April 14, 1999 - NPSPA President interviewed by CBC Here & Now (Rick Seward) concerning NPSPA considering legal action against Government.

April 1999 - Mailed out petitions to NPSPA members requesting confirmation of public support for pension increase. (Refer to Pensioners Publication April 1999)

May 4, 1999 - Attended public meeting at Holiday Inn arranged by Walter Noel, MHA. Mr. Noel promised to reply to a letter directed to him on March 23, 1999. As well, he will look into getting a response from the Premier's Office re. letter to the Premier dated March 11, 1999.


To conclude, I wish to sincerely thank all members of the Board of Directors who not only gave their tremendous support to me throughout the past twelve months but, also gave their valuable time to the Association, at no cost, in conducting the affairs of our Organization.

I also wish to express my deep gratitude to Maureen Hogan, our Administrative Assistant, for providing very capable and truly professional services. She has a tremendous capacity to carry out all the duties and responsibilities assigned to her, as well she has a wealth of knowledge pertaining to the background and growth of our Association.

To all members of the Association, I say thank you for your support during the past year. I wish you the best of Health and Happiness throughout your retirement years.

A special thank you goes to Mr. Austin Deir of NAPE, and to Mr. Ron St. Croix, of NAPE Retirees Local 7002, for inviting our Association to join with them in having to deal with government in efforts to try to obtain a pension increase.

Respectfully Submitted


John Bambrick
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 and detailed information needed to make meaningful financial decisions.

Some of our activities during 1998 to accomplish our mandate were as follows:

- Preparation of budgetary projections of our revenue and expenditure for the coming fiscal year which were subsequently approved at a meeting of the Board of Directors.
- Monthly preparation of detailed financial statements reflecting all of the Association's revenue and expenses which were presented for the review and approval of the Board.
- Additional details of the Association's monthly payments were presented, reviewed and approved at regular meetings of the Board.

The Committee is pleased to report to the membership that the financial position of the Association continued to be strong during the 1998 financial year.

Respectfully submitted



Gerry Conran
Chairperson, Finance Committee

TREASURER'S REPORT

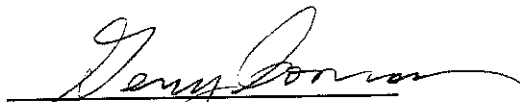
The Auditor's Report and our audited balance sheet at 31 December 1998 and statement of revenue, expenditure and members' equity for the year ended on that date are presented for your review in this section of the Report.

As the past year was an exceedingly active one, the impact on revenues and expenditures was also substantial and the following items are offered for your information:

- (a) A major unanticipated expenditure during 1998 was the amount we were obliged to spend on advertising during our media blitz in an effort to obtain some real commitment from Government as to an ad hoc increase and indexing.
- (b) Our investments continued to do well with a rate of 3.80 % producing interest revenue of \$1,798 to December 31, 1998.
- (c) As proposed at the 1997 AGM, we sent a copy of our Newsletter and a membership application to all non-member pensioners which continues to increase our membership revenues considerably but initially cost us \$6,211.62 for the mail-out.
- (d) It was necessary to transfer \$10,000.00 from our investments to cover some of the additional expenditures referred to in the foregoing.

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


Gerry Conran
Treasurer

CHARTERED ACCOUNTANTS

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

AUDITOR'S 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, 1998 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, 1998 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

St. John's, Newfoundland
May 7, 1999



Murphy & Sweeney
Chartered Accountants

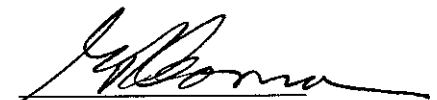
**NEWFOUNDLAND PUBLIC SERVICE PENSIONERS' ASSOCIATION
BALANCE SHEET
DECEMBER 31, 1998**

	1998	1997
<u>ASSETS</u>		
CURRENT		
Cash	\$ 7,242	\$ 2,126
Investments	47,743	57,165
Interest receivable	<u>2,521</u>	<u>1,389</u>
	57,50	60,680
 CAPITAL ASSETS		
Office Equipment	<u>12,652</u>	<u>12,652</u>
 Total Assets	<u><u>\$ 70,158</u></u>	<u><u>\$ 73,332</u></u>
 <u>EQUITY</u>		
 MEMBERS' EQUITY	<u><u>\$ 70,158</u></u>	<u><u>\$ 73,332</u></u>

See Accompanying Notes

Signed on behalf of the Association


John Bambrick
President


Gerry Conran
Treasurer

**NEWFOUNDLAND PUBLIC SERVICE PENSIONERS' ASSOCIATION
STATEMENT OF REVENUE, EXPENDITURE AND MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>1998</u>	<u>1997</u>
REVENUE		
Membership Fees	\$ 43,772	\$ 41,537
Interest	1,798	1,678
Other Revenue	<u>600</u>	<u>-</u>
Total Revenue	<u>46,170</u>	<u>43,215</u>
EXPENDITURE		
Advertising	10,017	247
Annual Meeting	2,140	910
Bank Charges	66	63
Insurance	1,108	345
Office Supplies/Services	1,694	1,904
Postage	4,895	5,379
Printing	4,711	5,794
Regional Meeting	1,240	1,629
Rent	8,004	7,865
Salaries	12,950	9,448
Social Committee	838	520
Telephone	1,631	1,982
Workers' Compensation	<u>50</u>	<u>150</u>
Total Expenditure	<u>49,344</u>	<u>36,236</u>
Excess of Revenue Over Expenditure (expenditure over revenue)	(3,174)	6,979
Members Equity – beginning of year	<u>73,332</u>	<u>66,353</u>
Members Equity – end of year	<u>\$ 70,158</u>	<u>\$ 73,332</u>

**NEWFOUNDLAND PUBLIC SERVICE PENSIONERS' ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1998**

ACCOUNTING POLICY

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

INVESTMENTS

Comprised of guaranteed investment certificates as follows:

\$16,492 - one year term - 3.80% - matures March 2, 1999

\$31,251 - two year term - 3.75% - matures March 10, 1999

CAPITAL ASSETS

Capital assets are recorded at cost and are not depreciated.

OTHER

The Association was incorporated under the Corporation Act on December 29, 1994.

The Association has no share capital.

Health Plan

The projected deficit in the plan as of March 31, 1999 was approximately \$2.6 million. The 20% increase in contributions and the insertion of \$2.6 million from the surplus fund should overcome any deficits for this coming fiscal year. However, as stated earlier, this is not a long term solution to this problem.

Travel Program

Although changes to the 30 day out of province restriction were suggested, none were approved by Treasury Board. Personally, I feel that travel should not be restricted to a 30 day period within Canada. Most provinces have universal and reciprocal benefits (MCP). Many of us have dependents working and residing in other provinces, therefore, as a result we are required to help or partake with parental responsibilities. It just does not seem that for these and many other reasons that travel within this country be restricted. We will continue to work on your behalf with respect to this matter.

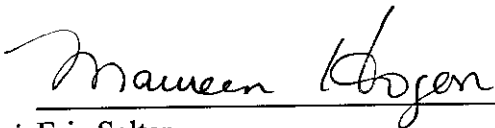
Group Life, Dependent Life and Optional Life Programs

Group and Dependent life projections up to March 31, 1999 indicated a loss in the vicinity of \$300,000. Claims in excess of \$3 million were paid with a claim paid ratio in excess of 100%. Over the past 5 years claims have been increasing annually. As a result Blue Cross requested an increase in rates to cover this situation. This request was denied as it is hoped the volatility of this part of the insurance program will stabilize.

The Optional Life Program is performing within the projections from the last renewal date. Therefore no rate change is required. However it was recommended that the text of the contract be amended to fully explain that these benefits cease at age 65. This request was granted and all pensioners were notified in correspondence from Treasury Board dated March 26, 1999.

To summarize, the increase in premiums effective April 1, 1999 is a temporary solution to an ongoing problem. I know it was difficult to accept for many pensioners but I feel if we were to maintain current benefits it was necessary. How to remedy the problem? A difficult question to answer but the first step is to recruit younger participants into the plan. As you are aware, many public servants have been classified as casual. This prevented them from obtaining benefits such as the insurance program. Through pressure from the unions and the general public, this is changing. Hopefully it will help resolve some of the Group Insurance Program financial problems.

Respectfully submitted,



For: Eric Salter
Government Group Insurance Representative

MEMBERSHIP COMMITTEE

As of April 30, 1999 the Association had a membership of 4227. This represented an increase of 618 new members since April 1998. The major increase in membership was in part due to a Newsletter sent out to all public service pensioners who were not members of this Association.

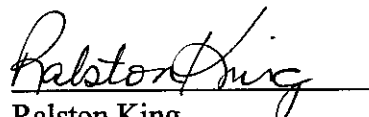
We are still faced with the challenge of recruiting the remainder of the approximately 8900 public service pensioners. Only then will we have a stronger voice in dealing with Government on pension issues.

The following is a synopsis of our membership by regions:

REGION # 1	AVALON	2259
REGION # 2	EASTERN	380
REGION # 3	BURIN	151
REGION # 4	CENTRAL	406
REGION # 5	WESTERN	397
REGION # 6	NORTHERN	131
REGION # 7	LABRADOR	71
REGION # 9	OUT OF PROVINCE	130
		3925
MEMBERS WITH NO ADDRESSES		302
	TOTAL	4227

Fortunately, we continue to receive the cooperation of the Provincial Government Pension Division in that they include our membership application in their mail-out to all new retirees. This results in a very favorable response to recruit new members.

Respectfully submitted



Ralston King
Membership Committee

PENSION INVESTMENT COMMITTEE

The Province of Newfoundland Pooled Pension Fund was created 1 July 1980 under the authority of the Pensions Funding Act.

The following pension plans participate in the fund: Public Service pension Plan, Teachers' Pension Plan, Uniformed Services Pension Plan and members of the House of Assembly Pension Plan.

The funds asset class exposure as compared with the asset mix policy at 31 December 1998 was as follows:

	<u>Asset Mix at Market</u>	<u>Asset Mix Policy</u>
Canadian Equities	40.7 %	40.0 %
Foreign Equities	23.3 %	20.0 %
Real Estate	0.4 %	10.0 %
Bonds and Debentures	29.5 %	30.0 %
Short Term Notes	6.1 %	0.0 %

Pensions totalling \$219.8 million were paid from the fund during the year. There was 1,182 refunds totalling \$12.8 million paid from the fund during the year.

1998 saw a net decrease in active employees and a net increase in pensioners as follows:

	<u>Active Members</u>	<u>Pensioners</u>
Beginning 1998	31,283	13,138
Additions (Reductions)	(1,315)	805
Ending 31 Dec 1998	29,968	13,943

The Pension Fund Net Assets for 1998 amounts to \$1,710.431, and increase of \$250,559 over the previous years amount of \$1,449,872.

The Public Service Pension Plan (PSPP) had a fund balance of \$1,187.8 million at December 31, 1998. This is comprised of the Following:

Increase in Net Assets

Investment Income	\$38,718
Gain on Sale of Investment	90,798
Current period change in market value of Investments	(20,184)
	109,332
Employee Contributions	46,303
Employer Contributions	<u>74,812</u>
	230,447

Decrease in Net Assets

Pensions	100,960
Refund of Contributions with Interest	10,456
Administrative Costs	<u>5,279</u>
	116,695


Total Increase in Net Assets	113,752
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Net Assets available for benefits, beginning of year	<u>1,074,028</u>
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Net Assets available for benefits, end of year	<u><u>1,187,780</u></u>
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Total investment income of \$147.1 million for the year 1998 is 56.5 million (27.8%) less than 1997. This decrease is mainly due to the \$88.4 million (144.2%) decrease in the change in market value of investments in 1998 as compared with the change during 1997.

Respectfully Submitted


for Clarence Randell
Pension Investment Committee Representative

NOMINATING COMMITTEE

As you are aware, 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 1998 to serve a 2 year term and will be remaining are: Eric Salter Rick Bouzan Ross King Mary Codner

Eight (8) positions on the Board will become vacant; five (5) of these are for a two (2) year term and three (3) of these are for a 1 year term. It should be noted that the persons elected in the 4th, 5th and 6th positions (according to number of votes received) will serve for a period of one (1) year.

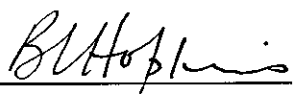
The Eight (8) vacancies occurred for the following reasons:

John Bambrick - completion of 2-2 year terms **Florence Power** - resigned - 1 year remaining
Anne Kieley - resigned - 1 year remaining **Clarence Randell** - resigned - 1 year remaining
Gerald Conran - completion of 1-2 year term **Eric Sturge** - completion of 1- 1 year term
Bruce Peckford - resigned **Barbara Hopkins** - 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 one year remaining in their term office. The following candidates are hereby nominated to fill the remaining eight (8) vacancies on the Board of Directors: **Gerry Conran** **Barbara Hopkins** **Eric Sturge** **Ernest Shute**
William Shallow **Mike Dillon** **Violet Ruelokke** **Catherine Fagan**

In my capacity as Chairperson of the Nominations Committee, and on your behalf, I would like to acknowledge the services rendered and the commitment made to our Association by the retiring Board Members who are not seeking re-election.

Respectfully submitted


Barbara Hopkins, Chairperson,
Nominations Committee

RULES OF ORDER

1. The meeting shall be called to order at 1:45 p.m., Monday, May 17, 1999.
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.