FINANCE AND ADMINISTRATION COMMITTEE

Tuesday, July 3, 2012
4:00 PM

Henry Baker Hall, Main Floor, City Hall

Public Agenda
Finance and Administration Committee
Tuesday, July 3, 2012

Approval of Public Agenda

Minutes of the meeting held on June 5, 2012.

Administration Reports

FA12-25 City of Regina Property - McLeod Park - Grow Regina Community Gardens Incorporated - 3500 Queen Street - Block R2, Plan 60R07552

Recommendation

1. That the Lease of the subject property to the Grow Regina Community Gardens Incorporated be approved under the terms and conditions shown in the body of this report;

2. That the Deputy City Manager of Community Planning and Development be authorized to finalize the terms and conditions of the lease documents;

3. That the City Clerk be authorized to execute the Lease Agreement documents as prepared by the City Solicitor; and

4. That this report be forwarded to the July 23, 2012 meeting of City Council for consideration after public notice has occurred.

FA12-26 Johnson-Shoyama Graduate School of Public Policy - Executive Internship Program

Recommendation

That the City Clerk be authorized to enter into agreements with the Johnson-Shoyama Graduate School of Public Policy (JSGS), at the University of Regina and the University of Saskatchewan, as well as with the individual interns, to provide a select number of internship opportunities on an annual basis for the period September 1, 2012 to April 30, 2016.

Communications

FA12-27 The Regina Civic Employees' Superannuation & Benefit Plan 2011 Annual Report

Recommendation

That this communication be forwarded to City Council for information.

FA12-28 The Casual Employees' Superannuation and Elected Officials Money Purchase Pension Plan 2011 Annual Report

Recommendation
That this communication be forwarded to City Council for information.

FA12-29 The Regina Civic Employees' Long Term disability Plan 2011 Annual Report

Recommendation
That this communication be forwarded to City Council for information.

Adjournment

AT REGINA, SASKATCHEWAN, TUESDAY, JUNE 5, 2012

AT A MEETING OF THE FINANCE AND ADMINISTRATION COMMITTEE
HELD IN PUBLIC SESSION

AT 4:00 PM

Present:	Councillor Wade Murray, in the Chair Councillor Louis Browne Councillor Sharron Bryce
Regrets:	Councillor Michael Fougere Councillor Terry Hincks
Also in Attendance:	Committee Assistant, Mavis Torres Solicitor, Jana-Marie Odling General Manager of Corporate Services, Brent Sjoberg Director, Financial Services, Chuck McDonald Director, Human Resources, Pat Gartner

APPROVAL OF PUBLIC AGENDA

Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, as submitted.

ADMINISTRATION REPORTS

FA12-19 Fire Hall #4 Funding Returned to Asset Revitalization Reserve

Recommendation
That the Administration be authorized to transfer $194,698.41 from the Land Development Reserve to the Asset Revitalization Reserve to fulfill the obligation to repay the Asset Revitalization Reserve for funding that was borrowed to complete the new #4 Fire Hall project.

Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

FA12-20 Grey Cup Legacy Project - Facilities Management Services Resources

Recommendation
That the six-month term position of Facilities Operations Coordinator be funded from the Facilities Reserve at a value of $47,500.

Councillor Louis Browne moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

FA12-21 Authorization to Initiate a Process to Engage Professional Services

Recommendation
1. That the Deputy City Manager & CFO be authorized to initiate the competitive process outlined in this Report to engage professional audit services for the City of Regina and related entities for the years ending 2012 – 2016.

2. That the Deputy City Manager & CFO be authorized to award and finalize terms for the audit services contract, after review of proposals from professional audit firms.

3. The City Clerk be authorized to execute the agreement with the successful proponent as prepared by the City Solicitor.

This report will be forwarded to the June 11, 2012 City Council meeting.

Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

FA12-22 2011 Public Accounts

Recommendation
That the 2011 Public Accounts document be forwarded to City Council as information.

Councillor Louis Browne moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.

COMMUNICATIONS

FA12-23 RROC - Audited Financial Statements

Recommendation
That this communication be received and filed.

Councillor Louis Browne moved, AND IT WAS RESOLVED, that this communication be received and filed.

FA12-24 EVRAZ place - Audited Financial Statements

Recommendation
That this communication be received and filed.

Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that this communication be received and filed.

RESOLUTION FOR PRIVATE SESSION

Councillor Sharron Bryce moved, AND IT WAS RESOLVED, that in the interest of the public, the balance of agenda items for this meeting be considered in private session.

The news media was excused.

Chairperson Secretary

July 3, 2012

To: Members,
Finance and Administration Committee

Re: City of Regina Property - McLeod Park
Grow Regina Community Gardens Incorporated
3500 Queen Street - Block R2, Plan 60R07552

RECOMMENDATION

1. That the Lease of the subject property to the Grow Regina Community Gardens Incorporated be approved under the terms and conditions shown in the body of this report;

2. That the Deputy City Manager of Community Planning and Development be authorized to finalize the terms and conditions of the lease documents;

3. That the City Clerk be authorized to execute the Lease Agreement documents as prepared by the City Solicitor; and

4. That this report be forwarded to the July 23, 2012 meeting of City Council for consideration after public notice has occurred.

CONCLUSION

When considering the lease of any City-owned land, the Administration normally ensures that the land is made publicly available and leased at market rent. In this case, the subject land is to be leased to the Grow Regina Community Gardens Incorporated without any public offering and at a rate that is less than market rent, which requires City Council approval. It is recommended that the lease be provided with an initial one year period and an option for four additional one year terms.

BACKGROUND

On September 17, 2007, Council considered (CR07-133) granting the Regina and District Food Bank Inc. a lease term for the use of the subject site (Appendix A), commencing September 18, 2007 and ending September 17, 2012. In 1992, Grow Regina Community Gardens Incorporated established a working group to develop a gardening program for the Regina and District Food Bank Inc. and continues to manage the garden plots at McLeod Park for our tenant.

The subject property is not publicly available for lease. Section 101 (1) of *The Cities Act* stipulates that “No Council shall delegate: (k) the sale or lease of land for less than fair market value and without a public offering”.

The purpose of this report is to facilitate a new lease Agreement for Grow Regina Community Gardens Incorporated. If approved, the Administration will cancel the current agreement between the Regina and District Food Bank Inc., and the City of Regina.

DISCUSSION

On March 20, 2012, your Administration received notice from Yvette Crane, Chairperson, Grow Regina Community Gardens Incorporated, advising that it had become a registered entity and preferred to enter into a Lease Agreement directly with the City of Regina rather than via the Regina and District Food Bank Inc.

On April 18, 2012, the Administration spoke with Wayne Hellquist, Chief Executive Officer for Regina and District Food Bank Inc., and advised that its preference was to either transfer its current lease interest over to Grow Regina Community Gardens Incorporated, given that it is a corporate entity, or cancel the existing agreement and allow Grow Regina Community Gardens Incorporated to enter into its own lease arrangement with the City of Regina.

Grow Regina Community Garden Incorporated has a mailing list of past gardeners that are offered an opportunity to return and are awarded on a "first-come, first-served" basis. Any garden plots potentially remaining are then offered through its website. Grow Regina Community Gardens Incorporated also offers some raised, accessible gardening beds for those requiring special needs. Garden fees for a season range from $10 to $78, depending on the size of the plot, that includes an annual membership to Grow Regina Community Gardens Incorporated.

The following terms and conditions have been requested:

Subject Property:	3.5 acres (Appendix A)
Tenant:	Grow Regina Community Gardens Incorporated
Leased Term:	One year commencing July 24, 2012
Annual Lease Rate:	$1.00
Lease Renewal Option:	Four one year renewal options
Other Terms:	Conditional upon the approval of City Council
	Either party may terminate the agreement at anytime for any reason whatsoever

RECOMMENDATION IMPLICATIONS

Financial Implications

None associated with this report.

Environmental Implications

None associated with this report.

Strategic Implications

None associated with this report.

Other Implications

None associated with this report.

Accessibility Implications

None associated with this report.

COMMUNICATIONS

Grow Regina Community Gardens Incorporated shall be kept informed on the progress of the Lease Agreement.

DELEGATED AUTHORITY

As provided in section 101 (1) (k) of *The Cities Act,* the lease of City-owned property without a public offering and a proposed lease at less than market value rates cannot be delegated to the Administration, and therefore requires the approval of City Council.

Respectfully submitted,

Don Barr, Director / City Assessor
Assessment and Property Taxation

Respectfully submitted,

Jason Carlston, Deputy City Manager
Community Planning and Development

CM/mtl

July 3, 2012

To: Members,
Finance and Administration Committee

Re: Johnson-Shoyama Graduate School of Public Policy - Executive Internship Program

RECOMMENDATION

That the City Clerk be authorized to enter into agreements with the Johnson-Shoyama Graduate School of Public Policy (JSGS), at the University of Regina and the University of Saskatchewan, as well as with the individual interns, to provide a select number of internship opportunities on an annual basis for the period September 1, 2012 to April 30, 2016.

CONCLUSION

As the total term of this internship program including past agreements with JSGS and this new agreement exceeds five years, *The Regina Administration Bylaw* requires Council approval to enter into this multi-year agreement.

BACKGROUND

The Johnson-Shoyama Executive Internship Program was launched in 2005 with a partnership between JSGS and the Saskatchewan Public Service Commission. The program has since grown to include partnerships with the federal public service, the Saskatchewan School Boards Association, the Provincial Auditor of Saskatchewan, the City of Saskatoon and the City of Regina.

These partnerships provide students in the Master of Public Administration (MPA) and the Master of Public Policy (MPP) programs the option of enhancing their post-graduate work with a public service internship component.

In 2010-11, the City of Regina had two interns (Community Planning & Development and City Operations). In 2011-12, we had three interns (Corporate Services (2) and City Operations).

As part of our ongoing partnership, a number of prospective interns were interviewed by a panel comprised of representatives from the federal and provincial public services, the City of Regina and officials from JSGS. Jim Nicol, Executive Director of Governance and Strategy was the City's representative on the screening panel.

Four graduate students have been offered internships for the 2012-13 term: one in Corporate Services (Human Resources); one in Governance & Strategy (Strategy Management); and two in City Operations. All four students are registered at the University of Regina. The 8 month terms begin in September and run until April.

DISCUSSION

The Johnson-Shoyama Executive Internship Program is one of the leading programs of its kind in Canada and its reputation continues to grow. It is the only program in Canada that pairs student interns with mentors/coaches who are at middle to senior levels of government and focuses on the development of a high quality mentorship experience.

The internships are intended to expose interns to and give them hands-on experience with a broad range of activities and issues related to public administration and public policy. It is anticipated that an intern's work plan should generally include:

- Opportunities to learn first-hand the nature of government, including the internal workings of government, the reporting and governance structure, legislation and interface with the political structure (federal, provincial and municipal);
- Exposure to or direct involvement in budget development, strategic planning and reporting, policy and program development and the migration of this development to the implementation, monitoring and evaluation stages;
- The opportunity to develop an appreciation of effective working relationships between and within various levels of government;
- Opportunities to learn about government process and government management; and
- First-hand experience in the day to day activities of public servants, such as preparing briefing notes, preparing decision items, analyzing policy issues and conducting research.

The internship program can also serve as a valuable recruitment tool as students are encouraged throughout their internship to consider a career in the public service. Interns have the opportunity to demonstrate the various contributions they can make within their respective placements and the broader public service. There is no guarantee of ongoing or future employment after a successful internship. However, as a result of the opportunity to showcase their talents, some interns have been successful in competing for post-internship employment.

The internship program provides the partners with a unique avenue by which to recruit, and potentially retain, high performing talent. Given the current demographics and the competition for talent, the program is another creative means to identify and secure talent, both in the short and long term. In addition, the program enhances the City's presence in the community as an employer of choice for Johnson-Shoyama graduates.

RECOMMENDATION IMPLICATIONS

Financial Implications

The value of each internship over the eight month term is $25,000, for a total cost for the 2012-13 term of $100,000.

The City of Regina will pay the total cost of $100,000 from the current approved budget to the University for the purposes of the internship program. In turn, the University will grant a scholarship to each intern in regular instalments as determined by the University.

Environmental Implications

None with this report.

Strategic Implications

The Internship Program provides the City with an opportunity to secure the talents of high-performing students from the Johnson-Shoyama Graduate School of Public Policy. The City of Regina benefits from the students' skills over the course of the eight month internship and can draw on this pool of talent in the competitive and tight labour market. Participation in the program also highlights our ongoing efforts to be seen as an employer of choice.

Accessibility Implications

None with this report.

COMMUNICATIONS

The Johnson-Shoyama Graduate School of Public Policy, and the respective Boards of Governors of the Universities of Regina and Saskatchewan will be notified of our ongoing commitment to the Internship Program and provided with copies of the executed contracts.

Students will receive written confirmation of their successful application to the 2012-13 internship year as well as a copy of their respective executed contract.

DELEGATED AUTHORITY

This agreement requires City Council approval.

Respectfully submitted,	Respectfully submitted,
Jim Nicol, Executive Director Governance and Strategy	Glen B. Davies City Manager

jn

Pensions & Disability

June 14, 2012

To: City Clerk
Attention: Todd Blyth

Re: The Regina Civic Employees' Superannuation and Benefit Plan
2011 Annual Report

Schedule A of Bylaw No. 3125, Section 38(6) of the City of Regina states "The Board shall make an annual report to Council on the proceedings of the preceding year". In accordance with the Bylaw, attached is the 2011 Annual Report for The Regina Civic Employees' Superannuation and Benefit Plan for information to be submitted for the July 3 Finance and Administration agenda. Included in the Annual Report are the audited financial statements for the year ended December 31, 2011 which were approved by the Administrative Board for the Civic Employees' Superannuation and Benefit Plan at its meeting of May 9, 2012.

Yours truly,

Colyn Lowenberger, Director
Pensions & Disability Administration

CL/aa
Encl.

Regina Civic Employees' Superannuation & Benefit Plan
B101 - 2055 Albert Street • Box 3030 • Regina SK • S4P 3G8 • Phone: (306) 777-7402 • Fax: (306) 777-6912

Regina Pensions & Disability

Regina Civic Employees' Superannuation & Benefit Plan

Annual Report & Audited Financial Statements

December 31, 2011

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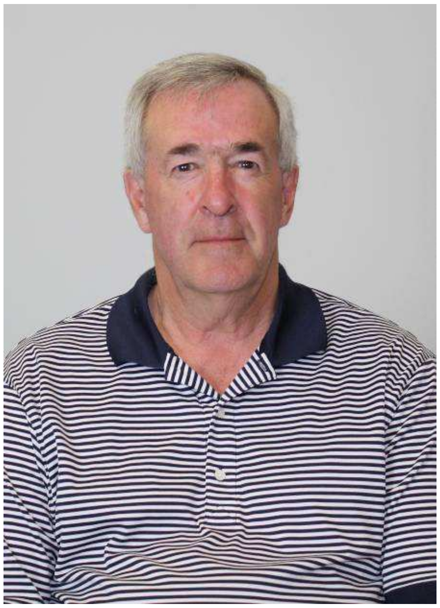
Message from the Chairperson



I am pleased to present the Annual Report for the Regina Civic Employees' Superannuation and Benefit Plan for the year ended December 31, 2011.

Over the past year, the net assets available for benefits experienced an increase of $13.8 million. However, the Plan's pension obligations increased by $97.8 million at the end of 2011, leaving the deficit $84 million higher than the previous year.

Contributions for the year at $50.8 million roughly equalled benefit payments and pension refunds, which were $49.3 million. Total invested assets of the Plan were $887.9 million. Net investment returns, including investment income and changes in the fair value of assets, for the year was 1.8% or $16.7 million, reflecting the extremely challenging market conditions experienced worldwide in 2011.

The last valuation of the Plan was completed as at December 31, 2010. The results of the valuation were that on a going concern basis, the Plan's unfunded liability had risen to $246.3 million and on a termination basis, the Plan had a solvency ratio of 78.5%.

Both actuarial valuations performed as at December 31, 2009 and December 31, 2010 resulted in a recommended increase in pension contribution rates. For the 2009 valuation, the minimum funding requirements recommended by the actuary totalled a combined rate of 27.7%. For the 2010 valuation, the minimum funding requirements recommended by the actuary totalled a combined rate of 38.2%. Neither of these two recommendations has been implemented by the Plan sponsors and the contribution rates remain at the level established in the 2007 valuation.

Delays in implementation beyond July 1, 2012 will lead to further increases in contribution rates. **The rates outlined above are the rates that employees and employers are required to pay by law in order for the Civic Plan to be in compliance with the *Pension Benefits Act, 1992* (Saskatchewan).**

The valuation at December 31, 2010 supports the Board's beliefs that changes to the Plan are essential, the unfunded liability will not be eliminated over time, and positive investment returns will not provide a solution. The Board's message remains the same, <u>with increased urgency</u>, yet to date no contribution increases have been implemented and no changes to the Plan have been made. A prolonged stalemate puts future (and possibly past) benefit promises at risk.

The next valuation of the Plan as required by legislation will be as at December 31, 2013. An actuarial valuation of the Plan will be completed as at December 31, 2011, earlier than required by the regulator, in order to continue to monitor the financial position of the Plan. The Administrative Board will be conducting annual valuations of the Plan and will determine each year if they will be filed with regulatory authorities.

The Board has continued to pursue the lawsuit against the Regina Qu'Appelle Regional Health Authority relating to membership in the Plan and is working diligently to reach a settlement agreement.

I would like to take this opportunity to thank the members of the Administrative Board for their continued commitment and contribution to this Board. I would also like to thank the staff of the Pensions & Disability Administration Department for their support over the year.

A. R. Linner
Chairperson, Regina Civic Employees' Superannuation & Benefit Plan

Total members belonging to the Plan rose from 6,562 as of December 31, 2010 to 6,684 as of December 31, 2011. 2011 saw a 25% increase in the number of new retirement pensions established, from 119 in 2010 to 149 in 2011.

The Administrative Board welcomed three new members in 2011. At the Annual Contributors' Meeting held June 7, 2011 Colin Jensen and Deb Cooney were elected by the Plan members. Bob Watt was appointed by City Council in August.

As part of the process to improve Plan operations, the Administration hired a Financial Reporting & Policy Advisor for the Pensions & Disability Administration Department. The Financial Reporting & Policy Advisor assumed responsibilities for accounting relating to Plan assets from City of Regina staff. The Sage ACCPAC accounting system was successfully implemented in December with 2012 transactions being processed in the new system.

The Board continued its ongoing obligation to monitor the developments in relation to the funding status of the Plan by engaging in continuing discussions with the Plan sponsors. Specifically, the Board provided the Plan sponsors with requested information when possible, heard presentations by the Plan sponsors, and conducted an analysis of proposed changes to the Plan with assistance from the Plan's actuary. The Board sought legal opinions as required and worked closely with the Superintendent of Pensions for Saskatchewan to determine if immediate action was required.

The Pensions & Disability Administration Department launched a new website to better serve members. The website can be found at www.reginapensions.ca and is provided by the Administrative Boards of all four employee benefits plans administered by the Pensions & Disability Administration Department.

Over the past year, the net assets available for benefits experienced an increase from a balance of $875.7 million at the end of 2010, to a balance of $889.5 million at the end of 2011. The Plan's pension obligations increased from a balance of $1,084.7 million to $1,182.5 million at the end of 2011, resulting in a deficit of $293.0 million, a 40% increase from 2010. Total invested assets of the Plan (including accrued income) were $888.9 million. Contributions for the year were $50.8 million, while total payments from the fund were $53.7 million. Total payments included $39.9 million in pension payments, $9.4 million in refunds and transfers for terminations plus $4.4 million in administration and investment expenses. Net Investment income for the year, including changes in fair value of investments, was 1.8% or $16.7 million.

The Board conducted a valuation as at December 31, 2010 which was filed with the regulatory authorities. The valuation revealed another significant going concern deficiency and recommended a corresponding increase in contribution rates. The Board had elected a three-year moratorium on solvency deficiency payments under *The Pension Benefits Regulations, 1993* (Saskatchewan) following the December 31, 2009 valuation. The Board could not elect a second three-year moratorium on solvency deficiency payments for the 2010 valuation as the regulations permit only one election to be in effect at a time. The valuation revealed that on a going concern basis, the Plan had an unfunded liability of $246.3 million. On a termination basis, the Plan had a solvency ratio of 78.5%. The next actuarial valuation that will be required to be filed with the regulator will be as at December 31, 2013. An actuarial valuation of the Plan will be completed as at December 31, 2011, earlier than required by the regulator, in order to continue to monitor the financial position of the Plan.

For the 2009 valuation, the minimum funding requirements recommended by the actuary totalled a combined rate of 27.7%. For the 2010 valuation, the minimum funding requirements recommended by the actuary totalled a combined rate of 38.2%. Neither of these two recommendations has been implemented by the Plan sponsors and the contribution rates remain at the level established in the 2007 valuation.

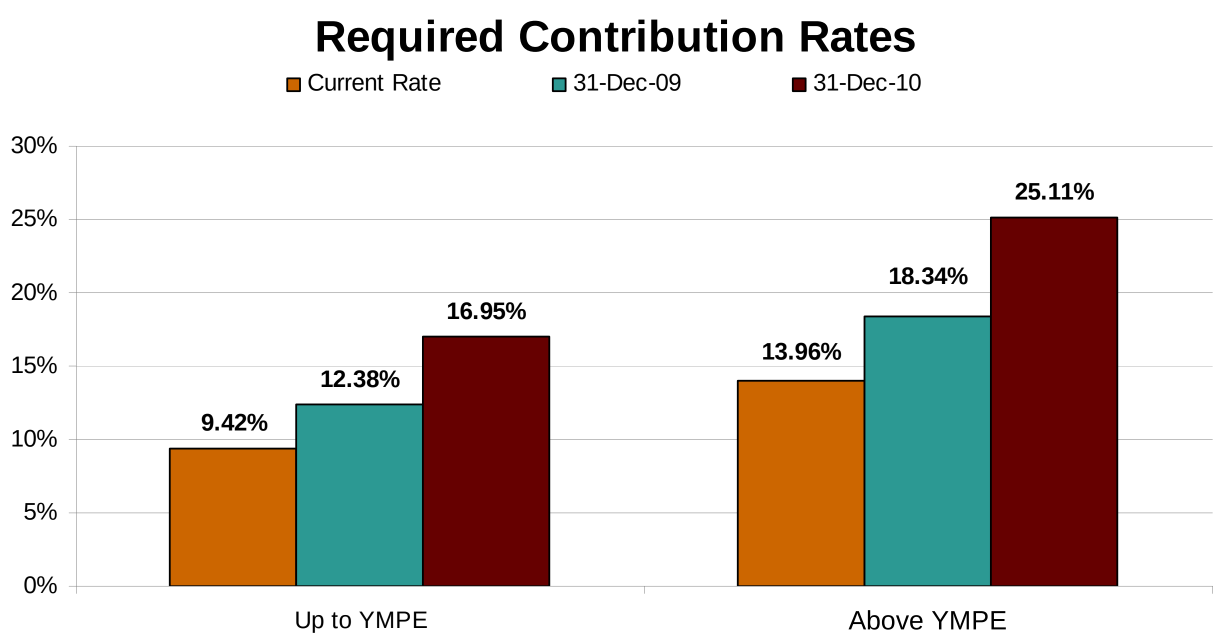
As a defined benefit pension plan, the Regina Civic Employees' Superannuation & Benefit Plan provides eligible members with a retirement income based on a formula that takes into account the member's earning history and length of service in the Plan. The Plan was established July 1, 1958 under Schedule "A" of Bylaw No. 3125.

Some of the benefits of belonging to the Plan include:

- normal retirement at age 65;
- unreduced early retirement after age 55 when age plus pensionable service total 80 years or more, or after 35 years of pensionable service, regardless of age;
- a lifetime monthly pension based on the average of the highest three consecutive years of pensionable earnings multiplied by pension accrual factors of 1.35% up to the *Canada Pension Plan* Yearly Maximum Pensionable Earnings (YMPE) and 2.00% for earnings above the YMPE;
- a temporary bridge benefit of 0.65% of the average of the highest three consecutive years of pensionable earnings up to the YMPE payable to age 65 for members who meet unreduced early retirement requirements;
- annual cost of living adjustments at a rate of 1/2 of any increase in the *Consumer Price Index* (Canada) year over year to a maximum of 4.25% in any one year;
- vesting in the Plan after two years of continuous service;
- termination benefits and portability options;
- survivor benefits before and after retirement; and
- continued accumulation of service while on disability.

Plan members contribute 9.42% of pensionable earnings up to the YMPE and 13.96% on pensionable earnings above the YMPE. The employers contribute an equal amount, resulting in a combined rate of 20.7% of pensionable earnings.

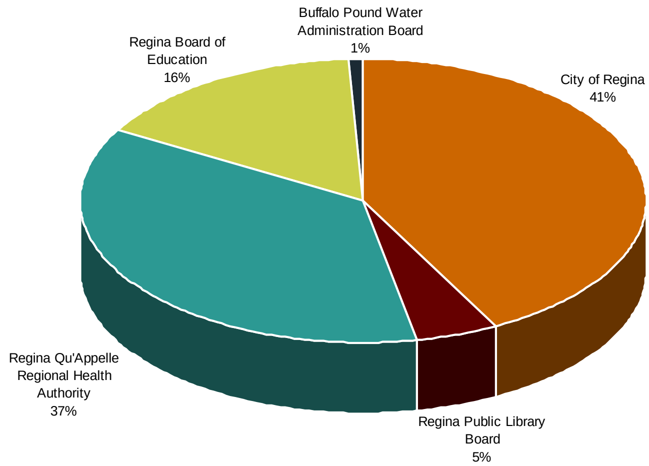
Actuarial valuations were performed as at December 31, 2009 and December 31, 2010. For the 2009 valuation, the minimum funding requirements recommended by the actuary totalled a combined rate of 27.7%. For the 2010 valuation, the minimum funding requirements recommended by the actuary totalled a combined rate of 38.2%. Neither of these two recommendations has been implemented by the Plan sponsors and the contribution rates remain at the level established in the 2007 valuation.



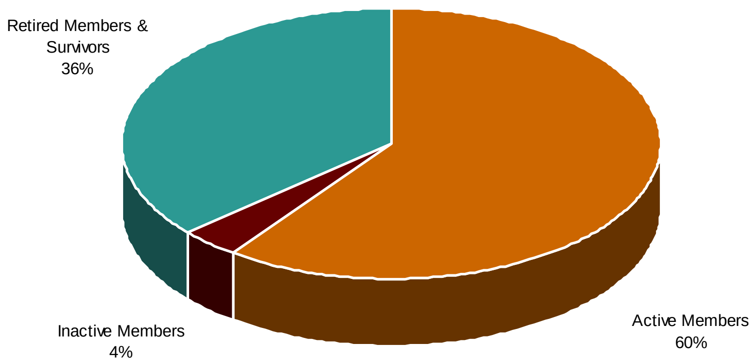
The Plan is a multi-employer plan representing employees from the following five employers:

- City of Regina
- Regina Qu'Appelle Regional Health Authority
- Regina Board of Education (Non-teaching Staff)
- Regina Public Library
- Buffalo Pound Water Administration Board

Active Members by Employer



Member Demographics

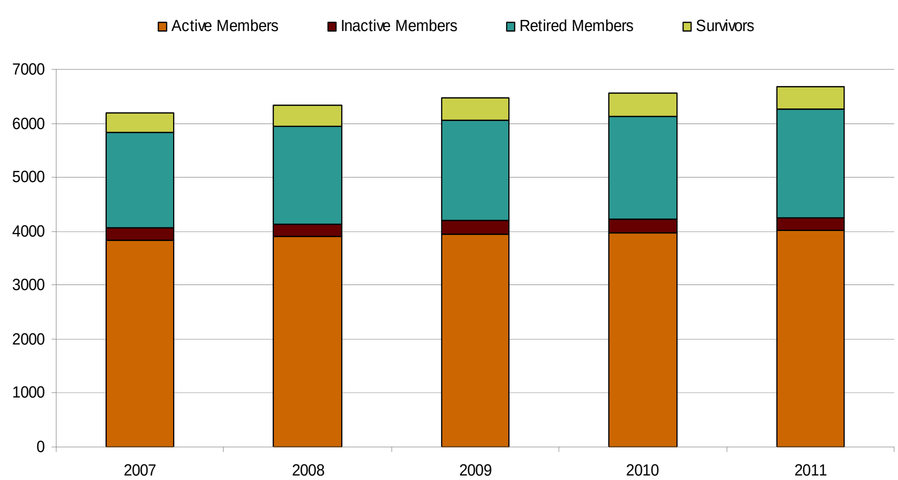


Plan membership includes 4,016 active members who are still working and contributing to the Plan, 238 inactive members who are no longer contributing to the Plan but are entitled to receive benefits upon retirement, and 2,430 retired members and survivors who are currently receiving a pension.

During 2011, the Plan enrolled 362 new members, established 149 new retirement pensions, and 175 members terminated from the Plan.

Plan membership has grown by 8% over the past five years, from a total of 6,201 members in 2007 to 6,684 members in 2011. The ratio of active versus retired members has changed by 2%. In 2007 active members made up 62% of the membership while the retired members and survivors made up 34%. In 2011 only 60% of the membership is active members versus 36% retired members and survivors. The Plan is maturing very rapidly and this trend is expected to continue. The Plan actuary has estimated that a total of 637 active members will retire between 2012 and 2015.

5-Year Member Demographics



The operational activities of the Plan are performed by the Pensions & Disability Administration Department. The staff of the Pensions & Disability Administration Department provides assistance to members regarding their individual benefit entitlements. In order to keep members informed of their benefits the Department produces Plan newsletters and conducts pension information sessions. In 2011 the Department produced three newsletters in February, June, and October and put on three pension information sessions. In 2011 the department ran 504 pension quotes for Civic Plan members including 374 retirement quotes, 112 termination quotes, and 18 other pension calculations, such as marital breakdowns and past service purchases.

Standing (left to right): Brent Magnus, Tracey Halvorson, Lana Miller, Glenda Schlosser and Colyn Lowenberger

Seated (left to right): Vivian Lund, Kerry Trofimuk, Kristy Howse and Audrey Abram

Not Pictured: Lisa Anderson

Contact Us:

By Phone:
777-7402

By Email:
pensions@regina.ca

In Person:
Suite B101 –
2055 Albert Street
Regina, SK

By Mail:
P.O. Box 3030
Regina, SK
S4P 3G8

To access additional information regarding the Plan, please visit our website located at www.reginapensions.ca.

The Plan is governed by a Board of Trustees made up of 12 voting members, comprised of six employer representatives and six employee representatives. The employer representatives are made up of two representatives appointed by the City Manager, and four others appointed by City of Regina City Council, one of which must be from the Regina Qu'Appelle Regional Health Authority. The employee representatives are elected annually by the membership.

The Board is required to meet at least quarterly and quorum is eight members. Under the terms of Schedule "A" of City of Regina Bylaw No. 3125, an affirmative vote of at least eight members is required for the passing of any motion relating to (a) management of the fund, (b) an amendment to an existing policy, and (c) adoption of a new policy relating to the fund.

The Administrative Board members at December 31, 2011 were:

Bob Linner, Chairperson
Mr. Linner was appointed by City Council in 1987 while holding the position of City Manager for the City of Regina. Mr. Linner retired from the City in May of 2006 but continues in his role as Trustee. Mr. Linner holds a Bachelor of Arts Honors equivalent in Urban Geography and Economics from the University of Saskatchewan and is a frequently invited speaker on urban issues and leadership.

Marguerite Porter, Vice-chairperson
Ms. Porter was elected by the Plan members in 2003. She has been employed with the Regina Public Library for 23 years and is currently serving as Manager of a Branch Library.

Councillor Wade Murray
Councillor Murray was appointed by City Council in 2006. He has owned several small businesses in Regina with the latest venture in the renovation and sprayfoam industry, Ultimate Insulation Inc. Councillor Murray serves on a number of boards and committees and is currently sitting for his third term on Regina City Council, representing the residents of Ward 6.

Don Ehrmantraut
Mr. Ehrmantraut was appointed by City Council in 2007 as nominated by the Regina Qu'Appelle Regional Health Authority. He has been employed for 28 years by the Regina Qu'Appelle Regional Health Authority where he held progressively responsible positions in a variety of areas. Mr. Ehrmantraut currently holds the position of Director of Information Technology and also acts as a Board Panel Moderator for CMA Canada (Saskatchewan).

John Gangl
Mr. Gangl was elected by the Plan members in 2008. He currently holds the position of Supervisor of Sewage Collection for the City of Regina and is also the Vice-Chairperson of the Civic Pension & Benefits Committee.

Lorna Glasser
Ms. Glasser was elected by the Plan members in 2006 to assume the seat designated for the Regina Qu'Appelle Regional Health Authority. She has been a member of the Civic Pension & Benefits Committee since 2003. Ms. Glasser worked as a laboratory technologist for 29 years. During that time she assumed a variety of leadership roles in her professional association, her union, and her community.

Jo-ann Hincks
Ms. Hincks was elected by the Plan members in 2009. She has been employed with the Regina Public School Board commencing September 3, 1974 and entered the Civic Pension Plan on that date. Ms. Hincks has been a payroll officer with the Public School Board since October 1976 and has also been an Employee Representative on the Civic Pension & Benefits Committee continuously since 1975.

Colin Jensen
Mr. Jensen was elected by the Plan members in 2011. He has been employed with the Regina Public School Board since 1999, working in the Information Technology Services Department, administering their Corporate Financial Systems. Prior to that, Mr. Jensen had a ten-year career with Wascana Energy Inc. as a Financial Accountant. Mr. Jensen holds the degrees of Bachelor of Administration (Accounting) and Bachelor of Science (Computer Science), both from the University of Regina. Mr. Jensen is also an Employee Representative on the Civic Pension & Benefits Committee, serving continuously since 2008.

John McCormick
Mr. McCormick was elected by the Plan members in 2007. He retired from his position in the Transit Department in 2009 after working for the City of Regina for 31 years.

Leslie Shaw
Mr. Shaw was appointed by the City Manager in 2000. Mr. Shaw previously served on the Board from 1982-1999 while serving as the City Solicitor for the City of Regina.

Brian Smith
Mr. Smith was appointed by the City Manager in 2009. Mr. Smith has been employed by the Government of Saskatchewan for the past 25 years and is currently serving in the role of Assistant Deputy Minister, Saskatchewan Finance, in the Public Employee Benefits Agency. Mr. Smith is an Honorary Life Member of the Canadian Pension and Benefits Institute, a Fellow of the Life Management Institute, and currently sits as Chair on a number of Pension & Disability Plan Boards.

Bob Watt
Mr. Watt was appointed by City Council in 2011. Prior to his retirement in 2010, Mr. Watt was City Leader for Deloitte in Regina. In his role as City Leader he was the senior representative of Deloitte on a day-to-day basis responsible for ensuring a team of 70 professionals in its public accounting practice embraced Deloitte ethical values and client service principles in the marketplace. In his practice he was responsible for a number of major private and public entities. Mr. Watt is also a Fellow of the Institute of Chartered Accountants of Saskatchewan.

Deb Cooney (Non-voting Employee Alternate)
Ms. Cooney was elected by the Plan members in 2011. She joined the City of Regina in 1999 as a Business Analyst and has worked in numerous areas. Ms. Cooney volunteers in a number of community groups for fundraising including a ten year project for the building of a new rink in Balgonie, SK. She has also served as an Employee Representative on the Civic Pension & Benefits Committee since 2006.

Mike Gelsinger (Non-voting Employee Alternate)
Mr. Gelsinger was elected by the Plan members in 1988. Mr. Gelsinger is currently a Captain with the Regina Fire Department.

Standing (left to right):John Gangl, Mike Gelsinger, Don Ehrmantraut, Marguerite Porter, Colin Jensen and Bob Watt

Seated (left to right):Jo-ann Hincks, Deb Cooney, Bob Linner and Leslie Shaw

Not Pictured: Councillor Wade Murray, Lorna Glasser, John McCormick and Brian Smith

Pension Plan Governance

The Administrative Board is responsible for the administration of the Plan as legislated by *The Pension Benefits Act, 1992* (Saskatchewan) and in accordance with the terms of Schedule "A" of Bylaw No. 3125. Under this legislation, the Board members are appointed as the Plan's fiduciaries. This means they are in a position of trust and are obligated to act in the best interests of the pension Plan members and their survivors. The members of the Board must not allow personal interests to interfere with the interests of those they serve. Further, they must take the same care, and apply the same diligence and skill that would be expected of a normally prudent person who was looking after the property of someone else. The members must also adhere to the Board's Code of Conduct Policy.

The Board met 13 times during 2011. Following is the Board Meeting attendance for each Member.

Trustee	Meetings Attended
Bob Linner	13
Marguerite Porter	13
Councillor Wade Murray	10
Don Ehrmantraut	12
John Gangl	12
Lorna Glasser	10
Jo-ann Hincks	13

Trustee	Meetings Attended
Colin Jensen*	8
John McCormick	10
Leslie Shaw	13
Brian Smith	9
Bob Watt*	6
Deb Cooney*	8
Mike Gelsinger	9

** Appointed mid-year*

Administrative Board Responsibilities

1. **Compliance With Legislation**
The Board ensures the Plan is administered in compliance with all appropriate legislation and benefits are paid appropriately to members. The Plan must comply with legislation under *The Pension Benefits Act, 1992* (Saskatchewan), *The Pension Benefits Regulations, 1993* (Saskatchewan), and the *Income Tax Act*.

2. **Pensions & Disability Administration Department**
The Pensions & Disability Administration Department reports to the Board on all aspects of Plan administration. The Board reviews the performance of the department on an ongoing basis and ensures that reports provided to the Board are appropriate and adequate to meet their fiduciary duties.

3. **Annual Financial Statements**
The Board ensures that an annual audit is conducted of the Plan, the annual financial statements for the Plan are prepared, and the results are filed with the regulatory authorities. The current auditors for the Plan are Deloitte & Touche LLP and the statements audited by them are included in this report. In addition, Annual Returns must be filed with the Superintendent of Pensions and Canada Revenue Agency.

4. **Pension Plan Funding and Valuations**
The Board must ensure the Plan is able to meet the pension obligations as they occur and ensure the long-term solvency of the Plan. A valuation of the Plan is required at least every three years and must be filed with the Superintendent of Pensions and Canada Revenue Agency. The purpose of the valuation is to provide an actuarial estimate of the present value of the Plan's liabilities and assets plus determine whether the assets are adequate to meet the obligations or a contribution increase is required. The Plan is considered solvent when the present value of the assets exceeds the actuarial estimate of the Plan liabilities. The Plan's current actuary is Mercer (Canada) Ltd.

5. **Custody of Plan Assets**
The Board must ensure all monies due to the Fund are kept separate and apart from other funds of the employers. This is accomplished by hiring a fund custodian to ensure the money is kept separate from the employer's funds and is only used for pension purposes. In addition to holding the Plan's securities, the custodian is required to verify that any transfer requested by those involved with the Plan complies with the Plan's rules and governing legislation. The current custodian is Northern Trust, Institutional and Investor Services.

6. **Fund Management**
The Board is responsible for making investments in accordance with the investment requirements contained in *The Pension Benefits Act, 1992* (Saskatchewan) and other relevant legislation. The activities the Board performs to fulfill this responsibility include regular reviewing of investment activities, ensuring compliance with the Statement of Investment Policies & Procedures, monitoring investment results and meeting with the Plan's fund managers.

7. **Risk Management**
The Board defines risk and outlines appropriate risk management practices. The Board must work with the Administration to identify the principal risks to the Plan and set an overall risk budget. The Board provides direction with regards to risk objectives and approach to risk management through its policies, and provides guiding principles for risk tolerance.

8. **Performance Measurement**
The Board ensures the various investment managers are managing the fund assets in an appropriate manner and in compliance with the Statement of Investment Policies & Procedures. As part of this duty, the Board hires a Performance Management Service that reports quarterly on the performance of the fund, the performance of the individual managers and whether the managers are in compliance with the Statement of Investment Policies & Procedures. Northern Trust provides performance management services.

9. **Policy Documents**
To support the objectives of the Plan the Board has adopted the following policies.

- Administrative Policy
- Code of Conduct
- Funding Policy
- Procedural Rules
- Risk Management Framework
- Statement of Investment Policies & Procedures
- Trustee Education Policy

2011 ACCOMPLISHMENTS

The Civic Pension Administrative Board accomplishments in 2011 include:

1. **Pension Governance**
   As part of the process to improve Plan operations, the Administration hired a Financial Reporting & Policy Advisor for the Pensions & Disability Administration Department. The Financial Reporting & Policy Advisor assumed responsibility for accounting relating to Plan assets from City of Regina staff. The Sage ACCPAC accounting system was successfully implemented in December with 2012 transactions being processed in the new system.

   The Board also adopted a new Code of Conduct policy that defines the behaviours that are central to successful administration of the Plan. The Code of Conduct has been developed to provide a framework to guide the conduct of the Board, and those associated with it, in earning and nurturing the trust of one another, beneficiaries, sponsors, and other stakeholders.

2. **Pension Plan Review**
   The Board continued its ongoing obligation to monitor the developments in relation to the funding status of the Plan by engaging in continuing discussions with the Plan sponsors. Specifically, the Board provided the Plan sponsors with requested information when possible, heard presentations by the Plan sponsors, and conducted an analysis of proposed changes to the Plan with assistance from the Plan's actuary. The Board sought legal opinions as required and worked closely with the Superintendent of Pensions for Saskatchewan to determine if immediate action was required.

3. **Actuarial Valuation as at December 31, 2010**
   The Board conducted a valuation as at December 31, 2010 which was filed with the regulatory authorities. The valuation revealed that on a going concern basis, the Plan had an unfunded liability of $246.3 million. On a termination basis, the Plan had a solvency ratio of 78.5%. The Board could not elect a three-year moratorium on solvency deficiency payments under The Pension Benefits Regulations, 1993 (Saskatchewan) because this election can only be made once, and there is still one year remaining (2012) on the moratorium elected with regard to the December 31, 2009 valuation. The next actuarial valuation that will be required to be filed with the regulator will be as at December 31, 2013.

   Actuarial valuations were performed as at December 31, 2009 and December 31, 2010. For the 2009 valuation, the minimum funding requirements recommended by the actuary totalled 27.7%. For the 2010 valuation, the minimum funding requirements recommended by the actuary totalled 38.2%. Neither of these two recommendations has been implemented by the Plan sponsors and the contribution rates remain at the level established in the 2007 valuation.

4. **Communication**
   The Pensions & Disability Administration Department launched a new website to better serve Plan members. The website can be found at www.reginapensions.ca and is provided by the Administrative Boards of all four employee benefits plans administered by the Pensions & Disability Administration Department, those being:
   - the Regina Civic Employees' Superannuation & Benefit Plan;
   - the Regina Civic Employees' Long Term Disability Plan;
   - the Regina Police Pension Plan; and
   - the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan.

   The Board communicated regularly with all Plan members while maintaining a consistent message; the financial status of the Plan continues to deteriorate and changes to the Plan must be made to ensure its sustainability. In 2011 the Department produced three newsletters in February, June, and October.

5. **Asset/Liability Study**
   In 2010 the Board engaged Mercer (Canada) Ltd. to conduct an Asset/Liability Study for the Plan. The purpose of the study is to evaluate the current asset mix policies and investment objectives and provide alternatives to the asset mix taking into consideration Plan liabilities, obligations, inflation and risk tolerance. The study concluded in 2011 with the Board establishing a set of investment beliefs to drive the final results of the study and develop an implementation plan that will be carried out in 2012.

2012 Plans

Plans for the Civic Pension Administrative Board in 2012 include:

1. **Financial Stability**
   Financial stability will be pursued by setting guidelines for plan funding with the support of plan design, along with the development of investment policies that outline the actions to be taken based on funded level triggers. The Board will continue to advocate changes to the Plan that will create a sustainable benefit structure and guarantee past service. An actuarial valuation of the Plan will be completed as at December 31, 2011, earlier than required by the regulator, in order to continue to monitor the financial position of the Plan.

2. **Efficient & Effective Governance**
   Efficient and effective governance will be established through a formal planning process. The planning process will define and determine how to measure relevant metrics such as service level standards, investment returns, and risk tolerance. The Board will continue to develop, adopt, implement and revise policy documents in order to support the objectives of the Plan. Efficient and effective governance will be supported through organizational changes to the Pensions & Disability Administration Department.

3. **Managed Risk**
   Risk management will be achieved through continued development of the Statement of Investment Policies & Procedures, the Funding Policy, and the Risk Management Framework, along with continued training and development of the Board members. The terms by which investment managers are evaluated will be defined and a systematic review process will be developed.

4. **Appropriate Investment Returns**
   The Board will develop investment strategies that tie risk tolerance to the funding position of the Plan and the investment portfolio will be restructured to support this strategy.

5. **Engaged Sponsors & Members**
   The Board will evaluate current communication policies with a continued focus on consistent, candid and focused communication and continue the development of technology that can be used to assist in engaging employees.

The Civic Pension Administrative Board follows the *Canadian Association of Pension Supervisory Authorities (CAPSA) Pension Plan Governance Guidelines* which were developed to assist pension plan administrators in fulfilling their governance responsibilities by achieving and maintaining good governance practices.

Principle	Board Action
#1: Fiduciary responsibility The plan administrator has fiduciary and other responsibilities to plan members and beneficiaries. The plan administrator may also have fiduciary and other responsibilities to other stakeholders.	• The Board continues to monitor and provide expert advice to support the Plan Content Review Committee, made up of representatives of the employers and the Civic Pension and Benefits Committee, which has been reviewing the design of the Plan in order to ensure its continued sustainability. • In 2011 the Board notified the Superintendent of Pensions for Saskatchewan of City Council's decision not to approve the contribution rates required by the actuarial valuation as at December 31, 2009.
#2: Governance Objectives The plan administrator should establish governance objectives for the oversight, management, and administration of the plan.	• Efficient and effective governance will be established going forward through a formal planning process. • The Board will continue to develop, adopt, implement and revise policy documents in order to support the objectives of the Plan.
#3: Roles and Responsibilities The plan administrator should clearly describe and document the roles, responsibilities, and accountability of all participants in the pension plan governance process.	• The Board's rights, responsibilities, and obligations are clearly defined in the Administration Policy developed and adopted by the Board. • Sections 3, 3A, and 4 of Bylaw No. 3125 outline the roles of the Board and the Civic Pension and Benefits Committee. • A section on Administration was added to the new Pensions & Disability website which describes the roles and responsibilities of the Board, the Pensions & Disability Administration Department, and the Plan Sponsor.
#4: Performance Measures The plan administrator should provide for the establishment of performance measures and for monitoring the performance of participants who have decision-making authority in the governance process.	• Going forward a formal planning process will be used to define and determine how to measure relevant metrics such as service level standards, investment returns, and risk tolerance.
#5: Knowledge and Skills The plan administrator, directly or with delegates, has a duty to apply the knowledge and skills needed to meet governance responsibilities.	• The Board developed a structured education program through the adoption of a Trustee Education Policy that defines education requirements for all Trustees. • Trustees are required to submit a written report on educational opportunities attended to ensure that knowledge and information acquired is shared amongst the Board members.

Principle	Board Action
#5: Knowledge and Skills (cont'd)	• The Administration maintains a record of each trustee's accomplishments which are reported to the Board on an annual basis and included in the Annual Report.
#6: Access to information The plan administrator and, as necessary, any delegates should have access to relevant, timely and accurate information.	• The Board is conducting actuarial valuations of the Plan annually in order to have the most up-to-date information possible and to diligently monitor the Plan's funding status. • In 2011 the Board completed an Asset/Liability Study in order to evaluate the current asset mix policies and investment objectives and provide alternatives to the asset mix taking into consideration the Plan's liabilities, obligations, inflation and risk tolerance.
#7: Risk Management The plan administrator should provide for the establishment of an internal control framework, commensurate with the plan's circumstance, which addresses the pension plan's risks.	• In 2010 the Board developed and adopted a Risk Management Framework which defines risk and outlines appropriate risk management practices. • Risk management will be achieved through continued development of the Statement of Investment Policies & Procedures, the Funding Policy, and the Risk Management Framework, along with continued training and development of the Board members.
#8: Oversight and compliance The plan administrator should provide for the establishment of appropriate mechanisms to oversee and ensure compliance with the legislative requirements and pension plan documents and administrative policies.	• On an annual basis the Board completes an audit of the Plan, prepares the Financial Statements and Annual Report, and files information returns with regulators. • The Board's Risk Management policy requires that service providers be reviewed annually with a complete in-depth review every fifth year. • The Board completes a performance review of the Director of the Pensions & Disability Administration Department twice a year. • The Administration performs quarterly monitoring of investment performance and compliance with the Statement of Investment Policies & Procedures.
#9: Transparency and accountability The plan administrator should provide for the communication of the governance processes to plan members, beneficiaries and other stakeholders to facilitate transparency and accountability.	• The Annual Report of the Plan has been reformatted to provide additional information to members including the number of Board meetings attended and the educational opportunities attended by each trustee. • The Administrative Board communicates with Plan members on a regular basis through quarterly newsletters. • In 2011 the Administration launched a new website independent of the City of Regina to provide more information to members on a timelier basis.

Governance Review

Principle	Board Action
#10: Code of conduct and conflict of interest The plan administrator should provide for the establishment of a code of conduct and a policy to address conflicts of interest.	• In 2011 the Board developed and adopted a more comprehensive Code of Conduct policy which applies to the Administrative Board, all staff of the Pensions & Disability Administration Department, and all Service Providers engaged by the Administrative Board.
#11: Governance review The plan administrator should conduct a regular review of its plan governance.	• As recommended by Hewitt Associates as part of a 2006 independent assessment of the Plan's governance structure, the Administrative Board is currently working with the City of Regina Administration to develop a process to move the Board to a more autonomous structure. • The current Governance structure is being reviewed as part of the Plan Review Process.

Education & Training

The Administrative Board of the Regina Civic Employees' Superannuation and Benefit Plan recognizes the importance of education to the successful fulfillment of the fiduciary duty to the members of the Plan. To that end, the Board has developed the Trustee Education Policy based on the following principles:

(a) Board members are required to make policy decisions to facilitate the administration of the Plan;
(b) Board members have an obligation to participate in Board meetings in a meaningful way; and
(c) a unique body of knowledge is required to carry out the roles and responsibilities of the Board.

The Trustee Education Policy requires that, <u>in addition to basic education obtained within the first three years</u> of becoming a Trustee:

(a) new Trustees must attend a minimum of 20 hours of educational opportunities on an annual basis; and
(b) senior Trustees must attend a minimum of 30 hours of educational opportunities on an annual basis.

The following Administrative Board members attended conferences and seminars for educational opportunities:

Trustee	Conference/Seminar	Date	Location	Hours
Bob Linner	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	State Street: Global Influences on your Canadian Fixed Income Portfolio	Mar 2	Regina, SK	2
	Sharing of Knowledge Learning Series – Intelligent Risk: Rebuilding the Post-crisis Portfolio	Apr 5	Regina, SK	2.5
	2011 Aon Hewitt Pension Risk Management Seminar	Jun 1	Regina, SK	2.5
	ACPM 2011 National Conference	Sep 13-15	St. John's, NL	30
	Total Expenses*	**$4,481**	**Total Hours**	**39**
Marguerite Porter	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	State Street: Global Influences on your Canadian Fixed Income Portfolio	Mar 2	Regina, SK	2
	CPBI Luncheon – Saskatchewan's Best Kept Secret	Mar 17	Regina, SK	1.5
	Sharing of Knowledge Learning Series – Intelligent Risk: Rebuilding the Post-crisis Portfolio	Apr 5	Regina, SK	2.5
	CPBI Forum 2011 – The Next Wave	May 18-20	Vancouver, BC	30
	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	Total Expenses*	**$856**	**Total Hours**	**39.5**
Councillor Wade Murray	2011 Aon Hewitt Pension Risk Management Seminar	Jun 1	Regina, SK	2.5
	ACPM 2011 National Conference	Sep 13-15	St. John's, NL	30
	Total Expenses*	**$3,281**	**Total Hours**	**32.5**
Don Ehrmantraut	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	State Street: Global Influences on your Canadian Fixed Income Portfolio	Mar 2	Regina, SK	2
	CPBI Saskatchewan Regional Conference	Apr 20-21	Regina, SK	15
	2011 Franklin Templeton Investment Forum	Nov 6-8	Orlando, FL	30
	Total Expenses*	**$2,141**	**Total Hours**	**49**
John Gangl	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	2011 Franklin Templeton Investment Forum	Nov 6-8	Orlando, FL	30
	Total Expenses*	**$1,772**	**Total Hours**	**33.5**
Lorna Glasser	State Street: Global Influences on your Canadian Fixed Income Portfolio	Mar 2	Regina, SK	2
	CPBI Luncheon – Saskatchewan's Best Kept Secret	Mar 17	Regina, SK	1.5
	CPBI Saskatchewan Regional Conference	Apr 20-21	Regina, SK	15
	ACPM 2011 National Conference	Sep 13-15	St. John's, NL	30
	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	Total Expenses*	**$2,490**	**Total Hours**	**50**
Jo-ann Hincks	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	State Street: Global Influences on your Canadian Fixed Income Portfolio	Mar 2	Regina, SK	2
	CPBI Forum 2011 – The Next Wave	May 18-20	Vancouver, BC	30
	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	CPBI Luncheon – How Well Do Your Members Understand and Value Your Benefit Plans?	Oct 19	Regina, SK	2
	Total Expenses*	**$828**	**Total Hours**	**37.5**

Trustee	Conference/Seminar	Date	Location	Hours
Colin Jensen	ACPM 2011 National Conference	Sep 13-15	St. John's, NL	30
	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	CPBI Luncheon – How Well Do Your Members Understand and Value Your Benefit Plans?	Oct 19	Regina, SK	2
	Total Expenses*	**$4,445**	**Total Hours**	**33.5**
John McCormick	ACPM 2011 National Conference	Sep 13-15	St. John's, NL	30
	Total Expenses*	**$4,561**	**Total Hours**	**30**
Leslie Shaw	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	CPBI Saskatchewan Regional Conference	Apr 20-21	Regina, SK	15
	CPBI Forum 2011 – The Next Wave	May 18-20	Vancouver, BC	30
	2011 Aon Hewitt Pension Risk Management Seminar	Jun 1	Regina, SK	2.5
	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	CPBI Luncheon – How Well Do Your Members Understand and Value Your Benefit Plans?	Oct 19	Regina, SK	2
	CPBI Seminar – Benefits, Beyond the Basics	Oct 25-26	Regina, SK	20
	CPBI Luncheon – Will Baby Boomers Ever Retire?	Nov 16	Regina, SK	2
	Total Expenses*	**$1,754**	**Total Hours**	**75**
Brian Smith	MEPP Annual Pension Information Session	Jun 13-15	Waskesiu, SK	30
	Total Expenses*	**$0****	**Total Hours**	**30**
Robert (Bob) Watt	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	Total Expenses*	**$0****	**Total Hours**	**1.5**
Deb Cooney	ACPM 2011 National Conference	Sep 13-15	St. John's, NL	30
	CPBI Luncheon – How Well Do Your Members Understand and Value Your Benefit Plans?	Oct 19	Regina, SK	2
	Total Expenses*	**$4,390**	**Total Hours**	**32**
Mike Gelsinger	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	19th Annual Sask CFA Society Forecast Dinner	Jan 18	Regina, SK	4
	CPBI Saskatchewan Regional Conference	Apr 20-21	Regina, SK	15
	2011 Franklin Templeton Investment Forum	Nov 6-8	Orlando, FL	30
	Total Expenses*	**$1,879**	**Total Hours**	**51**

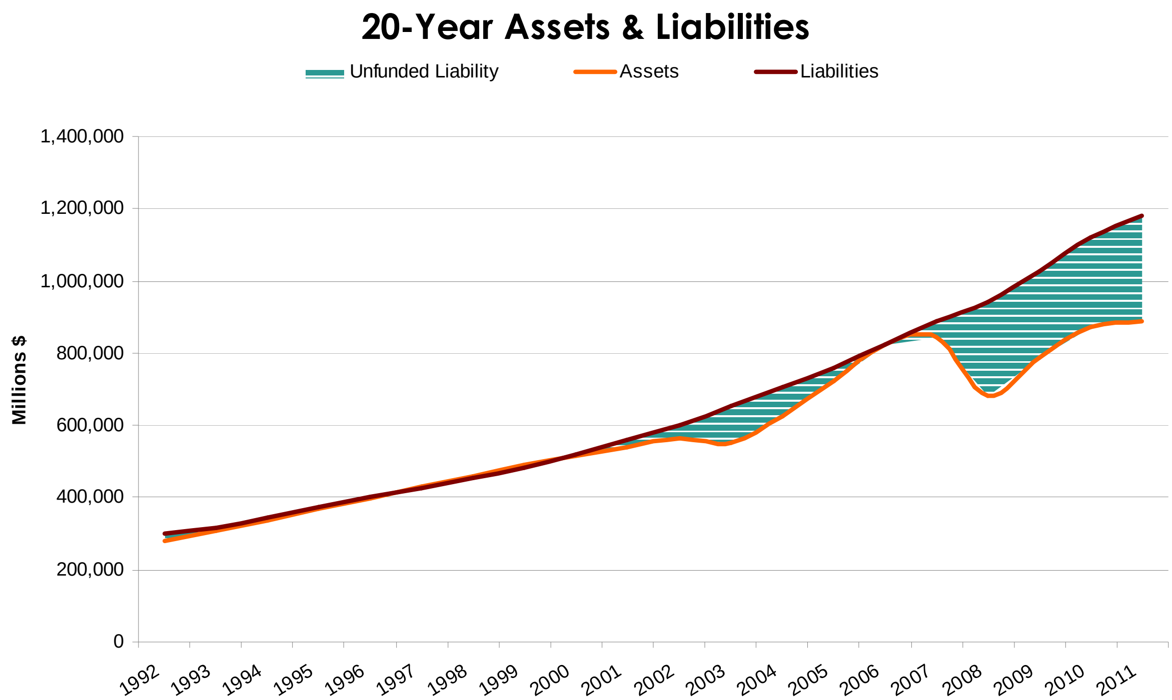
** The costs above show total costs per member. In the event a Trustee sits on more than one Administrative Board, education and training expenses are shared with the other Plans.*

*** Some Trustees are able to attend training and education events as a result of professional standards, employment requirements or personal interests at no cost to the Plan.*

Year End Financial Position
As at December 31, 2011 the Plan had net assets available for benefits of $889.5 million. Net assets consist of investments at market value of $887.9 million, accrued income receivable of $1.1 million, and accounts receivable of $2.8 million, less accounts payable of $2.2 million.

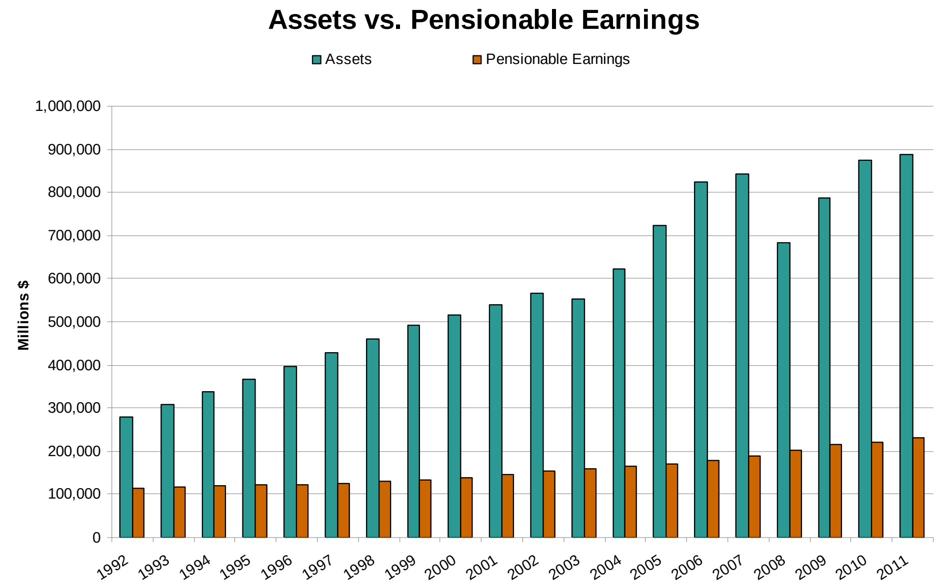
Pension obligations were $1,182.5 million at December 31, 2011.

The Plan deficit, as of December 31, 2011, was $293.0 million.

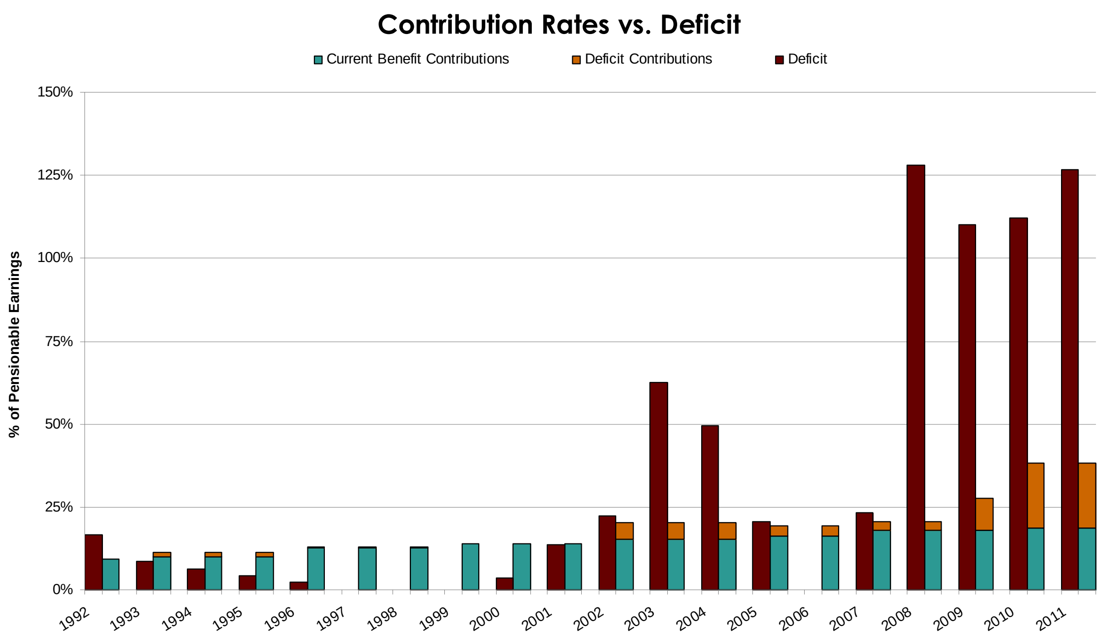


There are four main factors that contribute to the size of the asset base of the Plan. These factors are the investment income earned over the year, the contributions made to the Plan by the employer and employees, the Plan's administration and investment expenses, and the benefit payments made to pensioners. Investment income, contribution revenues, and benefit payments & expenses over the last ten years are shown below:

For The Year Ending	Investment Income / (Loss) ($ Millions)	Revenue From Contributions ($ Millions)	Benefit Payments & Expenses ($ Millions)
2011	16.7	50.8	(53.7)
2010	88.2	46.8	(46.5)
2009	99.0	45.5	(43.0)
2008	(153.6)	39.8	(44.3)
2007	21.2	36.0	(38.7)
2006	102.0	39.0	(89.9)
2005	109.4	36.0	(36.8)
2004	75.2	35.6	(30.9)
2003	78.1	21.9	(30.0)
2002	(18.7)	20.7	(29.1)



As a plan matures and the dollar value of the assets and liabilities increases, fluctuations in the difference between assets and liabilities become harder to recover from. Since liabilities grow at a fairly steady rate, that difference tends to result from changes in the value of the assets. The chart above shows the relationship between assets and pensionable earnings. As plan assets grow in relation to pensionable earnings, fluctuations in the value of assets also grow. In 1992 the Civic Plan's assets were 2.4 times pensionable earnings. A 10% reduction in the value of the assets would have resulted in a new unfunded liability equal to approximately 25% of pensionable earnings. In 2011, the Plan's assets were 3.9 times pensionable earnings. A 10% reduction in the Plan's assets would have resulted in a new unfunded liability equal to 39% of pensionable earnings.



The impact of a maturing plan is that deficits become a greater and greater percentage of pensionable earnings. In 1993 the deficit contributions were equal to 1.43% of pensionable earnings, which rose to 4.87% in 2002. In 2009 the deficit contributions were 9.80% of pensionable earnings. The actuarial valuation at December 31, 2010 revealed that deficit contributions are now higher than the contributions for current benefits at 19.50% (versus 18.70% for current benefits). Notice above that the deficit contributions grow in proportion to current service cost as the Plan matures.

The Civic Pension Administrative Board oversees the investments of the Civic Pension Plan in accordance with the Statement of Investment Policies & Procedures. The Statement of Investment Policies & Procedures addresses such issues as investment objectives, risk tolerance, asset allocation, permissible asset classes, investment diversification, liquidity requirements, expected rates of return and other issues relevant to the investment process, thereby establishing a framework within which all the investment managers must operate. The primary objectives of the investment policy are to:

- meet the pension obligations as they occur and to ensure the long-term solvency of the Plan;
- achieve a real rate of return in excess of 3.9% over a rolling four-year period; and
- earn the stated performance objective for each asset class over a rolling four-year period.

The investment policy is reviewed annually and updated when necessary to ensure that it continues to meet legal standards and the investment requirements of the membership.

The Regina Civic Employees' Superannuation and Benefit Plan measures investment performance against two primary criteria:

1. A custom benchmark consisting of the indices that best represent each asset class:

Asset Class	Total Fund Benchmark
Canadian Equities	S&P/TSX 300 Index
U.S. Equities	S&P 500 Index (CAD) Russell 2500 Index (CAD)
Non-North American Equities	MSCI EAFE (CAD)
Canadian Long Bonds	DEX Long Bond Index
Real Return Bonds	DEX Real Return Bond Index
Real Estate	IPD Canadian Property Index

   The benchmarks for equity and fixed income were selected because all are publicly-traded and readily investible indices. With respect to real estate, an industry-recognized benchmark is used.

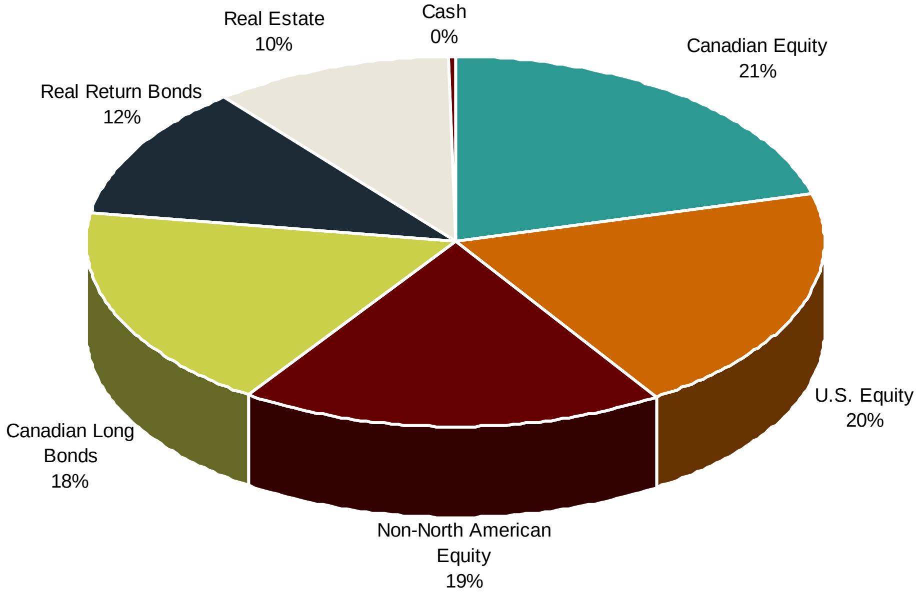
2. Inflation adjusted return of greater than 3.9% (greater than the Consumer Price Index (CPI) by 3.9%).

The Plan does not manage currency within the portfolios, preferring to take a longer term approach that currencies will fluctuate in the short term, but will achieve some equilibrium over time.

Total invested assets of the Civic Pension Plan (including accrued income) at December 31, 2011 were $888.9 million.

The Plan's assets are invested across several asset classes and with multiple investment managers to reduce the overall risk to the Plan. By spreading the investments out among different types of assets, different geographical areas and different investment styles, the overall risk to the Plan is reduced and the returns of the Plan become less volatile.

Asset Class Allocation (12/31/2011)



The table below provides the current asset allocation policy of the Civic Pension Plan. The actual allocation at December 31, 2011 was 59.42% to the Equity Pool, 29.78% to the Fixed Income Pool, and 10.46% to Real Estate. The remaining 0.34% was held in Cash.

Asset Class	Total Fund Benchmark	Actual % Allocation	Min %	Target % Allocation	Max %
Equity Pool:					
Canadian Equities	S&P/TSX 300 Index	20.71	17	22	27
U.S. Equities	S&P 500 Index (CAD)	12.06	8	12	16
	Russell 2500 Index (CAD)	8.03	5	8	11
Non-North American Equities	MSCI EAFE (CAD)	18.62	15	20	25
	Total Equity Pool:	**59.42**		**62**	
Fixed Income Pool:					
Canadian Long Bonds	DEX Long Bond Index	18.10	13	18	23
Real Return Bonds	DEX Real Return Bond Index	11.68	5	10	15
	Total Fixed Income Pool:	**29.78**		**28**	
Real Estate:					
Real Estate	IPD Canadian Property Index	10.46	5	10	15
	Total Real Estate:	**10.46**		**10**	
Cash:	n/a	**0.34**	n/a	n/a	n/a
Total Fund:		**100.00**		**100**	

As the performance of individual managers and markets move the assets in the fund away from the normal strategic positions, the assets are rebalanced to bring the fund back within the parameters of the current strategic asset allocation policy set by the Administrative Board. Such rebalancing is achieved through directed cash flow or by actively transferring funds among managers when specified trigger points are reached.

Investment of the Fund

The actual management and asset allocation structure of the Civic Pension Plan as at December 31, 2011 is shown below:

Asset Class	Manager	Start Date	Amount* ($ in Thousands)	% Of Holdings
Equity Pool:				
Canadian Equities	Greystone Managed Investments	1998	90,793	10.21
	Scheer Rowlett & Associates	2008	93,294	10.50
U.S. Equities	State Street Global Advisors	2011	71,368	8.03
	TD Asset Management	1998	107,219	12.06
Non-North American	Pictet Asset Management	2008	81,784	9.20
Equities	Franklin Templeton Investments Corp.	1992	83,747	9.42
	Total Equity Pool:		**528,205**	**59.42**
Fixed Income Pool:				
Canadian Long Bonds	TD Asset Management	1998	160,978	18.10
Real Return Bonds	n/a	n/a	103,788	11.68
	Total Fixed Income Pool:		**264,766**	**29.78**
Real Estate:				
Real Estate	Greystone Managed Investments	1998	92,970	10.46
	Total Real Estate:		**92,970**	**10.46**
Cash:	n/a	n/a	**2,984**	**0.34**
Total Fund:			**888,925**	**100.00**

**Amount includes small cash balances held by each manager within their investment portfolio as well as accrued income.*

Investment Results

Investment Overview

The first quarter of 2011 saw improvements in economic data and the continued advancement of the recovery that began in 2009. Losses in subsequent quarters wiped out the market recovery that had been building and raised concerns over a double-dip recession.

There were a multitude of factors contributing to the disappointing results as concern grew that the Global Economy may be slowing at a pace greater than anticipated. Economic indicators released during the second quarter brought disappointing news to the markets. Unemployment remained high and while industrial production has risen, consumer sales and sentiment grew at a much slower pace. The ongoing sovereign debt crisis in Europe received the most attention while the U.S. Government continued to deal with its own problems as it tried to work toward a long term debt solution while still trying to revive its sluggish economy. A massive earthquake and subsequent tsunami in Japan affected global supply and inflation continues to be a concern for both developed and emerging markets.

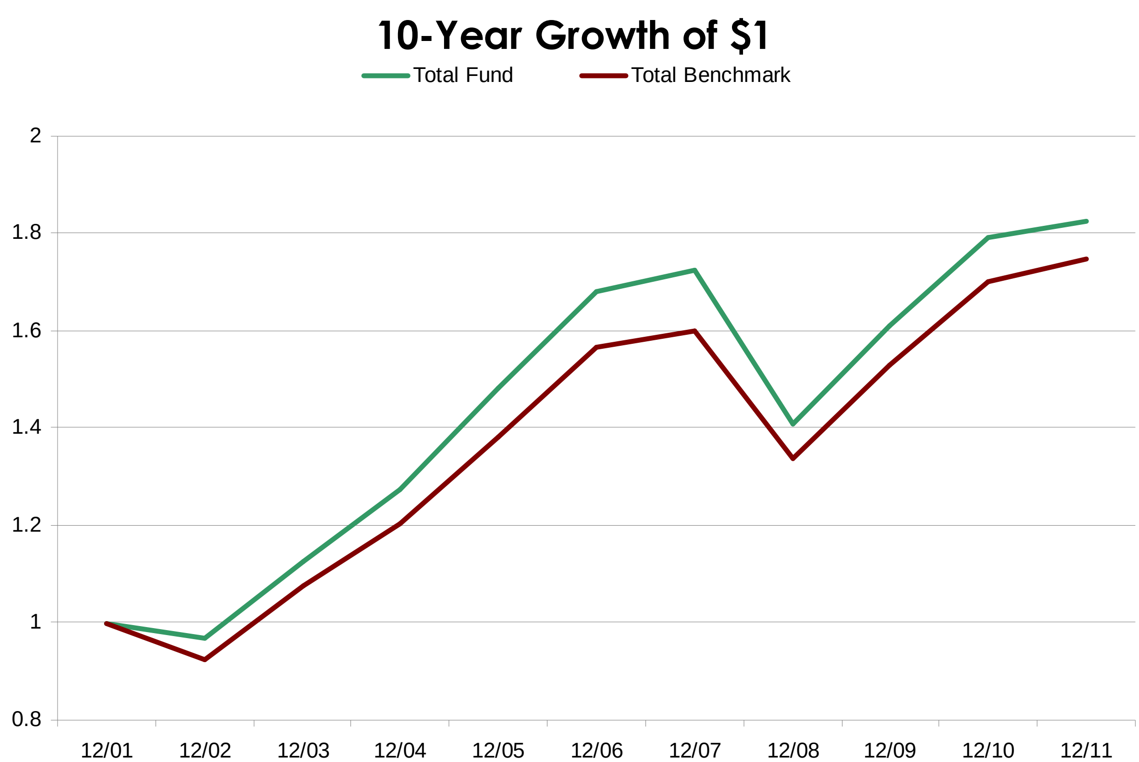
U.S. Equity markets saw both the best-performing first quarter since 1998 and the worst-performing quarter since the fourth quarter of 2008. Overall 2011 saw the second lowest annual return for U.S. Equity since 2003 with only 2008, which was impacted by the financial crisis, being worse. Canadian Equity markets provided negative returns for six consecutive months through the second and third quarters. European markets saw a sharp decline in the third quarter with financial stocks being hit particularly hard and valuations driven down to levels last seen during the 2008 economic crisis. Even though developed markets had gains in three of four quarters in 2011, they were not enough to offset the sharp declines in the third quarter.

The fourth quarter saw gains in all markets and most economic indicators do not yet suggest that we are in a recession. There still seems to be a meaningful chance that we will avoid falling into another recession.

Fund Results
On a total fund basis the Civic Employees' Superannuation and Benefit Plan trailed the investment return of the custom benchmark by -1.08% with a return of 1.84%. On an inflation adjusted basis, the investments of the Plan trailed the Consumer Price Index by -0.46% and underperformed the 3.9% adjusted return required by the Statement of Investment Policies & Procedures by -4.36%.

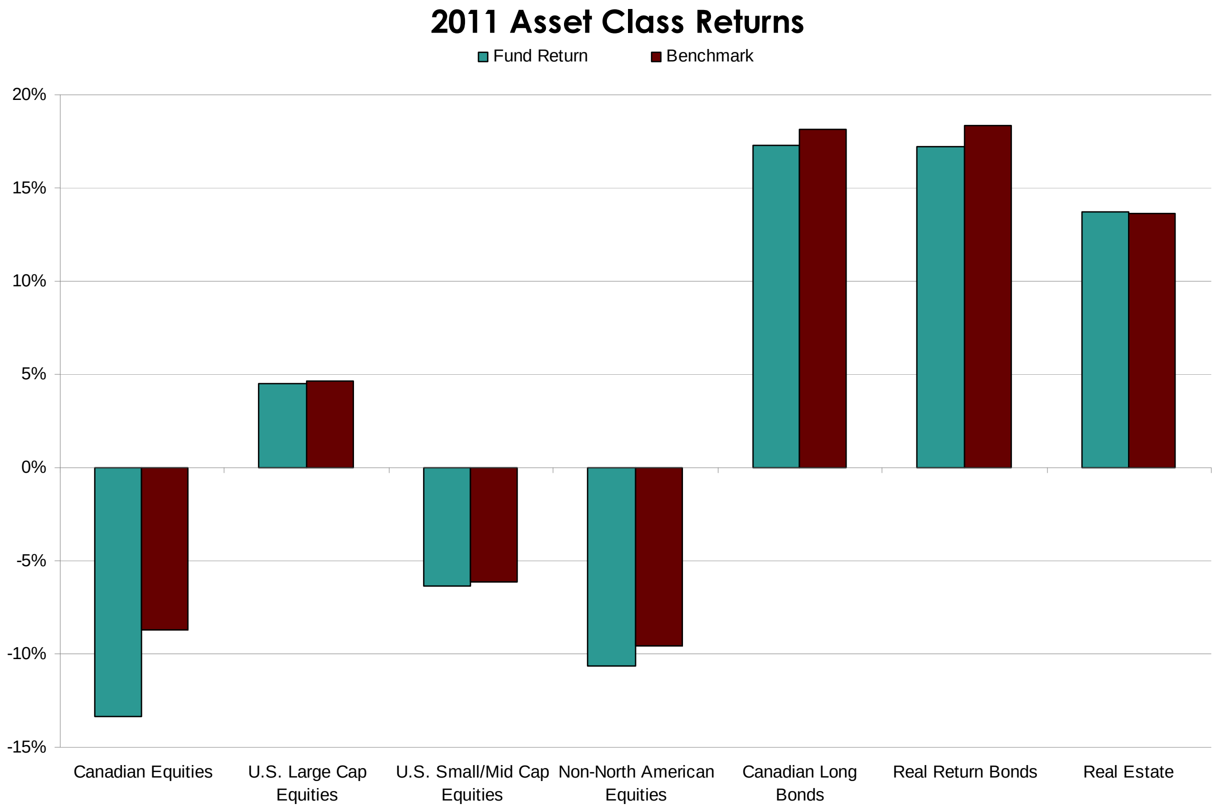
Over a rolling four-year period the annualized investment return stands at 1.42%, trailing the benchmark by -0.83% and falling short of the inflation adjusted target by -4.28%. Strong returns over the two and three-year periods provided returns that exceed the inflation adjusted target, despite being below the custom benchmark. It is important to remember that pension assets are invested for the long haul, to meet obligations that are 30 years or more into the future. Over the last twenty years, the Plan has achieved an annualized return net of inflation of 6.10%, meeting the stated objectives of the portfolio. The new asset mix determined by the asset/liability study completed in 2011 will begin implementation in 2012 as the Board attempts to minimize volatility while generating the required returns.

Investment Returns	Annualized Rate Of Return (%)				
	1 yr	2 yr	3 yr	4 yr	5 yr
Total Fund	1.84	6.44	9.06	1.42	1.64
Total Fund Benchmark	2.92	6.97	9.39	2.25	2.22
Excess Return (%)	**-1.08**	**-0.53**	**-0.33**	**-0.83**	**-0.58**
Annualized CPI	2.30	2.35	2.00	1.80	1.92
Inflation Adjusted Return	-0.46	4.09	7.06	-0.38	-0.28
Excess Return (> CPI+ 3.9%)	**-4.36**	**0.19**	**3.16**	**-4.28**	**-4.18**



The following table shows the gross rate of return achieved by the various asset classes over the one through five year periods ended December 31, 2011. The applicable benchmark performance for each asset class is also noted.

Asset Class	Annualized Rate Of Return (%)				
	1 yr	2 yr	3 yr	4 yr	5 yr
Equity Pool:					
Canadian Equities	-13.33	0.68	10.47	-2.79	-0.69
Benchmark: S&P/TSX 300 Index	-8.71	3.62	13.18	-0.72	1.30
U.S. Equities	3.09	7.94	7.92	-0.61	-3.53
Benchmark: S&P 500 Index / Russell 2500 Index	2.78	7.96	8.68	0.35	-2.23
Non-North American Equities	-10.63	-3.97	3.12	-7.59	-6.61
Benchmark: MSCI EAFE (CAD)	-9.55	-3.68	1.43	-7.15	-6.79
Total Equity Pool:	**-7.09**	**1.64**	**7.50**	**-3.55**	**-2.71**
Fixed Income Pool:					
Canadian Long Bonds	17.26	14.82	11.46	8.85	7.75
Benchmark: DEX Long Bond Index	18.13	15.29	11.93	9.54	8.29
Real Return Bonds	17.20	13.77	13.41	10.13	8.39
Benchmark: DEX Real Return Bond Index	18.35	14.66	14.61	10.88	8.96
Total Fixed Income Pool:	**17.58**	**14.60**	**12.38**	**9.48**	**8.20**
Real Estate:					
Real Estate	13.69	11.11	6.22	7.81	10.47
Benchmark: IPD Canadian Property Index	13.66	9.50	5.17	5.98	7.95
Total Real Estate:	**13.69**	**11.11**	**6.22**	**7.81**	**10.47**
Cash:					
Cash	5.38	2.93	2.01	1.99	2.27
Benchmark: 91 Day Canadian T-Bill (CAD)	1.00	0.77	0.72	1.36	1.97
Total Cash:	**5.38**	**2.93**	**2.01**	**1.99**	**2.27**
Total Fund:	**1.84**	**6.44**	**9.06**	**1.42**	**1.64**



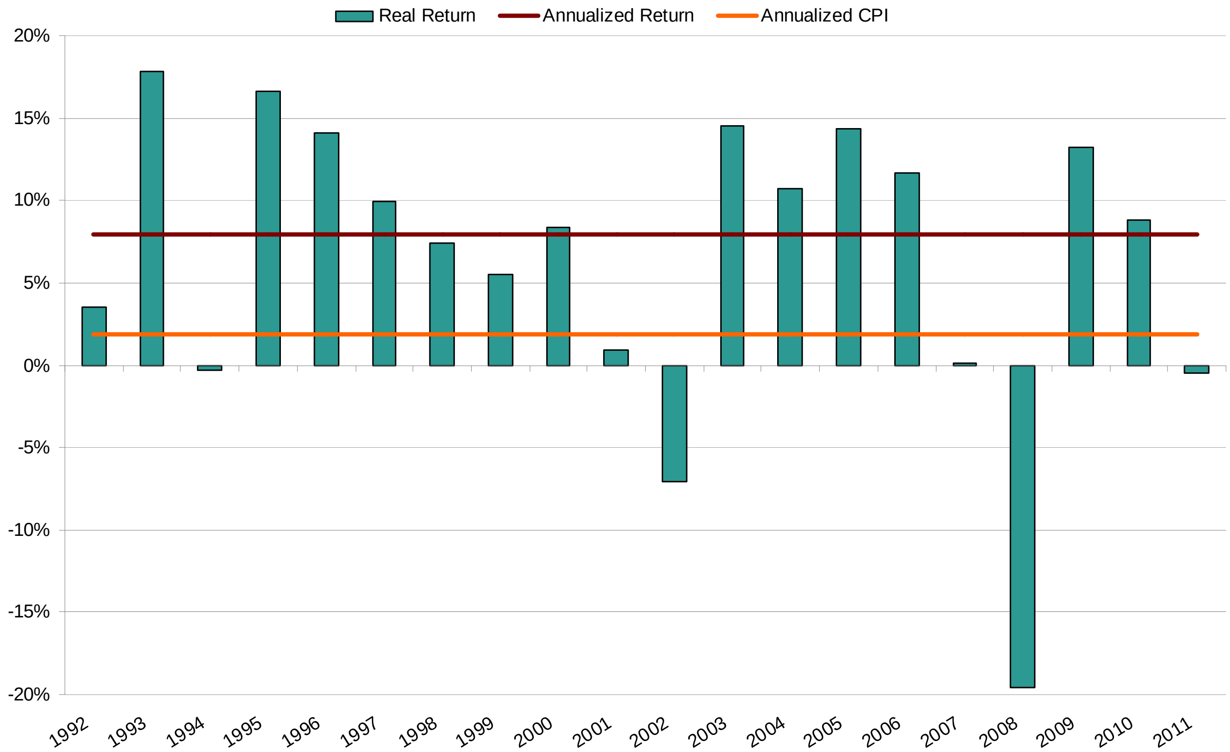
Historical Total Returns

While investment performance is measured and reviewed quarterly, it is important to maintain a longer-term perspective due to the nature of the liabilities of the Plan. This applies when reviewing the 2011 performance in relation to a longer investment horizon and considering the effects of inflation over time. The annual investment returns of the Civic Pension Plan for the last twenty years are as follows:

Annual Rate Of Return							
Year	Nominal Return	CPI	Real Return	Year	Nominal Return	CPI	Real Return
2011	1.84%	2.30%	-0.46%	2001	1.60%	0.70%	0.90%
2010	11.24%	2.40%	8.84%	2000	11.60%	3.20%	8.40%
2009	14.49%	1.30%	13.19%	1999	8.10%	2.60%	5.50%
2008	-18.40%	1.20%	-19.60%	1998	8.40%	1.00%	7.40%
2007	2.50%	2.40%	0.10%	1997	10.60%	0.70%	9.90%
2006	13.40%	1.70%	11.70%	1996	16.30%	2.20%	14.10%
2005	16.50%	2.10%	14.40%	1995	18.30%	1.70%	16.60%
2004	12.80%	2.10%	10.70%	1994	-0.10%	0.20%	-0.30%
2003	16.60%	2.10%	14.50%	1993	19.50%	1.70%	17.80%
2002	-3.30%	3.80%	-7.10%	1992	5.60%	2.10%	3.50%

(1) Nominal Return is the actual rate of return earned in the year.
(2) The CPI (Consumer Price Index) is published monthly by Statistics Canada. The rate of change provides a measure of inflation.
(3) Real Return is the return earned after accounting for the effect of inflation.
(4) Annualized Return is the return earned after the effect of inflation is removed, over a specific time period.

20-Year Annualized Returns



Description	2011 ($ in Thousands)
Actuarial Services:	
Mercer (Canada) Ltd.	**428**
Audit Services:	
Deloitte & Touche LLP	**12**
Custodial & Performance Management Fees:	
Northern Trust Corporation	**192**
Investment Manager Fees:	
Greystone Managed Investments	1,030
TD Asset Management	70
Franklin Templeton Investments Corp.	691
Pictet Asset Management	660
Sheer Rowlett and Associates	315
State Street Global Advisors	61
	2,827
Legal Services:	
McDougall Gauley	**76**
Other Administrative Expenses:	
Pensions & Disability - Salaries & Benefits	589
Mercer (Canada) Ltd.	102
SaskCentral	55
CPAS	47
City of Regina	17
AonHewitt	8
SaskTel	6
Stonefield Systems Group Inc.	5
Government of Saskatchewan	5
Conferences, Seminars and Travel	48
Printing, Photocopying and Office Supplies	28
Postage and Courier	10
Software	10
Receptions and Meetings	1
Net Self-assessed GST less Rebate	(75)
Other	14
	870
Total for the Plan:	**4,405**

Deloitte.

Deloitte & Touche LLP
900 - 2103 11th Ave
Bank of Montreal Building
Regina SK S4P 3Z8
Canada

Tel: 306-565-5200
Fax: 306-757-4753
www.deloitte.ca

Independent Auditor's Report

To the Administrative Board of the Regina Civic Employees' Superannuation and Benefit Plan:

We have audited the accompanying financial statements of the Regina Civic Employees' Superannuation and Benefit Plan, which comprise the statements of financial position as at December 31, 2011 and December 31, 2010, and the statements of changes in net assets available for benefits and the statements of changes in pension obligations for the years 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 accounting standards for pension plans, 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 audits. We conducted our audits 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Regina Civic Employees' Superannuation and Benefit Plan as at December 31, 2011 and December 31, 2010, and the changes in its net assets available for benefits and changes in its pension obligations for the years then ended in accordance with Canadian accounting standards for pension plans.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 12 and 14 to the financial statements. The Plan sponsors have not implemented rate increases for 2011 and are considering alternative options to address the going concern deficit.

Deloitte & Touche LLP

Chartered Accountants

April 25, 2012
Regina, Saskatchewan

STATEMENT OF FINANCIAL POSITION
(in thousands of dollars)

As at December 31, 2011

	December 31 2011	December 31 2010	January 1 2010
ASSETS			
Investments – Note 4	**887,872**	876,479	785,737
Accrued Income Receivable	**1,053**	845	943
Contributions Receivable			
Members	**1,340**	342	983
Employers	**1,365**	342	1,020
Accounts Receivable	**89**	90	91
	891,719	878,098	788,774
LIABILITIES			
Accounts Payable	**2,212**	2,392	1,512
Net Assets Available for Benefits	**889,507**	875,706	787,262
PENSION OBLIGATIONS AND DEFICIT			
Pension Obligations – Note 6	**1,182,481**	1,084,712	994,513
Deficit	**(292,974)**	(209,006)	(207,251)
Pension Obligations and Deficit	**889,507**	875,706	787,262

See accompanying notes

APPROVED BY:

Board Member

Board Member

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(in thousands of dollars)

For the year ended December 31, 2011

	December 31 2011	December 31 2010
INCREASE IN NET ASSETS		
Investment Income – Note 7	**28,955**	27,418
Increase in Fair Value of Investments	**-**	60,756
Contributions – Note 8		
Member Contributions	**25,440**	23,497
Employer Contributions	**25,337**	23,316
	79,732	134,987
DECREASE IN NET ASSETS		
Decrease in Fair Value of Investments	**12,216**	-
Benefit Payments – Note 9	**39,906**	36,308
Pension Refunds – Note 9	**9,404**	6,066
Administration Expenses – Note 13	**4,405**	4,169
	65,931	46,543
Net Increase for the Year	**13,801**	88,444
Net Assets Available for Benefits, Beginning of Year	**875,706**	787,262
Net Assets Available for Benefits, End of Year	**889,507**	875,706

See accompanying notes

STATEMENT OF CHANGES IN PENSION OBLIGATIONS
(in thousands of dollars)

For the year ended December 31, 2011

	December 31 2011	December 31 2010
INCREASE IN PENSION OBLIGATIONS		
Interest Accrued on Benefits	**64,844**	62,490
Accrual of Pension Benefits	**44,587**	40,523
Experience Losses	**-**	21,757
Change in Assumptions – Note 6	**42,577**	7,803
	152,008	132,573
DECREASE IN PENSION OBLIGATIONS		
Benefit Payments and Pension Refunds	**49,310**	42,374
Experience Gains	**4,929**	-
	54,239	42,374
Net Increase for the Year	**97,769**	90,199
Pension Obligations, Beginning of Year	**1,084,712**	994,513
Pension Obligations, End of Year	**1,182,481**	1,084,712

See accompanying notes

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

1. Description of Plan

The Regina Civic Employees' Superannuation and Benefit Plan (the "Plan") is a multi-employer contributory defined benefit pension plan covering eligible employees of the City of Regina and the following participating Boards: Regina Qu'Appelle Regional Health Authority, Regina Public Library Board, non-teaching staff of the Board of Education of the Regina School Division No. 4 of Saskatchewan, and the Buffalo Pound Water Administration Board. The following description is a summary only. For more complete information, reference should be made to the Plan text.

(a) Funding Policy

Prior to April 2009, members' contributions were a percentage of salary ranging from 7.85% to 13.11% and the employer matched the members' contribution to the Plan.

Effective April 2009, members' contributions are a percentage of salary ranging from 9.42% to 13.96%. The contributions are matched by the employer.

Actuarial valuations were performed as at December 31, 2009 and December 31, 2010. For the 2009 valuation, the minimum funding requirements recommended by the actuary totalled a combined rate of 27.7%. For the 2010 valuation, the minimum funding requirements recommended by the actuary totalled a combined rate of 38.2%. Neither of these two recommendations has been implemented by the Plan sponsors and the contribution rates remain at the level established in the 2007 valuation.

The employers match the contributions made by the active members and contribute $1.00 for every $.75 contributed by disabled members.

Members may also make contributions in respect of past service that are not matched by the employer.

(b) Benefits

Retirement pensions are based on the number of years of service multiplied by 1.35% to 2% of the best consecutive three years average salary.

Deferred, survivor and disability benefits (disabilities prior to January 1, 1992) are also available under the Plan.

The Plan also provides for the payment of lump sum benefits when a member dies or ceases to be employed by a participating employer, subject to lock-in provisions.

(c) Income Taxes

The Plan is a registered pension plan as defined in The Income Tax Act and is not subject to income taxes. Retirement allowances paid from the Plan are subject to deductions that are withheld by the City of Regina and remitted to the Canada Revenue Agency.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for pension plans as outlined in Part IV of the CICA Handbook, Section 4600, Pension Plans. For matters not addressed in Section 4600, IFRS (International Financial Reporting Standards) have been followed. These financial statements are presented in the Plan's functional currency, Canadian Dollars. The financial statements were authorized and issued by the Plan's Administrative Board on April 25, 2012.

The Plan's statements were previously prepared in accordance with CICA Handbook Section 4100 and while there are differences between the sections, there were no differences that affected the financial position of the Plan.

The following policies are considered to be significant:

(a) Basis of Presentation of Financial Statements

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the Plan sponsors and Plan members. They are prepared to assist Plan members and others in reviewing the activities of the Plan for the fiscal period, but they do not portray the funding requirements of the Plan or the benefit security of individual Plan members.

Employers of members are responsible for the accuracy and completeness of members' contributions remitted and of employee payroll information on which benefit payments are determined. Accordingly, these financial statements presume the accuracy and completeness of the members' contributions and payroll information received from employers of the members.

(b) Investments

Investments in equities are recorded at fair value which is determined using year-end market prices from recognized security dealers. Investments in bonds are recorded at fair value which is determined using mid market prices obtained from a recognized security dealer. Transactions in bonds and equities are recorded as of the trade date.

Pooled funds are recorded at fair value based on the net asset value per unit determined by the investment manager with reference to the underlying investments' year-end market prices.

Short-term investments are recorded at cost, which together with accrued interest income, approximates fair value.

Investments denominated in foreign currency are translated at the exchange rate in effect at year-end.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

2. Summary of Significant Accounting Policies (continued)

(c) Investment Income and Transaction Costs

Investment income includes interest and dividends. Interest income is recorded on the accrual basis. Dividend income from equity securities is recognized as entitlement arises. Changes in fair value of investments includes both realized and unrealized gains and losses. Realized gains and losses from the sale of investments are calculated using a weighted average cost basis and are reflected in earnings as incurred. Transaction costs are recognized in the statement of changes in net assets available for benefits in the period incurred.

(d) Foreign Exchange

Foreign investment purchases, sales and income are recorded in Canadian dollars at exchange rates in effect at the transaction date. Foreign denominated investments and accrued income are translated at year end exchange rates. The unrealized gains and losses arising from the transaction are included in the statement of changes in net assets available for benefits as part of the change in fair value of investments.

(e) Contributions

Contributions are accounted for on the accrual basis.

(f) Use of Estimates and Judgements

The preparation of financial statements in conformity with Canadian accounting standards for pension plans requires management to make estimates and use assumptions that affect the reported amounts of asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates subject to estimates and assumptions include the valuation of investments and the determination of the pension obligations.

(g) Future Accounting Policy Changes

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2011, and have not been applied in preparing these financial statements. In particular, the following new and amended standards which become effective for annual periods beginning on or after January 1, 2013:

- IFRS 9 Financial Instruments
- IFRS 12, Disclosure of Interests in Other Entities
- IFRS 13, Fair Value Measurement

The extent of the impact on adoption of these standards is not known at this time, but is not expected to be material.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

3. Fair Value of Financial Instruments

The following table summarizes the inputs used as of December 31, 2011 in valuing the Plan's investments carried at fair values.

	December 31, 2011			
Asset Class	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equities	**332,700**	**190,961**	**-**	**523,661**
Fixed Income	**-**	**264,549**	**-**	**264,549**
Real Estate Pooled Fund	**-**	**-**	**92,969**	**92,969**
Cash & Short-Term	**6,693**	**-**	**-**	**6,693**
Total Investments	**339,393**	**455,510**	**92,969**	**887,872**

	December 31, 2010			
Asset Class	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equities	357,839	191,134	-	548,973
Fixed Income	-	233,958	-	233,958
Real Estate Pooled Fund	-	-	81,818	81,818
Cash & Short-Term	11,730	-	-	11,730
Total Investments	369,569	425,092	81,818	876,479

	January 1, 2010			
Asset Class	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equities	310,934	172,987	-	483,921
Fixed Income	-	215,522	-	215,522
Real Estate Pooled Fund	-	-	75,512	75,512
Cash & Short-Term	-	10,316	466	10,782
Total Investments	310,934	398,825	75,978	785,737

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

3. Fair Value of Financial Instruments (continued)

(a) Short-term deposits are recorded at cost, which together with accrued interest income, approximates fair value.

(b) Bonds and debentures, real return bonds and public equities are valued at year-end quoted market prices, where available.

(c) For public equities the quoted market prices are based on exchange prices while bonds and real return bonds are based on quotes from industry standard sources such as brokers and trade reporting services.

(d) Pooled funds are based on the net asset value provided by the pooled fund administrator using closing bid prices.

Fair value measurements of investment assets are based on inputs from one or more levels of a fair value hierarchy as follows:

Level 1: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities traded in active markets. Level 1 primarily includes publicly listed equity investments.

Level 2: Fair value is based upon valuation methods that make use of inputs, other than quoted prices within Level 1, that are observable by market participants either directly through quoted prices for similar but not identical assets or indirectly through observable market information used in valuation models. Level 2 primarily includes debt securities not traded on a public market; public equities not traded in an active market, and pooled funds.

Level 3: Fair value is based upon valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation. Level 3 primarily includes real estate valued through the real estate pooled fund.

For the Plan's financial assets and liabilities other than its investments and accrued pension benefits liabilities, consisting of accrued income receivable, accounts receivable and accounts payable, the carrying value approximates fair value given the short-term nature of these items. The accrued pension benefits is long term in nature and there is no market for settling these pension benefit obligations.

During the year ended December 31, 2011, the reconciliation of investments measured at fair value using unobservable inputs (level 3) is presented as follows:

Reconciliation	**2011**	**2010**
Beginning Balance, January 1	**81,818**	75,978
Purchases	**-**	11,935
Return of Capital	**(44)**	(8,079)
Change in unrealized gains/(losses)	**11,195**	1,984
Ending Balance, December 31	**92,969**	81,818

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

4. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to optimize the risk/return relationship of the Plan and to generate sufficient cash flows to meet pension benefits payments. Due to the long-term horizon of the Plan's benefits, the Plan takes a long-term investment perspective.

	December 31, 2011		December 31, 2010		January 1, 2010	
Asset Class	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost
Short Term Investments	**1,236**	**1,236**	1,855	1,855	1,028	1,028
Fixed Income	**264,549**	**191,719**	233,958	185,230	215,522	180,811
Canadian Equities	**181,882**	**192,742**	200,060	153,105	176,573	148,337
U.S. Equities	**177,462**	**176,624**	179,859	167,730	158,572	159,951
Non-North American Equities	**164,317**	**195,541**	169,054	177,748	148,776	157,588
Real Estate Pooled Fund	**92,969**	**75,362**	81,818	75,406	75,512	71,084
Cash	**5,457**	**5,457**	9,875	9,875	9,754	9,754
Total Investments	**887,872**	**838,681**	876,479	770,949	785,737	728,553

The investments held by the Plan are subject to *The Pension Benefits Act, 1992,* and its regulations. Investment concentration in any one investee or related group of investees is limited to no more than 10% of the total book value of the Plan's assets or no more than 30% of the votes that may be cast to elect the directors of the investee.

To achieve its long term investment goal, the Board has adopted the following asset mix which includes equity for returns and a well-diversified portfolio of assets:

Asset Class		Minimum %	Benchmark %	Maximum %
Equities	Canadian Equities	**17**	**22**	**27**
	U.S. Equities – Core	**8**	**12**	**16**
	U.S. Small/Mid Cap	**5**	**8**	**11**
	Non-North American Equities	**15**	**20**	**25**
Fixed Income	Long Bonds	**13**	**18**	**23**
	Real Return Bonds	**5**	**10**	**15**
Alternatives	Real Estate	**5**	**10**	**15**
Total Portfolio			**100**	

In general and subject to the restrictions noted below, the Plan may invest in any of the following asset classes and investment instruments. The Plan's assets may be invested through in-house investment activities or through external investment managers including without limitation, mutual funds, pooled funds, segregated funds, unit trusts, limited partnerships, and similar vehicles as described in the regulations of the *Pension Benefits Standards Act, 1993*.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

4. Investments (continued)

Cash and Short Term Investments

The Plan may invest in cash and short term investments which consist of cash on hand, Canadian and US money market securities, such as treasury bills issued by the federal and provincial governments and their agencies, obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances, commercial paper, term deposits and contracts with life insurance companies.

Equities

	December 31, 2011				
Asset Class	**Target (%)**	**Actual (%)**	**Actual ($)**	**Segregated (%)**	**Pooled (%)**
Canadian Equities	**35.5**	**34.7**	**181,882**	**34.7**	**-**
U.S. Large Cap	**19.4**	**20.5**	**107,215**	**-**	**20.5**
U.S. Small/Mid Cap	**12.9**	**13.4**	**70,247**	**13.4**	**-**
Non-North American Equities	**32.2**	**31.4**	**164,317**	**15.1**	**16.3**
Total	**100.0**	**100.0**	**523,661**	**63.2**	**36.8**

	December 31, 2010				
Asset Class	**Target (%)**	**Actual (%)**	**Actual ($)**	**Segregated (%)**	**Pooled (%)**
Canadian Equities	35.5	36.4	200,060	36.4	-
U.S. Large Cap	19.4	19.3	105,680	-	19.3
U.S. Small/Mid Cap	12.9	13.5	74,179	13.5	-
Non-North American Equities	32.2	30.8	169,054	15.2	15.6
Total	100.0	100.0	548,973	65.1	34.9

	January 1, 2010				
Asset Class	**Target (%)**	**Actual (%)**	**Actual ($)**	**Segregated (%)**	**Pooled (%)**
Canadian Equities	35.5	36.5	176,573	36.5	-
U.S. Large Cap	19.4	19.8	95,748	-	19.8
U.S. Small/Mid Cap	12.9	13.0	62,824	13.0	-
Non-North American Equities	32.2	30.7	148,776	15.0	15.7
Total	100.0	100.0	483,921	64.5	35.5

Equities consist primarily of publicly traded shares, and in the case of international equities, refers to investments in Europe, Australia and the Far East. The Plan may invest in any of the following: common and convertible preferred stock listed on a recognized exchange, securities convertible or exchangeable into common or convertible preferred stock, rights, warrants and special warrants for common or convertible preferred stock, instalment receipts, private placements equities, American and global depository receipts, publicly traded investment trusts and or index replicating vehicles.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

4. Investments (continued)

The Plan holds equity investments in Canada, the United States and Non-North American markets through a combination of separately managed accounts and pooled funds. The dividend yield on those accounts was 2.30% at the end of 2011 (2010 - 2.12%). The Plan reinvests those earnings and does not rely upon them to fund benefit payments.

Fixed Income

	December 31, 2011		
Bond Type	**Fair Value ($)**	**Portfolio Weight (%)**	**Weighted Average Term to Maturity**
Federal	**148,290**	**56.1**	**19.25**
Federal Agency	**1,340**	**0.5**	**10.2**
Provincial	**73,574**	**27.8**	**22.7**
Municipal	**3,795**	**1.4**	**24.1**
Corporate	**37,550**	**14.2**	**23.2**
Portfolio	**264,549**	**100.0**	**20.9**

	December 31, 2010		
Bond Type	**Fair Value ($)**	**Portfolio Weight (%)**	**Weighted Average Term to Maturity**
Federal	133,306	57.0	17.7
Federal Agency	2,910	1.2	14.1
Provincial	65,147	27.8	22.6
Municipal	1,763	0.7	23.9
Corporate	30,832	13.3	21.8
Portfolio	233,958	100.0	19.5

	January 1, 2010		
Bond Type	**Fair Value ($)**	**Portfolio Weight (%)**	**Weighted Average Term to Maturity**
Federal	125,004	58.0	16.8
Federal Agency	3,490	1.6	21.3
Provincial	58,535	27.2	22.2
Municipal	1,115	0.5	22.2
Corporate	27,378	12.7	21.6
Portfolio	215,522	100.0	20.6

The Plan invests in Canadian bonds via a pooled fund and a portfolio of Real Return Bonds managed in-house. The pooled fund holds some cash and cash equivalents at all times.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

4. Investments (continued)

Canadian bonds consist of government and corporate bonds and debentures. The Statement of Investment Policies and Procedures permits investment in all bonds, debentures, notes, non-convertible preferred stock, real return bonds and other debt instruments of Canadian issuers whether denominated and payable in Canadian dollars or a foreign currency including mortgage-backed securities, guaranteed under *The National Housing Act (Canada)*, asset backed securities, term deposits and guaranteed investment certificates. It also permits investment in private placement of bonds that are rated by a recognized rating agency.

The Statement of Investment Policies and Procedures requires bonds to meet minimum standards. Only bonds of issuers rated BBB or higher are held in the portfolio. Currently, there are two bond portfolios;

- the TD Asset Management Long Bond Pooled Fund Trust, which invests in bonds and debentures rated BBB or higher in a manner that replicates the characteristics of the DEX Long Bond Index; and
- a portfolio of Government of Canada Real Return Bonds.

Real Estate Pooled Fund

The Plan invests in Canadian commercial property through a pooled fund to improve diversification and liquidity. At December 31, 2011 the pooled fund investment was valued at $92,969 (2010 - $81,818). As at January 1, 2010, the Plan held direct real estate investments as a segregated fund managed by Greystone valued at $75,512.

5. Investment Risk

Risk Management relates to the understanding and active management of risks associated with all areas of the business and associated operating environment. Investments are primarily exposed to foreign currency, interest rate volatility, market, and credit risk. Investments held by the Plan are subject to *The Pension Benefits Act, 1992* and *The Pension Benefits Standards Regulations, 1993.* As required under that legislation, the Plan has set formal policies and procedures that establish an asset mix among equity, fixed income and real estate investments; requires diversification of investments within categories; and sets limits on the size of exposure to individual investments.

Market Risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Plan's policy is to invest in a diversified portfolio of investments, based on criteria established in the Statement of Investment Policies and Procedures. The asset mix is described in Note 4. The Plan also uses investment managers employing differing investment styles to address Plan risk.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

5. Investment Risk (continued)

The impact on the net assets of the Plan due to a 10% change in the respective benchmark stock index using a three year historical measure of the sensitivity of the returns relative to the returns of the benchmark stock index, as of December 31, 2011 would result in an increase/decrease of 9.8% (2010 – 8.5%) in the value of the portfolio.

Credit Risk

Credit risk refers to the potential for counterparties to default on their contractual obligation to the Plan. Credit risk is mitigated by entering into contracts with the counterparties that are considered high quality. Quality is determined via the following credit rating agencies: DBRS, Standard and Poor's and Moody's Investor Service.

Maximum credit risk consists of:

Asset Class	December 31, 2011 Fair Value	December 31, 2010 Fair Value	January 1, 2010 Fair Value
Fixed Income	**264,549**	233,958	215,522
Short Term Investments	**1,236**	1,855	1,028
Cash and Equivalents	**5,457**	9,875	9,754
Total Portfolio	**271,242**	245,688	226,304

Bond Rating	December 31, 2011 Fair Value ($)	December 31, 2011 Portion of Bonds (%)	December 31, 2010 Fair Value ($)	December 31, 2010 Portion of Bonds (%)	January 1, 2010 Fair Value ($)	January 1, 2010 Portion of Bonds (%)
AAA	**157,788**	**58.2**	143,139	58.2	133,610	58.9
AA	**44,041**	**16.2**	38,113	15.5	33,019	14.6
A	**63,956**	**23.6**	52,706	21.5	47,646	21.1
BBB	**-**	**-**	-	-	1,246	0.6
Not Rated	**5,457**	**2.0**	11,730	4.8	10,783	4.8
Total Portfolio	**271,242**	**100.0**	245,688	100.0	226,304	100.0

The Plan participates in a securities lending program which lends certain plan securities to third parties for a fee. For securities loaned, the Plan receives a fee and the borrower provides readily marketable securities of higher value as collateral. Management believes the securities held as collateral mitigate the credit risk associated with the program. At December 31, 2011 the Plan had securities with a fair value of $111,974 ($114,729 – December 31, 2010) loaned out with collateral of $ 116,701 ($120,661– December 31, 2010).

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

5. Investment Risk (continued)

Interest Rate Risk

Interest rate risk refers to the effect on the fair value of the Plan's investments due to fluctuation of interest rates. The risk arises from the potential variation in the timing and amount of cash flows related to the Plan's assets and liabilities. Due to the indexing of benefit entitlements and the relatively long duration of pension benefits, the Plan's liabilities are influenced by inflation and long-term rates of return. Alternatively, asset values are affected more by equity markets and short-term changes in interest rates. The fixed income portfolio has guidelines on duration and distribution which are designed to mitigate the risk of interest rate volatility.

	December 31, 2011		December 31, 2010		January 1, 2010	
Duration	Total Exposure ($)	Portion of Fixed Income (%)	Total Exposure ($)	Portion of Fixed Income (%)	Total Exposure ($)	Portion of Fixed Income (%)
< 1 year	**6,688**	**2.5**	11,731	4.8	10,783	4.8
1 – < 5 years	**5**	**-**	-	-	-	-
5 – <10 years	**2,173**	**0.8**	1,018	0.4	669	0.3
10 – < 20 years	**113,027**	**41.7**	104,134	42.4	103,694	45.8
> 20 years	**149,349**	**55.0**	128,805	52.4	111,158	49.1
Total Portfolio	**271,242**	**100.0**	245,688	100.0	226,304	100.0

At December 31, 2011 a 1% increase/decrease in interest rates would result in a 14% change in the value of the Plan's fixed income portfolio or $37,973 (December 31, 2010 – 11.9% or $29,238).

Foreign Currency Risk

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies can result in a positive or negative effect on the fair value of the investments. The Plan manages foreign currency risk by limiting investment in foreign securities. The Board has adopted a non-hedge policy benchmark.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

5. Investment Risk (continued)

The following table shows the Plan holdings based on currency:

Currency	Asset Class	December 31, 2011 Fair Value (CAD)	December 31, 2010 Fair Value (CAD)	January 1, 2010 Fair Value (CAD)
Canadian	Equities	**181,882**	200,060	176,573
	Fixed Income	**264,549**	233,958	215,522
	Real Estate	**92,969**	81,818	75,512
	Cash and Short Term	**6,693**	11,730	10,782
Total Canadian		**546,093**	527,566	478,389
U.S	Equities	**177,462**	179,859	158,572
International	Equities	**164,317**	169,054	148,776
Total Foreign		**341,779**	348,913	307,348
Total Portfolio		**887,872**	876,479	785,737

The assets of the Plan can be further broken down as follows, along with the correlating effect on the entire portfolio of a 10% increase in selected currencies relative to Canadian dollars:

December 31, 2011

	Portfolio		Effect	
Currency	Total Exposure (CAD)	Portion of Assets (%)	(%)	($)
USD	**181,007**	**20.4**	**(1.4)**	**(11,998)**
EUR	**55,961**	**6.3**	**0.5**	**4,700**
GBP	**31,475**	**3.5**	**0.8**	**6,998**
YEN	**25,367**	**2.9**	**0.5**	**4,570**
CHF	**17,019**	**1.9**	**(0.7)**	**(6,435)**
Other *	**30,950**	**3.5**	**-**	**-**
Total	**341,779**	**38.5**		

December 31, 2010

	Portfolio		Effect	
Currency	Total Exposure (CAD)	Portion of Assets (%)	(%)	($)
USD	193,409	22.1	(2.0)	(17,818)
EUR	59,158	6.7	0.3	2,420
GBP	26,053	3.0	(0.8)	(7,315)
YEN	25,543	2.9	(0.9)	(7,423)
CHF	15,729	1.8	-	(335)
Other *	29,021	3.6	-	-
Total	348,913	40.1		

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

5. Investment Risk (continued)

January 1, 2010				
	Portfolio		Effect	
Currency	Total Exposure (CAD)	Portion of Assets (%)	(%)	($)
USD	160,270	20.4	(1.1)	(8,715)
EUR	81,026	10.3	0.1	995
GBP	23,229	3.0	0.7	5,114
YEN	19,231	2.4	0.6	4,679
CHF	-	-	(0.5)	(3,918)
Other *	23,592	3.2	-	-
Total	307,348	39.3		

* 'Other' includes small investments in over ten different currencies, each representing less than 1% of the total portfolio. Changes in these underlying currencies would have a nominal effect on the Plan.

As 20.4% (2010 – 22%) of the Plan's assets are held in US dollars this is the most significant foreign currency risk that the Plan faces. Based on the current non-hedged policy, a 10% change in the US exchange rate will result in a 2% (2010 – 2%) change in the value of the portfolio. As of December 31, 2011 a 10% increase in the value of the US dollar, relative to the Canadian Dollar, would have resulted in a $14,522 loss in the value of the investments (December 31, 2010 - $17,818 loss).

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Plan maintains an adequate amount of liquid assets with varying maturities in order to ensure that the Plan can meet all of its financial obligations as they fall due. Liquidity risk is managed by limiting the Plan's exposure to illiquid assets and through positive net cash inflows from member contributions in most months.

Real Estate Risk

Risk in the real estate pooled fund portfolio is mitigated through diversification across geography and property type. Risk is further minimized by semi-annual appraisals of all properties and by limited use of leverage both at the individual property and portfolio level.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

6. Pension Obligations

The present value of pension obligations is determined using the projected accrued benefit actuarial cost method prorated on service and reflects management's best estimates of future investment performance, salary escalation, age at retirement and future pension indexing up to the rate of inflation. Mercer (Canada) Ltd. is the appointed actuary for the Plan. The actuarial value of accrued pension benefits has been determined as of December 31, 2011 by extrapolating the figures from December 31, 2010, the date of the last actuarial valuation.

Under the Plan provisions, upon termination, a Plan member has 90 days to advise the pension plan administrator of the member's choice of termination option. A member can defer pension benefits to commence at the member's earliest retirement date or transfer the commuted value of the pension benefits from the Plan to a locked-in retirement account. Accordingly, the impact of these payments and the resulting experience loss has been reflected in the pension obligations as at December 31, 2011.

Because the Plan has a solvency deficiency, there is a requirement for a solvency deficiency holdback to be withheld from payouts of commuted value for a period of five years. Solvency deficiency holdbacks owing as of December 31, 2011 totalled $1.6 million (2010 - $1.2 million) and have been included in the calculation of the pension obligations.

The assumptions used in the valuation were developed with reference to expected long-term market conditions. Significant long-term assumptions used in the valuation were:

Assumption	December 31, 2011 Rate (%)	December 31, 2010 Rate (%)	January 1, 2010 Rate (%)
Inflation Rate	**2.2**	2.2	2.2
Discount Rate	**5.8**	6.1	6.1
Rate of Salary Increase	**3.6 – 5.0**	3.6 – 5.0	3.6 – 8.4
Interest on Employee Contributions	**3.0**	3.0	4.5

As the Plan provisions are based on a final highest average consecutive three years earnings the pension obligation is sensitive to changes in the assumed real rate of pensionable earnings increases which impacts future benefits and the assumed real rate of return on Plan assets, which is used in the discounting of these future benefits.

A 50 basis point change in the following assumptions (with no change in other assumptions) would have the following approximate effects on the pension obligations.

50 Basis Point Decrease/Increase	Approximate Effect on Pension Obligations
Real rate of pensionable earnings increases	**-$16,000/+$16,500**
Real return on plan assets and discount rate	**+$83,800/-$77,900**

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

7. Investment Income

Investment Income	2011 Total	2010 Total
Cash and Short Term Investments	**250**	184
Bond Interest	**15,906**	10,917
Real Estate Pooled Fund Income	**-**	4,553
Dividend Income	**12,954**	11,698
Foreign Exchange	**(155)**	66
Total	**28,955**	27,418

8. Contributions

	2011 Total	2010 Total
Member Contributions		
Required Contributions from Members	**22,102**	20,344
Past Service Contributions from Members	**198**	258
Special Contributions from Members	**3,140**	2.895
Total	**25,440**	23,497
Employer Contributions		
Current Service Contributions from Employers	**22,197**	20,421
Special Contributions from Employers	**3,140**	2,895
Total	**25,337**	23,316

Past service contributions include amounts for leaves of absences and purchase of previous service. Special contributions represent payments required resulting from actuarial shortfalls identified in the 2007 actuarial valuation. No special payments are currently being made relating to the 2009 and 2010 valuations as the Plan sponsors have not implemented those rate adjustments (See Note 12 and 14).

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

9. Benefit Payments and Pension Refunds

	2011 Total	2010 Total
Benefit Payments		
Retirement Benefit Payments	**39,830**	36,233
Disability Benefit Payments	**76**	75
Total	**39,906**	36,308
Pension Refunds		
Termination Benefit Payments	**8,724**	5,737
Death Benefit Payments	**680**	329
Total	**9,404**	6,066

10. Related Party Transactions

Related Party Transactions	2011 Total	2010 Total
Contributions Receivable include the following amounts due from:		
Regina Qu'Appelle Health Region	**1,661**	-
Regina Public School Board	**577**	483
Regina Public Library	**137**	136
City of Regina	**254**	38
Buffalo Pound Water Administration Board	**45**	-
	2,674	657
Accounts Payable include the following amounts due to:		
City of Regina	**1,417**	1,577
Regina Civic Employees' Long Term Disability Plan	**-**	14
	1,417	1,591
Expenditures include the following amounts paid to:		
City of Regina	**17**	21

11. Contingencies

In January 2003, the Administrative Board of the Regina Civic Employees' Superannuation and Benefit Plan and the City of Regina filed a statement of claim for breach of contract against the Regina Qu'Appelle Regional Health Authority, the Saskatchewan Association of Health Organizations, the Health Sciences Association of Saskatchewan and the Saskatchewan Union of Nurses with respect to employees' membership in the Plan. The outcome of this matter and its impact on the Plan are not determinable at this time.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

12. Actuarial Valuations

Actuarial valuations are required at a minimum every three years to determine the funding requirements of the Plan. Additional valuations may be performed more often and may or may not be filed with the Superintendent of Pensions. The valuations are performed on both a going-concern basis and on a solvency (plan termination) basis. The actuarial methods and assumptions used to determine the Plan's obligations and the amounts disclosed in the Plan's financial statements are the same as disclosed in the going concern actuarial valuation. However, the solvency basis is not the same and the amounts disclosed are different.

A valuation was prepared by Mercer (Canada) Ltd. As at December 31, 2009 in advance of the three year period to address funding concerns. The 2009 valuation disclosed a going-concern unfunded liability of $237,743 and a solvency deficiency of $77,617.

The 2009 valuation indicated rates of 12.38% of pensionable earnings up to the yearly maximum pensionable earnings ("YMPE") and 18.34% of earnings over YMPE were required to fund the going concern deficit.

The Pension Benefits Act, 1992 and regulations require that a plan provide for funding of any solvency deficiency within a five year period. However, in response to the recent decline in capital markets, the regulations were revised in 2009 to allow a plan administrator to elect to suspend solvency deficiency payments for a period of three years, subject to certain requirements. The Civic Pension Board, as administrator, elected to suspend solvency deficiency payments identified in the 2009 valuation for the three year period effective January 2011.

Since the Plan sponsors did not reach agreement on plan changes following the 2009 valuation, an actuarial valuation as at December 31, 2010 was prepared by Mercer (Canada) Ltd. That valuation disclosed a going-concern unfunded liability of $246,265 and a solvency deficiency of $97,554. The Board filed the 2010 valuation with the Superintendent of Pensions. The Board could not elect a second three-year moratorium on solvency deficiency payments for the 2010 valuation as the regulations permit only one election to be in effect at a time.

The valuation indicated rates of 20.21% of pensionable earnings up to YMPE and 29.94% of earnings over YMPE are required to fund the going concern deficit assuming implementation of higher rates July 1, 2012. The Plan sponsors have not implemented rate increases for 2011, and are considering alternative options to address the going concern deficit but have not yet reached agreement. The Board continues to seek guidance from the Superintendent of Pensions and legal counsel regarding its responsibilities in this regard.

The next actuarial valuation must be performed as of December 31, 2013.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

13. Administration Expenses

Administration Expenses	2011 Total	2010 Total
Actuarial Services	**428**	409
Audit Services	**12**	12
Custodial and Portfolio Measurement Fees	**192**	146
Investment Manager Fees	**2,827**	2,768
Legal Services	**76**	103
Other Administrative Expenses	**870**	731
Total	**4,405**	4,169

14. Capital Management

The Plan benefits from income and market value increases on its invested capital. The Plan's capital is invested in a number of asset classes including short-term investments, bonds, equities and real estate pooled fund. The Board has delegated the operational investment decisions to a number of different investment management firms through a number of different investment mandates as defined in the Plan's Statement of Investment Policy and Procedures.

The Plan receives new capital from member and employer contributions which is sufficient to meet its obligations in the short term. The Plan conducts regular actuarial valuations to identify contribution requirements to meet its future obligations. The Plan sponsors have not implemented contribution rate increases or benefit changes as identified in the 2009 and 2010 valuations. This increases the risk that the Plan will not be able to meet its long term obligations.

Pensions & Disability

June 14, 2012

To: City Clerk
Attention: Todd Blyth

Re: The Casual Employees' Superannuation and Elected Officials Money Purchase Pension Plan 2011 Annual Report

Schedule A of Bylaw No. 8589, Section 15.7 of the City of Regina states that "in each Fiscal Year, submit to the Council a financial statement showing the business of the Plan for that year in such form as may be required." In accordance with the Bylaw, attached is the 2011 Annual Report for the Casual Employees' Superannuation and Elected Officials Money Purchase Pension Plan for information to be submitted for the July 3 Finance and Administration agenda. Included in the Annual Report are the audited financial statements for the year ended December 31, 2011 which were approved by the Administrative Board for the Casual Employees' Superannuation and Elected Officials Money Purchase Pension Plan at its meeting of May 7, 2012.

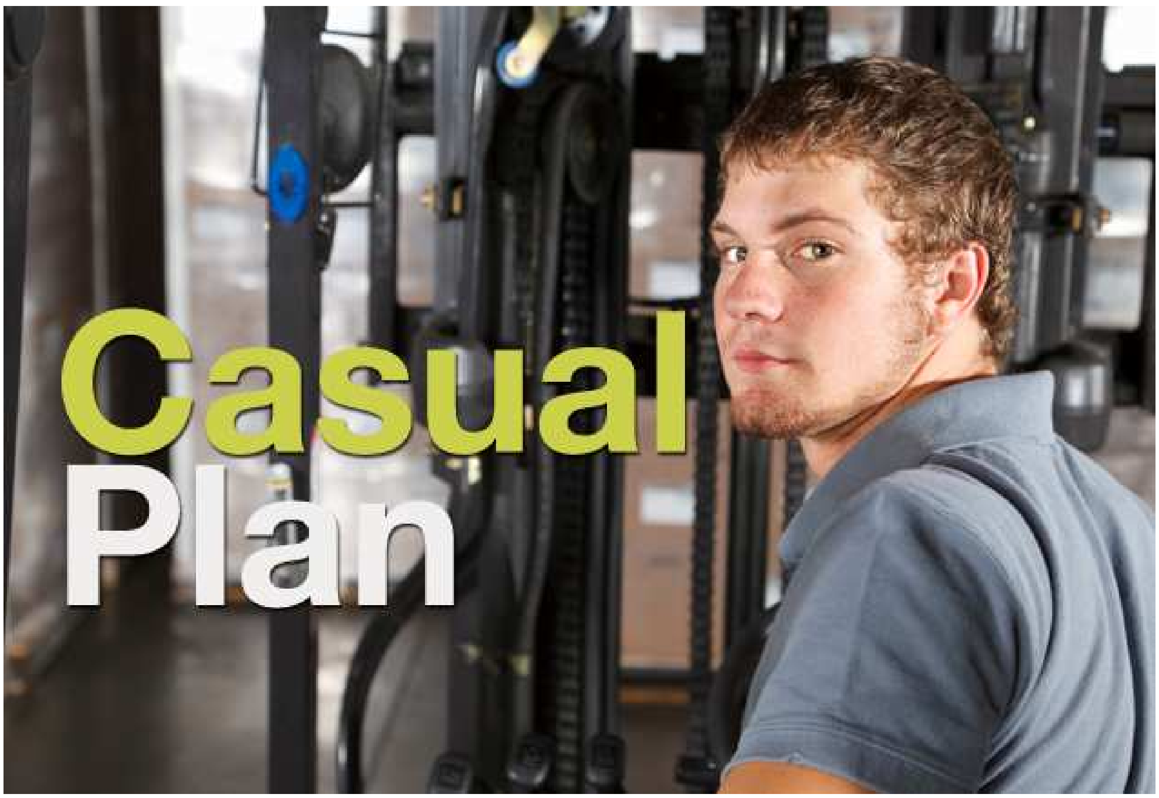
Yours truly,

Colyn Lowenberger, Director
Pensions and Disability Administration

CL/aa
Encl.

Regina Pensions & Disability

Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan



Annual Report & Audited Financial Statements

December 31, 2011

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Message from the Chairperson

I am pleased to present the Annual Report for The Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan for the year ended December 31, 2011.

In this report you will find the following:

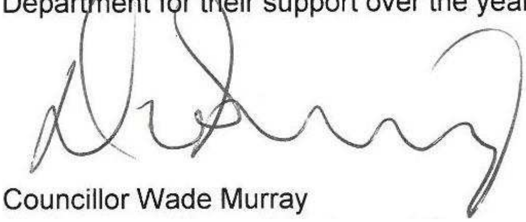
- membership information, including eligibility requirements, numbers of active and inactive members, and changes in membership that occurred in 2011;
- the composition of the Administrative Board and its role as Trustees of the Plan;
- how the Board conducts its business and fulfils its responsibilities to the members of the Plan;
- how the assets of the fund are invested and the returns for 2011;
- historical investment returns; and
- the annual financial statements for 2011, audited by Deloitte & Touche LLP.

Over the past year, the net assets available for benefits decreased by $326,000. Contributions added $546,000 to the Plan while members transferred $497,000 as a result of retirement or terminating their employment. Investment income such as dividends and interest received by the pooled fund added $209,000, while the change in fair market value of the Plan's investments decreased by $548,000. The decrease reflects the very challenging market conditions experienced worldwide in 2011.

Contributions from members were up 5% from 2010, while refunds and transfers were up 19% as members left the Plan through job changes or retirement.

The Plan maintained stable relationships throughout 2011 with its existing service providers for custody, recordkeeping and investment management.

I would like to take this opportunity to thank the members of the Administrative Board for their commitment and contribution to this Board. I would also like to thank the staff of the Pensions & Disability Administration Department for their support over the year.



Councillor Wade Murray

Chairperson, Casual Employees' Superannuation and
Elected Officials' Money Purchase Pension Plan

Total members belonging to the Plan were 861 as of December 31, 2011. This includes 673 active members who are still working and contributing to the Plan, and 188 inactive members who are no longer contributing to the Plan but are entitled to receive benefits upon retirement.

As part of the process to improve Plan operations, the Administration hired a Financial Reporting & Policy Advisor for the Pensions & Disability Administration Department. The Financial Reporting & Policy Advisor assumed responsibilities for accounting relating to Plan assets from City of Regina staff. The Sage ACCPAC accounting system was successfully implemented in December with 2012 transactions being processed in the new system.

A review of the Plan's current administrator, Bank of Montreal Group Retirement Services, was completed in August 2011. It was determined that BMO GRS continues to meet the expectations of the Administration and will be monitored going forward as part of the overall monitoring of the Plan.

The Pensions & Disability Administration Department launched a new website to better serve members. The website can be found at www.reginapensions.ca and is provided by the Administrative Boards of all four employee benefits plans administered by the Pensions & Disability Administration Department.

Over the past year, the net assets available for benefits experienced a decrease from a balance of $8.1 million at the end of 2010, to a balance of $7.7 million at the end of 2011. Contributions for the year were $546,000, while total payments from the Plan were $533,000. Total payments included $497,000 in pension refunds, which can be transferred to another registered plan or taken as cash depending upon the member's status, and $36,000 in administration and investment expenses. The net investment loss for the year was -4.2% or $339,000.

Total invested assets of the Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan at December 31, 2011 were $7.7 million.

The assets of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan are invested with Greystone Managed Investments in their Balanced Pooled Fund and administered by BMO Group Retirement Services. At December 31, 2011, the asset mix of the portfolio was as follows:

Asset Class	Allocation
Canadian Equities	33%
U.S. Equities	13%
EAFE Equities	14%
Short Term Investments	7%
Bonds	33%
Total	**100%**

On a total basis the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan trailed the investment return of the custom benchmark by -4.4% with a one-year return of -4.2%.

As a defined contribution pension plan, the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan provides eligible members with a retirement income based on the accumulated total of member and employer contributions, plus the earnings associated with those contributions. The Plan was established December 25, 1985 under Schedule "A" and Schedule "B" of Bylaw No. 8589.

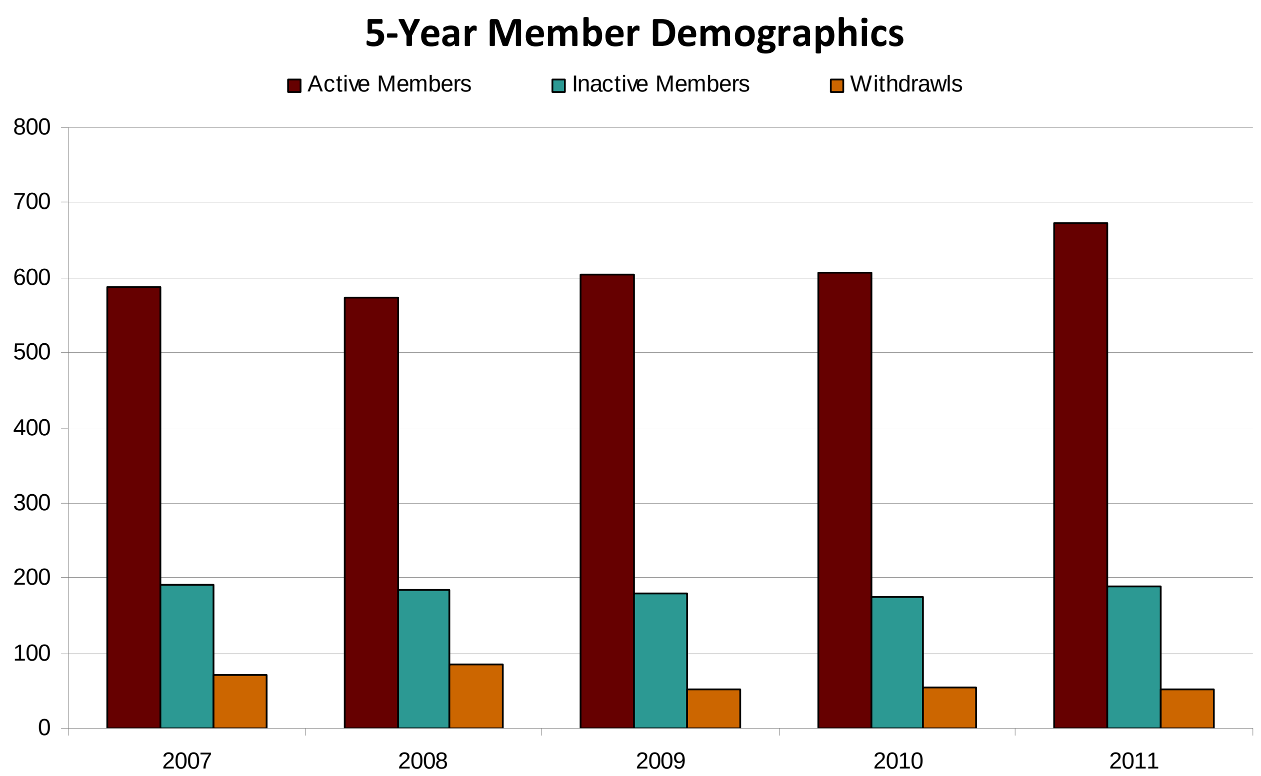
Some of the benefits of belonging to the Plan include:

- a lifetime annuity purchased with the accumulated total of member and employer contributions, plus the earnings associated with those contributions;
- early retirement options;
- termination benefits; and
- survivor benefits.

The Plan represents City of Regina casual employees who are members of the Collective Agreement between the City of Regina and the Canadian Union of Public Employees, Local No. 21, and Elected Officials of the City of Regina.

CUPE Local No. 21 employees contribute 3% of pensionable earnings and the City contributes an equal amount. City of Regina Elected Officials contribute 6.95% of pensionable earnings and the City contributes an equal amount.

Plan membership includes 673 active members who are still working and contributing to the Plan, and 188 inactive members who are no longer contributing to the Plan but are entitled to receive benefits upon retirement. During 2011, the Plan enrolled 80 new members and paid termination or retirement benefits to 51 members. The following chart shows the change in membership over the past five years:



The Plan is governed by a Board of Trustees made up of four voting members; three persons to be appointed by the City Manager, and one member of City Council appointed by the Finance and Administration Committee of the City of Regina.

The Administrative Board is responsible for the administration of the Plan as legislated by *The Pension Benefits Act, 1992* (Saskatchewan) and in accordance with the terms of Schedule “A” and Schedule “B” of Bylaw No. 8589. Under this legislation, the Board members are appointed as the Plan’s fiduciaries. This means they are in a position of trust and are obligated to act in the best interests of the pension Plan members and their survivors. The members of the Board must not allow personal interests to interfere with the interests of those they serve. Further, they must take the same care, and apply the same diligence and skill that would be expected of a normally prudent person who was looking after the property of someone else.

The Administrative Board members at December 31, 2011 were:

Councillor Wade Murray, Chairperson
Councillor Murray was appointed by the Finance and Administration Committee in 2006. He has owned several small businesses in Regina with the latest venture in the renovation and sprayfoam industry, Ultimate Insulation Inc. Councillor Murray serves on a number of boards and committees and is currently sitting for his third term on Regina City Council, representing the residents of Ward 6.

Ken Wiens
Mr. Wiens was appointed by the City Manager in 2009. He has worked for the City of Regina in both Municipal Engineering and the Public Works Department for the past 22 years. In his current position as Manager of Water Operations, Mr. Wiens is responsible for the operation and maintenance of Regina’s drinking water system. Mr. Wiens holds a degree in Civil Engineering from the University of Manitoba.

Brent Sjoberg, Vice-chairperson
Mr. Sjoberg was appointed by the City Manager in 2008. He has been employed with the City of Regina for 5 years and currently holds the position of Deputy City Manager, Corporate Services. Mr. Sjoberg is a Certified Management Accountant (CMA), and has a Masters in Business Administration from the University of Regina. He is an active member in the Regina community, and has been a Board Member and Committee Chairperson on several local boards including the Regina Civic Employees’ Superannuation & Benefit Plan, the Regina Regional Economic Development Authority, and Regina Pioneer Village Ltd.

Marco Deiana
Mr. Deiana was appointed by the City Manager in 2010. He has been employed by the City of Regina for 12 years and currently holds the position of Manager, Healthy Workplace & Total Reward.

A Pension Advisory Committee, as specified under *The Pension Benefits Act, 1992* (Saskatchewan), appointed by the Executive of the Canadian Union of Public Employees Local No. 21, is also invited to attend all regular and special meetings of the Board.

The Board met 4 times during 2011. Following is the Board Meeting attendance for each Member.

Trustee	Meetings Attended	Trustee	Meetings Attended
Councillor Wade Murray	4	Marco Deiana	4
Brent Sjoberg	3	Tim Anderson (Advisory)	0
Ken Wiens	3	Steve Frankiewitz (Advisory)	4

1. **Compliance With Legislation**
The Board ensures that the Plan is administered in compliance with all appropriate legislation and benefits are paid appropriately to members. The Plan must comply with legislation under *The Pension Benefits Act, 1992* (Saskatchewan), *The Pension Benefits Regulations, 1993* (Saskatchewan), and the *Income Tax Act*.

2. **Pensions & Disability Administration Department**
The Pensions & Disability Administration Department reports to the Administrative Board on all aspects of Plan administration. The Board reviews the performance of the department on an ongoing basis and ensures that reports provided to the Board are appropriate and adequate to meet their fiduciary duties.

3. **Annual Financial Statements**
The Board ensures that an annual audit is conducted of the Plan, the annual financial statements for the Plan are prepared, and the results are filed with the regulatory authorities. The current auditors for the Plan are Deloitte & Touche LLP and the statements audited by them are included in this report.

4. **Custody of Plan Assets**
The Board must ensure all monies due to the Plan are kept separate and apart from other funds of the City of Regina. This is accomplished by hiring a custodian to ensure the money is kept separate from the City's funds and is only used for pension purposes. In addition to holding the Plan's securities, the custodian is required to verify that any transfer requested by those involved with the Plan complies with the Plan's rules and governing legislation. The current custodian is CIBC Mellon Trust Company. Record keeping services are provided by BMO Group Retirement Services.

5. **Fund Management**
The Board is responsible for making investments in accordance with the investment requirements contained in *The Pension Benefits Act, 1992* (Saskatchewan) and other relevant legislation. On a quarterly basis the Board reviews the investment activities of the Plan, ensures compliance with the Statement of Investment Policies & Procedures, and reviews the Plan's investment results.

6. **Performance Measurement**
The Board ensures the investment manager is managing the Plan assets in an appropriate manner and in compliance with the Statement of Investment Policies & Procedures approved by the Board. As part of this duty, the Board requires the administration to report quarterly on the performance and whether the manager is in compliance with the Statement of Investment Policies & Procedures.

7. **Policy Documents**
To support the objectives of the Plan, the Board has developed and implemented the following policies:

    - Statement of Investment Policies & Procedures
    - Procedural Rules
    - Trustee Education Policy
    - Trustee Selection Policy

The Administrative Board of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan recognizes the importance of education to the successful fulfillment of the fiduciary duty to the members of the Plan. To that end, the Board has developed the Trustee Education Policy based on the following principles:

(a) Board members are required to make policy decisions to facilitate the administration of the Plan;
(b) Board members have an obligation to participate in Board meetings in a meaningful way; and
(c) a unique body of knowledge is required to carry out the roles and responsibilities of the Board.

The Trustee Education Policy requires that, <u>in addition to basic education obtained within the first three years</u> of becoming a Trustee:

(a) new Trustees must attend a minimum of 20 hours of educational opportunities on an annual basis; and
(b) senior Trustees must attend a minimum of 30 hours of educational opportunities on an annual basis.

The following Administrative Board members attended conferences and seminars for educational opportunities that were paid by the Plan:

Trustee	Conference/Seminar	Date	Location	Hours
Councillor Wade Murray	2011 Aon Hewitt Pension Risk Management Seminar	Jun 1	Regina, SK	2.5
	ACPM 2011 National Conference	Sep 13-15	St. John's, NL	30
	Total Expenses*	**$3,281**	**Total Hours**	**32.5**
Brent Sjoberg	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	Total Expenses	**-**	**Total Hours**	**1.5**
Ken Wiens	ATMS Certificate Program	Nov 17-23	Miami, FL	60
	Total Expenses	**$1,687**	**Total Hours**	**60**
Marco Deiana	**Total Expenses**	**-**	**Total Hours**	**0**

** The costs above show total costs per member. In the event a Trustee sits on more than one Administrative Board, education and training expenses are shared with the other Plans.*

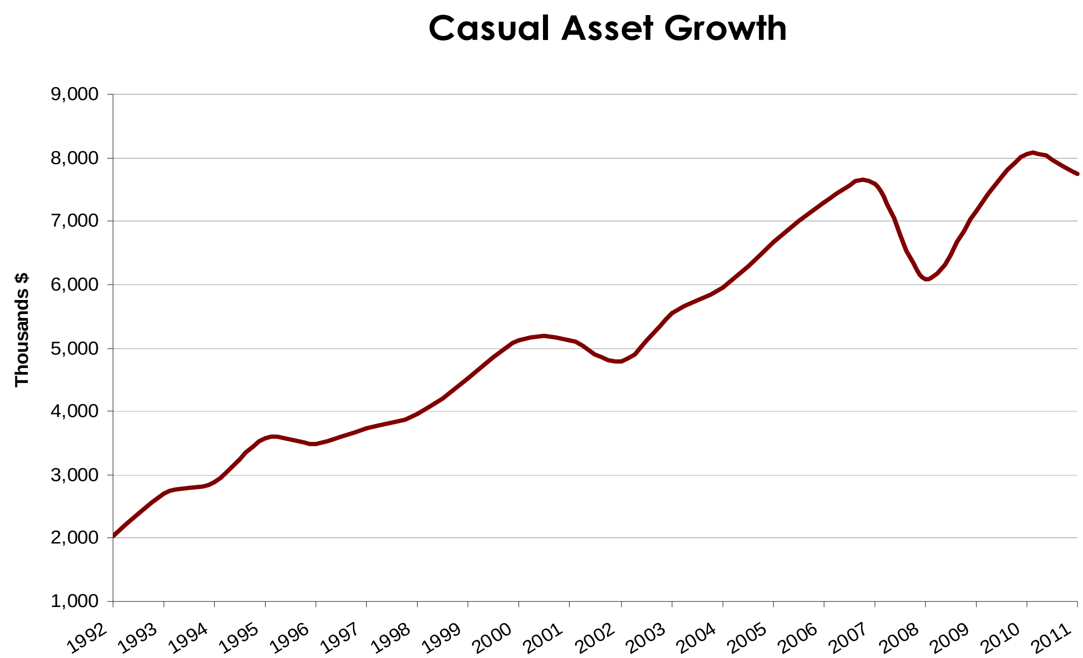
Year End Financial Position
Net assets available for benefits were $7.7 million. Net assets consist of investments at Fair Value of $7.7 million, and contributions receivable of $26,000.

There are four main factors that contribute to the size of the asset base of the Plan. These factors are the investment income earned over the year, the contributions made to the individual accounts of members, the Plan's administration and investment expenses, and the benefit payments made to members. Investment income, contribution revenues, and benefit payments & expenses over the last ten years are shown below:

For The Year Ending	Investment Income / (Loss) ($ Thousands)	Revenue From Contributions ($ Thousands)	Benefit Payments & Expenses ($ Thousands)
2011	(339)	546	(533)
2010	826	520	(447)
2009	922	528	(361)
2008	(1,364)	494	(631)
2007	358	464	(548)
2006	845	424	(637)
2005	682	386	(339)
2004	497	360	(452)
2003	723	338	(311)
2002	(230)	302	(407)

In addition to the benefit payments and expenses shown in the chart above, the employer covers the costs associated with the administrative functions of the Administrative Board and the Pensions & Disability Administration Department. The employer also funds 75% of the administrative services for record keeping charges billed by BMO Group Retirement Services and CIBC Mellon for the pension Plan custodian fees.

Over the past twenty years, the assets of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan have grown significantly as shown below:



The Administrative Board of the Casual Plan oversees the investments of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan in accordance with the Statement of Investment Policies & Procedures. The primary objective of the investment policy is to:

- maximize the returns of the Plan members without incurring undue risk.

The Investment Policy is reviewed annually and updated when necessary to ensure that it continues to meet legal standards and the investment requirements of the membership.

The assets of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan are invested with Greystone Managed Investments in their Balanced Pooled Fund and administered by BMO Group Retirement Services. The performance of the Plan is measured against a custom benchmark consisting of the indices that best represent each asset class, weighted to the respective target weight of those asset classes.

The Statement of Investment Policies & Procedures permits adoption of the benchmark used by the fund manager and that is what has been done. The benchmark is structured as follows:

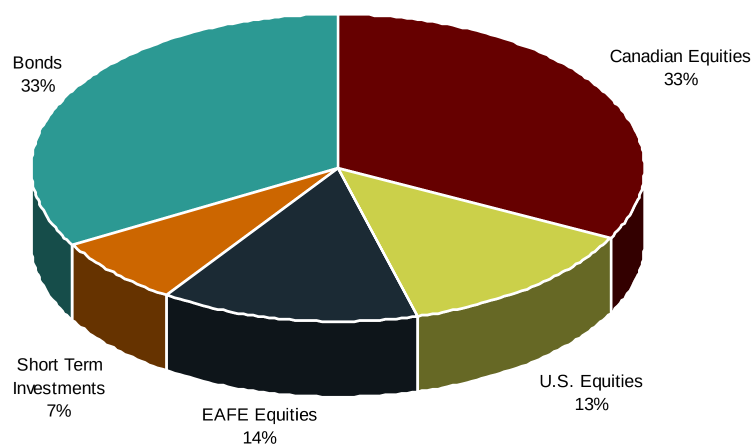
Asset Class	Total Fund Benchmark	%
Canadian Equities	S&P/TSX 300 Index	35.0
U.S. Equities	S&P 500 Index (CAD)	12.5
EAFE Equities	MSCI World Index Ex Canada	12.5
Universe Bonds	DEX Universe Bond Index	37.0
Short Term Investments	DEX 91-Day T-Bill Index	3.0

Greystone does not manage currency in the Balanced Fund, preferring to take a longer term approach that currencies will fluctuate in the short term, but will achieve some equilibrium over the longer term.

Total invested assets of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan at December 31, 2011 were $7.7 million.

The Plan invests in a "balanced fund" in order to gain exposure to several asset classes in an efficient way for the level of assets currently in the Plan. By spreading the investments out among different types of assets and different geographical areas, overall risk to the Plan is reduced and the returns of the Plan become less volatile.

Asset Class Allocation (12/31/2011)



Investment Overview
The first quarter of 2011 saw improvements in economic data and the continued advancement of the recovery that began in 2009. Losses in subsequent quarters wiped out the market recovery that had been building and raised concerns over a double-dip recession.

There were a multitude of factors contributing to the disappointing results as concern grew that the Global economy may be slowing at a pace greater than anticipated. Economic indicators released during the second quarter brought disappointing news to the markets. Unemployment remained high and while industrial production has risen, consumer sales and sentiment grew at a much slower pace. The ongoing sovereign debt crisis in Europe received the most attention while the U.S. Government continued to deal with its own problems as it tried to work toward a long term debt solution while still trying to revive its sluggish economy. A massive earthquake and subsequent tsunami in Japan affected global supply and inflation continues to be a concern for both developed and emerging markets.

U.S. Equity markets saw both the best-performing first quarter since 1998 and the worst-performing quarter since the fourth quarter of 2008. Overall 2011 saw the second lowest annual return for U.S. Equity since 2003 with only 2008, which was impacted by the financial crisis, being worse. Canadian Equity markets provided negative returns for six consecutive months through the second and third quarters. European markets saw a sharp decline in the third quarter with financial stocks being hit particularly hard and valuations driven down to levels last seen during the 2008 economic crisis. Even though developed markets had gains in three of four quarters in 2011, they were not enough to offset the sharp declines in the third quarter.

The fourth quarter saw gains in all markets and most economic indicators do not yet suggest that we are in a recession. There still seems to be a meaningful chance that we will avoid falling into another recession.

Investment Results
On a total basis, the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan trailed the investment return of the custom benchmark by -4.4% with a return of -4.2%.

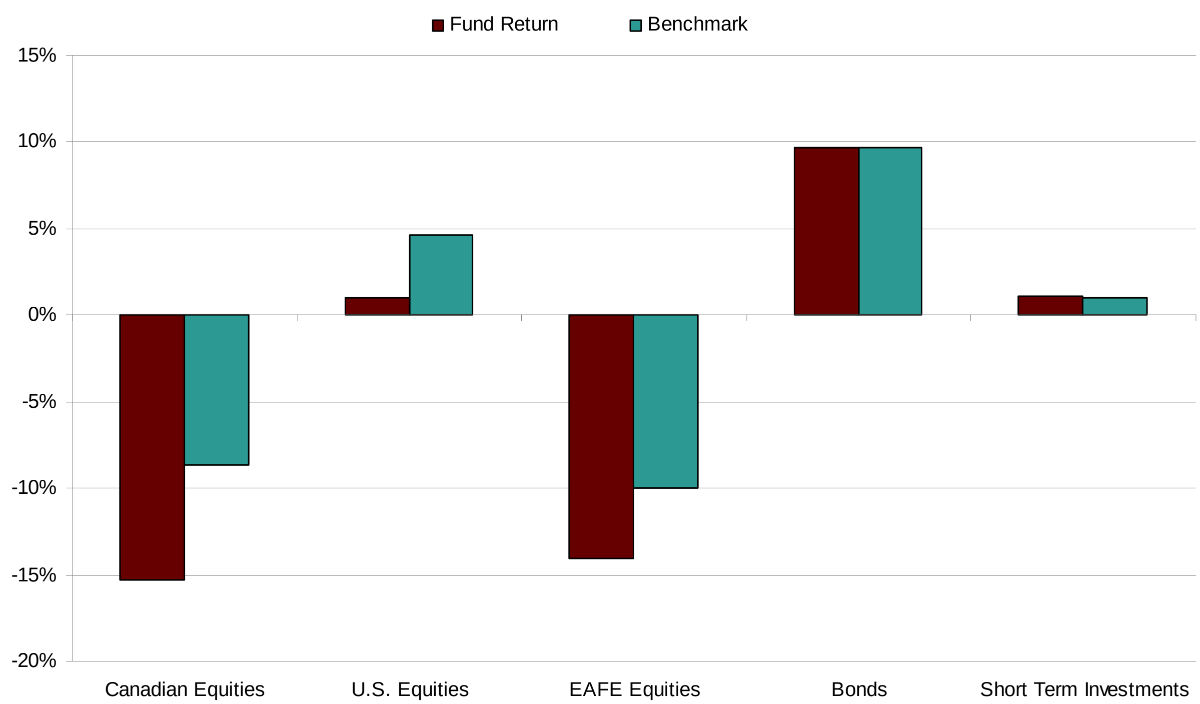
One year investment returns are interesting to watch, and form a piece of the ongoing administration of the Plan; however, pension investing is a long term proposition. Over the last five years the Greystone Balanced Fund has provided positive investment returns over the two, three, four, and five year periods but has underperformed the balanced benchmark across all five periods. Over the last ten years, the Plan has achieved an annualized return of 4.78%.

Investment Returns	Annualized Rate Of Return (%)				
	1 yr	**2 yr**	**3 yr**	**4 yr**	**5 yr**
Total Fund	-4.2	3.4	7.2	0.2	1.1
Total Fund Benchmark	0.2	5.1	8.8	1.8	2.0
Excess Return (%)	-4.4	-1.7	-1.6	-1.6	-0.9

The following table shows the gross rate of return achieved by the various asset classes over the one, three, four, and five year periods ended December 31, 2011. The applicable benchmark performance for each asset class is also noted.

Asset Class	Annualized Rate Of Return (%)			
	1 yr	**3 yr**	**4 yr**	**5 yr**
Balanced Fund:				
Canadian Equities	-15.3	8.4	-5.2	-1.9
Benchmark: S&P/TSX 300 Index	-8.7	13.2	-0.7	1.3
U.S. Equities	1.0	5.4	-1.7	-1.8
Benchmark: S&P 500 Index	4.6	7.4	-0.9	-2.9
EAFE Equities	-14.1	4.9	-7.9	-6.1
Benchmark: MSCI EAFE (CAD)	-10.0	1.0	-7.6	-7.2
Bonds	9.7	8.5	7.6	6.8
Benchmark: DEX Universe Bond Index	9.7	7.3	7.0	6.4
Short Term Investments	1.1	0.8	1.4	2.0
Benchmark: DEX 91-Day T-Bill Index	1.0	0.7	1.4	2.0
Total Fund:	**-4.2**	**7.2**	**0.2**	**1.1**

Asset Class Returns

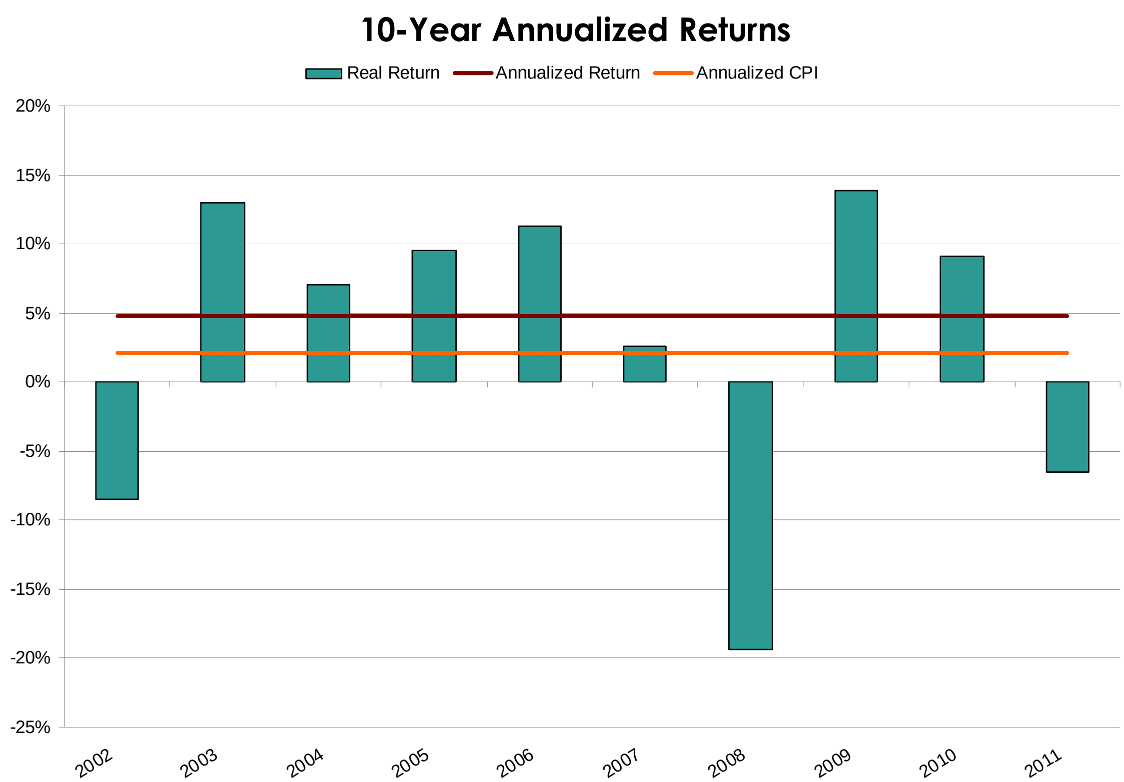


Historical Total Returns

The annual investment returns of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan for the last ten years are as follows:

Annual Rate Of Return			
Year	Nominal Return	CPI	Real Return
2011	-4.20%	2.30%	-6.50%
2010	11.50%	2.40%	9.10%
2009	15.20%	1.30%	13.90%
2008	-18.20%	1.20%	-19.40%
2007	5.00%	2.40%	2.60%
2006	13.00%	1.70%	11.30%
2005	11.60%	2.10%	9.50%
2004	9.10%	2.10%	7.00%
2003	15.10%	2.10%	13.00%
2002	-4.70%	3.80%	-8.50%

(1) Nominal Return is the actual rate of return earned in the year.
(2) The CPI (Consumer Price Index) is published monthly by Statistics Canada. The rate of change provides a measure of inflation.
(3) Real Return is the return earned after accounting for the effect of inflation.
(4) Annualized Return is the return earned after the effect of inflation is removed, over a specific time period.



Expenses

Description	2011 ($ Thousands)	2010 ($ Thousands)
Administrative Expenses Paid by the City of Regina	**91**	95
Administrative Expenses Paid by the Plan:		
Custodial Services:		
CIBC Mellon	**2**	2
Investment Manager Fees:		
Greystone Managed Investments	**23**	18
Administrative Services:		
BMO Integra	**11**	9
Total for the Plan:	**127**	124

Deloitte.

Deloitte & Touche LLP
900 - 2103 11th Ave
Bank of Montreal Building
Regina SK S4P 3Z8
Canada

Tel: 306-565-5200
Fax: 306-757-4753
www.deloitte.ca

Independent Auditor's Report

To the Administrative Board of the Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan:

We have audited the accompanying financial statements of the Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan, which comprise the statements of financial position as at December 31, 2011 and December 31, 2010, and the statements of changes in net assets available for benefits for the years 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 accounting standards for pension plans, 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 audits. We conducted our audits 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan as at December 31, 2011 and December 31, 2010, and the changes in its net assets available for benefits for the years then ended in accordance with Canadian accounting standards for pension plans.

Deloitte & Touche LLP

Chartered Accountants

May 7, 2012
Regina, Saskatchewan

STATEMENT OF FINANCIAL POSITION
(dollars in thousands)

As at December 31, 2011

	December 31 2011	December 31 2010	January 1 2010
ASSETS			
Investments – Note 4	**7,721**	8,017	7,141
Contributions Receivable – Note 6			
Members	**13**	25	14
Employers	**13**	25	14
	7,747	8,067	7,169
LIABILITIES			
Accounts Payable	**6**	-	1
Net Assets Available for Benefits	**7,741**	8,067	7,168

See accompanying notes

APPROVED BY:

Board Member

Board Member

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(dollars in thousands)

For the Year Ended December 31, 2011

	2011	2010
INCREASE IN NET ASSETS		
Investment Income	**209**	209
Change in Fair Value of Investments	**-**	617
Contributions		
Member Contributions	**273**	260
Employer Contributions	**273**	260
	755	1,346
DECREASE IN NET ASSETS		
Change in Fair Value of Investments	**548**	-
Pension Refunds	**497**	418
Administration Expenses – Note 7	**36**	29
	1,081	447
Net (Decrease) Increase for the Year	**(326)**	899
Net Assets Available for Benefits, Beginning of Year	**8,067**	7,168
Net Assets Available for Benefits, End of Year	**7,741**	8,067

See accompanying notes

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2011

1. Description of Plan

The Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan (the "Plan") is a defined contribution plan. All casual employees who acquire and maintain seniority under the provisions of the Collective Agreement between the City of Regina and the Canadian Union of Public Employees, Local No. 21, are required to join the Plan as contributing members. Elected Officials of the City of Regina may also join the Plan.

(a) Contributions

Members' contributions are 3% to 6.95% of salary. The employer matches the members' contributions to the Plan.

(b) Benefits

Pensions are paid in the form of a monthly annuity purchased by the individual member's account.

Termination and survivor benefits are also available under the Plan.

Members who leave service or lose seniority under the terms of the Collective Agreement may receive refunds of their individual account balances.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for pension plans as outlined in Part IV of the CICA Handbook, Section 4600, Pension Plans. For matters not addressed in Section 4600, IFRS (International Financial Reporting Standards) have been followed. These financial statements are presented in the Plan's functional currency, Canadian Dollars. The financial statements were authorized and issued by the Plan's Administrative Board on May 7, 2012.

The Plan was previously prepared in accordance with CICA Handbook Section 4100 and while there are differences between the sections, there were no differences that affected the financial position of the Plan.

The following policies are considered to be significant:

(a) Basis of Presentation of Financial Statements

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the Sponsor and Plan members. They are prepared to assist Plan members and others in reviewing the activities of the Plan for the fiscal period, but they do not portray the funding requirements of the Plan or the benefit security of individual Plan members.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2011

2. Summary of Significant Accounting Policies (continued)

(b) Investments

Investments are recorded at fair value on a trade date basis. Fair value is determined based on the net asset value provided by the pooled fund administrator using closing bid prices.

(c) Investment Income and Transaction Costs

Investment income consists of distributions earned from investments in pooled funds and is recorded on the accrual basis. Realized and unrealized gains and losses are recorded in the change in fair value of investments. Transaction costs are recognized in the statement of net assets available for benefits in the period incurred.

(d) Foreign Exchange

All investments denominated in foreign currency year end balances are converted into Canadian dollars at the exchange rate prevailing at year end. Gains and losses due to translation are included in the change in fair value of investments for the period. Revenue and expenses are translated at the exchange rate on the date of the transaction.

(e) Contributions

Contributions are accounted for on the accrual basis.

(f) Use of Estimates and Judgements

The preparation of financial statements in conformity with Canadian accounting standards for pension plans requires management to make estimates and use assumptions that affect the reported amounts of asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(g) Fair Value

Contributions receivable and accounts payable are all short-term in nature and as such their carrying value approximates fair value.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2011

2. Summary of Significant Accounting Policies (continued)

(h) Future Accounting Policy Changes

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2011, and have not been applied in preparing these financial statements. In particular, the following new and amended standards which become effective for annual periods beginning on or after January 1, 2013:

- IFRS 9 Financial Instruments
- IFRS 12, Disclosure of Interests in Other Entities
- IFRS 13, Fair Value Measurement

The extent of the impact on adoption of these standards is not known at this time, but is not expected to be material.

3. Fair Value of Financial Instruments

The following table summarizes the inputs used as of December 31, 2011 in valuing the Plan's investments and cash carried at fair values.

	December 31, 2011			
Asset Class	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Greystone Balanced Fund	-	7,700	-	7,700
Cash & Equivalents	21	-	-	21
Total Investments	**21**	**7,700**	**-**	**7,721**

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2011

3. Fair Value of Financial Instruments (continued)

	December 31, 2010			
Asset Class	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Greystone Balanced Fund	-	7,992	-	7,992
Cash & Equivalents	25	-	-	25
Total Investments	25	7,992	-	8,017

	January 1, 2010			
Asset Class	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Total**
Greystone Balanced Fund	-	7,089	-	7,089
Cash & Equivalents	52	-	-	52
Total Investments	52	7,089	-	7,141

Fair value measurements of investment assets are based on inputs from one or more levels of a fair value hierarchy as follows:

Level 1: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities traded in active markets.

Level 2: Fair value is based upon valuation methods that make use of inputs, other than quoted prices within Level 1, that are observable by market participants either directly through quoted prices for similar but not identical assets or indirectly through observable market information used in valuation models.

Level 3: Fair value is based upon valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation.

For the Plan's financial assets and liabilities other than its investments, the carrying value approximates fair value given the short-term nature of these items.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2011

4. Investments

The investment objectives of the Plan are to earn a rate of return that exceeds the rate of return earned on a benchmark portfolio. Due to the long-term horizon of the Plan's benefits, the Plan takes a long-term investment perspective.

	December 31, 2011		December 31, 2010		January 1, 2010	
Asset Class	Fair Value	Cost	Fair Value	Cost	Fair Value	Cost
Cash	**21**	**21**	25	25	52	52
Greystone Balanced Fund	**7,700**	**8,430**	7,992	8,205	7,089	7,954
Total	**7,721**	**8,451**	8,017	8,230	7,141	8,006

The Plan invests in the Greystone Balanced Fund ("the pooled fund"), an open ended investment which invests in Canadian fixed income securities and equity securities issued by companies in Canada, the United States and Non-North America. The pooled fund is subject to applicable administrative costs and may include cash not invested at the date of the valuation.

The fair value of the "units" held by the Plan in the pooled fund are determined by the pooled fund manager as follows:

Short-Term Investments – cost plus accrued interest

Securities listed on a Public Exchange – the last sales price, the closing price reported on the exchange or a reasonable fair value as determined by the Fund Trustee in consultation with the pooled fund manager.

Unlisted Securities – the average of the closing bid and asked prices on the valuation date unless the security was included in the NASDAQ National Market System (in which case the security shall be valued based on its last readily available sale price).

Securities and other Property for which Market Quotations are not readily available – the fair value as determined by the Trustee, after consultation with the pooled fund manager.

Restricted Securities (any security, the resale of which is restricted or limited by means of a representation, undertaking or agreement by the fund or by its predecessor in title, or bylaw) - shall be as agreed in writing between the Trustee and the pooled fund manager from time to time.

Clearing Corporation Options, Options on Futures and Over-the-Counter Options – current fair value, determined to be the last sale price reported on the valuation date, or if no sale is reported to have taken place on valuation date, at the average of the closing bid and asked prices on valuation date.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2011

4. Investments (continued)

In general and subject to the restrictions noted below, the Plan may invest in any of the following asset classes and investment instruments. The Plan's assets may be invested through in-house investment activities or through external agents including without limitation, mutual funds, pooled funds, segregated funds, unit trusts and similar vehicles as described in the regulations of The Pension Benefits Standards Act, 1993 and the regulations thereto, as amended from time to time.

Cash and Short Term Investments

The Plan may invest in cash and short term investments which consist of cash on hand, Canadian and demand deposits with banks and trust companies including Treasury bills issued by the federal and provincial governments and their agencies, obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances, commercial paper, term deposits and contracts with life insurance companies.

Equities

The Plan may invest in any of the following: common and convertible preferred stock listed on a recognized exchange, securities convertible or exchangeable into common or convertible preferred stock, rights, warrants and special warrants for common or convertible preferred stock, instalment receipts, private placements equities, American and global depository receipts, publicly traded investment trusts and or index replicating vehicles.

No more than 10% of the book value of the portfolio may be invested in any one holding and the Plan may not hold more than 30% of the voting rights in any one entity.

Bonds

The Statement of Investment Policies and Procedures permits investment in all bonds, debentures, notes, and other debt instruments of Canadian issue. Only bonds of issuers rated BBB or higher are held in the portfolio.

5. Investment Risk

Risk Management relates to the understanding and active management of risks associated with all areas of the business and associated operating environment. Investments are primarily exposed to foreign currency, interest rate volatility, market and credit risk. The Plan has set formal policies and procedures that establish an asset mix among equity, fixed income and real estate investments; requires diversification of investments within categories; and sets limits on the size of exposure to individual investments. These objectives are carried out through the Greystone Balanced Fund which has an investment mandate that complies with the Plan's Statement of Investment Policies & Procedures.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2011

5. Investment Risk (continued)

Market Risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Plan's policy is to invest in a diversified portfolio of investments, based on criteria established in the Statement of Investment Policies & Procedures.

The pooled fund consists of a diversified portfolio with target allocation in the following asset classes:

Asset Class	Minimum	Neutral	Maximum
Cash	-	3.0	30.0
Bonds	20.0	37.0	70.0
Canadian Equities	20.0	35.0	60.0
U.S. Equities	-	12.5	30.0
EAFE Equities	-	12.5	30.0

The impact on the net assets of the Plan due to a 10% change in the respective benchmark stock index (DEX 91-Day T-Bill Index (3%), DEX Universe Bond Index (37%), S&P/TSX Composite Index (35%), S&P 500 Index (12.5%), Morgan Stanley Capital International EAFE Index (12.5%) using a three year historical measure of the sensitivity of the returns relative to the returns of the benchmark stock index, as of December 31, 2011 would result in an increase/decrease of 10.0% (2010 – 10.2%) or $772 (2010 - $815) of the pooled fund's net assets held by the Plan.

Credit Risk

Credit risk refers to the potential for counterparties to default on their contractual obligation to the Plan. Credit risk is mitigated in the pooled fund by entering into contracts with the counterparties that are considered high quality. Quality is determined via the following credit rating agencies: DBRS, Standard and Poor's and Moody's Investor Service. The pooled fund invests only in securities of issuers rated BBB (DBRS) or equivalent. Credit risk decreases for a particular group of investments when that particular group does not have similar economic characteristics that would cause the investees to be unable to meet contractual requirements due to changes in economic conditions. The pooled fund further minimizes credit risk by holding a diversified portfolio of investments, as follows:

	Portion of Debt Instruments Held in Pooled Fund		
	December 31, 2011	December 31, 2010	January 1, 2010
Bond Rating	**(%)**	(%)	(%)
AAA	**33.2**	39.1	36.4
AA	**24.5**	26.5	28.0
A	**18.6**	18.4	20.9
BBB	**6.1**	4.7	4.5
R-1	**17.6**	11.3	10.2
Total Portfolio	**100.0**	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2011

5. Investment Risk (continued)

The pooled fund participates in a securities lending program where it lends securities to third parties for a fee. For securities lent, the pooled fund receives a fee and the borrower provides readily marketable securities of higher value as collateral.

Interest Rate Risk

Interest rate risk refers to the effect on the market value of the Plan's investments due to fluctuation of interest rates. The risk arises from the potential variation in the timing and amount of cash flows related to the pooled fund's assets. Asset values are affected by equity markets and short-term changes in interest rates. The fixed income portfolio within the pooled fund has guidelines on duration and distribution which are designed to mitigate the risk of interest rate volatility.

The pooled fund is exposed to the following maturities:

Duration	December 31, 2011 Portion of Fixed Income (%)	December 31, 2010 Portion of Fixed Income (%)	January 1, 2010 Portion of Fixed Income (%)
0 – <5 years	**53.2**	43.3	45.3
5 – <10 years	**24.6**	33.3	22.9
> 10 years	**22.2**	23.4	31.8
Total Portfolio	**100.0**	100.0	100.0

As at December 31, 2011, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve and all other variables held constant, net assets would have decreased or increased by approximately 6.0% (2010 – 6.5%). The pooled fund's sensitivity to interest rate fluctuations was estimated using the weighted average duration of the total portfolio. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

Foreign Currency Risk

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies can result in a positive or negative effect on the fair value of the investments. The Plan manages foreign currency risk by limiting investment in foreign securities. The Board has adopted a non-hedge policy benchmark. However, foreign currency hedging will be at the discretion of the investment manager on an opportunistic basis with policy limits prescribed by the Statement of Investment Policies & Procedures.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2011

5. Investment Risk (continued)

The pooled fund is subject to the following foreign currency exposure:

Currency	December 31, 2011 Weight (%)	December 31, 2010 Weight (%)	January 1, 2010 Weight (%)
Australian Dollar	**0.7**	0.8	0.5
British Pound	**3.2**	2.3	2.1
Danish Krone	**0.1**	0.2	0.2
Euro	**2.5**	3.8	3.6
Hong Kong Dollar	**1.2**	0.9	0.8
Japanese Yen	**1.9**	2.1	1.6
New Taiwan Dollar	**0.3**	-	-
Norwegian Krone	**0.4**	0.2	0.1
Singapore Dollar	**-**	0.1	0.1
South Korean Won	**0.3**	0.1	0.1
Swedish Krona	**0.2**	0.6	0.3
Swiss Franc	**0.9**	0.9	0.7
US Dollar	**15.1**	14.1	14.4
Total Portfolio	**26.8**	26.1	24.5

As 15.1% of the pooled fund's assets are denominated in US dollars this is the most significant foreign currency risk that the Plan faces. Based on the current non-hedged policy, a 10% change in relation to all other currencies will result in a 2.7% (2010 – 2.6%) change in the value of the portfolio. As of December 31, 2011 a 10% change in the value of all currencies, relative to the Canadian Dollar, would have resulted in a $206 gain/loss (2010 - $210) in the value of the investment in the pooled fund.

<u>Liquidity Risk</u>

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Plan invests in the Greystone Balanced Fund that retains sufficient cash and cash equivalents to maintain adequate liquidity for the purpose of funding redemptions. The majority of the pooled fund's investments are traded in active markets and can be readily realized.

NOTES TO THE FINANCIAL STATEMENTS
(dollars in thousands)

For the Year Ended December 31, 2011

6. Related Party Transactions

(a) Administration Expenses

As indicated in Note 7, certain administration expenses are paid directly by the City of Regina.

(b) Member and Employer Contributions Receivable

Related Party Transactions	December 31, 2011 Total	December 31, 2010 Total	January 1, 2010 Total
Member and Employer Contributions Receivable include the following amounts due from:			
City of Regina – Member Contributions	**13**	25	14
City of Regina – Employer Contributions	**13**	25	14

7. Administration Expenses

Administration Expenses	2011 Total	2010 Total
Administration Expenses paid by the Plan		
Investment Manager Fees	**23**	18
Administrative Services	**11**	9
Custodial Fees	**2**	2
Total	**36**	29

Certain costs to administer the Plan are borne by the City of Regina and are therefore not reflected in the Plan financial statements. The costs typically paid for by the City of Regina include staff costs, office and administration expenses, audit fees, and board and staff education costs. However, investment management, custodial and some administrative services are paid by the Plan. In 2011, the City of Regina paid $91 (2010 - $95) for costs relating to the Plan, including audit fees of $7 (2010 - $7).

8. Capital Management

The Plan receives new capital from member and employer contributions. The Plan also benefits from income and market value increases on its invested capital. The Plan's capital is invested in a number of asset classes including short-term investments, bonds and equities through the pooled fund. The Board has delegated the operational investment decisions to an investment management firm with an investment mandate in compliance with the Plan's Statement of Investment Policy & Procedures.

Pensions & Disability

June 14, 2012

To: City Clerk
Attention: Todd Blyth

Re: The Regina Civic Employees' Long Term Disability Plan 2011 Annual Report

Schedule A of Bylaw No. 9566, Section 9.4(3) of the City of Regina states that "The Board shall annually report to Council on the operation of the Plan". In accordance with the Bylaw, attached is the 2011 Annual Report for The Regina Civic Employees' Long Term Disability Plan for information to be submitted for the July 3 Finance and Administration agenda. Included in the Annual Report are the audited financial statements for the year ended December 31, 2011 which were approved by the Administrative Board for the Regina Civic Employees' Long Term Disability Plan at its meeting of May 9, 2012.

Yours truly,

Colyn Lowenberger, Director
Pensions and Disability Administration

CL/aa
Encl.

Regina Civic Employees' Long Term Disability Plan
B101 - 2055 Albert Street • Box 3030 • Regina SK • S4P 3G8 • Phone: (306) 777-7402 • Fax: (306) 777-6912

Regina Pensions & Disability

Regina Civic Employees' Long Term Disability Plan

Annual Report & Audited Financial Statements

December 31, 2011

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Message from the **Chairperson**

I am pleased to present the Annual Report for the Regina Civic Employees' Long Term Disability Plan for the year ended December 31, 2011.

In this report you will find the following:

- Membership information, including eligibility requirements.
- A description of the benefits available to members in the event of disability as well as a description of the rehabilitation program.
- The composition of the Administrative Board and its role as trustees of the fund.
- How the Board conducts its business and fulfills its responsibilities to the members of the Plan.
- How the assets of the fund are invested and the returns for 2011.
- The annual financial statements for 2011, audited by Deloitte and Touche LLP.

Over the past year, the net assets available for benefits rose by $1.2 million. The actuarial estimate of disability obligations increased by $2.8 million. Contributions for the year were $4.0 million, while disability payments were $2.3 million, and administrative expenses were $677,000.

The Plan holds investments valued at $30.0 million. Net investment returns, including changes in the fair values of investments, for the year was 0.83% or just over $257,000, reflecting the challenging market conditions experienced worldwide in 2011.

In 2011, a valuation of the Plan as at December 31, 2010 was completed. Through this process the Board reviewed the demographics of the Plan members, the trends in claims, and evaluated the actuarial present value of existing and future potential claims. The valuation revealed assets of $28.2 million and liabilities of $13.5 million, resulting in a Plan surplus of $14.7 million. The increase in surplus was primarily attributable to gains from claim terminations. No change was made to the rates as the existing rates fell within the range recommended in the valuation.

Following a process to review service providers that was initiated in 2010, a decision was made to engage Standard Life for the provision of claims adjudication, management and advice to pay services. The transition to the new service provider was completed by the end of 2011.

The Board has continued to pursue the lawsuit against the Regina Qu'Appelle Regional Health Authority relating to membership in the Plan and is working diligently to reach a settlement agreement.

I would like to take this opportunity to thank the members of the Administrative Board for their continued commitment and contribution to this Board. I would also like to thank the staff of the Pensions & Disability Administration Department for their support over the year.

A. R. Linner
Chairperson, Regina Civic Employees' Long Term Disability Plan

Executive Summary

The Administrative Board welcomed three new members in 2011. At the Annual Contributors' Meeting held June 7, 2011 Colin Jensen and Deb Cooney were elected by the Plan members. Bob Watt was appointed by City Council in August.

As part of the process to improve Plan operations, the Administration hired a Financial Reporting & Policy Advisor for the Pensions & Disability Administration Department. The Financial Reporting & Policy Advisor assumed responsibilities for accounting relating to Plan assets from City of Regina staff. The Sage ACCPAC accounting system was successfully implemented in December with 2012 transactions being processed in the new system.

In 2011 the Board made the decision to move the adjudication and administrative services for the LTD Plan to Standard Life. Standard Life provides an opportunity to enhance the disability services offered and to develop a collaborative approach to disabilities at the earliest stages, which will produce the best results for the employee, the employer, and the Plan. Processing of LTD claims by Standard Life will begin in 2012. As well, processing of LTD payroll will be handled by the Pensions & Disability Administration Department beginning January 2012.

The Pensions & Disability Administration Department launched a new website to better serve members. The website can be found at www.reginapensions.ca and is provided by the Administrative Boards of all four employee benefits plans administered by the Pensions & Disability Administration Department.

The number of employees in receipt of long term disability benefits has remained consistent since 2009 at 106. A total of $2.3 million was paid in disability benefits in 2011, an increase of $113,000 from 2010. 2011 saw a 3% increase in the average monthly disability benefit before offsets, from $2,373 in 2010 to $2,446. The duration of disablement has stayed relatively consistent at 5.8 years which is similar to 5.6 years from 2010. There were 52 new long term disability claims approved in 2011 and 69 claims resolved.

Over the past year, the net assets available for benefits experienced an increase from a balance of $28.2 million at the end of 2010, to a balance of $29.4 million at the end of 2011. The Plan's disability obligations increased from a balance of $14.4 million to $17.3 million at the end of 2011, resulting in a surplus of $12.2 million, an 11% decrease from 2010. Total invested assets of the Plan (including accrued income) were $30.0 million. Contributions for the year were $4.0 million, while disability payments were $2.3 million, and administrative expenses were $677,000. Investment income for the year was 0.83% or $257,000.

The Board conducted a valuation as at December 31, 2010 which revealed assets of $28.2 million and liabilities of $13.5 million, resulting in a Plan surplus $14.7 million. The valuation was forwarded to the Plan sponsors along with a recommendation that contribution rates remain unchanged from those implemented effective August 1, 2010. There is no legislative requirement to perform valuations on a regular basis. With the Plan being in a surplus position, the Board will continue to review the need for valuations on an annual basis, with valuations being performed generally every two years or earlier if needed.

The Regina Civic Employees' Long Term Disability Plan provides eligible members with protection against the potential loss of income in the event they become ill or accidentally injured. The Plan was established January 1, 1992 under Schedule "A" of Bylaw No. 9566.

Some of the benefits of belonging to the Plan include:

- monthly disability payments equal to 65% of your pre-disability salary;
- coverage for recurrent disabilities;
- early access to diagnostics and surgeries;
- access to therapy programs, conditioning, and rehabilitation programs; and
- access to return to work programs such as cross jurisdictional placement, split shifts, and work from home programs.

The Plan has been designed to complement the members' sick leave plan and to integrate with government disability programs. The Plan also offers high quality claims administration services and continues to review and implement emerging alternatives in disability management that are of mutual benefit to Plan members and the Plan.

Plan members contribute 0.92% of basic earnings and the employers contribute an equal amount.

Following is a list of employers participating in the Plan:

- City of Regina
- Regina Qu'Appelle Regional Health Authority
- Regina Board of Education (Non-teaching Staff)
- Regina Public Library
- Buffalo Pound Water Administration Board

Benefit Provisions
Disability benefits are payable to a member who suffers any physical or mental condition which, based on medical evidence, is so severe that he/she is prevented from performing the duties of their own occupation during the 120 calendar day qualifying period and the first twelve (12) months immediately following the qualifying period. Thereafter, benefits may continue, if the condition continues to limit the member from engaging in any gainful occupation or employment for remuneration or profit, for which he/she is reasonably well qualified by education, training or experience.

Benefits are payable subject to the provision of medical evidence supporting disability, and the approval of the Plan adjudicator. A member may not receive disability benefits while in receipt of sick leave benefits or ongoing vacation leave payments.

The total disability payment is based on 65% of the current salary rate at the date of disability or the date the disability payments become effective, whichever is greater. After having received total disability benefits for a period of twelve (12) months, partial disability payments may be payable if the medical evidence indicates that the member is not totally disabled from employment but a permanent medical impairment does exist.

Disability benefits will be reduced by payments received from the Workers' Compensation Board, the Canada Pension Plan (disability benefit), the Canada Employment and Immigration Commission, the Saskatchewan Government Insurance Personal Injury Protection Plan, and salary or wage loss awarded as the result of action against any third party for the same disability except for benefits received from a member's private disability plan.

Where a person with a disability is considered to be a suitable candidate for rehabilitation, such rehabilitation may be pursued in order to assist the person to become actively employed. Wage top-up benefits may be provided if a member is engaged in rehabilitative employment that does not afford a salary rate of 90% or more of the previous salary. If the member is engaged in rehabilitative employment and again ceases work as a result of disability, the member is not obliged to serve a further one hundred and twenty (120) calendar day waiting period.

If a member qualifies for disability benefits, they will be required to maintain membership in the pension plan by making the necessary contributions during the period of disability. The required pension contributions shall be on the basis of seventy-five percent (75%) of normal contributions. The member may waive these provisions if they are in receipt of partial disability benefits, which are fifty percent (50%) or less than the total disability benefit.

Plan Administration

The operational activities of the Plan are performed by the Pensions & Disability Administration Department. The staff of the Pensions & Disability Administration Department provides assistance to members regarding their individual benefit entitlements.

Standing (left to right): Brent Magnus, Tracey Halvorson, Lana Miller, Glenda Schlosser and Colyn Lowenberger

Seated (left to right): Vivian Lund, Kerry Trofimuk, Kristy Howse and Audrey Abram

Not Pictured: Lisa Anderson

Contact Us:

By Phone:
777-7402

By Email:
pensions@regina.ca

In Person:
Suite B101 –
2055 Albert Street
Regina, SK

By Mail:
P.O. Box 3030
Regina, SK
S4P 3G8

To access additional information regarding the Plan, please visit our website located at www.reginapensions.ca.

The Plan is governed by a Board of Trustees made up of 12 voting members, comprised of six employer representatives and six employee representatives. The employer representatives are made up of two representatives appointed by the City Manager, and four others appointed by City of Regina City Council, one of which must be from the Regina Qu'Appelle Regional Health Authority. The employee representatives are elected annually by the membership.

The Board is required to meet at least quarterly and quorum is eight members. Under the terms of Schedule "A" of City of Regina Bylaw No. 9566, an affirmative vote of at least eight members is required for the passing of any motion relating to (a) management of the fund, (b) an amendment to an existing policy, and (c) adoption of a new policy relating to the fund.

The Administrative Board members at December 31, 2011 were:

Bob Linner, Chairperson
Mr. Linner was appointed by City Council in 1987 while holding the position of City Manager for the City of Regina. Mr. Linner retired from the City in May of 2006 but continues in his role as Trustee. Mr. Linner holds a Bachelor of Arts Honors equivalent in Urban Geography and Economics from the University of Saskatchewan and is a frequently invited speaker on urban issues and leadership.

Marguerite Porter, Vice-chairperson
Ms. Porter was elected by the Plan members in 2003. She has been employed with the Regina Public Library for 23 years and is currently serving as Manager of a Branch Library.

Councillor Wade Murray
Councillor Murray was appointed by City Council in 2006. He has owned several small businesses in Regina with the latest venture in the renovation and sprayfoam industry, Ultimate Insulation Inc. Councillor Murray serves on a number of boards and committees and is currently sitting for his third term on Regina City Council, representing the residents of Ward 6.

Don Ehrmantraut
Mr. Ehrmantraut was appointed by City Council in 2007 as nominated by the Regina Qu'Appelle Regional Health. He has been employed for 28 years by the Regina Qu'Appelle Regional Health Authority where he held progressively responsible positions in a variety of areas. Mr. Ehrmantraut currently holds the position of Director of Information Technology and also currently acts as a Board Panel Moderator for CMA Canada (Saskatchewan).

John Gangl
Mr. Gangl was elected by the Plan members in 2008. He currently holds the position of Supervisor of Sewage Collection for the City of Regina and is also the Vice-Chairperson of the Civic Pension & Benefits Committee.

Lorna Glasser
Ms. Glasser was elected by the Plan members in 2006 to assume the seat designated for the Regina Qu'Appelle Regional Health Authority. She has been a member of the Civic Pension & Benefits Committee since 2003. Ms. Glasser worked as a laboratory technologist for 29 years. During that time she assumed a variety of leadership roles in her professional association, her union, and her community.

Jo-ann Hincks
Ms. Hincks was elected by the Plan members in 2009. She has been employed with the Regina Public School Board commencing September 3, 1974 and entered the Civic Pension Plan on that date. Ms. Hincks has been a payroll officer with the Public School Board since October 1976 and has also been an Employee Representative on the Civic Pension & Benefits Committee continuously since 1975.

Colin Jensen
Mr. Jensen was elected by the Plan members in 2011. He has been employed with the Regina Public School Board since 1999, working in the Information Technology Services Department, administering their Corporate Financial Systems. Prior to that, Mr. Jensen had a ten-year career with Wascana Energy Inc. as a Financial Accountant. Mr. Jensen holds the degrees of Bachelor of Administration (Accounting) and Bachelor of Science (Computer Science), both from the University of Regina. Mr. Jensen is also an Employee Representative on the Civic Pension & Benefits Committee, serving continuously since 2008.

John McCormick
Mr. McCormick was elected by the Plan members in 2007. He retired from his position in the Transit Department in 2009 after working for the City of Regina for 31 years.

Leslie Shaw
Mr. Shaw was appointed by the City Manager in 2000. Mr. Shaw previously served on the Board from 1982-1999 while serving as the City Solicitor for the City of Regina.

Brian Smith
Mr. Smith was appointed by the City Manager in 2009. Mr. Smith has been employed by the Government of Saskatchewan for the past 25 years and is currently serving in the role of Assistant Deputy Minister, Saskatchewan Finance, in the Public Employee Benefits Agency. Mr. Smith is an Honorary Life Member of the Canadian Pension and Benefits Institute, a Fellow of the Life Management Institute, and currently sits as Chair on a number of Pension & Disability Plan Boards.

Robert (Bob) Watt
Mr. Watt was appointed by City Council in 2011. Prior to his retirement in 2010, Mr. Watt was City Leader for Deloitte in Regina. In his role as City Leader he was the senior representative of Deloitte on a day-to-day basis responsible for ensuring a team of 70 professionals in its public accounting practice embraced Deloitte ethical values and client service principles in the marketplace. In his practice he was responsible for a number of major private and public entities. Mr. Watt is also a Fellow of the Institute of Chartered Accountants of Saskatchewan.

Deb Cooney (Non-voting Employee Alternate)
Ms. Cooney was elected by the Plan members in 2011. She joined the City of Regina in 1999 as a Business Analyst and has worked in numerous areas. Ms. Cooney volunteers in a number of community groups for fundraising including a ten year project for the building of a new rink in Balgonie, SK. She has also served as an Employee Representative on the Civic Pension & Benefits Committee since 2006.

Mike Gelsinger (Non-voting Employee Alternate)
Mr. Gelsinger was elected by the Plan members in 1988. Mr. Gelsinger is currently a Captain with the Regina Fire Department.

Standing (left to right):John Gangl, Mike Gelsinger, Don Ehrmantraut, Marguerite Porter, Colin Jensen and Bob Watt

Seated (left to right):Jo-ann Hincks, Deb Cooney, Bob Linner and Leslie Shaw

Not Pictured: Councillor Wade Murray, Lorna Glasser, John McCormick and Brian Smith

Pension Plan
Governance

The Administrative Board is responsible for the administration of the Plan in accordance with the terms of Schedule "A" of Bylaw No. 9566. Under this Bylaw, the Board members are appointed as the Plan's fiduciaries. This means they are in a position of trust and are obligated to act in the best interests of the Plan members. The members of the Board must not allow personal interests to interfere with the interests of those they serve. Further, they must take the same care, and apply the same diligence and skill that would be expected of a normally prudent person who was looking after the property of someone else. The members must also adhere to the Board's Code of Conflict Policy.

The Board met 11 times during 2011. Following is the Board Meeting attendance for each Member.

Trustee	Meetings Attended
Bob Linner	11
Marguerite Porter	11
Councillor Wade Murray	6
Don Ehrmantraut	10
John Gangl	10
Lorna Glasser	8
Jo-ann Hincks	11

Trustee	Meetings Attended
Colin Jensen*	6
John McCormick	8
Leslie Shaw	11
Brian Smith	7
Robert (Bob) Watt*	4
Deb Cooney*	6
Mike Gelsinger	7

** Appointed mid-year*

Administrative Board
Responsibilities

1. **Compliance With Plan Provisions**
   The Board ensures the Plan is administered in accordance with the Plan document and benefits are paid appropriately to members.

2. **Pensions & Disability Administration Department**
   The Pensions & Disability Administration Department reports to the Board on all aspects of Plan administration. The Board reviews the performance of the department on an ongoing basis and ensures that reports provided to the Board are appropriate and adequate to meet their fiduciary duties.

3. **Annual Financial Statements**
   The Board ensures that an annual audit is conducted of the Plan and the annual financial statements for the Plan are prepared. The current auditors for the Plan are Deloitte & Touche LLP and the statements audited by them are included in this report.

4. **Plan Funding and Valuations**
   The Board must ensure the Plan is able to meet the long term disability obligations as they occur and ensure the long-term solvency of the Plan. In order to accomplish this, the Bylaw requires that a valuation of the Plan be completed every three years. The purpose of the valuation is to provide an actuarial estimate of the present value of the Plan's liabilities and assets plus determine whether the assets are adequate to meet the obligations or a contribution increase is required. The Plan's current actuary is Mercer (Canada) Ltd.

5. **Custody of Plan Assets**
The Board must ensure all monies due to the Fund are kept separate and apart from other funds of the employers. This is accomplished by hiring a fund custodian to ensure the money is kept separate from the employer's funds and is only used for long term disability benefit purposes. In addition to holding the Plan's securities, the custodian is required to verify that any transfer requested by those involved with the Plan complies with the Plan's rules and governing legislation. The current custodian is Northern Trust, Institutional and Investor Services.

6. **Fund Management**
The Board is responsible for making investments in accordance with the investment requirements of the Plan's Statement of Investment Policies & Procedures. The activities the Board performs to fulfill this responsibility include regular reviewing of investment activities, ensuring compliance with the Statement of Investment Policies & Procedures, monitoring investment results and meeting with the Plan's fund managers.

7. **Performance Measurement**
The Board ensures the various investment managers are managing the fund assets in an appropriate manner and in compliance with the Statement of Investment Policies & Procedures. As part of this duty, the Board hires a Performance Management Service that reports quarterly on the performance of the fund, the performance of the individual managers and whether the managers are in compliance with the Statement of Investment Policies & Procedures. Northern Trust provides performance management services.

8. **Policy Documents**
To support the objectives of the Plan the Board has adopted the following policies.

- Code of Conduct
- Funding Policy
- Statement of Investment Policies & Procedures
- Procedural Rules
- Trustee Education Policy

Administrative Board Activities

2011 ACCOMPLISHMENTS

The Civic LTD Administrative Board accomplishments in 2011 include:

1. **Governance**
As part of the process to improve Plan operations, the Administration hired a Financial Reporting & Policy Advisor for the Pensions & Disability Administration Department. The Financial Reporting & Policy Advisor assumed accounting responsibilities relating to Plan assets from City of Regina staff. The Sage ACCPAC accounting system was successfully implemented with 2012 transactions being processed in the new system.

2. **Actuarial Valuation as at December 31, 2010**
The Board conducted a valuation as at December 31, 2010 which revealed assets of $28.2 million and liabilities of $13.5 million, resulting in a Plan surplus $14.7 million. The valuation was forwarded to the Plan sponsors along with a recommendation that contribution rates remain unchanged from those implemented effective August 1, 2010. There is no legislative requirement to perform valuations on a regular basis. With the Plan being in a surplus position, the Board will continue to review the need for valuations on an annual basis, with valuations being performed generally every two years or earlier if needed.

3. **Adjudication and Administrative Services**
In 2011 the Board made the decision to move the adjudication and administrative services for the LTD Plan to Standard Life. Standard Life provides an opportunity to enhance the disability services offered and to develop a collaborative approach to disabilities at the earliest stages, which will produce the best results for the employee, the employer, and the Plan. Processing of LTD claims by Standard Life will begin in 2012. As well, processing of LTD payroll will be handled by the Pensions & Disability Administration Department beginning January 2012.

4. **Communication**
The Pensions & Disability Administration Department launched a new website to better serve our members. The website can be found at www.reginapensions.ca and is provided by the Administrative Boards of all four employee benefits plans administered by the Pensions & Disability Administration Department, those being:
    - the Regina Civic Employees' Superannuation & Benefit Plan;
    - the Regina Civic Employees' Long Term Disability Plan;
    - The Regina Police Pension Plan; and
    - the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan.

2012 Plans

Plans for the Civic LTD Pension Administrative Board in 2012 include:

1. **Financial Stability**
Financial stability will be pursued by setting guidelines for plan funding with the support of plan design, along with the development of investment policies that outline the actions to be taken based on funded level triggers.

2. **Efficient & Effective Governance**
Efficient and effective governance will be established through a formal planning process. The planning process will define and determine how to measure relevant metrics such as service level standards, investment returns, and risk tolerance. The Board will continue to develop, adopt, implement and revise policy documents in order to support the objectives of the Plan. Efficient and effective governance will be supported through organizational changes to the Pensions & Disability Administration Department.

3. **Managed Risk**
Risk management will be achieved through continued development of the Statement of Investment Policies & Procedures, the Funding Policy, and the Risk Management Framework, along with continued training and development of the Board members. The terms by which investment managers are evaluated will be defined and a systematic review process will be developed. An actuarial valuation of the Plan will be considered for December 31, 2012 in order to continue to monitor the financial position of the Plan.

4. **Appropriate Investment Returns**
The Board will develop investment strategies that tie risk tolerance to the funding position of the Plan and the investment portfolio will be restructured to support this strategy.

5. **Engaged Sponsors & Members**
The Board will evaluate current communication policies with a continued focus on consistent, candid and focused communication and continue the development of technology that can be used to assist in engaging employees.

The Administrative Board of the Regina Civic Employees' Long Term Disability Plan recognizes the importance of education to the successful fulfillment of the fiduciary duty to the members of the Plan. To that end, the Board has developed the Trustee Education Policy based on the following principles:

(a) Board members are required to make policy decisions to facilitate the administration of the Plan;
(b) Board members have an obligation to participate in Board meetings in a meaningful way; and
(c) a unique body of knowledge is required to carry out the roles and responsibilities of the Board.

The Trustee Education Policy requires that, in addition to basic education obtained within the first three years of becoming a Trustee:

(a) new Trustees must attend a minimum of 20 hours of educational opportunities on an annual basis; and
(b) senior Trustees must attend a minimum of 30 hours of educational opportunities on an annual basis.

The following Administrative Board members attended conferences and seminars for educational opportunities:

Trustee	Conference/Seminar	Date	Location	Hours
Bob Linner	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	State Street: Global Influences on your Canadian Fixed Income Portfolio	Mar 2	Regina, SK	2
	Sharing of Knowledge Learning Series – Intelligent Risk: Rebuilding the Post-crisis Portfolio	Apr 5	Regina, SK	2.5
	2011 Aon Hewitt Pension Risk Management Seminar	Jun 1	Regina, SK	2.5
	ACPM 2011 National Conference	Sep 13-15	St. John's, NL	30
	Total Expenses*	**$4,481**	**Total Hours**	**39**
Marguerite Porter	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	State Street: Global Influences on your Canadian Fixed Income Portfolio	Mar 2	Regina, SK	2
	CPBI Luncheon – Saskatchewan's Best Kept Secret	Mar 17	Regina, SK	1.5
	Sharing of Knowledge Learning Series – Intelligent Risk: Rebuilding the Post-crisis Portfolio	Apr 5	Regina, SK	2.5
	CPBI Forum 2011 – The Next Wave	May 18-20	Vancouver, BC	30
	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	Total Expenses*	**$856**	**Total Hours**	**39.5**
Councillor Wade Murray	2011 Aon Hewitt Pension Risk Management Seminar	Jun 1	Regina, SK	2.5
	ACPM 2011 National Conference	Sep 13-15	St. John's, NL	30
	Total Expenses*	**$3,281**	**Total Hours**	**32.5**
Don Ehrmantraut	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	State Street: Global Influences on your Canadian Fixed Income Portfolio	Mar 2	Regina, SK	2
	CPBI Saskatchewan Regional Conference	Apr 20-21	Regina, SK	15
	2011 Franklin Templeton Investment Forum	Nov 6-8	Orlando, FL	30
	Total Expenses*	**$2,141**	**Total Hours**	**49**

Trustee	Conference/Seminar	Date	Location	Hours
John Gangl	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	2011 Franklin Templeton Investment Forum	Nov 6-8	Orlando, FL	30
	Total Expenses*	**$1,772**	**Total Hours**	**33.5**
Lorna Glasser	State Street: Global Influences on your Canadian Fixed Income Portfolio	Mar 2	Regina, SK	2
	CPBI Luncheon – Saskatchewan's Best Kept Secret	Mar 17	Regina, SK	1.5
	CPBI Saskatchewan Regional Conference	Apr 20-21	Regina, SK	15
	ACPM 2011 National Conference	Sep 13-15	St. John's, NL	30
	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	Total Expenses*	**$2,490**	**Total Hours**	**50**
Jo-ann Hincks	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	State Street: Global Influences on your Canadian Fixed Income Portfolio	Mar 2	Regina, SK	2
	CPBI Forum 2011 – The Next Wave	May 18-20	Vancouver, BC	30
	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	CPBI Luncheon – How Well Do Your Members Understand and Value Your Benefit Plans?	Oct 19	Regina, SK	2
	Total Expenses*	**$828**	**Total Hours**	**37.5**
Colin Jensen	ACPM 2011 National Conference	Sep 13-15	St. John's, NL	30
	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	CPBI Luncheon – How Well Do Your Members Understand and Value Your Benefit Plans?	Oct 19	Regina, SK	2
	Total Expenses*	**$4,445**	**Total Hours**	**33.5**
John McCormick	ACPM 2011 National Conference	Sep 13-15	St. John's, NL	30
	Total Expenses*	**$4,561**	**Total Hours**	**30**
Leslie Shaw	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	CPBI Saskatchewan Regional Conference	Apr 20-21	Regina, SK	15
	CPBI Forum 2011 – The Next Wave	May 18-20	Vancouver, BC	30
	2011 Aon Hewitt Pension Risk Management Seminar	Jun 1	Regina, SK	2.5
	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	CPBI Luncheon – How Well Do Your Members Understand and Value Your Benefit Plans?	Oct 19	Regina, SK	2
	CPBI Seminar – Benefits, Beyond the Basics	Oct 25-26	Regina, SK	20
	CPBI Luncheon – Will Baby Boomers Ever Retire?	Nov 16	Regina, SK	2
	Total Expenses*	**$1,754**	**Total Hours**	**75**
Brian Smith	MEPP Annual Pension Information Session	Jun 13-15	Waskesiu, SK	30
	Total Expenses*	**$0****	**Total Hours**	**30**
Robert (Bob) Watt	Greystone Education Seminar	Oct 13	Regina, SK	1.5
	Total Expenses*	**$0****	**Total Hours**	**1.5**
Deb Cooney	ACPM 2011 National Conference	Sep 13-15	St. John's, NL	30
	CPBI Luncheon – How Well Do Your Members Understand and Value Your Benefit Plans?	Oct 19	Regina, SK	2
	Total Expenses*	**$4,390**	**Total Hours**	**32**

Education & Training

Trustee	Conference/Seminar	Date	Location	Hours
Mike Gelsinger	CPBI Luncheon with Louis Martel	Jan 13	Regina, SK	2
	19th Annual Sask CFA Society Forecast Dinner	Jan 18	Regina, SK	4
	CPBI Saskatchewan Regional Conference	Apr 20-21	Regina, SK	15
	2011 Franklin Templeton Investment Forum	Nov 6-8	Orlando, FL	30
	Total Expenses*	**$1,879**	**Total Hours**	**51**

** The costs above show total costs per member. In the event a Trustee sits on more than one Administrative Board, education and training expenses are shared with the other Plans.*

*** Some Trustees are able to attend training and education events as a result of professional standards, employment requirements or personal interests at no cost to the Plan.*

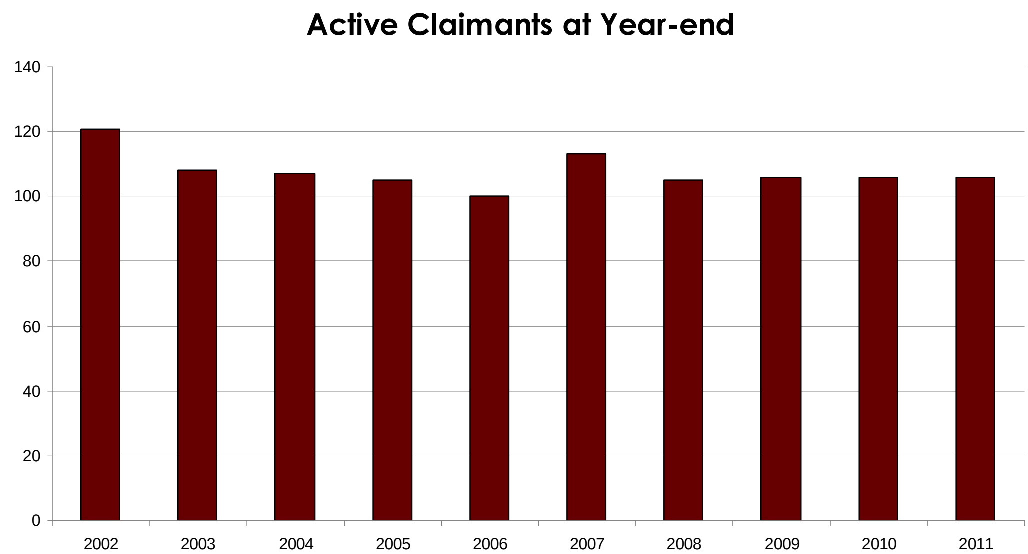
Claims Administration

During 2011 the claims administration of the Civic LTD Plan was performed by the Great-West Life Assurance Company.

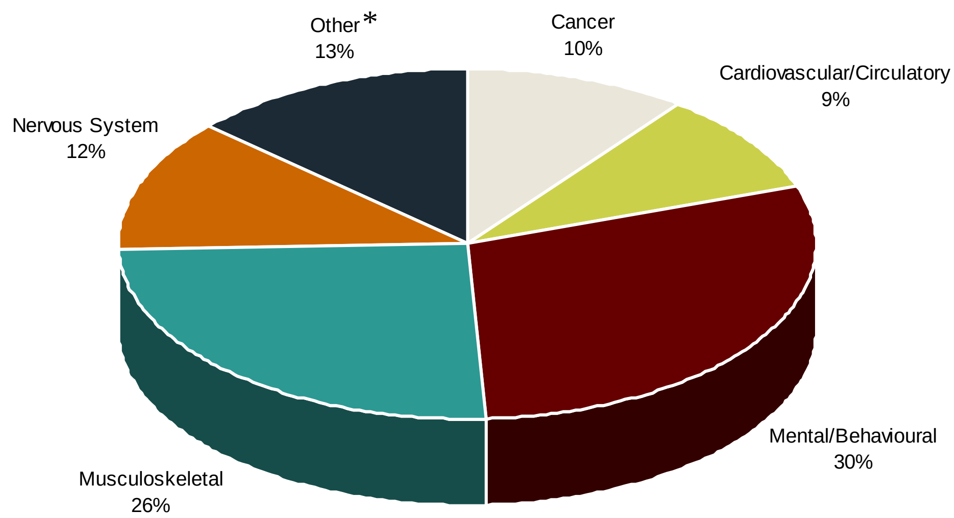
There continues to be factors that contribute to the claims experience of the Long Term Disability Plan and to the future costs of the Plan. Seeking out the best possible opportunities to mitigate the loss for employees will in turn reduce the overall cost of the claims to the Plan and lessen the disruption in the employee's ability to continue to participate in a full active work life. For those unable to return to work, the Plan offers opportunities to seek out assessments and/or treatment in order to provide recommendations for additional treatment that may assist the employee in continuing to participate in the activities of daily living as long as possible.

Active Claims

The numbers of claimants in receipt of benefits at year end has remained steady over the last ten years with the highest being 121 claims in 2002 and the lowest being 100 claims in 2006. The number of employees in receipt of long term disability benefits has remained consistent since 2009 at 106.



Disability Type



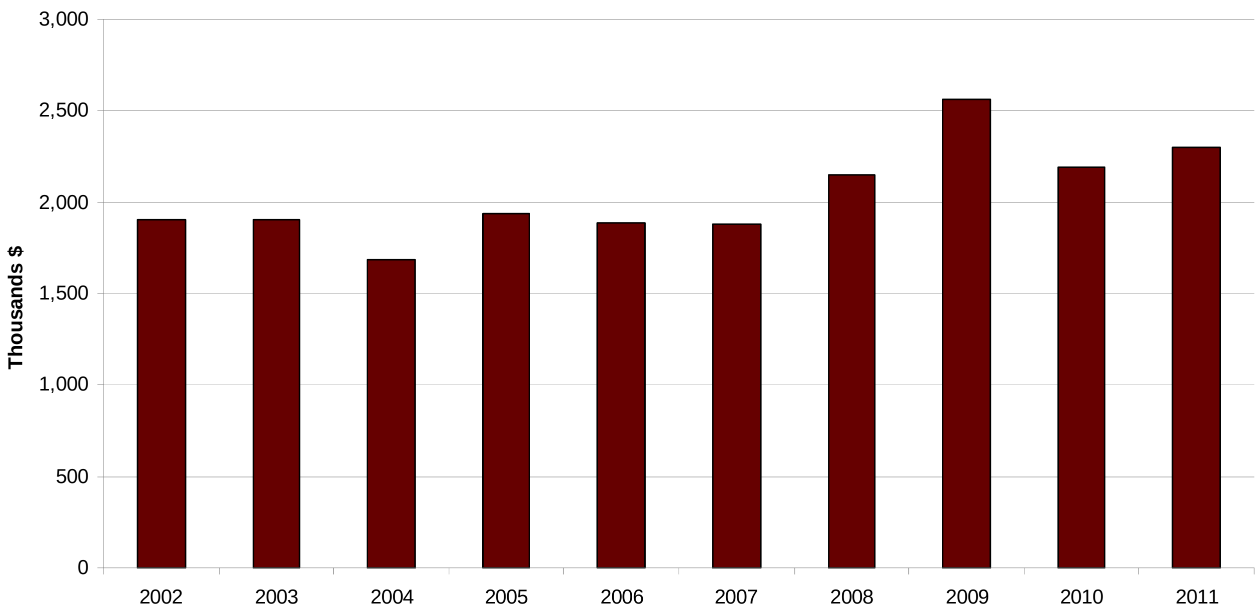
**Other includes Gastrointestinal, Endocrine Systems, Vision Problems, and Urinary.*

The criteria for the acceptance of stress related claims by WCB continues to be very stringent resulting in an increase in stress related illnesses such as depression and other mood disorders being applied for under the Long Term Disability Plan.

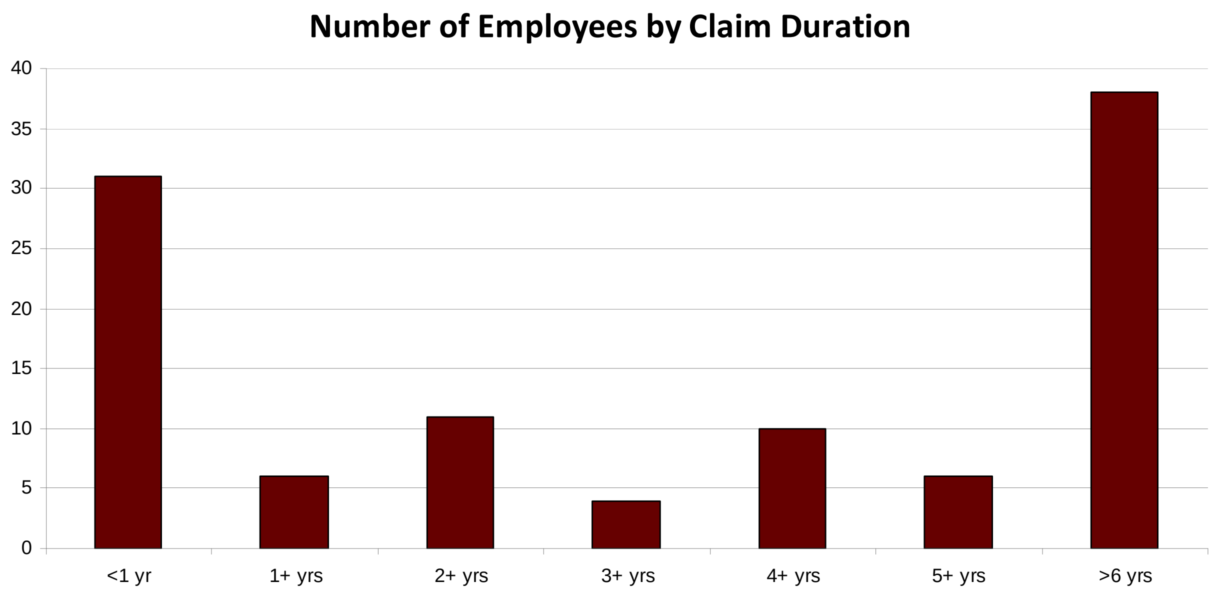
Benefit Payments

A total of $2.3 million was paid in disability benefits in 2011, an increase of $113,000 from 2010. 2011 saw a 3% increase in the average monthly disability benefit before offsets from $2,373 in 2010 to $2,446.

Annual Benefit Payments



Claim Duration
The duration of disablement has stayed relatively consistent at 5.8 years which is similar to 5.6 years from 2010.

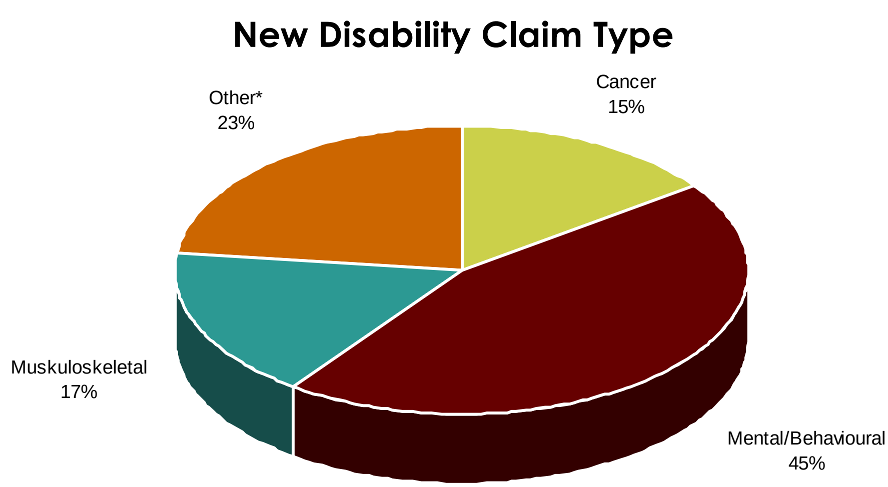


Annual Change in Claims

Active Claims as of December 31, 2010	111
New Claim Applications	57
Claims Transferred in from SAHO	1
Recurrent Claims	10
Claims Resolved and Denied	(69)
Active Claims as of December 31, 2011	110*

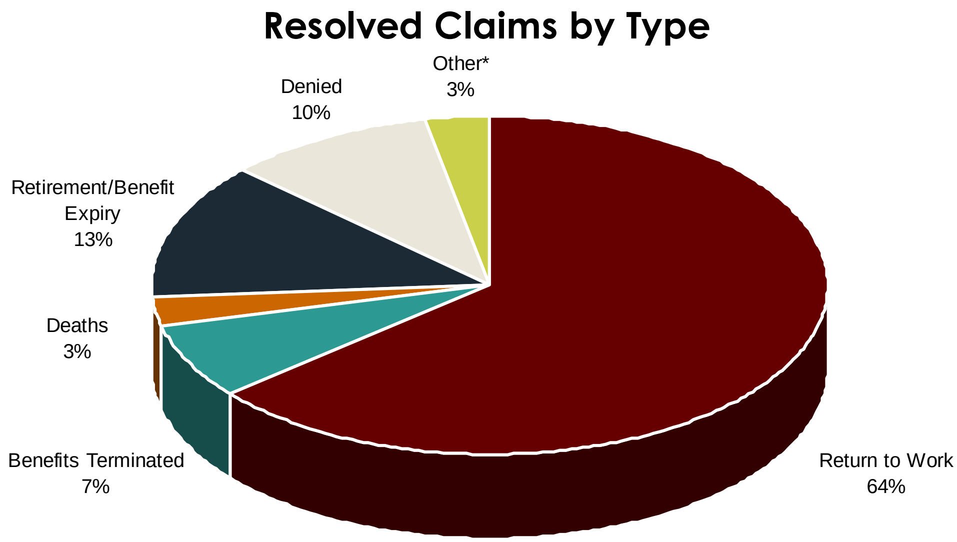
*4 disability claims were in adjudication at December 31, 2011

There were 52 new long term disability claims approved in 2011.



**Other includes Cardiovascular/Circulatory, Nervous System, and Gastrointestinal Related Disabilities.*

There were 69 long term disability claims resolved in 2011. Following is a break-down of claims resolved.



**Other includes pended and transferred to SAHO.*

Early Intervention
Successful outcomes are predicated on early intervention. In some cases the diagnosis of an illness is part of the delay. Early access to diagnostics and surgeries, if required and requested, can shorten the total period of disability the employee may suffer. If an accommodation cannot be identified or duties are not available at the time the employee has recovered enough to participate in a return to work program, the length of the claim will be longer and adjudication of the "any occupation" phase of the disability becomes more difficult, therefore resulting in higher costs to the Plan and the possibility of denial until medical documentation is provided proving total disability.

Claimants are often unable to participate in therapy programs, conditioning or rehabilitation programs prior to their surgery date or until all tests have been completed. As a result they are frequently much less conditioned after surgery and require longer rehabilitation times to recover enough to participate in full duties and shift lengths.

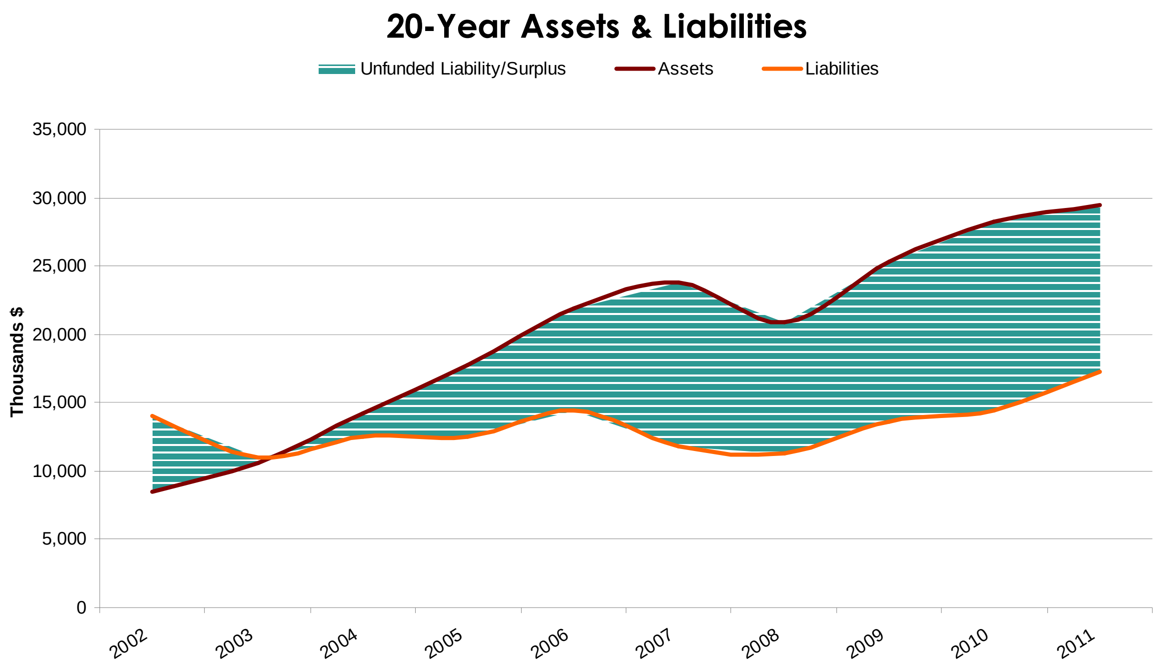
In 2011 the Plan assisted five employees with expedited appointments for treatment and/or surgery. The Plan also assisted employees with funding of counselling services, prescription reimbursement and assessments, and other treatments that would normally be covered through Employer funded programs. We have seen an increased number of employees exhausting Employer paid benefits and funding.

Return to Work Programs
Workplace disability programs are legislated to provide accommodation for an increasing number and variety of claims. There continues to be an increase in the number of employees requiring permanent accommodation or lengthier rehabilitation programs. It continues to be more difficult to provide accommodation in meaningful productive work for all employees requiring an accommodation, either permanent or temporary. The Employers continue to look for innovative ways to provide assistance to their employees, such as cross jurisdictional placement, split shifts and work from home programs. In 2011, 31 employees participated in some type of return to work program.

Year End Financial Position
As at December 31, 2011 the Plan had net assets available for benefits of $29.4 million. Net assets consist of investments at fair value of $30.0 million, accrued income and accounts receivable of $164,000, less accounts payable of $685,000.

Disability Obligations were $17.3 million at December 31, 2011.

The surplus of the Plan, as of December 31, 2011, was $12.2 million.



There are four main factors that contribute to the size of the asset base of the Plan. These factors are the investment income earned over the year, the contributions made to the Plan by the employer and employees, the Plan's administration and investment expenses, and the long term disability benefit payments made to disabled members. Investment income, contribution revenues, and benefit payments & expenses over the last ten years are shown below:

For The Year Ending	Investment Income / (Loss) ($ Thousands)	Revenue From Contributions ($ Thousands)	Benefit Payments & Expenses ($ Thousands)
2011	258	3,966	(2,980)
2010	1,652	3,958	(2,736)
2009	3,493	4,078	(3,072)
2008	(4,021)	3,778	(2,714)
2007	2,894	3,498	(2,354)
2006	1,980	3,532	(2,215)
2005	1,311	3,788	(2,230)
2004	1,311	4,258	(1,957)
2003	(353)	2,886	(2,150)
2002	(38)	2,510	(2,162)

The Civic Long Term Disability Administrative Board oversees the investments of the Civic LTD Plan in accordance with the Statement of Investment Policies & Procedures. The Statement of Investment Policies & Procedures addresses such issues as investment objectives, risk tolerance, asset allocation, permissible asset classes, investment diversification, liquidity requirements, expected rates of return and other issues relevant to the investment process, thereby establishing a framework within which all the investment managers must operate. The primary objectives of the investment policy are to:

- meet the disability obligations as they occur and to ensure the long-term solvency of the Plan;
- achieve a real rate of return in excess of 3.8% over a rolling four-year period; and
- earn the stated performance objective for each asset class over a rolling four-year period.

The investment policy is reviewed annually and updated when necessary to ensure that it continues to meet legal standards and the investment requirements of the membership.

The Regina Civic Employees' Long Term Disability Plan measures investment performance against two primary criteria:

1. A custom benchmark consisting of the indices that best represent each asset class:

Asset Class	Total Fund Benchmark
Canadian Equities	S&P/TSX 300 Index
Global Equities	MSCI World Index ex Canada
Canadian Short Term Bonds	DEX Short Term Bond Index
Canadian Universe Bonds	DEX Universe Bond Index
Real Return Bonds	DEX Real Return Bond index
Commercial Mortgages	DEX 5 Year Conv. Res. Mortgage Index

   The benchmarks for equity and fixed income were selected because all are publicly-traded and readily investible indices.

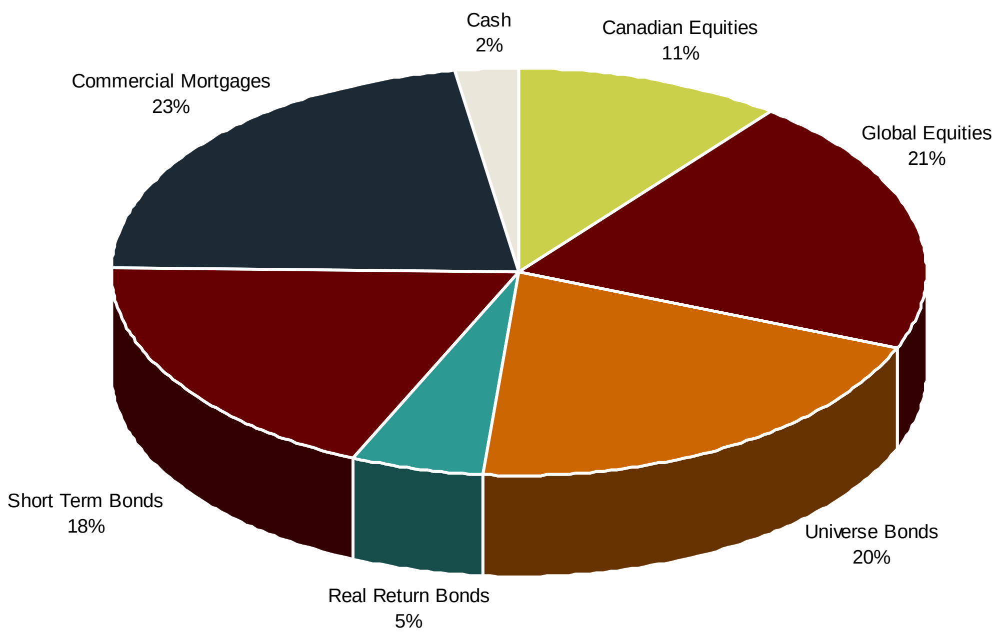
2. Inflation adjusted return of greater than 3.8% (greater than the Consumer Price Index (CPI) by 3.8%).

The Plan does not manage currency within the portfolios, preferring to take a longer term approach that currencies will fluctuate in the short term, but will achieve some equilibrium over the longer term.

Total invested assets of the Civic LTD Plan (including accrued income) at December 31, 2011 were $30.0 million.

The Plan's assets are invested across several asset classes and with multiple investment managers to reduce the overall risk to the Plan. By spreading the investments out among different types of assets, different geographical areas and different investment styles, the overall risk to the Plan is reduced and the returns of the Plan become less volatile.

Asset Class Allocation (12/31/2011)



The assets of the Civic LTD Plan are separated into two portfolios – the Return Seeking Portfolio and the Liability Matching Portfolio. Assets held in the return seeking portfolio are intended to earn a market return as outlined in the Statement of Investment Policies & Procedures. Assets held in the Liability Matching Portfolio are meant to fluctuate in correlation with the value of the liabilities of the Plan.

The table below provides the current asset allocation policy of the Civic LTD Plan:

Asset Class	Total Fund Benchmark	Actual % Allocation	Min %	Target % Allocation	Max %
Equity Pool:					
Canadian Equities	S&P/TSX 300 Index	20.63	15	20	25
Global Equities	MSCI World Index ex Canada	39.75	35	40	45
	Total Equity Pool:	**60.38**		**60**	
Fixed Income Pool:					
Universe Bonds	DEX Universe Bond Index	39.62	25	40	55
	Total Fixed Income Pool:	**39.62**		**40**	
Total Return Seeking Portfolio:		**100.00**		**100**	
Fixed Income Pool:					
Real Return Bonds	DEX Real Return Bond Index	10.73	8	12	16
Short Term Bonds	DEX Short Term Bond Index	38.11	38	43	48
Commercial Mortgages	DEX 5 Year Conv. Res. Mortgage Index	46.23	40	45	50
	Total Fixed Income Pool:	**95.07**		**100**	
Cash:	n/a	**4.93**	n/a	n/a	n/a
Total Liability Matching Portfolio:		**100.00**		**100**	

Investment of the
Fund

As the performance of individual managers and markets move the assets in the fund away from the normal strategic positions, the assets are rebalanced to bring the fund back within the parameters of the current strategic asset allocation policy set by the Administrative Board. Such rebalancing is achieved through directed cash flow or by actively transferring funds among managers when specified trigger points are reached. The actual management and asset allocation structure of the Civic LTD Plan as at December 31, 2011 is shown below:

Asset Class	Manager	Start Date	Amount* ($ Thousands)	% Of Holdings
Equity Pool:				
Canadian Equities	Greystone Managed Investments	2002	3,182	10.62
Global Equities	Franklin Templeton Investments Corp.	1998	6,133	20.46
	Total Equity Pool:		**9,315**	**31.08**
Fixed Income Pool:				
Universe Bonds	TD Asset Management	2004	6,112	20.39
	Total Fixed Income Pool:		**6,112**	**20.39**
Total Return Seeking Portfolio			**15,427**	**51.47**
Fixed Income Pool:				
Real Return Bonds	Internal	n/a	1,560	5.21
Short Term Bonds	TD Asset Management	2010	5,542	18.49
Commercial Mortgages	Addenda Capital	2010	6,724	22.44
	Total Fixed Income Pool:		**13,826**	**46.14**
Cash:	n/a	n/a	**717**	**2.39**
Total Liability Matching Portfolio:			**14,543**	**48.53**
Total Fund:			**29,970**	**100.00**

**Amount includes small cash balances held by each manager within their investment portfolio as well as accrued income.*

Investment
Results

Investment Overview

The first quarter of 2011 saw improvements in economic data and the continued advancement of the recovery that began in 2009. Losses in subsequent quarters wiped out the market recovery that had been building and raised concerns over a double-dip recession.

There were a multitude of factors contributing to the disappointing results as concern grew that the Global Economy may be slowing at a pace greater than anticipated. Economic indicators released during the second quarter brought disappointing news to the markets. Unemployment remained high and while industrial production has risen, consumer sales and sentiment grew at a much slower pace. The ongoing sovereign debt crisis in Europe received the most attention while the U.S. Government continued to deal with its own problems as it tried to work toward a long term debt solution while still trying to revive its sluggish economy. A massive earthquake and subsequent tsunami in Japan affected global supply and inflation continues to be a concern for both developed and emerging markets.

U.S. Equity markets saw both the best-performing first quarter since 1998 and the worst-performing quarter since the fourth quarter of 2008. Overall 2011 saw the second lowest annual return for U.S. Equity since 2003 with only 2008, which was impacted by the financial crisis, being worse. Canadian Equity markets provided negative returns for six consecutive months through the second and third quarters. European markets saw a sharp decline in the third quarter with financial stocks being hit particularly hard and valuations driven down to levels last seen during the 2008 economic crisis. Even though developed markets had gains in three of four quarters in 2011, they were not enough to offset the sharp declines in the third quarter.

The fourth quarter saw gains in all markets and most economic indicators do not yet suggest that we are in a recession. There still seems to be a meaningful chance that we will avoid falling into another recession.

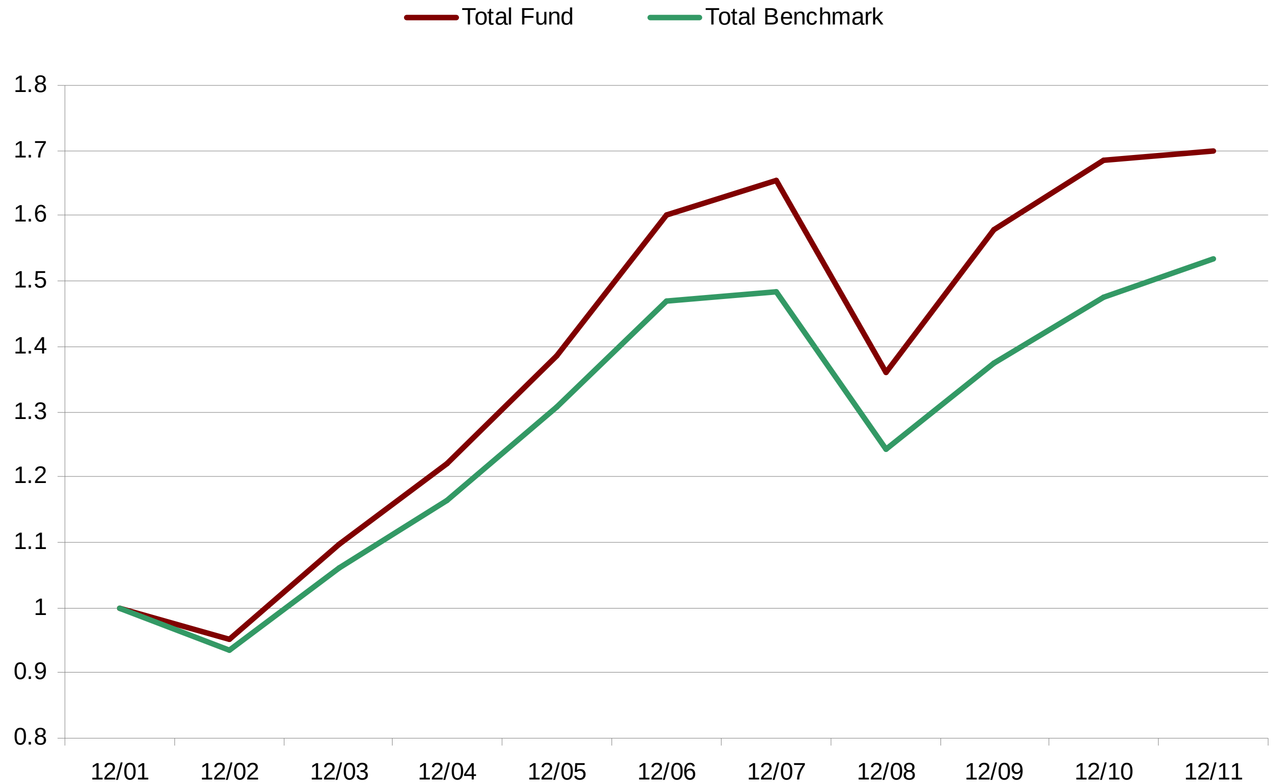
Fund Results

On a total fund basis the Regina Civic Employees' Long Term Disability Plan trailed the investment return of the custom benchmark by -3.16% with a return of 0.83%. On an inflation adjusted basis, the investments of the Plan trailed the Consumer Price index by -1.47% and underperformed the 3.8% adjusted return required by the Statement of Investment Policies & Procedures by -5.27%.

Over a rolling four-year period the annualized investment return stands at 0.67%, trailing the benchmark by -0.17% and falling short of the inflation adjusted target by -4.93%. Strong returns over the three-year period provided returns that beat the benchmark by 0.42% and exceed the inflation adjusted target by 5.69%. Although the time horizon of a long term disability plan is shorter than a pension plan, it is not so short that the focus can be on any one year period. Over the last ten years the Plan has achieved an annualized return net of inflation of 3.39%, falling slightly short of the long term inflation adjusted target by 0.41%.

Investment Returns	**Annualized Rate Of Return (%)**				
	1 yr	**2 yr**	**3 yr**	**4 yr**	**5 yr**
Total Fund	0.83	3.74	7.69	0.67	1.17
Total Fund Benchmark	3.99	5.69	7.27	0.84	0.85
Excess Return (%)	**-3.16**	**-1.95**	**0.42**	**-0.17**	**0.32**
Average CPI	2.30	2.35	2.00	1.80	1.92
Inflation Adjusted Return	-1.47	1.39	5.69	-1.13	-0.75
Excess Return (> CPI+ 3.8%)	**-5.27**	**-2.41**	**1.89**	**-4.93**	**-4.55**

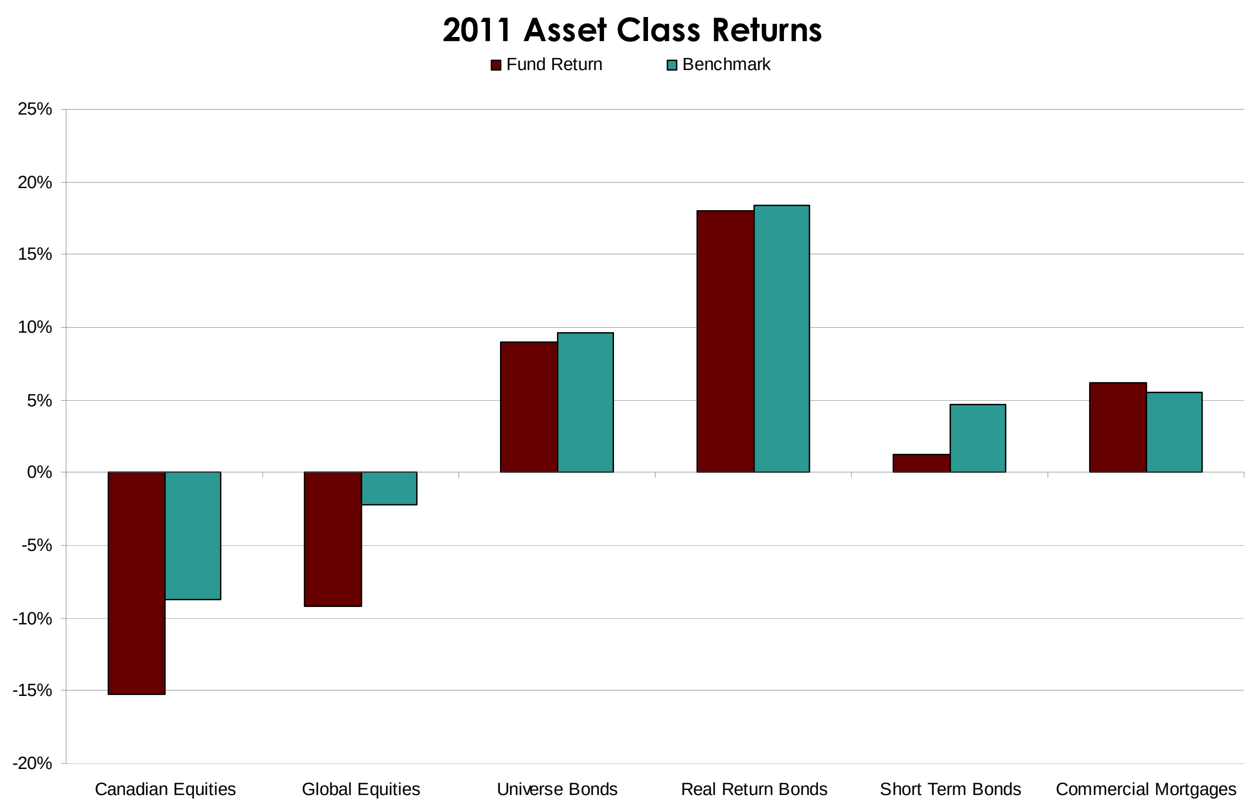
10-Year Growth of $1



The following table shows the gross rate of return achieved by the various asset classes over the one through five year periods ended December 31, 2011. The applicable benchmark performance for each asset class is also noted.

	Annualized Rate Of Return (%)				
Asset Class	**1 yr**	**2 yr**	**3 yr**	**4 yr**	**5 yr**
Equity Pool:					
Canadian Equities	-15.25	-0.15	8.42	-4.99	-1.64
Benchmark: S&P/TSX 300 Index	-8.71	3.62	13.18	-0.72	1.30
Global Equities	-9.18	-3.38	2.63	-6.51	-6.48
Benchmark: MSCI World Index ex Canada	-2.24	1.82	4.52	-3.83	-4.62
Total Equity Pool:	**-11.16**	**-1.33**	**5.88**	**-5.45**	**-3.80**
Fixed Income Pool:					
Universe Bonds	8.97	7.60	6.84	6.61	6.00
Benchmark: DEX Universe Bond Index	9.67	8.20	7.26	7.05	6.37
Real Return Bonds	18.00	14.23	13.82	10.38	8.54
Benchmark: DEX Real Return Bond Index	18.35	14.66	14.61	10.88	8.96
Short Term Bonds	1.27	n/a	n/a	n/a	n/a
Benchmark: DEX Short Term Bond Index	4.65	n/a	n/a	n/a	n/a

Asset Class	1 yr	2 yr	3 yr	4 yr	5 yr
	Annualized Rate Of Return (%)				
Fixed Income Pool:					
Commercial Mortgages	6.22	n/a	n/a	n/a	n/a
Benchmark: DEX 5 Year Conv. Res. Mortgage Index	5.49	n/a	n/a	n/a	n/a
Total Fixed Income Pool:	**6.51**	**6.60**	**6.51**	**6.23**	**5.64**
Cash:	**0.36**	**0.45**	**0.30**	**0.63**	**1.09**
Total Fund:	**0.83**	**3.74**	**7.69**	**0.67**	**1.17**



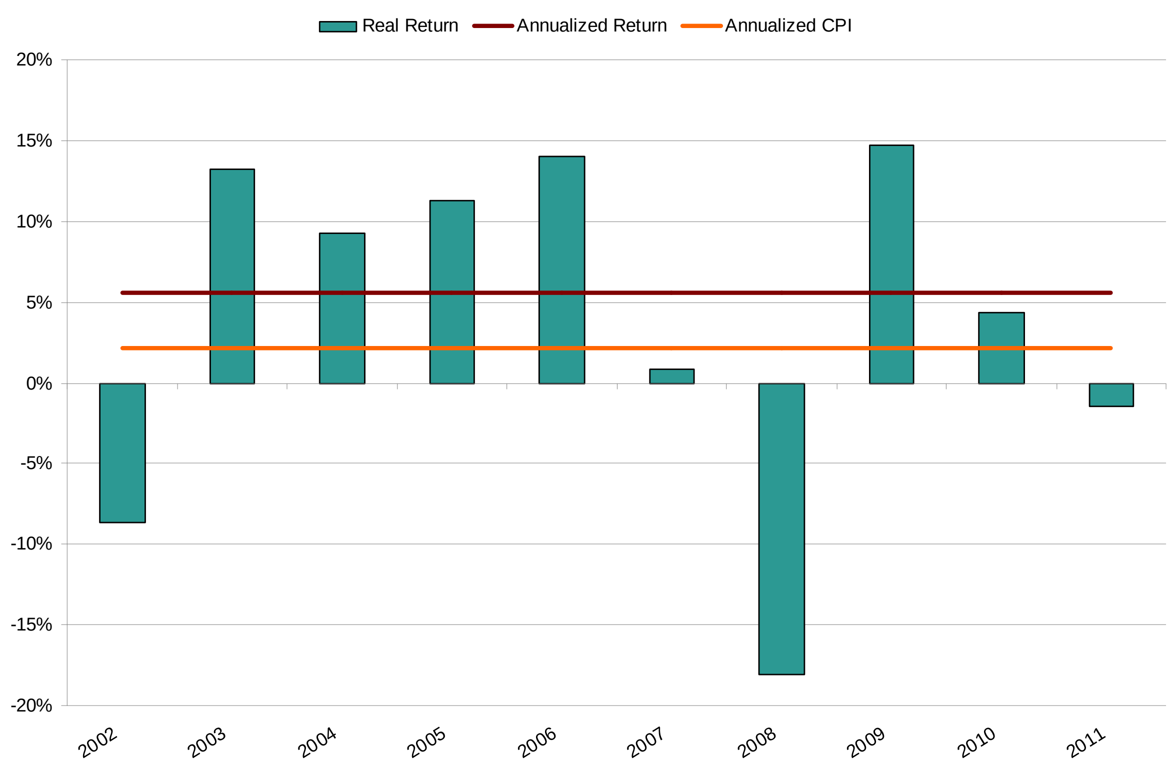
Historical Total Return

While investment performance is measured and reviewed quarterly, it is important to maintain a longer-term perspective due to the nature of the liabilities of the Plan. This applies when reviewing the 2011 performance in relation to a longer investment horizon and considering the effects of inflation over time. The annual investment returns of the Civic LTD Plan for the last ten years are as follows:

Annual Rate Of Return			
Year	Nominal Return	CPI	Real Return
2011	0.83%	2.30%	-1.47%
2010	6.74%	2.40%	4.34%
2009	16.03%	1.30%	14.73%
2008	-16.90%	1.20%	-18.10%
2007	3.20%	2.40%	0.80%
2006	15.70%	1.70%	14.00%
2005	13.40%	2.10%	11.30%
2004	11.40%	2.10%	9.30%
2003	15.30%	2.10%	13.20%
2002	-4.90%	3.80%	-8.70%

(1) Nominal Return is the actual rate of return earned in the year.
(2) The CPI (Consumer Price Index) is published monthly by Statistics Canada. The rate of change provides a measure of inflation.
(3) Real Return is the return earned after accounting for the effect of inflation.
(4) Annualized Return is the return earned after the effect of inflation is removed, over a specific time period.

10-Year Annualized Returns



Expenses

Description	2011 (000's)
Actuarial Services	
Mercer (Canada) Ltd.	**86**
Audit Services	
Deloitte & Touche LLP	**10**
Custodial and Performance Management Fees	
Northern Trust Corporation	**37**
Investment Manager Fees	
Addenda Capital Inc.	34
Greystone Managed Investments	8
TD Asset Management	3
Franklin Templeton Investments Corp.	50
	95
Legal Services	
McDougall Gauley	**9**
Other Administrative Expenses	
Pensions & Disability - Salaries & Benefits	131
Great West Life	170
Medical and Rehabilitation Services	91
SaskCentral	20
Mercer (Canada) Ltd.	10
City of Regina	11
Office Supplies and Services	7
	440
Total for the Plan:	**677**

Deloitte & Touche LLP
900 - 2103 11th Ave
Bank of Montreal Building
Regina SK S4P 3Z8
Canada

Tel: 306-565-5200
Fax: 306-757-4753
www.deloitte.ca

Independent Auditor's Report

We have audited the accompanying financial statements of the Regina Civic Employees' Long Term Disability Plan, which comprise the statements of financial position as at December 31, 2011 and December 31, 2010, and the statements of changes in net assets available for benefits and the statements of changes in disability obligations for the years 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 accounting standards for pension plans, 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 audits. We conducted our audits 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of the Regina Civic Employees' Long Term Disability Plan as at December 31, 2011 and December 31, 2010, and the changes in its net assets available for benefits and changes in its disability obligations for the years then ended in accordance with Canadian accounting standards for pension plans

Deloitte + Touche LLP

Chartered Accountants

April 25, 2012
Regina, Saskatchewan

STATEMENT OF FINANCIAL POSITION
(in thousands of dollars)

As at December 31, 2011

	December 31 2011	December 31 2010	January 1 2010
ASSETS			
Investments – Note 4	**29,968**	28,667	25,714
Contributions Receivable			
Members	**81**	25	81
Employers	**81**	25	81
Accounts Receivable	**-**	-	26
Accrued Income Receivable	**2**	3	3
Prepaid Expenses	**-**	175	174
	30,132	28,895	26,079
LIABILITIES			
Accounts Payable	**685**	691	749
Net Assets Available for Benefits	**29,447**	28,204	25,330
DISABILITY OBLIGATIONS AND SURPLUS			
Disability Obligations – Note 6	**17,252**	14,444	13,595
Surplus	**12,195**	13,760	11,735
Disability Obligations and Surplus	**29,447**	28,204	25,330

See accompanying notes

APPROVED BY:

Board Member

Board Member

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
(in thousands of dollars)

For the year ended December 31, 2011

	December 31 2011	December 31 2010
INCREASE IN NET ASSETS		
Investment Income - Note 7	**980**	722
Increase in Fair Value of Investments	**-**	930
Contributions		
Member Contributions	**1,983**	1,979
Employer Contributions	**1,983**	1,979
	4,946	5,610
DECREASE IN NET ASSETS		
Decrease in Fair Value of Investments	**723**	-
Disability Payments	**2,303**	2,190
Administration Expenses – Note 10	**677**	546
	3,703	2,736
Net Increase for the Year	**1,243**	2,874
Net Assets Available for Benefits, Beginning of Year	**28,204**	25,330
Net Assets Available for Benefits, End of Year	**29,447**	28,204

See accompanying notes

STATEMENT OF CHANGES IN DISABILITY OBLIGATIONS
(in thousands of dollars)

For the year ended December 31, 2011

	December 31 2011	December 31 2010
INCREASE IN DISABILITY OBLIGATIONS		
Accrual of Disability Benefits	**5,581**	4,421
Interest Accrued on Benefits	**521**	503
Experience Loss	**362**	-
Adjustment to Align with Funding Valuation Obligations	**228**	-
Change in Assumptions – Note 6	**204**	1,026
	6,896	5,950
DECREASE IN DISABILITY OBLIGATIONS		
Disability Payments	**2,303**	2,157
Experience Gain	**1,785**	2,944
	4,088	5,101
Net Increase for the Year	**2,808**	849
Disability Obligations, Beginning of Year	**14,444**	13,595
Disability Obligations, End of Year	**17,252**	14,444

See accompanying notes

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

1. Description of Plan

The Regina Civic Employees' Long Term Disability Plan (the "Plan") is a multi-employer disability plan covering eligible employees of the City of Regina and the following participating Boards: Regina Qu'Appelle Regional Health Authority, Regina Public Library Board, non-teaching staff of the Board of Education of the Regina School Division No. 4 of Saskatchewan, and the Buffalo Pound Water Administration Board. The following description is a summary only. For more complete information, reference should be made to the Plan text.

(a) Contributions

Members' contributions are 0.92% of salary. The employer matches the members' contributions to the Plan.

(b) Benefits

Disability benefits are based on 65% of the member's salary. Benefits will be paid either throughout the duration of the disability, until the member elects voluntary early retirement, reaches age 65 or upon death, whichever occurs first.

(c) Income Taxes

The Plan is a self insured disability income plan and as such is not subject to income taxes under The Income Tax Act. Disability benefits paid from the Plan are subject to deductions that are withheld and remitted to the Canada Revenue Agency.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for pension plans, which also applies to plans that have characteristics similar to pension plans and provide benefits other than pensions such as long term disability plans, as outlined in Part IV of the CICA Handbook, Section 4600, Pension Plans. For matters not addressed in Section 4600, IFRS (International Financial Reporting Standards) have been followed. These financial statements are presented in the Plan's functional currency, Canadian Dollars. The financial statements were authorized and issued by the Plan's Administrative Board on April 25, 2012.

The Plan's statements were previously prepared in accordance with CICA Handbook Section 4100 and while there are differences between the sections, there were no differences that affected the financial position of the Plan.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

2. Summary of Significant Accounting Policies (continued)

The following policies are considered to be significant:

(a) Basis of Presentation of Financial Statements

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the Plan sponsors and Plan members. They are prepared to assist Plan members and others in reviewing the activities of the Plan for the fiscal period, but they do not portray the funding requirements of the Plan or the benefit security of individual Plan members.

Employers of members are responsible for the accuracy and completeness of members' contributions remitted and of employee payroll information on which benefit payments are determined. Accordingly, these financial statements presume the accuracy and completeness of the members' contributions and payroll information received from employers of the members.

(b) Investments

Investments in equities are recorded at fair value which is determined using year-end market prices obtained from recognized security dealers. Investments in bonds are recorded at fair value which is determined based on quotes from industry standard sources. Transactions in bonds and equities are recorded as of the trade date.

Pooled funds are recorded at fair value based on the net asset value per unit determined by the investment manager with reference to the underlying investments' year-end market prices.

Short-term investments are recorded at cost, which together with accrued interest income, approximates fair value.

Investments denominated in foreign currency are translated at the exchange rate in effect at year-end.

(c) Investment Income and Transaction Costs

Investment income includes interest and dividends. Interest income is recorded on the accrual basis. Dividend income from equity securities is recognized as entitlement arises. Changes in fair value of investments includes both realized and unrealized gains and losses. Realized gains and losses from the sale of investments are calculated using a weighted average cost basis and are reflected in earnings as incurred. Transaction costs are recognized in the statement of changes in net assets available for benefits in the period incurred.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

2. Summary of Significant Accounting Policies (continued)

(d) Foreign Exchange

Foreign investment purchases, sales and income are recorded in Canadian dollars at exchange rates in effect at the transaction date. Foreign denominated investments and accrued income are translated at year end exchange rates. The gains and losses arising from the transaction are included in the statement of changes in net assets available for benefits as part of the change in fair value of investments.

(e) Contributions

Contributions are accounted for on the accrual basis.

(f) Use of Estimates and Judgements

The preparation of financial statements in conformity with Canadian accounting standards for pension plans requires management to make estimates and use assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates subject to estimates and assumptions include the valuation of investments and the determination of the disability obligation.

(g) Future Accounting Policy Changes

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended December 31, 2011, and have not been applied in preparing these financial statements. In particular, the following new and amended standards which become effective for annual periods beginning on or after January 1, 2013:

- IFRS 9 Financial Instruments
- IFRS 12, Disclosure of Interests in Other Entities
- IFRS 13, Fair Value Measurement

The extent of the impact on adoption of these standards is not known at this time, but is not expected to be material.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

3. Fair Value of Financial Instruments

The following table summarizes the inputs used as of December 31, 2011 in valuing the Plan's investments carried at fair values.

	December 31, 2011			
Asset Class	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity Pooled Funds	**-**	**9,315**	**-**	**9,315**
Fixed Income Pooled Funds	**-**	**14,374**	**-**	**14,374**
Short Term Investments	**-**	**5,542**	**-**	**5,542**
Cash	**737**	**-**	**-**	**737**
Total Investments	**737**	**29,231**	**-**	**29,968**

	December 31, 2010			
Asset Class	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity Pooled Funds	-	10,278	-	10,278
Fixed Income Pooled Funds	-	11,734	-	11,734
Short Term Investments	-	5,770	-	5,770
Cash	885	-	-	885
Total Investments	885	27,782	-	28,667

	January 1, 2010			
Asset Class	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equity Pooled Funds	-	15,447	-	15,447
Fixed Income Pooled Funds	-	10,057	-	10,057
Short Term Investments	-	-	-	-
Cash	-	210	-	210
Total Investments	-	25,714	-	25,714

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

3. Fair Value of Financial Instruments (continued)

(a) Short-term investments are recorded at cost, which together with accrued interest income, approximates fair value.

(b) Bonds and debentures, real return bonds and public equities are valued at year-end quoted market prices, where available.

(c) For public equities the quoted market prices are based on exchange prices while bonds and real return bonds are based on quotes from industry standard sources.

(d) Pooled funds are valued based on the net asset value provided by the pooled fund administrator using closing bid prices.

Fair value measurements of investment assets are based on inputs from one or more levels of a fair value hierarchy as follows:

Level 1: Fair value is based on unadjusted quoted prices in active markets for identical assets or liabilities traded in active markets. Level 1 primarily includes publicly listed equity investments.

Level 2: Fair value is based upon valuation methods that make use of inputs, other than quoted prices within Level 1, that are observable by market participants either directly through quoted prices for similar but not identical assets or indirectly through observable market information used in valuation models. Level 2 primarily includes debt securities and public equities held in pooled funds.

Level 3: Fair value is based upon valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation.

For the Plan’s financial assets and liabilities other than its investments and disability benefits obligations, the carrying value approximates fair value given the short-term nature of these items. The disability obligations are long-term in nature and there is no market for settling these disability obligations.

4. Investments

The investment objectives of the Plan are to ensure the Plan has sufficient assets to optimize the risk/return relationship of the Plan and to generate sufficient cash flows to meet disability benefits payments.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

4. Investments (continued)

The Plan holds the following investments:

Asset Class	December 31, 2011 Fair Value	December 31, 2011 Cost	December 31, 2010 Fair Value	December 31, 2010 Cost	January 1, 2010 Fair Value	January 1, 2010 Cost
Fixed Income	**14,374**	**13,312**	11,734	11,205	10,057	9,829
Short Term Investments	**5,542**	**5,542**	5,770	5,770	-	-
Canadian Equities	**3,182**	**3,069**	3,767	2,988	7,968	7,267
Global Equities	**6,133**	**7,613**	6,511	7,313	7,479	8,423
Cash	**737**	**737**	885	885	210	210
Total Investments	**29,968**	**30,273**	28,667	28,165	25,714	25,729

Investment concentration in any one investee or related group of investees is limited to no more than 10% of the total book value of the Plan's assets or no more than 30% of the votes that may be cast to elect the directors of the investee.

Due to the medium term nature of the Plan's liabilities and the sizable surplus in the Plan, the Plan's assets are segregated into two portfolios: one that seeks to match the movements of the liabilities; and one that seeks to generate returns. The combined portfolios are allocated as per the following table:

Liability Portfolio Asset Class		Min Weight (%)	2011 Benchmark Weight (%)	Max Weight (%)
Fixed Income	Short Term Bonds	**38.0**	**43.0**	**48.0**
	Real Return Bonds	**8.0**	**12.0**	**16.0**
	Commercial Mortgages	**40.0**	**45.0**	**50.0**
Total Portfolio			**100.0**	

Return Seeking Portfolio Asset Class		Min Weight (%)	2011 Benchmark Weight (%)	Max Weight (%)
Equities	Canadian Equities	**15.0**	**20.0**	**25.0**
	Global Equities	**35.0**	**40.0**	**45.0**
Fixed Income	Universe Bonds	**25.0**	**30.0**	**40.0**
	Real Return Bonds	**-**	**10.0**	**15.0**
Cash		**-**	**-**	**10.0**
Total Portfolio			**100.0**	

In general and subject to the restrictions noted below, the Plan may invest in any of the following asset classes and investment instruments. The Plan's assets may be invested through in-house investment activities or through external investment managers including without limitation, mutual funds, pooled funds, segregated funds, unit trusts, limited partnerships, and similar vehicles.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

4. Investments (continued)

Cash and Short Term Investments

The Plan may invest in cash and short term investments which consist of cash on hand, Canadian and US money market securities, such as treasury bills issued by the federal and provincial governments and their agencies, obligations of trust companies and Canadian and foreign banks chartered to operate in Canada, including bankers' acceptances, commercial paper, term deposits and contracts with life insurance companies.

Equities

	December 31, 2011		
Asset Class	**Target (%)**	**Actual ($)**	**Actual (%)**
Canadian Equities	**33.3**	**3,182**	**34.2**
Global Equities	**66.7**	**6,133**	**65.8**
Total	**100.0**	**9,315**	**100.0**

	December 31, 2010		
Asset Class	**Target (%)**	**Actual ($)**	**Actual (%)**
Canadian Equities	33.3	3,767	36.7
Global Equities	66.7	6,511	63.3
Total	100.0	10,278	100.0

	January 1, 2010		
Asset Class	**Target (%)**	**Actual ($)**	**Actual (%)**
Canadian Equities	50.0	7,968	51.6
Global Equities	50.0	7,479	48.4
Total	100.0	15,447	100.0

The Plan may invest in any of the following: common and convertible preferred stock listed on a recognized exchange, securities convertible or exchangeable into common or convertible preferred stock, rights, warrants and special warrants for common or convertible preferred stock, instalment receipts, private placements equities, American and global depository receipts, publicly traded investment trusts and or index replicating vehicles.

The Plan holds equity investments in Canada, the United States and international markets through pooled funds. Equities are valued at year-end quoted market prices. Pooled funds are valued using the year-end net asset value provided by the investment manager.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

4. Investments (continued)

Fixed Income

	December 31, 2011		
Bond Type	**Fair Value ($)**	**Portfolio Weight (%)**	**Weighted Average Term to Maturity**
Federal	**3,403**	**23.7**	**13.0**
Federal Agency	**797**	**5.5**	**4.0**
Provincial	**1,622**	**11.3**	**14.2**
Municipal	**124**	**0.9**	**11.6**
Corporate	**1,706**	**11.9**	**9.4**
Private	**6,722**	**46.7**	**2.4**
Portfolio	**14,374**	**100.0**	**6.8**

	December 31, 2010		
Bond Type	**Fair Value ($)**	**Portfolio Weight (%)**	**Weighted Average Term to Maturity**
Federal	2,513	21.4	13.7
Federal Agency	712	6.1	4.3
Provincial	1,029	8.8	13.8
Municipal	61	0.5	9.6
Corporate	1,092	9.3	8.1
Private	6,327	53.9	3.2
Portfolio	11,734	100.0	6.8

	January 1, 2010		
Bond Type	**Fair Value ($)**	**Portfolio Weight (%)**	**Weighted Average Term to Maturity**
Federal	3,628	36.1	12.4
Federal Agency	1,736	17.3	3.9
Provincial	2,134	21.2	13.5
Municipal	135	1.3	8.5
Corporate	2,424	24.1	7.8
Private	-	-	-
Portfolio	10,057	100.0	10.0

The Plan invests in Canadian bonds and mortgages via a pooled fund. The pooled fund holds some cash and cash equivalents at all times.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

4. Investments (continued)

Canadian bonds consist of government and corporate bonds and debentures. The Statement of Investment Policies and Procedures permits investment in all bonds, debentures, notes, non-convertible preferred stock, real return bonds and other debt instruments of Canadian issuers whether denominated and payable in Canadian dollars or a foreign currency including mortgage-backed securities, guaranteed under the National Housing Act (Canada), asset backed securities, term deposits and guaranteed investment certificates. It also permits investment in private placement of bonds that are rated by a recognized rating agency.

The Statement of Investment Policies and Procedures requires bonds to meet minimum standards. Only bonds of issuers rated BBB or higher are held in the portfolio. Currently, there are two bond portfolios; the TD Asset Management Long Bond Pooled Fund Trust, which invests in bonds and debentures rated BBB or higher in a manner that replicates the characteristics of the DEX Long Bond Index; the TD Short Term Bond Fund which invests in Canadian Bonds with a term to maturity of less than five years; and a portfolio of Government of Canada Real Return Bonds. There is also a portfolio of unit trust bonds which invests in commercial mortgages.

5. Investment Risk

Risk Management relates to the understanding and active management of risks associated with all areas of the business and associated operating environment. Investments are primarily exposed to foreign currency, interest rate volatility, market and credit risk. The Plan has set formal policies and procedures that establish an asset mix among equity, fixed income and real estate investments; requires diversification of investments within categories; and sets limits on the size of exposure to individual investments.

Market Risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Plan's policy is to invest in a diversified portfolio of investments, based on criteria established in the Statement of Investment Policies and Procedures. The asset mix is described in Note 4. The asset level and mix of the Liability Portfolio is set once annually to fit the actuarial liabilities. The Return Seeking Portfolio is managed separately and rebalanced within set limits resulting in an asset mix that is fluid around the Plan's liabilities.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

5. Investment Risk (continued)

The impact on the net assets of the Plan due to a 10% change in the respective benchmark stock index using a three year historical measure of the sensitivity of the returns relative to the returns of the benchmark stock index, as of December 31, 2011 would result in an increase/decrease of 9.8% (2010 - 9.2%) in the value of the portfolio.

Credit Risk

Credit risk refers to the potential for counterparties to default on their contractual obligation to the Plan. Credit risk is mitigated by entering into contracts with the counterparties that are considered high quality. Quality is determined via the following credit rating agencies: DBRS, Standard and Poor's and Moody's Investor Service.

Maximum credit risk consists of:

Asset Class	December 31, 2011 Fair Value	December 31, 2010 Fair Value	January 1, 2010 Fair Value
Fixed Income	**14,374**	11,734	10,057
Short Term Investments	**5,542**	5,770	-
Cash	**737**	885	210
Total Portfolio	**20,653**	18,389	10,267

Bond Rating	December 31, 2011 Fair Value ($)	December 31, 2011 Portion of Bonds (%)	December 31, 2010 Fair Value ($)	December 31, 2010 Portion of Bonds (%)	January 1, 2010 Fair Value ($)	January 1, 2010 Portion of Bonds (%)
AAA	**9,148**	**44.3**	5,652	30.7	5,801	56.5
AA	**2,417**	**11.7**	2,868	15.6	2,070	20.2
A	**1,230**	**6.0**	1,687	9.2	1,679	16.4
BBB	**399**	**1.9**	959	5.2	508	4.9
Not Rated	**7,459**	**36.1**	7,223	39.3	210	2.0
Total Portfolio	**20,653**	**100.0**	18,389	100.0	10,267	100.0

Interest Rate Risk

Interest rate risk refers to the effect on the market value of the Plan's investments due to fluctuation of interest rates. The risk arises from the potential variation in the timing and amount of cash flows related to the Plan's assets and liabilities. Disability obligations are relatively short term. Asset values are affected by equity markets and short-term changes in interest rates. The fixed income portfolio has guidelines on duration and distribution which are designed to mitigate the risk of interest rate volatility.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

5. Investment Risk (continued)

	December 31, 2011		December 31, 2010		January 1, 2010	
Duration	**Total Exposure ($)**	**Portion of Fixed Income (%)**	**Total Exposure ($)**	**Portion of Fixed Income (%)**	**Total Exposure ($)**	**Portion of Fixed Income (%)**
< 1 year	**8,004**	**38.8**	2,741	14.9	210	2.0
1 – <5 years	**6,819**	**33.0**	10,968	59.7	4,619	45.0
5 – <10 years	**2,609**	**12.6**	2,296	12.5	1,875	18.3
10 – <20 years	**1,897**	**9.2**	1,480	8.0	1,356	13.2
> 20 years	**1,324**	**6.4**	904	4.9	2,208	21.5
Total Portfolio	**20,653**	**100.0**	18,389	100.0	10,268	100.0

At December 31, 2011 a 1% increase/decrease in interest rates would result in a 4.9% (2010 – 6.4%) change in the value of the Plan's fixed income portfolio or $958 (2010 – $1,172).

<u>Foreign Currency Risk</u>

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies can result in a positive or negative effect on the fair value of the investments. The Plan manages foreign currency risk by limiting investment in foreign securities. The Board has adopted a non-hedge policy benchmark.

Asset Class		**December 31, 2011 Fair Value (CAD)**	**December 31, 2010 Fair Value (CAD)**	**January 1, 2010 Fair Value (CAD)**
Equities	Canadian	**3,182**	3,767	7,968
	Global	**6,133**	6,511	7,479
Fixed Income	Canadian	**14,374**	11,734	10,057
Cash and Short Term	Canadian	**6,279**	6,655	210
Total Portfolio		**29,968**	28,667	25,714

The assets of the Plan can be further broken down as follows, along with the correlating effect on the entire portfolio effect of a 10% increase in selected currencies relative to Canadian dollars:

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

5. Investment Risk (continued)

December 31, 2011

	Portfolio		Effect	
Currency	**Total Exposure (CAD)**	**Portion of Assets (%)**	**(%)**	**($)**
USD	**1,777**	**5.9**	**(0.4)**	**(125)**
EUR	**1,738**	**5.8**	**(0.4)**	**(108)**
GBP	**764**	**2.5**	**(0.6)**	**(166)**
YEN	**466**	**1.6**	**(0.3)**	**(92)**
CHF	**383**	**1.3**	**0.1**	**41**
Other *	**1,005**	**3.4**	**-**	**-**
Total	**6,133**	**20.5**		

December 31, 2010

	Portfolio		Effect	
Currency	**Total Exposure (CAD)**	**Portion of Assets (%)**	**(%)**	**($)**
USD	2,123	7.4	(0.6)	(157)
EUR	1,838	6.4	(0.4)	(111)
GBP	824	2.9	(0.6)	(184)
YEN	556	1.9	(0.4)	(109)
CHF	255	0.9	0.2	55
Other *	915	2.9	-	-
Total	6,511	22.4		

January 1, 2010

	Portfolio		Effect	
Currency	**Total Exposure (CAD)**	**Portion of Assets (%)**	**(%)**	**($)**
USD	2,084	8.1	(0.4)	(114)
EUR	2,663	10.4	(0.9)	(219)
GBP	1,108	4.3	(1.0)	(252)
YEN	432	1.7	(0.4)	(93)
CHF	-	-	0.5	125
Other *	1,192	4.6	-	-
Total	7,479	29.1		

* ‘Other’ includes small investments held in over ten different currencies, each representing 1% or less of the total portfolio. Changes in the underlying currency would have a nominal effect on the Plan.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

5. Investment Risk (continued)

As 5.9% (2010 – 7.4%) of the Plan's assets are held in US dollars this is the most significant foreign currency risk that the Plan faces. Based on the current non-hedged policy, a 10% change in the US exchange rate will result in a 0.4% (2010 - 0.6%) change in the value of the portfolio. As of December 31, 2011 a 10% increase in the value of the US dollar, relative to the Canadian Dollar, would have resulted in a $125 loss in the value of the investments (2010 – $157 loss).

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Plan maintains an adequate amount of liquid assets with varying maturities in order to ensure that the Plan can meet all of its financial obligations as they fall due. Liquidity risk is managed by limiting the Plan's exposure to illiquid assets and through positive net cash inflows from contributions.

6. Disability Obligations

There is no external legislative requirement for actuarial valuations to be performed for disability plans. Schedule A of Bylaw 9566 requires that actuarial valuations for the Plan are carried at a minimum every three years to determine the funding requirements. On an annual basis, the Board reviews the Plan's activities to determine whether a valuation is required. The last valuation was carried out as of December 31, 2010 and the next one is planned for December 31, 2012.

Mercer (Canada) Ltd. is the appointed actuary of the Plan. The actuarial value of disability obligations as of December 31, 2011 has been determined by extrapolating the figures from December 31, 2010, the date of the last actuarial valuation. The obligation calculations have taken into consideration a pooling arrangement for high cost claims effective January 1, 2008, which will cover claims in excess of $5 per month.

The assumptions used in the valuation were developed by reference to expected long term market conditions. Significant long term assumptions used in the valuation were:

Assumption	**December 31, 2011 Rate (%)**	**December 31, 2010 Rate (%)**	**January 1, 2010 Rate (%)**
Inflation Rate	**2.2**	2.2	2.2
Discount Rate	**3.3**	3.3	3.7
Retirement Age	**65**	65	65
Rehabilitation Earnings Increase Rate	**2.2**	2.2	2.2
Group Long Term Disability Valuation Table (Year)	**1987**	1987	1987

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

7. Investment Income

Investment Income	2011 Total	2010 Total
Cash and Short Term Investments	**113**	7
Bond Interest	**609**	465
Dividend Income	**258**	250
Total	**980**	722

8. Related Party Transactions

Related Party Transactions	2011 Total	2010 Total
Accounts Receivable include the following amounts due from:		
Regina Qu'Appelle Health Region	**106**	-
Regina Public School Board	**45**	39
Regina Public Library	**11**	11
	162	50
Accounts Payable include the following amounts due to:		
City of Regina	**602**	434
Expenditures include the following amounts paid to:		
City of Regina	**12**	7

9. Contingencies

In January 2003, the Administrative Board of the Regina Civic Employees' Long Term Disability Plan and the City of Regina filed a statement of claim for breach of contract against the Regina Qu'Appelle Regional Health Authority, the Saskatchewan Association of Health Organizations, the Health Sciences Association of Saskatchewan and the Saskatchewan Union of Nurses with respect to employees' membership in the Plan. The outcome of this matter and its impact on the Plan are not determinable at this time.

NOTES TO THE FINANCIAL STATEMENTS
(in thousands of dollars)

For the Year Ended December 31, 2011

10. Administration Expenses

Administration Expenses	2011 Total	2010 Total
Actuarial Services	**86**	114
Audit Services	**10**	10
Custodial and Portfolio Measurement Fees	**37**	32
Investment Manager Fees	**95**	92
Legal Services	**9**	16
Other Administrative Expenses	**440**	282
Total	**677**	546

11. Capital Management

The Plan receives new capital from member and employer contributions. The Plan also benefits from income and market value increases on its invested capital. The Plan's capital is invested in a number of asset classes including short-term investments, bonds, and equities. The Board has delegated the operational investment decisions to a number of different investment management firms through a number of different investment mandates as defined in the Plan's Statement of Investment Policy and Procedures.