



# **FINANCE AND ADMINISTRATION COMMITTEE**

**Tuesday, July 5, 2016  
2:00 PM**

**Henry Baker Hall, Main Floor, City Hall**



**Public Agenda  
Finance and Administration Committee  
Tuesday, July 5, 2016**

**Approval of Public Agenda**

**Minutes of the meeting held on June 7, 2016**

**Administration Reports**

FA16-27      Curling in Regina - Developing a Sustainable Business Model

**Recommendation**

1. That the City of Regina provide an exemption for the municipal portion of property tax to the Highland Curling Club for the 2017 and 2018 taxation years.
2. That the City of Regina provide an exemption for the municipal portion of property tax to the Tartan Curling Club for the 2017 and 2018 taxation years.
3. That the City Solicitor be instructed to bring forward the necessary two year tax exemption agreement and bylaw to provide for the property tax exemptions at the appropriate time.
4. That item CR15-70 be removed from the List of Outstanding Items for City Council.
5. That this report be forwarded to the July 25, 2016, meeting of City Council for Approval.

Fa16-28      Casual employees' Superannuation & Elected Officials' Money Purchase Pension Plan 2015 Annual Report

**Recommendation**

That this report be forwarded to the July 25, 2016 meeting of City Council for informational purposes.

**Adjournment**

AT REGINA, SASKATCHEWAN, TUESDAY, JUNE 7, 2016

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 Bryon Burnett  
Councillor Shawn Fraser  
Councillor Bob Hawkins  
Councillor Barbara Young

Also in Attendance: Council Officer, Ashley Thompson  
Legal Counsel, Jana-Marie Odling  
Acting CFO, Ian Rea  
Executive Director, City Planning and Development, Diana Hawryluk  
Executive Director, Human Resources, Pat Gartner  
Director, Development Services, Louise Folk  
Manager, Current Planning, Fred Searle  
Manager, Pensions & Disability Admin, Glenda Schlosser  
Senior City Planner, Jennifer Barrett  
Senior City Planner, Charlie Toman

APPROVAL OF PUBLIC AGENDA

**Councillor Barbara Young moved, AND IT WAS RESOLVED, that the agenda for this meeting be approved, as submitted.**

ADOPTION OF MINUTES

**Councillor Bob Hawkins moved, AND IT WAS RESOLVED, that the minutes for the meeting held on May 10, 2016 be adopted, as circulated.**

ADMINISTRATION REPORTS

FA16-22      Heritage Building Rehabilitation Program (16-HBRP-01) Application for  
Property Tax Exemption - Knox Metropolitan United Church 1978 Lorne  
Street

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**Recommendation**

1. That a cash grant for the property known as Knox-Metropolitan United Church located at 1978 Lorne Street be approved in an amount equal to the lesser of:
  - a) 50 per cent of eligible costs for the work described in Appendix C;
  - or
  - b) \$30,000.
2. That the provision of the cash grant be subject to a grant agreement with the following conditions:
  - a) That the property possesses and retains its formal designation as a Municipal Heritage Property in accordance with The Heritage Property Act.

- b) That the property owner shall submit detailed written documentation of payments made for the actual costs incurred (i.e. itemized invoices and receipts) in the completion of the identified conservation work as described in Appendix C. In the event the actual costs exceed the corresponding estimates by more than 10 per cent the property owner shall provide full particulars as to the reason(s) for any cost overrun. It is understood that the City may decline to approve any cost overrun, or portion thereof, if considered not to be reasonably or necessarily incurred for eligible work.
  - c) That the work completed and invoices submitted by October 31, 2016 would be eligible for the cash grant for up to 50 per cent of the cost of approved work.
- 3. That the City Solicitor be instructed to prepare the necessary agreement and authorizing bylaw for the cash grant as detailed in this report.
  - 4. That this report be forwarded to the June 27, 2016 meeting of City Council for approval.

**Councillor Barbara Young moved that the recommendations contained in the report be concurred in after amending recommendation #4 as follows:**

**4. That this report be forwarded to the July 25, 2016 meeting of City Council for approval.**

**The main motion, as amended, was put and declared CARRIED.**

FA16-24	The Regina Civic Employees' Long Term Disability Plan 2015 Annual Report
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**Recommendation**

That this report be forwarded to the June 27, 2016 meeting of City Council for informational purposes.

**Councillor Bryon Burnett moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.**

FA16-25	Support for Green Municipal Fund Community Brownfield Action Plan Grant
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**Recommendation**

- 1. That subject to the 2017 capital budget deliberations, the City of Regina prepare an Underutilized Land Study in preparation of an Underutilized Land Improvement Strategy that includes sustainability goals, specific targets, actions and an implementation and monitor strategy.
- 2. That subject to the 2017 capital budget deliberations, the City of Regina commits \$115,000 and an in-kind contribution of a minimum of \$11,500 towards the costs of this initiative.
- 3. That City Council direct Administration to complete and submit an application under the Federation of Canadian Municipalities Green Municipal Fund program for a Brownfield Community Action Plan

grant to assist in the funding of an Underutilized Land Study and Underutilized Land Improvement Strategy for the City of Regina.

4. That the Executive Director of City Planning and Development or their designate be authorized to negotiate and approve the Green Municipal Fund Grant Agreement between the City of Regina and the Federation of Canadian Municipalities.
5. That this report be forwarded to the June 27, 2016 City Council meeting for approval.

**Councillor Barbara Young moved, in amendment, AND IT WAS RESOLVED, that anywhere in the report that states the 2017 capital budget deliberations, should be amended to read 2017 budget deliberations.**

**The main motion, as amended, was put and declared CARRIED.**

FA16-23	Johnson Shoyama Graduate School of Public Policy – Executive Internship Program
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**Recommendation**

1. 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, 2016 to April 30, 2021.
2. That this report be forwarded to the June 27, 2016 City Council meeting for approval.

Councillor Bob Hawkins declared conflict and left the meeting.

**Councillor Barbara Young moved, AND IT WAS RESOLVED, that the recommendations contained in the report be concurred in.**

**ADJOURNMENT**

**Councillor Shawn Fraser moved, AND IT WAS RESOLVED, that the meeting adjourn.**

The meeting adjourned at 4:24 p.m.

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Chairperson

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Secretary

July 5, 2016

To: Members,  
Finance and Administration Committee

Re: Curling in Regina - Developing a Sustainable Business Model

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**RECOMMENDATION**

1. That the City of Regina provide an exemption for the municipal portion of property tax to the Highland Curling Club for the 2017 and 2018 taxation years.
2. That the City of Regina provide an exemption for the municipal portion of property tax to the Tartan Curling Club for the 2017 and 2018 taxation years.
3. That the City Solicitor be instructed to bring forward the necessary two year tax exemption agreement and bylaw to provide for the property tax exemptions at the appropriate time.
4. That item CR15-70 be removed from the List of Outstanding Items for City Council.
5. That this report be forwarded to the July 25, 2016, meeting of City Council for Approval.

**CONCLUSION**

The curling community in Regina has created a series of recommendations to sustain and grow the sport of curling in Regina. This community has also expressed a need for financial support from the City as the curling community transitions toward a sustainable business model. Administration has reviewed the work done to date by the curling community and determined that while a roadmap toward sustainability has been created, it will take some time for concrete benefits to materialize. Consequently, Administration recommends that the City continue its exemption of the municipal portion of property taxes for the Highland and Tartan Curling Clubs, for a further two years.

**BACKGROUND**

At its June 22, 2015 meeting, City Council heard delegations from the curling community requesting property tax exemptions for both the Highland and Tartan curling clubs. As a result of its deliberations, City Council decided to exempt only the municipal portion of the clubs' property taxes for 2015 and 2016 and that a report be provided to City Council in 2016 with respect to the curling community's progress toward developing a sustainable business model.

The purpose of this report is to communicate to City Council the work done to date by the Regina curling community and to recommend short term financial support as the curling community works toward creating a sustainable business model.

## DISCUSSION

In recent years, the curling community in Regina has experienced increased competition from other sports, declining membership and increased costs. The sustainability of curling in Regina has become an issue. In response, and with the financial support of the City of Regina, the curling community partnered with the University of Regina's Centre for Management Development (CMD) to create a business plan focused on sustaining and growing curling in Regina, see Appendix A.

### The Curling Community in Regina

The Curling Community in Regina is comprised of four organizations: Curl Regina Inc. (Curl Regina) and the Tartan, Highland and Caledonian curling clubs. Curl Regina, was created as a non-profit corporation in 1991 to: coordinate the activities of the curling clubs in Regina, coordinate the promotion of curling, support provincially sanctioned curling competitions as well as support hosting of curling events. Each of Regina's curling clubs are members of Curl Regina and are represented on Curl Regina's Board of Directors. The Tartan, Highland and Caledonian curling clubs are separately incorporated cooperatives. Each club owns its own building and has its own members, management team, board of directors, operating model and unique offerings.

### Highlights of the Current Business Plan

CMD, in partnership with Curl Regina and the three curling clubs, documented governance structures currently in place, analyzed curling's strategic environment (e.g. strengths, weaknesses, opportunities and threats), prepared an industry analysis, reviewed both the operating and marketing models of each club and considered the role of tax relief in contributing to a sustainable future for the sport of curling in Regina.

Established in 2005, the CMD operates within the Faculty of Business Administration at the University of Regina. The CMD is dedicated to promoting leading edge business practices that will enhance the professional development and growth of business leaders and their organisations.

The recommendations arising from CMD's research can be summarized as follows:

- Collaboration – Presently the curling clubs do not share resources or information rather they compete against one another for participants, members and revenue. Collaboration is required to find operational efficiencies, create a common business strategy and vision and to develop a marketing plan that includes shared promotion, consistent pricing, programs, recruitment and registration.
- Governance – In order to ensure collaboration, Curl Regina and the three individual clubs should be replaced with a single cooperative organization. This new organization would oversee all curling club activities in Regina. A Director of Operations would be recruited and made accountable to the board of the new organization.
- Asset Management - Develop a long term plan for replacement of aging facilities. This plan would include fundraising and could potentially follow the successful model used to develop Leibel Field.
- Taxes - CMD's research concluded that the funds that would go to property taxes can be used productively by the curling community for planning and organizational changes that are necessary to sustain the sport of curling in Regina. Consequently, CMD's business plan supports the curling community in seeking a full permanent tax exemption from the City of Regina.

### Caledonian Curling Club Tax Exemption

With regard to property tax exemptions, CMD's research of other municipalities, including Saskatoon and Winnipeg, indicates the majority of curling facilities pay property taxes. CMD's research was conducted across Alberta, Saskatchewan, Manitoba and Ontario. With the exception of the Ellerslie Curling Club in Edmonton, all curling clubs interviewed by CMD owned and operated their curling clubs and were expected to pay tax. The Ellerslie Curling Club has a 99 year lease with the City of Edmonton.

In Regina, the Caledonian Curling Club is currently included in The Properties Exempt From Taxation Bylaw. In 1979 City Council approved a 99 year lease agreement of certain City lands to the Caledonian Curling Club for the sum of \$1.00. That lease requires the Caledonian curling club to pay all property taxes levied on the leased lands as well as those taxes levied on any buildings situated on, or improvements made to, the leased lands. The agreement also contains a lease back, to the City, of a portion of the Caledonian curling club's building, during a portion of each year, for 99 years, at a rate equal to the taxes levied on the Caledonian curling club.

Over the course of time, the City has adopted the practice of simply providing the Caledonian curling club with a tax exemption rather than the Caledonian curling club paying its property taxes and the City providing a rent cheque to the Caledonian curling club for the same amount. In 2016, the value of the Caledonian's property tax exemption is estimated to be \$56,300.

The City's agreement with the Caledonian curling club specifies that the terms of the lease may not be modified without the agreement of the club. In addition, the agreement does not provide the City with an opportunity to terminate the lease without cause. Potentially renegotiating the City's 99 year lease with the Caledonian curling club is outside the scope of this report.

### Moving toward a Sustainable Business Model

The business plan created by CMD in partnership with Curl Regina and the three curling clubs, can serve as a road map toward an improved business operating model which will contribute to a sustainable future for the sport of curling in Regina. Consequently, Administration supports CMD's recommendations regarding collaboration, governance, and asset management.

Curling, along with all other art, sport, and recreation opportunities, plays a key role in the health and wellbeing of the citizens of Regina. Administration has reviewed the work done to date by the curling community and determined that while a roadmap toward sustainability has been created, it will take some time for concrete benefits to materialize. Consequently, Administration recommends that the City continue its exemption of the municipal portion of property taxes for the Highland and Tartan Curling Clubs, for 2017 and 2018.

## RECOMMENDATION IMPLICATIONS

### Financial Implications

The municipal portion of 2016 property taxes for the Highland and Tartan curling clubs is \$28,207 (Tartan \$17,156, Highland \$11,051). Consequently, the total cost to the City, in terms of forgone property tax revenue for 2017 and 2018 is estimated at \$56,414.

The recommended property tax exemptions will be accounted for during the preparation of the 2017 and 2018 budgets.

### Environmental Implications

None related to this report.



Policy and/or Strategic Implications

These recommendations support the City's Vision and aligns with its Community Priority to embrace built heritage and invest in arts, culture, sport and recreation.

Other Implications

None related to this report.

Accessibility Implications

None related to this report.

COMMUNICATIONS

The decision of Finance and Administration Committee and City Council will be communicated to Curl Regina as well as the Tartan, Highland and Caledonian curling clubs.

DELEGATED AUTHORITY

The recommendations contained in this report require City Council approval.

Respectfully submitted,

A handwritten signature in blue ink that reads "Laurie Shalley".

Laurie Shalley, Director  
Community Services

Respectfully submitted,

A handwritten signature in black ink that reads "Kim Onrait".

Kim Onrait, Executive Director  
City Services

Report prepared by:  
Jeff May, Manager, Sport & Recreation



# Curling in Regina

## Business Plan

Final REPORT

April 5, 2016

# Executive summary

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The Curling Industry in Regina has faced great challenges recently as changes in demographics; behavior and values have called into question the long term sustainability of the sport. This has been compounded by the challenge of managing multiple volunteer driven organizations in an increasing complex environment. In 2014, a tax reassessment by the City of Regina for 2 of the clubs increased the total property tax by more than double overall. At that time, the clubs asked for and were granted temporary tax relief in the form of postponement of the increase. In October 2015, the clubs sought continuance for the tax break and were asked by the City of Regina to complete a business plan in early 2016 so that the City could assess whether they felt a continuance was feasible. Through research of other jurisdictions and analysis of the current situation, the Centre for Management Development (CMD) has created a business plan and series of recommendations to aid the organizations in their goal to sustain and grow curling in Regina.

The most important objective to come out of the study was the need for collaboration by the Clubs. Presently the curling clubs do not share resources or information, and they compete against one another for participants and operational revenue.

In order to achieve true cooperation, it is recommended that the present structure of four different boards and three managers be changed to one board and one manager or chief executive officer. With this structure and pooling of resources, the organization should proceed with implementation of further recommendations based on cost, effort, and impact. As these allow, the new Board should develop a strategic plan, a comprehensive marketing and operations plan, and a long term facilities plan.

A key consideration in building a business plan for curling in Regina is the taxation of two of the existing three curling rinks. It is proposed in this report that the first step the existing curling organizations should take is to amalgamate; and that operational changes be made. In order to give the amalgamated organization the financial leeway to implement these significant changes, it is recommended that the existing level of taxation be, at minimum maintained, and ideally reduced.

The rationale for a tax freeze or reduction, as discussed later in this report, is that the sport of curling is an important part of the health and culture of the City of Regina, similar to the other major sports in Regina. Given that most other sports facilities are in fact owned by the City and therefore not taxed, it places the sport of curling at a significant disadvantage. Should the existing curling rinks fail financially, it places the City in the difficult position of taking over responsibility for these facilities and potentially the operation of the buildings – a consequence far less palatable than provision of a tax relief for these curling rinks.

If the changes recommended in this report are implemented, we believe that the sport of curling can regain its place as a healthy and sustainable part of our heritage.

## Overview of recommendations

1. Governance Structure - Replace the three curling cooperatives and the Curl Regina not for profit with a single Cooperative Organization with representatives from each club and a Director of Operations accountable to one board.

2. Collaboration

- Find operational efficiencies by sharing resources including capital, equipment and staff
- Create a common Business strategy and Vision for the future
- Develop a marketing plan with dedicated staff that includes shared promotion, consistent pricing, programs, recruitment and registration.

3. The curling clubs should seek continuing tax relief from the City of Regina

4. Develop a long term plan for replacement of Aging Facilities

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# 1. Introduction

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Curl Regina Inc. is a Non-Profit Corporation, incorporated in the year 1991 to coordinate the activities of the curling clubs in Regina, promote the growth of youth and adult curling initiatives throughout the City, coordinate the promotion of curling, support the Sask. Curling Association 1997 inc (SCA) sanctioned curling competitions and hosting of curling events. Each of Regina's three curling clubs, known as the Tartan, Highland and Callie, are members of Curl Regina Inc. Each of these clubs are incorporated as Cooperatives, and have their own building, management, board of directors, operating model, club members, and offerings.

To varying degrees, each of the Regina curling clubs have experienced declining club membership, financial instability, increases in utility costs & property taxes, and increased competition from other sports. Consequently, the sustainability of curling in Regina is threatened. In response to these factors, several clubs have requested property tax relief from the City of Regina; who in return have asked for a business plan demonstrating viability and sustainability of curling and the respective curling clubs of Regina. Curl Regina Inc. along with the Callie, Tartan and Highland curling clubs have requested the CMD's assistance in developing a business plan to both address the City's requirements, but also to guide them in ensuring the ongoing availability and health of curling and the curling facilities in Regina. This will involve the re-assessment of the present curling club's operations and establishment of a flexible and adaptable business model and plans to confront curling in Regina's business reality and as well prepare the sport for the future.

The objective of Centre for Management Development (CMD) is to work with Curl Regina and the three curling clubs to develop a business plan to be presented to the City of Regina in early 2016. This business plan will also serve as a road map for the Highland, Tartan and Callie curling clubs to improve their business operating model and overall sustain the future of curling sport in Regina.

## 2. Organization description

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### History of the Clubs

**The Tartan Club** came into existence in 1948 as “The Civil Service Curling Club”. This was changed in 1950 to “The Saskatchewan Civil Service and Community Co-operative Curling Association Limited”. Its home was eight sheets of natural ice at the Regina Exhibition Grounds. Membership was restricted to Saskatchewan Civil Servants.

After a lengthy fund raising campaign a new rink was opened at the present Broadway Avenue location in October 1958. The Club featured 10 sheets of artificial ice.

In 1965, the Saskatchewan Civil Service and Community Co-operative Curling Association Ltd. changed its name to the Tartan Curling Club Co-operative, and hence the Tartan Curling Club. This allowed members to be other than Saskatchewan Civil Servants. The Civil Service Ladies Curling Club renamed itself the Tam O’ Shanter Club and remained part of the Tartan Curling Club.

In 2003, when the Wheat City Curling Club closed, its members amalgamated with the Tartan. This swelled the membership by 40 regular and 80 senior curlers. Today, the Tartan has over 400 curlers enrolled in regular and mixed leagues and over 300 in daytime leagues, not including commercial leagues that also curl out of the Tartan Curling Club.

**The Caledonian Curling Club** (also known as the Callie Curling Club) has been one of the most prominent curling rinks in Canada for many years. The club was established on October 14, 1915. Since its beginning so many years ago, the club has harboured many provincial, national, and even Olympic champions. It has also been a second home to thousands of people over the years who have come to the rink to relax, socialize, and of course, play an enjoyable game of curling. A book was developed by the club with a much more complete history and is available at <http://www.callieclub.com/celebrating-100-years>

**The Highland Club** started out as the Imperial Curling Club, which was officially opened on the evening of February 4, 1954. Centered around Imperial School in the Highland Park subdivision, a curling rink with 3 sheets of ice was constructed with the majority of the labour being generously volunteered by members of the community.

On October 5, 1970, the Imperial Curling Club changed its name to the Highland Curling Club because of confusion with the town of Imperial. In 1974, the old curling rink was sold to the Kronau Curling Club of Kronau.

The new Highland Curling Club with six sheets of ice was officially opened on Saturday, November 29, 1975. Since then the Club has faced some financial adversity, but through the dedication of its members has survived and thrived. The Highland Curling Club currently has full and active men's and ladies' night leagues, senior men's league, an afternoon ladies' league and a night mixed league. The Club also hosts several commercial leagues, beginners

and youth programs, and weekend mini spiels. The Highland Curling Club provides the perfect mix of competitive curling and camaraderie.

The eighties and nineties marked an era of hosting successful competitions for the Club. The hosting of the Southern Scott Tournament in 1991, the Provincial Scott Tournament of Hearts in 1995 and the SaskTel Mobility Southern Men's Playdowns in 1998 were successful both financially and organizationally. Funds from these events have been invested in Club improvements. The Highland Curling Club continues to successfully host various city Playdowns and the Regina Men's, Ladies' and Senior Men's Bonspiels.

The success of the Highland, from its humble beginning to the present day, can be attributed to the hard work of a devoted membership, coupled with an abiding faith in the grand old game of curling.



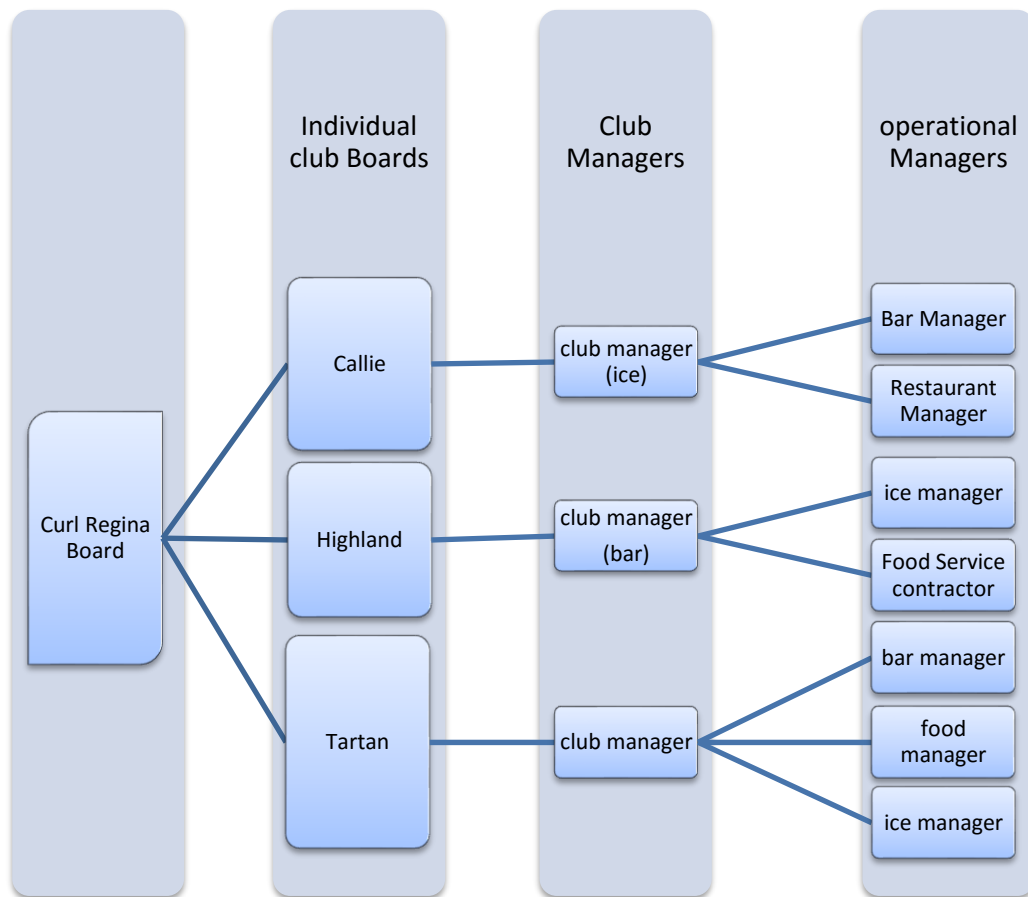
## **The Curl Regina Organization**

Curl Regina is a not for profit organization that was formed in 1997 to:

- To co-ordinate and promote the growth of youth and adult curling initiatives throughout the City of Regina.
- To co-ordinate the promotion of curling at all levels of participation.
- To co-ordinate and support the Saskatchewan Curling Association 1997 Inc. (SCA) sanctioned curling competitions and competitors.
- To facilitate the hosting of regional, provincial, national and international curling events.

The board of Curl Regina consists of 4 representatives from each club as well as a president, vice president, secretary and treasurer. Each club functions independently while sending members to the Curl Regina Board to promote and support the sport of curling. The Curl Regina board discusses issues and makes motions and ideally the 4 members go back to their individual club boards and support those motions and initiatives. The accountability of each club to Curl Regina is not well defined, and its initiatives are not necessarily carried out at an operational level. The general managers are accountable only to the club board of each facility. The organizational structure of each club is different as each manager has a unique job description. For example, the general manager at the Callie Club is also the ice manager, and the GM at the Highland is also the Bar manager. Under the present structure, the clubs operate independently and often in competition. They do not share resources or share information in an organized way.

## Organizational Structure for the Curling Industry in Regina.



## Vision/Mission/Strategy

There is agreement within the various organizations that building a sustainable future for the sport of curling is the goal. What is less clear is exactly what that looks like and how they might get there. Presently, each organization has its own ideas and none of them have fully articulated a path forward. The following is some of the work been done by the curling community in Regina.

Vision: This club will be:

- The club of choice for Regina curlers.
- Committed to providing a high quality year round multi-purpose facility.
- Customer oriented, innovative, professional, and friendly.
- Providing enjoyable and inviting participation opportunities for all age groups, levels of experience, levels of interest, and family status.

Mission:

- This club is a curling club where curlers of all levels enjoy the game and a resource used year round by the community.

Values:

- Our members. They are the reason we exist and their importance cannot be overstated.
- Our staff. They are integral to the successful operation of the organization.
- Our volunteers. They contribute greatly to the success of our programs and services.
- A customer service orientation. We will meet or exceed our customer's expectations.
- An atmosphere that is inviting and friendly for all those who make use of our facility, programs and services.
- Quality and consistency. We will provide facilities, products, programs and services that are of a high quality and consistency.
- A good reputation in the community. It is important that non-members' image of the Callie is positive.
- Community partnerships. Establishing linkages with other service providers for mutual benefit is critical.

The Centre for Management Development held an informational session in the Fall of 2015 and gathered the following objectives from the members of the four boards of directors.

1. Increase membership at all three clubs.
2. Improve/upgrade current facilities.
3. Increase volunteer base.
4. Increase youth membership and encourage youth to develop a lifelong interest in the sport.
5. Better year-round use of our facilities.
6. Improve financial standing of all clubs.
7. Develop a long-term strategy around curling in Regina.
8. Work co-operatively for the betterment of the sport.
9. Improved marketing/promotion of the sport.
10. Better member communication.
11. Get the fun back in curling.

Some good work has been done here and there seems to be considerable agreement as to the existing situation and where the curling industry in Regina must go. It is clear that getting everyone on the same page would facilitate the changes required to make a more sustainable future.

## SWOT Analysis

### Curling's Strategic Environment Analysis

#### Strengths

- Large number of users
- Long tradition
- Historically profitable lounge and food service
- Strong demand for healthy activities
- Strong youth program
- Real passion for curling in the local community
- Expertise in key skill sets like ice making
- Three well located facilities with capacity to grow
- Growth in rentals and off season revenue

#### Opportunities

- Great potential for coordinated marketing activities
- Long-term funding strategies (legacy donations, benefactors, corporate partnerships, sponsorships)
- Common fee structure
- Website/social media/promotions
- Inter-club, battle of sexes, drop-in social leagues, social committees and events like Vegas themed bonspiels
- New Canadians/people moving to Regina
- Centralized/shared management, bar services, ice installation and maintenance, kitchen and catering services, bookkeeping, scheduling, procurement, etc.
- Increase collaboration between public organizations such as Ranch Ehrlo and Open Door Society.
- Ice-usage optimization and improved ice pricing model
- Single board to facilitate accountability and change
- Alternate management structures like Director of operations for all three Clubs.
- Improved relations and support from the city
- Replacement of aging facilities
- New facility as part of a multiplex
- Coordination and focus on Off season rentals

#### Weaknesses

- Significant decline of membership in recent years
- Declining financial position
- Increased costs of Utilities
- Increased labour costs
- Increasing maintenance costs
- Lack of events or higher costs of arranging an event
- Challenges of engagement and leadership of Volunteer Boards
- Lack of accountability and coordination within board and management
- Multiple boards make collaboration difficult
- Lack of sponsorship dollars or lack of follow through from the board and management.
- Small independent organizations make promotion and advertising difficult
- Club managers have too many responsibilities leading to lack of focus
- Recruitment and training is challenging at club level
- Difficult to utilize off peak times
- Limited options/substitutes for which the facilities can be utilized in the free time
- Aging infrastructure

#### Threats

- Clubs have not responded to changing demographics like aging membership and immigration
- Competition between clubs
- Sport has not kept up with changing behavior and values
- Competition from other sports like Hockey, Baseball etc.
- Habits of Young people tend to less participation in active sports.
- Loss of identity/autonomy of clubs
- Costs and magnitude of event hosting

## **Industry Analysis**

The curling industry in Regina has been impacted by a number of external factors. The following is a summary of some of changes and trends that will continue put pressure on the industry.

Economically, this past year was a challenging one for the entire province of Saskatchewan, with commodity prices trading far below expectations. It is forecasted, that the provincial economy actually declined by as much as a full percentage point in 2015. For 2016, it is anticipated that the province will grow approximately 1.6% giving a result slightly higher than the national average. These macroeconomic factors affect the discretionary spending of consumers and hence the money available to spend on endeavors like curling.

The demographics of Saskatchewan are changing rapidly because of a higher number of immigrants entering the province. According to the 2011 census data of stat's Canada, Philippines is now the top source of Saskatchewan's Immigrants. Out of all the immigrants in this province Philippines makes about 18.6 percent and the next big two are UK and USA with 10.7 and 7.3 percent respectively. Despite the significant increase in the number of immigrants in recent years, only 6.8 percent of the provinces entire population is foreign born. There has so far been little success in attracting these new Canadians to the sport of curling.

The city of Regina has been on a growth trend since 2003 with approximately two per cent annual increases. The most recent data shows a five-year average is 2.55 per cent. The two largest growth factors were immigration (4,350) and births (3,086). At about 2.8 per cent growth for 2013 and 2014, Regina continued to hold the fourth highest rate of increase for Canadian cities.

As well, the socio economic culture of this province is transforming. There was a time, not very long ago, when Agriculture was the hearth of this province's GDP, but that place has been taken by the service and mining industry. People's choice of employment is changing and with it more and more people are becoming urban centric. Even census data from the past 30 years show that the prairie population is becoming urban; indeed, a number of small rural communities have become ghost towns and some analysts consider the family farm to be on the endangered species list. Of families with an agricultural heritage, fewer members of the upcoming generation are choosing to remain in the enterprise. This is causing the average age of farmers to increase significantly.

Anecdotally, we heard that curling population in rural Saskatchewan has declined dramatically and this is consistent with the trends. However, many of the rural curling communities still remain healthy and vibrant. Some have speculated that as rinks close, those members migrate to other rinks giving them strength while the overall industry declines.

### 3. Operations

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Each of the clubs has a slightly different revenue model that has evolved independently and in competition with one another. The revenue streams of the clubs may be grouped into lounge, food service, curling operations (membership), and rental & summer revenue.

#### **Lounge**

Each club operates its own lounge operation with liquor sales being a major source of revenue for all clubs. Each unit hires, trains, and schedules its own staff. Some rinks have a dedicated bar manager while for others, the day to day operations and even the actual shift work is done by the building managers. The following tables summarize the performance of lounge operations. The information available varies and separate food and bar information is not available for the Tartan club.

The overall trend is quite clear that this revenue source has significantly declined in recent years. In some cases, this decline is the difference between annual profit and loss for a club. The reasons for this decline are a combination of management of the operations, economic conditions, demographic, and behavioral changes of its users. Anecdotally, managers have speculated that an aging clientele and the tendency of its users to engage less socially are some of the issues. Given the multiple streams of revenue, small organizations like these face great challenges to maintain profitability. Lounge revenue is a key to the success and sustainability of these operations.

Highland's Bar		
Years	Revenue	Net Income
2012	129,152	35,037
2013	118,483	23,541
2014	118,097	21,284
2015	105,379	7,517

Callie's Bar		
Years	Revenue	Net Income
2010	257,203	105,210
2011	292,329	115,940
2012	243,603	80,987
2013	269,429	91,248
2014	272,700	95,596
2015	257,878	80,142

Tartan Lounge & Kitchen Revenue	
2011	163,042
2012	144,204
2013	152,063
2014	143,236
2015	232,599

## **Food Service**

With varying degree of success, each club offers food service. The Highland contracts its food service out. For a fee of \$850 per month paid to the club, this service is run by a private individual. This results in a total annual income to the Highland of \$10,200. This has the advantage of much lower management time and effort but provides a very modest profit for the club as compared to the others.

On the other hand, the food service of the Tartan and the Callie are managed as part of the operations. Those clubs have a food manager who is responsible to hire, train, schedule, purchase goods and well as serving customers. Staff turnover and training are key challenges.

Each club has developed its own menu and pricing. Customer and segment focus is somewhat different at each operation and the Tartan for example focuses significant time and resources on catering to outside clients. The following tables show the performance of the Callie and the Food Service and the combined revenue of the Tartan lounge and kitchen. The Tartan Club showed significant declines though the years 2011-2014. The increase in 2015 is due to the organization taking over the food service from a contractor.

For these two clubs, the food and beverage units are responsible for most of the total revenue. Managers report that key issues are food costs and more importantly staff turnover.

<b>Callie's Food Service</b>		
<b>Years</b>	<b>Revenue</b>	<b>Net Income</b>
<b>2010</b>	227,080	38,881
<b>2011</b>	230,084	31,446
<b>2012</b>	217,701	41,598
<b>2013</b>	208,493	42,390
<b>2014</b>	220,825	57,028
<b>2015</b>	246,436	35,807

<b>Tartan Lounge &amp; Kitchen Revenue</b>	
<b>2011</b>	163,042
<b>2012</b>	144,204
<b>2013</b>	152,063
<b>2014</b>	143,236
<b>2015</b>	232,599

\*Highland Club food service revenue is \$10,200 annually.

## Curling Operations

Membership and revenue is a large source of funds for all three clubs and for the Highland, it is the largest source by far. The table shows that membership revenue overall has declined by \*11% over 5 years, and that virtually the entire decline in revenue over the 5 year period is attributable to a single club. The revenues of the other two clubs have been fairly steady. Information obtained in various interviews suggests that during challenging times members may have migrated to other clubs for various reasons. This would certainly call into question the actual stability of the other clubs. For the overall health of the sport in the city, however, the decline is clear.

Membership Revenue				
Years	Highland	Tartan	Callie	Total
2011	177,545	266,885	293,352	737,782
2012	179,405	312,029	287,264	778,698
2013	174,965	240,071	287,059	702,095
2014	168,858	196,322	306,572	671,752
2015	174,624	182,416	297,643	654,683

*\*change in accounting practices for the Tartan in 2014 may result in overstatement of previous years' revenue*

Interestingly, the actual # of people involved in the sport tells a slightly different story. The curling fee policies of each club are very different and the Highland has managed to maintain its overall revenue while losing 36% of its users. This is due to the regular and significant increases in price. The nature of the sport in this city is that the fees associated with the sport have been kept low by the success of food and beverage units. This reinforces the need for efficiently run business units.

Membership								
Year	Highland		Tartan		Callie		Total	
	Numbers	% Change	Numbers	% Change	Numbers	% Change	Numbers	% Change
2011	1,080		984		1,191		3,255	
2012	1,133	4.91%	928	-5.69%	1,162	-2.43%	3,223	-0.98%
2013	1,014	-10.50%	820	-11.64%	1,184	1.89%	3,018	-6.36%
2014	724	-28.60%	827	0.85%	1,119	-5.49%	2,670	-11.53%
2015	691	-4.56%	782	-5.44%	1,174	4.92%	2,647	-0.86%
<b>Total Change</b>	<b>-389</b>	<b>-36.02%</b>	<b>-202</b>	<b>-20.53%</b>	<b>-17</b>	<b>-1.43%</b>	<b>-608</b>	<b>-18.68%</b>



## **Rental and Summer Revenue**

Another source of significant revenue is facilities rental. This ranges from corporate functions to weddings to roller derby. Each organization promotes, books, and caters its own gatherings. In support of this revenue stream, there is considerable investment in equipment like chairs, tables, and Audio/Video. The success of these efforts relies on promotion and marketing. These totals represent a very small portion of the facilities rental market in Regina and there is considerable room for growth. Managers have noted other uses of ice surface in summer months like ball hockey that has had steady growth in the last number of years.

<b>Rental Revenues</b>				
<b>Years</b>	<b>Highland</b>	<b>Tartan</b>	<b>Callie</b>	<b>Total</b>
<b>2011</b>	25,071	13,496	25,709	64,276
<b>2012</b>	26,673	6,953	43,426	77,052
<b>2013</b>	8,870	22,341	43,365	74,576
<b>2014</b>	10,807	59,719	54,316	124,872
<b>2015</b>	11,762	58,201	50,868	120,831

## **Overall Performance of Clubs**

<b>Net Income/Loss</b>						
	2010	2011	2012	2013	2014	2015
<b>Highland</b>		32,666	82,659	4,257	-14,459	-11,529
<b>Tartan</b>	-11,920	-2,526	40,368	-44,844	-74,601	-52,468
<b>Callie</b>	-18,563	-10,999	-6,752	-43,757	-37,940	-102,037

## **Facilities**

The three facilities are all aging and would benefit from renovations. In considering the needs of the clientele, part of the planning process may include key strategic investments in the buildings. These may include equipment, but more likely they would focus on renovations to the lounge and food service areas. These would be accomplished as finances and priorities allowed. Successful fundraising activities are often centered around exciting projects and there is potential here.

Part of the discussion of the viability of curling in Regina is capacity and utilization of the existing 28 sheets of ice (Callie – 12 sheets, Tartan – 10 sheets, Highland – 6 sheets). The short answer is that the Callie Club has good utilization, where the Tartan and the Highland could more easily expand their participation. The question then becomes is it a viable option to close or change one or both of these clubs.

Despite some minor losses in the recent past, the Highland Club (6 sheets of ice) continues to be financially viable. They have made considerable investments in equipment and infrastructure to

fulfill their goal of having the highest quality ice available. There seems to be a general consensus that they have achieved this.

The Tartan club certainly has room to grow with their 10 sheets of ice not being fully utilized. One option might be to close part of the operation and only operate for example, 5 sheets of ice. The thinking, of course, is that the club could now more easily break even. The structure of the club would not allow this to be easily accomplished. A renovation like this would be very expensive and would leave the club with only a relatively small saving in the operating costs. This would then limit the size of their programs, competitions, and bonspiels and diminish some of their most profitable endeavors.

In conclusion, we believe that the sport of curling is still viable in the City of Regina and growth is not only possible but probable. At least some of this capacity would be necessary to allow this growth. It is recommended that at this time, the present structure of three rinks and 28 sheets of ice should continue.

### **Utilities and maintenance**

In analyzing the data, we have found some gaps in the information but conclusions may be drawn nonetheless. Utility rates in Saskatchewan have been steadily rising and revenue has certainly not kept up. Maintenance costs are often difficult to analyze because there is a high level of subjectivity in what funds get spent and what maintenance can be deferred. Significant work has been done by the clubs to offset these costs. It is clear however that maintenance costs are a large part of the operating costs of these aged buildings and are not likely to decrease. The Highland club has been open for more than 40 years and the Tartan almost 60 years. As a longer term strategy, the curling community will have to look at extensive renovations or replacement of these facilities.

<b>Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Callie</b>						
<b>Utilities</b>	114,060	112,370	99,479	103,887	110,120	121,045
<b>Repairs and Maintenance</b>	94,062	109,406	91,058	91,169	99,200	97,252
<b>Total Occupancy Costs</b>	208,122	221,776	190,537	195,056	209,320	218,297
<b>Occupancy Cost/Sheet</b>	17,344	18,481	15,878	16,255	17,443	18,191
<b>Highland</b>						
<b>Utilities</b>		35,555	50,710	51,722	55,723	57,403
<b>Repairs and Maintenance</b>		41,684	40,348	24,628	39,807	36,809
<b>Total Occupancy Costs</b>		77,239	91,058	76,350	95,530	94,212
<b>Occupancy Cost/Sheet</b>		12,873	15,176	12,725	15,922	15,702
<b>Tartan</b>						
<b>Occupancy Costs</b>		142,680	112,883	149,553	141,318	
<b>Occupancy Cost/Sheet</b>		14,268	11,289	14,955	14,132	

## **Analysis and Recommendations**

In the short term, the managers of the three facilities should, with the help of the board members and key staff, discuss and evaluate opportunities for more efficient operations management of the three facilities. There are many benefits to be had by sharing resources and information. Ideally, in the medium term, the organizational structure for curling in the City of Regina would change to a single manager of curling operations for all three facilities. That manager would be accountable to a single representative board. One of the first duties of this CEO would be to develop a full operational plan. Full understanding of the operations would be part of the qualifications of such a person but external help could be sought to build a comprehensive plan. As well, help could come from board members and members of the curling community at large.

Through analysis and operations experience, we believe that there are many operational efficiencies that could help the facilities find success and sustainability. A model that has been successful at many clubs around the country is an ice management contractor. One such contractor could manage the ice of all three facilities. This model would allow clear accountability for the quality, consistency and maintenance of the ice. This is critical to the customer experience and the reputation of curling in Regina. There are a number of qualified individuals that currently care for the ice in the city and it is reasonable that this sort of arrangement could be found. This would allow efficiencies in hiring, training, and staffing for the 28 sheets of ice. There are currently in excess of 20 part time and full time people working throughout the city. With a clear contract and clear accountability, other managers should be able to focus on management and strategy of the business units.

The feasibility of a single manager running the food service or bar services of all the clubs should be examined. This would provide economies of scale in purchasing, hiring, training and sharing available staff across the city. Designated personnel to recruit, hire and train staff would reduce the pressure on individual operations. Central scheduling and sharing of staff could allow for fewer and better compensated staff. It may provide more full time permanent positions and improve turnover rates that are a great challenge to the food and beverage service industry.

Food and beverage operations share many similarities and currently these operations are poorly coordinated. Operating as separate business units within a single club, they frequently do not communicate or cooperate in the most efficient manner. The possibility of combining these units or at least sharing staff and duties should also be evaluated. Employing a single person to do the purchasing, bookkeeping or cleaning are examples of how efficiencies could be found.

Some services are contacted to each facility, for example accounting or janitorial. These services could be negotiated on a city wide basis for cost savings. As well, purchasing of supplies, liquor and food often can qualify for discounts for larger volume. These costs have been noted by managers as difficult to manage.

An area of significant competition among clubs is facilities rental. The clubs together could implement a central booking system and a single user portal. A potential user could go to one location to view, price, compare and book a particular facility that is best suited to their needs. For example, a client booking a wedding would be able to see pictures, see which facility is open on the desired date, its capacity and its location. There are opportunities to share in the cost and usage of equipment like tables, chairs and electronics.

## 4. Marketing

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### **Product**

The sport of curling requires some consistency in the facilities provided as users may travel from rink to rink to compete. What differs is the programming, focus, and overall customer experience. For example, while each club has a lounge, they are quite different in their offering, pricing, features, benefits and clientele. Product offering is not consistent, with some clubs focusing on competitive pricing and broader range of products, while others offer different hours and occasional live music events. As well, the restaurants offer different menus and focus on different customer segments.

The design, layout, and level of improvements of each building are a result of many years of different boards and managers. The result is not necessarily consistent with the wants and expectations of their respective customers. Each club has a different location so it occupies a different place in the community. While the Callie is near the airport in an industrial area, the other two are in semi commercial areas with good access to residential areas. This has an impact on who curls there and what features and benefits are put forward.

Each club develops its own programs independently. Consequently, target customers, features and benefits offered are widely varied. Offerings may vary based on gender, age, education, religious affiliation, time of day, day of the week, skill level and level of competitiveness. Each rink has a different customer focus and corresponding programs. For example, one club may offer more times and price levels for seniors or couples. Overall, there is considerable focus on youth curling within the city but the degree varies from rink to rink. Another rink is offering an activity called “stick league”, which is a new game that involving only 2 players per team. Players use a stick to push the rock down the ice as opposed to the traditional delivery. The manager reports that this is growing by “leaps and bounds”.

### **Pricing**

Every organization has developed its own schedule of pricing independently. The prices have evolved over time - sometimes through many different managers, each with their own ideas on how things should be priced. The result is there are dozens of prices for rental of the same sheet of ice in Regina. These prices vary by age group, with seniors and youth paying lower rates. Prices also vary by time and skill level, “off times” and beginner leagues being cheaper. There is a considerable level of subjectivity involved in setting these prices and policies are often the result of history and speculation as opposed to research.

The result of these fragmented pricing policies is that it is not easy for users to make decisions or comparisons, especially if you are a beginner curler. When customers can understand the pricing, it is a great deal easier to make the purchase decision. Faced with challenges in interpretation and many choices, consumers are less likely to complete the transaction.

The varied pricing structure is also the source of much of the competition between clubs. It is difficult to compare programs but it estimated that similar programs can cost as much as 35% less at a different rink.

Membership fees do not cover the costs of operating the curling rinks. The lounge and restaurant operations heavily subsidize the curling. Consequently, the sustainability of the sport is based on both the level of the participation and the effective operation of ancillaries. It may be argued that the fees charged for the sport should more closely reflect the costs. As compared to other sports like hockey, curling seems to be very reasonably priced. Historically, however, it seems that other sports have not had the level of support of other business units especially the lounge operations.

## Promotion

The curling clubs make advertising decisions individually at the discretion of the managers. The content is largely event based and does not focus on connection to specific segments, branding or message. Curl Regina allocates some funds for promotion and spends a small amount on the youth curling. The bulk of their most recent spending is on the City of Regina Activity Planner. Much larger amounts are spent major events but this has not occurred since 2011.

In recent years, the Highland and the Tartan have done very little advertising or promotion. The Callie does the most but it is still a very small amount for an organization of its size. About half the budget is advertising, consisting mainly of newspaper, yellow pages, and signage. What is evident is that for an industry of this size, promotion and advertising are almost nonexistent.

Promotion & Advertising					
Years	Highland	Tartan	Callie	Curling Regina	Total
2011	15,957	3,364	11,869	18,520	49,710
2012	15,490	-	18,473	8,854	42,817
2013	6,459	-	29,220	4,072	39,751
2014	8,016	-	20,371	3,661	32,048
2015	1,814	-	17,688	4,738	24,240

\*tartan had some spending in 2012-15 but it was minimal and was not captured in statements

## Fundraising

Fund raising is the responsibility of the manager of each facility. There are different forms of raising money, and they include sponsorship, share purchase and gifting. Activity seems to be based on current need and motivation of individual managers and club board members. It is carried out with no long term planning or goals. There have been many successes in the past but they are usually short lived and are frequently based on efforts of board members and active patrons. As the managers have a greatly varied job description, fundraising has not been a priority.

If the clubs were to combine resources, fundraising could become a focus with goals and accountability. A board of directors or a committee could develop a plan for fundraising using resources within the organizations like a single manager allocating a portion of time to this activity. It is possible to offer performance incentive to the employees involved. As well, many board members and people active in the curling community have expertise in fundraising and could contribute their expertise to aid these efforts. In the longer term, if the organization chose to hire an individual as CEO, that person would ideally have fundraising expertise and be able to focus on this as a method to help the sustainability of curling. As another option, there are firms and individuals that offer expertise and advice in building fundraising capacity

## **Analysis and Recommendations**

The manager of a curling club has to have a great range of skills and allocate time to many different activities. With the size of the individual clubs, all marketing duties fall to the managers who may also be for example, the ice manager. It is very difficult to hire a person with marketing expertise who can also manage a large building with many staff. It is much more viable to hire a person with the right skill set working for all three clubs. In fact, there are individuals within the organization with marketing experience that given time and resources could develop and implement a marketing plan. In the medium term, when the organization hires a manager of curling operations for the three rinks, marketing and fund raising expertise would be essential.

In the short term, the organization could develop a simple plan using internal resources, but it is recommended that a more comprehensive plan be undertaken as time and money allow. A marketing plan would allow the organization to develop goals and focus resources on accomplishing those goals. Goals may be customer retention or raising awareness and recruiting new curlers. Some potential growth segments are new Canadians and young adults. A plan would allow the organization to develop its brand and craft messaging around it. For example, "Curling for a healthy lifestyle, curling to make friends, or remember how much fun curling was?" Segmentation would allow identification of the most attractive target markets and suggest where to position funds to reach those users.

Pricing policies could be part of that plan, but changes could be accomplished in the short term by a committee of board and staff. The pricing has evolved so that a sheet of ice in Regina has dozens of different prices. The result is that pricing is confusing to users and has led to much of the "unhealthy competition" that exists in marketplace. Inevitably, some clubs will have to raise or lower prices based on consensus. There will be concern and reluctance to change prices but these changes could be accomplished carefully and incrementally while studying the impact.

In regard to recruitment and customer experience, it is recommended that the new organization develop centralized information sources (Website, Social Media). This would not only allow consistency of messaging but could introduce a common portal where all curlers would sign up for activities and programs. This would allow users to choose based on time, skill level, location, price, etc.

Advertising could be based on both specific events, and on general curling awareness; with consistency of branding and message, and with each club sharing in the rewards and costs. A single ad would benefit all the rinks at a much lower cost to each. This would also allow access to media that was previously unavailable to individual clubs, like radio or YouTube.

## 5. Governance

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The Canadian Curling Association has endorsed and implemented the principles of policy governance. The following are recommendations based on those principals as they may be applied to the Regina Curling Organization.

The board of directors is chosen from the stakeholder groups in an agreed upon manner. The board members should be representative of the values and experience of the key stakeholder groups within the curling community in Regina.

The role of the board is to

- hire, monitor, evaluate, and plan for the succession of the CEO position
- approve a strategic plan to guide the organization
- provide financial oversight and protection of assets
- ensure regulatory compliance

One of the first responsibilities of the CEO shall be to articulate a direction or vision for the organization with the full engagement of the Board of Directors and in consultation with all stakeholders. The CEO shall make a strategic plan with measurable objectives to in order to achieve the vision and goals of the organization. The CEO shall regularly report progress on those objectives to the board. The CEO shall report directly to the board and be accountable for fulfillment of the objectives. The board will focus on making sure the objectives are the right ones and the CEO shall focus on “How” they will be achieved.

The board may organize committees as they see fit to oversee specific areas of the organization. Common committees may be Finance /Audit, Governance (CEO evaluation, Board Policy, Succession planning), Fundraising and Sponsorship. In smaller organizations especially, the committees provide an opportunity for board members to contribute their particular experience, skill sets and resources to the organization.

For the curling organizations in Regina, it is recommended that the following steps be followed.

- Consult with lawyer to estimate time and cost of forming a single board
- Meet to discuss with all board members the development of a common communications strategy and schedule to present to their respective memberships to facilitate a vote on consolidation of Regina curling boards into one new organization
- Convert the boards of the individual curling clubs into local nominating and liaison committees to elect members to new Curling Board of Regina. Develop new terms of reference for these committees to annually elect 4 members to the consolidated Board of Directors, report information to club members and provide opportunities for input and feedback to the full board.
- In the short term, maintain individual managers at each club that will now report directly to the Regina Curling Board of Directors.
- Begin discussions on the costs and recruitment of a manager of operations for all city facilities

Figure 5.1 Proposed New Structure

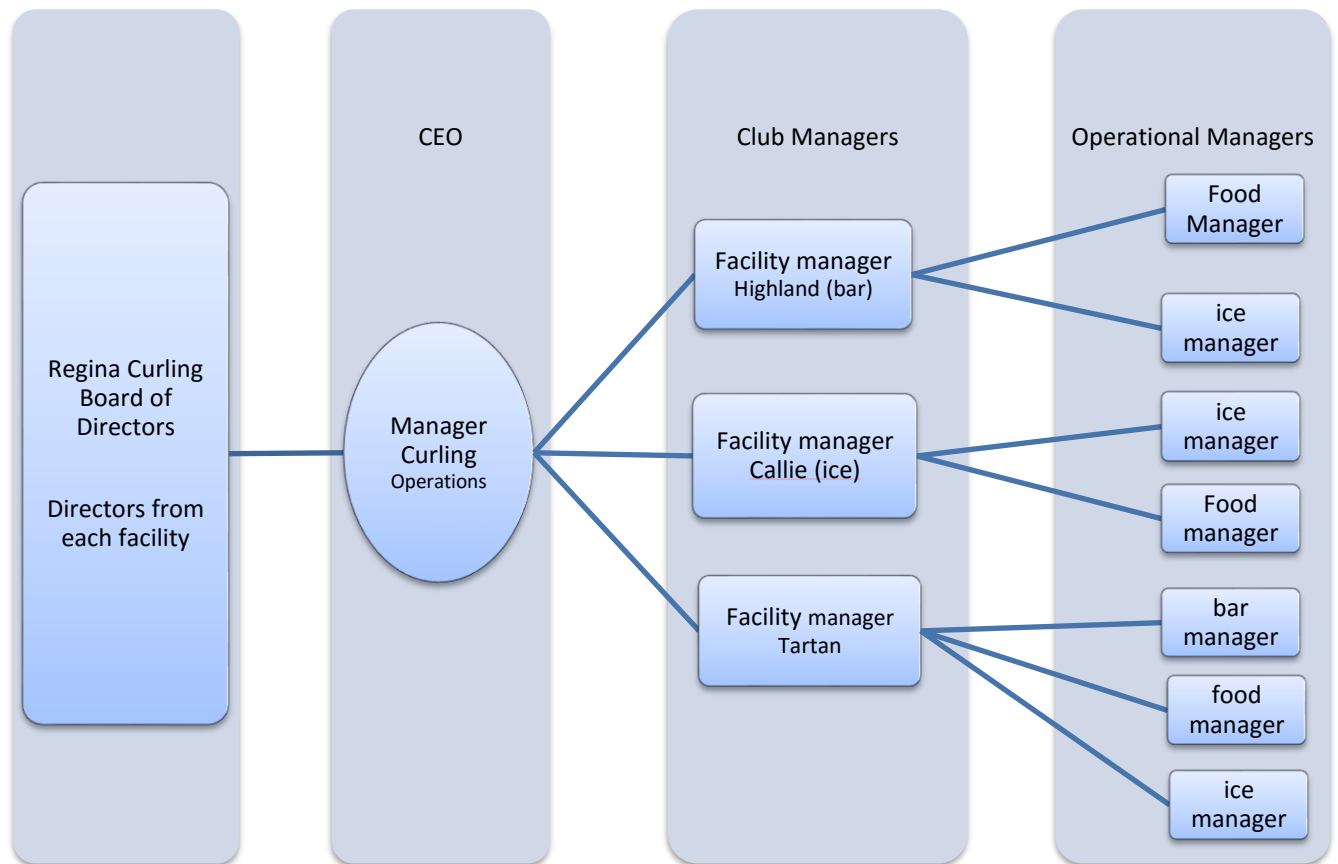
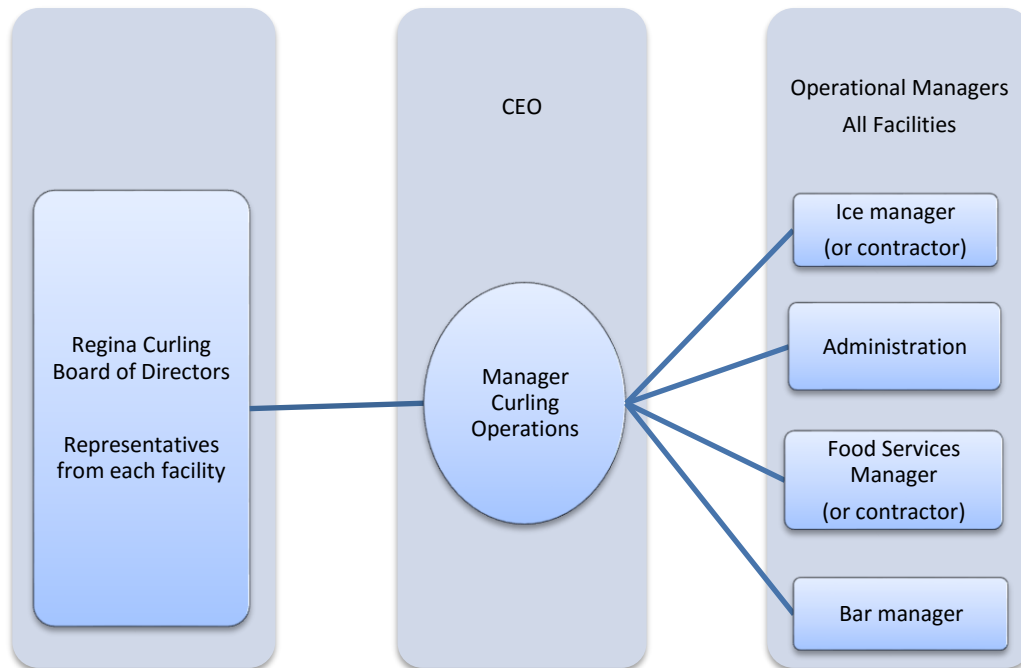




Figure 5.2 Possible Future Structure



## 6. Taxation

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Our jurisdictional research indicates the majority of Curling Facilities operate in a similar manner to Regina and pay property tax. This includes Saskatoon and Winnipeg. There are however, a few exceptions that should be noted. Some facilities are owned by the city or town, and some lease the rinks back to the clubs with no tax being paid. Some organizations pay tax but receive property management services in return.

The city of Regina owns a large number of facilities in which no tax is paid. This list includes all of the skating rinks, as well as golf courses, swimming pools, basketball courts, ball diamonds, bowling greens, tennis courts, and community recreation centres. Currently, the Callie Club is under a long term agreement with the City of Regina and does not pay property tax.

The City of Regina has a number of options with regard to the Curling Rinks.

1. Take ownership and responsibility for the clubs.
  - a. Including management by city employees; or
  - b. Leasing buildings back to club to be managed by employees of the cooperative
2. Proceed with full taxation of the 3 Regina Clubs: this would increase the present tax load by approximately 500%.
3. Full permanent tax exemption
4. Reclassification for Non Profit Organizations
5. Status quo; extend the present tax level arrangement to allow the clubs to restructure and regain their previous levels of sustainability

In the interests of all those concerned, we support the third option. The curling clubs in Regina have a very long history of independence and sustainability. In order to adapt to the changes in user behavior and demographics, the clubs must restructure and evolve. The funds that would go to tax increases can be used productively by the clubs for planning and organizational changes that are necessary to sustain the sport in this city.

As the restructuring continues, the curling industry could work with the city in order to develop programs that would align with the long term recreational objectives of Regina. Those objectives would include targeting new Canadians or at risk members of the community. Regina is one of the leading curling communities in the world and the sport has a key role in the health and well being of its citizens.

A further discussion of Tax relief may be found in Appendix 2.

# 7. Summary of Recommendations

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## Short Term

1. Elect a single board of directors to provide oversight to the three Regina curling clubs. This may be accomplished by dissolving the Curl Regina Board and amalgamating the three individual cooperatives into one. The new organization and board would be made up of four representatives from each club. Those members would be elected at a club level by members. Initially, the three club managers would report to this board.
2. Set up Nominating and Liaison committees to represent each club. These committees would be responsible to elect members to the full board, report information and hear feedback from individual club members.
3. Using internal personnel if possible, develop short term marketing plan to begin sharing both the benefits and costs of group promotion and advertising. Set a budget with goals and time lines.
4. Form a committee or group to discuss and review the present operations to find efficiencies. Efficiencies should be available immediately by sharing information, best practices, equipment, capital, and human resources.
5. Form a committee or group to review the pricing structure and policies of each club and develop a common simplified schedule of pricing.
6. Set up a single website for curling in Regina. Included would be common portals for membership and rentals.

## Medium Term

7. Hire a full time permanent operations manager to oversee the three clubs and the curling industry in Regina. This person would report and be accountable to the board of directors.
8. Using outside resources if necessary, develop a long term strategic plan led by the new operations manager with the full engagement of the board. This plan would provide a common vision for the organization with objectives and clear allocation of resources.
9. Develop a more comprehensive operational plan that would assess different management structures like common business unit managers for all facilities or the use of contractors. Allocate specific staff to tasks like recruiting, hiring and training new staff for all three rinks. Standardize offerings like rentals and menus.
10. Develop a Long term marketing plan. Include in this plan a strategy for fundraising.

## Long Term

11. Develop plan for replacement of aging facilities. This plan would include fundraising and could potentially follow the successful model used to develop Leibel Field.

# 8. Appendices

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## Appendix 1 - Summary of Jurisdictional Research

The jurisdictional research was conducted across Alberta, Saskatchewan, Manitoba and Ontario. The following curling clubs were interviewed. Ellerslie Curling Club (Edmonton), CN Curling (Saskatoon), Granite Curling Club (Saskatoon), Swift Current Curling Club, St. Vital Curling Club (Winnipeg), Burlington Curling Club (Hamilton), Hamilton Victoria Club (Hamilton) and Whitewood Curling Club (Whitewood). CurlSask and Curl Saskatoon were also interviewed to provide information on the Saskatoon curling industry.

### Tax Relief

With the exception of one curling club (Ellerslie), all clubs interviewed owned and operated their curling clubs and were expected to pay tax. In Winnipeg the city has a reduced taxation rate that applies to all Not-For-Profit organizations. The Ellerslie is on a 99-year lease with the city.

### Organization Management Best Practices

Many different management structures were found to have been deployed across the curling clubs. Aside from the General, Ice, Bar, and kitchen manager model utilized in Regina, the most notable are:

1. General Manager and Ice Manager (paid annual salary), seasonal support staff. *Burlington Club*
2. Office Administrator and Ice Manager, rely on volunteers as support staff, (volunteers are compensated \$50 membership rebate for 8 hours of volunteering). *Hamilton Victoria Club*
3. Volunteer Board Run, Ice Maker Contract shared between 2 rinks. *St. Vital Club*

### Industry Trends

During the discussions with the interviewed clubs most described the health of the curling industry as sustainable. The majority of the clubs had seen slight membership increases over the past 5 years with a dip in this year's participation. Those who had not seen a reduction in participation cited that they were at a critical mass of membership that replacing lost members was not difficult for them.

When asked of the demographics who curled all but one stated that they had an aging demographic accompanied with small mass of young children curlers. This 'barbelled' demographic could be explained by the shift towards attracting young curlers and less about attracting young adult to middle aged curlers. The Ellerslie club had mentioned that they had a 'higher than normal' membership of middle aged, working class people. They cited this as being in a location where a lot of young families were moving to.

A common trend among senior curlers is travel. Most clubs interviewed have made accommodations for snow bird curlers. Some of these accommodations include: separate leagues (spring and fall), half year memberships, fees allocated to a team and membership refunds.

### Program Successes

Each curling club interviewed has had success in one area or another. Some of the innovative ideas that have led to those successes are as follows:

Curl Saskatoon - Ride to Curl - Subsidized transportation for schools to participate in curling.

Ellerslie Curling Club - Strong youth programming - Having built a strong youth program run and managed by strong and motivated volunteers has led to increased youth pick-up due to word of mouth generated by the participants of the league.

CN Curling Club - Community Involvement - the youth leagues have become involved in the community hosting a large community garage sale and taking part in a registration night. By being more visible in the community they have been able to attract additional members.

Burlington Curling Club - Critical Mass - Building a critical mass of members has created sufficient word of mouth advertising that the curling club does not have to allocate additional resources to membership recruiting to replace turnover. The success of keeping the membership engaged is by 'showing them a good time'. This includes well-kept facilities.

Hamilton Victoria Club - Winterfest - being a part of 'Winterfest', a winter sports festival helps to bring new people into the building for learn to curl programs.

Granite Saskatoon - New Curler integration - Granite curling club has implemented a two-stepped learn to curl program. The first step is a one-day session to introduce new curlers to the sport, letting them get a feel for the environment. The second step is a 6-week learn to curl program teaching participants the basic skills and etiquette required for curling. The reason for two steps is that some new curlers are not sure what to expect from the sport, such as the physicality or the cold. To ensure curlers are receiving the best value for their money and committed curlers aren't surrounded by less committed curlers who are trying to get their money's worth the Granite introduced the single session introduction to curling. To accompany this, learn to curl program the club embraces a coaching philosophy of focusing more on building confidence and basic skill as opposed to teaching each and every facet of curling. To enhance current member retention, the club also promotes the program to its own members so that they know that the new curlers coming out of the program have the basic skills to play with any of the team at the club. This helps the adoption of new players into leagues and teams and aid new member retention.

Whitewood Curling Club - The league play in Whitewood is a non-competitive mix of men and women. In an effort to uphold their values of fun, fitness and friendship, Whitewood splits up competitive players in order to create a less competitive league. To maximize league participation fees are assessed to teams instead of individuals. Whitewood has been successful in increasing its youth participation both in league play and board of directors' participation. To keep their curling community engaged, a variety of different tournaments are organized such as, Calcutta auctions, Vegas themed, and breast cancer awareness.

### Diversified Revenue Opportunities

When researching diversified revenue streams there were two common theme among curling clubs. Some curling clubs closed over the summer because competition was too high for any services they could provide. Others adopted an all in one event venue strategy for weddings or corporate gatherings. An outlier was Granite Curling in Saskatoon who rented their space out to a roller derby team.

### Sponsorship and Advertising Challenges

When asked about sponsorship programs most curling clubs mentioned that they struggled with finding sponsors. Most of the sponsors were businesses of curlers or those businesses in the near area. A few key ideas to generate sponsorship draw are:

1. Finders fees - if a staff member brings in a sponsor they get a small percentage of the deal.
2. Outside Advertising - offering a sponsorship package to advertise on the outside of the curling club.
3. Supply Chain Asks - pursuing suppliers of the curling club for sponsorships, e.g., insurance provider.

A key challenge for advertising in the curling industry is lack of budget. All clubs mentioned that a lack of budget did not allow for much promotion outside of word of mouth, web, and social media. Those who did have a small budget allocated it smaller to local papers and brochures. A few clubs had tried radio advertising, however; they did not see any return on their investment so decided to stop pursuing it. As mentioned above those clubs who experienced a 'critical mass' of members did not have to take extra steps to advertise and recruit members as their membership helped spread the word. One additional tactic in attempting to attract lost membership was having current members pass on a flyer for discounted membership to return members. This campaign was said to have been successful, however; it was advertising to a very limited market.

## Appendix 2 – Discussion of Tax Relief

To appropriately use the funds otherwise allocated to paying municipal taxes, Curl Regina (in alignment with its 3 clubs) will be able to create recreation programming targeted towards specific priority communities, i.e., at risk youth populations and new Canadians.

As the city is aware, recreation has numerous benefits for social, mental, and physical wellbeing, as well as building strong families and communities. (A Framework for Recreation In Canada, 2015, p.13)

The opportunities for these programs are:

1. Create relationships with inner city community centres to provide free curling opportunities to youth utilizing their programs. This would be organized by the community centre and coordinated between club and community centre. All equipment would be provided by the clubs. This learn to curl program would hopefully extend into a smaller structured league.
2. Create relationships with the Open Door society. This would introduce new Canadians looking to get involved in sports the opportunity to do so at a smaller group level. This ideally would be a learn to curl program that turns into some league play. The learn to curl program would help new Canadians socialize amongst themselves in a smaller group, moving to league play would help them gradually socialize with other resident groups.
3. Explore a Ranch Ehrlo partnership – Ranch Ehrlo has created its own league play systems around hockey, football, and basketball. Curling could potentially be the next type of structured winter league play. The appeal and benefits of curling is that it is not as physically demanding as hockey when considering winter sports.
4. Potential partnerships exist with First Nations and/or Tribal Councils to create a league. This partnership could be used to potentially remove transportation barriers similar to Saskatoon's Ride-to-curl program. Understanding cultural barriers will assist in removing barriers.
5. Seniors program (accessible 'stick' curling) – in partnership with retirement homes and other senior's clubs, stick curling programs, such as learn-to-curl and league play, can be expanded to further cater to individuals who are interested in partaking in modified curling activities. This can be promoted to past curlers or new curlers.

To support the City of Regina's current allocation of partial tax relief (as a "Secondary Facility" on the Continuum of Municipal Involvement in Sport, Culture and Recreation) it is proposed that Curl Regina develop and offer programs (as seen above) that align with the "Benefits-Based Approach" outlined in the Recreation Facility Plan to 2020:

### Sense of Community

(3) *To Facilitate Spectator Experiences at Sporting Events:* All curling clubs have viewing lounges to foster a community identity and curling culture.

(5) *To Facilitate Opportunities for Social Interaction:* By providing programs to priority communities the curling clubs in Regina assist in development of community cohesion and identify.

(9) *To Integrate Generations and Sub Groups Within Our Community:* By targeting priority communities and seniors Curl Regina can foster community growth, as well as increased contact between people of varying age groups, ethnicities, and ability levels.

#### Individual Citizen Growth

(12) *To Foster and promote basic Leisure Skill Development in Leisure Pursuits for School Aged Children:* The youth within the school districts have already been engaged in order to expose school aged children to skills which may form the basis for enjoying lifetime leisure. This will actively contribute to gross motor and fine motor physical development, and provide social settings in which social moral and emotional growth can be fostered. To expand the development among school-aged children Curl Regina wishes to target priority community youth outside of the school districts.

(13) *To Foster and Promote Advanced Leisure Skill Development in Leisure Pursuits for School Aged Children:* In order to grow a sustainable membership (with lower turnover) school-aged children need to be engaged and feel successful. This includes offering programs that offer advanced curling training to those wishing to further develop their skills.

(15) *To Foster and Promote Basic Leisure Skills in Leisure Pursuits for Adults:* The programs offered by the Regina curling clubs are designed to include adults of all ages and abilities to enable them to learn basic leisure skills.

(17) *To Foster and Promote Leisure Opportunities for Seniors:* The senior curling programs enable seniors to participate in curling in order to maintain overall fitness, maintain social contacts and continue to be involved in social environments, as well as continue to provide a sense of worth and meaning of life through continuing personal growth.

Along with the City of Regina's "Benefits-Based Approach" the programs of the Regina Curling Clubs align with "A Framework for Recreation in Canada 2015 – Pathways to Wellbeing". This document is a joint initiative of the inter-provincial Sport and Recreation Council and the Canadian Parks and Recreation Association. The creation of this document was developed with input of recreation professionals and practitioners from each of the country's provinces and territories. This document has five Goal areas with multiple priorities within each. The curling clubs with Regina align to 3 goal areas: Active Living, Inclusion and Access, and Supportive Environments.

#### Active Living

(Priority 1.1) Enable Participation in physically active recreational experiences throughout the life course, continuing to focus on children and youth by expanding to meet the needs and foster participation of the growing number of older people in Canada.

#### Inclusion and Access

(Priority 2.2) Enable people of all ages to participate in recreation. Address constraints to participation faced by children and youth from disadvantaged families and older adults who are frail and/or isolated.

(Priority 2.4) Recognize and enable the experience of Aboriginal peoples in recreation with a holistic approach drawn from traditional values and culture. Work with Aboriginal Communities in pursuits of all five goals outlined in the Framework for Recreation in Canada 2015.

(Priority 2.7) Provide leadership, support, encouragement information, policies and programs that facilitate full participation in recreation by people of all abilities across all settings. Work with persons with disabilities and special needs to create inclusive opportunities and build leadership



capacity. Ensure that recreation environments are accessible, and remove physical and emotional barriers to participation.

#### Supportive Environments

(Priority 4.5) Enhance mental and social wellbeing by creating supportive social environments in the settings where people live, learn, work, and play. This requires strengthened partnerships with schools, social service groups, the arts community, law enforcement, transportation and urban planners, community organizations and private sector.

## Appendix 3 - Marketing Plan

**Positioning:** to be a choice provider of accessible recreation featuring a tight-knit and welcoming community.

### Target Population Messages:

#### Priority Community Youth

- Coordinated programming with partners such as Ranch Ehrlo.
- The programming is subsidized to maximize participation and engagement of priority community youth.

#### New Canadians

- a low cost opportunity to try a new sport and provide a venue in which to partake in community recreation.
- a great chance to meet new people and socialize in the community.

#### Seniors

- An accessible and social opportunity to partake in recreation regardless of age or ability.

### ***Current activities breakdown.***

#### Product/Programs— the actual products and programming

- Tartan
  - League/Club play (Senior, Mens, Womens, Mixed, UofR, Catholic Teachers, Christian Athletic Association, Special Olympics, High School, Grade 6 Public and Separate School, Learn to Curl)
  - Ice Rentals
  - Kitchen Menu
  - Bar Selection
- Callie
  - League/Club play (Mens, Womens, Mixed, Youth)
  - Pay-per-win League
  - Instructional League - (This program is designed for beginners, and curlers who wish to brush up their skills. The first four sessions help teach the basics of curling. After the first four weeks, teams develop, and play begins. The instructors are always present throughout the year to assist you.)

- Rentals (Ice, Banquet Hall, Lounge)
- Highland
  - League/Club play (Ladies, Mens, Senior, Stick)
  - Catering services
  - Ice Rentals
- Curl Regina
  - Youth League/Club play (Youth League, Curl for Kids, Fun Curl, Youth-Spiel)

The curling organizations across Regina all offer the staple league play for men, women and seniors; however there are some programs that are localized to one specific curling club, such as, the stick league and the instructional league. Curl Regina provides the youth curling capacity for all 3 clubs.

#### Promotion (advertising) - Getting the product known

- Tartan
  - Eventective - This third party event venue research tool assists the Tartan in securing leads and bookings for events.
    - The Tartan has found great success from the utilization of Eventective.
  - Internal club promotion posters- drink specials, upcoming events.
  - Website/Social Media
    - Website has a great modern design, the blog is an opportunity to engage with membership and a traffic tracking service should be considered. This can be done for free through Google Analytics and will help the organization understand what blog posts are getting noticed which will assist in creating impactful content for new posts.
    - Facebook/Twitter - content is less frequent than Curl Regina - some blog material could be used to increase frequency of posts and diversify the content. Resharing content of other curling clubs and events would also help increase post frequency.
  - Portable Sign Utilized to promote curling events at the tartan.
- Callie
  - Leader Post Advertisements
  - Portable Sign - Advertising summer venue opportunities.
  - DirectWest - Phonebook and online.

- Website - has a modern design and a logical menu layout, it provides easily accessible information with a connection to Facebook.
- Facebook/Twitter - Solid, relevant content. The use of photos should be considered in posts to enhance amount of page space taken up by a post, increasing the likelihood the post will be seen.
- Highland
  - Internal promotion posters
  - Website features a long menu list, which is not in a logical. Sub-menus could provide better usability. Great sponsorship scrolling window - should consider using uniform size of logos for aesthetic consistency.
  - Facebook/Twitter - great post frequency with relevant content. Good use of photos and creation of engagement.
  - Phonebook advertisements for banquet hall rentals
- Curl Regina
  - Youth Curling Broom Promotion - A broom is given to each first year youth league player. The broom is branded Curl Regina.
  - Club Recruitment Fee - a \$100 fee (either to be used for next year's membership or in the lounge/bar of their club) is paid to a player who recruits a new player to sign up for a league. This new player must not have been a member of a club for the past two years.
  - Youth Capital Improvement Fee – Curl Regina assumes the cost of all youth player's capital improvement fee. This was done to make curling more accessible to youth.
  - Website/Social Media
    - The Website does a great job communicating the youth league and other programs. The website does not communicate Curl Regina's role in working with the clubs in Regina. 'Current News' could feature a feed of all curling activity on social media in Regina. A newsletter (and archive on the website) is a great way to convey key important messages to the membership. The Website utilizes Older web design, could be flashier, but would have an expense attached to it. Could utilize a form to capture information from the 'contact us' page.
    - Facebook/Twitter - Very active page. however, there is no interaction. Facebook could be used as a tool to interact with the audience the posts just need to be geared as controversial and topical. Additionally, the page could feature any posts to do with curling that can be reposts of the clubs in Regina or of curling activities and news outside of Regina.

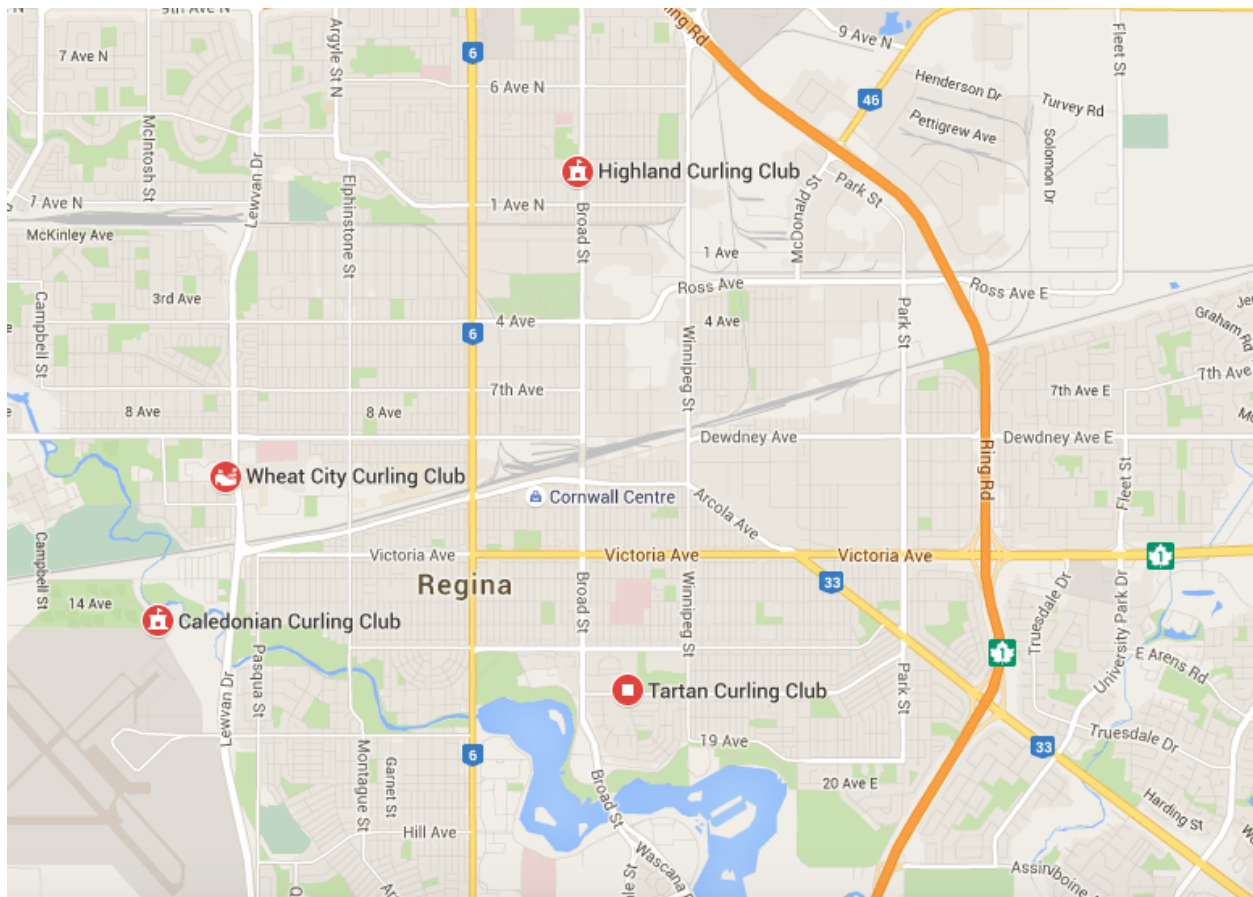
- City of Regina Fall Activity Planner. This is utilized to promote curling as a whole to the city of Regina.

#### Placement — Where the product is sold

- Tartan
  - 1464 Broadway Avenue
  - This location is closest to lower income neighbourhoods, downtown Regina and the University of Regina
- Callie
  - 2225 Sandra Schmirler Way
  - This location is near the Regina Airport and is accessible off of the Lewvan Drive catering to the southern population of Regina
- Highland
  - 348 Broad Street
  - This location is the north-most rink in Regina close to the core area of Regina. Is a fair distance away from Northwest Regina

#### Curl Regina

- All programs are distributed throughout all 3 clubs.



As can be seen in the above map, the three curling clubs are well distributed throughout the city providing access to most geographical regions within the city. The furthest neighbourhood from a curling rink is the North West. All three clubs have additional capacity to accommodate membership growth, suggesting a 'full club' is not a barrier to new potential curlers.

#### Physical environment —

- Tartan - Large lounge/dining area and ample viewing room
- Callie - Newest rink building in Regina
- Highland - Aging infrastructure

### ***Marketing Recommendations:***

The marketing activities suggested below are suggested based on the assumption that the recommended organizational structure is adopted.

#### *Target Market Program Initiatives*

- Priority Community Youth - Work with community partners to understand their needs in creating learn to curl and league play within priority communities. For example, Ranch Ehrlo is a potential partner to be considered for this initiative as they currently facilitate multiple sports leagues as part of their Ehrlo Sport Ventures. A step towards creating meaningful partnerships may be working to remove transportation barriers of youth by implementing a bussing program similar to Ride-to-Curl in Saskatoon.
- New Canadians - Placement of advertising in community spaces and partnering with organizations such as the Open Door Society will help encourage New Canadians to try curling. Adaptive, two-phase learn-to-curl programs will help to ensure New Canadians are receiving the most value for their participation. This entry learn-to-curl program should be offered for an extended period of time:

Phase 1: will be aimed at getting new participants in the door and trying curling so they know what to expect from the game. This phase will be a short one or two classes.

Phase 2: Keep curlers engaged for an extended period of time that they get good at the sport and feel good about playing the game. Phase two focuses on building confidence of the new curlers.

- Seniors - placement in community spaces and advertising to past members will help build this population of daytime curlers. Adding in the additional accessibility will help increase the attraction of seniors to recreation. A large portion of seniors in Regina are snow birds. In order to accommodate these travel habits specific leagues should be created. This will appeal to those who do not want to pay for a full season of curling when only able to curl for a portion of the season.
- Coaching Methodology - The coaches of all curling programs must focus on the building of confidence and etiquette first and ability second. Once curlers finish the learn-to-curl sessions, Curl Regina should help find teams for the members

#### *Supply Chain Initiatives*

Shared Kitchen, Bar and Ice Services - potential exists to move staff between venues depending on demand and programming. This can create capacity efficiencies, eliminating downtime and providing additional capacity in peak times.

### *Revenue Diversification Initiatives*

Advertising opportunities - Opportunity exists to sell advertising space, or include the space as part of a sponsorship package. Spaces for potential advertising are: the website and the exteriors of the Tartan and Highland. The Callie has been excluded as the location is in a very low traffic area almost exclusive to curlers. The Tartan and the Highland are both on fairly high traffic streets in their respective areas of the city.

### *Promotion Initiatives*

#### Centralized information Sources (Website, Social Media)

- *Website:* To best leverage the synergies between the 3 clubs and Curl Regina, one central information source should exist. To ensure current and future curlers have easily accessible information pertaining to all curling activities in Regina it is suggested that the Curl Regina website serve as the hub of all information and scheduling. This website would be able to provide a single contact point to sign up for leagues, rent ice, or event venue within the three clubs. In turn, the 3 club websites would have their information displayed on this central hub eliminating the need for individual websites saving hosting costs. To preserve the brand images of each club, there would be a page of the Curl Regina website dedicated to the history of the Club. The amalgamation of all the club's information would provide ease of management as it would not be the separate responsibilities of the three clubs, but of one person. Time efficiencies will be realized through having a single person curate content for the web page, provide blog posts and update scores and schedules.

- *Social Media:* Since the accounts for all four entities exist and are free of charge, it is recommended that each Facebook/twitter page continue their individual posting. This will help to preserve the brand identity of each curling club and their social media following. To ensure that the social media content remain consistent with web content it is recommended that the same individual be responsible for both information outlets. Synergy building programs (i.e. Hootsuite) can be used to schedule post in advance and post to multiple social media outlets simultaneously.

#### Social Media Tactics:

- Photos with posts - by adding photos to posts they take up more space on a newsfeed, more likely to be noticed.
- Engaging content - content should invite viewers to engage with it by following links and replying to provoking content.
- Contests - to increase engagement with curling population and utilize their social media presence to raise awareness of curling in Regina, contests can be used. This content can be a small prize awarded to the best picture (within a selected theme) taken during a bonspiel using a relevant hashtag.
- Follow and Share - sharing the relevant content of related local entities diversifies content, providing followers with new, interesting and engaging content related to their community.



#### Online Advertising:

- Google AdWords - can be a very inexpensive way to promote specific curling ads. The tool allows for specific demographic targeting and is flexible with any budget. For example, three different advertisements for Youth, Seniors and new Canadians can be targeted to their specific demographic. Depending on the arrangement, the advertisements can be set up to only be paid for if they are clicked on; in essence allowing for additional awareness to the demographics.
- Facebook Advertising - Utilizing Facebook ads allows for similar targeting functionality as Google AdWords with the added benefit of being on Facebook newsfeeds. This approach allows for a higher level of engagement with youth, who may tend to spend more time on Facebook.
- Eventective - The Tartan Curling Club has found success utilizing this service. This service should be utilized by all three clubs to maximize their exposure.
- Past Member email lists - Curl Regina can promote a membership discount to past members. this can be a low cost tactic utilizing the current database of past members.

#### Print Advertising:

- Direct West Phonebook - Advertising provides two avenues of advertising, print and online. These media options provide information to two separate demographics. Print ads in the phonebook are accessible to those who habitually use the phonebook as a resource for finding places such as dining halls for rent (seniors), whereas the online ads are accessible to those who rely on digital technology to provide them with information (youth and middle aged).
- City of Regina Fall Activity Guide - Curl Regina currently is advertising in the fall activity planner. This is a resource that is provided to a large population within Regina.

#### Youth Program Perks:

- Curl Regina is adding tremendous value to the youth program by providing a broom to all first year curlers and by assuming the cost of their capital improvement fee. These value adds should be incorporated into promotions when promoting the youth program.

#### Community Involvement

- The curling environment boasts a tight-knit community within itself. A method of creating awareness is by partnering with other community events. This may come in the form of hosting a community garage sale or co-hosting a registration night with another fall/winter sport.

## Suggested Promotional Outlets

	Demographic			
Activity	Youth	Priority Community Youth	New Canadians	Seniors/ Modified Curling
Bonspiel Events	Website, Social Media, Internal Posters,	Website, Social Media, Internal Posters,	Website, Social Media, Outdoor Signage, Internal Posters,	Website, Outdoor Signage, Internal Posters,
League Play	Fall Activity Guide, Website, Internet, Social Media, Outdoor Signage, Internal Posters, Community Registration Nights	Fall Activity Guide, Website, Internet, Social Media, Outdoor Signage, Internal Posters, Community Registration Nights, Community Organization Partnerships	Fall Activity Guide, Website, Internet, Social Media, Outdoor Signage, Internal Posters, Community Registration Nights, Community Organization Partnerships	Fall Activity Guide, Website, Outdoor Signage, Internal Posters,
Venue Rentals			Eventective, DirectWest, Website, Outdoor Signage, Internal Posters	Eventective, DirectWest, Website, Outdoor Signage, Internal Posters



June 16, 2016

Office of the City Clerk  
Attention: Ashley Thompson

RE: Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan  
2015 Annual Report

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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 2015 Annual Report for the Casual Employees' Superannuation and Elected Officials Money Purchase Pension Plan for information to be submitted for the July 5 Finance and Administration agenda. Included in the Annual Report are the audited financial statements for the year ended December 31, 2015, which were approved by the Administrative Board for the Casual Employees' Superannuation and Elected Officials Money Purchase Pension Plan at its meeting of June 8, 2016.

Regards,

A handwritten signature in blue ink, appearing to read "Colyn Lowenberger", is written over a faint, light blue circular background.

Colyn Lowenberger, Director  
Pensions & Disability Administration

# Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan



Annual Report &  
Audited Financial Statements

December 31, 2015

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## Message from the Chairperson

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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, 2015.

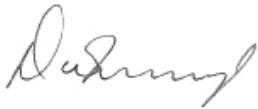
In this report you will find the following:

- membership information;
- the composition of the Administrative Board and its role as trustee 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 investment results for 2015;
- historical investment returns; and
- the annual financial statements for 2015, audited by KPMG.

Since 2010 the Plan has seen a 27.4% growth in total members and now sits at just under 1,000 members in all. 2015 marked the first full year of returns in the new Managed Investment Portfolio that was implemented in 2014. Overall, the Plan's investment fund achieved a 7.50% return, outperforming the total fund benchmark by 0.50%. The Board remains focused on long term results, achieved through prudent investment and solid governance.

On an annual basis, the Board reviews information on web usage and quarterly statement information provided to members to ensure that members have access to the information they need.

I would like to take this opportunity to thank the members of the Administrative Board for their contribution and the staff of Pensions & Disability Administration for their work throughout the year. Together, we are committed to providing the leadership, integrity and stewardship to support members as they save for retirement.

A handwritten signature in black ink, appearing to read 'Wade Murray'.

Councillor Wade Murray  
Chairperson, Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan

## Executive Summary

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Total members belonging to the Plan were 994 at December 31, 2015. This includes 747 active members who are still working and contributing to the Plan, and 247 inactive members who are no longer contributing to the Plan but are entitled to receive benefits upon retirement.

Over the past year, the net assets available for benefits experienced an increase from a balance of \$10.6 million at the end of 2014, to a balance of \$11.2 million at the end of 2015. Overall the Plan has seen an increase in net assets available for benefits of 45% over the last five-year period. The net investment gain for the year was \$797,000.

Contributions for the year were \$658,000, representing an increase of 6.8% over 2014. Total payments from the Plan were \$789,000 including \$735,000 in pension refunds, which can be transferred to another registered plan or taken as cash depending upon the member's status, and \$54,000 in administration and investment expenses. 2015 saw a decrease in pension refunds of 21% over 2014.

The Managed Investment Portfolio implemented late 2014 provides greater investment diversification to plan members at a lower cost. The assets of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan are now invested with the managers indicated below and administered by BMO Group Retirement Services. Total invested assets were \$11.2 million at December 31, 2015 and the asset mix for the portfolio was as follows:

Asset Class	Manager	Allocation
Canadian Equities	QV Investors Inc.	18.8%
Global Equities	Franklin Templeton Institutional	42.2%
Long Term Bonds	TD Asset Management	19.6%
Core Plus Bonds	TD Asset Management	19.4%
<b>Total</b>		<b>100%</b>

On a total basis the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan outperformed the investment return of the custom benchmark by 0.05% with a one-year return of 7.50%. Over the last ten years, the Plan has achieved an annualized return of 6.46%.

## About the Plan

As a defined contribution pension plan, the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan provides eligible members with retirement savings 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.

The member's contributions and those paid by the City on behalf of the member are credited to an account established at the time the employee becomes a member of the Plan. These amounts, together with interest credited at regular intervals, comprise the member's individual account.

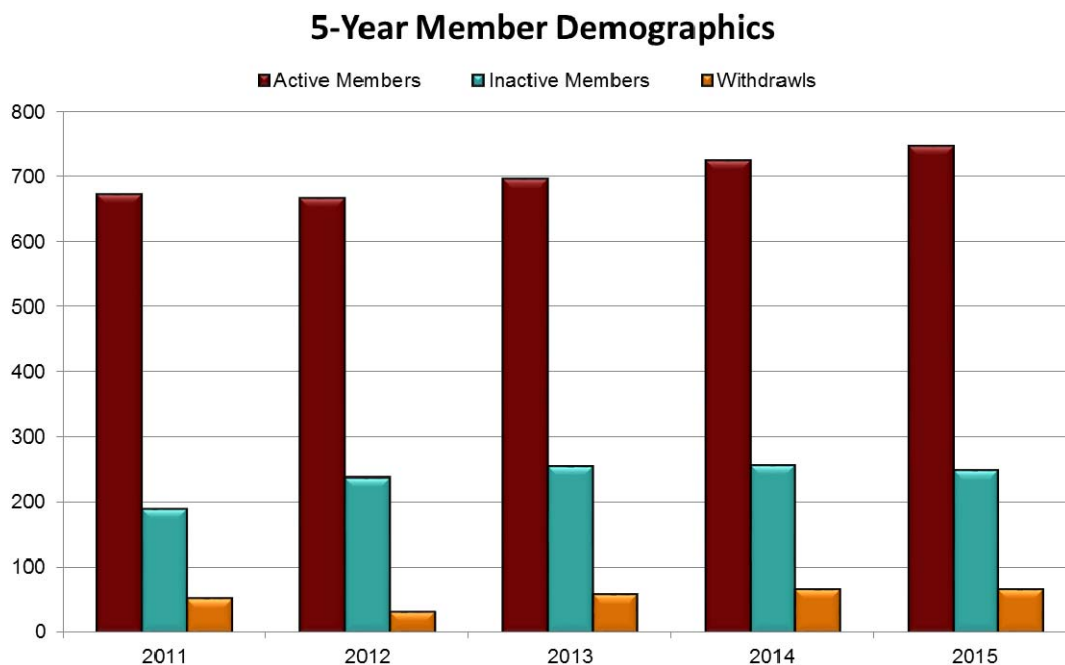
Upon termination a member may transfer the individual account balance to a locked-in retirement account, another registered pension plan, a registered retirement savings plan (RRSP), or an insurance company to purchase a deferred annuity.

Death benefits are payable to the member's designated beneficiary and if there is no designated beneficiary, to the estate. The designated beneficiary will receive a cash payment of the individual account balance or may elect that the amount be used to purchase an immediate or deferred annuity.

The Plan includes City of Regina casual employees who are members of 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 to the Plan, and the City contributes an equal amount. City of Regina Elected Officials contribute 6.95% of pensionable earnings to the Plan, and the City contributes an equal amount.

Plan membership includes 747 active members who are still working and contributing to the Plan, and 247 inactive members who are no longer contributing to the Plan. During 2015, the Plan enrolled 102 new members and paid termination, death, or retirement benefits to 66 members. The following chart shows the change in membership over the past five years:





## Pension Plan Governance

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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 members at December 31, 2015 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 fourth term on Regina City Council, representing the residents of Ward 6.

**Curtis Smith, Vice-chairperson**

Mr. Smith was appointed by the City Manager in 2012. He has been employed by the City of Regina for seven years and currently holds the position of Manager, Policy and Risk Management. He also is the Acting Manager, Corporate Accounting. Mr. Smith is a Chartered

Accountant (CA) and Certified Internal Auditor (CIA), and has a Bachelor degree in Business Administration from the University of Regina.

**Marco Deiana**

Mr. Deiana was appointed by the City Manager in 2010. He has been employed by the City of Regina for 16 years and currently holds the position of Manager, Workplace Health & Safety.

**Brent Rostad**

Mr. Rostad was appointed by the City Manager in 2012. He has worked for the City of Regina for 17 years and has had the opportunity to work in a number of areas including the Wastewater Plant, Sewage & Draining and Landfill. Mr. Rostad currently holds the position of Manager, Operational Services & Business Support.



*Left to Right: Marco Deiana, Darren Grychowski, Councillor Wade Murray, Brent Rostad.*

*Not Pictured: Curtis Smith.*

## Pension Plan Governance

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.

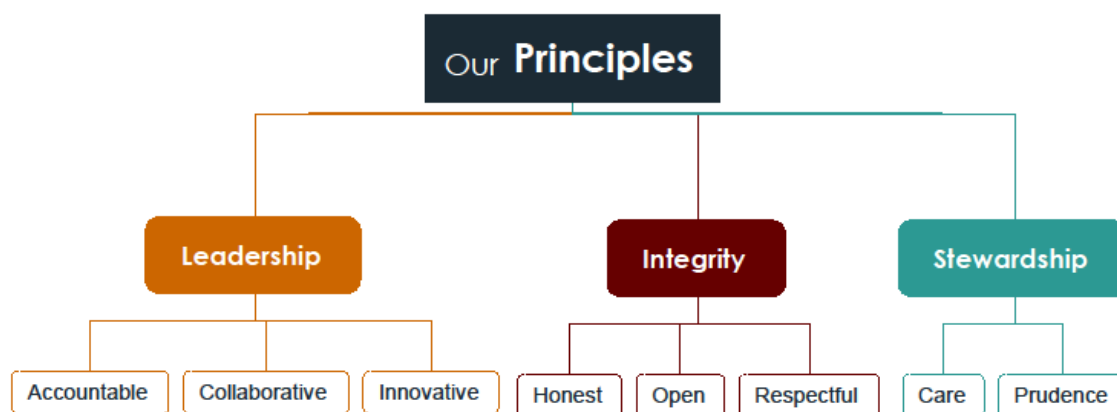
The Board met 5 times during 2015. Following is the Board Meeting attendance for each Member:

Trustee	Meetings Attended	Trustee	Meetings Attended
Councillor Wade Murray	5	Brent Rostad	5
Curtis Smith	4	Darren Grychowski	2
Marco Deiana	5		

A pension plan represents the combined retirement assets of its membership. The value of the benefit earned is often the largest financial asset belonging to any given member and forms the basis of their livelihood in retirement. As a result, plan beneficiaries and the law demand that those charged with administering a pension plan conduct their affairs to the highest standards.

In law, the standard by which those charged with administering a pension plan are measured is that of the fiduciary. By its very nature the fiduciary duty is owed solely to the beneficiaries and paramount to earning their confidence and trust. Confidence and trust are earned over time and lost in an instant. They are earned through adherence to legislation and sound business decisions. More importantly, confidence and trust are earned each day through how an organization conducts its business.

To build confidence and trust, the Board has identified three primary principles that underlie what they do. From the core formed by the duty to the beneficiaries the Board conducts their business based on three primary principles; Leadership, Integrity and Stewardship.



### Leadership

We are passionate about people and driven to inspire and motivate ourselves and others. As Leaders we are:

- **Accountable** – Leaders hold themselves and others accountable for actions, results, successes and failures.
- **Collaborative** – Leaders recognize the value of working together, toward common goals, and understand that the whole is greater than the sum of its parts.
- **Innovative** – Leaders encourage creativity and understand that innovation requires being different.

### **Integrity**

We understand that trust is earned through actions and consistently act with candour and in good faith. We are:

- **Honest** – We are truthful, accurate and straight forward in all of our dealings.
- **Open** – We conduct ourselves in an open and transparent fashion.
- **Respectful** – We treat everyone with respect and dignity.

### **Stewardship**

We are the custodians of one of the largest assets our members have. As stewards we are:

- **Careful** – We fully employ the knowledge and skills that we individually and collectively possess to diligently balance risk and opportunity.
- **Prudent** – We are judicious and cautious (in practical affairs).

# Administrative Board Responsibilities

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## 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**

Pensions & Disability Administration 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 KPMG 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:

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

## Education & Training

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, in addition to basic education obtained within the first three years of becoming a Trustee, Trustees must attend a minimum of 10 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
<b>Councillor Wade Murray</b>	2015 & Beyond – Global Implications for Portfolio Positioning	Jan 15	Regina, SK	2
	Trustees & Administrators Institute	Feb 9-11	Orlando, FL	30
	CAIP West	Dec 1-2	Lake Louise, AB	20
	<b>Total Expenses</b>	<b>\$5,049</b>	<b>Total Hours</b>	<b>60</b>
<b>Marco Deiana</b>	Trustee Education Workshop	Apr 16	Regina, SK	8
	Annual Canadian Employee Benefits Conference	Nov 22-25	Las Vegas, NV	20
	<b>Total Expenses</b>	<b>\$3,335</b>	<b>Total Hours</b>	<b>20</b>
<b>Brent Rostad</b>	Mercer's Pension Outlook & Fearless Forecast	Jan 20	Regina, SK	2
	CPBI Saskatchewan Regional Conference	Apr 9-10	Regina, SK	20
	Trustee Education Workshop	Apr 16	Regina, SK	8
	CPBI Forum	May 25-27	New York, NY	30
	Pulling Your Hair Out?	Oct 15	Regina, SK	2
	<b>Total Expenses</b>	<b>\$2,630</b>	<b>Total Hours</b>	<b>62</b>
<b>Curtis Smith</b>	CIBC Economic Outlook	April 17	Regina, SK	1
	A Lower Risk Future: Developments in the Pension Risk Transfer Market	Oct 21	Regina, SK	1
	Thinking Through the Impact of Economic Factors on your Core Infrastructure Investments	Oct 28	Regina, SK	1
	<b>Total Expenses</b>	<b>\$0</b>	<b>Total Hours</b>	<b>3</b>

The expenses 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 Plan(s).

## Year End Financial Position

As at December 31, 2015 the Plan had net assets available for benefits of \$11.2 million. Net assets consist of investments at fair value of \$11.2 million and contributions receivable of \$59,000, less accounts payable of \$1,000.

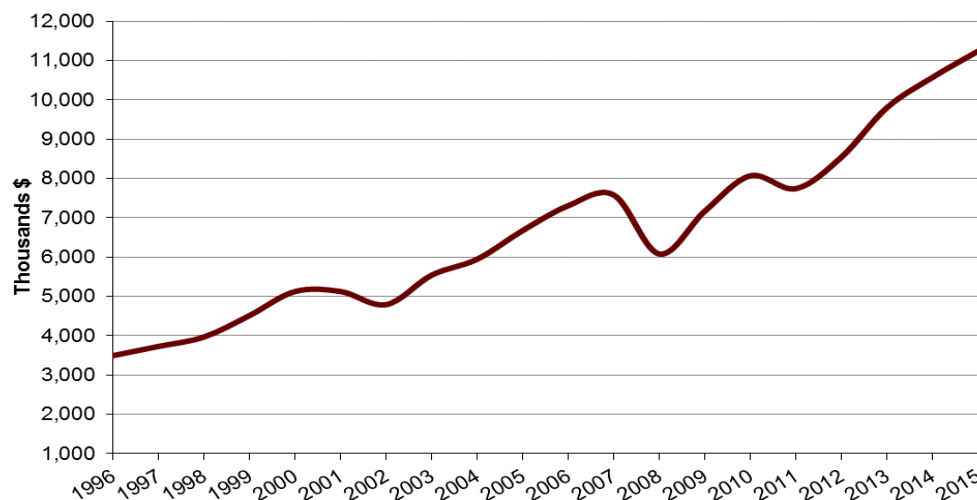
There are four main factors that contribute to the size of the asset base of the Plan. These factors are the investment income earned over the year, the contributions made to the individual accounts of members, the Plan's administration and investment expenses, and the benefit payments made to members. 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)
2015	797	657	(735)
2014	1,164	617	(940)
2013	1,336	604	(682)
2012	632	554	(386)
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)

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:

## Casual Asset Growth



## Investment of the Fund

The Administrative Board of the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan oversees the investments of the 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 objective of the investment policy is to maximize the returns of the Plan members without incurring undue risk.

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

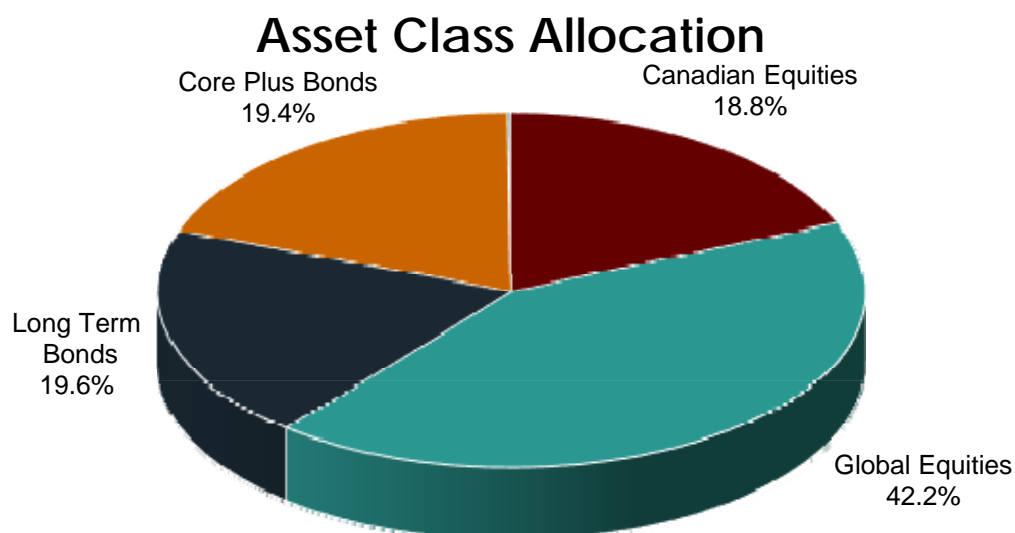
The Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan measures investment performance against a custom benchmark consisting of the indices that best represent each asset class:

Asset Class	Total Fund Benchmark	%
Canadian Equities	S&P/TSX 300 Index	20
Global Equities	MSCI World Index	40
Long Term Bonds	FTSE TMX Canada Long Term Overall Bond Index	20
Core Plus Bonds	FTSE TMX Canada Universe Bond Index	20

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 Casual Plan (including accrued income) at December 31, 2015 were \$11.2 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.



# Investment of the Fund

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

Asset Class	Total Fund Benchmark	Actual % Allocation	Min %	Target % Allocation	Max %
<b>Equities:</b>					
Canadian Equities	S&P/TSX 300 Index	18.8	15	20	25
Global Equities	MSCI World Index	42.2	35	40	45
	<b>Total Equities:</b>	<b>61.0</b>		<b>60</b>	
<b>Fixed Income:</b>					
Long Term Bonds	FTSE TMX Canada Long Term Overall Bond Index	19.6	15	20	25
Core Plus Bonds	FTSE TMX Canada Universe Bond Index	19.4	15	20	25
	<b>Total Fixed Income:</b>	<b>39.0</b>		<b>40</b>	
<b>Total Fund:</b>		<b>100.0</b>		<b>100</b>	

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 Casual Plan as at December 31, 2015 is shown below:

Asset Class	Manager	Start Date	Amount (\$ Thousands)	% Of Holdings
<b>Equities:</b>				
Canadian Equities	QV Investors Inc.	2014	2,097	18.8
Global Equities	Franklin Templeton Institutional	2014	4,716	42.2
	<b>Total Equities:</b>		<b>6,813</b>	<b>61.0</b>
<b>Fixed Income:</b>				
Long Term Bonds	TD Asset Management	2014	2,186	19.6
Core Plus Bonds	TD Asset Management	2014	2,166	19.4
	<b>Total Fixed Income:</b>		<b>4,352</b>	<b>39.0</b>
<b>Cash:</b>	n/a	n/a	<b>14</b>	<b>-</b>
<b>Total Fund:</b>			<b>11,179</b>	<b>100.0</b>

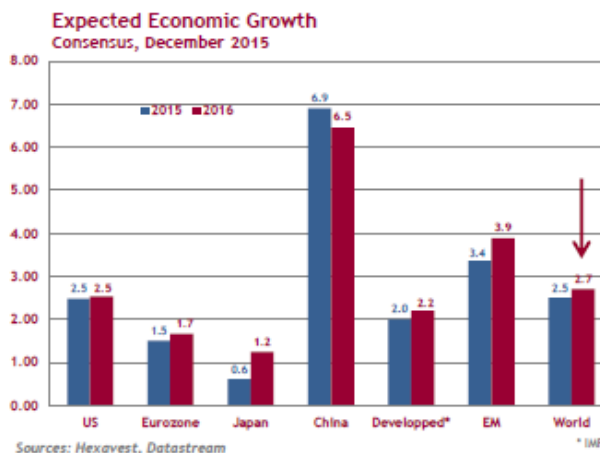


# Market Overview

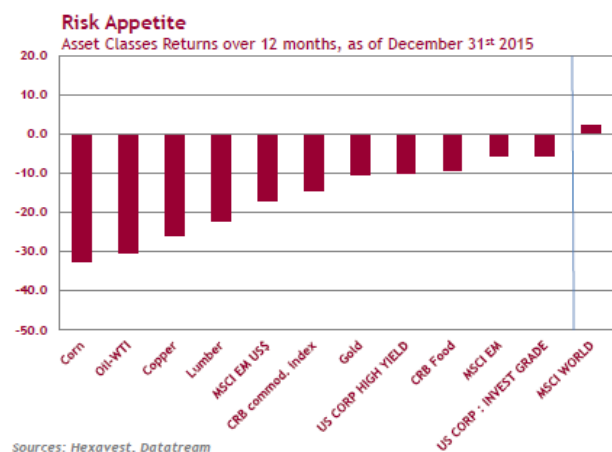
Global equities posted positive returns over the first quarter of 2015 with central banks in the Eurozone and China easing monetary policy, while crude oil prices stabilised after their previous sharp decline. Canadian Gross Domestic Product (GDP) rose at an annualized rate of 2.4% in the fourth quarter of 2014, aided by an increase in household consumption. The Canadian unemployment rate rose to 6.8% while headline inflation was just 1.0% year over year (YoY) in February. Core inflation, which excludes energy and food, was up 2.1% YoY. The S&P/TSX Composite Index rose 2.6% during the first quarter of 2015. Eight of the Index's ten sectors ended in positive territory, with gains led by the Healthcare, IT and Consumer

Discretionary sectors. The S&P 500 delivered a modest positive return. Merger and acquisition activities and hopes of a further delay in the first rise in interest rates helped the quarterly returns, yet were counterbalanced by fears about the impact of the strong dollar on earnings and business sentiment.

Eurozone equities posted strong returns after the European Central Bank's announcement of quantitative easing with the size of the package exceeding market expectations. Japanese equities gained with the backdrop of positive corporate earnings and were further supported by hopes of additional stimulus from the Bank of Japan. Emerging markets posted positive returns with Chinese equities supported by the authorities' moves to boost growth by cutting the required reserve ratio by 50 basis points to counter the capital outflows and liquidity conditions before the Chinese New Year. Russia gained amid the stabilization of oil price and hopes of a peace deal with Ukraine, while Brazilian equities fell amid weak economic growth.



Global equities registered a small positive return in US dollar terms over the second quarter. Regional performances were mixed with strong gains from Japan while the Eurozone and UK were weak. Canadian GDP declined 0.6% in the first quarter of 2015 - its weakest result since the second quarter of 2009 - with corporate profits and non-residential structural investment particularly impacted. Unemployment has held steady at 6.8% while headline Consumer Price Index (CPI) was low in May as lower oil prices continued to weigh on it and core inflation was held steady at 2.2% YoY. The S&P/TSX Composite Index declined 1.6%, with losses led by the Industrials, Utilities and IT sectors. The S&P 500 reached all-time highs although returns were modest at 0.3%. Economic data was mixed but improved towards the end of the period. Merger



& acquisition activity continued, especially in the Healthcare sector. Eurozone and UK equities came under pressure as the Greek debt crisis escalated, leading to concerns over the potential knock-on impact if Greece were to leave the Eurozone. Brazil equities were strong as the government vetoed measures that would have increased spending on pensions by over \$13 billion over the next decade. Chinese equities saw gains after the authorities cut interest rates and reserve requirement ratios twice over the quarter to reassure equity markets and to revive slowing growth. Bond yields rose across most major markets amid expectations that interest rates could rise in the US and UK this year, and stronger economic data in the Eurozone also sent Bund (German government bonds) yields higher over the quarter.

Global equities declined in the third quarter of 2015 amid worries about the economic slowdown in China and the implications for global growth. While the Canadian economy entered a technical recession by declining in both the first and second quarters of 2015, growth turned positive in June and July. As a result, the Bank of Canada anticipates that the economy's return to full capacity will be delayed until the first half of 2017. Employment numbers improved modestly during the quarter, but not enough to improve the unemployment rate as it inched up to 7% in August as more people began to look for work. Headline CPI remained low due to lower oil prices while core inflation remained steady at 2.1% YoY. The S&P/TSX Composite Index declined 8.0%, with losses led by the Materials, Energy and Healthcare sectors. Commodities continued to struggle with weaker global demand while the Healthcare sector was impacted by the drug pricing practices of Valeant Pharmaceutical. The US Federal Reserve's decision to defer an interest rate rise exacerbated the sense of uncertainty in markets. In the Eurozone, the autos sector came under severe pressure after revelations that VW had misled regulators on emissions from diesel vehicles. Japanese equities suffered as a result of weaker than expected data for Japan's economy with stocks sliding to an eight month low while the yen saw inflows due to its 'safe haven' status. Weak Chinese economic data and concerns over deleveraging and unwinding of margin financing was a drag on emerging markets. The third quarter was broadly positive for global bonds as commodity weakness and fears over global economic growth led investors to seek out 'safe havens'.

Global equities delivered positive returns for the fourth quarter despite poor performance in December. Government bond markets broadly reflected the policy trajectories of the world's major central banks. The Canadian economy picked up steam in the third quarter as GDP expanded at 2.3%. Unemployment rose to 7.1% in November while Headline CPI increased slightly to 1.4% YoY while core inflation held steady. The S&P/TSX Composite Index declined 1.4% with losses led by the Healthcare, Consumer Discretionary and Telecom sectors. US equities gained 7.0% over the quarter after the Federal Reserve increased its main policy rate in December following strong non-farm payrolls data. Eurozone equities posted positive returns overall, lifted by hopes for further quantitative easing. However, the announcement fell short of investors' expectations with the timetable for purchases extended to March 2017 but the €60 per month left unchanged, which weighed on returns in December. Japan was the best performing equity market over the quarter, driven by a recovery in cyclicals followed by a resumption of defensive areas. The Chinese equity market posted a solid gain as the People's Bank of China cut interest for the sixth time in the year, providing further support to their economy. Economic data in Brazil continued to deteriorate as two rating agencies downgraded Brazil debt to non-investment grade prompting impeachment proceedings against the president, and the finance minister to resign.

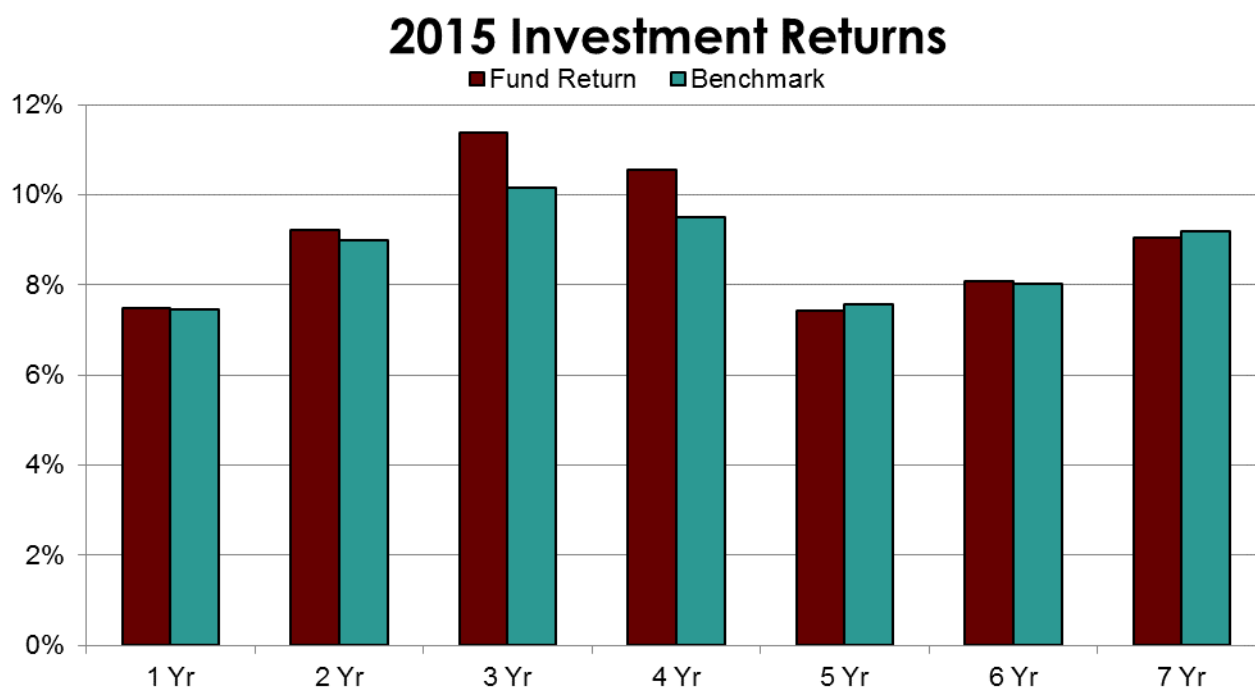
Main Indices December 31, 2015	1 Year Return	
	CAD	Local
MSCI ACWI	8.8%	5.8%
MSCI World	9.3%	6.2%
MSCI EAFE	8.5%	6.3%
MSCI Europe	6.2%	5.2%
MSCI Pacific	12.9%	8.6%
MSCI Emerging	4.3%	1.5%
S&P 500	10.9%	7.0%
S&P/TSX	-1.4%	-1.4%

## Investment Results

On a total fund basis, the Casual Employees' Superannuation & Elected Officials' Money Purchase Pension Plan outperformed the investment return of the custom benchmark by 0.05% in 2015 with a return of 7.50%.

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 seven years the Casual Plan has provided positive annualized investment returns over all periods, outperforming the benchmark in four periods, but underperforming the benchmark in three periods. The Plan has posted strong double digit returns over the one to three-year periods. Over the last ten years, the Plan has achieved an annualized return of 6.4%.

Investment Returns	Annualized Rate Of Return (%)						
	1 yr	2 yr	3 yr	4 yr	5 yr	6 yr	7 yr
Total Fund	7.50	9.23	11.38	10.55	7.43	8.10	9.07
Total Fund Benchmark	7.45	9.00	10.15	9.51	7.58	8.03	9.20
Excess Return (%)	0.05	0.23	1.23	1.04	-0.15	0.07	-0.13



# Investment Results

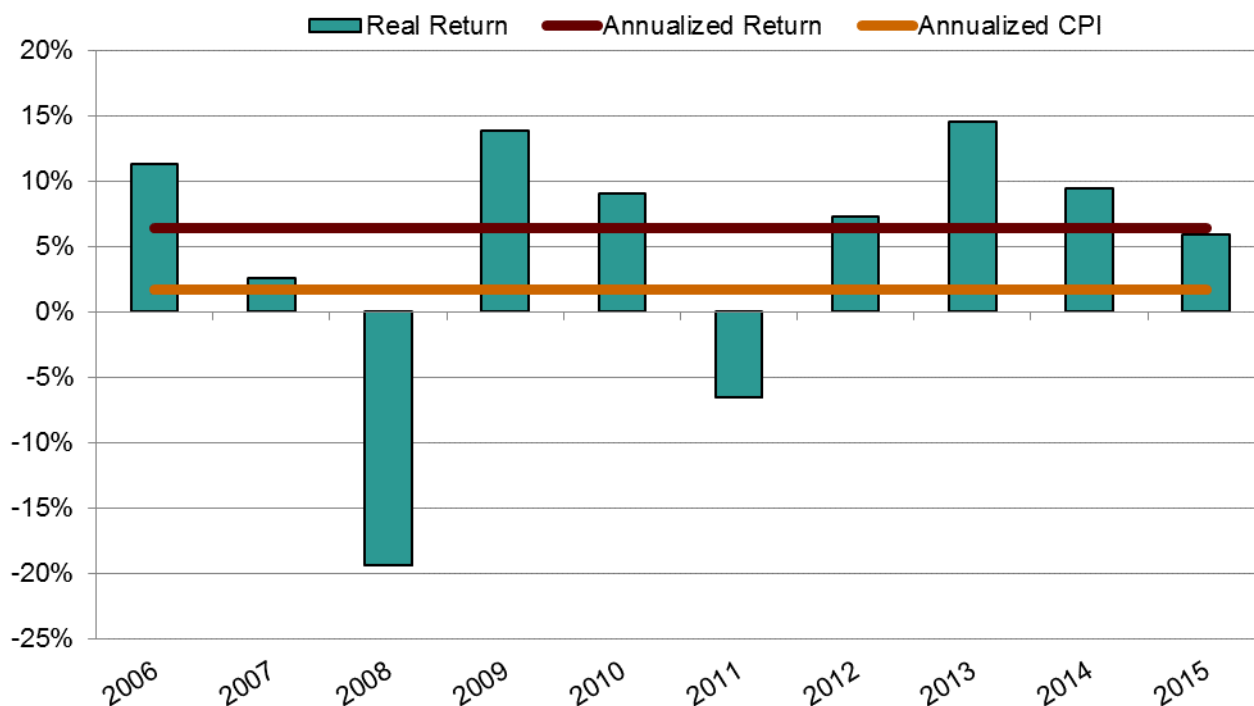
## Historical Total Returns

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

Year	Annual Rate Of Return		
	Nominal Return	CPI	Real Return
2015	7.50%	1.60%	5.90%
2014	10.98%	1.50%	9.48%
2013	15.80%	1.20%	14.60%
2012	8.10%	0.80%	7.30%
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%

- (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



## Pension Plan Expenses

Description	2015 (\$ Thousands)	2014 (\$ Thousands)
<b>Administrative Expenses Paid by the City of Regina</b>	<b>159</b>	<b>118</b>
<b>Administrative Expenses Paid by the Plan:</b>		
<b>Custodial Services:</b>		
CIBC Mellon	3	2
<b>Investment Manager Fees:</b>		
Greystone Managed Investments	-	53
TD Asset Management	4	-
QV Investors	7	-
Franklin Templeton Institutional	26	-
	<b>37</b>	<b>53</b>
<b>Administrative Services:</b>		
BMO Group Retirement Services	14	13
<b>Total for the Plan:</b>	<b>213</b>	<b>186</b>

## INDEPENDENT AUDITORS' 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 statement of financial position as at December 31, 2015 and the statement of changes in net assets available for benefits for the year then ended, and notes, comprising 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 audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our 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, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, 2015, and the changes in its net assets available for benefits for the year then ended in accordance with Canadian accounting standards for pension plans.



Chartered Professional Accountants  
May 31, 2016  
Regina, Canada

# Audited Financial Statements

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## STATEMENT OF FINANCIAL POSITION (dollars in thousands)

As at December 31

	2015	2014
<b>ASSETS</b>		
Investments – Note 4	\$ 11,179	\$ 10,525
Accounts Receivable	16	-
Contributions Receivable		
Members	21	24
Employers	21	24
	<b>11,237</b>	<b>10,573</b>
<b>LIABILITIES</b>		
Accounts Payable	1	3
<b>Net Assets Available for Benefits</b>	<b>\$ 11,236</b>	<b>\$ 10,570</b>

See accompanying notes

APPROVED BY:

  
Board Member

  
Board Member

# Audited Financial Statements

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

For the Year Ended December 31

	2015	2014
<b>INCREASE IN NET ASSETS</b>		
Investment Income	\$ 607	\$ 1,866
Increase in Fair Value of Investments	190	-
Contributions		
Member Contributions	329	308
Employer Contributions	329	308
	<b>1,455</b>	<b>2,482</b>
<b>DECREASE IN NET ASSETS</b>		
Pension Refunds	735	940
Decrease in Fair Value of Investments	-	703
Administration Expenses – Note 7	54	68
	<b>789</b>	<b>1,711</b>
<b>Net Increase for the Year</b>	<b>666</b>	<b>771</b>
<b>Net Assets Available for Benefits, Beginning of Year</b>	<b>10,570</b>	<b>9,799</b>
<b>Net Assets Available for Benefits, End of Year</b>	<b>\$11,236</b>	<b>\$ 10,570</b>

See accompanying notes



**NOTES TO THE FINANCIAL STATEMENTS**

(dollars in thousands)

**For the Year Ended December 31, 2015**

**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

Casual Employee Members contribute of 3% of salary. Elected Officials contribute 6.95% of salary. The employer matches the members' contributions to the Plan.

(b) Benefits

Benefits are received upon retirement, termination, or death by lump sum transfers to an individual's locked in retirement account with another financial institution. Cash payments may be made for non-vested or small benefit amounts.

**2. Basis of Preparation**

(a) Statement of compliance

The financial statements for the year ended December 31, 2015, have been prepared in accordance with Canadian accounting standards for pension plans as outlined in Part IV of the Chartered Professional Accountants Canada (CPA Canada) Handbook section 4600, Pension Plans. For matters not addressed in section 4600, International Financial Reporting Standards (IFRS) guidance has been implemented. These financial statements were authorized and issued by the Plan's Administrative Board on May 31, 2016.

(b) Basis of measurement

The financial statements have been prepared using the historical cost basis except for financial instruments which have been measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Plan's functional currency and are rounded to the nearest thousand unless otherwise noted.

## NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2015

### 3. Summary of Significant Accounting Policies

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.

#### (b) Investments

Investments in pooled funds 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 of the underlying investments.

#### (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) Use of estimates

The preparation of the financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the valuation of investments. Actual results could differ from these estimates and changes in estimates are recorded in the accounting period in which they are determined.

#### (f) Fair Value

Contributions receivable, accounts 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, 2015

### 3. Summary of Significant Accounting Policies (continued)

#### (g) Future Accounting Policy Changes

The relevant new guidance issued by the International Accounting Standards Board not yet adopted by the Plan includes:

- IFRS 9, Financial Instruments. The new standard will replace IAS 39, Financial Instruments: Recognition and Measurement, and includes guidance and de-recognition of financial assets and financial liabilities, impairment and hedge accounting. The new standard will come into effect January 1, 2018, with early application permitted.

Management does not expect any significant impact to the Plan's financial statements upon adopting the new standard.

### 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. The Plan has the following investments:

	2015	2014
Cash	\$ 14	\$ 3
Pooled funds:		
Fixed Income	4,352	4,246
Canadian Equities	2,097	2,030
Global Equities	4,716	4,246
<b>Total Investments</b>	<b>\$ 11,179</b>	<b>\$ 10,525</b>

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.

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.

The Plan may invest in equity securities, and equity substitutes that are convertible into equity securities, which are listed and traded on recognized exchanges, and unlisted equity securities, such as private placement equity, where the investment manager determines the security will become eligible for trading on a recognized exchange within a reasonable and defined timeframe, not to exceed six months, and the issuing company is publicly listed on a recognized exchange.

## NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2015

### 4. Investments (continued)

The Plan may invest in bonds, notes and other debit instruments of Canadian and foreign issuers, mortgage-backed securities guaranteed under the National Housing Act, term deposits and guaranteed investment certificates, and private placements of bonds that are rated by a recognized rating agency.

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.

#### Pooled Funds

The Plan owns units in Canadian and Global pooled equity funds as well as Canadian fixed income pooled funds. These pooled funds have no fixed distribution rate. Fund returns are based on the success of the fund managers.

#### Fair Value of Investments

Fair value is best evidenced by an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available, representing regularly occurring transactions. The determination of fair value requires judgement and is based on market information where available and appropriate. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation.

Level 1 – where quoted prices are readily available from an active market.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the investment, either directly (for example, as prices) or indirectly (for example, derived from prices).

Level 3 – inputs for the investment that are not based on observable market data.

**NOTES TO THE FINANCIAL STATEMENTS**

(dollars in thousands)

For the Year Ended December 31, 2015

**4. Investments (continued)**

Asset Class	2015				Total
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Equity Pooled Funds	\$ -	\$ 6,813	\$ -	\$	6,813
Fixed Income Pooled Funds	-	4,352	-		4,352
Cash	\$ 14	-	-		14
<b>Total Investments</b>	<b>\$ 14</b>	<b>\$ 11,165</b>	<b>\$ -</b>	<b>\$</b>	<b>11,179</b>

Asset Class	2014				Total
	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
Equity Pooled Funds	\$ -	\$ 6,276	\$ -	\$	6,276
Fixed Income Pooled Funds	-	4,246	-		4,246
Cash	\$ 3	-	-		3
<b>Total Investments</b>	<b>\$ 3</b>	<b>\$ 10,522</b>	<b>\$ -</b>	<b>\$</b>	<b>10,525</b>

**5. Capital Management**

The Plan defines its capital as consisting of net assets available for benefits, which consists primarily of investments. Investments are managed to fund future obligations to its members.

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 bonds and equities through pooled fund investments. 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 Policies and Procedures.

# Audited Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

(dollars in thousands)

For the Year Ended December 31, 2015

### 6. Investment Risk Management

Investment risk management relates to the understanding and active management of risks associated with invested assets. Investments are primarily exposed to interest rate volatility, market and credit risk. They may also be subject to liquidity risk. The Plan has set formal policies and procedures that establish an asset mix among equity and fixed income investments; requires diversification of investments within categories; and sets limits on the size of exposure to individual investments. The Board of Trustees approves the Statement of Investment Policies and Procedures which is reviewed annually.

#### 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.

#### 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.

The maximum credit risk to which it is exposed at December 31, 2015 is limited to the carrying value of the financial assets summarized as follows:

<b>Asset Class</b>		<b>2015</b>		<b>2014</b>
Contributions Receivable	\$	58	\$	48
Accounts Receivable		16	\$	-
Cash		14		3
<b>Total</b>	\$	<b>88</b>	\$	<b>51</b>

#### 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. Asset values are affected by equity markets and short-term changes in interest rates. The Plan's investment policy has guidelines on duration and distribution which are designed to mitigate the risk of interest rate volatility.

At December 31, 2015 a 1% increase/decrease in interest rates would result in a \$465 (2014 – \$450) change in the value of the Plan's fixed income portfolio.

**NOTES TO THE FINANCIAL STATEMENTS**

(dollars in thousands)

**For the Year Ended December 31, 2015**

**6. Investment Risk Management (continued)**

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.

**7. Administration Expenses**

<b>Administration Expenses</b>	<b>2015</b>	<b>2014</b>
Administration Expenses paid by the Plan		
Investment Manager Fees	\$ 37	\$ 53
Administrative Services	14	13
Custodial Fees	3	2
<b>Total</b>	<b>\$ 54</b>	<b>\$ 68</b>

**8. Subsequent Event**

Since the Plan's inception, it has been administered by a department of the City of Regina, most recently by the Pension and Disability Administration Department. The Pension and Disability Administration Department administered five plans, the Regina Civic Employees' Superannuation and Benefit Plan, the Regina Civic Employees' Long Term Disability Plan, the Regina Police Pension Plan, the Target Retirement Income Plan for the Regina Police Service and the Casual Employees' Superannuation and Elected Officials' Money Purchase Pension Plan. Effective April 1, 2016 all employees of the Pension and Disability Administration Department transferred to Möbius Benefits Administrators Inc., a joint venture established by all five plans, along with all plan administration responsibilities.