

Council approves balanced 2005 budget

By **CONNIE MUCKLESTONE**

PEO will operate with a balanced operating budget of \$15.9 million in 2005.

A 2 per cent increase over the 2004 budget, the 2005 budget includes no new programs and is premised on no fee increase in 2005. Proposed spending of \$2.1 million was eliminated from staff's first draft budget to achieve the balanced budget presented for approval, Council was told.

In unanimously approving the budget, however, Council directed that the 2005 Ontario Professional Engineers Awards (OPEA) program, which had been among the proposed spending eliminations, be reinstated. To maintain the no deficit position, the CEO/registrar was directed to find \$200,000 in cost savings and offsets from other areas of the budget to fund the event, and to examine new, cost-effective ways to fund the program in 2006 and beyond. Councillors supporting reinstatement of the OPEA noted that its elimination would represent the loss of a significant opportunity to showcase to the public the achievements of the profession and raise awareness of PEO.

Spending on PEO's regulatory processes represents 31 per cent of the 2005 budget, Council was told, with regulatory support comprising 40 per cent. Spending on non-regulatory activities, including the OPEA, Annual General Meeting and Order of Honour, represents 14 per cent, with support to such programs representing 15 per cent.

Council was also presented with a breakdown of 2005 budget expenditures by department: Administrative Services (21 per cent), Policy and Communications (20 per cent), Licensing and Registration (16 per cent), Human Resources (11 per cent), Regulatory Compliance (10 per cent), Information Technology and Governance (both 8 per cent) and Standards and Regulations (6 per cent). The 2005 budgets of the Governance, Regulatory Compliance and Human

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Resources departments are 18 per cent, 8 per cent and 3 per cent, respectively, lower than their 2004 budgets, Council learned. The reduction in the Regulatory Compliance budget is expected to come from a recent switch to the use of a part-time contract lawyer to replace lawyers employed by major law firms. The contract lawyer's hourly rate is less than 50 per cent of the 2004 budgeted rate.

Among the significant commitments included in the 2005 budget are the premium for PEO's directors and officers liability insurance (an increase of 34 per cent over 2004) and the premium for its liability, property, travel accident, errors and omissions, and crime insurance (an increase of 39 per cent over 2004), Council heard.

Financial information presented to Council during the budget debate projected that annual licence fees will account for 74 per cent of the 2005 budget's \$15.9 million in revenue, while revenues from such other sources as advertising income, sponsorships, and investment income are projected to represent 26 per cent of the budgeted revenue.

Council also approved a 2005 capital budget of \$544,400, much of it for enhancements to PEO's information systems hardware and software. The originally proposed budget of \$462,400 was increased by \$82,000 during the discussion to enable expanded public availability of selected member information via PEO's website (see item on next page) and to assist chapters in complying with PEO's privacy policy.

Change to s.39 of By-law No. 1

After a lengthy debate, Council almost unanimously approved an amendment to section 39 of By-law No. 1, which concerns the amount of the annual P.Eng. licence fee. Under the current section 39, which members approved in 1993, the

annual licence fee is set at \$120, an amount that Council may increase by up to \$15 annually to a maximum \$200. In 2004, Council approved an increase of \$10 to reach the \$200 annual licence fee. The approved 2005 budget is based on the fee remaining at \$200 for the year.

The approved amendment to section 39 sets the licence fee at \$200 and enables Council to increase the fee from time to time. In discussing the case for the amendment, called "the only responsible approach to self governance" by one Councillor, Councillors noted the need for flexibility in setting fees so that PEO can fulfill its regulatory mandate, even when faced with significant expenditure increases over which it has little or no control. Significant expenditures to establish and implement a privacy policy so that PEO may be exempted from the federal privacy legislation was cited as an illustration of the need for flexibility, since PEO's status as an investigative body is central to its complaints, discipline and enforcement activities. Similarly, a significant increase in the number of international engineering graduates seeking licensure has increased the overall cost of PEO's licensing function.

In addition, it was noted, enhanced services to members, such as online fee payment and online address changes, come with increased cost to PEO, but answer a membership request. In the long term, it was noted, information collected via new cost tracking and financial reporting systems implemented in 2004 will enable PEO to understand the true cost of its activities, and enable it to adjust its "miscellaneous" fees. Delineated in Regulation 941, these fees can only be adjusted by the government and were last increased over 10 years ago. Fees for P.Eng. licensing activities (application, exams, registration) and non-P.Eng. licences and designations are included in these miscellaneous fees.

Under section 8 of the *Professional Engineers Act*, approved amendments to PEO's by-law are not effective until confirmed by members in a mail ballot. In approving the amendment to section 39, Council did not opt for an immediate referendum of members to make it effective. Instead, Council will consider the question and timing for a referendum at its January 20, 21, 2005 meeting.

Expanded public information

Having approved in September the principle of making more member information publicly available, Council considered and approved in November the specific types of information it will eventually collect and disclose.

Under the approved model, some information PEO collects will be available only in response to a request from a member of the public, while other information of broad public interest will be available from the PEO website. Information in the latter cat-

egory includes a licence holder's name, gender, membership number, date of registration, licence type, non-practising status, licence status, employer's name, work address (including fax number, but not including telephone number or email address), degree(s), discipline of degree(s), granting institution(s) and year of graduation, Certificate of Authorization number, PEO specializations and designations, competencies, continuing education, area of practice, PEO awards received, findings of guilt for professional misconduct, and licence suspensions or revocations. Some of the approved information is not currently collected by PEO, it was noted. Information relating particularly to Certificates of Authorization, Consulting Engineer designations, engineer interns, and participants in the Student Membership Program was also included in the list of data to be available via the website.

PEO's IT department estimated the cost of implementing the expanded pub-

lic information model at \$74,000, comprising \$70,000 for web-based software and \$4,000 for a contractor to migrate data.

Order of Honour

Council approved a recommendation of the Professional Engineers Awards Committee that 12 P.Engs be inducted into the Professional Engineers Ontario Order of Honour. The investiture will be at a special ceremony on April 16 in conjunction with PEO's annual general meeting in London, Ontario.

Joining the order in the Officer class will be Gerry Margaritis, FCIC, P.Eng., PhD. Joining as Members will be Carolyn Adams, P.Eng., Tony Cecutti, P.Eng., Judith Dimitriu, P.Eng., Nick Gurevich, P.Eng., Charles Kidd, P.Eng., Michael Mastronardi, P.Eng., M. Clare Morris, P.Eng., David Richards, P.Eng., Denise Spadotto, P.Eng., John Turner, P.Eng., and Richard Weldon, P.Eng. ◆