

Council opts to increase fees, operating reserve

BY JOAN BAILEY

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In an effort to begin restoring PEO's operating reserves, Council approved a 2004 operating budget that includes a \$10 fee increase. In recommending the draft budget for approval, the Finance Committee noted that PEO is currently operating with reserves of less than 50 per cent of its annual operating costs. Council's approved operating reserve policy calls for reserves to be maintained at between 50 per cent and 100 per cent of annual costs.

Discussing the several balanced budget scenarios presented for Council consideration, Councillor-at-Large Roydon Fraser, P.Eng., wondered whether the Finance Committee had thought about strategies for increasing revenues "that aren't on the backs of members." His concern was echoed by LGA Councillor Ravi Gupta, P.Eng., who reminded Council that members at PEO's 2003 Annual General Meeting had expressed the view that once PEO is no longer transferring cash to the Ontario Society of Professional Engineers (the Society), their annual licence fee should decrease.

President-elect George Comrie, P.Eng., said that the idea that fees would decrease is not realistic, in his view, but that "there is clearly a need to justify to members that our costs have legitimately gone up." He added that members are also interested in restoring PEO's operating reserve, which a fee increase will do.

Eastern Region Councillor Colin Cantlie, P.Eng., said: "In a fiduciary sense, I feel compelled to support fee increases...but from an optics sense, I am very concerned about raising fees." Cantlie said that PEO must demonstrate for members that their fees are producing outcomes of value to the profession.

In defence of a fee increase, Vice President Allen Lucas, P.Eng., said that, in his opinion, there are programs and projects that have been deferred to balance the budget or minimize the need for a fee increase for which Council should

consider reinstating the spending. Similarly, Past President Dick Braddock, P.Eng., said that he also supports the fee increase; not to do so, he said, would be to go against Council's already approved policy on maintaining the operating reserve at a particular percentage of the annual operating cost.

Other Councillors also expressed concern about some of the proposals for budget cuts. Northern Region Councillor Seimer Tsang, P.Eng., for example, was concerned about a proposed \$40,000 decrease to the Student Membership Program (SMP) budget. "Students are the future," he said, and if PEO cuts their services, "they will feel betrayed." He suggested cutting expenses in the area of administration in order to top up the SMP budget. Proposed cuts to the Engineering Intern Training (EIT) program were also questioned, as was the value PEO gets for the legal fees it pays. While it was suggested that legal fees might be reduced by having appropriate legal expertise on staff, it was also acknowledged that the variety of PEO's legal needs would make it difficult for a single staffer to have a broad enough legal background to significantly reduce this expense.

As Councillors were unable to reach consensus on spending priorities or wanted proposals revisited, they created a "parking lot" of budget proposals to revisit at Council's next meeting. This enabled Council to approve the majority of the budget, subject to any adjustments later for "parking lot" items.

Outside of the budget discussion, Council approved a request from the Society's Women in Engineering Advisory Committee (WEAC) that PEO fund the Future Engineers Initiative

(FEI) in 2004. The FEI is a former PEO program transferred to the Society in which WEAC administers a \$20,000 fund to make grants to programs aimed at attracting young people into engineering. Grant requests are solicited through a Request for Proposal process. Although some Councillors questioned the wisdom of such an expenditure in a tight budget year and others wondered about whether PEO continuing to fund transferred programs didn't make worse the confusion about the roles of PEO and the Society, others felt that the FEI, in particular, provides "bang for the buck" for PEO, in terms of increasing awareness of the association, and attracting young people into the profession. It was suggested, however, that PEO's Education Committee might look into administering the program in the future if it became impossible for the Society to maintain it.

Privacy

Council ratified a PEO Privacy Policy, and the appointment of CEO/Registrar Kim Allen, P.Eng., as PEO's Chief Privacy Officer, along with a \$125,000 budget to bring PEO into compliance with the Personal Information Protection and Electronic Documents Act (PIPEDA).

PEO's policy incorporates the provisions of Part 1 of PIPEDA and includes the 10 principles of the Canadian Standards Association (CSA) *Model Policy for the Protection of Personal Information*. Based on the experience of the CSA, staff reported, it is expected to take about nine months to put PEO's action plan for PIPEDA compliance in place (see "Meeting the challenges of privacy protection," *Engineering Dimensions*, January/ February 2004, pp. 14, 17.)

As of January 1, 2004, PIPEDA applied to the collection, use and disclosure of personal information in the course of any commercial activity within Canada, unless substantially similar provincial legislation is in effect. As late as July 2003, Registrar Allen noted, it had appeared that an Ontario act would be in place to supersede PIPEDA. PEO was a member of a coalition of regulatory bodies that had been commenting to the government on the proposed provincial legislation.

Having approved and published a privacy policy and appointed a privacy officer, PEO's next steps include auditing the information PEO keeps in order to make recommendations to Council on the detailed policies and procedures to ensure the security or destruction of this information, and the methods by which PEO will obtain the consent of its licensees and applicants for its use or disclosure. Since January 1, 2004, PEO no longer discloses personal information to third parties without an individual's consent.

Chapters' role recognized

With approval of a motion put by Councillors Nick Monsour, P.Eng., and Phil Maka, P.Eng., PEO has officially recognized

the role of chapters as a vehicle to help PEO "deliver on the strategic objectives and additional objects as prescribed in the *Professional Engineers Act*."

"This motion is important for optics as well as substance, since there is almost nothing in the legislation that recognizes the role of chapters," said Colin Cantlie. Regional Councillors Committee (RCC) Chair Allen Lucas said the motion was aimed at "solidifying that chapters are a vehicle of PEO. The task of the RCC is now to align the chapters with PEO's strategy." Toward that end, Council directed the RCC to "clearly define the roles and responsibilities of the chapters based on the principles of the START reports." The RCC's work is due by PEO's April 2004 annual general meeting.

Council also received for future discussion the report of the PEO/Society Province-wide Participation Working Group on *Discussions on the Working Relationship Between the Ontario Society of Professional Engineers and PEO Chapters*. The report recommends that PEO maintain its current chapter structure until at least 2005 while the chapters are reinvigorated through the START programs, PEO's Governance Task Force completes its restructuring of PEO's governance model, and the Society strengthens its ability to sustain a local presence. The report also recommends that communications and coordination between PEO and the Society be improved, while awareness of the differences between the two organizations is increased. The report also suggests that both organizations consider whether there is a chapter model that could serve both organizations after 2005, perhaps facilitated by the adoption of common regional boundaries.

Governance

Council approved a PEO Committees and Task Forces Policy, as recommended by the Governance Task Force (GTF). The policy is designed to provide a framework for improving the efficiency of committee operations and for making more effective use of volunteer resources. It defines such areas as committee types, responsibilities of committee chairs, expectations of committee members, terms of office, terms of reference, and meeting protocols. Council will review the policy again by June 30, 2004.

Council also approved a consultation process for reviewing committee terms of reference. The process has been designed to facilitate the involvement of committee members in developing terms of reference and the alignment of each committee's function with the accountabilities of the body to which it is responsible. A proposal to align the committee operating year with PEO's fiscal year was also approved by Council.

Council subsequently stood down the Advisory Committee on Salaries, Annual Conference Committee, Fee Schedule Committee, National Representatives Committee, and Reconsideration Committee, either because the committees were no longer functioning, had mandates deemed inappropriate for a regulatory body, or related to transferred programs. ❧



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