

## COUNCIL APPROVES IMPLEMENTATION OF NEW PEAK PROGRAM

By Nicole Axworthy

### 509TH MEETING, NOVEMBER 17, 18, 2016

At its November meeting, council received a report with recommendations from the Continuing Professional Competence Program Task Force, and approved implementation of the newly renamed Practice Evaluation and Knowledge (PEAK) program beginning March 31, 2017. Council directed the task force to provide its recommended constraints and guiding principles at the February council meeting to finalize the report.

The PEAK program was developed following in-depth research by two PEO task forces and significant consultation with licence holders, including two focus groups and seven town hall meetings held across the province from September to November 2015. The program is designed to provide an accurate regulatory profile of both practising and non-practising PEO licence holders and consists of three main elements:

1. an online practice evaluation questionnaire;
2. a continuing knowledge declaration (for practising licence holders only); and
3. an online ethics module.

As of March 31, 2017, licence renewal notices to all licence holders will contain a request encouraging participation in the program. Until the official launch of the program, the beta version of the practice evaluation questionnaire will continue to be available to licence holders for testing via PEO's member portal.

After a one-year trial, PEO's registrar is expected to provide a report to council at its June 2018 meeting with data showing the participation rates and other analysis, and provide recommendations to council on next steps.

Further information on the PEAK program, including a detailed FAQ section, is available at [www.peopeak.ca](http://www.peopeak.ca).

### BUDGETS APPROVED

Council has approved the 2017 operating and capital budgets, as recommended by the Finance Committee. Both budgets are balanced and meet council's reserve requirements.

In the draft operating budget, total revenues are budgeted at \$26 million and total expenses at \$25.5 million, leaving a surplus of \$507,000 for the year. The forecasted revenue represents an increase of \$1.2 million or 4.9 per cent over the 2016 forecasted revenue, which is mainly due to:

- an increase in PEO headquarters revenues of \$482,000 due to leasing in 2017 of vacant space on the fourth and eighth floors;
- an increase in application, registration, exam and other fees of \$422,000 due to an increase in exams written, and Certificate of Authorization applications and registrations; and
- an increase in P.Eng. revenue dues of \$264,000 due to a natural growth in P.Eng. membership based on the historical trend.

PEO engineering licence fees for 2017 will remain frozen for the ninth consecutive year, representing a continuing real reduction in the tax on members. For the seventh consecutive year, all other fees will also remain unchanged.

Budgeted expenses for 2017 are expected to increase by \$961,000 or 3.9 per cent over the forecasted 2016 expenses. This increase is due largely to:

- an increase in employee salaries and benefits and retiree and future benefits of \$453,000 due to a projected 3 per cent merit increase in staff salaries and CPI adjustments, and new positions of IT manager and assistant manager of registration;
- an increase of \$120,000 for chapters due to a one-time increase in allotments requested by the Regional Councillors Committee, and a higher travel budget for attendance at meetings;
- an increase of \$113,000 for volunteer business expenses due to higher costs for travel to Thunder Bay for the 2017 annual general meeting and related events, and an increase in costs for meals, mileage, accommodation and travel expenses for attending committee meetings and conferences;
- an increase of \$93,900 in amortization due largely to the completion of phase 1 of the new Aptify database in early 2016; and
- an increase of \$83,600 in purchased services due largely to higher costs for event meals and related expenses for the 2017 annual general meeting in Thunder Bay, higher costs for marking and setting exams, higher costs for producing and printing *Engineering Dimensions*, and costs for a planned policy development survey.

The increased expenses will be partially offset by reductions of:

- \$60,500 in consultants due to the conclusion of the Aptify membership database project;
- \$54,700 in contract staff since no contractors are expected to be hired in 2017; and
- \$16,900 in legal costs due to a decrease in requirements for independent legal counsel for complaint reviews, lower expenses for hearing-related activities, and the elimination of costs for investigations related to the repeal of the industrial exception.

The capital budget for 2017 is \$2.47 million, which comprises capital improvements to PEO headquarters (\$1.38 million), information technology (IT) (\$1.05 million) and facilities (\$20,000). Capital improvements planned for 40 Sheppard include elevator upgrades, replacement of insulated glazing units of exterior windows, heat pump replacement, painting, and leasehold improvements for potential tenants. Significant IT expenditures for the year include building

an online licensing system, upgrading the PEO website, upgrading the internal facing Intranet, Aptify enhancements and various hardware upgrades. The planned facilities expenditure for 2017 includes purchasing needed office furniture.

#### **BORROWING RESOLUTION**

Council carried a motion to renew PEO's borrowing policy, which includes an operating line of credit and corporate credit cards with Scotiabank, until January 31, 2018. Council approved an operating overdraft for an amount not to exceed \$250,000, and use of corporate credit cards with an aggregate limit not to exceed \$120,000. Council was told PEO has an adequate cash flow to meet its business requirements on a regular basis, and the overdraft facility is only for contingency purposes. Corporate credit cards provide convenience to senior volunteers and staff for PEO-related business expenditures, and the credit card balances are paid off every month.

#### **REVISED INVESTMENT POLICIES**

Council has approved revised investment policies for the assets in PEO's operating reserve fund and registered employee pension plan to incorporate suggestions from PEO's investment managers to modify the asset mix of both policies in order to assist PEO in achieving its risk and return objectives.

These investment portfolios are separate funds that are managed in accordance with their individual mandates. PEO has not reviewed or updated the investment policies for both of these funds since 2009. An Investment Subcommittee was created in 2015 to assess the performance of these funds and, after extensive discussions, decided these modifications were needed.

#### **NEW AND REVISED GUIDELINES**

Council has approved a practice guideline for professional engineers who are performing structural condition assessments of existing buildings. The guideline, *Structural Condition Assessments of Existing Buildings and Designated Structures*, developed by PEO's Professional Standards Committee (PSC), provides professional engineers with best practices for conducting their work, with special emphasis on their duties to their employers, clients and the public. Its purpose is to define the professional and technical requirements imposed on practitioners who perform this type of work.

The PSC has been authorized by council to form an Environmental Site Assessment, Remediation and Management Subcommittee, as well as a Professional Engineers Providing Reports on Mineral Projects Subcommittee, to review and revise the existing relevant guidelines to better

reflect current best practices, and consider changes to legislation affecting industry and professional engineering. The current guideline *Professional Engineers Providing Services in Environmental Site Assessment, Remediation and Management* was published in 1996, and the guideline *Professional Engineers Providing Reports on Mineral Properties* was published in 2002. In the intervening years, there have been numerous changes to the technical guidelines and standards that affect both environmental site assessment and remediation, and the exploration and mining industry.

Council also approved the formation of a Coordinating Licensed Professional Joint Subcommittee to prepare a joint practice guideline with the Ontario Association of Architects (OAA) that would be endorsed by both PEO and the OAA. Coordinating licensed professionals will coordinate the design work of architects and engineers for buildings required to be designed by an architect, an engineer, or both as per the *Professional Engineers Act*, the *Architects Act* and the Ontario Building Code. At its June 2014 meeting, PEO council supported in principle that a professional coordinator be mandated in the Ontario Building Code (see In Council, *Engineering Dimensions*, July/August 2014, p. 39).

The joint subcommittee will be comprised of three architects and three engineers engaged in the practice of coordinating design work of architects and engineering in building projects, and the subcommittee is expected to complete a draft joint practice guideline and present it to PEO's PSC and OAA Practice Committee no later than December 2017. The joint committee will also develop an accompanying performance standard once the Ministry of Municipal Affairs and Housing announces changes to the *Building Code Act*.

During the development of these new and revised guidelines, PEO staff and subcommittee members will consult with practitioners and stakeholders, and when the draft documents are complete they will be posted to the PEO website for public consultation. **e**