



**Professional Engineers**  
Ontario

**Questions and Answers on PEO Operations**  
as at April 7, 2014

Prepared for the Annual General Meeting  
April 26, 2014  
Niagara Fallsview Casino Resort, Niagara Falls

Published by  
Association of Professional Engineers of Ontario

## Introduction

Professional Engineers Ontario (PEO) developed the booklet, *Questions and Answers on PEO Operations*, to help members and others better understand PEO operations. Information in this document was prepared based on input from PEO staff, Engineers Canada, the Ontario Society of Professional Engineers, PEO Council, and the Audit and Finance committees.

The figures in this document are based on the audited financial statements for 2013. The audited statements show the association's financial position as of December 31, 2013. The audited statements have been reviewed by an independent external auditor. In its audit opinion, the auditor stated the association's financial statements are free of material errors and are in accordance with generally accepted accounting principles.

It is hoped this document provides members the necessary information to make informed decisions on PEO's future directions.

Should you have further questions or feedback, please email [webmaster@peo.on.ca](mailto:webmaster@peo.on.ca). Look for periodic updates to *Questions and Answers on PEO Operations* on PEO's website ([www.peo.on.ca](http://www.peo.on.ca)).

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## 1. 2013 Financial Statements

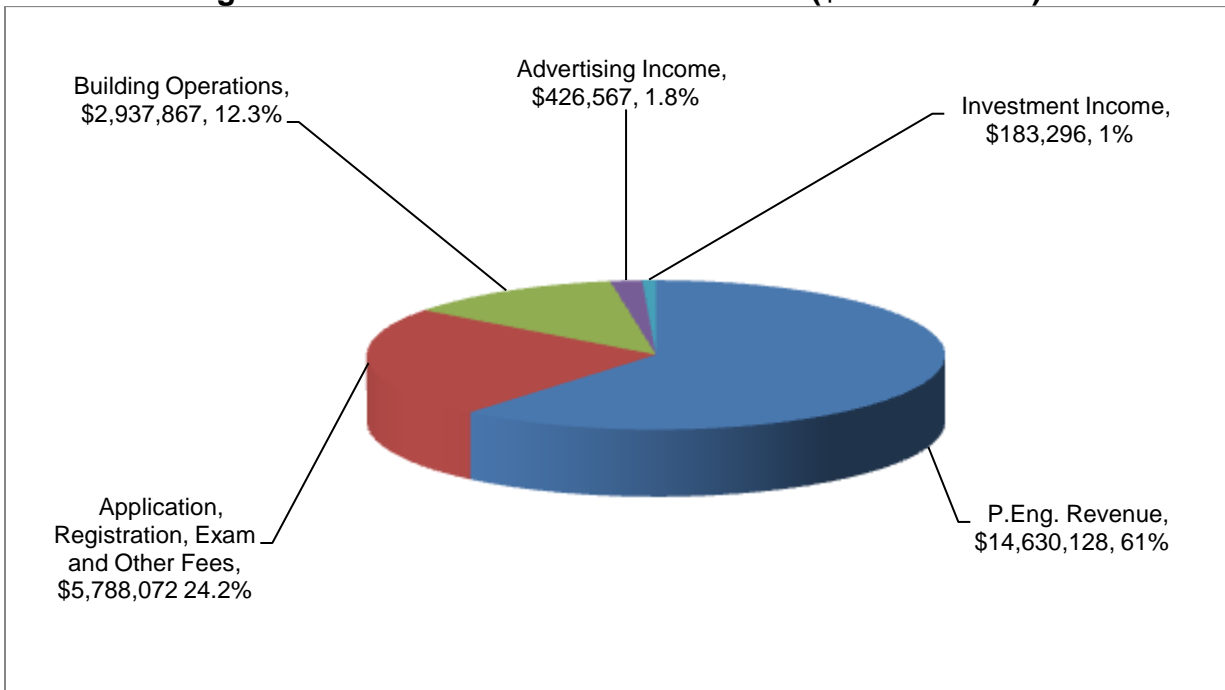
### 1.1 Revenue and Expenditures

#### 1.1.1 Revenue increased by 3.2 per cent in 2013 over the previous year. What accounted for the increase?

The total revenue in 2013 was \$23.97 million compared to \$22.23 million in 2012. The major sources of increase in revenue were:

- ◆ an increase in application, registration, exam and other fees of \$335,869 or 6.2 per cent;
- ◆ an increase in membership fee revenue of \$262,730 or 1.8 per cent;
- ◆ an increase of \$89,846 or 3.2 per cent from building operations;
- ◆ an increase in investment income of \$68,943 or 60.3 per cent;
- ◆ the above were partially off-set by a reduction of \$20,591 or 4.6 per cent in advertising income due to poor market conditions.

**Figure 1. 2013 PEO Revenue Breakdown (\$23.97 million)**



#### 1.1.2 In 2013 PEO experienced an increase of \$1.59 million in its net assets in comparison to 2012. What factors contributed to the increase?

In 2013, the net asset balance was \$17.21 million compared to \$15.62 million in 2012. The increase was largely due to an increase in net income and no write-offs in 2013.

#### 1.1.3 What areas in PEO's operation experienced savings as compared to the previous year? What accounted for the decreased cost as compared to the previous year?

- ◆ **Postage and courier.** A decrease of \$186,832 or 34.3 per cent, due to lower postage expenses for *Engineering Dimensions* and the Council elections, and lower postage costs for mailing invoices, receipts and other correspondence, due to a greater emphasis on emailing documents; paper receipts were mailed only to retired members and full fee members were asked to generate receipts online.

- ◆ **Purchased services.** A decrease of \$110,118 or 9.4 per cent, mainly due to lower expenses for producing *Engineering Dimensions* (lower printing costs, cost for graphic design); Council elections; wallet licences (for 2013, only e-cards issued); Council meetings (lower costs for AV rentals, catering, etc.); Order of Honour Gala (lower costs for entertainment, AV rentals, video production).
- ◆ **Legal (corporate, prosecution and tribunal).** A decrease of \$52,796 or 10.3 per cent, largely due to lower prosecution expenses related to discipline and lower costs for registration and complaints investigations.
- ◆ **Staff business expenses.** A decrease of \$22,024 or 20.5 per cent, due to lower staff expenses for accommodation, meals and mileage across all departments for attending various committee meetings, Council meetings, conferences, etc.
- ◆ **Volunteer business expenses.** A decrease of \$17,022 or 2 per cent, mainly due to lower expenses for mileage, meals, accommodation, air fare/train fare and registration fees, for attendance at various events, such as Council meetings, Regional Councillors Committee meetings, Council workshop, Academic Requirements Committee meetings, Experience Requirements Committee interviews.

#### 1.1.4 PEO's total expenditures for regular operations increased 2.1 per cent, or \$446,030, in 2013 over the previous year. What accounted for the increased cost?

The main factors contributing to the increase in costs for PEO operations are:

- ◆ **Staff and retiree expenses.** An increase of \$206,451, or 2 per cent, was due to increase in staff, salaries and benefit payments, severance payments and higher accruals for the non-pension benefits plan.
- ◆ **Contract staff.** An increase of \$174,749, or 52.7 per cent, due to an increase in contract staff for IT support, reception duties and various other tasks related to the expected proclamation of the repeal of the industrial exception.
- ◆ **Consultants.** An increase of \$105,029, or 42.2 per cent, largely due to consultants for IT operations and a communications strategist for Council elections.
- ◆ **Advertising.** An increase of \$86,740, or 77.9 per cent, due to higher costs for registrar and staff recruitment.
- ◆ **Recognition, grants and awards.** An increase of \$57,465, or 44.3 per cent, largely due to various recognition expenses for chapter-related events, sponsorship of National Engineering Month, the Student Membership Program and volunteer recognition-related expenses.

#### 1.1.5 What are the various items included in purchased services?

The main items under purchased services include expenses for *Engineering Dimensions*, including costs for printing (\$98,664), mail preparation, photography (\$15,924), etc.; costs associated with Council elections, which include costs for printing (\$15,724) and the official elections agent (\$110,174); costs for professional practice exam setting, invigilation and marking (\$99,725); costs for technical exam setting, invigilation and marking (\$160,232); costs for the Engineer-in-Residence program (\$65,000); scanning of records and business data (\$52,381); expenses for meals, audio visual rentals and entertainment for the AGM (\$43,693); freelance administrative services for the chapter regional offices (\$20,482); expenses for meals for the Chapter Leaders Conference (\$22,310); Order of Honour ceremony and related expenses (\$42,018); and costs for professional engineer seals (\$19,681). In addition, there were several other expenses for such services as surveys, catering, flowers, freelance photography, trainers or facilitators, rental of audio visual equipment and technical services.

**1.1.6 What is the breakdown of the costs for consultants?**

The costs for consultants in 2013 were \$353,962 (compared to \$248,933 in 2012). These costs include expenses for a government relations consultant (\$96,480); various consultants for IT systems operations and maintenance (\$109,777); management consultants for the Executive office (\$15,498); Council elections communication strategist (\$20,078); the auditor (\$40,383); pension management consultant (\$18,194); PEO's portfolio investment manager (\$13,656); government public relations consultant hired (per Council directive) to assist with the repeal of the industrial exception (\$31,992) and a consultant for the Equity and Diversity Committee (\$7,904).

**1.1.7 What was the revenue foregone by way of the EIT Financial Credit Program and the increase in the number of EITs?**

The revenue foregone by way of the Financial Credit Program was \$573,600 (compared to \$438,000 in 2012). The number of EITs (engineering interns) as of December 31, 2013 was 10,719 (compared to 8,510 in 2012).

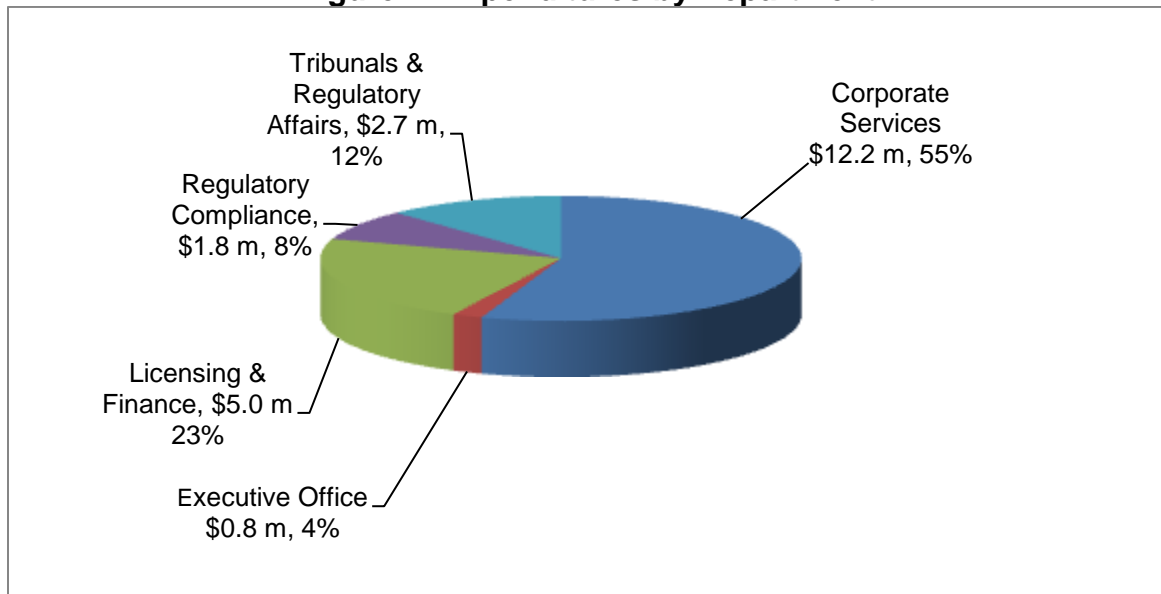
**1.1.8 What were the expenses for tribunal operations?**

The expenses for operating PEO's tribunals, which included fees for independent legal counsel, court reporters, etc., were \$116,714 compared to \$187,121 in 2012.

**1.1.9 What are the 2013 figures for department expenditures?**

Figure 2 illustrates the 2013 department expenditures.

**Figure 2. Expenditures by Department**



**1.1.10 I hear that chapter funding was decreased in 2013. Is this correct? What are the reasons?**

No, this is not correct. Chapter funding was not slashed. Chapter budgetary allotments were the same in 2013 and 2012 at \$400,000.

**1.1.11 How much did it cost PEO in 2013 to fund its chapters?**

During the year, PEO paid chapter expenses totaling \$610,795 (compared to \$590,794 in 2012), including \$392,945 in allotments (compared to \$388,540 in 2012) and other disbursements to individual chapters. In addition, the association incurred additional costs of \$525,924 (compared to \$487,167 in

2012) related to chapter operations, including staff salaries and benefits and various other support activities.

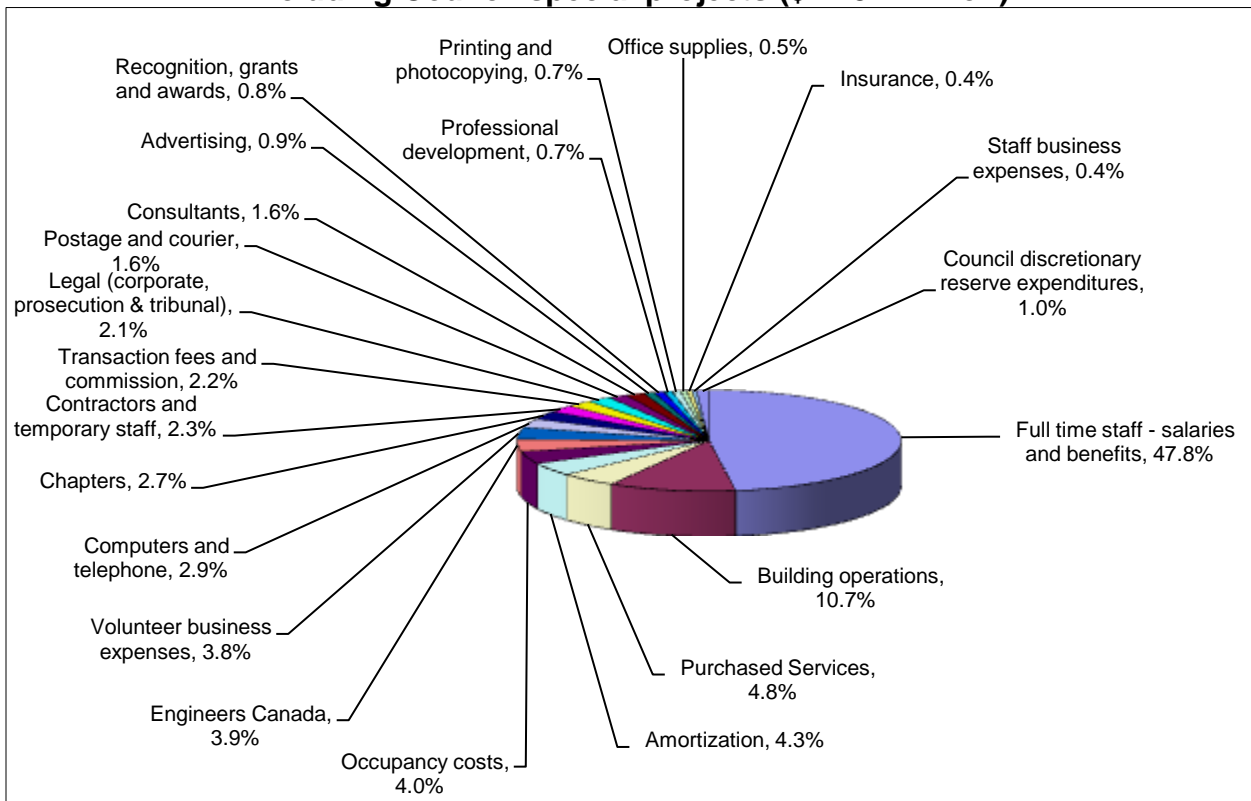
**1.1.12 How does PEO manage its expenditures?**

Please see the answer to Question 1.3.2.

**1.1.13 How is my annual PEO licence fee spent? Can you give me a breakdown of PEO’s expenditures?**

The annual licence fee is only one component, or 61 per cent, of PEO’s total revenue. The breakdown of PEO’s revenues is illustrated in Figure 1. In addition to annual fees, PEO also receives revenues from application, registration, examination and other fees, which constitute 24.1 per cent of total revenue. Revenue from building operations was 12.3 per cent of the total 2013 revenue. Advertising and investment income were 1.8 per cent and 0.8 per cent, respectively, of total revenue in 2013. Figure 3 illustrates the areas in which the annual licence fee is spent.

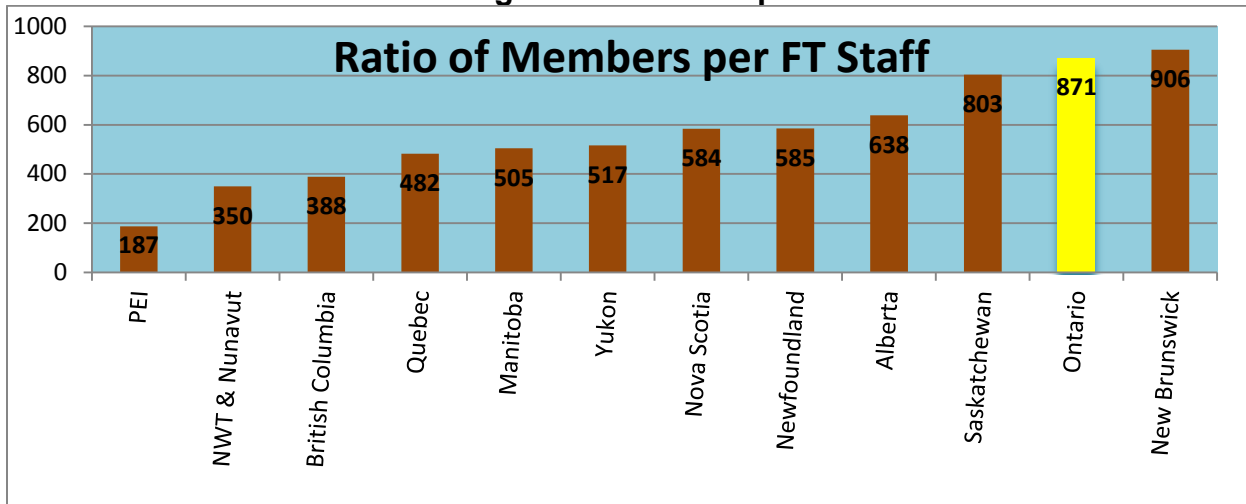
**Figure 3. 2013 PEO expenditures for operations, including Council special projects (\$22.37 million)**



Web research was conducted to benchmark staffing of other self-regulatory organizations, including other engineering associations in Canada. The key performance indicator or metric, “members per staff”, used to measure organizational efficiency is defined as the average number of licence holders per staff member. A higher value of this metric indicates greater organizational efficiency. The effect of volunteers is not considered in this metric, as volunteers are not compensated for their services.

As can be seen from Figure 4, PEO has approx 871 members for each staff member, placing it at the top of the benchmarked associations. This suggests that PEO’s current staffing levels are very competitive.

**Figure 4. Members per staff**



## 1.2 Net Assets

The current operating reserve policy was developed in 2004 to ensure that the association's operations are managed conservatively and that PEO always has an adequate buffer for unexpected contingencies. The operating reserve targets are annually updated and approved by Council on recommendations from the Finance Committee.

Since the purchase of the building in 2009, the operating reserve has been fully restricted to the building. In 2012, the Finance Committee decided to develop a minimum cash balance policy. At this time, the operating reserve was renamed net assets as is consistent with the terminology used by most not-for-profit organizations. Since 2012, PEO's net assets have included the investment in capital assets of \$25.37 million (capital assets of \$36.47 million less the current and long-term portion of the building mortgage of \$11.10 million)

The minimum cash balance policy is monies set aside for financing cash flow uncertainties due to unexpected emergencies or such unplanned events as economic volatility, leading to unexpected declines in P.Eng. membership; tenant credit issues, leading to a reduction in rental revenues; and other unusual or unexpected spending requirements. Its main purpose is to ensure PEO can sustain its operations in the event of unusual or unexpected occurrences.

After a review of PEO's operations and using a risk assessment approach, the minimum cash balance was set at \$4.5 million. It represents approximately 2.5 months of operating expenses and is higher than the requirement of \$3.5 million set in the operating reserve policy approved by Council in December 2011. The current cash balance (cash and marketable securities) as of December 31, 2013 is \$8.4 million—well above the \$4.5 million requirement indicated in the cash balance policy.

### 1.2.1 What is the purpose of having a minimum cash balance policy?

A minimum cash balance policy provides the necessary funding capacity to deal with such uncertainties as a decrease in revenue and increased costs. For PEO, the minimum cash balance policy enables it to:

- ◆ survive operating shortfalls caused by economic turbulence or inappropriate financial decisions;
- ◆ enhance PEO's financial flexibility and planning to implement new initiatives, replace outdated assets and/or programs, or satisfy members' needs by expanding certain activities;
- ◆ provide favourable financing for PEO's growth and expansion of its regulatory support activities;



- ◆ fulfill contractual agreements; and
- ◆ fulfill legal requirements.

As stated earlier, since PEO's operating reserve is currently fully tied into the building, a minimum cash balance policy was approved by Council in November 2012. This minimum cash balance serves the same purpose as an operating reserve insofar as ensuring an adequacy of funds to sustain day-to-day operations.

### **1.2.2 Why does PEO need a minimum cash balance policy?**

PEO needs a minimum cash balance to ensure it can sustain its operations in the event of unexpected occurrences. The policy provides an effective planning and control mechanism for its business planning and budgeting process. To reflect the changing needs of PEO's regulatory activities, operating reserve requirements are updated on an annual basis by Council. This is done to ensure financial flexibility to help in implementing new initiatives, replacing outdated assets and/or programs, or satisfying members' needs by expanding certain activities to ensure that all programs that assist PEO in discharging its regulatory mandate are adequately funded.

### **1.2.3 Does PEO review its minimum cash balance policy on an ongoing basis?**

The minimum cash balance is monitored on an ongoing basis by the Finance Committee and is formally reported to Council by the Finance Committee once every year. It is an integral part of the planning and budgeting process. The policy requires an ongoing dynamic assessment of the components of the required amount to reflect new circumstances and future needs.

### **1.2.4 What was the spending on Council special projects in 2013?**

For 2013, the net expenditures for the projects approved by Council amounted to \$233,912. This figure includes \$189,768 for the Elliot Lake Commission of Inquiry expenses; \$30,381 for costs associated with the Experienced Practitioners Task Force; \$9,613 for the Emerging Disciplines Task Force; \$6,754 for the Overlapping Practices Committee; \$5,865 for the Building Development Committee; \$2,382 for the National Framework Task Force; and \$1,555 for the Licensure Process Task Force, which were offset by an expense of \$12,406 for cost recovery related to a prior year insurance claim.

## **1.3 Internal Controls**

An internal control system is a set of internal accounting control procedures and policies that provide reasonable assurances PEO can achieve its objectives. The system helps PEO make maximum use of its financial resources and assures PEO operating expenditures are controlled completely, reliably, and relevantly.

The ultimate responsibility for internal control rests with Council and management in its role of planning, controlling and decision making. The Audit Committee is responsible for overseeing management's efforts to create a strong control environment. The Audit Committee periodically asks the auditors to conduct a more detailed review or cycle audit to ensure appropriate controls are in place.

### **1.3.1 What is PEO's internal control system?**

PEO has established an internal control system for its expenditures and purchase of goods and services on a value basis, to strengthen Council and members' confidence that PEO's financial resources are being used effectively and according to sound and consistent procedures.

PEO's internal control system includes:

1. Banking Policy;
2. Expenditure Approval Authority Policy;
3. Extraordinary Expenditures Policy;

4. Expense Report Policy;
5. Procurement Policy;
6. Investment Policy;
7. Minimum Cash Balance Requirement Policy.

The policies help PEO establish appropriate authority, responsibilities and accountabilities as the key components of its internal control mechanism for entering into contracts and for spending money in accordance with the approved budget and with the *Professional Engineers Act*, Regulation 941/90, By-Law No.1 and other policies and procedures.

### **1.3.2 Do the auditors review and test the internal control system?**

The auditors obtain an understanding of the internal controls relevant to their audit; however, not all controls are relevant to every audit. The auditors evaluate the design of these controls and determine whether they are implemented. The auditors, however, are not required in an audit to determine whether all relevant controls are operating effectively.

### **1.3.3 How does PEO manage its expenditure?**

It is PEO policy that all expenditures must be within the Council-approved budget. Any expenditure related to an activity must be related to an appropriate line item in the approved budget before the expense can be incurred.

PEO management ensures planned departmental expenditures are from an appropriate budgeted line item and do not exceed the approved budget before a purchase order to release funds can be issued or money spent. PEO management regularly reviews their department budgets to ensure the expenses are charged accurately against the appropriate general ledger accounts.

Invoices and transactions for payment of all department or committee budgeted expenses incurred in the conduct of the affairs of the association are reviewed for accuracy and appropriateness by committee staff advisors or management staff of the related department and signed by the appropriate authorities before a payment is made.

PEO finance staff review all expenditures before making payments. The registrar or deputy registrars and the controller authorize the payments from the bank. The president may also review the cheque register from time to time to monitor expenditures. Payments for unapproved expenses are not authorized.

Each department head receives a budget comparative report monthly, detailing variances, for internal control and cost analysis. As well, the Finance Committee reviews variances once every three months and seeks explanations on significant variances. PEO's procurement processes and systems use quality-based selection criteria to acquire goods and services that add value to PEO and to ensure the procurement results in the best value for PEO.

### **1.3.4 What has PEO done to establish checks and balances to control expenditure?**

Please see answers to Questions 1.3.1 and 1.3.3.

### **1.3.5 Does PEO generate and publish financial management reports related to its department operations?**

Financial management reports are issued to the Finance and Audit committees and Council quarterly. Complementary to PEO's financial statements, a summary of management financial reports related to PEO's annual department activities is included in this document.

## 1.4 Human Resource Management and Salaries and Benefits

### 1.4.1 How does PEO strive to achieve efficiency and effectiveness through human resource management?

PEO employs staff and a large contingent of volunteers to conduct its daily regulatory functions, as mandated under the *Professional Engineers Act*, effectively and efficiently. PEO also uses temporary staff, contractors and consultants, in addition to full-time staff and volunteers.

PEO's staffing includes regular full-time staff, contractors and temporary staff, which are defined as:

- ◆ **Regular full time staff** are employees who work a normal work week of 37.5 hours for PEO.
- ◆ **Contractors** are employed by PEO for a set period. Normally, contractors are part of the PEO payroll and will work a normal work week.
- ◆ **Temporary staff** are hired for short-term assignments to replace absent staff (for example, disability, maternity leave, backlog and special projects). Normally, temporary staff are employed by a third-party (agency) for the period of time they are with PEO and will work a normal work week.
- ◆ **Consultants** are hired for a specific project and will invoice PEO for services rendered.

### 1.4.2 I hear that more than 100 people work at PEO. Is this correct?

Table 1 shows both actual and budgeted staffing levels, including temporary and contract positions. As of December 31, 2013, the actual staffing level was 94 regular full-time staff and seven contractors for a total of 101 staff in 2013. The figures approved in the 2013 budget were: 99 full-time staff and five contractors.

**Table 1. Actual and Budgeted Staffing Levels 2010–2014**

Year	Regular full-time staff (number in approved budget)	Actual full-time staff (excludes contract and temporary)	Actual staff salaries and benefits	Actual staff (including contract and temporary)
2010	98	93	\$8,312,157	95
2011	97	94	\$8,733,986	100
2012	99	93	\$9,299,118	99
2013	99	94	\$9,210,339	101
2014	101	-	-	-

### 1.4.3 I understand that PEO utilizes temporary staff, contractors, and consultants in addition to full-time staff. Why?

Like other businesses, PEO utilizes temporary staff, contractors, and consultants in addition to full-time staff and volunteers to conduct its daily regulatory functions, as mandated under the *Professional Engineers Act*, efficiently and effectively. PEO uses such resources as legal and management consultants because of the need to use their expertise to support both regulatory and support activities. It is usually more economical to outsource the services required rather than hire staff on a regular full-time basis. The use of contractors and temporary staff are for short-term assignments and to replace absent staff (for example, disability, maternity leave, backlog and special projects). This strategy offers organizational flexibility, assists PEO to meet its staffing needs, and avoids unnecessary, longer-term staffing costs.

In 2013, PEO used:

- ◆ one contract staff in Corporate Services to complete electronic transfer of corporate records;
- ◆ four contract staff in Licensing and Finance to handle increased workload due to additional applications and the expected proclamation of the repeal of the industrial exception; and

- ♦ consultants for the following projects:
  - to provide pension management data and reports related to employee future benefits,
  - to manage PEO’s pension fund,
  - to manage PEO’s investment portfolio; and
- ♦ one contract staff in Regulatory Compliance to cover a long-term disability leave.

## 1.5 Employee Future Benefits

### 1.5.1 What are employee future benefits?

Employee future benefits are defined in Paragraph 3461.005 of the *Canadian Institute of Chartered Accountants Handbook* as benefits earned by active employees that are expected to be provided to them when they are no longer providing active service, pursuant to the terms of an entity’s undertaking to provide such benefits.

### 1.5.2 What are the components that make up employee future benefits?

PEO’s employee benefits are shown in Table 2.

**Table 2. PEO Employee Benefits**

Employee Future Benefits Components	Offered Benefits
Pension and other retirement benefits (retiree future benefits)	Benefits to employees and their beneficiaries after retirement include: <ul style="list-style-type: none"> <li>• Pension income</li> <li>• Health care and dental care benefits</li> </ul>
Post-employment benefits (while actively employed)	Benefits to the employees include: <ul style="list-style-type: none"> <li>• Short-term disability income benefits</li> </ul>
Compensated absences (while actively employed)	<ul style="list-style-type: none"> <li>• Sick days</li> <li>• Vacation</li> </ul>
Termination benefits	<ul style="list-style-type: none"> <li>• Severance package</li> </ul>

### 1.5.3 Why does PEO have to comply with the accounting rules for calculating benefits cost?

If PEO does not follow the *Canadian Institute of Chartered Accountants Handbook* with respect to employee future benefits, the annual financial statements of the organization would not be prepared in accordance with generally accepted accounting principles. This would force the auditor to provide a reservation in the audit opinion.

## 1.6 Process Improvement and Cost Savings

The Registrar’s Report outlining department-wide expenditures, savings, process improvements and other information on PEO’s financial position may be found on the PEO website at [www.peo.on.ca](http://www.peo.on.ca).

### 1.6.1 What has PEO done to improve its business processes and achieve cost savings in its operations?

Council and management at PEO are aware of the importance of ongoing process improvement.

PEO is committed to ongoing cost efficiency by implementing systems to better understand, track and manage the costs of its activities and processes. As published in the past, PEO’s volunteer leadership and management team have together initiated important measures to control costs and ensure

maximum value received for monies spent. In the June 2012 Council retreat, a presentation was made by staff to Council outlining opportunities that existed to reduce costs and paper by “going electronic”.

A summary of the Council-approved initiatives and status is as follows:

- ◆ **Electronic Engineering Dimensions.** An digital edition of *Engineering Dimensions* has been available to members since 2008, but to reduce costs of postage and paper further, Council decided only the digital edition would be provided to members, unless they opted to receive the printed edition. In late 2012 and early 2013, members were given six months notice (three issues of the magazine) that the digital edition *Engineering Dimensions* would be the default unless they opted to receive the printed edition. Approximately 16,000 members opted back in or did not have an email address on file with PEO. Another 2000 printed copies are made available for promotional or other purposes. Effective with the March/April 2013 edition of *Engineering Dimensions*, the digital edition became the default for all members, although they may opt to switch back to the printed version at any time. Members receiving the printed edition may also opt to switch to the digital edition whenever they like.
- ◆ **Electronic elections.** An initiative undertaken in this area includes providing voting materials electronically to all members who have an email address on file with PEO for the 2013 and 2014 Council elections.
- ◆ **Electronic membership cards and e-receipts.** PEO started issuing membership cards and e-receipts during 2012 electronically. Effective January 1, 2013, the membership card was phased out and replaced with the e-card and e-receipt. With this initiative, members can download their card and receipt at any time from the PEO portal. By implementing this initiative, members no longer have to wait for a membership card each year.
- ◆ **Electronic member correspondence.** Wherever feasible, all communication and correspondence, such as fee reminders and notices of licence approval, renewal and cancellation, are being sent via email.
- ◆ **Electronic funds transfer (EFT).** While EFT has been offered by PEO for the last few years, in 2012, the finance team started a protracted campaign targeting our key vendors and volunteers to sign up for EFT. This initiative has resulted in an increase of over 35 per cent since its inception in the number of vendors/volunteers signing up for this mode of receiving payments. This mode of payment is safe, fast and reduces paper, postage and printing costs.

Other new measures include:

- ◆ Work has commenced on introducing a new licence holder management system (Aptify) at PEO based on a system recently introduced at the Association of Professional Engineers and Geoscientists of Alberta. This new system is expected to streamline applicant interaction with PEO through the resulting online licensing process.
- ◆ The main PEO website that was redesigned in 2012 has been further improved after incorporating additional feedback received from staff and other stakeholders.
- ◆ Meeting efficiency and remote participation were enhanced via the continued use of audio, video and teleconference resources in various meeting rooms.
- ◆ Underlying computer infrastructure for PEO was further optimized and streamlined by eliminating services that were not mission critical or minimally used.
- ◆ Numerous application enhancements and software upgrades were applied to ensure effective support and alignment of PEO business processes and needs.
- ◆ The use of accounts payable stamps for processing invoices instead of regular paper forms was introduced in 2011 and fully functional in 2012. This initiative continues and has successfully helped in reducing annual paper usage by over 6000 sheets each year.
- ◆ Numerous application enhancements and software upgrades were applied to ensure effective support and alignment of PEO business processes and needs.
- ◆ Printing on PEO printers has been defaulted to double-sided printing for the past two years.

- ◆ Conference call technology for committee meetings is being used whenever feasible to reduce volunteer business costs.
- ◆ An application was developed in-house to assist the finance and reception teams in issuing and emailing receipts to members and applicants, resulting in the elimination of over 4000 paper receipts.

**1.6.2 Are we going to continue seeing process improvements and, more specifically, cost savings from PEO in the future?**

As outlined in answer to Question 1.6.1, PEO has implemented several automation initiatives to reduce costs. PEO is committed to ongoing improvement by reviewing business processes to identify and implement cost-effective means of operation.

**2. PEO Business Planning Process**

**2.1 PEO Business Planning**

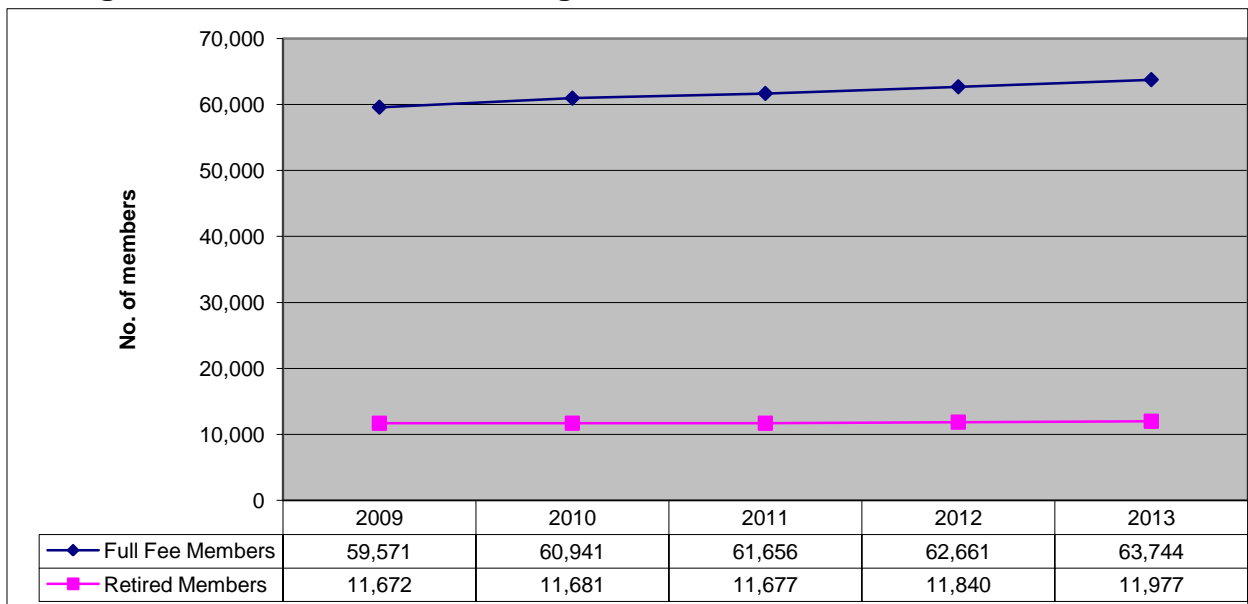
**2.1.1 What is PEO’s financial state, based on the 2013 audited financial statements?**

PEO’s net assets at the end of 2013 were \$17.21 million (compared to \$15.62 million in 2012), representing an increase of \$1.6 million or 10.2 per cent.

**2.1.2 Can you provide historical information about membership growth over the last five years?**

P.Eng. membership has grown by an average of 1.2 per cent year over year in the last five years as shown in Figure 5. The membership growth rate is highly influenced by such factors as economic trends, unemployment, an aging population, number of retirees, immigration and PEO processes for issuing licenses (e.g. improved Experience Requirements Committee interview process). Initiatives like the EIT Financial Credit Program, introduced in 2007, are likely to have a positive impact on membership growth in the years ahead. The initial announcement of the repeal of the industrial exception in 2013 also resulted in an increase in the number of applications received.

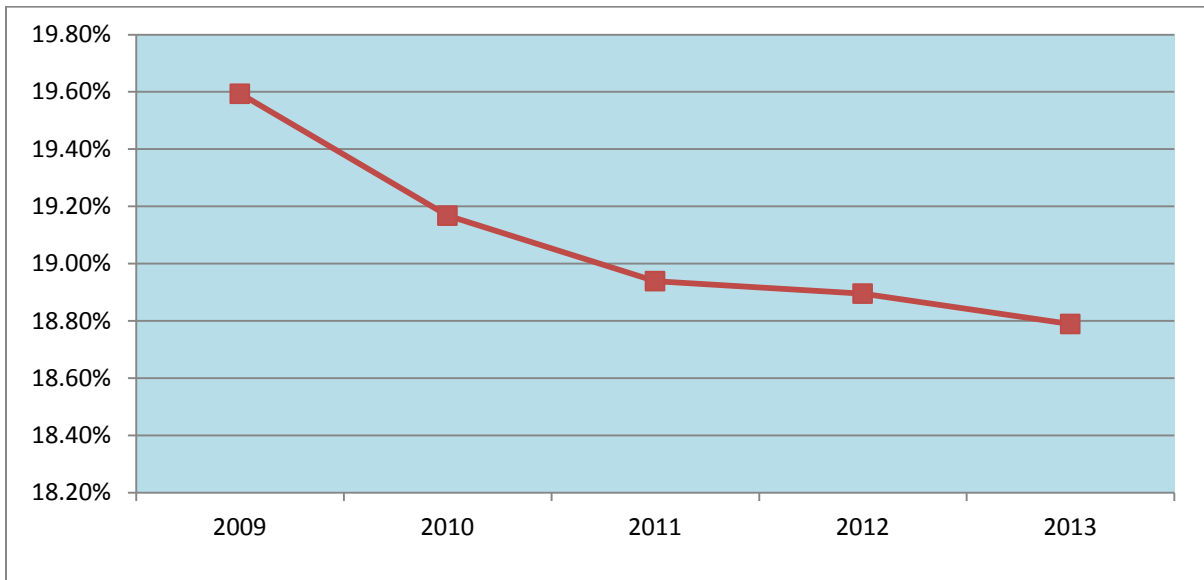
**Figure 5. Historical Data of P.Eng. Full Fee Members vs. Retired Members**



In the future, the number of retirees is expected to remain largely stable, whereas the growth of regular members is expected to increase and be higher than the historical annualized growth rate of 1 to 1.5 per cent, due to an increased number of applications.

As shown in Figure 6, the number of retirees increased at a higher rate from 2009 to 2011 and, after a slight drop in 2012, has been showing a decreasing trend. This trend is expected to continue as the regular base of full fee paying members is expected to increase in the years ahead.

**Figure 6. Ratio of Retirees to Full Membership Holders**



### 2.1.3 What is PEO doing to increase membership?

PEO is not mandated under the *Professional Engineers Act* to increase its membership, but rather to regulate the practice of professional engineering and to govern its members and various licence holders.

As per Council direction, PEO implemented an EIT Financial Credit Program effective May 1, 2007. This program enables qualified applicants to apply for their P.Eng. licence at no cost and will cover their first year of membership in the Engineering Intern program.

It is also expected that such initiatives as PEO promoting the relevance of the profession to engineering graduates, raising awareness among employers of the added value licensed engineers provide, and increasing the public's confidence in the licence will be incentives for engineering graduates to join PEO and to maintain their licences.

Such initiatives are intended to serve as building blocks to:

- ◆ attract/engage unlicensed engineers;
- ◆ retain licensed engineers who no longer practise engineering;
- ◆ increase licence uptake by graduates of Canadian Engineering Accreditation Board-accredited engineering programs; and
- ◆ encourage international engineering graduates to apply to PEO upon landing in Canada.

### 3. Fees

#### 3.1.1 How much are the other engineering associations charging their members for the annual licence fee?

Research was conducted to compare how the annual licence fees are charged in various provinces. As Table 3 illustrates, PEO has the lowest rate for annual licence fees amongst Canadian professional engineering associations, which has been frozen for six years including 2014. P.Engs in Ontario are paying less compared to their peers in other provinces.

**Table 3. Provincial Engineering Associations' Annual Licence Fees at December 31, 2013**

Association	*No. of Members	*Annual Licence Fee (P.Eng.)
Professional Engineers Ontario	78,000	\$220
Association of Professional Engineers of Yukon	775	\$240
Association of Professional Engineers and Geoscientists of Newfoundland and Labrador	4,093	\$246
Association of Professional Engineers of Nova Scotia	5,839	\$250
Association of Professional Engineers and Geoscientists of New Brunswick	5,434	\$260
Association of Professional Engineers and Geoscientists of Alberta	63,165	\$290
Association of Professional Engineers of Prince Edward Island	373	\$300
Ordre des Ingénieurs du Québec	61,710	\$310
Association of Professional Engineers, Geologists and Geoscientists of Nunavut and the Northwest Territories	1,749	\$340
Association of Professional Engineers and Geoscientists of British Columbia	26,000	\$345
Association of Professional Engineers and Geoscientists of Manitoba	7,063	\$360
Association of Professional Engineers and Geoscientists of Saskatchewan	10,442	\$365

*\*Data are based on web research and from information provided by the associations. Some associations did not respond. For these associations, membership and fee information was obtained from their respective websites.*



## 4. External Relations

### 4.1 *Engineers Canada*

PEO is one of Engineers Canada's 12 constituent associations. Engineers Canada exists so the constituent associations have support for an advancing engineering profession and its self-regulation in the public interest at a cost that is justified by the results.

#### 4.1.1 **At what frequency does the fee that PEO pays to Engineers Canada change?**

The rate for the assessment for all constituent associations is \$10.21/member and engineering intern and remains unchanged since 2006.

Engineers Canada's 2013 unaudited operational expenses totaled just over \$9.3 million. Just less than 29 per cent of the cost of these programs was borne by the 12 provincial/territorial associations.

#### 4.1.2 **What does Engineers Canada do for Professional Engineers Ontario?**

In 2013, PEO had five representatives on the Engineers Canada Board, which comprises 22 members and five advisors. These representatives are: Catherine Karakatsanis (Engineers Canada's past-president), Diane Freeman, Phil Maka, Chris Roney and Rakesh Shreewastav. PEO also has representatives on Engineers Canada committees who actively participate in all of the organization's undertakings, decisions and long range planning.

As written above in 4.1, Engineers Canada now exists so the constituent associations have support for an advancing engineering profession and its self-regulation in the public interest at a cost that is justified by the results.

Engineers Canada has four Ends Policies that support this purpose.

The highest priority among the Ends Policies is: Consistency among the constituent associations' regulatory standards and practices to protect and serve the public interest.

Engineers Canada is undertaking numerous initiatives to achieve this End, including:

- ◆ developing the Canadian Framework for Licensure, a dynamic model of regulation to help the engineering regulators improve their legislative framework to enhance equity, consistency, fairness and timeliness of services. The changes will result in enhanced national and international mobility through uniform qualifications recognition, admissions, and discipline and enforcement procedures. The guiding principles for each framework element were developed collaboratively by the constituent associations with extensive consultation to identify best practices and details for use;
- ◆ clarifying policy and draft legislation to ensure consistency in language and all aspects of self-regulation, and making national and international information and trends on self-regulation available to the constituent associations. This addresses with the regulators the challenges of continuing relevance of the engineering profession to maintain a strong profession today and in the future;
- ◆ publishing national practice standards and guidelines by the Canadian Engineering Qualifications Board on the qualifications for registration, standards of practice and ethics expected of professional engineers, for the adoption by constituent associations and use by licence holders in their engineering practice.
  - The Canadian Engineering Qualifications Board also publishes the *Engineers Canada Examination Syllabus*. The syllabus describes an examination program to assess the academic qualifications of individuals who have not graduated from an accredited Canadian engineering program, an engineering program offered outside Canada but recognized to be equivalent to a Canadian program under a mutual recognition agreement, or a program offered outside Canada

that has been evaluated by the Canadian Engineering Accreditation Board and deemed to be “substantially equivalent” to a Canadian program. The academic qualifications to be licensed as a professional engineer in Canada are outlined in the *National Guideline on the Admission to the Practice of Engineering in Canada*;

- ◆ ensuring full mobility within jurisdictions, while maintaining the high standard of engineering practice, where public accountability of engineering practice is required—and promoting the recognition and use of international registers.
  - The National Membership Database was created to further enhance the ease of movement of engineers across Canada;
- ◆ ensuring, through the Canadian Engineering Accreditation Board, that the accreditation of engineering programs is to a level that meets the requirements for licensure as a professional engineer and the standards of the Washington Accord.
  - The Canadian Engineering Accreditation Board also plays a key role in international activities by assessing the equivalency of the accreditation systems used in other nations relative to the Canadian system, by negotiating international agreements at the educational level, and by monitoring the accreditation systems employed by the engineering bodies that have entered into mutual recognition agreements with Engineers Canada. The agreements make it easier for the constituent associations to evaluate the academic qualifications of international engineering graduates applying for engineering licensure in Canada;
- ◆ ensuring that foreign credential recognition is done in a consistent and timely manner to meet the requirements for immigration and licensure in Canada.
  - Engineers Canada developed the International Institutions and Degrees Database with support from PEO. The database provides timely information on various degrees and institutions around the world that have been compared to Canadian standards.
  - The International Engineering Graduate Roadmap to Engineering in Canada, launched in January 2013 and located at [newcomers.engineerscanada.ca](http://newcomers.engineerscanada.ca), provides a central location for international engineering graduates to access information on Canada’s engineering profession, the steps to licensure, finding work in Canada, and an Academic Info Tool to compare their educational qualifications with that of a Canadian education.
  - Engineers Canada’s Competency-Based Assessment Project created an engineering work experience requirement that is defensible, clear and transparent; ensures only qualified individuals are permitted to practise professional engineering; makes it easier for applicants to understand what information must be submitted through the development of specific criteria; and allows assessors to make more objective decisions on whether an applicant has met the requirement. The project team is now working on developing an online tool to support the assessment process. This tool will be made available to the constituent associations who want to use it.

The second Ends Policy is: The public has confidence that engineers practise with competency and integrity and recognize that their work benefits society.

Engineers Canada is undertaking numerous initiatives to achieve this End, including:

- ◆ developing and executing new communications strategies, content and media infrastructures to promote public awareness and acceptance of self-regulation and consistency in communications among Engineers Canada and the constituent associations.
  - Engineers Canada now distributes a daily media report and weekly newsletter to showcase the role engineering plays in peoples’ lives. Contact [communications@engineerscanada.ca](mailto:communications@engineerscanada.ca) to sign up to the daily media report, and go to [www.engineerscanada.ca/newsletter](http://www.engineerscanada.ca/newsletter) to sign up for the weekly newsletter;

- ◆ developing and coordinating a social media, print and broadcast presence;
- ◆ raising the profile of professional engineering through various activities, such as participating in National Engineering Month and Canadian Federation of Engineering Students activities;
- ◆ working interactively with the federal government and policy-makers to identify and address public interest concerns of the profession.
  - Engineers Canada works with the federal government on public policy where issues pertaining to public health and safety can be directly influenced by the engineering profession.
  - Engineers Canada supports PEO's Government Liaison Program and the Ontario Centre for Engineering and Public Policy;
- ◆ promoting an understanding by the public that the practice of engineering is carried out only by individuals licensed by regulators to practise the profession and by permit holders authorized by the regulators; and
- ◆ publicly celebrating award and scholarship recipients. The awards and scholarship programs honour the work of Canada's professional engineers, teams of engineers, engineering projects, and engineering students.

The third Ends Policy is: Engineering is recognized as an attractive profession.

Engineers Canada is undertaking numerous initiatives to achieve this End, including:

- ◆ developing and executing programs to ensure sustainable membership of the constituent associations.
  - Career Focus helps high school and university students to decide if engineering is a good area of study for them.
  - Targeted communications programs to actively promote the benefits of the P.Eng. designation to Accreditation Board-accredited undergraduate program students, graduates and international engineering graduates;
- ◆ developing programs to increase diversity in the profession, including women and Indigenous people. The organization has a Women In Engineering Committee, which developed a seven-point action plan with strategies and related goals to address barriers to the full participation of women in our profession.
  - Engineers Canada supports the Canadian Engineering Memorial Foundation, which is dedicated to increasing the participation of women in the engineering profession.
  - Engineers Canada developed a welcoming workplaces program that includes establishing a recognition program for workplaces that have programs to attract/retain women engineers or other under-represented groups.
  - Engineers Canada is developing an affiliate membership program to engage individuals in the profession and facilitates their advancing to become members of the constituent associations;
- ◆ enhancing the professional, social and economic welfare of engineers by sponsoring insurance plans, financial services and other services—from home and auto insurance to life insurance to professional liability insurance, as well as a financial security program and special discounts on car rentals. These activities create about 53 per cent of Engineers Canada's revenue; the remaining revenue comes from government and NGO funding, as well as revenues from the 12 provincial/territorial associations;
- ◆ spearheading many collaborative projects that have been of mutual benefit to its constituent associations, including PEO. In most cases they have resulted in cost savings to PEO and in other cases have resulted in increased efficiencies and enhanced benefits. For example: directors/officers and errors/omissions insurance, commercial crime insurance and corporate identity protection insurance and employee benefits;

- ◆ initiating and executing studies and related communications regarding trends and information to be used in decision making by policy-makers, such as the *Undergraduate Enrolment Report* and the *Engineering and Technology Labour Market Study*; and
- ◆ developing and executing programs to ensure the recognition of new areas of practice.

The fourth and final Ends Policy is: The public is not misled by persons improperly using engineering terms, titles, images, and words in federal corporations and trade-marks.

Engineers Canada is undertaking numerous initiatives to achieve this End, including:

- ◆ providing public access to a database of the decisions of the Trade-mark Opposition Board and Federal Court related to Engineer Canada matters;
- ◆ supporting constituent associations' defense of improper use of engineering terms, titles, images, and words in provincial/territorial corporations and trade-marks; and
- ◆ promoting an understanding by the public that the protected titles engineer, engineering, professional engineer, consulting engineer, P.Eng., and the French equivalents are used only by individuals and organizations authorized by the constituent associations to use these titles.

More information on these and other Engineers Canada activities is available at [www.engineerscanada.ca](http://www.engineerscanada.ca).

## **4.2 Ontario Society of Professional Engineers**

### **4.2.1 What is the Ontario Society of Professional Engineers**

The Ontario Society of Professional Engineers (OSPE) is the voice of professional engineers in Ontario. OSPE advances the professional and economic interests of Ontario's engineers by advocating with governments, offering valued member services, and providing opportunities for ongoing professional development.

### **4.2.2 How are PEO and OSPE working together for the engineering profession?**

Although we have different mandates, PEO and OSPE have been working together in partnership for many years. For example, both organizations have been helping EITs to become licensed in Ontario through promotional and educational programs, participating together at accredited schools of engineering in Ontario to promote licensure and to let students know what each organization does; creating programs that will help internationally trained engineering graduates become licensed; and working as partners to put together the Ontario Professional Engineers Awards (OPEA) Gala, an annual event celebrating the province's most accomplished and respected engineers. Over the past year, OSPE has collaborated more closely with PEO chapters to deliver technical talks and policy seminars on a wide range of advocacy topics, such as the engineering labour market.

### **4.2.3 What are the differences between PEO and OSPE?**

Professional Engineers Ontario regulates. The Ontario Society of Professional Engineers advocates.

Professional Engineers Ontario's role is to administer the *Professional Engineers Act* by licensing practitioners and by setting standards for and regulating engineering practice in Ontario. PEO is mandated to serve and protect the public.

The Ontario Society of Professional Engineers is a voluntary professional association that represents the professional and economic interests of the province's professional engineers, as well as engineering students, interns and internationally trained engineering graduates who are pursuing licensure in Ontario. OSPE advocates on behalf of Ontario's engineers with governments, industry,

PEO and the public in an effort to influence public policy and build awareness of the many ways engineers enhance Ontario's economy and quality of life. OSPE provides professional development and career services for engineers and offers substantial member savings on products and services.

#### **4.2.4 In what ways does OSPE advocate for engineers in Ontario?**

OSPE works with all levels of government—and with all political parties—to ensure that the valuable insights and input of professional engineers are considered when policies are made. OSPE monitors policy proposals and decisions that have an impact on engineers and provides specific recommendations to policy-makers on issues of importance to the profession, such as energy, infrastructure, research and development, engineering employment and more.

OSPE also promotes the achievements of engineers and the importance of engineering through editorial content in major newspapers; contributed articles in trade magazines; issues-based symposia and conferences; and the Political Action Network—a successful program through which OSPE volunteers meet and engage regularly in face-to-face dialogue with MPPs and Ontario-based MPs from all parties, all across the province. Executive members of OSPE's Board of Directors and staff also meet with government officials on a regular basis to discuss matters of importance to engineers and the profession.

OSPE's mandate also includes advocating with PEO to ensure that our distinct responsibilities do not overlap and to ensure that the professional and economic interests of engineers are protected and promoted under the current regulatory framework.

#### **4.2.5 What is the impact of two voices talking to governments about engineering issues—one from PEO's Government Liaison Program and the other from the Ontario Society of Professional Engineers' Political Action Network?**

Professional Engineers Ontario's role is to administer the *Professional Engineers Act* by licensing practitioners and setting standards for and regulating engineering practice in Ontario to protect and serve the public interest. One of its objects under the Act is to raise awareness of the role of Professional Engineers Ontario. It is strictly within this framework that PEO communicates with government.

OSPE's mandate is to act as the voice of Ontario's engineers and to advocate on their behalf. It is within this mandate that it communicates with government.

At times, PEO and OSPE messages to government are complementary. However, for the most part, each organization addresses distinct subject matter.

#### **4.2.6 Are there ways in which PEO and OSPE pursue the same objectives?**

Both organizations are strongly committed to the future of engineering. Through such initiatives as National Engineering Month programming, both organizations recognize the importance of community outreach to ensure that young people understand and consider the possibilities open to them by pursuing a career in engineering. Both recognize the importance of working together with accredited engineering schools in Ontario to promote licensure and the benefits of becoming a professional engineer. And both organizations have developed programs to help internationally trained engineers pursue the path to licensure in Ontario.

### **4.3 Government Liaison Program**

#### **4.3.1 What is PEO's Government Liaison Program?**

PEO's Government Liaison Program (GLP) was established to ensure that government, PEO members and the public continue to recognize PEO's regulatory mandate, in particular its contributions to maintaining the highest level of professionalism among engineers working in the public interest. Ultimately, the goal is to have government view PEO as a partner, and understand and support PEO's policy direction.

The main messages of the program are:

- ◆ PEO has a legislated mandate under the *Professional Engineers Act* to regulate the practice of professional engineering in the public interest.
- ◆ The self-regulating engineering profession in Ontario—comprising over 80,000 professionals—has been successfully protecting the public for more than 90 years.
- ◆ PEO has unique knowledge and expertise and it is in the best interest of government to consult with it before considering new policy directions that may have the potential to impact the regulation of the practice of professional engineering.

#### **4.3.2 Why is it necessary for PEO to become engaged in such a program?**

As a leader in the professional community, whose practitioners make significant contributions to the economy and many aspects of our everyday lives, PEO ought to have influence and impact on policy direction, as it applies to the regulation of the profession. By not taking action, PEO would be falling short in its legislated mandate to serve the public interest.

While engineering has historically taken a back seat to medicine and law when it comes to being vocal about its professional interests, PEO sees its GLP opening doors so it is, increasingly, being invited to the decision-making tables. PEO believes professional engineers have much to contribute to the development of government policy as it relates to the regulation of the practice of professional engineering.

Through the GLP, PEO's dedicated volunteers from across the province are building the necessary relationships to ensure PEO's perspective is heard.

#### **4.3.3 How is the program structured?**

To ensure chapter involvement in the program, each chapter has a GLP Subcommittee to oversee the program at the grassroots level.

The subcommittee chairs are volunteer spokespeople for their chapter ridings and are responsible for organizing the chapter objectives/activities, which include:

- ◆ inviting MPPs to chapter events;
- ◆ coordinating meetings with local MPPs;
- ◆ participating in MPP events; and
- ◆ ensuring members are well informed of engineering and non-engineering matters so they can thoroughly comprehend issues important to MPPs.

Liaison with federal politicians is coordinated with Engineers Canada's Bridging Government and Engineers program.

To help facilitate the GLP, PEO has retained the services of Brown & Cohen Communications and Public Affairs to:

- ◆ provide spokesperson training for GLP members;

- ◆ help facilitate spokesperson activities with MPPs in local chapters, events and meetings; and
- ◆ provide guidance on the activities/steps that chapters can take to engage politicians.

In 2009, Council approved in principle a standing committee to coordinate GLP efforts and develop and execute new strategic initiatives for the program. Council directed the CEO/registrar to report in early 2010 on the ways and means of establishing a standing committee. The establishment of a Government Liaison Committee (GLC) to provide oversight to the GLP was proposed and approved by Council. The GLC was formed and held its first meeting on May 5, 2011.

For the first time in engineering history, representatives from PEO GLP, Engineers Canada, the Ontario Society of Professional Engineers, Consulting Engineers of Ontario, the Ontario Centre for Engineering and Public Policy, engineering interns and students joined together to determine the direction of government relations for engineers in the province.

#### **4.3.4 What did the program do during the past year?**

The Government Liaison Committee met regularly throughout the year to create and execute a work plan, provide advice and feedback on the direction of government relations activities, consult with stakeholders, monitor trends, develop and issue GLP Information Notes to brief spokespeople on regulatory issues, organize events and training initiatives, and encourage involvement in public policy development.

More than ever before, chapters and councillors and PEO staff were engaged and active. From Thunder Bay to Niagara Falls, Windsor to Ottawa, engineers got involved to further the GLP's objectives by participating in training sessions, conferences, public meetings and other public policy and MPP events.

From the success of the seventh annual Queen's Park Reception, where over 50 MPPs participated, including Premier Kathleen Wynne and Opposition Leader Tim Hudak, to four regional GLP academies and congresses, four all-candidate byelection debates, to fostering positive discussions in the legislature, it was an action-packed year for PEO's GLP under the oversight of the GLC.

*Successful regional GLP academies and congresses held in Windsor, Toronto, Thousand Islands and Thunder Bay.*

Continuing the GLP's initiatives to better inform PEO chapter members of the value of getting involved with public policy and to provide training in government liaison activities, four academies and congresses were held. In 2013, these informational events that feature local MPPs as guest speakers were held for the Western, West Central and East Central, Eastern and Northern regions.

The PEO Western Region GLP Academy and Congress was held in Windsor on February 2 and was a huge success. Hosted by Windsor Chapter and GLP Chair Andrew Dowie, P.Eng., the gathering of participants from the western chapters came together to hear MPP and other guest speakers and to receive training in government liaison activities.

The joint GLP East Central and West Central Region Academy and Congress was held at PEO on June 8. The academy and congress was spearheaded by PEO Vice President Thomas Chong, P.Eng. The event was well attended and participants included GLP chairs and delegates from both the West Central and East Central Region chapters.

Professional engineers from eastern Ontario met on October 19 in the Thousand Islands for the PEO Eastern Region Government Liaison Academy and Congress. PEO Thousand Islands Chapter GLP co-chairs Ray Linseman, P.Eng., and Graham Houze, P.Eng., organized the event.

Representatives from PEO's northern chapters participated in PEO's Northern GLP Academy and Congress in Thunder Bay on November 2. Spearheaded by Thunder Bay GLP Chair Zack White, EIT, this event was so enthusiastically received that volunteers to host the next one have already stepped up.

#### *Byelection all-candidate debates*

There were five provincial byelections held in Ontario in 2013. PEO wanted to ensure engineering regulatory issues were on the agenda during these contests, in particular the need to proclaim the repeal of section 12(3)(a) of the *Professional Engineers Act*. GLP chairs in the affected ridings quickly stepped up to hold four all-candidates debates in the span of two weeks that raised the profile of the PEO in the community and of the repeal in the media.

#### *Working with the opposition*

PEO and its chapters worked hard this year to strengthen their relationship with both PC and NDP MPPs. They did this by inviting MPPs to chapter events and participating in MPP receptions. This will continue to ensure that PEO is perceived as non-partisan and to demonstrate that its works with all parties.

#### *Over 50 MPPs participate in PEO's seventh annual MPP Queen's Park reception*

PEO celebrated its seventh annual Queen's Park Reception on October 9, 2013. It was the best attended Queen's Park reception PEO has held to date with 56 MPPs participating and, for the first time, both the Premier, Kathleen Wynne, MPP (Don Valley West), and the Leader of the Opposition, Tim Hudak, MPP (Niagara West-Glanbrook), in attendance. PEO members were able to engage and interact with many MPPs and recognition awards were given out.

Highlights also included presentations made to three companies, Bruce Power L.P., COM DEV International Products, and Vale Canada Inc., which were very supportive of PEO's goal to repeal section 12(3)(a) of the *Professional Engineers Act*.

#### **5.3.5 Is it too late for me to get involved in the program?**

PEO is always actively recruiting volunteers for the program. If you are interested in joining the growing number of professional engineers involved in the Government Liaison Program, contact your chapter chair or Jeannette Chau, P.Eng., manager, student and government liaison programs, at [jchau@peo.on.ca](mailto:jchau@peo.on.ca) or (647) 259-2262.

## **5. Ontario Centre for Engineering and Public Policy**

### **5.1.1. Can you give me an update on the activities of the Ontario Centre for Engineering and Public Policy?**

In 2013, the Ontario Centre for Engineering and Public Policy (OCEPP) continued to engage engineers, policy specialists and other professionals through its five core activities: an annual conference, publication of engineering and policy articles, seminars and other events, collaborations, and a student essay competition.

#### **◆ Annual public policy conference**

- *fifth* conference, held May 31; this was the first time the annual OCEPP conference was held separately from PEO's annual general meeting,
- *theme*: Engineering Policy in the Public Interest,



- *speakers included:* Steve Paikin, host, TVOntario's *The Agenda*; Don Lenihan, senior associate, Canada's Public Policy Forum; Pamela Bryant, fellow and senior advisor, School of Public Policy & Governance, University of Toronto; Marcia Wallace, director, modernization of approvals, Ministry of the Environment; Susan Wiggins, chief executive officer, Interior Designers of Canada; and Fred Dermakar, P.Eng., vice-president, engineering strategy—nuclear engineering, Ontario Power Generation,
  - *topics:* what keeps Queen's Park awake at night; public policy, accountability and building stakeholder engagement; public policy versus advocacy, and why engineers should be involved in policy; the policy successes and failings of two real case studies (Bill 124 and the repeal of section 12(3)(a) of the *Professional Engineers Act*); and emerging issues in engineering regulation,
  - *90 attendees, including:* engineers, policy advisors, senior government officials, business people, and university faculty and students,
  - *sponsors:* Engineers Canada, Consulting Engineers of Ontario and Ontario Power Generation,
  - *post-event survey:* overall good/excellent rating of 91 per cent;
- ◆ **Publication of articles**
- *ten* articles published in the Policy Engagement section of PEO's *Engineering Dimensions* magazine,
  - *authors included:* Monique Frize, P.Eng., distinguished research professor, systems and computer engineering, Carleton University, and professor emerita, School of Electrical Engineering and Computer Science, University of Ottawa; Janusz Kozinski, P.Eng., dean, Lassonde School of Engineering, York University; and Sorin Cohn, P.Eng., president, BD COHNsulting, and chief program officer, *i-Canada*,
  - *topics included:* body enhancement technologies and regeneration; the economic value of innovation; climate change, sustainable infrastructure and the challenges engineers face; and municipal water fluoridation in Ontario,
  - *publication of the fourth annual* Journal of Policy Engagement, containing all OCEPP articles published in 2012 in *Engineering Dimensions*; audience included Ontario MPPs; senior Ontario bureaucrats; business and association executives; university engineering deans and libraries; Queen's Park Press Gallery; Ontario Legislative Library; Library and Archives Canada;
- ◆ **Policy Engagement Series (PES) seminars and other events**
- *March 7 PES: Canada: Winning as an sustainable energy superpower*
    - content: overview of significant Canadian energy/infrastructure projects from the 1820s to the present day and suggested projects to improve Canada's economy, expertise and international stature,
    - speaker: Richard Marceau, provost and vice-president, academic, University of Ontario Institute of Technology, and president, Canadian Academy of Engineering,
    - 48 attendees,
    - post-event survey: overall good/excellent rating of 95 per cent,
  - *April 17 OSPE-PEO policy forum: Why Throw It Away? Productive Use of Nuclear Spent Fuel:* OCEPP provided logistical support for this half-day event at PEO,
  - *October 3 PES: Let it rain: Turning extreme weather events into water opportunities*
    - content: overview of summer flooding in Alberta and Toronto and how to mitigate/prevent personal and property damage from extreme weather,
    - speakers: Jennifer Drake, EIT, assistant professor, University of Toronto; and Lesley Herstein, PhD student, University of Toronto, and OCEPP Advisory Board member,
    - 77 attendees,
    - post-event survey: overall good/excellent rating of 67 per cent,

- *October 31 OCEPP/Work in a Warming World (W<sup>3</sup>) workshop: Climate Change, Sustainable Infrastructure and the Implications for Engineers*: the half-day workshop, based on a Policy Engagement paper published by OCEPP in the September/October issue of *Engineering Dimensions*, was postponed to early 2014;
- ◆ **Collaborations/special projects**
  - continued participation in the Work in a Warming World (W<sup>3</sup>) research project, including helping augment a \$2.5-million proposal to the Social Sciences and Humanities Research Council for a new project titled Adapting Canadian Workplaces;
- ◆ **Annual student essay competition**
  - *fifth* annual competition; 12 entries,
  - *winners*: Mary Gallerneault, fourth-year student, materials science & engineering program, McMaster University (undergraduate category); Jack Wallace, master's candidate, applied sustainability program, Queen's University (graduate category),
  - *award*: each received \$1,000 and registration to the 2013 OCEPP conference.

## 6. 40 Sheppard Avenue West

### 6.1.1 Can you tell me when PEO purchased 40 Sheppard Avenue West and the details of the purchase?

PEO purchased 40 Sheppard Avenue West on March 11, 2009 for the purchase price of \$22,575,000. It is an eight-storey building with a floor plate of about 14,000 square feet. The building has 102,601 square feet of rentable area. PEO moved into 40 Sheppard Avenue West on December 18, 2009. PEO occupies 40,786 square feet as of December 31, 2013.

### 6.1.2 Who is PEO's current property manager?

The building at 40 Sheppard is currently being managed by Brookfield Johnson Controls. The building was previously managed by Colliers International and the change to Brookfield Johnson Controls was made in February 2011 after a thorough tendering process.

### 6.1.3 Was the building profitable in 2013?

The building generated \$3,757,241 in revenue, including PEO's share of recoverable expenses but excluding base rent (had PEO paid market rent for its space) and total expenses of \$3,202,603, creating an excess of revenue over expenses of \$554,638.

Another benefit of ownership of the building is reduced municipal property taxes as allowed under the *Municipal Act*, since PEO is a not-for-profit organization. In November 2012, PEO received a municipal tax rebate of \$491,499.37 for the years 2009-2012. In 2013, PEO was billed at the reduced municipal tax rate.

### 6.1.4 Can you provide us with a breakdown of the major building improvements made in 2013?

The following four projects were completed in 2013:

- ◆ **2013-1: Staff relocation from second to sixth floor**
  - Relocating staff in suites 206 and 220 to space on the sixth floor built out to the same standards as the rest of staff space on the sixth and fifth floors,
  - Vacating suite 210 (meeting room) and converting suite 102 from a business/applicant centre to a meeting room and reinstating a first aid room for use by staff and volunteers;

- ◆ **2013-2: HVAC upgrade suites 506 & 507**
  - Upgrading the HVAC in suites 506 and 507 to the same standard as the PEO office spaces on the fifth, sixth, seventh, and eighth floors;
- ◆ **2013-3: Tribunal adjudicator door relocation**
  - Introducing a powered door to access the Adjudicator room directly from the adjacent public corridor,
  - Replacing the existing door, which swings into the Adjudicator room from Tribunal Hearing Room, with a door that swings out into the Tribunal Room,
  - Performing all necessary work to maintain the sound proofing of the Adjudicator room, as well as the “fit and finish” quality of the Hearing Room/Adjudicator Room;
- ◆ **2013-2014: Blinds replacement for floors five, six, seven, and eight**
  - Replacement of existing 27-year-old venetian blinds with new manual blinds (as used in suites 507, 210, and seventh-floor Experience Requirements Committee interview rooms) on all faces of the building for floors five, six, seven and eight, including both PEO and tenant spaces.

**6.1.5 Can you give us an update for 2014 plans?**

2014 facilities spending includes an upgrade to the audio visual system in the seventh-floor meeting rooms and replacing task chairs with ergonomic chairs.

Budgeted common area capital projects planned for 2014 are:

- ◆ HVAC upgrades for the fourth floor;
- ◆ installation of a heat generating system that includes two gas-fired boilers;
- ◆ exterior wall upgrades in the form of precast and window sealant replacement;
- ◆ window coverings on floors one to four, final phase of two-year project; and
- ◆ elevators replacement of car door restrictor and other safety equipment.

**6.1.6 What monies have been set aside for future renovations beyond 2014, for example future Council Chambers?**

In the 2014 budget published in November 2013, PEO set aside \$3,400,000 for eighth-floor Council Chamber renovations in 2015. This includes \$2,700,000 in building renovations and a \$700,000 audio-visual upgrade.

**6.1.7 Do we still have vacant floor space? If so, what are the plans? Will some portion be occupied by PEO staff/volunteers and what portion will be dedicated to future tenants?**

Currently, there is no vacant space. However by the end of May 2014, TYCO will vacate the fourth floor and PEO will market the space. At the end of April 2014, a tenant is vacating space of 2217 square feet on the ground floor. PEO has not yet determined whether it will market the space or occupy it for PEO purposes.

**6.1.8 Is it true that PEO applied for LEED (Leadership in Energy and Environmental Design) certification?**

Yes, on January 30, 2013, PEO was granted LEED CI-Silver certification for its initial renovations in 2009 and 2010 of 40 Sheppard Avenue West by the Canada Green Building Council.

On January 10, 2014, the Canada Green Building Council awarded PEO LEED CI-Gold Certification for the extensive renovations to upgrade mechanical and electrical equipment and to create improved volunteer and staff spaces at 40 Sheppard Avenue West.

## PEO Core Values

Accountability

Respect

Integrity

Professionalism

Teamwork



**Professional Engineers**  
Ontario

101-40 Sheppard Avenue West  
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