



Minutes

The 264th Meeting of the EXECUTIVE COMMITTEE of PROFESSIONAL ENGINEERS ONTARIO was held on Tuesday, January 5, 2021 at 6:00 p.m.

Present: M. Sterling, P.Eng., President and Chair
C. Bellini, P.Eng., President-Elect
N. Hill, P.Eng., Past President
D. Campbell, P.Eng., Vice-President (elected)
A. Sinclair, P.Eng., East Central Regional Councillor and Vice-President (appointed)
M. Chan, P.Eng., Councillor-At-Large
L. Cutler, P.Eng., Lieutenant Governor-in-Council Appointee
A. Arenja, P.Eng., Lieutenant Governor-in-Council Appointee

Staff: J. Zuccon, P.Eng., CEO/Registrar
L. Maier, Vice-President, Governance
D. Abrahams, Senior Legal Counsel
L. Latham, Director, P.Eng., Deputy Registrar, Regulatory Compliance
L. Holden, Director, Human Resources
M. Wehrle, Director, Information Technology
J. Max, Manager, Policy
D. Power, Secretariat Administrator
M. Feres, Supervisor, Council Operations

Guests: David Brown, Governance Solutions Inc. (GSI)
Debra Brown, GSI
Dave McComiskey, GSI

CALL TO ORDER

Notice having been given and a quorum being present, President Sterling, acting as Chair, called the meeting to order.

Quorum was confirmed.

President Sterling noted that this is the first Executive Committee meeting for two staff members and invited Committee members, staff, and guests to introduce themselves.

15-89 APPROVAL OF AGENDA

Moved by Vice-President Campbell, seconded by Councillor Arenja:

That the agenda for the January 5, 2021 meeting be approved as presented.

CARRIED

No conflicts were declared.

**15-90
MINUTES – 263rd
EXECUTIVE COMMITTEE MEETING –
NOVEMBER 24, 2020**

The Executive Committee reviewed the minutes of the 263rd Executive Committee meeting held November 24, 2020. A typographical error was flagged for correction on page 3, second paragraph.

Moved by Councillor Arenja, seconded by Vice-President Campbell:

That the minutes of the 263rd open session meeting of the Executive Committee, held on November 24, 2020 and as amended at page 3, accurately reflect the business transacted at that meeting.

CARRIED

**15-91
GOVERNANCE WORK PLAN –
STRUCTURAL CHANGES: FIVE
GOVERNANCE DOCUMENTS**

President Sterling invited the GSI guests to facilitate the discussion on the agenda items related to the Governance Work Plan. D. Brown referenced the 4 phases of the Work Plan roadmap and noted that the items for review and discussion at this meeting reflect the latter stages of Phase 1 and the beginning of Phase 2.

D. Brown noted that twelve (12) charter and policy documents are part of the Phase 1 deliverables, and as a priority he invited the Committee and staff to provide feedback and comments on the draft versions of five (5) core charters and policies, namely: Council Charter; President and Chair Charter; CEO and Registrar’s Charter; PEO Policy on Member and Councillor Submissions; and Delegation of Authority.

Following the discussion on the five core documents referenced above, D. Brown noted that Phase 2 will begin with an initial dialogue on the process and criteria for conducting the review of PEO Committees. It is anticipated that all charters (including related Terms of Reference) and policies, as well as the new Committee structure model, will be completed in time for the start of the new Council year in May 2021.

D. Brown noted that the five core documents were circulated to Committee members in advance of this meeting. As a starting point for the discussion, he presented an overview of the feedback and comments received ahead of the meeting. A summary of this initial commentary as well as feedback received during the meeting are highlighted below by charter or policy.

Council Charter

Use of the Term “Member” (throughout the document): There was a discussion with respect to use of the term “Member” throughout this and other PEO documents when referring to specific cohorts of PEO membership. In response to a suggestion that the term “Licence

Holder” replace “Member”, it was noted that this poses a potential risk because the term “Member” is used extensively throughout the Professional Engineers Act (“PEA”, “the Act”) and not all of its meanings relate to those who are licence holders. For example, Members who are eligible to vote in PEO elections include non-licence holders. It was suggested that staff conduct a legal analysis of the term “Member” in the relevant regulatory documents and advise on contexts and circumstances in which it is and is not appropriate to use interchangeably with a term such as “Licence Holder”. There was also discussion related to identifying another suitable replacement term for “Member”, if that is required, and the appropriate contexts for using any particular term.

Signing Authority of the President/Chair (Appendix A, “Contracting” section): There was a discussion related to the appropriate level of governance oversight and the circumstances/contexts in which it applies to signing authority (for example, considering whether or not the signing authority of the President relates only to matters that involved Council approval). As a way to enhance the rigour of this oversight obligation, it was suggested that the charter more clearly articulate or embed a process or protocol outlining the value-add of the oversight and the expectations of the President in fulfilling it.

Use of the Term “Committees” (throughout the document): Keeping in mind that Phase 2 of the Governance Work Plan is focused on the governance effectiveness of the Committee structure and mandate, it was suggested that the term “Committees” throughout the Council Charter specify the “Governance” type (ie, the smaller subset of Committees with lines of accountability to Council).

Inclusion of the “Deputy Registrar” Role (“Responsibilities” section): It was noted that there is an incumbent in the role of “Deputy Registrar” and thus the term is relevant and will remain in the Charter.

President and Chair Charter

Clarifying Roles (“Process” section): There was feedback related to enhancing the specificity of the role lines/boundaries between the Chair and the CEO/Registrar as it relates to matters of coordination, informing Council, and representing PEO as spokesperson to stakeholders. There was also discussion related to the roles of the Past-President, President-Elect, and Vice-Presidents. It was suggested that an enhanced governance model should more clearly define these roles, both in the context of meetings (for example, presiding as Chair in the absence of the President) as well as in non-meeting activities.

Delegation of Authority

CEO Approval Level for Contracts and Unbudgeted Expenditures (2 sections in Matrix): There was discussion regarding the current threshold amounts and suggestions that the higher threshold amounts referenced in the proposed charter would likely enhance day to day operational efficiency.

Council Approval for Post-Budget Expenditures (Business Plan, Capital, and Operating Budget section of Matrix): There was a discussion of the current requirement for Council to approve new expenditures which exceed the approved annual budget, in particular the requirement for a two-thirds majority vote to approve those that are more than \$300,000 in aggregate. Councillor Cutler and J. Zuccon provided historical background information related to the requirement for this “super-majority”. Council and staff were invited to provide additional input and feedback on whether or not the threshold amount or the requirement for a super-majority should remain in the new charter.

PEO Policy on Member and Councillor Submissions

Submissions Made at Annual General Meeting: There was discussion related to the current practice of receiving ideas and suggestions from Members via the Annual General Meeting (AGM), and that this is a structured and predictable mechanism not only to vet ideas but also to vote on which are selected for further research and investigation. D. Brown noted that the policy is intended to apply to input received at the AGM.

Non-Regulatory or Non-Governance Matters: It was noted that the Policy should be enhanced to include a mechanism to address those submissions that do not fall into the categories of regulatory or governance.

It was also noted that specific work steps and accountabilities are still to be determined, including the criteria for assessing merit, relevance, and appeals.

General Comments re: Five Core Charters and Policies

Referencing the five core charters and policies in general, there was discussion centred on the importance of assessing and considering these proposed documents in a holistic way that minimizes overlap and redundancy. Accordingly, to ensure that there is consistency and alignment, it was noted that further assessment of these proposed documents ought to be done in the context of and in comparison to existing corporate documents such as the Strategic Plan (particularly with respect to the Submissions policy) and the By-law, as well as current ad hoc or undocumented standards of

practice that may be prevalent. This analysis will help to determine which policies will be replaced and which will be interwoven with existing documents.

The discussion also highlighted the importance of a strategic approach from the Committee (and later Council) when providing feedback.

D. Brown indicated that GSI has noted the feedback, comments, and suggestions received and will take them into consideration for the next iteration of the five core charters and policies. Discussion will continue at the next Strategic Conversation meeting as well as at the next EXE meeting. It is anticipated that the package of documents will be tabled for approval by Council at its February 26, 2021 meeting.

**15-92
GOVERNANCE WORK PLAN –
COMMITTEE REVIEW**

Committee Review

To begin the dialogue on the process and criteria for the Phase 2 work on PEO Committees (“Governance Effectiveness of Committee Structure and Mandate”), D. Brown introduced five poll questions. Committee members and staff were invited to vote “I agree” or “I don’t agree”. All votes are non-binding and the results are intended only to provide GSI with initial feedback as it begins work on addressing the future state of PEO Committees. The five questions and corresponding results are shown below.

1. “Governance-type” Committees deal with delegated direction and control matters, and therefore comprise Council members; all committee decisions are referred to Council for approval. (14/14 agree, 100%)
2. “Regulatory-type” Committees deal with regulatory matters, and therefore comprise people who are not Council members; adjudicative decisions are made independently, but policy and bylaw decisions are referred to Council for approval. (12/14 agree, 86%)
3. “Other-type” Committees deal with all other matters; if their mandate is within the scope of Council, they may be composed by and accountable through Council. (9/14 agree, 64%)
4. “Other-type” Committees deal with all other matters; if their mandate is within the scope of the CEO/Registrar, they may be composed by and accountable through the CEO/Registrar. (12/14 agree, 86%)

5. “Other-type” Committees are a primary way to engage volunteers in the work of PEO. (4/13 agree, 31%)

President Sterling invited D. Brown to share GSI’s advice with respect to the five questions as well as the current best practice for a modern regulatory body. D. Brown presented a “Straw Model” (a test or draft proposal for discussion) and reviewed its main features including Committees grouped into three categories (“Governance”, “Regulatory”, or “Other”); sources of membership; and lines of accountability.

Based on questions and feedback from the Committee and staff, there was discussion regarding features and aspects of the proposed new model for PEO’s Committee structure:

- In terms of type, most of the Committees are advisory and make recommendations to the Council or CEO/Registrar depending on lines of accountability; and others are adjudicative and have the statutory authority for autonomous decision-making.
- A revision will be made to the model to reflect the correct line of accountability to the CEO/Registrar regarding regulatory policy and other committees. Further, D. Brown highlighted that the most significant changes anticipated in the new future state will be that: i/ staff will bear primary responsibility for regulatory policy; and ii/ advisory committees will be accountable to the CEO/Registrar.
- Since it is an adjudicative committee named and defined in the Act, a revision will be made to the model to identify the Registration Committee in the “Regulatory” area as a standalone committee and not a sub-committee of the Licensing Committee.
- A revision will be made to the model to add “Risk Committee” to the list of Governance-type Committees, since risk oversight is a key governance role.
- With respect to the reference to the “Governance, Legislation, and Nominating” Committee in the current proposed model, it was suggested that the next iteration of the model should include an option to separate “Legislation” and show it as a standalone Committee.
- On the matter of “Audit and Finance” as one Committee, D. Brown noted that it is an acceptable best practice in modern regulatory bodies to combine the two areas, as in most cases the same skill set applies. To avoid conflict of interest,

it is common practice for organizations to contract external, independent auditors.

It was noted that the authorities and principles underpinning Committee membership will be addressed in Phase 3 (“Council Renewal – Review of Council Composition and Selection”) when the development of competency profiles based on the charters will help inform the selection and composition of Council and Committees. To provide additional context and points of reference for Phase 2 work, the next iteration will include the organizing principles as part of the model.

General Comments re: Committee Review

J. Zuccon suggested that as work continues on Phase 2, it is important to bear in mind that any organizational commitments or agreements ought to be viewed through the lens of the fundamental fiduciary duties and responsibilities of PEO. Thus, before decisions are made regarding the best vehicles or mechanisms for fulfilling service or product deliverables, options must be left open to consider alternative, innovative delivery models, other than solely a Committee structure.

President Sterling commented that the Phase 2 work needs to include a process for engaging feedback from the relevant Committees in the development of the new model, before being tabled at a Council meeting for approval.

**15-93
NEXT MEETINGS**

The next Strategic Conversation session is scheduled for **January 22, 2021**, 9:00 am to 4:00 pm. During the week of January 11th, a draft agenda should be circulated for comment by the EXE. Material for the session should be distributed to Council by January 15th.

The next EXE meeting is scheduled for **February 2, 2021**, 6:00 to 8:00 pm. It is anticipated that the agenda items will include the final drafts of the five (5) core charters and policies; a revised “straw model” for Committees; the new “Nathan’s” Rules of Order; and a proposal regarding an orientation program for new members of Council.

There being no further business, the meeting concluded at 8:25 pm.

These minutes consist of minutes 15-89 to 15-93 inclusive and 7 pages.

M. Sterling, P.Eng., President and Chair

R. Martin, Corporate Secretary