

## 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, and the Audit and Finance committees.

The figures in this document are based on the audited financial statements for 2018. The audited statements show the association's financial position as at December 31, 2018. 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 Canadian accounting standards for not-for-profit organizations.

Should you have any 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. 2018 Finances and Operations

## 1.1 Revenue and Expenditures

### 1.1.1 Revenue increased by 1.0 per cent in 2018 over the previous year. What accounted for the increase?

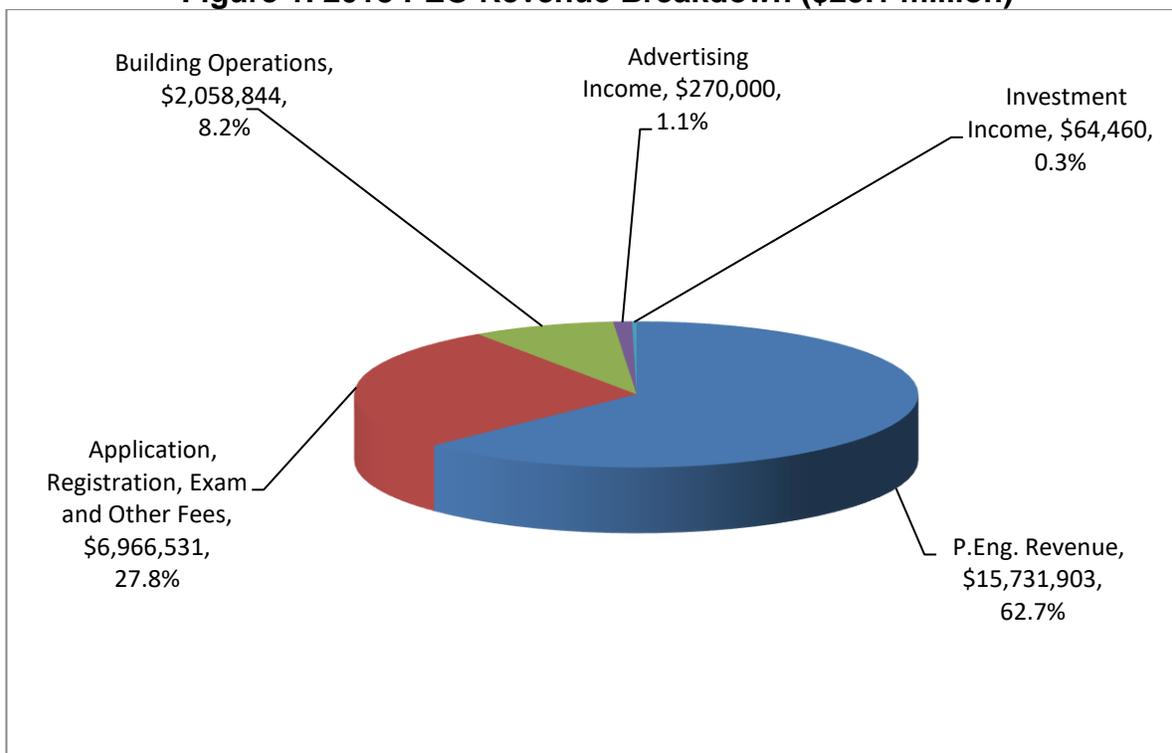
The total revenue in 2018 was \$25.1 million compared to \$24.8 million in 2017. This can be attributed to:

- ◆ An increase in application, registration, examination and other fees of \$515,784 or 8 per cent, due to a growth in the number of registrations; increase in revenues from the professional practice exams, technical exams and the national exam program; higher engineer intern (EIT) revenues; and increase in application and other revenues; and
- ◆ An increase in P.Eng. revenue of \$287,440 or 1.9 per cent, representing an increase in membership revenues, which is consistent with the prior year trend.

The above was partially offset by:

- ◆ A decrease in building operations revenue of \$327,535 or 13.7 per cent, largely due to tenant vacancies. As of Dec. 31, 2018, there was approx. 12 per cent or 13,000 sq ft of unleased space; and
- ◆ A decrease in investment income of \$222,881 or 77.6 per cent, largely due to unrealized capital losses on investments due to unfavourable market conditions. The fair value of the investment portfolio as of December 31, 2018 was \$6.82m versus \$6.81m in 2017.

**Figure 1. 2018 PEO Revenue Breakdown (\$25.1 million)**



**1.1.2 In 2018, PEO experienced an increase of \$1,057,881 in its net assets compared to 2017. What factors contributed to the increase?**

In 2018, the net asset balance was \$17.2 million, compared to \$16.1 million in 2017. The increase was largely due to an increase in revenue, control of expenses and the deferral of several capital projects.

**1.1.3 What areas in PEO operations experienced savings as compared to the previous year? What accounted for the decreased cost as compared to the previous year?**

- ◆ **Consultants.** A decrease of \$224,483, or 48.8 per cent, was due to no spend on IT consultant for the Aptify project and no spend on branding consultant for the Public Information Campaign (PIC) in 2018, as the consultants for these projects had completed their deliverables in 2017. There was also no spend on a consultant for an audit of Council elections in 2018 as there were no technical issues encountered, unlike during the 2017 elections.
- ◆ **Postage.** A decrease of \$108,659, or 17.0 per cent, was due to reduced postage for mailing *Engineering Dimensions* resulting from the switch to the digital edition of the magazine as the default option. In addition, there were lower postage costs for Council elections.
- ◆ **Amortization.** A decrease of \$70,158, or 5.5 per cent, was due to full depreciation on audio visual equipment and deferred implementation of the Aptify project.
- ◆ **Chapters.** A decrease of \$69,648, or 7.8 per cent, was due to lower travel-related expenses for attendance at various events and lower allotment payments in 2018.
- ◆ **Advertising.** A decrease of \$57,461, or 36.7 per cent, is due to a decrease in spend on staff recruitment and newspaper, magazine and other advertising costs.

**1.1.4 PEO's total expenditures for regular operations increased 0.5 per cent, or \$120,481, in 2018 over the previous year. Can you highlight the areas that encountered increases in costs?**

- ◆ **Legal (corporate, prosecution and tribunal).** An increase of \$159,495, or 17.4 per cent, largely due to higher costs in 2018 for discipline prosecution, costs for legal counsel for ongoing litigation, cost for court reporter, and tribunal fees, etc.
- ◆ **Purchased services.** An increase of \$127,829, or 8.6 per cent, largely due to higher costs for Council elections in 2018 (the vendor who provided the voting services for the 2017 Council elections did not charge the full fee due to technical issues encountered during the elections); exam marking and invigilation costs; costs for the practice advisory review survey that was not conducted in 2017; higher costs for scanning licensing and other records; and costs for audio visual services and catering at various events, such as the AGM, etc.
- ◆ **Contract staff.** An increase of \$115,844, or 61.2 per cent. The increase for spending in 2018 was necessitated due to some staff in the Corporate Services, the Licensing and Regulatory Compliance departments being away on long-term leave.
- ◆ **Computers and telephones.** An increase of \$114,215, or 13.4 per cent, was due to higher costs for software support contracts, server maintenance contracts and non-capital software licenses.
- ◆ **Building operations.** An increase of \$92,626, or 3.9 per cent, largely due to higher expenses for utilities, repairs and maintenance, security, janitorial, amortization and other costs.

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

The main spend items under purchased services for 2018 include:

- ◆ Printing of *Engineering Dimensions* magazine (\$171,586);
- ◆ Council elections (\$121,797);
- ◆ Marking of technical exams (\$93,659);
- ◆ Setting of technical exams (\$91,070);
- ◆ Scanning of PEO files (\$90,754);
- ◆ Marking of Professional Practice Exams (\$84,602);
- ◆ Managing the Engineers-in-Residence program (\$69,425);
- ◆ Survey for practice advisory review (\$61,600);
- ◆ Order of Honour event meal (\$56,666); and
- ◆ Audio visual services for the Council elections (\$54,220), etc.

In addition, there were costs for caterers for various committee meetings; costs for audio visual services for various events; costs for exam invigilation; meals at various events, such as the AGM; and other services.

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

The spend on consultants in 2018 was \$235,196 (compared to \$459,679 in 2017). The breakdown of this spend largely consists of \$114,302 for the Government Liaison Program; \$36,504 for the Human Resources Committee; \$32,505 for financial auditing services; and \$17,344 for the investment manager.

### **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 \$802,800 (compared to \$706,500 in 2017). The number of EITs (engineering interns) as of December 31, 2018, was 14,709 (compared to 13,900 in 2017).

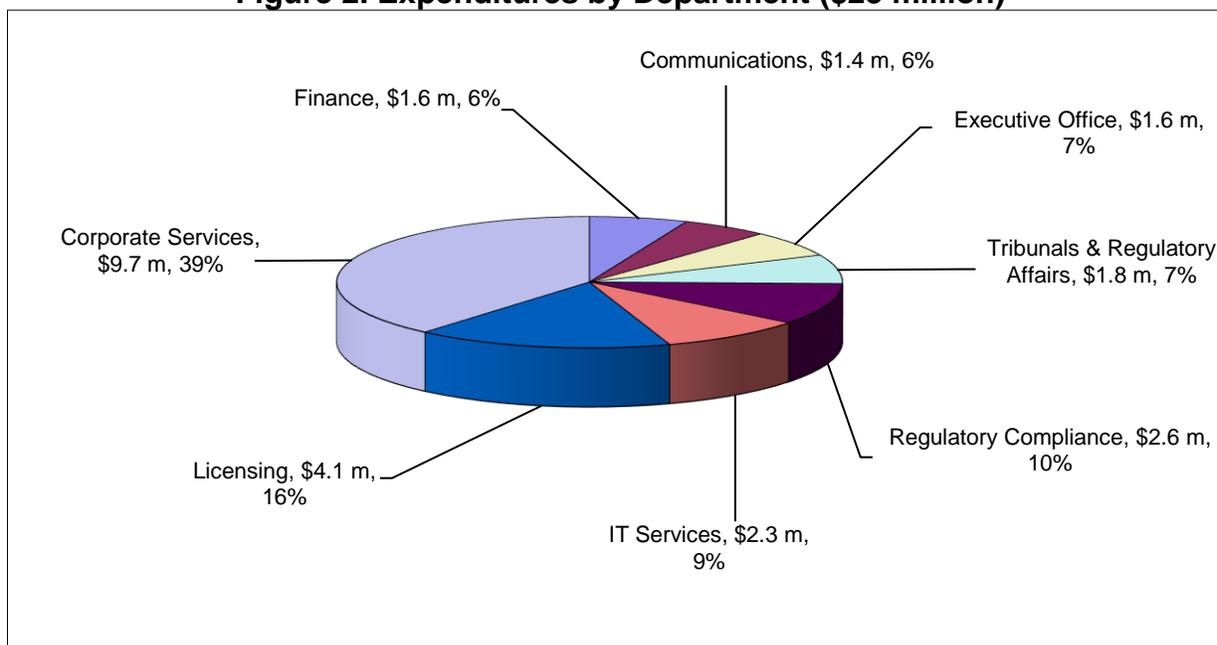
### **1.1.8 What were the expenses for tribunal operations?**

The expenses for operating PEO's tribunals, which include fees for independent legal counsel, court reporters, etc., were \$272,971 compared to \$172,400 in 2017. Spending in 2018 included higher than expected independent legal counsel but does not include the costs for the Registration Committee, the Discipline Committee, the Complaints Review Councillor or the Fees Mediation Committee.

**1.1.9 What are the 2018 figures for department expenditures?**

Figure 2 illustrates the 2018 department expenditures.

**Figure 2. Expenditures by Department (\$25 million)**



**1.1.10 I hear that chapter funding decreased in 2018. Is this correct?**

Yes. Chapter budget allotments decreased in 2018 to \$524,000 from \$596,775 in 2017.

**1.1.11 How much did it cost PEO in 2018 to fund its chapters?**

During the year, PEO paid chapter expenses totaling \$817,850 (compared to \$887,498 in 2017), including \$524,000 in allotments (compared to \$596,775 in 2017) and other disbursements to individual chapters. The association incurred additional costs of \$485,698 (compared to \$561,332 in 2017) related to chapter operations, including staff salaries and benefits, and various other support activities.

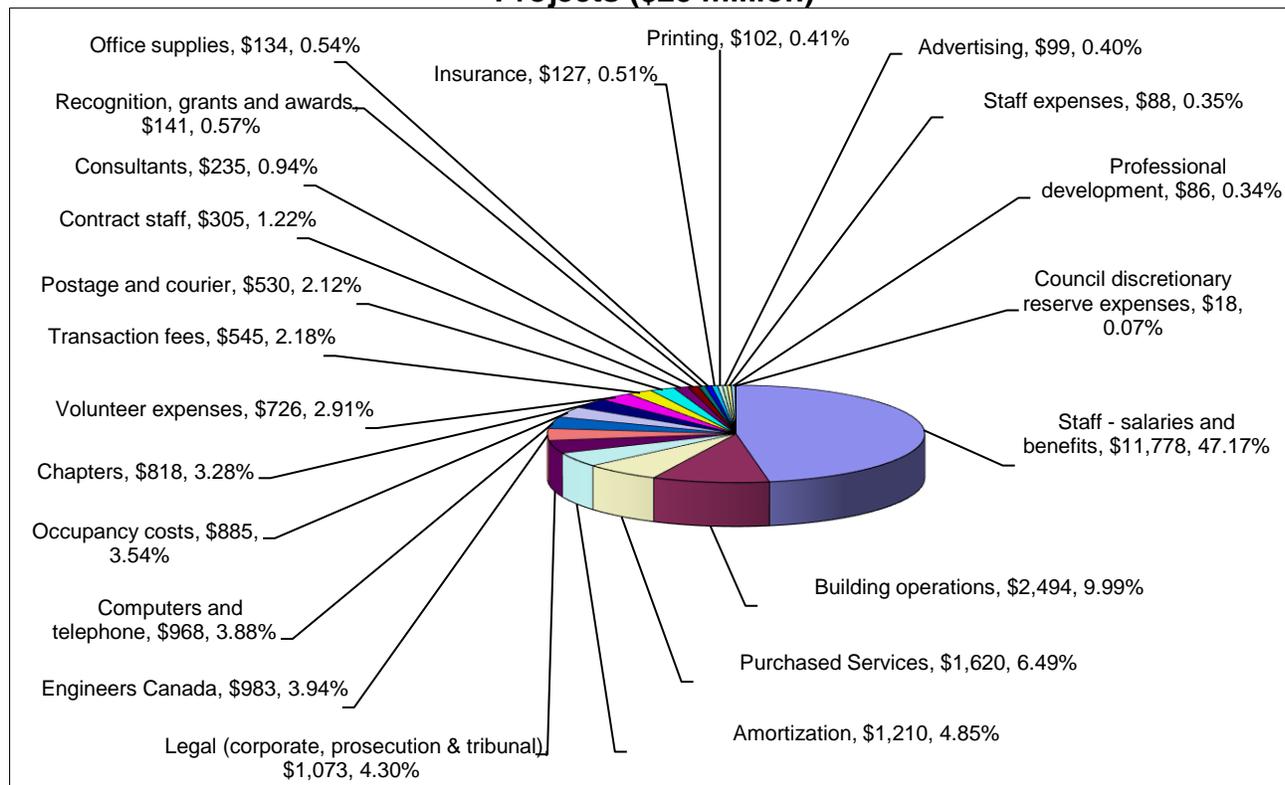
**1.1.12 How does PEO manage its expenditures?**

Please see the answer to question 1.3.3.

**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 was only one component, or 62.7 per cent, of PEO's total revenue in 2018. The breakdown of PEO's revenues is illustrated in Figure 1 (section 1.1.1). In addition to annual fees, PEO also received revenues from application, registration, examination and other fees, which constituted 27.8 per cent of total revenue. Revenue from building operations was 8.2 per cent of total revenue. Advertising revenue and investment income were 1.1 per cent and 0.3 per cent, respectively, of total revenue in 2018. Figure 3 illustrates the areas in which the annual licence fee and other revenues were spent.

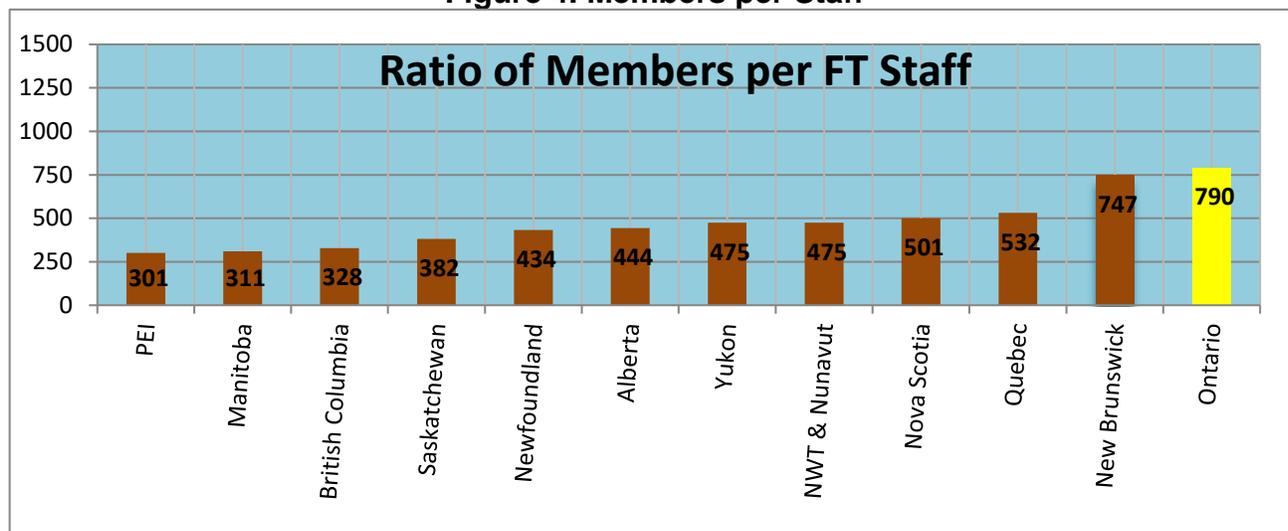
**Figure 3. 2018 PEO Expenditures ('000) for Operations including Council Special Projects (\$25 million)**



Web research was conducted to benchmark staffing in other self-regulatory organizations, including other engineering associations in Canada. The key performance indicator, “members per staff,” used as proxy to indicate the average number of members supported per each staff. A higher value of this metric suggests that staffing levels are lean. 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 approximately 790 members for each staff member, placing it at the top of the benchmarked associations. This suggests that PEO’s current staffing levels are very lean.

**Figure 4. Members per Staff**



## 1.2 Cash balance requirements

In 2012, the Finance Committee instructed staff to develop a minimum cash balance requirement policy. After a review of PEO's operations and using a risk assessment approach, the minimum cash balance requirement was set at \$4.5 million. The cash balance (cash and marketable securities) as of December 31, 2018 was \$9.6 million—well above the \$4.5 million requirement in the cash balance policy.

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

A minimum cash balance policy provides the necessary funding capacity to deal with uncertainties such as an unexpected decrease in revenue or an increase in costs. This minimum cash balance ensures there are adequate funds available to an organization at short notice to sustain day-to-day operations for a few months. For PEO, the minimum cash balance policy enables it to:

- ◆ Survive operating shortfalls caused by economic turbulence or inappropriate financial decisions;
- ◆ Enhance its 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;
- ◆ Fulfil contractual agreements; and
- ◆ Fulfil legal requirements.

### 1.2.2 Why does PEO need a minimum cash balance requirement 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, the cash balance requirements are monitored closely each year. 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 all programs that assist PEO in discharging its regulatory mandate are adequately funded.

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

The minimum cash balance requirement policy is reviewed by the Finance Committee every year and changes to the policy, if any, are presented to Council for approval. This review is an integral part of the planning and budgeting process that requires an ongoing dynamic assessment of new circumstances and future requirements.

**1.2.4 What was the spending on Council special projects in 2018?**

For 2018, the net expenditures for the projects approved by Council amounted to \$18,472. This figure includes an actual spend of \$16,910 for the 30 by 30 Task Force, \$1,110 for the Emerging Discipline Task Force and \$452 for the Governance Working Group Phase 1. This amount includes \$12,445 in full-time staff salaries allocated to these projects to reflect staff time spent on these initiatives.

**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 their roles of planning, controlling and decision making. The Audit Committee is responsible for overseeing management's efforts to create a strong control environment and 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. This is intended to strengthen the confidence of Council and members 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; and
7. Minimum Cash Balance Requirement Policy.

These 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 that are 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 expenditures?**

It is PEO policy that all expenditures must be within the Council-approved budget. Any expenditure related to an activity must be tied 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 item 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. In instances where the item exceeds budget, guidelines set out in the Extraordinary Expenditures Policy are followed.

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 director, Finance, authorize 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 expenditures?**

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?**

Yes. Financial statements along with variance analysis reports are issued quarterly to the Finance Committee.

## 1.4 Human Resource Management

### 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. The figures in the 2018 budget were: 108 full-time staff and 3 contractors.

**Table 1. Actual and Budgeted Staffing Levels 2015–2018**

Year	Regular full-time staff (number in approved budget)	Actual full-time staff (excludes contract and temporary)	Actual staff (including contract and temporary)
2015	105	99	104
2016	106	102	105
2017	108	106	110
2018	108	106	116

### 1.4.3 Why does PEO use temporary staff, contractors and consultants in addition to full-time staff?

Like other businesses, PEO uses 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 assistance both regulatory and support activities. It is usually more economical to outsource the services required than hire staff on a regular full-time basis. The use of contractors and temporary staff are for short-term assignments (such as to reduce backlog and complete special projects) and to replace absent staff (for example, medical or maternity leaves). This strategy offers organizational flexibility, assists PEO to meet its staffing needs and avoids unnecessary, longer-term staffing costs.

- In 2018, PEO used:
- ◆ Two temporary staff—one in Corporate Services to cover for a staff leave and another one in Licensing and Registration to cover for a job vacancy;
  - ◆ Five contract staff in Licensing and Registration—one to cover a job vacancy; two to replace staff on leaves and two to handle increased workload;
  - ◆ One contract staff in Regulatory Compliance to cover for maternity leave;
  - ◆ One contract staff in Corporate Services to cover a medical leave; and
  - ◆ One summer law student in the Tribunals area for a short-term project.

## 1.5 Employee Future Benefits

### 1.5.1 What are employee future benefits?

Employee future benefits are 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 CPA (*Chartered Professional Accountants*) *Canada 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.

### 1.5.4 What is meant by the remeasurement amount shown in the audited financial statements?

Every year, an accounting actuarial valuation is performed for the pension plans and the post-retirement benefits plan. The results of this valuation depend on several assumptions and variables such as life expectancies, discount rates, service life, etc. Every year, the actuary looks at these assumptions and, based on what has actually happened, the plan liabilities may change depending on the actuarial gains or losses. Because of these changes, the plan liability can jump substantially or go the other way. Until recently, these changes were amortized through the income statement. However, due to changes to

accounting standards, all such actuarial gains or losses are aggregated as remeasurement amounts and charged to net assets in the statement of revenue, expenses and changes in net assets.

## **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.

- ◆ **Digital copies of *Engineering Dimensions*.** In 2018, PEO reintroduced having the digital edition of *Engineering Dimensions* as the default version, whereby members would automatically receive the digital edition, rather than the print edition, unless otherwise specified. This resulted in saving of over \$40k by way of postage and mailing costs.
- ◆ **Exam reprints.** In 2018, PEO phased out hardcopies and made all exam reprints available online resulting in average annual cost savings of approx. \$12k per annum. The fee charged per exam remained unchanged and the savings were realized by reducing costs in the following areas: staff time, paper, envelopes, labels, copier cost per page and postage.
- ◆ **Electronic elections.** An initiative undertaken in this area involves providing voting materials electronically to all members who have an email address on file with PEO for Council elections. This is a user-friendly and efficient option in comparison to having paper copies.
- ◆ **Electronic membership cards and e-receipts.** the membership card was phased out over five years ago 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 website portal. As of Dec. 31, 2018, over 70 per cent of members can download their receipts and membership cards directly from the PEO web portal.
- ◆ **Electronic member correspondence.** Wherever feasible, all communication and correspondence, such as fee reminders and notices of licence approval, renewal and cancellation, are sent via email. This has contributed to lower postage costs in 2018.
- ◆ **Electronic funds transfer (EFT).** The option to receive payments via EFT has been offered by PEO for several years now and since its inception, this initiative has resulted in an increase of over 60 per cent in the number of vendors/volunteers receiving payments by ETF. This mode of payment is safe, fast and reduces paper, postage and printing costs.

Other ongoing measures include:

- ◆ Meeting efficiency and remote participation were enhanced via the continued use of audio, video and teleconference resources in meeting rooms.
- ◆ PEO's underlying computer infrastructure was further optimized and streamlined by eliminating services that were not mission critical or minimally used.
- ◆ 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 6000 paper receipts.
- ◆ An electronic cheque scanner was introduced in 2017 to improve the accuracy and efficiency of the depositing process. As a result, cheques can now be deposited to PEO's bank account directly from the office without having to visit the bank. This has resulted in the cash conversion cycle time to improve by over 50 per cent.
- ◆ A digital cheque signature has been implemented to streamline issuing of payments.

This has reduced the turnaround time for the processing of cheques by over 10 per cent.

- ◆ Expense reimbursement has become more efficient with the introduction of the Certify online expense application. Certify is an automated travel and expense program which improves the expense submission, approval and reimbursement process. Certify was initially made available to staff in late 2017 as a pilot program. After incorporating feedback from staff, the workflows in Certify were further improved and the application was subsequently rolled out to volunteers in September 2018. Among several features, users can upload receipts to create quick expense reports from anywhere via a smart phone app and have these submitted directly to the approver. It also flags non-compliant expenses and sends automated reminders to both the user and approver if further action is required. In addition, Certify provides superior analytics and allows for better tracking of historical spend data. After the implementation of this solution, expense reimbursement cycle time has improved by over 30 per cent.
- ◆ The initiative to use of accounts payable stamps for processing invoices instead of regular paper forms continues and has successfully helped in reducing annual paper usage by over 6000 sheets each year.
- ◆ Printing on PEO printers has been defaulted to double-sided printing for the past three years, etc.
- ◆ In 2018, IT department has achieved the following annual cost savings of over \$47k by renegotiating several contracts and introducing process improvements such as eliminating use of faxes, implementation of FTP servers for sharing large documents, etc.

#### **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.

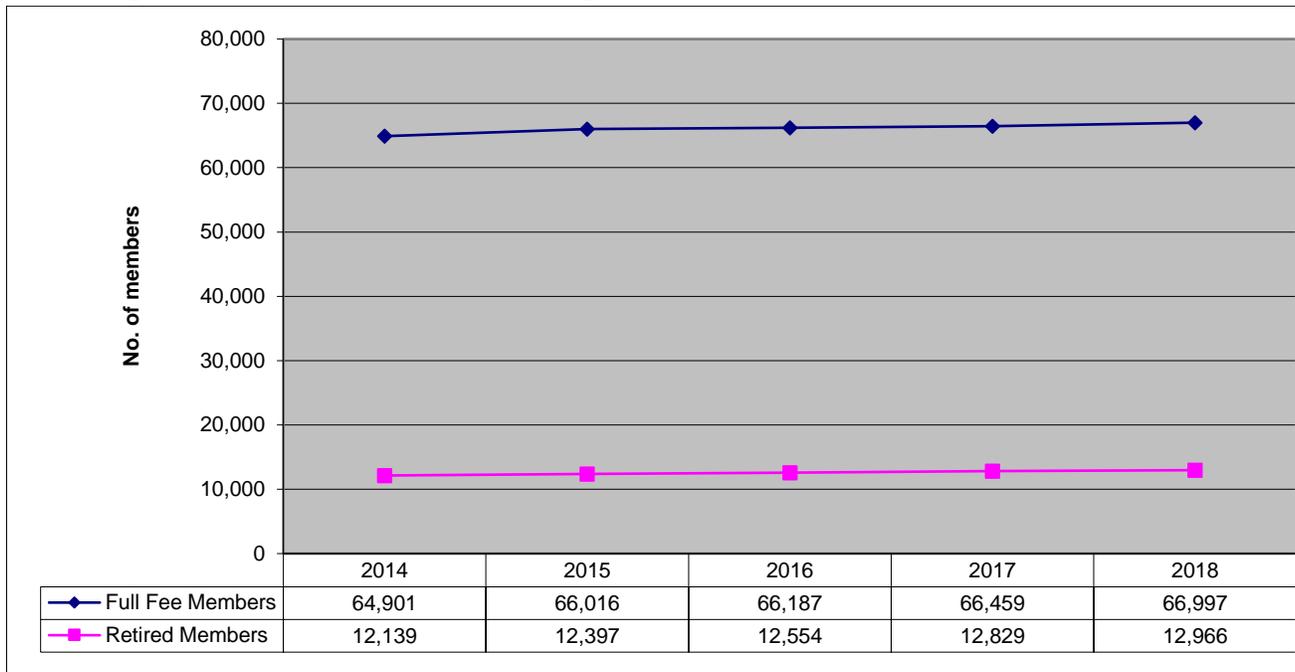
## 2. PEO Membership

### 2.1 PEO Membership Statistics

#### 2.1.1 Can you provide historical data on membership growth over the last five years?

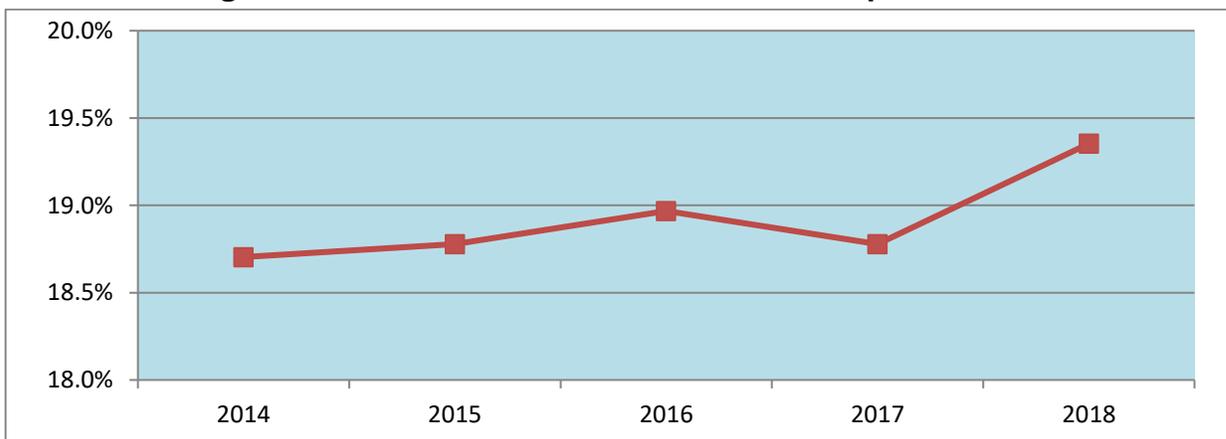
P.Eng. membership has grown by an average of 1.1 per cent year-over-year in the last five years as shown in Figure 5. This growth rate is influenced by such factors as economic trends, unemployment, an aging population, number of retirees, immigration and PEO processes for issuing licences.

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



The number of retirees is expected to grow, whereas the growth of regular members is not expected to pick-up. As shown in Figure 6, unless there is increase in the number of new members, the trend in the graph below is likely to continue.

**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. It is also expected that PEO initiatives designed to promote the relevance of the licence to engineering graduates, raise awareness among employers of the added value licensed engineers provide, and increase the public's confidence in the licence, will serve as building blocks to:

- ◆ Attract/engage unlicensed engineering graduates;
- ◆ Retain licensed engineers who no longer practise engineering;
- ◆ Increase licence uptake by graduates of CEAB-accredited engineering programs; and
- ◆ Encourage international engineering graduates to apply to PEO upon landing in Canada.

## 3. Membership Fees

### 3.1.1 How much are the other engineering associations in Canada 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 annual licence fee amongst Canadian professional engineering associations, and the fees have been frozen for the past 10 years, including 2018. Ontario P.Engs are paying less compared to their peers in other provinces.

**Table 3. Provincial Engineering Associations' Annual Licence Fees at December 31, 2018**

Association	*Number of Members	*Annual Licence Fee (P.Eng.)
Professional Engineers Ontario	83,716	\$220
Association of Professional Engineers and Geoscientists of Newfoundland and Labrador	3,903	\$246
Association of Professional Engineers and Geoscientists of New Brunswick	5,232	\$286
Association of Professional Engineers of Yukon	949	\$290
Association of Professional Engineers of Prince Edward Island	301	\$300
Association of Professional Engineers of Nova Scotia	6,015	\$306
Association of Professional Engineers, Geologists and Geoscientists of the Northwest Territories and Nunavut	1,898	\$340
Assoc. of Professional Engineers and Geoscientists of Alberta	57,709	\$392
Ordre des Ingénieurs du Québec	65,985	\$400
Engineers and Geoscientists British Columbia	25,949	\$415
Association of Professional Engineers and Geoscientists of Manitoba	6,530	\$415
Association of Professional Engineers and Geoscientists of Saskatchewan	8,017	\$450

*\*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.*

### **3.1.2 Changes to fees and Financial Credit Program effective May 1, 2019**

At its meeting on March 22, 2019, Council approved moving forward with the proposed fee changes to PEO's bylaw. This section provides details about the changes to article 39 of By-Law No.1.

PEO licence holder fees have not increased since 2008, and revenues from the growth in the number of licence holders, applications, examinations etc., have not been adequate to keep pace with the rate of inflation of nearly 20 per cent over this time.

As a result, PEO Council has approved that fees related to all licences, examinations, certificates of authorization, consulting engineer designations, engineering intern membership, reinstatements, fee remissions and seals be increased by approximately 20 per cent, effective May 1, 2019. Two current fees previously not included in By-Law No. 1 have been added with an increase of approximately 20 per cent: requesting a re-marking of an exam and requesting a PEO examination to be held outside of Canada. These are one-time fee increases. Any future fee increases will be decided upon by PEO Council.

The bylaw changes exclude for the time being two new fees approved by Council in November 2018. These include: interviews to waive technical examinations and a \$10 credit card convenience fee. These new fees may be implemented later.

In addition, the Engineering Intern Financial Credit Program (FCP) has been restructured and eligible participants will no longer have their application fee and first year of enrolment in the Engineering Intern (EIT) program waived immediately. Rather, as of May 1, 2019, eligible participants will now have the cost of their application fee and first year of enrolment in the EIT program (should they have chosen to enroll) credited towards payment of their registration and initial P.Eng. licence fees once they have been approved for a licence. Some frequently asked questions follow.

## **FAQ—Fee Changes**

### **3.1.2.1 Why did PEO implement a 20 per cent increase to all its fees?**

Current revenues do not enable PEO to fulfil adequately its legislated functions and supporting activities. Revenues from the growth in the number of licence holders, applications, examinations etc., have not been adequate to keep pace with the rate of inflation of nearly 20 per cent over this time. Any future increases will be decided upon by PEO Council.

### **3.1.2.2 Which fees are affected?**

Fees related to all licences, examinations, certificates of authorization, consulting engineer designations, reinstatements, engineering intern membership, fee remissions and seals will be increased by approximately 20 per cent, effective May 1, 2019. In addition, two current fees previously not included in By-Law No. 1 have been added with an increase of approximately 20 per cent: Requesting a re-marking of an exam and requesting a PEO examination to be held outside of Canada.

### **3.1.2.3 I've already received an invoice that includes the former fee. Will I have to pay the new fee?**

No. Only invoices sent on and after May 1, 2019 will include the new fees. If you received an invoice prior to May 1, 2019, you should pay only the amount requested on that notice.

#### **3.1.2.4 When was the last time PEO increased the annual licence-holder fee?**

The annual licence-holder fee was last increased in 2008.

#### **3.1.2.5 I thought any fee increase was subject to the approval of licence holders through a referendum. Is this true?**

At its February 2019 meeting, Council approved repealing section 59 of By-Law No. 1 to remove its obligation to always seek member confirmation to increase the annual licence holder fee. Section 59, which was created in 2011, had been determined to be legally invalid, as it infringed on Council's authority to determine on a case-by-case basis whether to seek member confirmation of by-laws passed by Council. The repealed section of the bylaw read as follows:

*59. Council shall seek confirmation by the members of the association of a bylaw passed by the Council pursuant to the act pertaining only to annual fees for licence holders*

Council still retains its full authority to decide on passing future bylaw changes, with or without seeking a member confirmation to vote. Council has the authority under section 8(2) of the *Professional Engineers Act* to pass any bylaw within its bylaw-making powers unless under section 8(3) Council specifies that the bylaw be confirmed by a majority of the members voting on the bylaw.

Council also decided to approve the approximately 20 per cent fee increase under section 8(2) of the *Professional Engineers Act* without seeking member confirmation of the bylaw change.

#### **3.1.2.6 Are any other fee changes forthcoming?**

The bylaw changes approved by Council in March 2019 and that become effective May 1, 2019, are one-time fee increases to catch up with inflation since 2008. They exclude for the time being two new fees approved by Council in November 2018. These include: interviews to waive technical examinations, and a \$10 credit card convenience fee. These new fees may be implemented later.

## **FAQ—Financial Credit Program**

#### **3.1.2.7 How has the Engineering Intern Financial Credit Program (FCP) changed?**

The intent of the program remains the same—to provide an incentive to those who graduate from a program accredited by the Canadian Engineering Accreditation Board to apply for a P.Eng. licence within six months of graduation and participate in PEO's Engineering Intern (EIT) program; and to encourage international engineering graduates to apply for a P.Eng. licence within six months of their landing in Canada and participate in the EIT program.

Under the previous version of the FCP, fees for the licence application and first year enrolment in the EIT program were immediately waived for eligible candidates. Under the new version of the FCP, all eligible applicants will have the application fees they paid, as well as the fee for the first year of participation in the EIT program (should they have registered for the program), credited towards payment of their registration and initial P.Eng. licence fees when they have been approved for a licence.

**3.1.2.8 Under the new FCP, is enrolment in the Engineering Intern (EIT) program mandatory to receive a credit upon being approved for licensure?**

No. Under the new program, eligible applicants who join the EIT program and pay the first year's fee will have that amount credited towards payment of your registration and initial P.Eng. licence fees once they are approved for a licence. Eligible applicants who choose not to enroll in the EIT program will have only their application fee credited at the time of licensure. Participation in the EIT program is voluntary and provides benefits but is not required to become licensed.

**3.1.2.9 What are the benefits to participating in the Engineering Intern (EIT) program?**

The EIT program provides guidance and assistance to engineering graduates as they acquire the 48 months of acceptable engineering work experience, including annual reviews of experience to help ensure that an applicant is on the right track for licensing. Those enrolled in the program can also use the title "engineering intern" or "EIT" after their name. Further information about the program is available [here](#).

**3.1.2.10 I submitted my application before the May 1, 2019, deadline but my convocation date will not occur until after May 1. Do I still qualify to have my application fee waived?**

No. Applications are only valid when received and the necessary requirements have been met. However, if you submit a completed application and pay the application fee within six months of convocation, and are subsequently approved for a licence, that application fee will be credited towards payment of your registration and initial P.Eng. licence fees.

**3.1.2.11 If my date of permanent residency in Canada("landing") falls after May 1, 2019, but I apply before then, will I be eligible to have my application fee waived?**

No. However, if you apply for a P.Eng. licence and pay the application fee, that fee will be credited towards payment of your registration and initial P.Eng. licence fees should you be approved for a licence.

## **4. External Relations**

### **4.1 Engineers Canada**

Engineers Canada upholds the honour, integrity, and interests of the engineering profession by supporting consistent high standards in the regulation of engineering, encouraging the growth of the profession in Canada, and inspiring public confidence. For over 80 years, we have worked on behalf of the provincial and territorial associations that regulate engineering practice and license the country's 295,000 members of the engineering profession.

Our work is focused on 10 core purposes, as established by Engineers Canada's members, the engineering regulators:

1. Accrediting undergraduate engineering programs.
2. Facilitating and fostering working relationships between and among the regulators.
3. Providing services and tools that enable the assessment of engineering qualifications, foster excellence in engineering practice and regulation, and facilitate mobility of practitioners within Canada.
4. Offering national programs.
5. Advocating to the federal government.

6. Actively monitoring, researching, and advising on changes and advances that impact the Canadian regulatory environment and the engineering profession.
7. Managing risks and opportunities associated with mobility of work and practitioners internationally.
8. Fostering recognition of the value and contribution of the profession to society and sparking interest in the next generation of professionals.
9. Promoting diversity and inclusivity in the profession that reflects Canadian society.
10. Protecting any word(s), mark, design, slogan, or logo, or any literary, or other work, as the case may be, pertaining to the engineering profession or to its objects.

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

The rate for the assessment for all regulators is \$10.21/registrant (an individual registered with PEO, with the exception of applicants and students) and remains unchanged since 2006.

**4.1.2. How is Professional Engineers Ontario represented at Engineers Canada?**

PEO is one of the 12 associations that compose Engineers Canada. In 2018, PEO had five directors on the Engineers Canada Board, which is comprised of 23 directors and one advisor. These PEO directors are: Annette Bergeron (Engineers Canada President), Christian Bellini, David Brown, Danny Chui, and Rakesh Shreewastav. PEO members also serve on Engineers Canada committees, which actively participate in all of the organization's undertakings, decisions, and long-range planning.

**4.1.3. What programs and services does Engineers Canada offer to individual engineers?**

Engineers Canada uses the collecting buying power of 295,000 licensed professional engineers to offer a suite of insurance, financial and other programs to support engineers in their professional and personal lives. These include:

*Insurance programs:*

- ◆ Professional Retiree Health and Dental Insurance (Manulife): A program that offers three choices of coverage levels that pick up when your work benefits end.
- ◆ Home and Auto Insurance (TD Insurance): A program that has been tailored exclusively to the needs of engineers since 1950.
- ◆ Term Life and Accident Insurance (Manulife): One of the oldest and largest group plans in Canada.
- ◆ Health and Dental Care, Disability Income Replacement, and Business Overhead Insurance (Manulife): Financial protection against sickness and accident so you can continue to provide for your family.
- ◆ Critical Illness Insurance (Manulife): Saves you 10 per cent on coverage of \$125,000 or more per person.
- ◆ Pet Insurance (Petsecure): Exclusive rates from the #1 recommended provider in Canada.

*Professional insurance programs:*

- ◆ Professional Liability Insurance (Encon): A program that has been endorsed by Engineers Canada for more than 45 years.

*Financial programs:*

- ◆ Financial Security Program (Great West Life): Provides lower fees and free personal investment guidance and support.
- ◆ Bank Manulife One (Manulife): Simplifies your banking, reduces your debt, and grows your wealth.

*Other services:*

- ◆ Car Rental (Budget): Low rates and unlimited mileage on business and leisure travel.
- ◆ Shipping (UPS): Savings of between 25 per cent and 84 per cent on shipping services worldwide.

More information about these programs and services is available on the Engineers Canada website at <https://engineerscanada.ca/services/insurance-financial-and-other-benefits>.

#### **4.1.5. What is Engineers Canada doing to promote regulatory excellence in the engineering profession?**

Engineers Canada works to ensure that a current framework, standards, practices, and systems, as well as a means to effectively transfer knowledge to facilitate regulatory excellence, are available to the regulators. Engineers Canada undertakes a range of activities to achieve this goal:

*Accreditation Board:*

Engineers Canada accredits over 280 undergraduate engineering programs in Canada, promoting and encouraging high standards in engineering education and ensuring that they prepare students to meet the academic requirements for licensure. It also maintains Washington Accord signatory status. The Canadian Engineering Accreditation Board also plays a key role in international activities by assessing the equivalency of accreditation systems used in other countries 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 or have signed onto the Washington Accord, an international agreement that recognizes comparability of signatories' approaches and systems for accrediting engineering programs.

*Qualifications Board:*

Engineers Canada publishes national practice guidelines to enable the assessment of engineering qualifications, and to foster excellence in engineering practice and regulation, thereby facilitating mobility of practitioners within Canada. The Canadian Engineering Qualifications Board also publishes the *Engineers Canada Examination Syllabus*, which describes an examination program that can be used by the engineering regulators to check

applicants' academic knowledge if they have not graduated from an accredited program or from a program that falls under an international mutual recognition agreement.

*Mobility:*

Engineers Canada makes available and promotes information, systems, and agreements to facilitate mobility for registered engineers, both within Canada and internationally.

*Foreign credential recognition:*

Engineers Canada maintains the Roadmap to Engineering in Canada website ([newcomers.engineerscanada.ca](http://newcomers.engineerscanada.ca)) to provide a central location for international engineering graduates to access information on entering Canada's engineering profession. In addition, Engineers Canada maintains an International Institutions and Degrees Database, containing information on thousands of degrees and institutions, which the engineering regulators can use to assess the academic background of international engineering graduates.

*Regulatory research:*

Engineers Canada makes national and international information and trends on self-regulation available to the regulators, and clarifies policy and draft legislation to ensure consistency in language in order to maintain a strong, self-regulated profession today and in the future.

**4.1.6. How does Engineers Canada promote confidence in the engineering profession?**

Engineers Canada aims to ensure that stakeholders have evidence that engineers meet high standards and practise with competence and integrity, and that their work and self-regulation benefit society. To this end, Engineers Canada undertakes a range of activities to promote confidence in the profession:

*Government relations:*

Engineers Canada has a robust government relations program that ensures timely and relevant national positions and expertise are made available to the federal government and to policy-makers. Engineers Canada regularly meets with members of Parliament and senior officials from the public service regarding the public interest concerns of the engineering profession.

*Sparkling interest in the next generation of engineering professionals:*

Engineers Canada works to raise the profile of engineering through various activities such as National Engineering Month, the Future City competition, and participation in Canadian Federation of Engineering Students activities.

*Engineers Canada awards and scholarships:*

Engineers Canada manages a series of prestigious engineering awards and scholarships, which recognize, honour, and publicly celebrate the work of Canada's professional engineers, teams of engineers, engineering projects, and engineering students.

#### 4.1.7. What work is Engineers Canada undertaking to ensure the sustainability of the engineering profession in Canada?

Engineers Canada is working to ensure that the engineering profession is sustainable and reflective of Canadian demographics by ensuring that engineering is recognized as an attractive profession. It undertakes a range of initiatives in support of this goal:

##### *Diversity in the engineering profession:*

Engineers Canada develops programs and resources to increase the diversity of people within the profession, including women and Indigenous peoples. For example, Engineers Canada is committed to raising the percentage of newly licensed engineers who are women to 30 per cent by the year 2030. Engineers Canada also published “Managing Transitions” in January 2016, a resource guide to assist engineers and geoscientists—and their employers—as they consider taking maternity or parental leave.

Engineers Canada has also published a review of practices that post-secondary engineering faculties can use to build and improve Indigenous engineering access programs. These are intended to encourage and support Indigenous students as they transition into post-secondary engineering education, thereby promoting increased Indigenous peoples’ representation in the engineering profession.



#### 4.1.8. How does Engineers Canada protect the engineering terms?

Engineers Canada works to ensure that the public is not misled by persons improperly using terms, titles, images, and words that are integral to the engineering brand, including in federal corporations and trademarks. In doing so, it promotes an understanding by the public that the protected titles engineer, engineering, professional engineer, consulting engineer, P.Eng., and their French equivalents are used only by individuals and organizations who have been authorized by the regulators to use these titles. Engineers Canada also provides public access to a database of the decisions of the Trademark Opposition Board and the Federal Court related to Engineers Canada matters, and supports the regulators in defending against the improper use of engineering terms, titles, images, and words in provincial and territorial corporations and trademarks.

#### 4.1.9. How can you stay in touch with Engineers Canada, and up-to-date with engineering news?

Engineers Canada publishes a daily electronic media report that provides a summary of the day’s engineering-related news. Engineers Canada also publishes a bi-weekly electronic newsletter, *Engineering Matters*, which covers subjects of importance to the engineering profession. Keep up-to-date and sign-up for free by filling out the [online subscription form](#).

Follow Engineers Canada on social media, including [Twitter](#), [LinkedIn](#) and [Facebook](#).

More information about Engineers Canada and its activities is available on its website 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 (OSPE)?**

The Ontario Society of Professional Engineers (OSPE) is the voice of the engineering profession in Ontario. OSPE believes and promotes that engineers can play a proactive role in helping confront global challenges like climate change, sustainability and population growth. As engineers step up as leaders in Ontario, society's perception of the value of the engineering profession will increase dramatically. Young people will be inspired by the clear, positive identity of the engineering community and seek to join the ranks of these technologically adept, socially and environmentally conscious change agents. This is OSPE's key goal for the profession – to bring engineers not only from a position of service, but also to a position of leadership.

#### **Some of OSPE's 2019 events:**

Engineering Employment Events (E3)

Windsor - April 3, 2019; Mississauga - May 14, 2019; Toronto - October 9, 2019

MPP Reception & Lobby Day at Queen's Park—Release of Retail Electricity Price Reform Report

Toronto, Ontario

April 9, 2019

OSPE Research & Innovation Task Force Roundtable

Toronto, Ontario

April 23, 2019

OSPE General Assembly and Annual General Meeting

Kingston, Ontario

May 8, 2019

How to Change the World

Toronto, Ontario

May 28-30, 2019

4<sup>th</sup> Annual Engineering Intern (EIT) Summit

Mississauga, Ontario

June 1, 2019

The 17<sup>th</sup> Annual Claudette MacKay-Lassonde Forum

June 18, 2019

Kitchener, Ontario

OSPE's Summer Boat Cruise

July 11, 2019

Toronto, Ontario

Equity, Diversity and Inclusion Conference  
Ottawa, Ontario  
November 6, 2019

Visit [www.ospe.on.ca/events](http://www.ospe.on.ca/events) to register in any of the above events.

#### **4.2.2 How and why was OSPE created?**

Back in 1990, a debate at Professional Engineers Ontario (PEO) about separating regulatory and non-regulatory affairs for the engineering profession was underway. This discussion resulted in a referendum of PEO licence holders in the year 2000, which found 80 per cent support among those who voted for the creation of a separate advocacy association.

This is how OSPE came to be. The referendum was approved by the Ontario Ministry of the Attorney General, and PEO licence holders voted to allow PEO to raise its annual fees and pass a portion of that increase along to start OSPE. Between January 2001 and December 2003, OSPE received \$30 per active licensed engineer annually to fund its work.

This transitional funding to OSPE ceased after three years. PEO does not financially support OSPE – the organizations are separate and distinct entities. OSPE is funded by membership fees, revenue from partnerships, affinity and professional development programs, and other non-regulatory activities.

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

PEO and OSPE are separate organizations with distinct mandates.

PEO regulates

PEO's mission is to regulate and advance the practice of engineering to protect the public interest.

- ◆ Licensing individuals who have met the rigorous qualifications
- ◆ Disciplining licence holders who fail to maintain the profession's technical and ethical standards
- ◆ Ensuring that only licence holders practise professional engineering

OSPE advocates

OSPE is the advocacy association and the voice of the engineering profession in Ontario, representing the entire engineering community.

- ◆ Influencing public policy
- ◆ Building awareness of the many ways engineering enhances Ontario's economy and quality of life
- ◆ Providing member services and career support

#### **4.2.4 How does OSPE advocate for engineers in Ontario?**

OSPE's mission is to advocate on issues of importance to society and the engineering profession and create opportunities for engineers and engineering graduates to connect, collaborate and contribute as they progress through their careers. OSPE ensures government, media and the public appreciate how critical the engineering profession is to

growing Ontario's economy while protecting the environment and improving the quality of life we enjoy in our province.

Recent advocacy highlights:

- ◆ OSPE led a motion to declare March 1<sup>st</sup> Professional Engineers Day in Ontario (#PEngDay). Engineering is the only profession that is now officially recognized and celebrated by the Ontario government.
- ◆ Recommendations from OSPE's Women in Engineering Advocacy Champions Task Force were included in Bill 3, *Pay Transparency Act, 2018*
- ◆ OSPE met with Minister of Labour Laurie Scott regarding negative impacts of regulation on internationally educated engineers, encouraging more work-integrated learning
- ◆ OSPE met with Minister of Infrastructure Monte McNaughton to advocate for improvements in the bidding process, particularly qualifications-based selection (QBS) and suggested the government look to new engineering and innovation in construction models and invest in asset management planning for municipalities.

For a full list of highlights, visit [blog.ospe.on.ca/advocacy/2018-ospe-advocacy-highlights](http://blog.ospe.on.ca/advocacy/2018-ospe-advocacy-highlights).

#### **4.2.5 How can I get involved in advocacy with OSPE?**

OSPE Ambassadors volunteer on Committees and Task Forces that work together to come up with solutions to tackle issues facing Ontario. Some of these groups include:

- ◆ Energy Task Force
- ◆ Environment Task Force
- ◆ Equity, Diversity and Inclusion Committee
- ◆ Infrastructure Task Force
- ◆ Research and Innovation Task Force
- ◆ The Ring of Fire Work Group
- ◆ Membership Advisory Committee
- ◆ Women in Engineering Advocacy Champions Task Force

For more details on how to get involved, visit [www.ospe.on.ca/ambassador-program](http://www.ospe.on.ca/ambassador-program) or email [ambassador@ospe.on.ca](mailto:ambassador@ospe.on.ca).

#### **4.2.6 Why is it important that engineers have a separate advocacy organization like OSPE?**

PEO is the delegated authority from the government to protect the public interest, safety and well-being through licensing and regulation of the practice of professional engineering. The duty of public interest organizations is to place the welfare of the largest portion of the population (the citizens of Ontario) at the forefront of any debate, activity or service provision.

In the '90s, it was determined to be a conflict of interest for the regulator to be solely responsible for protecting the public interest, while also lobbying for the interests of engineers. This is why OSPE was formed as the advocacy and member services organization for the profession.

As is the case with medicine and law, the public needs a strong regulatory body that will ensure the highest standards of practice among engineering practitioners. This division of mandates is used by several professions. For example, lawyers have the Law Society of Ontario for regulation and the Ontario Bar Association for advocacy.

### **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 87,000 professionals—has been successfully protecting the public for more than 96 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?**

The Government Liaison Committee (GLC) provides oversight to the GLP, coordinates GLP efforts and develops and executes new strategic initiatives for the program. Serving on the GLC are representatives from PEO GLP, Engineers Canada, the Ontario Society of Professional Engineers, Consulting Engineers of Ontario, engineering interns and students who join together to determine the direction of government relations for engineers in the province.

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

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

The Government Liaison Committee (GLC) 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.

The year was a busy one for the GLP as it continued to engage provincial legislators through its many initiatives.

#### **First Professional Engineers Day—March 1**

It was a great accomplishment for the engineering profession in Ontario this year, when a motion led by the Ontario Society of Professional Engineers (OSPE) and introduced by Durham MPP Granville Anderson was approved in the Ontario Legislature to declare March 1st as Professional Engineers Day in Ontario. This is the first time the Ontario government ever declared a day for a profession and in fact, the first time a day was declared for any profession anywhere in Canada. Subsequently, the medical profession asked that a day be declared for them in Ontario. PEO's GLP chairs across the province, with the guidance of the GLC, helped gain unanimous support for this initiative by asking their MPPs to support the motion. Every March 1st from now on will be a reminder for the Ontario public of the important contribution professional engineers make and will be a proud day for Ontario professional engineers.

### **A new government elected in Ontario on June 7, 2018**

The Ontario PC Party, under the leadership of former Toronto city councillor Doug Ford, was elected as the new Government of Ontario. The Green Party elected its first member in provincial history, Mike Schreiner, MPP (Guelph).

The election brought 73 new MPPs into the legislature. Fifty-nine per cent of the MPPs in 124 ridings in the legislature have never sat before. Once again, the GLP chairs across the province were called into action to do the critical work of introducing PEO and its regulatory mandate to the many new MPPs. With the addition of 17 new ridings, many of our chapters have had additional MPPs added to their liaison responsibilities.

In June, a total of three known engineers ran. They were:

- Jim McDonnell MPP, P.Eng., who ran for the Progressive Conservatives in Stormont-Dundas-South Glengarry;
- Jack MacLaren, P.Eng., who was previously elected as Progressive Conservative and ran for the Trillium Party in Kanata-Carleton; and
- Michael O'Brien, P.Eng., who ran for the New Democratic Party in Perth-Wellington.

Only MPP McDonnell, P.Eng., was elected. He has served in the Ontario legislature since 2011 and regularly participates in PEO activities, including the PEO and OSPE Government Relations Conference in October 2018. He is now the Parliamentary Assistant to the Minister of Municipal Affairs and Housing, Steve Clark MPP, with responsibility for Municipal Affairs.

### **Take your MPP to Work Days**

PEO's unique Take Your MPP to Work Day program continues to be popular with chapter members, participating companies and politicians. Since 2013, individual MPPs have been invited by their local PEO chapters to visit companies who employ professional engineers to learn more about PEO, the work that professional engineers do in their local community and how they impact public safety.

Despite the provincial election in 2018 and the distraction this entails for MPPs, GLP chairs were still able to organize seven Take Your MPP to Work Days including:

- April 3—Algonquin Chapter hosted MPP John Yakabuski at Canadian Nuclear Laboratories
- May 14—London Chapter hosted Liberal candidate Kate Graham at the new Western University engineering building
- September 28—London Chapter hosted MPPs Peggy Sattler, Terence Kernaghan and Teresa Armstrong at the City of London water management department
- November 7—Windsor and Chatham chapters hosted MPP Taras Natyshak at Bonduelle Canada
- November 16—Oakville and Mississauga chapters hosted MPPs Stephen Crawford, Rudy Cuzzetto and Effie Triantafilopoulos at Ford Motor Company
- November 16—Sudbury Chapter hosted MPP Jamie West at XPS Expert Process Solutions
- December 7—Chatham Chapter hosted MPP Rick Nicholls at Chatham South Water Treatment Plant

### **30 MPPs attend PEO Queen's Park Reception**

The annual PEO Queen's Park MPP Reception was held on October 24. Six ministers and 30 MPPs participated in the event. Speaking at the reception were:

- Lindsey Park, MPP (Durham), Parliamentary Assistant to the Attorney General;
- Deputy NDP Leader and Attorney General Critic, Sara Singh MPP (Brampton Centre);
- Interim Liberal Leader John Fraser MPP (Ottawa South); and
- Green Party Leader, Mike Schreiner MPP (Guelph).

Over 100 representatives from PEO Council, chapter GLP representatives and engineering partners attended. Three MPPs were given certificates of recognition for their work in promoting engineering in the public interest. They were:

- Minister of Education Lisa Thompson, MPP (Huron-Bruce) on behalf of the PC party;
- Percy Hatfield, MPP (Windsor-Tecumseh) on behalf of the NDP party; and
- Mitzie Hunter, MPP (Scarborough-Guildwood) on behalf of the Liberal party.

President David Brown welcomed the MPPs and thanked them for their participation, noting the event gives PEO volunteers the opportunity to interact with MPPs and helps MPPs recognize and understand PEO's mandate to regulate.

The reception was particularly important this year, with 73 new MPPs who were not familiar with PEO invited to attend. Several veteran MPPs advised that annual receptions at Queen's Park are very important for organizations seeking recognition amongst legislators.

Due to budget cuts by PEO Council, the annual Queen's Park Reception has been suspended for 2019. Lower cost alternatives to replace the reception are being considered by the GLC.

### **Professional Engineers Government Relations Conference**

On October 24, PEO and OSPE jointly hosted a day-long Professional Engineers Government Relations Conference at Hart House at University of Toronto. Speakers included MPPs Jim McDonell (PC), Bhutila Kapoche (NDP), Nathalie Des Rosiers (Liberals), and Green Party Deputy Leader Bonnie North.

A highlight of the conference was a panel discussion moderated by PEO President Brown, with some of Canada's top journalists, including:

- Martin Regg-Cohn, Queen's Park columnist for the Toronto Star;
- Marcus Gee, Urban Affairs columnist for the Globe and Mail;
- Adrienne Batra, Editor in Chief for the Toronto Sun; and
- Jim Warren, National Affairs columnist for Toronto Sun and CTV.

They provided an analysis of the new Ford government, potential impacts to the engineering profession and how to work with media.

The opening keynote speaker was Seneca-York Professor Hershell Ezrin, principal secretary to former premier David Peterson, who spoke on how the engineering profession can impact the Ford agenda. The closing keynote speaker was award-winning author and engineering graduate, Terry Fallis.

### **Meeting with Attorney General**

President Brown, Interim Registrar Johnny Zuccon, P.Eng., and Manager, Government Liaison Programs Jeannette Chau, P.Eng., met with new Attorney General Caroline Mulroney on August 16 to brief her on regulatory issues in which PEO is engaged.

### **Six engineers elected in municipal elections**

Elections were held in Ontario's 444 municipalities on October 22. Fourteen engineers ran. The engineers who won included:

- Bill Altenhof, P.Eng., in Ward 2 (Tecumseh);
- George Comrie, P.Eng., who won re-election for a second term as councillor in Whitestone. He served two terms as PEO president in 2004-05 and 2016-17;
- Andrew Dowie, P.Eng., in Ward 1 (Tecumseh);
- Diane Freeman, P.Eng., PEO president in 2010-2011, was re-elected for a fourth term on Waterloo City Council in Ward 4;
- Ian McDougall, P.Eng., was elected Ward 1 councillor in Scugog; and
- Ron Starr, P.Eng., was re-elected in Mississauga as city councillor for Ward 6.

There were eight other engineer candidates who ran. They were:

- Mike Bell, P.Eng., for Hamilton City Council in Ward 12 (Ancaster);
- Thomas Chong, P.Eng., for York Region District School Board for Wards 3, 5 and 6 (Richmond Hill);
- Steve Clark, P.Eng., for Mayor of Timmins;
- Elie Diab, P.Eng., for Mississauga City Council in Ward 6;
- Wayne Hancock, P.Eng., for Mayor of Minden Hills Township;
- Andrew Herbst, P.Eng., for Toronto City Council in Ward 18 (Willowdale);
- Michel LaBonte, P.Eng., for Upper Canada School Board Trustee in Ward 5 (Brockville & Maynard); and
- José Vera, P.Eng., for Toronto City Council in Ward 4 (Parkdale—High Park).

While PEO does not engage in municipal politics, it acknowledges the engineers who run for political office at all levels and their contributions to developing regulatory policies in government.

### **Chapter and MPP activities**

PEO chapter GLP representatives also attended various MPP New Year's levees, community events and local meetings. MPPs participated in chapter licence ceremonies, chapter annual general meetings, Engineering Month events and Take Your MPP to Work Days. These interactions helped to develop awareness and strong relationships between PEO and MPPs as well as promote our regulatory issues when required.

### **Engineering Ally pledge**

The Ontario Society of Professional Engineers (OSPE) launched a new campaign prior to the June 7 Ontario election that asked candidates to take a five-point pledge in making the engineering profession a priority for the next government. Several PEO GLP chairs and chapters worked to promote the Engineering Ally campaign and increase awareness of both PEO and OSPE.

The GLC had a very active and busy year in 2018 introducing the 73 new MPPs to PEO's mandate to regulate the practice of professional engineering in the public interest. Work has begun on a task group to consider expanding the GLP chairs program to include one-on-one

GLP representation for each MPP in each riding. The task group will consider succession, selection and training to ensure the continuation of a high level of representation of PEO to MPPs.

#### **4.3.5 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, government liaison programs, at [jchau@peo.on.ca](mailto:jchau@peo.on.ca) or (647) 259-2262.

## **5. Practice Evaluation and Knowledge (PEAK) Program**

PEO's Practice Evaluation and Knowledge (PEAK) program came into effect on March 31, 2017. As of this date, renewal notices to all current and retired professional engineers, as well as limited licence holders, contain a request to complete elements of the program prior to their licence renewal date.

### **5.1.1 What is the PEAK program?**

PEO's PEAK program started its third year on March 31, 2019. PEO licence renewal notices to all current and retired professional engineers, as well as limited licence holders, contain an invitation to complete elements of the program prior to their licence renewal date every year.

#### **Q: What is the PEAK program?**

**A:** The program is an information-gathering tool to help ensure PEO has sufficient information on each licence holder's practice to effectively carry out its role as the regulator of the profession. It was designed to help PEO complete four objectives: (1) track which licence holders are practising and how they perform their practice activities, (2) encourage practising licence holders to pursue continuing knowledge activities annually to maintain a level of knowledge and skill commensurate with safeguarding the public interest, (3) trace how licence holders pursue continuing education, and (4) acquaint licence holders, including those who are non-practising or retired, with their statutory obligations as professional engineers.

#### **Q: Who benefits from the PEAK program?**

**A:** The PEAK program serves as an additional layer of public interest protection by providing PEO—the engineering regulator—with necessary practice details for each licence holder for its regulating activities. The program also supports licence holders through insights into whether they are practising, how they conduct their practice activities and how they stay up-to-date. Employers also benefit from the program through its public posting of the PEAK participation status of their employee engineers on PEO's online directory of licence holders.

#### **Q: What are the 3 elements of the PEAK program?**

**A:** The three PEAK program elements include: a practice evaluation, an ethics module, and a continuing knowledge declaration.

**Practising** licence holders should complete a short practice evaluation questionnaire and watch PEO's ethics refresher video. Their responses to the questionnaire are used to provide them with a recommended amount of time to dedicate to continuing knowledge

activities during the licence year. The maximum recommendation is 30 hours per licence year; however, typically the actual recommendation is less. Practising licence holders should inform PEO of the continuing knowledge activities they completed during the 12-month period before their next renewal date.

**Non-practising** licence holders are only asked to declare they are not currently practising engineering and to watch PEO's ethics refresher video prior to their licence renewal date.

**Q: Who is being asked to complete the PEAK program?**

**A:** All current and retired professional engineers, as well as limited licence holders, should complete the program. Temporary and provisional licence holders are exempt. Engineering interns are only asked to familiarize themselves with the program for when they become licensed.

**Q: How often should the PEAK program be completed?**

**A:** Licence holders should complete the program at least once every licence year. However, they may return to the program more often to update their information.

**Q: Is completing the PEAK program mandatory?**

**A:** Participation in the PEAK program is not mandatory to renew or maintain a PEO licence. However, PEO's online directory of practitioners will publicly show the completion status of all elements of the program for each licence holder.

Section 7(1) 27 of the *Professional Engineers Act* provides PEO with the authority to make regulations governing the continuing education of licence holders as well as sanctions for non-compliance. At this time, no changes exist to PEO's operational policies with respect to continuing education that make the PEAK program mandatory or impose sanctions onto non-compliant licence holders.

**Q: What does PEO do with the data it collects from licence holders?**

**A:** Using the information collected, the program publishes—on PEO's public online directory of practitioners—in the public interest: (1) the practising status of licence holders, (2) whether they completed elements of the program and (3) whether they informed PEO about their continuing knowledge activities.

The data collected from the PEAK practice evaluation questionnaire is used to update PEO's registry of licence holders. It is also used for policy development purposes such as percentage of practising vs non-practising licence holders. This helps ensure PEO has sufficient information to effectively carry out its role as regulator of the profession. PEO does not record responses to the handful of questions contained in the PEAK ethics modules.

**Q: How do I access the program?**

**A:** The entire program must be accessed online through PEO's member portal at [secure.peo.on.ca](https://secure.peo.on.ca) under the PEAK tab. Here, licence holders can update their practising status, change their information and responses, watch the ethics video module and report their continuing knowledge activity hours.

**Q: I'm already doing continuing knowledge activities—why does PEO need to get involved?**

**A:** Reporting continuing knowledge activities provides additional assurance to the public that practising licence holders are maintaining their competence as professional engineers.

**Q: What is the ethics module?**

**A:** The ethics module element is PEO's video designed to reacquaint all licence holders with their ethical and statutory obligations as professional engineers. Presently, PEO has three modules in the video library and licence holders are asked to watch a video every licence year.

**Q: Will PEO recommend specific continuing knowledge activities for me?**

**A:** PEO defines three categories for identifying the types of continuing knowledge activities that are available: formal education, informal education and contributions to knowledge. Licence holders are encouraged to develop their own learning plans by determining which activities are relevant to their practice disciplines, ensuring they are sufficiently technical for their needs and most convenient to undertake.

**Q: What is the PEAK program uptake so far?**

**A:** In its first year, 33% of licence holders participated in the program, of which 76% self-declared as practising and 60% watched the ethics module.

In its second year, 23% of licence holders participated in the program, of which 79% self-declared as practising and 72% watched the ethics module.

**Q: Where can I find more information on the PEAK program?**

**A:** To learn more about the program, visit [www.peopeak.ca](http://www.peopeak.ca). To provide comments and ask questions, or to learn about information presentations, contact PEO via [peoPEAK@peo.on.ca](mailto:peoPEAK@peo.on.ca) or (416) 224-1100 / 1 (800) 339-3716.

## **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 106,730 square feet of rentable area. PEO moved into 40 Sheppard Avenue West on December 18, 2009. PEO occupies 39,100 square feet as of December 31, 2018.

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

The building at 40 Sheppard is being managed by Brookfield Global Integrated Solutions (BGIS). The building was previously managed by Colliers International and the change to Brookfield Global Integrated Solutions was made in February 2011 after a thorough tendering process. A tendering process was conducted in 2018 for property management services and, after a thorough review, BGIS was again selected as PEO's property manager from 2018 onwards.

### 6.1.3 Was the building profitable in 2018?

The building generated \$2,871,637 in revenue, including PEO's share of recoverable expenses but excluding base rent (had PEO paid market rent for its space) with total expenses of \$3,307,220. This created a deficiency of revenue over expenses of \$435,583 (after all expenses, including loan interest), as compared to a deficiency in 2017 of \$15,422. This increased deficiency of revenue over expenses was due to unleased vacant space and higher operating costs.

Total recoverable expenses were \$2,432,795, with PEO's share of this totaling \$812,793. These costs were reclassified from building operations to occupancy costs in the financial statements. Total occupancy costs for 2018 were \$885,083, which included storage and other occupancy costs. PEO's total accommodation expense (including interest for the mortgage) was \$1,186,352. PEO occupied a total of 39,100 square feet at December 31, 2018. The market rent of this space is approximately \$15/square foot with operating costs of \$22.79/square foot. Therefore, PEO's equivalent costs for rent and operating costs would be \$1,477,589 for 2018.

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. Since 2013, PEO has been billed at the reduced municipal tax rate.

### 6.1.4 Can you provide a breakdown of the major building improvements made in 2018?

The following major projects were completed in 2018:

- ◆ **Elevator upgrades.** This 2017 project was completed in 2018 with a total spend of \$635,615.
- ◆ **Leasehold improvement.** A new tenant on the fourth floor was given an allowance of \$359,676 for preparing their space.
- ◆ **Fourth floor public corridor fit-up.** To ready the fourth floor for new tenants the spend for 2018 closed at \$163,691.
- ◆ **Generator replacement.** This project was initiated in 2018 with spending of \$45,187.
- ◆ **Security improvements.** The PEO reception area received security enhancements in 2018 totaling \$36,416.
- ◆ **Design of fourth floor fit-up.** Project spend was \$21,527.
- ◆ **Heat pump replacement.** In the 2018, heat pump replacement spending was \$18,895.

### 6.1.5 Can you provide an update on 2019 plans?

Planned 2019 capital spending on common area space, and recoverable from tenants, includes:

- ◆ Completion of the generator replacement project;
- ◆ Continued work on fourth floor renovations;
- ◆ Additional tenant inducements for locations on the second, fourth and eighth floors;
- ◆ Further security upgrades;
- ◆ Continued exterior window replacement; and
- ◆ Repair loading dock base plate.

**6.1.6 What monies have been set aside for future renovations beyond 2019, such as future Council chambers?**

Plans for a future Council chamber have been discontinued with the decision to lease the vacant eighth floor space to new tenants once the renovation work is complete.

**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 vacant space on the second, fourth and eighth floors. PEO is working with its property managers to lease this space out.

## **7. Capital expenditures**

**7.1.1 Can you provide a breakdown of the capital expenditures made in 2018?**

Total capital expenditures were \$1,745,688 in 2018. Building-related capital improvements are outlined under section 6.1.4. Several projects initially planned for 2018 were deferred until later. The main capital projects implemented in 2018 are as listed below.

- ◆ Aptify software upgrade for \$205,147;
- ◆ Upgrade of PEO website and portal for \$116,763;
- ◆ Upgrade SQL (Structured Query Language) software for \$91,272;
- ◆ Replacement of old / obsolete and desktop computers for \$22,832;
- ◆ NAS (Network Attached Storage) hardware replacement for \$9,212; and
- ◆ Replacement office furniture for \$6,283.