



**Professional Engineers**  
Ontario

## **Questions and Answers on PEO Operations**

As at March 30, 2018

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## 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 2017. The audited statements show the association's financial position as at December 31, 2017. 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.

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

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. 2017 Finances and Operations**

## **1.1 Revenue and Expenditures**

### **1.1.1 Revenue increased by 2.9 per cent in 2017 over the previous year. What accounted for the increase?**

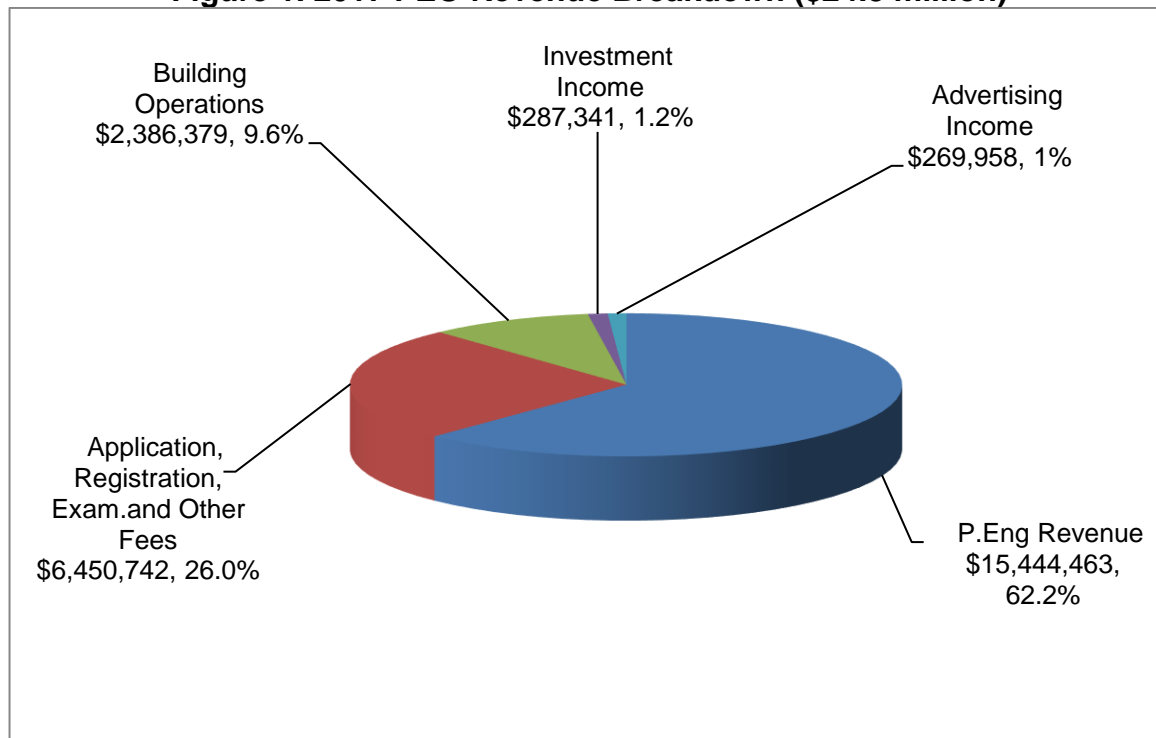
The total revenue in 2017 was \$24.8 million compared to \$24.1 million in 2016. This can be attributed to:

- ◆ An increase in building operations revenue of \$341,790 or 16.7 per cent, due to higher base rent and recoverable rental revenue from part of the second and eighth floors being leased;
- ◆ An increase in application, registration, examination and other fees of \$264,313 or 4.3 per cent, due to an increase in P.Eng. registration revenue, certificate of authorization (C of A) fees and engineering intern (EIT) fees;
- ◆ An increase in P.Eng. revenue of \$143,971 or 0.9 per cent, which is slightly lower than the increase in prior years; and
- ◆ An increase in investment income of \$115,803 or 67.5 per cent, largely due to the new investment policy that came into effect in January 2017. The revised policy allows for better diversification by allocating a larger portion of the portfolio to both local and international equities. The fair value of the investment portfolio as of December 31, 2017 was \$6.8m versus \$6.6m in 2016.

The above was partially offset by:

- ◆ A decrease in advertising income of \$167,229 or 38.3 per cent, due fewer advertisements placed in *Engineering Dimensions*. Some of the key accounts did not place advertisements in *Engineering Dimensions* in 2017.

**Figure 1. 2017 PEO Revenue Breakdown (\$24.8 million)**



**1.1.2 In 2017, PEO experienced an increase of \$55,000 in its net assets compared to 2016. What factors contributed to the increase?**

In 2017, the net asset balance was \$16.1 million, compared to \$16.0 million in 2016. The increase was largely due to a decrease in expenses resulting from cost cutting measures and the deferral of several 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?**

- ◆ **Contract staff.** A decrease of \$210,529, or 52.6 per cent, was due to fewer contractors for the Licensing and Registration, Information Technology and Corporate Services departments. As at December 31, 2017, there were four contract staff in 2017 versus three contract staff in 2016.
- ◆ **Building operations.** A decrease of \$84,057, or 3.4 per cent, was due to lower mortgage interest costs and lower costs for utilities and security monitoring of the premises.
- ◆ **Professional development.** A decrease of \$47,026, or 28.0 per cent, was due to lower attendance at educational courses and seminars.
- ◆ **Occupancy costs.** A decrease of \$40,200, or 4.7 per cent, was due to lower costs for offsite storage and lower PEO occupancy costs.

**1.1.4 Although PEO's total expenditures for regular operations decreased 4.6 per cent, or \$1,096,965, in 2017 over the previous year, can you highlight the areas that encountered increases in costs?**

- ◆ **Staff salaries and benefits/Retiree and future benefits.** An increase of \$480,041, or 4.3 per cent, was largely due to the annual approved Consumer Price Index/merit salary increase, as well as the filling of positions vacant in 2016. There were 106 full-time staff in 2017 versus 102 full-time staff in 2016.
- ◆ **Legal (corporate, prosecution and tribunal).** An increase of \$299,495, or 48.8 per cent, largely due to higher employment-related legal matters, discipline prosecution, small claims and investigations.
- ◆ **Computers and telephones.** Increased \$225,177 or 35.8 per cent, largely due to higher IT costs for network and server support contracts, including hosting costs for the ethics module for the PEAK program, as well as non-capital hardware and software purchases for upgrades and replacements.
- ◆ **Chapters costs.** An increase of \$122,317 or 16.0 per cent, due to higher allotments and costs for attendance at RCC and various other events.
- ◆ **Purchased services.** An increase of \$89,955, or 6.4 per cent, was due to higher costs for the annual general meeting and Order of Honour gala audio-visual services, exam-related costs for invigilation and marking, catering costs for various committee meetings, and costs for trainers/facilitators for various conferences and events.
- ◆ **Volunteer expenses.** An increase of \$77,296, or 11.7 per cent, was due to higher costs for meals, accommodation, airfare mileage and other travel related costs for attending the AGM and other meetings and events.

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

The main items under purchased services for 2017 include:

- ◆ Printing of *Engineering Dimensions* magazine (\$186,429);
- ◆ Setting of technical exams (\$83,966);
- ◆ Marking of technical exams (\$78,102);
- ◆ Managing the Engineers-in-Residence program (\$70,486);
- ◆ Marking of Professional Practice Exams (\$69,044);
- ◆ Scanning of PEO files (\$66,564);
- ◆ Meeting room audio visual contract (\$59,880);
- ◆ A/V graphics for the Ontario Professional Engineers Awards (\$53,363);
- ◆ Audio visual services for the AGM (\$51,640); and
- ◆ AGM event meal (\$33,874).

In addition, there were expenses for professional engineer seals, Council election voting, surveys, catering, freelance photography, trainers/facilitators and other services.

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

The cost for consultants in 2017 was \$459,679 (compared to \$410,711 in 2016). The 2017 costs include \$121,551 for IT consulting related to the Aptify updates, \$115,808 for the Government Liaison Program, \$76,488 for Public Information Campaign consultant, \$58,061 for the consultant for the 2017 Council election review, \$32,036 for financial auditing services, and \$17,043 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 \$706,500 (compared to \$771,400 in 2016). The number of EITs (engineering interns) as of December 31, 2017 was 13,900 (compared to 13,097 in 2016).

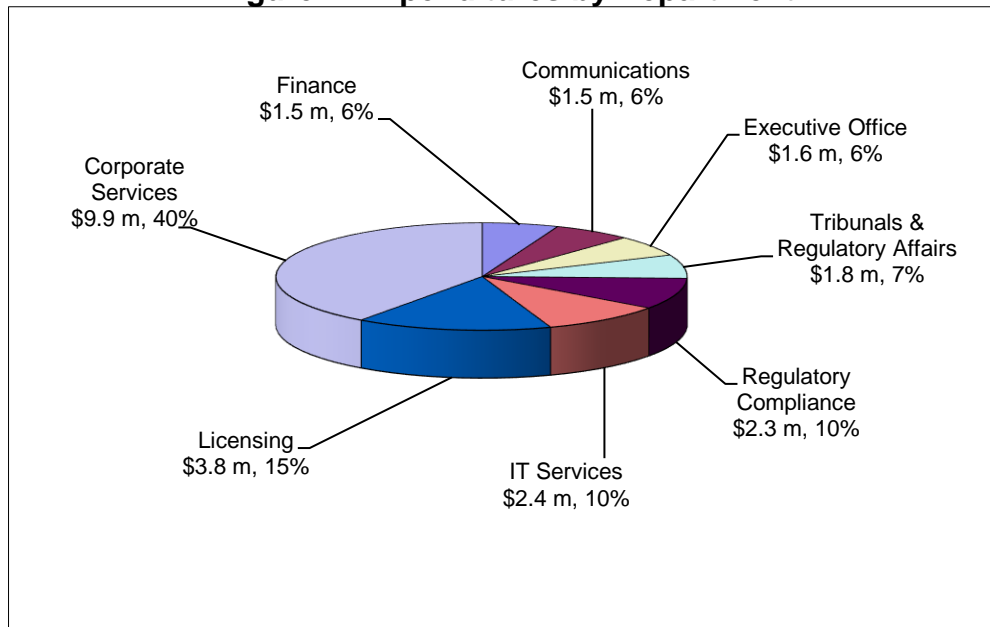
**1.1.8 What were the expenses for tribunal operations?**

The expenses for operating PEO's tribunals, which include fees for independent legal counsel, court reporters, etc., were \$172,400, compared to \$176,235 in 2016. Although 2017 spending increased, it was under budget. This does not include the costs for the Registration Committee, the Discipline Committee, the Complaints Review Council or the Fees Mediation Committee.

**1.1.9 What are the 2017 figures for department expenditures?**

Figure 2 illustrates the 2017 department expenditures.

**Figure 2. Expenditures by Department**



**1.1.10 I hear that chapter funding decreased in 2017. Is this correct? What are the reasons?**

No, this is not correct. Chapter budget allotments increased in 2017 to \$597,000 from \$545,000 in 2016.

**1.1.11 How much did it cost PEO in 2017 to fund its chapters?**

During the year, PEO paid chapter expenses totaling \$887,498 (compared to \$765,181 in 2016), including \$596,775 in allotments (compared to \$545,555 in 2016) and other disbursements to individual chapters. The association incurred additional costs of \$561,332 (compared to \$495,694 in 2016) related to chapter operations, including staff salaries and benefits, and various other support activities.

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

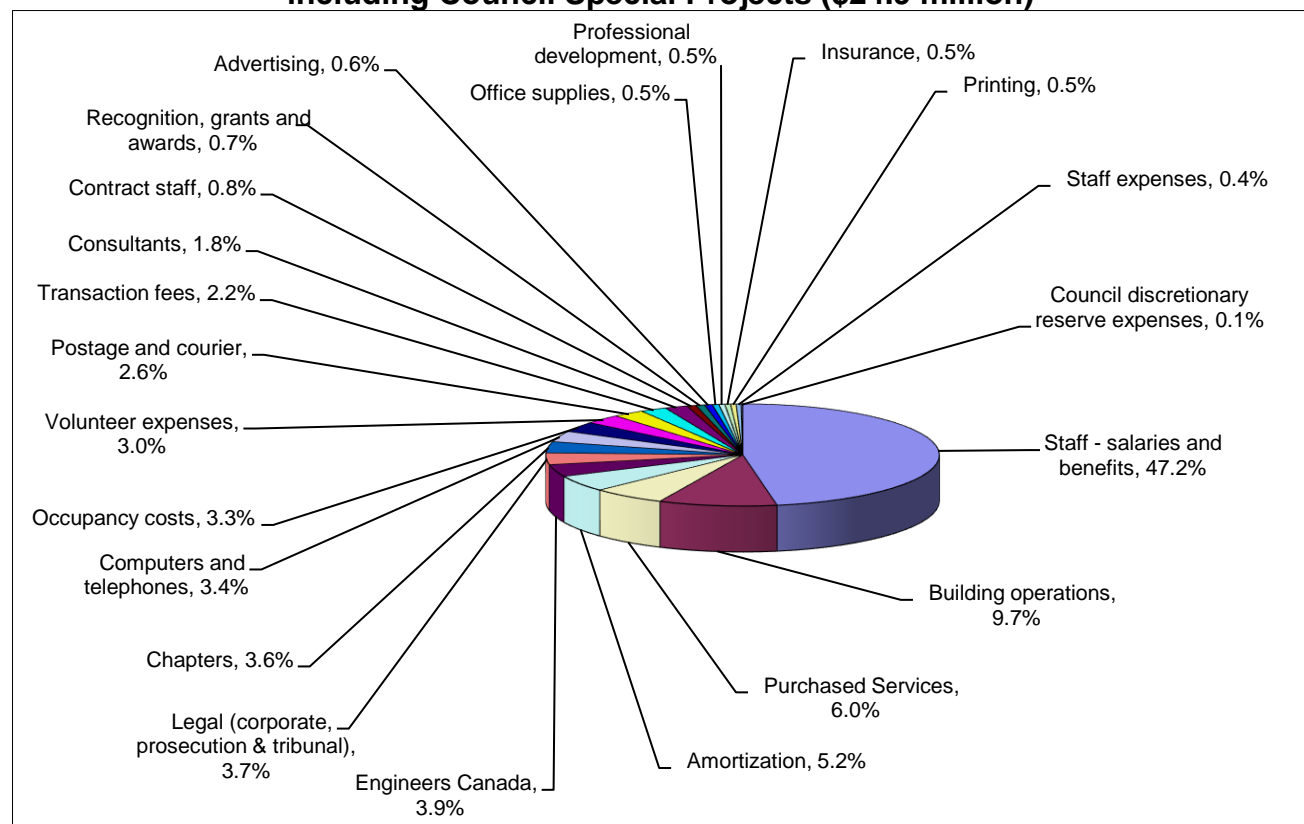
Please see the answer to Question 1.3.3.

### 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 is only one component, or 62.2 per cent, of PEO's total revenue in 2017. 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 26.0 per cent of total revenue. Revenue from building operations was 9.6 per cent of total revenue. Investment income and advertising were 1.2 per cent and 1.0 per cent, respectively, of total revenue in 2017.

Figure 3 illustrates the areas in which the annual licence fee and other revenue were spent.

**Figure 3. 2017 PEO Expenditures for Operations, including Council Special Projects (\$24.9 million)**

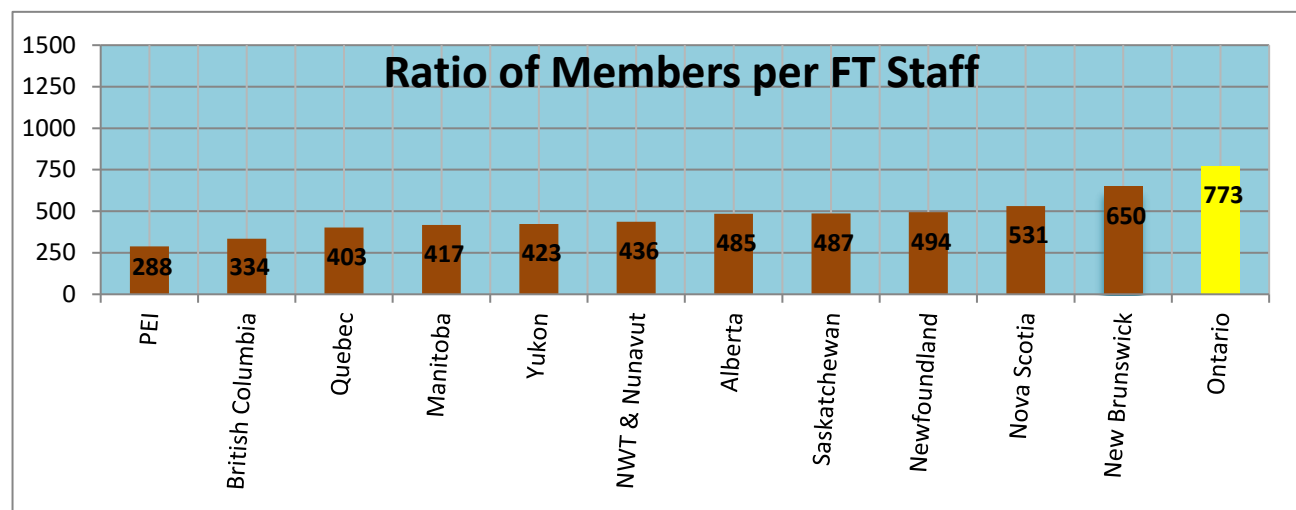


Web research was conducted to benchmark staffing of other self-regulatory organizations, including other engineering associations in Canada. The key performance indicator, "members per staff," used to measure organizational efficiency is defined as the average number of licence holders for each staff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



As can be seen from Figure 4, PEO has approximately 773 members for each staff member, placing it at the top of the benchmarked associations. This suggests that PEO's current staffing levels are very competitive.

**Figure 4. Members per Staff**



## **1.2 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, 2017 was \$9.2 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;
- ◆ fulfill contractual agreements; and
- ◆ fulfill 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 which requires an ongoing dynamic assessment of new circumstances and future requirements.

### **1.2.4 What was the spending on Council special projects in 2017?**

For 2017, the net expenditures for the projects approved by Council amounted to \$34,967. This figure includes an actual spend of \$12,001 for the Council Composition Task Force, \$1,181 for the Council Term Limits Task Force and \$521 for the Emerging Disciplines Task Force. In addition, \$21,264 in full-time staff salaries was 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.

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

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

The auditors obtain an understanding of the internal controls 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 and do not exceed the approved budget before a purchase order to release funds can be issued or money spent. PEO management regularly reviews their department budgets to ensure the expenses are charged accurately against the appropriate general ledger accounts. 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 controller 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?**

Financial management reports are issued quarterly to the Finance Committee. Complementary to PEO's financial statements, a summary of management financial reports related to PEO's departmental activities is included in this document.

## 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. As of December 31, 2017, the actual staffing level was 106 regular full-time staff, three contractors and one temporary staff member for a total of 110 staff in 2017. The number of full-time staff approved in the 2017 budget was 108.

**Table 1. Actual and Budgeted Staffing Levels 2012–2017**

Year	Regular full-time staff (number in approved budget)	Actual full-time staff (excludes contract and temporary)	Actual staff (including contract and temporary)
2012	99	93	99
2013	99	94	101
2014	101	96	101
2015	105	99	104
2016	106	102	105
2017	108	106	110

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

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 resources such as legal and management consultants because of the need to use their expertise to support both regulatory and support activities. It is usually more economical to outsource the services required 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, disability or maternity leaves). This strategy offers organizational flexibility, assists PEO to meet its staffing needs and avoids unnecessary, longer-term staffing costs.

In 2017, PEO used:

- ◆ One temporary staff in Corporate Services to cover for a staff medical leave;
- ◆ Two contract staff in Licensing and Registration—one to cover a job vacancy, the second to handle increased workload related to the Aptify project; and
- ◆ One contract staff in Regulatory Compliance to cover for a maternity leave.

Consultants were used for the following projects:

- ◆ To provide pension management data and reports related to employee future benefits;
- ◆ To manage PEO's pension fund; and
- ◆ To manage PEO's investment portfolio.

## **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**

<b>Employee Future Benefits Components</b>	<b>Offered Benefits</b>
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 done 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. At the June 2012 Council workshop, a presentation was made by staff to Council outlining opportunities that existed to reduce costs and paper by "going electronic."

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

- ◆ **Electronic elections.** An initiative undertaken in this area includes providing voting materials electronically to all members who have an email address on file with PEO for the 2013, 2014, 2016, 2017 and 2018 Council elections.
- ◆ **Electronic membership cards and e-receipts.** PEO started issuing membership cards and e-receipts electronically during 2012. Effective January 1, 2013, the membership card was phased out and replaced with the e-card and e-receipt. With this initiative, members can download their card and receipt at any time from the PEO website 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.
- ◆ **Electronic funds transfer (EFT).** While EFT had been offered by PEO for several years, in 2012, the finance team started a protracted campaign targeting key vendors and volunteers to sign up for EFT. 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.
- ◆ **Exam Reprints.** PEO moved exam reprints in 2017 from wholly paper based to downloadable online only for an average annual cost savings of \$12,000. PEO is still charging the same fee for accessing the exams but has achieved savings by reducing costs in the following areas: staff time, paper, envelopes, labels, copier cost per page and postage.

Other new measures include:

- ◆ PEO has introduced a new licence holder management system (Aptify), based on a system already in place at the Association of Professional Engineers and Geoscientists of Alberta. This new system is expected to streamline applicant interaction with PEO through the resulting online services.
- ◆ 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.
- ◆ Numerous application enhancements and software upgrades were applied to ensure effective support and alignment of PEO business processes and needs.
- ◆ The use of accounts payable stamps for processing invoices instead of regular paper forms was introduced in 2011 and fully functional in 2012. This initiative continues and has successfully helped in reducing annual paper usage by over 6000 sheets each year.
- ◆ Printing on PEO printers has been defaulted to double-sided printing for the past three years.
- ◆ 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 2016 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 2016 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 2017. 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.

#### **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.

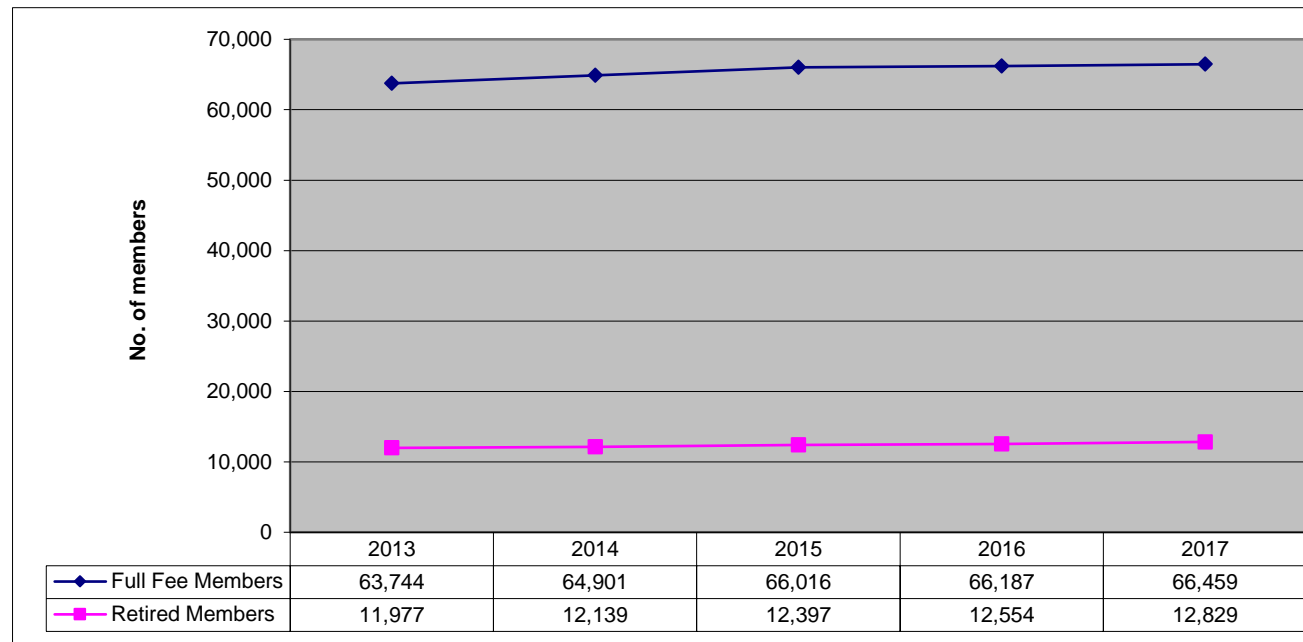
## 2. PEO Membership

### 2.1 PEO Membership Statistics

#### 2.1.1 Can you provide historical information about membership growth over the last five years?

P.Eng. membership has grown by an average of 1.3 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 (e.g. improved Experience Requirements Committee interview process). Initiatives like the EIT Financial Credit Program, introduced in 2007, are likely to have a positive impact on membership growth in the years ahead.

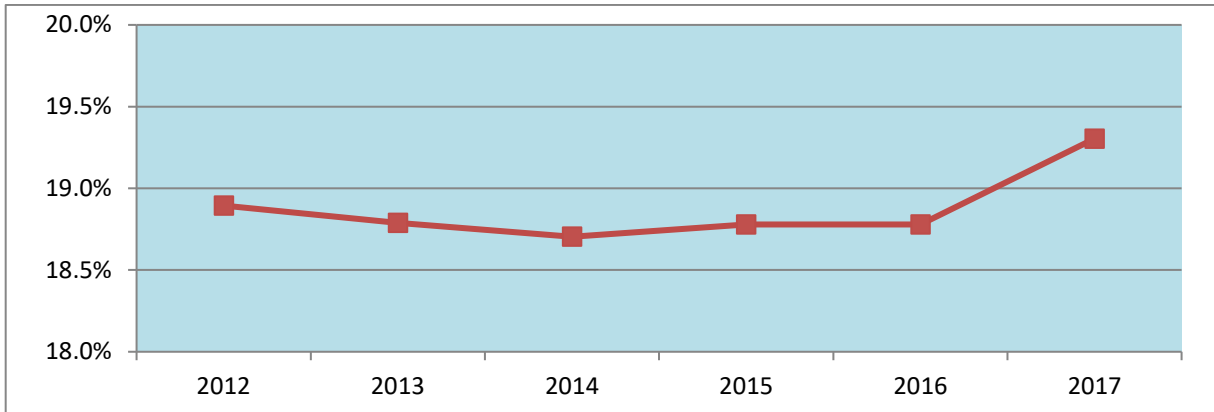
**Figure 5. Historical Data of P.Eng. Full Fee Members vs. Retired Members**



In the future, the number of retirees is expected to remain largely stable, whereas the growth of regular members is expected to increase and be higher than the historical annualized growth rate of 1 to 1.5 per cent, due to an increased number of applications. As shown in Figure 6, the decreasing ratio of retirees to full members has reversed over the past four years.



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



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

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

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

It is also expected that PEO initiatives designed to promote the relevance of the profession to engineering graduates, raise awareness among employers of the added value licensed engineers provide, and increase the public's confidence in the licence will be incentives for engineering graduates to join PEO and to maintain their licences. Such initiatives are intended to serve as building blocks to:

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

### 3. Membership Fees

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

Research was conducted to compare how the annual licence fees are charged in various provinces. As Table 3 illustrates, PEO has the lowest annual licence fee amongst Canadian professional engineering associations, and the fees have been frozen for the past 10 years, including 2017. P.Engs in Ontario are paying less compared to their peers in other provinces.

**Table 3. Provincial Engineering Associations' Annual Licence Fees  
at December 31, 2017**

Association	*Number of Members	*Annual Licence Fee (P.Eng.)
Professional Engineers Ontario	81,958	\$220
Association of Professional Engineers and Geoscientists of Newfoundland and Labrador	4,443	\$246
Association of Professional Engineers of Nova Scotia	5,845	\$263
Association of Professional Engineers of Yukon	846	\$265
Association of Professional Engineers and Geoscientists of New Brunswick	5,203	\$286
Association of Professional Engineers of Prince Edward Island	288	\$300
Association of Professional Engineers, Geologists and Geoscientists of the Northwest Territories and Nunavut	1,745	\$340
Association of Professional Engineers and Geoscientists of Alberta	64,997	\$360
Association of Professional Engineers and Geoscientists of British Columbia	22,743	\$380
Association of Professional Engineers and Geoscientists of Manitoba	7,930	\$390
Ordre des Ingénieurs du Québec	49,938	\$391
Association of Professional Engineers and Geoscientists of Saskatchewan	9,254	\$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.*

## **4. External Relations**

### **4.1 Engineers Canada**

Engineers Canada is the national organization of the 12 engineering regulators, including PEO, that license the country's 290,000 members of the profession. Engineers Canada's mandate can be seen as three-fold:

- Engineers Canada supports the engineering regulators in each province and territory, helping them coordinate their activities and policies; helping them promote and maintain high standards in engineering education and in the profession; helping them provide programs to assist engineers; and helping them promote knowledge of the profession so as to inspire public confidence.
- Engineers Canada supports the individual engineer with resources and tools to help them succeed in their work and personal lives.
- Engineers Canada also advances and supports the engineering profession itself by providing national leadership and support. It promotes and maintains the interests, honour and integrity of the profession in Canada, and helps to shape its direction and growth both nationally and internationally, positioning the engineering profession in Canada as world leaders in innovation and high standards.

#### **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 per registrant (an individual registered with PEO, with the exception of applicants and students) and remains unchanged since 2006.

#### **4.1.2. How is PEO represented at Engineers Canada?**

PEO is one of the 12 associations that comprise Engineers Canada. In 2017, PEO had five directors on the Engineers Canada Board, which comprises 23 directors and five advisors. These PEO directors are: Annette Bergeron, David Brown, Danny Chui, Chris Roney 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 290,000 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 accidents 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 [www.engineerscanada.ca](http://www.engineerscanada.ca).

#### **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 higher education programs, promoting and encouraging high standards in engineering education, and ensuring 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.

*Qualifications Board:*

Engineers Canada publishes national practice standards and guidelines on the qualifications for registration, the standards of practice and the ethics expected of professional engineers, for adoption by the regulators and for use by licence holders. The Canadian Engineering Qualifications Board also publishes the *Engineers Canada Examination Syllabus*, which describes an examination program for use by the regulators to check an applicant's academic knowledge if they have not graduated from an accredited program, nor 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, with support from PEO, developed the International Institutions and Degrees Database to provide timely information on various degrees and institutions around the world that have been compared to Canadian standards. Engineers Canada has also created the International Engineering Graduate Roadmap to Engineering in Canada ([newcomers.engineering.ca](http://newcomers.engineering.ca)) to provide a central location for international engineering graduates to access information on entering Canada's engineering profession.

*Framework for regulation:*

Engineers Canada developed the framework for regulation, a set of aspirational elements that form the baseline for engineering regulators. The framework captures excellent national and international practices, responds to emerging trends and challenges, and facilitates fair practices that are accessible, timely, monitored, transparent, objective, impartial and just. Canadian engineering regulators decide if, when, and how to adopt the elements in their jurisdiction.

*Self-regulation:*

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 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 this 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 policymakers. Engineers Canada regularly meets with members of parliaments and senior officials from the public service regarding the public interest concerns of the engineering profession.

*Public confidence:*

Engineers Canada monitors the public confidence, perceptions and expectations of the profession and makes this information available to stakeholders.

*Raising the profile of the profession:*

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

*Engineers Canada awards and scholarships:*

Engineers Canada manages a prestigious series of annual 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 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 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 recently published a review of practices that post-secondary engineering faculties can use to build and improve Indigenous engineering access programs. These will encourage and support Indigenous students as they transition into post-secondary engineering education, thereby promoting increased Indigenous peoples' representation in the engineering profession.

*Insurance, financial and other services:*

Engineers Canada works to enhance the professional, social and economic welfare of engineers by sponsoring the insurance plans, financial programs and other services outlined in 4.1.3.

*Research:*

Engineers Canada initiates and executes studies and related communications regarding trends in the engineering profession and makes this information available to policymakers to use in decision-making. This research also informs Engineers Canada's own programs related to a sustainable and diverse profession. Engineers Canada's regular research reports include the *Final Year Student*

*Exit Report, the Labour Market Report, the National Membership Report and the Enrolment and Degrees Awarded Report.*

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

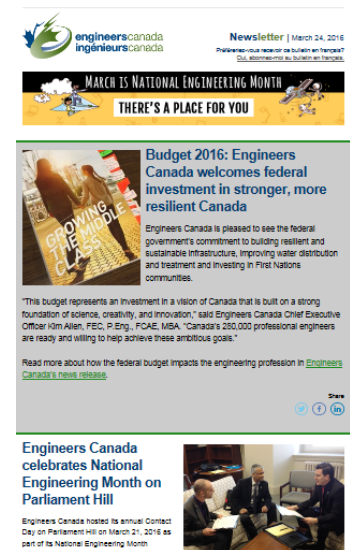
Engineers Canada works to ensure that the public is not misled by persons improperly using terms, titles, images and words that are integral to the engineering brand, including in federal corporations and trademarks. In doing so, it promotes an understanding by the public that the protected titles engineer, engineering, professional engineer, consulting engineer, P.Eng. and the 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 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 on subjects of importance to the engineering profession. Keep up-to-date and sign-up for free at [www.engineerscanada.ca/newsletter](http://www.engineerscanada.ca/newsletter).

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)?

OSPE is the advocacy association for engineers, and the collective voice of the entire engineering profession in Ontario. OSPE works to ensure engineers are not only heard, but appreciated and consulted by government, the media and the public. OSPE also provides access to networking opportunities, career services and professional development, while offering exclusive savings on entertainment, financial and lifestyle products, as well as home, auto and secondary liability insurance.

### OSPE is the voice of the engineering profession in Ontario

OSPE examines policy issues that involve engineers and provides applicable research, reports and recommendations to stimulate public discussion and help government make informed, evidence-based decisions.

- ◆ OSPE meets with government to ensure our members' positions on issues like climate change, energy, infrastructure and the labour market are understood and considered, and that engineers are consulted before decisions are made.
- ◆ OSPE works with government ministries, agencies and industry associations to create jobs for professional engineers, as well as employment opportunities for engineering graduates, so they can get the required experience to obtain their professional engineering licence.
- ◆ OSPE conducts research on labour market, salary indexes, industry and technical areas to identify trends that will inform our policy development and advocacy areas of focus.
- ◆ OSPE keeps engineers up-to-date on issues that impact the profession through its social media channels, Society Notes blog ([blog.ospe.on.ca](http://blog.ospe.on.ca)) and *The Voice*, its quarterly magazine.
- ◆ OSPE frequently responds to media inquiries to connect mainstream media with subject matter experts who are qualified to comment on engineering news. OSPE and its members are regularly featured in publications like the *Globe and Mail*, the *National Post*, and the *Toronto Star*, and on outlets like CBC Radio One and Global News.
- ◆ OSPE connects engineers with hiring employers seeking to fill job openings of all experience levels through its Engineering Employment Events (E3s) and online job board.
- ◆ OSPE offers a professional development program with seven learning streams that are specifically designed for and facilitated by engineers.

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

Although OSPE and PEO have separate and distinct mandates, there are a number of initiatives on which the two organizations collaborate to ensure Ontario engineers are celebrated.

##### **Ontario Professional Engineers Awards (OPEA)**

- ◆ Every November, OSPE and PEO co-host the OPEA gala to celebrate the accomplishments of the profession's best and brightest.

##### **National Engineering Month (NEM)**

- ◆ Each year during the month of March, OSPE, PEO and the Ontario Association of Certified Engineering Technicians and Technologists (OACETT)—founding partners of NEM Ontario—host a series of social events and educational activities across the province to showcase how rewarding a career in engineering can be.

##### **Policy issues**

- ◆ OSPE and PEO work closely together both at head office and the local chapter level.
- ◆ For example, an OSPE-led initiative, supported by PEO, helped establish Ontario as the first province in Canada to formally recognize the important contributions of professional engineers by securing formal recognition from the Legislative Assembly that from now on, March 1st is now Professional Engineers Day in the province.



- ◆ PEO and OSPE also co-hosted a joint GLP-PAN Conference in 2016 to discuss how PEO's regulatory messaging and OSPE's advocacy messaging can be better coordinated and delivered through joint events and meetings with local politicians.

#### Chapter events

- ◆ OSPE also works closely with PEO chapters to co-host events and gather member insights to prepare submissions for various levels of government.
- ◆ In 2017, OSPE ran numerous events with local PEO chapters, including panel discussions, policy events and NEM events. OSPE also spoke at a number of chapter AGMs and licensing ceremonies.

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

OSPE was formed in 2000 after members of PEO voted to separate regulatory and advocacy functions into two distinct organizations.

PEO's mission is to regulate and advance the practice of engineering to protect the public interest. PEO licenses individuals who have met the rigorous requirements of licensure, disciplines licence holders who fail to maintain the profession's technical and ethical standards, and ensures only licence holders practise engineering. PEO is not a membership organization, it is a regulator.

OSPE is the advocacy association and voice of the engineering profession in Ontario, representing the entire engineering community. OSPE influences public policy and raises awareness about the many ways the engineering profession enhances Ontario's economy and quality of life. OSPE's primary mandate is to protect and elevate the reputation, interests and influence of its members.

This division of mandates is comparable to the structure adopted by several other professions in Ontario. Law has the Law Society of Upper Canada and the Ontario Bar Association, and medicine has the College of Physicians and Surgeons of Ontario and the Ontario Medical Association. Engineering has PEO and OSPE.

Less than 10 per cent of engineers in Ontario support advocacy by joining OSPE. By comparison, 100 per cent of doctors support the Ontario Medical Association and, according to a representative of the organization, more than 80 percent of lawyers join the Ontario Bar Association. Doctors, lawyers and other esteemed professionals see the value of protecting their reputation and promoting their expertise to government and the public. To amplify the reach and impact of OSPE's advocacy efforts, and to ensure engineers enjoy the same level of influence in society as these other professions, OSPE requires greater support and input from Ontario's engineers.

Visit the Society Notes blog to view the OSPE-PEO brochure titled, "Two Sides of the Same Coin," for more information on the complementary mandates of OSPE and PEO.

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

OSPE was established to ensure the voice of engineers is not only heard, considered and respected, but also acted upon. OSPE works to provide solutions to the societal challenges that impact Ontario's economy and the engineering profession.

OSPE meets with cabinet ministers, opposition leaders, deputy ministers, the media, and academic and business leaders to ensure our policy positions are understood and considered. OSPE monitors policy proposals and decisions that have an impact on the engineering profession, and provides specific recommendations on areas such as energy, the environment and climate change, women in engineering, infrastructure, research and development, employment, safety and more.

OSPE also prepares policy papers in collaboration with other organizations to ensure the engineering perspective is included. For example, OSPE is an active member of the Ontario Chamber of Commerce (OCC), the Construction & Design Alliance of Ontario (CDAO), and the Ontario Industry Environmental Association (ONEIA), as well as the Engineering Change Lab—an initiative supported by OSPE, Engineers Without Borders, Engineers Canada and 40 other organizations.

#### **4.2.5 What are the benefits of having representatives from both PEO's Government Liaison Program and OSPE's Political Action Network talk to government jointly?**

OSPE's Political Action Network (PAN) enables OSPE members to advocate for their own profession. PAN volunteers, alongside volunteers from PEO's Government Liaison Program (GLP), meet regularly with MPPs from all parties to discuss a range of relevant issues, such as the need for greater government support for research and innovation. GLP volunteers provide MPPs with an update on regulatory issues.

PAN helps foster long-term relationships with elected officials from each party, encouraging them to adopt OSPE policy solutions or to become a champion on a particular issue that impacts engineers. PAN also enhances relationships within the greater engineering community through collaboration with regional PEO chapters.

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

Through our distinct mandates, OSPE and PEO are able to minimize overlap between our efforts. In many cases, PEO and OSPE messages to government are complementary.

With regards to infrastructure, for example, OSPE's Infrastructure Task Force provided recommendations during the *Construction Lien Act* review process that informed the creation of this new legislation. OSPE advocates for qualification-based procurement and the need for a predictable infrastructure investment strategy. PEO's role is to ensure infrastructure is designed by a PEO licence holder.

PEO and OSPE also work together with accredited engineering schools in Ontario to promote the value of licensure and to assist students and international engineering graduates (IEGs) as they pursue licensure.

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

Professional advocacy organizations exist to ensure that the profession they represent is respected, appreciated and protected. OSPE exists to ensure the work of engineers is well understood, respected and appreciated by the public, the media, industry and governments.

The lack of a strong, highly supported and funded advocacy association for professionals results in decreased professional influence, appreciation and societal status. Similarly, under-represented professionals typically find their salaries increase at lower rates than those professionals with a well-supported and visible advocacy association.

It is time to change the current discourse and ensure engineers are not being undervalued or disregarded in the public sphere. To avidly invest in engineers, governments must recognize engineers as purveyors of innovation and wealth. We encourage every professional engineer in Ontario to rally around their advocacy organization. Together, we can create positive change for all Ontarians and ensure engineers have a powerful and influential voice. Engineers can join OSPE while renewing their PEO licence. Simply click “Join OSPE” on the PEO renewal page, or visit [www.ospe.on.ca/jointoday](http://www.ospe.on.ca/jointoday).

### **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 85,000 professionals—has been successfully protecting the public for more than 95 years.
- ◆ PEO has unique knowledge and expertise and it is in the best interest of government to consult with PEO 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 the GLP, Engineers Canada, the Ontario Society of Professional Engineers, Consulting Engineers of Ontario, as well as engineering interns and students. These representatives 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 chapters can take to engage politicians.

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

The 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.

PEO leadership and GLP representatives regularly meet with MPPs and key ministers. The GLP plays an important role in ensuring the voice of the professional engineer is heard in government on regulatory-related issues. MPPs regularly attend PEO licence presentation ceremonies, one-on-one meetings and other PEO events, including the joint PEO-OSPE Government Liaison Conference and Queen's Park Day.

## **2017 Activities and Highlights**

### *Bill 177*

Efforts to enhance the *Professional Engineers Act* came to fruition in December with the passage of Bill 177.

### *GLP Implementation Plan 2.0*

A major undertaking this year was the development of the GLP 2.0 Implementation Plan, based on the recommendations from the GLP audit conducted by third-party consultant Don Dickson of D & B Dickson Management Solutions Inc.

The GLP 2.0 Implementation Plan was approved by PEO Council following the incorporation of feedback from OSPE and CEO.

### *More than 40 MPPs celebrated PEO's 95<sup>th</sup> anniversary*

The 11th PEO Queen's Park Day reception was held on October 4, 2017 and continued its success as one of the best attended MPP receptions at Queen's Park. The reception aims to strengthen the relationships between engineers and MPPs, and the 2017 event built on the success of previous years with almost 200 attendees, including more than 40 MPPs. Premier Kathleen Wynne, MPP (Don Valley West), attended the reception, which also celebrated PEO's 95<sup>th</sup> anniversary.

In his welcome address, PEO President Bob Dony spoke about the importance of the GLP and chapter involvement in MPP meetings.

Representatives from all three political parties spoke at the event. Attorney General Yasir Naqvi, MPP (Ottawa Centre) addressed participants on behalf of the Liberal party, Gila Martow, MPP (Thornhill), spoke on behalf of the PCs, and Gilles Bisson, MPP (Timmins-James Bay), brought greetings from the NDP party.

The reception also featured the third Engineering Games competition. Three teams, each consisting of an MPP, an engineering student and a professional engineer, were challenged to build a bridge that could support a predetermined weight using the simple household materials provided.

PEO also presented its 2017 GLP MPP Certificates of Appreciation. Recognized were MPPs Soo

Wong (Liberal), Gila Martow (PC) and Catherine Fife (NDP) for their help in raising the profile of professional engineering and for their involvement in local professional engineering activities.

The recipient of the 2017 GLP Chapter Certificate of Appreciation was the York Chapter.

#### *GLP Academy and Congress training days*

Chapter GLP members participated in government relations training and shared best practices on how to engage with MPPs at four regional GLP Academy and Congress events across Ontario. Members from the Northern Region gathered in Thunder Bay on April 23; the Eastern Region in Ottawa on June 10; the Western Region in Goderich on October 20; and the East Central and West Central Regions in Toronto on December 2.

All three political parties were represented over the course of the sessions. Guest speakers included:

- ◆ Attorney General and Government House Leader Yasir Naqvi, MPP (Ottawa Centre), Liberal;
- ◆ Soo Wong, MPP (Scarborough-Agincourt), Liberal;
- ◆ Gila Martow, MPP (Thornhill), PC;
- ◆ Lisa Thompson, MPP (Huron-Bruce), PC; and
- ◆ Jennifer French, MPP (Oshawa), NDP.

Agendas at these events included an overview of the GLP, new political fundraising rules, the Practice Evaluation and Knowledge (PEAK) program, election boundary changes, a written communications workshop, training for MPP engagement and instruction on how to maximize the value of GLP events.

#### *Take Your MPP to Work Days*

Introduced in 2013, the Take Your MPP to Work Day program continues to be of great interest amongst MPPs. The initiative allows PEO chapters to invite local MPPs to visit engineering companies in their area. Through facility tours and discussions, the MPP learns more about the work professional engineers do in their communities and PEO as a regulator. PEO chapters hosted seven events in 2017:

- February 3—John Fraser, MPP (Ottawa South), Parliamentary Secretary to the Minister of Health and Long-Term Care, visited the Chaudière Falls Expansion Site with the Ottawa Chapter.
- February 5—Lisa Thompson, MPP (Huron-Bruce), PC Critic for International Trade, Indigenous Relations and Reconciliation, visited Price Schonstrom Inc. in Walkerton with the Georgian Bay Chapter.
- April 19—Soo Wong, MPP (Scarborough-Agincourt) and Parliamentary Assistant to the Minister of Community Safety and Correctional Services, visited Bell Canada with the Scarborough Chapter.

- July 28—Lisa Thompson, MPP (Huron-Bruce), made her second visit of the year with the Georgian Bay Chapter, this time to Greenfield Global in Tiverton.
- August 9—John Yakabuski, MPP (Renfrew-Nipissing-Pembroke), PC Critic for Labour and Training, visited CNL Engineering at the JL Grey Centre in Deep River.
- November 9—Labour Minister Kevin Flynn, MPP (Oakville), participated in his third Take Your MPP to Work Day. He visited Promotion with members of the Oakville and Hamilton-Burlington chapters.
- November 17—Housing Minister Peter Milczyn, MPP (Etobicoke-Lakeshore), visited Star Navigation with members of the Kingsway and Mississauga chapters.

#### **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 [ichau@peo.on.ca](mailto:ichau@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?**

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 also gauges the continuing knowledge activities of licence holders, and provides a recommended number of hours for each practising licence holder to annually maintain a level of knowledge and skill commensurate with safeguarding the public interest.

Using this information, the program will publicly publish—on PEO's online directory of practitioners—the practising status of licence holders, whether they completed elements of the program and whether they informed PEO about their continuing knowledge activities.

### **5.1.2 What are the three elements of the PEAK program?**

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.

#### **5.1.3 Who is being requested to complete the program?**

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.

#### **5.1.4 Is the PEAK program mandatory?**

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.

#### **5.1.5 How do I access the program?**

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.

#### **5.1.6 I'm already doing continuing professional knowledge activities—why does PEO need to get involved?**

Reporting continuing professional knowledge activities provides additional assurance to the public that practising licence holders have maintained their competence as professional engineers.

#### **5.1.7 Will PEO recommend specific continuing knowledge activities for me?**

PEO defines three categories for identifying the types of continuing knowledge activities that are available. These include formal education, informal education and contributions to knowledge. Licence holders determine which activities are relevant to their practice disciplines, ensuring they are sufficiently technical for their needs and most convenient to undertake.

#### **5.1.8 What does PEO do with the data it collects from licence holders?**

The data collected from the practice evaluation questionnaire is used to update PEO's registry of licence holders. It is also used for policy development purposes, such as the percentage of practising versus non-practising licence holders. This helps to ensure PEO has sufficient information to effectively carry out its role as regulator of the profession.

#### **5.1.9 Where can I find more information on the PEAK program?**

To learn more about the program, visit [www.peopeak.ca](https://www.peopeak.ca) or contact us by email at [peoPEAK@peo.on.ca](mailto:peoPEAK@peo.on.ca) or by phone at (416) 224-1100 or (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 102,601 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, 2017.

### **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 2017 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 2017?**

The building generated \$3,115,468 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 \$3,130,890. This created a deficiency of revenue over expenses of \$15,422 (after all expenses, including loan interest), as compared to a deficiency in 2016 of \$441,269. This lower deficiency of revenue over expenses was due to a new tenants on the second and eighth floors, resulting in increased revenues for base rent and operating cost reimbursements. Building expenses were also lower in 2017 versus the previous year.

Total recoverable expenses were \$2,298,300, with PEO's share of this totaling \$729,089. These costs were reclassified from building operations to occupancy costs in the financial statements. Total occupancy costs for 2017 were \$817,268, which included storage and other occupancy costs. PEO's total accommodation expense (including interest for the mortgage) was \$1,165,274. PEO occupied a total of 39,100 square feet at December 31, 2017. The market rent of this space is approximately \$15/square foot with operating costs of \$21.89/square foot. Therefore, PEO's equivalent costs for rent and operating costs would be \$1,442,399 for 2017, leading to a net value to PEO of \$277,125 for 2017.

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 2017?**

The following major projects were completed in 2017:

- ◆ **Leasehold improvement.** A new tenant on the eighth floor was given an allowance of \$88,532 for customizing their space.
- ◆ **Heat pump replacement.** In the fourth quarter of 2017, a heat pump was replaced at a cost of \$23,100.

- ◆ **Wall finishes.** The common areas on the fifth floor were painted in October at a cost of \$16,508.
- ◆ **Window replacement.** This project was completed in October of 2017 at a cost of \$8,904.

#### **6.1.5 Can you provide an update on 2018 plans?**

Planned 2018 capital spending on common area space, and recoverable from tenants, includes:

- ◆ Upgrades to the main building elevators;
- ◆ Generator replacement;
- ◆ Continued exterior window replacement;
- ◆ An asset funding needs assessment; and
- ◆ Additional tenant inducements for locations on the fourth and eighth floors.

#### **6.1.6 What monies have been set aside for future renovations beyond 2018, 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 2017?**

Total capital expenditures were \$249,576 in 2017. Building-related capital improvements are outlined under section 6.1.4. Several projects initially planned for 2017 were deferred until later. The main capital projects implemented in 2017 are as listed below.

- ◆ WiFi upgrade for \$34,716;
- ◆ Server hardware and software for \$32,408;
- ◆ Replacement of old / obsolete PCs for \$27,468;
- ◆ A switch for \$6,258 and other smaller IT projects; and
- ◆ New cabinets and shelving for storage purposes for \$3,766.

## PEO Core Values

Accountability

Respect

Integrity

Professionalism

Teamwork



**Professional Engineers**  
Ontario

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