



year in review

*2003 • 2004*

The Association of Professional Engineers and Geoscientists of British Columbia

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The *Year in Review 2003/2004* includes reports from APEGBC's line committees that report directly to Council. An online companion document containing the reports of all working committees, boards and task forces that report to the line committees, along with Division and Branch reports, is available at [www.apeg.bc.ca](http://www.apeg.bc.ca)

## Cover

AMEC's Dynamic Structures division in Port Coquitlam undertook the design, fabrication and placement of a very complex steel pedestrian bridge in Seattle, Washington for AMGEN. The Helix Bridge's unique architectural design resembles a DNA molecule. Designed with horizontal and vertical "deformed geometry," the project required that the bridge components be set to very precise locations in order to satisfy architectural requirements. Erecting this 400 foot arching bridge required assembling and lifting it over active rail tracks, demanding very accurate tolerances and precision. Original photo courtesy of AMEC.



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Colin Smith PEng

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#### CCPG DIRECTOR

Tim Smith PGeo

## PRESIDENT'S REPORT



**Bill Gilmartin PEng**

**W**hile contemplating how to summarize the past year's events, I reviewed my Presidential election statement of a year ago. There, as I looked forward to the coming year, the word "change" kept coming to mind. In that statement I cited a number of Association issues

then before us in which change would be the key.

I make no claim to being a prophet, but during the last year "change" has been very apparent. However, the difference from my prediction and reality is that there has been a change in the things in which I anticipated change. In other words, the changes have been changed!

Without a doubt I felt the major change would be in fulfilling the vision of bringing members of the Applied Science Technologists and Technicians of BC (ASTTBC) into our Association under the auspices of a revised *Engineers and Geoscientists Act*. However, even as we worked diligently to bring this about (and so fulfill the mandate given to us by the membership), the environment was changing.

As a result, in June your disappointed Council made the decision not to pursue the merger at present. Although this route was closed, Council also decided to look for other — and perhaps better — ways to realize the vision of regulating professional engineers and geoscientists and their respective technologists in a common manner.

Our goal of performing a Core Review was another casualty of change. As we worked to amalgamate the operational aspects of ASTTBC with our own, it became obvious that that process was overtaking the Core Review process. As a result, a consultant to help us with the Core Review was not engaged and the process was slowed and changed to conform to the needs of the merger. In spite of this, the work put into the Core Review was not all lost. Rather, discussions on matters of governance have already proven useful, and the knowledge gained as the scope of a Core Review was refined will have future benefits.

Fortunately, one area where the anticipated change went as hoped was the engagement of our new Executive Director and Registrar, Anne Garrett PEng. It has been both a challenge and a pleasure to work with Anne as we both worked into our respective new roles. Her fresh perspective from outside the traditional engineering and geoscience areas of practice has been useful as we went through the many issues of the past year.

Of course there were many areas where steady progress was made. Some of these related to the internal affairs of the Association. They included finalizing the task force on Internationally Trained Engineers and the designation of

Provisional Member; increased positive relationships with Branches; development of a structured Engineer-in-Training program with industry; higher profile for the Sustainability Committee; and the ongoing challenge of organizing the Association budget without approval of a fee increase.

Another continuing success is our government relations development. In many instances the provincial government is recognizing the value we can add to their endeavours and are engaging us in discussions. Our joint announcement of a program to evaluate the seismic performance of school buildings was an example of success in this area.

Discussion and agreement with other jurisdictions in reciprocity, particularly in the engineering area, was an area of positive development. We moved another step closer with the states of the northwest US in our goal to have them recognize that PEng = PE. On the Canadian front we ratified continuation of the Inter-Association Mobility Agreement, which facilitates professional engineers registered in one province to become registered in another province. On the international front we, along with our sister engineering associations in the Canadian Council of Professional Engineers, signed an agreement with the Hong Kong Institute of Engineers to facilitate registration between the two areas.

During the past year I traveled across Canada and into the United States as an APEGBC representative to various functions. These have been both enjoyable and informative. I have been particularly encouraged that your Association is held in high regard by other groups. I found a commonality of concerns as well as a lot of dedicated people trying to make a difference for the betterment of the professions and the public.

Although I served as your President, it is Council as a whole that has made the decisions. I want to thank each Councillor for their contribution to the debates and their acceptance of the corporate decisions of Council. In my mind it would be difficult to have a better group of men and women serving in this role. Regardless of whether or not each returns next year, they have served their fellow members well. In all of their deliberations Council was supported by a willing and able staff and on behalf of Council I extend our thanks to our staff.

As we enter a new Council year I wish all of you the very best as you begin your work with a newly elected President. I want to thank you, the membership, for the honour of serving as your President. I appreciate the trust placed in me and the support given by many. Finally, I want to thank my loving wife Joyce for her support and understanding as I carried out my responsibilities. God bless you all.

# EXECUTIVE DIRECTOR AND REGISTRAR'S REPORT



**Anne Garrett PEng**

## **APEGBC/ASTTBC Merger**

This initiative has consumed significant human and financial resources this year. By spring, it became evident that a number of factors would make consummation of the deal impossible in the near future.

The complexity of the *Act* rewrite was compounded with some new questions that were raised by the recent revisions to the *Foresters Act* and the new *Biologists Act*. This, combined with the election in 2005, resulted in the *Act* rewrite being put on hold.

In addition, while there was an agreement in principle between the two parties, the details of the deal had never been formalized. Once discussions got into the detail it became apparent that, while we may have been using the same words, they meant different things to different people. Finally, we have had strong opposition from a group of senior members which, as a member-driven association, we cannot ignore.

Council has spent significant time deliberating the next steps. They reexamined and reaffirmed the vision that "the practices of engineering and geoscience technology are components of the fields of engineering and geoscience, respectively. Members typically work in team environments and should, therefore, be regulated in a common fashion to ensure full accountability." Council has set up a task force to look at options for achieving this vision.

## **Government Relations**

Research projects with various ministries are an important part of the Association's strategic positioning with government. This relationship enables us to be involved with developing policies that affect our members, rather than commenting on them after the fact.

Projects for the year include the Internationally Trained Engineer Pilot with the Ministry of Community, Aboriginal & Women's Services; the Licensed Environmental Professional development project with Water, Land & Air Protection; development of Seismic Risk Assessment Guidelines with the Ministry of Education and the Ministry of Western Economic Diversification (federal); and the development of a Sustainability Primer, also for the Ministry of Western Economic Diversification. In addition, we had interaction with Ministers in Transportation, Mining, Health and the Attorney General's office. We also contributed to the Filmon Report on the 2003 wildfires.

## **Continuing Professional Development**

We continued to expand this program, which grew its revenues by 15%. This year the focus has been on how to better

It has been a fascinating year learning the complexities of APEGBC, and I'd like to thank everyone I've met for their helpfulness, insight and feedback. I've spent my entire career working with scientists and engineers and, as usual, there is never a dull moment!

When I started this job a year ago, I set myself some goals as well as specific objectives. Among the goals was the fundamental one of keeping things running smoothly while learning as fast as possible. With the help of my staff, Council, volunteers and my predecessor, I think we have managed to achieve this goal. Another lifelong goal is to be a positive role model for women in the applied sciences. My final goal was to increase my personal network in BC and Canada after having worked in Europe for the last 10 years.

## **Financial View**

### **2003/04 Results**

The surplus for the year was \$129,300, which is \$43,900 higher than the budget of \$85,400. This is an improvement over the 2002/03 results, which saw a deficit of \$99,500.

Revenue for the year was \$6,100,000, which is an increase of 11% over the previous year. 65% of revenue comes from annual membership fees with the remainder from a variety of activities including professional development, affinity programs, advertising, and research projects with the government. Revenue from membership fees grew by 7.3% (overall membership growth of 2% plus the remainder of the fee increase). Revenue from non-fee based activities grew by 21.9%. This area has been growing at double-digit rates since 2001/02.

Expenses were higher than budget in legal services (which have been overbudget for nine out of the last 10 years) and merger costs (which were unbudgeted). This was balanced by lower than budget expenditures in practice reviews (which were on hold for most of the year) and a reduction in the budgeted costs of the Core Review.

### **2004/05 Budget**

The budget adopted by Council for 2004/05 is a breakeven budget. The primary reason for breakeven is a conservative forecast for legal costs (higher) and research project revenues (lower).

### **2003/2004 Highlights**

My key focus on the staff side of things has been on good old-fashioned management including setting objectives, injecting new skills by training and hiring, and challenging the "we've always done it this way" mentality. Culture change takes time (three to five years by most estimates) but we've made a good start, with lots more to do in the subsequent years.

# EXECUTIVE DIRECTOR AND REGISTRAR (CONTINUED)

reach our members outside the Lower Mainland. For example, we had a successful trial of an interactive online course on Seismic Assessment. This will continue to be a focus in our efforts to provide better value to our members.

## **Professional Liability Insurance**

I chair the CCPE National Task Force on Professional Liability Insurance. This year the group decided to focus on gathering information (which we did via a survey earlier this year), education of our members (risk seminars, contracts, etc), and messaging to government (changing from discovery to substantial completion, reducing the limitation period from 30 years to 10, and discussion on joint and several versus proportionate).

It was somewhat disappointing to learn recently that the Civil Liability Review was concluded with no actions taken although this looks like “clearing the decks” for the election, so we’ll be back in there next year with our messages. We have yet to seriously tackle the question of self-insurance, which will be examined in detail next year.

## **Core Review**

When I started this job last year, it was clear that the Core Review meant something different to everyone and we were about to spend significant money (\$80,000) on consultant fees without having a plan for what we wanted to achieve. That expenditure was put on hold and instead the task force focused in on defining the subtasks.

As a result, Council set up a Governance Task Force to put a governance framework in place for the next Council year, and the budget for 2004/05 includes an operational audit of our key functions (registration, discipline and enforcement).

## **Challenges and Opportunities for the Future**

Obviously, the big challenge this coming year is to figure out the next steps in our relationship with ASTTBC. Hopefully we can take the energy generated in the many discussions and turn that in a positive direction.

Looking at the bigger picture, we can see a number of factors at work that are creating severe pressures on the future of our professions. None of these are new, although the pace of change has certainly accelerated in the last decade.

There has been a general decline of the status of professionals in most of Western society over the past decades. There are several contributing factors including, most recently, the ready availability of a large body of detailed scientific knowledge on the Internet. In some particular industries this decline has been exacerbated by an oversupply of practitioners and/or offshoring of jobs. Canada’s demographics, particularly in BC, compound the problem. We see an indication of the effect of this issue in our national

uptake rates. We need to address the long-term issue of how members value themselves and their work.

There is an increasing polarization within our diverse memberships. Some examples are the tensions between the needs of young/old, employed/self-employed, specialists/generalists and mature/emerging disciplines. Our one-size-fits-all approach needs to be modified to regain our relevancy. We need to apply marketing principles more widely to understand the diverse needs of our membership.

In addition to the tensions created by polarization, there is relentless pressure on our professions from technologists who are increasingly being named in demand-side legislation. We have only to look at other professions to see that this is a generic force.

In our efforts to protect the title “engineer” — which is really only protected in Quebec — we have stumbled into a legal battle over the brand “engineer.” On the positive side, there is obvious value in the brand or it would not be used (or misused) so widely. On the negative side, we are attacking a large industry (software) with deep pockets and are unlikely to win other than a Pyrrhic victory. We need a new approach to the emerging disciplines.

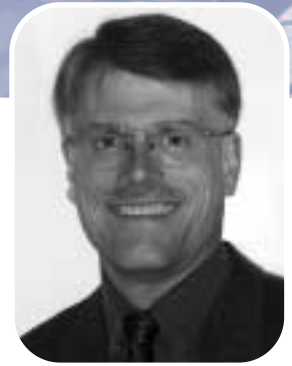
At a national level, we need to continue our efforts to ensure that the intended spirit of the Inter-Association Mobility Agreement is fully implemented. We need to continue our efforts to expand mobility agreements into other jurisdictions. And we need to understand the unique needs of some of our members for things such as incidental practice.

With a majority of new registrants coming from outside Canada in at least two provinces (Ontario and BC), we need a national program to evaluate foreign-trained applicants. Our national accreditation program has served us well, but external factors have changed and we need to adapt to the times.

All of this requires new skills at a staff level: marketing, branding, relationship management, communications, legal training, project management and many more. This means increased training for staff and some new blood. It also means increased cooperation at a national and international level.

Finally, amongst all this change, we need to maintain a constant focus on how to execute our core regulatory purpose to the best standard possible, because only then do we deliver true value to our members and the public.

# PROFESSIONAL PRACTICE COMMITTEE



**Russ Kinghorn PEng,  
Chair**

The Professional Practice Committee is a line committee of Council that provides oversight for the committees and task forces that affect the ongoing practice of our professions in BC, and forwards appropriate action requests to Council. The legwork for Professional Practice is done by volunteers in the contributing committees, and we are very grateful for their work.

Pertinent details of the work that came through the Committee are contained in the reports from the reporting committees and task forces, and are available on the Association website. Note that the Sustainability Committee no longer reports to Professional Practice but is now a committee of Council with a Councillor as Chair, reflecting its high profile with the public, government and APEGBC members.

Highlights of issues in Professional Practice this year are:

- Work on the development of Practice Guidelines for Registered Engineering Technologists has been put on hold pending the outcome of the merger with the technologists, although draft Practice Guidelines have already been developed for electrical, mechanical and structural engineering for building projects, civil engineering and geomatics.
  - An agreement in principle with CEBC has been reached to develop Organization Practice Review as the alternative to issuing Certificates of Authorization as provided for in our current Act. A joint Task Force is working out the details for Organization Practice Review.
  - The Seismic Risk Task Force has completed its report. Further contracts with federal and provincial governments to develop guidelines for performance-based seismic assessment tools have been arranged. These contracts are revenue positive for APEGBC.
  - The ABCFP/APEGBC Joint Practice Board has finalized (and Council has approved) *Guidelines for Terrain Stability Assessments*, posted on the APEGBC website. They are nearing completion of *Guidelines for Professional Services in the Forest Sector — Bridge Design*.
  - Council has approved the *Manual of Management of Building Projects in BC* to proceed to publishing.
- The Building Envelope Committee is developing a practice manual for building envelope engineering.

Activity in the investigation and discipline areas has remained relatively stable over the past year; the five-year average number of complaint files dropped slightly to 127 from 132 the previous year.

Activity in the enforcement area has also remained relatively stable over the past year; the five-year average number of enforcement files increased slightly to 106 from 96 the previous year. The most active enforcement area is the misuse of professional titles, which includes about 50% of the files each year.

A significant percentage of enforcement files are opened as a result of reported breaches of the Act by members, closely followed by newspaper advertisements and articles that are reported by the newspaper clipping service that the Association subscribes to annually.

## Committee Members

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## REGISTRATION COMMITTEE



**Jeff Holm PEng, Chair**

**D**uring the past year, APEGBC continued to promote and effect improvement in its practices, processes, procedures and policies to address the changing regulatory and practice environment, and the continuing shift in the demographics of its appli-

cants and membership. Primary among these was the approval by the membership of the new member class of Provisional Member to recognize internationally trained candidates who are otherwise qualified for registration as a professional engineer or professional geoscientist, but have yet to gain the required one year of professionally supervised experience in a Canadian environment.

The Registration Committee has established a Procedural Review Task Force whose mandate is to review Registration policies and procedures on an ongoing basis. To date, it has instituted new procedures explicitly aimed at further streamlining the application experience by removing "process prerequisites" and delegating decisions to its boards and staff, where practicable, while still maintaining the high entrance standards established to protect the public.

The Committee has also established a Task Force to write detailed experience guidelines for professional engineer candidates who apply for registration through the structural discipline. This will add to the existing detailed guidelines for environmental, marine, naval architectural and software engineering.

In early 2004 the Pilot Project for Internationally Trained Engineers, in partnership with the Ministry of Community, Aboriginal and Women's Services, was concluded. Both APEGBC and the province will continue to work on new strategies to improve services for skilled immigrants and to address other barriers including transferability of skills between the various engineering fields. APEGBC also continues to contribute, as do its sister associations/ordre in Canada, to the Canadian Council of Professional Engineers "From Consideration to Integration" project, which is examining similar issues facing the engineering profession across Canada.

In March, Council approved a cofunded joint venture between the CCPE Industry Liaison program and APEGBC's EIT/GIT program to develop industry guidelines for structured, Association-recognized EIT training programs that will virtually guarantee registration after completion of the program. Several development workshops will take place in the summer and fall of 2004 with the support of representatives from private industry, utilities, the consulting industry, government, CCPE and the Hong Kong Institution of Engineers, with a report to Council anticipated in February 2005.

This initiative is an integral part of the Association's thrust

to improve the EIT/GIT training experience by providing enhanced support and structure to our members in training, beginning in their days as student members through to their registration as professional engineers and geoscientists. Improvements to the EIT/GIT program are initiated and supported by the Registration Task Force.

In the area of international mobility, the Association was a signatory to an agreement in May 2004 with the Hong Kong Institution of Engineers (HKIE) that allows enhanced mobility for PEng and MHKIE members respectively between the two jurisdictions. Engineers from the HKIE who wish to practise engineering in a Canadian province or territory in which the agreement has been ratified must pass the Professional Practice Exam and demonstrate that they have obtained one year of Canadian work experience. Canadian professional engineers must demonstrate the equivalent of one year of engineering experience in Hong Kong and must attend an interview to determine their discipline of practice and prove knowledge of local practices, legislation and codes.

At home, the Association is maintaining strong ties with our colleagues in the Applied Science Technologists and Technicians of BC with reciprocal representation on the Registration Committee and the ASTTBC Board of Examiners. Work continues towards gaining further understanding and establishing qualification requirements and processes with an eye to potential future alignment.

In the area of qualification beyond PEng and PGeo, the Association continues to administer three programs for specialized qualification of professional engineers and professional geoscientists: its own Designated Structural Engineer grade of membership, the Canadian APEC Engineer Register, and the Contaminated Sites Roster of Professional Experts program on behalf of the Ministry of Land, Water and Air Protection. APEGBC is also providing project management services to the Ministry towards the development of an independent Licensed Environmental Professional Board.

As in previous reports, we are honoured by the support

### Committee Members

Jeff Holm PEng, *Chair and Councillor* • Margaret Li PEng PhD, *Councillor* • Glen Pellegrin PEng, *Councillor* • Jim Provan PEng PhD, *Councillor* • Leon Bell PEng, *Structural Qualifications Board* • Neil Brazier PEng • David Chwacklinski PEng • Neil Creighton PEng • Bernard Dewonck PGeo • Fred Grimm ASCT (*ASTTBC Board of Examiners, non-voting*) • Eric Lalli PEng • Peter Mussallem PEng • Bruce Nicholson PEng • George Prince PEng, *Registration Task Force* • Ray Raychoudhury PEng • Troy Vassos PEng PhD

### Staff

Gillian Pichler PEng, *Director, Registration* • Elvis Riou PEng, *Deputy Director, Registration* • Caroline Westra, *Interview Facilitator* • Jeanette Voon, *Registration Coordinator*



# GEOSCIENCE COMMITTEE



**Jenna Hardy PGeo,  
Chair**

In recent years, the Geoscience Committee's role within APEGBC has evolved from reviewer of membership applications to one of policy advisor to Council on issues related to geoscience and joint engineering/geoscience practice.

Geoscience Committee members sit on most line committees and geoscientists are now well represented within APEGBC due to this cross-fertilization at the committee level. Overall, the Committee itself strives to be a proactive, effective and energetic voice for geoscientists within the Association.

In 2003/2004, internal restructuring continued as we defined several short-term task forces (headed by Committee members, but including non-Committee members to provide more informed/focused consultation) with dedicated missions to advance developing areas of interest.

Internally, we streamlined committee decision making and information gathering by increasing our use of electronic communication to disseminate information and ratify recommendations. Within our professional community, we focused on encouraging change and effecting positive outcomes within and outside the Association in areas where we may have influence. The Committee's long-term goal is to become the "one window" point of entry for all aspects relating to geoscience within APEGBC, making it possible for issues to be quickly considered for input and decision making.

Specifically, the Committee continues to forge stronger relationships with the Division of Engineers and Geoscientists in the Forest Sector, the BC & Yukon Chamber of Mines, and the Mineral Exploration Group, with a potential new link for 2004 in the Vancouver Women in Mining Network.

Key areas of focus have been portability and mobility of PGeos within Canada and internationally; securities legislation/regulatory reform, particularly as related to National Instrument 43-101; updating the BC syllabus that sets out academic requirements for geoscience registration; and fostering enhanced levels of understanding among all stakeholder groups.

We were particularly proud that Lindsay Bottomer PGeo, Councillor and Geoscience Committee member, chaired the Mining Task Force established by the BC government to provide needed feedback in support of potentially more mining-friendly policy making.

This year, the Committee was privileged to enjoy extraordinary support from President Bill Gilmartin PEng and Executive Director Anne Garrett PEng. Both attended the Cordilleran Round-Up, Vancouver's premiere conference for geoscientists, substantially raising APEGBC's profile among geoscientists. Bill and Anne also attended and actively participated in many Geoscience Committee meetings. They were effective in understanding and bringing new perspectives to issues important to geoscience such as working with us to define, in concrete fashion, areas of common interest to the professions.

Two long-serving members of the Geoscience Committee — Paul Wojdak PGeo (eight years' service) and George Cavey PGeo (13 years' service) — retired during the year. APEGBC has benefited greatly from their energy and input, and their hard work over the years is greatly appreciated. I would also like to thank all those individuals, both Geoscience Committee members as well as various "friends of the Geoscience Committee," who have helped to clarify and solidify our direction during the past year.

## Committee Members

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## Staff

Elvis Riou PEng, *Associate Director, Registration* • Carrie Rogozinski, *Registration Coordinator*

of a league of devoted volunteers without whom these accomplishments would not be possible. They number heavily among the ranks of APEGBC members, also extending to colleagues in other engineering and geoscience jurisdictions and in other professions across North America and throughout the world. From those who serve on Registration committees, boards and task forces; and CCPE and CCPG accreditation and qualifications boards and committees; to members who are willing to lend a hand on a one-to-one

basis to support a candidate or provide expert advice — all deserve our sincere thanks for their contributions towards ensuring the continuance of, and respect for, our self-governing professions.

Last but not least, we express our appreciation to the dedicated staff team who ensure the smooth development, operation and implementation of the qualifications process and who support the daily business of the Registration team.

## COMMUNICATIONS COMMITTEE



**Janet Benjamin PEng,  
Chair**

**A** PEGBC's Communications Committee, and the working committees that report to it, work with APEGBC staff to deliver the communications and member services programs provided by the Association. Many initiatives are planned, directed and

undertaken almost entirely by staff while others rely more on volunteer committees.

Good news begins with our very successful Continuing Professional Development initiatives. Over 80 seminars were held in communities across BC, up from 50 the previous year, of which three were webcasts that permitted members to participate from their home or office computers. The CPD Committee is continuing its work to develop a made-in-BC mandatory professional development model for Council and member consideration this fall.

To meet the challenges of a constrained public relations budget and flagging company interest in our annual National Engineering and Geoscience Week inserts this past year, staff launched a new co-sponsored public relations initiative during NEGW 2004. Over 30 companies participated, resulting in a 16-page supplement in last March's *Business in Vancouver*, up from eight pages the previous year. The Public Relations Committee hopes to expand this success to other co-op advertising initiatives throughout the year in 2004/2005.

Career Awareness Committee members and staff began discussions with the North and West Vancouver school districts about developing a new secondary career outreach program that would help meet the objectives of the Ministry of Education's new Planning 10 and Portfolio Choice programs. We hope to launch a pilot program next year.

Mentoring continues to help EITs and GITs make connections with experienced professionals as they work towards full professional registration. Committee members and staff have developed new guidelines and will be recommending expansion of the mentoring program in 2004/2005 to include registrants in the new Provisional Member category.

The Annual Conference and AGM was held in Penticton for the first time and was a great success. Record corporate support of over \$60,000 from our many sponsors and exhibitors helped to keep costs down for delegates. Be sure to put October 21-23 in your calendar and make a point of attending APEGBC's 2004 Annual Conference in Whistler, BC. For complete conference information, please go to [www.apeg.bc.ca/prodev/ac04/ac04index.html](http://www.apeg.bc.ca/prodev/ac04/ac04index.html).

2003/2004 saw the introduction of a number of new member service programs and the refinement of many others. These programs generate considerable savings for members

and help the Association's bottom line through non-dues revenue payments to APEGBC. We expanded existing insurance programs in home, life, disability/extended health, etc — and offered new programs in travel benefits (Choice Hotels, Accent Inns), cell phone plans (Bell Mobility) and airport parking (YVR). Be sure to check out [www.apeg.bc.ca/members/affinity.html](http://www.apeg.bc.ca/members/affinity.html).

This has been a year of introspection for Communications as we have been wrestling with the evolution of APEGBC's governance model and its implications for staff/committee functions and roles. Council has expressed interest in moving towards a policy governance model to clearly separate policy issues from operational issues. In such a model, policy is developed by Council with the support of task forces and committees while operational issues, including departmental and overall Association action plans, are the responsibility of staff under the direction of the Executive Director.

Under the current model, Communications is a line committee of Council and acts as the reviewing body for the various working committees that report to Council through Communications. As APEGBC has grown over the years, so has the direct staff involvement and responsibility for carrying out and directing much of the work in the communications and member services areas. The role of volunteers is evolving from "doer" to advisor."

The Committee met a number of times last year to discuss the ongoing role of Communications and its working committees and to determine the best use of our volunteers' valuable time. All agreed that the goal is to permit staff to effectively carry out the action programs arising from policy and the Association's Strategic Plan while still using volunteer input in an advisory capacity. Committee members agreed that there was benefit in continuing to meet at least twice a year to review each others' programs and progress, and to help provide direction to staff on the yearly action plans.

### Committee Members

Janet Benjamin PEng, *Councillor and Chair* • O'Brian Blackall BCLS, *Councillor* • Hugh Fraser PEng, *Chair, Mentoring* • Bob Gill PEng, *Chair, Editorial Board* • David Harvey PEng, *Division of Structural Engineers* • Vijay Kallur PEng, *Chair, Continuing Professional Development* • Tiit Pikksalu PEng, *Chair, Member Services* • Daniel St-Pierre PEng, *Chair, Career Awareness* • Bruce Thomson PGeo, *Division of Engineers and Geoscientists in the Forest Sector* • Susan Wilkins PGeo, *Geoscience* • Maggie Wojtarowicz EIT, *Chair, Division for Advancement of Women in Engineering and Geoscience* • Terry Wong PEng, *Chair, Public Relations*

### Staff

Wayne Gibson PEng, *Director, Communications* • Glenn Martin, *Manager, Member and Public Affairs* • Janet Sinclair, *Manager, Professional Development* • Sandra Lee, *Communications Assistant*

# MINUTES OF THE 84<sup>TH</sup> ANNUAL GENERAL MEETING

*Note: the following is an abridged version of the official minutes of the 84<sup>th</sup> Annual General Meeting; the full version can be obtained from the APEGBC office or online at [www.apeg.bc.ca](http://www.apeg.bc.ca).*

The meeting was held at the Penticton Lakeside Resort in Penticton, BC on October 25, 2003. There being a quorum of members present, President Dick Fletcher PEng convened the meeting at 9:10 am.

President Fletcher welcomed all those present and commented on the expected proceedings for the meeting. He invited everyone to attend the afternoon session where a number of important and timely issues would be presented and discussed: the implementation plan and progress report on the APEGBC/ASTTBC merger, professional liability insurance and government relations update.

Mayor David Perry of the City of Penticton addressed the members and welcomed them to Penticton, commenting on the beneficial relationship between the City and APEGBC.

## Minutes of 83<sup>rd</sup> Annual General Meeting

President Fletcher noted that the minutes of the 83<sup>rd</sup> Annual General Meeting were published in the *Year in Review 2002/2003* insert in the September 2003 issue of *Innovation* and he called for a motion to approve the minutes. It was moved by David Chwacklinski PEng and seconded by Philip Sunderland PEng *that the minutes of the 83<sup>rd</sup> Annual General Meeting be adopted as printed*. The motion was carried.

## 2003 Election and Bylaw Ballot Results

President Fletcher announced the results of the election of the 2003/2004 Council and introduced the new Council to the assembly:

- President Bill Gilmartin PEng
- Vice President Tony Salway PGeo
- Councillors elected for a two-year term: Claudio Arato PEng, Janet Benjamin PEng, Frank Denton PEng, Russ Kinghorn PEng and Nicole Kohnert PEng
- Councillor Glenn Pellegrin PEng is elected for a one-year term to fill the vacancy left by Tony Salway PGeo
- Appointed by Council for a one-year term as a member of a Faculty of Applied Science, Engineering or Geoscience in BC: Dr Jim Provan PEng
- The following Councillors continue for the 2003/2004 Council year: Dick Fletcher PEng, Past President; Councillors Lindsay Bottomer PGeo, Jeff Holm PEng, Margaret Li PEng and Mike Tkachuk PEng
- In addition, the 2003/2004 Council includes the following government lay appointees: O'Brian Blackall BCLS and Hiromi Matsui MSc.

President Fletcher then announced the results of the Bylaw ballots:

- On the first ballot permitting Council to increase registered member fees by up to 5% annually: For 61.8% and Against 38.2% (Failed)
- On the second ballot establishing Provisional Membership: For 87.1% and Against 12.9% (Passed)
- On the third ballot renaming the Structural Engineer of Record (SER) grade of membership to Designated Structural Engineer (StructEng): For 94.0% and Against 6.0% (Passed)

It was moved by Phil Seabrook PEng and seconded by George Cavey PGeo *that the ballots for election to Council and the Bylaw ballots be destroyed at the end of three months*. The motion was carried.

## New APEGBC Executive Director and Registrar

The President reviewed the search process for a new Executive Director and Registrar following the retirement announcement of John Bremner PEng. The President introduced Mr Bremner's replacement, Anne Garrett PEng.

It was moved by Gordon Springate PEng and seconded by John Haythorne PEng *that the service of John Bremner PEng to APEGBC, both as a member and Executive Director and Registrar, be acknowledged*. The motion was carried unanimously.

## Recognition of Deceased Members

President Fletcher asked the members' indulgence for a moment of silence in respect for our departed colleagues as the Executive Director read their names aloud.

## President's Report

President Fletcher presented his report for the 2002/2003 term, which was published in the *Year in Review* insert in the September 2003 issue of *Innovation*, and highlighted the significant accomplishments and challenges that faced Council during the past year. President Fletcher recognized his wife, Joanie, his family, and his employer, Urban Systems, for their support during his term.

## Introduction of ASTTBC Executive

President Fletcher introduced the executive of the Applied Science Technologists and Technicians of BC: Tim Murphy ASCT, President; John Leech ASCT, Executive Director; and Ted Nodwell ASCT, Past President.

## Introduction of Special Visitors and Guests

President Fletcher introduced numerous invited guests from the CCPE constituent associations across Canada, our colleagues from Washington and Idaho States, and our related BC professional associations and government. He thanked the guests for taking time out from their busy schedules to be with us this weekend.

# MINUTES OF THE 84<sup>TH</sup> ANNUAL GENERAL MEETING

## (CONTINUED)

### Canadian Councils of Professional Engineers and Geoscientists

President Fletcher called upon Gordon Sterling PEng, President of the Canadian Council of Professional Engineers, and George Cavey PGeo, Past President of the Canadian Council of Professional Geoscientists, to highlight a number of issues from the national perspective.

### Reports of Committees, Task Forces, Boards, Divisions and Branches

President Fletcher introduced the Chairs of the Committees, Task Forces, Boards, Divisions and Branches and thanked all the volunteers for their contributions to APEGBC. He commented that their reports are printed in the *Year in Review 2002/2003* insert in the September 2003 issue of *Innovation* and invited questions on the reports.

Frank Willis PEng, Chair of the Act Rewrite Task Force, responded to questions from the floor on the proposed amended *Engineering and Geoscience Professionals Act*.

Several Committee Chairs expressed concern that their committee reports were not published in the *Year in Review 2002/2003* but were contained in the companion web document. It was recommended that publication of the full committee reports in the *Year in Review* insert in *Innovation* be reinstated.

There was lengthy discussion and several proposals made by members to amend the mechanism in the Bylaws to facilitate the approval of a fee increase by members.

It was moved by Bob Martin PEng and seconded by David Chwaklinski PEng *that the reports of the Committees, Task Forces, Boards, Divisions and Branches be received as printed in the Year in Review 2002/2003 report and supplementary website report*. The motion was carried.

### Audited Financial Statements

It was moved by Bill Gilmartin PEng and seconded by Tony Salway PGeo *that the report of the Executive Director and the Audited Financial Statements for the 12 months ending June 30, 2003, be approved*. President Fletcher invited questions on the motion following which the question was called and the motion was carried.

### Appointment of Auditors

It was moved by Bill Gilmartin PEng and seconded by Lyle Morgenthaler PEng *that the firm of PricewaterhouseCoopers, Chartered Accountants, be appointed by Council as the Association Auditors for the fiscal year ending June 30, 2004*. The motion was carried.

### Banking Resolutions

It was moved by Bill Gilmartin PEng and seconded by Glenn Pellegriin PEng *that, in accordance with established policy,*

*the signing officers for the transaction of the Association's banking business shall be:*

- a) *For the signing of cheques, transferring of funds, borrowing of money, etc:*
  - 1) *any two of the following senior management positions:*
    - *Executive Director and Registrar*
    - *Director, Registration*
    - *Director, Finance and Corporate Services*
  - 2) *or any one of the aforementioned senior management positions together with one of the following Council officers:*
    - *President*
    - *Vice President*
    - *Immediate Past President*
- b) *For depositing, etc — any one of the following staff positions:*
  - *Executive Director and Registrar*
  - *Director, Registration*
  - *Director, Finance and Corporate Services*
  - *Deputy Director, Finance and Information Technology*
  - *Manager, Accounting and Administrative Services*
- c) *For access to the safety deposit box — any one of the following senior management positions:*
  - *Executive Director and Registrar*
  - *Director, Registration*
  - *Director, Finance and Corporate Services*

The motion was carried.

### 2004 Annual Conference

President Fletcher was pleased to announce that the 2004 Annual Conference will be held in Penticton, BC on October 21 and 22, with the 2004 Annual General Meeting scheduled for Saturday, October 23 at 8:45 am.

### Faculty and Student Representatives

President Fletcher introduced faculty from the University of British Columbia, Simon Fraser University and the University of Victoria. He also introduced student representatives of the universities' undergraduate societies.

### Branch Representatives

President Fletcher introduced the representatives of each of the Association's Branches.

### Induction of New President

President Fletcher introduced the President of the 2003/2004 Council, Bill Gilmartin PEng. Mr Gilmartin read aloud, then signed, the Declaration of Office.

President-elect Gilmartin expressed thanks for the opportunity to serve as 2003/2004 President and made a few remarks.

President Fletcher then called on the newly elected Councillors to recite the Declaration of Office.

President-elect Gilmartin then made a presentation of the Gold Foil Life Member disc to Dick Fletcher PEng. The meeting recessed at 11:55 am and reconvened at 2:40 pm.

### **New Business — Motions from the Floor**

President Fletcher called for motions from the floor:

**Motion 1.** It is moved and seconded *that Council give consideration to undertaking appropriate lobbying of the federal government's technical panel on oil and gas to request they give first consideration to domestic professional expertise in this field for the handling of any or all engineering components of any forthcoming oil and gas developments, both on and offshore.* Moved by Erin O'Brien PGeo, seconded by Karl Unger PEng. The motion was **carried**.

**Motion 2.** It is moved and seconded *that Council give consideration to reviewing and developing guidelines and options for professional insurance.* Moved by Andrew Watson PEng, seconded by Lyle Morganthaler PEng. The motion was **carried**.

**Motion 3.** It is moved and seconded *that Council give consideration to reaffirming to stakeholders and municipalities the previously agreed January 1, 2007 deadline for the requirement for a Designated Structural Engineer (formerly SER) for the design or independent review of a structural building under Part 3 of the Building Code.* Moved by Steven Keyes PEng, seconded by David Davey PEng. The motion was **carried**.

**Motion 4.** Given that a quorum of Council is currently present, *it is moved and seconded that Council give immediate consideration to mandate that the President of the Association whose province's football team loses tonight's game between the Saskatchewan Roughriders and the BC Lions pay homage to the President of the winning province's Association by:*

*a) contributing \$100 to its Engineering and Geoscience Foundation; and*

*b) wearing the winning province's football team's sweater to the losing province's Association's next Council meeting.*

Moved by Colin Smith PEng, seconded by Gordon Springate PEng. The motion was **carried**.

**Motion 5.** Whereas:

- a) it is widely held that the remuneration of engineers and geoscientists does not adequately reflect the value of the services provided by these professionals to society;
- b) many industry organizations such as APEGBC, CEBC, CCPE, CCPG and ACEC have undertaken activities to enhance the image of professional engineers and geoscientists in the public eye;
- c) many members of APEGBC, CEBC and other industry organizations themselves do not ascribe a high sense of value to the services provided by engineers and geoscientists;
- d) the activities undertaken by APEGBC, CEBC, CCPE, CCPG, ACEC and other industry organizations have been directed at the public at large rather than internally to the members of these organizations;

it is moved and seconded *that Council give consideration to establishing a task force with CEBC to:*

- a) develop and implement strategies to enhance their members' appreciation of the value of the engineering and geoscience services they provide to society; and*
- b) develop and implement strategies to increase the remuneration of engineers and geoscientists to properly reflect the value of the services they provide to society.*

Moved by Neil Cumming PEng, seconded by Sid Siddiqui PEng. The motion was **carried**.

### **Key Issues Forum and Adjournment**

The following key issues were discussed: implementation plan and progress report for the APEGBC/ASTTBC merger, professional liability insurance and government relations update.

The President declared the meeting adjourned at 4:10 pm.

# 2003 ANNUAL GENERAL MEETING MOTIONS: ACTIONS TAKEN BY COUNCIL

*Please refer to the text of the AGM motions included in the preceding Minutes. Only motions that were considered by Council are discussed here.*

**Motion 1.** This motion was referred to CCPE as federal government liaison falls under its jurisdiction. At the time of publication, oil and gas lobbying had not yet been undertaken by CCPE; however, its federal government relations program has had good success in raising the profile of professional engineers in Canada (see [www.ccpe.ca/e/prog\\_government.cfm](http://www.ccpe.ca/e/prog_government.cfm)).

**Motion 2.** Executive Director Anne Garrett PEng chairs the CCPE Task Force on Professional Liability Insurance; Past President Dick Fletcher PEng is a member. The task force focused on information collection, member education and messages to government about regulatory changes. It assessed various risk sharing models (up to and including self-insurance) and agreed that this needs more study. While a self-insurance model has been set up by other professional associations, it may only be applicable to APEGBC members in private practice.

In 2004, APEGBC undertook a survey to determine the types and severity of issues facing members, and conducted a one-day member seminar on professional liability insurance issues and options.

APEGBC has refined its messages to government on reducing the ultimate limitation period to 10 years from 30, changing the trigger from fault found to substantial completion, and changing from joint and several liability to proportionate liability. Although receptive to the first two points, the government has less appetite to tackle the third. APEGBC was disappointed to learn earlier this year that the government had concluded its Civil Liability Review with no changes recommended.

**Motion 3.** Council reiterated to the City of Vancouver and building officials of all other BC municipalities that the Association is currently in discussion with the BC Building Policy Branch to ensure that:

1. Only those who wish to become the structural engineer of record for Part 3 Buildings structurally designed to Part 4 of the BC Building Code (Part 3 Buildings) will be required to obtain the qualification of Designated Structural Engineer (StructEng).
2. The professional seal and stamp of a registered StructEng will be required on all structural drawings and Letters of Assurance submitted for a building permit for Part 3 Buildings in those municipalities that specify this requirement. Only one StructEng will be required for the Letters of Assurance for each applicable building project.

3. A StructEng is generally not required for:
  - Part 9 Buildings or structural components of Part 9 Buildings.
  - Structural components of Part 3 Buildings of the BC Building Code, Vancouver Building Bylaw or National Building Code of Canada where the structural engineer of record is a StructEng.
  - Components that are not part of the primary structural system (support, anchorage and seismic restraint of electrical, plumbing and mechanical systems and architectural components, etc).
4. While professional engineers are being afforded the opportunity to demonstrate their qualifications in satisfying the requirements for Designated Structural Engineer, APEGBC recommends that municipalities not impose this requirement on any building permit applications prior to January 1, 2007.

APEGBC has informed each BC municipality of the new designation, its scope and how and when APEGBC recommends that municipalities require it. All head building officials have been informed that APEGBC has requested that the BC Building Policy Branch include the StructEng requirement in the 2005 edition of the BC Building Code.

APEGBC has sent letters regarding the new designation to all professional engineers who self-identified as having involvement in structural engineering industries. Because of the 8-12 month time frame between application and registration, engineers who may require the designation were encouraged to apply as soon as possible.

APEGBC has also asked the principals of structural engineering firms in BC to support their engineers' applications for the StructEng designation.

**Motion 5.** A joint task force with CEBC was struck mid-year. Members Janet Benjamin PEng, Neil Cumming PEng, Anne Garrett PEng, Steve Hunt PEng, Francois Morton and Phil Sunderland PEng summarized the main issues:

- Engineers in general do not charge enough for their services and, in some cases, undercut each other, resulting in downward pressure on fees and subsequent devaluing of the profession.
- APEGBC needs to develop and implement strategies to 1) enhance members' appreciation of the value of the services they provide to society, and 2) increase the remuneration of engineers and geoscientists to properly reflect the value of their services.
- The Association needs to target members prior to targeting organizations that hire engineers.

The group agreed that this is a long-term strategic issue and will continue to meet in 2004/2005.

## APEGBC FOUNDATION TRUSTEES



**Ken Williams PEng,  
Chair**

The APEGBC Foundation continues to promote education in engineering and geoscience through the granting of bursaries and scholarships, and encourages the professional development of members by providing financial support to Branches and Divisions for courses and seminars.

This year, donations from Association members raised during the annual campaign totalled about \$22,500, up slightly from last year. In addition, we received \$20,000 from BC Hydro to fund a two-year program for APEGBC/BC Hydro third-year scholarships as well as various corporate and estate grants, bringing total contributions to just over \$45,000.

The Foundation granted seven undergraduate, five university entrance, three university college entrance and nine MAPS scholarships to aspiring engineers and geoscientists, as well as 10 APEGBC/BC Hydro scholarships to third-year students. Our total grant disbursements this year were \$43,205.

We are pleased with the generosity of contributing APEGBC members and firms; however, our capital fund of approximately \$149,000 must grow in order to support the ambitious scholarship programs we have initiated, and hope to maintain and even expand in the future.

The Foundation is studying a program to promote charitable contributions through estate planning. Leaving a portion of your estate to the Foundation will give others the opportunity to enter our exciting and rewarding professions. Donations can be directed to the capital fund or to our annual drive. Please contact me or Wayne Gibson PEng, Director, Communications to discuss effective ways to direct part of your estate to APEGBC's Foundation.

Special thanks to the Trustees for their wisdom and dedication to ensuring the continued success of the Foundation, and to the staff for their support and contributions. We welcome John Watson PEng to the Foundation and will certainly benefit from his knowledge and experience.

Finally, I would like to particularly recognize all contributing APEGBC members whose generosity has made this program possible.

### Trustees

Ken Williams PEng, *Chair* • Phil Seabrook PEng, *Vice Chair* • George Csanyi-Fritz PEng • Dan Lambert PEng • John Watson PEng

### Staff

Wayne Gibson PEng, *Director, Communications* • Kert Fu CGA, *Manager, Accounting and Administrative Services* • Shelley Lebar, *Student Program Coordinator*

## BENEVOLENT FUND TRUSTEES



**Bob Martin PEng,  
Chair**

The Benevolent Fund has had a very quiet year since last year's report. We had one application for assistance but dispensed no funds. The Fund Trustees continue to look for ways in which we can assist applicants to better sell their experience and qualifications to a prospective employer through

stress counselling and training in good resume preparation.

The Fund's capital is healthy. Members who provide donations to support the Fund are issued with tax receipts for donations over \$10.

We know that those members who have received assistance from the Fund have felt that someone still cared, giving a boost to their self-esteem when what they were experiencing was very depressing. Many recipients have managed to

get their lives back in order after finding appropriate work.

Those members who feel they need assistance are reminded that they can discuss their particular situation in confidence by contacting Wayne Gibson PEng at the APEGBC office.

I would like to thank our Trustees for their ongoing commitment as well as APEGBC staff Dale Lessoway, who has since left the Association, and Wayne Gibson for their great assistance.

### Trustees

Bob Martin PEng, *Chair* • Bob Affleck PEng • Paul Blanchard PEng • Kathy Kompauer PEng

### Staff

Wayne Gibson PEng, *Director, Communications* • Dale Lessoway, *Member Communications Coordinator*

## AUDIT COMMITTEE

To meet current governance and independence best practices, APEGBC established the Audit Committee, which consists of two non-elected members of Council and three members of Council who are not on the Executive Committee.

The Audit Committee assists Council in overseeing the Association's financial and non-financial affairs and in properly disclosing the related information. Specifically, the Committee assists Council in fulfilling its responsibility to oversee management's conduct of the Association's financial reporting procedures, including the development and maintenance of systems of internal accounting and financial controls. Further, in consultation with external auditors, the Committee also ensures that financial statements and notes thereto make complete and clear disclosures of the Association's financial condition.

The Audit Committee is responsible for reviewing and advising Council on the appointment, independence and performance of the external auditors; the scope of external audits; the annual financial statements and notes thereto; management's financial reviews; and reports of the auditors regarding accounting principles and practices, particularly any recommendations.

The Audit Committee has carried out a thorough review of the financial statements and related information

regarding APEGBC's fiscal 2004 period ending June 30, 2004. The Committee has reviewed and discussed all relevant issues with Association staff and the external auditors, PricewaterhouseCoopers. The Committee also applied a similar review to the audited financial statements and affairs of both the Foundation and the Benevolent Fund.

The Audit Committee reported the results of the external audit, and the Committee's review of it, to Council. The Committee recommended the audited APEGBC financial statements to Council for approval. Council then recommends the financial statements to the Annual General Meeting for final approval.

The Committee enjoys the independence required to be able to continue to contribute to the effective governance of the Association, and to facilitate the implementation of the latest developments in governance assurance standards.

### Committee Members

O'Brian Blackall BCLS, *Councillor and Chair* • Lindsay Bottomer PGeo, *Councillor* • Nicole Kohnert PEng, *Councillor* • Glenn Pellegrin PEng, *Councillor* • James Provan PEng PhD, *Councillor*

## FINANCIAL REVIEW FOR THE YEAR ENDED JUNE 30, 2004

### Financial Position

The balance sheet shows total assets of \$6,645,800, which increased by \$207,300 over the prior year.

### Assets

Cash and short-term investments increased by \$371,200 to \$2,938,400.

Inventory decreased by approximately 50% from \$44,100 to \$21,600 due to increased sales of Professional Development distance education CD Roms.

### Liabilities and Net Assets

Deferred fees increased by \$69,500 to \$1,954,400 due to overall membership growth of 2% and deferral of student member fees.

While the mortgage liability was reduced by \$165,700, accounts payable and accrued liabilities increased by

\$217,300 due to higher year-end accruals and the timing of payments at year end.

Total net assets of \$3,398,300 comprises *unrestricted net assets* of \$224,200, *net assets invested in capital assets* of \$2,694,600, *funds appropriated for capital asset replacement* of \$299,500 and *funds appropriated for legal and insurance reserve* of \$180,000.

*Unrestricted net assets* (funds that are generally available for program delivery and administrative activities) increased by \$123,900 to \$224,200. Unrestricted net assets of \$224,200, or about a half-month of operating expenditures, are well below the financially prudent best practices standard of maintaining a minimum of three months of operating expenditures (\$1,500,000) required to provide sufficient financial capital to withstand any material unexpected financial risks and to fund any other long-term obligations.



# FINANCIAL REVIEW

## FOR THE YEAR ENDED JUNE 30, 2004 (CONTINUED)

### Operating Summary

Fiscal 2003/04 resulted in a net surplus of \$129,300 compared to a budgeted surplus of \$85,400. This surplus follows a deficit of \$99,500 for fiscal 2002/03.

Total revenues of \$6,126,000 were 6.7% or \$386,000 above budget due primarily to significant growth in grant and project management revenue.

Total expenditures of \$5,996,700 were 6.1% or \$342,100 above budget due mainly to discipline and registration related legal costs, unbudgeted merger costs, and additional costs related to government grants and other research projects. These cost overruns were somewhat offset by lower than budget costs for Practice Reviews (program on hold for most of the year) and the Core Review.

Council has adopted a balanced budget for fiscal 2004/05.

### Revenues

Total revenue increased by 11% or \$606,800 to \$6,126,000.

Total fee revenue of \$4,426,300 comprises primarily annual membership fees of \$3,950,600, which are the primary source of monies collected, amounting to 65% of the Association's revenues. Fiscal 2003/04 marked the first full year for the \$30 fee bylaw increase approved by the membership in the fall of 2002. This fee increase accounts in large part for the \$286,900 (7.8%) increase in membership fees from the prior year. The number of members increased this year by 2% to 22,300.

Fiscal 2003/04 resulted in a second year of significant growth in "other revenue" to \$1,699,700 from \$1,394,100, or 21.9%, due primarily to government grants, continued growth in the professional development program, and a strong recovery in *Innovation* magazine and other advertising revenue.

Grant and project management revenue of \$426,500 is now the largest of the "other" revenues and has increased significantly over the past three years from negligible amounts in fiscal 2000/01. For fiscal 2003/04, new and continuing government grants and project management fees contributed to revenues as follows: Licensed Environmental Professional of \$147,000, Seismic Risk Assessment of \$134,900, Terrain Stability Analysis of \$50,000 and the Internationally Trained Engineer Pilot of \$45,600.

Professional development revenue has increased by

### APEGBC Condensed Statement of Revenue and Expenditures\*

	Actual 04	Budget 04	Variance	Actual 03	2004:2003
Revenue					
Fees	\$4,426,300	\$4,483,000	(\$56,700)	\$4,125,100	\$301,200
Other revenue	1,699,700	1,257,000	442,700	1,394,100	305,600
Total	6,126,000	5,740,000	386,000	5,519,200	606,800
Expenditures	5,996,700	5,654,600	(342,100)	5,618,700	378,000
Surplus/(Deficit)	\$129,300	\$85,400	\$43,900	(\$99,500)	\$228,800

\*see the Statement of Revenue and Expenditures in the financial statements for additional information

15%, to \$417,900 from \$363,500, and marks the fourth consecutive year of revenue growth for this program. The increase was due primarily to the successful development and marketing of APEGBC's distance education CD Rom products along with continued strong demand for professional development seminars.

*Innovation* magazine and other advertising revenues have increased by \$78,300 or 37.8% due to a more positive economic environment for *Innovation* magazine advertising sales and other sponsor related advertising revenue.

### Expenditures

Total expenditures increased by 6.7% or \$378,000 to \$5,996,700.

Legal costs of \$420,900 were \$133,100 higher than the prior year due to a higher than normal number of discipline and registration related matters.

Premises and operating costs related to the Association's building increased by \$56,600 to \$235,100 as a result of major emergency repairs and maintenance.

The fees assessed by the Canadian Councils of Professional Engineers and Geoscientists increased by \$42,700 to \$187,500 as a result of the planned \$2.40 per member increase.

Amortization increased by \$24,600 to \$255,300 due to the first full year of amortizing the development costs for the EIT/GIT Online Reporting System.

Finally, other cost increases were incurred related to the \$152,000 or 55% increase in grant and project management revenues as additional staff and other resources were required to support these new and additional research projects.

A summary of expenses incurred by department and program can be found in the Program Statements that follow the Financial Statements.

# Financial Statements of the Association of Professional Engineers and Geoscientists of the Province of British Columbia

As at June 30, 2004

## Management's Responsibility

The financial statements of the Association of Professional Engineers and Geoscientists of the Province of British Columbia have been prepared by management in accordance with generally accepted accounting principles in Canada and have been approved by Council. The statements include amounts based on informed judgments and estimates of the expected effects of current events and transactions.

To meet its responsibility for preparing reliable financial information, management maintains and relies on comprehensive internal accounting, operating and system controls. These controls are designed to provide reasonable assurance that the financial records are reliable for preparing financial statements and safeguarding the assets of the organization.

Council has appointed an Audit Committee, comprising five members of Council (two non-elected members of Council and three members of Council who are not on the Executive Committee), that has reviewed the statements with management and the external auditors in detail.

PricewaterhouseCoopers LLP have been appointed by the membership as independent auditors to examine and report on the financial statements. They have had full and free access to the records of the Association, management staff and the Audit Committee. Their report appears at right.



Anne Garrett PEng  
Executive Director and Registrar



Fred Wylie CGA CMA CRRP  
Director, Finance and Corporate Services

## Auditors' Report

### To the Members of the Association of Professional Engineers and Geoscientists of the Province of British Columbia

We have audited the balance sheet of the Association of Professional Engineers and Geoscientists of the Province of British Columbia as at June 30, 2004 and the statements of changes in net assets, revenue and expenditures and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at June 30, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants  
July 30, 2004

# Balance Sheet

As at June 30, 2004

	2004 \$	2003 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	192,285	234,662
Short-term investments	2,746,086	2,332,465
Accounts receivable (note 3)	158,596	144,754
Interest receivable	34,312	40,983
Prepaid expenses	49,839	38,210
Inventory	21,635	44,114
	<b>3,202,753</b>	<b>2,835,188</b>
<b>Property and equipment</b> (note 4)	<b>3,443,008</b>	<b>3,603,252</b>
	<b>6,645,761</b>	<b>6,438,440</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	471,011	253,749
Deferred fees	1,954,358	1,884,860
Deferred revenue	80,034	123,115
Mortgage (note 6)	177,915	165,653
	<b>2,683,318</b>	<b>2,427,377</b>
<b>Mortgage</b> (note 6)	<b>564,148</b>	<b>742,063</b>
	<b>3,247,466</b>	<b>3,169,440</b>
<b>Net assets</b> (note 2)		
Net assets invested in capital assets	2,694,592	2,689,183
Appropriated for capital asset replacement	299,472	299,472
Appropriated for legal and insurance reserve	180,000	180,000
Unrestricted net assets	224,231	100,345
	<b>3,398,295</b>	<b>3,269,000</b>
	<b>6,645,761</b>	<b>6,438,440</b>
<b>Commitments</b> (note 7)		

**APPROVED ON BEHALF OF THE COUNCIL**



W (Bill) Gilmartin PEng, *President*



Anthony Salway PGeo PhD, *Vice President*

# Statement of Changes in Net Assets

For the Year Ended June 30, 2004

					2004	2003
	Invested in capital assets \$	Capital asset replace- ment \$	Legal and insurance reserve \$	Unre- stricted \$	Total \$	Total \$
<b>Net assets — Beginning of year</b>	2,689,183	299,472	180,000	100,345	3,269,000	3,368,519
Excess (deficiency) of revenue over expenditures	(255,250)	—	—	384,545	129,295	(99,519)
Investment in property and equipment	95,006	—	—	(95,006)	—	—
Repayment of mortgage principal	165,653	—	—	(165,653)	—	—
<b>Net assets — End of year</b>	<b>2,694,592</b>	<b>299,472</b>	<b>180,000</b>	<b>224,231</b>	<b>3,398,295</b>	<b>3,269,000</b>

# Statement of Revenue and Expenditures

For the Year Ended June 30, 2004

	2004 \$	2003 \$
<b>REVENUE</b>		
<b>Fees</b>		
Annual membership fees	3,950,588	3,663,660
Application, registration and certification fees	300,861	305,552
Professional and academic examinations	174,816	155,882
	<b>4,426,265</b>	<b>4,125,094</b>
<b>Other</b>		
Annual conference	134,597	145,646
Grant and project management revenue	426,536	274,528
Innovation magazine and other advertising	285,178	206,880
Investment income	82,558	63,212
Miscellaneous	167,148	154,674
Premises revenue	185,778	185,677
Professional development revenue	417,945	363,507
	<b>1,699,740</b>	<b>1,394,124</b>
<b>Total Revenue</b>	<b>6,126,005</b>	<b>5,519,218</b>
<b>EXPENDITURES</b>		
Advertising	76,209	69,817
Amortization	255,250	230,683
Annual conference — facilities and meals	88,017	113,537
Canadian Councils of Professional Engineers and Geoscientists	187,538	144,864
Certificates and stamps	19,445	21,424
Contract and consulting services	611,048	682,440
Examinations and examination books	94,732	80,439
Grants and awards	44,650	38,888
Innovation magazine printing	182,252	176,554
Interest on mortgage	59,645	71,062
Legal	420,942	287,796
Meetings and special events	220,510	220,344
Miscellaneous	34,083	24,840
Office and general	363,470	286,078
Premises and operating costs	235,088	178,457
Printing, publication and distribution costs	309,968	371,319
Salaries and employee benefits	2,370,054	2,167,762
Secondary professional liability insurance premiums	148,364	164,213
Telecommunications	50,123	43,659
Travel	225,322	244,561
<b>Total Expenditures</b>	<b>5,996,710</b>	<b>5,618,737</b>
<b>Excess (Deficiency) of Revenue over Expenditures for the year</b>	<b>129,295</b>	<b>(99,519)</b>

# Statement of Cash Flows

For the Year Ended June 30, 2004

	2004 \$	2003 \$
<b>Cash flows from operating activities</b>		
Excess (deficiency) of revenue over expenditures	129,295	(99,519)
Item not affecting cash		
Amortization of capital assets	255,250	230,683
	<b>384,545</b>	<b>131,164</b>
Changes in working capital accounts		
Accounts receivable	(13,842)	(37,788)
Interest receivable	6,671	(21,385)
Prepaid expenses	(11,629)	113,184
Inventories	22,479	(11,995)
Accounts payable and accrued liabilities	217,262	142,473
Deferred fees	69,498	253,683
Deferred revenue	(43,081)	78,148
	<b>631,903</b>	<b>647,484</b>
<b>Cash flows from financing and investing activities</b>		
Purchase of property and equipment	(95,006)	(103,351)
Increase in short-term investments	(413,621)	(427,874)
Mortgage repayments during the year	(165,653)	(154,237)
	<b>(674,280)</b>	<b>(685,462)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(42,377)</b>	<b>(37,978)</b>
<b>Cash and cash equivalents — Beginning of year</b>	<b>234,662</b>	<b>272,640</b>
<b>Cash and cash equivalents — End of year</b>	<b>192,285</b>	<b>234,662</b>

# Notes to Financial Statements

June 30, 2004

## 1. Mandate

The Association of Professional Engineers and Geoscientists of the Province of British Columbia (the Association or APEGBC) is incorporated under the provisions of the *Engineers and Geoscientists Act*. The Association's mandate is to protect public safety, health and well-being through the application of engineering and geoscience, as well as to ensure the responsible self-governance and vitality of the professions.

## 2. Significant Accounting Policies

These financial statements include the financial activities of the Association exclusive of the net assets of the Association of Professional Engineers and Geoscientists Foundation and Engineers and Geoscientists Benevolent Fund (note 9). The Association also collects funds on behalf of member-supported branches and divisions that are considered separate entities from the Association. Therefore, the operations of these branches and divisions are not included in these financial statements.

### *Donated services*

The Association and its members benefit from donated services in the form of volunteer time for various committees. Donated services are not recognized in these financial statements.

### *Cash and cash equivalents*

Cash and cash equivalents consists of cash on deposit with banks and money market deposits having a term of less than 90 days.

### *Short-term investments*

Short-term investments consist of federal and provincial government bonds, T-bills and financial institution guaranteed securities consistent with the Association's investment policy.

### *Inventory*

Inventories relate principally to exam books. Inventories are recorded at the lower of cost and net realizable value. Cost is determined on a specific item, actual cost basis.

### *Revenue recognition*

The Association follows the deferral method of accounting for annual fees and other revenues which are received, but for which services have not yet been performed. Membership and other fees are billed and received in advance on a calendar-year

basis. Accordingly, a portion of these fees received prior to June 30 have been deferred for financial reporting purposes and will be recognized as revenue over the remainder of the current calendar year. All other revenues are recognized when receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

### *Amortization*

Amortization is recorded by using the following annual rates calculated on a straight-line basis:

Building	3.3%
Computer	20% - 33.3%
Furniture and fixtures	10%

### *Net assets*

"Net assets invested in capital assets" relates to funds invested in the Association's building and other capital assets, net of unretired mortgage financing. The account is increased for annual capital additions including repayment of mortgage principal and reduced by capital amortization.

"Appropriated for capital asset replacement" represents an appropriation by Council, which serves the long-term objective of setting aside funds each year in a rational manner to ensure adequate resources are available to replace all capital assets. Council will review the method and the amount appropriated each year to ensure that the appropriation provides a reasonable basis for capital asset replacement. All capital acquisitions are approved by Council as part of the annual budgeting process.

"Appropriated for legal and insurance reserve" relates to an appropriation by Council to set up a legal and insurance reserve to allow for extraordinary cases and situations over and above annual expectations. This allows the Association to be prepared for future realistic contingencies. The amount appropriated for legal and insurance will be reviewed by Council annually.

"Unrestricted net assets" represents the funds that are generally available for the Association's program delivery and administrative activities.

### *Controlled funds*

*The Association of Professional Engineers and Geoscientists Foundation (the Foundation)*

# Notes to Financial Statements (continued)

The Foundation provides financial support to fund, facilitate and promote activities and programs related to education in engineering and geoscience. The Foundation was incorporated on May 11, 1993 under the *British Columbia Society Act* and is a registered charity under the *Income Tax Act*.

The Association controls the operations of the Foundation through its ability to appoint the Trustees, who direct all activities of the Foundation. The Association does not consolidate the financial results of the Foundation.

### *Engineers' and Geoscientists' Benevolent Fund (the Benevolent Fund)*

The Benevolent Fund provides financial assistance to members of the Association and their dependants who qualify for assistance. The Benevolent Fund is a registered charity under the *Income Tax Act*.

The Association controls the operations of the Benevolent Fund through its ability to appoint the Trustees, who direct all activities of the Benevolent Fund. The Association does not consolidate the financial results of the Benevolent Fund.

Financial information for the controlled funds is provided in note 9.

### 3. Accounts Receivable

The accounts receivable balance of \$158,596 (2003 - \$144,754) does not include the balance of full annual fees of \$81,594 (2003 - \$88,506) from members who qualify for reduced fee status (those unemployed, on parental leave, attending university full time). Should these members not qualify for reduced fee status at any time during the year, the balance of the full annual membership fee becomes receivable by the Association.

### 4. Property and Equipment

	2004		2003	
	Cost	Accumulated amortization	Net	Net
	\$	\$	\$	\$
Land	874,011	—	874,011	874,011
Building	3,251,166	974,811	2,276,355	2,384,783
Computer	911,172	730,195	180,977	214,276
Furniture and fixtures	428,338	316,673	111,665	130,182
	<u>5,464,687</u>	<u>2,021,679</u>	<u>3,443,008</u>	<u>3,603,252</u>

### 5. Assets Held in Trust

At June 30, 2004, the Association is holding \$371,379 (2003 - \$700,000) received from the Ministry of Water, Land and Air Protection (the Ministry) in trust for the use by the Roster Steering Committee for the development of infrastructure, board tools, examination and administration of an independent Board of Licensed Environmental Professionals (LEP) for review of contaminated site submissions on behalf of the Ministry. These funds are not included in the financial statements of the Association.

The Association is responsible for providing project and administrative support services to the Roster Steering Committee for the operation of the current Contaminated Sites Roster of Professional Experts and for the transitional management and administrative support of the LEP Board development project. For the year ended June 30, 2004, the Association charged the Roster Steering Committee for \$147,000 of project management services.

### 6. Mortgage

	2004	2003
	\$	\$
Current (including accrued interest)	177,915	165,653
Non-current	564,148	742,063
	<u>742,063</u>	<u>907,716</u>

The mortgage bears interest at 7.27% for the current five-year term ending October 2005. A general security agreement, demand collateral mortgage and an assignment of rents have been provided as collateral for the loan. Estimated principal repayments, assuming the loan is renewed on similar terms, are as follows:

	\$
2005	177,915
2006	191,085
2007	205,229
2008	167,834
	<u>742,063</u>

### 7. Commitments

The Association has operating lease commitments for office equipment for the next three years and a property management fee for fiscal 2005 requiring the following annual minimum payments:

	\$
Year Ending June 30, 2005	69,914
2006	44,772
2007	9,631
	<u>124,317</u>



# Notes to Financial Statements (continued)

## 8. Pension Plan

The Association has established a defined-contribution pension plan for its employees, under which the Association matches annually the amount contributed by the employees up to 5% of qualifying employees' gross earnings. Pension expense for the year was \$80,375 (2003 - \$75,547).

## 9. Controlled Funds

The Association controls the operations of the Benevolent Fund and the Foundation. Summary financial information on each of the controlled funds is as follows:

	2004 \$	2003 \$
<b>Benevolent Fund</b>		
Total assets	202,817	182,155
Total liabilities	1,100	1,050
Net assets	<u>201,717</u>	<u>181,105</u>
Revenue — contributions and investment income	21,712	20,931
Expenses and grants	<u>1,100</u>	<u>14,024</u>
<b>Foundation</b>		
Total assets	165,212	158,767
Total liabilities	16,600	16,550
Net assets	<u>148,612</u>	<u>142,217</u>
Revenue — contributions and investment income	50,800	54,927
Expenses and grants	<u>44,405</u>	<u>48,025</u>

Information on cash flows from operating, financing and investing activities for the year ended June 30, 2004 for the Benevolent Fund and the Foundation has not been presented as it would not provide any additional meaningful information that is not already provided in the information disclosed above.

## 10. Financial Instruments

The Association has various financial instruments including cash and cash equivalents, short-term investments, accounts receivable, interest receivable, and accounts payable and accrued liabilities. The estimated fair values of these financial instruments approximate their carrying values as the amounts are short term in nature. The fair value of the mortgage approximates its fair value given the terms and conditions disclosed in note 6.

## 11. Merger

In the May 2003 referendum, APEGBC members strongly supported the proposed merger of the Applied Science Technologists and Technicians of British Columbia (ASTTBC) into the Association.

After carefully reviewing a number of issues surrounding potential revisions to the *Engineers and Geoscientists Act* at its meeting on June 18, 2004, Council advised the Ministry of Advanced Education that APEGBC will not be requesting an act revision at this time.

During the meeting deliberations, Council unanimously reaffirmed the vision that the practices of engineering and geoscience technology are components of the practices of professional engineering and geoscience, respectively, and that these practices should be regulated in a common fashion to ensure full accountability. Council also moved to set up a task force to explore options for implementing this vision. Until this work is complete, it was agreed that it would be premature to request regulatory changes.

APEGBC plans to continue to work with ASTTBC on this important area.

# Program Statements (UNAUDITED)

June 30, 2004

## REVENUE

### MEMBERSHIP AND FEE REVENUE

	2005 Budget \$	2004 Actual \$	2004 Budget \$
Annual Membership Fees	4,071,984	3,950,588	3,973,520
Application, Registration and Certification Fees	353,396	300,861	348,362
Professional and Academic Examinations	149,856	174,816	161,138
	<b>4,575,236</b>	<b>4,426,265</b>	<b>4,483,020</b>

### OTHER REVENUE

Annual Conference	165,000	134,597	134,000
Grant and Project Management Revenue	540,300	426,536	100,000
Innovation Magazine and Other Advertising	257,000	285,178	230,000
Investment Income	57,473	82,558	50,000
Miscellaneous	167,000	167,148	142,000
Premises Revenue	175,959	185,778	175,959
Professional Development Revenue	494,400	417,945	425,000
	<b>1,857,132</b>	<b>1,699,740</b>	<b>1,256,959</b>

## TOTAL REVENUE

	<b>6,432,368</b>	<b>6,126,005</b>	<b>5,739,979</b>
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## EXPENDITURES

### COMMUNICATIONS

Annual Conference	231,520	207,149	199,703
Awards	31,133	30,584	32,191
Branches/Divisions	96,345	81,423	89,111
Career Awareness	20,278	19,393	20,146
Compensation Survey	6,619	—	11,322
Government Relations	132,587	20,431	30,222
Innovation Magazine	275,393	353,069	359,054
Opportunity Fund	10,000	6,200	6,000
Public Relations	154,729	131,735	117,373
Student Grants/MAPS	62,192	59,371	54,996
Web Site	52,050	21,045	26,898
Non-Program Specific	95,719	117,466	113,000
	<b>1,168,565</b>	<b>1,047,866</b>	<b>1,060,016</b>

### COUNCIL/EXTERNAL AFFAIRS

Canadian Councils of Professional Engineers and Geoscientists	463,253	423,833	447,088
Council/Executive	409,457	421,041	455,590
ASTTBC Merger	49,300	223,575	20,000
Non-Program Specific	171,472	56,667	58,482
	<b>1,093,482</b>	<b>1,125,116</b>	<b>981,160</b>

### FINANCIAL AND CORPORATE

Annual Invoicing	121,975	108,238	108,433
Building Financing and Operations	255,614	314,178	263,386
Computer System	247,959	232,225	219,535
Freedom of Information	15,047	18,733	20,559
Human Resources	60,500	25,095	17,500
Non-Program Specific	532,927	576,098	497,385
	<b>1,234,022</b>	<b>1,274,567</b>	<b>1,126,798</b>

# Program Statements (UNAUDITED)

June 30, 2004

	<b>2005 Budget \$</b>	2004 Actual \$	2004 Budget \$
<b>EXPENDITURES (continued)</b>			
<b>MEMBER SERVICES</b>			
Member Services	83,019	72,246	65,658
Professional Development	449,945	362,285	422,536
Non-Program Specific	59,527	—	—
	<b>592,491</b>	<b>434,531</b>	<b>488,194</b>
<b>PROFESSIONAL PRACTICE AND ETHICS</b>			
Act & Bylaws	37,006	16,253	22,043
Discipline	222,219	284,372	171,482
Enforcement	52,791	49,935	56,395
Environment	10,562	—	—
Investigations	88,729	79,881	86,996
Liaison with Authorities	56,030	40,270	43,503
Practice Review	210,054	69,601	213,600
Professional Practice	142,383	133,657	146,198
Seismic Risk Assessment	305,000	113,401	—
Sustainability Management Systems	72,568	67,987	72,750
Terrain Stability Analysis	5,281	50,292	50,000
Non-Program Specific	115,071	149,634	148,413
	<b>1,317,694</b>	<b>1,055,283</b>	<b>1,011,380</b>
<b>REGISTRATION</b>			
Applications/Registration	262,742	268,909	225,872
CCPE APEC Engineer Register	7,466	5,964	7,316
EIT/GIT Certification	83,261	76,292	78,525
Geoscience Committee and Outreach	17,200	10,692	20,500
Internationally Trained Engineer Program	—	49,748	2,553
Limited License	10,160	6,195	9,427
Professional and Academic Examinations	148,402	132,464	129,371
Structural Engineer of Record	43,942	33,152	45,856
Non-Program Specific	187,950	208,777	178,075
	<b>761,123</b>	<b>792,193</b>	<b>697,495</b>
<b>SPECIAL PROGRAMS</b>			
Benevolent Fund	8,855	5,300	5,544
Foundation	10,136	6,604	5,992
Contingency	—	—	50,000
	<b>18,991</b>	<b>11,904</b>	<b>61,536</b>
<b>TOTAL EXPENDITURES BEFORE AMORTIZATION</b>			
	<b>6,186,368</b>	<b>5,741,460</b>	<b>5,426,579</b>
Amortization	246,000	255,250	228,000
<b>TOTAL EXPENDITURES</b>			
	<b>6,432,368</b>	<b>5,996,710</b>	<b>5,654,579</b>
<b>Excess of Revenue Over Expenditure for the Year</b>	<b>—</b>	<b>129,295</b>	<b>85,400</b>

## VISION

*BC's Professional Engineers and Professional Geoscientists enhance and protect the quality of life and are recognized and respected by Industry, Government and the Public.*

## MISSION

*To advance and support a professional membership dedicated to protecting the public and the environment, and creating economic value through innovation and ingenuity.*

