

**BRIEFING NOTE: For decision**

<b>Board policy 7.1, Board, committee, and other volunteer expenses</b>		<b>4.1</b>
Purpose:	To reconsider the current allowance for <i>business class</i> air travel in Board policy 7.1, <i>Board, committee, and other volunteer expenses</i> (policy 7.1)	
Link to the Strategic Plan / Purposes:	Board responsibility: The Board shall ensure that Engineers Canada achieves its purposes and vision in a manner that meets the expectations of the Regulators. Board responsibility: The Board is accountable for the organization and acts on behalf of the Regulators as a whole. Board responsibility: Ensure the development and periodic review of Board policies.	
Link to Corporate Risk Profile:	Reduced long term financial viability (Board risk) Decreased confidence in the governance functions (Board risk)	
Motion(s) to consider:	<i>THAT the Board amend previously adopted Board policy 7.1 by reverting any reference to the business class travel to the formerly adopted version.</i> <i>THAT the Board direct its standing committees, through their ongoing work, to consider ways to support work-life balance for all Engineers Canada volunteers.</i> <i>THAT the Board rescind previously adopted motion passed on October 5, 2023 regarding its request to the Governance Committee to make recommendation(s) on policy 7.1 (Motion #2023-10-6D).</i>	
Vote required to pass:	Two-thirds majority	
Transparency:	Open session	
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Presented by:	Mike Wrinch, President-elect	

**Problem/issue definition**

- Under item 4.3 of the current agenda, the Board will be asked to approve the 2024 budget which includes a reduction in expenses by 4.6% in an effort to return to a balanced budget.
- Further reductions may be required to achieve a break-even operating budget.
- It is prudent for the economic interests of Engineers Canada that the Board consider ways in which it may reduce expenses related to Board operations.

**Proposed action/recommendation**

- That the Board rescind the motion adopted on October 5, 2023, for further review of policy 7.1 by the Governance Committee in consultation with the Finance, Audit, and Risk (FAR) and Human Resources (HR) committees ahead of the Winter Board meeting.
- That the Board immediately amend policy 7.1 to re-establish that to be eligible for business class air travel, flying time for one leg of the journey must be six hours or more. All other revisions to the policy approved by the Board in May 2023 will remain.
- That the proposed budget for 2024 be amended to no longer include incremental costs for business class air travel when flying time for one leg of the journey is more than four hours.
- That the Board acknowledge concerns raised by volunteers regarding travel and, consistent with its value of taking pride in creating a culture of teamwork and wellness, through its standing committees is

committed to continue to support volunteers and, where possible, will facilitate maintaining work/life balance when traveling.

## Other options considered:

### Business class air fare allowance

- At its October 5, 2023, meeting, the Board engaged in an open discussion about concerns raised by some Members about whether the updated allowance for business class air fare is “appropriate, equitable, and affordable”. The Board considered the reasons for the revised allowance, the benefits/drawbacks of maintaining the revised allowance, and lessons learned from the Members.
- Recognizing the need to support Engineers Canada’s volunteers, the Board was reluctant to reverse its decision from May and instead opted to revisit the decision and consider if there are alternative means to achieve the desired objectives of the allowance. Thus, the Board passed the following motion:
  - *THAT the Board, based on the discussion, requests that the Governance Committee with the input of the FAR and the HR committees, review changes to policy 7.1 and make recommendation(s) to the Board at its meeting in February 2024.*
- On October 13, at their meeting to finalize the Board’s agenda for the meeting on December 4, 2023, the President and President-Elect recognized the need to promptly decide on policy 7.1, to inform budget approval.

### Reduction in Board operating costs

- At its October meeting, the Board considered cost savings by way of hosting the Winter Board meeting virtually rather than in-person. Directors noted that an in-person meeting may bring value to the Board and the Regulators. Thus, the final budget recommended by the Finance, Audit, and Risk Committee for Board approval includes provisions for the Winter Board meeting to be held in person.
- To offset these costs, the budget no longer includes provisions for guests at the June Board workshop.

## Financial implications

- The draft budget presented to the Board on October 5, 2023, included incremental costs of approximately \$94 thousand for business class airfare, based on two in-person meetings and expenses for Directors to bring guests to the Board workshop.
- The final proposed budget includes provisions for three in-person meetings and a workshop, the latter of which will no longer include guests. As a result, reverting the current four-hour allowance on business class air travel would result in savings of approximately \$97 thousand.

## Risks

- Reverting the eligibility for business class air travel from four to six hours may discourage some volunteers from traveling lengthy distances to support Engineers Canada’s business.

## Benefits

- Approving the motion would demonstrate a commitment to the financial sustainability of Engineers Canada.
- The motion does not supersede the Board’s continued exploration of support for its volunteers.

## Consultation

- Board Chair, Nancy Hill, discussed the rationale for the proposed motion with each Board Director and received support for the direction.

## Next steps

- Pending approval, the policy manual will be updated to include the revised policy.

- The 2024 final budget will be amended to exclude expenses related to business class travel.
- Policy 7.1 will be reviewed again in two years time, or earlier if deemed necessary by the Board.

## Appendices

- **Appendix 1:** Board policy 7.1, *Board, committee, and other volunteer expenses*, with references to business class air travel from the previously adopted version.