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President

Engineers Canada
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July 27, 2023

Dear President Hill,

Please share this letter with the Engineers Canada Board directors. We are writing to you as the Chair and a member of the 2022-23 Governance Committee (the only committee members remaining on the Board today) in regard to the letter provided on June 29 from Nova Scotia, on behalf of 6 other regulators. We apologize in advance for the length of this letter but as the letter from the Presidents asserts a lack of detailed analysis, we have necessarily gone into detail.

We think there has been a lack of understanding of the true nature of the problems that the Board (and its Committees) was trying to solve and what was considered to provide a possible solution. As members of the Governance Committee who brought forward the motion in question, we take responsibility for the lack of a more comprehensive description of both and are providing that now. We do not believe that there was any lack of adequate fiduciary duty of care on the part of the committee or the Board as asserted by the Presidents but rather there may have been a shortfall in communication of such. Hopefully the following information will be helpful in filling the gap.

The Governance Committee was asked to review the Travel Expense Policy as part of its regular review of policies. The following concerns were considered:

Problem:

- The existing policy allowed for Business class airfare for travel with any single leg over six hours. Staff indicated that this was virtually never applied in practice. The committee felt that modifying this requirement would help meet the spirit and intent of the original wording and address significant issues currently being experienced by volunteers.
- Travel has become increasingly onerous, especially since the pandemic.
- Air travel from the extremes of this vast country is long and uncomfortable. There are few route options; it is often necessary to fly in an indirect route, with one or more connections. Sometimes it is necessary to spend a night in a hotel to make connections.
- Cancellations and delays have become the norm. Planes are almost always completely full. When you fly economy, if the flight is cancelled, especially when Air Canada deems it be outside of their control, you are competing with all of the other disrupted passengers to get onto another flight. With flights almost always being full, this can mean long delays and significant added costs. Often from the extremes of the country, this can mean additional nights in hotels.
- Often, because of the above, volunteers are subjected to excessively long periods of time away from their work and their families. For many volunteers, their employers while supportive of the EC involvement, require that they must stay on top of their work despite their volunteer commitments.

- In economy airline travel, it simply isn't possible to conduct work on the plane. There is virtually no room to open a laptop and work on the small table trays. The result is that volunteers fall behind in their work and become stressed. Apart from the actual time away from families, work-life balance is also adversely affected as volunteers with long travel times have to find additional time outside of the Engineers Canada activities to catch up on the work they have missed while travelling. This usually means taking time away from their families once they get home, when they really should be catching up with them.
- The lack of connections means on some routes that volunteers are taking red eye flights and then coming right to a meeting where they may not be able to function at their best.
- The net result of these issues is mental and physical stress on the volunteers and additional pressures on their families.
- It was felt that these stresses are a deterrent for volunteers to commit to serve and on their retention and an unreasonable expectation for volunteers.
- *This situation is not necessarily equitable across the country. Those in central Canada have the geographic advantage of generally shorter flights, less time change impacts and more options or even the benefit of an option of business class train travel. Their time away from their work and families is much shorter.*

Options considered:

- The Governance Committee proposed that Premium Economy be considered acceptable. Staff advised that they had looked into this but that the cost was not substantially different than Business and that business offered more benefits. Additionally, it was noted that very few aircraft and routes have a Premium Economy section and so it wouldn't really help solve the problem.
- Economy Comfort (Economy Flex was in the policy) was discussed. Economy Comfort is a fare class with better refund and change options but does not ensure a bigger or more spacious seat and therefore was not seen as a viable solution to the working issue. (Note that while the policy covers the cost of advance seat selection, this doesn't ensure a more spacious seat and so didn't solve the problem.) It was also noted that it is sometimes possible to get an exit row seat, or bulkhead seat but there are very few on an aircraft and that these are the first to go and extremely difficult to get so not a practical solution. Additionally, if flights are cancelled (frequent occurrence) and it is necessary to rebook, these seats are always taken.
- The committee also discussed how to apply the Business class restriction. They were totally sympathetic that some parts of the country do not have good options for direct non-stop routing and have to take multiple flights. They considered if the Business class should be applied to the longest flight segment or the total elapsed flying time. Staff did not prepare cost implications for an increase in airfare allowances based on total air travel time (i.e. not per flight leg) as they believed this option could incentivize irresponsible behaviour when making travel plans, since the time to travel to Ottawa and other locations could vary greatly depending on the flight path selected. The committee found other not-for-profits that used the 4 hour longest segment in their policies and they decided to go with that, but recognized it wasn't a perfect solution but possibly a starting point for future consideration with the hopes that this could evolve over time to include multi-stop flight routes.

- The committee also considered whether it might be feasible for a Director to trade bringing their spouse/partner to the 2 sponsored meetings per year for the option of business travel. This option wasn't recommended as the benefits of the spousal attendance were seen as valuable and shouldn't be discouraged.
- Lounge membership was not considered as it does not help with lack of ability to work on a long-haul flight, or lack of priority in flight cancellation/rebooking situations. It should also be noted that smaller airports do not have Maple Leaf Lounges. Additionally, as many lounges are overloaded, Air Canada is now restricting access to lounges so even if there is a delay, it is often not possible to get into a lounge.
- The conclusion was that a Business ticket was the best near term option to address the issues identified. In addition to providing the ability to work on the plane, if a flight is cancelled or disrupted, those with Business tickets get the top priority from Air Canada in terms of reassignment onto the first available flights, coverage for hotel accommodation if necessary, lounge access during delays, and improved rest on red-eye flights.

Financial Considerations:

- The Governance Committee asked EC staff for an estimate of the cost impact. The CEO advised that this would need to also include coverage for staff travel and travel of those volunteers on CEAB and CEQB travel. The Committee agreed that the CEAB and CEQB should be considered but did not offer any comment on staff travel as it was felt this was the purview of the CEO and not the committee.
- The cost estimate provided by staff was roughly between \$230k – 290k per year. This was highly dependent on the locations of meetings such as the Annual meeting and locations of CEAB and CEQB meetings which weren't easily forecast.
- Note – in the examples on the supplemental information attached, the largest part of the \$230k-290k estimate from staff is for travel by others apart from Board Directors. In rough terms, this allows for return travel for an additional 72 – 100 return trips beyond that of the Directors attendance at the 4 annual meetings. Note - the GC was not privy to the detailed cost estimate provided by staff or of what the assumptions were for the additional trips.
- The GC asked that the FAR review the cost estimate for budgetary impact.
- At the time, the Governance Committee and FAR did not know about the PEO decision regarding Affinity funding.
- The response to the Governance Committee from FAR was that the FAR Committee recognized the demands travel has on volunteers and, with a view to volunteer retention, supported the proposed revisions to the policy. The FAR committee suggested that the changes would have inconsequential impact on the budget. Once the information about PEO was made known, leading up to the Board meeting, the Chair of the Governance Committee asked the Chair of FAR if this changed their decision but was advised that FAR was not assuming the PEO affinity money in their considerations regardless so it did not affect the response.
- The Presidents letter asserts that the Board fell short of their fiduciary duty with regard to financial considerations. We do not believe this assertion from the Presidents is valid because:
 - o The Governance Committee asked FAR for the financial impact, considered it in their decision, and confirmed that the considerations were still valid in light of the change in PEO affinity funds.

- The Board asked the Chair of FAR regarding the financial impact in the Board meeting and he answered as outlined above.

Regarding Additional risks:

- The GC did discuss that there may be some push back regarding the additional costs of this proposal. It was felt that there was no better way to address the real problems. They also felt that there was a very real cost of burnout to volunteers and that this had to be weighed in. In summary, they felt that this was the right thing to do to respectfully consider the volunteers and amounted to a legitimate cost of doing business. They didn't see that it was reasonable to save money on this at the expense of volunteer health and well being, when they were advised it could be managed within the budget.
- Note – The Presidents brought up the Climate Adaptation issue. The GC did not discuss this at the time of the proposal. This is not straight forward. While a Business Class ticket has a larger carbon footprint, it was not possible to weigh the carbon footprint impacts on volunteer mental and physical health. We would be supportive of considering this matter further if it can be done in a manner that also meaningfully considers and balances the impacts on the volunteers. It is noted that the Board lacks a policy on how to consider climate change impact or a decision-making matrix with factors to weigh, one of which would be climate change impact. It would not be realistic or appropriate for the Governance Committee to determine how to weigh climate change impact for this one policy change in the absence of a meaningful decision-making process that is consistently applied.
- We don't see any contradiction between the marketing campaign and this policy and we strongly disagree that the policy is unethical.

Regarding inequity between Engineers Canada Volunteers, Staff and Regulator Staff:

- The CEO noted that the policy should cover the CEAB, CEQB and staff. The reviews of the costs above and in the attached shows that the greatest share of the cost estimate prepared by the EC staff is for those external to the Board.
- It did not consider any possible inequities with Regulator attendees and Staff. There exist many inequities and differences of approach to policies/practices across the country. For example – some Regulators Presidents/Councils/Directors are now paid, others are not. There are vast differences in the costs paid by registrants across the country with some paying almost double others. To try to rationalize conditions and policies between Regulators would be unproductive. For example, due to some Regulators receiving a travel subsidy from Engineers Canada, higher paying registrants might feel they are actually subsidizing lower paying registrants in other provinces/territories. This would be an extremely difficult issue to address.
- Clause 7.1.2 enables presidents from subsidized Regulators to use Business Travel for segments over 4 hours. The Governance Committee could consider if the policy should be modified to also include the CEO's from subsidized Regulators as they continue to review the policy.

In summary, we do not believe that either the Board or the Governance Committee fell short in their approach to amending the Travel Policy. As such, we would not be supportive of rescinding the motion on the Travel Policy. To do so would extend the current pressure on those volunteers who are affected. We recognize the concerns of the Regulators, and as such have the following recommendations:

1. Allow a test of the new policy for a trial period of 6 to 12 months to evaluate the real impact. The pilot could also end if/when a certain budget was expended. Right now, we have only anecdotal evidence from volunteers' travel experiences and a cost estimate that is based on assumptions. After the pilot, the Board could review the impact and real costs and make a more evidence-based decision. During the pilot, both qualitative and quantitative analysis should be done on the experiences of volunteers as well as the costs. Anyone flying Business Class under the new policy would need to track and submit what the economy cost would have been so comparison could be made. A survey should be distributed to collect qualitative data on the experience of volunteers.
2. The Governance committee should continue to consider refinements to the policy and explore options such as allowances for total flying time versus individual segments, allowing for volunteers to use their discretion when booking (perhaps premium economy or other upgrades would address issues for some volunteers without the need for a Business Class ticket), and /or reimbursing travel for CEO's from subsidized Regulators.
3. A decision making policy/matrix should be developed by the Board that considers multiple factors and benefits/impacts such as financial and sustainability (including volunteer management, climate change and other impacts).

We hope the Board finds this information helpful and are available to address any questions.

Sincerely,

Ann English and Alison Anderson

Attachment: Supplemental Information

Example flights and related costs are shown below (all info based on costs and times pulled July 7 from the AC website). Whitehorse/Ottawa was chosen because it is generally the longest flight routing used by the Board so it represents a conservative example. It is noted that many other routes are challenging, from both the east and west.

- a) Sample travel Whitehorse to Ottawa for fall 2023 EC Board meetings
Shortest travel time, least flight segments
Leave Whitehorse at 5:00 am Mon Oct 2, arrive Ottawa 4:45 pm with connection through Vancouver.
Arrive Chateau Laurier about 6 pm. (3 pm west coast time)

Notes:

- You must be at the Whitehorse airport at 3:30 am for the 5:00 am flight. This means getting up at about 2:30. By the time this volunteer reaches Ottawa, they have been up in transit for over 12 hours and had very little sleep the night before.
- There is only one direct flight a day from Vancouver to Ottawa.
- If the flight from Whitehorse is delayed or cancelled (weather delays are common), the next flight to Vancouver will likely require an overnight stay in Vancouver or several connecting flights and a much longer travel schedule and additional cost.
- The cost for the economy flight flex (non-refundable – changes for a fee)
Ticket is: \$615
- The cost for the business (non-refundable- changes for a fee) Ticket is: \$1400

- b) Sample travel Ottawa to Whitehorse return from fall 2023 EC Board meetings
Shortest travel time, least flight segments, if leaving on the Friday assuming the board meeting ends at 3 pm.
Leave Ottawa 8:45 pm – arrive Vancouver 8 minutes after midnight Saturday Oct 7.
Layover 12 hours 52 min – likely need to get a room at the airport hotel.
Leave Vancouver 1 pm Saturday, arrive in Whitehorse 3:23 pm west coast time, 6:23 Ontario time.
Arrive home 4 or 5 pm.

Notes:

- This is the option with the least connections leaving on Friday getting the volunteer home the soonest but involves an unpleasant flight time and a long layover in Vancouver likely requiring a stay at the airport hotel (\$\$\$).
- An alternate option would be to stay an extra night at the Chateau (\$\$\$) on the Friday night and get the first and only direct flight Ottawa to Vancouver on the Saturday. This would get the volunteer to Whitehorse at 3:23 pm (6:23 pm Ottawa time) on the Saturday.
- The cost of the economy flight flex ticket is: \$501
- The cost of the business ticket is: \$1114.

- In either case there is the added cost of a hotel room.
- In either case, the volunteer is away from home an extra day vs most other volunteers attending the meetings.
- In both cases, again, there is only one direct Ottawa – Vancouver flight. If this is delayed or cancelled, the travel then requires several connections and a much longer travel time.

While the example above is for travel from Whitehorse, it is noted that very similar challenges are faced from Yellowknife. Often the best route from Yellowknife is west through Vancouver then back east. There are options for travel from Yellowknife through Edmonton or Calgary but they are heavily dependent on the flights out of Yellowknife being on-time, often have long layovers and are very long net travel times. One of the big challenges is that for most of the year there is only one direct flight a day from Vancouver to Ottawa and one direct a day going west. Frequently those flights are delayed or cancelled. This dramatically increases the travel and stress for a volunteer and often the net costs.

Considering the extra costs for business tickets for Directors for the EC Board meetings:

- It is expected that there would likely be at least 4 board members travelling on routes with longer than a 4 hour segment but that there may be some others due to routing challenges etc. so for the sake of a conservative example, we consider costs for possibly 8 Directors on business class tickets. Assuming a round trip cost differential between economy and business class of \$2200 (the highest round trip differential we found that would apply to north/west travel to Ottawa), the cost for 8 return trips per year would be $(8 \times 4 \times 2200)$ \$70,400.
- This represents 32 round trips and is a conservative estimate affecting up to 8 directors

The cost estimate from EC staff is \$230K – 290K.

- Based on the above Whitehorse cost differential, \$230K represents roughly $230,000/2200$ or 104 round trips, using the upper end of \$290K, it would be 132 trips. The annual board specific trips account for likely only 32, possibly less. This leaves 72 – 100 trips for others such as CEAB, CEQB etc. As there was no actual data to determine precise costs, assumptions needed to be made. Information gathered from a pilot would help determine more precise costs.