



Staff Report for Committee of the Whole Meeting

Date of Meeting: November 19, 2025

Report Number: SRCFS.25.044

Department: Corporate and Financial Services

Division: Financial Services

Subject: **SRCFS.25.044 - Member of Council Expense Policy Review**

Purpose:

To provide a high-level analysis of the Member of Council Expense Policy in response to Council's directive.

Recommendation(s):

- a) That staff report SRCFS.25.044 be received; and
- b) That the Treasurer be directed to report back with a revised Member of Council Expense Policy incorporating the recommendations described in staff report SRCFS.25.044.

Contact Person(s):

- Shirley Tu, Manager, Financial Reporting and Accounting, ext. 5450
- Gigi Li, Director, Financial Services/Treasurer, ext. 6435
- Sherry Adams, Commissioner, Corporate and Financial Services, ext. 2521

Report Approval:

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

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Key Messages:

- Following Council’s July 2023 motion, staff conducted a high-level analysis of the Member of Council Expense Policy, ensuring alignment with Council’s intent and public expectations.
- In general, since the 2020 policy update, all reported expenses have remained within budget and compliant with policy requirements.
- Richmond Hill’s Member of Council Expense Policy is consistent with practices across GTA municipalities. Budget allocations and eligible expense categories are comparable, and the City’s commitment to transparency and responsible governance is evident.
- Staff propose updates to improve clarity and oversight in key areas.
- The review reinforces Richmond Hill’s Strategic Plan (2024–2027) by promoting transparency, accountability, and continuous improvement in financial practices, with no immediate budget impact.

Background:

At the July 12, 2023 Council Meeting, Council adopted two Member Motions directing staff to conduct an analysis and bring forward recommendations to enhance the Member of Council Expense Policy (“Expense Policy”) and Member of Council Events Policy (“Events Policy”).

Specifically as it relates to the Member of Council Expense Policy:

Now Therefore Be It Resolved, that Staff be directed to conduct a high-level analysis on the areas in which Constituency accounts are spent since the Member of Council Expense Policy last revision, and report back in Q3 2023 with recommendations on how to improve the policy to best align with Council’s intention of transparent and accountable allocation of public funds to conduct City business.

This staff report responds to Council’s direction by providing a high-level analysis of spending within the Constituency accounts since the adoption of the Member of Council Expense Policy. The report includes recommendations aimed at strengthening transparency and accountability, and ensuring the Expense Policy is aligned with Council’s intentions and public expectations.

Discussion:

Since 2012, Members of Council have been guided by the Member of Council Expense Policy (Appendix A), which governs expenditures related to their annual Constituency Budgets. Each Member is allocated a budget to support municipal responsibilities, including constituency services, communications, and support resources. While these expenses are discretionary, they must comply with the Expense Policy, be supported by appropriate documentation, and are subject to review by the Director of Financial

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Services/Treasurer. It is important to note that the Expense Policy does not cover staffing or support service costs.

2020 Policy Update:

At the February 26, 2020 Council Meeting, an updated Member of Council Expense Policy was approved to clarify procedures and enhance flexibility. Key changes included:

1. **Consolidated Constituency Budget:** The previous three budget lines (constituency, communications, support) were merged into a single Constituency Budget to allow greater flexibility without increasing the overall allocation.
2. **Donations:** Donations to local community groups or individuals were explicitly deemed ineligible under Section 4.
3. **Meal Per Diem:** Per diem rates were benchmarked against other municipalities. No changes were made; the daily maximum remains \$75 (\$15 breakfast, \$20 lunch, \$30 dinner, \$10 incidentals).
4. **Budget Carryforward:** Members may carry forward unused funds for eligible expenses with verified third-party commitments. These are reported annually alongside departmental carryforwards.
5. **Conditions of Reimbursement:** With the transition to RHhub, the City's Enterprise Resource Planning System, manual reimbursement forms were eliminated. All expense details and itemized receipts must be entered into RHhub for transparency and reporting.
6. **Roles and Responsibilities:** Members of Council are responsible for submitting eligible expenses, ensuring compliance with City policies, and staying within budget. The Treasurer and Clerk no longer approve expenditures; accountability rests with each Member.

Expense Categories and Reporting:

Council expenditures are published quarterly on the City's website. Each category is linked to specific sections of the Expense Policy. A summary of the categories is shown in Appendix B.

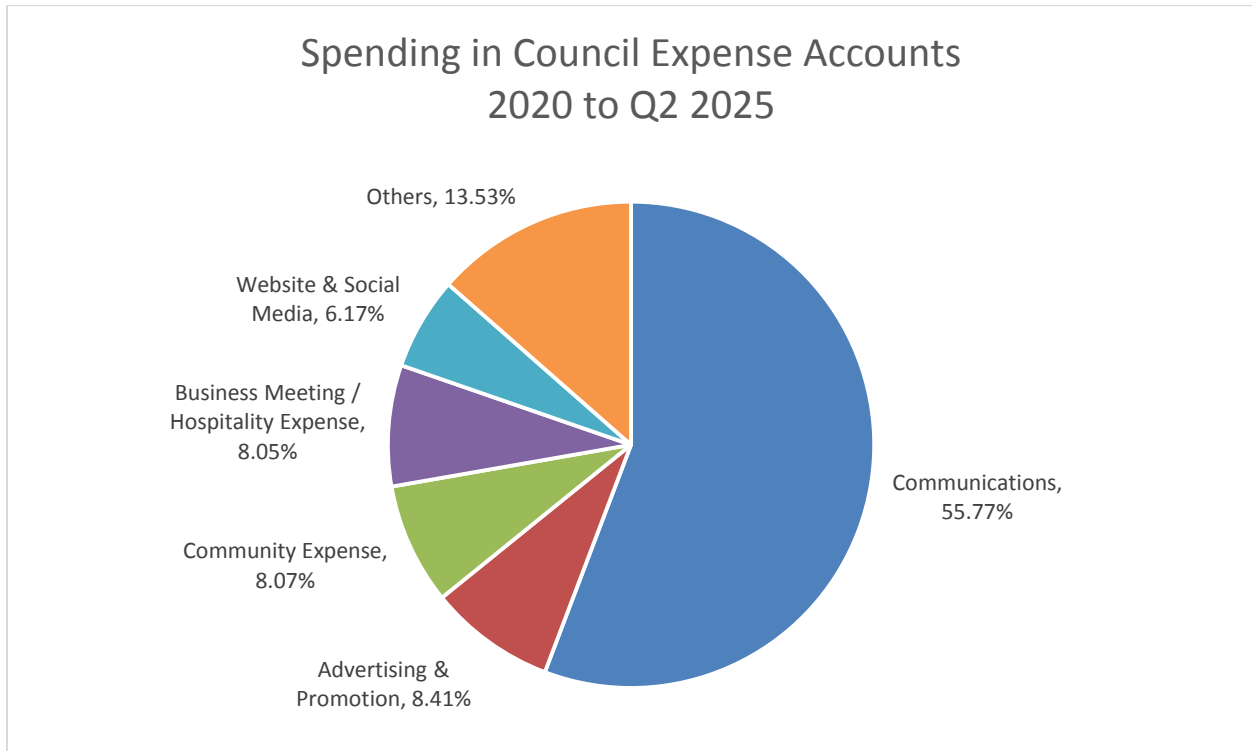
Analysis:

Staff have undertaken a high-level analysis of Council spending to assess how the Expense Policy has been applied in practice since the implementation of the updated Member of Council Expense Policy in February 2020. This review examines expense trends across key categories such as communications, business meetings, community engagement, advertising & promotion and website & social media, with a focus on identifying areas where clarification or refinement may be needed. The analysis also

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considers how well current practices align with the policy’s intent to promote transparency, accountability, and responsible use of public funds.

The graph below illustrates the distribution of total expenditures across Council expense categories.



The review of Council expenses since the updated Expense Policy was implemented shows that all reported spending is within approved budgets and follows the policy based on submitted documentation. Expenses were reviewed at face value and found to meet policy requirements, with no outstanding issues or unresolved transactions. Aside from a few minor exceptions, all expenses were properly recorded and reconciled. Any overages were reimbursed by the Member of Council. Overall, this report confirms that financial activity has been handled according to established policy and procedures, demonstrating a clear commitment to transparency and accountability.

To strengthen clarity, consistency, and accountability in the application of the Member of Council Expense Policy, staff have identified several areas where refinements are recommended. These proposed adjustments aim to address challenges in expense verification and ensure alignment with the policy’s intent. The following outlines key recommendations related to Business Meeting/Hospitality, Community, and Travel-related expenses, the use of corporate cards and direct invoicing, and instances of non-compliance with the Expense Policy:

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Business Meeting / Hospitality Expense: While staff ensure expenses follow the policy - such as checking that ineligible items aren't claimed and receipts are provided - there is currently no set spending limit for business meeting meals. Without a clear cap, it's difficult to judge whether costs are reasonable, and this creates a risk of overspending. It may also raise concerns about public perception and the responsible use of taxpayer funds. To improve consistency and oversight, staff recommend introducing a per-person spending limit for this category.

Community Expenses: Used to support a variety of community-related activities, including participation fees for charitable events, event and entertainment tickets, and tickets for table prizes. While these expenses are generally eligible under the current policy, certain items - such as tickets for table prizes at fundraising events - can be easily confused with raffle tickets that are ineligible under the Expense Policy. To reduce ambiguity, staff recommend removing "tickets for table prizes purchased at charitable or fundraising events" from the list of eligible expenses.

Travel, Conferences, Seminars, Business Trips and Training: The Expense Policy outlines per diem meal limits for breakfast, lunch, and dinner. However, this breakdown has led to confusion during compliance reviews. Staff recommend simplifying the structure by replacing individual meal caps with a single daily maximum of \$75, allowing Members of Council to allocate meal expenses at their discretion within that limit.

Usage of Corporate Cards and Direct Invoicing: While Members of Council use corporate cards and direct invoicing for most City-related expenses, the occasional use of personal credit cards or cheques in some cases presents avoidable risks. Personal payment methods can lead to delays in reimbursement, incomplete documentation, and challenges during audits. They also complicate expense tracking and may raise concerns about transparency and the responsible use of public funds. To strengthen financial controls, improve consistency, and protect both the City and individual Members of Council from reputational or financial risk, staff recommend the use of personal cards should be fully discontinued in favor of standardized corporate payment tools.

Non-Compliance: Enhanced oversight is a key mechanism for reducing the risk of non-compliance. Although most minor exceptions and overages are quickly reimbursed by Members of Council, unresolved cases of non-compliance can lead to serious consequences, including reputational damage to both individual Members and Council collectively. To strengthen accountability and provide clear direction, staff recommend that the Expense Policy explicitly define the potential outcomes of non-compliance. These may include but not be limited to public disclosure, formal investigation, loss of privileges, and referral to the Integrity Commissioner. Clearly outlining these measures within the Expense Policy will help ensure all Members are aware of the implications and promote responsible management of public funds.

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Benchmarking:

To ensure Richmond Hill's Member of Council Expense Policy remains current, effective, and aligned with best practices, staff conducted a benchmarking exercise comparing Richmond Hill's policy with those of other Greater Toronto Area (GTA) municipalities. The analysis focuses on key areas including budget limits, eligible expense categories, and transparency measures. By examining how peer municipalities structure and manage Council expenses, Richmond Hill can identify opportunities to enhance accountability, improve clarity, and strengthen public trust in the stewardship of municipal resources.

A comparative benchmark table of municipal Council expense policies across Richmond Hill and other major GTA municipalities are attached in Appendix C.

All municipalities allow similar expense categories, with slight variations in scope and restrictions. Richmond Hill's budget allocation for Members of Council is within the typical range observed across GTA municipalities, supporting comparable functions such as constituency services, communications, and community engagement.

Richmond Hill's Member of Council Expense Policy is broadly aligned with municipal standards and reflects a commitment to transparency and responsible governance. Continued refinement based on best practices will strengthen public confidence and ensure alignment with strategic objectives.

Recommendations:

Drawing on staff's review, a comparative analysis of practices in other municipalities, and in support of the new Council Member Event and Fundraising Policy, the following recommendations are presented for Council's consideration:

- 1. Introduce Spending Cap for Business Meetings:** Set per-person limits for business meeting and hospitality expenses to improve consistency and oversight.
- 2. Clarify Community Expense Criteria:** Refine eligible items to avoid confusion (e.g., remove table prize tickets from allowable expenses).
- 3. Simplify Per Diem Structure:** Replace individual meal caps with a single daily maximum to streamline compliance.
- 4. Eliminate Usage of Personal Cards or Cheques:** Eliminate personal payments for corporate payment tools removes the need for manual reimbursement requests, saving time for both Members of Council and staff, and reducing administrative burden.

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5. **Enhance Reporting Tools:** Standardize the monthly constituency report format to match the structure of the quarterly online reporting and explore searchable online dashboards similar to Toronto’s model for improved public access.
6. **Include in Events’ Ineligible Expenses:** To align with the Council Member Event and Fundraising Policy, any costs associated with organizing or hosting Council Member Events - including staffing - are deemed ineligible.
7. **Outline Potential Outcomes of Non-Compliance:** To offer clear direction and strengthen accountability, while ensuring all Members of Council are aware of the consequences of non-compliance and are encouraged to manage public funds responsibly.

Following Council discussion, the Expense Policy will be revised to incorporate the amendments approved by Council. The Treasurer is directed to prepare and submit an updated Member of Council Expense Policy reflecting the recommendations outlined in this report.

Financial Implications:

There are no immediate financial implications arising from this report, as Members of Council’s Constituency accounts are already incorporated into the approved budget.

Relationship to Strategic Plan 2024-2027:

This report relates to Pillar 3, Strengthening our Foundations, specifically, Priority 1, supporting making decisions that are evidence-based and data-driven to enable the City’s long term financial sustainability. The review of the Member of Council Expense Policy is a key mechanism for upholding the principles outlined in Richmond Hill’s Strategic Plan. By enhancing transparency, accountability, and financial oversight, the City continues to demonstrate its commitment to good governance and responsible stewardship of public resources.

Attachments:

The following attached documents may include scanned images of appendices, maps and photographs. All attachments have been reviewed and made accessible. If you require an alternative format please call the contact person listed in this document.

- Appendix A - Member of Council Expense Policy
- Appendix B - Member of Council Expense Categories
- Appendix C - Comparative Analysis of Richmond Hill’s Member of Council Expense Policy with Other Municipalities

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Report Approval Details

Document Title:	SRCFS.25.044 Member of Council Expense Policy Review.docx
Attachments:	- SRCFS.25.044 Appendix A - Member of Council Expense Policy.pdf - SRCFS.25.044 Appendix B - Member of Council Expense Categories.pdf - SRCFS.25.044 Appendix C - Comparative Analysis of Richmond Hill.pdf
Final Approval Date:	Oct 30, 2025

This report and all of its attachments were approved and signed as outlined below:

Gigi Li - Oct 30, 2025 - 11:42 AM

Sherry Adams - Oct 30, 2025 - 12:45 PM

Darlene Joslin - Oct 30, 2025 - 2:25 PM