The following document consolidates the minutes from the four Finance & Audit Committee meetings held throughout April and May. Each meeting date is clearly identified within the document to distinguish the proceedings of each meeting.

A Finance & Audit Committee Meeting was held in Council Chambers at Baddeck on April 9, 2026, at 1:00pm with Warden Organ in the Chair.

COUNCILLORS PRESENT

District #1 - Donna Matheson-Lefort

District #2 - Perla MacLeod, Deputy Warden

District #4 - Rosella Born

District #5 - Fraser Patterson

District #6 - Tim Donovan

District #7- Jackie Organ, Warden

District #8 - Wanda Hennick

STAFF PRESENT

Leanne MacEachen, CAO

Alix Redden, CFO

Steff MacLeod, Recorder

Heather Ross, Financial Analyst

Ursula Melski, Manager of Communications

ABSENT

Denise Allen, public member of the Finance & Audit Committee

On Motion of Councillor Donovan seconded by Councillor Born to approve the Agenda for April 9, 2026.

Motion Carried.

BUDGET SURVEY RESULTS

CFO Redden went over the Budget Survey results and below were the general observations:

- Discussed the changes that were made to the survey based on resident feedback from last year's survey.
- Affordability & Taxes
- Equity Across the County
- North of Smokey: Persistent frustration about under-investment north of Smokey: infrastructure, fire services, playground/recreation, and senior care were highlighted.
- Childcare as Critical Need
- Village-County Relations
- Trust & Transparency
- Volunteerism Breaking Point
- Tourism vs. Residents

Top Rated Municipal Services:

- Emergency Services
- Economic Development
- Communication with residents

Community Concerns:

- Access to healthcare
- Rural Internet/Cellular
- Affordability of daily living
- Emergency Preparedness

Levels of Service Areas of Concern:

- Public Washrooms
- Public Transit
- Water/Wastewater

Dissatisfaction Key Themes:

- Public Washrooms
- Public Transportation
- Water and Wastewater
- Engagement with Council
- Public Safety
- Heavy Garbage Collection

Key Insights for Budget Discussion:

- Emergency Services: clear mandate, satisfaction gap
- Affordability: dominant theme across all questions
- Seniors: a clear and consistent community priority

- Communication: high importance, underperforming satisfaction
- Heavy garbage: residents are asking for change
- Childcare: qualitative signal stronger than the average
- Community Supports: strong mandate for non-profit funding
- New Capital Infrastructure: notable resistance
- Tourism vs. year-round economic outcomes

Next Steps:

- Use this report as a guiding tool
- Release Full Report Publicly
- Apply Lessons Learned
- Continue the Conversation

Questions:

There was a Council request to have demographic data on heavy garbage and drill it down by district and CFO Redden will provide the requested documentation.

PROPERTY ASSESSMENTS & TAX RATES OVERVIEW

CFO Redden provided an overview and the following are highlights:

ASSESSMENT VS. TAXES REFRESHER

- PVSC does the assessment, Council sets the tax rate.

ASSESSMENT OVERVIEW

Assessment Value compared from 2025:

- 8.49% residential growth
- 15.0% commercial growth

Council requested the CFO to start looking into the following items:

- Breaking out the fire services cost on the tax bills.
- Look into alternative tax models to address housing.
- Contact parks to get the proper assessed value of the park to reflect the proper taxes.

There was some discussion around the tax rate and Councillors Organ, Donovan and Patterson agreed that the tax rate remain unchanged for 2026-2027.

Adjourn at 3:42pm

A Finance & Audit Committee Meeting was held in Council Chambers at Baddeck on April 20, 2026, at 9:00am with Warden Organ in the Chair.

COUNCILLORS PRESENT

District #1 - Donna Matheson-Lefort

District #2 - Perla MacLeod, Deputy Warden

District #4 - Rosella Born

District #6 - Tim Donovan

District #7 - Jackie Organ, Warden

District #8 - Wanda Hennick

STAFF PRESENT

Leanne MacEachen, CAO

Alix Redden, CFO

Steff MacLeod, Recorder

Heather Ross, Financial Analyst

ABSENT

District #5 - Fraser Patterson

Denise Allen, public member of the Finance & Audit Committee

On Motion of Councillor Hennick seconded by Councillor Donovan to approve the Agenda for April 20, 2026.

Motion Carried.

On Motion of Councillor Hennick seconded by Councillor Donovan to approve the Minutes for February 23, 2026.

Motion Carried.

AUDIT STRATEGY – ROB WADDEN, GRANT THORNTON

Mr. Wadden went over the following:

- Fraud risks
- Risk assessments
- Management overrides

RECESS

There was a recess called at 9:28am and the meeting reconvened at 12:38pm following the Council meeting.

OPERATING BUDGET

CFO Redden went over the Operating Budget and outlined areas were decisions needed to be made by Council.

- SSSN Pilot Renewal: CAO MacEachen to get an update from the Senior Safety Coordinator and a report from the program.
- Housing: Fund strategy development plus a reserve for opportunistic actions before the full strategy is complete for $150k.
- Washrooms: Option B from presentation: County builds or upgrades infrastructure and funds community groups to operate it. Increases municipal capital commitment while keeping operations community-led. Agreed to put $150k into the budget for this.
    - Note: Requires community groups willing and able to take on operational responsibility.
- Box truck with lift: remove from budget, use reserves to buy it after with recommendations on what's the best way to utilize it, i.e. heavy garbage service delivery.
- Community Grants: $300k (increase from $275k)
- Property Tax Relief: $100k
- Healthcare professional support: keep it as Special Project of Council
- Council Travel/Board Reserve: Council requested to change the name of this to Advocacy and to fund it for $15k.
- Short-Term Rental Policy Development: very little we can do without political change, it seems to be a provincial responsibility, but we can look at zoning and potentially deal with STR with fees that tie into the registry. Starting point is legal. Council requested that the Housing Committee discuss this.
- Asylum project: Approved $1 per resident out of Special Projects.
- CAO Performance Evaluation: Council requested this be added to the Budget.
- Cabot Trail 100: Continue to commit 10k each year and it goes to Destination Cape Breton.

Council requested the CFO inform them of how much money there is from tax sales in the 20-year reserve.

Adjourn at 4:15pm

A Finance & Audit Committee Meeting was held in Council Chambers at Baddeck on April 24, 2026, at 10:00am with Councillor Patterson in the Chair.

COUNCILLORS PRESENT

District #1 - Donna Matheson-Lefort

District #2 - Perla MacLeod, Deputy Warden

District #4 - Rosella Born

District #5 - Fraser Patterson

District #6 - Tim Donovan

District #7 - Jackie Organ, Warden

District #8 - Wanda Hennick

STAFF PRESENT

Leanne MacEachen, CAO

Alix Redden, CFO

Steff MacLeod, Recorder

Heather Ross, Financial Analyst

ABSENT

Denise Allen, public member of the Finance & Audit Committee

On Motion of Councillor Born seconded by Councillor Hennick to approve the Agenda for April 24, 2026.

Motion Carried.

CFO Redden suggested that Council select a new Chair as it should be a member of Council and not a member of the public.

Nominations of Chair of the Audit Committee:

There was a call for nominations of a new Chair and Councillor Hennick nominated Warden Organ and Councillor Born nominated Councillor Patterson. Warden Organ removed herself for consideration and Councillor Patterson was nominated as Chair of the Audit Committee and assumed the Chair position for this meeting.

CFO Redden went over the previous Audit Committee meeting and went over budget items that needed approval:

- Senior Safety Program for 10k per district: Keeping the 80k in but with parameters around reporting which will be developed and discussed between the CAO and the Senior Safety Coordinator.
- Fire Services Funding: Council agreed to increase it by 3% and put it into a fire services reserve as anticipating future changes that may come to fire services.
- There will be a separate line for the fire rate on the tax bills this year.
- Tax exempt properties would now have to pay the fire rate. Tax exempt portion of the grants policy. The policy will have to be updated to reflect this change, but it will still take effect this year as the budget is approved with this change. Policy amendment will occur January 2027.
- Fire Department Funding: There was a general agreement from all of council to go with status quo. No change in the amount that the fire departments receive.
- North Highlands Community Museum: Councillor Hennick declared a conflict and removed herself from the Council table. Council agreed to $33,630.00 for a new roof out of Special Projects
- Council want staff to look into a policy amendment for ways for groups to apply for grants that are higher than what is eligible from municipal grants.
- Asylum commemoration (inverness): $7,000
- Healthcare Professional Support: $10,000

Deputy Warden MacLeod made the recommendation to approve the Asylum Project, Healthcare Professional Support and the roof repair for the museum.

North Highlands Nordic: Council did not recommend funding the $50,000 request. Warden Organ wanted it recorded that she was in favour of their request.

- Infrastructure Feasibility Studies: Council would be interested in a County wide water and wastewater feasibility study.
- SSSN Pilot Renewal was looked at again and council agreed to increase it by $12k not 10k. so $16k overall, 2K each district.
- Right now there is a surplus of $46k and Council directed that go into the reserve.

Next meeting: May 4th at 9:30am.

Adjourn at 2:45pm

An Audit Committee Meeting was held in Council Chambers at Baddeck on May 4th, 2026, at 9:30am with Councillor Patterson in the Chair.

COUNCILLORS PRESENT

District #1 - Donna Matheson-Lefort

District #2 - Perla MacLeod, Deputy Warden

District #4 - Rosella Born

District #5 - Fraser Patterson

District #6 - Tim Donovan

District #7 - Jackie Organ, Warden

District #8 - Wanda Hennick

STAFF PRESENT

Leanne MacEachen, CAO

Alix Redden, CFO

Steff MacLeod, Recorder

Heather Ross, Financial Analyst

Caithlin Deveau, Revenue Coordinator

Denise Allen, Public Member of the Audit Committee

On Motion of Ms. Allen seconded by Councillor Donovan to approve the Agenda for May 4th 24, 2026.

Motion Carried.

CFO Redden went over the previously submitted recommendation report and discussed the following:

Reconsideration North Highlands Nordic request:

- There was discussion regarding providing financial support contingent upon provincial funding. It was suggested that the Municipality contribute $44,000**,** provided the project receives $150,000 in provincial funding and the organization raises the remaining $6,000 through fundraising. The municipal contribution would be funded from the Operating Reserve.

Council also discussed developing parameters for the Council Special Projects budget. The CAO sought Council's input on what should be included in the policy or guidelines. It was suggested that Administration first research best practices from other municipalities and that any new process be implemented as part of the next fiscal year.

North Highlands Community Museum:

- Councillor Hennick declared a conflict and removed herself from the Council table.
- Council discussed reconsidering the $33,630 request for a new roof as a potential allocation from the Council Special Projects budget.
- It was noted that funding for the washroom component could be considered separately through the Municipality's washroom funding program, rather than as part of the roof request. As a result, the amount under Council's consideration would be reduced to $21,502.73.
- Council also discussed the potential use of an accessibility grant contribution to leverage provincial funding. It was noted that a $10,000 municipal contribution could enable the organization to access up to $30,000 in provincial funding. The adjusted municipal contribution of $21,502.73 would be contingent upon the organization receiving the provincial grant.
- Any additional funding required would be considered from the Operating Reserve. It was also confirmed that the organization would not be required to submit an additional funding application.

Operating Budget and Tax Rate:

- Tax rate is unchanged but there will be separate line for fire services.
- Approve operating of revenues of $16,216,837 and expenses of $16,216,837. Warden Organ made the recommendation. This will be brought to council for approval.

Capital Budget Update:

Deadline extended until May 7th for the North Transfer Station tender and defer to future budget meeting.

Adjourn at 10:25am.