

STAFF REPORT

City of Trail



DATE: JUNE 22, 2026

FILE NUMBER: 0450-20

TO: MAYOR & COUNCIL

FROM: DAVID MOORHEAD, GENERAL MANAGER OF CORPORATE SERVICES

SUBJECT: WARFIELD - TRAIL AMALGAMATION STUDY

1.0 PURPOSE

- 1.1. The purpose of this report is for Council's consideration and approval of the Memorandum of Understanding (MOU) outlining the parameters of the Warfield – Trail Amalgamation Study between the City of Trail and the Village of Warfield.

2.0 RECOMMENDATION

- 2.1. THAT Council approve the Memorandum of Understanding, including cost-sharing, project administration, governance, and roles and responsibilities outlined therein, between the Village of Warfield and the City of Trail substantially in the form presented, subject to any final administrative or legal amendments deemed necessary by Staff; and
- 2.2. FURTHER THAT the Mayor and Chief Administrative Officer be authorized to execute the Memorandum of Understanding on behalf of the City of Trail.

3.0 BACKGROUND

- 3.1. In 2025, the Village of Warfield conducted a Sustainability Study to determine the ability for the Village to remain autonomous, completing a review of services, finances, capacity and challenges. Through the study and community engagement, a determination to seek further review of amalgamation with the City of Trail was sought.
- 3.2. Following the completion of the study, representatives from Neilson Strategies Inc., the lead consultant for the Village, attended the City's October 27, 2025, Regular Meeting of Trail Council as a delegation. They informed Council of the process the

Village had undertaken and the outcomes of the Sustainability Study. They also provided an outline of the proposed Terms of Reference for a joint Steering Committee that would assess the impacts of amalgamation between the communities and would be formed with representatives from both communities as well as elected officials.

- 3.3. Council provided feedback on the proposed Terms of Reference and subsequently, at the Regular Meeting on November 24, 2025, approved the document. In addition, Council approved the submission of a joint letter to the Ministry of Housing and Municipal Affairs submitting the approved document with a request for funding support.
- 3.4. On March 31, 2026, the Village received a grant approval letter from the Ministry, which approved the application for partial funding of an amalgamation study in the amount of \$90,000. The approval letter is attached to this report and outlines the reporting requirements and timelines, with the first report required July 1, 2026. This first report is to confirm the Consultants' proposal has been accepted and an outline of the workplan.

4.0 ANALYSIS

- 4.1. The attached MOU outlines all the principles of cooperation between the two municipalities in seeking to complete the study. Within the document various sections outline the structure on how the administration of the project will proceed including, cost sharing processes, how information is shared, community engagement, communication protocols and the Ministry reporting requirements.
- 4.2. As noted above, Council has previously reviewed and approved the Terms of Reference. This document outlines the process of the study itself, with the composition of the Steering Committee and Joint Municipal Project Team outlined. Further, it is important to highlight the purpose of the study is threefold:
 - 4.2.1. to identify the impacts of amalgamating the Village of Warfield and City of Trail as one municipality.
 - 4.2.2. to communicate that information and provide opportunities for residents of the communities and other interested parties (i.e., industry, area First Nations) to understand the implications of the potential structural change.
 - 4.2.3. to determine whether there is sufficient rationale for amalgamation, along with sufficient interest in the community, to warrant recommending that the two municipalities proceed with a referendum on amalgamation.

- 4.3. To determine the rationale for amalgamation, the Steering Committee is expected to understand a number of components such as service level impacts, property tax implications, how amalgamation would be implemented, and extensive community engagement. Upon conclusion, a final report is to be drafted as a synopsis of all information received and will include the Committee's recommendation to proceed with amalgamation, or not.
- 4.4. Neilson Strategies Inc. has outlined their 10-point workplan which is intended to follow the Terms of Reference and keep in sync with the Ministry reporting structure. Their steps include study preparation, Steering Committee orientation, service and governance analysis, communications and community engagement planning, financial impact analysis, preparation of technical reports, public engagement, and final recommendations to the Councils.
- 4.5. An identified issue involves timing and meeting the milestone dates set out in the grant stipulation letter. The proposal from Neilson Strategies Inc. outlines initial work in 2026, including establishment and orientation of the Steering Committee prior to the October 2026 local government election. This may result in elected officials being appointed to the Committee, and a subsequent change in membership following the election.

5.0 OPTIONS

- 5.1. Council may direct Staff to propose amendments to the MOU prior to execution of the document.
- 5.2. Council may opt not to proceed with the study. Staff do not recommend this as the City has taken steps to conduct the study with the approval of the Terms of Reference and a joint letter to the Ministry seeking grant funding to proceed with the study.

6.0 FINANCIAL CONSIDERATIONS

- 6.1. The Village of Warfield has retained Neilson Strategies Inc. as the lead consultant to undertake the Warfield – Trail Amalgamation Study. Their proposal is attached to this report highlighting their expected workplan and timeline. As outlined within the proposal, the budget for the study is \$175,000 exclusive of GST.
- 6.2. This exceeds the Provincial grant funding of \$90,000, leaving a shortfall of \$85,000 to be funded jointly by the City and Village. The MOU notes that any costs outside of the grant funding will be split equally between the two municipalities.
- 6.3. The expected costs for the City portion would be \$42,500 based on the proposed MOU. Council has approved funding of the study through budget deliberations,

allocating \$25,000 in 2026, and a further \$25,000 in 2027. This funding covers the required costs expected of the City while also leaving budget available for extraneous costs.

- 6.4. It is noted in the MOU that there are additional costs that do not form part of the study. These may include in-kind supports and facility rentals for meetings, or community engagement activities. The remaining \$7,500 will assist in offsetting these costs. Further, staff time will be required to support the Steering Committee with technical information as well as forming a Joint Municipal Project Team as the key municipal contact.
- 6.5. The Village will act as the administrative lead and holds the contract with Neilson Strategies Inc. The City will be invoiced quarterly for the fifty percent share, supported by invoices and budget summaries provided by the Village.
- 6.6. The MOU includes a provision to ensure the budget price of \$175,000 is not exceeded. If further funding is required written approval would be required by both communities.

7.0 POLICY AND LEGAL CONSIDERATIONS

- 7.1. The MOU would serve as the foundational agreement governing the administrative and financial arrangements between the two municipalities for the completion of the amalgamation study.
- 7.2. The study does not bind either municipality into amalgamation, rather it is for the Steering Committee to provide a recommendation to Council's of both the Village and City, on whether to proceed with an amalgamation referendum based on their findings.
- 7.3. Support from the Province, and a referendum conducted in accordance within legislative requirements, would be necessary in both municipalities prior to formal amalgamation.

RESPECTFULLY SUBMITTED



David Moorhead, General Manager of Corporate Services

CAO COMMENTS:

Council has previously endorsed the Terms of Reference for the amalgamation study and supported a joint funding request to the Ministry. Provincial funding has since been approved for slightly more than half of the anticipated study budget. Approving the proposed MOU is a logical next step, as it provides the framework for administering the study and sharing the remaining project costs between the participating municipalities. The consultant's proposal provides a comprehensive framework for evaluating the merits and implications of a potential amalgamation, as well as incorporating opportunities for meaningful public engagement throughout the process. The proposed work plan addresses the principal issues that residents, businesses, and elected officials would reasonably expect to understand, including governance, taxation, service levels, infrastructure, financial sustainability, and organizational impacts. Should the Steering Committee ultimately recommend proceeding with amalgamation, the study is expected to provide a credible and objective basis upon which the public can make an informed decision should the matter proceed to a referendum.

Council should proceed as recommended.

APPROVED FOR SUBMISSION TO COUNCIL:



Colin McClure, Chief Administrative Officer

June 16, 2026

Date