

MEMORANDUM OF UNDERSTANDING

Warfield–Trail Amalgamation Study

This Memorandum of Understanding is dated for reference the 29th day of June, 2026.

Village of Warfield	City of Trail
555 Schofield Highway Trail, BC V1R 2G7	1394 Pine Avenue Trail, BC V1R 4E6

The Village of Warfield and the City of Trail are referred to collectively in this Memorandum of Understanding as the "Parties".

1.0 Purpose

- 1.1. The purpose of this Memorandum of Understanding ("MOU") is to establish the terms under which the Village of Warfield and the City of Trail will jointly participate in the development and completion of an amalgamation study.
- 1.2. The study will assess the implications of amalgamating the Village of Warfield and the City of Trail, including governance, service delivery, financial, property taxation, community, and implementation considerations.
- 1.3. This MOU is intended to confirm the administrative, financial, governance, and operational arrangements between the Parties so that the study can proceed in accordance with the Ministry of Housing and Municipal Affairs grant stipulation letter dated March 31, 2026.

2.0 Background

- 2.1 The Village of Warfield completed a Municipal Sustainability Study in 2025. The study identified governance restructuring, including the potential amalgamation of Warfield and Trail, as a matter warranting further review.
- 2.2 Following completion of the Municipal Sustainability Study, the Village of Warfield and the City of Trail supported proceeding with a joint amalgamation study and jointly developed proposed Terms of Reference for submission to the Ministry of Housing and Municipal Affairs.
- 2.3 The Ministry of Housing and Municipal Affairs has approved a restructure planning grant in the amount of \$90,000 to support the amalgamation study and related community engagement.
- 2.4 The grant funding is subject to specific conditions, reporting requirements, eligible expenditure requirements, and completion timelines.
- 2.5 The Parties recognize that the total cost of the study is expected to exceed the amount of the Provincial grant and that a cost-sharing arrangement is required between the municipalities.

3.0 Guiding Principles

- 3.1 The Parties agree that the study will be guided by the following principles:
 - a. transparency and accountability;
 - b. timely cooperation between the Parties;
 - c. objective and independent technical analysis;
 - d. meaningful community and stakeholder engagement;
 - e. respect for the decision-making authority of each Council;



- f. compliance with the conditions of the Provincial grant;
- g. efficient use of public funds; and
- h. recognition that both municipalities must have access to the information required to support informed decision-making.

4.0 Project Scope

- 4.1 The scope of the study will be generally consistent with the Terms of Reference approved by the Village of Warfield and the City of Trail and submitted to the Ministry of Housing and Municipal Affairs.
- 4.2 The study is expected to include, but may not be limited to:
 - a. a review of current municipal governance, services, finances, and community characteristics;
 - b. analysis of the implications of amalgamation, including service delivery, governance, financial, property taxation, and administrative impacts;
 - c. review of potential implementation considerations;
 - d. development and implementation of a community engagement strategy;
 - e. engagement with residents, local First Nations, the Regional District of Kootenay Boundary, and other affected or interested parties;
 - f. preparation of draft and final reports; and
 - g. support for reporting to both Councils and the Ministry.
- 4.3 The final scope, workplan, deliverables, schedule, and budget will be confirmed through the consultant proposal dated June 3, 2026, as accepted by the Parties, and any subsequent amendments approved in accordance with this MOU.
- 4.4 The Parties acknowledge that the proposed water connection review between Warfield and Trail is outside the formal scope of the amalgamation study. However, both Parties recognize that the water review, Trail's asset management work, and other shared service arrangements may have relevance to the broader discussion regarding governance, infrastructure, service delivery, and long-term planning.
- 4.5 The Parties acknowledge that the consultant proposal includes communication and information sharing with local First Nations. Any additional in-person meetings with Nation Councils or representatives in locations outside the Trail or Okanagan regions are not included in the approved consultant budget and would require prior review and written approval by both Parties, including confirmation of any related cost-sharing implications.

5.0 Provincial Grant

- 5.1 The Parties acknowledge that the Ministry of Housing and Municipal Affairs has approved a \$90,000 restructure planning grant for the study.
- 5.2 The grant includes \$60,000 for the amalgamation study and \$30,000 for community engagement.
- 5.3 The Village of Warfield will act as the grant recipient and primary administrative contact with the Ministry unless otherwise agreed by the Parties.
- 5.4 The Parties agree to comply with the terms and conditions of the grant stipulation letter, attached as Appendix "A".
- 5.5 The Parties acknowledge that the grant funding may only be used for eligible costs incurred between the date of the grant stipulation letter and October 1, 2027.
- 5.6 The Parties further acknowledge that reporting deadlines established by the Ministry must be met unless revised or otherwise accepted by the Ministry. The current grant stipulation letter identifies the following reporting dates:
 - a. Progress Report by July 1, 2026;



- b. Interim Progress Report by January 1, 2027;
- c. Draft Interim Report by March 1, 2027;
- d. Draft Final Report by August 1, 2027;
- e. Final Report by September 1, 2027; and
- f. Account of Study Expenses by October 1, 2027.

5.6.1 The Parties acknowledge that the consultant proposal identifies proposed adjustments to certain Ministry milestone dates to better support community engagement and Council consideration. Any such adjustments will be subject to confirmation by the Ministry.

- 5.7 The Parties agree to cooperate fully and provide required information in a timely manner to ensure that all grant conditions and reporting requirements are met.

6.0 Consultant Engagement

- 6.1 The Parties agree that, subject to Council approval where required, Neilson Strategies Inc. will be retained as the lead consultant for the study. The consultant team is expected to include Neilson Strategies Inc., Leftside Partners Inc., and Horsman Strategies, with Neilson Strategies Inc. acting as the lead consultant and contract holder. Neilson Strategies Inc. will be retained as the lead consultant for the study.
- 6.2 The Parties acknowledge that the direct award to Neilson Strategies Inc. is supported by the following considerations:
 - a. Neilson Strategies' previous work on the Warfield Municipal Sustainability Study;
 - b. familiarity with the local context, service delivery issues, and regional governance history;
 - c. involvement in developing the proposed Terms of Reference;
 - d. established working relationship with Ministry staff;
 - e. ability to meet the Ministry's reporting timelines; and
 - f. the likelihood that a formal RFP process would add time and administrative effort without necessarily improving the cost, quality, or outcome of the study.
- 6.3 The Village of Warfield will enter into the consulting agreement with Neilson Strategies Inc. and will be responsible for administering the contract.
- 6.4 The City of Trail will not be a party to the consultant agreement unless otherwise agreed in writing.
- 6.5 The Village will provide the City with a copy of the consultant proposal, workplan, budget, and final contract prior to final execution, or as soon as practical thereafter, subject to Council approval and timing requirements. The consultant proposal dated June 3, 2026 will form the basis for the consultant engagement unless amended by agreement of the Parties.
- 6.6 Any material change to the consultant scope, budget, deliverables, or schedule will be reviewed with the City before being approved by the Village, except where immediate action is required to preserve compliance with grant conditions or project timelines.

7.0 Project Administration

- 7.1 The Village of Warfield will assume responsibility for overall project administration.
- 7.2 Project administration will include:
 - a. administering the consultant contract;
 - b. processing consultant invoices;
 - c. coordinating grant reporting with the Ministry;
 - d. coordinating project records;
 - e. circulating key project documents to the City;
 - f. coordinating meetings with the consultant, City, and Ministry as required;



- g. preparing invoices to the City for its share of eligible project costs; and
 - h. supporting Council reporting requirements for the Village.
- 7.3 The City of Trail will provide reasonable and timely support to the Village, the consultant, and the Ministry in order to allow the study to proceed efficiently and in accordance with the workplan.
- 7.4 The Parties agree that administration by the Village does not reduce the joint nature of the study or the City's role in providing input, information, facilities, and support.

8.0 Cost Sharing and Budget Control

- 8.1 The Parties acknowledge that the Provincial grant will not fully fund the total cost of the study.
- 8.2 Unless otherwise agreed in writing, the Parties agree that the net municipal cost of the study will be shared equally between the Village of Warfield and the City of Trail.
- 8.3 For the purposes of this MOU, the "net municipal cost" means the total actual cost of the study, including consultant fees, approved disbursements, travel, engagement costs, non-recoverable taxes, and other eligible study-related expenses, less the \$90,000 Provincial grant and any other external funding received for the study. Recoverable GST or other recoverable tax amounts will not be included in the net municipal cost.
- 8.4 The total approved consultant budget for the study shall not exceed \$175,000, exclusive of GST and internal municipal staff time and in-kind support, unless an increase is approved in writing by both Parties. The approved consultant budget includes the consultants' professional fees and travel disbursements based on the workplan set out in the consultant proposal dated June 3, 2026.
 - 8.4.1 The Parties acknowledge that costs related to booking or hosting Steering Committee meetings, public meetings, open houses, or other study-related events are not included in the consultant budget and will be addressed through the in-kind facility and administrative support provisions of this MOU, unless otherwise agreed in writing.
- 8.5 The Village will pay consultant invoices directly, subject to review and approval under the consultant agreement.
- 8.6 The consultant is expected to invoice the Village monthly. The Village will provide the City with an invoice on a quarterly basis for the City's fifty percent (50%) share of the net municipal cost incurred during the applicable quarter, after applying Provincial grant funding received or receivable toward eligible costs.
- 8.7 Each quarterly invoice issued by the Village to the City will be supported by copies of applicable consultant invoices and a summary of the grant funding applied, municipal cost share, and remaining project budget.
- 8.8 The City will pay invoices issued by the Village within fifteen (15) business days of receipt.
- 8.9 The Parties acknowledge that municipal staff time, internal administrative time, meeting attendance, Council reporting, and in-kind support will not be included in the net municipal cost unless otherwise agreed in writing.
- 8.10 Any cost overrun beyond the approved not-to-exceed consultant budget must be reviewed and approved in writing by both Parties before additional costs are authorized.
 - 8.10.1 Minor reallocations within the approved not-to-exceed consultant budget may be administered by the Village, provided that the total approved consultant budget is not exceeded and the change does not materially alter the scope, deliverables, or schedule.
- 8.11 If either Party becomes aware of a material budget issue, it will advise the other Party as soon as reasonably possible.



9.0 Roles and Responsibilities of the Village

9.1 The Village will:

- a. act as the primary grant recipient and administrative lead;
- b. enter into and administer the consultant agreement;
- c. coordinate with the Ministry regarding grant conditions, reporting, and accounting;
- d. circulate key consultant submissions and reports to the City for review;
- e. prepare and issue quarterly invoices to the City for its cost-sharing contribution;
- f. coordinate development of the joint project framework;
- g. support establishment of the Steering Committee in cooperation with the City;
- h. support community engagement activities in Warfield;
- i. provide relevant financial, governance, infrastructure, service, and administrative information requested by the consultant; and
- j. report to Warfield Council as required.

10. Roles and Responsibilities of the City

10.1 The City will:

- a. participate in the study as a joint municipal partner;
- b. contribute financially in accordance with Section 8.0;
- c. provide relevant financial, governance, infrastructure, service, asset management, planning, administrative, and operational information requested by the consultant;
- d. identify a primary staff contact and alternate staff contact for the project;
- e. review materials and provide comments within agreed timelines;
- f. support establishment of the Steering Committee in cooperation with the Village;
- g. support community engagement activities in Trail;
- h. make City facilities available at no cost for Steering Committee meetings, public meetings, open houses, or other study-related events where reasonably requested and subject to availability;
- i. ensure appropriate City staff are available to participate in technical discussions as required; and
- j. report to Trail Council as required.

11. Timeliness and Information Requests

- 11.1 The Parties acknowledge that the grant contains defined reporting deadlines and that delays in providing information may affect the ability to meet those deadlines.
- 11.2 Each Party agrees to respond to reasonable information requests from the consultant, the Ministry, or the other Party in a timely manner.
- 11.3 Unless otherwise agreed, each Party will make reasonable efforts to respond to project-related information requests within ten (10) business days.
- 11.4 If a Party requires more time to respond, it will advise the other Party and the consultant as soon as possible and provide an anticipated response date.
- 11.5 Each Party will designate a primary contact and alternate contact to avoid delays when key staff are unavailable.
- 11.6 Where information is not available, incomplete, or requires Council approval before release, the Party responsible for the information will advise the other Party and the consultant in writing.



12.0 Joint Municipal Project Team

- 12.1 The Parties will establish a Joint Municipal Project Team to support the consultant and the study process.
- 12.2 The Joint Municipal Project Team will include the Chief Administrative Officer from each municipality, or their designate, and any additional staff deemed necessary by each CAO.
- 12.3 The Joint Municipal Project Team will meet as required based on the project schedule, workplan, and direction established by the consultant, including during the initial study preparation stage, review of technical assumptions, review of draft reports, development of the engagement strategy, and preparation of Ministry reporting.
- 12.4 The role of the Joint Municipal Project Team will include:
 - a. coordinating municipal information requests;
 - b. reviewing technical assumptions;
 - c. reviewing draft materials for factual accuracy;
 - d. supporting development of the engagement strategy;
 - e. coordinating municipal reporting requirements;
 - f. identifying potential issues requiring Council direction;
 - g. supporting compliance with grant conditions; and
 - h. assisting with logistical matters associated with committee meetings and public engagement.
- 12.5 The Joint Municipal Project Team will not replace the decision-making authority of either Council.

13.0 Steering Committee

- 13.1 The Parties acknowledge that the Terms of Reference contemplate the establishment of a joint Steering Committee.
- 13.2 The composition, appointment process, mandate, and timing for establishing the Steering Committee will be guided by the Terms of Reference and the consultant workplan.
- 13.3 The Parties acknowledge that the consultant proposal contemplates an inaugural Steering Committee meeting in September 2026, before the October 2026 local government elections, and that changes in elected official membership may be required following the election.
- 13.4 The Parties will use reasonable efforts to ensure that the Steering Committee is established in time to meet the reporting requirements set out in the grant stipulation letter and consultant workplan, including any changes in membership that may be required following the local government election or over the course of the study.

14.0 Community Engagement and Facilities

- 14.1 The Parties agree that community engagement is a core component of the study.
- 14.2 The consultant will prepare a communications and community engagement strategy for review by the Joint Municipal Project Team and Steering Committee in accordance with the Terms of Reference and consultant workplan.
- 14.3 Each Party will support engagement within its respective community.
- 14.4 The City agrees to make suitable City facilities available at no cost for study-related meetings or public engagement events where reasonably requested and subject to availability.
- 14.5 The Village agrees to make suitable Village facilities available at no cost for study-related meetings or public engagement events where reasonably requested and subject to availability.



- 14.6 The Parties agree to assist with promotion of public engagement opportunities through municipal websites, newsletters, social media, notice boards, and other reasonable communication channels.
- 14.7 The Parties acknowledge that the consultant workplan includes the development of a project website to serve as a primary communication tool and information source throughout the study. The Parties will support the consultant in providing accurate information for the website and will assist in directing residents and interested parties to the website once established.

15.0 Communications

- 15.1 The Parties agree that public communications regarding the study should be coordinated wherever possible.
- 15.2 Neither Party will issue major public announcements regarding the study without first advising the other Party, except where required by Council process, media timelines, or statutory obligations.
- 15.3 The Parties will work with the consultant to ensure that public information is accurate, neutral, and consistent with the Terms of Reference.
- 15.4 Each Party remains responsible for communications with its own Council and residents.
- 15.5 Media inquiries may be referred to designated spokespersons or handled in accordance with a communications protocol developed as part of the study.

16.0 Records, Confidentiality, and Information Sharing

- 16.1 The Parties agree to share information reasonably required to complete the study, subject to applicable legislation, privacy obligations, confidentiality restrictions, and legal privilege.
- 16.2 Each Party is responsible for ensuring that information it provides is accurate to the best of its knowledge.
- 16.3 The Parties acknowledge that records may be subject to disclosure under the Freedom of Information and Protection of Privacy Act.
- 16.4 Draft reports, working papers, and preliminary analyses will be treated as draft and subject to review until finalized.

17.0 Ministry Reporting

- 17.1 The Village will coordinate reporting to the Ministry in accordance with the grant stipulation letter.
- 17.2 The City will provide information and support required to complete Ministry reporting.
- 17.3 The Parties will work together to ensure that all Ministry reporting deadlines are met.
- 17.4 Reports to the Ministry will be shared with both Parties before submission where time permits.
- 17.5 Where the consultant workplan proposes adjustments to Ministry milestone dates, the Village, as grant recipient and administrative lead, will coordinate with the Ministry to confirm whether the proposed adjustments are acceptable and will keep the City informed.

18.0 Dispute Resolution and Issue Escalation

- 18.1 The Parties agree to make reasonable efforts to resolve issues at the staff level.
- 18.2 If an issue cannot be resolved by staff, the matter may be referred to the CAOs of both municipalities.
- 18.3 If the CAOs are unable to resolve the matter, the issue may be referred to the Mayors for discussion.



- 18.4 If required, either Party may bring the matter forward to its Council for direction.
- 18.5 The Parties agree that unresolved issues should be addressed as quickly as possible to avoid jeopardizing grant deadlines or the project schedule.

19.0 Amendments

- 19.1 This MOU may be amended by written agreement of both Parties.
- 19.2 Amendments affecting cost sharing, scope, consultant engagement, or project governance must be approved by both Parties in accordance with their respective internal approval requirements.

20.0 Term

- 20.1 This MOU will come into effect on the date it is signed by both Parties.
- 20.2 This MOU will remain in effect until the earliest of:
 - a. completion of the study and submission of all required reports and accounting to the Ministry;
 - b. written agreement of the Parties to terminate the MOU; or
 - c. December 31, 2027, unless extended by written agreement.

21.0 Withdrawal or Termination

- 21.1 Either Party may withdraw from the study by providing written notice to the other Party.
- 21.2 Prior to withdrawal, the withdrawing Party will meet with the other Party to discuss the implications of withdrawal, including grant obligations, consultant contract obligations, cost sharing, and public communications.
- 21.3 A Party that withdraws will remain responsible for its share of costs incurred or contractually committed up to the date of withdrawal, unless otherwise agreed in writing.
- 21.4 The Parties acknowledge that withdrawal may affect eligibility for grant funding and may require discussion with the Ministry.

22.0 No Commitment to Amalgamation

- 22.1 This MOU does not constitute a decision by either Party to support amalgamation.
- 22.2 The purpose of the study is to provide technical analysis, public engagement, and information to assist both Councils and residents in understanding the implications of potential amalgamation.
- 22.3 Any decision to proceed toward an amalgamation referendum will be made separately and in accordance with applicable legislation, Ministry requirements, and Council direction.

23.0 Authority and Council Approval

- 23.1 Each Party confirms that it has obtained, or will obtain, the necessary authorization to enter into this MOU.
- 23.2 This MOU is subject to approval by the Councils of the Village of Warfield and the City of Trail, unless such approval has already been granted.
- 23.3 The persons signing this MOU represent that they are authorized to sign on behalf of their respective municipality.

24.0 Appendices

- 24.1 The following appendices form part of this MOU:
 - Appendix A – Ministry of Housing and Municipal Affairs Grant Stipulation Letter dated March 31, 2026



Appendix B – Terms of Reference for Warfield–Trail Amalgamation Study
Appendix C – Neilson Strategies Inc. Consultant Proposal, Workplan, Schedule, and
Approved Budget dated June 3, 2026.

- 24.2 If there is a conflict between this MOU and an appendix, this MOU will govern unless the Parties agree otherwise in writing.

25.0 Signatures

Signed on behalf of the Village of Warfield by its authorized signatories:



Mayor

Chief Administrative Officer

June 29, 2026

Date

Signed on behalf of the City of Trail by its authorized signatories:



Mayor

Chief Administrative Officer

June 23, 2026

Date