

STAFF REPORT

City of Trail



DATE: November 24, 2025 FILE NUMBER: 0450-20

TO: MAYOR AND COUNCIL

FROM: COLIN McCLURE, CHIEF ADMINISTRATIVE OFFICER

SUBJECT: AMALGAMATION STUDY TERMS OF REFERENCE APPROVAL

1.0 PURPOSE

- 1.1. Report for Council's consideration of the approval of the proposed Terms of Reference (ToR) for a joint Amalgamation Study with the Village of Warfield, and to authorize the joint submission to the Ministry of Housing and Municipal Affairs for formal approval and funding consideration.

2.0 RECOMMENDATION

- 2.1. THAT Council approve the Terms of Reference for the Amalgamation Study between the City of Trail and the Village of Warfield as attached to this Report, AND FURTHER;
THAT Council authorize the Mayor to sign a joint cover letter with the Mayor of Warfield, submitting the Terms of Reference to the Ministry of Housing and Municipal Affairs and requesting funding support.

3.0 BACKGROUND

- 3.1. In Spring 2025, the Village of Warfield concluded its Municipal Sustainability Study, which assessed the long-term viability of Warfield as an independent municipality. Based on the results and recommendations of the Warfield Sustainability Committee, Warfield Council passed a resolution to proceed with a Phase II governance restructuring study, specifically exploring the impact and implications of amalgamation with the City of Trail.
- 3.2. Both municipalities agreed to proceed jointly and engaged Neilson Strategies Inc. to draft a ToR for a formal Amalgamation Study. The draft ToR was reviewed by Trail Council at the October 27, 2025 Council meeting.

- 3.3. The consultants revised the ToR, which now reflects feedback from both Councils and the Province and is now ready for formal Council approval prior to submission to the Ministry.

4.0 ANALYSIS

- 4.1. The revised ToR (dated November 2025) outlines a framework to conduct a comprehensive and transparent assessment of amalgamation. The study will include the following components:
- 4.1.1. An analysis of current governance, services, and finances in both municipalities.
 - 4.1.2. A robust engagement strategy with residents, First Nations, and stakeholders.
 - 4.1.3. Financial impact modelling, including property tax implications.
 - 4.1.4. Preparation of the Final Report with a recommendation on whether to proceed to referendum.
- 4.2. The study will be governed by a joint Steering Committee composed of Council and citizen representatives from both municipalities, supported by a Joint Municipal Project Team consisting of administrative staff. Independent consultants will conduct the technical work and public engagement.
- 4.3. If approved, the study is expected to begin in Q1 of 2026 and conclude by mid-2027, subject to final timelines.
- 4.4. As noted previously, both Councils met with the consultant and provided feedback. The ToR were amended accordingly. Key changes from the earlier draft include:
- 4.4.1. Purpose: Now includes other interested parties (i.e., industry, area First Nations)
 - 4.4.2. Steering Committee: clarifies voting can occur if consensus is not reached; stronger expectation for neutrality
 - 4.4.3. Engagement Strategy: Includes communications on outcomes, next steps, and referendum preparation
 - 4.4.4. Provincial Role: Now references the Declaration on the Rights of Indigenous Peoples Act (DRIPA)
 - 4.4.5. Out of Scope: Clarifies infrastructure assessments are excluded unless deemed essential by the Steering Committee.

5.0 OPTIONS

- 5.1. Council could request further amendments to the ToR. This would see the ToR not approved until early in 2026 as any changes would need to be reviewed by all parties.

- 5.2. Council may defer approval pending further discussion with Warfield or the Ministry. This option would also see approval of the ToR delayed until early 2026.

6.0 FINANCIAL CONSIDERATIONS

- 6.1. The proposed budget is \$150,000-\$200,000, inclusive of consulting, engagement, travel, and disbursements.
- 6.2. Funding is to be provided jointly by the Province, Warfield and Trail. The Ministry has reviewed the revised ToR and has indicated general alignment with the Ministry's expectations.
- 6.3. Provincial grant funding will be requested to support the majority of this cost. The Province has indicated that municipalities are generally expected to contribute financially to such studies. Historically, funding has often followed a 1/3, 1/3, 1/3, model (Province, Municipality A and Municipality B); however, funding allocations have not yet been confirmed.
- 6.4. The City's share of the cost should be reflected in the 2026-2027 Financial Plan. This may have implications for the property tax levy or other funding decisions during that period.

7.0 POLICY AND LEGAL CONSIDERATIONS

- 7.1. The governance structure of the ToR aligns with the *Community Charter* Section 142-Select Committees of Council. Members to the Committee are appointed through Council resolution with at least one member of the select committee being a council member.

8.0 OTHER CONSIDERATIONS

- 8.1. Adopting a comprehensive ToR for the Amalgamation Study will ensure a fair, transparent process that enables residents to make informed choices in any future referendum.

9.0 ATTACHMENT

- 9.1. Proposed ToR – Trail and Warfield Amalgamation Study (November 2025)
- 9.2. Draft Joint Letter to Province – Warfield Trail Amalgamation Study

RESPECTFULLY SUBMITTED

A handwritten signature in black ink, appearing to read 'C. McClure'.

November 20, 2025

Colin McClure, Chief Administrative Officer

Date