



City of Trail

2026 Operating Budget Update

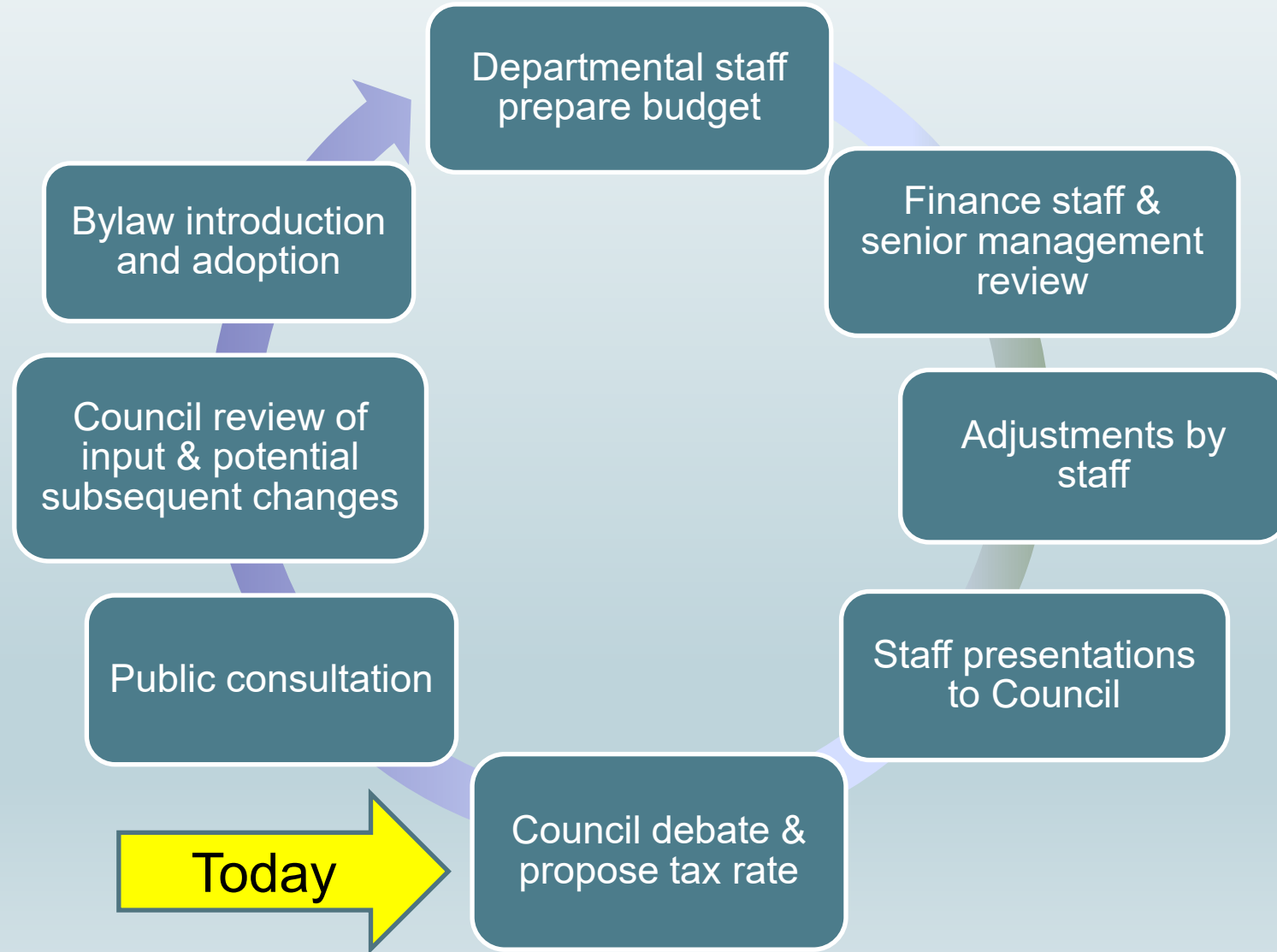
Prepared by: Colin McClure, CAO/CFO

March 23, 2026

Agenda

- 1. Introduction**
- 2. 2026 – 2030 Financial Plan Process**
- 3. Quick Facts**
- 4. 2026 Budget Overview**
- 5. Taxation & Operating Budget**
- 6. Questions**

Financial Planning Process



Quick Facts

- All City revenue was close to \$31 Million in 2024
- Total operational expenses was \$25.6 Million
- Revenue over expenses pay down debt & flow into Operational and Capital reserves
- General Fund Operational expense & allocations to reserves/capital was budgeted at \$21M in 2024, funded by \$15M in Taxation (approx. 1.4 to 1 ratio)
- A 1% increase in taxation produces about \$159,000 to cover operational expenditures
- 73 Regular Full-time Employees & 3 Temporary Full-time
- 45 Part-Time (7 RCMP Guards, 32 Aquatic Staff, 1 RCMP Clerk, 2 TALC Janitors, 1 Exempt Airport Manager, 2 Airport Staff)
- 3 Casual (Parks and Rec Staff)

2025 General Fund Results

- Sales of services and other revenues were generally in line with budget; however, significantly higher-than-anticipated building permit activity generated over \$320,000 in additional revenue, contributing materially to the year-end surplus
- Continued RCMP understaffing resulted in salary savings, and unlike prior year, overtime costs remained stable. As a result, Protective Services expenditures were approximately \$320,000 under budget
- A consecutive lower snow year reduced winter operations costs. As a result, Public Works resources were redirected to support Parks & Recreation projects, leading to an overall underspend in Public Works and a corresponding overage in Parks & Recreation
- Slower than expected rate reductions by the Bank of Canada resulted in higher investment income than
- Airport expenditures and fuel sales revenue were both below budget. This is primarily due to changes in aircraft servicing patterns, with larger aircraft requiring less frequent refueling at the Trail airport

5 Year Snow Removal expenses

The Corporation of the City of Trail					
Year End: December 31, 2025					
Snow Removal Expense					
	2025	2024	2023	2022	2021
Total Snow Removal Expenses	333,826	501,288	536,691	1,106,634	695,907

2025 General Fund Projected Surplus Options

Staff Proposed Options

- As a significant contributor to the projected 2025 surplus is the RCMP contract coming in under budget and considering the unexpected spike in overtime costs experienced in 2024, staff recommend establishing a new “RCMP Reserve Fund.” This reserve would help the City manage future unanticipated policing costs, including major crime investigations, overtime pressures related to staffing challenges, and the City’s share of capital expenditures for the local detachment building and property.
- Direct a portion of the projected surplus into the Water fund to assist with the ongoing rate pressure in this utility
- Allocate a portion to the “Capital Projects Reserve”
- Increase the allocation to the “Equipment Replacement Reserve”
- Bump up the allocation to the “Bridge Reserve” from \$50,000 to \$100,000

2026 General Fund Overview

- Staff are recommending a 3.5% average overall property tax increase
- Proposed budget keeps City operating service levels in line with previous years
- For the first time in over five years, the Management team is fully staffed, strengthening organizational capacity, improving continuity in operations, and better positioning the City to advance key priorities and deliver services effectively
- The City and the Village of Warfield have agreed to extend the TRP agreement for an additional three years, with annual funding increases of 3%. Interest income is projected to be lower than in previous years
- Due to the low snowfall so far in 2026, a portion of the budget originally allocated to Public Works has been reallocated to the Parks budget
- Includes the previously Council-approved allocation of surplus funds to support Trail 125 celebrations and related activities
- Asking for \$150k from the remaining Provincial COVID funding to assist with IT upgrades and projects.
- Continue the \$100k increase in the transfer to Operating Capital in 2026 & onwards

2026 Proposed & 2025 to 2023 Actual Property tax increases

	<u>2026 Proposed</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>		<u>2026 Proposed</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
Abbotsford	4.94%	5.98%	5.12%	5.98%	New West	4.70%	6.60%	7.70%	6.00%
Burnaby	2.90%	3.90%	4.50%	3.99%	North Cowichan	10.62%	7.83%	5.18%	4.82%
Campbell River	2.70%	2.89%	3.47%	11.27%	North Saanich	7.54%	8.74%	7.80%	4.90%
Castlegar	7.76%	7.27%	6.43%	6.50%	North Vancouver	2.90%	6.89%	7.00%	5.24%
Central Saanich	7.37%	7.80%	7.76%	7.19%	Osoyoos	9.50%	14.00%	6.01%	9.72%
Coldstream	8.72%	9.44%	9.70%	8.40%	Penticton	6.26%	7.88%	5.31%	9.50%
Colwood	4.25% *	7.90% *	4.90%	6.43%	Port Coquitlam	1.95%	4.30%	5.58%	3.38%
Coquitlam	3.37%	6.83%	8.92%	5.48%	Port Moody	4.25%	5.71%	6.90%	11.33%
Cranbrook	4.99%	6.40%	8.32%	5.87%	Prince George	4.94%	6.21%	6.78%	7.22%
Creston	4.09%	5.61%	7.30%	4.42%	Princeton	5.98%	6.94%	5.31%	10.00%
Delta	2.90%	6.75%	7.75%	4.90%	Quesnel	2.50%	7.50%	5.60%	9.50%
Duncan	4.60% *	11.30% *	7.72%	8.90%	Revelstoke	5.75%	6.00%	5.00%	3.00%
Fernie	4.03%	7.46%	6.10%	6.80%	Richmond	3.04%	5.86%	5.62%	5.88%
Gibsons	1.30%	8.00% *	8.00%	4.50%	Rossland (10% for next 5 Years)	10.00% **	10.00% **	5.00%	3.50%
Golden	8.00%	8.84%	14.98%	4.10%	Saanich	3.42%	8.84%	7.93%	6.80%
Kamloops	2.26%	7.49%	9.55%	7.00%	Sidney	12.40%	10.67%	6.04%	4.93%
Kelowna	4.37%	4.34%	4.75%	4.00%	Summerland	6.36%	7.25%	5.38%	3.75%
Keremeos	17.00%	4.90%	4.00%	3.50%	Surrey	2.60%	2.80%	7.00%	12.50%
Kimberly	2.21%	6.99%	5.33%	3.90%	Vancouver	0.00%	3.90%	7.50%	10.70%
Lake Country	6.25%	6.45%	9.52%	17.05%	Vernon	9.73%	11.06%	5.49%	4.48%
Langford	15.13% *	9.77% *	15.63%	12.41%	Victoria	10.44% *	4.00%	7.93%	6.00%
Langley	5.82%	6.70%	6.88%	5.37%	West Kelowna	6.60%	7.31%	6.85%	5.00%
Maple Ridge	3.50%	5.50%	6.50%	5.65%	West Vancouver	3.43%	3.00% ***	7.54%	6.07%
Nanaimo	6.30%	8.00%	7.70%	7.20%	Whistler	6.90%	8.25%	8.18%	6.00%
Nelson	7.75% *	8.10% *	5.30%	5.80%	White Rock	5.06%	4.94%	4.82%	6.59%

City of Trail **3.50%** **3.50%** **4.25%** **4.47%**

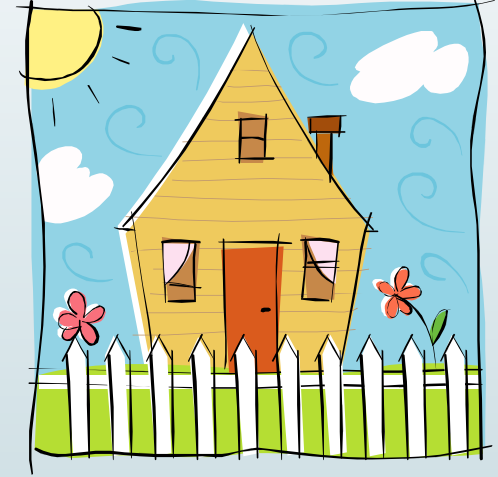
* Policing cost a main driver of increase




** 5% for General operations & 5% for infrastructure renewal

*** Using reserves to cover the operating deficit and provide a smaller property tax increase

Taxation - Assessment

- ▶ January 2026 Assessment Notices
- ▶ Value as of July 1 2025

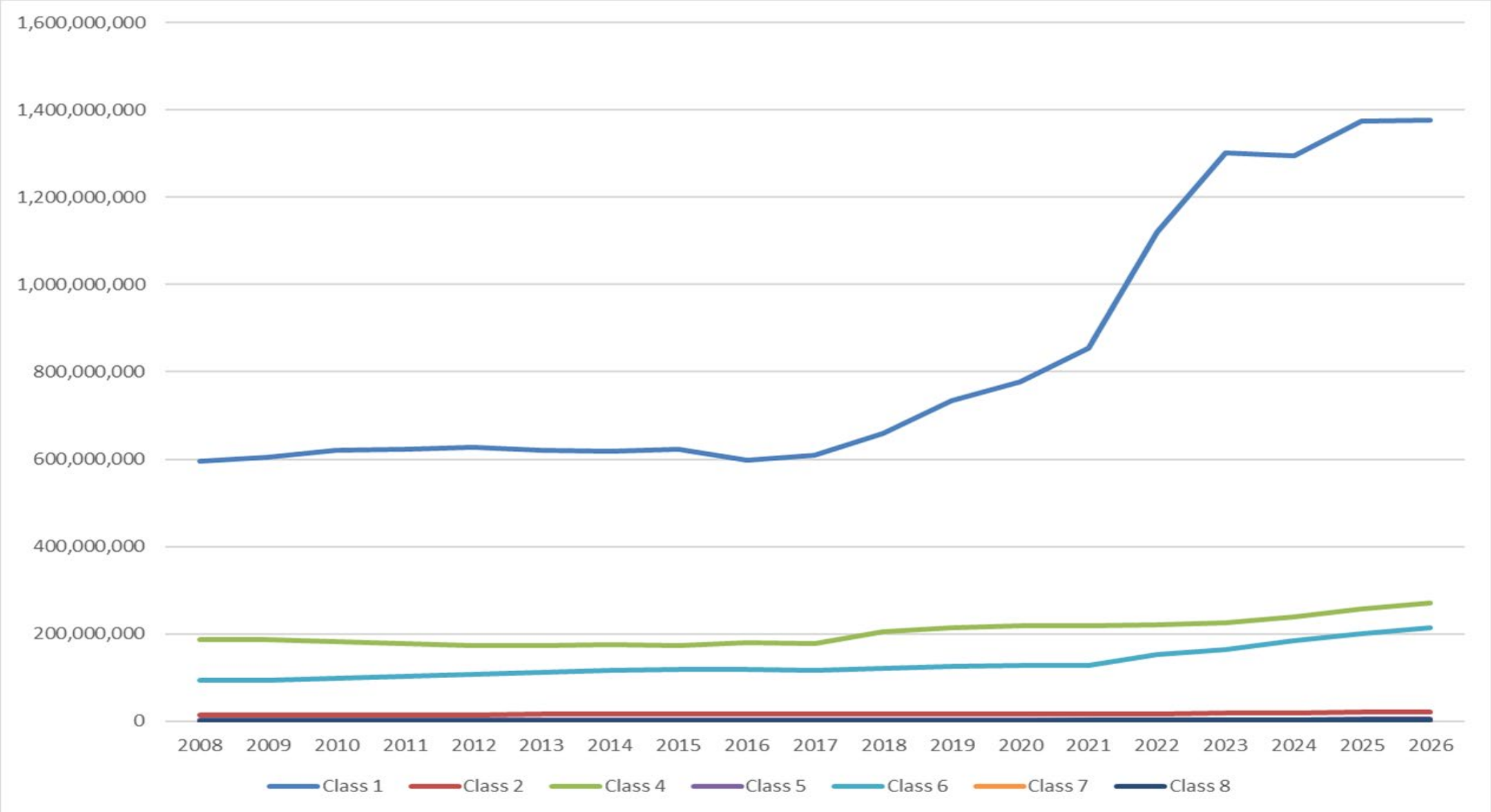


	<u>Property Value Change</u>	<u>Property Tax Impact</u>
1. 	Lower than average change	Lower than average tax increase
2. 	Average change	Average tax increase
3. 	Higher than average change	Higher than average tax increase

Effect of Assessments in 2026

Property Class	2025 Assessed Values	2026 Assessed Values	% Change	% of Total Assessment
Residential	\$1,375,441,000	\$1,377,722,200	0.17%	72.87%
Utility	20,142,660	20,755,753	3.04%	1.09%
Major Industry	258,065,000	270,531,000	4.83%	14.31%
Light Industry	4,474,800	4,587,800	2.53%	0.24%
Business	200,582,400	214,095,800	6.74%	11.32%
Forest	522,000	489,000	-6.32%	0.03%
Non-Profit	2,571,600	2,495,000	-2.98%	0.14%
Total	\$1,861,799,460	\$1,890,676,535	1.55%	100.00%

2008-2026 City of Trail Assessment History



2026 Property Tax – City & RDKB

Effect on Average Single-Family Dwelling - \$406,210 in 2026

	2025	2026	Net Change	% Change
Municipal Property Tax	\$1,077	\$1,115	\$38	3.50%
Residential Flat tax	250	250	0	0.00%
Municipal Debt Tax	70	68	-2	.03%
RDKB	1,031	1,052	21	2.1%
RDKB – 2023 tax recovery	41	0	-41	-100%
Overall	\$2,469	\$2,485	\$16	.06%

2026 Proposed Budget – City Only

Effect on an
Average SFD

Average Single-Family Dwelling \$406,210 (.0% Increase from 2025)				
	2025	2026	Net Change	Net Monthly Change
Property Tax (municipal only)	\$1,077	\$1,115	\$38	\$3.17
Residential Flat tax	250	250	0	0.00
Property Debt Tax (municipal only)	70	68	-2	-.17
Water Rates (after discount)	477	664	187	15.58
Sewer Rates (after discount)	284	284	0	0.00
Water parcel tax*	150		-150	-12.50
Overall	\$2,308	\$2,381	\$73	\$6.08

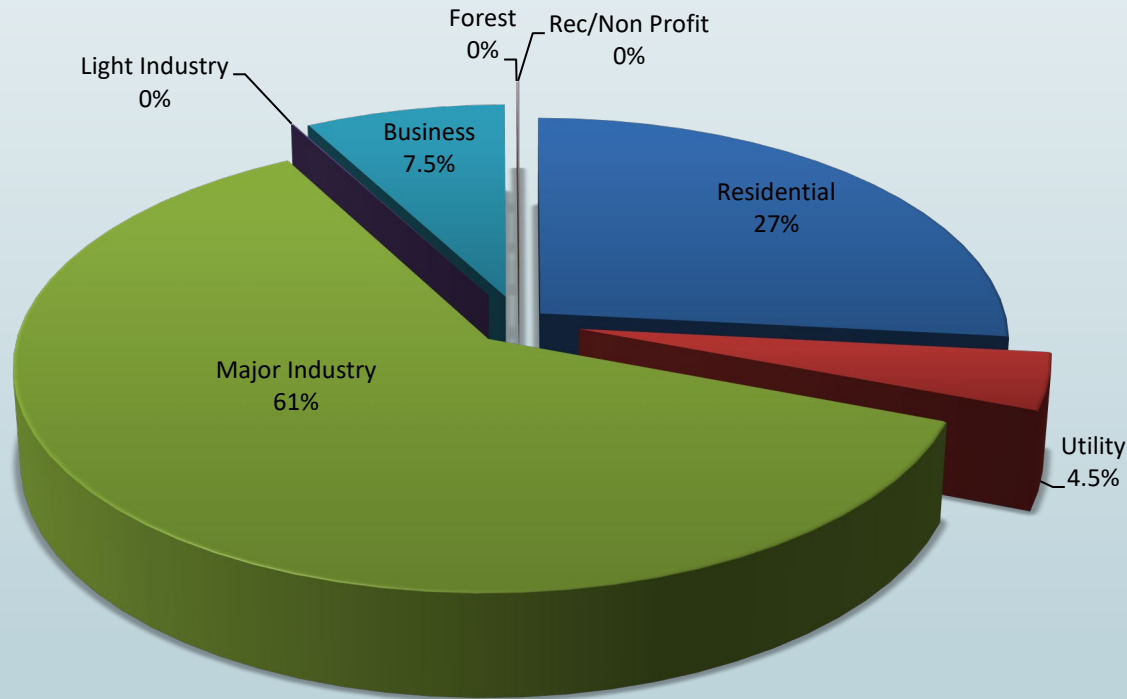
City Operating Tax Effects on Average SFD

- 2026 average Single-Family Dwelling assessed value is \$406,210
 - City of Trail Annual Tax affect on Average SFD estimated at:
 - 3.75% - increase of \$40 to \$1,117
 - 3.50% - increase of \$38 to \$1,115
 - 3.25% - increase of \$35 to \$1,112

Tax increase effect on current operating deficit

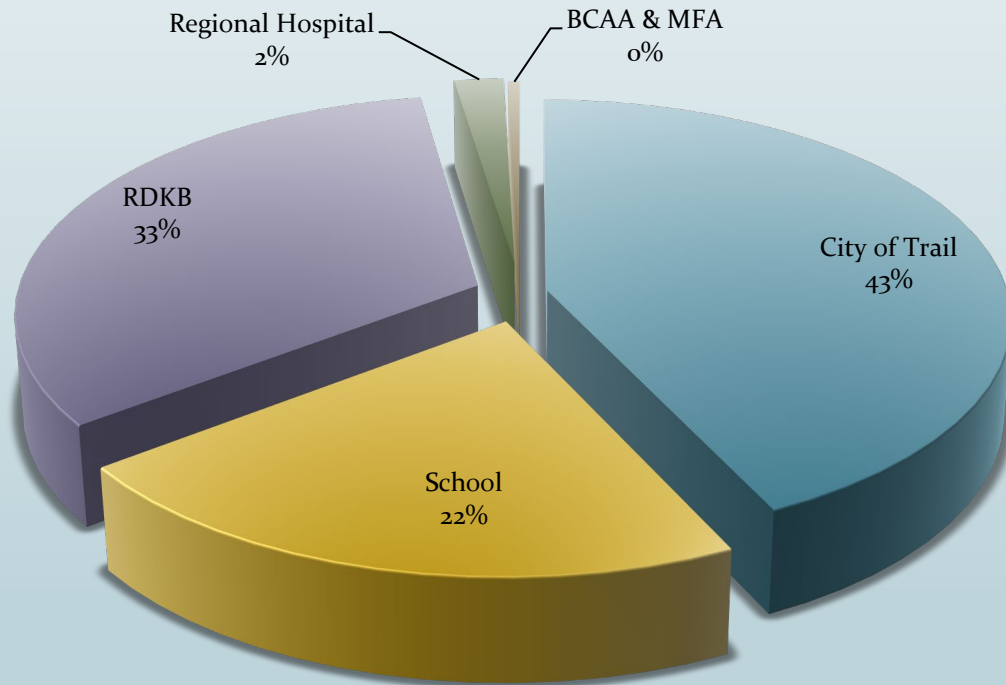
- 3.75% - creates a surplus of \$15,171
- 3.50% - creates a deficit of \$24,705
- 3.25% - creates a deficit of \$64,582

2025 Municipal General Fund Tax Allocation



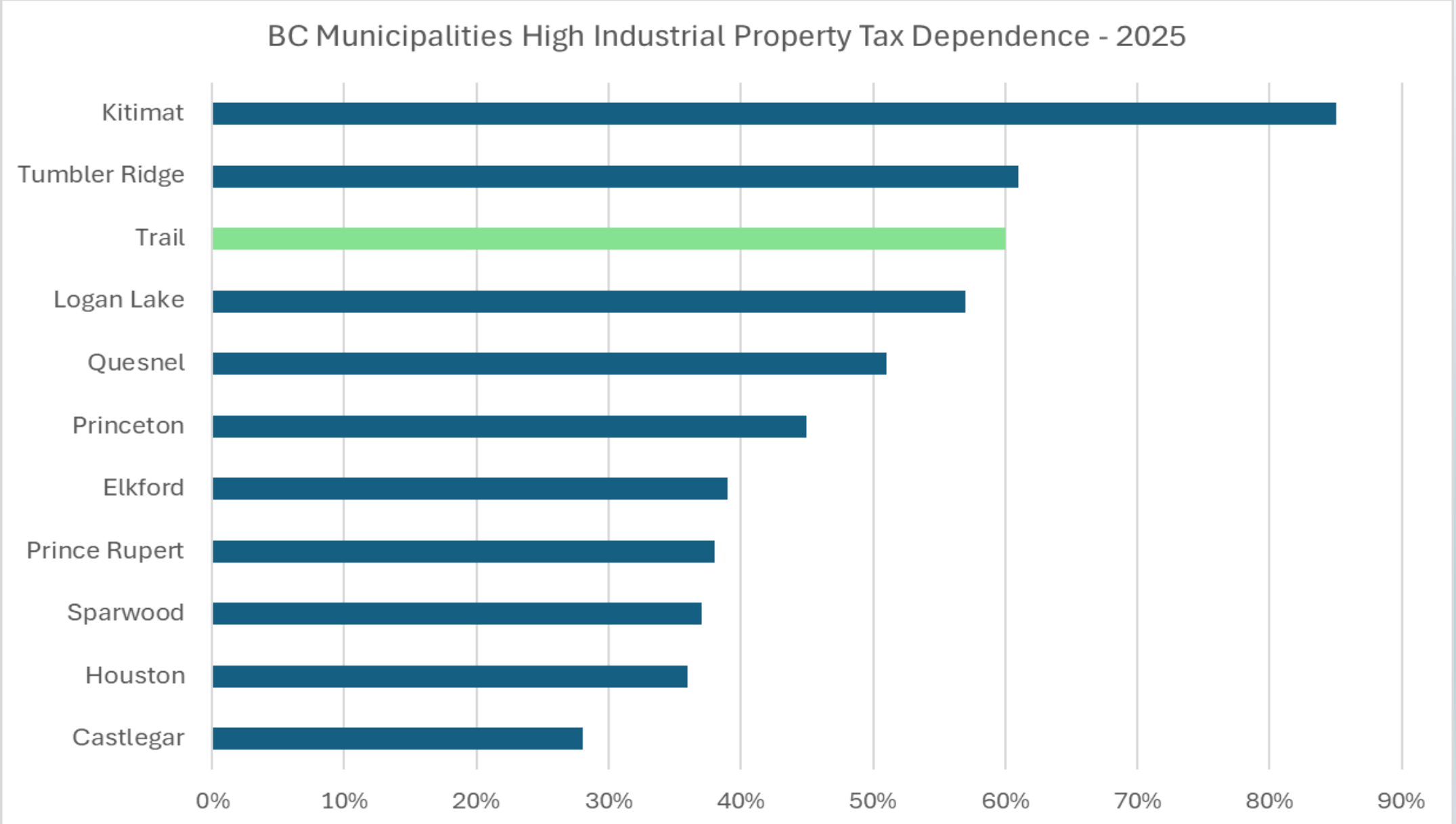
Residential	\$4,759,939
Utility	805,706
Major Industry	10,898,885
Light Industry	9,482
Business	1,371,723
Forest	4,352
Rec/Non-profit	10,537
Total	\$17,860,624

2025 Tax Distribution of Average Single-Family Dwelling - \$406,056 in 2025



City of Trail	\$1,398
School	707
RDKB	1,072
Kootenay Boundary Regional Hospital	64
BCAA & MFA	15
Total	\$3,256

2025 High Major Industry Municipalities Tax Comparables



2025 High Major Industry Municipalities Summary Info

Municipality	Population	Total assessed value	Major industry tax %	Major Industry % of Ass value	Major industry
Kitimat	9,018	3,994,538,645	85%	51%	Aluminum smelter
Tumbler Ridge	2,719	486,965,462	61%	18%	Coal mining
Trail	8,406	1,861,799,462	60%	14%	Lead/Zinc smelter
Logan Lake	2,327	618,228,395	57%	22%	Copper Mining
Quesnel	10,236	1,743,443,633	51%	7%	Forestry (sawmills)
Princeton	3,241	719,970,392	45%	7%	Copper mining +Sawmill
Elkford	2,933	746,124,900	39%	24%	Coal mining
Prince Rupert	12,915	2,463,931,231	38%	11%	Port terminal
Sparwood	4,423	1,284,380,690	37%	22%	Coal mining
Houston	3,182	415,022,990	36%	5%	Forestry (sawmills)
Castlegar	9,227	2,160,271,911	28%	4%	Pulp & paper mill

2025 Trail & Castlegar Tax Comparables

City of Trail							
2025 Tax comparisons							
March 19, 2026							
	Population	Mill rate	Multiplier	Assessed value	% of Ass value	Taxes	% of Taxes
City of Trail	8,406						
Res		2.82590	1.00	1,375,441,000	74%	4,760,459	26%
Utility		40.00000	14.15	20,142,660	1%	994,051	6%
Major industry		42.23310	14.95	258,065,000	14%	10,898,885	60%
Light Industry		2.11880	0.75	4,474,800		9,481	0%
Business		6.83870	2.42	200,582,400	11%	1,371,723	8%
Rec/Non profit		4.09750	1.45	2,571,600		10,537	0%
				1,861,277,460		18,045,136	
	Population	Mill rate	Multiplier	Assessed value	% of Ass value	Taxes	% of Taxes
City of Castlegar	9,227						
Res		2.83030	1.00	1,687,722,841	78%	4,776,762	38%
Utility		40.00000	14.13	117,770,920	5%	1,193,942	10%
Major industry		44.62290	15.77	77,309,900	4%	3,449,792	28%
Light Industry		10.15310	3.59	15,428,200	1%	156,644	1%
Business		11.02080	3.89	261,439,550	12%	2,880,931	23%
Rec/Non profit		3.60330	1.27	600,500		2,164	0%
				2,160,271,911		12,460,235	

2025 Trail & Kitimat Tax Comparables

City of Trail							
2025 Tax comparisons							
March 19, 2026							
	Population	Mill rate	Multiplier	Assessed value	% of Ass value	Taxes	% of Taxes
City of Trail	8,406						
Res		2.82590	1.00	1,375,441,000	74%	4,760,459	26%
Utility		40.00000	14.15	20,142,660	1%	994,051	6%
Major industry		42.23310	14.95	258,065,000	14%	10,898,885	60%
Light Industry		2.11880	0.75	4,474,800		9,481	0%
Business		6.83870	2.42	200,582,400	11%	1,371,723	8%
Rec/Non profit		4.09750	1.45	2,571,600		10,537	0%
				1,861,277,460		18,045,136	
	Population	Mill rate	Multiplier	Assessed value	% of Ass value	Taxes	% of Taxes
Kitimat	9,018						
Res		2.04792	1.00	1,610,947,600	40%	5,998,586	8%
Utility		30.78944	15.03	24,382,615	1%	1,045,838	1%
Major industry		31.52074	15.39	2,028,128,300	51%	63,928,042	85%
Light Industry		19.60330	9.57	18,186,300		356,511	0%
Business		11.36533	5.55	312,033,430	8%	3,546,363	5%
Rec/Non profit		22.38717	10.93	860,400		19,262	0%
				3,994,538,645		74,894,602	

2025 Trail & Quesnel Tax Comparables

City of Trail							
2025 Tax comparisons							
March 19, 2026							
	Population	Mill rate	Multiplier	Assessed value	% of Ass value	Taxes	% of Taxes
City of Trail	8,406						
Res		2.82590	1.00	1,375,441,000	74%	4,760,459	26%
Utility		40.00000	14.15	20,142,660	1%	994,051	6%
Major industry		42.23310	14.95	258,065,000	14%	10,898,885	60%
Light Industry		2.11880	0.75	4,474,800		9,481	0%
Business		6.83870	2.42	200,582,400	11%	1,371,723	8%
Rec/Non profit		4.09750	1.45	2,571,600		10,537	0%
				1,861,277,460		18,045,136	
	Population	Mill rate	Multiplier	Assessed value		Taxes	% of Taxes
Quesnel	10,236						
Res		3.92251	1.00	1,333,098,452	76%	5,229,092	23%
Utility		40.00000	10.20	7,872,181		1,042,491	5%
Major industry		97.65155	24.90	119,213,000	7%	11,641,334	51%
Light Industry		16.72439	4.26	16,722,800	1%	279,679	1%
Business		16.72439	4.26	266,067,300	15%	4,449,813	20%
Rec/Non profit		3.92251	1.00	469,900		1,843	0%
				1,743,443,633		22,644,252	

2025 Trail & Prince Rupert Tax Comparables

City of Trail							
2025 Tax comparisons							
March 19, 2026							
	<u>Population</u>	<u>Mill rate</u>	<u>Multiplier</u>	<u>Assessed value</u>	<u>% of Ass value</u>	<u>Taxes</u>	<u>% of Taxes</u>
City of Trail	8,406						
Res		2.82590	1.00	1,375,441,000	74%	4,760,459	26%
Utility		40.00000	14.15	20,142,660	1%	994,051	6%
Major industry		42.23310	14.95	258,065,000	14%	10,898,885	60%
Light Industry		2.11880	0.75	4,474,800		9,481	0%
Business		6.83870	2.42	200,582,400	11%	1,371,723	8%
Rec/Non profit		4.09750	1.45	2,571,600		10,537	0%
				1,861,277,460		18,045,136	
	<u>Population</u>	<u>Mill rate</u>	<u>Multiplier</u>	<u>Assessed value</u>		<u>Taxes</u>	<u>% of Taxes</u>
Prince Rupert	12,915						
Res		5.27165	1.00	1,809,154,001	73%	9,537,227	33%
Utility		55.57104	10.54	6,771,380		508,293	2%
Major industry		65.81997	12.49	280,398,000	11%	11,122,435	38%
Light Industry		19.17103	3.64	44,325,600	2%	849,767	3%
Business		22.22842	4.22	317,621,350	13%	7,060,221	24%
Rec/Non profit		4.16061	0.79	5,660,900		23,553	0%
				2,463,931,231		29,101,496	

2026 Property Tax – City & RDKB

Effect on Average Single-Family Dwelling - \$406,210 in 2026

	2025	2026	Net Change	% Change
Municipal Property Tax	\$1,077	\$1,115	\$38	3.50%
Residential Flat tax	250	250	0	0.00%
Municipal Debt Tax	70	68	-2	.03%
Reallocation of 1% of Major Industry tax		40	40	100%
RDKB	1,031	1,052	21	2.1%
RDKB – 2023 tax recovery	41	0	-41	-100%
Overall	\$2,469	\$2,525	\$56	2.2%

2026 Proposed Budget – City Only

Effect on an
Average SFD

Average Single-Family Dwelling \$406,210 (.0% Increase from 2025)				
	2025	2026	Net Change	Net Monthly Change
Property Tax (municipal only)	\$1,077	\$1,115	\$38	\$3.17
Residential Flat tax	250	250	0	0.00
Property Debt Tax (municipal only)	70	68	-2	-.17
Water Rates (after discount)	477	664	187	15.58
Sewer Rates (after discount)	284	284	0	0.00
Water parcel tax*	150		-150	-12.50
Reallocation of 1% of Major Industry tax		40	40	3.33
Overall	\$2,308	\$2,421	\$113	\$9.42

Major Industrial Tax Reallocation

Potential Process

- Council could, in good faith, make a 1% Major Industrial tax reallocation in 2026
- Direct staff to work with the Major industrial taxpayer to work on a future agreement to commit to further tax reallocations that address questions and concerns such as;
 - Abandoning current BC Assessment property value appeals
 - Eliminating future BC Assessment property value appeals
 - Secure commitments to potential property owned by the Major Industrial taxpayer for future City use
 - Potential other funding support requests or ongoing commitments
- Council could also direct staff that, at this time, there is an unwillingness to commit to reallocating Major Industrial tax to other property classes

Next Steps

Today

- Looking for direction from Council on the proposed Municipal property tax increase for 2026
- A decision or direction on starting the implementation of reallocating Major Industrial taxes over other property tax classes

Future Meetings

- Provide Council with any updated or new 2026 budget information at the April 13, 2026, COW meeting
- Public Budget Presentation at the Regular Meeting of April 13, 2026
- Make any changes to the budget based on Council's direction
- Bring 5 Year 2026-2030 Financial Plan Bylaw and 2026 Tax Rate Bylaw to the April 27, 2026, Regular Council Meeting for 1st Three Readings
- Adopt the 5 Year 2026-2030 Financial Plan Bylaw and 2026 Tax Rate Bylaw at the May 11th, 2026, Regular Council Meeting
- Submit all required information to the Province by the May 15th, 2026, deadline