



City of Trail

2026 Budget Update

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March 9, 2026

Tax Strategy to Reduce Reliance on Single Taxpayer

Follow up from presentation today from Teck Resources Trail Operations, the City's Major Industry taxpayer

- Goal: to discuss the development and implementation of a phased and sustainable tax policy strategy to gradually reduce the City's reliance on a single major industrial taxpayer and rebalance the tax burden across other property classes.

Reasons to Implement

- **Improves long-term financial stability** – Reducing reliance on a single major industrial taxpayer lowers the City’s financial risk if that industry reduces operations, appeals assessments, or closes.
- **Gradual and predictable approach** – Implementing the change over 10 years allows property owners to adjust slowly and avoids sudden tax shocks.
- **Protects essential municipal services** – A broader and more diversified tax base ensures the City can continue funding infrastructure, public safety, and community services even if major industrial tax revenues fluctuate.
- **Improves fairness across property classes over time** – A phased rebalancing can better align tax contributions with property values and the overall service demands placed on the municipality.

Potential Concerns & Challenges

- **Implementation complexity** – Adjusting tax ratios over multiple years requires careful policy management and ongoing monitoring.
- **Economic sensitivity** – If the local economy weakens, increasing the share paid by other classes could be more difficult politically or financially
- **Competitiveness concerns for businesses** – Commercial property owners may worry about impacts on business competitiveness or investment.
- **Public perception challenges** – Some residents/businesses may view the change to shift the burden from industry to households & small businesses negatively.

2025 Property Tax Allocation

City of Trail						
Reallocation of Taxes from Major Industry						
Feb 18-2026						
Current Allocation						
	2025	Residential		Commercial	Utilities	Major Industry
	Rate	2.8259		6.8387	40	42.231
	% of Taxes	26.65%		7.68%	4.52%	61.00%
	Taxes	4,759,939		1,371,723	805,704	10,898,885
Sharing ratio of current taxes for Residential and Commercial						
	Residential + Commercial	4,759,939	77.63%	1,371,723	22.37%	
	Avg home	\$ 406,210				
	Municipal Taxes	\$ 1,148				
	Commercial property	\$ 1,000,000				
	Municipal Taxes	\$ 6,839				

2025 Allocation of 1% of Major Industry to Other Tax Classes

City of Trail					
Reallocation of Taxes from Major Industry					
Feb 18-2026					
1% Allocation of Major Industry share of Municipal taxes to other classes					
	<u>Residential</u>		<u>Commercial</u>	<u>Utilities</u>	<u>Major Industry</u>
Rate	2.919		7.064	40	41.5374
% of Taxes	27.41%		7.95%	4.52%	60.00%
\$	4,887,992		1,416,914	805,704	10,719,349
				Diff	1,933,707
Sharing ratio of current taxes for Residential and Commercial					
Residential + Commercial	4,887,992	77.53%	1,416,914	22.47%	
Avg home	\$ 406,210				
Municipal Taxes	\$ 1,186				
Diff	\$ 38				
% inc	3.29%				
Commercial property	\$ 1,000,000				
Municipal Taxes	\$ 7,064				
Diff	-\$ 225				
% inc	3.29%				

2025 Allocation of 11% of Major Industry to Other Tax Classes

City of Trail								
Reallocation of Taxes from Major Industry								
Feb 18-2026								
If Major Industry share of Municipal taxes was at 50%								
		Residential		Commercial		Utilities		Major Industry
Rate		3.86		9.3412		40		34.74
% of Taxes		34.68%		10.51%		4.52%		50.29%
\$		6,182,282		1,873,680		805,704		8,965,178
							Diff	1,933,707
Sharing ratio of current taxes for Residential and Commercial								
Residential + Commercial		6,182,282	76.74%	1,873,680	23.26%			
Avg home	\$	406,210						
Municipal Taxes	\$	1,568						
Diff	\$	420						
% inc		36.59%						
Commercial property	\$	1,000,000						
Municipal Taxes	\$	9,341						
Diff	\$	2,503						
% inc		36.59%						

Actual RDKB Tax Requisition Increases and Proposed

Year	Total Requisition for Services	City of Trail Portion of Requisition	City's portion \$ Change	City% Change
2022	\$13,569,461	\$4,725,927	\$66,621	1.43%
2023	\$14,146,163	\$4,926,723	\$200,716	4.25%
2024	\$16,262,366	\$5,483,419	\$556,696	11.30%
2025	\$19,548,674	\$7,330,212	\$1,846,942	33.68%
2026	\$20,908,872	\$7,683,030	\$352,818	4.81%

Tax Effects on Proposed RDKB Requisition on Average SFD

- 2026 average Single-Family Dwelling assessed value is \$406,210
 - A decrease of \$154 or 0% over 2025
- 2025 average Single-Family Dwelling assessed value was \$406,056
 - RDKB tax affect on average SFD:
 - 2026 increase of \$21 to \$1,052
 - 2025 RDKB tax amount for an average SFD was \$1,031, which was \$254 higher than 2024

2026 Updated Proposed RDKB Tax Requisition For Services Involving the City of Trail

RDKB Proposed City of Trail Tax Requisition for Services

March 5, 2026

<u>Service</u>	<u>Service Name</u>	<u>Partners</u>	% of service paid by Trail	2025	2026	Diff	% change
S001	General Admin	All	21.23%	1,825,170	2,003,409	178,239	9.77%
S004	Building inspection	All	21.23%	1,396,869	1,444,213	47,344	3.39%
S005	Planning & Development	All	21.23%	1,135,494	1,163,150	27,656	2.44%
S009	Police Based Victims Assistance	East End 7	39.77%	100,174	100,174	0	0.00%
S010	Regionalized Solid Waste Mgmt	All	21.23%	2,352,759	2,810,491	457,732	19.46%
S012	Emergency Preparedness	All	21.23%	587,007	712,176	125,169	21.32%
S015	911 Emerg communications	All	21.23%	422,891	478,275	55,384	13.10%
S018	Culture Arts & Rec Lower Columbia	East End 7	39.77%	254,540	243,337	-11,203	-4.40%
S050	Fire protection Reg East End	East End 7	39.77%	4,982,409	5,461,188	478,779	9.61%
S150	Cemeteries - East End	East End 7	39.77%	622,677	623,775	1,098	0.18%
S700	East End Regional Sewer	Rossland, Trail, Warfield	67.10%	4,175,931	4,175,931	0	0.00%
S005	East End Transit	East End 7	39.77%	1,692,753	1,692,753	0	0.00%
				19,548,674	20,908,872	1,360,198	6.96%

City of Trail – Updated 2026 RDKB Services & Requisition Share

City of Trail participation in RDKB Services								
March 5, 2026								
<u>Service</u>	<u>Service Name</u>	<u>Partners</u>	% of service paid by Trail	2025	% of service paid by Trail	2026	Diff	% change
S001	General Admin	All	20.60%	376,073	20.65%	413,636	37,563	9.99%
S004	Building inspection	All	20.60%	309,853	23.60%	340,800	30,947	9.99%
S005	Planning & Development	All	5.29%	60,100	5.12%	59,581	-519	-0.86%
S009	Police Based Victims Assistance	East End 7	39.77%	39,313	39.09%	39,160	-153	-0.39%
S010	Regionalized Solid Waste Mgmt	All	20.60%	484,782	20.65%	580,271	95,489	19.70%
S012	Emergency Preparedness	All	20.60%	120,952	20.65%	147,040	26,088	21.57%
S015	911 Emerg communications	All	20.60%	87,136	20.65%	98,748	11,612	13.33%
S018	Culture Arts & Rec Lower Columbia	East End 7	39.10%	99,894	39.09%	95,124	-4,770	-4.78%
S050	Fire protection Reg East End	East End 7	39.10%	1,955,345	39.09%	2,134,861	179,516	9.18%
S150	Cemeteries - East End	East End 7	39.10%	244,369	39.24%	244,800	431	0.18%
S700	East End Regional Sewer	Rossland, Trail, Warfield	69.16%	2,888,074	68.60%	2,864,688	-23,386	-0.81%
S005	East End Transit	East End 7	39.10%	664,321	39.25%	664,321	0	0.00%
				7,330,212		7,683,030	352,818	4.81%

2026 Updated Proposed RDKB City of Trail Requisition Allocation

City of Trail					
RDKB 2026 tax class allocations & shifting					
March 5, 2026					
		<u>2026</u>	<u>2025</u>	<u>diff</u>	<u>%</u>
Total RDKB tax requisition		<u>7,683,030</u>	<u>7,330,212</u>	<u>352,818</u>	<u>4.81%</u>
<u>Breakdown by class</u>					
Residential		3,568,269	3,490,764	77,505	2.22%
Utilities		302,340	285,032	17,308	6.07%
Heavy Industry		2,381,376	2,227,772	153,604	6.89%
Light Industry		40,659	39,490	1,169	2.96%
Business		1,380,129	1,276,649	103,480	8.11%
Managed Forest		3,798	3,976	-178	-4.48%
Rec/non-profit		6,459	6,529	-70	-1.07%
		<u>7,683,030</u>	<u>7,330,212</u>	<u>352,818</u>	<u>4.81%</u>

2026-2030 RDKB Tax Requisition Increases and Proposed

Year	Total Requisition for Services	City of Trail Portion of Requisition	City's portion \$ Change	% Change
2026	\$20,908,872	\$7,683,030	\$352,818	4.81%
2027	\$24,783,025	\$8,614,546	\$931,516	12.12%
2028	\$27,160,971	\$9,229,947	\$615,401	7.14%
2029	\$24,850,001	\$8,874,290	\$-355,657	-3.85%
2030	\$25,907,434	\$9,190,106	\$315,786	3.56%

Tax Effects on Future Proposed RDKB Requisition

- Want to bring attention to Council as well as the Trail Community at large the significant increases in RDKB tax requests over the next number of years, in 2027 & 2028 in particular.
- There is an expected jump of \$3,874,153 in the total requisitions for 2027 over 2026, and an additional increase of \$2,377,946 in 2028.
- General Government service is where the largest increase is and the City of Trail taxpayers will see a \$500k, 120% increase in the tax requisition for this service alone in 2027.
- The General Service will increase again by an additional \$290K in 2028. (The change in tax requisition per service can be seen in the following slides)
- It is important to note that the General Gov service will drop in 2029 back down to close to where it was in 2026. Although there was no information in the staff report on this service as to the why the increase in 2027 & 2028 my understanding is that it relates to improvements for the building in Trail.
- Fire services & Regional waste are proposed to rise approximately 8% each year from 2027 to 2030 – on top of the 2026 increases of 9% and 20% respectively

2027 Proposed RDKB Tax Requisition For Services Involving the City of Trail

City of Trail participation in RDKB Services							
March 5, 2026							
<u>Service</u>	<u>Service Name</u>	<u>Partners</u>	<u>% of service paid by Trail</u>	<u>2026</u>	<u>2027</u>	<u>Diff</u>	<u>% change</u>
S001	General Admin	All	20.65%	413,636	912,785	499,149	120.67%
S004	Building inspection	All	23.60%	340,800	352,145	11,345	3.33%
S005	Planning & Development	All	5.12%	59,581	63,389	3,808	6.39%
S009	Police Based Victims Assistance	East End 7	39.09%	39,160	41,447	2,287	5.84%
S010	Regionalized Solid Waste Mgmt	All	20.65%	580,271	631,454	51,183	8.82%
S012	Emergency Preparedness	All	20.65%	147,040	195,459	48,419	32.93%
S015	911 Emerg communications	All	20.65%	98,748	113,284	14,536	14.72%
S018	Culture Arts & Rec Lower Columbia	East End 7	39.09%	95,124	112,241	17,117	17.99%
S050	Fire protection Reg East End	East End 7	39.09%	2,134,861	2,329,542	194,681	9.12%
S150	Cemeteries - East End	East End 7	39.24%	244,800	247,718	2,918	1.19%
S700	East End Regional Sewer	Rossland, Trail, Warfield	68.60%	2,864,688	2,864,688	0	0.00%
S005	East End Transit	East End 7	39.25%	664,321	750,394	86,073	12.96%
				7,683,030	8,614,546	931,516	12.12%

2028 Proposed RDKB Tax Requisition For Services Involving the City of Trail

City of Trail participation in RDKB Services							
March 5, 2026							
<u>Service</u>	<u>Service Name</u>	<u>Partners</u>	% of service paid by Trail	<u>2027</u>	<u>2028</u>	<u>Diff</u>	<u>% change</u>
S001	General Admin	All	20.65%	912,785	1,203,186	290,401	31.81%
S004	Building inspection	All	23.60%	352,145	361,986	9,841	2.79%
S005	Planning & Development	All	5.12%	63,389	64,675	1,286	2.03%
S009	Police Based Victims Assistance	East End 7	39.09%	41,447	42,863	1,416	3.42%
S010	Regionalized Solid Waste Mgmt	All	20.65%	631,454	687,491	56,037	8.87%
S012	Emergency Preparedness	All	20.65%	195,459	175,423	-20,036	-10.25%
S015	911 Emerg communications	All	20.65%	113,284	121,869	8,585	7.58%
S018	Culture Arts & Rec Lower Columbia	East End 7	39.09%	112,241	124,103	11,862	10.57%
S050	Fire protection Reg East End	East End 7	39.09%	2,329,542	2,524,434	194,892	8.37%
S150	Cemeteries - East End	East End 7	39.24%	247,718	248,804	1,086	0.44%
S700	East End Regional Sewer	Rossland, Trail, Warfield	68.60%	2,864,688	2,864,688	0	0.00%
S005	East End Transit	East End 7	39.25%	750,394	810,425	60,031	8.00%
				8,614,546	9,229,947	615,401	7.14%

2029 Proposed RDKB Tax Requisition For Services Involving the City of Trail

City of Trail participation in RDKB Services							
March 5, 2026							
<u>Service</u>	<u>Service Name</u>	<u>Partners</u>	% of service paid by Trail	2028	2029	Diff	% change
S001	General Admin	All	20.65%	1,203,186	481,297	-721,889	-60.00%
S004	Building inspection	All	23.60%	361,986	373,146	11,160	3.08%
S005	Planning & Development	All	5.12%	64,675	65,987	1,312	2.03%
S009	Police Based Victims Assistance	East End 7	39.09%	42,863	45,872	3,009	7.02%
S010	Regionalized Solid Waste Mgmt	All	20.65%	687,491	747,085	59,594	8.67%
S012	Emergency Preparedness	All	20.65%	175,423	195,465	20,042	11.42%
S015	911 Emerg communications	All	20.65%	121,869	133,159	11,290	9.26%
S018	Culture Arts & Rec Lower Columbia	East End 7	39.09%	124,103	136,006	11,903	9.59%
S050	Fire protection Reg East End	East End 7	39.09%	2,524,434	2,705,606	181,172	7.18%
S150	Cemeteries - East End	East End 7	39.24%	248,804	250,720	1,916	0.77%
S700	East End Regional Sewer	Rossland, Trail, Warfield	68.60%	2,864,688	2,864,688	0	0.00%
S005	East End Transit	East End 7	39.25%	810,425	875,259	64,834	8.00%
				9,229,947	8,874,290	-355,657	-3.85%

2030 Proposed RDKB Tax Requisition For Services Involving the City of Trail

City of Trail participation in RDKB Services							
March 5, 2026							
<u>Service</u>	<u>Service Name</u>	<u>Partners</u>	<u>% of service paid by Trail</u>	<u>2029</u>	<u>2030</u>	<u>Diff</u>	<u>% change</u>
S001	General Admin	All	20.65%	481,297	508,410	27,113	5.63%
S004	Building inspection	All	23.60%	373,146	384,437	11,291	3.03%
S005	Planning & Development	All	5.12%	65,987	67,324	1,337	2.03%
S009	Police Based Victims Assistance	East End 7	39.09%	45,872	47,345	1,473	3.21%
S010	Regionalized Solid Waste Mgmt	All	20.65%	747,085	806,676	59,591	7.98%
S012	Emergency Preparedness	All	20.65%	195,465	193,506	-1,959	-1.00%
S015	911 Emerg communications	All	20.65%	133,159	139,465	6,306	4.74%
S018	Culture Arts & Rec Lower Columbia	East End 7	39.09%	136,006	145,997	9,991	7.35%
S050	Fire protection Reg East End	East End 7	39.09%	2,705,636	2,835,059	129,423	4.78%
S150	Cemeteries - East End	East End 7	39.24%	250,720	251,919	1,199	0.48%
S700	East End Regional Sewer	Rossland, Trail, Warfield	68.60%	2,864,688	2,864,688	0	0.00%
S005	East End Transit	East End 7	39.25%	875,259	945,280	70,021	8.00%
				8,874,320	9,190,106	315,786	3.56%