



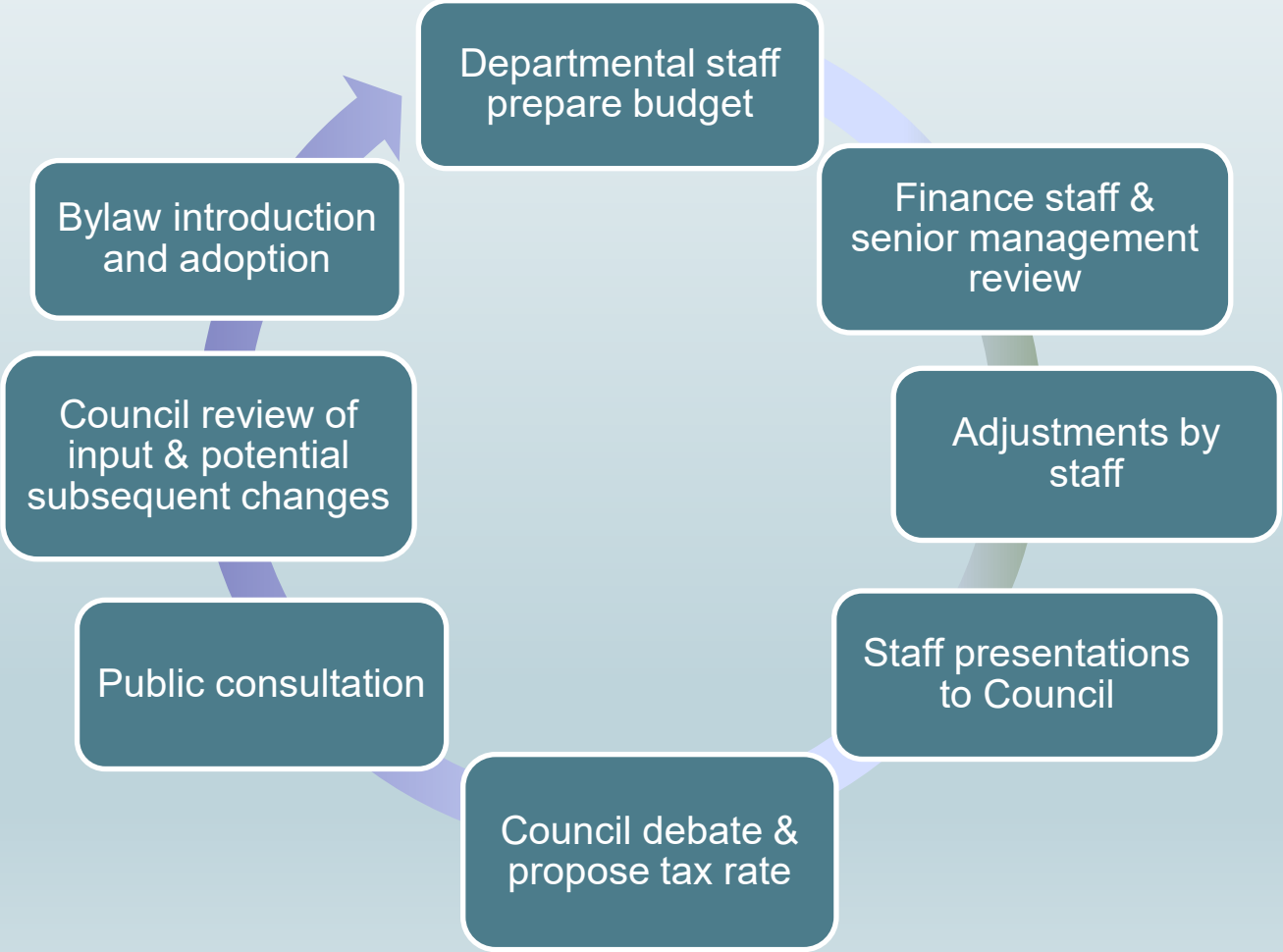
City of Trail

2026 Budget Introduction

Prepared by: Colin McClure, CAO/CFO

February 9, 2026

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)
- 2 Casual (Parks and Rec Staff)

2025 Highlights

- Successfully and safely completed the demolition of 900 Spokane Street and the C.S. Williams Medical Building, preparing the sites for future redevelopment opportunities.
- Completed major upgrades at Cominco Arena, including a new floor, boards, and glass, significantly enhancing safety, play quality, and user experience.
- The Trail community partnered with the City and Trail Little League to fully revitalize the baseball fields at Bilesky Park through strong volunteerism and in-kind support.
- Executed a three-year extension of the TRP service agreement between the City of Trail and the Village of Warfield, ensuring continued regional collaboration and service stability.
- Recruited and appointed a highly qualified General Manager of Municipal Services to strengthen operational leadership and service delivery.
- Established and filled the new Manager of Planning & Climate Action position to advance long-term planning, sustainability, and climate initiatives.

2025 Concerns

- Teck has appealed its BC Assessment property values for the 2019–2022 tax years and, following an unsatisfactory appeal outcome, advanced the matter to the Supreme Court. A decision is pending, and the outcome could affect future municipal tax revenues beginning in 2026.
- A heat exchanger failure at the aquatic centre resulted in an extended facility closure, unplanned repair costs, service disruption for users, and lower than budgeted program and admission revenues.
- Ongoing pressures related to supporting and managing vulnerable residents who are not accommodated in the temporary emergency shelter, particularly during extreme heat and cold weather events.
- A gradual but continuing decline in Small Communities Grant funding and traffic fine revenue sharing, increasing pressure on the municipal tax base to maintain current service levels.

2026 Opportunities

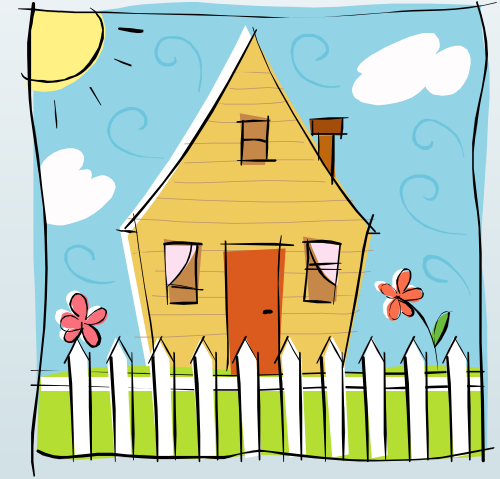
- Begin community engagement and planning to assess & evaluate commercial and residential redevelopment opportunities on the recently demolished downtown properties
- Showcase Trail's recreation and community facilities through partnership with the City of Rossland in hosting the BC Winter Games.
- Host the 2026 BC Little League Provincial Championships at Bilesky Park, building on recent field upgrades and strengthening Trail's profile as BC's #1 Sportstown.
- Complete adoption of the new Official Community Plan (OCP) to guide long-term land use, growth, and development decisions.
- Begin construction of the Unicorn Daycare Centre to expand local childcare capacity.
- Major upgrade to the BC Transit Downtown Exchange – including a new public washroom.
- Start of City of Trail/Warfield amalgamation study.




2026 Challenges

- Developing and implementing 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.
- Continuing to partner with local agencies and stakeholders to support vulnerable residents, while working with BC Housing to identify and advance a suitable supportive housing project location.
- Declining interest rates reducing investment and deposit income, creating downward pressure on non-tax revenue sources.
- Implementing phased improvements to the City's IT systems and processes to increase system performance, resilience, and staff productivity.
- Ongoing low levels of new residential and commercial development, resulting in limited growth in the assessment base and minimal new construction tax revenue.
- Potential economic and fiscal impacts arising from additional or expanded U.S. tariffs and the renegotiation of CUSMA, particularly where local industry, exports, or supply chains may be affected.

Taxation - Assessment

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

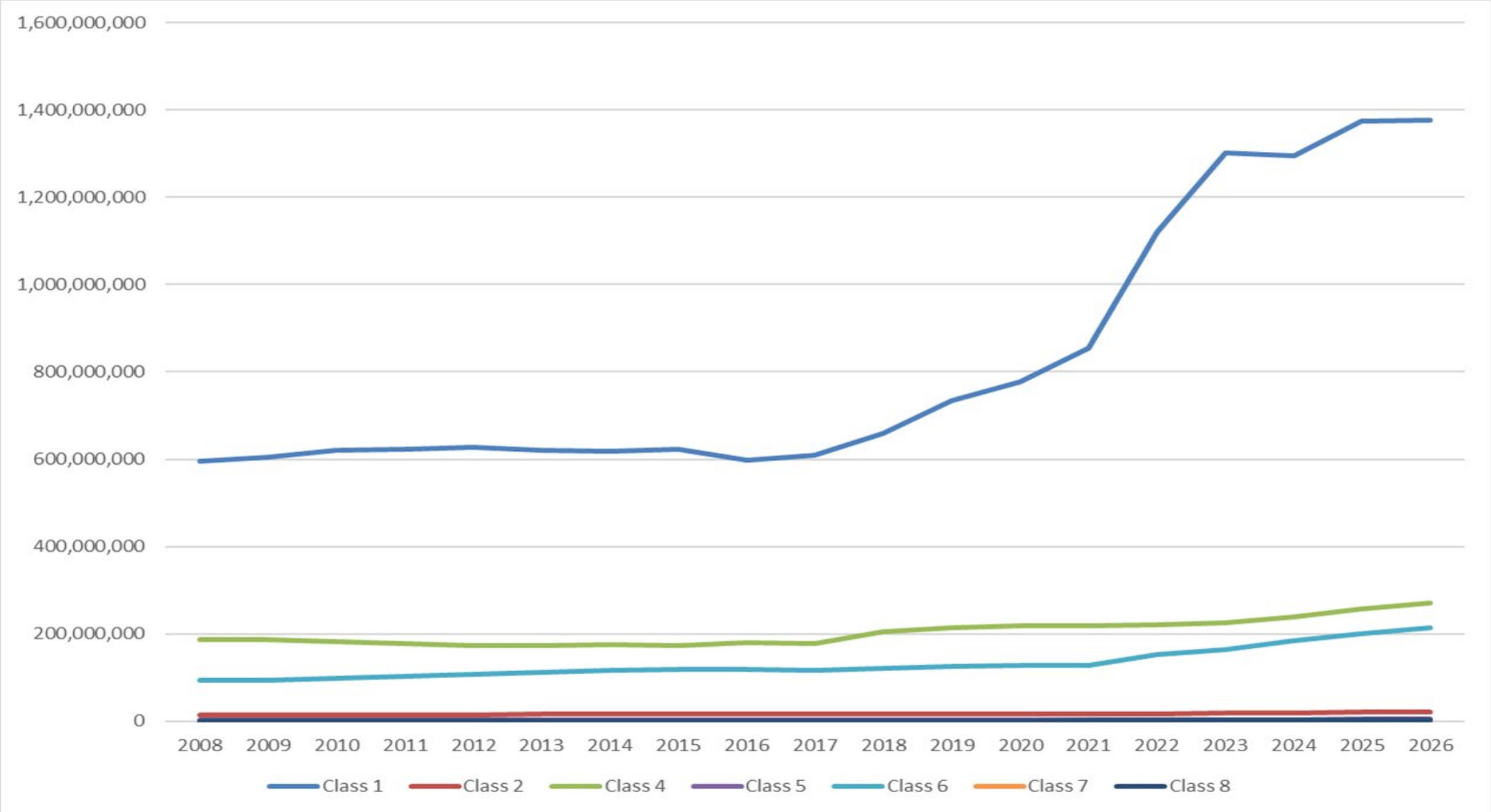


	<u>Property Value Change</u>	<u>Property Tax Impact</u>
1. 	Lower than average change	Lower than average tax increase
2. 	Average change	Average tax increase
3. 	Higher than average change	Higher than average tax increase

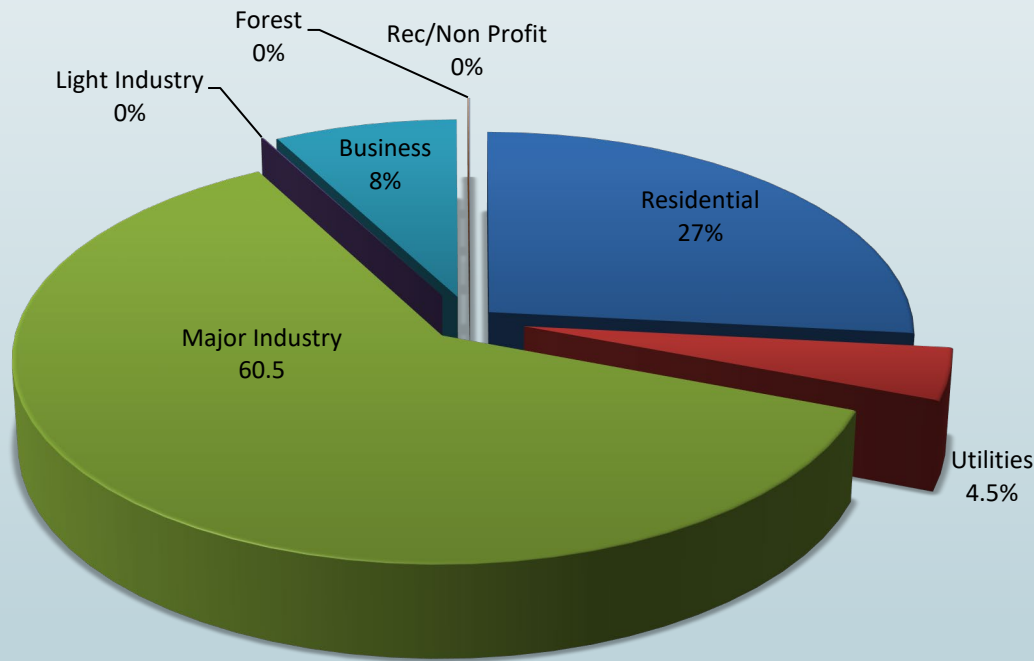
Effect of Assessments in 2026

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

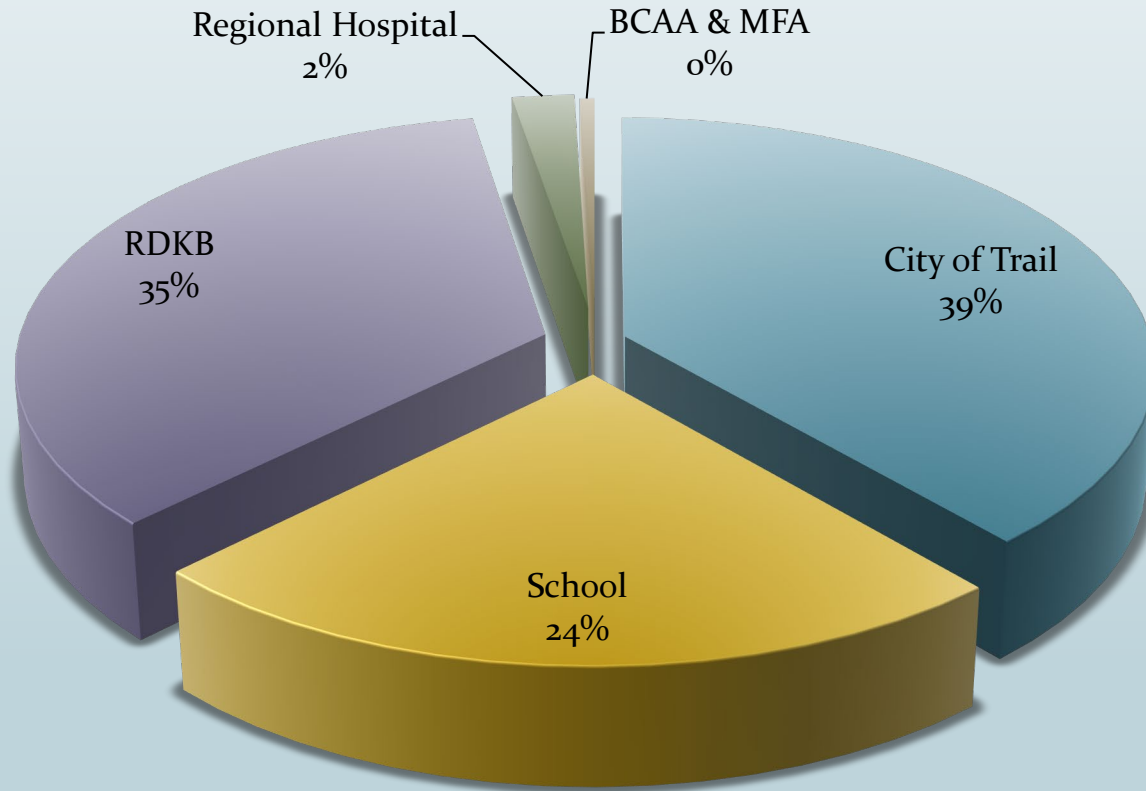


2025 Municipal Tax Allocation



Residential	\$4,760,465
Utility	805,706
Major Industry	10,898,440
Light Industry	9,482
Business	1,371,723
Forest	4,352
Rec/Non-profit	10,537
Total	\$17,860,705

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



City of Trail	\$1,146
School	708
RDKB	1,031
Kootenay Boundary Regional Hospital	64
BCAA & MFA	15
Total	\$2,964

Actual RDKB Tax Requisition Increases and Proposed

Year	Total Requisition for Services	City of Trail Portion of Requisition	City's portion \$ Change	% 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	\$19,986,352	\$7,770,212	\$1,846,942	33.68%
2026	\$21,414,955	\$7,849,641	\$519,429	7.09%

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 \$43 to \$1,074
 - 2025 RDKB tax amount for an average SFD was \$1,031

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

RDKB Tax Requisition for Services							
Jan 28, 2026							
<u>Service</u>	<u>Service Name</u>	<u>Partners</u>	<u>% of service paid by Trail</u>	<u>2025</u>	<u>2026</u>	<u>Diff</u>	<u>% change</u>
S001	General Admin	All	21.23%	1,825,170	2,162,426	337,256	18.48%
S004	Building inspection	All	21.23%	1,396,869	1,445,184	48,315	3.46%
S005	Planning & Development	All	21.23%	1,135,494	1,168,550	33,056	2.91%
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	2,867,905	515,146	21.90%
S012	Emergency Preparedness	All	21.23%	587,007	831,186	244,179	41.60%
S015	911 Emerg communications	All	21.23%	422,891	474,157	51,266	12.12%
S018	Culture Arts & Rec Lower Columbia	East End 7	39.77%	254,540	264,456	9,916	3.90%
S050	Fire protection Reg East End	East End 7	39.77%	4,982,409	5,639,226	656,817	13.18%
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	1,661,985	-30,768	-1.82%
				19,548,674	21,414,955	1,866,281	9.55%

City of Trail - 2026 RDKB Services & Requisition Share

City of Trail participation in RDKB Services								
Jan 28, 2026								
Service	Service Name	Partners	% of service paid by Trail	2025	% of service paid by Trail	2026	Diff	% change
S001	General Admin	All	20.60%	376,073	20.60%	445,564	69,491	18.48%
S004	Building inspection	All	22.18%	309,853	23.60%	341,053	31,200	10.07%
S005	Planning & Development	All	5.29%	60,100	5.29%	61,803	1,703	2.83%
S009	Police Based Victims Assistance	East End 7	40.44%	39,313	39.24%	39,313	0	0.00%
S010	Regionalized Solid Waste Mgmt	All	20.60%	484,782	20.60%	590,927	106,145	21.90%
S012	Emergency Preparedness	All	20.60%	120,952	20.60%	171,265	50,313	41.60%
S015	911 Emerg communications	All	20.60%	87,136	20.60%	97,699	10,563	12.12%
S018	Culture Arts & Rec Lower Columbia	East End 7	39.24%	99,894	39.25%	103,786	3,892	3.90%
S050	Fire protection Reg East End	East End 7	39.24%	1,955,345	39.24%	2,213,112	257,767	13.18%
S150	Cemeteries - East End	East End 7	39.24%	244,369	39.24%	244,800	431	0.18%
S700	East End Regional Sewer	Rossland, Trail, Warfield	69.16%	2,888,074	69.16%	2,888,074	0	0.00%
S005	East End Transit	East End 7	39.25%	664,321	39.24%	652,245	-12,076	-1.82%
				7,330,212		7,849,641	519,429	7.09%

2026 Proposed RDKB City of Trail Requisition Allocation

City of Trail					
RDKB 2026 tax class allocations & shifting					
February 5, 2026					
		<u>2026</u>	<u>2025</u>	<u>diff</u>	<u>%</u>
Total RDKB tax requisition		<u>7,849,641</u>	<u>7,330,212</u>	<u>519,429</u>	<u>7.09%</u>
<u>Breakdown by class</u>					
Residential		3,645,742	3,490,764	154,978	4.44%
Utilities		308,893	285,032	23,861	8.37%
Heavy Industry		2,432,966	2,227,772	205,194	9.21%
Light Industry		41,540	39,490	2,050	5.19%
Business		1,410,021	1,276,649	133,372	10.45%
Managed Forest		3,880	3,976	-96	-2.41%
Rec/non-profit		6,599	6,529	70	1.07%
		<u>7,849,641</u>	<u>7,330,212</u>	<u>519,429</u>	<u>7.09%</u>

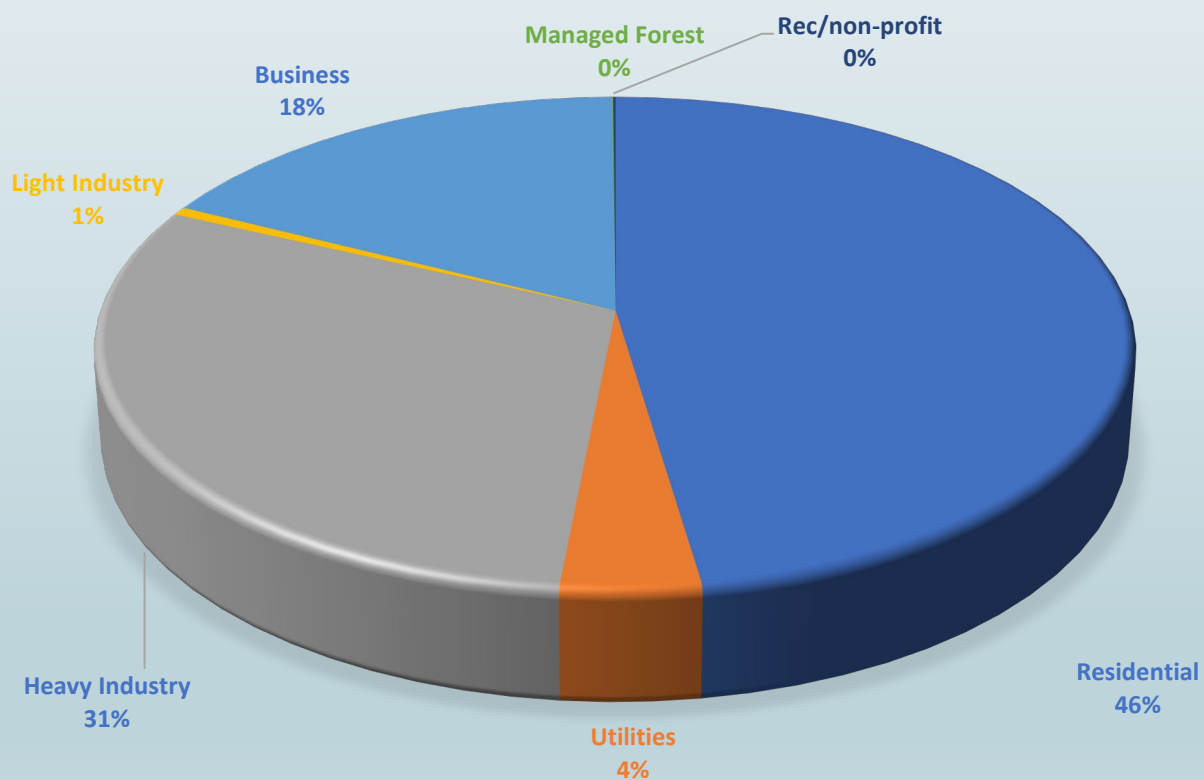
2025 Proposed RDKB Tax Requisition For Services Involving the City of Trail

RDKB Draft Tax Requisition for Services							
Feb 12, 2025							
<u>Service</u>	<u>Service Name</u>	<u>Partners</u>	<u>% of service paid by Trail</u>	<u>2024</u>	<u>2025</u>	<u>Diff</u>	<u>% change</u>
S001	General Admin	All	20.60%	1,348,386	1,825,170	476,784	35.36%
S004	Building inspection	All	22.18%	1,295,605	1,396,869	101,264	7.82%
S005	Planning & Development	All	5.29%	1,093,816	1,135,494	41,678	3.81%
S009	Police Based Victims Assistance	East End 7	39.24%	97,202	100,174	2,972	3.06%
S010	Regionalized Solid Waste Mgmt	All	20.60%	2,308,154	2,352,759	44,605	1.93%
S012	Emergency Preparedness	All	20.60%	521,116	587,007	65,891	12.64%
S015	911 Emerg communications	All	20.60%	413,736	422,891	9,155	2.21%
S018	Culture Arts & Rec Lower Columbia	East End 7	39.24%	279,624	254,540	-25,084	-8.97%
S050	Fire protection Reg East End	East End 7	39.24%	4,667,662	4,982,409	314,747	6.74%
S150	Cemeteries - East End	East End 7	39.24%	618,515	622,677	4,162	0.67%
S700	East End Regional Sewer	Rossland, Trail, Warfield	69.16%	1,985,419	4,175,931	2,190,512	110.33%
S005	East End Transit	East End 7	39.25%	1,633,131	1,692,753	59,622	3.65%
				16,262,366	19,548,674	3,286,308	20.21%

City of Trail - 2025 RDKB Services & Requisition Share

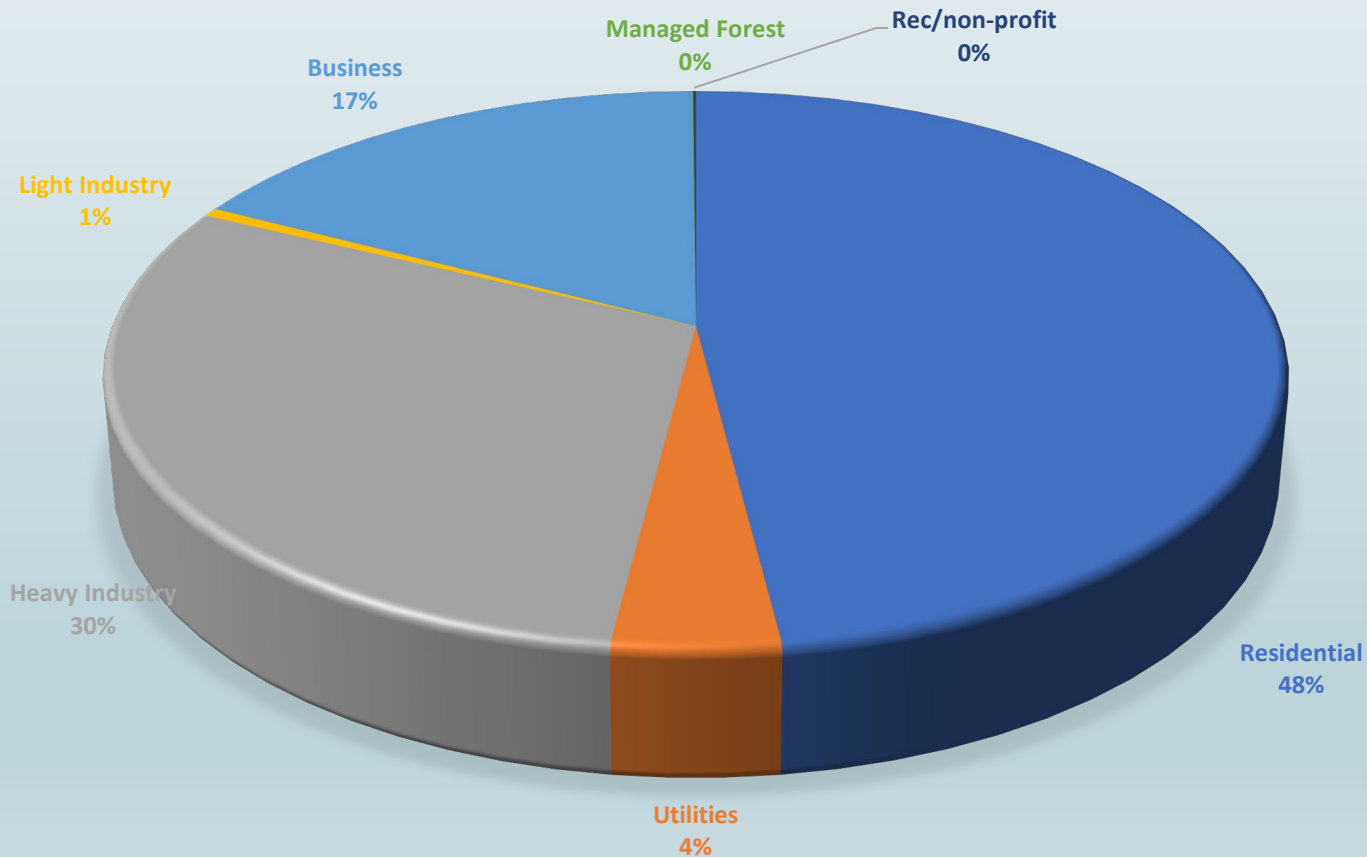
City of Trail participation in RDKB Services								
Feb 26, 2025								
Service	Service Name	Partners	% of service paid by Trail	2024	% of service paid by Trail	2025	Diff	% change
S001	General Admin	All	20.27%	273,345	20.60%	376,073	102,728	37.58%
S004	Building inspection	All	22.62%	293,041	22.18%	309,853	16,812	5.74%
S005	Planning & Development	All	5.03%	54,986	5.29%	60,100	5,114	9.30%
S009	Police Based Victims Assistance	East End 7	38.90%	37,816	39.24%	39,313	1,497	3.96%
S010	Regionalized Solid Waste Mgmt	All	20.27%	467,908	20.60%	484,782	16,874	3.61%
S012	Emergency Preparedness	All	20.27%	105,640	20.60%	120,952	15,312	14.49%
S015	911 Emerg communications	All	20.27%	83,872	20.60%	87,136	3,264	3.89%
S018	Culture Arts & Rec Lower Columbia	East End 7	38.90%	108,787	39.24%	99,894	-8,893	-8.17%
S050	Fire protection Reg East End	East End 7	38.90%	1,815,921	39.24%	1,955,345	139,424	7.68%
S150	Cemeteries - East End	East End 7	38.90%	240,628	39.24%	244,369	3,741	1.55%
S700	East End Regional Sewer	Rossland, Trail, Warfield	68.80%	1,365,968	69.16%	2,888,074	1,522,106	111.43%
S005	East End Transit	East End 7	38.90%	635,358	39.25%	664,321	28,963	4.56%
				5,483,270		7,330,212	1,846,942	33.68%

2026 RDKB Tax Allocation (on proposed requisition)



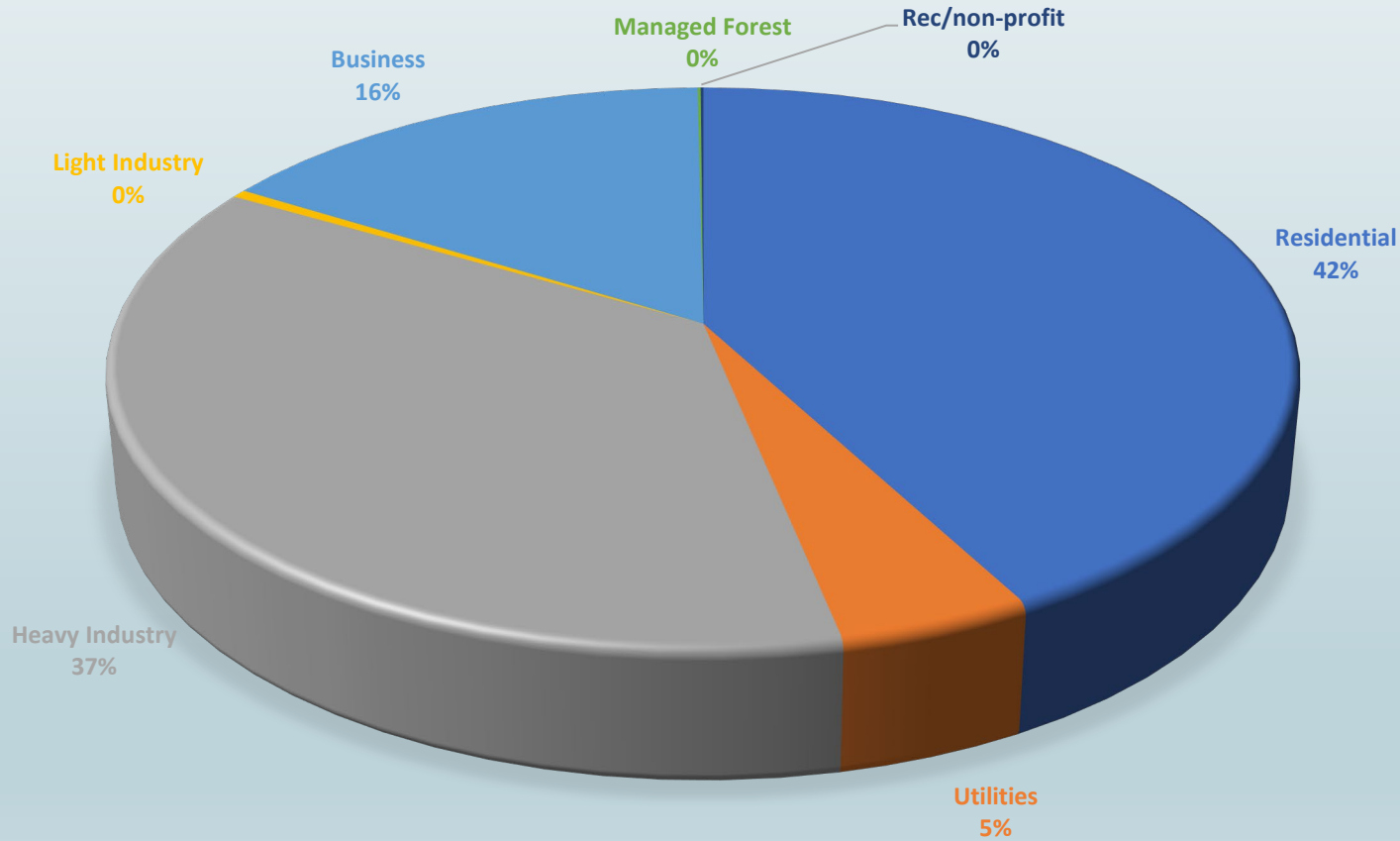
<u>Breakdown by class</u>		
	<u>2026</u>	
Residential	3,645,738	46.44%
Utilities	308,892	3.94%
Heavy Industry	2,432,966	30.99%
Light Industry	41,540	0.53%
Business	1,410,025	17.96%
Managed Forest	3,880	0.05%
Rec/non-profit	6,600	0.08%
	<u>7,849,641</u>	

2025 RDKB Tax Allocation



Breakdown by class		
	<u>2025</u>	
Residential	3,493,797	47.64%
Utilities	285,032	3.89%
Heavy Industry	2,227,772	30.38%
Light Industry	39,490	0.54%
Business	1,276,649	17.41%
Managed Forest	3,976	0.05%
Rec/non-profit	6,529	0.09%
	<u>7,333,245</u>	

2021 RDKB Tax Allocation



<u>Breakdown by class</u>	
	<u>2021</u>
Residential	1,965,026
Utilities	214,190
Heavy Industry	1,705,830
Light Industry	21,497
Business	744,408
Managed Forest	4,512
Rec/non-profit	4,027
	4,659,490