

STAFF REPORT

City of Trail



DATE: JUNE 22, 2026

FILE NUMBER: 0450-20

TO: MAYOR & COUNCIL

FROM: DAVID MOORHEAD, GENERAL MANAGER OF CORPORATE SERVICES

SUBJECT: WARFIELD - TRAIL AMALGAMATION STUDY

1.0 PURPOSE

- 1.1. The purpose of this report is for Council's consideration and approval of the Memorandum of Understanding (MOU) outlining the parameters of the Warfield – Trail Amalgamation Study between the City of Trail and the Village of Warfield.

2.0 RECOMMENDATION

- 2.1. THAT Council approve the Memorandum of Understanding, including cost-sharing, project administration, governance, and roles and responsibilities outlined therein, between the Village of Warfield and the City of Trail substantially in the form presented, subject to any final administrative or legal amendments deemed necessary by Staff; and
- 2.2. FURTHER THAT the Mayor and Chief Administrative Officer be authorized to execute the Memorandum of Understanding on behalf of the City of Trail.

3.0 BACKGROUND

- 3.1. In 2025, the Village of Warfield conducted a Sustainability Study to determine the ability for the Village to remain autonomous, completing a review of services, finances, capacity and challenges. Through the study and community engagement, a determination to seek further review of amalgamation with the City of Trail was sought.
- 3.2. Following the completion of the study, representatives from Neilson Strategies Inc., the lead consultant for the Village, attended the City's October 27, 2025, Regular Meeting of Trail Council as a delegation. They informed Council of the process the

Village had undertaken and the outcomes of the Sustainability Study. They also provided an outline of the proposed Terms of Reference for a joint Steering Committee that would assess the impacts of amalgamation between the communities and would be formed with representatives from both communities as well as elected officials.

- 3.3. Council provided feedback on the proposed Terms of Reference and subsequently, at the Regular Meeting on November 24, 2025, approved the document. In addition, Council approved the submission of a joint letter to the Ministry of Housing and Municipal Affairs submitting the approved document with a request for funding support.
- 3.4. On March 31, 2026, the Village received a grant approval letter from the Ministry, which approved the application for partial funding of an amalgamation study in the amount of \$90,000. The approval letter is attached to this report and outlines the reporting requirements and timelines, with the first report required July 1, 2026. This first report is to confirm the Consultants' proposal has been accepted and an outline of the workplan.

4.0 ANALYSIS

- 4.1. The attached MOU outlines all the principles of cooperation between the two municipalities in seeking to complete the study. Within the document various sections outline the structure on how the administration of the project will proceed including, cost sharing processes, how information is shared, community engagement, communication protocols and the Ministry reporting requirements.
- 4.2. As noted above, Council has previously reviewed and approved the Terms of Reference. This document outlines the process of the study itself, with the composition of the Steering Committee and Joint Municipal Project Team outlined. Further, it is important to highlight the purpose of the study is threefold:
 - 4.2.1. to identify the impacts of amalgamating the Village of Warfield and City of Trail as one municipality.
 - 4.2.2. to communicate that information and provide opportunities for residents of the communities and other interested parties (i.e., industry, area First Nations) to understand the implications of the potential structural change.
 - 4.2.3. to determine whether there is sufficient rationale for amalgamation, along with sufficient interest in the community, to warrant recommending that the two municipalities proceed with a referendum on amalgamation.

- 4.3. To determine the rationale for amalgamation, the Steering Committee is expected to understand a number of components such as service level impacts, property tax implications, how amalgamation would be implemented, and extensive community engagement. Upon conclusion, a final report is to be drafted as a synopsis of all information received and will include the Committee's recommendation to proceed with amalgamation, or not.
- 4.4. Neilson Strategies Inc. has outlined their 10-point workplan which is intended to follow the Terms of Reference and keep in sync with the Ministry reporting structure. Their steps include study preparation, Steering Committee orientation, service and governance analysis, communications and community engagement planning, financial impact analysis, preparation of technical reports, public engagement, and final recommendations to the Councils.
- 4.5. An identified issue involves timing and meeting the milestone dates set out in the grant stipulation letter. The proposal from Neilson Strategies Inc. outlines initial work in 2026, including establishment and orientation of the Steering Committee prior to the October 2026 local government election. This may result in elected officials being appointed to the Committee, and a subsequent change in membership following the election.

5.0 OPTIONS

- 5.1. Council may direct Staff to propose amendments to the MOU prior to execution of the document.
- 5.2. Council may opt not to proceed with the study. Staff do not recommend this as the City has taken steps to conduct the study with the approval of the Terms of Reference and a joint letter to the Ministry seeking grant funding to proceed with the study.

6.0 FINANCIAL CONSIDERATIONS

- 6.1. The Village of Warfield has retained Neilson Strategies Inc. as the lead consultant to undertake the Warfield – Trail Amalgamation Study. Their proposal is attached to this report highlighting their expected workplan and timeline. As outlined within the proposal, the budget for the study is \$175,000 exclusive of GST.
- 6.2. This exceeds the Provincial grant funding of \$90,000, leaving a shortfall of \$85,000 to be funded jointly by the City and Village. The MOU notes that any costs outside of the grant funding will be split equally between the two municipalities.
- 6.3. The expected costs for the City portion would be \$42,500 based on the proposed MOU. Council has approved funding of the study through budget deliberations,

allocating \$25,000 in 2026, and a further \$25,000 in 2027. This funding covers the required costs expected of the City while also leaving budget available for extraneous costs.

- 6.4. It is noted in the MOU that there are additional costs that do not form part of the study. These may include in-kind supports and facility rentals for meetings, or community engagement activities. The remaining \$7,500 will assist in offsetting these costs. Further, staff time will be required to support the Steering Committee with technical information as well as forming a Joint Municipal Project Team as the key municipal contact.
- 6.5. The Village will act as the administrative lead and holds the contract with Neilson Strategies Inc. The City will be invoiced quarterly for the fifty percent share, supported by invoices and budget summaries provided by the Village.
- 6.6. The MOU includes a provision to ensure the budget price of \$175,000 is not exceeded. If further funding is required written approval would be required by both communities.

7.0 POLICY AND LEGAL CONSIDERATIONS

- 7.1. The MOU would serve as the foundational agreement governing the administrative and financial arrangements between the two municipalities for the completion of the amalgamation study.
- 7.2. The study does not bind either municipality into amalgamation, rather it is for the Steering Committee to provide a recommendation to Council's of both the Village and City, on whether to proceed with an amalgamation referendum based on their findings.
- 7.3. Support from the Province, and a referendum conducted in accordance within legislative requirements, would be necessary in both municipalities prior to formal amalgamation.

RESPECTFULLY SUBMITTED



David Moorhead, General Manager of Corporate Services

CAO COMMENTS:

Council has previously endorsed the Terms of Reference for the amalgamation study and supported a joint funding request to the Ministry. Provincial funding has since been approved for slightly more than half of the anticipated study budget. Approving the proposed MOU is a logical next step, as it provides the framework for administering the study and sharing the remaining project costs between the participating municipalities. The consultant's proposal provides a comprehensive framework for evaluating the merits and implications of a potential amalgamation, as well as incorporating opportunities for meaningful public engagement throughout the process. The proposed work plan addresses the principal issues that residents, businesses, and elected officials would reasonably expect to understand, including governance, taxation, service levels, infrastructure, financial sustainability, and organizational impacts. Should the Steering Committee ultimately recommend proceeding with amalgamation, the study is expected to provide a credible and objective basis upon which the public can make an informed decision should the matter proceed to a referendum.

Council should proceed as recommended.

APPROVED FOR SUBMISSION TO COUNCIL:



Colin McClure, Chief Administrative Officer

June 16, 2026

Date

MEMORANDUM OF UNDERSTANDING

Warfield–Trail Amalgamation Study

This Memorandum of Understanding is dated for reference the ____ day of _____, 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

Date

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

Mayor

Chief Administrative Officer

Date

Appendix A Grant Stipulation Letter



March 31, 2026

Reference: 189672

David Perehudoff
Chief Administrative Officer
Village of Warfield
555 Schofield Hwy
Trail BC V1R 2G7
Email: finance@warfield.ca

Dear David Perehudoff:

On March 21, 2026, the Ministry of Housing and Municipal Affairs approved a \$90,000 restructure planning grant for the Village of Warfield (Warfield).

The purpose of the grant is to fund an amalgamation study that will include a technical evaluation of the impacts of merging Warfield and the City of Trail (Trail) together, and community engagement activities to understand the concerns and interests of residents from both municipalities as well as local First Nations. Terms of reference for the study will be developed jointly by Warfield, Trail and staff of the Ministry of Housing and Municipal Affairs (Ministry).

This letter clarifies the timelines for the completion of stages of the Study and provides information and requirements for the following approved project that comprises the Study, which may be cited in correspondence as follows:

Grant Purpose	Project Commitment #	Grant Amount
Amalgamation Study	51RS2601	\$60,000
Community Engagement	51RS2604	\$30,000

The grant has been approved under the Restructure Planning Grant Program pursuant to the *Local Government Grants Act* and Regulations. Please cite these Commitment Numbers in all financial correspondence about the Study.

The following stipulations must be met by Warfield and Trail in order to retain this funding:

- (a) The grant funding must be used solely for the purpose of these projects and for defraying the costs of undertaking, completing, and providing written reports to the Ministry on the Study.

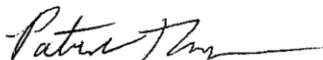
(b) The grant funding must be used only for reasonable costs and expenses related to the Study that are incurred between the date of this letter, and October 1, 2027.

(c) The following reports must be submitted to the Ministry program staff by the specified dates:

- A *Progress Report*, on or before July 1, 2026, comprised of the Amalgamation Study consultant's proposal accepted as the basis of a contract for the Study and/or a preliminary outline of the Study work plan.
- An *Interim Progress Report*, on or before January 1, 2027, comprised of:
 - i. Committee composition, once established, and its preliminary meeting schedule;
 - ii. The community engagement strategy as developed by the Community Engagement consultant.
- A *Draft Interim Report*, on or before March 1, 2027, comprised of a draft of the report prior to public engagement and presentation.
- A *Draft Final Report*, on or before August 1, 2027, comprised of the technical analysis and public engagement findings.
- A *Final Report*, on or before September 1, 2027, comprised of a copy of the final report presented to the Warfield and Trail Councils.
- An *Account of Study Expenses*, on or before October 1, 2027, comprised of a summary of all project expenses and confirmation that either all grant funding has been expended or any unused portion of the grant funding will be returned to the provincial government. Unused grant funding should be returned in the form of a cheque made payable to the Minister of Finance no later than November 30, 2027.

Your Ministry contact will be Saskia Crawford, Program Analyst, Governance and Structure Branch. Saskia can be reached at 778-445-4939, or at Saskia.Crawford@gov.bc.ca. Please direct all reports and accounting to Saskia.

Yours truly,



Patrick Thompson
Director, Governance Structures
Governance and Structure Branch
Ministry of Housing and Municipal Affairs

CC: Michelle Dann, Executive Director, Governance and Structure Branch
Saskia Crawford, Program Analyst, Governance and Structure Branch
Colin McClure, Chief Executive Officer, City of Trail

APPENDIX B TERMS OF REFERENCE



City of Trail and Village of Warfield
Amalgamation Study
November 2025

PROPOSED TERMS OF REFERENCE

OVERVIEW:

Together the City of Trail and the Village of Warfield wish to undertake a municipal *Amalgamation Study* to explore the implications for the communities and local governments of amalgamating the two municipalities. The *Study* is intended to examine the financial, service, and governance implications of amalgamation, and to share that information with the residents of both municipalities. The *Study* will:

- document and examine the Village and City's services, finances, governance, and community characteristics
- identify changes that would occur to services, finances, and governance as a result of an amalgamation
- conduct a robust engagement to share information with both communities and to answer questions regarding potential impacts of the different structure

The information and any assumptions will be reviewed by a Joint Municipal Project Team with staff representatives from both municipalities, and by a Steering Committee comprised of residents of both communities. All information will then be presented to and discussed with the communities and municipal Councils. The Steering Committee will be responsible for assessing the technical information and community feedback, and determining if there is rationale, and a community desire, to proceed with a vote to amalgamate. Ultimately, if an amalgamation vote is scheduled, the information and analysis prepared as part of the *Study* will form the foundation for much of the engagement.

For amalgamation to occur, electors in both municipalities would have to agree to proceed with a referendum; a majority in each would need to vote in favour.

BACKGROUND:

The City of Trail is situated along Columbia River, adjacent to the Village of Warfield, encompassed by the Selkirk and Monashee Mountains in the West Kootenay region of BC. The City of Trail has a population of approximately 8,250; the Village of Warfield has 1,750. Both municipalities are members of the Regional District of Kootenay Boundary (RDKB), and are two of the seven local government jurisdictions (five municipalities and two electoral areas) in the Greater Trail sub-region.

Warfield, Trail and several of the neighbouring jurisdictions collaborate through the

Regional District in the provision of several sub-regional and regional services — Planning and Development, Regionalized Fire Protection, East End Regionalized Sewer Utility, and East End Transit are examples. Warfield and Trail already rely upon inter-municipal agreements to cooperate and deliver services — Recreation and Library are key examples where the Warfield purchases services directly from Trail.

The existing local government structure in the Greater Trail sub-region has been a topic of discussion for many years. Individual municipalities, including the Village of Warfield, have been willing to collaborate with other jurisdictions on individual services when interests and needs align. Until recently, however, municipalities have been unwilling to consider more fundamental structural changes that would result in a loss of jurisdictional autonomy.

In 2024 Warfield Council decided to evaluate the opportunities for structural change through a *Municipal Sustainability Study*. Council recognized that Warfield's challenges related to municipal infrastructure, the lack of a diverse assessment base, succession planning for senior staff positions, and various other matters compromise the community's long-term viability as an independent municipality. In the *Municipal Sustainability Study*, which concluded in the spring of 2025, the Municipal Sustainability Steering Committee recommended:

that Council seek the support of the Ministry of Housing and Municipal Affairs and the City of Trail to proceed with a Phase II governance restructuring study that would consider the impacts and implications associated with the two local governments amalgamating.

That recommendation was endorsed by Village of Warfield Council, with a further recommendation to approach the City of Trail to determine if it would agree to seek support, along with the Village of Warfield, for an amalgamation study. The City of Trail confirmed its support and interest in proceeding with a Study; the municipalities jointly approached the Ministry for assistance.

PURPOSE: The purpose of the *Amalgamation Study* is threefold:

- to identify the impacts of amalgamating the Village of Warfield and City of Trail as one municipality
- to communicate that information and provide opportunities for residents of the communities and other interested parties (i.e., industry, area First Nations) to understand the implications of the potential structural change
- to determine whether there is sufficient rationale for amalgamation, along with sufficient interest in the community, to warrant recommending that the two municipalities proceed with a referendum on amalgamation

To fulfill this purpose, the *Study* will undertake a thorough, objective, transparent and technical examination of amalgamation and its implications for governance, service delivery and municipal finances, including property taxes, as well as a robust engagement process to provide the Steering Committee with the information needed to make a recommendation on next steps.

**STEERING
COMMITTEE:**

The *Study* will be led by a joint Steering Committee established by each municipality as a select committee of Council under Section 142 of the *Community Charter*. The Committee will be comprised of the following members:

- two (2) council members from each of the City of Trail and Village of Warfield
- four (4) residents from each jurisdiction, appointed by the respective Councils based on a jointly issued public call for candidates, with an effort to include a diverse range of demographics, interests and circumstances, including long-time residents and relative newcomers to the area

In addition to the members above, an invitation could be extended to local First Nations to participate on the Committee, as well as representatives from the business community (Chamber of Commerce) and Teck Resources Ltd., given the role of Teck as both a significant local employer, and a key player in the Village's water system.

The Chief Administrative Officers of the Village and the City, along with other municipal staff (as determined by the Chief Administrative Officers), will provide administrative support to the Committee and the consultants, and will be members of a Joint Municipal Project Team to help facilitate the municipal research (see reference to the Project Team later in this document).

The purpose of the Steering Committee is to oversee and guide a locally focused process to study the impacts of local government structural change. The Committee will serve as an objective fact-finding and oversight body, established to understand the information collected and presented by the *Study*, and ensure that the *Study* presents the information in a neutral and balanced fashion. The Committee will review the approach and provide direction to the consultant retained to prepare the *Study*. The Committee will also be responsible for reviewing and approving the community engagement plan, and will participate in community events related to the *Study*. Most importantly, the Committee will be in place to make a final recommendation to both Councils on whether to proceed with an amalgamation vote, based on the consultant's input and the communities' feedback.

Generally, Committee members should view themselves as process managers, not decision-makers — consensus rather than votes are the preferred method of moving the process forward, although votes can be used consistent with Council procedures to resolve issues that do not have unanimous support. Individual members of the Committee are expected to participate in good faith and remain impartial and act as stewards of the process, ensuring that it is thorough and carried out in an open and transparent manner, and that expressions of personal opinions do not undermine the Committee's neutrality or credibility as an oversight body, or as a conduit for providing information to the public. The Steering Committee is not intended to deliberate and conclude whether it supports amalgamation — this feature sets the Steering Committee apart from a Citizens' Assembly. The Committee, as noted, is in place to ensure the information is thorough, clear and unbiased, and to listen to the community.

The Steering Committee will be supported throughout the *Study* by an independent local government consulting team with experience in service, financial, governance

and restructure studies. The consultants will undertake and present the findings of the technical analysis to the Committee, and will develop and execute a robust engagement strategy to present all findings to, and to seek to understand the perspectives of, the Trail and Warfield communities. The inclusion of consultants with engagement expertise is an integral component of the *Study* (see Community and First Nations Engagement section below).

All Committee meetings will be open to the public; all materials produced by the Committee will be available for public review. Progress reports to the respective Councils will be facilitated by the Council members who sit on the Committee.

Volunteer Steering Committee members can expect to serve for a total of between 1 to 1.5 years until the conclusion of the *Study*. Two (2) Co-Chairs will be nominated and selected by the Committee from the eight (8) resident representatives (i.e., not council members), and will work with the consultants directly in delivering clear and consistent messaging as the designated spokespeople for any updates from the Committee, including media inquiries. The Co-Chair roles will therefore require an additional time commitment, but will be supported by the consulting team.

**STUDY
COMPONENTS:**

The process through which the *Study* will be conducted is expected to include the following components, all of which will be conducted under the direction of the Steering Committee:

- *Warfield and Trail Current State* — The *Study* will document the current state of governance, service delivery, and service funding in each municipality. Information will be identified and documented by the consultants based on research and on discussions with staff at both municipalities, facilitated through the Joint Municipal Project Team. The consultants will rely heavily on the information presented in the *Municipal Sustainability Study* as background for the Village of Warfield. The information will include:
 - the local government services currently provided by each municipality, including references to service levels and resources needed to provide the services
 - the approach to service delivery, including reliance on the RDKB or others to deliver certain services
 - the governance model for each municipality, including Council's use of advisory committees
 - the municipalities' finances, including their respective assessment bases and revenue sources, costs and cost drivers
 - current or upcoming capital projects or issues that may impact amalgamation
 - an overview of each community's character and demographics
- *Amalgamation Context* — The *Study* will provide some context on amalgamations and restructure initiatives, in BC and elsewhere, recognizing that every amalgamation occurs within its own unique legal, political, and economic context. The context will reference the potential for benefits of

amalgamation and acknowledge potential disadvantages.

- *Impact Analysis* — The consultants will determine and describe the service, governance, financial, property tax and other implications associated with the amalgamation of the two municipalities. The analysis will include not only the local services provided by each municipality, but also identify any changes to the local services or funding provided by the RDKB, and the Provincial Government as a result of amalgamation. The section will also reference any challenges or impacts of not amalgamating.
- *Property Tax Implications* — The consultants will provide information on the property tax implications of amalgamation, for sample residential, business and industrial properties within both municipalities, based on some guiding assumptions and scenarios developed together with support from the Joint Municipal Project Team and approval by the Steering Committee.
- *Implementation Process* — The consultants will outline the process through which amalgamation would be implemented. Included in this outline will be an overview of any restructure or transition assistance that would be available through the Provincial Government in the event of an amalgamation, potential naming opportunities, as well as the voting that would need to occur to implement amalgamation.
- *Preparation of a Preliminary Technical Report* — A technical report will capture the information collected, and the results of the analysis undertaken. The report will first be provided to the Joint Municipal Project Team to review, then the Steering Committee and the Ministry for review and comment. Once finalized, the report will be provided to both municipalities as an update of the Steering Committee and consultant's work.
- *Community and First Nations Engagement* — The consultants, working with the Steering Committee, will develop a comprehensive community engagement strategy. The strategy will ensure that the electors within both municipalities, local First Nations, the RDKB and other interested and affected parties, have opportunities to review, understand, and question the implications of amalgamation as presented in the Preliminary Report, and share feedback with the consultants and Steering Committee. Additional details and requirements of the engagement process are outlined in the next section of this document, but at a minimum the strategy will include the provision of a website and hard-copy materials, at least two (2) in-person community meetings in each municipality as well as online meetings or hybrid options, and feedback opportunities to identify key issues or areas for more specific focus or information. It is intended that the materials prepared as part of the *Study* would also be relevant resources in the event that the *Study* results in a subsequent referendum. The engagement strategy would include communications of the Committee's recommendations and next steps.
- *Final Report* — Based on the input provided by the community through the

engagement process, and after considering the comments provided by the Joint Municipal Project Team, Steering Committee and the Ministry, the consultant will produce a Final Report for the *Study*. The Final Report will include a synopsis of the public engagement process and feedback provided, including key themes and issues raised, combined with the Preliminary Report information completed previously. The report will also include the Steering Committee's recommendation on whether to proceed with an amalgamation vote. The report will be submitted to both the municipalities and the Ministry, and will be presented by the Steering Committee, supported by the consultants, to the Councils.

**COMMUNITY
AND FIRST
NATIONS
ENGAGEMENT:**

In British Columbia local governance is matter for local communities to consider. Neither the *Amalgamation Study* nor the Steering Committee is expected — or, indeed, invited — to determine whether amalgamation is the right solution. The *Study* and Committee, instead, will determine only whether sufficient rationale and community interest exist to recommend an amalgamation vote. As part of the *Study*, the Committee will ensure that information and resources are available to enable residents to understand the anticipated impacts of amalgamation, in order to make an informed decision in the event of any subsequent vote.

The consultant(s) will provide opportunities for residents, local First Nations and interested parties to:

- learn about the existing services, governance model and finances in both municipalities,
- review and discuss information regarding the implications and impacts of amalgamation, and ask questions
- learn and engage in discussions about the pros and cons of amalgamation, and how the change in structure would impact governance, finance, services and property taxes
- provide feedback to the Committee on all aspects of the *Study*, and on possible next steps
- learn about the Study outcomes and next steps

While the strategies and approaches will need to be determined together with the Steering Committee, as guidance for the consultants, the process is expected to include:

- a dedicated website including frequently asked questions;
- radio/newspaper/social media communication including advertisements in the Trail Times and the Warfield Scoop
- in-person open houses— 4 in total (2 Warfield, 2 in Trail), in addition to online meetings or hybrid options
- direct mailings to every household (subject to Canada Post availability);
- outreach to local First Nations;
- communicating the Committee recommendations, and subsequent Council decisions at the conclusion of the *Study*, and information on next steps

The development and execution of an engagement strategy is a critical component of the *Study*. Engagement will require a variety of outreach strategies to ensure residents of both Trail and Warfield are aware of the Study, have access to the information and resources, and have opportunities to understand and engage with the information, including in-person meetings, virtual meetings, print materials, focus or small group discussions, and workshops with community organizations. Engagement will involve communicating information to residents but also soliciting opinions and feedback from residents to understand their key interests, concerns, and information gaps. As noted previously, it is expected that the materials prepared as part of the *Study* would also be relevant resources in the event that the *Study* results in a subsequent referendum.

The consultant will develop a strategy for review and approval by the Steering Committee that identifies opportunities not only for residents of each municipality, but also affected jurisdictions such as the RDKB to participate, as well as the timing and methods of engagement. While consultation with First Nations is the Province's direct responsibility, based on guidance from the Ministry, outreach to area First Nations will be part of the engagement strategy, with opportunities to engage, share information and receive feedback.

**MINISTRY OF
HOUSING AND
MUNICIPAL
AFFAIRS:**

The City of Trail and Village of Warfield will jointly apply for Ministry of Housing and Municipal Affairs restructure planning grant assistance to help fund the *Amalgamation Study*. Once the *Study* is initiated, the Ministry will provide guidance to the Steering Committee, consultants, and municipal staff as needed throughout the process.

The Ministry is responsible for detailing any funds that may be available to assist the two municipalities in the transition to an amalgamation, if the communities were to jointly choose to pursue that route.

The Province is also responsible for broader consultation with First Nations throughout the *Study*, although the engagement strategy referenced previously will also be designed to be inclusive and respectful of Indigenous communities, and will consider how to best to engage with area First Nations. The Province's consultation will be conducted consistent with the Provincial commitment to the *Declaration of the Rights of Indigenous Peoples Act* and the associated *Action Plan*.

At the end of the *Study*, the Village of Warfield Council and City of Trail Council will provide a recommendation to the Ministry on whether or not the two Councils wish to pursue amalgamation through a referendum vote in each municipality. Each Council's recommendation will take into consideration the report and recommendation of the Steering Committee. If both Councils recommend proceeding with a referendum, if the Minister accepts the recommendations (following consultation with area First Nations), the Ministry will assist in the process to schedule a referendum, and prepare for the potential structural transition (i.e., amendments to the letters patent). As noted, a majority of votes cast by electors in each municipality is needed to proceed with amalgamation.

**CITY OF TRAIL
AND
VILLAGE OF
WARFIELD:**

As referenced previously, the Village of Warfield and the City of Trail Council will each appoint four (4) Steering Committee members representing their municipality, based on a call for applicants, as well as two (2) members of Council, to serve on the Steering Committee.

Each municipality will appoint the Chief Administrative Officer and if required, one other staff member, to a Joint Municipal Project Team. The role of the Joint Municipal Project Team is to be the key municipal contact for coordinating the sharing of all data, background studies and other information requested for the technical analysis, and to review the materials and communications prepared by the consultants to ensure the accuracy of the municipal information. The Project Team will be copied on all information requests, and will be used to vet written materials, as well as discuss any assumptions that need to be made as part of the information (e.g., property tax assumptions, future budget scenarios, capital project priorities, etc.). The Project Team will also facilitate regular communication between the two municipalities, enable oversight of the project, and ensure all terms and conditions of Provincial funding are fulfilled.

In-kind assistance will be provided by both municipalities to support the *Study*, including assistance from various departmental staff in sharing information, in booking meetings and engagement venues, taking minutes of Committee meetings, updating municipal websites, and advertising community engagement opportunities. Finally, either the Village or the City will administer the contract with the consultants.

BUDGET:

The Study will be funded jointly by the Province, Village of Warfield and City of Trail. The budget for the *Study*, including the public engagement, is estimated at \$150,000 to \$200,000, but is dependent upon, and subject to, further discussions with the Province regarding scope and available funding.

The budget amount will include all consulting costs, travel and disbursements. The budget will not include any costs, in kind or other, incurred by the Village of Warfield or City of Trail to support the Steering Committee, to provide information to and liaise with the consultants, or to administer the consultants' contract.

TIMELINE:

It is expected that the *Study* will take between 12 and 18 months to complete from the time the Steering Committee has its initial meeting with the selected consultant(s). Key project milestones and timing of each phase are proposed as follows, recognizing that adjustments may be required to reflect the actual project approval and initiation dates:

Date	Milestone/Deliverable
Q4 2025	Request for Proposals issued
Q1 2026	Consultant(s) selected
Q1 2026	Committee selected and established
Q1/Q2 2026	First meeting of Committee with consultant

Q1 2027	Research and analysis completed and Preliminary Report tabled for both Councils and Ministry review
Q2 2027	Community Engagement completed
Q2 2027	Final Report submitted

OUT OF SCOPE: Each municipality has considerable asset management, technical analysis and financial planning information that references infrastructure condition and future capital requirements that will be made available to the consultants and will inform the *Amalgamation Study*. While it is anticipated that the existing information will be sufficient to support the *Study*, if the Steering Committee determines that any significant gaps preclude the ability to provide sufficient information to the Committee and residents, and thereby prevent completion of the *Study*, recommendations can be made and discussions held with the two municipalities and Ministry to determine options for proceeding. Any detailed or updated engineering infrastructure condition assessments are therefore not included in the scope of these *Study* terms, and if required, would be contracted separately.

June 3, 2026

Village of Warfield
555 Schofield Way
Trail, BC, V1R 2G7

ATTENTION: DAVID PEREHUDOFF, CPA, CGA
CHIEF ADMINISTRATIVE OFFICER / CHIEF FINANCIAL OFFICER

Dear Mr. Perehudoff:

REFERENCE: VILLAGE OF WARFIELD AND CITY OF TRAIL AMALGAMATION STUDY

Thank you for the invitation to submit a proposal to the Village of Warfield and City of Trail to undertake a *Municipal Amalgamation Study*. This letter presents my proposal to conduct the assignment through my local government consultancy, Neilson Strategies Inc., in collaboration with my colleague, Sherry Hurst, of Leftside Partners Inc. Sherry and I have worked together for more than twenty years on a broad range of local governance, service and finance studies, including several restructure exercises. As you know, we collaborated recently on the *Warfield Sustainability Study*, which was instrumental in helping the Village of Warfield evaluate whether to approach the City of Trail for support in the joint pursuit of an *Amalgamation Study*.

Natasha Horsman, of Horsman Strategies, is proposed as the communications specialist on the consulting team to lead the communications and engagement efforts. Natasha has worked with Neilson Strategies Inc. and Leftside Partners Inc. on a number of studies and engagement programs in the past, including provincially-funded restructure projects.

The letter begins with an outline of the *Amalgamation Study* and its purpose. The letter then presents a proposed work program for consideration by both Councils. The project budget and a proposed schedule are provided to close the letter.

AMALGAMATION STUDY

The existing local government structure in the Greater Trail sub-region has been a topic of discussion for many years. Individual municipalities, including the Village of Warfield, have been willing to collaborate with other jurisdictions on individual services when interests and needs align. Until recently, however, municipalities have been reluctant to consider more fundamental structural changes that would result in a loss of jurisdictional autonomy.

In 2024, Warfield Council decided to evaluate the opportunities for structural change through a *Municipal Sustainability Study*. Council recognized that Warfield's challenges related to municipal infrastructure, the lack of a diverse assessment base, succession planning for senior staff positions, and various other matters compromise the community's long-term viability as an independent

Neilson Strategies Inc.

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municipality. In the *Municipal Sustainability Study*, which concluded in the spring of 2025, the Municipal Sustainability Steering Committee recommended:

THAT Council seek the support of the Ministry of Housing and Municipal Affairs and the City of Trail to proceed with a Phase II governance restructuring study that would consider the impacts and implications associated with the two local governments amalgamating.

That recommendation was endorsed by Village of Warfield Council. A further recommendation was also endorsed to seek the City of Trail's support to undertake, with the Village of Warfield, an *Amalgamation Study*. The City of Trail confirmed its support and interest in proceeding with a *Study*; the municipalities jointly prepared a draft Terms of Reference and approached the Ministry of Housing and Municipal Affairs for assistance. In March of this year, the Ministry approved a \$90,000.00 restructure planning grant for the Village of Warfield to undertake an *Amalgamation Study* with the City of Trail.

The purpose of the *Amalgamation Study* is threefold:

- to identify the impacts of amalgamating the Village of Warfield and City of Trail as one municipality
- to communicate that information and provide opportunities for residents of the communities and other interested parties (e.g., industry, area First Nations) to understand the implications of the potential structural change
- to determine whether there is sufficient rationale for amalgamation, along with sufficient interest in the community, to warrant recommending that the two municipalities proceed with a referendum on amalgamation

To fulfill this purpose, the *Study* will feature a thorough, objective, transparent and technical examination of amalgamation and its implications for governance, service delivery and municipal finances, including property taxes, as well as a robust engagement process to provide the Steering Committee with the information needed to make a recommendation on next steps.

The *Study* will be guided and overseen by a Steering Committee comprised of residents (and political appointees) of both communities. The Steering Committee will be responsible for assessing the technical information and community feedback, and for determining if there is rationale and community desire to proceed with a vote to amalgamate. The Chief Administrative Officers of the Village and the City, along with other municipal staff (as determined by the Chief Administrative Officers), will provide administrative support to the Committee and the consultants, and will be members of a Joint Municipal Project Team to help facilitate the municipal research. All Committee information will be presented in open meetings and shared with the communities and municipal Councils. Ultimately, if an amalgamation vote were scheduled, the information and analysis prepared as part of the *Study* would form the foundation for continued communication with residents leading up to the vote. For amalgamation to occur, a majority of electors in both municipalities would need to vote in favour through a referendum.

WORK PROGRAM

Neilson Strategies Inc., in collaboration with Leftside Partners Inc. and Horsman Strategies, would conduct the *Study* through a 10-stage work program. The program, which reflects the key components identified in the *Terms of Reference*, is as follows:

- *Stage 1: Study Preparation* — The initial tasks for the consultants would include the following:
 - meet with the Joint Municipal Project Team to develop the Terms of Reference for the Steering Committee, in collaboration with the Ministry (it would be up to each municipality to advertise, review submissions and identify representatives to appoint to the Committee)
 - assist in preparing an initial press release for the study and call for Steering Committee members
 - secure and design a website that would be used as a primary communication tool and information source throughout the study (initial content would include basic information about the study, the Terms of Reference and the first press release; further content would be presented to the Steering Committee for review at its inaugural meeting, planned for September)
 - undertake research to compile an overview of current municipal operations at both municipalities — research that would build on information compiled in the *Warfield Sustainability Study*, and would involve the collection of similar information on resourcing, budgets, financial plans, capital projects, asset management from the City of Trail
 - conduct outreach to other interested jurisdictions, including Regional District of Kootenay Boundary and area First Nations, to share information and provide opportunities to learn about the study in the early stages
- *Stage 2: Committee Orientation* — The inaugural meeting of the Steering Committee is proposed as an in-person meeting together with the consultants to:
 - discuss roles and responsibilities of the Committee and other key parties including the Ministry of Housing and Municipal Affairs, consultants, staffs and Councils
 - review the proposed study work program
 - elect the Committee co-chairs, and discuss meeting conduct
 - review the proposed engagement process including overall communication objectives and guiding principles
 - present the website design and preliminary content to help ensure transparency and facilitate initial communication
 - discuss the Committee's interest in undertaking an initial survey to help raise awareness of the study, engage residents early in the process, and provide the Committee with some basic values and interests as context for the study process

- receive an overview of municipal governance and operations, including basic profile information about the two different municipalities
- receive an overview of amalgamation

The inaugural meeting would be an important opportunity to set expectations and review context. Given that the committee composition may change subsequent to the October municipal elections, no detailed analysis would be introduced at this meeting. Any new members appointed in November would be able to review the minutes and package from the first meeting.

- *Stage 3: Service and Governance Impact Analysis* — The consultants would review the municipal services provided to residents in each of the municipalities, and examine how they may be impacted by an amalgamation, including discussion of staffing impacts, equipment needs, and service delivery approaches. Given the number of services, and volume of information, the consultants propose to divide and deliver this information over two separate Committee meetings to allow time to digest the information, ask questions and ensure they are comfortable with the assumptions and detail presented. The first of the meetings is proposed for late November to allow for participation from any newly appointed municipal appointees. The November meeting would be an in-person event; a Committee meeting in late January is proposed to occur virtually.
- *Stage 4: Communications and Community Engagement Strategy* — Concurrent with the technical analysis, a communications and engagement strategy would be prepared to guide the engagement stage (Stage 8) of the process as well as to identify key communication points. Horsman Strategies would develop the draft Communications and Community Engagement Strategy and present the plan to the Committee for discussion and input at the November Committee meeting (Committee Meeting #2). The Committee would need to ensure it is comfortable with the proposed approaches, methods and timing, including proposed community meetings, a proposed video, mailout and survey. Feedback would be incorporated into a revised second version, which would be circulated for input a second time, and then finalized.

The strategy would identify opportunities not only for residents of each municipality, but also affected jurisdictions such as the RDKB to participate, as well as the timing and methods of engagement. While consultation with First Nations is the Province's direct responsibility, outreach to area First Nations would be included as part of the engagement strategy, with opportunities to share information and receive feedback. The strategy would also reference support throughout the project, including advertising of meetings and events, social media posts, FAQ and other resources that would be available on the website.

- *Stage 5: Financial Impacts* — This stage would build on the implications of amalgamation identified in Service and Governance Impact Analysis (Stage 3) and assess financial impacts, including impacts on property taxes. The financial impacts would focus on changes expected

to occur as a result of amalgamation; the analysis would be based in part on assumptions vetted through the Joint Municipal Project Team. It is intended that at this meeting the consultants would be able to incorporate updated 2026 Census information on population and dwelling counts for the City and Village, scheduled to be released in February 2027.

At the same meeting the consultants would outline the process for implementing amalgamation, in the event that the Committee recommended a referendum vote be held, and that the two municipal Councils agreed to request a vote.

Due to the significance of the financial impacts as a key outcome of the analysis, and one that would be expected to generate keen interest, this meeting would be conducted in person, with a proposed meeting date at the end of March.

- *Stage 6: Preliminary Technical (Interim) Report* — The financial information, together with the service and governance impacts identified from the previous meetings, would form the basis of, and be compiled together in, the Preliminary Technical Report (referenced by the Ministry as the Draft Interim Report). A draft of the Report would be submitted to the Joint Municipal Project Team for revisions/edits and subsequently to the Ministry and the Committee. The Draft Report would form the basis of the communication and engagement materials prepared in Stage 7.
- *Stage 7: Engagement Materials Review* — Based on the Communications and Engagement Strategy, and the Preliminary Technical Report, the consultants would prepare draft engagement materials, including a mailout and poster boards for public meetings. A virtual meeting would be held with the Committee in April to review the mailout and boards and prepare the Committee for the upcoming engagement process. The meeting would also be an opportunity to share the Preliminary Technical Report with the Committee.
- *Stage 8: Public Engagement* — The community engagement program would be refined and adjusted based on the Committee's input. At this point, however, the program is proposed to include:
 - one to two short explanatory videos
 - two town hall presentations in each municipality (one daytime, one evening)
 - a meeting with the Chamber of Commerce geared more toward questions from the business community
 - an online meeting for residents of either municipality who may have missed the in-person meetings (held a couple weeks after the in-person meetings)
 - outreach to local First Nations to share information about the study and provide opportunities to ask questions and provide input to the process
 - a survey to occur after the public meetings (public meetings would occur in June) to ensure that residents' questions are being answered, determine what information is

missing or unclear, and gauge their interest in proceeding to a vote (not whether they are in support of amalgamation)

- one or two follow-up virtual meetings, proposed for September, to share information on feedback gathered during the engagement stage, answer outstanding questions, and provide a final opportunity for those who may have not participated in the June meetings

While the Province would be responsible for broader consultation with First Nations throughout the Study, the engagement strategy would be inclusive and respectful of Indigenous communities. The Province's consultation would be conducted in accordance with the Provincial commitment to the *Declaration of the Rights of Indigenous Peoples Act* and the associated *Action Plan*.

- *Stage 9: Draft Engagement Summary* – August would be used to prepare an Engagement Summary that documented the community engagement process and the feedback received from the community, including meeting attendees, website traffic, questions asked, and feedback shared. The Draft Engagement Summary would be reviewed with the Joint Municipal Project Team and Ministry of Housing and Municipal Affairs after being shared with the Steering Committee at its September meeting.
- *Stage 10: Recommendations* — As noted, it is anticipated that in the lead up to the final Committee meeting additional online community meetings would be held to give the consultants an opportunity to respond to the feedback provided over the summer, and to address any outstanding issues identified as part of that process. Subsequent to those meetings, the Committee would meet to discuss the engagement summary and to make a recommendation to the municipal Councils on whether to proceed with an amalgamation vote. The Committee's recommendation would then be included in the draft report, combined with information about the final engagement session, for submission to both Councils and the Ministry. The consultants would attend (virtually) Council meetings of both municipalities, together with the Committee Co-Chairs, to convey the findings and answer questions. The consultants would also help communicate the Committee's recommendations and next steps through a press release and post next steps on the project website after Council direction was received.

TIMELINE AND BUDGET

A proposed schedule for the consultants' work is shown in Figure 1 on the following page. The Ministry's grant letter identifies project milestones and reporting. Ministry staff have indicated that the timeline is intended to guide the study, but that flexibility is available to ensure the program and engagement enable sufficient time for the municipalities, residents and consultants to fulfill their objectives. Some minor adjustments have been proposed to the timing of the draft and final reports to avoid holding community and Council meetings during summer months when residents are more likely to be on vacation. Key milestones identified by the Ministry, and proposed adjustments, are referenced in Figure 2.

Figure 1
Proposed Schedule

PROJECT SCHEDULE	2026						2027								
	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT
1. Preliminary Tasks															
2. Committee Orientation, Municipal Governance Overview and Amalgamation Context (Chapter 1)			★												
3. Anticipated Service and Governance Impacts of Amalgation				✓	★		★								
4. Preliminary Engagement Strategy															
5. Financial Impacts (Budget and Tax)									★						
6. Prepare Preliminary Technical Report															
7. Prepare Draft Engagement Materials for Review										★					
8. Community & First Nations Engagement											✓	✓	✓		
9. Engagement Summary															
10. Community Update and Final Report - Committee meeting and recommendation, presentation to Councils															★ ✓

★ Denotes Meetings

✓ Denotes Engagement (Community Meetings, Mailout, Survey)

Figure 2
Ministry Grant Funding Milestones

Ministry Milestones	Dates and Proposed Changes
Progress Report	July 1, 2026
Interim Progress Report - committee composition and meeting schedule - Draft Engagement Strategy	January 1, 2027 proposed for the Committee to endorse a revised Engagement strategy by end of January, 2027
Draft Interim Report	March 1, 2027 proposed to be prepared by April 15, 2027
Draft Final Report comprised of the technical analysis and public engagement findings	August 1, 2027 proposed to provide a draft for August 30, 2027 to allow for compilation of feedback and preparation of engagement summary

Ministry Milestones	Dates and Proposed Changes
Final Report comprised of a copy of the final report presented to the Warfield and Trail Councils	September 1, 2027 proposed for September 30, 2027 subsequent to the final (September) meeting of the Steering Committee
Account of Study Expenses	October 1, 2027 proposed for October 31, 2027 to provide time to process invoices

The work program identified in this letter would require the full \$90,000.00 budget provided by the Ministry, with an additional \$85,000.00 from the two municipalities (combined), for a total of \$175,000.00. This amount would not include GST; nor would it cover costs related to the booking or hosting of Committee and public meetings. The budget does include all of the consultants' professional costs and travel disbursements based on the workplan provided (four in-person Steering Committee meetings, plus public engagement meetings in June).

The proposed budget also includes communication and information sharing with local First Nations. In-person meetings in locations outside Trail or Okanagan regions to meet with Nation Councils or representatives could be added to the scope based on discussions with the Province and Joint Municipal Project Team. Such meetings, however, have not been accounted for in the proposed budget.

IN CLOSING

Thank you, again, for inviting my team to submit this proposal. We recognize the significance of this point in the evolution of both municipalities and are excited at the prospect of working with the Village and City on this important and historic study. Please let me know if there is any additional information I can provide you at this time.

Yours truly,

NEILSON STRATEGIES INC.



Allan Neilson, MPA
Principal

cc: Sherry Hurst, Leftside Partners Inc.
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