City of Trail
2026 Budget Update

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March 9, 2026

Tax Strategy to Reduce Reliance on Single Taxpayer

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

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

Reasons to Implement

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

Potential Concerns & Challenges

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

2025 Property Tax Allocation

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

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

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

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

City of Trail

Reallocation of Taxes from Major Industry

Feb 18-2026

If Major Industry share of Municipal taxes was at 50%

	Residential		Commercial		Utilities		Major Industry
Rate	3.86		9.3412		40		34.74
% of Taxes	34.68%		10.51%		4.52%		50.29%
$	6,182,282		1,873,680		805,704		8,965,178
						Diff	1,933,707

Sharing ratio of current taxes for Residential and Commercial

Residential + Commercial	6,182,282	76.74%	1,873,680	23.26%
Avg home	$ 406,210			
MunicipalTaxes	$ 1,568			
Diff	$ 420			
% inc	36.59%			
Commercial property	$ 1,000,000			
MunicipalTaxes	$ 9,341			
Diff	$ 2,503			
% inc	36.59%			

Actual RDKB Tax Requisition Increases and Proposed

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

Tax Effects on Proposed RDKB Requisition on Average SFD

- 2026 average Single-Family Dwelling assessed value is $406,210
  - A decrease of $154 or 0% over 2025
- 2025 average Single-Family Dwelling assessed value was $406,056

  - RDKB tax affect on average SFD:
    - 2026 increase of $21 to $1,052
    - 2025 RDKB tax amount for an average SFD was $1,031, which was $254 higher than 2024

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

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

City of Trail – Updated 2026 RDKB Services & Requisition Share

City of Trail participation in RDKB Services

March 5, 2026

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

2026 Updated Proposed RDKB City of Trail Requisition Allocation

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

2026-2030 RDKB Tax Requisition Increases and Proposed

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

Tax Effects on Future Proposed RDKB Requisition

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

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

City of Trail participation in RDKB Services

March 5, 2026

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

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

City of Trail participation in RDKB Services

March 5, 2026

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

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

City of Trail participation in RDKB Services

March 5, 2026

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

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

City of Trail participation in RDKB Services

March 5, 2026

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