



City of
Peterborough

To: Members of the Finance Committee

From: Patricia Lester
Commissioner of Corporate and Legislative Services

Meeting Date: January 14, 2019

Subject: Report CLSFS19-011
Ontario Cannabis Legalization Implementation Fund

Purpose

A report to inform Council of the Ontario Cannabis Legalization Implementation Funding.

Recommendations

That Council approve the recommendations outlined in Report CLSFS19-011, dated January 14, 2019, of the Commissioner of Corporate and Legislative Services as follows:

- a) That an Ontario Cannabis Legalization Implementation Reserve be created and that the \$185,590 Funding be placed in Reserve; and
- b) That staff report back to Council in 2019 with a recommendation on the use of these funds.

Budget and Financial Implications

Funding in the amount of \$185,590 from the Cannabis Legalization Implementation Fund will be placed in Reserve. There is potential for additional revenues, but the timing and amounts have not been disclosed.

The financial implications on the City associated with the legalization of cannabis have not yet been determined.

Background

On November 20, 2018 the City received notification that Ontario will provide \$40 million in funding over two years to municipalities to help with the implementation costs of recreational cannabis legalization. The City will receive \$92,795 as the first payment under the Cannabis Legalization Implementation Fund (OCLIF) in January 2019. Through Report CLSOCS18-006 Legalization of Cannabis Update dated December 3, 2018, Council approved that the City not “opt out” of allowing cannabis retail stores in Peterborough. As such, a second payment of \$92,795 will be forthcoming in March 2019. There is also potential for further payments to municipalities over the next two years if excise taxes exceed certain levels.

The funds must be used for the purpose of paying for implementation costs directly related to the legalization of cannabis, examples include;

- by-law/policy development (police, public health, workplace safety policy)
- increased enforcement
- increased response to public inquiries
- increased paramedic and fire services

AMO has been asked to establish a process by which a sample group of municipalities will provide information on the use of funds and impacts of funding. As such municipalities must keep and maintain all records relating to money received from the OCLIF and its use. An independent audit may be conducted.

The Alcohol and Gaming Commission of Ontario’s (AGCO) **Cannabis Retail Regulation Guide** will be published in chapters as information becomes available, as “much of the process is still in development.” This and delegations from Police, Peterborough Public Health and other departments regarding their one-time implementation costs will inform Council and staff on how best to use these funds and once ascertained, recommendations to Council will be made.

Submitted by,

Patricia Lester
Commissioner of Corporate and Legislative Services

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