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<b>TO:</b>	<b>GENERAL COMMITTEE</b>
<b>SUBJECT:</b>	<b>ALLOCATION OF SECOND AND THIRD INSTALMENT OF CANNABIS FUNDING</b>
<b>PREPARED BY AND KEY CONTACT:</b>	<b>D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES, EXT. 4421</b>
<b>SUBMITTED BY:</b>	<b>D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES</b>
<b>GENERAL MANAGER APPROVAL:</b>	<b>D. MCALPINE, GENERAL MANAGER OF COMMUNITY AND CORPORATE SERVICES</b>
<b>CHIEF ADMINISTRATIVE OFFICER APPROVAL:</b>	<b>M. PROWSE, CHIEF ADMINISTRATIVE OFFICER</b>

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### **RECOMMENDED MOTION**

1. That the second and third instalments of the Cannabis Funding be allocated as follows:
  - a) \$45,000 be applied to costs incurred in 2019 for new signage and the replacement of signage associated with the City's smoking and vaping regulations;
  - b) \$25,473.50 be applied to costs incurred in 2019 for the City's Planning and Building and Legislative and Court Services costs in relation to increased enforcement, response to public inquiries, by-law and policy development; and
  - c) \$166,763.50 to the Barrie Police Service to address costs incurred by the service related to increased enforcement (training, equipment and RIDE lanes) in 2018 and 2019.

### **PURPOSE & BACKGROUND**

#### **Purpose**

2. The purpose of this Report is to provide a recommendation regarding the allocation of the second and third instalments of the cannabis legalization funding received from the Province of Ontario.

#### **Background**

3. The Province announced \$40 million over two years to help Ontario municipalities with the implementation costs of recreational cannabis legalization. The initial funding distribution was to be through two payments.
4. In January 2019, the first payment was issued to all municipalities, whether or not they opt-out of permitting cannabis retail sales. The payment was on a per household basis. Barrie received \$136,869 as its first payment amount.
5. The second payment amount was determined on the basis of whether a municipality decided to permit cannabis retail sales or opted-out as of the Province's January 22, 2019 deadline. Municipalities that opted-out received only \$5,000 each as a second payment. Municipalities such as Barrie that permitted cannabis retail sales received funding on a per household basis. This funding was to support initial costs related to hosting retail storefronts. Barrie's portion of the second instalment was \$167,460.

6. In total, the Province processed payments of \$30 million to Ontario municipalities in early 2019. The Province set aside \$10 million of the total municipal funding for unforeseen circumstances, and it was identified that priority would be given to municipalities that have not opted-out.
7. The government has since made an investment of \$3.26 million to support enhanced enforcement against illegal cannabis operations. The majority of the \$3.26 million was allocated to provincial joint forces cannabis enforcement teams, led by the Ontario Provincial Police, with \$200,000 allocated to the Toronto Police Service to support their efforts to combat illegal cannabis operations in the City of Toronto.
8. In August 2019, the Province advised that it was distributing the remaining \$6.74 million. Once again, municipalities such as Barrie that permitted cannabis retail sales received funding on a per household basis. Barrie received an additional \$69,777 from this third instalment.
9. The Provincial funding must be used for costs directly related to the legalization of recreational cannabis, with the following examples provided:
  - Increased enforcement (e.g. police, public health and by-law enforcement, court administration, litigation);
  - Increased response to public inquiries (e.g. 311 calls, correspondence);
  - Increased paramedic services;
  - Increased fire services; and
  - By-law / policy development (e.g. police, public health, workplace safety policy).
10. The Provincial funds can't be utilized for costs that have been, or will be, funded or reimbursed by any other government body or third party, or costs that are not related to cannabis legalization.
11. Municipalities will be required to provide information regarding the use of the money and the impact of the funding.

Council decisions to date, related to the allocation of funding

12. On January 14, 2019, City Council adopted motion 19-G-008 concerning the Allocation of Funding Received from the Province of Ontario related to the legalization of cannabis, as follows:

"19-G-008      ALLOCATION OF FUNDING RECEIVED FROM THE PROVINCE OF ONTARIO

  1. That should the City of Barrie permit cannabis retail stores, staff be authorized to utilize the first instalment of funding received from the Province as follows:
    - a) One-third to be allocated to Barrie Police Service for increased costs associated with road safety and illegal cannabis storefront enforcement;
    - b) Two-thirds allocated to the City of Barrie and other service partners to fund additional resources for the following:
      - i) Response to increased public enquiries received by Service Barrie and Planning and Building Services;
      - ii) Response to applicants seeking input prior to submitting an AGCO application;

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- iii) Response to applications submitted to AGCO for compliance with the City of Barrie Cannabis Public Interest Statement;
    - iv) Increasing the number of Municipal Law Enforcement Officers as deemed appropriate to address matters related to smoking regulations i.e. parks, workplaces and public places;
    - v) Litigation and prosecutorial research;
    - vi) Additional court resources to address charge volume;
    - vii) Review and revisions to municipal policies and by-laws relating to cannabis legalization; and
    - viii) Communications plans to address public enquiries.
  2. That staff provide updates semi-annually with respect to the use of the provincial funding and any adjustments that may be required to the allocation of funds.
  3. That staff report back to General Committee regarding the impacts of the cannabis legislation legalization with recommendations on how to allocate funding from the second instalment to be received from the Province.”
13. On April 4, 2019, City Council adopted motion 19-G-078, as follows:
- “19-G-078 NEW MUNICIPAL SMOKING REGULATIONS AND TO REPEAL SMOKING IN PUBLIC PLACES AND WORKPLACES BY-LAW 2010-034 AND SMOKING OUTDOORS ON CITY OWNED PROPERTY BY-LAW 2009-086
- That staff in the Enforcement Services Branch be authorized to hire two (2) new Summer Student Enforcement Positions for 2019 for deployment from June to September, to ensure the members of the public in parks, sports fields and City facilities are made aware of the new regulations, with the positions funded from the first instalment from the Ontario Cannabis Legalization Implementation Fund.”
14. On June 3, 2019, Council adopted motion, 19-G-146, related to the new smoking regulations. An excerpt from the motion follows:
- “19-G-146 NEW MUNICIPAL SMOKING REGULATIONS AND TO REPEAL SMOKING IN PUBLIC PLACES AND WORKPLACES BY-LAW 2010-034 AND SMOKING OUTDOORS ON CITY OWNED PROPERTY BY-LAW 2009-086
4. That staff in Roads, Parks and Fleet Department in consultation with the Legislative and Court Services Department (Enforcement Services Branch) prepare and install new signage or replace existing signage where required that depicts the new municipal smoking regulations in all City-owned parks and facilities, with the cost associated with the signage (\$45,000) to be funded from the Tax Capital Reserve.”



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**ANALYSIS**

13. In total, Barrie received \$374,106 under the Provincial grant.
14. In accordance with motion 19-G-008 and 19-G-078, the first instalment of \$136,869 was allocated as follows:

Organization	Rationale	Amount
Barrie Police Service	To assist with the \$236,087 in costs Barrie Police Service incurred in 2018 related to enforcement of illegal dispensaries and investigations; training (Drug Recognition Experts/Standardized Field Sobriety and other courses), acquiring testing equipment and conducting RIDE lanes.	\$45,623
Simcoe Muskoka District Health Unit	To deliver education campaigns related to cannabis and increased cannabis enforcement	\$45,000
City of Barrie	To fund two additional summer student salaries, uniforms, supplies, access to vehicles and equipment. The summer students assisted with communications, education and enforcement of the City's new smoking and vaping regulations	\$22,035
City of Barrie	To address research and training for Barrie Fire and Emergency Service staff related to changes in the Code resulting from cannabis legalization as well as inspection of properties producing cannabis	\$16,200
City of Barrie	To update Human Resource Policies and associated training concerning drug and alcohol impairment with specific provisions related to cannabis legalization	\$12,000
TOTAL		\$140,858
Amount exceeding 1 <sup>st</sup> Instalment Amount		\$3,989

15. As identified above, the City's initial costs in 2019 exceeded the first instalment by \$3,989. Staff already have Council direction to authorize the allocation of the first instalment.
16. Based on conversations with County of Simcoe representatives, they have not experienced significant call volume changes for paramedic services that can be directly attributable to the legalization of cannabis. Barrie Fire and Emergency Service has had a similar result for any medical calls it receives.
17. However, it has had a more significant impact related to Fire prevention associated with the number of Fire Code inspections for professional cannabis production and home grown cannabis. Five investigations requiring inspection of premises have occurred.

18. The additional Municipal Law Enforcement staff retained in the summer, spent their time educating the public about Barrie's smoking and vaping by-law provisions and consumption in the parks. The Municipal Law Enforcement staff provided the following observations:
- Approximately 60% of the individuals were smoking and 40% vaping;
  - Approximately 40% of the individuals identified either smoking or vaping were apparently consuming cannabis;
  - The use of cannabis is more evident in the downtown core than in other areas (and more evident than it has been in the past), but it isn't necessarily occurring in prohibited areas;
  - Overall there has been an increase in observed smoking/vaping in the parks but it tends to be occurring in designated areas where consumption is permitted (designated parking lots) or towards the less populated areas of parks; with tobacco representing a greater portion of the product than cannabis;
  - There seems to be a recognition that consuming cannabis in the main areas of the parks is not perceived as acceptable or welcomed (with or without an enforcement presence);
  - There was confusion about the ability to smoke/vape cannabis on a sidewalk; and
  - In most cases, compliance has been readily obtained when staff have addressed any prohibited activities related to cannabis consumption.
19. The City's 2019 costs associated with the legalization of cannabis have also included the following additional items that were not addressed under the first instalment:

Expense	Estimated Amount
Preparation and installation of new signage or replacement of existing signage where required that depicts the new municipal smoking regulations in all City-owned parks and facilities	\$45,000
Planning and Building Services staff resources related to: <ul style="list-style-type: none"> <li>• Public Meetings and preparation of staff reports/memorandums regarding zoning by-law changes for cannabis production facilities;</li> <li>• Monitoring of AGCO website and review of Cannabis Retail Store applications for conformity with the City's Public Interest Statement; and</li> <li>• Responding to enquiries related to the legalization of cannabis and zoning matters.</li> </ul>	\$22,704.50
Legislative and Court Services staff resources related to: <ul style="list-style-type: none"> <li>• Research and preparation of reports and by-laws to reflect new smoking and vaping consumption by-laws for Barrie incorporating cannabis regulations as well as</li> <li>• Updating of business licensing by-law related to cannabis production facilities to address Federal and Provincial regulatory changes</li> <li>• Responding to enquiries related to the legalization of cannabis and City by-laws</li> </ul>	\$2,769.00
<b>Total</b>	<b>\$70,473.50</b>

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20. Earlier this year, the Barrie Police Service had estimated that it would incur an additional \$160,754 in expenses in 2019 associated with training additional Drug Recognition Experts, enforcement of illegal dispensaries and related investigations, as well as RIDE lanes. This is in addition to the \$236,087 in costs incurred in 2018.
21. Processing of individuals suspected of being impaired by drugs requires approximately four times the amount of staff resources given the difference in testing and evaluation. As a result, it has had a significant impact on their staff time and associated costs.
22. A representative of Barrie Police has indicated there has been a significant increase in the number of individuals discovered impaired while operating a motor vehicle since the legalization of cannabis. The representative noted that while a portion of the increase may be attributed to the drug recognition and training and additional RIDE lanes, there is a significant shift and resulting dramatic increase in impaired operation of motor vehicles.
23. Barrie Police provided the following statistics:
- 2018 full year
- 203 Impaired operation of motor vehicle investigations
  - 162 (80%) impaired by alcohol
  - 41 (20%) impaired by drug
- January – June 2019 (6 months)
- 201 Impaired operation of motor vehicle investigations
  - 110 (55%) impaired by alcohol
  - 91 (45%) impaired by drug
24. Given the costs incurred by the parties and the increase in impaired operation of motor vehicles, it is recommended that \$166,763.50 of the funds from the second and third instalments be allocated to the Barrie Police Service to offset its costs incurred in 2018 and 2019 and the remaining \$70,473.50 be allocated to the City of Barrie to address additional costs incurred beyond the first instalment allocation.

#### **ENVIRONMENTAL AND CLIMATE CHANGE IMPACT MATTERS**

25. There are no environmental or climate change impact matters directly related to the recommendation.

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## **ALTERNATIVES**

26. The following alternatives are available for consideration by General Committee:

**Alternative #1**

General Committee could alter the allocation of the second and third instalment funds between the Barrie Police Service and the City of Barrie.

This alternative is available.

**Alternative #2**

General Committee could allocation all or a portion of the second and third instalment funds to another organization.

This alternative is also available.

## **FINANCIAL**

27. The Barrie Police Service estimate for costs incurred in 2018 was \$236,087. The amount estimated for 2019 is an additional \$160,754. The total estimated cost associated with the legalization of cannabis for Barrie Police Service to date is \$396,841.
28. The City's estimate for its costs incurred to date is \$165,708.50 including the \$45,000 allocation to the Health Unit.
29. The \$374,106 received from the Provincial legalization of cannabis funding will offset approximately 66.5% of these costs.

## **LINKAGE TO 2018-2022 STRATEGIC PLAN**

30. The recommendations included in this Staff Report are related to the following goal contained in 2018-2022 Strategic Plan:
- ✓ Fostering a safe and healthy community
31. The recommendations identified would allocate funding for the efforts undertaken to date to address the health and safety impacts for the community of the legalization of cannabis.