RECOMMENDATION:
THAT the Council of the Township of North Huron hereby receive the report of the CAO/Clerk, dated January 7, 2019 regarding the retail sales of cannabis, be received;

AND FURTHER, THAT Council support in principle, permitting the licensing of cannabis retail sales locations in the Township of North Huron;

AND FURTHER, THAT staff be directed to prepare a resolution of support for the January 21st, 2019 regular meeting of Council in preparation for the deadline to opt-in established by the Province of Ontario.

EXECUTIVE SUMMARY
At the December 17, 2018 regular meeting, Council received an update from the Huron County Health Unit and Planning and Development Department regarding the enactment of the provincial Cannabis Licence Act, 2018 and the impact on municipalities. This report provided general information about the Opt-in/Opt-out opportunity, Business Licensing & Zoning, Regulation of Retail Cannabis Stores, opportunities for Public Notice & Comment on new Applications, regulation of Smoking & Vaping of cannabis in public. This report provides a more detailed review of the implications for the Township of North Huron so that Council can make an informed decision by the January 22, 2019 deadline.

DISCUSSION
Timeline Review:
1. October 17, 2018 – Cannabis is legalized by the Federal Government
2. November 16, 2018 – Cannabis Legalization Act & regulations is proclaimed by Provincial Government
3. November 20, 2018 – Minister of Finance letter to Head of Council (attached) regarding the Ontario Cannabis Legalization Implementation Fund (OCLIF) is received
4. November 26, 2018 – Minister of Finance letter to Treasurer (attached) outlining the details of the OCLIF and announcement of potential revenues for the Township of North Huron is received
5. December 13, 2018 – Attorney General and Minister of Finance of Ontario announce changes to the process of licencing and timing of retail sale of cannabis.
6. December 17, 2018 – Township of North Huron receives report from the Huron County Health Unit and Planning & Development Department and passes the following motion:

M568/18
MOVED BY: Kevin Falconer
SECONDED BY: Anita van Hittersum
THAT the Council of the Township of North Huron hereby receives the report on Cannabis Legalization and Retail from the Huron County for information.  CARRIED

Legislation, Regulations & the Impact on North Huron
1. Cannabis Legalization Act
   a. The retail sales of cannabis in Ontario will be regulated by the Alcohol & Gaming Commission of Ontario, not the OPP, local police, or by-law enforcement officials.
   b. Should North Huron decide to Opt-out of permitting the retail sale of cannabis within the municipality, a resolution must be passed and communicated to the AGCO by January 22, 2019. If no resolution is passed, the municipality will be considered to have Opted-In.
   c. Municipalities do not have the authority to pass a by-law to govern the sale of cannabis or retail stores. Similar to other retail stores, cannabis retail locations are still subject to site plan control, zoning regulations, building permits and other standard requirements.
   d. The AGCO Registrar, in accordance with the Act, shall give notice of proposed cannabis retail establishments (15 days notice). The municipality will be able to offer comments on the proposed location within the 15-day comment period.

2. Ontario Cannabis Legalization Implementation Fund (OCLIF)
   a. The OCLIF provides $40M to Ontario municipalities over 2-years to assist with the implementation cost of recreational cannabis legalization.
   b. The Fund shall be used to pay for implementation costs such as:
      i. Increased enforcement (i.e. public health, by-law enforcement etc.)
      ii. Increased response to public inquiries
      iii. Increased paramedic services
      iv. Increased fire services
      v. By-law & policy development (i.e. public health, workplace safety)
      vi. Lower-tier and upper-tier municipalities will receive a 50/50 split of the allocation. The household numbers will be split between the upper- and lower-tier, and the allocation calculated accordingly. Decisions to adjust the split in allocation and transfer funding can be made at the local level as needed. Upper-tier municipalities will receive funding in relation to opt-out decisions made by the lower-tier municipality.
   c. First payment of at least $5000 in January, 2019
   d. Second payment of at least $5000 by end of March, 2019
   e. If Ontario’s portion of the Federal Excise Duty on recreational cannabis over the first two years of legalization exceeds $100 million, the province will provide 50 per cent of the surplus only to municipalities that have not opted-out.
   f. The Minister of Finance will work with the Association of Municipalities of Ontario (AMO) on the use of the funds and impact of funding, and therefore, municipalities have been asked to keep records on the use of funds.
3. Regulations Governing Implementation  
   a. On December 14\textsuperscript{th}, 2018 the province posted Regulation 497/18 which sets out maximums, allocations and application restrictions on retail locations. Due to a lack of availability of cannabis across the country, Ontario has slowed the licensing of retail cannabis operations. The regulation states the following:  
      i. Only 25 retail locations will be licensed across the province,  
      ii. Maximum of 7 authorizations will be issued in the West Region,  
      iv. Until such a time as more than 25 authorization may be issued, none of the retail stores shall be located in a municipality with a population of less than 50,000.  
      v. These Regulations will be considered to be “revoked” on December 13, 2019.  
   b. Based on this Regulation, it is not possible for a retail store to open in North Huron in the first round of licencing. It appears that the Regulation will be in effect until at least December 13, 2019.

4. Restricted Areas in North Huron  
   a. The Cannabis Legalization Act states that stores must be a minimum of 150 metres away from schools and private schools:  
   b. The Huron County Planning and Development Department has provided air photos (attached) outlining the 150m distance from North Huron schools (all in the Wingham Ward) & know private schools:  
      i. F.E. Madill Secondary School  
      ii. Maitland River Elementary School  
      iii. Sacred Heart Secondary School  
      iv. Wingham Baptist Church School

5. Comment by the Huron County Detachment of the Ontario Provincial Police  
   a. Staff Sergeant David Sinko will be in attendance at the January 7, 2018 to answer Council questions. The OPP will address any impact on enforcement that may result if retail cannabis stores are permitted to be licensed in North Huron.

6. Decisions of Huron County Lower Tier Municipalities  
   a. As of December 21, 2018, the following information has been gathered:  
      i. Goderich – Considering report January 7\textsuperscript{th}, expect decision January 21\textsuperscript{st}  
      ii. Ashfield Colborne Wawanosh – Opted in  
      iii. Huron East – Opted in  
      iv. Howick – Considering report on January 15\textsuperscript{th}  
      v. Bluewater – Opted in  
      vi. Morris Turnberry – Considering report in January, 2019  
      vii. Central Huron – Considering report in January, 2019
North Huron Cannabis Policy Statement
The Association of Municipalities of Ontario has provided a draft “Municipal Cannabis Retail Policy Statement” to assist municipal governments that choose to opt-in. If Council decides to opt-in, it is advisable that a policy be considered shortly after the January 22nd, 2019 Opt-in/out deadline. The AMO template guides municipalities in their consideration of proposed cannabis retail sites. As recommended by AMO, such a policy will help the municipality remain focused on the three provincial public interest objectives: public health & safety, protecting youth and ending illegal sales of cannabis.

When the municipality becomes aware of a proposed location, a copy of the policy would be provided to the AGCO along with site specific comments.

While the Act does not permit the municipality to place restrictions in excess of what legislation permits, the policy may want to suggest recognition of:
“other youth facilities such as libraries, community centres or sensitive facilities that serve persons with mental health or addiction challenges. Any prohibitive statement should be considered through the lens of eliminating illegal activity, public health and safety or protecting youth...”

It would also be helpful for the municipality to provide the AGCO with permitted and restricted areas within the municipality (i.e. Mapping schools and other sensitive locations).

With direction from Council, staff would prepare a draft policy for consideration at a Council meeting in the spring of 2019.

FINANCIAL IMPACT
As previously indicated in this report, any financial assistance from the OCLIF is only available ($10,000 in 2019) if the municipality opts-in by January 22nd, 2019.

FUTURE CONSIDERATIONS
In all likelihood, a retail location will not be licenced in North Huron for at least one year. This gives the municipality ample time to develop a meaningful policy to reflect the experiences of the first 25 municipalities that host retail cannabis locations.

RELATIONSHIP TO STRATEGIC PLAN
Goal #3 North Huron is healthy & safe.
Goal #4 North Huron is fiscally responsible and strives for operational excellence.

Dwayne Evans, CAO/Clerk