

Date: 2022-06-28

Subject: **Ontario Cannabis Legalization Implementation Fund**

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Report Number: Legislative Services-2022-726

Recommendations:

1. **THAT** the information report titled: Ontario Cannabis Legalization Implementation Fund - Information Report, to Council, on July 6, 2022 be received.

Overview:

- **In the 2020 Budget, Council approved four Cannabis Enforcement Officers and one Supervisor.**
- **Provincial funding through the Ontario Cannabis Legalization Implementation Fund offset the cost associated with the Enforcement Officers and Supervisor.**
- **In 2022, the City is no longer receiving provincial funding for cannabis enforcement.**
- **To account for the discontinued provincial funding, the Cannabis Unit was dissolved, and the four (4) Cannabis Enforcement Officers reallocated to vacant positions within the Property Standards Section. The Supervisor position was eliminated.**

Background:

On March 9, 2018, the Provincial Government created the Ontario Cannabis Legalization Implementation Fund (OCLIF) to assist municipalities with the implementation costs associated to recreational cannabis legalization. The total initial funding was 40 million to be distributed over a two-year period to municipalities that opted in.

In early January 2019, the first payment of \$15 million was made to all municipalities on a per household basis. Each community were to receive at least \$5,000, regardless of their decision to opt in or opt out.

The second payment of \$15 million was distributed following the deadline for municipalities to opt out, which was January 22, 2019. Municipalities that did not opt out received funding on a per household basis, adjusted so that at least \$5,000 was provide to each community.

The remaining \$10 million was set aside as contingency, to deal with any “unforeseen circumstance” that municipalities might encounter in relation to legalization of recreational cannabis.

The province also committed to a share of 50 per cent of surplus funding if the province’s share of the federal excise tax on cannabis exceeded \$100 million in the first two years.

The City received the following Cannabis Grants from the province:

Date Payment Received	Amount
January 31, 2019	\$220,018
February 28, 2019	\$269,199
August 31, 2019	\$112,166
April 2021	\$55,859
TOTAL	\$657,242

In December 2018, the Alcohol and Gaming Commission of Ontario (AGCO) began accepting online applications for cannabis-related licenses. On January 21, 2019, City Council voted to allow privately owned cannabis retail stores in Brampton and on April 1, 2019, the AGCO approved Brampton’s first private cannabis store. The City currently has 41 licensed cannabis stores.

As part of the 2020 Operating Budget, Council approved the creation of the Cannabis Unit comprised of four Property Standards Officers and an Enforcement Supervisor. In November 2020, the Cannabis Unit was launched as part of the Enforcement and By-Law Services Division.

Dedicated resources for cannabis enforcement resulted in hiring additional Property Standards Officers and a Supervisor to review and investigate cannabis related matters on behalf of the City. The Cannabis Unit worked closely with the Alcohol and Gaming Commission of Ontario (AGCO) with licensing application reviews, and Peel Regional Police (PRP) with illegal cannabis related investigations and retail storefront operations.

The financial impact of the additional staff was offset by payments received by the Ministry of Finance for a net \$0 impact to budget, as part of the allocation of funds from the Ontario Cannabis Legalization Implementation Fund (OCLIF).

Current Situation:

In 2022, Enforcement and By-law Services was advised that Provincial funding to support the Cannabis Unit through the Ontario Cannabis Legalization Implementation Fund is no longer available. Because of the budget-funding deficit, the Enforcement and By-Law Services Division is no longer able to sustain a dedicated Cannabis Unit.

To account for the funding shortfall, the four Cannabis Unit Enforcement Officers were transferred to four vacant Property Standards positions. The vacant positions were as a result of one Property Standards Officer resigning from the City, one transferring to another Division and two new Property Standards Officer positions approved by Council in 2021. The Cannabis Unit Supervisor position was eliminated and the four Cannabis Unit Enforcement Officers were re-assigned to their previous roles as Property Standards Officers.

Since its inception, the Cannabis Unit reviewed 26 Retail Cannabis Applications, assisted the AGCO with one illegal cannabis storefront and supported Peel Regional Police with the execution of search warrants and the sharing of information. The Cannabis Unit Enforcement Officers spent the majority of their time conducting specialized property related investigations including illegal lodging houses.

Property Standards Section is responsible to enforce by-laws that prescribe minimum standards for the maintenance and occupancy of properties, and their permitted uses. The Section is composed of 26 Officers, of which four are assigned to the Second Unit Task Force.

- One (1) Manager
- Three (3) Supervisors
- Twenty-two (22) Property Standards Officer

In 2021, there were 14,006 property standards complaints, including illegal basement apartments, excessive growth of weeds on private property, garbage containers and vital services. As Enforcement's priorities shifted away from pandemic related complaints, Property Standards calls for service increased by 26 percent.

Corporate Implications:

Financial Implications:

There are no direct financial implications as a result of this information report.

The 2023 budget submission will reflect the removal of the full-time complement, costs and revenues associated with the Cannabis Unit resulting in a net 0% budget impact, pending Council approval.

The four Cannabis Unit Enforcement Officers that have been reallocated to four vacant Property Standards Officer Positions do not result in financial implications as funding currently exists in the 2022 operating budget.

Other Implications:

The workload involved with the elimination of the four Cannabis Unit Enforcement Officers and Supervisor will be absorbed within the general Property Standards enforcement section. Overall calls for service in the Property Standards Section are up 24% from this time last year, and the loss of four Property Standards Officers will increase the demand and call volume of other Officers.

Term of Council Priorities:

This report is aligned with the Term of Council priorities of Brampton is a Well-Run City and Brampton is a Green City. Initiatives in this regard will reinforce Brampton's commitment to sustainability and the effective management of municipal assets and resources.

Conclusion:

Given the fact that the City is no longer receiving provincial funding for Cannabis enforcement, the Cannabis Unit was dissolved leaving a loss of four Property Standards Officers within the Property Standards Section. Because of one internal transfer, one resignation and two new positions, the Property Standards Section was able to absorb the Officers from the Cannabis Unit.

Property Standards Officers will continue to support Peel Regional Police and the AGCO as needed and their assistance includes but not limited to investigating the use of properties for the purposes of selling or distributing cannabis and illegal sales through "pop-up" dispensaries.

Further, the Officers will focus their efforts on conducting general property standards investigations of minimum maintenance, zoning matters and respond to the increased requests for service.

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