

Established 1788  
Incorporated  
Wolford 1850  
Merrickville 1860  
Annexed 1996



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**VILLAGE OF MERRICKVILLE-WOLFORD**  
**Agenda for Special Council Meeting**  
**Council Chambers**

Council Meeting 7:00 p.m.

Monday, January 7, 2019

1. **Call to Order**
2. **Disclosure of Pecuniary Interest and the general nature thereof**
3. **Approval of the Agenda**
4. **CAO:** CAO-01-2019 re: Retail Sales of Cannabis
5. **Public Question Period**
6. **Next meeting of Council:** Monday, January 14, 2019 at 7:00 p.m.
7. **Confirming By-law:** 04-2019 re: Confirm Proceedings of Council meeting of January 7, 2019
8. **Adjournment**

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Amalgamated 1998



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## VILLAGE OF MERRICKVILLE-WOLFORD

For Clerk's use only, if  
required:  
**Recorded Vote Requested  
By:**

Cameron	Y	N
Foster	Y	N
Halpenny	Y	N
Molloy	Y	N
Struthers	Y	N

Resolution Number: R - - 19

Date: January 7, 2019

Moved by: Cameron Foster Halpenny Molloy

Seconded by: Cameron Foster Halpenny Molloy

**Be it hereby resolved that:**

The Council of the Corporation of the Village of Merrickville-Wolford does hereby adopt the agenda of the special Council meeting of January 7, 2019 as:

\_\_\_ circulated.

\_\_\_ amended.

Carried / Defeated

J. Douglas Struthers, Mayor

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**VILLAGE OF MERRICKVILLE-WOLFORD**

For Clerk's use only, if  
required:  
**Recorded Vote Requested  
By:**

Cameron	Y	N
Foster	Y	N
Halpenny	Y	N
Molloy	Y	N
Struthers	Y	N

Resolution Number: R - - 19

Date: January 7, 2019

Moved by: Cameron Foster Halpenny Molloy

Seconded by: Cameron Foster Halpenny Molloy

**Be it hereby resolved that:**

The Council of the Corporation of the Village of Merrickville-Wolford does hereby receive report CAO-01-2019 regarding Cannabis Retail Sales Option to Opt Out, for information purposes.

Carried / Defeated

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J. Douglas Struthers, Mayor



## Village of Merrickville - Wolford

Report CAO-01-2019  
CAO / Clerk / Director, Economic Development  
Report to Council  
Date: January 7, 2019

**RE: Cannabis Retail Sales – Option to Opt Out**

**OBJECTIVE:** To provide Council with relevant information regarding whether to opt out of allowing cannabis retail outlets within the Village of Merrickville-Wolford.

### **RECOMMENDATIONS:**

**THAT** Council receive report CAO-01-2019, for information purposes.

### **HIGHLIGHTS:**

- On October 17, 2018, the federal government's Bill C-45 (*The Cannabis Act*) came into effect, legalizing the recreational use of cannabis, while controlling and regulating the production, distribution, and sale of cannabis.
- Under the new *Cannabis Licence Act, 2018*, the Alcohol and Gaming Commission of Ontario (AGCO) will licence and regulate private cannabis retail stores.
- On April 1, 2019, the first phase of 25 licensed retail stores is expected to begin supplementing the government's online store, the Ontario Cannabis Store (OCS). Five (5) stores are expected to be approved for eastern Ontario and the lottery is to be held on Friday January 11, 2019.
- A market concentration limit of 75 stores per operator has been set by the AGCO; however, there is no cap on the number of storefronts that would be licensed in any one municipality and information regarding subsequent phases remains unavailable.
- Private retail recreational cannabis stores will be permitted to open between 9:00 a.m. and 11:00 p.m. on any day.
- Provincial regulations establish a minimum 150-metre setback between cannabis retail stores and schools, including private schools, measured from the property line of the property on which the school or private school is located. The regulations do not specify minimum setback distances to other sensitive uses (e.g., daycares) or to post-secondary institutions.
- If Council wishes to opt out of the private retail model, they must do so by passing a resolution directed to the AGCO within 3 business days of passing the resolution but no later than January 22, 2019. Should a municipality fail to pass a resolution opting out by the deadline, the AGCO will consider the municipality to have no objection to cannabis retail stores, and the municipality will automatically be considered to have opted in.

- Should Council wish to opt out of the private retail model initially, it is possible later to opt in. However, if the one-time opt out is later reversed, the decision to opt in then becomes final.
- Wording of the *Cannabis Licence Act, 2018* is such that the decision to opt out applies to the entire municipality, not just selected areas.
- Municipalities do not have the ability to impose their own system of business licences on privately-run cannabis retail stores. Also, municipalities cannot restrict their locations through the land use provisions in zoning by-laws.
- Unlike when a person seeks a liquor licence, municipalities will not receive direct notification of an application for a cannabis retail store. A cannabis retail store applicant is only required to display an AGCO approved notice at the location of the proposed cannabis retail store. The AGCO will also post a notice of the application on its website in a searchable database. Municipalities' comments must be provided to the AGCO within 15 days of the date that the notice is posted.
- The AGCO will determine if the issuance of the retail store authorization is in the "public interest" considering the needs and wishes of the residents of the municipality. However, consideration of the "public interest" is very narrow, including only: (a) protecting public health and safety; (b) protecting youth and restricting their access to cannabis; and, (c) preventing illicit activities in relation to cannabis.
- Rather than relying only on the 15-day comment period, municipalities may provide AGCO with a *Municipal Cannabis Policy Statement* with parameters that the municipality would like AGCO to consider when reviewing applications.
- In January 2019, a first payment of \$15 million will be provided to all municipalities on a per household basis, with at least \$5,000 paid to each municipality. The Village expects to receive \$5,000 in this distribution.
- Following the January 22<sup>nd</sup> deadline to opt-out of cannabis retail stores, a second payment of \$15 million will be distributed on a per household basis to municipalities that have not opted-out by the deadline. Municipalities that opt-out will receive no more than \$5,000. The exact amount that the Village could receive in this payment is unclear.
- Lower-tier and upper-tier municipalities will receive a 50/50 split of the funding allocation applicable to each local municipality.
- If a municipality opts out by January 22, 2019, and opts back in at a later date, that municipality will not be eligible for additional funding. The maximum amount it will receive will be \$5,000 from the second distribution, it will not have access to the excise duty surplus, and it will have a lesser priority to receive funds from the \$10 million unforeseen costs pool from the province.

## **BACKGROUND:**

### ***Consultation Process***

On December 10, 2018, Council adopted Report CAO-10-2018 - *Legalization of Cannabis Retail Outlets* (attached) directing staff to coordinate a Special Public Meeting focused on the issue of whether to opt-out of retail cannabis sales. The purpose of this meeting is solely to gather information from staff and community input to support

decision-making about whether to opt out of allowing retail cannabis sales within the municipality.

No decision will be made on the issue at the January 7<sup>th</sup> Special Meeting. The decision of whether to opt out will be made at the Regular Council Meeting on January 14, 2019, Council's last Regular Meeting before the January 22, 2019 deadline.

Since December 7, 2018 when Council Report CAO-10-2018 regarding the community consultation process was publicly circulated in the December 10, 2018 Regular Meeting agenda package, the community has had overt opportunity to comment regarding the process. Since December 14, 2018 public notification of the January 7, 2019 Special Council Meeting (attached) has been:

- Circulated to media and advertised in the NG Times;
- Circulated via the Village's e-mail distribution list;
- Posted on bulletin boards at the municipal office, the Merrickville Community Centre, outside of Canada Post, and in Eastons Corners;
- Posted on the municipal website; and,
- Posted on the Village's Facebook page.

Written submissions only were requested in order to keep the process manageable. Only one (1) enquiry regarding the consultation process was received prior to the January 3, 2019, 4:30pm deadline for written submissions. It was received within 60 minutes of the deadline expressing a desire to speak to Council verbally at the meeting.

Staff's intent in this report (i.e., CAO-01-2019) is to impartially provide as much current information as possible to Council, but not to influence Council's decision. There remain many unanswered questions and additional information continues to become available as time progresses.

### ***Regulatory Overview***

On September 27, 2018 the province introduced Bill 36, entitled *The Ontario Cannabis Statute Law Amendment Act*. In addition to changes to where cannabis may be consumed, Bill 36 also permits privately-run cannabis retail stores as of April 1, 2019, operating under a system of licences and provincial regulatory oversight. Under the proposed model, the Alcohol and Gaming Commission of Ontario (AGCO) will licence and regulate private retail stores in Ontario.

Currently, the only way to legally purchase recreational cannabis in Ontario is through the government-run Ontario Cannabis Store (OCS) on-line store, with delivery to end users via Canada Post. Bill 36 came into force on October 17, 2018. Among other items, Bill 36 established the *Cannabis Licence Act, 2018*. Further regulations under this Act – which set out the framework to control private retail stores – took effect on November 16, 2018.

On October 17, 2018, the federal government's Bill C-45 (*The Cannabis Act*) came into effect. *The Cannabis Act* legalized the recreational use of cannabis, while controlling and regulating the production, distribution, and sale of cannabis. In Ontario, legalization allows adults who are 19 years of age or older to:

- Purchase dried recreational cannabis;

- Possess up to 30 grams (about one ounce) of dried recreational cannabis; and,
- Grow up to four cannabis plants per residence (not per person).

Legalization was brought forward to achieve several public policy goals:

- To protect the health of young people and enhance public awareness of the health risks of cannabis;
- To deter illegal markets;
- To provide access to a quality-controlled supply of cannabis for consumers; and,
- To reduce the burden on the criminal justice system in relation to cannabis.

The regulatory regimes for cannabis legalization developed by the federal and provincial governments are designed to support these public policy goals and strictly govern all aspects of legal recreational cannabis. At a high level, recreational cannabis:

- Can only be sold by authorized entities to individuals of legal age, which in Ontario is 19 years;
- Is strictly controlled in all areas, including production, marketing, packaging and display, and there are specific prohibitions against any promotion that is appealing to youth, requirements for plain packaging, and requirements that cannabis sales displays not be visible to youth;
- Cannot be sold by unauthorized individuals or entities to anyone, including to persons under legal age;
- Can only currently be sold online in Ontario by the government-run OCS, which is the exclusive online purchasing option and the Ontario Cannabis Retail Corporation (OCRC) will be the exclusive supplier to private retail stores;
- Can only be sold at retail storefronts licensed by the AGCO, where:
  - No cannabis or cannabis-related products will be visible from the street;
  - Minors will be prohibited from entering the store and only those of legal age can work in the store;
  - Only in-person, on-site transactions for recreational cannabis are permitted. No other type of purchase is allowed (e.g. online);
  - Only cannabis legally obtained from the OCRC can be sold in a cannabis retail store and cannabis from other sources is prohibited;
  - All sales must be recorded;
  - A maximum of 30 grams of dried cannabis or an equivalent amount of other authorized forms of cannabis may be sold to an individual in a single visit;
  - Cannabis cannot be sold to an intoxicated person;
  - The retailer cannot sell cannabis at a price that is lower than the price prescribed by the Province; and,
  - Authorized retailers will need to display an official Ontario Cannabis Retailer Seal.

There are stringent record-keeping requirements both federally and provincially, and new and increased enforcement tools and penalties have been established. Given the tightly-controlled federal and provincial framework in Ontario, local municipalities have been given very few additional regulatory powers at this point in time.

Consuming recreational cannabis in the workplace remains illegal after legalization on October 17, 2018. Consumption of cannabis for medicinal purposes is beyond the scope of this report.

### ***Municipality's Right to "Opt Out"***

Under the requirements of the *Cannabis Licence Act* with its Regulation 468/18, all municipalities in Ontario may opt out of allowing the establishment of legal cannabis retail outlets within their jurisdictions.

Municipal governments have a one-time opportunity to opt out of cannabis retail sales within their communities. The deadline for opting out is January 22, 2019, however the regulation requires municipalities to provide documentation within 3 business days of passing of the resolution. If Council decides to opt-out, a resolution must be passed by that date and the document promptly forwarded to AGCO.

There will not be any other future opportunity for opting out. There is no time period for a local municipality to opt back in via a resolution. If the opt out is reversed by a municipal government, that decision is final. Failure to opt out in accordance with the regulations is deemed by the Ministry to remain opted-in *by default* and the decision not to opt out is irreversible.

The AGCO's receipt of a resolution to opt out will automatically cancel any outstanding applications for a storefront in the municipality. The AGCO will keep a public list of communities that have opted out of hosting cannabis retail stores. Operators will not be able to propose a store location or locations in those communities. The Minister of Finance will track municipal governments who opt out as this may impact the distribution of funding to help with costs.

### **ANALYSIS:**

#### ***Retail Sales Licence Issuance***

Commencing April 1<sup>st</sup>, 2019, private recreational cannabis sales outlets shall be permitted throughout Ontario. However, on December 13, 2018, the Ontario government announced that it is reversing a previous decision not to limit the number of private retail outlets for which licenses will be issued. Instead, due to "severe supply shortages" across the country, a "phased approach" will be applied by the AGCO. The AGCO will now be using a lottery system to determine who is eligible for each of only 25 licenses to be issued in the Province of Ontario by April 1, 2019.

The AGCO will approve 25 retail licences to sell cannabis, including five in eastern Ontario. The AGCO announced in early January 2019 that it is starting the lottery process to qualify applicants and ensure true interest and financial ability to commit. The lottery will be held on Friday January 11, 2019 and will draw from expressions of interest submitted between January 7<sup>th</sup> and 9<sup>th</sup>. Those drawn will then be allowed to apply for a licence but they will not automatically get a retail cannabis licence.

In the interim, the only legal way for Ontario residents to acquire recreational cannabis is through a government-run website, the Ontario Cannabis Store, and it remains unclear when the next phase of private licenses will be authorized and ultimately how



many privately-run retail establishments will be approved. However, it now appears less likely that a private sales outlet would be located within the Village of Merrickville-Wolford by April 1, 2019 should Council decide not to opt-out.

### ***Municipal Planning Documents***

The Province, in recognizing the legal use of recreational cannabis for smoking is strictly controlled and regulated, has deemed that the basis of the retailing of this product is to be accepted as being no different than any other legitimate retail use.

All municipal Official Plans and Zoning By-laws cannot be amended to prevent the use of legal cannabis stores. Cannabis retail stores will be permitted anywhere that retail uses are normally allowed in municipal zoning by-laws. This would basically entail all Commercial and Hamlet Zones and most Industrial Zones indicated on the existing Zoning By-law map schedules.

Municipal zoning by-laws and official plans can still regulate certain zoning provisions in the commercial zones for the cannabis outlets such as setbacks to lot lines, building height and lot coverage. It is also the opinion of staff that municipal Site Plan Agreements may still allow Council to effect control over items such as on-site parking, exterior lighting, landscaping, garbage and snow storage, etc. in accordance to the Planning Act.

### ***By-Law Enforcement***

When considering certain aspects of by-law enforcement, Council may wish to consider the potential for increased demand for on-street parking spaces for purchasers of legal cannabis and that it could be expected, at least initially, to be a draw for tourism and curious observers.

In addition, irrespective of the Province's assurance of the safety of the legally retailed cannabis, some ratepayers of the Village may object to the installation of a legal cannabis outlet if one is located in close proximity to their residence or business. Typically, ratepayers may complain to staff that the use is somehow non-compliant. Since all complaints require follow up and possible by-law enforcement, this may require increased staff time, appearances in Court and increased consultations with the Village's Solicitor.

### ***Public Nuisance***

While it is understood that the smoking of recreational cannabis is now legal in Canada, easier access to the drug from a nearby legal retail outlet may reasonably be expected to result in increased smoking of cannabis in public.

Smoking of legal cannabis (recreational and medicinal) is permitted in public in the same locations and with the same setbacks for the smoking of tobacco, but it is unclear who is to enforce these requirements. Staff anticipate that local by-laws would likely have to be passed to facilitate enforcement at the municipal level.

*The Municipal Act* allows municipalities to consider passing by-laws to manage public nuisances such as for odour control due to smoking or loitering. However, this may cause a corresponding increase in By-law Enforcement costs.

### ***Building Code Act & Enforcement***

All aspects of the *Building Code Act* and its regulation will continue to be in full force and effect. In the event that a new cannabis retail outlet is allowed, an application for construction permit and plans may be required, fees payable and inspections shall be carried out under the approval of the Village's Building Department.

The retail space where cannabis is sold:

- a) Must be enclosed by walls separating it from any other commercial establishment or activity;
- b) Cannot include an outdoor area;
- c) Cannot be entered from or passed through in order to access any other commercial establishment or activity, other than a common area of an enclosed shopping mall; and
- d) The area where cannabis will be received or stored cannot be accessible by any other business or by the public.

### ***Cannabis Retail Store Location Process***

In acknowledging the Province's powers in rendering the permitted use provisions of all municipal zoning by-laws and official plans to be of no effect for cannabis retail, there is a suggested protocol to be followed during the site selection process for a new cannabis store.

Overseen by the AGCO, the store site selection involves various checks during its 15-calendar day review process. One of the checks directly involves the municipality's input within a suggested "Municipal Cannabis Retail Policy" which can be adopted by Council. The policy would provide AGCO and prospective cannabis retailers with a template of considerations. The Association of Municipalities of Ontario (AMO) has produced a *Draft Template Municipal Policy Statement (attached)* to assist municipalities.

The policy would not be legally enforceable. However, AGCO would have regard for the policy during its approval phase. Without a policy in place, there would be no municipal guidelines for the proposed cannabis store locations.

At the present time, the regulations under the *Cannabis Licence Act* will allow a setback to a school of not less than 150m, however, no other setbacks to sensitive uses are prescribed. However, Council could possibly adopt this Municipal Cannabis Retail Policy in its official plan and thus identify sensitive uses such as playgrounds, churches, libraries and community centres as requiring a suggested 150m setback to these stores. The number of stores, however, cannot be regulated by municipalities and a rationale for the distance separation must be provided.

### ***Consumer Protection and a Public Health Perspective***

Under Ontario Regulation 468/18, individuals with a store authorization, cannabis retail managers and all retail employees will be required to complete approved training to ensure that any individual who works in the cannabis retail market is trained in the responsible sale of cannabis.

If the Village opts out of hosting cannabis retail, it is possible that limited purchasing options for residents could potentially translate into a market where supply cannot meet local demand for readily available legal cannabis. In such a case, local consumers may choose to turn to the illicit market. Local consumers may also turn to the illegal market if they have concerns with online purchasing privacy or if they simply want in person service and product knowledge firsthand.

The Ottawa Medical Officer of Health has advised that residents who choose to use cannabis could have less risk to their health with access to legal products, which include approved labeling (i.e. clearly stated THC levels) and are subject to Health Canada's Good Production Practices. These Practices include product testing for microbial and chemical contaminants among other requirements to ensure product quality and safety. The existence of a strong black market makes it difficult to regulate the supply and circulation of safe and legal cannabis as well as reduce the consumption by young people, all federal objectives of legalization.

It's important to recognize the reality that, if Council chooses to opt out, recreational cannabis is legal and therefore is present in the community and opting out would result in a loss of provincial funding to assist the Village in offsetting the related costs for cannabis legalization.

Leeds, Grenville and Lanark District Health Unit has provided a December 20, 2018 document entitled *Fact Sheet – Municipalities and Cannabis: A Public Health Perspective* (attached) for local Councils' consideration on the issue.

#### ***Economic Development Considerations***

The legalization of recreational cannabis retail sales introduces a new sector to Canada's formal economy. Though projections of users and sales vary depending on the source, the market is likely to be sizeable. Should the Village decide to opt-out of hosting cannabis retail stores, there are a number of economic implications that could occur. Implications could result from the potential loss of direct new opportunities. For example, purchases may be made in neighbouring municipalities and online, meaning that direct benefits such as the expenditures directly attributed to local retail sales are either unrealized or exported outside the Village. This may also mean that new jobs that would have directly accompanied retail stores would not materialize or will occur elsewhere in neighbouring municipalities.

Opting out of retail sales of cannabis could also result in unrealized indirect economic impacts. Indirect economic impacts occur in industries that interact with, and supply, a primary industry. In the case of retail cannabis, indirect impacts include, for example, money spent on security services, building upgrades, professional services like legal, accounting and e-commerce, commercial leases, and tourism. If the Village chooses to opt out of permitting retail cannabis sales, indirect positive impacts to our economy may not be fully realized.

Additionally, opting out could mean that main streets would not see increased foot traffic or increased consumers drawn to their areas which could occur if retail cannabis stores opened in new locations or filled current vacant properties. However, it's important to

recognize that cannabis retail may not be wanted in some areas as it may not align with, and complement, the existing nature of stores on main streets.

### **BUDGET/LEGAL IMPLICATIONS:**

It is not possible to fully determine the budget and legal implications at this time. There may be concerns that by-law enforcement resources could be strained and because this is brand new territory, considerable opinions may be required from the Village Solicitor or Village Planner at great expense to the Village.

However, recreational cannabis will be used in the municipality whether or not privately-operated cannabis retail stores are also present and there will be direct impacts on services. The Ontario government has recognized that the legalization of recreational cannabis is expected to add financial pressures to municipalities and has committed funds to municipalities to assist with the cost of services involved in the implementation of recreational cannabis, under certain conditions.

Specifically, the Minister of Finance has indicated that the Ontario Cannabis Legalization Implementation Fund (OCLIF) will be available to municipalities for two (2) years only to offset permitted costs that are directly relate to the legalization of recreational cannabis, including costs related to:

- Increased enforcement (e.g. police, public health and by-law enforcement, court administration, litigation);
- Increased response to public inquiries;
- Increased paramedic and fire services; and,
- By-law/policy development (e.g. police, public health, workplace safety).

Funds will be distributed as described in the November 26, 2018 letter from Deputy Minister Greg Orencsak (attached). In addition, if the Province of Ontario's portion of the revenue from recreational cannabis exceeds \$100 million in the first two years of legalization, the Province will provide 50 per cent of the surplus to be divided only amongst municipalities that have opted-in to the private cannabis retail store regime.

If a municipality opts out by January 22, 2019 and opts back in at a later date, that municipality will not be eligible for additional funding. The maximum amount it will receive will be \$5,000 from the second distribution, it will not have access to the excise duty surplus and will have a lesser priority to receive funds from the \$10 million unforeseen costs pool of the OCLIF.

### **INTERDEPARTMENTAL IMPACTS:**

The Finance/Treasury, Building/Planning, By-Law Enforcement and Economic Development areas will all be affected by Council's decision regarding whether to opt out of retail cannabis sales within the Village.

## **LINKS TO STRATEGIC PLAN:**

On January 23, 2017, the Council of the Corporation of the Village of Merrickville-Wolford passed By-Law 10-17, being a by-law to adopt the Merrickville-Wolford Strategic Plan 2017-2025.

The priorities of the strategic plan that can be linked to this report are as follows:

- Ensuring efficient, effective services and civic engagement.

Through providing relevant information to Council in advance of an important decision, effective and efficient decision making is promoted. Through requesting input from the public on the matter outlined in this report, civic engagement is encouraged and comments are heard and considered.

## **CONCLUSION:**

The decision of whether to opt out of allowing cannabis retail stores within the Municipality is completely new and uncharted territory for all municipalities, including the Village of Merrickville-Wolford. Much information remains unclear or unknown and it is not possible to fully determine the impacts and viability at this time.

In the event that Council decides not to opt out, staff can be later directed to prepare a *Municipal Cannabis Policy Statement* to be included in the proposed new Official Plan and to forward the document to the appropriate provincial Ministry.

In the event that Council decides to opt out, a resolution to do so must be passed by Council at the next Regular Scheduled Council Meeting on January 14, 2019 to satisfy AGCO's January 22, 2019 deadline.

**Note:** *The retailing of edible cannabis products is to be federally legislated around October 2019. It, along with legally prescribed medical marijuana, are beyond the scope of this report.*

**ATTACHMENTS:**

- Village of Merrickville-Wolford Report CAO-10-2018 – *Legalization of Cannabis Retail Outlets*
- Public Notice – January 7, 2019 Special Council Meeting
- Association of Municipalities of Ontario (AMO) – *Draft Template Municipal Policy Statement*
- Leeds, Grenville and Lanark District Health Unit – *Fact Sheet – Municipalities and Cannabis: A Public Health Perspective*
- Deputy Minister Greg Orenszak's November 26, 2018 letter to municipal Treasurers regarding the Ontario Cannabis Legalization Implementation Fund.
- Public Input

Respectfully submitted by:



Doug Robertson MBA  
CAO / Clerk / Director, Economic Development



**Village of Merrickville - Wolford**

**Report CAO-10-2018  
of the CAO's Department  
Report to Council: December 10, 2018**

**RE: Legalization of Cannabis Retail Outlets**

**OBJECTIVE:**

To recommend to Council a process for receiving public input and information to support decision making regarding whether to opt out of allowing retail cannabis sales within the Village of Merrickville-Wolford.

**RECOMMENDATION:**

That Council receive and adopt report CAO-06-2018 by CAO/Clerk/Director, Economic Development, Doug Robertson, respecting a process to facilitate effective decision making regarding whether to opt-out of allowing retail cannabis sales within the Village of Merrickville-Wolford.

**BACKGROUND:**

On September 27<sup>th</sup>, the province released a technical briefing called *Moving Forward with Cannabis Retailing*, which provided additional information on the framework that will be in place regarding the private retail of cannabis, regulation and licensing, municipal funding, and permitted places of cannabis use.

By January 22, 2019, Ontario municipalities have the opportunity to opt-out of allowing private retail stores within their boundaries. Municipalities that opt-out can request to opt-in in the future. However, those that do not opt-out by January 22, 2019 cannot opt-out at a later date.

**ANALYSIS:**

Input received by staff from individual members of Council has made it apparent that, before deciding on a course of action, Council members would like to have a better understanding of public opinion regarding the legalization of retail cannabis sales within the municipality.

Council members have expressed concern about the very short length of time that is being allowed following the October 22, 2018 election and January 22, 2019 at which time they are required to make this important, potentially irreversible decision which could impact the fabric of the community and local economy for many years to come.

**BUDGET/LEGAL IMPLICATIONS:**

None.

**CONCLUSIONS:**

It is advisable that staff be directed to coordinate an appropriate Special Public Meeting of Council focused on the issue of Opting-Out of Retail Cannabis Sales early in January 2019 and to issue appropriate public communications making the community aware that Council would like to receive their input.

It is also advisable that the issue be added to the agenda of the Regular Council Meeting scheduled for January 14, 2019 at which time Council will need to decide whether to opt-out.

**INTERDEPARTMENTAL IMPACTS:**

The decision regarding whether to opt in/out of cannabis retail sales will require input from several municipal departments.

**LINKS TO STRATEGIC PLANS:**

The priorities of the strategic plan that can be linked to this report are as follows:

- Promoting Healthy Living.
- Building a Progressive Growing Economy.
- Ensuring efficient, effective services and civic engagement.

Submitted by:

**COPY**

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Doug Robertson, MBA  
CAO/Clerk/Director, Economic Development





MERRICKVILLE-WOLFORD  
*Jewel of the Rideau*

**Notice of Special Council Meeting  
Regarding Cannabis Retail Sales**

The Council of the Corporation of the Village of Merrickville-Wolford will be holding a Special Council Meeting to receive information from staff and is inviting public input regarding the alternative to opt-out of allowing Cannabis Retail Stores in the Municipality in advance of the provincial deadline of January 22, 2019.

**When:** January 7, 2019 at 7:00 p.m.

**Where:** Municipal Office, 317 Brock Street West, Merrickville

Council anticipates voting on this issue at their regular meeting on January 14, 2019 and would like to consider public input on the matter. As such, should you wish to comment to either oppose or support the allowance of cannabis retail stores in Merrickville-Wolford, we kindly request that you make your submissions in writing, limited to one page, by January 3<sup>rd</sup>, 2019 at 4:30 p.m. Please send your submissions via email to [deputyclerk@merrickville-wolford.ca](mailto:deputyclerk@merrickville-wolford.ca) or drop them off at the Municipal Office located at 317 Brock Street West, Merrickville. Please note that all submissions will be made public, including identities.

For more information, please contact:

Doug Robertson, MBA  
CAO / Clerk / Director, Economic Development  
613-269-4791, ext. 229  
[cao@merrickville-wolford.ca](mailto:cao@merrickville-wolford.ca)



# Municipal Cannabis Update

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Information to help municipal staff prepare reports for councils

November 21, 2018

**Purpose:**

This update provides information on the province's regulatory framework, funding and AGCO licensing. This will help municipal staff prepare its report to council on elements for its decision-making on whether to have cannabis retail stores.

**Overview**

The provincial government has committed to allowing private recreational cannabis retail stores throughout Ontario starting April 1, 2019. As recreational cannabis is a legal, controlled and regulated product, cannabis stores will be considered like any other type of retail and as such, no zoning changes are needed.

In legalizing cannabis for recreational purposes, the federal, provincial and municipal governments share three interrelated goals: protecting youth, public health and safety, and ending illegal sales of cannabis. The provincial government has established a regulatory framework (Q. Reg. 468.18) under the recently passed *Cannabis Licensing Act, 2018* that provides further clarity on how these private businesses will be licensed and regulated by the Alcohol and Gaming Commission of Ontario (AGCO). These regulations deal with various elements of the retail regime including matters in which municipal governments may have an interest.

**Key Points in the Regulations**

The regulations speak to how a license to open a cannabis store will be issued. The full details of the AGCO process have not yet been released, however the AGCO will issue guidance as the regime is finalized. It is offering webinars (November 27 - 10:00 am / 3:00 pm) to prospective retailers and interested parties.

AGCO process will begin with it reviewing and completing due diligence on applications from corporations and individuals seeking to sell recreational cannabis. The licensing regime will have three parts: operator approval; retail site location approval; and store management licensing.

Municipal governments have the one-time opportunity to opt out of allowing retail cannabis stores in their communities. **The decision to opt out must be made by January 22, 2019. Unless a municipal government opts out as per Ontario Regulation 468/18 s. 22, they opt in to recreational cannabis retail sale by default.**

To protect youth, the provincial cannabis retailing regulations include a 150-meter buffer area for cannabis stores to keep them separated from schools. No buffers from any other use has been specified by the regulations.

In our discussions with some members, it has been proposed that a municipal government may consider setting out a policy statement identifying specific and significant locally sensitive considerations or uses, to best represent the expectations of the community in allowing cannabis retail. This statement would provide direction to municipal staff input to the AGCO within its 15-day review period.

The AGCO cannabis licensing process, much like the process for liquor licensing applications, requires that a notice of a proposed cannabis store site be posted for comments from area residents and businesses before a site authorization is made. At this point, the municipal

government will not be provided pre-notification of the application, but can make comments about whether the proposal is in the public interest as described by regulation.

While there is no regulatory requirement for the AGCO to act on municipal input, it is reasonable that a council could choose to set out any locally sensitive uses as part of the decision to allow cannabis retail stores or to opt out. Setting out these sensitive uses would specify the expectations of the community as cannabis retail sites are proposed. However, care needs to be taken so that this statement would not prohibit any cannabis retail store from locating in a municipality. Opting out is the appropriate mechanism for not permitting any stores in a municipality.

The province has just released the funding approach to help municipal governments offset implementation costs. Please see the Minister of Finance's letter of November 20 to the AMO President. A similar letter is being sent to all Heads of Council. In addition, a letter from the Deputy Minister of Finance to municipal treasurers with more details will be sent in the coming days.

**Please note that while opting out can be reversed after January 22, the municipal government will not gain any additional funding from the Ontario Cannabis Legalization Implementation Fund (OCLIF) than it had as of January 22 when it opted out- beyond the minimum second payment of \$5000.**

### Store Location Approval Steps

The AGCO will have a 15-day window for public and municipal government comments for each store site proposed by an approved operator. The legislation provides that municipal comments should focus on whether a proposed storefront location is in the public interest, as defined in the regulation. In the regulation, public interest is defined as public health or safety, protecting youth and eliminating the illegal market.

If a municipal council accepts retail stores, AMO suggests that a 'Municipal Cannabis Retail Policy Statement' be adopted by council. Such a policy statement could address what it sees as significant local sensitive uses. This would give municipal staff direction in responding to the 15-day window during the commentary process. For example, a policy statement may identify specific sensitive uses and express some parameters to consider proximity to these sensitive areas, or may set out concerns regarding store concentration<sup>1</sup> in certain areas of their communities.

It is recommended that municipal governments identify a key senior staff lead for proposed cannabis store notices from AGCO and to provide a one-window approach to coordinate municipal input within the 15-day commentary period. This will ensure AGCO has every opportunity to take note of municipal government considerations. This key contact should be able to gather information from various municipal departments as necessary, provide maps and be able to convey council policy.

Below, AMO has provided a draft Municipal Cannabis Retail Policy Statement template that may help municipal governments that choose to create such a policy. The template helps municipal government officials begin to think about the issues and criteria they may wish to note when considering a proposed cannabis retail site. Notes for consideration of what we understand to be

<sup>1</sup> Note that store concentration will ultimately be determined by the market demand, however municipal governments may wish to set out any criteria through which they may consider this in future.

an effective municipal policy statement are provided in the shaded boxes and would not form part of the policy statement.

For alignment between the regulations and AGCO mandate, municipal comments in the process, whether through a municipal cannabis policy statement or not, must focus on the three provincial public interest objectives: public health and safety, protecting youth and ending illegal sales of cannabis.

Municipal staff are encouraged to read the regulations and AGCO guidelines as they are developed and made available to understand eligibility requirements for operators how cannabis retail businesses are expected to operate. AMO will continue to provide information and analysis on this and other matters as it becomes available.

**Draft Municipal Policy Statement Template:**

The template can be used by a municipality that has chosen to allow retail sales of recreational cannabis.

**Purpose & Vision**

The purpose of this policy statement is to provide a format for municipal government input to the Alcohol and Gaming Commission of Ontario (AGCO) as well as help prospective recreational cannabis retailers in their consideration of location of cannabis retail stores in (name of municipality).

The AGCO is the provincial authority that licences cannabis retail operators, authorizes cannabis retail locations and licenses senior store staff. Municipal governments have no licensing authority.

The AGCO regulates and reviews all aspects of the retail operation including municipal and public input, that the proposed store location is consistent with the public interest as defined in the regulations.

The Municipality of .....has chosen to allow retail sales of recreational cannabis. The following provides municipal staff with guidance on commenting to AGCO when notice on a specific proposed cannabis retail store site is provided on the site location.

**Principles for Cannabis Retail Store Locations:**

**Relationship to Other Applicable Law:**

- **Land Use Planning:** The provincial licensing process does not remove the requirement to comply with the zoning by-law and other municipal planning documents. The definitions within the municipality's Official Plan and Zoning By-law are applicable to all retail, including cannabis retail stores. Retail sale of cannabis from a provincially licensed store is legal and is a permitted use in the retail zones.
- **Municipal Building Inspections:** while the licencing of the store operation is the responsibility of the AGCO, the Building Code applies to cannabis retail store locations. Therefore, where a building permit is required, the building inspector will undertake duties as usual. Fire Code compliance is also mandatory.

For the purposes of this policy statement, a cannabis retail store shall mean a store licenced by the AGCO.

1. Cannabis Retail Stores and Sensitive activities:

In order to help ensure public health and safety, protect youth and reduce illegal sales, retail cannabis stores are discouraged where nearby properties are designed to serve youth including ....

The policy can address types of activities where youth or the potential for illegal sales or health risk exist. Please note that Ontario Regulation restricts a cannabis retail store from being located within a distance of 150 meters of a public school or most private schools. The municipality cannot adopt a greater distance. The distance buffer would be measured from the property line, if the school is the primary or only occupant of a building, or the boundary of any space occupied by the school within the building, if the school shares space, like in a mall. This distance buffer would not apply to private schools that hold classes online only, or to First Nation schools located on reserve.

The municipal government may want to suggest other youth facilities such as libraries and community centres if appropriate, or other sensitive facilities that serve persons with mental health or addiction challenges.

The policies cannot be so restrictive that it is impossible to locate a store. Nor can the policy state a specific number of stores permitted.

It is recommended that should the municipal government choose a separation distance from a sensitive use that it be a number, not a range and that a rationale for this distance be provided.

Municipal governments should note that municipal density restrictions on cannabis retail stores are not permitted under the legislation or regulations. However, it is possible that the number of cannabis retail stores in one area could in the future be considered under the public interest criteria in the regulations and merit comment from the municipal government and community.

2. Cannabis retail stores should not be permitted in:

Any prohibitive statements must be considered through the lens of eliminating illegal activity, public health and safety or protecting youth and the regulatory definition of the public interest.

Retail locations, if retail is allowed in a zone other than a commercial zone, such concerns may be noted.

How does this prohibition help youth, create a safer environment or limit illegal activity? A municipal government may choose not to have any prohibitions.

3. Attached is a map showing the retail/commercial zones of the municipality and the activities identified in Section 1 above.

A map showing where retail is permitted and the locations of the activities identified in the first section will be very helpful to the AGCO. Municipal governments may choose to provide some sample separation distances as concentric rings around the activities such as addiction treatment facilities etc. to provide sample set backs. The Ministry of Education is working to identify all schools however; municipalities could also provide this information.



# FACT SHEET

## Municipalities and Cannabis: A Public Health Perspective

On October 17, 2018, Canada legalized the use of cannabis beyond its current legalized use for medical purposes. Legalization of cannabis aims to protect youth from access to it, displace the illicit cannabis market by regulating the sale of safer cannabis products, and protect the health and safety of individuals from exposure to second hand smoke.

Cannabis use may have significant health risks, particularly among young people, and can lead to addiction (see [Health Harms of Cannabis](#)). The Centre for Addiction and Mental Health (CAMH) has developed research-based [Lower Risk Cannabis Use Guidelines](#) to address these potential risks<sup>5</sup>. Municipalities will have an important role to play in creating an environment that decreases the risk associated with cannabis use, and supports healthy decision-making around cannabis use, particularly among young people.

### Municipal Role with Youth

The adolescent brain is developing until 25 years and older and regular cannabis use can affect normal development of memory, cognition, judgement and planning with long-term consequences.

Municipalities have an important role in promoting health and preventing problematic substance use among adolescents.<sup>2</sup>

- A youth-friendly community is one that is committed to supporting positive youth development; building the skills and resilience of youth and their families through access to safe, free recreational and social spaces, and school- or community-based organizations.<sup>4</sup>
- Consider incorporating youth's voice in planning and development.<sup>2</sup>
- Promote positive social norms and prevent exposure to cannabis by reducing access and availability of substances through municipal alcohol and cannabis policy and by-laws.<sup>2,4</sup>
- Communicate risks with cannabis use and driving.

### Municipal Role to Displace the Illicit Cannabis Market

The provincial government currently, has a regulated on-line retail model and will establish a private retail model by April 1, 2019, to displace the illicit cannabis market. Municipalities<sup>1</sup> in Ontario must decide, by January 22, 2019, whether they will endorse private retail in their community now or opt out issuing a council resolution to the Alcohol and Gaming Commission of Ontario<sup>6</sup>. The options are:

1. Retail store(s) will not be permitted in the municipality for now. The municipality can decide later on to accept the retail store model in their municipality. This would provide time to assess how retail stores are impacting other municipalities.
2. Retail cannabis store(s) will be present in the municipality. This is a permanent decision. The municipal zoning by-laws will not apply to any application for a retail store. Local municipalities will be requested to provide comments on whether the retail store authorization is in the public interest and wishes of the residents within 15 days.<sup>1</sup>

The presence of retail stores will allow people without credit or a personal address to access safer products, however their location, number or business hours may pose risks to youth. In order to mitigate some of these risks, consider the following when providing comments on whether the proposed site for a cannabis retail store is in the public's interest (see [Cannabis Retail Outlets: Considerations for Municipalities](#)):

- Reduce cannabis retail outlet density through minimum distance requirements (at least 300 metres) between cannabis retail outlets and limits on number in your community
- Prevent the role-modeling of cannabis use and reduce youth access through minimum distance requirements (at least 500 metres) from youth-serving facilities such as child care centres and community centres
- Discourage the co-use of cannabis and other substances by discouraging co-location and minimum distance requirements (at least 300 metres) between cannabis and alcohol or tobacco retail outlets to reduce risks associated with impaired driving
- Protect vulnerable residents by limiting cannabis retail outlets in low socioeconomic neighborhoods and other sensitive areas enacting minimum requirements
- Reduce cannabis consumptions and harms by limiting late night and early morning retail hours.

## Municipal Role to protect the health and safety of individuals from exposure to second hand cannabis smoke

The Smoke Free Ontario Act 2017 includes prohibitions of smoking or vaping cannabis in all places where it is prohibited to smoke or vape tobacco.

Restricting the use of cannabis, tobacco and vapour products together in a municipal by-law will decrease confusion as to which substances can be used in public places, and decrease enforcement challenges of having to identify the product or substance smoked or vaporized.

The Health Unit is available to support municipalities in helping draft municipal by-laws, provide sample by-laws and consult as well as provide support to municipal by-law enforcement staff.

Municipalities can develop by-laws as follows related to tobacco and cannabis smoking or vaping.

1. Restrict use on all municipal properties or a specified distance from municipal entrances (e.g., 9 metres)
2. The restrictions included in the Smoke Free Ontario Act 2017 and regulations can be mimicked in your by-law to ensure municipal staff can also enforce those restrictions ensuring fines issued go to municipal coffers and increasing the enforcement capacity. Those should include (a 20 metre radius to playgrounds and playing fields, a 20 metre radius from the perimeter of community recreational facility and a 9 metre radius to patios).<sup>3</sup> (See municipality of North Grenville by-law)
3. The municipality can add to the restrictions already offered in the Smoke Free Ontario Act 2017 (see above) by adding to their by-law to include all parks and playgrounds, municipal trails, street fairs and festivals, parade routes, parking lots, 9 metres from unenclosed bus stops, multi-unit dwellings and supportive housing. (See city of Kingston by-law)
4. Restrict use in all public places including streets and sidewalks basically eliminating exposure in their municipality. (See city of Markham by-law).

### References:

<sup>1</sup>The Cannabis Licensing Act (2018). Retrieved from <https://www.ontario.ca/laws/statute/18c12> (accessed December 5, 2018)

<sup>2</sup>The Chief Public Health Officer Report on the State of Public Health in Canada: 2018. Preventing problematic Substance Use in Youth (retrieved 2018-12-05) <https://www.canada.ca/content/dam/phac-aspc/documents/corporate/publications/chief-public-health-officer-reports-state-public-health-canada/2018-preventing-problematic-substance-use-youth/2018-preventing-problematic-substance-use-youth.pdf> (accessed December 5, 2018)

<sup>3</sup>Smoke Free Ontario Act (2017) <https://www.ontario.ca/laws/statute/17s26> (accessed December 5, 2018)

<sup>4</sup>Strategic Framework to help Ontario's Youth Succeed: Stepping Up <http://www.children.gov.on.ca/htdocs/English/documents/youthopportunities/steppingup/stepping-up.pdf> (accessed December 5, 2018)

<sup>5</sup>Fischer, B., Russell, C., Sabioni, P., van den Brink, W., Le Foll, B., Hall, W., Rehm, J. & Room, R. (2017). Lower-Risk Cannabis Use Guidelines (LRCUG): An evidence-based update. *American Journal of Public Health*, 107 (8). DOI: 10.2105/AJPH.2017.303818. (accessed December 5, 2018)

<sup>6</sup>Association of Municipalities of Ontario. Briefing: Municipal governments in the Ontario recreational cannabis framework. <http://www.amo.on.ca/AMO-PDFs/Reports/2018/Briefing-Municipal-Governments-in-the-Ontario-Recre.aspx> (accessed December 5, 2018)



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or visit our website at [www.healthunit.org](http://www.healthunit.org)

Ministry of Finance      Ministère des Finances  
Office of the Deputy      Bureau du sous-ministre  
Minister  
Frost Building South, 7th      Édifice Frost Sud 7e étage,  
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Toronto, ON M7A 1Y7  
Tel (416) 325-0420      Tél 416-325-0420  
Fax (416) 325-1595      (416) 325-1595



November 26, 2018

Dear Treasurer:

**Re: Ontario Cannabis Legalization Implementation Fund**

In his November 20, 2018 letter to Heads of Council (elect), the Minister of Finance announced funding for all municipalities through the Ontario Cannabis Legalization Implementation Fund ("Fund"). This Fund will provide \$40 million in funding over two years to municipalities across Ontario to help with the implementation costs of recreational cannabis legalization.

This letter sets out the terms and conditions of receiving money under the Fund.

**1. First Payment of Funds**

For the first payment in January, the Province will distribute \$15 million of the Fund between all municipalities based on the following:

- 2018 MPAC Household numbers
- 50/50 split in household numbers between lower- and upper-tier municipalities
- Adjustments to provide at least \$5,000 to each municipality

Municipalities will receive a first payment in the amount set out in the attached allocation notice.

**2. Second Payment of Funds**

For the second payment, the Province will distribute \$15 million of the Fund between all municipalities based on the following:

- If a municipality has not opted-out of hosting private retail stores in accordance with *Cannabis Licence Act*, it will receive funding based on the 2018 MPAC household numbers, adjusted so that at least \$5,000 is provided to each municipality.

.../cont'd

- If a municipality has opted-out of hosting private retail stores in accordance with the *Cannabis Licence Act*, it will receive a maximum amount of \$5,000. Please note that if a municipality opts-out by January 22, 2019, and opts back in at a later date, that municipality will not be eligible for additional funding.

Municipalities will receive a second payment based on the above criteria. The Province will send an allocation notice to municipalities setting out the amount of the second payment by March 2019.

The amount of the Fund allocated to each municipality in Ontario will be posted at [www.fin.gov.on.ca/en/budget/oclif/](http://www.fin.gov.on.ca/en/budget/oclif/) in December.

### **3. Use of Funds**

Municipalities must use the money they receive from the Fund solely for the purpose of paying for implementation costs directly related to the legalization of cannabis.

Examples of permitted costs include:

- 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
- By-law / policy development (e.g., police, public health, workplace safety policy)

Municipalities must not use the money they receive from the Fund to pay for:

- Costs that have been, or will be, funded or reimbursed by any other government body, or third party
- Costs not related to cannabis legalization

### **4. Transfer of Funds Within Upper-Tier and Lower-Tier Municipalities**

Upper-tier municipalities and lower-tier municipalities may transfer any money that they receive from the Fund between each other. Despite any transfer of money that may occur under this section, municipalities remain responsible for ensuring compliance with the terms and conditions of this letter with respect to the transferred money.

.../cont'd

## **5. Funding Assessment**

To assess the impact of this funding, the Province has requested that the Association of Municipalities of Ontario and the City of Toronto work with the Ministry of Finance to establish a process by which a sample group of municipalities will provide information on use of funds and impact of funding. More information will be available as this process is developed.

If municipalities are asked to provide information on the use of the money received under the Fund and impact of such funding, they must provide the information requested, in a timely manner. As such, municipalities must keep and maintain all records relating to money received from the Fund.

In addition, the Province or any authorized representative or identified independent auditor, may request to review the records or conduct an audit in respect of the expenditure of money a municipality has received from the Fund.

If you have any further questions, please contact:

Cannabis Retail Implementation Project  
Ministry of Finance  
Email: OCLIF@ontario.ca

Yours sincerely,



Greg Orencsak  
Deputy Minister

### Attachment

- c. Paul Boniferno, Deputy Attorney General  
Laurie LeBlanc, Deputy Minister of Municipal Affairs and Housing  
Nicole Stewart, Executive Lead, Cannabis Retail Implementation Project  
Allan Doheny, Assistant Deputy Minister, Provincial-Local Finance Division  
Renu Kulendran, Ontario Legalization of Cannabis Secretariat, Ministry of Attorney General

**Kate Manson-Smith, Assistant Deputy Minister, Local Government and Planning  
Policy Division, Ministry of Municipal Affairs and Housing  
Pat Vanini, Executive Director, Association of Municipalities of Ontario**

Doug Robertson

CAO

Merrickville-Wolford

Dec 29, 2018

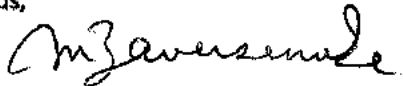
Reference: Cannabis Retail Stores In Municipality

Dear sir,

I would like to express my approval to allow Cannabis Retail Stores in Merrickville-Wolford and that they should be treated as any other retail business without additional restrictions imposed by Council.

I suggest that providing retail outlets for legal cannabis is essential to ensure that the products are safe and that there are sufficient government regulated suppliers available to prevent criminal elements from continuing to profit from this industry.

Regards,

A handwritten signature in black ink, appearing to read "Mike Zaversenuke". The signature is written in a cursive, flowing style.

Mike Zaversenuke

Merrickville-Wolford, Ontario

KOG 1N0

Doug Robertson

CAO

Merrickville-Wolford

Dec 29, 2018

Reference: Cannabis Retail Stores In Municipality

Dear sir,

I would like to express my approval to allow Cannabis Retail Stores in Merrickville-Wolford and that they should be treated as any other retail business without additional restrictions imposed by Council.

I suggest that providing retail outlets for legal cannabis is essential to ensure that the products are safe and that there are sufficient government regulated suppliers available to prevent criminal elements from continuing to profit from this industry.

Regards,



Dawn Zaversenuke

Merrickville-Wolford, Ontario

KOG 1N0





December 30 2018

Mr. Doug Robertson  
CAO / Clerk / Director, Economic Development  
317 Brock Street  
Merrickville-Wolford  
Ontario K0G 1N0

Dear Mr. Robertson,

Re. Cannabis Retail Sales

I am pleased to inform you that the Merrickville and District Chamber of Commerce has no objections to the existence of cannabis retail stores in Merrickville-Wolford. We, therefore, recommend that Village not opt-out of allowing such retail facilities.

Cannabis is now a legal product throughout Canada for medical and recreational use and our citizens and visitors (tourists) should not have to resort to mail-order firms for cannabis. The Chamber has consistently promoted a Buy-Local policy.

Thank you for considering our comments. If we can supply you with any additional information do not hesitate to contact us.

Karl Feige

President

cc. Mayor Struthers  
Councillors, M. Cameron, B. Foster, D. Halpenny, T. Molloy



Merrickville-Wolford Chamber of Commerce  
106 - 571 Main Street East  
Merrickville, Ontario, K0G 1N0

#Merrickville  
"Merrickville Chamber" & "Merrickville"  
www.merrickvillechamber.ca

Doug Robertson, MBA  
CAO/Clerk/Director for Economic Development  
Township of Merrickville -Wolford

20 December 2018

**PUBLIC INPUT**  
**Notice of Special Council Meeting Regarding Cannabis Retail Sales**

Members of Council:

As one taxpayer and Resident of Merrickville -Wolford my thoughts of Cannabis retail sales in our village are:

- Why? Where is there a demand/market or need? The largest producer of Cannabis is down the road in Smiths Falls. They will be Retail sellers;
- Credible Experience - How can you be assessing this?
- Adequate Recourses? ;
- Buying Customers - do we want the Village to be a "Go to Place for Cannabis?"
- Sound Business Model

The best businesses have multiple sources of revenue, competitive pricing, a 50 percent or better gross margin, and a 10 to 20 percent profit margin. If your numbers aren't this attractive, it will be difficult to survive. So make sure all the numbers work before launching your venture.

I am not going to be a customer of a business selling Cannabis - my choice is the LCBO and wine and whisky!

Is this issue really significant for Merrickville- Wolford? The Question is not clear to me. Yes or No - who cares if you Opt Out or In?

**I OPPOSE SALES OF CANNABIS RETAIL SALES IN MERRICKVILLE - WOLFORD**

Randy Stowell  
Retired Military/Past President Branch #245

Merrickville, ON, K0G 1N0

Dec 30/2018

To: Merrickville Council

Dear Sirs,

I am writing to encourage you to not allow "pot shops" in the village.

There is a term in psychology called "New Exposure Effects", which refers to the way in which humans become less concerned about the harm of something dangerous, the more we are exposed to it. For generations people weren't concerned about the harm smoking could cause because cigarettes were everywhere.

Marijuana is not a harmless product. The Diagnostic and Statistical Manual used by psychiatrists to diagnose mental disorders lists Cannabis-Induced Psychosis and Cannabis-Induced Insomnia as two of its disorders. In an ideal world, no one under the age of 25 would have access to marijuana – the impacts on the developing brain are too risky.

The more 'normal' WE make consumption of marijuana, the more we are encouraging the children and young people of the village to think of it as a benign product, which for them, it absolutely is not.

Sincerely,

Carol Williams

## **Christina Conklin**

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**From:** Graham  
**Sent:** Tuesday, December 18, 2018 6:51 PM  
**To:** Christina Conklin  
**Subject:** Cannabis

I strongly doubt that our small village would ever get a shop. But if we opt out, then we won't be eligible for some of the money that the Ontario government is giving to municipalities

Graham Ashby

## Christina Conklin

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**From:** Frederick Martin  
**Sent:** Wednesday, December 19, 2018 11:16 AM  
**To:** Christina Conklin  
**Subject:** Regarding Cannabis Retail Sales

I vote to opt in to allow retail sales.

Frederick Martin  
306 Broadway E  
Merrickville

## Christina Conklin

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**From:** Terry Roy  
**Sent:** Friday, December 21, 2018 2:35 PM  
**To:** Christina Conklin  
**Subject:** Cannabis retail store

I am in favour of Merrickville having a cannabis retail store. For a number of reasons:

1. There are quite a few people in this town who use it both for medical reasons and recreation reasons. Right now they have to rely on Canada Post and wait for it.
  2. The money they spend leaves the community either to outside businesses or the blackmarket.
  3. A retail outlet will bring tax dollars to the community.
  4. It will also bring a one time lump some of federal dollars to the community.
  5. It is another business attraction to bring in people from communities that don't have access. While they are here they will discover other ways to spend their dollars.
  6. If we don't have an outlet people who are looking for an excuse for a day trip to buy pot will go to another town and spend all their money there.
  7. We have to show the younger generation that we are progressive and that even though we are a quaint, beautiful historical village we are also in tune with current issues.
- While they are here they might find out there are a lot of things to do and it may lead to repeat visits.

All that being said if there is a business allowed here it must be done tastefully and classicy, conform to all regulations, blend in with the village, be as far away as possible from schools as possible and keep advertising of products similar to the LCBO so as not to entice minors.

As a former business owner I think it would be good for all businesses here.

Just something to think about.

Cheers

## Christina Conklin

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**From:** Carla Raison  
**Sent:** Wednesday, January 02, 2019 1:44 PM  
**To:** Christina Conklin  
**Subject:** Letter To Council RE: Special Meeting

Dear Mayor & Council,

My name is Carla Petaccia, and I have been a resident of Merrickville-Wolford for 9 years, have worked in the village for 19 years and now a partner in a business in the Village. I am in **SUPPORT** of a retail Cannabis store in Merrickville, I believe it will help the town and drive business. Merrickville as a Village that relies on tourism, should be looking at reducing barriers and keeping tourists in the Village and should have easy access for people who use it not only recreationally but medicinally while reducing access to minors through proper bylaws and enforcement.

Our Village is not the Village from Dirty Dancing, we can BAN but it will not stop the consumption.

Thank You,

Carla Petaccia

Merrickville, ON

K0G1N0

## **Christina Conklin**

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**From:** Chris Chamberlain  
**Sent:** Thursday, January 03, 2019 6:56 AM  
**To:** Christina Conklin  
**Cc:** Chris Chamberlain  
**Subject:** Council letter - Cannabis Retail

Letter to Council - Re: Allowing Cannabis Retail

Good day,

The municipality of Merrickville-Wolford must be open to allowing Cannabis based business within the municipality. The potential positive economic impact is undeniable, and people everywhere are happy with having the ability to buy Cannabis products within their community.

As Cannabis is now a legal substance, regulated by both federal, and provincial governments, residents of Merrickville-Wolford should have access to Cannabis products, treated similar to alcohol or tobacco.

Many local residents of this municipality rely on Cannabis based products for both medical and recreational reasons, and just like cigarettes, and alcohol, It is important that the citizens of Merrickville-Wolford are given the opportunity to exercise their right to choose where, and when they can obtain, and use this legal product. Much like liquor or convenience stores.

In addition to simply allowing citizens their right of free choice, providing legally licensed retail locations would be beneficial to curbing illegal sales and uncontrolled distribution within the community. Lowering instances of petty crime and drug related offences.

I am in favor of Merrickville-Wolford **allowing** Cannabis retail stores within the municipality.

Thank you for reading,

Chris Chamberlain



## **Christina Conklin**

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**From:** wbower  
**Sent:** Thursday, January 03, 2019 3:17 PM  
**To:** Christina Conklin  
**Subject:** Retail Cannabis sales

*Regarding : Retail Cannabis Sales in Merrickville-Wolford.  
How I see it.*

- 1) The Federal Government Legalized the use and retail sales of Cannabis in Canada.*
- 2)The Ontario Government cannot prevent Ontario Municipalities from Legal Sales or Use of Cannabis.*
- 3) The Ontario Government can and is giving Municipalities the Choice to Opt out of retail sales in their Communities.*
- 4) Opting out of Retail Sales in Merrickville-Wolford, would not in anyway change the use of Legal Cannabis in our Community regardless where it is purchased, legal Retail Sales Shop elsewhere or the local Black Market.*

*Government Licensed and Regulated Retail Sales, goes a long way to ensure staff are trained, product meets quality controls, purchaser is of legal age, premises meet all requirements set out in the license and prices the same across the Province.  
Merrickville-Wolford should Not Opt Out!*

*Dell Bower*

## Christina Conklin

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**From:** Kim Sheppard  
**Sent:** Thursday, January 03, 2019 4:30 PM  
**To:** Christina Conklin  
**Subject:** Cannabis Retailing Opt.docx  
**Attachments:** Cannabis Retailing Opt.docx

I have attached some of the reasons I am very much for opting in for cannabis sales in Merrickville. Due to some confusion with the notice, it was thought by many that submitting a letter you could comment at the meeting. So I am sending this on behalf of myself and

And many others I was not able to get their direct confirmation in time.

Kim Sheppard

Sent from my iPhone

## Cannabis Retailing Opt-Out or stay in?

Discussions around Municipalities allowing for Cannabis retailing have been very polarizing. As the legalization date approached, the voices focusing on the negative aspects of allowing retailing got louder. Much of these views set aside many of the facts surrounding retailing and comparisons that could be drawn to a similar entity, the LCBO.

### General facts:

- Cannabis is available now via mail order and in 2019 through retail locations
- Smoking is permitted everywhere cigarette smoking is permitted, regardless if a retail store is present or not (unless Municipal Council enacts alternate bylaws).
- Policing costs will exist regardless if retailing is present or not, as smoking in public is permitted.
- A person can walk any street or sidewalk, where cigarette/cigar/pipe smoking is allowed, and smoke cannabis with no legal repercussions
- Cannabis paraphernalia can be sold without a cannabis license (as done presently in several stores in the Village)
- Council can further limit smoking locations but at a minimum must adhere to the "Smoke Free Ontario Act"
- Individuals can grow and consume their own, just like making your own wine or beer or rolling your own cigarettes
- There are no medical benefits to consuming cigarettes or alcohol, there are many for cannabis and there are many more studies to come. Residents go to the local pharmacy to get prescription filled, why would we not go to the local cannabis store for the same service
- Seniors are seen as one of the major beneficiary from CBD (produced from cannabis) as it improves quality of life (arthritis, appetite, aches and pains) and is often at a lower cost than other medications

### Retailing facts:

- Many parallels are drawn between retailing cannabis and retailing cigarettes or alcohol. Why ban one and allow the others?
- what would the population say if the discussion was around eliminating the LCBO store presently located in the Village?
- Ottawa (Burritts Rapids) and Smiths Falls have allowed stores. Which means in 10 minutes or less one can access a store. Same for beer and alcohol, but would Council consider closing the LCBO store in Merrickville? Or preventing the Food Market from selling wine if they obtained a license?
- Retailing is more than just cannabis; it's also many of the related articles. Many of which are produced or could be produced by local manufacturers. This helps our local economy.

### Economic Facts:

- A recent US study has shown that "Property prices for homes in Denver near shops that converted from medical marijuana to recreational pot in 2014 saw values increase by 8.4 per cent, compared with those slightly further away, the study by professors based in Wisconsin, Georgia and California found" and "marijuana retail locations could benefit neighborhoods by driving foot traffic to merchants "(published in the January 23<sup>rd</sup>, 2018 Globe and Mail).
- All municipal governments who remain in will receive at least \$10,000 to support transition to legal cannabis and the province will announce the full funding allocation in the future. Additional revenue sharing between the province and municipalities will occur, on a yet to be finalized formula.
- Studies are showing that tourism coming from other countries increase in locations where cannabis stores are located. This is seen as an opportunity to extend the tourism season as "cannabis cooking classes" or "educational tours" can be held in typical low tourist season periods. This further increases room rentals, restaurant occupancy and traffic through non cannabis locations.
- Potential revenue from the province from allowing cannabis retailing may assist in keeping tax increases reasonable. More so than any other method available to the Municipality at this time.

There are no proven (long term peer reviewed studies) supporting any negative impacts for cannabis retailing when done through a properly licensed establishment, which adheres to the required rules and regulations.

## Christina Conklin

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**From:** kfletch order  
**Sent:** Thursday, January 03, 2019 4:33 PM  
**To:** Christina Conklin  
**Subject:** Cannabis Retail Sales

To: Merrickville Village Council  
Re: Cannabis Retail Sales

In 2016 my family and I moved here after after living Sweden. We chose Merrickville because of the proximity to Ottawa, public school reputation and most of all the thought that it would be an idyllic place to raise our two small children. I am happy to say most of this has turned out to be true and we continue to love our new Merrickville-Wolford Community.

While neither my wife or I have ever used cannabis and under normal circumstances wouldn't care either way; however raising two small children in the community and witnessing an event last March has made us reconsider this position.

We found out later that day that [redacted] had overdosed while using drugs [redacted]. We prayed that evening that [redacted] survived and the following day we thought long and hard about what we wanted for our kids here in the village.

While we still don't know what happened to [redacted], we do know that we never want the same for our two children. We know that drugs are everywhere and that if our kids ever grow up and want to experiment with Marijuana, it is important to us that they do so without fear, judgment and most importantly without a product that is laced with fentanyl, methamphetamine, paint thinner or god knows whatever else.

We ask that you regulate & license retail sales of cannabis so it is safe to use for those that wish to use it.

Jessica Grof & Kyle Fletcher, MSc. (Econ).  
Merrickville Residents.

## Christina Conklin

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**From:** lisa mcshane  
**Sent:** Thursday, January 03, 2019 7:42 PM  
**To:** Christina Conklin;  
**Subject:** Weed in Merrickville

Town Council,

I am writing to give my opinion in support of the option of licensing businesses to sell weed and edibles in Merrickville. I believe this is a great opportunity for local businesses to join in the prosperity of weed sales in Canada. As long as businesses follow the regulations imposed by all levels of government I think that this is a great opportunity. Weed has a stigma now, but our culture is changing and our village should embrace the opportunity to change with it. Local businesses are typically more responsible than large companies and I think keeping things small will benefit it us. We are also likely to benefit from having Tweed growing next door in Smiths Falls too, and any partnerships that we could develop, I am sure would also be to our benefit. The world is changing and I think we should change with it. I am a mom of two young children and to be honest the legalization of weed does scare me a little, but I think we should make the most of it, since it is here.

Thank you for your consideration, I don't know that I will be able to make your special meeting, so I wanted to make sure that you heard my thoughts.

Thank you  
Lisa McShane

Merrickville

## Christina Conklin

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**From:** 4luvdogs <4luvdogs@gmail.com>  
**Sent:** Friday, January 04, 2019 11:28 AM  
**To:** Christina Conklin  
**Subject:** Cannabis Retail Sales

Hello

Please accept this email as my notification that I would like Merrickville-Wolford to 'opt in' for a Cannabis Retail Store provided that the governing regulations are followed.

When planning for this potential, my biggest concerns are to ensure Security and Safety of both the residents and the store owners. As well the attention to potential crime should be a high priority when planning.

Thank you for your consideration.

Ingrid Parsons

Sent from my Samsung device

Established 1793  
Incorporated  
Wolford 1850  
Merrickville 1860  
Amalgamated 1998



Telephone (613) 269-4791  
Facsimile (613) 269-3095

**VILLAGE OF MERRICKVILLE-WOLFORD**

For Clerk's use only, if  
required:  
**Recorded Vote Requested  
By:**

Cameron	Y	N
Foster	Y	N
Halpenny	Y	N
Molloy	Y	N
Struthers	Y	N

Resolution Number: R - - 19

Date: January 7, 2019

Moved by: Cameron Foster Halpenny Molloy

Seconded by: Cameron Foster Halpenny Molloy

**Be it hereby resolved that:** By-law 04-2019, being a by-law to confirm the proceedings of the Council meeting of January 7, 2019, be read a first and second time, and that By-law 04-2019 be read a third and final time and passed.

Carried / Defeated

J. Douglas Struthers, Mayor

**THE CORPORATION OF THE VILLAGE OF MERRICKVILLE-WOLFORD**

**BY-LAW 04-2019**

**BEING A BY-LAW TO CONFIRM THE PROCEEDINGS OF THE COUNCIL OF THE CORPORATION OF THE VILLAGE OF MERRICKVILLE-WOLFORD AT ITS SPECIAL MEETING HELD ON JANUARY 7, 2019**

**WHEREAS section 5(3) of the Municipal Act, 2001 states that municipal power, including a municipality's capacity, rights, powers and privileges, shall be exercised by by-law, unless the municipality is specifically authorized to do otherwise;**

**AND WHEREAS it is deemed expedient that the proceedings of the Council of the Corporation of the Village of Merrickville-Wolford (hereinafter referred to as "Council") at its meeting held on January 7, 2019 be confirmed and adopted by by-law;**

**NOW THEREFORE the Council of the Corporation of the Village of Merrickville-Wolford hereby enacts as follows:**

- 1. The proceedings and actions of Council at its meeting held on January 7, 2019 and each recommendation, report, and motion considered by Council at the said meeting, and other actions passed and taken by Council at the said meeting are hereby adopted, ratified and confirmed.**
- 2. The Mayor or his or her designate and the proper officials of the Village of Merrickville-Wolford are hereby authorized and directed to do all things necessary to give effect to the said action or to obtain approvals where required and, except where otherwise provided, the Mayor and Clerk are hereby directed to execute all documents necessary in that regard, and the Clerk is hereby authorized and directed to affix the Corporate Seal of the Municipality to all such documents.**

**This by-law shall come into force and take effect immediately upon the final passing thereof.**

**Read a first, second and third time and passed on the 7th day of January, 2019.**

\_\_\_\_\_  
**J. Douglas Struthers, Mayor**

\_\_\_\_\_  
**Doug Robertson, CAO/Clerk**



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## VILLAGE OF MERRICKVILLE-WOLFORD

For Clerk's use only, if  
required:  
**Recorded Vote Requested  
By:**

Cameron	Y	N
Foster	Y	N
Halpenny	Y	N
Molloy	Y	N
Struthers	Y	N

Resolution Number: R - - 19

Date: January 7, 2019

Moved by: Cameron Foster Halpenny Molloy

Seconded by: Cameron Foster Halpenny Molloy

### Be it hereby resolved that:

This special meeting of the Council of the Corporation of the Village of Merrickville-Wolford does now adjourn at p.m. until the next regular meeting of Council on Monday, January 14, 2019 at 7:00 p.m., or until the call of the Mayor subject to need.

Carried / Defeated

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J. Douglas Struthers, Mayor