

Shelburne Council opts in, will allow cannabis retail stores in town

Written By **PETER RICHARDSON**

Council met Monday night, after receiving the OPP Costing, for the first official meeting of 2019.

Treasurer Carey Holmes presented an education session for the new Councillors on the ins and outs of the budget and the budget process.

The presentation, one of a number that staff will provide over the next several months, was well presented and very thorough, to the point that almost no questions were required to clarify points in it.

As the delayed budget process will commence in two weeks time, this informative presentation was indeed timely, as it covered in detail how the Town funds itself and the legislative limits and requirements placed upon it by the upper tier governments.

One item of particular interest, as the Town is faced with some rather large capital expenses this year, was the cost of borrowing money to pay for infrastructure.

As an example, Carey used a \$6 million loan figure and amortized it over 20, 25 and 30 years while relating the costs to tax increases. At 3.39 percent over 20 years, it costs \$2.3 million in interest, or \$415,546 per year, for a tax increase of 6.1 percent. For 25 years at 3.5 percent, the cost is \$3 million, or \$362,086 annually and a 5.3 percent tax rate increase and finally, over 30 years at 3.56 percent interest, the cost is \$3.8 million, or \$327,075 annually and a rate increase of 4.8 percent. Coincidentally, \$6 million is the low end of what a new police headquarters would cost to build.

Cannabis recommendation

Next up, was a report from the CAO, Denyse Morrissey concerning the retail sale of Cannabis in Shelburne.

She explained that throughout the preparation of the somewhat lengthy and detailed report, the rules and guidelines, laid down by the Province, had been amended and changed several times, making the entire process overly complicated. As it now stands, the Province is only going to grant 25 licences in all of Ontario and only to centres with a population of 50,000 or more people.

The report, requested at the last Council meeting, was in response to the Province's plan to kick back half, of all taxes over \$100 million collected, to municipalities that opted into allowing retail sales of cannabis.

The decision to opt in or not, has to be made by Jan. 22. Staff hosted an online poll of the citizens of Shelburne and the response was overwhelmingly in favour of having retail sales in town. Under the Provincial plan, a municipality could opt out and later opt back in, but they would not be part of the tax incentive if they did. The tax incentive/payback, would be determined by population and Shelburne would receive \$5,000 annually as a result, not a magnanimous sum, but worthy of collection.

However, as the entire cannabis industry was brand new no one really has any idea of where it will lead. In fact, at the moment the demand far outweighs the supply, hence the constant Provincial indecisions. In the end, Staff recommended that Shelburne should opt out and reconsider the issue in 14 or 16 months. This was echoed, by the Upper Grand District School Board, The Wellington Dufferin Guelph Public Health and the Shelburne Police Service.

The other side of the coin, revolved around the fact that Shelburne would lose potential tax revenue. Some neighbouring communities have already opted in and therefore residents could buy elsewhere anyway, with the Town losing out on the Provincial tax rebate.

Also, as the Province was now slowing the whole process down, Shelburne would have the time to evaluate a strategic location plan for any stores, as well as how to protect children from undue access. At the moment, the Province has established a set back from any school, of 150 metres. Although this number may not be extended, Municipalities may set limits around other sensitive areas, such as libraries, day care centres etc. which could effectively increase the limit around a school. Town Planner Steve Wever stated that the AMO ruling is 150 metres, but that other Municipalities, such as Barrie, are proposing greater set backs and so everything is a gray area for rulings.

In the end, Councillor Benotto, seconded by Councillor Buffett, proposed a motion to opt in and allow Retail Cannabis in Shelburne. Others spoke to the matter as well and it was unanimously passed in a recorded vote. Shelburne will be open for retail cannabis business, eventually.