



# Local Government Guide for Recording Incremental Costs Associated with Cannabis Legalization 2018 - 2020



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## 1. MODEL COMPONENTS

There are two main components to the model. The first, contained in this document, will provide narrative information that will be integral to completion of the spreadsheet and ensure the spreadsheet is free of excessive wording and complexity. The second will be the spreadsheet to be completed by all local governments.

### Guide to Facilitate Completion of the Spreadsheet

#### A. Service Areas Identification

Intended to capture the majority of service areas/departments where incremental cannabis related costs are incurred. When completing the spreadsheet, leave blank any areas that are not applicable to your local government.

#### B. Definitions/Descriptions

Within each service area/department, there is general guidance regarding the types of expenditures that are or will be incurred.

#### C. Cost Estimate Information

There are specific expenditure areas under which costs will be accumulated and recorded in the spreadsheet. Examples are provided in this document to assist in determining the calculation of costs to be included. These are not intended to be all-inclusive but serve as a guide for those completing the spreadsheet.

### Spreadsheet for Cost Recording

There is a single spreadsheet for the years 2018 – 2020. Please insert the name of your local government, population and complete the drop down menu indicating the type(s) of cannabis retail permitted in your community. Currency formatting is set to the dollar.

Each year includes columns for both capital and operating costs. Operating costs are further defined as either one-time or ongoing.

Recorded costs are totalled for the three years on the far right side of the spreadsheet. Completion of all years on one spreadsheet will help facilitate the

consolidation of information from all reporting local governments and guide discussions with the Province.

Please record costs only in the coloured cells. Generally, the service areas identified are consistent with how Local Government Data Entry (LGDE) information is reported. Should you have material costs that do not match well with the service areas provided, replace the cell or cells in the 'Service Area' column that read '*Add Service Area Here*' under Other Services. There is space allocated for up to 4 additional service areas.

## **2. SERVICE AREAS, DESCRIPTIONS AND COST ESTIMATE INFORMATION**

### GENERAL GOVERNMENT

#### **Municipal Administration and Administrative Support**

Description:

Time spent by senior municipal departmental staff, senior leadership teams and staff in supporting departments such as Finance, Legal and Communications to implement, administer, coordinate and support all cannabis legalization work. This could include FTE hours for both start-up and ongoing administration in positions such as corporate policy development/revision/coordination, project management, business licensing administration, legal, communications and IT. These positions could be spread across several existing departments or centralized in a new department specifically for cannabis legalization.

Specific tasks may include but are not limited to: lawyers reviewing the enforceability of bylaws, a legal team providing ongoing support for enforcement of bylaws, intergovernmental staff to engage with other orders of government on this complex, multi-layered file, and/or development of a communications plan to help citizens understand bylaw changes.

There are also material costs such as public consultations, advertising public notices and communications products for specific local rules. It is recognized that costs under 'Administration' may be recorded in multiple departments within your local government and consolidated here.

New costs may be incurred related to workplace safety policies, air quality and areas associated with risk management.

There may also be costs associated with 311 or similar services, including increased staff time, particularly during implementation, to handle citizen enquiries regarding cannabis legalization. This could also include time and resources to train staff on the new changes and which local government departments address the principle areas of concern.

Cost Estimate Information/Examples:

- **New positions created:** Estimated hours x average hourly wage, or annual salary + benefits
- **Employee time spent on cannabis-related work, including responding to citizen enquiries and concerns:** Estimated hours x average hourly wage + benefits
- **Public engagement:** Number of engagements x average cost of engagement
- **Advertising and communications:** (Estimated hours x average hourly wage + benefits, or fee for professional services) + cost of material goods (signs, posters, etc.) + cost of paid advertisements (newspaper, radio, internet, etc.)
- **Graphic design, communications, and other related professional services and/or consultant fees**
- **Employee time spent updating administrative policies and procedures:** Estimated hours x average hourly wage + benefits, or annual salary + benefits
- **Training:** Cost per employee x number of employees receiving training
- **Legal fees for professional services**
- **Other local government administration costs including related facility costs**

## **Human Resources / Labour Relations**

### Description:

Internal and external staff time committed to ensuring local government drug policies are up-to-date/adequately address non-medical cannabis, and that employees are well informed of the new policies. This could include substance use guidelines and policy, workplace smoking policies, and/or hosting social event guidelines.

There may be additional FTE time spent engaging and negotiating with local government staff unions over drug policy changes.

Staff resources and capital costs may also be incurred to ensure there is capacity in place for testing local government employees, and if necessary, new staff training to address safety related to cannabis in the workplace and additional adjustments to safely integrate HR policies related to cannabis edibles when they are regulated federally.

### Cost Estimate Information/Examples:

- **Legal fees to undertake research and update municipal drug and alcohol policies to reflect the legalization of non-medical cannabis**
- **HR staff:** Costs associated with the development of training for all staff; number of cannabis related incidents x number of hours to address cannabis in the workplace related incidents x hourly wage + benefits
- **Drug testing**
- **Other human resources/labour relations costs**

## DEVELOPMENT SERVICES

### **Planning / Zoning**

#### Description:

The personnel and capital cost to conduct bylaw reviews and updates, as well as the ongoing management of zoning bylaws. In addition to staff time (both in-house and consultant contracting) this also includes the cost to undertake

required public consultation processes and public education related to adding new criteria to zoning bylaws, business licensing and building code permits and inspections.

Cost Estimate Information/Examples:

- **In-house:** Additional staff, FTEs, legal fees to draft/amend bylaws, and time spent managing consultants
- **Consultant contracting:** Average daily rate x estimated number of consultant days to address suite of bylaw changes
- **Consultation:** Number of public consultations x average cost per consultation, public education content development (use equivalent existing campaign for comparison)
- **Staff training:** Number of staff x cost to develop and deliver new training (use equivalent training costs as estimate)
- **Other planning/zoning costs**

## HEALTH, SOCIAL & HOUSING

### **Social Housing**

Description:

In some jurisdictions where local governments have responsibilities or partner in the provision of social housing there may be costs associated with writing provisions in tenancy agreements which prohibit smoking cannabis in social housing units; additional FTEs to enforce the new provisions; and an operations and maintenance budget to address violations.

Cost Estimate Information/Examples:

- **Legal/consultant fees for professional services**
- **Security costs**
- **Consultation costs with tenants and housing authorities**

- **Employee time on agreements, policies, etc.:** Estimated hours x average hourly wage + benefits

## PROTECTIVE SERVICES

### **Enforcement Services**

Description:

Personnel and capital costs required to monitor and enforce the additional activities associated with cannabis legalization as predicated on local government bylaws and services.

This includes the costs associated with additional staffing requirements for bylaw management and enforcement in the following areas:

- Property use inspection – to investigate cannabis business license complaints.
- Zoning enforcement – to ensure cannabis retail and other cannabis related establishments are in adherence with local zoning bylaws.
- Property standards enforcement – to address issues/complaints related to potential degradation/danger to property such as smoke dispersion in multi-residential units or home cultivation, as well as the purchase of testing equipment.
- Training – time and capital spent to develop and undertake learning exercises related to the roles and responsibilities of local government staff tasked with administering and enforcing local government aspects of the cannabis framework such as business licensing.
- Community standards, public spaces and smoke-free bylaw enforcement - increase in service demand with new bylaws such as smoke-free bylaws and local government rules for vaping lounges, restaurants and cafes (where applicable) and public consumption.

Cost Estimate Information/Examples:

- **New positions created:** Estimated hours x average hourly wage + benefits, or annual salary + benefits

- **Employee time spent on cannabis related calls/inspections:** Number of cannabis-related calls/inspections x estimated hours spent per call/inspection x average hourly wage + benefits
- **Training:** Cost per employee x number of employees receiving training
- **Other enforcement services costs**

## Fire Services

### Description:

Cost increases directly or indirectly incurred by the local government department responsible for fire safety, prevention and submission. This includes the following positions and activities:

- Process changes - amendments to the fire inspection component of the business licensing approval process, protocol for one-time and ongoing inspections.
- Training – for fire department staff regarding revisions to the BC Fire Code, and on emerging hazardous home cultivation processes such as the extraction of cannabis oils and the use of flammable hydrocarbons.
- Public education – education campaigns informing the public about the dangers related to oil extraction processes and flammable hydrocarbons; development and printing of fire safety messaging.
- Fire investigation costs – costs primarily due to overtime pay for fire safety officers investigating code and safety issues (e.g. hazards in retail establishments); to a small extent for manufacturing/processing establishments; and, responding to fires associated with legal/illegal home cultivation.
- There are also public education, communications and citizen services costs to properly engage with the public and provide preventative public education campaigns.
- HAZMAT response - for both licenced and illegal producers.



Cost Estimate Information/Examples:

- **Training:** Cost per employee x number of employees receiving training
- **Public education:** (Estimated hours x average hourly wage + benefits, or fee for professional services) + cost of material goods (signs, posters, etc.) + cost of paid advertisements (newspaper, radio, internet, etc.)
- **Increased volume of calls/investigations:** Number of cannabis-related calls/investigations x estimated hours spent per call/investigation x average hourly wage + benefits
- **Equipment:** Cost of material goods and equipment
- **Other fire costs**

POLICING

Description:

The availability of more detailed information related to incremental costs may differ depending on whether policing is municipal or under contract (RCMP).

Costs may be associated with the following activities:

- Standard Field Sobriety Test (SFST) Training - Percentage of police force who require the Standard Field Sobriety Test training. This would include the per officer cost to undertake this training (time spent in class, course fees) plus any additional instructor fees.
- Drug Recognition Expert (DRE) Training - Drug Recognition Expert training is a more specialized diagnostic examination of a suspected drug-impaired driver undertaken after the initial SFST. Currently the majority of this training is undertaken in the United States meaning travel costs, exchange rates, extra time etc. need to be factored into the costing analysis for this expenditure.
- Facilities Enhancements - An increase in cannabis seizures was experienced in the US. Costs associated to additional evidence storage capacity.

- Bill C-45/46 General Training - Cost to develop and deliver a 1-day training program on the implications of Bills C-45 and C-46 to all officers, with specifics on the roles and responsibilities of the force within the local community.
- Roadside Screening Equipment and Supplies - Devices required by the police force to test for drug sobriety.
- Illegal Dispensary/Grow Op Initiatives - One of the primary federal objectives for the legalization of non-medical cannabis is to eliminate the illicit market. With expectations from the public, there will be pressure on local police forces to take action on this issue. Establishing and training specialized units to undertake this work and calculating the FTE required to undertake these disruption activities will help establish a cost estimate. Costs associated with initiatives to close dispensaries/grow operations (FTEs).
- Youth Education and Prevention in Schools & Community Engagement - Policing costs extend far beyond traditional enforcement duties as officers may be called upon to undertake important public education and prevention activities with the public. This includes both education on the changing rules and information on prevention of excessive or illicit cannabis consumption. These costs can include establishing public education resources, training and FTEs to deliver the appropriate cannabis specific messaging.
- Increase in Forensic Laboratory Capacity - The proposed legislation enables police to undertake blood draws for suspected drug impaired drivers. An increase in blood draws, testing equipment and forensic analysts is required.
- Additional Officers - Potential increases in illicit production activity, motor vehicle accidents, roadside testing, enforcement of public consumption rules etc. will place additional responsibilities on police services. Additional responsibilities will require additional officers to address issues safely and effectively. This category represents additional FTEs not captured in the other proposed categories.

Specific trackable items:

- Drug seizures
- RIDE spot checks

- Drug related criminal investigations
- Drug complaints
- Cannabis specific violations
- Motor vehicle collisions
- Cannabis related demands for service tracked through DFSS (proactive)
- DRE testing
- SFST testing

Cost Estimate Information/Examples:

- **Training:** (Number of officers trained x cost of training) + officer time for training
- **Conducting training activities:** Number of officers requiring recertification + (training of new recruits on an annual basis x cost of training) + officer time for conducting training activities
- **Cost of additional storage capacity**
- **Roadside screening devices:** Number of roadside screening devices required per 100 officers x cost of roadside screening device
- **Illegal activities:** FTE to establish and run illegal dispensary/grow op initiatives for the population served x average hourly wage of officer on a disruption team + benefits
- **Education:** FTE to develop community education content
- **Delivery of training:** FTE to deliver training course x hourly wage + benefits x number of schools in community and estimated number of relevant events
- **Youth program:** FTE needed for the development and delivery of a youth diversion program
- **Forensic costs:** Average cost to administer a blood draw x increased number of blood draws associated with cannabis legalization
- **Additional policing duties:** (Estimated number of FTEs required to fulfill additional duties x average hourly wage + benefits) + other indirect costs for officers to undertake tasks

- **Other Policing Costs**

**Note: Ensure RCMP related costs recorded are limited to the local government's proportionate share.**

### SOLID WASTE

Description:

Waste Management - The development of municipal policies and procedures that address the proper disposal of refuse from cannabis cultivation.

Cost Estimate Information/Examples:

- **Employee time spent updating policies and procedures:** Estimated hours x average hourly wage + benefits, or annual salary + benefits

### TRANSPORTATION AND TRANSIT

#### **Transit**

Description:

Increased contract costs related to driver and management training, security, and other identified costs that are eligible to be passed on to local governments.

Cost Estimate Information/Examples:

- **Assessment costs:** Staff time working with transit contractor and BC Transit in assessing impacts and actions required relative to cannabis usage
- **Contract costs:** Increased transit contract costs for driver training, security and other safety related costs related to cannabis usage

## AIRPORT SERVICES

### Description:

Costs may be associated with some of the following activities:

- Airport Administrative Costs - Additional costs for municipal employees related to training, signage, communications, bylaws and procedures.
- Contract Costs - Additional contract costs associated with security services, including additional training for personnel and additional service provision hours.
- Additional contract costs for policing.
- Other Airport Services Costs - Other recognized costs not included above; may include capital expenditures.

### Cost Estimate Information/Examples:

- **Employee time on cannabis related work including tenant agreements, policies, security provisions, etc.:** Estimated hours x average hourly wage + benefits
- **Additional contract costs associated with training of security services personnel**
- **Additional contract costs associated with police training and increased on-site presence**
- **Other airport costs**

## OTHER SERVICES

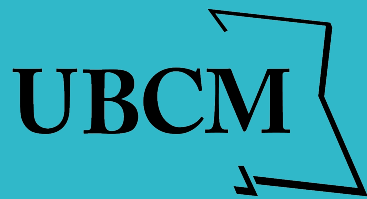
### Description:

Material staffing, contract and capital costs that may not be incurred consistently across local governments in different regions but will still likely require budgetary considerations.


**Please provide a brief description of the service being captured in the 'Service Area' column on the spreadsheet by replacing '*Add Service Area Here*' under Other Services. There is space allocated for up to 4 additional service areas.**

Cost Estimate Information/Examples:

- **Contract cost increases**
- **Employee time:** Estimated hours x average hourly wage + benefits
- **Fees for professional services**
- **Cost of material goods and equipment**



 [www.ubcm.ca](http://www.ubcm.ca)

 604-270-8226

 [ubcm@ubcm.ca](mailto:ubcm@ubcm.ca)