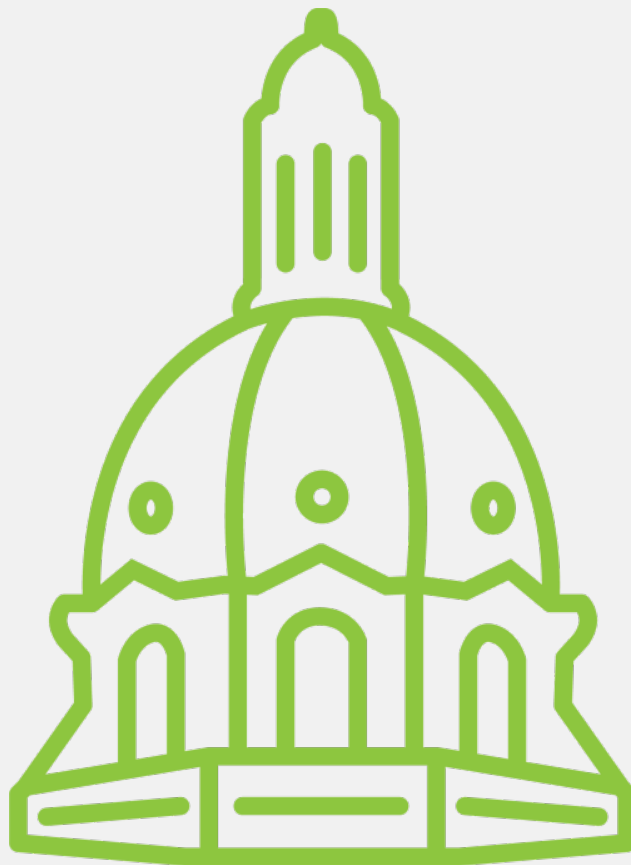


# Municipal Cannabis Transition Program

## Program Guidelines



Municipal Affairs, Government of Alberta

December 2018

Municipal Cannabis Transition Program

[www.municipalaffairs.alberta.ca/municipal-cannabis-transition-program](http://www.municipalaffairs.alberta.ca/municipal-cannabis-transition-program)

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# Municipal Cannabis Transition Program

## Program Guidelines

### 1. Intent

These guidelines are intended to assist applicants in completing the Municipal Cannabis Transition Program (MCTP) grant application and the Statement of Funding and Expenditures (SFE) reporting requirements.

### 2. Program Objectives

The primary objective of the two year MCTP is to support municipalities in addressing enforcement and administrative costs related to the legalization of cannabis in Alberta.

Informed by the Government of Alberta's Bill 26, *An Act to Control and Regulate Cannabis*, and the Alberta Cannabis Framework, the MCTP will help support Alberta's plan to keep cannabis out of the hands of children, promote safety on roads, in workplaces and in public spaces, protect public health, and limit the illegal market for cannabis. Additional information regarding the Government of Alberta's response to cannabis legalization is available online at [www.alberta.ca/cannabis-legalization.aspx](http://www.alberta.ca/cannabis-legalization.aspx).

### 3. Key Dates

Activity	Timeline
Program Application Submission	Submit by February 1, 2019
2018 Annual Allocation Payment	By approximately March 1, 2019
2019 Annual Allocation Payment	By approximately <b>July 31, 2019</b> , following the submission and certification of first year reporting documents
Statement of Funding and Expenditures (SFE)	Due <b>May 1 each year</b> (for the prior year's expenditures)

### 4. Submission Methods and Contacts

The application form and SFEs will be e-mailed to eligible municipalities, and must be submitted electronically by the Chief Administrative Officer (CAO) or an authorized representative to [ma.mctp@gov.ab.ca](mailto:ma.mctp@gov.ab.ca). Application forms and SFEs will not be accepted through fax or mail.

Questions related to the submission of an application or reporting document can be directed to a Grant Advisor by calling 780-422-7125 (toll-free 310-0000) or [ma.mctp@gov.ab.ca](mailto:ma.mctp@gov.ab.ca).

## 5. Eligibility Requirements

### 5.1) Eligible Applicants

Municipalities that pay for their own policing and receive the Municipal Policing Assistance Grant (MPAG) are eligible to apply for MCTP funding.

MPAG program link:

[https://www.solgps.alberta.ca/programs\\_and\\_services/public\\_security/law\\_enforcement\\_oversight/Pages/municipal\\_policing\\_assistance\\_grant\\_program.aspx](https://www.solgps.alberta.ca/programs_and_services/public_security/law_enforcement_oversight/Pages/municipal_policing_assistance_grant_program.aspx)

### 5.2) Eligible Activities

Funding for eligible activities must be in alignment with Bill 26, *An Act to Control and Regulate Cannabis* and the four objectives of the Alberta Cannabis Framework:

- Keeping cannabis out of the hands of children.
- Promoting safety on roads, in workplaces, and in public areas.
- Protecting public health.
- Limiting the illegal market for cannabis.

Eligible Activities	
<u>Municipal Enforcement – Policing</u> <ul style="list-style-type: none"><li>• Incremental Staffing</li><li>• Education/Outreach</li><li>• Studies/Research</li><li>• Advertising/Communications</li></ul>	<u>Municipal Administration</u> <ul style="list-style-type: none"><li>• Incremental Staffing</li><li>• Education/Outreach</li><li>• Studies/Research</li><li>• Advertising/Communications</li><li>• Training/Capacity Building</li><li>• Bylaw Development/Enforcement</li></ul>

Funding allocations may be expended on qualifying expenses that were incurred by the municipality retroactive to April 1, 2018.

### 5.3) Eligible Activity Examples

#### Incremental Staffing

Incremental administrative and enforcement staffing costs directly related to cannabis legalization. Eligible positions must be engaged in cannabis related activities.

Incremental costs may only be applied to the following activities:

- New full-time equivalent employees (FTE);
- The portion of existing staff salaries attributed to cannabis related activities;

- Overtime activity linked directly to the legalization of cannabis; and/or
- Reimbursement of the base wage for administrative or enforcement staff members from other municipalities engaged in a secondment or other deployment capacity longer than three months, and linked directly to the legalization of cannabis.

#### Education and Outreach

- Public education activities related to community engagement, including local community standards, rules for consumption and cultivation, youth education and prevention, and public consultations related to the legalization of cannabis that may inform local decision-making. Costs may include expenses related to hosting education and outreach activities, such as the rental of a hall or community based building for the event.

#### Studies and Research

- Studies and research directly related to municipal impacts of cannabis legalization, such as the impact on local enforcement, or social and economic impacts on the municipality.

#### Advertising and Communications

- Advertising or communications that support enforcement and municipal direction related to the legalization of cannabis, including law and by-law awareness, keeping cannabis out of the hands of children, promoting safety on roads, in workplaces, and in public areas, and limiting the illegal market for cannabis. Other activities may include public notices, as well as industry compliance communications that address local business licensing, permitting and other regulations.

#### Training and Capacity Building (Municipal Administration Only)

- Training and capacity building for municipal staff tasked with the administration of cannabis related programming and business licensing; including training on community standards, policy development and project management, as well as public spaces and smoke-free or second hand smoke bylaw enforcement.

#### Bylaw Development and Enforcement (Municipal Administration Only)

- Municipal administration costs directly related to cannabis legalization, such as costs for development and implementation of land-use bylaws and permitting.

### **5.4) Ineligible Activities**

Please see Schedule 1, Ineligible Activities, for a list of ineligible expenditures.

Questions related to the eligibility of municipal activities can be directed to a Grant Advisor by calling 780-422-7125 (toll-free 310-0000), or through e-mail [ma.mctp@gov.ab.ca](mailto:ma.mctp@gov.ab.ca).

## 6. Funding Formula and Allocations

The MCTP will provide allocation-based funding over two calendar years in the amount of \$11.15 million in total to municipalities that pay for their own policing, with 60 per cent (\$6.69 million) of total funding allocated in 2018 when cannabis related legalization costs are expected to be the greatest, reducing to 40 per cent (\$4.46 million) in 2019 as municipalities transition to more favourable revenue streams post-cannabis legalization.

- The MCTP funding allocation is based on the following formula:
  - all eligible municipalities receive \$10,000 in base funding annually; and
  - the remainder of the funding is distributed on a per capita basis.

Per capita funding allocations are based on the 2017 and 2018 Municipal Affairs Population Lists. Municipal funding allocation information is posted on the MCTP program website: [www.municipalaffairs.alberta.ca/municipal-cannabis-transition-program](http://www.municipalaffairs.alberta.ca/municipal-cannabis-transition-program).

## 7. Application

### 7.1) Applying

Each municipality must submit an application to Municipal Affairs outlining its plans for the expenditure of its 2018 and 2019 MCTP allocations within the eligible activities identified on the MCTP application form. Each municipality is required to complete and submit only one application in total for both calendar year allocations.

Municipalities must commit all available funding for each calendar year within their application. The proportion in which the funding is committed is at the discretion of the municipality, i.e., the municipality does not have to commit 60 per cent of funding in 2018 and 40 per cent of funding in 2019. However, 100 per cent of the funding for both calendar years must be committed on the application form.

If a municipality is unable to spend their 2018 allocation as planned, unexpended funds can be carried forward and must be used in 2019. Within the 2019 calendar year, carry-forward funds can be allocated for eligible expenses within the same or a different municipal activity than was previously identified.

Funding that is not expended at the conclusion of the program on December 31, 2019 must be returned to the Government of Alberta.

It is important that municipalities keep a record of expenditures and activities, as reporting of actual expenditures and activities will be required on the SFE for the reporting year.

### 7.2) Revision Process

Municipal Affairs does not expect that the estimated expenditures submitted within the application will exactly match the reported expenditures on the program year SFE. If actual expenditures vary somewhat from what was originally submitted on the application, municipalities should simply report the actual expenditures against the appropriate municipal activities on the SFE.

### **7.3) Review and Approval Process**

Each application will be reviewed by program staff to ensure it meets the requirements outlined in these guidelines. Once the application is reviewed, a recommendation is forwarded to the Minister of Municipal Affairs.

It is anticipated that applications not requiring follow-up and/or corrections will be processed and municipalities advised of acceptance within four to six weeks. Decisions by the Minister regarding municipal activities are final.

A municipality may proceed with an activity that is expected to be wholly or partially funded with an MCTP allocation prior to receiving notification of acceptance from the Minister if it believes the activity will be eligible under these guidelines. However, if upon receipt of the application the Minister should deem an activity ineligible, the municipality will be responsible for bearing the cost of the activity and must apply the MCTP funding to a different eligible activity.

## **8. Standards and Award of Contract**

### **8.1) Standards**

It is required that MCTP-funded activities undertaken by municipalities will comply with all federal and provincial laws and regulations governing cannabis, and all other applicable federal and provincial statutes, standards, and requirements.

### **8.2) Requirements for Award of Contract**

All activities that are to be funded under the MCTP shall be carried out in accordance with the rules, regulations and laws governing such activities and in accordance with the best current practices. They must also be advertised in accordance with the guidelines of the New West Partnership Trade Agreement (NWPTA) ([www.newwestpartnershiptrade.ca](http://www.newwestpartnershiptrade.ca)) effective July 2010, and the Agreement on Internal Trade (AIT) ([www.ait-aci.ca](http://www.ait-aci.ca)).

## **9. Payment Process and Financial Reporting Requirements**

### **9.1) Payments**

MCTP payments are based on annual allocation amounts, meaning that if payment conditions are met, the year's full allocation will be paid. For example, if a municipality with a total allocation of \$20,000 submits an application indicating they will spend \$15,000 in 2018 and \$5,000 in 2019, their payments will be \$12,000 in 2018 and \$8,000 in 2019 regardless of the funding committed in their application.

#### 2018 Payment

Payment of the 2018 annual allocation is conditional on meeting the following requirements:

- execution of the MCTP Memorandum of Agreement governing the funding process ; and
- submission of an eligible MCTP application, committing funding for both calendar years (2018 and 2019).



### 2019 Payment

Payment of the 2019 annual allocation is conditional on meeting the following requirement:

- submission and certification of the 2018 SFE.

### **9.2) Statement of Funding and Expenditures (SFE)**

By May 1<sup>st</sup> following the calendar year in which funding was received, each municipality is required to submit an SFE that reports the previous program year's expenditures (e.g. the 2018 SFE is due by May 1, 2019). The SFE captures the following information:

- grant allocation for the reporting year (whether or not it was received);
- list of estimated expenditures and actual reporting year expenditures by activities;
- municipal activity reporting;
- remaining funding available in the reporting year; and,
- the MCTP carry-forward amount from 2018 (if applicable).

All supporting documentation for each qualifying expenditure must be retained by the municipality for a minimum of three years. SFEs may be subject to a review by the Provincial Auditor General.

The SFEs must be signed by the Chief Administrative Officer (CAO) who certifies that the municipality complies with the terms of the funding agreement and the program guidelines. The SFE signed by the CAO, along with the completed Microsoft Excel SFE reporting document, must be submitted by e-mail to [ma.mctp@gov.ab.ca](mailto:ma.mctp@gov.ab.ca).

### **9.3) Carrying Forward Funds**

MCTP funding should be spent within the calendar year it was provided. If the 2018 allocation cannot be completely expended in 2018, the unexpended funds can be carried forward to the next calendar year.

Funds can only be carried forward in the first calendar year of the MCTP program. This provides a total of two years in which to use allocated funding.

Municipalities will indicate their intent to carry-forward unapplied funds to the next calendar year on their 2018 SFE (see Section 9.2). Funding that is not expended at the conclusion of the program on December 31, 2019 must be returned to the Government of Alberta.

## **10. Site Visits**

Following program completion, Municipal Affairs program representatives may select and visit a number of municipalities to discuss the MCTP program specific to a completed municipal activity and the overall experience with the program.

## **Schedule 1 – Ineligible Expenditures**

- All activities not directly related to the legalization of cannabis
- Acquisition of Capital assets
- Municipal Police enforcement training currently supported through other funded sources, including, Drug Recognition Expert Evaluation (DRE), Standardized Field Sobriety Testing (SFST), and other training related to the enforcement of cannabis
- Rent, utilities, insurance and property taxes
- Purchase of furniture, computers, office equipment, appliances, and consumable supplies required to deliver administrative services
- Celebratory or launch events
- Activities outside Alberta, including learning opportunities
- Political or lobbying activities
- Legal settlements
- Goods and Services Tax
- Contributions to not-for-profit organizations
- Contributions to individuals
- Costs funded under other grant programs