

CNMI Cannabis Commission

Meeting Minutes

October 15, 2019

I. Call to Order

The fourth meeting of the CNMI Cannabis Commission was called to order by Chairwoman Nadine Deleon Guerrero at 2:14 p.m. on October 15, 2019, in the Commonwealth Casino Commission Conference Room, Saipan.

II. Roll Call/Determination of Quorum

Nadine Deleon Guerrero, Commissioner representing Saipan

Matthew Deleon Guerrero, Commissioner representing Saipan

Valentino Taisacan Jr., Commissioner representing Northern Islands - **excused**

Journie Hofschneider, Commissioner representing Tinian

Thomas Songsong, Commissioner representing Rota - **via teleconference**

Joseph Deleon Guerrero, Special Advisor on Cannabis Industry for the Office of the Governor

Gilbert Birnbrich, Legal Counsel for the Office of the Governor

- Commissioner Taisacan was excused from the meeting due to a family medical emergency; however, a quorum was established.

III. Consideration and Adoption of Agenda

- Vice Chairman Deleon Guerrero (Vice Chairman) made a motion to amend the agenda to have a brief discussion about Citizen Centric Reports; Secretary seconded. SA added AG's correspondence to the list of New Business.
- The agenda was unanimously approved by the Members after it was amended.

IV. Consideration and Adoption of Minutes of Prior Meeting

- Secretary made a motion to table the September 30 - October 1 minutes to the following meeting; Vice Chair seconded. All Members voted in favor of the motion.

V. Public Comment

- Vice Chairman clarified that the Casino Commission boardroom is not ADA accessible; however, there was a live stream access of the meeting from the first floor. No public comments were made to the Commission.

VI. Executive Session

- Chairwoman made a motion to move the meeting into Executive Session to discuss the Managing Director applicants in confidence; Vice Chairman seconded. All Members voted in favor of the motion which began at 2:19 p.m.
- Chairwoman made a motion to move the meeting into Regular Session; Secretary seconded. No discussion. All Members voted in favor of the motion, starting Regular Session at 3:51 p.m.

Topics discussed during Executive Session:

1. Managing Director Applicants
 2. Selection Process
 3. Narrowing of Qualified Applicants
 4. Determine Interview Schedule for Qualified Applicants
- Chairwoman confirmed there are 5 applicants qualified for an interview and she will be emailing the invites out for next week, Wednesday, October 23, 2019. Chairwoman clarified that we (the Members) are to uphold confidentiality and protect the applicants.
 - Chairwoman made a motion to recess until tomorrow until 10:30 a.m., October 16th; Secretary seconded. No discussion. All Members voted in favor of the motion. Officially recessed at 3:53 p.m.

October 16, 2019

Chairwoman called the meeting back to order on October 16, 2019 at 10:36 a.m.

Chairwoman made a motion to recess until tomorrow at 9:30 a.m.; Secretary seconded it. No discussion. All members voted in favor of the motion. Officially recessed at 10:38 a.m.

October 17, 2019

Chairwoman called the meeting to order at 9:47 a.m.

VII. Old Business

1. Final Discussion of Bylaws, Homegrown Regulations and FAQ sheet prior to forwarding to Attorney General for review.

- Chairwoman advised Members that the bylaws were updated to reflect the changes discussed and agreed to by Members. This document (other than the P.O. Box) is ready for AG's review. Chairwoman requested SA to assist with obtaining a P.O. Box.

- Chairwoman made the motion to send the draft bylaws to AG's office for legal sufficiency review; Secretary seconded it. No discussion. All members voted in favor of the motion. IF there are no changes other than the mailing address, we can post the regulations.
- Chairwoman made the motion to table the Homegrown Registry to next meeting; Secretary seconded it. No discussion. All Members voted in favor of the motion.
- Vice Chairman made a subsidiary motion that when all Members already agreed to the changes in previous meetings and the document just needs updating that this topic does not need to be reviewed at another meeting with the exception of seeking clarification on a change or if the change does not adhere to law. That if nothing is changing from what the Members agreed on, that it is just sent to AG for legal sufficiency review and copy all Members; Secretary seconded it. No discussion. All members voted in favor of this motion.
- Members began reviewing the Homegrown Marijuana Registry FAQs and Vice Chairman recommended we release the document to the public without any procedural information left in the document in order for the Members to find out answers to some of the questions that are outstanding i.e. where will the public go to apply?. Once we know the answers, we can update the FAQ and recirculate. Members agreed to strike #3 and #5 and to change the information to say, "once the registry is available, submit your application and \$75.00 fee."
- Chairwoman is going to set up the gmail account to start receiving emails for Homegrown.
- SA clarified that this FAQ sheet was a combination of his version and Secretary's and Chairwoman also clarified we developed it using the law.
- Vice Chairman recommended we request an expedient legal service request in order to get the FAQs out to the public as soon as possible.
- Chairwoman made a motion to send the FAQs draft with the changes discussed today to AG for legal sufficiency; Secretary seconded it. No discussion. All Members voted in favor of the motion.

2. Discussion on Commission logo and short-hand name

- Secretary provided an update on the Commission logo:
 - Advised that the graphic designer said he could have something for the Commission by next week
- Vice Chairman provided an update on the name and Members agreed to keep the short-hand name as "Cannabis Commission".

VIII. New Business

1. Saipan office space

- Chairwoman gave an update about the office space. Capitol Hill office would need a septic tank and is too costly for the budget we have. The next option is the office space downstairs from the Casino Commission: 3 restrooms (1 ADA), 3000 sq ft., move in ready other than getting partitions. Other spaces require renovations. She will be looking into an urgent/emergency procurement for this office.
2. Discussion on the possibility of using Saipan Bureau of Motor Vehicles as a temporary venue to accept Homegrown Registry applications.
 - Vice Chairman made a motion to amend the agenda to have it read, “Discussion on the possibility of using other Government agency resources”; Secretary seconded. No discussion. Members voted in favor of the motion.
 - Vice Chairman recommended we make an inventory list of what is required to do business and we can see which offices may have resources.
 3. Discussion on possible satellite offices in Tinian and Rota upon Homegrown Registry program roll-out; venue options.
 - Chairwoman tasked Commissioner Songsong and Secretary to identify a temporary space/admin support for Homegrown Registry; Commissioner Songsong has confirmed he has an office space to use at DLNR. Chairwoman will sign a letter addressed to the Mayors of Tinian and Rota requesting their assistance.
 - Vice Chairman also recommended that we reach out to other autonomous agencies for resources. I.e. CDA
 4. Homegrown Registry Fee
 - Members discussed an interim process where perhaps we do not charge a fee for the first 3 months. Vice Chairman recommended before we start the discussion, to pose the question to AG to see if we even have the authority to delay the implementation of the registry fee. Chairwoman requested Vice Chairman to take this on.
 5. Discussion of budget proposal to House Cannabis Committee
 - Members discussed the budget proposal for this year’s budget. Over and above salaries of Commissioners, Managing Director and Executive Assistant. It does not include equipment, operational requirements, additional personnel for compliance and enforcement.
 - SA updated Commissioner Songsong advised that requested an update and relayed the current financial situation where the current fiscal year falls short of the Commission’s need, so they requested a budget proposal. SA advised that subsequent to that, they met with the acting Lieutenant Governor and he asked for the same budget proposal. Vice Chairman, Treasurer, Chairwoman and SA worked on a proposed budget. SA discussed having positions do dual roles (licensing and compliance and enforcement) for now and grow with the industry.

Chairwoman called a recess at 10:34 a.m. and called the meeting to order at 10:38 a.m.

- Vice Chairman provided the process they went through to develop the budget proposal. After expenses for the 7 positions (5 Commissioners, Managing Director, Executive Assistant), we have approximately \$149 K.
- Proposed Positions over above the 7:
 - IT staff
 - Permit and licensing manager
 - compliance manager
 - finance and auditing manager
 - permitting officer
 - Compliance officer
 - Legal Counsel
- Operational expenses:
 - Overview of all costs
 - Vehicle leases
 - Office Equipment
 - Travel
 - Personnel Training, etc.
- If we were to eliminate one of the managers and combine licensing and compliance for the interim, we would be at approximately \$849K.
- Secretary recommended to cut the manager for compliance as during the first year, the compliance won't be a huge need other than ensuring the establishments meet licensing requirements prior to licensing. Only for this year. Secretary also recommended the licensing manager could train the compliance manager the following year and reassess FTE allocation once commercial licensing has rolled out as volume would have likely increased. Members agreed.
- SA asked Members if we were considering hiring Tinian and Rota admin staff at the satellite offices. Vice Chairman clarified we only have one FTE and recommended that a staff can travel to Tinian and Rota and have office hours; however, travel expenses may not save us any money.
- Secretary mentioned she would ask the Mayor to utilize an admin staff to assist with intake, questions, direct them to email address and Commissioner can assist. Perhaps see how it is next year to determine if a full-time FTE is required at the satellite offices.
- Vice Chairman also discussed the Financial and Audit Manager need for first year that perhaps get a bookkeeper. Members agreed. This would free up approx \$75 K and gives us another FTE - perhaps legal counsel. The total request of additional

money would be \$777, 336.84. The budget proposal will be amended with recommendations of this discussion before it is communicated to the House.

6. Citizen Centric Report

- New law passed in December 2018 that requires agencies to provide a Citizen Centric Report for the public that informs them on what the agency has done. This is a 4 page document. Vice Chairman went to CCR training and recommend we request OPA for an exemption to this for this year. Vice Chairman will draft a letter for Chairwoman's signature, to request an exemption for the Commission due to a limited amount of time we have been operating.
- Secretary offered to write a list of operational equipment required for licensing

7. AG Correspondence

- In regard to Homegrown Marijuana Registry cards, SA reiterated that we can't prohibit anyone from obtaining a card but AG said the applicant would have to meet the requirement thresholds.
 - SA commented that there is some contradiction in the law: on the one hand it reads that we do not have the authority to enforce, at the same time, it says they are required to comply and we have penalties for it.
 - The letter does say we should promulgate rules and regulations based on the law.
 - SA read the section that said "applicants are required to provide proof that they meet the requirements; if they do not, the Commission cannot deny the application but give them time to comply." (In our regulations we can develop how long this is).
 - Vice Chairman recommended that we raise this issue with legal counsel. Members agreed.
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- SA asked Chairwoman to add a Miscellaneous section in all our agendas to discuss things for the next agenda.
 - Vice Chairman made a motion to add a Report from the Special Advisor (SA) for Cannabis; Secretary seconded it. No discussion. Members voted in favor of this motion.
 - Chairwoman recommended to add a topic to the agenda: Discussion of next meeting's agenda. SA asked to leave AG correspondence on the next agenda.
 - Tabled item: Adopting last meeting's minutes (September 30 - October 1). Chairwoman made a motion to adopt the minutes; Secretary seconded. Discussion: Secretary asked Chairwoman to create folders on the drive to save the minutes. Vice Chairman recommended we hire an Executive Secretary to take the minutes and advised Chairwoman that she could begin the posting for the position. Members voted in favor of the motion.

- Vice Chairman made a motion to amend the agenda to include a discussion the next meeting's agenda (including today's); Secretary seconded. No discussion. Members voted in favor of the motion.

IX. Discussion of next meeting agenda

1. AG correspondence
 2. Scheduling/requesting OPA Ethics training
 3. Follow up from Mayor regarding satellite offices and admin staff
 4. Hiring Executive Secretary for the Commission
- Vice Chairman recommended adding a placeholder for agendas: discussion on Cannabis Regulations.
 - Chairwoman requested Members to review the commercial regulations.
 - Next meeting is on Wednesday, October 23rd. Commissioners will meet at 8:30 a.m. then move to Executive Session to talk about candidates about the questions and then conduct the interviews. Any time left we will start the Regular Session then recess if necessary.

X. Adjournment

- Chairwoman made a motion to adjourn the meeting at 11:34 a.m. Vice Chairman seconded. No discussion. Members voted in favor of the motion.