

CNMI Cannabis Commission

Meeting Minutes October 23, 2019

I. Call to Order

The fifth meeting of the CNMI Cannabis Commission was called to order by Chairwoman Nadine Deleon Guerrero at 8:40 a.m. on October 23, 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
Journie Hofschneider, Commissioner representing Tinian
Thomas Songsong, Commissioner representing Rota - **via teleconference**
Joseph Deleon Guerrero, Special Advisor (SA) on Cannabis Industry for the Office of the Governor

III. Consideration and Adoption of Agenda Adoption of Agenda

- Chairwoman Deleon Guerrero (Chairwoman) made a motion to approve the agenda (per October 17th email); Vice Chairman Deleon Guerrero (Vice Chairman) seconded. No discussion. All members voted in favor of the motion. Officially recessed at 3:53 p.m.

IV. Consideration and Adoption of Minutes of Prior Meeting

- Chairman made a motion to approve the October 15th meeting minutes; Secretary seconded. No discussion. All Members voted in favor of the motion.

V. Public Comment

- SA verified that there were no members of the public present; therefore, 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 interview process and discuss applicants; Vice Chairman seconded. No discussion. All Members voted in favor of the motion which began at 8:45 a.m.

- Chairwoman made a motion to move the meeting into Regular Session; Vice Chairman seconded. No discussion. All Members voted in favor of the motion, starting Regular Session at 12:08 p.m.

Topics discussed during Executive Session:

1. House-keeping details for interviews
2. Interview process

RECESS Chairwoman called a recess at 12:09 p.m.

IN SESSION Chairwoman called the meeting to order at 1:31 p.m.

- Chairwoman made a motion to move the meeting into Executive Session to continue the interview process for candidates competing for the Managing Director position; Vice Chairman seconded. No discussion. All Members voted in favor of the motion which began at 1:32 p.m.
- Chairwoman made a motion to move the meeting into Regular Session; Vice Chairman seconded. No discussion. All Members voted in favor of the motion, starting Regular Session at 4:47 p.m.

Topics discussed during Executive Session:

1. Interviews concluded, Members deliberated
2. Discussed the selection of the successful candidate

RECESS At 4:48 p.m. Chairwoman requested we reconven at 1:30 p.m. on October 24th.

October 24, 2019

IN SESSION In the absence of Chairwoman, Vice Chairman called the meeting to order at 1:28 p.m.

RECESS Vice Chairman recessed the meeting at 1:29 p.m. until Friday, October 25th at 11:30 a.m. due to members being away.

October 25, 2019

IN SESSION Chairwoman called the meeting to order at 11:45 a.m.

- Chairwoman made a motion to move the meeting into Executive Session to discuss the selection of the Managing Director (MD); Secretary seconded. No discussion. All Members voted in favor of the motion which began at 11:47 a.m.
- Chairwoman made a motion to move the meeting into Regular Session; Vice Chairman seconded. No discussion. All Members voted in favor of the motion, starting Regular Session at 12:32 p.m.

Topics discussed during Executive Session:

1. Members selected the successful candidate for the MD position: Monique B. Sablan. Announcement will be forthcoming once hiring details are confirmed and if Monique accepts.

VII. Old Business

1. AG's October 10th response to the Commission's questions
 - Members agreed to discuss outstanding items when legal counsel is present and to request the presence of legal counsel the next meeting.
Items include: subpoenas, statutory construction, regarding Homegrown Registry eligibility criteria: "cards are valid for one year and *may be* renewed for qualified applicants."
 - Vice Chairman made the motion to this topic to next meeting; Secretary seconded it. No discussion. All Members voted in favor of the motion.

Action required: Chairwoman will request an expeditious LSR for counsel to attend the next meeting.

2. Satellite offices on Tinian and Rota

- Secretary provided an update:
 - Secretary met with the Mayor of Tinian and Mayor agreed to allow the Commission to set up a satellite office and access an administrative staff member to assist with the Homegrown Registry intake process. Secretary will be meeting the Mayor on Monday, October 28th to finalize details.
- Commissioner Songsong provided an update:
 - Commissioner confirmed the office space and advised that he will meet with applicants as opposed to an administrative staff in the interim.

VIII. New Business

1. Saipan office space
 - Chairwoman gave an update about the office space. Chairwoman and Secretary met with Procurement Office and requested an emergency procurement process to

avoid the 30 day processing requirement. Director Aguon advised that the Commission would need to submit a detailed letter outlining the rationale for an emergency procurement of a rental space. Director also requested that his administrative staff provide the appropriate forms to submit with the letter.

- As the expenditure authority, Chairwoman will prepare and sign the procurement documents for submission to Director Aguon and have Gov sign off.
- Chairwoman will also get quotes from Marianas Variety and Saipan Tribune for publicizing the procurement request.
- Monique may have leads on potential office spaces (CDA) that we may be able to use to reduce costs; however, the Commission will still send out the bid.

Action required:

1. Chairwoman will prepare the procurement documents
 2. Chairwoman will also get quotes from Marianas Variety and Saipan Tribune for publicizing the procurement request.
2. Setting up structure with Department of Finance (DOF)
 - Members agreed that Monique will take the lead on this and meet with DOF to discuss process for receiving fees
 3. OPA Ethics Training
 - Chairwoman provided an update on her visit to OPA regarding ethics training. She advised that although OPA only offers the training once a year (most recent was held in June), since the Commission is new, the legal counsel that does the training will more than likely agree to our request. Chairwoman wants to hold off until the MD starts as well as the Executive Secretary (ES) to include them in the training.

RECESS At 12:54 p.m. Chairwoman requested a 5 minutes recess.

IN SESSION Chairwoman called the meeting to order at 1:07 p.m.

4. Executive Secretary (ES) Job Description
 - Vice Chairman offered to request a copy of the Casino Commission's Executive Secretary PD to use.
 - Members discussed that the ES will support the Commission; however, in the absence of scheduled Commission meetings, the ES will be under the supervision of the MD.

- Members agreed that members should be involved in the hiring of the ES.
- Members discussed criteria for the position and job specific duties and logistics.
- Chairwoman requested to table this topic until Vice Chairman receives the copy of the ES PD from CCC.
- Members discussed the possibility of hiring someone that is recommended by another ES.

5. Commercial Regulations

- Members discussed the reason for rolling out commercial as opposed to medical first. Based on the need for medical to have a lab and the absence of labs in the CNMI. SA recommended we roll out both regulations at the same time.
- Members discussed implementing cultivation and one outlet for the cultivator. i.e. dispensary, as well as the idea of rolling out one license type at a time.
- Members discussed the cultivator process from the cultivation site to the establishment and the definitions of “processors” (does not include marijuana drying) and “producer”.
- Commissioner Songsong brought up “fresh frozen” where after harvest, the marijuana is frozen.
- Vice Chairman raised the point that we still need to review application processes and procedures prior to discussing commercial regulations and definitions. He recommended that we adopt definitions from law and codify them in the regulations and send to AG for review.
- Vice Chairman confirmed the draft regulation was developed from Oregon’s law and structure and combining the two.
- Members discussed security requirements for commercial.
- Vice Chairman suggested we focus our efforts on reviewing draft regulations, stopping at page , “Withdrawal of Applications”.
- Vice Chairman raised that the research certificate under “Fees” subsection b is not currently in the statute: *If the Commission approves an application and grants a research certificate, the fee is \$4,000 for a three-year term with an application fee of \$500.* Vice Chairman also noted that labelling and packaging pre-approval is not included in the statute. And other sections that we need to find the statutory reference within our law. Secretary confirmed that we would not need to consider renewals for the first 8 months of issuing the first license.
- Vice Chairman offered to update the regulations and get the draft to a point of discussion and get it ready to send it to AG.
- Vice Chairman made a motion to adopt the definitions that are contained in Public Law No. 20-66 and Public Law No. 21-5 and adopt them in the regulations; Secretary seconded. No discussion. All Members were in favor of the motion.

- Members discussed implementing ideas and structures for the different types of licenses and competitive market strategies.

Action required:

1. Members need to review draft regulations up to page 33, before license renewals.
2. Chairwoman suggested Members review the definitions in the statute prior to adopting them in the regulations.
3. Vice Chairman offered to make edits and prepare a version for Members to discuss so we can send a final draft copy to AG for review as soon as possible.

6. Special Advisor's Report

- SA provided a summary of the meeting recently held October 24th with BCEQ regarding allowable pesticides, laboratories, and what laws are Federal.
- No approved pesticides are allowed for cannabis.
- BCEQ cannot test anything that does not comply with Federal law; therefore, cannot test cannabis.
- Members discussed implementing without a lab as there are no labs currently that could test cannabis.
- Members discussed accredited laboratories stateside.
- SA offered to send Members Guam's law and his highlighted notes to review the differences as well as other informative resources.

7. Scheduling of next meeting

- Friday, November 1st at 10:00 a.m, Casino Commission Conference Room.

8. Recap for next meeting's agenda

- Discussion of commercial regulations (up to page 33)
- Review of CCR
- Update on budget proposal
- Adoption of minutes
- Tabled: ES PD
- AG's October 10th response
- Managing Director update
- Commission Logo status

X. Adjournment

- Chairwoman made a motion to adjourn the meeting at 2:29 p.m. Secretary seconded. No discussion. All Members voted in favor of the motion.

