



# COMMONWEALTH CASINO COMMISSION

Commonwealth of the Northern Mariana Islands

P.O. Box 500135

Saipan, MP 96950



## MINUTES

December 5 & 19, 2014

### I. PRELIMINARIES:

- A. **Call to Order.** Chairman Juan M. Sablan called the meeting to order at 10:14 a.m. on December 5, 2014 at the Governor's Conference Room on Capitol Hill, Saipan.
- B. **Roll Call.** Commissioners present at the meeting were Juan M. Sablan (Chairman), Joseph C. Reyes (Vice Chairman), Justin S. Manglona (Secretary), and Alvaro A. Santos (Treasurer). In attendance as Legal Counsels were Jacinta M. Kaipat and Teresita Sablan from the Attorney General's Office. Ruth Ann P. Sakisat provided secretarial and clerical assistance to the Commission for this meeting. Also present in the gallery, was Edward C. Deleon Guerrero, a member of the Community.
- C. **Adoption of Agenda.** Commissioner Reyes moved and seconded by Commissioner Manglona to adopt the Agenda. After some discussions, the motion was put to a vote and unanimously approved. The Agenda was adopted as presented.
- D. **Adoption of Minutes.** Commissioner Reyes moved and seconded by Commissioner Santos to adopt the Minutes of November 24, 2014. The motion was voted and unanimously approved. The Minutes of November 24, 2014 was adopted.

### II. PUBLIC COMMENTS. No public comments

### III. OLD BUSINESS:

The Chairman noted that the Secretary of Finance has not provided the request for an update on the Commission's funding status and that no new information on this matter was available.

Commissioner Santos noted that the Secretary of Finance was not available to join the meeting so discussions on Funding Issues should be deferred. Furthermore, he explained that under "Staff needs for hire", he was still working on the position description for the Executive Director. He shared that he is still researching related position descriptions from other gaming jurisdictions for comparisons. He offered to have the draft ready for review by the next meeting. Commissioner Santos explained that he wants the meeting to proceed to discuss items under New Business particularly the "Office facility, furnishings/fixtures, equipment & supply needs" and "Commissioner's Training" before entertaining any recess. He added that the By Laws is still in its draft form. He commented that adoption of the Procurement and Personnel Rules and Regulations could be entertained on the next meeting.

Vice Chairman Reyes concurred with Commissioner Santos but he shared that he felt that the meeting cannot move forward in the absence of a funding report from Finance. He shared

that he wanted to make a motion to entertain the Administrative Assistant position since Ruth Sakisat has been assisting the Commission for some time now. However, he added that he understand that the statute is clear as to who has the hiring authority. Vice Chairman Reyes asked for the Legal Counsel's opinion on the recruitment of the Commission's Administrative Assistant. Assistant Attorney General ("AAG") Kaipat explained that based on Public Law 18-56, it is the Executive Director who does the hiring.

Commissioner Santos requested the Chairman to make another attempt to have the Secretary of Finance available on the next meeting. He emphasized the importance of her presence to discuss fiscal matters. He announced that many of the actions the Commission will be taking would depend on the Commission's financing and on the processing procedures at the Department of Finance. Vice Chairman Reyes added that the funding report from Finance is pertinent in determining the contract term for the Executive Director. He is reluctant to grant a contract of more than one year with the uncertainty of funding issues that only the Secretary of Finance can address.

Commissioner Reyes moved and seconded by Commissioner Manglona to recess the meeting subject to the call of the Chairman. The motion was put to a vote and unanimously approved. The meeting was recessed at 10:25 am on December 5, 2014 and subject to the call of the Chairman.

#### **MEETING OF DECEMBER 19, 2014**

I. **PRELIMINARIES:** The meeting of December 5, 2014 reconvened on December 19, 2014 at the Governor's Conference Room on Capitol Hill with Chairman Juan M. Sablan presiding. Present at the meeting were Chairman Juan M. Sablan, Vice Chairman Joseph C. Reyes, Secretary Manglona, Treasurer Santos, AAG Teresita Sablan and AAG Jacinta M. Kaipat. Also present was the Secretary of Finance, Ms. Larrisa Larson.

II. **PUBLIC COMMENTS** - None

III. **OLD BUSINESS**

A. **Funding Issues:**

1. **Funding Report from the Secretary of Finance.** The Chairman welcomed the Secretary of Finance, Ms. Larrisa Larson, and thanked her for her presence. Ms. Larson apologized for her absence during previous meetings. She explained that her schedule was full but that she was happy to be present to answer any questions the Commission has. She reported that although the funding status report indicates a balance of \$1.4 million in the Commonwealth Casino Application Fee Special Fund, there is actually only \$1 million dollars for the Commission's use. She further added that the Lottery Commission has not been dissolved and that she could not give the Commissioners a specific date as to when the Lottery Commission will be dissolved. She explained that she couldn't explain much about the Lottery Commission in the absence of her Legal Counsel. She advised the Commission to establish a budget based on \$1 million dollars only as there are still expenses under the

Lottery Commission that have not been paid.

The Chairman inquired on the exact amount of expenditures or accounts payable from the Lottery Commission expected to be paid from the Special Fund. Ms. Larson explained that she does not have that information readily available at this time and would need her Counsel present to answer any further questions about the Lottery Commission's standing.

Vice Chairman Reyes inquired if petty cash can be established for the Commission's use for expenses such as supplies, water and others. Ms. Larson recommended against petty cash, as there is a history of abuse. However, she added that a reasonable amount (i.e. \$200) might not be a problem but emphasized strict accountability of its expenditure. She advised the Chairman to prepare a memo to her office advising her of who the expenditure authority is and who is authorized to pick up checks on behalf of the Commission. She explained that she is not aware of the Commission's current organizational structure.

Commissioner Santos inquired on the possibility of a corporate card for the Commission. Ms. Larson cautioned against a corporate card and she explained that the Office of the Public Auditor is against the issuance of corporate cards due to a large amount of abuse in previous years. She added that she is not in favor of a corporate card as well.

Vice Chairman Reyes inquired about gas expense for the Commission. Ms. Larson explained that the government does have a gas fleet card for official use with government vehicles. She explained that the gas fleet card could be applied for with Shell Marianas but through the Division of Procurement & Supply.

Commissioner Santos inquired if the Commission can obtain a waiver for a sole source consulting contract. Ms. Larson explained that it is possible to get a waiver but this matter must be taken up with the Director of Procurement and Supply. She recommended the Commissioners meet with Director Herman Sablan to familiarize themselves with the government's procurement policies that will include sole source contracts.

The Chairman informed Ms. Larson that the Commission has plans to renovate the Credit Union building on Capitol Hill for its office use. He stressed that this will most likely be a chunk of the expense from the licensing fee. Ms. Larson recommended the Commission seek the assistance of Ms. Vicky C. Villagomez, Governor's Special Assistant for Management & Budget and Administrator for the Capital Improvement Project (CIP) funds, as she can identify CIP funds to use for needed renovation work. She added that as much as possible, the Commission should avail of any funding the CIP office might have for infrastructure improvements and to also utilize the Department of Public Works ("DPW") for manpower needs.

Ms. Larson emphasized the importance of making sure that all documents routed to her office are complete and signed by the expenditure authority. She shared that presently, her office is not so busy so things should move in and out quickly. She also advised the Commissioners to submit request early so that her office has the time to process it. Chairman Sablan added that he wishes for the Commission and the Department of Finance to

have a good working relationship. He felt it is vital for the Commission to be properly staffed and equipped with the necessary resources to implement P.L. 18-56 and to enforce and regulate the gaming industry on Saipan.

2. **Selection of Banking Institution.** Ms. Larson explained that all expenses to be paid would be out of her office. She shared that the Commission will not have its own bank account as the statute prohibits it. She emphasized the importance of the Commission to follow the Procurement Policy, as it is still a government entity. She added that any request for payment would have to go through the same process as all other government agencies under the Executive Branch.

3. **Authorized Signatories.** Ms. Larson explained that the authorized signatories on all checks would be herself (Secretary of Finance) or the CNMI Treasurer. However, the Chairman will be the spending authority for the Commission, therefore, all request for payment must be signed by him.

**Report by the AAG on the Status of the Legal Counsel for the Commission.** The Commission decided to entertain AAG Sablan's report on the Legal Counsel needs of the Commission because she had to leave early. She reported that the job announcement for the Special Assistant Attorney General (SAAG) for the Commission has been completed. However, she added that there is presently a hiring freeze. She recommended the Commission talk to the Governor about waiving the hiring freeze for this position. She explained that the Governor is hesitant especially with the Attorney General's Office because a new elected AG will be assuming office in January 2015. Vice Chairman Reyes asked if the present AG is aware of the Commission's needs. AAG Sablan noted that she discussed the matter with him and, if the Commission is okay with the announcement, she can run it by him.

Commissioner Santos asked AAG Sablan if the AG will apply the compensation structure of the Government or will the Commission have a say on how much to pay the SAAG. AAG Sablan advised the Commission to discuss salary issues with the new AG. She explained that the announcement would not indicate a salary, as it will be based on experience. She further explained that the announcement indicates that gaming experience preferred but it will be hard to get someone on island with gaming experience. The Chairman asked if the announcement included a clause that says training will be available. AAG Sablan responded that the announcement did not specifically say that training will be available but she does not see a problem with offering training to the selected candidate. Commissioner Santos inquired how far the announcement would go. AAG Sablan responded that the announcement extends to the stateside as well as on island through the CNMI Bar Association.

Commissioner Santos made a motion to advertise the announcement for recruitment of the Special Assistant Attorney General. Vice Chairman Reyes seconded the motion. The motion was put to a vote and unanimously approved. The Commissioners then requested the AG's Office to promptly advertise the availability of the SAAG position. AAG Sablan informed the Commission that she would send an email to Ruth Ann Sakisat, Commission's staff, once the AG approves the announcement. AAG Sablan was then excused from the meeting.

4. Staff needs for hire.

a. Review and adoption of Executive Director position description. Vice Chairman Reyes moved to approve the Job Description for the Executive Director with the inclusion of performing "other duties as assigned by the Commission" under duties and responsibilities. This was based on the recommendation of the Legal Counsel. Commissioner Manglona seconded the motion. Commissioner Santos requested to amend the motion to include immediate advertisement of the Executive Director's position. Vice Chairman Reyes seconded Commissioner Santos' motion. The motion to adopt the Executive Director's Position Description and to advertise the said position for a period of 15-days was put to a vote and unanimously approved.

b. Review and Adoption of Secretary/Administrative Assistant Position Description. Chairman Sablan explained that Ruth Ann Sakisat is currently performing the duties and responsibilities of a Secretary or Administrative Assistant. Vice Chairman Reyes made a motion to hire Ms. Sakisat on a temporary basis as the Secretary for the Commission. Commissioner Santos seconded the motion. Commissioner Manglona noted that, in his meeting with the Governor the previous day, the Governor gave his blessings for the Commission to hire Ruth Ann and that her salary will be carried over from the Credit Union account to the Commission's budget. AAG Kaipat asked for clarification with regards to the motion. She explained that the Executive Director is the only one authorized to hire her. She requested, if the motion is still in consideration, that her contract be extended with the Credit Union with a lateral transfer when the Executive Director is hired. Vice Chairman Reyes explained that his motion is for temporary hire of Ruth Ann until such time that the Executive Director is on board. Commissioner Santos added that based on discussions with the Governor, he does not see a problem with the hiring of Ruth Ann. The Governor stated that the Commission does not have to wait until an Executive Director is on board. AAG Kaipat commented that that is why there is an AG's Office to provide legal advise. She strongly advises against the Commissioners taking the position to hire Ruth Ann. She stated that the priority should be to hire the Executive Director who will then hire Ms. Sakisat. AAG Kaipat advised the Commission to work with the Government in extending Ruth's contract with the Credit Union just until the Executive Director is hired. She felt that this would be the most logical and acceptable way to approach this matter.

Commissioner Santos emphasized that the Governor wants the Commission to pay for Ruth's salary while working for the Commission. He requested that Ruth be excused to hold further discussions on her position and compensation. Commissioner Santos made a motion to go into Executive Session. Vice Chairman Reyes seconded the motion. The motion was put to a vote and unanimously approved and the Commission went into Executive Session.

The Chairman called the meeting back in session. He explained that the Commissioners discussed the hiring of Ruth Ann Sakisat as the Executive Assistant to the Commission at \$39,500 per annum. The Position Description was approved with the title change from Administrative Assistant to Executive Assistant to the Commission. Her contract will be for a one-year period. Commissioner Santos suggested for Ruth Ann to meet with Mathilda A. Rosario, Governor's Special Assistant for Personnel, and to invite her to the Commission's

future meetings to explain the possibility of her emergency hire. Vice Chairman Reyes made a motion that was seconded by Commissioner Manglona to approve the Position Title, Position Description, and Compensation for the Executive Assistant to the Commission. The motion was put to a vote and unanimously approved. All were in favor of the hiring of Ruth Ann Sakisat with an annual salary of \$39,500.

**B. Office facility, furnishings/fixtures, equipment & supply needs.**

Commissioner Santos recommended Ruth Sakisat meet with the Department of Finance to do what is necessary to get the basic supplies to clean up the Credit Union Building and to prepare the facility for future Commission's meetings. He also recommended for Ruth to invite the Director of Procurement to one of our working meetings so we can know what are our limitations on spending and what is allowable under emergency procurement. Commissioner Santos also requested for Ruth to meet with Vicky C. Villagomez, CIP Administrator, to find out what funding may be available for the Commission's office renovation needs. He also recommended the Commission meet with the Department of Public Works (DPW) to discuss assistance in developing the necessary architectural and engineering design for the renovation. Vice Chairman Reyes requested for Ruth to also prepare an inventory of the Credit Union's capital items and other assets. Ruth acknowledged the entire Commissioners' request. Chairman Sablan recommended that Ms. Vicky C. Villagomez be invited to one of our working meetings to discuss CIP funds.

Commissioner Santos asked Chairman Sablan to prepare a letter to Ms. Larson requesting for the Commissioner's compensation to effectuate the date they were sworn in. The Chairman requested from each Commissioner their preference with regards to taxes. Commissioner Manglona opted to have tax deducted. Chairman Sablan, Vice Chairman Reyes and Treasurer Santos opted to receive their gross pay and they will take care of their own tax at the end of the year.

Vice Chair Reyes recommended action on "Office facility, furnishings/fixture, equipment, and supply needs" be deferred until the Executive Director is hired as this will be his/her responsibility. Commissioner Santos commented that for the meantime, it would be a good idea for Commissioners to continue looking at other government buildings or other facilities that may be suitable for the Commission's main office. He announced that the Governor had earlier offered two (2) government buildings for the Commission that may include the Credit Union building.

**C. Commissioner's Training.** Chairman Sablan asked Commissioner Santos if he was able to find any training for the Commissioners. Commissioner Santos announced that there is training scheduled for March 2015 in Las Vegas, Nevada. There is also another one in April 2015 that he believes are both equally important and necessary. He mentioned that Macau usually has 2 major conferences per year. However, one was in November 2014 and the other one is most likely in April 2015. He mentioned that all conferences require early registration that will also provide a discounted rate on block rooms. Chairman Sablan asked Commissioner Santos to provide print-outs of the training so that the Commission can discuss it further on their next meeting.

Chairman Sablan recommended research be done on Singapore's training availability. He felt

Singapore is very stringent in their casino operations and it will be beneficial for the Commission to receive training there. He recommended diverting their training plans after Macau to Singapore. Commissioner Santos also recommended looking at the Philippines Amusement & Gaming Corporation ("PAGCOR") for possible training. He felt it would be interesting and beneficial to listen to experiences from the different gaming jurisdictions within the Asia-Pacific regions. Vice Chairman Reyes and Commissioner Santos offered to work hand-in-hand in researching possible training venues. Vice Chairman Reyes shared that his friend Alfred Yue of Mariana Consultancy Services, LLC., is willing to assist the Commission in finding suitable training sites. He also mentioned that Alfred no longer works for Tinian Dynasty but that he has vast knowledge of the gaming industry.

The Commissioners has scheduled a working meeting to discuss possible training options on Tuesday, December 23, 2014.

#### **IV. NEW BUSINESS:**

**A. By Laws.** Commissioner Manglona moved to adopt the By Laws. Vice Chairman Reyes seconded the motion. The motion was put to a vote and unanimously approved and adopted. This represents the Commonwealth Casino Commission's first adopted By-Laws.

**B. Rules & Regulations.** Vice Chairman Reyes moved to strike out items b, c and d under New Business. The Chairman explained that items c & d are part of existing CNMI regulations which are applicable to the Commission and, therefore, do not required adoption by the Commission. Commissioner Santos seconded the motion. The motion was put to a vote and unanimously approved.

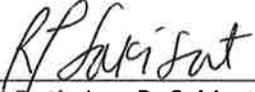
#### **V. EXECUTIVE SESSION. None**

**VI. MISCELLANEOUS.** Commissioner Manglona shared that during the meeting the Commission had with Governor Eloy S. Inos, the Governor recommended for the Commission to memorialize Commissioner Manglona's request for reimbursements for his travel expenses to Saipan. Commissioner Santos moved to approve and ratify all expenditures incurred by Commissioner Manglona during the period that he was and still is on Saipan in connection with our working meetings and official meetings of the Commission and that he be reimbursed for all his expenses already paid by Commissioner Manglona. Vice Chairman Reyes seconded the motion. Commissioner Manglona proposed to establish a payment arrangement on all future meetings for only the days that he worked. He wanted the record to show that he is only requesting to be paid a "stipend" instead of a "per diem" rate. Commissioner Santos asked Ruth to inquire with the Department of Finance what the normal stipend rate is which should apply to Commissioner Manglona's compensation. After further discussions, the motion was put to a vote and passed by majority vote. Commissioner Manglona recused himself from voting.

On another matter, the Chairman presented the Logo and the Seal for the Commission. Commissioner Santos made a motion to adopt the Seal and Logo that was created by Marianas Printing and uses the first letters of the Commonwealth Casino Commission ("CCC") along with the Latte Stone. Two recommended changes were made and included changing

the color of the Logo to Blue and to reposition the name to be centralized on the circle for the Seal. Commissioner Santos moved to adopt the Seal and Logo with noted changes. Vice Chairman Reyes seconded the motion. The motion was put a vote and unanimously approved. The Commission's official Seal and Logo is attached herein.

VII. **ADJOURNMENT.** Vice Chairman Reyes moved and Secretary Manglona seconded to adjourn the meeting. The motion was put to a vote and unanimously approved. The Commonwealth Casino Commission meeting of December 5, 2015 and reconvened on December 19, 2015 was adjourned at 12:45 p.m. on December 19, 2015.

Prepared by:  Date: 2/13/15  
Ruth Ann P. Sakisat  
Executive Assistant to the Commission

Concurred by:  Date: 2/13/15  
Justin S. Manglona  
Commission Secretary

APPROVED AND ADOPTED ON: 2/19/15

 Date: 2/19/15  
Justin S. Manglona  
Commission Secretary