



COMMONWEALTH CASINO COMMISSION

Commonwealth of the Northern Mariana Islands

P.O. Box 500237

Saipan, MP 96950

Tel: 1 (670) 233-1857

Fax: 1 (670) 233-1856

Email: info@cnmicasinocommission.com



MINUTES

February 7, 2019

I. PRELIMINARIES:

A. Call to Order

Chairman Juan Sablan called the meeting to order at 10:09 am on Thursday, February 7, 2019 at the Conference Room of the Commonwealth Casino Commission's main office at the Springs Plaza in Gualo Rai.

B. Roll Call

Commissioners present at the meeting were: Juan M. Sablan (Chairman), Joseph C. Reyes (Vice Chairman), Ramon M. Dela Cruz (Secretary), Alvaro A. Santos (Treasurer), Diego M. Songao (Public Affairs/Media Relations).

C. Adoption of Agenda

Commissioner Dela Cruz moved to adopt the agenda as presented, seconded by Commissioner Songao. The motion was put to a vote and unanimously approved.

II. REPORTS:

A. Report by the Chairman

The Chairman informed everyone that the Commission's pending bill was reintroduced in the 21st CNMI Legislature as House Bill 21-11. Chairman shared that his review of HB 21-11 indicated that the bill is identical to HB 20-82. He noted that he asked Counsel Michael Ernest to work with the AG in reviewing the bill and in pointing out areas of concerns which may be problematic to them. He emphasized that it's important to address all the AG's concerns that were raised during deliberations on HB 20-82.

Chairman Sablan announced that the 21st CNMI House of Representatives will be introducing House Bill 21-7 entitled "The Live Streaming Video Act of 2019" to require all governing bodies to broadcast all public meetings. He commented that from the looks of the number of co-sponsors on the bill, it is highly likely that the bill will pass. He shared that although the bill will add additional cost to the Commission, he believes it is a good bill. He advised the Commissioners to review the proposed bill and to feel free to submit comments to the legislature.

The Chairman commented that it is important for the Commissioners to thoroughly review the proposed personnel regulations that's being presented to them. He offered that if the Commissioners needed more time, the meeting can be extended another day. Chairman Sablan shared that over a year ago, Ms. Velma Lore, P & L Manager prepared a draft of an Employee Handbook which he and Commissioner Santos reviewed with Ms. Lore back when it was first drafted. He asked the Commissioners to also review the handbook as it contains several good provisions that the Commission can incorporate into the personnel regulations that was drafted by Counsel Ernest, reviewed by Managers and is now before the Commission for action. He explained that the personnel handbook was never implemented as it was put aside pending the

outcome of the Commission's bill (HB 20-82). The Chairman noted that there are three areas that are very important to include in the personnel regulations which are in the handbook such as the retention of trained employees, pursuit of degrees for staff, and the establishment of a recruitment committee within the CCC who will hear appeals and grievances process. The Chairman noted that the Commission's statute empowers the Executive Director to hire and fire but he strongly believes there should be an oversight in such matters through the recruitment committee and due process should be afforded to employees. The Chairman suggested that in reviewing the proposed personnel regulations, the best way would be to go page per page and for Counsel Ernest to note down all recommended changes.

Vice Chairman Reyes shared his reservations on being involved with personnel matters of the Commission. He strongly believes that such matters should be left to the Executive Director including the implementation of personnel regulations and that Commissioners should not be involved. Commissioner Santos replied that proposed policies can be initiated by administrative staff including the Executive Director but the approval rests with the Commissioners who are the governing body. He recommended that the draft personnel regulations be reviewed section by section as he has concerns he would like to share in several of the sections. He noted any changes should be voted on by the Commissioners and the majority vote should prevail.

The Chairman announced that IPI received a waiver from the Department of Labor on the 30% local workforce requirement. He asked the Commissioners to review the letter.

B. Report by the Executive Director

The Director announced that the Commission's bill which failed to pass in the previous legislature will be pre-filed by the 21st House of Representatives on their Friday, February 8, 2019 scheduled session. Because there's such a short time, the only opportunity the Commission may have to comment is during public comments, he said. He explained that he has tasked Counsel Ernest to prepare the Commission's position which will be the same as what was presented in the 20th CNMI Legislature. The Director commented that he expects that once the bill is pre-filed, it would then go to the House Committee on Gaming chaired by Representative Ralph Yumul. He further stated that the best forum to discuss the bill in its entirety would be in a committee meeting set up. He noted that the Commission was not called to testify for the February 8th house session. The Director suggested that after the bill is passed, the CCC should look into hiring a consultant who is experienced in HR to review the CCC's personnel regulations possibly comparing it to other gaming jurisdictions. He added that the plan is to present the final regulations to the consultant and for the Commission sit with him/her to do a thorough review and make any needed changes.

The Director shared that he is very optimistic that the new legislature will support the bill inclusive of Representative Ed Propst who during the January 30, 2019 Commission meeting made a comment that the bill will pass. The Director then announced that the members of the House Committee on Gaming joining Chairman Yumul are: Rep. Larry Deleon Guerrero (Vice Chair), Rep. Roman Benavente, Rep. Ivan Blanco, Rep. Ed Propst, Rep. Edmund Villagomez and Rep. Joseph Lee Guerrero. He noted that it may be necessary to expose and educate the members of the subcommittee on the gaming industry. He explained that the Commission will look into how it can provide training to the members with its limited funds and resources whether it be off island or on island. He pointed out that at the least, Chairman Yumul be sent to attend the regulating land-based casinos program at the UNLV International Gaming Institute. Commissioner Santos suggested that the Legal Counsels of both houses be afforded training and exposure as well so they may understand the legal aspects of the gaming industry and provide better advices to the legislators.

The Director announced that the Office of Management and Budget has announced that for Fiscal Year 2020 budget requests, there's a mandatory 10% cut across the board including autonomous agencies due to the shortfall in revenue projections. The Commission will now receive \$928.00 instead of \$1090.00 from local funds making the Commission's budget \$3,000,928.00 for FY2020, he announced. The budget call is due on February 28, 2019, therefore, a copy of the Commission's proposed budget request will be provided to the Commissioners for their review in a week's time, and for action on the Commission's February

27, 2019 meeting. The Director noted that he had a discussion with the Chairman on the idea of shifting the Commissioner's compensation to local funds and out of the regulatory fee fund but due the announcement of budget cuts, it is inappropriate timing to make such a request. Vice Chairman Reyes advised that Counsel Ernest look into the legality of this should it ever be revisited.

The Director reminded the Commissioners that the Office of the Public Auditor has set May 1, 2019 as the deadline to submit statements of financial interests. All board members, commissioners and department heads are required to submit one each year. He noted that there are daily penalties for failure to submit. He asked Ruth Ann to coordinate with the Commissioners to ensure that their forms are submitted on a timely manner.

III. PUBLIC COMMENTS-None

IV. OLD BUSINESS:

A. Consideration and Adoption of: Emergency Adoption and Adoption for Publication for Public Comment of Proposed Commission Personnel Regulations.

Chairman Sablan shared that there has been previous discussion about the proposed regulations and asked each Commissioner to take the time to review the proposed regulations being presented for emergency adoption and for publication for public comments. He noted that should the Commissioners feel that more time is needed for them to do their thorough review, he will call another meeting. He asked that each Commissioner present their thoughts on what revisions they feel need to be made as they move along with the review of regulations.

The Chairman recommended deleting under Part 200-Employee Benefits, sections §175-10.3-201 Expatriation and Repatriation and §175-10.3-205 Housing as there is no detailed explanation, or to otherwise incorporate the original language as opposed to leaving it "[Reserved]". Legal Counsel Ernest noted that removing this section would unduly limit the Commission from hiring from off-island, including the neighboring islands. The Commissioners and the Director collectively decided to leave the sections as they are and to revisit it in the future as the need arises.

The Chairman asked to add "immediate family" to the §175-10.3-015 Definitions and recommended that the term be included in the language of §175-10.3-110 Nepotism as it currently states only 'member of the same household'. However, the other Commissioners and the Director agreed to leave the language in that section as is.

Chairman Sablan recommended revising the term of (e) "Commission Service Contract" under §175-10.3-015 Definitions from five years to two years. The Director informed the Commission that the Secretary of Finance advised that two-year contracts are allowable only if the funds can be obligated for that contract and would not sign-off on such contract if the funds are not readily available. The Chairman then suggested to leave the contracts as they are now at a one-year term. The Director also clarified that although a contract may be limited to a term, the contract will always be renewable to any extent.

The Chairman and Commissioner Santos recommended to insert a clause for an appeal process, however, Legal Counsel Ernest advised against it by stating that affording employees an appeal process would thus affect their employment by somewhat considering them Civil Service, which could in turn affect the pay scale applicable to them. Additionally, affording such a process to an employee will be in violation of PL 18-56 which states that Commission employees are not civil service employees. He also added that as Excepted Service employees or applicants, individuals will always be protected by the Equal Employment Opportunity Commission (EEOC) laws.

Commissioner Dela Cruz asked for clarification on §175-10.3-120 Duty Station and Work Assignments as to why Tinian and Rota are included as a duty station. The Director explained

that this section was left as is in the event that assistance from the CCC is needed. Legal Counsel Ernest also interjected and explained that this would allow CCC jurisdiction in cases where the vetting process is taking place and/or a vendor of the licensee is located in those Senatorial Districts. This section was left unchanged.

Commissioner Santos recommended inserting a provision in the Employee Contract which shall state that if an employee receives training which amounts to the cost of \$10,000 or higher, the employee shall be obligated to repay the training cost through service and shall give 6-months advanced notice of any intent to resignation. Legal Counsel Ernest stated that requiring a 6 months advanced notice would be unreasonable as it may affect the contract period especially in cases where training is received only a few months before the end of a contract, thus would require a new or separate contract. The Commission agreed to address this issue at a later time.

Commissioner Dela Cruz made a motion to recess until 2:30 pm, seconded by Commissioner Santos. The motion was put to a vote and unanimously approved. Recess was called by the Chairman at 12:37 pm.

Chairman Juan M. Sablan called the meeting back to order at 2:25 pm on Thursday, February 7, 2019 at the Conference Room of the Commonwealth Casino Commission's main office at the Springs Plaza in Gualo Rai. All Commissioners were present.

Vice Chairman pointed out to §175-10.3-255 Maternity and Paternity Leave, in which he mentioned that common-law marriage is not recognized in the CNMI and inquired about same-sex marriages, as the wording of the section only specifies the employee's wife. Legal Counsel Ernest noted that he will change "wife" to "spouse" to address the Vice Chair's concern.

Chairman Sablan pointed out to §175-10.3-310 (d) whether the word "employer" should actually read "employee". The same sentence mentions the Executive Director who in essence is the employer. Counsel Ernest explained that the correct word is employer which he extracted from the OPM and the Civil Service Commission's regulations. The only thing he added in this section is to give the Executive Director the flexibility to partner up with sister agencies who have experience in Non-Discrimination Policies.

Counsel Ernest also noted that he did the same with §175-10.3-325 Alcohol and Drug Free Workplace Policy because none of the Commission staff are experts in this field, and the Executive Director would therefore be able to seek guidance from other sister agencies that have the expertise to address these matters. In the same section, he gave the Executive Director the flexibility to requests tests for other drugs not normally tested by the government. The Director noted that only one sample will be requested for testing. The Commissioners agreed with the one sample and requested that the change to be made.

Chairman Sablan pointed out to §175-10.3-350 Whistleblower Policy, under section (b) on the third sentence, there should be (a) after described in. Counsel Ernest noted that he will make the necessary correction.

Vice Chairman Reyes made a motion to adopt the proposed Commission Personnel Regulations for the Emergency Adoption and Adoption for Publication for Public Comments. The motion was seconded by Commissioner Dela Cruz, was put to a vote and unanimously approved.

The Chairman announced that in the future he wishes for the Commission to establish a committee within the Commission that would entertain grievances with the Executive Director's approval, and to include a provision on training and education to entice employees to obtain college degrees.

V. NEW BUSINESS: None

VI. MISCELLANEOUS MATTERS: None

VII. EXECUTIVE SESSION: None

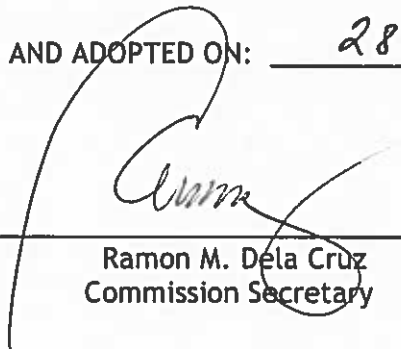
VIII. ADJOURNMENT

Commissioner Dela Cruz made a motion to adjourn the meeting, seconded by Commissioner Santos. The motion was put to a vote and unanimously approved. Meeting was adjourned at 3:04 pm.

Prepared by:  Date: 3/15/2019
Elicia San Nicolas, Executive Secretary

And  Date: 3/15/19
Ruth Ann P. Sakisat, Executive Assistant

APPROVED AND ADOPTED ON: 28th day of March, 2019.

 Date: 3-28-19
Ramon M. Dela Cruz
Commission Secretary