



## Open Session Meeting Minutes

Wednesday, June 19, 2019  
10:00 am – 11:00 am

State Personnel Board Building  
801 Capitol Mall, Sacramento, CA 95814

### Members present:

- Sabrina Ashjian, Chair
- Diandra Bremond
- Adrian Carpenter
- Sharon-Frances Moore

### Staff present:

- Anne Hawley, Executive Director, Cannabis Control Appeals Panel
- Christopher Phillips, Chief Counsel, Cannabis Control Appeals Panel
- Sarah M. Smith, Senior Staff Attorney, Cannabis Control Appeals Panel
- Brian Hwang, Staff Attorney, Cannabis Control Appeals Panel
- Melita Sagar, Administrative and Business Services Coordinator, Cannabis Control Appeals Panel

### Public present

- Alexis Podesta, Secretary, Business, Consumer Services and Housing Agency
- Anna Pozdyn, Administrative Operations, Business, Consumer Services and Housing Agency
- Alexander Nieves, Cannabis Policy Reporter, Politico California

### Summary:

#### 1. Call to Order and Establishment of Quorum.

Chair Sabrina Ashjian called the meeting to order at 10:01 am. Melita Sagar took roll call. Panel Members Sabrina Ashjian, Diandra Bremond, Adrian Carpenter, and Sharon-Francis Moore were present. A quorum was established.

## **2. Approval of Meeting Minutes for April 29, 2019.**

Chair Ashjian asked the Panel Members if there were any additions or corrections to the minutes of the April 29, 2019 meeting. There were no additions or corrections.

Motion (Bremond): Approve the minutes of the April 29, 2019 Panel meeting as submitted. Seconded (Moore).

Executive Director Anne Hawley noted a typographical error in the second agenda item. The date of the approved minutes should read November 28, 2019, not 2018.

Motion passed 4-0 with typographical correction.

## **3. Executive Summary Report.**

Executive Director Hawley presented the Executive Staff Report.

Hawley reminded Panel members to submit expense forms to Sagar by the deadline.

Hawley expressed personal gratitude to Chair Ashjian and Panel Member Carpenter for their service to the Panel. Hawley offered Ashjian and Carpenter each a bouquet of flowers as a token of appreciation.

CCAP is on track to move into its new office location on November 1, 2019. A bill moving through the legislature should eliminate the delays associated with state fire marshal approvals.

CCAP had anticipated receiving staff cell phones at the end of May. However, due to the sales representative's absence, processing was delayed. Hawley now anticipates receiving the phones by Friday, June 21, and will update Panel members accordingly.

Currently, there are no pending hearings filed by annual cannabis license holders before the Office of Administrative Hearings. Staff is monitoring for potential appeals.

The budget-to-actuals report for 2018-2019 shows a savings due to vacancies on the Panel and CCAP staff. There is a remaining balance of \$1.203 million. The balance will go down following the purchase of computer and other equipment. The balance is current as of May 31, 2019.

Hawley addressed the rollover funds question raised at the April meeting. In order to retain rollover funds, CCAP must secure a contract within the current fiscal year. If the funds are encumbered, CCAP will have access through 2021.

In July, CCAP staff will engage in a strategic planning session led by the Department of Consumer Affairs (DCA). DCA staff will first meet with CCAP staff. Later, DCA will meet with the Panel for input and to sign off on the plan. The Panel portion of the DCA meeting will take place in August or September.

On July 30-31, CCAP staff will participate in LEAN Methodology Training to refine internal work processes. The training will focus on identifying and streamlining processes so that they operate efficiently once CCAP begins receiving appeals.

Chief Counsel Christopher Phillips and Senior Staff Attorney Sarah M. Smith will attend a meeting of WomenGrow Santa Ana Chapter on June 27, 2019, where they will offer a presentation on the CCAP appeals process. The presentation has also been accepted for the National Cannabis Industry Association's California Cannabis Business Conference in October. CCAP will continue to do outreach and welcomes ideas or information about potential events.

Panel Member Moore asked if outreach includes out-of-state events—specifically the District of Columbia.

Hawley explained that out-of-state travel must be mission critical. CCAP would need to show that the travel is relevant to the work.

Panel Member Bremond asked if CCAP can look at other states with agencies like CCAP and potentially model itself on those who have succeeded.

Hawley says that's possible and noted CCAP is willing to talk about ideas.

Hawley also noted after speaking with Sagar that California has banned business travel to certain states.

Panel Member Moore asked what the reasoning was.

Hawley explained that the list of banned states is short and includes states that do not share California's values.

Hawley noted that circulation of internal policies and procedures was delayed following the previous meeting as the policies required labor union approval, and approval is on a

30-day timeframe. However, the bargaining units have now approved the policies, which will be uploaded for Panel member access. Panel members will need to review these new policies and sign the acknowledgement sheet.

Senior Staff Attorney Smith discussed pending legislation, including Assembly Bill 545 and the budget trailer bill. AB-545 would subject CCAP, along with the Bureau of Cannabis Control, to sunset review. The trailer bill language would allow CCAP to deliberate in closed session. The trailer bill also adds significant fines—up to \$30,000 per day—for non-licensees who violate cannabis laws, with limited appeal rights.

Panel Member Bremond asked if CCAP has done anything to oppose sunset review.

Smith explained that CCAP has submitted a bill analysis and provided input whenever possible. CCAP staff will update the Panel as necessary.

Smith added that the trailer bill language would also bring CCAP under the Business, Consumer Services and Housing Agency.

#### **4. Authorization of Procurement – Case Management System.**

Executive Director Hawley explained that CCAP originally proceeded with Prolaw. However, the Department of Business Oversight (DBO) informed CCAP that they were looking instead at Salesforce and LegalStratus. CCAP staff later discovered that the Department of Transportation was considering these options as well. Accordingly, CCAP requested information from Prolaw, LegalStratus, and Salesforce. After receiving and reviewing responses, Hawley and CCAP staff believe LegalStratus is a superior product.

Chief Counsel Phillips directed the Panel to a point-by-point comparison sheet of the three systems. Salesforce allows customization via “widgets.” LegalStratus is prebuilt out of the Salesforce building blocks and is geared specifically toward legal offices.

Compared with Prolaw, LegalStratus and Salesforce are intuitive, while Prolaw is powerful but less user-friendly. Both Salesforce and LegalStratus feature superior data reporting capabilities. LegalStratus and Salesforce are also browser based, while Prolaw is loaded onto the office PC and would require a VPN. LegalStratus and Salesforce feature website portals, potentially allowing appellants to complete and submit appeal forms online. Salesforce and LegalStratus would better facilitate a searchable, seamless case database. Finally, LegalStratus and Salesforce offer superior mobile apps.

Phillips noted that the costs for Salesforce and LegalStratus differ, but that is because LegalStratus comes prebuilt. CCAP staff recommends LegalStratus because it is already designed for the legal industry, making it much easier to implement.

Panel Member Bremond asked if there is an additional cost for adding users.

Phillips explained that there would be an additional cost per license.

Hawley explained that the quote included 13 licenses. LegalStratus and Salesforce are subscriptions, while Prolaw is an outright license purchase.

Bremond asked if Panel members would have access.

Phillips explained that yes, Panel members may access case files and all documents, including any prepared by staff. It would eliminate the need to FedEx documents.

Bremond asked what training Panel members would receive.

Phillips said LegalStratus training for Panel members would be an hour or two at most. With Prolaw, it is not clear that Panel members would be accessing the Prolaw system, but if so, the training would be longer.

Phillips explained that while staff recommends LegalStratus, it would alternatively prefer Salesforce over Prolaw.

Phillips noted that Panel members have received draft proposed delegations of authority for the purchase of LegalStratus and Salesforce. The Panel has already approved purchase of Prolaw, so if either of the proposed delegations passes, it will override the Prolaw delegation.

Motion (Bremond): Approve Delegation Resolution 19-02 authorizing procurement of the LegalStratus case management system. Seconded (Moore).

No comments from Panel members or the public.

Panel Chair Ashjian abstained. Motion passed 3-0.

## **5. Authorization of Contracts for Fiscal Year 2019-20.**

Executive Directory Hawley suggested moving on to Agenda Item 6, Election of the Chair, due to the arrival of BCSH Secretary Podesta.

Chair Ashjian agreed.

## **6. Election of the Chair.**

Chief Counsel Phillips explained that election of the chair is necessary because by operation of law, two Panel members—including Chair Ashjian—will fall off the Panel in July. The election of a new Chair is necessary to continue CCAP business.

Panel Members must first indicate they are willing to serve as Chair. Panel members must then be nominated for the position and cannot self-nominate. Once the nominations are in, the candidates may make a statement. After that, the Panel members will vote. If there is a tie, Secretary Podesta will cast the deciding vote.

Phillips asked if any Panel members are willing to serve as Chair.

Panel Members Bremond and Moore stated they are willing to serve.

Phillips requested nominations. Panel Member Carpenter nominated Bremond.

Phillips asked if Bremond wished to make a statement. Bremond did not.

Motion (Carpenter): Elect Diandra Bremond Chair of the Cannabis Control Appeals Panel. Seconded (Bremond).

No comments from Panel members or the public.

Chair Ashjian and Panel Member Moore abstained. Motion passed 2-0.

## **5. Authorization of Contracts for Fiscal Year 2019-20, Continued.**

Executive Director Hawley explained that CCAP requires interagency contracts to function.

The first is a three-year, \$60,000 contract with DBO for IT goods and services. The second is a one-year contract with the Department of General Services for \$30,802.50 for human resource services. The third is a two-year contract with DCA, which breaks down into \$3,080.50 for administrative services, including strategic planning and translation, and an estimated \$40,000 for IT services.

CCAP is also seeking delegation for the purchase of Microsoft Surface Pro notebooks to replace computer equipment currently on loan from DBO, at a cost of \$30,582.

Hawley asked if Panel had any questions. The Panel had none.

Chief Counsel Phillips explained that we already have contracts for DBO and DGS, so staff is recommending approval of those contracts. CCAP does not yet have a contract with DCA but has an idea of the terms. The final delegation is for computer purchase identical to previous purchase delegations before the Panel.

No motion or second was taken on approval of contract for fiscal year 2019-20.

Chair Ashjian abstained. Motion passed 3-0.

Motion (Bremond): Approve purchase of computer hardware. Seconded (Moore).

No comments from Panel members or the public.

Chair Ashjian abstained. Motion passed 3-0.

## **7. Public Comment on Items Not on the Agenda.**

Chair Ashjian warned any comment should not involve pending or future appeals. No comments from public.

Secretary Podesta extended her gratitude to Ashjian and Panel Member Carpenter for their service on the Panel, and for being trailblazers in unknown territory. Podesta presented Ashjian and Carpenter with letters of thanks.

Ashjian and Carpenter thanked Governor Brown, BCSH, their Panel colleagues, Executive Director Hawley, Chief Counsel Phillips, and the rest of the CCAP staff.

## **8. Future Agenda Items.**

No comments from Panel Members or the public.

## **9. Adjournment.**

Motion (Bremond): Adjourn the meeting. Seconded (Carpenter). Meeting adjourned at 10:53 am.

**9. Reconvene: Authorization of Contracts for Fiscal Year 2019-20, Continued.**

Chair Ashjian explained that CCAP staff had concerns about the procedure leading up to the vote on the fiscal year contracts. The Panel reconvened to remedy the procedure.

Motion (Moore): Approve contracts for fiscal year 2019-20. Seconded (Carpenter).

Ashjian abstained. Motion approved 3-0.

Meeting adjourned at 10:58 am.