

PENNSYLVANIA LIQUOR CONTROL BOARD
MEETING MINUTES

WEDNESDAY, AUGUST 1, 2018
NORTHWEST OFFICE BUILDING, CONFERENCE ROOM 117, HARRISBURG, PA

Tim Holden, Chairman
Mike Negra, Board Member
Michael Newsome, Board Member
Charlie Mooney, Executive Director
John Stark, Board Secretary

[Office of Chief Counsel](#)
[Bureau of Licensing](#)
[Bureau of Human Resources](#)
[Bureau of Accounting & Purchasing](#)

[Office of Retail Operations](#)
[Bureau of Product Selection](#)
[Financial Report](#)
[Other Issues](#)

PUBLIC MEETING – 11:00 A.M

Chairman Holden joined the meeting by conference call and asked Board Member Newsome to chair the meeting.

CALL TO ORDER *Member Newsome*

Pledge of Allegiance to the Flag

OLD BUSINESS.....*Secretary Stark*

A. Motion to approve previous Board Meeting Minutes of the July 18, 2018 meeting.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Previous Board Minutes.

PUBLIC COMMENT ON AGENDA ITEMS

There was no public comment on the printed agenda items.

NEW BUSINESS

From the Office of Chief Counsel*Rodrigo Diaz, Chief Counsel*

(1) **CITY OF WILLIAMSPORT (Zone 1)**
Case No. 18-NE-10

Municipal Petition for
Exemption from the
Statute Regarding
Amplified Sound

Note: Board Minutes are not officially approved until all required signatures are affixed.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve the Noise Exemption from August 1, 2018 to August 1, 2023.

- (2) **CITY OF WILLIAMSPORT (Zone 2)** Municipal Petition for
Case No. 18-NE-11 Exemption from the
Statute Regarding
Amplified Sound

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve the Noise Exemption from August 1, 2018 to August 1, 2023.

- (3) **CITY OF WILLIAMSPORT (Zone 3)** Municipal Petition for
Case No. 18-NE-12 Exemption from the
Statute Regarding
Amplified Sound

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve the Noise Exemption from August 1, 2018 to August 1, 2023.

Subsequent to the approval, Chairman Holden asked why the City of Williamsport Noise Exemption cases were not done all at once. Michelle Fox explained that the Statute requires that a hearing be held in the proposed designated area for the exemption. Williamsport has requested three separate, non-contiguous exempted areas. Therefore, we have to hold the hearing in each of the three separate locations.

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(4) **TRANSFEROR: Hotel Belmar, Inc.** Application for
1501-03 Fourth Avenue Conversion of
Altoona, Pennsylvania 16002 Suspension to Fine
Restaurant Liquor License No. R-13890
LID 43567

TRANSFeree: Giant Food Stores, LLC
t/a Martin's
221 Glimcher Drive
Duncansville, Pennsylvania 16635
Restaurant Liquor License No. R-13890
LID 92896

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Conversion of Suspension to a Fine of \$24,000.00.

(5) **Baly, LLC** Request to Rescind
1108 Frankford Avenue Conditional Licensing
Philadelphia, Pennsylvania 19125-4118 Agreement
Restaurant Liquor License No. R-630
LID 91002

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Request to Rescind Conditional Licensing Agreement.

(6) **Resolution of Simple Brands, LLC** Litigation

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Member Negra asked Rodrigo Diaz, Chief Counsel, to explain more about the case. Mr. Diaz stated that this has been going on for eight years in the Board of Claims and the original suit was for \$81 million. Mr. Diaz noted that we have spent more in legal fees throughout the process than what the proposed settlement is and that this settlement will bring it to an end.

Board Decision: Unanimously agreed (3-0 vote) to Accept the Settlement Agreement of \$285,000.

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*From the Bureau of LicensingTisha Albert, Director of Regulatory Affairs
Barbara Peifer, Director, Bureau of Licensing*

(1) **Jessidon, LLC** Notice of Change in Business
t/a **Bettelli's** Structure - Restaurant
R-15025 (LID No. 61665) Case No. 18-9043
560 Kidder Street
Wilkes Barre Township
Wilkes Barre, Luzerne County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Member Newsome asked if there was anyone from the licensee. There was no response.

Board Decision: Unanimously agreed (3-0 vote) to Refuse Notice of Change in Business Structure.

(2) **Malwa Ventures, LLC** "Intermunicipal" Double
t/a **Avis Beer Express** Transfer & Request for Interior
R-8286 (LID No. 87794) Case No. 18-9027 Connections with Other
3163 Woodward Avenue Businesses - Restaurant
Pine Creek Township
Avis, Clinton County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer and Request for Interior Connections with Other Businesses (Other Businesses Prohibited from Operating on Licensed Premises).

(3) **S. 19th Business Ventures, LLC** Person-to-Person Transfer –
R-3706 (LID No. 87594) Case No. 18-9038 Restaurant
38-40 South 19th Street, P. O. Box 2235
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer.

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(4) **9241 PW Welsh, LLC** Renewal – District 10
t/a Paddy Whacks
R-11481 (LID No. 58087) Case No. 2016-58087
9241-43 Roosevelt Boulevard Rear
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded:

Board Decision: Hold for a Conditional Licensing Agreement.

*From the Bureau of Human Resources Jason Lutcavage, Director of Administration
Jennifer Haas, Director, Bureau of Human Resources*

Personnel Actions:

There were 11 personnel actions presented for consideration.

- (1) **Marceline Bien-Aime – Affirm Removal**
- (2) **Kareem Collins – Affirm Removal**
- (3) **Jennifer Harden – Removal**
- (4) **Joseph Hess – Removal**
- (5) **Kia Johnson – Affirm Removal**
- (6) **Ashley Manning – Affirm Removal**
- (7) **Debra McClain – Affirm Removal**
- (8) **Shamyra Patterson – Removal**
- (9) **Quincy Smith – Removal**
- (10) **Vicki Spangler – Removal**
- (11) **Ernest White – Affirm Removal**

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve all Personnel Actions.

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*From the Bureau of Accounting & Purchasing Oren Bachman, Director of Finance
Koppolu Ravindraraj, Director, Bureau of Accounting & Purchasing
Mike Freeman, Director, Bureau of Financial Management & Analysis*

Procurement Actions:

- (1) **Cisco Router Upgrade** – Provide four Cisco ASR1001-HX, 4X10GE Edge Routers with one year of 24x7 Cisco Smartnet maintenance coverage on each router. Replaces eight-year old existing routers that do not support 10Gb interfaces and have been placed into end-of-life by Cisco. The new routers will provide increased bandwidth to and from the NWOB/COPANET, the DR site and cloud resources.

Procured via DGS Statewide Contract #4400011887 – VENDOR: **ePlus Technology Inc.** – TERM: One (1) year – **\$283,527.60 estimated cost.**

- (2) **Microsoft Dynamics 365 for Operations Licenses** – These are licenses for the cloud-based Microsoft software which will enable the PLCB to transact physical and digital gift cards in addition to the Dynamics 365 for Retail components such as POS for our store registers.

Procured via DGS Statewide Contract #4400018548 – VENDOR: **CDW-G** – TERM: Nine (9) months – **\$412,467.00 estimated cost.**

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve all Procurement Actions.

Inter-Agency Charges:

- (1) **Office of Administration (OA) Microsoft 365** – Billing of \$476,622.00 for July 1, 2018 through June 30, 2019. This billing represents the PLCB’s portion of services that OA has contracted for with Microsoft, which is billed at an enterprise (Commonwealth) level.
- (2) **Civil Service Commission (SCSC) Services (Job 46)** – Billing of \$546,229.56 for SCSC services for July – December 2018. The billing was based on the PLCB’s average filled salary and wage position headcount (5,013) for the six-month period of November/2017 through April/2018.
- (3) **Office of Budget (OB) Electronic Payment Processing Contract with First Data** – Reimbursement of \$1,388,009.25 to Office of Budget for equipment and services to be ordered through the Commonwealth’s contract with First Data Merchant Services, encompassing the following items:

- Ingenico Pin Pads (1,700) \$750,000.00
- Store Installation of Ingenico devices and Card Connect Gateway \$638,009.25

The Bureau of Financial Management and Analysis has reviewed these charges and determined that they are reasonable based on billing methodology and previous experience.

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Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve all Inter-Agency Charges.

From the Office of Retail Operations..... Carl Jolly, Director of Retail Operations

None.

*From the Bureau of Product SelectionDale Horst, Director of Marketing & Merchandising
Tom Bowman, Director, Bureau of Product Selection*

1. Regular New Items Accepted

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
<u>Castle Brands USA Corp</u>	
Robert Burns Single Malt Scotch Whisky 750 ML	5
<u>MHW LTD</u>	
Bols Ginger Liqueur 1 L	12
Twisted Shottz Getaway Party Pack 375 ML	3, 8
<u>North Wales Wines</u>	
Carlo Rossi Pink Moscato Sangria 750 ML	2, 3, 5
Carlo Rossi Moscato Sangria 750 ML	2, 3, 5
Carlo Rossi Sangria 750 ML	2, 3, 5
Carlo Rossi Smooth Red 750 ML	2, 3, 5
Gallo Family Vineyards Sweet Grapefruit Rose 750 ML	2, 3, 5
Locations California Red Blend NV 750 ML	2
<u>Park Street Imports</u>	
Fabio Viviani Wine Collection Cabernet Sauvignon 750 ML	2
Fabio Viviani Wine Collection Chardonnay 750 ML	2
<u>Proximo Spirits</u>	
1800 Ultimate Watermelon Margarita 1.75 L	12
Tin Cup Whiskey 375 ML	3
Virginia Black Whiskey 750 ML	2
<u>Southern Wine Spirits PA</u>	
Fabrizia's Italian Margarita 1.75 L	4
Russell's Reserve 6 Year Rye Whiskey 750 ML	2, 3
Wild Turkey American Honey Whiskey 50 ML	2, 3

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Wild Turkey Longbranch Bourbon 750 ML	2, 3
Wild Turkey Rare Breed Bourbon 750 ML	2, 3

Vintage Imports Inc

Ca'Momi Merlot Napa Valley 2015 750 ML	11
Compass Cabernet Sauvignon 2016 750 ML	11
Decoy Red Blend Sonoma County 2016 750 ML	2
Duckhorn Chardonnay Napa Valley 2015 750 ML	2
Duckhorn Merlot Napa Valley 2014 750 ML	2

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular PA Spirits New Item

BRAND NAME AND SIZE

REASON

Millstone Spirits Group

New Liberty Dutch Malt Whiskey 95 Proof 750 ML	8
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RECOMMENDED ACTION: We recommend the Board approve this action

**New Items – Recommended Listings
Reason Codes**

1. Strong marketing support
2. High brand recognition
3. Line/Size extension of successful brand
4. Trade up opportunity
5. Growing category
6. Growing segment
7. National rollout
8. Niche item / Limited distribution
9. High dollar profit potential
10. Trade out
11. High quality for the value
12. Innovative product/flavor
13. High sales through other PLCB channels (Luxury, Online, SLO)
14. Underrepresented category/segment
15. Hole in selection – consumer/store requests

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3. Regular Recommended Delist

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>Social Still LLC</u> Social Still Bourbon Whiskey 750 ML	1618
<u>Southern Wine Spirits PA</u> Luc Belaire Sparkling Brut 750 ML	1216

EFFECTIVE DATE: The transference to closeout will become effective August 31, 2018

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve all Bureau of Product Selection/
Marketing Actions.

FINANCIAL REPORT *Michael J. Burns, Comptroller Operations, Office of Budget*

None.

OTHER ISSUES

None.

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, August 22, 2018, beginning at 11:00 A.M. Prior to the public meeting, there will be an Executive Session to discuss matters of personnel and to engage in non-deliberative informational discussions, some of which are regarding actions and matters which have been approved at previous public meetings.

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ADJOURNMENT

On a motion by Board Member Negra, seconded by Board Member Newsome, the meeting was adjourned.

The foregoing actions are hereby officially approved.

Chairman

Member

Member

ATTEST:

Secretary