

PENNSYLVANIA LIQUOR CONTROL BOARD
MEETING MINUTES

WEDNESDAY, MAY 17, 2017

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

Board Secretary John K. Stark indicated that a quorum of the Board was present and Chairman Holden called the meeting to order.

CALL TO ORDER *Chairman Holden*

Pledge of Allegiance to the Flag

OLD BUSINESS..... *Secretary Stark*

A. Motion to approve the previous Board Meeting Minutes of the May 3, 2017 meeting.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously approved (3-0 vote) previous Board Minutes.

B. Announcement by the Chairman for ratification of a Board Action.

The following Board Action approved on May 11, 2017 was decided by Notational Voting after the adjournment of the Board’s last public meeting.

Chairman Holden, Member Negra and Member Newsome unanimously agreed (3-0 vote) to approve the reinstatement of Liquor Store Clerk 1, Barbara Kenney as outlined in the Conditions of Continued Employment Reinstatement Addendum.

PUBLIC COMMENT ON AGENDA ITEMS

There was no public comment on the printed agenda items.

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NEW BUSINESS

From the Office of Chief CounselRodrigo Diaz, Chief Counsel

(1) **Borough of Marietta** Municipal Petition for
Case No. 17-NE-08 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 Noise Exemption from May 17, 2017 to May 17, 2018.

(2) **Harborcreek Township** Municipal Petition for
Case No. 17-NE-07 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 Noise Exemption from May 17, 2017 to May 17, 2018.

(3) **Outback Steakhouse of Florida, LLC** Request to Rescind
380 Town Center Conditional Licensing
York, Pennsylvania 17408-4800 Agreement
Restaurant Liquor License No. R-20578
LID 81534

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Chairman Holden asked if there was anyone present for the Licensee, but there was no response.

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

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- (4) **Shirl The Pearls, LLC** Request to Rescind
2407-09 Wylie Avenue Conditional Licensing
Pittsburgh, Pennsylvania 15219-4529 Agreement
Restaurant Liquor License No. H-3303
LID 68029

Motion Made: Board Member Negra
Seconded: Board Member Newsome

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

- (5) **PFM Business Ventures, LLC** Request to Rescind
Blue Grass Plaza Stores 3-4 Conditional Licensing
2417 Welsh Road Agreement
Philadelphia, Pennsylvania 19114-2213
Restaurant Liquor License No. R-8770
LID 71168

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) **Advisory Notice No. 20 – Economic Development Licenses** Adoption of Revised
Advisory Notice No. 20

Board Member Negra asked Rod Diaz, Chief Counsel, to explain this proposed action.

Mr. Diaz explained that the Board has traditionally issued advisory notices to provide guidance to the regulated community about certain topics. He further explained that Advisory Notice No. 20, which pertains to economic development licenses, is currently inaccurate because of a recent change that was made by the Legislature. Specifically, Act 39 of 2016 decreased the food and non-alcoholic beverage sales requirement from at least 70% to at least 50% of the combined gross sales of food and alcoholic beverages for economic development licenses. Accordingly, Mr. Diaz indicated that Advisory Notice No. 20 has been revised to be consistent with the legislative changes that were made.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve the Adoption of Revised Advisory Notice No. 20.

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

- (1) **Acorn Markets, Inc.** Place-to-Place Transfer &
R-3883 (LID No. 66553) Requests for Interior Connections
109 North Oswayo Street, P. O. Box 681 with Other Businesses and to
Shinglehouse, Potter County Conduct Another Business on the
Licensed Premises (Request to
Modify Premises) – Restaurant

Motion Made: Board Member Negra
Seconded:

Board Decision: Hold by Board Member Negra.

- (2) **Kimkong, Inc.** Notice of Change in Business
t/a La Cantina Structure – Restaurant
R-9124 (LID No. 64440)
6840 Market Street
Upper Darby Township
Upper Darby, Delaware County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

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

- (3) **MBE Events II, LLC** “Intermunicipal” Double
t/a Loft at Birch Wilds Transfer & Request for Interior
R-13029 (LID No. 81899) Connections with Another
3236 West Lizard Creek Road Business & to Conduct Another
East Penn Township Business on the Licensed
Lehighton, Carbon County Premises – Restaurant

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer and Requests for
Interior Connections with Another Business and to Conduct Another
Business on the Licensed Premises.

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- (4) **Mansions Hotel by Priory Hospitality Group MAG, LLC** Person-to-Person Transfer & Requests for Interior Connections with Another Business, to Conduct Another Business on the Licensed Premises & for Dual Employment – Restaurant
R-11186 (LID No. 83703)
5105 5th Avenue
Pittsburgh, Allegheny County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer and Requests for Interior Connections with Another Business and to Conduct Another Business of the Licensed Premises and for Dual Employment.

- (5) **Thomas B. Smith Republican Club** Place-to-Place Transfer – Club
C-2862 (LID No. 1421) Case No. 17-9011
5121-5123 Woodland Avenue
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

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

- (6) **Tobyhanna Beer & Deli, Inc.** “Intermunicipal” Double Transfer & Request for Interior Connections with Another Business – Restaurant
R-21195 (LID No. 83532) Case No. 17-9020
111 Route 423
Tobyhanna Township
Pocono Pines, Monroe County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Chairman Holden asked if there was anyone present for the Licensee, but there was no response.

Board Decision: Unanimously agreed (3-0 vote) to Refuse Transfer and Request for Interior Connections with Another Business.

- (7) **Vin De Matrix Winery, LLC** New & Requests for Interior Connections with Another Business, to Conduct Another Business on the Licensed Premises & for Dual Employment – Limited Winery
(LID No. 84813)
Kings Mountain Resort and Golf Course
307 Kings Mountain Road
Upper Turkeyfoot Township
Rockwood, Somerset County

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Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve New Limited Winery and Requests for Interior Connections with Another Business, to Conduct Another Business on the Licensed Premises, and for Dual Employment.

(8) **Bru House, Inc.** Amusement Permit – District 11
t/a Kellens Station House
H-200 (LID No. 66629) Case No. 2017-66629
1033 Bellevue Avenue
Middletown Township
Langhorne, Bucks County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal of Amusement Permit.

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

Personnel Actions

There were 8 personnel actions presented for consideration.

- (1) **Lataya Bridgeman – Affirm Removal**
- (2) **Anna Cohen-Southerland – Affirm Removal**
- (3) **Marjorie Knepp – Affirm Removal**
- (4) **Janet Laing – Removal**
- (5) **Nyderah Martin – Affirm Removal**
- (6) **Evan Miklos – Affirm Removal**
- (7) **Tracye Morris – Removal**
- (8) **Brittany Morton - Removal**

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Motion Made: Board Member Negra
Seconded: Board Member Newsome

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

*From the Bureau of Accounting & Purchasing Oren Bachman, Director of Finance
Koppolu Ravindraraj, Director, Bureau of Accounting & Purchasing*

- (1) **Lot 3, Point of Service Operations, of RFP 20143025, Oracle ERP (Enterprise Resource Planning) Production Support and Enhancement Consulting Services** – Provide production support, maintenance, and enhancement consulting services for the PLCB’s Point of Service Operations system.

Procured via PO 63013714 Option Year One (1) and Amendment One (1) to RFP Contract 20143025 – **VENDOR: SkillNet Solutions, Inc.** – **TERM:** Two (2) years for the period 5/18/2017 through 5/17/2019 – **\$2,808,000.00 estimated cost.** Per Amendment One (1), staff resources will be reduced from \$125.00 per hour to \$120.00 per hour for the term of Option Year One.

- (2) **Oracle Software Maintenance Renewal** – Provide maintenance and support for the Oracle software used in the PLCB’s ERP system.

Procured via DGS Statewide Contract #4400007199 – **VENDOR: Dell** – **TERM:** One (1) year for the period 6/01/2017 through 5/31/2018 – **\$2,573,255.21 estimated cost.** Renewal cost is reduced by \$36,862.47 from last year’s cost of \$2,610,117.68 a year.

- (3) **Microsoft Premier Support** – Provide professional services to support existing implementations and assistance with improvements or changes to the environments. Current engagement includes EDI work, development process optimization, data warehousing and reporting, and Windows desktop deployment and management scenarios.

Procured via DGS Statewide Contract #4400000452 – **VENDOR: Microsoft Corp.** – **TERM:** One (1) year for a period 6/1/2017 through 5/31/2018 – **\$374,230.00 estimated cost.** Last year’s cost was \$145,990.00. This year’s cost includes an increase in utilization of services such as six (6) workshops, twelve (12) on-site resource visits, and an additional \$100,000.00 for consulting support hours. Microsoft’s rate schedule remains the same.

- (4) **Microsoft Enterprise Agreement Renewal** – Provide software renewal for Enterprise Platform such as Client OS/MDOP; Office; Client Access Licenses; and cloud components of Azure Monetary Commitment and Dynamics. Also includes both headquarters and store productivity solutions including Office, cloud based EDI, data analytics solutions components, as well as infrastructure components such as SharePoint and SQL Server databases. App-V is being used to support running ERP and POS solutions in a secure virtualized manner.

Procured via DGS Statewide Contract #4400007199 – **VENDOR: Dell** – **TERM:** Three (3) years for the period 6/01/2017 through 5/31/2020 – **\$1,612,530.00 estimated cost.** The previous three-year renewal cost was \$1,437, 973.47. The 12% increase includes maintenance for the additional software that was added over the previous three years, support of new training PCs for the stores, and

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transitioning to the cloud due to rebranding. Other software agreements will not be renewed due to the consolidation and addition of products in this agreement.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Purchasing and Contracting Action Nos. 2, 3, and 4. The Board also unanimously agreed (3-0 vote) to Hold Purchasing and Contracting Action No. 1 for purposes of negotiating new pricing based on a one year term instead of the initially-proposed two-year term.

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

1. **#1508 – 325 Commons Drive, Parkesburg
Amendment**
2. **#2207 – 1303 North Seventh Street, Harrisburg
Amendment**
3. **#4202 – 124 Fraley Street, Kane
Amendment**
4. **#4025 – 653 State Route 93, Suite 3, Conyngham
Amendment**
5. **#9213 – 2356 Golden Mile Highway, Pittsburgh
Amendment**
6. **#13XX – 1 River Road, Jim Thorpe
New Lease/Relocation (to replace #1302)**
7. **#21XX – 3506 Capital City Mall Drive, Camp Hill
New Lease/Relocation (to replace #2109)**
8. **#22XX – 990 Briarsdale Road, Harrisburg
New Lease/Relocation (to replace Harrisburg Licensee Center #2207)**

Motion Made: Board Member Negra
Seconded: Board Member Newsome

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

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*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>Fifth Generation Inc</u> Tito's Handmade Vodka 1 L	3

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular PA Spirits New Items Accepted

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
<u>Bluebird Distilling LLC</u> Bluebird Distilling Wheat Whiskey 750 ML	8
<u>Kilimanjaro Distillery LLC</u> Xplorer Apple Pie Moonshine 750 ML	8
Xplorer Potato Vodka 750 ML	8
Xplorer Wheat Vodka 750 ML	8
<u>Old Republic Distillery Inc</u> Old Republic Distillery Blackberry Vodka 750 ML	8
Old Republic Distillery Love Potion Liqueur 750 ML	8
<u>Park Street Imports</u> Cradle of Liberty White Whiskey 750 ML	8
Dreadnought White Rum 750 ML	8
Powderhorn Vodka 750 ML	8
<u>Thistle Finch Distilling LLC</u> Thistle Finch Black Coffee Whiskey 750 ML	8
Thistle Finch Black Pepper Whiskey 750 ML	8
Thistle Finch Straight Rye Whiskey 750 ML	8

RECOMMENDED ACTION: We recommend the Board approve this action

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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

3. Regular Recommended Delist Retail Reductions May 2017

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>Jim Beam Brands Co</u>	
Skinnygirl California Rose 750 ML	4624
<u>William Grant Sons Inc</u>	
Art In The Age Sage 750 ML	6165

EFFECTIVE DATES: The transference to closeout will become effective May 21, 2017

RECOMMENDED ACTION: We recommend the Board approve this action

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

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OTHER ISSUES

Transfer to General Fund.....Oren Bachman, Director of Finance

The Office of Budget requests a transfer of twenty-five million dollars (\$25,000,000) in the month of June 2017 from the State Stores Fund to the General Fund.

The transfer of this prescribed amount of \$25,000,000 will be processed, as authorized in Expenditure Symbol Notification Number 16-085.

Board Member Negra asked Oren Bachman, Director of Finance, if the Office of Budget had effectuated the transfer that was previously approved by the Board to occur in the month of May.

Mr. Bachman confirmed that the transfer approved for May did, in fact, occur. He added that the June transfer now being requested, if approved, would be likely to occur prior to June 12, 2017, and would bring the total profit transfers for the fiscal year to \$216.4 million. Mr. Bachman further indicated that, if the transfer of estimated Lottery sales proceeds for the entire fiscal year is also taken into consideration, this would bring the overall total to approximately \$216.9 million.

Board Member Negra offered his congratulations for achieving the goal that had been set.

Motion Made: Board Member Negra

Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve the Requested Transfer to the General Fund.

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, June 7, 2017 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