

# PENNSYLVANIA LIQUOR CONTROL BOARD

## MEETING MINUTES

NOVEMBER 1, 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 October 20, 2017 meeting.

**Motion Made:** Board Member Negra

**Seconded:** Board Member Newsome

**Board Decision:** Unanimously approved (3-0 vote) 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) **Movie Tavern Theatres, LLC**  
110 Bartlett Avenue  
Exton, Pennsylvania 19341-2701  
Restaurant Liquor License No. R-15952  
LID 70457

Request to Modify  
Conditional Licensing  
Agreement

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 Request to Modify Conditional Licensing Agreement.

(2) **Adoption of Advisory Notice No. 23** Regarding Direct Wine Shippers

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

Mr. Diaz explained that the Board occasionally adopts advisory notices on certain issues to provide guidance to industry members and other interested persons. He indicated that the advisory notices do not have the force and effect of law. Mr. Diaz stated that this proposed action involves Advisory Notice No. 23, which pertains to direct wine shippers. He explained that the Office of Chief Counsel has previously provided some guidance on this issue in the form of a frequently asked questions document that was posted to the PLCB's website in 2016. However, as direct wine shippers have been submitting the reports required by Act 39 of 2016, some issues were identified that warrant clarification and further guidance. Advisory Notice No. 23 is intended to provide such clarification and guidance. Mr. Diaz added that, if adopted, Advisory Notice No. 23 will be posted to the PLCB's website and that there are also plans to communicate with all direct wine shippers about the same.

Board Member Negra asked Mr. Diaz to elaborate on what issues were identified through the reporting.

Mr. Diaz indicated that some direct wine shippers were reporting sales of non-alcoholic beverage items, which they are not required to do. He also indicated that, more importantly, the reporting disclosed that some direct wine shippers were selling wine products other than what they, themselves, produce, which is not permitted under the Liquor Code.

Board Member Negra commented that he was pleased to see that Advisory Notice No. 23 also addresses the age verification requirement imposed by Act 39 of 2016. He asked Mr. Diaz if the PLCB would need to promulgate regulations with regard to the requirement that direct wine shippers must use age verification software to verify customers' ages.

Mr. Diaz explained that the Liquor Code gives the PLCB the discretion to determine and approve the manner or format of age verification by regulation or by policy.

Board Member Newsome asked if there are any plans to communicate the clarifications being made to persons or groups other than direct wine shippers.

Mr. Diaz indicated that in addition to communicating the clarifications with the direct wine shippers themselves, the PLCB can also engage in communications with the various industry groups that represent direct wine shippers.

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

Elizabeth Brassell, Director of Communications, added that the PLCB has been in contact with the Department of Revenue and the Pennsylvania State Police, Bureau of Liquor Control Enforcement, and will continue to communicate and work together with such agencies regarding non-compliance issues moving forward.

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Newsome

**Board Decision:** Unanimously agreed (3-0 vote) to Approve the Adoption of Advisory Notice No. 23.

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

**LICENSING CASES**

<b><u>APPLICANT</u></b>	<b><u>TYPE OF ACTION</u></b>
<p>(1) <b>Blackbird Distillery, LLC</b> <b>t/a Blackbird Distillery</b> AL-2 (LID No. 89358) 93 Blackout Alley Rose Township Brookville, Jefferson County</p>	Person-to-Person Transfer & Request to Conduct Another Business on the Licensed Premises – Limited Distillery
<p><b>Motion Made:</b> Board Member Negra <b>Seconded:</b> Board Member Newsome</p>	
<p><b>Board Decision:</b> Unanimously agreed (3-0 vote) to Approve Transfer and Request to Conduct Another Business on the Licensed Premises.</p>	
<p>(2) <b>Grace Sinkler Douglas</b> H-1432 (LID No. 82912) Case No. 17-9047 901-903 Shanois Street Harrisburg, Dauphin County</p>	Person-to-Person Transfer - Hotel
<p><b>Motion Made:</b> Board Member Negra <b>Seconded:</b> Board Member Newsome</p>	
<p>Chairman Holden asked if there was anyone present for the Applicant, but there was no response.</p>	
<p><b>Board Decision:</b> Unanimously agreed (3-0 vote) to Refuse Transfer.</p>	

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

- (3) **Gerrity’s Supermarket, Inc.**  
**t/a Gerrity’s Supermarket**  
R-21231 (LID No. 85094)  
552 Union Street  
Luzerne, Luzerne County
- Motion Made:** Board Member Negra  
**Seconded:** Board Member Newsome
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Request to Conduct Another Business—Bulk Foods—on the Licensed Premises.
- (4) **The Old Dock Street Brewery, LLC**  
**t/a The Old Dock Street Brewery**  
G-387 (LID No. 57013) & GP-387 (LID No. 57014)  
701 South 50<sup>th</sup> Street  
Philadelphia, Philadelphia County
- Motion Made:** Board Member Negra  
**Seconded:** Board Member Newsome
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Request to Conduct Another Business on the Licensed Premises.
- (5) **Texas Roadhouse Holdings, LLC**  
**t/a Texas Roadhouse**  
R-14185 (LID No. 86738)  
3466 William Penn Highway  
Wilkins Township  
Pittsburgh, Allegheny County
- Motion Made:** Board Member Negra  
**Seconded:** Board Member Newsome
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Transfer.
- (6) **Vets Canteen Assn.**  
CC-5110 (LID No. 3820) Case No. 17-9042  
130 West King Street  
Shippensburg, Cumberland County
- Conditional Licensing Agreement  
Renewal with Notice of Change in  
Officers – Catering Club
- HOLD – 9/13/17 SESSION**

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 Renewal with Notice of Change in Officers with Conditional Licensing Agreement.

- (7) **2622 Brownsville, LLC** Renewal – District 5  
**t/a Characters Lounge**  
R-5984 (LID No. 72569) Case No. 2017-72569  
2622 Brownsville Road  
Pittsburgh, Allegheny County

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Newsome

**Board Decision:** Unanimously agreed (3-0 vote) to Approve Renewal with Existing Conditional Licensing Agreement.

- (8) **Betty's Paradise, Inc.** Conditional Licensing Agreement  
**t/a Betty's Paradise** Renewal – District 3  
H-69 (LID No. 26096) Case No. 2017-26096  
338 North 6<sup>th</sup> Street  
Reading, Berks County

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Newsome

**Board Decision:** Unanimously agreed (3-0 vote) to Approve Renewal with New Conditional Licensing Agreement.

- (9) **Civic & Social Club, Inc.** Renewal – District 4  
CC-882 (LID No. 3047) Case No. 2016-3047  
2668 Alden Road, P. O. Box 196  
Bryn Athyn, Montgomery County **HOLD – 10/26/16 SESSION**

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Newsome

**Board Decision:** Unanimously agreed (3-0 vote) to Approve Renewal with Existing Conditional Licensing Agreement.

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

**(10) Yes Lounge, Inc.**  
R-16286 (LID No. 68782) Case No. 2016-68782  
533 Scott Street  
Wilkes Barre, Luzerne County

Conditional Licensing Agreement  
Renewal & Amusement Permit –  
District 8

**HOLD – 5/3/17 SESSION**

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Newsome

**Board Decision:** Unanimously agreed (3-0 vote) to Approve Renewal and Amusement Permit with 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) Vincent Costello – Affirm Removal**
- (2) Nadira Fair – Affirm Removal**
- (3) Anthony Hall – Demotion**
- (4) Deena Hauze – Removal**
- (5) Edward Hicks – Removal**
- (6) Nathan Rubeis – Removal**
- (7) Katelyn Sapp – Removal**
- (8) Michael Tate – Removal**
- (9) Zebadiah Umble – Affirm Removal**
- (10) Annette Walls – Removal**
- (11) Aaron Wharton – Affirm Removal**

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Newsome

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

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

*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 Smartnet Maintenance and Support Renewal** – Provide Cisco Smartnet hardware and software maintenance for the PLCB’s Cisco network components such as switches, routers, access points, and other appliances. These components are installed in Distribution Centers, Regional Offices, PLCB Central Office, and Point of Sale (POS) stores.

Procured via DGS Statewide Contract #4400011887 – VENDOR: **ePlus Technology Inc.** – TERM: One (1) year – **\$182,322.28 estimated cost** which represents a 27% decrease over last year’s cost of \$252,525.23 due to not renewing the additional warranty on store switch’s software, since all necessary patches were applied to the software for the switches to function properly for their remaining two-year life.

- (2) **Suse Linux Novell Software Support Renewal** – Provide software support of the Suse Linux Enterprise Point of Sale (SLEPOS) branch and Administration Server and the Suse Linux Enterprise Server (SLES) “bundle” that is the operating system and register management software for the in-store controllers.

Procured via DGS Statewide Contract #4400007199 – VENDORS: **Dell Marketing LP** – TERM: One (1) year – **\$207,765.46 estimated cost** which represents a 51% decrease over last year’s cost of \$422,710.49.

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Newsome

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

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

- 1. **#0249 – Brentwood Towne Square, 4110 Brownsville Road, Pittsburgh Amendment**
- 2. **#0916 – 238 Commerce Circle, Bristol Amendment**
- 3. **#1602 – 452 Broad Street, New Bethlehem Amendment**
- 4. **#2317 – 12 East Hinckley Avenue, Ridley Park Amendment**
- 5. **#3002 – 554 South 88 Road, Carmichaels Amendment**

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

6. **#01XX – 44 Natural Springs Road, Gettysburg  
Temporary Store (while rebranding #0101)**
7. **#4110 – Loyal Plaza, 1875 East Third Street, Williamsport  
Premium Rebrand w / Added Space**
8. **#04XX – 750 Ohio River Boulevard, East Rochester  
New Store (reestablish #0404)**
9. **#46XX – 984 DeKalb Pike, Blue Bell  
New Store (relocation of #4621)**
10. **#51XX – 1000 South Broad Street, Philadelphia  
New Store**
11. **#5155 – 326 South 5<sup>th</sup> Street, Philadelphia  
Closing**

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Newsome

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

*From the Bureau of Product Selection .....Dale 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>Bacardi USA Inc</u>	
D'usse Brandy VSOP Cognac 375 ML	3
St. Germain Cordial 375 ML	3
<u>Majestic W S USA Inc</u>	
LiDestri's Red Blend 355 ML	8
LiDestri's White Sangria 355 ML	8

RECOMMENDED ACTION: We recommend the Board approve this action



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

## 2. Regular New Items Accepted Revision

### BRAND NAME AND SIZE

### REASON

### RETAIL PRICING

#### Moet Hennessy USA Inc

Glenmorangie 18 yr old Scotch 750 ML

2

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

## 3. Regular Recommended Delist December 2017

### BRAND NAME AND SIZE

### CODE

#### Bacardi USA Inc

Grey Goose Le Citron Vodka 200 ML

1056

Grey Goose L'Orange Vodka 200 ML

1057

St Germain Elderflower Liqueur 200 ML

8834

#### Constellation Wines US

Marcus James Cabernet Sauvignon 1.5 L

5447

Marcus James Merlot 1.5 L

5838

Marcus James Riesling 1.5 L

6668

#### Jim Beam Brands Co

Skinnygirl Sweetarita Prepared Cocktail 1.75 L

7569

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

**Majestic W S USA Inc**

Santa Margherita Merlot 750 ML 8492

**Southern Wine Spirits PA**

Corner Creek Reserve Bourbon 750 ML 34601

**Stoli Group USA LLC**

Kah Blanco Tequila 750 ML 3642

Kah Reposado Tequila 750 ML 3644

EFFECTIVE DATE: The transference to closeout will become effective December 4, 2017

**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**

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

The Office of Budget requests a transfer of \$100,000,000 in the month of November 2017 from the State Stores Fund to the General Fund.

The transfer of this prescribed amount of \$100,000,000 will be processed, as authorized in Expenditure Symbol Notification Number 17-021.

Board Member Negra asked Oren Bachman, Director of Finance, if the \$100 million being requested is part of the \$185.1 million in total State Stores Fund transfers that the PLCB has been asked to provide for the 2017-2018 Fiscal Year.

Mr. Bachman confirmed that the \$100 million is part of the \$185.1 million.

Board Member Negra then asked Mr. Bachman whether the PLCB has sufficient cash supplies to be able to provide the requested transfer of \$100 million at this time.

Mr. Bachman confirmed that the PLCB is financially capable of providing the requested transfer.

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 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, November 15, 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.**

**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