

PENNSYLVANIA LIQUOR CONTROL BOARD
MEETING MINUTES

WEDNESDAY, MARCH 14, 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](#)
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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 February 28, 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) **JENKS TOWNSHIP**
Case No. 18-NE-01

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 Noise Exemption for a Period From May 3, 2018 to May 3, 2021.

(2) **JOELA, Inc.**
2200 North Broad Street
Philadelphia, Pennsylvania 19132-4501
Restaurant Liquor License No. E-4219
LID 62192
Citation No. 16-0718

Appeal of Adjudication
and Order of
Administrative Law
Judge

Michelle Fox outlined the appeal stating that the Licensee, Joela, Inc. was cited in 2016 for sales to a minor. It was given a one-day suspension. Joela, Inc. then filed a timely appeal.

On the day in question, a BLCE agent stopped 3 youthful males, one of which was a 19-year-old who was in possession of alcohol and a fake Maryland driver’s license. When the BLCE agent asked the clerk if he had carded the minor, he said he did not card him this time. The clerk had recognized the minor from previous visits to the store and the transaction scan device showed that the minor had been carded on 26 different occasions during that year in which he used the fake Maryland ID. However, the clerk was busy and did not card the minor on this occasion.

The Licensee clearly sold to a minor and committed the violation. The only question was if the Licensee had a good faith defense. It cannot use this defense, however, since the ID was not run through the transaction scan device on this occasion and that is a mandatory step in order to use this defense.

It is, therefore, the recommendation of the Chief Counsel’s Office that the ALJ’s decision be affirmed and the suspension upheld.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Affirm the ALJ.

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

(1) **Deep Darshan, LLC**
R-5824 (LID No. 86372) Case No. 17-9071
405 Main Street
Fell Township
Simpson, Lackawanna County

“Intermunicipal” Double
Transfer & Request for Interior
Connections with Another
Business – Restaurant

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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 Another Business.

- (2) **Market Street Saloon St. Marys PA, LLC** "Intermunicipal" Double
t/a The Bomb Shelter Transfer - Restaurant
R-10702 (LID No. 85237) Case No. 17-9068
225 Market Street
St. Marys, Elk County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

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

- (3) **Turkey Hill, L.P.** Double Transfer & Request for
t/a Turkey Hill Minit Market #301 Interior Connections with
R-18169 (LID No. 88312) Case No. 17-9075 Another Business - Restaurant
16 South Main Street
Plains Township
Plains, Luzerne County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Chairman Holden asked if there was anyone from the licensee. There was no response.

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

- (4) **5207 Ho, Inc.** Renewal – District 10
R-2227 (LID No. 63073) Case No. 2016-63073
5207-09-11 Frankford Avenue
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded:

Board Decision: Hold for an Amended Conditional Licensing Agreement.

- (5) **7101 Frankstown, Inc.** Renewal – District 5
R-1279 (LID No. 50426) Case No. 2017-50426
7101 Frankstown Avenue
Pittsburgh, Allegheny County

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Motion Made: Board Member Negra
Seconded:

Board Decision: Hold for an Amended Conditional Licensing Agreement.

- (6) **Marvis Leaf (Deceased)** Renewal – District 3
t/a Frank’s Place
R-11873 (LID No. 15208) Case No. 2017-15208 **HOLD – 8/23/17 SESSION**
400 South 7th Street
Reading, Berks County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Chairman Holden asked if there was anyone from the licensee. There was no response.

Board Decision: Unanimously agreed (3-0 vote) to Refuse Renewal.

- (7) **Pat & Tammy, Inc.** Renewal – District 5
R-10692 (LID No. 50340) Case No. 2017-50340 **HOLD – 1/17/18 SESSION**
3891 Brighton Road
Pittsburgh, Allegheny County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Chairman Holden asked if there was anyone from the licensee. There was no response.

Board Decision: Unanimously agreed (3-0 vote) to Refuse Renewal.

- (8) **Shad Brothers, Inc.** Renewal – District 9
t/a Rock and Doc’s Pub
R-10858 (LID No. 37860) Case No. 2016-37860
128 Desmond Street
Sayre, Bradford County

Motion Made: Board Member Negra
Seconded:

Board Decision: Hold for a Conditional Licensing Agreement.

- (9) **WWJD, LLC** Renewal – District 6
t/a Aunt Jean’s
R-5401 (LID No. 70453) Case No. 2016-70453 **HOLD – 1/31/18 SESSION**
3 South Main Street
Masonstown, Fayette County

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Motion Made: Board Member Negra
Seconded: Board Member Newsome

Chairman Holden asked if there was anyone from the licensee. There was no response.

Board Decision: Unanimously agreed (3-0 vote) to Refuse Renewal.

(10) Double LL Bar and Grille, LLC New Tavern Gaming License
R-17966 (LID No. 82943)
901 North Spring Street
Everett, Bedford County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve New Tavern Gaming License.

Following the vote on this matter, Chairman Holden asked Tisha Albert, Director of Regulatory Affairs, for an update on the total number of Tavern Gaming Licenses that have been approved by the Board.

Ms. Albert indicated that, including the license just approved, a total of 61 Tavern Gaming Licenses have now been approved.

*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) Nico Caltagirone – Removal
- (2) Leandra Figueroa – Affirm Removal
- (3) Gisselle Mojica Benitez – Removal
- (4) Shawnn Odom – Affirm Removal
- (5) Stephanie Pope – Removal
- (6) Feairra Redding – Affirm Removal
- (7) Joyce Rossi – Removal
- (8) Debra Senior – Removal

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Motion Made: Board Member Negra
Seconded: Board Member Newsome

Chairman Holden recused himself from deciding item #1.

Board Decision: Item #1 is Approved by a 2-0 vote. The remaining 7 Personnel Actions are Approved by a 3-0 vote.

*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) **One Automation Software Support Renewal** – Provide One Automation software support which is used for job scheduling for the majority of the PLCB’s batch processing of Oracle and other applications, both in production and lower environments.

Procured via as per Part I, Chapter 07 Thresholds and Delegations of the Procurement Handbook, agencies are authorized to procure software license maintenance agreements on a no-bid basis – **VENDOR: Automic Software Inc.** – **TERM: One (1) year** – **\$102,379.00 estimated cost** which represents a 3% increase over last year’s cost of \$99,397.00.

- (2) **Hearing Examiner Services Renewal** – Represent the Board in the capacity of a Hearing Examiner for administrative hearings conducted in the Commonwealth of Pennsylvania regarding matters which the Board shall adjudicate as required by law.

Procured via PO 63015244 Option Year Two (2) – **VENDOR: Jodi Isenberg** – **TERM: One (1) year** for the period 6/14/2018 through 6/13/2019 – **\$150,000.00 estimated cost.**

- (3) **Hearing Examiner Services Renewal** – Represent the Board in the capacity of a Hearing Examiner for administrative hearings conducted in the Commonwealth of Pennsylvania regarding matters which the Board shall adjudicate as required by law.

Procured via PO 63016261 Option Year One (1) – **VENDOR: Charles M. Gibbs** – **TERM: One (1) year** for the period 4/05/2018 through 4/04/2019 – **\$150,000.00 estimated cost.**

- (4) **Northwest Office Building (NWOB) Granite Step Repair** – Provide repairs including re-setting the foundation to the NWOB Forster Street entryway granite steps. Over time rainwater and freezing precipitation, which enters through the caulk joints, has been washing away the base material under the steps which in turn, pushes and heaves the steps out of position. The steps require repairs to ensure the safety of the NWOB employees and visitors as well as to prevent damage to the NWOB by water entering the basement and affecting the foundation of the building.

Procured via DGS Job Order Contracting (JOC) Program – **VENDOR: Lobar Associates Inc. and The Gordian Group Inc.** – **\$58,412.41 estimated cost (Lobar Associates Inc. cost – \$55,389.42 and The Gordian Group Inc. Administrative fees – \$3,022.99).**

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- (5) **Steel Carts** – Provide up to three-hundred twenty-five (325) steel carts to be used in Fine Wine and Good Spirits stores. Individuals orders will be placed against this total on an as needed basis.

Procured via Invitation for Bid #260329 – VENDOR: **Choice Equipment** – Term: One (1) year – **\$63,206.00 estimated cost (cart cost - \$49,556.00, estimated shipping costs - \$13,650.00)**. Four (4) other bids were received: Pinnacle APC - \$89,700.00, Douglas Equipment - \$118,521.00, South Central Services - \$146,250.00, Iron Works Connect LLC - \$173,676.75.

- (6) **Material Handling System Maintenance Agreement for DC #1** – Provide onsite preventative, corrective, and emergency service to existing equipment and maintain a spare parts inventory.

Procured via Sole Source Agency Contract – VENDOR: **Dematic Corporation** – Term: Three (3) years – **\$3,165,000.00 estimated cost (\$1,055,000.00 annual estimated cost)**.

- (7) **Adobe Cloud Managed Software Solution Subscription** – This procurement is for the cloud managed software solution subscription from Adobe including Adobe Experience Manager (AEM) Sites, AEM Users, Commerce, Assets, CPU, Storage, and Backup. Additionally, also includes professional services from Adobe for the configuration and implementation of these software solutions using design guidance from our third-party marketing partner. AEM will be used with IBM hosted IBM WebSphere Commerce to provide a new Fine Wine and Good Spirits experience for PLCB E-Commerce customers. In support of providing a modern online commerce experience for our customers, these cloud-hosted solution components and implementation services will provide the technical components for a rich and engaging E-Commerce site.

Procured via DGS Statewide Contract #4400018548 – VENDOR: **CDW-G** – Term: Three (3) years – **\$1,917,253.99 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) **Integrated Enterprise System (IES) Billing (Job 920)** – This billing is for \$1,775,367 to reimburse the Executive Offices for the PLCB’s estimated share of costs for the Commonwealth’s integrated ERP system for FY 2016-17. These costs are allocated among Commonwealth departments based on each agency prior-year usage/activity of the various SAP modules: Payroll, Human Resources, Finance, Procurement, and Budget. The PLCB’s share of the IES billing represents nearly 5% of the total \$35.1 million billed out for the Commonwealth’s staffing and maintenance costs for the ERP system.

- (2) **Office of Administration (OA) State Employee Assistance Program (SEAP) Billing (Job 101)** – This billing is for \$151,806 to reimburse OA for the costs of the Commonwealth’s SEAP program for FY 2017-18. These costs are allocated among Commonwealth departments based on their OA authorized complement counts as of July 1, 2017.

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- (3) **Bureau of Commonwealth Payroll Operations (BCPO) Billing (Job 30)** – This billing is for \$300,406 for the PLCB’s share of costs for payroll services for FY 2017-18. The billing is based on actual payroll transaction counts for the previous fiscal year (FY 2016).
- (4) **Department of Auditor General (AG)** – This billing is for \$848,318 for AG services (actual hours) for the second quarter of FY 2017-18. The billing is \$30,897 (+3.8%) more than the FY 2016-17 second quarter billing, reflecting an increase in the total billed hours and small increase in the hourly billing rate.

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

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

- 1. **#3102 – 25 West Water Street, Mt. Union
Amendment**
- 2. **#5185 – 180 West Girard Avenue, Philadelphia
Amendment**
- 3. **#07XX – 3415 Pleasant Valley Boulevard, Suite 30, Altoona
Temporary Location while Rebranding #0709**
- 4. **#46XX – Route 202 and Germantown Pike, Norristown
New Store (to replace #4631)**

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

BRAND NAME AND SIZE

REASON

Proximo Spirits

Three Olives Rose Flavored Vodka 750 ML

3

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RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular New Items Accepted Revision

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
VENDOR CORRECTION	
<u>Duckhorn Wine Company</u>	
Decoy Zinfandel Sonoma County 750 ML	1,2,3,4,6
Note: Incorrect vendor on 1-31-18 board work	

RECOMMENDED ACTION: We recommend the Board approve this action

3. Regular PA Spirits New Items

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
<u>Hazard's Distillery</u>	
Hazard's Distillery Corn Whiskey 750 ML	8
Hazard's Distillery Red Hot Blowtorch Cinnamon Whiskey 750 ML	8
Hazard's Distillery Salted Caramel Whiskey 750 ML	8
Hazard's Moonshine Apple Pie 750 ML	8
Hazard's Moonshine Blackberry 750 ML	8
Hazard's Moonshine Peach 750 ML	8
Hazard's Moonshine Root Beer 750 ML	8

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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4. Regular Recommended Delist April 2018

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>Brown Forman Corp</u>	
Sonoma Cutrer Chardonnay Russian River Valley 375 ML	9061
Sonoma Cutrer Chardonnay Russian River Valley 750 ML	6670
<u>Constellation Brands</u>	
Marcus James Malbec 1.5 L	6034
<u>Majestic W S USA Inc</u>	
Wildling Winemakers Red Blend 750 ML	1213
<u>Proximo Spirits Inc</u>	
Three Olives Pineapple Vodka 70 Proof 750 ML	9511

EFFECTIVE DATE: The transference to closeout will become effective April 2, 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, April 4, 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