

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

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WEDNESDAY, JANUARY 27, 2021
TELEPHONE CONFERENCE MEETING

Tim Holden, Chairman
Mike Negra, Board Member
Mary Isenhour, Board Member
Michael Demko, 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

CALL TO ORDER *Chairman Holden*

Pledge of Allegiance to the Flag

Chairman Holden made an opening statement thanking everyone for their continued cooperation and understanding as the PLCB is dealing with COVID-19 and the need to meet in this telephonic fashion. He reiterated the need for caution and suggested that Board meetings will likely continue to be conducted telephonically for the foreseeable future.

OLD BUSINESS..... *Secretary Stark*

A. Motion to approve previous Board Meeting Minutes of the January 13, 2021 meeting.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve previous Board Minutes.

PUBLIC COMMENT ON AGENDA ITEMS

The Board has reserved 10 minutes for Public Comment on printed agenda items.

Attorney Don Benedetto introduced himself and stated that he represents Crab Du Jour of Broad, Inc. He then explained that because of an apparent administrative oversight, the conditional licensing agreement appended to his client's license was not included in the public record until January 14, 2021, which was shortly before restrictions affecting indoor dining in Philadelphia were lifted. Attorney Benedetto affirmed that his client, whose license was approved in October 2020, is presently operating as a sit-down restaurant and is in no way associated with the previous license holder. The requirements pertaining to metal detectors and security guards, he suggested, should therefore be considered unnecessarily restrictive, particularly when considering the hardships establishments such as those operated by his client currently face. Attorney Benedetto then expressed appreciation toward the Office of Chief Counsel for handling this matter and offered to answer any questions the Board may have had.

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Chairman Holden stated that he was familiar with the situation and, after affirming that he did not have any questions for Attorney Benedetto, invited Board Member Negra and Board Member Isenhour to address the issue. Board Member Negra and Board Member Isenhour indicated that they did not have any questions, and Board Member Negra apologized for the mistake which had given rise to the situation.

NEW BUSINESS

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

- (1) **Crab Du Jour of Broad, Inc.** Request for Rescission of
822 North Broad Street Conditional Licensing Agreement
Philadelphia, Pennsylvania 19130-2233
Restaurant Liquor License No. R-8992
LID 102881

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the rescission of conditional licensing agreement.

- (2) **Sheetz, Inc.** Request for Rescission of
1500 Cedar Cliff Drive Conditional Licensing Agreement
Camp Hill, Pennsylvania 17011
Restaurant Liquor License No. R-19986
LID 103096

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the rescission of conditional licensing agreement.

- (3) **39th and Sansom Streets Corporation** Request for Renewal of
d/b/a Cavanaugh's Leprechaun Conditional Licensing Agreement
119-125 South 39th Street
Philadelphia, Pennsylvania 19104-3135
Restaurant Liquor License No. R-12136
LID 15344

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

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the renewal with conditional licensing agreement.

- (4) **Wood Brothers Bar, Inc.**
200-202 South 13th Street
Philadelphia, Pennsylvania 19107
License No. R-5334
LID 37666
Citation No. 18-0435

Appeal from the Adjudication and
Order of Administrative Law
Judge

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Chief Counsel Rodrigo Diaz explained that the citation associated with this agenda item was issued to Licensee in January 2018 for having provided alcohol to a visibly intoxicated patron. Licensee disputed the veracity of the allegation based on the fact that Liquor Control Enforcement officers had been consuming alcohol as well as the fact that one of the officers was a novice. An appeal was filed with the Office of Chief Counsel after the Administrative Law Judge accepted the testimony of the Bureau of Liquor Control Enforcement and sustained the citation. Chief Counsel Diaz stated that since matters of witness credibility are determined by the Administrative Law Judge, his office recommended affirming the previous action.

Board Decision: Unanimously agreed (3-0 vote) to affirm Administrative Law Judge.

- (5) **Wood Brothers Bar, Inc.**
200-202 South 13th Street
Philadelphia, PA 19107
License No. R-5334
LID 37666
Citation No. 19-0266

Appeal from the Adjudication and
Order of Administrative Law
Judge

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Chief Counsel Diaz indicated that this agenda item constitutes a request for leave to appeal *nunc pro tunc* because Licensee did not file a timely appeal. He further explained that such a request can only be granted in situations involving non-negligent circumstances or a breakdown of the administrative process. Licensee claimed to have been unaware of the issuance of two separate adjudications prior to attempting to pay the fine associated with the citation discussed above. Chief Counsel Diaz affirmed that Licensee's circumstances are insufficient to justify *nunc pro tunc* relief and therefore recommended that the request be denied. He also indicated that his office would have recommended sustaining the underlying citation, which was associated with permitting amplified music off the licensed premises, even if a timely appeal had been filed based on testimony from the Bureau of Liquor Control Enforcement.

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Board Decision: Unanimously agreed (3-0 vote) to dismiss petition for leave to appeal *nunc pro tunc*.

- (6) **Borough of Edgeworth** Municipal Petition for Exemption
20-NE-22 from Liquor Code Statute
Regarding Amplified Sound

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve noise exemption from January 27, 2021 to January 27, 2026.

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

- (1) **El Paso Mexican Grill Blairsville, LLC** Conditional Licensing Agreement
t/a El Paso Mexican Grill Blairsville Appointment of Manager –
R-14340 (LID No. 97717) Case No. 20-9025 Restaurant
204 Resort Plaza Drive, Suite 300
Burrell Township
Blairsville, Indiana County **HOLD – 11/18/20 SESSION**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the appointment of manager with conditional licensing agreement.

- (2) **Great American Langhorne Pub, Inc.** Request for Hearing After
R-19136 (LID No. 72581) Case No. 20-9035 Revocation - Restaurant
1201 East Lincoln Highway
Middletown Township
Langhorne, Bucks County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to reinstate license subject to filing of extension of safekeeping and all applications to bring status of license current within 30 days of notification.

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- (3) **BigDogz Grill, Inc.** Conditional Licensing Agreement
 R-13784 (LID No. 50602) Case No. 2019-50602 Renewal – District 1
 1750 Bedford Street
 Stonycreek Township
 Johnstown, Cambria County **HOLD – 12/16/20 SESSION**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the renewal with conditional licensing agreement.

- (4) **JJ Eagle, Inc.** Conditional Licensing Agreement
t/a Eagles Nest Renewal – District 2
 R-15104 (LID No. 90167) Case No. 2020-90167
 2519 Mt. Rose Avenue **HOLD – 1/13/21 SESSION**
 Springettsbury Township
 York, York County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the renewal with conditional licensing agreement.

- (5) **Loyal Order of Moose Lodge 842** Renewal—Dostrict 1
 C-5246 (LID No. 2424) Case No. 2019-2424
 1100 Sheller Avenue
 Chambersburg, Franklin County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Hold for amended 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 14 personnel actions presented for consideration.

- (1) **Chadele Chamberlain – Affirm Removal**
- (2) **Kurtis Chapman - Removal**
- (3) **Brenda Hoston-Kelly - Removal**
- (4) **Malika Johnson – Removal**

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- (5) **Danaira Jones – Affirm Removal**
- (6) **Matthew Koehler – Affirm Removal**
- (7) **Janice Major – Affirm Removal**
- (8) **Shawna McCarter - Removal**
- (9) **Crystal Simmons – Affirm Removal**
- (10) **Tamara Simmons – Affirm Removal**
- (11) **Tracy Snyder – Affirm Removal**
- (12) **Danielle Stevenson – Affirm Removal**
- (13) **Abigail Wenzel – Removal**
- (14) **Adonte Wilson – Removal**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

*From the Bureau of Accounting & PurchasingMichael Demko, Executive Director
Koppolu Ravindraraj, Director, Bureau of Accounting & Purchasing
Mike Freeman, Director, Bureau of Financial Management & Analysis*

Procurement Actions:

- (1) **Waste & Corrugated Cardboard Removal** – Provide hand pick-up service to remove waste and corrugated cardboard for approximately 160 FWGS stores in Philadelphia, Bucks, Chester, Delaware and Montgomery counties.

Procured via IFB #260359 - **VENDOR: Modern Recycling Services, LLC** – Term: One year for period 3/1/2021 through 2/28/2022 - **\$726,872.00 estimated cost.**

- (2) **Shopping Carts** – Provide up to 1,000 two-tiered shopping carts with PLCB artwork on the handles to be used by customers in all FWGS stores. Individual orders will be placed against this total on an as needed basis.

Procured via IFB #260364 - **VENDOR: CFS Inventions, LLC** – Term: One year for period 2/1/2021 through 1/31/2022 - **\$120,000.00 estimated cost** (cart cost – 1,000 each @ \$114.95 plus \$5,050.00 estimated shipping costs).

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Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

Inter-Agency Charges:

None

From the Office of Retail OperationsMichael Demko, Executive Director

- (1) **#0282 – Oak Park Mall, 2001 Lincoln Way, White Oak Amendment**
- (2) **#0608 – Springtown Shopping Center, 2671 Shillington Road, Sinking Spring Amendment**
- (3) **#2320 – Manoa Shopping Center, 1305 West Chester Pike, Suite 44-B, Havertown Amendment**
- (4) **#4103 – 354 Allegheny Street, Jersey Shore Amendment**
- (5) **#5401 – 530 Pottsville Pike Plaza, Route 61 North, Pottsville Amendment**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Member Negra expressed his appreciation of the fact that renovations will be taking place at locations where there is an apparent need.

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

From the Bureau of Product SelectionTom Bowman, Director of Product Selection

VENDOR – ITEM NAME

BOARD ACTION REQUESTED

Various
Various
Various

- 1. Regular New Items Accepted
- 2. Regular PA New Items Accepted
- 3. Regular Recommended Delist

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1. Regular New Items Accepted

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
 <u>Monsieur Touton Selection Ltd</u>	
Conti Torraiole Sangiovese 750 mL	18
Conti Torraiole Trebbiano Chardonnay Toscano 750 mL	18
 <u>North Wales Wines</u>	
Prophecy Buttery Chardonnay 750 mL	2,5,9,19
 <u>Pio Imports LLC</u>	
Elmo Pio Wild Blueberry 750 mL	2,7,9,19
 <u>The Wine Group</u>	
Outspoken Pinot Grigio 375 mL	18
Outspoken Pinot Noir 375 mL	18
Outspoken Rose 375 mL	18
Outspoken Sparkling Rose 375 mL	18
 <u>The Wine Merchant Ltd</u>	
Plungerhead Cabernet Sauvignon 750 mL	3

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular PA New Items Accepted

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
 <u>Leadership Brands LLC</u>	
Trinity Flavors Iced Irish Coffee 4x355 mL	16

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

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13. High sales through other PLCB channels (Luxury, Online, SLO)
14. Underrepresented category/segment
15. Hole in selection – consumer/store requests
16. PA Spirits
17. PA Wines
18. Licensee only
19. Probationary listing

3. Regular Recommended Delist

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>Cape Classics Inc</u>	
Domaine Paul Buisse Sauvignon Blanc Touraine 750 mL	98307
Jar Jam Shiraz 4x187 mL	98351
Jar Jam White Sweet 4x187 mL	98352
<u>Constellation Wines U S</u>	
Kim Crawford Sauvignon Blanc Marlborough 375 mL	98437
Svedka Clementine Vodka 70 Proof 750 mL	9600
Svedka Cucumber Lime Vodka 70 Proof 750 mL	1259
Svedka PeachVodka 70 Proof 750 mL	8285
Svedka Raspberry Vodka 70 Proof 1.75 L	8298
Svedka Raspberry Vodka 70 Proof 750 mL	5159
Svedka Rose Vodka 60 Proof 1.75 L	98210
Svedka Rose Vodka 60 Proof 750 mL	98037
<u>MHW LTD</u>	
Holla Sweetfire Jalapeno Vodka 80 Proof 750 mL	98087
<u>Northern Wine Spirits</u>	
Margaret Pinotage South Africa 750 mL	98322
<u>Pittsburgh Distilling Co</u>	
Wigle Organic Whiskey 84 Proof 750 mL	9227

EFFECTIVE DATE: The transference to closeout will become effective February 26, 2021

Motion Made: Board Member Negra

Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve all Product Selection actions.

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

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statement of Net Position
(Unaudited)**

ASSETS	December 31, 2020	December 31, 2019*
Current assets:		
Cash	\$ 60,210,103	\$ 78,913,223
Investments - short term	326,713,440	309,579,077
Accounts and claims receivable, net	7,814,714	3,393,400
Due from other funds - Note 9	-	-
Merchandise inventories, net	211,521,643	234,803,317
Operating supplies	306,036	219,121
Prepaid expenses	<u>1,376,503</u>	<u>1,307,218</u>
Total current assets	<u>607,942,439</u>	<u>628,215,356</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	21,001,512	20,875,220
Leasehold improvements	197,771	341,826
Machinery and equipment	49,436,067	48,954,176
Intangible - internally generated software	24,955,449	23,273,438
Intangible - right to use leases - Note 10	<u>292,705,727</u>	<u>311,044,069</u>
Less: accumulated depreciation	<u>94,259,923</u>	<u>90,440,211</u>
Net depreciable capital assets	<u>294,036,603</u>	<u>314,048,518</u>
Total non-current capital assets	<u>294,359,576</u>	<u>314,371,491</u>
Total assets	<u>\$ 902,302,015</u>	<u>\$ 942,586,847</u>
Total deferred outflows of resources - Notes 5, 6	\$ 144,755,869	\$ 163,446,631
LIABILITIES		
Current liabilities:		
Trade accounts payable	\$ 360,345,741	\$ 343,639,933
Other accounts payable	24,127,464	31,447,624
Accrued expenses	22,176,669	19,972,604
OPEB - Note 6	18,874,000	8,994,000
Self-insurance, workers' compensation - Note 7	8,595,210	8,193,938
Due to other funds - Note 9	9,870,376	6,458,580
Due to fiduciary funds - Note 9	3,018,632	2,494,856
Due to other governments - Note 9	869,325	687,892
Right to use liabilities - Note 10	<u>28,750,412</u>	<u>49,279,874</u>
Total current liabilities	<u>476,627,829</u>	<u>471,169,301</u>
Non-current liabilities:		
OPEB - Note 6	451,777,000	507,769,000
Self-insurance, workers' compensation - Note 7	47,995,269	48,841,124
Net pension liability - Note 5	475,886,320	549,491,336
Compensated absences - Note 1	24,809,043	21,598,132
Right to use liabilities - Note 10	<u>238,424,036</u>	<u>237,828,303</u>
Total non-current liabilities	<u>1,238,891,668</u>	<u>1,365,527,895</u>
Total liabilities	<u>\$ 1,715,519,497</u>	<u>\$ 1,836,697,196</u>
Total deferred inflows of resources - Notes 5, 6	\$ 359,974,938	\$ 334,998,836
NET POSITION		
Net investment in capital assets	\$ 294,359,576	\$ 314,371,491
Deficit	<u>(1,322,796,127)</u>	<u>(1,380,034,045)</u>
Total net position	<u>\$ (1,028,436,551)</u>	<u>\$ (1,065,662,554)</u>

*The fiscal year (FY) 2019-20 comparative information is adjusted to recognize the estimated impact of GASB Statement No. 87 which has been implemented for the FY 2020-21 reporting period. Under GASB 87, operating leases previously expensed based on payment schedules are reported as assets with associated liabilities for future lease payments. Additionally, certain FY 2019-20 operating expenses and miscellaneous revenues have been reclassified to Cost of Goods Sold and Sales respectively to provide comparability with the FY 2020-21 presentation.

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**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ending December 31, 2020 and December 31, 2019
(Unaudited)**

	<u>2020-21</u>	<u>2019-20*</u>
Sales net of taxes	\$ 267,838,758	\$ 270,999,216
Cost of goods sold	<u>(176,365,880)</u>	<u>(180,934,092)</u>
Gross profit from sales	91,472,878	90,065,124
Operating (expenses):		
Retail operations	(35,166,924)	(32,785,048)
Marketing & merchandising	(810,105)	(1,764,472)
Supply chain	(597,319)	(788,361)
Wholesale operations	(138,306)	(148,372)
Information technology services	(1,908,758)	(2,374,713)
Regulatory affairs	(1,519,773)	(1,600,493)
Administration	(850,206)	(1,108,280)
Finance	(230,540)	(243,737)
Board & secretary	(283,980)	(289,125)
Legal	(366,642)	(311,912)
Commonwealth provided services - Note 2	<u>(1,163,605)</u>	<u>(1,281,799)</u>
Total	<u>(43,036,158)</u>	<u>(42,696,312)</u>
Operating profit/(loss)	48,436,720	47,368,812
Other operating revenues (expenses):		
Enforcement fines	55,666	89,651
License fees	1,368,835	3,348,921
Miscellaneous income	228,052	321,233
Administrative law judge	<u>(247,091)</u>	<u>(228,135)</u>
Total	<u>1,405,462</u>	<u>3,531,670</u>
Total operating income/(loss)	49,842,182	50,900,482
Miscellaneous revenues (expenses):		
Interest income (expense)	(361,901)	(57,582)
Other	<u>-</u>	<u>3,500</u>
Total	<u>(361,901)</u>	<u>(54,082)</u>
Income/(Loss) before operating transfers	49,480,281	50,846,400
Operating transfers out:		
PSP enforcement - Note 3	(2,490,724)	(2,731,002)
Net Income/(Loss) from operations	<u>46,989,557</u>	<u>48,115,398</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	46,989,557	48,115,398
Total net position - beginning	<u>(1,075,426,108)</u>	<u>(1,113,777,952)</u>
Total net position - ending	<u>\$ (1,028,436,551)</u>	<u>\$ (1,065,662,554)</u>
Liquor tax	44,460,831	48,896,069
State Sales Tax	17,521,296	19,238,586
Local Tax	908,829	1,154,062
Taxes remitted to Dept.of Revenue PTD	<u>\$ 62,890,956</u>	<u>\$ 69,288,717</u>

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Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ending December 31, 2020 and December 31, 2019
(Unaudited)

	<u>2020-21</u>	<u>2019-20*</u>
Sales net of taxes	\$ 1,207,213,723	\$ 1,171,239,177
Cost of goods sold	<u>(810,762,457)</u>	<u>(795,450,115)</u>
Gross profit from sales	396,451,266	375,789,062
Operating (expenses):		
Retail operations	(187,190,693)	(187,439,045)
Marketing & merchandising	(5,905,350)	(5,575,117)
Supply chain	(3,992,442)	(4,033,660)
Wholesale operations	(790,227)	(817,888)
Information technology services	(13,232,041)	(14,044,549)
Regulatory affairs	(8,504,746)	(9,538,303)
Administration	(4,835,417)	(6,100,000)
Finance	(1,452,388)	(1,631,356)
Board & secretary	(1,404,326)	(1,667,563)
Legal	(1,819,835)	(1,824,875)
Commonwealth provided services - Note 2	<u>(7,677,057)</u>	<u>(7,337,774)</u>
Total	<u>(236,804,522)</u>	<u>(240,010,130)</u>
Operating profit/(loss)	159,646,744	135,778,932
Other operating revenues (expenses):		
Enforcement fines	605,737	880,010
License fees	14,349,085	18,122,931
Miscellaneous income	1,098,673	1,575,346
Administrative law judge	<u>(1,361,196)</u>	<u>(1,433,077)</u>
Total	<u>14,692,299</u>	<u>19,145,210</u>
Total operating income/(loss)	174,339,043	154,924,142
Miscellaneous revenues (expenses):		
Interest income (expense)	(1,972,309)	496,802
Other	<u>-</u>	<u>3,500</u>
Total	<u>(1,972,309)</u>	<u>500,302</u>
Income/(Loss) before operating transfers	172,366,734	155,424,444
Operating transfers out:		
PSP enforcement - Note 3	(15,053,828)	(15,900,302)
Net Income/(Loss) from operations	<u>157,312,906</u>	<u>139,524,142</u>
Statutory Transfers:		
General fund - Note 4	(100,000,000)	(100,000,000)
Drug and alcohol programs - Note 4	-	-
Total	<u>(100,000,000)</u>	<u>(100,000,000)</u>
Change in net position	57,312,906	39,524,142
Total net position - beginning	<u>(1,085,749,457)</u>	<u>(1,105,186,696)</u>
Total net position - ending	<u>\$ (1,028,436,551)</u>	<u>\$ (1,065,662,554)</u>
Liquor tax	214,808,752	209,921,885
State Sales Tax	84,700,301	82,579,136
Local Tax	4,725,013	5,241,155
Taxes remitted to Dept.of Revenue YTD	<u>\$ 304,234,066</u>	<u>\$ 297,742,176</u>

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OTHER ISSUES

Transfer of Lottery Funds.....Michael Demko, Executive Director

Requesting Board authorization to transfer from the State Stores Fund to the General Fund lottery commissions and incentives of \$352,000.42 earned during the 2nd quarter of fiscal year 2020-21.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the transfer of lottery funds.

Enterprise Resource Planning (ERP) Project Initiation.....Michael Demko, Executive Director

Following Board authorization at the January 13 public meeting to enable design and implementation of a cloud-based Oracle ERP system, two ordering documents and related purchase orders have been executed against the PLCB's existing contract purchase agreement No. 63017408 with Oracle:

- *ERP Project Focus Phase Services:* This agreement provides for a three-week planning phase for the larger ERP project in advance of detailed design, allowing for PLCB and Oracle to align on project schedules, resources and plans, and to enable Oracle to onboard resources in support of the ERP design and implementation project. This is a deliverables-based engagement totaling \$610,000.
- *FineWineAndGoodSpirits.com Detailed Discovery and Design Services:* This is a time-and-materials agreement providing for an eight-week project to explore transitioning certain FWGS.com e-commerce functions and content management to Oracle cloud platforms while maintaining the current WebSphere commerce engine for back-end integration and order management functions. This project will inform whether a redesigned and hybrid Oracle/WebSphere FWGS.com site can be launched later this year. Costs for this engagement will be paid as services are performed and will not exceed \$418,782.

Board Member Negra invited Director of Policy & Communications Elizabeth Brassell to discuss the Enterprise Resource Planning (ERP) Project Initiation, and Director Brassell stated that at the previous Board meeting a decision was made to increase the contract cap on an existing agreement with Oracle. The items above constitute the first statements of work written against the contract since the blueprint phase. The first statement of work is associated with a three-week planning process while the second is associated with the exploration of FineWineAndGoodSpirits.com to determine if the site can be brought, at least partially, onto the Oracle platform. Director Brassell indicated that though Board approval is not necessary with regard to these engagements, information pertaining to this large-scale project which consists of a number of phases will continue to be provided to the Board and the public in the interest of transparency and keeping the Board updated with regard to its status. Director Brassell then offered to address any questions the Board may have had.

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

Board Member Negra indicated that he did not have any questions but expressed his satisfaction regarding the handling of the project in a manner which will likely avoid cost overruns and the willingness of the agency to maintain transparency. Board Member Isenhour and Chairman Holden concurred with the statement made by Board Member Negra.

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

The teleconference moderator confirmed that there were no callers.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, February 10, 2021 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 Isenhour, the meeting was adjourned.

The foregoing actions are hereby officially approved.

Chairman

Member

Member

ATTEST:

Secretary