

PENNSYLVANIA MALT AND BREWED BEVERAGE INDUSTRY PROMOTION BOARD
Minutes of the September 19, 2018 Board Meeting
PA Department of Agriculture, Room 309
2301 North Cameron Street
Harrisburg, Pennsylvania

Public notice of the September 19, 2018 Pennsylvania Malt and Brewed Beverage Industry Promotion Board Meeting was given on September 13, 2018, as stipulated by the Sunshine Law.

CALL TO ORDER

William Brock, Chairman, called the meeting to order at 11:08 a.m. Board members in attendance included Frank Pistella, Christian Lampe, Sean Casey, Michele Meloy Burchfield, and Advisory Member Jeffrey Reeder.

Attending was John Howard, Esquire, Acting Chief Counsel; Patrick Andrews, Board Liaison to the Department of Agriculture; Michael Chapaloney, Executive Director Tourism, DCED; and Holly Zarefoss, Clerk II, Market Development, Department of Agriculture.

Laura England, Bureau Director, Department of Agriculture, participated in a portion of the meeting.

STAFF UPDATES

Patrick Andrews, Board Liaison, Department of Agriculture, reported on his expectations to have a replacement for his assistant within five to six weeks. John Howard, Esquire, replaced Brook Duer, Esquire, as Acting Chief Counsel. Mr. Howard provided a brief summary of his professional and educational background.

LEGAL QUESTIONS FOR JOHN HOWARD, ESQUIRE/NEW BUSINESS

John Howard, Esquire, Acting Chief Counsel, answered a question by Chairman Brock as to whether or not applicants should submit proposals to Board Counsel to ensure the proposal complies with PLCB regulations. Mr. Howard responded that the Board should carefully screen the applications to assure that the guidelines in the Statement of Work are being followed.

Michele Meloy Burchfield entered the meeting at 11:11 a.m.

It was suggested handbooks be provided to applicants receiving a grant that outlines the code. Mr. Howard explained the safeguards built into the Act, such that full and complete access to all records relating to the performance of the grant be provided and accurate information be submitted. He noted a provision also in place that the Board seek repayment of money upon determination that the money was not utilized for the originally stated purpose. He further noted that the Board makes the recommendation and the PLCB issues the grant.

There was discussion regarding Concept Papers being submitted by applicants, which is new to the Board this year. Ms. Burchfield inquired as to whether or not this information would move all the breweries forward or just a handful of them.

There was a question regarding whether or not proposals requesting funding over a couple calendar years would be considered. Mr. Howard explained those proposals should be considered on an individual basis, but that money allocated to a fiscal year could be spent across several years.

It was noted that last year's entire allocated amount was not spent. There was an inquiry as to whether those unassigned funds could be rolled over and whether that money could be released if a budget was not passed. Mr. Howard stated the law was changed in 2017 to allow those funds to roll over and opined that the money would be subject to a budget being passed.

There was a question concerning whether or not the Department of Ag could act as an agent and sponsor a research grant for the Beer Board. It was suggested that clarification would need to be submitted for the grant evaluation process and preparation of an annual report.

Mr. Andrews exited the meeting at 11:38 a.m. and re-entered at 11:40 a.m.

It was suggested that resources from the Wholesalers Association and the Brewers Association be utilized. Ms. Burchfield commented on being proactive with regard to Pennsylvania beer as a PR and distribution project. It was proposed that the carryover money from last year be reserved for an economic impact study as to the effects of supply, taprooms, wholesaler consolidation, and additional studies.

Ms. Zarefoss exited the meeting at 11:46 a.m. and re-entered at 11:48 a.m.

Ms. Burchfield and other members commented that the project should be conducted by a third-party professional who would submit true unbiased results on industry strengths and weaknesses, marketing strategies, and remedies.

Mr. Andrews exited the meeting at 11:49 a.m. and re-entered at 11:50 a.m.

Ms. Zarefoss exited the meeting at 11:49 a.m. and re-entered at 11:51 a.m.

Chair Brock suggested that the \$300,000 balance remain in the budget for now and that contact be made with wholesalers, BA and others in order to give the project more credibility and depict a good model for the rest of the country.

RESOLUTION NO. 2018.16-SCOPE OF WORK STUDY

Motion by: Michele Burchfield

Second by: Christian Lampe

Passed: Unanimously.

To set aside \$300,000 for a Scope of Work Study on all the aspects of the industry in the State of Pennsylvania.

RECESS

The Board recessed from 12:11 p.m. until 12:19 p.m.

DCED PRESENTATION

Michael Chapaloney, Executive Director, Pennsylvania Tourism Office, presented before the Board to review the steps taken to create tourism. Mr. Chapaloney requested that his office be included in the public relations for the Board. He stated September was declared as Craft Beer Month in Pennsylvania, and that a beer-tasting, film-screening event would be held from 5:30 p.m. to 8:30 p.m. on September 25, 2018, at the Governor's residence. Yuengling and Zeroday would donate beer for the event. Mr. Chapaloney commented that a number of legislators would be attending, and the Pittsburgh Brewers Guild and Brewers of Pennsylvania were also invited. Also in attendance would be a professor from Shippensburg who authored a book about brewing in Pennsylvania, as well as beer, liquor and craft beer caucuses. Mr. Chapaloney stated the Governor and First Lady would not be in attendance.

Mr. Chapaloney stated a Proclamation was issued by the Governor in honor of Craft Beer Month.

He referred Board members to the VisitPA.com website that features all of the current beer trails in the state, links to the beer festivals, and many events celebrating beer in Pennsylvania.

The Tourism Office was working with Sara Bozich from GK Visual to host a monthly Happy Chat that fields questions from Facebook.

Board members and staff watched a video that featured Governor Wolf, Secretary Redding, and Secretary Davin. The video reviewed the history of the industry as well as agriculture. Mr. Chapaloney announced that the video would be shown on the Pennsylvania YouTube Channel and be promoted on Facebook and social media.

Mr. Chapaloney discussed promotions for the beer industry in throughout Pennsylvania. He noted 50 Destination Marketing Organizations or DMOs in the state that were officially recognized by county. Members were referred to literature displaying the Pursue Your Hoppiness logo for further discussion. Suggestions were made to include "Brewed in PA" in the logo and that a plaque or sticker or something similar be sent to all breweries in PA in order to recognize the logo as a Pennsylvania symbol. It was noted that Red House Communications executes all of the creative work for the Tourism Office.

Mr. Chapaloney discussed holding regional stakeholder meetings at seven designated locations, including Pittsburgh, Philadelphia, Pocono Mountains, Harrisburg, Pennsylvania Wilds, Johnstown, and Erie in order to talk to the communities about the promotion. Members of the Board were welcomed to attend. There was discussion related to the purchase of a Pursue Your Hoppiness website.

Ms. England exited the meeting at 12:28 p.m.

Mr. Chapaloney commented that, after further research, there are already many established and well-marketed beer trails in Pennsylvania, which he noted could be placed into 11 beer regions that would contain these breweries and trails with lodging nearby. Mr. Chapaloney will supply a list of the breweries.

Mr. Chapaloney was requested to inform the Board of any future events or gatherings. It was suggested that all the breweries promote the logo on its websites.

Mr. Chapaloney exited the meeting at 1:01 p.m.

Mr. Howard exited the meeting at 1:02 p.m.

REVIEW AND SCORE CONCEPT PAPERS

Patrick Andrews, Division Chief, referred Board members to the agenda for discussion of the 2018 Concept Papers, master spreadsheet and scoresheet. The following proposals were presented to the Board for consideration:

#	Proposal	Applicant	Organization	FUNDING
AGRICULTURE				
1)	Establishing and maintaining a research and education hop yard in SW Pennsylvania	Dr. Sarah Meiss	California University	\$160,000
2)	Improving the Ag Value Chain for the Craft Fermented Beverage Industry	Maria Graziani	PSU	\$109,406
3)	Educating Current and Prospective Hop Growers to Enhance & Promote the PA Microbrewing Industry	Tanner Delvalle	PSU	\$38,693
4)	Unique PA Student-Cohort in Malt and Brewed Beverage Associated Raw Ingredients	Josephine Wee	PSU	\$104,988
5)	Outreach and Education Program	Adriana Murillo-Williams	PSU	\$22,000
6)	From Seeds to Sips: a professional conference	Alyssa Collins	PSU	\$33,869
7)	Cemetery Beer Trail Event at the Laurel Hill and West Laurel Hill Cemeteries	Nick McAllister	Friends of Laurel Hill Cemetery	\$30,000

#	Proposal	Applicant	Organization	FUNDING
TOURISM				
8)	Cumberland Valley Beer Trail Marketing & Visitation Increase	Ashley Kurtz	Cumberland Area Economic Development Corporation	\$60,000
9)	Raising the Profile: A PR Plan for Promoting Beer in Pennsylvania and Beyond	Michael Greger	Profile Public Relations	\$93,000
10)	Keystone Hops: A Guide to Exploring Pennsylvania's Breweries and Countryside	Michael Greger	Michael Greger, Author	\$55,000
11)	Farm to Mug Craft Brew Experience and Promotion	David Kurecian	Columbia-Montour Visitors Bureau & Susquehanna River Valley Visitors Bureau	\$93,200
12)	Pennsylvania Craft Brew Fest	Michele Beener	Somerset County Chamber of Commerce	\$105,000
13)	Pop-Up Museum: The Story of Beer in Pennsylvania	Joe McAllister	National Beer Museum Development Group	\$59,700
14)	Beer Tourism Grant for the Craft Beer Trail of Greater Philadelphia	James Zale	Visit Philadelphia	\$150,000
15)	Critical Success Factors for Advancing Beer Tourism in Pennsylvania	Claudia Schmidt	PSU	\$59,910

#	Proposal	Applicant	Organization	FUNDING
INDUSTRY RESEARCH				
16)	A Comprehensive Evaluation of the Economic Impact of Pennsylvania's Beer Industry	Dr. Matthew Saboe	WCU	\$77,677
17)	Consumer Categorization of Commercial PA Beers Based on Visual and Sensory Properties	Dr. Helen Hopfer	PSU	\$67,276
18)	Retail Impacts of Acts 160 and 39 of 2016 on Malt and Brewed Beverage Sales	William Covaleski	BOP	\$125,000

#	Proposal	Applicant	Organization	FUNDING
TECHNICAL ASSISTANCE - SUPPORT - R & D				
19)	EU Brewed Beverage Research and Industry Support Program: It's All About the Yeast	Nathan Armatas	Edinboro University	\$71,060
20)	Educational Outreach for the Brewing Industry	Dr. Alison Feeney	Shippensburg University	\$164,588
21)	Convening Events and Grain/Malt Value Chain Coordination for Commonwealth Brewed Beverages	Jasna Kovac	Deer Creek Malthouse	\$79,634
22)	Isolation and Characterization of Pennsylvania Native Yeast for All-Local Ingredient Beer Fermentation	Jasna Kovac	PSU	\$96,467
23)	Measuring Amylase Activity in Non-Barley Malts to Gluten-Free Beer	Dr. Darrell Cockburn	PSU	\$51,433

24)	Identification of Factors Contributing to Product Stability in Pennsylvania Beer	Ryan Elias	PSU	\$40,176
25)	Alcohol Content and Hopping Protocol as Mediators of Hop Extractability and Sensory Impact	Joshua Lambert	PSU	\$42,900

#	Proposal	Applicant	Organization	FUNDING
INNOVATION				
26)	Report Card	Martin Brill	Kutztown University	\$144,560

Each Board member scored each proposal. Ms. Andrews discussed the proposal averages.

Mr. Reeder re-entered the meeting at 1:23 p.m.

Mr. Lampe exited the meeting at 1:27 p.m. and re-entered the meeting at 1:33 p.m.

There was continued discussion of the proposals.

EXECUTIVE SESSION

An Executive Session was held from 1:35 p.m. until 2:01 p.m.

The Board discussed the 13 proposals that scored 60 or above. There was further discussion of the proposals that were skipped in the above vote. It was suggested that the spreadsheet be reorganized and distributed to Board members for further review, and that presentations be made on those proposals requested. Mr. Andrews stated, per the USDA, proposals at most should be ten pages in length. Mr. Andrews commented on the PLCB requesting a one-paragraph summary. There was discussion that applicants be requested to review funding requests.

RECESS

The Board recessed from 2:22 p.m. until 2:23 p.m.

APPROVAL OF PROPOSALS

RESOLUTION NO. 2018.17-GRANT PROPOSAL PAGE LIMITS

Motion by: Sean Casey

Second by: Christian Lampe

Passed: Unanimously.

A motion that the grant proposal process be summarized in ten pages or less, and that the budget page within the proposal not exceed two pages. Each proposal must include a separate one-paragraph summary page for the PLCB.

RESOLUTION NO. 2018.18-NEXT STEP IN GRANT PROCESS

Motion by: Sean Casey

Second by: Michele Burchfield

Passed: Unanimously.

A motion that the top 14 proposals be approved to advance to the next step in the grant request process with Board feedback and include a request for an in-person presentation.

There was discussion regarding Proposal 15, originally 13; Proposal 16, originally 21; and Proposal 17, originally 22.

Mr. Andrews exited the meeting at 2:31 p.m. and re-entered at 2:35 p.m.

Mr. Reeder exited the meeting at 2:35 p.m. and re-entered at 2:37 p.m.

RESOLUTION NO. 2018.19-APPROVAL OF PROPOSAL 15

Motion by: Sean Casey

Second by: Michele Burchfield

Passed: Unanimously.

A motion that, pursuant to discussions by the Board, Beer Museum also provide a grant proposal focused more on a kiosk at an airport.

ADJOURNMENT

There being no further business, the meeting was adjourned at 2:49 p.m.

RESOLUTION NO. 2018.20-ADJOURNMENT

Motion by: Christian Lampe

Second by: Michele Burchfield

Passed: Unanimously.

Respectfully Submitted:

A handwritten signature in cursive script that reads "Seth R. Baier". The signature is written in dark ink and is positioned above the printed name and date.

Seth R. Baier September 19, 2018