PENNSYLVANIA DISTILLED SPIRITS INDUSTRY PROMOTION PROGRAM
Pennsylvania Department of Agriculture
2301 North Cameron Street
Third Floor, Room 310
Harrisburg, PA 17110
Minutes of the February 19, 2025 Board Meeting

Public notice of the February 19, 2025 Pennsylvania Distilled Spirits Industry Promotion Program Meeting was given as stipulated by the Sunshine Law.

CALL TO ORDER

Patrick Andrews, Pennsylvania Department of Agriculture Division Chief, called the meeting to order at 9:04 a.m. Board members in attendance along with Mr. Andrews included Alex Moser, Scott Bowser, Russell Fletcher, Ellen Hough, and Terri Gillespie.

Also present: Herman Mihalich (via speakerphone); Michael Keefe, Commodities Program Manager; Holly Zarefoss, Administrative Assistant for Commodities; Adam Morris, Esquire.

APPROVAL OF MINUTES

RESOLUTION NO. 2025 - 1-APPROVAL OF MINUTES

Motion by: **Scott Bowser**

Second: **Ellen Hough**

Passed: **Unanimously.**

To approve November 6, 2024 meeting minutes

REVIEW REQUEST FOR PROPOSALS (RFP)

Mr. Morris provided an informational update on the RFPs and notified the board no vote was required. His client, Bureau of Markets, will have the information to be provided at this agenda item.

Mr. Keefe provided insight into the process of posting RFPs and a recap of what occurred. He stated the notices for the request for proposals were drafted after the Board meeting in November and December 2024. The notices were then posted in the *Pennsylvania Bulletin* on January 11, 2025. The concept paper template was not available for applicants to apply at first and then "e-grants" was not fully set up. An e-mail was sent out to all of the board members across the distilled spirits, wine, and beer boards as well. It was noted that there would be a slight delay and possibly an extension of the deadline. The number of applicants and the requests for information on the open RFPs was considered. It was decided not to extend the deadline, and they were able to post the programs within the platform within two to three weeks after the bulletin was posted. This decision was based on the fact that the RFP that was posted in the *Bulletin* had all of the requisite information needed to start an application process. The deadline is scheduled for Friday, February 21st, 2025, at 4:00 p.m. With the new program and the transfer of authority from the PLCD to PDA, a time lapse was created to get the new program into the e-grants system. Several teams of people worked, and there were some miscommunications. Mr. Keefe reported the RFPs were launched within the e-grants platform in late January 2025. He had provided this information previously in an e-mail.

He then provided an update on applicants for each proposal. RFP, number one, the statewide marketing proposal, there is one applicant. RFP, number two, general research and marketing, there are two applicants.

There was a question as to whether there was a lack of interest in these two options or why they did not get a thousand people to apply. Mr. Keefe noted a strong list of former applicants to researchers or firms that have worked with the beer and wine boards in the past. A list has also not yet been compiled for the Distilled Spirits board due to it being a fairly new item. He opined the largest contributing factor is the lack of knowledge that this opportunity was available. Mr. Keefe added that it is a learning experience for the board and a topic that can be focused on moving forward. Discussion followed regarding building a list to make people more aware. Feedback was noted from the three people, and they mentioned that the money was not a lot to do a statewide marketing proposal.

Mr. Keefe stated they do have applicants for each RFP, and if the Board wanted to move forward with each one, it could. He added it is not something that the Board would have to completely rethink its plan at the current time. He stated it is just not a strong, robust list of applicants. Mr. Keefe mentioned they can discuss "leaving no stone unturned," to get the word out and moving forward with the future."

It was questioned whether the deadline could be extended. Mr. Morris stated he would prefer not to as it opens the Board up to some liability from the applicants who did get their applications in by deadline. He noted, if an applicant is not measuring up and the deadline has passed, the funds do roll over. The funds do not lapse per Mr. Morris, and this can be evaluated accordingly.

Mr. Morris stated Mr. Keefe mentioned that there was a gap between when the RFP was published in early to mid-January and then when the container of buckets were set up for people to actually electronically apply in mid to late January 2025. Mr. Morris asked if any potential applicants were interested in applying to the distilled spirits grants in that time frame. Mr. Keefe reported he was not sure about the people who applied, but he did not get any specific questions about the distilled spirits. He noted only receiving questions more about the beer and wine.

Discussion was held regarding how to market the Board. It was mentioned it could include naming what the campaign resemble and the priorities.

Ms. Hough reported that she has been talking to the State of the Guild, which informed her of a marketing firm in Philadelphia. She stated they encouraged getting a newsletter and information out. Ms. Hough stated they would be able to see what the Guild is looking for and would be able to help structure the grants more towards what they are seeking.

Mr. Morris was asked about the guild and their letter that was proposed to the PLCP. The Board asked if there was any feedback regarding the letter or further details. Ms. Hough stated did sit in on the meeting and stated it was fantastic. She mentioned that there were many activities that they did not know were happening, and they also gave additional context to use. She had references for anyone interested.

Mr. Morris was questioned whether the Coard could collectively communicate with the Guild about the direction it wants to take some of their advocacy with either the PLCB or members of the General Assembly. Discussion followed regarding the uniqueness of the Board. Mr. Morris reported that the Board is not statutorily equipped to engage in lobbying or those types of activities. He encouraged the Board to talk to the legislators that appointed them about some of the matters that have been brought up, inventory systems, et cetera. These types of conversations are great for individuals, but collectively the Board is not able to go lobby for legislative change. Further discussion followed regarding the PA Distillers Guild.

Ms. Hough reported that the Guild is starting to charge dues again, and the price has not been determined. The Guild has 80+ distilleries that have joined free of charge, and anyone who joins after this bill will pay dues. The 70 to 80 people, who are already members, will also have to pay in the future. Ms. Hough mentioned that there are close to 200 distilleries and added half of them are not in the field yet.

Mr. Keefe noted that the 200 distilleries were not on his mailing list, and he only shared it with the Board. He was hopeful it would then be shared with the Distilled Spirits Guild, and they could then share it with their constituency as well.

Mr. Keefe reported on putting on the funding priorities agenda item and the priority contacts brainstorming session agenda item. They are essentially to approach the question, "How can we make these RFPs more well known to the distilled spirit industry in the state?" They are also trying to figure out how to determine what are the main bottlenecks facing difference parts of the industry. Or what do people want to see research or marketing around?

Ms. Morris stated Ms. Hough could be their point of focus since she is in conversations with the Guild regularly. Ms. Hough stated Mr. Keefe's idea of putting a survey out is genius as it asks the industry what they want in the Guild. She added that the Board could send it out to the Guild, and there would be no middleman.

A list of all Pennsylvania licensees would be shared via email. There are 234 active distilleries and limited distilleries, with pending and safekeeping there are 321. It was noted that there were no email addresses on the list, but there are addresses available for all entities. Mr.

Keefe noted that communications could be mailed maybe with a QR code to scan for the survey.

It was noted that Mr. Morris had another meeting to attend, and the Board was asked if they had further questions for him.

Mr. Morris was asked if he had any input regarding looking into the funding priorities, research marketing, and how the Board should pursue all of that. Sending out the mailers was also mentioned, as well as how the Board could keep themselves clear and how to fully formulate a plan. A press release or an announcement was suggested, so the Board can verify its existence.

Mr. Morris stated, when the Board makes awards, it will receive quite the press release. He added that the survey will help obtain feedback from the industry, and it will help get the "boots on the ground." He also mentioned that working on compiling a list of firms would also be helpful.

Discussion followed regarding applicants and how it is believed that more applications will soon come through.

It was suggested that the survey could be shared with distillery owners in an effort to raise program awareness and obtain their feedback on what they would like to see within the industry. Research teams across the state/region, other boards were noted, such as: Rutgers University in New Jersey, University of Maryland, St. Joe's, and Penn State. Additional research institutions could be included as well within Ohio, West Virginia, Maryland, and New York. It is desired to have more marketing firms apply before the deadline and there may be marketing firms that can help with funding. Discovering another type of outreach was discussed that could help out. Travel Tourism may have contacts. It was suggested a one-page piece of communication introducing the Board should be shared at upcoming meetings. A good time to share would be when the press release occurs for the awarded projects.

It was noted that the Board is scheduled to make awards at the April 2, 2025 meeting from 10:00 a.m. to 4:00 p.m. For marketing, the Board will be looking at full proposals and decide. Presentations will also take place. Another meeting is then scheduled for May 14, 2025. It was mentioned that the Board has never done proposal reviews before, and it will take a little longer. It was suggested that the Board should conduct this review and decision for two days.

The press release will occur at the April meeting, and for the other RFP, it will occur in July. The full proposals will be scored and reviewed at that time. To conclude, the Board could share the survey with the distillery owners. The press release would be shared with the researchers and the marketing firms to help raise awareness of available opportunities. A survey draft will be compiled by Mr. Keefe by month end, and he will share it with everyone for feedback. He hoped to obtain feedback by the end of March 2025 and will hopefully distribute the survey around the same time of the first press release.

Mr. Andrews reported that the new Deputy Secretary for tourism at DCED is Ann Ryan. It was mentioned that Mary Lapore is retail communications at PLCB since April 2024.

OTHER BUSINESS

Mr. Andrews mentioned notes from the last meeting noted people were interested on a guide on responsibilities and expectations of each board position. He asked Mr. Fletcher, Ms. Gillespie, and Mr. Bowser if they would be interested. Mr. Fletcher noted that it would not be harmful, and it would provide the responsibilities of each person.

Mr. Keefe reported that Ms. Zarefoss has been promoted to an administrative office position and will run her own program as the specialty crop block grant coordinator. He noted that she is already in the position and helping in the transition. Mr. Keefe mentioned that Ms. Zarefoss will also help train her replacement whenever hired. He hoped to see a new face by the next meeting. Board members offered their congratulations to Ms. Zarefoss. Ms. Zarefoss voiced her appreciation and noted her appreciation for working with the Board.

PUBLIC COMMENT - None

ADJOURNMENT

<u>RESOLUTION NO. 2025 - 2-MOTION TO ADJOURN</u>

Motion by: **Scott Bowser**

Second: **Ellen Hough**

Passed: **Unanimously.**

There being no further business, the PA Distilled Spirits Industry Promotion Program Meeting adjourned at 10:06 a.m.