

**PENNSYLVANIA LIQUOR CONTROL BOARD
MEETING MINUTES**

**WEDNESDAY, SEPTEMBER 11, 2019
NORTHWEST OFFICE BUILDING, CONFERENCE ROOM 117, HARRISBURG, PA**

Tim Holden, Chairman
Mike Negra, Board Member
Mary Isenhour, 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 – William Matsko – Real Estate

OLD BUSINESS.....*Secretary Stark*

A. Motion to approve the previous Board Meeting Minutes of the August 21, 2019 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

There was no public comment on the printed agenda items.

NEW BUSINESS

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

(1) **Sandy Township**
Case No. 19-NE-16

Municipal Petition for Exemption
from the Liquor Code 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 Isenhour

Board Decision: Unanimously agreed (3-0 vote) to Approve Noise Exemption for a Period from September 11, 2019 to September 11, 2020.

- (2) **O’Neil’s Bar and Grill, Inc.** Proposed Conditional Licensing Agreement to Allow for Renewal of Liquor License
406 Deer Lane
Rochester, Pennsylvania 15074-1807
Restaurant Liquor License No. R-13309
LID 69213

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal and Amusement Permit with Conditional Licensing Agreement.

- (3) **Advisory Notice #24** Explanation of guidelines concerning the implementation of policy

Chief Counsel Rodrigo Diaz was invited to speak regarding Advisory Notice No. 24 and stated that at a recent meeting, by a 2-1 vote, the Board adopted a policy whereby retail licensees which sell alcohol for off-premises consumption must allow on-premises consumption as well. Chief Counsel Diaz affirmed that this policy is consistent with a Pennsylvania Supreme Court ruling regarding E-licenses. The Office of Chief Counsel had been tasked with providing guidelines concerning the implementation of the policy and Chief Counsel Diaz indicated that Advisory Notice No. 24 is the result. The Advisory Notice was developed with the Bureau of Licensing and summarizes requirements pertaining to when sales for on-premises consumption must occur, what type of alcohol must be sold for on-premises consumption, and amounts which must be offered for on-premises consumption. The Advisory Notice also provides contact information for the resolution of additional issues related to this topic. A 2-1 vote was recorded regarding acceptance of the Advisory Notice, with Board Member Negra having voted negative.

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

- (1) **Bald Eagle Fuel & Tire, Inc.** Extension of License & Request for Interior Connections with Another Business – Restaurant
t/a Snappy’s
R-20065 (LID No. 90276)
712 Elizabeth Street
Houtzdale, Clearfield County

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 Extension of License and Request for Interior Connections with Another Business.

- (2) **Benito, Inc.** Renewal - Restaurant
t/a Supper
R-9075 (LID No. 57240) Case No. 19-9035
926-28 South Street
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Chairman Holden asked if there was anyone present from Benito, Inc. There was no response.

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

- (3) **Dunne Manning Stores, LLC** Extension of License &
t/a Kuhnsville Exxon Request for Interior Connections
E-2518 (LID No. 95989) with Another Business –
5743 Tilghman Street Eating Place Malt Beverage
Upper Macungie Township
Allentown, Lehigh County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to Approve Extension of License and Request for Interior Connections with Another Business.

- (4) **Dunne Manning Stores, LLC** Auction License – New &
t/a MacArthur Road Exxon Request for Interior Connections
(LID No. 99357) with Another Business -
2724 MacArthur Road Restaurant
Whitehall Township
Whitehall, Lehigh County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to Approve New License and Request for Interior Connections with Another Business.

- (5) **Giant Food Stores, LLC** “Intermunicipal” Double
R-15976 (LID No. 99050) Transfer & Request for Interior
481 West Penn Avenue Connections with Another
Cleona, Lebanon County Business – Restaurant

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 Transfer and Request for Interior Connections with Another Business.

(6) **Goga’s Service Station, LLC**
R-11856 (LID No. 97334)
5338 Dark Shade Drive
Shade Township
Cairnbrook, Somerset County

“Intermunicipal” Double
Transfer & Requests for Interior
Connections with Another
Business & to Conduct Another
Business on the Licensed
Premises – Restaurant

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer and Requests for Interior Connections with Another Business and to Conduct Another Business on the Licensed Premises.

(7) **Jay Brahmani Maa Beer Store, LLC**
t/a Convenient Beer
E-3226 (LID No. 96859)
1347 North Main Avenue
Scranton, Lackawanna County

Person-to-Person Transfer &
Request for Interior
Connections with Another
Business – Eating Place Malt
Beverage

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(8) **Krabby Kelly’s, Inc.**
t/a Krabby Kelly’s
R-8817 (LID No. 99232)
125 Water Street
Utica, Venango County

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

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

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- (9) **Lucky J Sportsbar, Inc.** “Intermunicipal” Double
R-3521 (LID No. 95290) Case No. 19-9030 Transfer - Restaurant
116-118 West Broad Street
Hazleton, Luzerne County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Hold
- (10) **Redners Markets, Inc.** Extension of License &
R-21072 (LID No. 93266) Request for Interior Connections
Unit 1, North End Shopping Center with Another Business –
1300 North Charlotte Street Restaurant
Lower Pottsgrove Township
Pottstown, Montgomery County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Extension of License and Request for Interior Connections with Another Business.
- (11) **Ridgway Foods, Inc.** Auction License – New &
t/a Ridgway Elk County Foods Request for Interior Connections
(LID No. 96695) with Another Business –
1 Baker Alley Restaurant
Ridgway, Elk County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Approve New License and Request for Interior Connections with Another Business.
- (12) **Sandhoos, Inc.** Extension of License &
R-4328 (LID No. 96303) Request for Interior Connections
169 Highway 14 with Another Business –
Lewis Township Restaurant
Trout Run, Lycoming County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Extension of License and Request for Interior Connections with Another Business.

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- (13) **Sheetz, Inc.**
t/a Sheetz #11
R-8312 (LID No. 87828)
700 Chestnut Avenue
Altoona, Blair County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Requests to Delicense An Area and for Interior Connections with Another Business.
- (14) **Sheetz, Inc.**
t/a Sheetz #32
(LID No. 97877)
720 Lincoln Way East
McConnellsburg, Fulton County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Approve New License and Request for Interior Connections with Another Business.
- (15) **Sheetz, Inc.**
t/a Sheetz #289
R-20959 (LID No. 98209)
4661 Penn Avenue
Lower Heidelberg Township
Sinking Spring, Berks County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Transfer and Request for Interior Connections with Another Business.
- HOLD – 7/31/19 SESSION**
- (16) **Sheetz, Inc.**
t/a Sheetz #319
R-822 (LID No. 97369)
1240 South Memorial Highway
Kingston Township
Trucksville, Luzerne County
- “Intermunicipal” Double
Transfer & Request for Interior
Connections with Another
Business - Restaurant

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Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

- (17) **Sheetz, Inc.** Double Transfer & Request for Interior Connections with Another Business - Restaurant
t/a Sheetz #351
R-7997 (LID No. 94337) Case No. 19-9020
658 East Main Street
Derry Township
Hummelstown, Dauphin County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer and Request for Interior Connections with Another Business; Rescind Conditional Licensing Agreement.

- (18) **Sheetz, Inc.** “Intermunicipal” Double Transfer & Request for Interior Connections with Another Business - Restaurant
t/a Sheetz #442
R-15246 (LID No. 98903)
7775 North Route 220 Highway
Woodward Township
Linden, Lycoming County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

- (19) **Sheetz, Inc.** “Intermunicipal” Double Transfer & Request for Interior Connections with Another Business - Restaurant
t/a Sheetz #448
R-3924 (LID No. 98494)
1841 Baltimore Pike
West Manheim Township
Hanover, York County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

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- (20) **Sheetz, Inc.**
t/a Sheetz #670
R-17100 (LID No. 97876)
1105 Grindstone Road
Redstone Township
Grindstone, Fayette County
- “Intermunicipal” Double
Transfer & Request for Interior
Connections with Another
Business - Restaurant
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Transfer and Request for Interior Connections with Another Business.
- (21) **The Soundbank of Phoenixville, LLC**
(LID No. 98804)
119 South Main Street, 1st Floor
Phoenixville, Chester County
- New & Request to Conduct
Another Business on the
Licensed Premises –
Brewery
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Approve New Application and Request to Conduct Another Business on the Licensed Premises.
- (22) **Tamanend Wine, Inc.**
(LID No. 97144)
63 Peach Lane
Manheim Township
Lancaster, Lancaster County
- New & Request to Conduct
Another Business on the Licensed
Premises – Limited Winery
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Approve New License and Request to Conduct Another Business on the Licensed Premises.
- (23) **Treasure Lake Property Owners Association, Inc.**
t/a Cayman Lodge and Country Store
R-20461 (LID No. 86424)
50 Sandbank Road
Sandy Township
DuBois, Clearfield County
- Request to Sell Other Items on the
Licensed Premises – Restaurant
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Request to Sell Other Items on the Licensed Premises.

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- (24) **Weis Markets, Inc.** Auction License – New &
(LID No. 99223) Request for Interior Connections
Intersection of Route 739 & Dingman’s Court with Another Business –
Delaware Township Restaurant
Dingman’s Ferry, Pike County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Approve New License and Request for Interior Connections with Another Business.
- (25) **HAVSHO, Inc.** Conditional Licensing Agreement
t/a The Beer Barn of Lewisburg Renewal – District 1
D-2989 (LID No. 4864) Case No. 2019-4864
227 North Derr Drive **HOLD – 7/17/19 SESSION**
East Buffalo Township
Lewisburg, Union County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Renewal with Conditional Licensing Agreement.
- (26) **Kevin Konieczny, Inc.** Conditional Licensing Agreement
R-1941 (LID No. 37274) Case No. 2018-37274 Renewal – District 10
5136 Torresdale Avenue **HOLD – 7/17/19 SESSION**
Philadelphia, Philadelphia County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Approve Renewal with Conditional Licensing Agreement.
- (27) **Mach’s Gut Candle Barn, Inc.** Renewal – District 3
t/a Mach’s Gut Beer Barn
D-225 (LID No. 72504) Case No. 2019-72504
1468 Route 61 Highway South
North Manheim Township
Pottsville, Schuylkill County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to Hold for Conditional Licensing Agreement.

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(28) Pick A Deli Six Packs To Go, LLC Renewal – District 3
R-17721 (LID No. 70053) Case No. 2019-70053
419 South Centre Street
Pottsville, Schuylkill County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Chairman Holden asked if there was anyone present from Pick A Deli Six Packs To Go, LLC.
There was no response.

Board Decision: Unanimously agreed (3-0 vote) to Hold for an Amended Conditional Licensing Agreement (Offer-in-Compromise).

(29) Quirk & Owen, Inc. Conditional Licensing Agreement
Renewal – District 10
t/a Sean Thorton’s
R-8114 (LID No. 53159) Case No. 2018-53159
2401 East Allegheny Avenue
Philadelphia, Philadelphia County **HOLD – 7/17/19 SESSION**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(30) St. George & Mary, Inc. Conditional Licensing Agreement
Renewal – District 1
R-19383 (LID No. 55873) Case No. 2019-55873
5327 East Trindle Road
Hampden Township
Mechanicsburg, Cumberland County **HOLD – 7/17/19 SESSION**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal 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 16 personnel actions presented for consideration.

- (1) Jennifer Barragan-Canete – Affirm Removal**
- (2) Heather Bechter – Removal**
- (3) Anthony Brandstetter - Removal**

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- (4) **Justin Brown – Removal**
- (5) **Felicity Dozier - Removal**
- (6) **Teyanna Grant – Affirm Removal**
- (7) **Aysia Lee - Removal**
- (8) **James Matthews – Removal**
- (9) **Mercy McClain-Ellis – Affirm Removal**
- (10) **Joyce Morrison – Removal**
- (11) **Christopher Pentz – Removal**
- (12) **Dana Price – Removal**
- (13) **Chauntal Quinones – Affirm Removal**
- (14) **Patricia Ricciuti – Affirm Removal**
- (15) **Keith Seiler – Affirm Removal**
- (16) **Samantha Simmons – Affirm Removal**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to Accept Recommendations as Presented.

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

Procurement Actions:

The Purchasing and Contract Administration Division hereby submits the following list of procurements of goods and services for Board approval:

- (1) **Armored Car Service Renewal** – Provide armored car service for approximately 53 Fine Wine & Good Spirit stores in Regions 1 & 3 to collect monies, securities, etc. and deliver to the depositories designated by the PLCB.

Procured via BPA 63015452 Option Year One – VENDOR: **Dunbar Armored Inc.** – TERM: Up to one year as PLCB stores transition to Remote Safe Solution services - **\$245,347.00 estimated cost.**

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- (2) **Steel Shelving for Store #3516** – Steel shelving for premium Fine Wine & Good Spirits Store #3516 in Clarks Summit due to store refresh.

Procured via DGS Contract #4400016767 – **VENDOR: Kent Fixtures Corp. - \$60,432.77 estimated cost.**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

Inter-Agency Charges:

- (1) **OA-Office of Strategic Services (GO-TIME - JOB 78)** – Annual billing of \$57,642.00 for FY 2018-19 to reimburse OA-Office of Strategic Services for managing the Commonwealth’s “GO-TIME” program and related services.

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 Isenhour

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. **#6509 – 208 Countryside Plaza, Mount Pleasant Expansion / Consolidation (with #6506)**
- 2. **#51XX – 5155 Lancaster Avenue, Philadelphia New Store / Relocation (of #5135)**
- 3. **#63XX – 50 Trinity Point Drive, Washington New Store / Relocation (of #6316)**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

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*From the Bureau of Product SelectionDale 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>Anheuser Busch LLC</u>	
Drinkworks Classic Collection Cosmopolitan 4x50 mL	12
Drinkworks Classic Collection Long Island Iced Tea 4x50 mL	12
Drinkworks Classic Collection Margarita 4x50 mL	12
Drinkworks Classic Collection Mojito 4x50 mL	12
Drinkworks Classic Collection Moscow Mule 4x50 mL	12
Drinkworks Classic Collection Old Fashioned 4x50 mL	12
Drinkworks Classic Collection Whiskey Sour 4x50 mL	12
Drinkworks Classic Collection White Russian 4x50 mL	12
Drinkworks Paradise Collection Mai Tai 4x50 mL	12
Drinkworks Paradise Collection Margarita 4x50 mL	12
Drinkworks Paradise Collection Strawberry Margarita 4x50 mL	12
Drinkworks Simply Refreshing Collection Gin and Tonic 4x50 mL	12
Drinkworks Simply Refreshing Collection Lime Vodka Soda 4x50 mL	12
Drinkworks Simply Refreshing Collection Vodka Lemonade 4x50 mL	12
Drinkworks Simply Refreshing Collection Whiskey Cola 4x50 mL	12
Drinkworks Wandering Vine Collection Lemon Bubbly 4x50 mL	12
Drinkworks Wandering Vine Collection Peach Sangria 4x50 mL	12
Drinkworks Wandering Vine Collection Red Sangria 4x50 mL	12
Drinkworks Wandering Vine Collection Rose Spritzer 4x50 mL	12
<u>Constellation Brands Inc</u>	
The Real McCoy Rum 3 Years Old	5, 11
<u>Jim Beam Brands Co</u>	
Tres Generaciones Tequila Plata 750 mL	10
Tres Generaciones Tequila Reposado 750 mL	10
<u>Moet Hennessy USA Inc</u>	
Moet and Chandon Imperial Brut Champagne 187 mL	2, 3, 5, 19
Moet and Chandon Nectar Imperial Rose Champagne 187 mL	2, 3, 5, 19
Moet and Chandon Rose Imperial Champagne 187 mL	2, 3, 5, 19

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North Wales Wines

High Noon Black Cherry Vodka 4x355 mL Cans	13
High Noon Grapefruit Vodka 4x355 mL Cans	13
High Noon Pineapple Vodka 4x355 mL Cans	13
High Noon Watermelon Vodka 4x355 mL Cans	13

Proximo Spirits Inc

Jose Cuervo Orange Pineapple Margarita Cocktail 1.75 L	10
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RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular New Items Accepted Revision

BRAND NAME AND SIZE **REASON**

Heaven Hill Distilleries

Lunazul Blanco Tequila 80 Proof 1.75 L	3, 5, 6
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NOTE: Sent to board 8-21-19 under incorrect supplier

RECOMMENDED ACTION: We recommend the Board approve this action

3. Regular PA Preferred New Items Accepted

BRAND NAME AND SIZE **REASON**

Bluebird Distilling

Bluebird Distilling American Single Malt Whiskey 100 Proof 750 mL	16
Bluebird Distilling Dark Rum 90 Proof 750 mL	16

Chaddsford Winery

Chaddsford Spiced Apple Wine 1.5 L	17
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MHW LTD

Holla Thirsty Orange Ya Orange Vodka 750 mL	16
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Old Republic Distillery Inc

Old Republic Gates House White Rum 750 mL	16
Old Republic Golden Plough Tavern Dark Rum 750 mL	16

Strange Quark Distilling LLC

Quantum Spirits Bitters 3x118 mL	16
Quantum Spirits Citrus Vodka 750 mL	16

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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
16. PA Spirits
17. PA Wines
18. Licensee only
19. Probationary listing

4. Regular Recommended Delist

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>CBL Wine Company LLC</u> Hand Work Garnacha Red Wine 1 L	17381
<u>Jim Beam Brands Co</u> Sauza Blue Tequila Silver 1.75 L Sauza Tequila Gold 1.75 L	1302 6090
<u>Proximo Spirits Inc</u> Jose Cuervo Lime Margarita Ready to Serve Pouch 1.75 L	8555
<u>Surville Enterprises Corp</u> B and G Rose Reserve France 750 mL	35101
<u>Sutter Home Winery</u> Menage A Trois Sparkling Rose Italy 750 mL	17318
<u>Treasury Wine Estates</u> Greg Norman Estates Cabernet Sauvignon Merlot 750 mL Greg Norman Estates Shiraz 750 mL	8521 7273

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EFFECTIVE DATE: The transference to closeout will become effective October 11, 2019

Motion Made: Board Member Negra

Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to Approve all Product Selection Actions as Presented.

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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)**

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 52,270,779	\$ 54,183,489
Investments - short term	226,279,517	204,076,201
Accounts and claims receivable, net	3,617,714	747,207
Due from other funds - Note 8	4,234	833,117
Merchandise inventories, net	246,114,444	257,979,226
Operating supplies	382,643	845,551
Prepaid expenses	<u>522,964</u>	<u>72,680</u>
Total current assets	<u>529,192,295</u>	<u>518,737,471</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	20,875,220	20,809,269
Leasehold improvements	341,826	612,301
Machinery and equipment	49,063,451	47,904,598
Intangibles - internally generated software	<u>22,457,686</u>	<u>25,990,043</u>
Less: accumulated depreciation	<u>63,692,660</u>	<u>66,662,710</u>
Net depreciable capital assets	<u>29,045,523</u>	<u>28,653,501</u>
Total non-current capital assets	<u>29,368,496</u>	<u>28,976,474</u>
Total assets	<u>\$ 558,560,791</u>	<u>\$ 547,713,945</u>
Total deferred outflows of resources - Note 4, 5	\$ 160,428,631	\$ 88,630,800
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 289,656,306	\$ 277,831,858
Other accounts payable	23,001,111	27,288,341
Accrued expenses	15,415,566	14,332,279
OPEB - Note 5	8,994,000	11,976,000
Self-insurance, workers' compensation - Note 6	5,193,938	7,637,029
Due to other funds - Note 8	4,522,983	3,166,485
Due to fiduciary funds - Note 8	1,994,832	1,908,698
Due to other governments - Note 8	<u>548,954</u>	<u>516,090</u>
Total current liabilities	<u>349,327,690</u>	<u>344,656,780</u>
Non-current liabilities:		
OPEB - Note 5	594,961,000	781,379,000
Self-insurance, workers' compensation - Note 6	48,841,124	47,949,448
Net pension liability - Note 4	530,291,336	440,677,473
Compensated absences - Note 1	<u>21,598,132</u>	<u>20,809,984</u>
Total non-current liabilities	<u>1,195,691,592</u>	<u>1,290,815,905</u>
Total liabilities	<u>\$ 1,545,019,282</u>	<u>\$ 1,635,472,685</u>
Total deferred inflows of resources - Note 4, 5	\$ 279,156,836	\$ 108,178,959
<u>NET POSITION</u>		
Net investment in capital assets	\$ 29,368,496	\$ 28,976,474
Deficit - Note 9	<u>(1,134,555,192)</u>	<u>(1,136,283,373)</u>
Total net position	<u>\$ (1,105,186,696)</u>	<u>\$ (1,107,306,899)</u>

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

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ending June 30, 2019 and June 30, 2018
(Unaudited)**

	<u>2018-19</u>	<u>2017-18</u>
Sales net of taxes	\$ 169,251,669	\$ 173,385,808
Cost of goods sold	<u>(119,163,020)</u>	<u>(118,468,025)</u>
Gross profit from sales	50,088,649	54,917,783
Operating (expenses):		
Retail operations	(19,417,593)	(36,417,252)
Marketing & merchandising	(833,965)	(689,574)
Supply chain	465,454	(59,013)
Wholesale operations	(14,055)	(186,410)
Information technology services	(1,418,719)	(2,989,706)
Regulatory affairs	(425,644)	(1,978,943)
Administration	(388,055)	(1,334,980)
Finance	12,308	(345,706)
Board & secretary	236,570	(426,411)
Legal	(287,284)	(318,170)
Commonwealth provided services - Note 2	<u>(2,017,787)</u>	<u>(2,063,810)</u>
Total	<u>(24,088,770)</u>	<u>(46,809,975)</u>
Operating profit	25,999,879	8,107,808
Other operating revenues (expenses):		
Enforcement fines	165,155	142,885
License fees	2,785,532	3,266,917
Miscellaneous income	134,417	(476,236)
Administrative law judge	<u>(224,286)</u>	<u>(224,447)</u>
Total	<u>2,860,818</u>	<u>2,709,119</u>
Total operating income	28,860,697	10,816,927
Miscellaneous revenues (expenses):		
Interest income	497,837	372,306
Other	<u>-</u>	<u>-</u>
Total	<u>497,837</u>	<u>372,306</u>
Income before operating transfers	29,358,534	11,189,233
Operating transfers out:		
PSP enforcement - Note 3	<u>(2,171,808)</u>	<u>(3,114,228)</u>
Net Income from operations	27,186,726	8,075,005
Statutory Transfers:		
General fund - Note 3	-	-
Drug and alcohol programs - Note 3	<u>(3,820,820)</u>	<u>(2,500,000)</u>
Total	<u>(3,820,820)</u>	<u>(2,500,000)</u>
Change in net position	23,365,906	5,575,005
Total net position - beginning, 2017-18 restated - Note 9	<u>(1,128,552,602)</u>	<u>(1,112,881,904)</u>
Total net position - ending	<u>\$ (1,105,186,696)</u>	<u>\$ (1,107,306,899)</u>
Liquor tax	30,641,957	31,199,285
State Sales Tax	12,045,487	12,249,972
Local Tax	772,216	771,220
Taxes remitted to Dept.of Revenue PTD	<u>\$ 43,459,660</u>	<u>\$ 44,220,477</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 Twelve Months Ending June 30, 2019 and June 30, 2018
(Unaudited)**

	<u>2018-19</u>	<u>2017-18</u>
Sales net of taxes	\$ 2,126,927,971	\$ 2,066,562,034
Cost of goods sold	<u>(1,451,772,607)</u>	<u>(1,408,532,024)</u>
Gross profit from sales	675,155,364	658,030,010
Operating (expenses):		
Retail operations	(384,400,294)	(398,301,097)
Marketing & merchandising	(15,852,818)	(15,052,290)
Supply chain	(6,642,392)	(8,970,204)
Wholesale operations	(1,725,852)	(1,773,887)
Information technology services	(30,234,564)	(31,225,089)
Regulatory affairs	(19,783,080)	(20,802,809)
Administration	(13,487,041)	(14,782,471)
Finance	(3,325,942)	(3,890,566)
Board & secretary	(5,173,990)	(6,660,227)
Legal	(3,713,342)	(3,602,785)
Commonwealth provided services - Note 2	<u>(14,577,356)</u>	<u>(14,819,054)</u>
Total	<u>(498,916,671)</u>	<u>(519,880,479)</u>
Operating profit	176,238,693	138,149,531
Other operating revenues (expenses):		
Enforcement fines	1,845,926	1,522,287
License fees	38,474,199	46,377,715
Miscellaneous income	3,388,634	2,418,403
Administrative law judge	<u>(2,809,282)</u>	<u>(2,709,397)</u>
Total	<u>40,899,477</u>	<u>47,609,008</u>
Total operating income	217,138,170	185,758,539
Miscellaneous revenues (expenses):		
Interest income	5,865,843	2,998,479
Other	<u>(706,242)</u>	<u>18,751</u>
Total	<u>5,159,601</u>	<u>3,017,230</u>
Income before operating transfers	222,297,771	188,775,769
Operating transfers out:		
PSP enforcement - Note 3	(31,256,748)	(30,527,781)
Net Income from operations	<u>191,041,023</u>	<u>158,247,988</u>
Statutory Transfers:		
General fund - Note 3	(185,100,000)	(185,100,000)
Drug and alcohol programs - Note 3	(3,820,820)	(2,500,000)
Total	<u>(188,920,820)</u>	<u>(187,600,000)</u>
Change in net position	2,120,203	(29,352,012)
Total net position - beginning, 2017-18 restated - Note 10	<u>(1,107,306,899)</u>	<u>(1,077,954,887)</u>
Total net position - ending	<u>\$ (1,105,186,696)</u>	<u>\$ (1,107,306,899)</u>
Liquor tax	381,876,154	371,507,516
State Sales Tax	150,194,900	146,027,265
Local Tax	9,679,746	9,398,137
Taxes remitted to Dept.of Revenue YTD	<u>\$ 541,750,800</u>	<u>\$ 526,932,918</u>

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Mr. Burns highlighted revenue increases for the month of June and for the 2018 fiscal year. Board Member Negra remarked that it had been a fabulous fiscal year and congratulated everyone on a job well done. Chairman Holden and Board Member Isenhour agreed.

OTHER ISSUES

Employee Recognition – Years of Service.....Charlie Mooney, Executive Director

Dale Horst – Director of Marketing & Merchandising 10 years of PLCB service

Thomas Maloney – District Manager 2-05: 35 years of Commonwealth Service

Steve Zanis – Bureau of Infrastructure Development: 35 years of Commonwealth Service

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, September 25, 2019 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.

Chairman

Member

Member

ATTEST:

Secretary