

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

WEDNESDAY DECEMBER 16, 2020
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. He then invited Executive Director Michael Demko to introduce Deborah Rivera as the PLCB's new Chief Merchandising Officer. Executive Director Demko stated that Ms. Rivera brings to the PLCB more than 20 years of experience in strategic merchandising, financial and assortment planning, brand building, and promotion. Before joining the agency, Ms. Rivera served as Vice President General Merchandising Manager (GMM) for the VF Corporation and Vice President (GMM) Direct to Consumer (DTC) for Kontoor Brands, having worked previously for The Bon-Ton Department Stores, Inc.

OLD BUSINESS.....*Secretary Stark*

- A. Motion to approve previous Board Meeting Minutes of the December 2, 2020 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.

The teleconference moderator confirmed that there were no callers with comments.

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NEW BUSINESS

From the Office of Chief CounselRodrigo Diaz, Chief Counsel

- (1) **Ferguson Township** Municipal Petition for the
20-NE-20 Exemption of Noise Ordinance

Motion Made: Board Member Negra

Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve noise exemption from December 16, 2020 through December 16, 2021.

- (2) **Transferor: Bandhu Brothers, Inc.** Application for Conversion of
Westmoreland Crossing Suspension to Fine
5280 State Route 30, Suite 5
Greensburg, Pennsylvania 15601-7751
Restaurant Liquor License No. R-12463
LID 67063

Transferee: Speedway, LLC
142 Fitz Henry Road
Smithton, Pennsylvania 15479
Restaurant Liquor License No. R-12463
LID 103473

Motion Made: Board Member Negra

Seconded: Board Member Isenhour

Chief Counsel Rodrigo Diaz explained that the Liquor Code allows an applicant for a license associated with an unserved suspension to request that a monetary fine be issued to countermand the suspension. This particular case involved a pending suspension of one day based on the previous license holder having received a citation for serving a minor. The minimum recommended fine, per Board Regulations, was \$3,000.00.

Board Decision: Unanimously agreed (3-0 vote) to approve the conversion of suspension to fine in the amount of \$3,000.00.

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- (3) **Extension of Permission to Transport Beer Along with Other Items** Extension of Permission to Transport Beer along with Other Items

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Chief Counsel Diaz indicated that the Board had previously approved a series of requests to assist licensees during the COVID-19 public health crisis and that the Liquor Code prohibits manufacturers, distributors, and importing distributors from delivering beer in vehicles used for the transportation of other commodities without specific approval from the Board. In April, the Board granted manufacturers permission to use the same vehicles for the delivery of beer and other products sold by such licensees through December 31, 2020. Chief Counsel Diaz then stated that his office recommended that this permission be granted to manufacturers in perpetuity.

Board Decision: Unanimously agreed (3-0 vote) to make permanent the extension of permission to transport beer along with other items for manufacturers.

- (4) **Extension of Authority to Produce and Sell Hand Sanitizer** Extension of Authority to Produce and Sell Hand Sanitizer

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Chief Counsel Diaz explained that the Board had followed suit in the earlier phases of the COVID-19 public health crisis when the Alcohol and Tobacco Tax and Trade Bureau took action to simplify requirements associated with the production of hand sanitizer by licensed distilleries. Because of the uncertainty as to what might occur at the federal level, Chief Counsel Diaz emphasized the fact that the Board has independent authority to grant distilleries permission to produce hand sanitizer and recommended that this permission be granted in perpetuity. He affirmed, in response to a request for clarification by Board Member Negra, that the authority would be valid so long as it does not conflict with federal regulations and a market exists for this commodity.

Board Decision: Unanimously agreed (3-0 vote) to make permanent the extension of authority granted to distilleries to produce and sell hand sanitizer.

- (5) **Extension of Authority to Sell Protective Masks and Revision To Advisory Notice No. 9** Revision to Advisory Notice No. 9

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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Chief Counsel Diaz stated that the Board had approved a request from a distributor in April to sell protective masks which ultimately resulted in authority being granted to all licensees to sell such items. He recommended that this authority, which would otherwise expire on December 31, 2020, also be granted in perpetuity and explained that should the Board accept the recommendation, a revision to Advisory Notice No. 9, the document that specifies which items distributors and importing distributors may sell in addition to malt and brewed beverages, would be necessary. Chief Counsel Diaz confirmed, in response to a request for clarification by Board Member Negra, that this authority would apply to all licensees, including holders of performing arts and golf course licenses.

Board Decision: Unanimously agreed (3-0 vote) to make permanent the authority of all licensees to sell protective masks and to approve the revision to Advisory Notice No. 9.

(6) **Advisory Notice No. 26 (5th Revision)** Revision to Advisory Notice No. 26

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Chief Counsel Diaz reminded the Board that Advisory Notice No. 26 has been a source of guidance for licensees regarding sales of food and alcohol. Since the most recent revision to the document in September, the Governor issued a mitigation order prohibiting on-premises consumption of food and alcohol effective until January 4, 2021. This particular revision would simply reflect the issuance of the aforementioned order.

Board Member Negra stated that though he understood the need to codify and he understands the Governor's orders, he would vote against the approval of this Board action.

Board Decision: Agreed (2-1 vote) to approve the revision to Advisory Notice No. 26.

(7) **Advisory Notice No. 27 (4th Revision)** Revision to Advisory Notice No. 27

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Chief Counsel Diaz explained that Advisory Notice No. 27 had been issued to apprise licensees of fee deferrals and waivers as well as to remind licensees about the necessity of renewing and validating licenses. The previously issued version of the Advisory Notice admonished licensees which have not operated for 15 consecutive days as to a December 1, 2020 deadline regarding the placement of licenses in safekeeping. Chief Counsel Diaz indicated that the agency had received multiple requests to extend the aforementioned deadline based on the issuance of the Governor's mitigation order which prohibits on-premises consumption. The Advisory Notice revision extends the deadline for the placement of licenses in safekeeping to January 15, 2021. Chief Counsel Diaz noted that extending the

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deadline also benefits the agency since a limited number of applications can be processed simultaneously.

Following the explanation offered by Chief Counsel Diaz, Board Member Negra expressed his appreciation of this Board action on behalf of the licensee community.

Board Decision: Unanimously agreed (3-0 vote) to approve the revision to Advisory Notice No. 27.

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

- (1) **Brokenstraw Valley Winery, LLC** Limited Winery Additional
LK-34653 (LID No. 85833) Board-Approved Location &
3 North Main Street Request for Interior
Youngsville, Warren County Connections with Other
Businesses – Limited Winery

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the limited winery additional Board-approved location and request for interior connections with other businesses.

- (2) **Raul Ortiz** Renewal - Restaurant
t/a Silver Dollar Bar
R-10255 (LID No. 57313) Case No. 19-9105
356 South 4th Street
Reading, Berks County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Chairman Holden asked if there was anyone on the line from Raul Ortiz. There was no response.

Board Decision: Unanimously agreed (3-0 vote) to refuse the renewal.

- (3) **Talerico's Tropical Winery, LLC** Limited Winery Additional
t/a Talerico's Tropical Winery Board-Approved Location &
LK-40245 (LID No. 95279) Requests for an Interior
802 South Main Street Connection with Another
Taylor, Lackawanna County Business & Dual Employment –
Limited Winery

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Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the limited winery additional Board-approved location and requests for an interior connection with another business and dual employment.

- (4) **Todd L. White** Person-to-Person Transfer &
t/a Westfield Beverage Company Request to Retain Other
D-1980 (LID No. 101415) Case No. 20-9032 Employment - Distributor
199 Van Emmons Drive
Westfield, Tioga County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the person-to-person transfer and request to retain other employment and be engaged in other businesses.

- (5) **White's Antique Bar and Grill, Inc.** Notice of Change in Business
t/a Picker's Pub Structure - Restaurant
R-9947 (LID No. 94476) Case No. 20-9015
101 High Street
Brownsville, Fayette County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the notice of change in business structure.

- (6) **BigDogz Grill, Inc.** Renewal – District 1
R-13784 (LID No. 50602) Case No. 2019-50602
1750 Bedford Street
Stonycreek Township
Johnstown, Cambria County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Hold for conditional licensing agreement.

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- (7) **C.B.M. Beverages, Inc.** Conditional Licensing Agreement
R-15521 (LID No. 83136) Case No. 2020-83136 Renewal – District 10
2225-27 Ridge Avenue
Philadelphia, Philadelphia 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.

*From the Bureau of Human Resources Jason Lutcavage, Director of Administration
Jennifer Haas, Director, Bureau of Human Resources*

Personnel Actions - There were 13 Personnel Actions presented for consideration.

- (1) **Cassandra Arzuaga – Suspension**
- (2) **Donovan Brown - Affirm Removal**
- (3) **Kyra Chamberlain – Affirm Removal**
- (4) **Kenyetta Collins – Suspension**
- (5) **Zaakira Dublin - Removal**
- (6) **Jarrood Gathers – Removal**
- (7) **John Haha - Removal**
- (8) **Cory Hambrick – Affirm Removal**
- (9) **Marcella Henry – Suspension**
- (10) **Kyle Hull – Removal**
- (11) **Dasky Lowry – Removal**
- (12) **Jorge Pagan – Suspension**
- (13) **Gabriel Stankiewicz – Removal**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

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

Procurement Actions:

- (1) **Warehousing and Transportation Services for Western Pennsylvania** – The PLCB sought a third-party logistics provider (“3PL”) to provide both warehousing and delivery services. The Offeror will be solely responsible for the acquisition and management of a distribution center (“DC”) located in Allegheny County, Pennsylvania to manage the receipt, storage and order fulfillment of wines, spirits and accessories, as well as limited shipments of non-alcohol merchandise on behalf of the PLCB. The Offeror will also be expected to provide for and manage transportation from an Allegheny County facility to designated store and licensee locations in western Pennsylvania.

Procured via Request for Proposal – **VENDOR: FedEx Supply Chain, Inc.** – Term: 12 Years - **\$72,000,000.00 estimated fixed cost for the first four years.**

- (2) **Ingenico iSC250 PIN Pads with Stands** – These pin pads with stands are needed as a replacement for those damaged throughout the stores.

Procured via DGS Contract #4400016084 – **VENDOR: First Data Merchant Services LLC - \$59,500.00 estimated cost.**

- (3) **Overhead Door Repair and Maintenance Renewal** – Exercise Option Year One to continue with repair and maintenance of overhead doors for Region 1 stores in Philadelphia, PA. This request also includes installing new doors in Region 1 stores that did not have them prior to the riots.

Procured via BPA 63019629 Option Year - **VENDOR: Abstract Overhead Door Co.** – Term: One year for period 2/1/2021 through 1/31/2022 - **\$172,000.00 estimated cost** (\$50,000.00 renewal and \$122,000.00 for new doors including installation).

- (4) **Outside Security Grates and Installation** – Furnish and install outside rolling security grates at two Region 3 Fine Wine and Good Spirits stores.

Procured via Request for Quote – **VENDOR: Overhead Door Company of Greater Pittsburgh - \$21,510.96 estimated cost.**

- (5) **Digital Production Equipment** – Replace existing end-of-lease digital production equipment currently in PLCB’s Graphic Arts print shop with a Ricoh Pro C9200 Color Press and a Ricoh Pro 8320S Black and White Production Press. This equipment was selected as encompassing all requested components for the following categories: color specifications; black and white specifications; and workflow and assessments. The maintenance click charge rates are significantly cheaper, do not have limitations, and encompass all consumables including staples.

Procured via DGS Contract #4400016528 – **VENDOR: Ricoh USA, Inc.** – Term: 60-Month Lease - **\$588,626.40 estimated cost.**

- (6) **System Administrator Staff Augmentation** – Provide Unix Administrator knowledge and skills to move much of PLCB’s equipment out of the NWOB as part of a management directive requirement. In addition, will provide vital migration assistance, through various scripts, manual configuration and research for the upcoming ERP/IBMS system project.

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Procured via DGS Contract #4400014660 – VENDOR: **OST, Inc.** – TERM: One year for period 1/1/2021 through 12/31/2021 - \$119,177.81 estimated cost.

- (7) **Technical Specialist Staff Augmentation** – Provide Oracle and Azure SQL database expertise to reduce storage needs, provide performance improvements, and solve system or implementation issues that threaten to impact PLCB’s business. In addition, will provide continued solutions and facilitation as PLCB moves towards new platforms and approaches to data warehousing.

Procured via DGS Contract #4400014660 – VENDOR: **OST, Inc.** – TERM: One year for the period 1/1/2021 through 12/31/2021 - **\$181,227.86 estimated cost.**

- (8) **Two Senior Business Subject Matter Experts Staff Augmentation** – Adding hours and extending end date to 3/5/2021 for IBM WebSphere Commerce development expertise to move the current WebSphere E-Commerce Fine Wine and Good Spirits site to the Version 8 WebSphere Commerce platform. Version 7 is no longer supported, and this move will also provide additional security, system monitoring and resource scalability.

Procured via DGS Contract #4400014660 – VENDOR: **OST, Inc.** – TERM: Two months for the period 1/1/2021 through 3/5/2021 – **\$70,000.00 estimated cost.**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

After being invited by Board Member Negra to discuss the Board actions listed above, Executive Director Michael Demko stated that the first procurement action pertains to the agency’s distribution center in western Pennsylvania. He explained that a contract effective for 12 years was awarded to FedEx Supply Chain, Inc. (“FedEx”) via a Request for Proposal. Since a current agreement for the services provided by this vendor will be effective until March 2022, the contract with FedEx will not be in force immediately. Board Member Negra and Executive Director Demko both expressed appreciation toward those within the agency who had worked to achieve the goal of finalizing this contract.

Executive Director Demko then explained that the second procurement action was necessary to replace damaged pin pads in Fine Wine & Good Spirits stores, while the third and fourth procurement actions were associated with the need to update security in ten Philadelphia stores and two Pittsburgh stores. These security updates involve the installation of gates on doors and windows and required landlord approval, with service renewal for overhead doors also being necessary in regard to the Philadelphia locations.

The fifth procurement action pertains to a new 60-month lease agreement with Ricoh associated with the upgrade of two printers located within the Northwest Office Building and was necessary based on the pending expiration of an existing agreement. Executive Director Demko stated, in response to a request for clarification by Board Member Negra, that this procurement action would ultimately increase productivity while decreasing costs. He then indicated that the remaining procurement actions constitute staff augmentations for various types of software deployed within the agency.

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

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Inter-Agency Charges:

- (1) **Dept of General Services** – Energy Cap billing for FY20 - The billing is \$62,684.29 for the PLCB. The billing represents the PLCB share of the Commonwealth Energy Cap project with DGS working with Penn State Facilities Engineering Institute to look for utility cost savings from lower-cost providers for PLCB stores and offices. PLCB billing represents approximately 8.7% of the total \$0.71 million billing to Commonwealth agencies.

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 the Inter-Agency Charge.

From the Office of Retail Operations.....Michael Demko, Executive Director

1. **#1510 – Barley Station Shopping Center, 2715 East Lincoln Highway, Coatesville Amendment**
2. **#2206 – Mid-Town Plaza, 430 East Main Street, Middletown Amendment**
3. **#6517 – Westmoreland Crossings, 5280 Route 30, Suite 4, Greensburg Amendment**
4. **#6705 – Queensgate Towne Center, 2075 Springwood Road, York Amendment**
5. **#6314 – 980 Jefferson Avenue, Washington Closing**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

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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

1. Regular New Items Accepted

BRAND NAME AND SIZE

REASON

American Spirits Exchange Limited

Bradshaw Straight Bourbon Whiskey 104 Proof 750 mL 13

Bacardi USA Inc

Bombay Bramble Gin 86 Proof 750 mL 10
 Grey Goose Essences Strawberry and Lemongrass Vodka 60 Proof 750 mL 10
 Grey Goose Essences Watermelon and Basil Vodka 60 Proof 750 mL 10
 Grey Goose Essences White Peach and Rosemary Vodka 60 Proof 750 mL 10

Capital Wine and Spirits Inc

Francis Ford Coppola Diamond Collection Cabernet Sauvignon Paso Robles 750 mL 1, 3
 King Estate Inscription Pinot Noir Willamette Valley 750 mL 1, 3
 Smoked by Dona Paula Red Blend 750 mL 10
 Root 1 Pinot Noir 750 mL 3, 19
 Rutherford Ranch Sauvignon Blanc Napa Valley 750 mL 1, 2, 3
 Substance Chardonnay Columbia Valley 750 mL 1, 3

Charles Jacquin ET CIE Inc

Bartenders Pina Colada 25 Proof 750 mL 10
 Jacquins Vodka Royale 151 Proof 750 mL 10

Constellation Brands Inc

Kim Crawford Illuminate Rose 750 mL 2, 3, 10, 12, 19
 Kim Crawford Illuminate Sauvignon Blanc 750 mL 2, 3, 10, 12, 19
 Meiom Cabernet Sauvignon 750 mL 1, 2, 3
 Woodbridge by Robert Mondavi Cabernet Sauvignon Aged in Bourbon Barrels 750 mL 1, 2, 3
 Woodbridge by Robert Mondavi Chardonnay Aged in Rum Barrels 750 mL 1, 2, 3

Deluxe Imports

Grace O'Malley Irish Whiskey 80 Proof 750 mL 10

Jim Beam Brands Co

Cruzan Coconut Rum 42 Proof 1.75 L 10

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Dekuyper Peanut Butter Liqueur 30 Proof 750 mL	10
Hornitos Cristalino Tequila Anejo 80 Proof 750 mL	10
Hornitos Plata Tequila Silver 80 Proof 375 mL	10
Hornitos Tequila Reposado 80 Proof 375 mL	10
Jim Beam Black Straight Bourbon Extra Aged 86 Proof 375 mL	10
Jim Beam Orange Whiskey 65 Proof 750 mL	10
Jim Beam Peach Whiskey 65 Proof 375 mL	10
Maker's Mark Straight Bourbon Cask Strength 108 Proof 750 mL	10
Pinnacle Apricot Honeysuckle Vodka 60 Proof 750 mL	10
Pinnacle Gin 80 Proof 750 mL	10
Pinnacle Guava Lime Vodka 60 Proof 750 mL	10
Salignac Cognac VS 80 Proof 375 mL	10
 <u>Luxco Inc</u>	
Dos Primos Blanco Tequila 80 Proof 750 mL	10
 <u>Majestic W S USA Inc</u>	
Capriccio Sangria 750 mL	1
Firesteed Pinot Noir 750 mL	5
Fleurs de Prairie Rose 750 mL	10, 19
Madame Fleur Sauvignon Blanc 750 mL	5, 19
 <u>Millstone Spirits Group</u>	
Kinsey American Whiskey 10 Year Old 750 mL	10
 <u>North Wales Wines</u>	
Apothic Cabernet Sauvignon 750 mL	1, 2, 3
Barefoot Buttery Chardonnay 1.5 L	1, 2, 3
Barefoot Buttery Chardonnay 750 mL	1, 2, 3
Barefoot Fruitscato Apple Moscato 1.5 L	1, 2, 3
Barefoot Fruitscato Blueberry Moscato 1.5 L	1, 2, 3
Barefoot Fruitscato Blueberry Moscato 750 mL	1, 2, 3
Chateau Souverain Pinot Noir 750 mL	1, 2, 3
Liberty Creek Rose 1.5 L	1, 2, 3
New Amsterdam Watermelon Vodka 750 mL	3
 <u>Palm Bay Imports Inc</u>	
Williams and Humbert Canasta Cream Sherry 750 mL	2, 3, 10, 19
Portillo Chardonnay 750 mL	10, 19
 <u>Pernod Ricard USA</u>	
Absolut Watermelon Vodka 76 Proof 750 mL	3
Lillet Rose 750 mL	2, 3, 19
Malibu Watermelon Flavored Rum 42 Proof 750 mL	3
 <u>Proximo Spirits Inc</u>	
Jose Cuervo Authentic Pink Lemonade Margarita Cocktail	10

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25 Proof 1.75 L	
Jose Cuervo Golden Strawberry Margarita Cocktail 25 Proof 1.75 L	10
Three Olives Citrus Vodka 80 Proof 750 mL	10
<u>Southern Glazers Wine and Spirits of PA</u>	
Bartenura Malvasia di Casorzo 750 mL	2, 3, 10, 19
Bota Mini Cabernet Sauvignon 500 mL	1, 2, 3
Bota Mini Pinot Grigio 500 mL	1, 2, 3
Bota Mini Sauvignon Blanc 500 mL	1, 2, 3
Campari Bitter Aperitivo 48 Proof 375 mL	10
Carmel Selected Merlot 750 mL	2, 3, 10, 19
Chateau Ste Michelle Pinot Gris Columbia Valley 750 mL	1, 2, 3
Espolon Tequila Blanco 80 Proof 375 mL	10
Fun Wine Hard Bubbly Collection Peach Passion Moscato 750 mL	5, 7, 12, 19
Fun Wine Hard Bubbly Collection Strawberry Rose Moscato 750 mL	5, 7, 12, 19
Ole Smoky Salty Caramel Whiskey 60 Proof 750 mL	10
Shannon Ridge Cabernet Sauvignon 750 mL	1, 2
Shannon Ridge Chardonnay 750 mL	1, 2
Stella Rosa L'Originale Stella Berry 750 mL	2, 3, 5, 19
Top Box Cabernet Sauvignon 3 L	1, 5
Top Box Chardonnay 3 L	1, 5
Top Box Sauvignon Blanc 3 L	1, 5
Wild Turkey Rye Whiskey 101 Proof 750 mL	10
<u>Takara Sake USA</u>	
Sho Chiku Bai Classic Junmai Sake 750 mL	2, 3, 19
<u>The Wine Group Inc</u>	
7 Deadly Cabernet Sauvignon 750 mL	3
Benziger Sauvignon Blanc 750 mL	3
Chloe Sauvignon Blanc 750 mL	3
Cupcake Cava 750 mL	3
McManis Pinot Grigio 750 mL	3
<u>The Wine Merchant LTD</u>	
Periodic Pinot Noir 750 mL	18
<u>Treasury Wine Estates</u>	
Stags' Leap Sauvignon Blanc Napa Valley 750 mL	2, 9
<u>Vintage Imports Inc</u>	
Lifevine Chardonnay 750 mL	5
Lifevine Cabernet Sauvignon 750 mL	5

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Winebow Inc

Argiolas Meri Vermentino di Sardegna Doc 750 mL	18
Famiglie Rosato 750 mL	18

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular PA New Items Accepted

BRAND NAME AND SIZE

REASON

Leadership Brands LLC

Hidden Still Straight Rye Whiskey 750 mL	16
Hidden Still David E Double Oaked Straight Bourbon 750 mL	16

Red Pump Spirits LLC

Red Pump Spirits Blood Orange Liqueur 40 Proof 750 mL	16
Red Pump Spirits Bradford Blackberry Liqueur 40 Proof 750 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
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

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3. Regular Recommended Delist

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>Bacardi USA Inc</u>	
Bacardi Banana Rum 70 Proof 750 mL	2018
Dom Benedictine Liqueur 80 Proof 750 mL	5501
Martini and Rossi Bitter Liqueur 57 Proof 750 mL	2535
Pyrat Rum XO Reserve 80 Proof 750 mL	8902
<u>Capital Wine and Spirits</u>	
Charles Smith VINO Rosso 750 mL	31758
Dona Paula Los Cardos Sauvignon Blanc Mendoza 750 mL	7837
King Estate Pinot Gris Willamette Valley 375 mL	9968
Rutherford Ranch Merlot Napa Valley 750 mL	8255
Sofia Riesling Monterey County 750 mL	2519
<u>Charles Jacquin ET CIE Inc</u>	
Pravda Espresso Vodka 80 Proof 750 mL	1561
Pravda Vodka 80 Proof 750 mL	7156
<u>Constellation Wines US</u>	
Ravage Cabernet Sauvignon 750 mL	2034
Rosatello Moscato 750 mL	7388
Rosatello Rose 750 mL	7390
Rosatello Rosso 750 mL	7391
Woodbridge by Robert Mondavi White Zinfandel 4x187 mL	4193
<u>Deluxe Imports LLC</u>	
Leadslingers Rye Whiskey 90 Proof 750 mL	98012
<u>Diageo Americas Inc</u>	
Baileys Chocolate Cherry Irish Cream 34 Proof 750 mL	8308
Captain Morgan Cannon Blast Rum 70 Proof 750 mL	9917
Captain Morgan Loco Nut 40 Proof 750 mL	2025
<u>Jim Beam Brands Co</u>	
Calico Jack Coconut Rum 42 Proof 750 mL	9568
Courvoisier Cognac VSOP 80 Proof 200 mL	1072
Dekuyper Amaretto Liqueur 40 Proof 1 L	5337
Effen Yuzu Citrus Vodka 75 Proof 750 mL	35109
Gilbey's London Dry Gin 80 Proof 750 mL	5297
Hornitos Plata Tequila Silver 80 Proof 200 mL	1073
Hornitos Tequila Reposado 80 Proof 200 mL	1077
Jim Beam Apple Whiskey 65 Proof 375 mL	1316
Pinnacle Grape Vodka 70 Proof 750 mL	5071
Salignac Cognac VS 80 Proof 200 mL	1080
Sauza Blue Tequila Reposado 80 Proof 750 mL	2548
Sauza Blue Tequila Silver 80 Proof 750 mL	4942

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Luxco Inc

Wolfschmidt Vodka 80 Proof 1.75 L 5556

North Wales Wines

Barefoot Malbec 1.5 L 7109

Carlo Rossi Chablis 1.5 L 8192

Copper Ridge White Zinfandel 1.5 L 6249

Fairbanks Dry Sherry 1.5 L 4634

Fairbanks Port 1.5 L 4870

Fairbanks Port 3 L 4871

Gallo Livingston Red Rose 3 L 7621

Turning Leaf Pinot Grigio 1.5 L 5674

Palm Bay Imports Inc

Rocca delle Macie Moonlite White 750 mL 7399

Settesoli Seven Suns Chardonnay 750 mL 5415

Pio Imports LLC

Elmo Pio Moscato Pink Sparkling 750 mL 4431

Stoli Group USA LLC

Stolichnaya Stoli Crushed Strawberry Vodka 60 Proof 750 mL 98093

Stolichnaya Stoli Lime Vodka 75 Proof 750 mL 35108

Southern Glazers Wine and Spirits of PA

14 Hands Hot to Trot White Blend 750 mL 7790

14 Hands Run Wild Juicy Red Blend 750 mL 2507

Baron Herzog Chenin Blanc 750 mL 2524

Frangelico Hazelnut Liqueur 40 Proof 375 mL 5739

Grand Marnier Cordon Rouge 80 Proof 200 mL 1087

Jeunesse Chardonnay Semi Sweet 750 mL 2249

Ole Smoky White Lightnin' Moonshine 100 Proof 750 mL 2534

Snoqualmie Winemaker's Select Riesling Columbia Valley
750 mL 7242

Wild Turkey Straight Rye Whiskey 81 Proof 750 mL 8740

Treasury Wine Estates

Sterling Vineyards Sauvignon Blanc Napa Valley 750 mL 5456

EFFECTIVE DATE: The transference to closeout will become effective January 15, 2021

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

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

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>October 31, 2020</u>	<u>October 31, 2019*</u>
ASSETS		
Current assets:		
Cash	\$ 52,779,962	\$ 37,181,953
Investments - short term	291,956,380	321,551,587
Accounts and claims receivable, net	7,659,171	2,424,365
Due from other funds - Note 9	-	-
Merchandise inventories, net	244,755,434	287,017,660
Operating supplies	571,903	277,746
Prepaid expenses	<u>2,216,078</u>	<u>1,868,869</u>
Total current assets	<u>599,938,928</u>	<u>650,322,180</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	20,875,220	20,875,220
Leasehold improvements	197,771	341,826
Machinery and equipment	49,511,484	48,765,030
Intangible - internally generated software	23,009,213	22,577,775
Intangible - right to use leases - Note 10	<u>280,940,299</u>	<u>301,720,057</u>
Less: accumulated depreciation	<u>83,964,426</u>	<u>80,581,063</u>
Net depreciable capital assets	<u>290,569,561</u>	<u>313,698,845</u>
Total non-current capital assets	<u>290,892,534</u>	<u>314,021,818</u>
Total assets	<u>\$ 890,831,462</u>	<u>\$ 964,343,998</u>
Total deferred outflows of resources - Notes 5, 6	\$ 135,678,069	\$ 162,440,631
LIABILITIES		
Current liabilities:		
Trade accounts payable	\$ 330,594,450	\$ 331,850,761
Other accounts payable	19,940,489	28,856,263
Accrued expenses	17,256,606	25,194,355
OPEB - Note 6	18,874,000	8,994,000
Self-insurance, workers' compensation - Note 7	7,595,210	7,193,938
Due to other funds - Note 9	7,268,453	6,079,949
Due to fiduciary funds - Note 9	2,049,993	3,823,600
Due to other governments - Note 9	492,425	1,021,882
Right to use liabilities - Note 10	<u>38,182,463</u>	<u>49,279,874</u>
Total current liabilities	<u>442,254,089</u>	<u>462,294,622</u>
Non-current liabilities:		
OPEB - Note 6	438,083,000	536,833,000
Self-insurance, workers' compensation - Note 7	47,995,269	48,841,124
Net pension liability - Note 5	470,152,920	543,091,336
Compensated absences - Note 1	24,809,043	21,598,132
Right to use liabilities - Note 10	<u>225,876,075</u>	<u>236,607,309</u>
Total non-current liabilities	<u>1,206,916,307</u>	<u>1,386,970,901</u>
Total liabilities	<u>\$ 1,649,170,396</u>	<u>\$ 1,849,265,523</u>
Total deferred inflows of resources - Notes 5, 6	\$ 380,992,338	\$ 316,384,836
NET POSITION		
Net investment in capital assets	\$ 290,892,534	\$ 314,021,818
Deficit	<u>(1,294,545,737)</u>	<u>(1,352,887,548)</u>
Total net position	<u>\$ (1,003,653,203)</u>	<u>\$ (1,038,865,730)</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 October 31, 2020 and October 31, 2019
(Unaudited)

	<u>2020-21</u>	<u>2019-20*</u>
Sales net of taxes	\$ 196,067,300	\$ 180,472,812
Cost of goods sold	<u>(133,147,112)</u>	<u>(124,893,574)</u>
Gross profit from sales	62,920,188	55,579,238
Operating (expenses):		
Retail operations	(31,003,417)	(30,395,537)
Marketing & merchandising	(996,366)	726,983
Supply chain	(737,015)	(890,811)
Wholesale operations	(131,304)	(170,845)
Information technology services	(2,673,604)	(1,904,909)
Regulatory affairs	(1,494,499)	(1,467,791)
Administration	(827,828)	(1,070,666)
Finance	(206,164)	(288,157)
Board & secretary	(192,180)	(300,906)
Legal	(271,210)	(324,047)
Commonwealth provided services - Note 2	<u>(2,035,460)</u>	<u>(1,078,903)</u>
Total	<u>(40,569,047)</u>	<u>(37,165,589)</u>
Operating profit/(loss)	22,351,141	18,413,649
Other operating revenues (expenses):		
Enforcement fines	198,199	153,834
License fees	2,476,767	2,896,056
Miscellaneous income	225,449	255,129
Administrative law judge	<u>(229,318)</u>	<u>(249,529)</u>
Total	<u>2,671,097</u>	<u>3,055,490</u>
Total operating income/(loss)	25,022,238	21,469,139
Miscellaneous revenues (expenses):		
Interest income (expense)	(325,489)	100,241
Other	<u>-</u>	<u>-</u>
Total	<u>(325,489)</u>	<u>100,241</u>
Income/(Loss) before operating transfers	24,696,749	21,569,380
Operating transfers out:		
PSP enforcement - Note 3	(3,531,897) <u>(3,531,897)</u>	(2,318,502) <u>(2,318,502)</u>
Net Income/(Loss) from operations	21,164,852	19,250,878
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	21,164,852	19,250,878
Total net position - beginning	<u>(1,024,818,055)</u>	<u>(1,058,116,608)</u>
Total net position - ending	<u>\$ (1,003,653,203)</u>	<u>\$ (1,038,865,730)</u>
Liquor tax	35,027,115	32,400,528
State Sales Tax	13,798,886	12,744,292
Local Tax	821,631	856,031
Taxes remitted to Dept. of Revenue PTD	<u>\$ 49,647,632</u>	<u>\$ 46,000,851</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 Four Months Ending October 31, 2020 and October 31, 2019
(Unaudited)

	<u>2020-21</u>	<u>2019-20*</u>
Sales net of taxes	\$ 733,336,785	\$ 693,525,193
Cost of goods sold	<u>(495,937,917)</u>	<u>(474,388,980)</u>
Gross profit from sales	237,398,868	219,136,213
Operating (expenses):		
Retail operations	(121,829,344)	(121,834,232)
Marketing & merchandising	(3,668,406)	(3,027,949)
Supply chain	(2,902,986)	(2,756,875)
Wholesale operations	(524,461)	(551,011)
Information technology services	(8,859,789)	(9,492,081)
Regulatory affairs	(5,777,105)	(6,293,770)
Administration	(3,154,677)	(4,015,723)
Finance	(1,019,765)	(1,185,662)
Board & secretary	(903,491)	(1,158,249)
Legal	(1,177,535)	(1,222,343)
Commonwealth provided services - Note 2	<u>(5,466,222)</u>	<u>(4,653,080)</u>
Total	<u>(155,283,781)</u>	<u>(156,190,975)</u>
Operating profit/(loss)	82,115,087	62,945,238
Other operating revenues (expenses):		
Enforcement fines	472,284	611,663
License fees	11,298,402	11,891,709
Miscellaneous income	729,932	973,733
Administrative law judge	<u>(879,960)</u>	<u>(975,477)</u>
Total	<u>11,620,658</u>	<u>12,501,628</u>
Total operating income/(loss)	93,735,745	75,446,866
Miscellaneous revenues (expenses):		
Interest income (expense)	(1,276,809)	426,213
Other	<u>-</u>	<u>-</u>
Total	<u>(1,276,809)</u>	<u>426,213</u>
Income/(Loss) before operating transfers	92,458,936	75,873,079
Operating transfers out:		
PSP enforcement - Note 3	(10,362,682)	(9,552,113)
Net Income/(Loss) from operations	<u>82,096,254</u>	<u>66,320,966</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	82,096,254	66,320,966
Total net position - beginning	<u>(1,085,749,457)</u>	<u>(1,105,186,696)</u>
Total net position - ending	<u>\$ (1,003,653,203)</u>	<u>\$ (1,038,865,730)</u>
Liquor tax	131,456,754	124,238,621
State Sales Tax	51,871,184	48,876,077
Local Tax	3,019,537	3,158,512
Taxes remitted to Dept.of Revenue YTD	<u>\$ 186,347,475</u>	<u>\$ 176,273,210</u>

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OTHER ISSUES

None

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

The teleconference moderator confirmed that there were no callers with comments.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, January 13, 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