

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

WEDNESDAY, JUNE 24, 2020
TELEPHONE CONFERENCE MEETING

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](#)

Notice: Anyone who wishes to comment on a printed agenda item prior to official action being taken must make that known to the Chairman or the Board Secretary in advance.

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 cooperation and understanding as the PLCB is dealing with COVID-19 and the need to meet in this telephonic fashion. Chairman Holden stated that there is some good news in that COVID-19 cases within the Commonwealth are declining; however, we still face a very serious health crisis. As of today, approximately 82,000 Pennsylvanians have been infected and sadly, approximately 5,500 have passed away.

OLD BUSINESS..... *Secretary Stark*

A. Motion to approve previous Board Meeting Minutes of the June 3, 2020 meeting.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

B. Announcement by the Chairman for Ratification of a Board Action.

The following Board Action approved on June 12, 2020 was decided by Notational Voting after the adjournment of the Board's last public meeting on June 3, 2020.

Chairman Holden, Member Negra and Member Isenhour agreed (3-0 vote) to approve a procurement of 100 laptops and accompanying devices from CDW Government, Inc. a Commonwealth approved provider for \$208,391.00.

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

PUBLIC COMMENT ON AGENDA ITEMS

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

Ms. Justine Trucksuss, Executive Director of Main Street Hanover, commented that the economic development license applications before the Board are incredibly critical to the economic development within the Hanover community. Ms. Trucksuss stated that she has been in her current position for approximately five years and this is the first time she had seen economic development license applications supported by the community. The City of Hanover recognized that restaurants with full liquor licenses would benefit the community greatly; therefore, the City of Hanover decided to work with Main Street Hanover, which has been recognized by the Department of Community and Economic Development. Having the economic development licenses approved is critical to continue the efforts that the City of Hanover had put in place regarding the redevelopment of buildings and the opening of restaurants. Ms. Trucksuss stated that the City of Hanover supported both applications and that it would like to see the PLCB approve the economic development licenses.

Chairman Holden thanked Ms. Trucksuss for her comments and stated that her comments, along with several pieces of correspondence the Board received prior to the meeting, would be taken into consideration.

Ms. Patty Smith questioned why the Board approved the procurement of 100 laptops after the previous Board Meeting adjourned and the public was dismissed. Ms. Smith further inquired why this procurement action was not held and voted on during today's meeting.

Chairman Holden responded that the Board voted on this procurement action before today's Board Meeting due to the destruction and vandalism the PLCB sustained in Philadelphia during the demonstrations. Emergency equipment was needed as quickly as possible to replace the damaged laptops, in addition to getting employees back to work.

Mr. Charlie Mooney, Executive Director, confirmed that Chairman Holden was correct in his response. As the counties moved from red to yellow and green, more stores had subsequently been opened after the last public meeting. In addition, the PLCB had to replace employee laptops that were damaged during the demonstrations in Philadelphia and procure laptops for additional support staff to begin teleworking. The increase in the need for telework by support staff is due to the reopening of stores in the green phase and not being able to allow these employees to report back to the Capital Complex. Therefore, the PLCB held a notational emergency procurement via a contract for 100 laptops before today's Board Meeting.

Mr. Richard Krill, representing KMW Hanover, LLC, stated that the Board had two upcoming decisions regarding two separate economic development license applications for the city of Hanover, York County. The economic development license was enacted by legislation for the exact purpose that is being looked at for the city of Hanover. Mr. Krill stated that he cannot remember one independent restaurant with a restaurant license that opened in Hanover Borough within the last 20 years. Mr. Krill stated that, during the city of Hanover's application process, liquor licenses in York County were being offered for up to \$450,000, with the average going price of over \$400,000. Mr. Krill questioned how an independent restaurateur can start a new business when it would need to spend close to half a million dollars in order to have the ability to serve alcohol at the business.

Mr. Krill opined that, currently in York County, the only businesses who can afford a restaurant license are wealthy restaurant chains and large convenience and grocery store operators. He stated that the City of Hanover is the poster child for what the economic development license program was designed for: a town looking to spur economic development. The proposed economic development would include restaurants,

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

and since the restaurant license price is out of reach for nearly every independent operator, the economic development license program is a perfect fit and is designed for what the City of Hanover is looking to do.

Mr. Krill asked the Board to take into consideration what the economic development license program was designed for. In addition, Mr. Krill asked the Board to consider how the City of Hanover and the applicants met all the criteria: small, independent businesses looking to start new businesses; the intention to hire and employ new people; and involvement in community redevelopment and revitalization. Mr. Krill thanked the Board for their time and consideration.

Chairman Holden thanked Mr. Krill and stated that his comments would be taken into consideration.

Board Member Isenhour stated that she appreciated the offered comments prior to the Board’s vote.

Attorney Christian Miller, representing Ilyes Holding A, LLC, stated that Ilyes Holding is one of the two applicants for the economic development license in the city of Hanover. Attorney Miller stated that he and his client support the other applicant and stated that both licenses are vitally important and are needed for the revitalization of the Hanover area. Attorney Miller stated that Ilyes Holding had met all of the guidelines that the PLCB had outlined in Advisory Notice No. 20: contacted at least 50 percent of all existing license holders; contacted all license holders in safekeeping; established economic feasibility; and showed the economic benefits to the Hanover Borough and the surrounding area. Attorney Miller stated that economic development projects are vital and are needed now more than ever, considering the current pandemic situation.

Attorney Miller opined that big corporations like Giant, Sheetz, and Rutter’s can easily afford a restaurant license for half a million dollars; however, small business restaurants should remain the backbone of the restaurant liquor licenses. It is incredibly difficult, if not impossible, for small business to compete with big business, especially considering the downsizing that is going on in the restaurant and hospitality industry in general. In the past, an economic development license had been very hard to get approved. Attorney Miller stated that if there are two requests that meet every aspect of what an economic development license stands for, it is the two before the Board today. Attorney Miller asked if the Board had any questions regarding the two economic development license requests.

Chairman Holden stated that Attorney Miller’s comments would be taken into consideration and if the Board had any questions, the Board would ask them during the agenda item.

NEW BUSINESS

From the Office of Chief CounselRodrigo Diaz, Chief Counsel

None

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

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

- (1) **BoGo Beer, LLC** Double Transfer & Request for
R-953 (LID No. 97398) Case No. 20-9009 Dual Employment - Restaurant
5701-03 Germantown Avenue
Philadelphia, Philadelphia County

Board Member Negra stated that this request was problematic due to the location being near a church and a day care center. In addition, there are other licensees within close proximity. Board Member Negra made a motion to refuse the license, which would make the request for dual employment a moot point.

Board Member Isenhour noted her particular concern regarding the close proximity to a day care center.

Chairman Holden asked if there was anyone on the line representing BoGo Beer, LLC.

The teleconference moderator confirmed that there were no callers.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to refuse the double transfer and request for dual employment.

- (2) **ALW921 Enterprises, LLC** Stipulation - Restaurant
R-953 (LID No. 82374)
7356-7358 Frankford Avenue
Philadelphia, Philadelphia County
Citation Nos. 15-1630, 15-1970, 16-0505

Board Member Negra initially made a motion to refuse the transfer, noting that this action is related to the BoGo Beer, LLC double transfer application that the Board had just voted to refuse. As such, he noted that the Stipulation is moot. Board Member Isenhour initially seconded this motion to refuse the transfer. Chairman Holden asked if there was anyone on the line representing ALW921 Enterprises and the teleconference moderator confirmed there were no callers. Chairman Holden concurred with the motion to refuse.

Chief Counsel Rodrigo Diaz then advised the Board that the issue before the Board was the rejection of the stipulation since the double transfer of the associated license had already been rejected by the previous motion. Board Member Negra then made an amended motion to reject the Stipulation.

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 reject the stipulation.

- (3) **Hello Pizza, LLC** Double Transfer & Request for Interior Connections with Another Business - Restaurant
R-3784 (LID No. 97023) Case No. 19-9103
310 West Master Street, Unit 101
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the double transfer and request for interior connections with another business.

- (4) **Ilyes Holdings A, LLC** New – Economic Development Restaurant
t/a McAllister Hotel
(LID No. 100551) Case No. 20-9003
11-17 York Street
Hanover, York County

Board Member Negra stated that all the comments and correspondence received regarding this economic development license were appreciated.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the new economic development restaurant license.

- (5) **KMW Hanover, LLC** New – Economic Development Restaurant
(LID No. 99995) Case No. 20-9008
40 Broadway
Hanover, York County

Board Member Negra stated that all the comments regarding the economic development license that has been applied for were appreciated. Board Member Isenhour concurred, noting her appreciation of all the support from the community.

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

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the new economic development restaurant license.

- (6) **La Fournio, Inc.** Renewal - Restaurant
R-4437 (LID No. 52340) Case No. 19-9070
636 South Street
Philadelphia, Philadelphia County

Ms. Tisha Albert, Director of Regulatory Affairs, stated that this was an application for a renewal of license in Philadelphia County for the licensing period effective November 1, 2018. At the time of renewal, a licensee must receive tax clearances from the Departments of Revenue and Labor and Industry. This licensee had not received clearance from the Department of Revenue. An administrative hearing was held and at this time the taxes are still not cleared. This request for renewal is being presented to the Board for decision, and since having a tax clearance is a requirement, this license renewal must be refused. The licensee would have an opportunity to file an appeal with the Court of Common Pleas.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Chairman Holden asked if there was anyone on the line representing La Fournio, Inc.

The teleconference moderator confirmed that there were no callers.

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

- (7) **900 Diamond, Inc.** Conditional Licensing Agreement
R-8250 (LID No. 61837) Case No. 2018-61837
901-903 West Diamond Street
Philadelphia, Philadelphia County
Renewal – District 10
HOLD – 2/26/20 SESSION

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

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

- (8) **944 Penn Street, Inc.** Renewal – District 3
R-9538 (LID No. 53061) Case No. 2017-53061
944 Penn Street
Reading, Berks County
- Motion Made: Board Member Negra
Seconded: Board Member Isenhour
- Board Decision: Unanimously agreed (3-0 vote) to hold for an amended conditional licensing agreement and offer-in-compromise terms.
-
- (9) **5600 Lansdowne, Inc.** Renewal – District 10
R-4271 (LID No. 69702) Case No. 2018-69702
5600 Lansdowne Avenue
Philadelphia, Philadelphia County
- Motion Made: Board Member Negra
Seconded: Board Member Isenhour
- Board Decision: Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement and offer-in-compromise terms.
-
- (10) **DBK 88, Inc.** Renewal – District 10
R-1850 (LID No. 70108) Case No. 2018-70108
5819 Rising Sun Avenue
Philadelphia, Philadelphia County
- Motion Made: Board Member Negra
Seconded: Board Member Isenhour
- Board Decision: Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement and offer-in-compromise terms.
-
- (11) **SR, Inc.** Conditional Licensing Agreement
t/a Fundaze Back Bar Renewal – District 5
R-2912 (LID No. 72245) Case No. 2019-72245
2550 Brownsville Road
South Park Township
South Park, Allegheny County
- HOLD – 2/26/20 SESSION**

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

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(12) Shooters Grill & Bar, LLC Renewal – District 7
R-7202 (LID No. 65854) Case No. 2019-65854
14 North Main Street
Port Allegany, McKean County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement and offer-in-compromise terms.

(13) Trompeta’s Bar & Grill, LLC Conditional Licensing Agreement
R-6671 (LID No. 72522) Case No. 2018-72522
457-459 East Wyoming Avenue
Philadelphia, Philadelphia County
Renewal – District 10

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*

There were 11 Personnel Actions submitted for consideration.

- (1) Tia Allen - Removal**
- (2) Brent Baker - Removal**
- (3) Diane Barnard - Removal**

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

- (4) **Robert Barr – Affirm Removal**
- (5) **Mark Caminite – Affirm Removal**
- (6) **Lodema Frazer – Affirm Removal**
- (7) **Myles Gavin – Affirm Removal**
- (8) **Brenca Haugland - Removal**
- (9) **Tamia Johnson – Removal**
- (10) **Nathaniel Ramos – Affirm Removal**
- (11) **Courtney Valle – Affirm Removal**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the 11 personnel actions.

*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:

- (1) **Comprehensive Security Service** – Provide comprehensive security services that includes the following: an integrated security system; year-round, 24-hour centrally located monitoring; all necessary equipment, including a video management system, video archiving, cameras, sensors, and alarm system; and all installation and maintenance required for the same services in each of the PLCB’s Fine Wine & Good Spirits store locations and other PLCB facilities located throughout Pennsylvania.

Procured via Invitation for Bid #260347 – VENDOR: **Security Resources** – TERM: Five years – **\$13,452,836.48 estimated cost.** Two other bids were received: WSS Integrated Technologies - \$33,698,299.65 and Prosecur Security USA, Inc. - \$66,938,100.00.

Mr. Michael Demko, Director of Finance, stated that this procurement is for security which includes cameras, 24-hour monitoring, and centrally located monitoring equipment. This procurement is for a 5-year agreement. The PLCB requested proposals and subsequently is awarding the contract to the lowest bidder, Security Resources, for a cost of \$13,452,836.48. This contract also ties into PLCB’s agreement with PNC Bank for Smart Safes. This contract will allow full coverage video and a 24-hour alarm system in all wine and spirits stores.

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

Board Member Negra asked if this contract will also increase the mobile viewing capacity.

Mr. Demko confirmed that Board Member Negra was correct. This contract covers all aspects of the PLCB stores: inside the store, outside the store, front and back, in addition to the back storage rooms.

- (2) **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.

Procured via DGS Contract #4400014660 – VENDOR: **OST, Inc.** – TERM: Six months for the period 7/1/2020 through 12/31/2020 - **\$60,078.60 estimated cost.**

- (3) **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: Six months for the period 7/1/2020 through 12/31/2020 - **\$91,358.58 estimated cost.**

Mr. Dee Mayer, Acting Chief Information Officer (CIO), stated that both the second and third procurement actions are for individuals that work in the PLCB database department. These individuals provide essential functions with regard to monitoring and updating the PLCB database systems. Due to staff turnover, the PLCB does not have the required experience in-house to support these systems, which is why staff augmentation is necessary.

- (4) **Senior Business Subject Matter Expert Staff Augmentation** – Provide IBM WebSphere Commerce development expertise to analyze, build out, and migrate the WebSphere Commerce environments in the Azure Cloud. This support position will also analyze, design and develop any WebSphere API integration points with the Adobe Experience manager front end, our back-end Oracle Store Inventory Management, EBS, RMS, and other integrations/modifications as needed for the implementation of the new FWGS site.

Procured via DGS Contract #4400014660 – VENDOR: **OST, Inc.** – TERM: Six months for the period 7/1/2020 through 12/31/2020 – **\$105,185.00 estimated cost.**

- (5) **Senior Business Subject Matter Expert Staff Augmentation** – Provide IBM WebSphere Architect experience to analyze, design and develop any WebSphere API integration points with the Adobe Experience Manager front-end, our back-end Oracle Store Inventory Management, EBS and RMS and other integrations/modification as needed for the implementation of the new FWGS site. This person will work closely with the Solution Architect to build these integrations and perform some WebSphere Architect analysis and design type work as needed.

Procured via DGS Contract #4400014660 – VENDOR: **OST, Inc.** – TERM: Three months for the period 7/1/2020 through 9/30/2020 – **\$81,854.00 estimated cost.**

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

Mr. Dee Mayer, Acting CIO, stated that the fourth and fifth procurement actions are for staff augmentation for WebSphere Commerce. These individuals are working on the PLCB's new eCommerce site in addition to supplementing PLCB staff in-house. Currently, these two individuals have extensive knowledge in WebSphere, which is not available with any employees that the PLCB can hire through the state's process. He explained that it is thus necessary to go outside to get the expertise needed to complete this project.

- (6) **Hearing Examiner Services** – Represent the Board in the capacity of a Hearing Examiner for administrative hearings conducted in the Commonwealth of Pennsylvania regarding matters which the Board shall adjudicate as required by law.

Procured via PO 63019167 Option Year – **VENDOR: Richard M. Rosenbleeth, Esquire** – **TERM:** One year for period 7/18/2020 through 7/17/2021 – **\$75,000.00 estimated cost.**

Chief Counsel Rodrigo Diaz stated that this is a contract for hearing examiner services. By statute, PLCB administrative hearings are heard before a hearing examiner appointed by the Governor. Once appointed, the PLCB can then enter into a contract with the hearing examiner, of which there are currently five on contract. This particular contract is for a hearing examiner in Philadelphia. This contract has the same terms as the previous contract, and this hearing examiner had been under earlier contracts for several years now.

- (7) **Ingenico iSC250 PIN Pads with Stands** – These pin pads with stands will go with the new registers to replace those damaged during protests and additional registers for the holiday season and the opening of new stores.

Procured via DGS Contract #4400016084 – **VENDOR: First Data Merchant Services LLC** - **\$75,250.00 estimated cost.**

Mr. Dee Mayer, Acting CIO, stated that this contract is necessary due to the damage that occurred during the protests in Philadelphia and the surrounding area. This contract also includes procuring additional registers and pin pads for the holiday season.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

Inter-Agency Charges:

- (1) **Department of Auditor General** – FY 2019-20 fourth quarter's billing of \$632,585.09 from the Department of the Auditor General. This brings the Auditor General's charges for FY 2019-20 to \$2,856,319.35 for a total year-to-date decrease of \$32,205.66 or -2.3% lower than last year.

Mr. Michael Demko, Director of Finance, stated that this procurement is from the Department of Auditor General. It is the fourth quarter billing estimated in the amount of \$632,585.09. The PLCB received this billing prior to the year's end and the billing will be trued-up in future months when the actual amount is known.

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

- (2) **Bureau of Commonwealth Payroll Operations (BCPO) Billing (Job 30)** – This billing is for \$250,207.86 for the PLCB’s share of costs for payroll and travel services for FY 2019-20. The PLCB’s total charge decreased by \$98,848.70 (-28.3%) from last year’s billing of \$346,057 due to decreased PLCB transaction counts and BCPO’s billable costs dropping by 6.3%.

Mr. Michael Demko, Director of Finance, stated that this procurement is for payroll services, which includes SAP and the PLCB’s travel services. The amount of \$250,207.86 is for the period of one year, 2019 through 2020, and is a decrease of around \$99,000 from the previous billing period.

- (3) **Department of General Services (DGS) Procurement Services (Job 917)** – Estimated billing of \$268,045.86 for FY 2019-20 to reimburse DGS for procurement service costs. The PLCB’s billing is \$9,295.12 (-3.3%) lower than last year’s billing of \$277,340.98.

Mr. Michael Demko, Director of Finance, stated that this procurement is for an annual reimbursement to the Department of General Services, in the estimated amount of \$268,045.86. This is for the reimbursement of procurement services and is a decrease of approximately \$9,000.00 from the previous billing period.

- (4) **Office of Administration – Electronic Onboarding Project** - Reimbursement of \$61,050 to Office of Administration for a change request to create a PLCB version of the Commonwealth’s “electronic onboarding” portal.

Mr. Michael Demko, Director of Finance, stated that this procurement is for a project for the PLCB’s Office of Administration in the amount of \$61,050. This project is for electronic onboarding that is currently being worked on and will be implemented in the future.

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 Inter-Agency Charges.

From the Office of Retail Operations..... Carl Jolly, Director of Retail Operations

- 1. **#4023---801 Wyoming Ave, West Pittston, PA 18643
Amendment**
- 2. **#4201---38 Davis Street, Bradford, PA 16701
Amendment**

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

- 3. **#4503---1152 Route 390, Cresco, PA 18326
Amendment**
- 4. **#4803---2375 Blue Valley Drive, Pen Argyl, PA 18072
Amendment**
- 5. **#5403---141 Railroad Street, Tamaqua, PA 18252
Amendment**
- 6. **#54XX--210 Cedar Street, Tamaqua, PA 18252
New Lease**

Motion Made: Board Member Negra
 Seconded: Board Member Isenhour

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

*From the Bureau of Product SelectionDale Horst, Director of Marketing & Merchandising
 Tom Bowman, Director, Bureau of Product Selection*

VENDOR – ITEM NAME

BOARD ACTION REQUESTED

Various
 Various

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

1. Regular New Items Accepted

BRAND NAME AND SIZE

REASON

Capital Wine and Spirits

Skrewball Peanut Butter Flavored Whiskey 70 Proof 1 L 18

Jean Claude Boisset Wines USA Inc

Golden Gate Cellars Alexander Valley Cabernet Sauvignon 750 mL 18

Golden Gate Cellars California Cabernet Sauvignon 750 mL 18

Golden Gate Cellars California Chardonnay 750 mL 18

Golden Gate Cellars Carneros Chardonnay 750 mL 18

Golden Gate Cellars Rutherford Cabernet Sauvignon 750 mL 18

Golden Gate Cellars Sonoma Coast Chardonnay 750 mL 18

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

The Wine Merchant LTD

The Path Cabernet Sauvignon California 750 mL	18
The Path Chardonnay California 750 mL	18
The Path Merlot California 750 mL	18
The Path Pinot Noir California 750 mL	18
The Path Rose California 750 mL	18

Southern Glazers Wine and Spirits of PA

Mateus Dry Rose 750 mL	3, 10, 19
------------------------	-----------

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

2. Regular Recommended Delist

BRAND NAME AND SIZE

CODE

Bacardi USA Inc

Bacardi Limon Rum 70 Proof 200 mL	4283
Craigellachie Speyside Single Malt Scotch 13 Year Old 92 Proof 750 mL	2433
Dom Benedictine B and B Liqueur 80 Proof 375 mL	4486
Grey Goose L'Orange Vodka 80 Proof 375 mL	2116

Brown Forman Corp

El Jimador Tequila Anejo 80 Proof 750 mL	5453
--	------

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

Cape Classics Inc

Jam Jar Sweet White 750 mL 8826

Capital Wine and Spirits

Fat Bastard Chardonnay 1.5 L 9746

Georges Duboeuf Macon Villages 750 mL 5553

Riunite Sangria 750 mL 4250

UV Vodka Pet 80 Proof 1.75 L 7297

Zonin Rose 187 mL 2391

CBL Wine Company LLC

Chronic Cellars Suite Petite 750 mL 2210

Constellation Wines U S

Charles Smith Eve Chardonnay 750 mL 2212

Ravens Wood Vintners Blend Zinfandel 1.5 L 3178

Rex Goliath Merlot 1.5 L 3254

Rex Goliath Pinot Noir 750 mL 9876

Toasted Head Cabernet Sauvignon Barrel Aged 750 mL 5461

Wild Horse Pinot Noir Central Coast 750 mL 7215

Cooper Spirits Intl

Creme Yvette Liqueur 56 Proof 750 mL 30980

DAndrea W L Imports

Castle Rock Pinot Noir Mendocino County 750 mL 6312

Rare Black Blend Red Wine 750 mL 2215

Rare Red Blend 750 mL 2216

Diageo Americas Inc

Baileys Almande Almondmilk Irish Cream Liqueur 26 Proof 750 mL 2024

Baileys Vanilla Cinnamon Irish Cream Liqueur 34 Proof 750 mL 7394

Captain Morgan Pineapple Rum 70 Proof 750 mL 8905

Gordon's London Dry Gin PET 80 Proof 200 mL 4340

Seagram's 7 Crown Blended Whiskey 80 Proof 200 mL 4200

Smirnoff Green Apple Vodka 70 Proof 1.75 L 6585

Dreyfus Ashby Inc

Joseph Drouhin Beaujolais Villages 750 mL 5878

The Edrington Group USA LLC

Highland Park Magnus Single Malt Scotch 80 Proof 750 mL 2217

Fetzer Vineyards

Concha y Toro Frontera Chardonnay 750 mL 6962

Trivento Amado Sur Malbec Mendoza 750 mL 4687

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

Heaven Hill Distilleries Inc

Admiral Nelson's Spiced Rum 101 Proof 1 L	8722
Burnett's Orange Vodka 70 Proof 750 mL	4853
Burnett's Pink Lemonade Vodka 70 Proof 750 mL	8692
Burnett's Vanilla Vodka 70 Proof 750 mL	8678
Christian Brothers Apple Brandy 70 Proof 375 mL	2221

Jim Beam Brands Co

Canadian Club Canadian Whisky 80 Proof PET 750 mL	9323
Effen Cucumber Vodka 75 Proof 750 mL	2204
Pinnacle Strawberry Kiwi Vodka 60 Proof 750 mL	5081
Sauza Margarita Mix 1.75 L	30160

Kobrand Corp

Domaine Carneros Pinot Noir Carneros 750 mL	3238
---	------

Majestic W S USA Inc

Akhasheni Semi Sweet Red 750 mL	8032
Hahn Chardonnay Monterey County 750 mL	7623
J W Morris Chardonnay 1.5 L	7638
Negroni Cocktail 48 Proof 1 L	2554
Nicolas Pinot Noir 750 mL	2235
Santa Margherita Prosecco Superiore 750 mL	5268
Schladerer Williams Birne Pear Brandy 80 Proof 750 mL	30942
Villa Pozzi Cabernet Sauvignon Sicily 750 mL	3195

MHW LTD

Catoctin Creek Roundstone Rye Whisky Loudoun County Virginia Organic 80 Proof 750 mL	34140
--	-------

Midnight Madness Distilling LLC

Faber Cherry Vodka 70 Proof 750 mL	2240
Faber Chocolate Vodka 70 Proof 750 mL	1347
Faber Grape Vodka 70 Proof 750 mL	2241
Faber Pomegranate Vodka 70 Proof 750 mL	1344
Faber Rum 80 Proof 750 mL	1350

North Wales Wines

Ecco Domani Merlot 750 mL	8657
Edna Valley Chardonnay Central Coast 750 mL	16215
Gallo Family Vineyards Chardonnay 1.5 L	4845
Gallo Family Vineyards Moscato 1.5 L	4831
Gallo Family Vineyards Pink Moscato 1.5 L	6002
Gallo Family Vineyards White Zinfandel 1.5 L	4675
Ghost Pines Pinot Noir 750 mL	9490
Las Rocas Garnacha 750 mL	3404
Mirassou Moscato 750 mL	6005
New Amsterdam Coconut Vodka 70 Proof 375 mL	8491
Shackleton Blended Malt Scotch 80 Proof 750 mL	2245
Turning Leaf Merlot 750 mL	8518

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

Turning Leaf Pinot Grigio 750 mL	4226
Turning Leaf Pinot Noir 1.5 L	8367
Vin Vault Pinot Noir 3 L	8763
<u>Paterno Imports LTD</u>	
Bain's Cape Mountain Whisky 43 Proof 750 mL	1519
Loveblock Pinot Gris Marlborough 750 mL	2532
<u>Pernod Ricard USA</u>	
Brancott Estate Pinot Noir Marlborough 750 mL	4045
<u>Pio Imports LLC</u>	
Elmo Pio Prosecco Extra Dry 750 mL	7177
Vina Antigua Malbec 750 mL	7182
<u>Pip Imports</u>	
Gerberas Garnacha Rose 750 mL	2491
<u>Proximo Spirits Inc</u>	
Maestro Dobel Diamante Tequila 80 Proof 200 mL	1093
<u>Remy Cointreau USA Inc</u>	
Remy Martin V Brandy 80 Proof 750 mL	3612
<u>Sazerac Company Inc</u>	
Booth's London Dry Gin 90 Proof 1.75 L	5322
Scoresby Blended Scotch Very Rare 3 Year 80 Proof 1.75 L	8995
Seagram's Canadian Whisky VO Traveler 80 Proof 750 mL	8309
<u>Sazerac North America Inc</u>	
Chi Chi's Mango Margarita Cocktail 20 Proof 1.75 L	6997
<u>Serralles USA LLC</u>	
Don Q Anejo Rum 80 Proof 750 mL	98080
Don Q Coco Rum 42 Proof 750 mL	1274
<u>SMT Acquisitions LLC</u>	
Maison F E Trimbach Pinot Gris Alsace 750 mL	8494
<u>Southern Glazers Wine and Spirits of PA</u>	
14 Hands Stampede Bold Red Blend 750 mL	1505
6 Degree Tequila Reposado 80 Proof 750 mL	2071
Argyle Brut 750 mL	6784
Bartenura Vino Rosso Toscano 750 mL	2253
Clyde May's Bourbon 85 Proof 750 mL	31328
Colby Red 750 mL	1199
Crane Lake Malbec 750 mL	3222
CUMA Organic Malbec Argentina 750 mL	2050
Decada Tequila Silver 80 Proof 750 mL	1551
Entwine Cabernet Sauvignon 750 mL	2259

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

Entwine Pinot Grigio 750 mL	2260
Evans and Tate Smooth Operator Winemakers Red Blend Australia 750 mL	9264
Fat Cat Pinot Noir 750 mL	9375
Folonari Pinot Noir 1.5 L	7092
Gnarly Head Authentic Black Lodi 750 mL	9406
Heritages Cotes du Rhone Rouge 750 mL	8584
J Wray Gold Rum 80 Proof 750 mL	2105
Louis Roederer Brut Premier 750 mL	7557
Mateus Rose 1.5 L	6176
Melini Borghi d'Elsa Chianti 1.5 L	5822
Mouton Cadet Bordeaux Rose 750 mL	9016
RumChata Horchata Cream Mini Chatas 28 Proof 15x25 mL	1145
Santa Cristina Chianti Superiore 750 mL	3862
Stella Rosa L'Originale Platinum 750 mL	1617
Tim Smith's Climax Fire No 32 Moonshine 80 Proof 750 mL	1280
Tim Smith's Original Climax Moonshine 90 Proof 750 mL	7989
Villa Massa Limoncello 60 Proof 375 mL	7619
Wray and Nephew Overproof White Rum 126 Proof 200 mL	1085
XYZin Zinfandel Old Vine 750 mL	7659
 <u>Sutter Home Winery</u>	
Joel Gott Red Wine Columbia Valley 750 mL	1502
Pomelo Sauvignon Blanc 750 mL	2276
Sutter Home Sauvignon Blanc 750 mL	7627
 <u>The Wine Group Inc</u>	
Beso Del Sol White Sangria 3 L	1191
Big House Wine Co Chardonnay 3 L	5304
Big House Wine Co Prohibition Red 3 L	5308
Cupcake Vineyards Angel Food 750 mL	6173
Franzia Chillable Red 1.5 L	1574
Glen Ellen Merlot Reserve 1.5 L	7304
 <u>The Wine Merchant LTD</u>	
Moonstone Asian Pear Sake 750 mL	7065
The Loop Sauvignon Blanc Marlborough 750 mL	2044
 <u>Treasury Wine Estates</u>	
Beringer Main and Vine White Zinfandel Moscato 1.5 L	6159
Lindeman's Bin 90 Moscato 1.5 L	2278
Meridian Chardonnay 1.5 L	8229
 <u>Verity Wine Partners</u>	
Chateau Merlet Bordeaux Rouge 750 mL	3446
 <u>Vivino Selections</u>	
Santos Lima Lab Red Blend 750 mL	7909

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

W J Deutsch Sons LTD

Peter Lehmann Clancy's Barossa Red Blend 750 mL	9340
Yellow Tail Super Crisp Chardonnay 750 mL	3474

Western Spirits Beverage Co

Bird Dog Strawberry Whiskey 80 Proof 750 mL	2283
---	------

William Grant and Sons Inc

Sailor Jerry Spiced Rum 92 Proof 200 mL	1081
---	------

Winebow Inc

Tilia Malbec Mendoza 750 mL	7922
-----------------------------	------

EFFECTIVE DATE: The transference to closeout will become effective July 24, 2020

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>May 31, 2020</u>	<u>May 31, 2019</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 34,465,262	\$ 46,620,259
Investments - short term	123,817,381	213,482,449
Accounts and claims receivable, net	2,559,969	1,565,433
Due from other funds - Note 9	-	-
Merchandise inventories, net	232,300,628	254,338,477
Operating supplies	689,632	315,708
Prepaid expenses	960,382	285,089
	<hr/>	<hr/>
Total current assets	394,793,254	516,607,415
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	49,167,201	48,619,826
Intangibles - internally generated software	22,711,126	21,723,244
	<hr/>	<hr/>
Less: accumulated depreciation	64,774,488	63,080,796
Net depreciable capital assets	28,176,830	28,479,320
Total non-current capital assets	28,499,803	28,802,293
	<hr/>	<hr/>
Total assets	\$ 423,293,057	\$ 545,409,708
	<hr/>	<hr/>
Total deferred outflows of resources - Notes 5, 6	\$ 165,961,631	\$ 88,190,800
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 196,412,591	\$ 279,276,671
Other accounts payable	21,023,011	26,787,048
Accrued expenses	16,663,974	16,494,024
OPEB - Note 6	8,994,000	11,976,000
Self-insurance, workers' compensation - Note 7	10,693,938	13,137,029
Due to other funds - Note 9	4,185,729	2,512,405
Due to fiduciary funds - Note 9	2,124,628	1,811,353
Due to other governments - Note 9	593,526	493,716
Total current liabilities	260,691,397	352,488,246
	<hr/>	<hr/>
Non-current liabilities:		
OPEB - Note 6	435,109,000	781,379,000
Self-insurance, workers' compensation - Note 7	48,841,124	47,949,448
Net pension liability - Note 5	565,491,336	469,937,473
Compensated absences - Note 1	21,598,132	20,809,984
Total non-current liabilities	1,071,039,592	1,320,075,905
	<hr/>	<hr/>
Total liabilities	\$ 1,331,730,989	\$ 1,672,564,151
	<hr/>	<hr/>
Total deferred inflows of resources - Notes 5, 6	\$ 381,533,836	\$ 89,588,959
	<hr/>	<hr/>
<u>NET POSITION</u>		
Net investment in capital assets	\$ 28,499,803	\$ 28,802,293
Deficit	(1,152,509,940)	(1,157,354,895)
	<hr/>	<hr/>
Total net position	\$ (1,124,010,137)	\$ (1,128,552,602)
	<hr/>	<hr/>

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 May 31, 2020 and May 31, 2019
(Unaudited)

	<u>2019-20</u>	<u>2018-19</u>
Sales net of taxes	\$ 132,169,654	\$ 184,523,579
Cost of goods sold	(89,747,105)	(125,812,695)
Gross profit from sales	<u>42,422,549</u>	<u>58,710,884</u>
Operating (expenses):		
Retail operations	(35,346,357)	(33,506,853)
Marketing & merchandising	(712,519)	(239,101)
Supply chain	(460,729)	(531,357)
Wholesale operations	(141,130)	(178,060)
Information technology services	(2,559,693)	(2,323,369)
Regulatory affairs	(1,141,087)	(1,974,019)
Administration	(757,178)	(1,253,531)
Finance	(176,837)	(334,981)
Board & secretary	(282,944)	(377,472)
Legal	(243,728)	(360,101)
Commonwealth provided services - Note 2	(1,343,056)	(1,420,077)
Total	<u>(43,165,258)</u>	<u>(42,498,921)</u>
Operating profit/(loss)	<u>(742,709)</u>	<u>16,211,963</u>
Other operating revenues (expenses):		
Enforcement fines	22,400	137,256
License fees	1,798,393	2,781,561
Miscellaneous income	896,465	297,199
Administrative law judge	(180,060)	(244,305)
Total	<u>2,537,198</u>	<u>2,971,711</u>
Total operating income/(loss)	<u>1,794,489</u>	<u>19,183,674</u>
Miscellaneous revenues (expenses):		
Interest income	126,475	483,782
Other	-	-
Total	<u>126,475</u>	<u>483,782</u>
Income/(Loss) before operating transfers	1,920,964	19,667,456
Operating transfers out:		
PSP enforcement - Note 3	(3,290,636)	(3,551,787)
Net Income/(Loss) from operations	<u>(1,369,672)</u>	<u>16,115,669</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	(1,369,672)	16,115,669
Total net position - beginning	<u>(1,122,640,465)</u>	<u>(1,144,668,271)</u>
Total net position - ending	<u>\$ (1,124,010,137)</u>	<u>\$ (1,128,552,602)</u>
Liquor tax	25,368,614	33,083,819
State Sales Tax	10,034,423	13,010,455
Local Tax	498,796	856,879
Taxes remitted to Dept.of Revenue PTD	<u>\$ 35,901,833</u>	<u>\$ 46,951,153</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 Eleven Months Ending May 31, 2020 and May 31, 2019
(Unaudited)**

	<u>2019-20</u>	<u>2018-19</u>
Sales net of taxes	\$ 1,872,397,734	\$ 1,957,676,302
Cost of goods sold	(1,273,558,226)	(1,332,609,587)
Gross profit from sales	<u>598,839,508</u>	<u>625,066,715</u>
Operating (expenses):		
Retail operations	(343,605,478)	(364,982,701)
Marketing & merchandising	(11,029,372)	(15,018,854)
Supply chain	(7,168,732)	(7,107,847)
Wholesale operations	(1,560,660)	(1,711,797)
Information technology services	(27,167,076)	(28,815,846)
Regulatory affairs	(16,831,615)	(19,357,435)
Administration	(11,631,855)	(13,098,986)
Finance	(2,695,990)	(3,338,250)
Board & secretary	(3,437,926)	(5,410,558)
Legal	(3,269,245)	(3,426,058)
Commonwealth provided services - Note 2	(14,481,074)	(12,559,569)
Total	<u>(442,879,023)</u>	<u>(474,827,901)</u>
Operating profit/(loss)	<u>155,960,485</u>	<u>150,238,814</u>
Other operating revenues (expenses):		
Enforcement fines	1,403,991	1,680,771
License fees	30,800,360	35,688,666
Miscellaneous income	4,419,531	3,254,218
Administrative law judge	(2,537,078)	(2,584,996)
Total	<u>34,086,804</u>	<u>38,038,659</u>
Total operating income/(loss)	<u>190,047,289</u>	<u>188,277,473</u>
Miscellaneous revenues (expenses):		
Interest income	4,848,114	5,368,006
Other	4,910	(706,242)
Total	<u>4,853,024</u>	<u>4,661,764</u>
Income/(Loss) before operating transfers	194,900,313	192,939,237
Operating transfers out:		
PSP enforcement - Note 3	(28,623,754)	(29,084,940)
Net Income/(Loss) from operations	<u>166,276,559</u>	<u>163,854,297</u>
Statutory Transfers:		
General fund - Note 4	(185,100,000)	(185,100,000)
Drug and alcohol programs - Note 4	-	-
Total	<u>(185,100,000)</u>	<u>(185,100,000)</u>
Change in net position	(18,823,441)	(21,245,703)
Total net position - beginning	<u>(1,105,186,696)</u>	<u>(1,107,306,899)</u>
Total net position - ending	<u>\$ (1,124,010,137)</u>	<u>\$ (1,128,552,602)</u>
Liquor tax	336,684,678	351,234,198
State Sales Tax	132,499,732	138,149,412
Local Tax	8,264,233	8,907,530
Taxes remitted to Dept.of Revenue YTD	<u>\$ 477,448,643</u>	<u>\$ 498,291,140</u>

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

OTHER ISSUES

*Alcohol Education Grant Requests.....Tisha Albert, Director of Regulatory Affairs
Corinne Dinoski, Director, Bureau of Alcohol Education*

On May 13, 2020, the Board approved funding approximately \$1,000,000 per year for Alcohol Education Grants to various entities throughout the Commonwealth for the purpose of reducing underage and dangerous drinking during the 2020-2022 grant cycle.

The Bureau of Alcohol Education is now requesting the Board to fund an estimated amount of \$800,000. This amount is in addition to the previously approved \$1,000,000 per year for the 2020-2022 grant cycle.

Ms. Tisha Albert, Director of Regulatory Affairs, stated that during the May 13, 2020 Board Meeting, the Bureau of Alcohol Education requested approximately \$2,000,000 to fund activities and programs for reducing underage drinking and dangerous drinking for the next grant cycle. After a complete review of all the applications, the Bureau of Alcohol Education is asking the Board to increase the funding for additional grants.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve additional funding in the amount of \$800,000 over the next two years.

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

Ms. Justine Trucksuss thanked the Board for approving both economic development licenses for the city of Hanover. Ms. Trucksuss stated that the licenses will be impactful for the community and will be a catalyst for change within the community.

Chairman Holden thanked Ms. Trucksuss for her comment.

Ms. Patty Smith asked for clarification regarding the Bureau of Alcohol Education’s request for additional funding. Ms. Smith questioned if the request was for a total of \$800,000 for the two-year period or if the request was for \$800,000 per year for the two-year period.

Board Member Negra clarified that the request was for a total of \$800,000 for a two-year period.

Mr. John Cappawana, representing WWS Integrated Technology, asked for confirmation of his understanding as it relates to the Comprehensive Security Services agenda item for \$13,000,000, that Security Resources’ bid was being thrown out because it did not meet security specifications. Chairman Holden deferred to Michael Demko, who stated that he was not aware of that being the case and he deferred to Chief Counsel to respond.

Chief Counsel Rodrigo Diaz stated that he will get back to Mr. Cappawana with an answer after speaking to the attorneys who handled the procurement action.

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

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, July 15, 2020 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