

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

WEDNESDAY, APRIL 13, 2022

[Listen to the Recording](#)

NORTHWEST OFFICE BUILDING, CONFERENCE ROOM 117, HARRISBURG, PA
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

Board Secretary John K. Stark indicated that a quorum of the Board was present, and Chairman Holden called the meeting to order.

Following the Pledge of Allegiance, Chairman Tim Holden informed the listening audience that he was unable to attend the meeting in person and Board Member Mike Negra had agreed to chair the meeting in his stead.

Board Member Negra acknowledged the role he would be playing and moved on to Old Business.

OLD BUSINESS..... *Secretary Stark*

- A. Motion to approve previous Board Meeting Minutes of the March 23, 2022 meeting.

Motion Made: Board Member Isenhour

Seconded: Chairman Holden

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

PUBLIC COMMENT ON AGENDA ITEMS

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

There were no public comments or questions on the printed agenda items.

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

NEW BUSINESS

From the Office of Chief CounselRodrigo Diaz, Chief Counsel

- (1) **Danquiche Price v. PLCB** **Appeal to the Commonwealth Court**
Board of Review Docket – 2021289663-BR

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) not to approve an appeal to Commonwealth Court.

*From the Bureau of Licensing.....Tisha Albert, Director of Regulatory Affairs
Stephanie McGrath, Acting Director of Licensing*

- (1) **236 East Lincoln Highway, LLC** New – Economic Development
t/a Andrea’s Jazz Café Restaurant
(LID No. 105567) Case No. 21-9065
236 East Lincoln Highway
Coatesville, Chester County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve the new application.

- (2) **500 Mansfield Avenue Owner, LLC** New & Request to Sell Other
t/a DoubleTree by Hilton Pittsburgh Greentree Items on the Licensed Premises –
(LID No. 108319) Hotel
500 Mansfield Avenue
Pittsburgh, Allegheny County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve the new application and the request to sell other items on the licensed premises.

- (3) **Black Flag Distilling Co.** New & Requests for an Interior
t/a Black Flag Distillery Connection with Another
(LID No. 110176) Business & Dual Employment –
4758 Scheidys Road Limited Distillery
North Whitehall Township
Coplay, Lehigh County

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

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve new application and request to conduct another business on the licensed premises and dual employment.

- (4) **Free Rein, LLC** Requests for Hearing After
R-3201 (LID No. 71341) Case No. 21-9063 Revocation and *Nunc Pro Tunc* –
411-19 Northampton Street Extension of Safekeeping –
Easton, Northampton County Restaurant

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to affirm the administrative revocation.

- (5) **The Fuge, LLC** Return (Release) from
G-49094 (LID No. 107189) Safekeeping & Request for
780 Falcon Circle, Suite 200 Interior Connections with Other
Warminster Township Businesses - Brewery
Warminster, Bucks County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve the release from safekeeping and the request for interior connections with other businesses.

- (6) **JJE Murphy, LLC** Extension of License –
t/a Murphy's Restaurant
R-15110 (LID No. 57426) Case No. 21-9068
347 Slocum Street
Kingston, Luzerne County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve the request for the extension of license.

- (7) **Pine Creek Spirits, LLC** Limited Distillery Additional
t/a Pine Creek Spirits Board-Approved Location &
AL-41735 (LID No. 95323) Request for an Interior
28 South Market Street Connection with Another
Elizabethtown, Lancaster County Business – Limited Distillery

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

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve the limited distillery additional board-approved location and request for an interior connection with another business.

- (8) **Scott’s Harbor Place, LLC** “Intermunicipal” Double
t/a A Taste of Italy Italian Kitchen Transfer - Restaurant
R-1261 (LID No. 105495) Case No. 21-9045
2933 West 12th Street
Millcreek Township
Erie, Erie County

Motion Made: Board Member Isenhour

Board Member Negra asked if there was anyone on the line or in person who wanted to speak about this matter. There was no response.

Seconded: Chairman Holden

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

- (9) **Sheetz, Inc.** Request to Conduct Another
t/a Sheetz #557 Business on the Licensed
R-33862 (LID No. 85031) Premises - Restaurant
750 Peninsula Drive
Millcreek Township
Erie, Erie County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to approve request to conduct another business on the licensed premises.

- (10) **ABBS WM, LLC** Renewal – District 5
t/a Mulligans
R-12675 (LID No. 60295) Case No. 2021-60295
Hot Metal Plaza
1013 Lebanon Road
West Mifflin, Allegheny County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

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

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

- (11) **Bachmiller Enterprises, Inc.** Renewal – District 7
t/a Sandbar Drafthouse and Grille
R-8014 (LID No. 59357) Case No. 2021-59357
2835 West Lake Road
Millcreek Township
Erie, Erie County
- Motion Made:** Board Member Isenhour
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (3-0 vote) to approve renewal.
- (12) **Coopers Bar and Grill, Inc.** Renewal – District 10
R-9029 (LID No. 66269) Case No. 2020-66269
100 West Wyoming Avenue
Philadelphia, Philadelphia County
- Motion Made:** Board Member Isenhour
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (3-0 vote) to hold for amended Conditional Licensing Agreement.
- (13) **Croatian Fraternal Union of America** Renewal – District 5
Sveto Trojstvo Lodge 146
CC-1523 (LID No. 3159) Case No. 2021-3159
4400 3rd Street
Versailles
McKeesport, Allegheny County
- Motion Made:** Board Member Isenhour
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (3-0 vote) to approve renewal.
- (14) **Doug’s Den, Inc.** Conditional Licensing Agreement
t/a Doug’s Den Renewal – District 5
R-12642 (LID No. 42585) Case No. 2021-42585
2301-03 Brownsville Road
Pittsburgh, Allegheny County **HOLD – 2/23/22 SESSION**
- Motion Made:** Board Member Isenhour
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (3-0 vote) to approve renewal with a Conditional Licensing Agreement.

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

- (15) **E. M. Carpenter, Inc.** Renewal – District 7
t/a Black Bear Inn
R-20515 (LID No. 46839) Case No. 2021-46839
36009 Lake Road
Bloomfield Township
Union City, Crawford County
- Motion Made:** Board Member Isenhour
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (3-0 vote) to hold for Conditional Licensing Agreement.
- (16) **Gingerbread Man of Carlisle, Inc.** Conditional Licensing Agreement
R-18753 (LID No. 57218) Case No. 2021-57218 Renewal – District 1
Five South Court House Avenue
Carlisle, Cumberland County
- HOLD – 2/9/22 SESSION**
- Motion Made:** Board Member Isenhour
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (3-0 vote) to approve renewal with a Conditional Licensing Agreement.
- (17) **HS Lounge, LLC** Renewal – District 5
R-9945 (LID No. 66688) Case No. 2021-66688
4257 Verona Road
Penn Hills Township
Verona, Allegheny County
- Motion Made:** Board Member Isenhour
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (3-0 vote) to approve renewal with the existing Conditional Licensing Agreement.
- (18) **The Legion Home Association of Lock Haven PA** Conditional Licensing Agreement
CC-4199 (LID No. 3616) Case No. 2021-3616 Renewal – District 7
20 South Grove Street, P. O. Box 1
Lock Haven, Clinton County
- HOLD – 2/23/22 SESSION**
- Motion Made:** Board Member Isenhour
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (3-0 vote) to approve renewal with a Conditional Licensing Agreement.

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

- (19) **Kenneth Marsh** Renewal – District 7
t/a Kenneth B. Marsh
E-2770 (LID No. 27123) Case No. 2021-27123
136 West Washington Street
Bradford, McKean County

Motion Made: Board Member Isenhour

Board Member Negra asked if there was anyone on the line or in person who wanted to speak about this matter. There was no response.

Seconded: Chairman Holden

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

- (20) **Rileerider Restaurant Corp.** Renewal – District 6
R-14438 (LID No. 56071) Case No. 2020-56071
816 Merchant Street, P. O. Box 221
Ambridge, Beaver County

Motion Made: Board Member Isenhour

Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to hold for Conditional Licensing Agreement.

- (21) **Seldom Enterprises, LLC** Renewal – District 7
t/a The Seldom Inn
R-16817 (LID No. 101109) Case No. 2021-101109
255 Route 36
Green Township
Tionesta, Forest County

Motion Made: Board Member Isenhour

Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to hold for Conditional Licensing Agreement.

- (22) **Snug Harbour, Inc.** Renewal – District 7
R-9191 (LID No. 13647) Case No. 2021-13647
6447 Route 66
Redbank Township
Fairmount City, Clarion County

Motion Made: Board Member Isenhour

Seconded: Chairman Holden

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

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

(23) **Vinne 1204, Inc.** Renewal – District 6
t/a Nero’s Bar
R-7063 (LID No. 12525) Case No. 2020-12525 **HOLD - 1/26/22 SESSION**
1204 Seventh Avenue
Beaver Falls, Beaver County

Motion Made: Board Member Isenhour

Board Member Negra asked if there was anyone on the line or in person who wanted to speak about this matter. There was no response.

Seconded: Chairman Holden

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

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

Personnel Actions

There were 15 personnel actions presented for consideration.

- (1) **Leilani Achoe – Affirm Removal**
- (2) **Ciani Braxton – Removal**
- (3) **Leon Bynum – Affirm Removal**
- (4) **Indiya Calicat – Affirm Removal**
- (5) **Jason Dankel – Affirm Removal**
- (6) **Louise George-Plues – Removal**
- (7) **Joshua Macosky – Affirm Removal**
- (8) **Latashia McCullum - Removal**
- (9) **Debra Miller – Affirm Removal**
- (10) **Vincent Roberts – Removal**
- (11) **Kathleen Shanahan – Removal**
- (12) **Angela Sims - Removal**
- (13) **Dawn Visakay – Affirm Removal**
- (14) **Shontayr Wells – Affirm Removal**

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

(15) Cynthia White – Affirm Removal

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

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

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

Procurement Actions:

- (1) **Retail Merchandising Suite Production Support and Enhancement Consulting Services Renewal** - To continue support, maintenance, and enhancement consulting services for PLCB's Oracle retail environment that includes tools like inventory management, pricing, and promotions.

Procured via PO 63013717 Renewal Option to RFP Contract 20143025 - **VENDOR: Deloitte Consulting LLP** - TERM: One year for the period 6/22/2022 through 6/21/2023 - **\$1,986,722.15 estimated cost.**

- (2) **Point of Service (POS) Production Support and Enhancement Consulting Services Renewal** - To continue support, maintenance, and enhancement consulting services for PLCB's specific Oracle POS and cash register environments.

Procured via PO 63013714 Renewal Option to RFP Contract 20143025 - **VENDOR: SkillNet Solutions, Inc.** - TERM: One year for period 5/18/2022 through 5/17/2023 - **\$1,326,780.00 estimated cost.**

- (3) **Hearing Examiner Renewal** – 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 63019831 Option Year – **VENDOR: Charles M. Gibbs** – TERM: One year for period 4/20/2022 through 4/19/2023 - **\$150,000.00 estimated cost.**

- (4) **PA Compute Services (PACS) Renewal** – Provide storage space for six server environments.

Procured via DGS Contract # 4400014635 – **VENDOR: UNISYS** – TERM: One year for period July 1, 2022 through June 30, 2023 - **\$1,131,286.08 estimated cost.**

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Member Negra commented that he would adopt items one, two and four but voted no on item number three, Hearing Examiner Renewal. He went on to explain that he was not happy with the interactions between the Hearing Examiner and the Office of Chief Counsel, but he

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

acknowledged that the Hearing Examiner had made steps to improve and would be continuing to work with the PLCB. Mr. Negra wanted to go on the record to say that he still was unhappy with the decision.

Board Decision: Unanimously agreed (3-0 vote) to approve Procurement items 1, 2 and 4. Agreed (2-1 vote) to approve Procurement item 3.

Inter-Agency Charges:

- (1) **Office of Administration – IT Shared Services** – Billing of \$1,386,350 for the FY 2021-22 Q3 billing for OA’s IT Enterprise Technology Essential Services. This billing is for enterprise-wide infrastructure, network, security, enterprise data center (EDC) and service desk costs. The LCB’s charge represents 2.1% of the total \$66.2M OA- IT Shared Services billing. The FY 2021-22 billings for Q1-Q3 total \$2.95 million and are \$1.53 million (107%) more than last year.

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 Isenhour
Seconded: Chairman Holden

Board Decision: Unanimously agreed (3-0 vote) to hold the Inter-Agency Charge.

Board Member Negra commented that this was the 4th or 5th time that this item had been held due to a lack of information from the Office of Administration. He said that he hoped they would soon get the information requested so that the matter could be concluded.

From the Office of Retail OperationsMichael Demko, Executive Director

- (1) **#0802 – Colonial Plaza, 85 Reuter Boulevard, Towanda
Amendment**
- (2) **#3608 – Manor Shopping Center, 1234 Millersville Pike, Lancaster
Amendment**
- (3) **#5165 – 2118 Cottman Avenue, Philadelphia
Amendment / Closing**

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

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

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

From the Bureau of Product Selection.....Tom Bowman, Director of Product Selection

VENDOR – ITEM NAME

Various
Various
Various
Various

BOARD ACTION REQUESTED

1. Regular New Items Accepted
2. Regular New Items Accepted Revision
3. Regular PA New Items Accepted
4. Regular Recommended Delist

1. Regular New Items Accepted

BRAND NAME AND SIZE

REASON

Bacardi USA Inc

Patron Tequila Anejo 200 mL

2, 3

Sutter Home Winery Inc

California Roots Sauvignon Blanc 1.5 L

18

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular New Items Accepted Revision

BRAND NAME AND SIZE

REASON

RESCIND

Pernod Ricard USA

Jameson Orange Irish Whiskey 50 mL

2, 7, 12

NOTE: This was sent to board 3-23-22

RECOMMENDED ACTION: We recommend the Board approve this action

3. Regular PA New Items Accepted

BRAND NAME AND SIZE

REASON

Enterprise Spirits LLC

Lucky Sign Spirits Aquavit 750 mL

16

Lucky Sign Spirits London Dry Gin 750 mL

16

RECOMMENDED ACTION: We recommend the Board approve this action

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

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

BRAND NAME AND SIZE

CODE

Southern Glazers Wine and Spirits of PA

Fever Tree Aromatic Tonic Water Nonalcoholic 4x200 mL

35117

EFFECTIVE DATE: The transference to closeout will become effective May 13, 2022

Motion Made: Board Member Isenhour

Seconded: Chairman Holden

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>January 31, 2022</u>	<u>January 31, 2021*</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 79,168,754	\$ 52,133,588
Investments - short term	277,540,219	287,933,127
Accounts and claims receivable, net	7,903,189	7,908,079
Due from other funds - Note 9	-	-
Merchandise inventories, net	197,714,863	220,205,779
Operating supplies	468,126	401,925
Prepaid expenses	<u>1,169,266</u>	<u>1,246,287</u>
Total current assets	<u>563,964,418</u>	<u>569,828,785</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	10,711,917	21,009,026
Leasehold improvements	209,134	197,771
Machinery and equipment	47,677,083	48,972,184
Intangible - internally generated software	45,415,065	27,055,409
Intangible - right to use leases - Note 10	<u>351,445,742</u>	<u>293,274,083</u>
Less: accumulated depreciation	<u>150,809,824</u>	<u>98,505,425</u>
Net depreciable capital assets	<u>304,649,117</u>	<u>292,003,049</u>
Total non-current capital assets	<u>304,972,090</u>	<u>292,326,022</u>
Total assets	<u>\$ 868,936,508</u>	<u>\$ 862,154,807</u>
Total deferred outflows of resources - Notes 5, 6	\$ 194,148,047	\$ 149,294,769
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 298,698,552	\$ 319,100,000
Other accounts payable	24,126,960	25,200,554
Accrued expenses	24,709,788	23,777,413
OPEB - Note 6	-	2,082,000
Self-insurance, workers' compensation - Note 7	6,298,715	9,095,210
Due to other funds - Note 9	8,477,374	8,995,269
Due to fiduciary funds - Note 9	3,383,815	3,353,052
Due to other governments - Note 9	970,696	922,446
Right to use liabilities - Note 10	<u>55,617,644</u>	<u>24,046,104</u>
Total current liabilities	<u>422,283,543</u>	<u>416,572,047</u>
Non-current liabilities:		
OPEB - Note 6	465,576,000	475,416,000
Self-insurance, workers' compensation - Note 7	62,400,982	47,995,269
Net pension liability - Note 5	472,003,528	478,753,020
Compensated absences - Note 1	25,995,401	24,809,043
Right to use liabilities - Note 10	<u>211,243,863</u>	<u>239,377,467</u>
Total non-current liabilities	<u>1,237,219,775</u>	<u>1,266,350,799</u>
Total liabilities	<u>\$ 1,659,503,318</u>	<u>\$ 1,682,922,846</u>
Total deferred inflows of resources - Notes 5, 6	\$ 324,074,764	\$ 349,466,238
<u>NET POSITION</u>		
Net investment in capital assets	\$ 38,110,583	\$ 28,902,451
Deficit	<u>(958,604,110)</u>	<u>(1,049,841,959)</u>
Total net position	<u>\$ (920,493,527)</u>	<u>\$ (1,020,939,508)</u>

* The prior fiscal year (FY) 2020-21 comparative Net investment in capital assets and Deficit amounts are adjusted to include the Right to use liabilities associated with Intangibles - right to use leases as part of Net investment in capital assets, and excluding them from Deficit. The adjustments did not affect Total net position.

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 January 31, 2022 and January 31, 2021
(Unaudited)**

	<u>2021-22</u>	<u>2020-21</u>
Sales net of taxes	\$ 158,646,749	\$ 162,320,508
Cost of goods sold	(111,128,645)	(112,291,376)
Gross profit from sales	47,518,104	50,029,132
Operating (expenses):		
Retail operations	(28,088,190)	(31,574,001)
Marketing & merchandising	(571,428)	(2,021,296)
Supply chain	(261,367)	(511,519)
Wholesale operations	(96,636)	(135,786)
Information technology services	(1,829,432)	(2,428,106)
Regulatory affairs	(1,054,061)	(1,394,405)
Administration	(720,343)	(819,132)
Finance	(193,782)	(198,721)
Board & secretary	(899,018)	(427,719)
Legal	(349,626)	(297,277)
Commonwealth provided services - Note 2	(1,418,577)	(1,287,646)
Total	(35,482,460)	(41,095,608)
Operating profit/(loss)	12,035,644	8,933,524
Other operating revenues (expenses):		
Enforcement fines	76,779	39,995
License fees	2,558,869	952,433
Miscellaneous income	1,147,479	162,624
Administrative law judge	(227,010)	(223,392)
Total	3,556,117	931,660
Total operating income/(loss)	15,591,761	9,865,184
Miscellaneous revenues (expenses):		
Interest income (expense)	(382,286)	(351,664)
Other	-	14,020
Total	(382,286)	(337,644)
Income/(Loss) before operating transfers	15,209,475	9,527,540
Operating transfers out:		
PSP enforcement - Note 3	(2,364,031)	(2,030,497)
Net Income/(Loss) from operations	12,845,445	7,497,043
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	-	-
Change in net position	12,845,445	7,497,043
Total net position - beginning	(933,338,972)	(1,028,436,551)
Total net position - ending	\$ (920,493,527)	\$ (1,020,939,508)
Liquor tax	28,661,015	30,274,724
State Sales Tax	11,287,229	11,934,795
Local Tax	704,130	706,945
Taxes remitted to Dept.of Revenue PTD	\$ 40,652,374	\$ 42,916,464

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 Seven Months Ending January 31, 2022 and January 31, 2021
(Unaudited)**

	<u>2021-22</u>	<u>2020-21</u>
Sales net of taxes	\$ 1,448,548,349	\$ 1,369,534,231
Cost of goods sold	(997,348,893)	(923,053,833)
Gross profit from sales	<u>451,199,456</u>	<u>446,480,398</u>
Operating (expenses):		
Retail operations	(200,709,337)	(218,764,694)
Marketing & merchandising	(6,160,608)	(7,926,646)
Supply chain	(2,381,145)	(4,503,961)
Wholesale operations	(783,558)	(926,013)
Information technology services	(13,382,159)	(15,660,147)
Regulatory affairs	(8,372,543)	(9,899,151)
Administration	(5,277,933)	(5,654,549)
Finance	(1,462,426)	(1,651,109)
Board & secretary	(5,839,670)	(1,832,045)
Legal	(2,495,941)	(2,117,113)
Commonwealth provided services - Note 2	(9,975,014)	(8,964,703)
Total	<u>(256,840,334)</u>	<u>(277,900,130)</u>
Operating profit/(loss)	<u>194,359,122</u>	<u>168,580,268</u>
Other operating revenues (expenses):		
Enforcement fines	600,655	645,732
License fees	13,604,263	15,301,518
Miscellaneous income	3,927,888	1,261,297
Administrative law judge	(1,644,324)	(1,584,588)
Total	<u>16,488,482</u>	<u>15,623,958</u>
Total operating income/(loss)	<u>210,847,604</u>	<u>184,204,226</u>
Miscellaneous revenues (expenses):		
Interest income (expense)	(2,656,656)	(2,323,972)
Other	46,420	14,020
Total	<u>(2,610,236)</u>	<u>(2,309,952)</u>
Income/(Loss) before operating transfers	208,237,368	181,894,274
Operating transfers out:		
PSP enforcement - Note 3	(17,442,557)	(17,084,325)
Net Income/(Loss) from operations	<u>190,794,811</u>	<u>164,809,949</u>
Statutory Transfers:		
General fund - Note 4	(100,000,000)	(100,000,000)
Drug and alcohol programs - Note 4	-	-
Total	<u>(100,000,000)</u>	<u>(100,000,000)</u>
Change in net position	90,794,811	64,809,949
Total net position - beginning	<u>(1,011,288,338)</u>	<u>(1,085,749,457)</u>
Total net position - ending	<u>\$ (920,493,527)</u>	<u>\$ (1,020,939,508)</u>
Liquor tax	259,672,030	245,083,477
State Sales Tax	102,200,768	96,635,096
Local Tax	6,241,311	5,431,958
Taxes remitted to Dept.of Revenue YTD	<u>\$ 368,114,109</u>	<u>\$ 347,150,531</u>

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)**

ASSETS	February 28, 2022	February 28, 2021*
Current assets:		
Cash	\$ 46,805,260	\$ 53,728,789
Investments - short term	276,777,364	281,119,634
Accounts and claims receivable, net	8,184,653	7,507,994
Due from other funds - Note 9	-	-
Merchandise inventories, net	197,922,362	221,846,011
Operating supplies	573,689	394,979
Prepaid expenses	1,029,865	1,145,440
Total current assets	<u>531,293,193</u>	<u>565,742,847</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	10,712,687	21,009,026
Leasehold improvements	209,134	197,771
Machinery and equipment	47,708,201	49,065,922
Intangible - internally generated software	45,421,308	27,595,545
Intangible - right to use leases - Note 10	353,318,563	300,742,181
Less: accumulated depreciation	<u>156,385,129</u>	<u>103,913,117</u>
Net depreciable capital assets	300,984,764	294,697,328
Total non-current capital assets	<u>301,307,737</u>	<u>295,020,301</u>
Total assets	<u>\$ 832,600,930</u>	<u>\$ 860,763,148</u>
Total deferred outflows of resources - Notes 5, 6	\$ 191,823,647	\$ 153,833,669
LIABILITIES		
Current liabilities:		
Trade accounts payable	\$ 263,901,462	\$ 304,088,856
Other accounts payable	13,215,667	24,454,386
Accrued expenses	22,938,702	21,129,755
OPEB - Note 6	-	2,082,000
Self-insurance, workers' compensation - Note 7	6,298,715	9,595,210
Due to other funds - Note 9	8,780,740	7,963,575
Due to fiduciary funds - Note 9	3,362,139	3,352,830
Due to other governments - Note 9	947,892	915,488
Right to use liabilities - Note 10	55,230,486	19,256,668
Total current liabilities	<u>374,675,803</u>	<u>392,838,768</u>
Non-current liabilities:		
OPEB - Note 6	458,891,000	482,263,000
Self-insurance, workers' compensation - Note 7	62,900,982	47,995,269
Net pension liability - Note 5	473,344,228	481,619,720
Compensated absences - Note 1	25,995,401	24,809,043
Right to use liabilities - Note 10	<u>208,818,401</u>	<u>247,271,495</u>
Total non-current liabilities	<u>1,229,950,012</u>	<u>1,283,958,527</u>
Total liabilities	<u>\$ 1,604,625,815</u>	<u>\$ 1,676,797,295</u>
Total deferred inflows of resources - Notes 5, 6	\$ 319,490,064	\$ 338,957,538
NET POSITION		
Net investment in capital assets	\$ 37,258,850	\$ 28,492,138
Deficit	<u>(936,950,152)</u>	<u>(1,029,650,154)</u>
Total net position	<u>\$ (899,691,302)</u>	<u>\$ (1,001,158,016)</u>

* The prior fiscal year (FY) 2020-21 comparative Net investment in capital assets and Deficit amounts are adjusted to include the Right to use liabilities associated with Intangibles - right to use leases as part of Net investment in capital assets, and excluding them from Deficit. The adjustments did not affect Total net position.

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 February 28, 2022 and February 28, 2021
(Unaudited)**

	<u>2021-22</u>	<u>2020-21</u>
Sales net of taxes	\$ 175,682,164	\$ 169,782,109
Cost of goods sold	<u>(121,311,568)</u>	<u>(116,162,101)</u>
Gross profit from sales	54,370,596	53,620,008
Operating (expenses):		
Retail operations	(25,364,624)	(26,219,307)
Marketing & merchandising	(493,591)	(585,104)
Supply chain	(364,065)	(395,264)
Wholesale operations	(81,924)	(111,018)
Information technology services	(1,957,700)	(2,103,389)
Regulatory affairs	(978,563)	(1,005,575)
Administration	(674,997)	(672,293)
Finance	(168,496)	(164,872)
Board & secretary	(1,940,744)	(297,008)
Legal	(409,260)	(253,136)
Commonwealth provided services - Note 2	<u>(1,342,410)</u>	<u>(1,194,832)</u>
Total	<u>(33,776,374)</u>	<u>(33,001,798)</u>
Operating profit/(loss)	20,594,222	20,618,210
Other operating revenues (expenses):		
Enforcement fines	76,500	58,473
License fees	2,677,666	1,726,712
Miscellaneous income	150,029	158,428
Administrative law judge	<u>(210,314)</u>	<u>(193,579)</u>
Total	<u>2,693,881</u>	<u>1,750,034</u>
Total operating income/(loss)	23,288,103	22,368,244
Miscellaneous revenues (expenses):		
Interest income (expense)	(368,617)	(390,786)
Other	<u>-</u>	<u>-</u>
Total	<u>(368,617)</u>	<u>(390,786)</u>
Income/(Loss) before operating transfers	22,919,486	21,977,458
Operating transfers out:		
PSP enforcement - Note 3	(2,117,261)	(2,195,966)
Net Income/(Loss) from operations	<u>20,802,225</u>	<u>19,781,492</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	20,802,225	19,781,492
Total net position - beginning	<u>(920,493,527)</u>	<u>(1,020,939,508)</u>
Total net position - ending	<u>\$ (899,691,302)</u>	<u>\$ (1,001,158,016)</u>
Liquor tax	31,784,959	31,440,983
State Sales Tax	12,510,872	12,392,432
Local Tax	825,425	759,520
Taxes remitted to Dept.of Revenue PTD	<u>\$ 45,121,256</u>	<u>\$ 44,592,935</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 Eight Months Ending February 28, 2022 and February 28, 2021
(Unaudited)**

	<u>2021-22</u>	<u>2020-21</u>
Sales net of taxes	\$ 1,624,230,513	\$ 1,539,316,340
Cost of goods sold	<u>(1,118,660,460)</u>	<u>(1,039,215,934)</u>
Gross profit from sales	505,570,053	500,100,406
Operating (expenses):		
Retail operations	(226,073,961)	(244,984,001)
Marketing & merchandising	(6,654,200)	(8,511,750)
Supply chain	(2,745,210)	(4,899,225)
Wholesale operations	(865,481)	(1,037,031)
Information technology services	(15,339,860)	(17,763,536)
Regulatory affairs	(9,351,106)	(10,904,725)
Administration	(5,952,930)	(6,326,843)
Finance	(1,630,922)	(1,815,980)
Board & secretary	(7,780,414)	(2,129,053)
Legal	(2,905,201)	(2,370,249)
Commonwealth provided services - Note 2	<u>(11,317,424)</u>	<u>(10,159,535)</u>
Total	<u>(290,616,709)</u>	<u>(310,901,928)</u>
Operating profit/(loss)	214,953,344	189,198,478
Other operating revenues (expenses):		
Enforcement fines	677,155	704,205
License fees	16,281,929	17,028,229
Miscellaneous income	4,077,917	1,419,725
Administrative law judge	<u>(1,854,638)</u>	<u>(1,778,167)</u>
Total	<u>19,182,363</u>	<u>17,373,992</u>
Total operating income/(loss)	234,135,707	206,572,470
Miscellaneous revenues (expenses):		
Interest income (expense)	(3,025,273)	(2,714,758)
Other	<u>46,420</u>	<u>14,020</u>
Total	<u>(2,978,853)</u>	<u>(2,700,738)</u>
Income/(Loss) before operating transfers	231,156,854	203,871,732
Operating transfers out:		
PSP enforcement - Note 3	(19,559,818)	(19,280,291)
Net Income/(Loss) from operations	<u>211,597,036</u>	<u>184,591,441</u>
Statutory Transfers:		
General fund - Note 4	(100,000,000)	(100,000,000)
Drug and alcohol programs - Note 4	-	-
Total	<u>(100,000,000)</u>	<u>(100,000,000)</u>
Change in net position	111,597,036	84,591,441
Total net position - beginning	<u>(1,011,288,338)</u>	<u>(1,085,749,457)</u>
Total net position - ending	<u>\$ (899,691,302)</u>	<u>\$ (1,001,158,016)</u>
Liquor tax	291,456,989	276,524,460
State Sales Tax	114,711,640	109,027,528
Local Tax	7,066,736	6,191,478
Taxes remitted to Dept.of Revenue YTD	<u>\$ 413,235,365</u>	<u>\$ 391,743,466</u>

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

OTHER ISSUES

Employee Retirement – 30 Years’ Commonwealth Service.....Chairman Tim Holden

John Stark – Board Secretary, Pennsylvania Liquor Control Board

Board Member Negra made comments about Mr. Stark’s retirement, indicating that Mr. Stark was one of several key PLCB personnel to retire this year. Board Member Negra then read the retirement certificate:

“The Pennsylvania Control Board proudly presents this certificate, honoring the retirement of John K. Stark from the Commonwealth of Pennsylvania on the 16th day of April 2022. We wish to express our sincere thanks and gratitude for your 30 years of dedicated service and wish you a happy, healthy and enjoyable retirement.”

Mr. Negra continued with his own comments, saying that he couldn’t have said it better himself and that Mr. Stark had been rock solid in the 8 years that he (Mr. Negra) had been at the PLCB. He has run great meetings and been a great mentor and was one of the rocks of agency who would be missed greatly.

Chairman Holden then commented. He wanted to echo Mr. Negra’s comments and said that Mr. Stark had been great for the agency through all these years. He had been a great help to the agency and to Mr. Holden. He will be missed and Mr. Holden regretted that he wasn’t able to be at the meeting in person. He said he would celebrate with Mr. Stark when he returned.

Board Member Isenhour commented next, saying she also wanted to echo Board Member Negra and Chairman Holden. She said that they would miss his soothing, strong voice at the Board Meetings. His voice was the one voice she could always hear. She continued by saying that she wanted to wish him and his wife all the best and hoped he enjoys his retirement years. It was well earned and well deserved.

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, April 27, 2022 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.

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

ADJOURNMENT

On a motion by Board Member Isenhour, seconded by Chairman Holden, the meeting was adjourned.

The foregoing actions are hereby officially approved.

Chairman

Member

Member

ATTEST:

Secretary