

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

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WEDNESDAY, DECEMBER 14, 2022

NORTHWEST OFFICE BUILDING, CONFERENCE ROOM 117, HARRISBURG, PA
MICROSOFT TEAMS MEETING

Tim Holden, Chairman
Mary Isenhour, Board Member
Randy Vulakovich, Board Member
Michael Demko, Executive Director
Michael Vigoda, 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*

Board Secretary Michael Vigoda indicated that a quorum of the Board was present and Chairman Holden called the meeting to order.

Pledge of Allegiance to the Flag

OLD BUSINESS..... *Secretary Vigoda*

A. Motion to approve previous Board Meeting Minutes of the November 30, 2022 meeting.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

PUBLIC COMMENT

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

NEW BUSINESS

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

(1) **Adoption of Advisory Notice No. 9 (13th Revision)** Revision of Advisory Notice

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

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve Revision 13 of Advisory Notice No. 9.

(2) **Good Will Fire Co. No. 1 Of Myerstown** ALJ Appeal
155 West Main Avenue Rear
Myerstown, PA 17067-1020
License No. C-3787/LID 1753
Citation No. 20-0864

Before making a motion, Member Mary Isenhour asked Chief Counsel Rodrigo Diaz for some background regarding this matter:

Chief Counsel Diaz explained that this case was more complicated than the usual cases and originally involved an eight-count citation involving a club and its Small Games of Chance license. He explained that this appeal only had to do with one of the counts (Count 4), and in this case the appeal was taken by the Pennsylvania Bureau of Liquor Control Enforcement.

Mr. Diaz expounded by saying that the count at issue alleges that the licensee violated the Small Games of Chance Act by selling small games of chance after that license had expired. Mr. Diaz clarified that there was no question that they did that; however, there was the question as to whether or not an entity whose license had expired could be held accountable for violating the Small Games of Chance Act.

Mr. Diaz continued by saying that this issue had come up a couple of years ago involving a different citation. The conclusion then by the Office of Chief Counsel was that once a licensee's license had lapsed, it had lapsed. He gave more history by stating that the case law with licensees other than this one had gone both ways. Sometimes the courts said that a licensee could be held accountable and other times, the courts said the licensee could not be held accountable.

Mr. Diaz said that the ALJ agreed with the PLCB by stating that once a Small Games of Chance license had lapsed, the licensee would not get cited. However, in the cases decided several years ago, the Pennsylvania State Police took further appeals. The Common Pleas Judges hearing those cases reversed the PLCB and said that this had only been a temporary lapse and the licensees had gotten their Small Games of Chance licenses back and therefore, they were held accountable for violating the Small Games of Chance Act. Mr. Diaz reiterated that there is case law that states that this can be done.

Mr. Diaz continued by saying that the recommendation of the Chief Counsel's office in this instance is to reverse the ALJ. He noted that there were two Courts of Common Pleas that had already reversed the PLCB decision, but those decisions are not binding on the PLCB. He continued by saying that it is good to have uniformity in all 67 counties.

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Once again Mr. Diaz stressed that there is case law that states that a lapsed license is different than being unlicensed and, in this case, the licensee did renew their Small Games of Chance license which would make it more akin to those cases that say, “You are still subject to the Small Games of Chance Act, because you were just temporarily unlicensed. It’s not that you are permanently unlicensed.”

Member Mary Isenhour then made a motion to affirm the ALJ.

Chief Counsel Rod Diaz interjected and clarified by saying that if the Board was to accept the Office of Chief Counsel’s recommendation, it would be to reverse the ALJ, not affirm the ALJ, and remand to impose a penalty.

Member Mary Isenhour sought clarification on the recommendation and asked whether it would be to reverse and remand on all counts?

Chief Counsel Rod Diaz conveyed that count 4 was the only count before the Board and count 4 was the only count that was appealed.

Mary Isenhour sought further clarification on whether the Board was affirming counts 1, 2, 3, 5, 6 and 7?

Chief Counsel Rod Diaz detailed that the remaining counts were not appealed; therefore, they did not have to be discussed.

Member Mary Isenhour then made a motion to reverse the dismissal of count 4 and to remand back to the ALJ to impose a penalty.

Chief Counsel Rod Diaz confirmed that would be the motion.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to reverse the ALJ’s dismissal of Count 4 and remand to the ALJ to impose a penalty.

(3) **Londonderry Township**
Case No. 22-NE-12

Municipal Petition for Exemption from
Liquor Code Statute Regarding Amplified
Sound

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the noise exemption from December 14, 2022 through December 14, 2027.

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(4) **Wrightstown Township**
Case No. 22-NE-13

Municipal Petition for Exemption from
Liquor Code Statute Regarding Amplified
Sound

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the noise exemption from December 14, 2022 through December 14, 2023.

*From the Bureau of Licensing Tisha Albert, Director of Regulatory Affairs
Andrew Stuffick, Director, Bureau of Licensing*

(1) **JB&AL, LLC**
R-606 (LID No. 104451) Case No. 22-9049
5498 Oxford Avenue
Philadelphia, Philadelphia County

Double Transfer – Restaurant

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.

(2) **TBS Venture, Inc.**
R-20881 (LID No. 93477) Case No. 2020-93477
217 Broadway
Bethlehem, Northampton County

Renewal – District 4

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement – Offer in Compromise.

(3) **W.G. Restaurant Corporation**
R-18689 (LID No. 37493) Case No. 2022-37493
5725 Lincoln Hwy
Gap, Lancaster County

Renewal – District 2

HOLD 9/21/22 SESSION

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

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

Personnel Actions

There were 25 personnel actions presented for consideration.

- (1) **Jamie Ansell – Affirm Removal**
- (2) **Alexandria Bower – Affirm Removal**
- (3) **Tamika Brown – Removal**
- (4) **Aarum Bryant – Affirm Removal**
- (5) **Ronald Cooper – Affirm Removal**
- (6) **Marlon Easley – Removal**
- (7) **Marc Edwards – Affirm Removal**
- (8) **Gabriel Gilliam – Affirm Removal**
- (9) **Kaiya Gosley – Affirm Removal**
- (10) **Timothy Hair – Affirm Removal**
- (11) **Makenzi Hays – Affirm Removal**
- (12) **Gregory James - Removal**
- (13) **Samil Jenkins – Affirm Removal**
- (14) **Robert Jolly - Removal**
- (15) **Ashanti Jones – Affirm Removal**
- (16) **Paul Kim – Affirm Removal**
- (17) **Susan Mauer – Affirm Removal**
- (18) **Carlina Nunez-Rodriguez – Affirm Removal**
- (19) **Yahaira Padilla – Affirm Removal**
- (20) **Tracy Parthemore – Affirm Removal**
- (21) **Prakash Sapkota – Affirm Removal**
- (22) **Darryl Savage – Removal**

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- (23) Ashley Schemm - Affirm Removal
- (24) Kalyn Stanton – Affirm Removal
- (25) Russell York – Removal

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the recommendations of the Bureau of Human Resources.

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

Procurement Actions:

(1) **System Administrator Staff Augmentation** – As part of Infrastructure’s directive to move much of our equipment out of the NWOB, this resource will supply much needed assistance in this project. He performed vital pieces of a similar move from DPH to PACS. This project is underway and will last for approximately one year. This resource has also been providing vital Oracle Cloud migration assistance, through various scripts, manual configuration, and research, with the New Horizon project providing many of the Legacy setup functions that we use daily. This project could last approximately two years.

Procured via DGS Contract #4400024749 – VENDOR: **OST Inc.** – TERM: One year for period of 1/01/2023 through 12/31/2023 - **\$144,393.60 estimated cost.**

(2) **Database Administrator Staff Augmentation** – This resource provides direct production support as new staff members are trained and we continue to capitalize on the specialized support of LCB Oracle databases in performance management, storage management and system enhancements. Primary responsibilities have been and will be centered around supporting the New Horizon project and migrating to Oracle ERP Cloud. This resource also provides performance improvement and problem solving for the Oracle and Azure SQL databases. As the PLCB moves towards new platforms and a new approach to Data Warehousing, this resource will provide advice and solutions to facilitate and open new opportunities for PLCB.

Procured via DGS Contract #4400024749 – VENDOR: **OST Inc.** – TERM: One year for period 1/01/2023 through 12/31/2023 - **\$228,800.00 estimated cost.**

(3) **Technical Architecture Specialist Staff Augmentation** – This resource works on the E-Commerce team and also develops and supports the existing website.

Procured via DGS Contract #4400024749 – VENDOR: **OST Inc.** – TERM: Three months for period 1/01/2023 through 4/1/2023 - **\$51,885.60 estimated cost.**

(4) **Point of Sale Registers** – This request is for various related services in regard to the purchase, assembly, storage, transport, installation, and servicing of 1,560 Toshiba TCX 810 Point-

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of-Sale registers and associated peripherals. This procurement action will also encompass the removal and disposal of the old register systems and peripherals within stores.

Procured via IFB #270009 – VENDOR: **Pomeroy Technologies LLC - \$8,528,208.00 estimated cost.**

Inter-Agency Charges:

- (1) **Office of Comptroller Operations** – Net billing amount of \$1,044,232.06 for the first quarter of FY 2022-23 from the Office of Comptroller Operations, which includes a “true-up” credit of \$267,480.45 for FY 2021-22’s estimated fourth quarter billing. The billing for July, August and September services was \$1,311,712.51 which was \$309,493.67 (+32.2%) more than the billing for last year’s Q1 services due to an extra payroll in the Q1 billing this year and the accelerated contractual pay increases in August.

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: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the recommendations of the Bureau of Accounting and Purchasing.

From the Office of Retail OperationsMichael Demko, Executive Director

- (1) **#0252 – 4643 Centre Avenue, Pittsburgh
Amendment**
- (2) **#0285 – 4706 William Flynn Highway, Allison Park
Amendment**
- (3) **#3903 – 1918 West Allen Street, Allentown
Amendment**

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the recommendations of the Office of Retail Operations.

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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 New Items Accepted Revision
3. Regular Recommended Delist

1. Regular New Items Accepted

BRAND NAME AND SIZE

REASON

Advantage International

Calvet Sauvignon Blanc Haut Poitou 750 mL 11, 19

Armens Barrels LLC

Armen’s Barrels Blackberry Sangria Barrel Aged 750 mL 8

Armen’s Barrels Niagara 750 mL 8

Arundel Cellars Inc

Arundel Cellars Wild Child Lake Erie 1.5 L 8

Brown Forman Corp

Jack Daniel’s Tennessee Whiskey and Coca Cola Cocktail 4x355 mL Cans 10

Jack Daniel’s Tennessee Whiskey and Coca Cola Zero Sugar Cocktail 4x355 mL Cans 10

Jack Daniel’s Triple Mash Blended Straight Whiskey Bottled in Bond 700 mL 13

Old Forester Straight Bourbon 750 mL 2

Woodford Reserve Straight Malt Whiskey 750 mL 13

Woodford Reserve Straight Wheat Whiskey 750 mL 13

C Jacquin et Cie Inc

Pennsylvania Dutch Chocolate Cream Liqueur 750 mL 2, 5

The Original Jacquin’s Rock and Rye 700 mL 1, 2, 10

Union Forge Vodka 50 mL 3

Campari America

Wild Turkey American Honey Whiskey 200 mL 3

Capital Wine and Spirits Inc

Butternut Cabernet Sauvignon 750 mL 1, 11

Butternut Chardonnay 750 mL 1, 11

Cline Cabernet Sauvignon North Coast 750 mL 1, 2, 3

Contempo Dry Rosé 750 mL 11, 19

Freixenet Pinot Grigio 750 mL 2, 9, 19

J Lohr Flume Crossing Sauvignon Blanc Monterey County 750 mL 1, 2, 3

Papi Sauvignon Blanc Central Valley 750 mL 11, 19

Raeburn Cabernet Sauvignon Sonoma County 750 mL 1, 2, 3, 4

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Raeburn Pinot Noir Russian River Valley 750 mL	1, 2, 3, 4
WhistlePig Piggyback Bourbon 6 Year Old 750 mL	2, 3
Willamette Valley Vineyards Dijon Clone Chardonnay 750 mL	2, 3, 4
Willamette Valley Vineyards Whole Cluster Fermented Pinot Noir 750 mL	2, 3, 4

Chaddsford Winery

Chaddsford Winery Good Vibes Only Red Blend 750 mL	8
Chaddsford Winery White Sangria 750 mL	8

DAndrea Wine and Liquor Imports Inc

Sweet Bitch Mango Moscato 750 mL	3, 9, 19
Sweet Bitch Pineapple Moscato 750 mL	3, 9, 19

Delicato Family Wines

Bota Box Nighthawk Red Blend Rum Barrel Aged 3 L	1, 2, 3
Francis Coppola Diamond Collection Appellation Series Sauvignon Blanc Sonoma County 750 mL	1, 2, 3, 4
Francis Coppola Diamond Collection Prosecco DOC 750 mL	1, 2, 3, 4
Francis Coppola Diamond Collection Prosecco Rosé DOC 750 mL	1, 2, 3, 4

Deluxe Imports LLC

Sensei Whiskey Japan 750 mL	5
The Legendary Silkie Irish Whiskey 750 mL	3, 5

Heaven Hill Brands

Black Velvet Peach Canadian Whiskey 750 mL	2, 5
Carolán's Salted Caramel Irish Cream Liqueur 750 mL	2, 12
Evan Williams 1783 Bourbon 1.75 L	2, 3

Jim Beam Brands Co

Jim Beam Red Stag Black Cherry Whiskey 375 mL	10
On the Rocks Effen Vodka Espresso Martini Cocktail 375mL	10
On the Rocks Tres Generaciones Jalapeno Pineapple Margarita Cocktail 375 mL	10
Twisted Tea Sweet Tea Whiskey 750 mL	10

JNY Corp

Chum Churum Soon Hari Grape Soju 375 mL	2, 3, 9
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Keystone Importers LLC

Sand Point Pinot Noir 750 mL	4
Sand Point Sauvignon Blanc 750 mL	4

Luxco Inc

Ezra Brooks Straight Bourbon 99 Proof 1.75 L	10
George Remus Straight Bourbon 750 mL	10
Rebel Straight Rye Whiskey 100 Proof 750 mL	10

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Majestic Wine and Spirits

Grounded by Josh Phelps Cabernet Sauvignon 750 mL	1, 4
Grounded by Josh Phelps Sauvignon Blanc 750 mL	1, 4
Josh Cellars Hearth Cabernet Sauvignon 750 mL	1, 2, 3, 4
Rabble Cabernet Sauvignon Paso Robles 750 mL	11
Rabble Red Blend Paso Robles 750 mL	11
Sunny with a Chance of Flowers Rosé 750 mL	6

Mast Jaegermeister US

Jagermeister Liqueur 100 mL	3
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North Wales Wines

Barefoot Fruitscato Lemonade Moscato 750 mL	1, 2, 3
Barefoot Fruitscato Lemonade Moscato 1.5 L	1, 2, 3
Jura Single Malt Scotch 12 Year Old 750 mL	5
New Amsterdam Passionfruit Vodka 50 mL	3
New Amsterdam Pink Whitney Pink Lemonade Vodka 1.75L	3
RumChata Limon Cream Liqueur 750 mL	2, 3
Taylor Port 375 mL	2, 3, 9, 19
Taylor Port Black 750 mL	2, 3, 9, 19
The Dalmore Highland Single Malt Scotch Sherry Cask Select 12 Year Old 750 mL	2, 3, 5

Palm Bay International

Rocca delle Macie Moonlite Chardonnay Toscana 750 mL	2, 11, 19
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Paterno Imports LTD

The Federalist Red Blend Bourbon Barrel Aged Mendocino County 750 mL	2, 3
The Federalist Zinfandel Bourbon Barrel Aged Lodi 750 mL	2, 3

Park Street Imports

Tequila Ocho Tequila Plata 750 mL	5
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Pernod Ricard USA

Malibu Peach Rum 750 mL	2, 3, 5
Malibu Peach Rum Punch Cocktail 4x355 mL Cans	10

Pip Imports and Domestics LLC

Summer Water Bubbly Sparkling Rosé Brut 750 mL	3, 4, 11
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Proximo Spirits Inc

Proper No Twelve Apple Irish Whiskey 750 mL	2, 3, 5
Stranahan's Blue Peak Whiskey 750 mL	13

Regal Wine Imports

Stel+Mar Cabernet Sauvignon Lodi 750 mL	4, 11
Stel+Mar Chardonnay Lodi 750 mL	4, 11

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Remy Cointreau USA Inc

Bruichladdich The Classic Laddie Islay Single Malt Scotch 750 mL 5

Sazerac Company Inc

Fireball Cinnamon Whisky 100 mL 2, 3, 5

JP Wiser's Deluxe Canadian Whisky 1.75 L 5, 10

Sheep Dog Peanut Butter Whiskey 50 mL 2, 3, 5

SMT Acquisitions

Les Legendes Bordeaux Blanc 750 mL 2, 11, 19

Trimbach Pinot Blanc Alsace 750 mL 2, 11, 19

Southern Glazers Wine and Spirits of PA

Fever Tree Ginger Beer Nonalcoholic 4x200 mL 3

Ole Smoky Moonshine Pickles 750 mL 2, 3, 5

Ole Smoky Mountain Java Cream Moonshine 750 mL 2, 3, 5

Revel Stoke Smoregasm Toasted Smores Whiskey 750 mL 5, 12

Trader Vic's White Chocolate Liqueur 750 mL 5, 12

Stoli Group USA LLC

Kentucky Owl The Wiseman Rye Whiskey 750 mL 13

Stolichnaya Vanil Vodka 1.75 L 3

Sutter Home Winery Inc

Seaglass Cabernet Sauvignon Central Coast 750 mL 1, 3

Seaglass Chardonnay Central Coast 750 mL 1, 3

The Wine Group Inc

Franzia Pinot Grigio Colombar 3 L 1, 2, 3

Treasury Wine Estates

St. Huberts The Stag Chardonnay 750 mL 3, 4, 11

Western Spirits Beverage Company LLC

Calumet Farm Bourbon 8 Year Old 750 mL 6

William Grant and Sons Inc

Milagro Tequila Reposado 1.75 L 5

RECOMMENDED ACTION: We recommend the Board approve this action

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2. Regular New Items Accepted Revision

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
<u>Treasury Wine Estates</u> 19 Crimes Cali Sauvignon Blanc 750 mL	2, 3, 9, 19

NOTE: This was sent to board 11-30-22 with incorrect pricing

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

3. Regular Recommended Delist

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>Brown Forman Corp</u> Jack Daniel's Cola Tennessee Whiskey Cocktail 4x355 mL Cans	819
<u>Campari America LLC</u> Wild Turkey 101 Straight Bourbon 200 mL	1084
<u>Capital Wine and Spirits</u> Schramsberg Vineyards Brut Rosé 750 mL	97513
<u>Deluxe Imports LLC</u> Grace O'Malley Blended Irish Whiskey 750 mL	97026
<u>Fero Vineyards and Winery</u> Fero Vineyards and Winery Gruner Veltliner 750 mL	9661
Fero Vineyards and Winery Lemberger 750 mL	9663

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Heaven Hill Distilleries Inc

Admiral Nelson's Vanilla Rum 750 mL 3189
HpnotiQ Liqueur 375 mL 8177

Jim Beam Brands Co

Courvoisier Cognac VS 200 mL 7848
Hornitos Mango Hard Seltzer 4x355 mL Cans 97454
Jim Beam and Ginger Highball Cocktail 4x355 mL Cans 97166
Pinnacle Raspberry Vodka 750 mL 5076

Luxco Inc

Ezra Brooks Straight Bourbon 1.75 L 4319
Ezra Brooks Straight Bourbon 750 mL 4228
Saint Brendan's Irish Cream 1.75 L 97432

North Wales Wines

Arbor Mist Sangria Zinfandel 750 mL 5374
E and J Vanilla Brandy 50 mL 159
Gallo Family Vineyards Sweet Grapefruit Rose 1.5 L 2526
Gallo Family Vineyards Sweet Watermelon 1.5 L 97510
Mirassou Merlot 750 mL 7780
Ravenswood Vintners Blend Zinfandel 750 mL 4068

Pernod Ricard USA

Avion Tequila Silver 50 mL 2250

Philadelphia Distilling

Bluecoat Gin for Seltzer 750 mL 97570

Premier Innovations Group

5 Dirty Dab of Dirty Vodka Martini Cocktail 750 mL 97281
5 Dirty Double Dirty Vodka Martini Cocktail 750 mL 97282
Big Spring Spirits Silver Fox Rye Whiskey 750 mL 1009

Sazerac Company Inc

JP Wiser's Deluxe Canadian Whisky 750 mL 98062

Southern Glazers Wine and Spirits of PA

Francis Ford Coppola Pinot Grigio Mammarella 750 mL 97511
Stella Rosa L'Originale Green Apple 750 mL 97756

Vintage Imports Inc

Chronic Cellars Purple Paradise Paso Robles 750 mL 9873
Jelly Jar Red 750 mL 98110
Trefethen Double T Red Blend Napa Valley 750 mL 98759

William Grant and Sons Inc

Drambuie Liqueur 375 mL 6191

EFFECTIVE DATE: The transference to closeout will become effective January 13, 2023

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Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the recommendations of the Bureau of Product Selection.

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FINANCIAL REPORT *Michael J. Burns, Comptroller Operations, Office of Budget*

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statement of Net Position
(Unaudited)**

	<u>October 31, 2022</u>	<u>October 31, 2021</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 52,518,461	\$ 53,076,121
Investments - short term	173,685,610	349,602,435
Accounts and claims receivable, net	6,296,052	7,000,096
Due from other funds - Note 9	-	-
Merchandise inventories, net	238,099,502	236,168,224
Operating supplies	482,447	502,417
Prepaid expenses	<u>2,960,786</u>	<u>1,867,318</u>
Total current assets	<u>474,042,858</u>	<u>648,216,611</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable or amortizable capital assets:		
Building	10,820,411	10,691,986
Leasehold improvements	209,134	209,134
Machinery and equipment	52,509,590	47,535,062
Intangible - internally generated software	58,028,353	38,469,608
Intangible - right to use leases - Note 10	370,295,167	335,728,741
Intangible - right to use IT subscriptions - Note 11	<u>20,300,870</u>	<u>-</u>
Less: accumulated depreciation or amortization	<u>204,448,235</u>	<u>134,425,001</u>
Net depreciable or amortizable capital assets	<u>307,715,290</u>	<u>298,209,530</u>
Total non-current capital assets	<u>308,038,263</u>	<u>298,532,503</u>
Total assets	<u>\$ 782,081,121</u>	<u>\$ 946,749,114</u>
Total deferred outflows of resources - Notes 5, 6	\$ 178,895,805	\$ 201,121,247
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 213,942,187	\$ 367,328,098
Other accounts payable	17,384,776	23,372,593
Accrued expenses	23,141,646	18,618,605
OPEB - Note 6	-	-
Self-insurance, workers' compensation - Note 7	5,038,908	6,298,715
Due to other funds - Note 9	8,839,198	7,559,029
Due to fiduciary funds - Note 9	2,596,620	2,294,887
Due to other governments - Note 9	863,024	629,151
Right to use liabilities - Note 10	<u>62,760,689</u>	<u>52,835,345</u>
Total current liabilities	<u>334,567,048</u>	<u>478,936,423</u>
Non-current liabilities:		
OPEB - Note 6	426,775,000	485,631,000
Self-insurance, workers' compensation - Note 7	44,346,197	60,900,982
Net pension liability - Note 5	376,134,763	467,981,428
Compensated absences - Note 1	26,865,598	25,995,401
Right to use liabilities - Note 10	<u>198,622,619</u>	<u>212,298,615</u>
Total non-current liabilities	<u>1,072,744,177</u>	<u>1,252,807,426</u>
Total liabilities	<u>\$ 1,407,311,225</u>	<u>\$ 1,731,743,849</u>
Total deferred inflows of resources - Notes 5, 6	\$ 353,093,486	\$ 337,828,864
<u>NET POSITION</u>		
Net investment in capital assets	\$ 46,654,955	\$ 33,398,543
Deficit	<u>(846,082,740)</u>	<u>(955,100,895)</u>
Total net position - Note 12	<u>\$ (799,427,785)</u>	<u>\$ (921,702,352)</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 Month Ending October 31, 2022 and October 31, 2021
(Unaudited)**

	<u>2022-23</u>	<u>2021-22*</u>
Sales net of taxes	\$ 207,520,184	\$ 201,484,692
Cost of goods sold	(146,430,366)	(143,361,973)
Gross profit from sales	<u>61,089,818</u>	<u>58,122,719</u>
Operating (expenses):		
Wholesale	(1,767,862)	(1,823,963)
Retail	(29,930,651)	(26,392,318)
E-Commerce	(298,436)	(265,977)
Regulatory	(950,457)	(704,126)
Enterprise	(8,883,079)	(5,925,530)
Commonwealth provided services - Note 2	(2,082,775)	(1,766,890)
Total	<u>(43,913,260)</u>	<u>(36,878,804)</u>
Operating profit/(loss)	<u>17,176,558</u>	<u>21,243,915</u>
Other operating revenues (expenses):		
Enforcement fines	123,627	79,024
License fees	2,454,255	1,892,651
Miscellaneous income	316,753	613,812
Total	<u>2,894,635</u>	<u>2,585,487</u>
Total operating income/(loss)	<u>20,071,193</u>	<u>23,829,402</u>
Miscellaneous revenues (expenses):		
Interest income (expense)	104,252	(375,288)
Other	-	-
Total	<u>104,252</u>	<u>(375,288)</u>
Income/(Loss) before operating transfers	<u>20,175,445</u>	<u>23,454,114</u>
Operating transfers out:		
PSP enforcement - Note 3	(2,174,622)	(3,359,535)
Net Income/(Loss) from operations	<u>18,000,823</u>	<u>20,094,579</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	<u>18,000,823</u>	<u>20,094,579</u>
**Total net position - beginning 2022-23 Restated - Note 12	<u>(817,428,608)</u>	<u>(941,796,931)</u>
Total net position - ending	<u>\$ (799,427,785)</u>	<u>\$ (921,702,352)</u>
Liquor tax	37,537,963	36,057,494
State Sales Tax	14,766,932	14,191,195
Local Tax	970,036	888,842
Taxes remitted to Dept.of Revenue PTD	<u>\$ 53,274,931</u>	<u>\$ 51,137,531</u>

* Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation. Such reclassifications did not affect Income after enforcement / before other transfers, Change in net position, or Total net position.

**Beginning Net Position was restated from \$(872,154,418) at June 30, 2022 to \$(871,784,479) at July 1, 2022, a \$369,939 increase, due to the implementation of Governmental Accounting Standards Board Statement No. 96 – Subscription Based Information Technology Agreements.

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 Four Months Ending October 31, 2022 and October 31, 2021
(Unaudited)**

	<u>2022-23</u>	<u>2021-22*</u>
Sales net of taxes	\$ 795,588,649	\$ 781,429,702
Cost of goods sold	<u>(563,917,669)</u>	<u>(543,678,438)</u>
Gross profit from sales	231,670,980	237,751,264
Operating (expenses):		
Wholesale	(7,610,759)	(7,289,688)
Retail	(113,704,319)	(105,358,133)
E-Commerce	(908,975)	(937,670)
Regulatory	(3,563,660)	(3,136,051)
Enterprise	(27,352,839)	(22,629,086)
Commonwealth provided services - Note 2	<u>(7,065,168)</u>	<u>(5,210,405)</u>
Total	<u>(160,205,720)</u>	<u>(144,561,033)</u>
Operating profit/(loss)	71,465,260	93,190,231
Other operating revenues (expenses):		
Enforcement fines	594,887	339,205
License fees	9,621,024	5,561,924
Miscellaneous income	<u>1,724,357</u>	<u>2,142,123</u>
Total	<u>11,940,268</u>	<u>8,043,252</u>
Total operating income/(loss)	83,405,528	101,233,483
Miscellaneous revenues (expenses):		
Interest income (expense)	(103,043)	(1,525,845)
Other	<u>55,374</u>	<u>46,420</u>
Total	<u>(47,669)</u>	<u>(1,479,425)</u>
Income/(Loss) before operating transfers	83,357,859	99,754,058
Operating transfers out:		
PSP enforcement - Note 3	(11,001,165) <u>(11,001,165)</u>	(10,168,072) <u>(10,168,072)</u>
Net Income/(Loss) from operations	72,356,694	89,585,986
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	72,356,694	89,585,986
**Total net position - beginning 2022-23 Restated - Note 12	<u>(871,784,479)</u>	<u>(1,011,288,338)</u>
Total net position - ending	<u>\$ (799,427,785)</u>	<u>\$ (921,702,352)</u>
Liquor tax	143,022,401	140,096,359
State Sales Tax	56,285,115	55,128,433
Local Tax	3,633,586	3,412,128
Taxes remitted to Dept.of Revenue PTD	<u>\$ 202,941,102</u>	<u>\$ 198,636,920</u>

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**Beginning Net Position was restated from \$(872,154,418) at June 30, 2022 to \$(871,784,479) at July 1, 2022, a \$369,939 increase, due to the implementation of Governmental Accounting Standards Board Statement No. 96 – Subscription Based Information Technology Agreements.

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

PUBLIC COMMENT

None

NEXT BOARD MEETING

Chairman Tim Holden wished everyone a Merry Christmas and Happy Holidays.

The next meeting of the PLCB will be a formal meeting on Wednesday, January 11, 2023 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.

Member Mary Isenhour joined the Chairman, wishing everyone a Happy Holiday, Merry Christmas and a very Happy New Year.

Member Randy Vulakovich wished everyone a Merry Christmas and a Happy New Year.

ADJOURNMENT

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

The foregoing actions are hereby officially approved.

Chairman

Member

Member

ATTEST:

Secretary