

# PENNSYLVANIA LIQUOR CONTROL BOARD

## LISTEN TO THE RECORDING

### MEETING MINUTES

WEDNESDAY, FEBRUARY 9, 2022

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](#)

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### PUBLIC MEETING – 9:00 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.

Chairman Holden wanted to thank everyone for understanding as the original meeting time had to be changed from 11:00 am to 9:00 am due to a scheduling conflict. He said that he thought it was important to hold the board meeting today.

**OLD BUSINESS**..... *Secretary Stark*

A. Motion to approve previous Board Meeting Minutes of the January 26, 2022 meeting.

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

**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.

Caller Tracy McCarthy from Johnstown Beer and Eats had questions about Bureau of Licensing agenda item #5 below. She stated that their license was held for a Conditional Licensing Agreement (CLA) and the CLA had been returned. She was under the impression that it would effective as of today but wasn't sure what their next steps would be. She said the conversation she had with an unnamed person at the PLCB had been pretty vague.

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Chairman Holden informed her that Johnstown Beer and Eats was on the agenda and that she did not have to be at the meeting and the board would act on it. He also noted that, at the end of the meeting, there would be a time for questions or comments if she had any uncertainties. Ms. McCarthy agreed to wait until the end to ask any questions.

**NEW BUSINESS**

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

(1) **Borough of Bristol** Municipal Petition for Exemption from Liquor Code  
Case No. 21-NE-22 Statute Regarding Amplified Sound.  
  
**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour  
  
**Board Decision:** Unanimously agreed (3-0 vote) to approve the municipal petition for exemption from Liquor Code Statute regarding amplified sound from February 9, 2022 through February 9, 2023.

(2) **Dautrich Enterprises, Inc.** Proposed Agreement to Allow for the Renewal of the  
405 Carverton Road Liquor License.  
Wyoming, Pennsylvania 18644-9362  
Hotel Liquor License No. H-4753  
LID 52862  
Docket No. 2022-00490 (Luzerne County)  
  
**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour  
  
**Board Decision:** Unanimously agreed (3-0 vote) to approve the request to resolve the appeal.

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

(1) **Blue Stripe Brewing, LLC** New & Request for Interior  
**t/a Axemann Brewing** Connections with Another  
(LID No. 108687) Business – Brewery Storage  
Nittany Valley Sports Centre  
177 Champion Drive, Suite 300  
Patton Township  
State College, Centre County  
  
**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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**Board Decision:** Unanimously agreed (3-0 vote) to approve the request for new brewery storage and the request for interior connections with another business.

- (2) **The Brewerie, Inc.  
t/a The Brewerie at Union Station**  
G-386 (LID No. 56839) Case No. 21-9040  
121 West 14<sup>th</sup> Street  
Erie, Erie County
- Request for Hearing After  
Administrative Cancellation –  
Notice of Change in Business  
Structure - Brewery

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (3) **A Concrete Rose Bookbar Co.**  
(LID No. 109038)  
910 South Duke Street, Suite 105  
Lancaster, Lancaster County
- New & Requests to Sell Other  
Items on the Licensed Premises  
& for Dual Employment -  
Limited Winery

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

**Board Decision:** Unanimously agreed (3-0 vote) to approve the request for a new limited winery license and the request to sell other items on the licensed premises and for dual employment.

- (4) **Iron Front, LLC**  
(LID No. 105588) Case No. 21-9058  
Chamberlin Iron Front Building  
434 Market Street  
Lewisburg, Union County
- New – Economic Development  
Restaurant

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (5) **Johnstown Beer and Eats, LLC  
t/a Country Garden 6-Pak Featuring Red's Texas  
BBQ**  
R-18176 (LID No. 106095) Case No. 21-9053  
3116 Elton Road  
Richland Township  
Johnstown, Cambria County
- Conditional Licensing Agreement  
Person-to-Person Transfer –  
Restaurant
- HOLD – 1/26/22 SESSION**

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**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (6) **Legends Taproom, LLC** Double Transfer & Request for  
**t/a Legends Taproom** Interior Connections with  
E-5110 (LID No. 106420) Another Business –  
12591 Route 30 Eating Place Malt Beverage  
North Huntingdon Township  
North Huntingdon, Westmoreland County

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (7) **Tenacious Endeavors, LLC** Limited Winery Additional  
**t/a Tenacious Endeavors** Board-Approved Location &  
LK-448 (LID No. 70910) Requests to Sell Other  
275 Union Street Items on the Licensed Premises  
Manchester Township & for Dual Employment –  
York, York County Limited Winery

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

**Board Decision:** Unanimously agreed (3-0 vote) to approve the limited winery additional location and requests to sell other items on the licensed premises and for dual employment.

- (8) **Benno JTB Enterprises, L.L.C.** **REQUEST FOR**  
**t/a R Bar and Grille** **RECONSIDERATION**  
R-17345 (LID No. 64991) Case No. 2020-64991 Conditional Licensing  
418 16<sup>th</sup> Street, P. O. Box 530 Agreement  
North Apollo, Armstrong County Renewal – District 6

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

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- (9) **Boomerang Bar, Inc.** Renewal – District 5  
R-6724 (LID No. 26983) Case No. 2021-26983  
1928 Monongahela Avenue  
Swissvale  
Pittsburgh, Allegheny County
- Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to hold for conditional licensing agreement.
- 
- (10) **Cactus Group, Inc.** Conditional Licensing Agreement  
**t/a Cactus Jack’s Southwest Grille** Renewal – District 6  
R-19253 (LID No. 51774) Case No. 2020-51774  
351 Center Grange Road, P. O. Box 223  
Center Township  
Monaca, Beaver County **HOLD – 11/10/21 SESSION**
- Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal with a conditional licensing agreement.
- 
- (11) **Debra J. Danley** Conditional Licensing Agreement  
**t/a Danley’s Hotel** Renewal – District 3  
H-2388 (LID No. 6516) Case No. 2021-6516  
17 North 3<sup>rd</sup> Street  
Sunbury, Northumberland County **HOLD – 1/12/22 SESSION**
- Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal with a conditional licensing agreement.
- 
- (12) **Estate of Joan Rocco** Renewal – District 1  
**Anna Rager, Executrix**  
**Joseph Rocco, Jr., Executor**  
**t/a Rocky’s Tavern**  
H-3404 (LID No. 6828) Case No. 2021-6828  
718 Maple Avenue  
Johnstown, Cambria County
- Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (13) **Fagan Hopwood Tavern, LLC** Conditional Licensing Agreement  
**t/a Hopwood Tavern** Renewal – District 6  
R-12216 (LID No. 86284) Case No. 2020-86284  
1225 National Pike Road  
North Union Township  
Hopwood, Fayette County **HOLD – 1/12/22 SESSION**

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (14) **Shawn E. Foley** Renewal – District 7  
**t/a Draft House**  
R-10182 (LID No. 53622) Case No. 2021-53622  
707 Pennsylvania Avenue East  
Warren, Warren County

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (15) **GDF Mulberry St., LLC** Conditional Licensing Agreement  
R-3052 (LID No. 53557) Case No. 2019-53557 Renewal – District 9  
326-328 North Webster Avenue  
1214 Mulberry Street, Rear  
Scranton, Lackawanna County **HOLD – 10/27/21 SESSION & 1/12/22 SESSION**

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (16) **Gingerbread Man of Carlisle, Inc.** Renewal – District 1  
R-18753 (LID No. 57218) Case No. 2021-57218  
Five South Court House Avenue  
Carlisle, Cumberland County

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (17) **Hegins Inn, Inc.** Conditional Licensing Agreement  
**t/a Hegins Inn** Renewal – District 3  
R-18785 (LID No. 51630) Case No. 2021-51630  
673 East Main Street  
Hegins Township  
Hegins, Schuylkill County

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (18) **High Tides Investors, LLC** Request to Extend Temporary Operating Authority under the Conditional Licensing Agreement  
R-10275 (LID No. 67829) Case No. 2019-67829 Renewal – District 11  
1067 & 1031 Totem Road  
Bensalem Township  
Bensalem, Bucks County

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

**Board Decision:** Unanimously agreed (3-0 vote) to deny the request to extend temporary operating authority.

- (19) **Hooples Public House, LLC** Renewal – District 5  
**t/a Hooples Public House**  
R-10266 (LID No. 89750) Case No. 2021-89750  
2221 Brownsville Road  
Pittsburgh, Allegheny County

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (20) **House of Leung, Inc.** Renewal – District 5  
**t/a House of Lee**  
R-7245 (LID No. 53582) Case No. 2021-53582  
8145 Ohio River Boulevard  
Emsworth  
Pittsburgh, Allegheny County

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**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (21) **Legume, Inc.** Renewal – District 5  
R-9969 (LID No. 64557) Case No. 2021-64557  
208 North Craig Street  
Pittsburgh, Allegheny County

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (22) **Martino Group, LLC** Conditional Licensing Agreement  
R-2975 (LID No. 69816) Case No. 2021-69816 Renewal – District 5  
200 Tenth Street  
Sharpsburg  
Pittsburgh, Allegheny County

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (23) **Mindful Ventures, LLC** Renewal – District 10  
R-168 (LID No. 69326) Case No. 2020-69326  
117-121 Chestnut Street  
Philadelphia, Philadelphia County

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

- (24) **Moniuszko Singing Society** Renewal – District 7  
C-726 (LID No. 688) Case No. 2021-688  
1209 Reed Street  
Erie, Erie County

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour



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

(25) **Nickels Tavern, Inc.** Conditional Licensing Agreement  
t/a **Nickels Tavern** Renewal – District 10  
R-4583 (LID No. 28462) Case No. 2020-28462  
2653-55 South 2<sup>nd</sup> Street  
Philadelphia, Philadelphia County **HOLD – 10/27/21 SESSION**

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

(26) **Our Place Tavern, Inc.** Conditional Licensing Agreement  
R-13888 (LID No. 51813) Case No. 2021-51813  
SR 414 & SR 220, P. O. Box 186  
Monroeton, Bradford County Renewal – District 9

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

(27) **Park Market Six Packs To Go, LLC** Conditional Licensing Agreement  
R-18907 (LID No. 69673) Case No. 2020-69673  
30 East Broad Street  
Nanticoke, Luzerne County Renewal – District 8  
**HOLD – 12/15/21 SESSION**

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

(28) **Wacky Zaki, Inc.** Renewal – District 10  
R-1542 (LID No. 64664) Case No. 2020-64664  
10002-04 Verree Road  
Philadelphia, Philadelphia County

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

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

Personnel Actions

There were 15 personnel actions presented for consideration.

- (1) **Shamira Adams – Affirm Removal**
- (2) **Maurice Coleman – Affirm Removal**
- (3) **Anthony Cottle – Affirm Removal**
- (4) **Kyle Darhower – Affirm Removal**
- (5) **Jelani Estes – Affirm Removal**
- (6) **Erin Fortune – Affirm Removal**
- (7) **Philemon Gladden – Affirm Removal**
- (8) **Marianne Mangiafico – Removal**
- (9) **Lisa Mills-Bennett – Affirm Removal**
- (10) **Wayne Moody - Removal**
- (11) **Jeffrey Murray - Removal**
- (12) **Antoinette Pinkney – Affirm Removal**
- (13) **Regina Rusin – Affirm Removal**
- (14) **Rhonda Wallace – Affirm Removal**
- (15) **Taylor Weedon – Affirm Removal**

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

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

Procurement Actions:

- (1) **Third Party Store Inventory** – The PLCB sought a qualified Contractor to provide complete physical inventories of PLCB products and accessories at least annually at approximately 585 Fine Wine & Good Spirits retail stores, 13 Licensee Service Centers, and one e-commerce fulfillment center across Pennsylvania. Complete physical inventories should be conducted between February and April annually and would produce accurate product counts by item ID with the potential of additional counts being done throughout the remainder of the year on an ad hoc basis.

Procured via Request for Proposal – **VENDOR: Retail Services WIS Corporation** – **TERM:** The term of the contract will commence on the Effective Date and will continue for three years - **\$2,079,000.00 estimated cost** (\$693,000.00 per year).

- (2) **Software Implementation Partner for ServiceNow Customer Service Management Platform** – The PLCB sought a qualified Contractor to lead the implementation of Customer Service Management (CSM) on the ServiceNow Platform and integration into existing systems (Genesys Call/Chat) as appropriate. The CSM implementation will include ServiceNow module evaluation and development of several business specific CSM workflows including: 1) Fine Wine & Good Spirits customer service for retail customer; 2) Wholesale Operations customer service for licensee customers purchasing wines and spirits; 3) Licensing customer service for licensees seeking regulatory assistance; and 4) Special Order customer service for retail and licensee customers.

Procured via Request for Proposal – **VENDOR: Enterprise Mobility Solutions d/b/a Pathways Consulting Group** – **TERM:** The term of the contract will commence on the Effective Date and will end upon PLCB acceptance of all deliverables and milestones or as otherwise agreed to by the Parties. **\$340,700.00 estimated cost.**

- (3) **Waste & Corrugated Cardboard Removal Renewal** – Provide hand pick-up service to remove waste and corrugated cardboard for approximately 160 FWGS stores in Philadelphia, Bucks, Chester, Delaware, and Montgomery counties.

Procured via BPA 63020779 Option Year One – **VENDOR: Modern Recycling Services, LLC** - **TERM:** One year for period 3/1/2022 through 2/28/2023 - **\$726,443.00 estimated cost.**

- (4) **SUSE Subscription Renewal** - This is for the Software Subscription and Support Renewal for several SUSE packages. This allows the LCB to obtain any patches or updates to the software as well as the ability to open tickets with support. These items are required for us to continue to use the software.

Procured via DGS Contract #4400018548 – **VENDOR: CDW-G** – **TERM:** One year for period 2/1/2022 through 1/31/2023 - **\$453,690.47 estimated cost.**

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**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

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.
- (2) **Office of Administration – HR Shared Services** – Billing of \$332,900 for the FY 2021-22 Q3 billing for OA’s HR-Enterprise Services (labor relations, employee benefits, training, etc.). The LCB’s charge represents 1.6% of the total \$20.9M OA-HR Shared Services billing. The FY 2021-22 Q1-Q3 billings total \$1.25 million and are \$146,900 (13.3%) more than last year.
- (3) **Department of Auditor General** – FY 2021-22 second quarter billing of \$752,789.04 from the Department of the Auditor General. The charge for FY 2021-22 Q2 services is \$59,533 (-7.3%) less than last year’s Q2 billing and is based on actual audit hours for October, November, and December, which were down 9.8% from Q2 last year. FY 2021-22 YTD charges are \$1.424 million or \$45 thousand (3.3%) 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 Negra  
**Seconded:** Board Member Isenhour

**Board Decision:** Unanimously agreed (3-0 vote) to approve item #2 (Office of Administration-HR Shared Services) and item #3 (Department of Auditor General) and hold on item #1 (Office of Administration – IT Shared Services).

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

- (1) **#0414 – 1476 Old Brodhead Road, Monaca Amendment**
- (2) **#3510 – Plaza 1500, 1531 Main Street, Peckville Amendment, Modifying Lease Language**
- (3) **#5105 – 5 North 12<sup>th</sup> Street, Philadelphia Amendment**
- (4) **35XX – Dickson City Commons, 1106 Commerce Boulevard, Dickson City New Store / Relocation of #3502**

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**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 Selection .....Tom Bowman, Director of Product Selection*

| <u>VENDOR – ITEM NAME</u> | <u>BOARD ACTION REQUESTED</u> |
|---------------------------|-------------------------------|
| Various                   | 1. Regular New Items Accepted |
| Various                   | 2. Regular Recommended Delist |

**1. Regular New Items Accepted**

| <u>BRAND NAME AND SIZE</u>                             | <u>REASON</u> |
|--|---------------|
| <b><u>Jim Beam Brands Co</u></b>                       |               |
| On The Rocks Cruzan Daiquiri Cocktail 375 mL           | 10            |
| <b><u>Southern Glazers Wine and Spirits of PA</u></b>  |               |
| Bota Box Breeze Dry Rosé 3 L                           | 1, 2, 3       |
| Bota Box Breeze Pinot Grigio 3 L                       | 1, 2, 3       |
| <b><u>Vintage Imports</u></b>                          |               |
| Rombauer Vineyards Chardonnay Carneros 750 mL          | 2, 4          |
| Whitehall Lane Cabernet Sauvignon Sonoma Valley 750 mL | 2, 3, 4       |

RECOMMENDED ACTION: We recommend the Board approve this action

**New Items – Recommended Listings**

**Reason Codes**

1. Strong marketing support
2. High brand recognition
3. Line/Size extension of successful brand
4. Trade up opportunity
5. Growing category
6. Growing segment
7. National rollout
8. Niche item / Limited distribution
9. High dollar profit potential
10. Trade out
11. High quality for the value
12. Innovative product/flavor
13. High sales through other PLCB channels (Luxury, Online, SLO)
14. Underrepresented category/segment
15. Hole in selection – consumer/store requests
16. PA Spirits
17. PA Wines
18. Licensee only
19. Probationary listing

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## 2. Regular Recommended Delist

| <u>BRAND NAME AND SIZE</u>                                    | <u>CODE</u> |
|---|-------------|
| <u>Capital Wine and Spirits</u>                               |             |
| Bolla Prosecco 750 mL   | 7444        |
| Maschio Prosecco Brut 750 mL                                  | 3332        |
| Vidal Fleury Cotes du Rhone Rouge 750 mL                      | 7671        |
| <u>Jim Beam Brands Co</u>                                     |             |
| Jim Beam Apple Highball Cocktail 4x355 mL Cans                | 97740       |
| <u>Moet Hennessy USA</u>                                      |             |
| Hennessy Black Cognac 375 mL                                  | 3264        |
| Hennessy Black Cognac 750 mL                                  | 3263        |
| <b>NOTE: Hennessy products will not get clearance pricing</b> |             |

EFFECTIVE DATE: The transference to closeout will become effective March 11, 2022

**Motion Made:** Board Member Negra  
**Seconded:** Board Member Isenhour

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

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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>December 31, 2021</u> | <u>December 31, 2020*</u> |
|---|--------------------------|---------------------------|
| <b><u>ASSETS</u></b>                              |                          |                           |
| Current assets:                                   |                          |                           |
| Cash  | \$ 60,334,962            | \$ 60,210,103             |
| Investments - short term                          | 340,284,096              | 326,713,440               |
| Accounts and claims receivable, net               | 7,844,339                | 7,814,714                 |
| Due from other funds - Note 9                     | -                        | -                         |
| Merchandise inventories, net                      | 187,198,076              | 211,521,643               |
| Operating supplies                                | 504,645                  | 306,036                   |
| Prepaid expenses                                  | 1,389,188                | 1,376,503                 |
|   | <hr/>                    | <hr/>                     |
| Total current assets                              | 597,555,306              | 607,942,439               |
| Non-current assets:                               |                          |                           |
| Non-depreciable capital assets:                   |                          |                           |
| Land  | 322,973                  | 322,973                   |
| Depreciable capital assets:                       |                          |                           |
| Building  | 10,711,563               | 21,001,512                |
| Leasehold improvements                            | 209,134                  | 197,771                   |
| Machinery and equipment                           | 47,677,083               | 49,436,067                |
| Intangible - internally generated software        | 43,505,305               | 24,955,449                |
| Intangible - right to use leases - Note 10        | 347,011,247              | 292,705,727               |
|   | <hr/>                    | <hr/>                     |
| Less: accumulated depreciation                    | 145,409,810              | 94,259,923                |
| Net depreciable capital assets                    | 303,704,522              | 294,036,603               |
| Total non-current capital assets                  | 304,027,495              | 294,359,576               |
|   | <hr/>                    | <hr/>                     |
| Total assets                                      | \$ 901,582,801           | \$ 902,302,015            |
|   | <hr/>                    | <hr/>                     |
| Total deferred outflows of resources - Notes 5, 6 | \$ 196,472,447           | \$ 144,755,869            |
| <br><b><u>LIABILITIES</u></b>                     |                          |                           |
| Current liabilities:                              |                          |                           |
| Trade accounts payable                            | \$ 337,303,993           | \$ 360,345,741            |
| Other accounts payable                            | 26,014,259               | 24,127,464                |
| Accrued expenses                                  | 23,372,264               | 22,176,669                |
| OPEB - Note 6                                     | -                        | 18,874,000                |
| Self-insurance, workers' compensation - Note 7    | 6,298,715                | 8,595,210                 |
| Due to other funds - Note 9                       | 7,711,016                | 9,870,376                 |
| Due to fiduciary funds - Note 9                   | 3,178,843                | 3,018,632                 |
| Due to other governments - Note 9                 | 927,618                  | 869,325                   |
| Right to use liabilities - Note 10                | 52,835,345               | 28,750,412                |
| Total current liabilities                         | 457,642,053              | 476,627,829               |
|   | <hr/>                    | <hr/>                     |
| Non-current liabilities:                          |                          |                           |
| OPEB - Note 6                                     | 472,261,000              | 451,777,000               |
| Self-insurance, workers' compensation - Note 7    | 61,900,983               | 47,995,269                |
| Net pension liability - Note 5                    | 470,662,828              | 475,886,320               |
| Compensated absences - Note 1                     | 25,995,401               | 24,809,043                |
| Right to use liabilities - Note 10                | 214,272,491              | 238,424,036               |
| Total non-current liabilities                     | 1,245,092,703            | 1,238,891,668             |
|   | <hr/>                    | <hr/>                     |
| Total liabilities                                 | \$ 1,702,734,756         | \$ 1,715,519,497          |
|   | <hr/>                    | <hr/>                     |
| Total deferred inflows of resources - Notes 5, 6  | \$ 328,659,464           | \$ 359,974,938            |
| <br><b><u>NET POSITION</u></b>                    |                          |                           |
| Net investment in capital assets                  | \$ 36,919,659            | \$ 27,185,128             |
| Deficit   | (970,258,631)            | (1,055,621,679)           |
|   | <hr/>                    | <hr/>                     |
| Total net position                                | \$ (933,338,972)         | \$ (1,028,436,551)        |
|   | <hr/>                    | <hr/>                     |

\* 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.

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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 December 31, 2021 and December 31, 2020**  
**(Unaudited)**

|  | <u>2021-22</u>                 | <u>2020-21</u>                   |
|--|--------------------------------|----------------------------------|
| Sales net of taxes                       | \$ 293,300,238                 | \$ 267,838,758                   |
| Cost of goods sold                       | <u>(195,387,928)</u>           | <u>(176,365,880)</u>             |
| Gross profit from sales                  | 97,912,310                     | 91,472,878                       |
| Operating (expenses):                    |                                |                                  |
| Retail operations                        | (30,768,608)                   | (35,166,924)                     |
| Marketing & merchandising                | (2,182,375)                    | (810,105)                        |
| Supply chain                             | (386,436)                      | (597,319)                        |
| Wholesale operations                     | (128,302)                      | (138,306)                        |
| Information technology services          | (1,631,127)                    | (1,908,758)                      |
| Regulatory affairs                       | (1,139,616)                    | (1,519,773)                      |
| Administration                           | (809,672)                      | (850,206)                        |
| Finance                                  | (380,603)                      | (230,540)                        |
| Board & secretary                        | (1,094,568)                    | (283,980)                        |
| Legal                                    | (393,353)                      | (366,642)                        |
| Commonwealth provided services - Note 2  | <u>(2,148,261)</u>             | <u>(1,163,605)</u>               |
| Total                                    | <u>(41,062,921)</u>            | <u>(43,036,158)</u>              |
| Operating profit/(loss)                  | 56,849,389                     | 48,436,720                       |
| Other operating revenues (expenses):     |                                |                                  |
| Enforcement fines                        | 75,998                         | 55,666                           |
| License fees                             | 2,976,260                      | 1,368,835                        |
| Miscellaneous income                     | 227,689                        | 228,052                          |
| Administrative law judge                 | <u>(242,810)</u>               | <u>(247,091)</u>                 |
| Total                                    | <u>3,037,137</u>               | <u>1,405,462</u>                 |
| Total operating income/(loss)            | 59,886,526                     | 49,842,182                       |
| Miscellaneous revenues (expenses):       |                                |                                  |
| Interest income (expense)                | (379,668)                      | (361,901)                        |
| Other                                    | <u>-</u>                       | <u>-</u>                         |
| Total                                    | <u>(379,668)</u>               | <u>(361,901)</u>                 |
| Income/(Loss) before operating transfers | 59,506,858                     | 49,480,281                       |
| Operating transfers out:                 |                                |                                  |
| PSP enforcement - Note 3                 | (2,489,370)                    | (2,490,724)                      |
| <b>Net Income/(Loss) from operations</b> | <u><b>57,017,488</b></u>       | <u><b>46,989,557</b></u>         |
| Statutory Transfers:                     |                                |                                  |
| General fund - Note 4                    | -                              | -                                |
| Drug and alcohol programs - Note 4       | -                              | -                                |
| Total                                    | <u>-</u>                       | <u>-</u>                         |
| Change in net position                   | 57,017,488                     | 46,989,557                       |
| Total net position - beginning           | <u>(990,356,460)</u>           | <u>(1,075,426,108)</u>           |
| Total net position - ending              | <u><u>\$ (933,338,972)</u></u> | <u><u>\$ (1,028,436,551)</u></u> |
| Liquor tax                               | 52,330,999                     | 44,460,831                       |
| State Sales Tax                          | 20,609,090                     | 17,521,296                       |
| Local Tax                                | 1,164,842                      | 908,829                          |
| Taxes remitted to Dept.of Revenue PTD    | <u>\$ 74,104,931</u>           | <u>\$ 62,890,956</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 Six Months Ending December 31, 2021 and December 31, 2020**  
**(Unaudited)**

|  | <u>2021-22</u>            | <u>2020-21</u>            |
|--|---------------------------|---------------------------|
| Sales net of taxes                       | \$ 1,289,901,601          | \$ 1,207,213,723          |
| Cost of goods sold                       | (886,220,248)             | (810,762,457)             |
| Gross profit from sales                  | <u>403,681,353</u>        | <u>396,451,266</u>        |
| Operating (expenses):                    |                           |                           |
| Retail operations                        | (172,621,147)             | (187,190,693)             |
| Marketing & merchandising                | (5,589,181)               | (5,905,350)               |
| Supply chain                             | (2,119,778)               | (3,992,442)               |
| Wholesale operations                     | (686,922)                 | (790,227)                 |
| Information technology services          | (11,552,727)              | (13,232,041)              |
| Regulatory affairs                       | (7,318,482)               | (8,504,746)               |
| Administration                           | (4,557,590)               | (4,835,417)               |
| Finance                                  | (1,268,644)               | (1,452,388)               |
| Board & secretary                        | (4,930,878)               | (1,404,326)               |
| Legal                                    | (2,146,315)               | (1,819,835)               |
| Commonwealth provided services - Note 2  | (8,566,211)               | (7,677,057)               |
| Total                                    | <u>(221,357,875)</u>      | <u>(236,804,522)</u>      |
| Operating profit/(loss)                  | <u>182,323,478</u>        | <u>159,646,744</u>        |
| Other operating revenues (expenses):     |                           |                           |
| Enforcement fines                        | 523,876                   | 605,737                   |
| License fees                             | 11,045,393                | 14,349,085                |
| Miscellaneous income                     | 2,780,409                 | 1,098,673                 |
| Administrative law judge                 | (1,417,313)               | (1,361,196)               |
| Total                                    | <u>12,932,365</u>         | <u>14,692,299</u>         |
| Total operating income/(loss)            | <u>195,255,843</u>        | <u>174,339,043</u>        |
| Miscellaneous revenues (expenses):       |                           |                           |
| Interest income (expense)                | (2,274,371)               | (1,972,309)               |
| Other                                    | 46,420                    | -                         |
| Total                                    | <u>(2,227,951)</u>        | <u>(1,972,309)</u>        |
| Income/(Loss) before operating transfers | 193,027,892               | 172,366,734               |
| Operating transfers out:                 |                           |                           |
| PSP enforcement - Note 3                 | (15,078,526)              | (15,053,828)              |
| <b>Net Income/(Loss) from operations</b> | <b><u>177,949,366</u></b> | <b><u>157,312,906</u></b> |
| 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                   | 77,949,366                | 57,312,906                |
| Total net position - beginning           | (1,011,288,338)           | (1,085,749,457)           |
| Total net position - ending              | <u>\$ (933,338,972)</u>   | <u>\$ (1,028,436,551)</u> |
| Liquor tax                               | 231,011,015               | 214,808,752               |
| State Sales Tax                          | 90,913,538                | 84,700,301                |
| Local Tax                                | 5,537,182                 | 4,725,013                 |
| Taxes remitted to Dept.of Revenue YTD    | <u>\$ 327,461,735</u>     | <u>\$ 304,234,066</u>     |

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## **OTHER ISSUES**

None

## **CITIZEN COMMENT/BUSINESS FROM THE FLOOR**

Caller Tracy McCarthy of Johnstown Beer and Eats sought guidance regarding next steps for the license since the transfer was just approved, asking if there is anything else that they need to do to move forward. Chairman Holden commented that Licensing would send correspondence to her. Chief Counsel Rod Diaz also stated that a letter would be sent to her.

Ms. McCarthy next asked if Johnstown Beer and Eats is permitted to sell alcohol starting today or do they have to wait for something else. Chief Counsel Diaz responded that she would have to wait until she receives the letter from the PLCB's Bureau of Licensing, since that letter grants the authority. He went on to clarify the Liquor Code requirement that the license must be physically on the premises when selling, and that letter would constitute the license. The PLCB will send out the letter ASAP.

Ms. McCarthy asked if she was allowed to remove the orange sticker from the window of the premises and Chief Counsel Diaz confirmed that the orange sticker could now be removed.

Finally, Ms. McCarthy asked for clarification on the renewal date of the license. Chief Counsel Diaz stated that the renewal date is based on the district that the business is in, so everyone in that district had the same renewal date, which in this case is January 31<sup>st</sup>. He went on to say that the renewal request would need to be submitted 60 days prior to the deadline, but that Licensing would send out notices prior to that date. Ms. McCarthy thanked the Board and Chief Counsel Diaz and she had no more questions at this time.

## **NEXT BOARD MEETING**

**The next meeting of the PLCB will be a formal meeting on Wednesday, February 23, 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.**

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**ADJOURNMENT**

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

The foregoing actions are hereby officially approved.

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Chairman

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Member

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Member

ATTEST:

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Secretary