

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

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WEDNESDAY, JUNE 8, 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
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 May 18, 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

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

NEW BUSINESS

From the Office of Chief Counsel *Stacy Rineer, Executive Deputy Chief Counsel*

(1) **Premises Located at 1400 North 3rd Street**
Harrisburg, Pennsylvania 17102-1908
Restaurant Liquor License No. R-223
LID 64506

Partial Rescission of Conditional Licensing
Agreement

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

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve partial rescission of conditional licensing agreement.

(2) **WT Restaurant Holdings, LLC** Modification of Conditional Licensing Agreement
743 South 4th Street
Philadelphia, Pennsylvania 19147-3125
Restaurant Liquor License No. R-1055
LID 70784

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve modification of conditional licensing agreement.

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

(1) **Update Objection Criteria** Standards for Objection to Application by the Director of the Bureau of Licensing – June 2022

Board Secretary Vigoda summarized the initial agenda item from the Bureau of Licensing by making the following statement:

Section 470 of the Liquor Code authorizes the Director of Licensing to object to the renewal of a license based on operational history, criminal history, citation history, and no longer meeting requirements.

The criteria used by the Director of Licensing to object are being updated as they relate to violations of the Liquor Code, specifically amending from one to two violations for not operating as a bona fide licensee, in addition to the inclusion of certain degrees of misdemeanor and felony convictions for specific timeframes.

Since this authorization for objection is statutory rather than a delegation, this matter is being presented for informational and transparency purposes. A formal vote by the Board is not required.

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- (2) **Jeffrey J. Bankovich**
R-10718 (LID No. 47007) Case No. 21-9025
39 Allen Street
Plymouth Township
West Nanticoke, Luzerne County
- Requests for Hearing After
Revocation and *Nunc Pro Tunc* -
Renewals, Validation & Extension
of Safekeeping – Restaurant

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

- (3) **City Winery Philadelphia, LLC**
t/a City Winery
(LID No. 103533)
23 Factory Street
Montgomery, NY 12549
- New & Requests for Interior
Connections with Another
Business & Dual Employment –
Limited Winery (out-of-state)

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve new limited winery license & requests for interior connections with another business & dual employment.

- (4) **Country Crab Saloon, Inc.**
R-14895 (LID No. 71997) Case No. 21-9026
62 Hunlock Harveyville Road
Union Township
Hunlock Creek, Luzerne County
- Requests for Hearing After
Revocation and *Nunc Pro Tunc* -
Renewals, Validation & Extension
of Safekeeping – Restaurant

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

- (5) **Crooked Eye Brewery, LLC**
t/a Crooked Eye Raceway
(LID No. 110251)
200 Blair Mill Road
Suite 100
Horsham Township
Horsham, Montgomery County
- New & Requests for Interior
Connections with Another Business
& Dual Employment – Brewery
Storage

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

Board Decision: Unanimously agreed (3-0 vote) to approve new brewery storage license & requests for interior connections with another business & dual employment.

- (6) **Invictus Defense, LLC** “Intermunicipal” Double Transfer &
t/a Invictus Requests for an Interior Connection
R-21074 (LID No. 109480) with Another Business & to Conduct
650 Dubois Street Another Business on the Licensed
Dubois, Clearfield County Premises – Restaurant

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve transfer & requests for an interior connection with another business & to conduct another business on the licensed premises.

- (7) **Belfast Corp.** Renewal – District 4
H-3533 (LID No. 34175) Case No. 2020-34175
5784 Sullivan Trail **HOLD – 3/23/22 SESSION**
Plainfield Township
Nazareth, Northampton County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

- (8) **C. Michael Taylor, Inc.** Renewal – District 5
t/a Mickey T’s
H-4746 (LID No. 58409) Case No. 2021-58409 **HOLD – 3/9/22 SESSION**
1110 Lincoln Highway
North Versailles Township
North Versailles, Allegheny County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

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- (9) **E. M. Carpenter, Inc.** Renewal – District 7
t/a Black Bear Inn
R-20515 (LID No. 46839) Case No. 2021-46839 **HOLD – 4/13/22 SESSION**
36009 Lake Road
Bloomfield Township
Union City, Crawford County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to approve renewal with a conditional licensing agreement.
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- (10) **Bonnie Gray** Renewal – District 9
t/a Wharton Tavern
R-19832 (LID No. 20562) Case No. 2021-20562
31 East Fork Road
Wharton Township
Austin, Potter County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to approve renewal.
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- (11) **I.B.P.O.E. of W. Valley Lodge 294** Renewal – District 6
C-1771 (LID No. 1067) Case No. 2020-1067
932 3rd Avenue **HOLD – 12/15/21 SESSION**
New Kensington, Westmoreland County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour
- Board Decision:** Unanimously agreed (3-0 vote) to approve renewal with a conditional licensing agreement.
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- (12) **James Donald Lacey** Conditional Licensing Agreement
Mary Ruth Lacey (Deceased) Renewal – District 8
t/a Lacey's Bar & Grill
R-961 (LID No. 9710) Case No. 2020-9710 **HOLD – 3/9/22 SESSION**
438-444 East Main Street
Nanticoke, Luzerne County
- Motion Made:** Board Member Negra
Seconded: Board Member Isenhour

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

(13) **R. Keith Anderson Memorial Post No. 9765** Renewal – District 11
VFW of the United States, Inc.
C-5514 (LID No. 2532) Case No. 2021-2532
4269 Linden Avenue
Bensalem Township
Oakford, Bucks County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(14) **Seldom Enterprises, LLC** Renewal – District 7
t/a The Seldom Inn
R-16817 (LID No. 101109) Case No. 2021-101109 **HOLD – 4/13/22 SESSION**
255 Route 36
Green Township
Tionesta, Forest County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve renewal with a 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 9 personnel actions presented for consideration.

- (1) **Leonard Carter – Affirm Removal**
- (2) **Rex Cramer – Affirm Removal**
- (3) **Shadea Grant – Affirm Removal**
- (4) **Joan Holecz – Removal**
- (5) **Melanie Morton – Affirm Removal**
- (6) **Kaseem Starkey – Affirm Removal**

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- (7) **Brittney Urban – Removal**
- (8) **Desaree Ware – Affirm Removal**
- (9) **Shaunti White – Affirm Removal**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

*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) **Oracle Hypercare Staff Augmentation** - This purchase request is for four resources to provide Oracle Hypercare support.

Procured via DGS Contract #4400024749 – VENDOR: **OST Inc.** – TERM: Two months for period 6/15/2022 through 8/14/2022 - **\$143,236.80 estimated cost.**

- (2) **ServiceNow Software Licensing Year Three** - 40 Customer Service Management Professional licenses and supporting ServiceNow environments to enable the PLCB to establish a customer service ticketing system for four different business areas (Fine Wine & Good Spirits, Wholesale Operations/LOOP support, Special Order and Regulatory/Licensing) to be integrated into existing Genesys call and chat platforms.

Procured via DGS Contract #4400004253 – VENDOR: **Carahsoft Technology Group** – TERM: One year for period 5/27/2024 through 5/26/2025 - **\$63,556.80 estimated cost.**

- (3) **Ricoh 5160e 64” roll to roll Latex Printer and Roland GR2-640 Roll to roll cutter with Onyx Thrive Software** – This request is for a large format roll-to-roll printer, related production software, and maintenance contract through a five-year lease. This equipment will enable our graphics team to now produce a variety of professional print types, including posters (special event, hiring), stickers (return policy, age verification ID), vinyl banners, register mats, and signs (minimum drinking age, etc.).

Procured via DGS Contract #4400015895 – VENDOR: **Ricoh USA Inc.** – TERM: Five years for period 7/1/2022 through 6/30/2027 - **\$77,554.60** (\$1,052.41/month for the first 12 months, then \$1352.41/month for the following 48 months which includes \$300/month for additional optional coverage on print heads last 48 months.)

- (4) **Managed Print Services** – Single price maintenance contract for approximately 675 Lexmark 600 series printers that are located at FW&GS stores throughout the state of PA. Toner, maintenance parts, and labor are included in the fixed price and PLCB will only be responsible for paper. Printers will be monitored constantly, and toner will be sent to stores before it is needed. This monitoring will reduce downtime due to printer failure.

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Procured via IFB #270004 – VENDOR: **Edwards Business Machines Inc.** – TERM: Three years for period 9/1/2022 through 8/31/2025 - **\$840,214.50.**

- (5) **Thermal Register Tape** – This purchase request is for Printed Thermal Register Rolls to be used in all Fine Wine & Good Spirits stores.

Procured via IFB #6100055799 – VENDOR: **Receiptco LLC** – TERM: One year for period 6/15/2022 through 6/14/2023 - **\$331,285.20** (5,385 cases @ \$61.52 each).

Inter-Agency Charges:

- (1) **Office of Administration – HR Shared Services** – Billing of \$863,700 for the FY 2021-22 Q4 billing for OA’s HR-Enterprise Services (labor relations, employee benefits, training, etc). This billing also includes a charge of \$405,000 for the LCB’s participation in the HR Service Center for February through June of FY 2021. The charges represent 3.9% of the total \$22.29M OA-HR Shared Services billing. The FY 2021-22 Q1-Q4 billings total \$2.11 million and are \$608,775 (40.4%) more than last year. Excluding the HRSC services charge, the billings totaled \$1.71 million or \$203,775 (+13.5%) more than last year.
- (2) **Bureau of Commonwealth Payroll Operations (BCPO) Billing (Job 30)** – Billing of \$137,422.98 for the PLCB’s share of costs for payroll and travel services for FY 2021-22. The billing is based on actual payroll and travel transaction counts for the previous fiscal year (FY 2020). The PLCB’s charge decreased by \$173,645 (-55.8%) from last year’s billing of \$311,068.
- (3) **Department of Auditor General** – FY 2021-22 fourth quarter estimated billing of \$770,544.13 from the Department of the Auditor General. The charge for FY 2021-22 Q4 services is \$83,776 (+12.2%) more than last year’s Q4 estimated billing primarily due store audits component going up \$63,042 (+10.1%) for the quarter. The total FY 2021-22 billings total \$2.76 million or \$108 thousand (+4.1%) 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 all Procurement Actions and Inter-Agency Charges.

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

- (1) **#5601 – 686 Market Square, Meyersdale Amendment**
- (2) **#6523 – 1038 Latrobe 30 Plaza, Latrobe Amendment**

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**(3) #0920 – 1465 West Broad Street, Ste. 17, Quakertown
Amendment**

**(4) #1103 – 910 Philadelphia Avenue, Northern Cambria
Exercise Option**

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 SelectionTom Bowman, Director of Product Selection

VENDOR – ITEM NAME

BOARD ACTION REQUESTED

Various
Various
Various
Various

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

1. Regular New Items Accepted

BRAND NAME AND SIZE

REASON

Capital Wine and Spirits Inc

Tropical Blueberry Moscato 750 mL

3, 5, 9, 19

Charles Jacquin et Cie Inc

Savory and James Amontillado Sherry 750 mL

3, 19

North Wales Wines

Starborough Starlite Sauvignon Blanc 750 mL

2, 5, 12, 19

Palm Bay International

Cavit Dry Rosé 750 mL

2, 3, 9, 19

Confetti Sweet Summer Peach Wine 750 mL

6, 9, 11, 19

Pip Imports and Domestic LLC

Maris Rouge Blend 750 mL

9, 14, 19

Premier Innovations Group

Knock Knock Red Blend 750 mL

9, 11, 19

Southern Glazers Wine and Spirits of PA

Luc Belaire Luxe Sparkling Wine 1.5 L

2, 3, 9, 19

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Luc Belaire Luxe Sparkling Wine 375 mL	2, 3, 9, 19
Stella Rosa Black 1.5 L	2, 3, 9, 19
Stella Rosa Lemon Lime Moscato 750 mL	2, 3, 9, 12, 19

Treasury Wine Estates

Matua Lighter Sauvignon Blanc Marlborough 750 mL	3, 5, 12, 19
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RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular New Items Accepted Revision

BRAND NAME AND SIZE

REASON

RESCIND

Jim Beam Brands Co

Canadian Club Apple 750 mL	2, 5
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NOTE: This was sent to board 5-18-22

RECOMMENDED ACTION: We recommend the Board approve this action

3. Regular PA New Item Accepted

BRAND NAME AND SIZE

REASON

Pennsylvania Pure Distilleries

Boyd and Blair Cucumber Vodka 750 mL	16
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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

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- 17. PA Wines
- 18. Licensee only
- 19. Probationary listing

4. Regular Recommended Delist

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>Constellation Wines U S</u>	
Robert Mondavi Private Selection Chardonnay California 375 mL	98634
Robert Mondavi Private Selection Chardonnay Monterey County 375 mL Aged in Bourbon Barrels	98618
Robert Mondavi Private Selection Merlot California 375 mL Aged in Rum Barrels	98629
Simi Cabernet Sauvignon Alexander Valley 375 mL	98633
Simi Chardonnay Sonoma County 375 mL	98636
<u>Majestic W S USA Inc</u>	
Paua Rock Pinot Noir Central Otago 750 mL	98815
<u>Monsieur Touton</u>	
Santons de Provence Rosé Alpes de Haute Provence 750 mL	97120
<u>North Wales Wines</u>	
Brick and Vine Cabernet Sauvignon 750 mL	461
Brick and Vine Chardonnay 750 mL	465
Brick and Vine Pinot Noir 750 mL	463
Brick and Vine Red Blend 750 mL	464
Brick and Vine Sauvignon Blanc 750 mL	98841
Dark Horse Brut Rosé Sparkling 375 mL Can	500
Exponential Cabernet Sauvignon 750 mL	98069
Exponential Chardonnay 750 mL	98070
Exponential Pinot Grigio 750 mL	98071
Exponential Red Blend 750 mL	98072
<u>Palm Bay Imports Inc</u>	
Head to Head Rosé Sicilia 750 mL	126
Molto Bene Rosso Toscana 750 mL	98315
<u>Southern Glazers Wine and Spirits of PA</u>	
14 Hands Pinot Grigio 375 mL Can	513
14 Hands Winery Bubbles 375 mL Can	512
14 Hands Winery Hot to Trot Smooth Red Blend 375 mL Can	515
14 Hands Winery Rosé 375 mL Can	514
Paso Hills Vineyards Cabernet Sauvignon Paso Robles 750 mL	98861
The Criminal Cabernet Sauvignon Alexander Valley 750 mL	98858
The Criminal Red Blend Dry Creek Valley 750 mL	33724
Wonderland Sauvignon Blanc Marlborough 750 mL	98862

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Sutter Home Winery

Bieler Family Born to Run Rosé 750 mL	98345
Winecube Bubbles Rosé Sparkling Wine California 4x250 mL	430
Winecube Bubbles White Sparkling Wine California 4x250 mL	455
Winecube Cabernet Sauvignon 500 mL	370
Winecube Cabernet Sauvignon California 3 L	377
Winecube Chardonnay 3 L	378
Winecube Chardonnay 500 mL	371
Winecube Dark Red Blend 3 L	379
Winecube Malbec California 3 L	387
Winecube Merlot 3 L	380
Winecube Pink Moscato California 3 L	384
Winecube Pinot Grigio 3 L	385
Winecube Pinot Grigio 500 mL	372
Winecube Pinot Noir 3 L	381
Winecube Pinot Noir 500 mL	373
Winecube Red Blend 500 mL	374
Winecube Red Blend California 3 L	376
Winecube Riesling 3 L	388
Winecube Rosé 3 L	383
Winecube Rosé 500 mL	390
Winecube Sauvignon Blanc 3 L	382
Winecube Sauvignon Blanc 500 mL	375

The Wine Group Inc

Bucket List Pink Moscato 750 mL	400
Bucket List Rosé 750 mL	402

Trincherro Family Estates

Menage a Trois Red 3x187 mL	98338
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ViVino Selections Inc

Adega Vila Real Reserva Douro 750 mL	98432
Chateau Croix d' Aumedes Corbiers Cuvee Reserve 750 mL	98653
Chateau des Aladeres Corbieres 750 mL	98940
Mas De Sainte Croix Passion D'une Terre Cotes du Rhone 750 mL	98941
Sobilane Cotes Catalanes 750 mL	98431
Vina Palaciega Red Blend Mendoza Gran Selection 750 mL	98543

EFFECTIVE DATE: The transference to closeout will become effective July 8, 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)**

ASSETS	April 30, 2022	April 30, 2021*
ASSETS		
Current assets:		
Cash	\$ 51,046,918	\$ 42,368,802
Investments - short term	184,344,357	275,945,380
Accounts and claims receivable, net	8,092,310	7,285,622
Due from other funds - Note 9	-	-
Merchandise inventories, net	210,236,568	221,961,472
Operating supplies	467,068	541,009
Prepaid expenses	1,098,192	750,344
Total current assets	455,285,413	548,852,629
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	10,762,508	21,139,183
Leasehold improvements	209,134	209,134
Machinery and equipment	47,967,777	47,366,762
Intangible - internally generated software	52,344,251	28,727,715
Intangible - right to use leases - Note 10	356,731,378	315,052,794
Less: accumulated depreciation	167,578,318	111,852,923
Net depreciable capital assets	300,436,730	300,642,665
Total non-current capital assets	300,759,703	300,965,638
Total assets	\$ 756,045,116	\$ 849,818,267
Total deferred outflows of resources - Notes 5, 6	\$ 187,174,847	\$ 162,911,469
LIABILITIES		
Current liabilities:		
Trade accounts payable	\$ 265,346,194	\$ 306,735,046
Other accounts payable	7,299,855	21,002,328
Accrued expenses	17,996,229	14,782,658
OPEB - Note 6	-	2,082,000
Self-insurance, workers' compensation - Note 7	6,298,716	10,595,210
Due to other funds - Note 9	8,544,331	7,185,314
Due to fiduciary funds - Note 9	2,151,055	1,777,995
Due to other governments - Note 9	616,674	488,751
Right to use liabilities - Note 10	55,050,920	52,019,163
Total current liabilities	363,303,974	416,668,465
Non-current liabilities:		
OPEB - Note 6	445,521,000	495,957,000
Self-insurance, workers' compensation - Note 7	63,900,982	47,995,269
Net pension liability - Note 5	476,025,628	487,353,120
Compensated absences - Note 1	25,995,401	24,809,043
Right to use liabilities - Note 10	203,310,787	219,456,956
Total non-current liabilities	1,214,753,798	1,275,571,388
Total liabilities	\$ 1,578,057,772	\$ 1,692,239,853
Total deferred inflows of resources - Notes 5, 6	\$ 310,320,664	\$ 317,940,138
NET POSITION		
Net investment in capital assets	\$ 42,397,996	\$ 29,489,519
Deficit	(987,556,469)	(1,026,939,774)
Total net position - Note 12	\$ (945,158,473)	\$ (997,450,255)

* 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 April 30, 2022 and April 30, 2021
(Unaudited)

	<u>2021-22</u>	<u>2020-21</u>
Sales net of taxes	\$ 195,005,007	\$ 195,911,566
Cost of goods sold	<u>(134,782,481)</u>	<u>(135,577,670)</u>
Gross profit from sales	60,222,526	60,333,896
Operating (expenses):		
Retail operations	(30,211,534)	(27,698,583)
Marketing & merchandising	(688,118)	(712,366)
Supply chain	(570,503)	(543,248)
Wholesale operations	(120,298)	(129,629)
Information technology services	(1,927,110)	(2,353,742)
Regulatory affairs	(1,228,030)	(1,106,749)
Administration	(799,871)	(740,134)
Finance	(209,915)	(196,975)
Board & secretary	(1,563,414)	(343,851)
Legal	(359,660)	(251,664)
Commonwealth provided services - Note 2	<u>(2,059,599)</u>	<u>(1,189,382)</u>
Total	<u>(39,738,052)</u>	<u>(35,266,323)</u>
Operating profit/(loss)	20,484,474	25,067,573
Other operating revenues (expenses):		
Enforcement fines	842,296	99,156
License fees	2,358,633	1,090,911
Miscellaneous income	476,170	1,022,526
Administrative law judge	<u>(253,453)</u>	<u>(260,008)</u>
Total	<u>3,423,646</u>	<u>1,952,585</u>
Total operating income/(loss)	23,908,120	27,020,158
Miscellaneous revenues (expenses):		
Interest income (expense)	(348,515)	(403,994)
Other	<u>3,576</u>	<u>-</u>
Total	<u>(344,939)</u>	<u>(403,994)</u>
Income/(Loss) before operating transfers	23,563,181	26,616,164
Operating transfers out:		
PSP enforcement - Note 3	(3,745,753) <u>(3,745,753)</u>	(3,542,620) <u>(3,542,620)</u>
Net Income/(Loss) from operations	19,817,428	23,073,544
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	19,817,428	23,073,544
Total net position - beginning	<u>(964,975,901)</u>	<u>(1,020,523,799)</u>
Total net position - ending	<u>\$ (945,158,473)</u>	<u>\$ (997,450,255)</u>
Liquor tax	35,035,628	35,274,805
State Sales Tax	13,734,248	13,895,861
Local Tax	885,974	862,059
Taxes remitted to Dept. of Revenue PTD	<u>\$ 49,655,850</u>	<u>\$ 50,032,725</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 Ten Months Ending April 30, 2022 and April 30, 2021
(Unaudited)**

	<u>2021-22</u>	<u>2020-21</u>
Sales net of taxes	\$ 2,009,810,409	\$ 1,925,744,596
Cost of goods sold	<u>(1,384,762,942)</u>	<u>(1,304,753,751)</u>
Gross profit from sales	625,047,467	620,990,845
Operating (expenses):		
Retail operations	(285,126,653)	(301,577,046)
Marketing & merchandising	(10,191,928)	(9,913,983)
Supply chain	(3,833,304)	(6,031,564)
Wholesale operations	(1,107,625)	(1,297,840)
Information technology services	(19,938,507)	(22,385,105)
Regulatory affairs	(12,185,094)	(13,188,206)
Administration	(7,590,108)	(7,897,447)
Finance	(2,066,999)	(2,228,948)
Board & secretary	(10,423,300)	(3,047,770)
Legal	(3,609,292)	(2,899,524)
Commonwealth provided services - Note 2	<u>(14,753,965)</u>	<u>(12,462,172)</u>
Total	<u>(370,826,775)</u>	<u>(382,929,605)</u>
Operating profit/(loss)	254,220,692	238,061,240
Other operating revenues (expenses):		
Enforcement fines	1,633,553	867,169
License fees	21,950,789	19,995,578
Miscellaneous income	5,201,683	2,763,724
Administrative law judge	<u>(2,356,026)</u>	<u>(2,273,882)</u>
Total	<u>26,429,999</u>	<u>21,352,589</u>
Total operating income/(loss)	280,650,691	259,413,829
Miscellaneous revenues (expenses):		
Interest income (expense)	(3,740,608)	(3,489,912)
Other	<u>49,085</u>	<u>14,020</u>
Total	<u>(3,691,523)</u>	<u>(3,475,892)</u>
Income/(Loss) before operating transfers	276,959,168	255,937,937
Operating transfers out:		
PSP enforcement - Note 3	(25,729,303)	(25,038,735)
Net Income/(Loss) from operations	<u>251,229,865</u>	<u>230,899,202</u>
Statutory Transfers:		
General fund - Note 4	(185,100,000)	(142,600,000)
Drug and alcohol programs - Note 4	-	-
Total	<u>(185,100,000)</u>	<u>(142,600,000)</u>
Change in net position	66,129,865	88,299,202
Total net position - beginning - Note 12	<u>(1,011,288,338)</u>	<u>(1,085,749,457)</u>
Total net position - ending	<u>\$ (945,158,473)</u>	<u>\$ (997,450,255)</u>
Liquor tax	360,514,684	345,302,910
State Sales Tax	141,837,199	136,123,052
Local Tax	8,855,886	7,895,205
Taxes remitted to Dept.of Revenue YTD	<u>\$ 511,207,769</u>	<u>\$ 489,321,167</u>

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OTHER ISSUES

Employee Retirement – 35 Years’ Commonwealth Service.....Chairman Tim Holden

Mo Thomas - Retail Operations, Regional Manager, Region 3

Chairman Holden expressed gratitude to Mr. Thomas for his years of dedicated service as well as for personally accompanying him on tours before presenting him with a certificate acknowledging his retirement. Board Member Negra subsequently echoed Chairman Holden’s sentiments.

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

Peter Laurenzano introduced himself and stated that he is a licensee from Lehigh County. He inquired as to whether Licensing hearings would continue to take place virtually, and Chairman Holden indicated that the Board had engaged in a discussion regarding the reversion to in-person hearings very recently. Chairman Holden then stated that while no decisions pertaining to this topic had been made yet, he understood that administrative functions were being carried out efficiently by way of virtual hearings. After Board Member Negra asked Mr. Laurenzano if he had a preference as to how hearings are conducted, Mr. Laurenzano affirmed that he favored in-person hearings.

Mr. Laurenzano then detailed a problematic situation affecting a license transfer and suggested that his issues could be readily addressed through negotiations with the PLCB’s Office of Chief Counsel. Chairman Holden deferred to Executive Deputy Chief Counsel Stacy Rineer, who was sitting in for Chief Counsel Rodrigo Diaz.

Ms. Rineer thanked Mr. Laurenzano for coming to the meeting and presenting his concerns directly to the Board. After affirming that the Office of Chief Counsel was very aware of his claims and that there was pending litigation, Ms. Rineer assured Mr. Laurenzano that all of his emails had been reviewed thoroughly while alluding to the extensive communication pertaining to the matter at issue. Ms. Rineer then stated that the Board was constrained in the ability to comment on the matter in a public meeting in light of the litigation and a pending hearing. Mr. Laurenzano expressed his understanding and stated that he looked forward to a resolution.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, June 22, 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.

Chairman

Member

Member

ATTEST:

Secretary