

# PENNSYLVANIA LIQUOR CONTROL BOARD

## MEETING MINUTES

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WEDNESDAY, NOVEMBER 30, 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](#)

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### 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 10, 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*

None

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

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

- (1) **Robert S. Jabers**  
**t/a The Saber Room**  
R-10991 (LID No. 14674) Case No. 22-9057  
92-94 Butler Street  
Wilkes Barre, Luzerne County

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve request for one-year extension of safekeeping period without fee.
  
- (2) **WSA II, LLC**  
R-9578 (LID No. 48792) Case No. 22-9028  
411 Swedeland Road  
Building 23  
Upper Merion Township  
King of Prussia, Montgomery County

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve request to reinstate and approve transfer.
  
- (3) **6100 Chen Inc.**  
R-7317 (LID No. 81882) Case No. 2022-81882  
6100 Wister Street  
Philadelphia, Philadelphia County

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve renewal with conditional licensing agreement.
  
- (4) **Danny V., LLC**  
**t/a Hugo’s Taproom**  
R-9978 (LID No. 71405) Case No. 2022-71405  
106 W Pittsburgh St  
Greenburg, Westmoreland County

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

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

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

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

- (5) **Ragini & Dhruv, Inc.** Renewal – District 1  
**t/a Sunoco Mini Mart**  
E-2187 (LID No. 83823) Case No. 2022-83823 **Conditional Licensing Agreement**  
522 Allegheny St  
Holidaysburg, Blair County

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

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

- (6) **Route 309 Six Packs To Go, LLC** Renewal – District 8  
R-3441 (LID No. 89589) Case No. 2022-89589 **Request for Reconsideration**  
1337 N Church St  
Hazle Township, Luzerne County **Conditional Licensing Agreement**

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

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

- (7) **Sara, Inc.** Renewal – District 5  
**t/a Double S Saloon**  
R-14292 (LID No. 64339) Case No. 2021-64339 **Request for Reconsideration**  
610 Evans Ave  
McKeesport, Allegheny County **Conditional Licensing Agreement**

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve the request for reconsideration and approve the renewal with 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 11 personnel actions presented for consideration.

- (1) **Isis Abdul-Malik – Affirm Removal**
- (2) **Robert Bahn – Affirm Removal**
- (3) **Amin Ducksworth – Removal**
- (4) **Margaret Gliwa - Demotion**
- (5) **Tiffany Hodges – Removal**
- (6) **Jessica Jaime – Affirm Removal**
- (7) **Joseph Keith - Removal**
- (8) **Michael Long – Affirm Removal**
- (9) **Angela Maslanka – Affirm Removal**
- (10) **Philip McCoy - Removal**
- (11) **Sandra Smith – Affirm Removal**

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

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

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

Procurement Actions:

- (1) **Steel Shelving for Store #6509** – Steel shelving for Fine Wine & Good Spirits Store #6509 in Mount Pleasant.  
  
Procured via DGS Contract #4400016767 – **VENDOR: Kent Fixtures Corp. - \$57,349.34 estimated cost.**
- (2) **Philadelphia Police Department Services Renewal** – Provide uniformed police officers, driving distinctively-marked Philadelphia Police Department patrol cars, to randomly drive by and enter

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specific PLCB Fine Wine & Good Spirits stores throughout Philadelphia on a daily basis in order to have a more effective and meaningful crime deterrent environment.

Procured via PO 63019484 Option Year Three – VENDOR: **Philadelphia City** – TERM: One year for period 1/01/2023 through 12/31/2023 - **\$556,000.00**. This requested estimated amount of \$556,000.00 will be added to the carried over from the previous years’ amount of \$300,000 for a total estimated cost of \$856,000 for option year three.

- (3) **Microsoft Enterprise Azure** – Additional funds required to pay for services through the end of May 2023 due to the delay in Release 2. The plan is to reduce our use of Azure once Release 2 goes live.

Procured via DGS Contract #4400018548 – VENDOR: **CDW-G** – TERM: Six months for period 12/1/2022 through 5/31/2023 - **\$399,897.00 estimated cost**.

- (4) **Hearing Examiner Services** – Represent the Board in the capacity of a hearing examiner.

Procured via Sole Source – VENDOR: Phil Press – TERM: One year - **\$150,000.00 estimated cost**.

- (5) **Display Racks** - The racks will be used by PLCB Fine Wine & Good Spirits Stores to display product packaged in 50ml containers. The popularity of smaller-sized products continues to grow with consumers. These racks will be used to growing sales by creating a convenient and accessible shopping experience for our top 50ml items.

Procured via IFB #270008 – VENDOR: **One Source Industries** - **\$105,053.00 estimated cost**.

- (6) **HVAC Service Renewal** – Provide unit inspections, preventative maintenance and corrective service to heating, ventilation and air conditioning system located within the Northwest Office Building.

Procured via PO 63021819 Option Year One – VENDOR: **Enginuity LLC** - TERM: One year for period 1/1/2023 through 12/31/2023 - **\$52,000.00 estimated cost**.

Inter-Agency Charges:

- (1) **Department of Auditor General** – FY 2022-23 first quarter net billing of \$925,690.04 from the Department of the Auditor General. The billing includes a “true-up” adjustment of \$3,606.23 for an under-billing on the estimated FY 2021-22 Q4 billing. The charge for FY 2022-23 Q1 services is \$922,083.81 and is \$240,200.88 (+35%) more than last year’s billing, mostly due to an extra payroll in the Q1 billing this year and the 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 all Procurement Actions and Inter-Agency Charges.

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

**(1) #1303 – 221 Delaware Avenue, Palmerton  
Amendment**

**(2) #6306 – 245 West Main Street, Monongahela  
Amendment**

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

**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*

**VENDOR – ITEM NAME**

**BOARD ACTION REQUESTED**

“These items went to Board for the public meeting without pricing”

Various  
Various  
Various

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

**1. Regular New Items Accepted**

**BRAND NAME AND SIZE**

**REASON**

**Southern Glazers Wine and Spirits of PA**

Acrobat Rose 750 mL

10

Fitvine Chardonnay 750 mL

3,5

**Treasury Wine Estates**

19 Crimes Cali Sauvignon Blanc 750 mL

2,3,9,19

RECOMMENDED ACTION: We recommend the Board approve this action

**2. Regular PA New Items Accepted**

**BRAND NAME AND SIZE**

**REASON**

**City Distilling LLC**

City Sips Blue Lemonade Vodka Cocktail 355 mL

16

City Sips Orange Crush Vodka Cocktail 355 mL

16

City Teas Vodka Cocktail 4 x 355 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
17. PA Wines
18. Licensee only
19. Probationary listing

**3. Regular Recommended Delist**

<b><u>BRAND NAME AND SIZE</u></b>	<b><u>CODE</u></b>
<b><u>C and D Brewing Ventures Inc</u></b> Barrel 21 Apple Eau De Vie 80 Proof 375 mL	2164
<b><u>Capital Wine and Spirits</u></b> Sposato Malbec Mendoza 750 mL Zubrowka Biala Vodka 1.75 L	97415 96050
<b><u>Charles Jacquin et Cie Inc</u></b> Jean Boulaine Original Triple Sec 1 L	1046
<b><u>International Trade and Marketing Inc</u></b> Cantina Zaccagnini Rose 750 mL	97598
<b><u>Palm Bay Imports</u></b> Settesoli Pinot Grigio Sicilia 750 mL	97712
<b><u>Pio Imports LLC</u></b> Elmo Pio Black Cherry 1.5 L Elmo Pio Tropical Mango 1.5 L	97728 97730

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**Reserva Wines LLC**

The Starry Night Merlot 750 mL

97596

EFFECTIVE DATE: The transference to closeout will become effective December 30, 2022

**Motion Made:** Board Member Isenhour

**Seconded:** Board Member Vulakovich

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



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FIANCIAL 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>ASSETS</u>	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Current assets:		
Cash	\$ 42,077,173	\$ 30,431,188
Investments - short term	185,550,019	373,598,324
Accounts and claims receivable, net	9,127,745	7,258,575
Due from other funds - Note 9	-	-
Merchandise inventories, net	222,992,826	228,124,795
Operating supplies	663,388	291,302
Prepaid expenses	1,233,168	1,213,179
Total current assets	<u>461,644,319</u>	<u>640,917,363</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	49,832,726	47,398,295
Intangible - internally generated software	55,254,952	33,133,392
Intangible - right to use leases - Note 10	366,305,784	333,503,567
Intangible - right to use IT subscriptions - Note 11	20,300,870	-
Less: accumulated depreciation or amortization	<u>197,965,328</u>	<u>129,303,005</u>
Net depreciable or amortizable capital assets	<u>304,758,549</u>	<u>295,633,369</u>
Total non-current capital assets	<u>305,081,522</u>	<u>295,956,342</u>
Total assets	<u>\$ 766,725,841</u>	<u>\$ 936,873,705</u>
Total deferred outflows of resources - Notes 5, 6	\$ 180,260,605	\$ 203,445,647
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 212,558,355	\$ 354,603,203
Other accounts payable	16,322,371	28,126,117
Accrued expenses	18,537,778	25,687,330
OPEB - Note 6	-	-
Self-insurance, workers' compensation - Note 7	5,038,908	6,298,715
Due to other funds - Note 9	8,605,897	7,049,754
Due to fiduciary funds - Note 9	2,224,689	4,028,592
Due to other governments - Note 9	625,118	1,091,827
Right to use liabilities - Note 10	62,340,588	52,835,345
Total current liabilities	<u>326,253,704</u>	<u>479,720,883</u>
Non-current liabilities:		
OPEB - Note 6	428,120,000	492,316,000
Self-insurance, workers' compensation - Note 7	43,846,197	60,400,983
Net pension liability - Note 5	374,362,563	466,640,728
Compensated absences - Note 1	26,865,598	25,995,401
Right to use liabilities - Note 10	200,948,506	214,628,724
Total non-current liabilities	<u>1,074,142,864</u>	<u>1,259,981,836</u>
Total liabilities	<u>\$ 1,400,396,568</u>	<u>\$ 1,739,702,719</u>
Total deferred inflows of resources - Notes 5, 6	\$ 364,018,486	\$ 342,413,564
<u>NET POSITION</u>		
Net investment in capital assets	\$ 41,792,428	\$ 28,492,273
Deficit	<u>(859,221,036)</u>	<u>(970,289,204)</u>
Total net position - Note 12	<u>\$ (817,428,608)</u>	<u>\$ (941,796,931)</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 September 30, 2022 and September 30, 2021  
(Unaudited)**

	<u>2022-23</u>	<u>2021-22*</u>
Sales net of taxes	\$ 198,253,629	\$ 190,749,167
Cost of goods sold	<u>(140,925,792)</u>	<u>(131,319,767)</u>
Gross profit from sales	57,327,837	59,429,400
Operating (expenses):		
Wholesale	(2,496,060)	(1,857,417)
Retail	(28,259,323)	(26,141,543)
E-Commerce	(142,509)	(306,842)
Regulatory	(838,156)	(879,465)
Enterprise	(5,700,850)	(5,994,609)
Commonwealth provided services - Note 2	<u>(2,048,971)</u>	<u>(1,119,409)</u>
Total	<u>(39,485,869)</u>	<u>(36,299,285)</u>
Operating profit/(loss)	17,841,968	23,130,115
Other operating revenues (expenses):		
Enforcement fines	181,542	150,816
License fees	2,449,994	1,402,240
Miscellaneous income	<u>256,755</u>	548,595
Total	<u>2,888,291</u>	<u>2,101,651</u>
Total operating income/(loss)	20,730,259	25,231,766
Miscellaneous revenues (expenses):		
Interest income (expense)	112,170	(379,811)
Other	<u>33,560</u>	-
Total	<u>145,730</u>	<u>(379,811)</u>
Income/(Loss) before operating transfers	20,875,989	24,851,955
Operating transfers out:		
PSP enforcement - Note 3	(3,763,467)	(2,253,963)
<b>Net Income/(Loss) from operations</b>	<b><u>17,112,522</u></b>	<b><u>22,597,992</u></b>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	17,112,522	22,597,992
**Total net position - beginning 2022-23 Restated - Note 12	<u>(834,541,130)</u>	<u>(964,394,923)</u>
Total net position - ending	<u>\$ (817,428,608)</u>	<u>\$ (941,796,931)</u>
Liquor tax	35,458,979	34,348,819
State Sales Tax	13,956,511	13,521,262
Local Tax	913,963	848,576
Taxes remitted to Dept.of Revenue PTD	<u>\$ 50,329,453</u>	<u>\$ 48,718,657</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.

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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 Three Months Ending September 30, 2022 and September 30, 2021  
(Unaudited)**

	<u>2022-23</u>	<u>2021-22*</u>
Sales net of taxes	\$ 588,068,465	\$ 579,945,010
Cost of goods sold	<u>(417,487,303)</u>	<u>(400,316,465)</u>
Gross profit from sales	170,581,162	179,628,545
Operating (expenses):		
Wholesale	(5,842,898)	(5,465,725)
Retail	(83,773,667)	(78,965,817)
E-Commerce	(610,540)	(671,692)
Regulatory	(2,613,203)	(2,431,925)
Enterprise	(18,469,758)	(16,703,556)
Commonwealth provided services - Note 2	<u>(4,982,394)</u>	<u>(3,443,515)</u>
Total	<u>(116,292,460)</u>	<u>(107,682,230)</u>
Operating profit/(loss)	54,288,702	71,946,315
Other operating revenues (expenses):		
Enforcement fines	471,260	260,182
License fees	7,166,768	3,669,274
Miscellaneous income	<u>1,407,604</u>	1,528,310
Total	<u>9,045,632</u>	<u>5,457,766</u>
Total operating income/(loss)	63,334,334	77,404,081
Miscellaneous revenues (expenses):		
Interest income (expense)	(207,295)	(1,150,557)
Other	<u>55,374</u>	<u>46,420</u>
Total	<u>(151,921)</u>	<u>(1,104,137)</u>
Income/(Loss) before operating transfers	63,182,413	76,299,944
Operating transfers out:		
PSP enforcement - Note 3	(8,826,542)	(6,808,537)
<b>Net Income/(Loss) from operations</b>	<b><u>54,355,871</u></b>	<b><u>69,491,407</u></b>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	54,355,871	69,491,407
**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>\$ (817,428,608)</u>	<u>\$ (941,796,931)</u>
Liquor tax	105,484,439	104,038,866
State Sales Tax	41,518,183	40,937,238
Local Tax	2,663,549	2,523,286
Taxes remitted to Dept.of Revenue PTD	<u>\$ 149,666,171</u>	<u>\$ 147,499,390</u>

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**PUBLIC COMMENT**

Patty Smith from Rock the Capital called in to ask who was seconding the motions during this meeting. Chairman Holden advised Ms. Smith that new Board Member Randy Vulakovich, who replaced Board Member Mike Negra, is seconding the motions.

**NEXT BOARD MEETING**

**The next meeting of the PLCB will be a formal meeting on Wednesday, December 14, 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.**

**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