

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

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WEDNESDAY, JUNE 7, 2023

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

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

[Office of Chief Counsel](#)
[Bureau of Licensing](#)
[Bureau of Human Resources](#)
[Bureau of Accounting & Purchasing](#)

[Office of Retail Operations](#)
[Bureau of Product Selection](#)
[Financial Report](#)
[Other Issues](#)

PUBLIC MEETING – 11:00 A.M

CALL TO ORDER *Chairman Holden*

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

Pledge of Allegiance to the Flag

OLD BUSINESS..... *Secretary Vigoda*

A. Motion to approve previous Board Meeting Minutes of the May 17, 2023 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

No public comments were offered.

NEW BUSINESS

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

(1) **Uptown Browns, Inc.**
t/a Uptown Browns
264 East 30th Street
Erie, PA 16504-1020
License No. R-11510/LID 14996
Citation No. 21-0202

ALJ Appeal

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

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (2) **B Lander Group** ALJ Appeal
t/a The Blue Collar Tavern
2862 Route 38
Emlenton, PA 16373
License No. R-18862/LID 94944
Citation No. 20-0994

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (3) **B Lander Group** ALJ Appeal
t/a The Blue Collar Tavern
2862 Route 38
Emlenton, PA 16373
License No. R-18862/LID 94944
Citation No. 20-1216

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (4) **B Lander Group** ALJ Appeal
t/a The Blue Collar Tavern
2862 Route 38
Emlenton, PA 16373
License No. R-18862/LID 94944
Citation No. 21-0150

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (5) **B Lander Group** ALJ Appeal
t/a The Blue Collar Tavern
2862 Route 38
Emlenton, PA 16373
License No. R-18862/LID 94944
Citation No. 21-0482

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

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (6) **Rosie's Tavern & Grill, Inc.** ALJ Appeal
22 Coal Street
Middleport, PA 17953-0000
License No. R-15943/LID 102672
Citation Nos. 20-1236

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (7) **Rosie's Tavern & Grill, Inc.** ALJ Appeal
22 Coal Street
Middleport, PA 17953-0000
License No. R-15943/LID 102672
Citation Nos. 21-0266

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (8) **Rosie's Tavern & Grill, Inc.** ALJ Appeal
22 Coal Street
Middleport, PA 17953-0000
License No. R-15943/LID 102672
Citation Nos. 21-0518

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (9) **Miners Beer Garden, Inc. t/a Miners Beer Garden** ALJ Appeal
Rear 302 Pancoast Street
Dickson City, PA
License No. R-6118/LID 70488
Citation No. 20-1148

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

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (10) **Miners Beer Garden, Inc. t/a Miners Beer Garden** ALJ Appeal
Rear 302 Pancoast Street
Dickson City, PA
License No. R-6118/LID 70488
Citation No. 21-0689

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (11) **134 State College, Inc.** Request for Rescission of
34 South Allen Street Conditional Licensing Agreement
State College, PA 16801
License No. R-21263/LID 115991

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to rescind the conditional licensing agreement upon the approval of the pending double transfer.

- (12) **The Cauldron Philadelphia Ltd.** Request for Rescission of
1305 Locust St Conditional Licensing Agreement
Philadelphia PA 19107-5985
License No. R-12053/ LID 110025

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to rescind the conditional licensing agreement.

- (13) **Eiffel Seafood Restaurant, Inc.** Request for Rescission of
South Philadelphia Shopping Center, Store #7 Conditional Licensing Agreement
2359 West Oregon Avenue
Philadelphia, PA 19145
License No. R-873/LID 115126

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

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to rescind the conditional licensing agreement.

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

- (1) **519 Management, LLC** Person-to-Person Transfer -
R-10837 (LID No. 111917) Case No. 22-9181 Restaurant
519 Linden Street
Scranton, Lackawanna County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

- (2) **Cully's Tavern, LLC** Request for Hearing after
R-10701 (LID No. 109776) Case No. 22-9126 Administrative Cancellation –
231 West Main Street Person-to-Person Transfer –
Ridgway, Elk County Restaurant
HOLD – 4/5/23 SESSION

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone in the listening audience representing BBPA-1, LLC who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to refuse the transfer and the application remain canceled.

- (3) **DP 116, LLC** New – Hotel
t/a Mountain Pines
(LID No. 104873) Case No. 21-9075
1662 Indian Creek Valley Road
Saltlick Township
Champion, Fayette County

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone in the listening audience representing BBPA-1, LLC who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

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

Board Decision: Unanimously agreed (3-0 vote) to refuse the application for a new hotel license.

- (4) **Fegley’s Mini Mart, Inc.** “Intermunicipal” Double Transfer & Request for Interior Connections with Another Business - Restaurant
R-11081 (LID No. 114129) Case No. 22-9192
146 South Kennedy Drive
McAdoo, Schuylkill County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

- (5) **Sanaview, LLC** New & Request to Conduct Another Business on the Licensed Premises – Limited Winery
t/a Sanaview Farms
(LID No. 116071)
280 Roaring Run Road
Donegal Township
Champion, Westmoreland County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the new limited winery and the request for an interior connection with another business.

- (6) **Strasburg Railroad Company** Appointment of Manager – Public Service
P-128 (LID No. 56179) Case No. 22-9178
P.O. Box 96
Strasburg, Lancaster County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the appointment of manager.

- (7) **205-209 LL, LLC** Renewal – District 10
R-6753 (LID No. 80701) Case No. 2020-80701
205-09 Race Street #102
Philadelphia, Philadelphia County
HOLD 3/22/23 SESSION
Conditional Licensing Agreement

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

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- (8) **562-66 South 19th, Inc.** Renewal – District 2
t/a Double D Neighborhood Bar & Grill
R-5634 (LID No. 38818) Case No. 2022-38818 **HOLD 3/22/23 SESSION**
562-66 S 19th Street
Harrisburg, Dauphin County **Conditional Licensing Agreement**

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

- (9) **Big Woodys Liberty, Inc.** Renewal – District 4
t/a Big Woody's
R-16158 (LID 46562) Case No. 2022-46562 **HOLD 1/25/23 SESSION**
1928 Hamilton Street
Allentown, Lehigh County **Conditional Licensing Agreement**

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

- (10) **Big Woodys South Fourth LLC** Renewal – District 4
t/a Big Woodys
R-11835 (LID No. 68073) Case No. 2022-68073 **HOLD 1/25/23 SESSION**
1841 S 4th Street
Allentown, Lehigh County **Conditional Licensing Agreement**

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

- (11) **Doukas, Inc.** Renewal – District 8
t/a Stephanie's
R-1971 (LID No. 40483) Case No. 2022-40483 **HOLD 5/3/23 SESSION**
78-80 South Main Street
Pittston, Luzerne County **Conditional Licensing Agreement**

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

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- (12) **Fehl Brothers, Inc.** Renewal – District 6
t/a Mousetrap
R-17069 (LID No. 27199) Case No. 2022-27199 **HOLD 5/3/23 SESSION**
9212 Steubenville Pike
Bulger, Washington County **Conditional Licensing Agreement**
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal with a conditional licensing agreement.
- (13) **James D. Gallagher, Jr.** Renewal – District 6
t/a Gallagher's Pub
R-12372 (LID No. 40015) Case No. 2022-40015
120 Quarry Street
Mount Pleasant, Westmoreland County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.
- (14) **Harrison City Pizza Pub, Inc.** Renewal – District 6
R-18033 (LID No. 26322) Case No. 2022-26322 **HOLD – 5/3/23 SESSION**
Main Street
P.O. Box 317
Penn Township **Conditional Licensing Agreement**
Harrison City, Westmoreland County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal with a conditional licensing agreement.
- (15) **Lederach Hotel Associates, Inc.** Renewal – District 4
t/a Bay Pony Inn
H-1323 (LID No. 37888) Case No. 2022-37888 **HOLD – 5/3/23 SESSION**
Old Skipjack Road
P.O. Box 368 **Conditional Licensing Agreement**
Lower Salford Township
Lederach, Montgomery County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal with a conditional licensing agreement.

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(16) **Lightstreet Beer Express, LLC** Renewal – District 8
R-21082 (LID No. 83694) Case No. 2022-83694
3 Fowlersville Road
Orangeville, Columbia County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

(17) **Plenty Queen Village, LLC** Renewal – District 4
R-6378 (LID No. 72122) Case No. 2020-72122
705-707 South 5th Street
Philadelphia, Philadelphia County
HOLD – 3/1/23 SESSION
Conditional Licensing Agreement

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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 14 personnel actions presented for consideration.

- (1) **Elizabeth Allen – Removal**
- (2) **Christopher Chestnut – Removal**
- (3) **Dana Crosby – Affirm Removal**
- (4) **Keef Delvalles – Removal**
- (5) **Marek Drew - Removal**
- (6) **Malik Ferrell - Removal**
- (7) **Tevin Green – Affirm Removal**
- (8) **Shakor McClary – Affirm Removal**
- (9) **Xavier Oakman - Removal**
- (10) **Chase Reed – Affirm Removal**

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- (11) **Mark Reitnauer – Affirm Removal**
- (12) **Dawn Reynolds King –Removal**
- (13) **Jason Swope – Affirm Removal**
- (14) **Robert Walls – Removal**

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

*From the Bureau of Accounting & PurchasingMichael Demko, Executive Director
Elizabeth Brassell, Director of Policy and Communications
Ijeoma Ezekoye, Director, Bureau of Financial Management & Analysis*

Procurement Actions:

- (1) **HP Desktop Computers** – This order is for additional PC's to be used in store back rooms as training PC's etc. and Desktop computers for the normal replacement cycle for aging store and training sites. They are replaced before they have mass failures which results in lost work. This purchase does not include installation services. The SSC's and Desktop support staff will be handling the installation.

Procured via DGS Contract #4400017908 – VENDOR: **HP Inc. - \$164,937.50 estimated cost** (175 @ \$942.50 each).

Inter-Agency Charges:

- (1) **Department of General Services (DGS) Procurement Services (Job 917)** – This is an estimated refund of \$291,474.25 for FY 2022-23 to reimburse the LCB for over payment to DGS for procurement service costs in FY 2021-22. The invoicing is allocated based on agency usage of DGS's state-wide contracts and purchasing card usage over the last two years and includes a substantial true-up credit for the prior year's estimated billing.

The Bureau of Financial Management and Analysis has reviewed these charges and determined that they are reasonable based on billing methodology and previous experience.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

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

**(1) #5201 – 106 West Harford Street, Milford
Amendment**

**(2) #9101 – 2040 Market Street, Philadelphia
Exercise Option**

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

From the Bureau of Product SelectionTom Bowman, Director of Product Selection

VENDOR – ITEM NAME

BOARD ACTION REQUESTED

Various
Various

- 1. Regular New Item Accepted
- 2. Regular Recommended Delist

1. Regular New Item Accepted

BRAND NAME AND SIZE

REASON

Laird Wine and Spirits of PA
Zapata Tequila Silver 1.75 L

10

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> Cognac Park Single Cru Cognac Borderies Mizunara Cask Finish 750 mL	97406
<u>Constellation Wines U S</u> Woodbridge by Robert Mondavi Pinot Grigio 4x187 mL	8552
<u>North Wales Wines</u> Mia Dolcea Moscato d'Asti 750 mL Paul Masson Madeira 750 mL	7121 4479
<u>The Wine Group</u> Bucket List Moscato 750 mL Bucket List Pinot Grigio 750 mL G and D Marsala Private Stock 750 mL MD 20 20 Orange Jubilee 1.5 L Oak Leaf Vineyards Sangria 750 mL Quail Oak Moscato 750 mL Quail Oak Rose 750 mL	399 401 7097 6974 749 326 404

EFFECTIVE DATE: The transference to closeout will become effective July 7, 2023

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

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

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

ASSETS	April 30, 2023	April 30, 2022
Current assets:		
Cash	\$ 54,669,764	\$ 51,046,918
Investments - short term	237,956,042	184,344,357
Accounts and claims receivable, net	6,073,645	8,092,310
Due from other funds - Note 9	-	-
Merchandise inventories, net	204,147,900	210,236,568
Operating supplies	814,400	467,068
Prepaid expenses	2,197,065	1,098,192
Total current assets	505,858,816	455,285,413
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable or amortizable capital assets:		
Building	10,820,411	10,762,508
Leasehold improvements	209,134	209,134
Machinery and equipment	54,758,363	47,967,777
Intangible - internally generated software	64,872,893	52,344,251
Intangible - right to use leases - Note 10	385,814,525	356,731,378
Intangible - right to use IT subscriptions - Note 11	20,300,870	-
Less: accumulated depreciation or amortization	241,411,703	167,578,318
Net depreciable or amortizable capital assets	295,364,493	300,436,730
Total non-current capital assets	295,687,466	300,759,703
Total assets	\$ 801,546,282	\$ 756,045,116
Total deferred outflows of resources - Notes 5, 6	\$ 170,707,005	\$ 187,174,847
LIABILITIES		
Current liabilities:		
Trade accounts payable	\$ 319,950,542	\$ 265,346,194
Other accounts payable	22,812,700	7,299,855
Accrued expenses	20,273,693	17,996,229
OPEB - Note 6	-	-
Self-insurance, workers' compensation - Note 7	5,038,908	6,298,716
Due to other funds - Note 9	9,189,624	8,544,331
Due to fiduciary funds - Note 9	2,329,919	2,151,055
Due to other governments - Note 9	685,571	616,674
Right to use liabilities - Note 10	62,740,534	55,050,920
Total current liabilities	443,021,491	363,303,974
Non-current liabilities:		
OPEB - Note 6	418,705,000	445,521,000
Self-insurance, workers' compensation - Note 7	47,346,197	63,900,982
Net pension liability - Note 5	386,767,963	476,025,628
Compensated absences - Note 1	26,865,598	25,995,401
Right to use liabilities - Note 10	184,274,582	203,310,787
Total non-current liabilities	1,063,959,340	1,214,753,798
Total liabilities	\$ 1,506,980,831	\$ 1,578,057,772
Total deferred inflows of resources - Notes 5, 6	\$ 287,543,486	\$ 310,320,664
NET POSITION		
Net investment in capital assets	\$ 48,672,350	\$ 42,397,996
Deficit	(870,943,380)	(987,556,469)
Total net position - Note 12	\$ (822,271,030)	\$ (945,158,473)

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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, 2023 and April 30, 2022
(Unaudited)

	<u>2022-23</u>	<u>2021-22*</u>
Sales net of taxes	\$ 197,880,445	\$ 195,005,007
Cost of goods sold	<u>(133,287,657)</u>	<u>(134,782,481)</u>
Gross profit from sales	64,592,788	60,222,526
Operating (expenses):		
Wholesale	(1,572,881)	(2,169,745)
Retail	(26,621,789)	(28,150,395)
E-Commerce	(200,022)	(191,341)
Regulatory	(762,228)	(764,930)
Enterprise	(5,707,855)	(6,655,495)
Commonwealth provided services - Note 2	<u>(1,592,779)</u>	<u>(2,059,599)</u>
Total	<u>(36,457,554)</u>	<u>(39,991,505)</u>
Operating profit/(loss)	28,135,234	20,231,021
Other operating revenues (expenses):		
Enforcement fines	151,724	842,296
License fees	2,989,963	2,358,633
Miscellaneous income	<u>372,825</u>	476,170
Total	<u>3,514,512</u>	<u>3,677,099</u>
Total operating income/(loss)	31,649,746	23,908,120
Miscellaneous revenues (expenses):		
Interest income (expense)	747,143	(348,515)
Other	<u>-</u>	<u>3,576</u>
Total	<u>747,143</u>	<u>(344,939)</u>
Income/(Loss) before operating transfers	32,396,889	23,563,181
Operating transfers out:		
PSP enforcement - Note 3	(2,627,411)	(3,745,753)
Net Income/(Loss) from operations	<u>29,769,478</u>	<u>19,817,428</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	29,769,478	19,817,428
**Total net position - beginning 2022-23 Restated - Note 12	<u>(852,040,508)</u>	<u>(964,975,901)</u>
Total net position - ending	<u>\$ (822,271,030)</u>	<u>\$ (945,158,473)</u>
Liquor tax	35,460,309	35,035,628
State Sales Tax	13,970,727	13,734,248
Local Tax	903,242	885,974
Taxes remitted to Dept.of Revenue PTD	<u>\$ 50,334,278</u>	<u>\$ 49,655,850</u>

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

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

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

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Ten Months Ending April 30, 2023 and April 30, 2022
(Unaudited)**

	<u>2022-23</u>	<u>2021-22*</u>
Sales net of taxes	\$ 2,082,695,779	\$ 2,009,810,409
Cost of goods sold	<u>(1,455,997,764)</u>	<u>(1,384,762,942)</u>
Gross profit from sales	626,698,015	625,047,467
Operating (expenses):		
Wholesale	(17,676,085)	(19,360,003)
Retail	(283,655,009)	(263,676,844)
E-Commerce	(2,624,195)	(2,781,113)
Regulatory	(8,525,733)	(8,179,036)
Enterprise	(70,298,010)	(64,431,840)
Commonwealth provided services - Note 2	<u>(17,443,449)</u>	<u>(14,753,965)</u>
Total	<u>(400,222,481)</u>	<u>(373,182,801)</u>
Operating profit/(loss)	226,475,534	251,864,666
Other operating revenues (expenses):		
Enforcement fines	1,448,828	1,633,553
License fees	26,708,795	21,950,789
Miscellaneous income	<u>4,142,467</u>	<u>5,201,683</u>
Total	<u>32,300,090</u>	<u>28,786,025</u>
Total operating income/(loss)	258,775,624	280,650,691
Miscellaneous revenues (expenses):		
Interest income (expense)	2,920,958	(3,740,608)
Other	<u>51,298</u>	<u>49,085</u>
Total	<u>2,972,256</u>	<u>(3,691,523)</u>
Income/(Loss) before operating transfers	261,747,880	276,959,168
Operating transfers out:		
PSP enforcement - Note 3	(27,134,431)	(25,729,303)
Net Income/(Loss) from operations	<u>234,613,449</u>	<u>251,229,865</u>
Statutory Transfers:		
General fund - Note 4	(185,100,000)	(185,100,000)
Drug and alcohol programs - Note 4	-	-
Total	<u>(185,100,000)</u>	<u>(185,100,000)</u>
Change in net position	49,513,449	66,129,865
**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>\$ (822,271,030)</u>	<u>\$ (945,158,473)</u>
Liquor tax	373,530,565	360,514,684
State Sales Tax	147,111,440	141,837,199
Local Tax	9,521,028	8,855,886
Taxes remitted to Dept.of Revenue YTD	<u>\$ 530,163,033</u>	<u>\$ 511,207,769</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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OTHER ISSUES

None

PUBLIC COMMENT

No public comments were offered.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, June 28, 2023 beginning at 11:00 A.M. Prior to the public meeting, an Executive Session or Sessions will be held for the following purposes: to discuss personnel matters; to consider the purchase or lease of real property prior to an option being obtained or prior to an agreement of purchase; to consult with legal counsel regarding litigation and similar issues; to review and discuss agency business, which, if conducted in public, would violate lawful privilege or lead to the disclosure of information confidentially protected by law, including quasi-judicial deliberations; and to engage in non-deliberative informational discussions regarding various actions and other 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.

Chairman

Member

Member

ATTEST:

Secretary

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Informational Statements to be included in the Public Meeting Agenda

For ALJ Cases:

These cases are appeals taken from adjudications rendered by an Administrative Law Judge (ALJ) in citation proceedings initiated by the Pennsylvania State Police, Bureau of Liquor Control Enforcement in accordance with section 471 of the Liquor Code, 47 P.S. § 4-471.

In all of these matters, an administrative hearing has already been held before an ALJ during which the parties were given the opportunity to present sworn testimony and other evidence, as well as to make legal arguments, in support of their respective positions.

The Board must affirm the ALJ unless the ALJ's decision is an error of law, an abuse of discretion or is not supported by substantial evidence. In some instances where noted, it may also be necessary for the Board to remand the matter back to the ALJ for additional action to be taken. In that the Board is acting in its quasi-judicial (appellate) capacity, deliberations on these matters may have already occurred during authorized executive sessions.

The reasoning for any final decision by the Board on these matters will be set forth in a publicly issued written opinion which will be released immediately after the Board session. Any party aggrieved by the Board's decision has the right to pursue an appeal to the applicable county court of common pleas in accordance with the Liquor Code.

For Application Matters such as New Licenses, Transfers of Existing License, or Extension of Premises:

In all of these matters, an administrative hearing - open to the public - has already been held before a Board-assigned hearing examiner. All interested parties, including the applicant, the Bureau of Licensing, and valid protesters and/or intervenors, were given the opportunity to present sworn testimony and other evidence, as well as to make legal arguments, in support of their respective positions. The Board has reviewed the administrative record created before the hearing examiner along with any briefs submitted by the parties, as well as the recommendations made by the assigned hearing examiner and the Board's legal counsel. In that the Board is acting in its quasi-judicial capacity, deliberations on these matters may have already taken place during authorized executive sessions.

In each case, the Board may either vote to approve the application outright, vote to approve the application subject to a conditional licensing agreement setting forth specific conditions agreed upon by the parties and which are reasonably intended to address specific concerns made part of the record, or vote to refuse the application its entirety. For any case in which the Board would like additional time to review the record prior to making its decision, the Board reserves the right to place a hold on such matter in which case "official action" will not be taken until a future Board meeting.

Any party aggrieved by the Board's decision has the right to pursue an appeal to the applicable county court of common pleas in accordance with the Liquor Code, or, in certain circumstances, directly to the Commonwealth Court. In the event that an appeal is filed, the Board, as required by the Liquor Code, will file a written opinion setting forth the specific reasoning for its decision.

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For License Renewal Cases:

These cases involve applications for renewal of licenses to which the Bureau of Licensing has raised objections. In all of these matters, an administrative hearing - open to the public - has already been held before a Board-assigned hearing examiner. The parties were given the opportunity to present sworn testimony and other evidence, as well as make legal arguments. The Board has reviewed the administrative record created before the hearing examiner along with any briefs submitted by the parties, as well as the recommendations made by the assigned hearing examiner and the Board's legal counsel. In that the Board is acting in its quasi-judicial capacity, deliberations on these matters may have already taken place during authorized executive sessions.

In each case, the Board may either vote to approve renewal of the license outright, vote to approve renewal of the license subject to a conditional licensing agreement setting forth specific conditions agreed upon by the parties and which are reasonably intended to address the operational issues of the licensee, or vote to refuse renewal of the license in its entirety. For any case in which the Board would like additional time to review the record prior to making its decision, the Board reserves the right to place a hold on such matter in which case "official action" will not be taken until a future Board meeting.

An applicant aggrieved by the Board's decision has the right to pursue an appeal to the applicable county court of common pleas in accordance with the Liquor Code. In the event that an appeal is filed, the Board, as required by the Liquor Code, will file a written opinion setting for the specific reasoning for its decision.

For Noise Exemption Cases:

These matters involve municipal petitions for exemptions from the Liquor Code provisions dealing with amplified sound. In all of these matters, an administrative hearing – open to the public - has already been held before a Board-assigned hearing examiner during which the parties were given the opportunity to present sworn testimony and other evidence, as well as to make legal arguments, in support of their respective positions.

The Board has reviewed the administrative record created before the hearing examiner along with any briefs submitted by the parties, as well as the recommendations made by the assigned hearing examiner and the Board's legal counsel. In that the Board is acting in its quasi-judicial capacity, deliberations on these matters may have already taken place during authorized executive sessions.

In each case, the Board may either vote to approve the municipal petition for noise exemption outright, vote to limit its approval to a more defined area of the municipality than what is being requested, or vote to refuse the petition in its entirety. The Board must act upon a municipal petition for noise exemptions within 60 days of receiving such petition.

Any party aggrieved by the Board's decision has the right to pursue an appeal to the applicable county court of common pleas in accordance with the Liquor Code. In the event that an appeal is filed, the Board will file a written opinion setting for the specific reasoning for its decision as required by the Liquor Code.

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For All Matters in Which the Board is Acting in its Quasi-Judicial Capacity

No additional testimony or evidence may be presented by the parties during the Board's public meeting. While the Board reserves the right to allow comments to be made by the public concerning any particular case, this is being done so with the understanding that such comments are not the equivalent of sworn testimony and, thus, will not be given any weight by the Board when rendering its decision. Additionally, the Board is not required to respond to any public comments offered, nor is it required to answer any questions concerning these matters.