

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

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WEDNESDAY, MARCH 20, 2024

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

Tim Holden, Chairman
Randy Vulakovich, Board Member
Darrell Clarke, Board Member
Rodrigo Diaz, 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 Management](#)
[Financial Report](#)
[Other Issues](#)

PUBLIC MEETING – 11:00 A.M

CALL TO ORDER *Chairman Holden*

Pledge of Allegiance to the Flag

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

OLD BUSINESS..... *Secretary Vigoda*

A. Motion to approve previous Board Meeting Minutes of the February 28, 2024 meeting.

Motion Made: Board Member Vulakovich

Seconded: Board Member Clarke

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

ANNOUNCEMENT OF EXECUTIVE SESSIONS

As explained in the printed Meeting Agenda, certain matters being presented for “official action” at today’s meeting have been discussed during Executive Sessions held prior to today’s meeting as permitted by the Sunshine Act.

PUBLIC COMMENT

The Board has reserved 10 minutes for public comment.

Nick Cicione from 2Moods Distillery raised concerns with the Board regarding challenges the company faces in registering under the Pennsylvania Spirits Program. Executive Director Rodrigo Diaz assured Mr. Cicione that they would discuss the matter further after the meeting to work towards a resolution.

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

NEW BUSINESS

From the Office of Chief Counsel Jason Worley, Chief Counsel

- (1) **VILLA SCHIANO RISTORANTE, LLC** ALJ Appeal
4900 State Route 209
Elizabethville, PA 17023-8456
License No. R-11823/LID 70450
Citation No. 21-0094

Motion Made: Board Member Vulakovich
Seconded: Board Member Clarke

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

- (2) **VILLA SCHIANO RISTORANTE, LLC** ALJ Appeal
t/a Villa Schiano Ristorante
177 Market Street
P.O. Box 6
Pillow, PA 17080-0006
License No. H-5925/LID 90063
Citation No. 21-0072

Motion Made: Board Member Vulakovich
Seconded: Board Member Clarke

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

- (3) **SEVEN TWENTY-FOUR CORP.** ALJ Appeal
2295 East Main Street
Douglassville, PA 19518-9701
License No. R-18160/LID 53613
Citation Nos. 19-0586, 21-0248, 21-0252, 210337, 21-0409,
21-0413, 21-0461, and 21-0466

Motion Made: Board Member Vulakovich
Seconded: Board Member Clarke

Board Decision: Unanimously agreed (3-0 vote) to reverse the ALJ’s order revoking the license and the matter be remanded back to the ALJ for further proceedings.

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- (4) **TIN LIZZY, INC.** ALJ Appeal
259 Main Street
P.O. Box 403
Youngstown, PA 15696
License No. R-15787/LID 53320
Citation Nos. 20-0762, 20-0850, 21-0187, 21-0544, 21-0616,
and 21-0634
- Motion Made:** Board Member Vulakovich
Seconded: Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to vacate the decision of the ALJ for conditional revocation divestiture and that matter be remanded for penalty reassessment by the ALJ.
- (5) **Borough of Jim Thorpe** Municipal Petition for
Case No. 24-NE-01 Exemption from Liquor Code
Statute Regarding Amplified
Sound
- Motion Made:** Board Member Vulakovich
Seconded: Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to approve the municipal petition for exemption from Liquor Code statute regarding amplified sound for a five-year period beginning March 23, 2024, through March 23, 2029.
- (6) **WCLL, LLC** Request for Recission of
30 North Church Street Conditional Licensing
West Chester, Pennsylvania 19380-3022 Agreement
Restaurant Liquor License No. R-13825
LID 101307
- Motion Made:** Board Member Vulakovich
Seconded: Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to approve the recission of the conditional licensing agreement.
- (7) **AMERICAN TRUCK PLAZAS, LLC** Appeal to Commonwealth Court
1460 North Ridge Road
Milton, Pennsylvania 17847-7877
Restaurant Liquor License No. R-17377
LID 83266
- Motion Made:** Board Member Vulakovich
Seconded: Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to maintain the precautionary appeal.

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

(1) **Archer Roose, Inc.** Renewal – Importer
t/a Archer Roose Wines
I-48698 (LID No. 106002) Case No. 23-9081
911 James Street
Suite 1
Pittsburgh, Allegheny County

Motion Made: Board Member Vulakovich

Chairman Holden asked if anyone in the audience wished to speak on behalf of Archer Roose, Inc. There was no response.

Seconded: Board Member Clarke

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

(2) **Bedford County Beverage Co., Inc.** Request to be Engaged in Another
D-3930 (LID No. 54381) Case No. 23-9093 Business – Distributor
259 East Main Street
Everett, Bedford County

Motion Made: Board Member Vulakovich

Chairman Holden asked if anyone in the audience wished to speak on behalf of Bedford County Beverage Co., Inc. There was no response.

Seconded: Board Member Clarke

Board Decision: Unanimously agreed (3-0 vote) to refuse the request to engage in another business on the licensed premises.

(3) **Bridged Hospitality Group, Inc.** Renewal – Restaurant
t/a Willow Restaurant
R-4281 (LID No. 101963) Case No. 23-9089
634 Camp Horn Road
Ohio Township
Pittsburgh, Allegheny County

Motion Made: Board Member Vulakovich

Chairman Holden asked if anyone in the audience wished to speak on behalf of Bridged Hospitality Group, Inc. There was no response.

Seconded: Board Member Clarke

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

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- (4) **Carmi, LLC** Renewal – Hotel
t/a Carmi Family Restaurant
R-3829 (LID No. 90009) Case No. 23-9078
1825 East Carson Street
Pittsburgh, Allegheny County
- Motion Made:** Board Member Vulakovich
- Chairman Holden asked if anyone in the audience wished to speak on behalf of Carmi, LLC. There was no response.
- Seconded:** Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to refuse the renewal.
- (5) **Finacaro-Maglio, Inc.** Extension of License – Restaurant
t/a Noah’s Ark
R-13575 (LID No. 16212) Case No. 23-9083
1548-50 McKean Street
Philadelphia, Philadelphia County
- Motion Made:** Board Member Vulakovich
- Seconded:** Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to approve the extension of license.
- (6) **Firehouse Winery, Inc.** Renewal – Restaurant
t/a Firehouse Winery
R-5112 (LID No. 97259) Case No. 23-9084
211 East Sunbury Street
Shamokin, Northumberland County
- Motion Made:** Board Member Vulakovich
- Seconded:** Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.
- (7) **Lake Hill Brewing Company, LLC** New & Requests for Interior
(LID No. 120344) Connection & to Conduct Another
1337 Franklin Road Business on the Licensed Premises –
Jackson Township Brewery Storage
Jackson Center, Mercer County
- Motion Made:** Board Member Vulakovich
- Seconded:** Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to approve the new brewery license and the request for interior connection with another business and conduct another business on the licensed premises.

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- (8) **Pompeii of Carlisle, LLC** New – Economic Development
t/a Pompeii of Carlisle Restaurant
(LID No. 116598) Case No. 23-9113
Carlisle Springs Road and A Street, Lot #9
Carlisle, Cumberland County
- Motion Made:** Board Member Vulakovich
Seconded: Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to approve the new economic development license.
- (9) **Route 53 Beer and Beverage, Inc.** Requests to be Engaged in Another
D-428 (LID No. 49316) Case No. 23-9094 Business, Interior Connection with
2626 Portage Street Another Business, Delicense an Area
P.O. Box 205 & Dual Employment – Distributor
Wilmore, Cambria County
- Motion Made:** Board Member Vulakovich
- Chairman Holden asked if anyone in the audience wished to speak on behalf of Route 53 Beer and Beverage, Inc. There was no response.
- Seconded:** Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to refuse the request to engage in another business and the request for interior connection with another business but approve the request for dual employment.
- (10) **3BM, LLC** Renewal – District 5
t/a 202 Hometown Tacos
R-3508 (LID No. 96741) Case No. 2023-96741
407 Lincoln Avenue
Bellevue, Allegheny County
- Motion Made:** Board Member Vulakovich
Seconded: Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.

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- (11) **The Beer Shak, LLC** Renewal – District 3
t/a The Beer Shak
D-32642 (LID No. 58427) Case No. 2023-58427
762 South Route 183
Wayne Township
Schuylkill Haven, Schuylkill County
- Motion Made:** Board Member Vulakovich
Seconded: Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.
- (12) **By-Bar, Inc.** Renewal – District 3
t/a Penn Street Tavern
R-13976 (LID No. 16453) Case No. 2023-16453 **HOLD 1/10/24 SESSION**
220 Penn Street
Reading, Berks County **Conditional Licensing Agreement**
- Motion Made:** Board Member Vulakovich
Seconded: Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal with a conditional licensing agreement.
- (13) **HMAC Venue, LLC** Renewal – District 2
t/a Harrisburg Midtown Arts Center
R-4643 (LID No. 98407) Case No. 2022-98407 **HOLD 10/18/23 SESSION**
1110 North 3rd Street
Harrisburg, Dauphin County
- Motion Made:** Board Member Vulakovich
Seconded: Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to hold for further review until the April 10, 2024, meeting.
- (14) **Hot Rod Bar & Grill, LLC** Renewal – District 3
t/a Hot Rod Bar & Grill
R-15942 (LID No. 90528) Case No. 2023-90528 **HOLD 2/14/24 SESSION**
15 17 19 Front Street
Cressona, Schuylkill County **Conditional Licensing Agreement**
- Motion Made:** Board Member Vulakovich
Seconded: Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal with a conditional licensing agreement.

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- (15) **Micasa Restaurant & Bar, Inc.** Renewal – District 8
R-7457 (LID No. 66566) Case No. 2020-66566 & 2022-66566 **HOLD 11/15/23 SESSION**
217 East Diamond Avenue
Hazleton, Luzerne County
- Motion Made:** Board Member Vulakovich
- Chairman Holden asked if anyone in the audience wished to speak on behalf of Micasa Restaurant & Bar, Inc. There was no response.
- Seconded:** Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to refuse the renewal.
- (16) **Mike’s New Moon Saloon, Inc.** Renewal – District 5
t/a Mike’s New Moon Saloon
R-14497 (LID No. 49989) Case No. 2023-49989
2059 Saxonburg Boulevard
West Deer Township
Gibsonia, Allegheny County
- Motion Made:** Board Member Vulakovich
- Seconded:** Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.
- (17) **Pocono Enterprise Co** Renewal – District 3
R-14072 (LID No. 72244) Case No. 2023-72244
316-318 South Main Street
Shenandoah, Schuylkill County
- Motion Made:** Board Member Vulakovich
- Seconded:** Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement with offer-in-compromise.
- (18) **R.A.M. Rodney Corner, Inc.** Renewal – District 6
t/a Rodney Corner Café
R-17107 (LID No. 96509) Case No. 2022-96509
595 Clay Pike Road
Mt. Pleasant Township
Acme, Westmoreland County
- Motion Made:** Board Member Vulakovich
- Seconded:** Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.

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- (19) **RC's Bar & Grill, LLC** Renewal – District 8
R-17370 (LID No. 95836) Case No. 2022-95836
4547 Red Rock Road
Benton Township
Benton, Columbia County
HOLD 1/24/24 SESSION
Conditional Licensing Agreement
- Motion Made:** Board Member Vulakovich
Seconded: Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal with a conditional licensing agreement.
- (20) **Michael L. Thomas** Renewal – District 3
t/a Club 54
R-14045 (LID No. 52721) Case No. 2023-52721
100-102 West Centre Street
Mahanoy City, Schuylkill County
- Motion Made:** Board Member Vulakovich
Seconded: Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.
- (21) **Thurston Enterprises, LLC** Renewal – District 7
t/a The City Line
R-18790 (LID No. 85049) Case No. 2023-85049
244 West Washington Street
Bradford Township
Bradford, McKean County
- Motion Made:** Board Member Vulakovich
Seconded: Board Member Clarke
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.

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

Personnel Actions

There were 16 personnel actions presented for consideration.

- (1) **Alyse Clark - Removal**
- (2) **Brook Detwiler – Affirm Removal**
- (3) **Susan Diaz – Affirm Removal**
- (4) **Rory Duffin – Removal**
- (5) **Alina Gonzalez – Removal**
- (6) **Joyce Greene – Removal**
- (7) **James Hausman – Affirm Removal**
- (8) **SadieMarie Lear – Removal**
- (9) **Anthony Lee – Removal**
- (10) **Lisa McCoy – Removal**
- (11) **Jayia Noy-Jackson – Affirm Removal**
- (12) **Camelia Quattlebaum – Affirm Removal**
- (13) **Dorothy Queen - Removal**
- (14) **Kiaha Sparks-McFadden – Removal**
- (15) **Steven Stoller – Removal**
- (16) **Megan Westcoat – Removal**

Motion Made: Board Member Vulakovich

Seconded: Board Member Clarke

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

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*From the Bureau of Accounting & Purchasing Rodrigo Diaz, Executive Director
Melinda John, Chief, Purchasing & Contracting Administration
Ijeoma Ezekoye, Director, Bureau of Financial Management & Analysis*

Procurement Actions:

- (1) **Increase to the Oracle Master Agreement Contract Cap to Accommodate Project Extension, Releases 3 & 4 and Legacy System Maintenance** – In order to accomplish Release 3 (merchandise financial planning and enterprise project management) and Release 4 (retail point of sale) in 2024 and 2025, as well as to maintain legacy systems support until Project New Horizon achieves its full implementation through Release 4, an additional **\$26 million** is needed to be added to the Oracle Master Agreement contract cap.

This project is being completed under the PLCB’s existing contract purchase agreement No. 63017408 with Oracle, approved by the Board on Jan. 17, 2018 with term through Feb. 26, 2030, which currently has a spending cap of \$136 million.

Does the Board approve increasing the spending cap for Oracle contract purchase agreement No. 63017408 from \$136 million to \$162 million?

- (2) **PLCB+ Online Regulatory System Extension** – This extension will continue to provide a single gateway with 24x7x365 access for businesses and individuals to apply for and manage their liquor licenses and permits. The system is highly customized and critical for PLCB to carry out its function as the regulatory authority for all alcohol within Pennsylvania and cannot be replaced without expending significant resources.

Procured via Sole Source Contract Amendment – **VENDOR: Computronix USA Inc.** – **TERM:** Three years for period 5/31/24 through 5/30/27 - **\$1,740,985.00 estimated cost.**

- (3) **AppWorx Software Renewal** - AppWorx is our scheduling software used to run jobs and chains in the IBMS system. The IBMS system is the Agency’s main computer system that runs the day-to-day operations of the Agency. Without AppWorx we would have to run all the jobs and chains manually with the risk of user error. .

Procured via DGS Contract #4400018548 – **VENDOR: CDW-G** – **TERM:** One year for period 5/13/2024 through 5/12/2025 - **\$265,607.51 estimated cost.**

- (4) **Quart Sized Paper Bags** – This procurement action is for quart sized paper bags to be used in all Fine Wine & Good Spirit stores to package products sold to customers.

Procured via IFB #270602 - **VENDOR: Broadway Kleer-Guard Corp.** - **TERM:** One year for period 6/1/2024 through 5/31/2025 - **\$950,000.00 estimated cost.**

- (5) **Aprons for PLCB Regions** – This procurement action is to replenish the brown and green apron supply for FWGS store employees in Regions 1, 2 and 3.

Procured via DGS Contract #4400004306 – **VENDOR: UniqueSource Products & Services** - **\$50,954.00 estimated cost.**

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Inter-Agency Charges:

- (1) **Office of Administration** - SR #18437 - LB - Remote Retail Site VMware Licensing, VMware products under the new COPA-VMware Enterprise License Agreement (ELA). The cost for new licenses, and support through June 30, 2025 is \$333,650.00. The proposal includes licenses and subscription/support (SNS).

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 Vulakovich
Seconded: Board Member Clarke

Board Decision: Unanimously agreed (3-0 vote) to approve the procurement actions and interagency charges received from the Bureau of Accounting and Purchasing.

From the Office of Retail Operations..... Rodrigo Diaz, Executive Director

- 1. **#0202- 90 Allegheny River Boulevard, Verona
New Lease**
- 2. **#2801- 987 Wayne Ave., Chambersburg
New Lease**
- 3. **#2801 Temp- 987 Wayne Ave., Chambersburg
Amendment**
- 4. **#0201- 3239 Washington Pike, Bridgeville
Amendment**
- 5. **#0226- 132 Ben Avon Heights Rd., Pittsburgh
Amendment**
- 6. **#1111- 3670 Portage Street, Portage
Amendment**
- 7. **#3702- 729 Lawrence Ave., Ellwood City
Amendment**
- 8. **#5152- 3772 L Street, Philadelphia
Amendment**
- 9. **#6710- 3159 Cape Horn Road, Red Lion
Amendment**
- 10. **#0704- 1260 Pennsylvania Ave , Tyrone
Option**

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Motion Made: Board Member Vulakovich
Seconded: Board Member Clarke

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

From the Bureau of Product Management..... Tom Bowman, Director of Product Management

VENDOR – ITEM NAME

BOARD ACTION REQUESTED

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

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

1. Regular New Items Accepted

BRAND NAME AND SIZE

REASON

Diageo Americas Inc

Don Julio Tequila Blanco 1 L

18

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular PA New Items Accepted

BRAND NAME AND SIZE

REASON

Red Brick Craft Distillery LLC

Red Brick Craft Distillery Aged River Wards Rum 750 mL

16

Red Brick Craft Distillery Single Malt Whiskey 750 mL

16

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

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10. Trade out
11. High quality for the value
12. Innovative product/flavor
13. High sales through other PLCB channels (Luxury, Online, SLO)
14. Underrepresented category/segment
15. Hole in selection – consumer/store requests
16. PA Spirits
17. PA Wines
18. Licensee only
19. Probationary listing

3. Regular Recommended Delist

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>Midstate Distillery</u> Midstate Distillery Pennsylvlucky Orange Label Straight Bourbon 750 mL	96103
<u>Pennsylvania Pure Distilleries LLC</u> Boyd and Blair Daiquiri 1 L	98435
<u>Southern Glazers Wine and Spirits of PA</u> Mouton Cadet Bordeaux Rouge 1.5 L	7322
Mouton Cadet Bordeaux Rouge 750 mL	5742

EFFECTIVE DATE: The transference to closeout will become effective April 19, 2024

Motion Made: Board Member Vulakovich

Seconded: Board Member Clarke

Board Decision: Unanimously agreed (3-0 vote) to approve the recommendations received 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)**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 93,877,492	\$ 82,372,745
Investments - short term	314,207,790	260,920,172
Accounts and claims receivable, net	8,243,413	7,165,796
Due from other funds - Note 9	-	-
Merchandise inventories, net	151,989,580	199,529,314
Operating supplies	1,901,734	416,956
Prepaid expenses	<u>2,049,378</u>	<u>2,033,073</u>
Total current assets	<u>572,269,387</u>	<u>552,438,056</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable or amortizable capital assets:		
Building	10,923,350	10,820,411
Leasehold improvements	209,134	209,134
Machinery and equipment	65,140,412	53,820,871
Intangible - internally generated software	82,252,936	58,587,904
Intangible - right to use leases - Note 10	427,511,439	375,959,900
Intangible - right to use IT subscriptions - Note 11	<u>16,337,949</u>	<u>20,300,870</u>
Less: accumulated depreciation or amortization	<u>290,287,003</u>	<u>217,491,990</u>
Net depreciable or amortizable capital assets	<u>312,088,217</u>	<u>302,207,100</u>
Total non-current capital assets	<u>312,411,190</u>	<u>302,530,073</u>
Total assets	<u>\$ 884,680,577</u>	<u>\$ 854,968,129</u>
Total deferred outflows of resources - Notes 5, 6	\$ 253,525,128	\$ 176,166,205
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 342,828,591	\$ 320,702,366
Other accounts payable	18,095,993	27,897,218
Accrued expenses	27,633,636	26,362,994
OPEB - Note 6	-	-
Self-insurance, workers' compensation - Note 7	4,795,551	5,038,908
Due to other funds - Note 9	6,935,990	10,964,548
Due to fiduciary funds - Note 9	3,909,331	3,553,765
Due to other governments - Note 9	1,118,788	1,054,711
Right to use liabilities - Note 10	<u>63,189,868</u>	<u>62,716,387</u>
Total current liabilities	<u>468,507,748</u>	<u>458,290,897</u>
Non-current liabilities:		
OPEB - Note 6	366,712,000	424,085,000
Self-insurance, workers' compensation - Note 7	46,295,622	45,346,197
Net pension liability - Note 5	578,023,930	379,679,163
Compensated absences - Note 1	24,484,695	26,865,598
Right to use liabilities - Note 10	<u>179,348,683</u>	<u>194,449,717</u>
Total non-current liabilities	<u>1,194,864,930</u>	<u>1,070,425,675</u>
Total liabilities	<u>\$ 1,663,372,678</u>	<u>\$ 1,528,716,572</u>
Total deferred inflows of resources - Notes 5, 6	\$ 222,042,426	\$ 331,243,486
<u>NET POSITION</u>		
Net investment in capital assets	\$ 69,872,639	\$ 45,363,969
Deficit	<u>(817,082,038)</u>	<u>(874,189,693)</u>
Total net position - Note 12	<u>\$ (747,209,399)</u>	<u>\$ (828,825,724)</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 December 31, 2023 and December 31, 2022
(Unaudited)

	<u>2023-24</u>	<u>2022-23</u>
Sales net of taxes	\$ 314,826,885	\$ 310,028,036
Cost of goods sold	<u>(215,702,925)</u>	<u>(219,198,740)</u>
Gross profit from sales	99,123,960	90,829,296
Operating (expenses):		
Wholesale	(2,763,646)	(1,755,173)
Retail	(36,112,492)	(31,328,444)
E-Commerce	(238,648)	(348,262)
Regulatory	(1,198,159)	(947,606)
Enterprise	(11,646,497)	(8,846,141)
Commonwealth provided services - Note 2	<u>(1,376,497)</u>	<u>(2,006,258)</u>
Total	<u>(53,335,939)</u>	<u>(45,231,884)</u>
Operating profit/(loss)	45,788,021	45,597,412
Other operating revenues (expenses):		
Enforcement fines	260	104
License fees	3,136,371	2,812,214
Miscellaneous income	<u>219,155</u>	<u>369,392</u>
Total	<u>3,355,786</u>	<u>3,181,710</u>
Total operating income/(loss)	49,143,807	48,779,122
Miscellaneous revenues (expenses):		
Interest income (expense)	1,256,978	104,503
Other	<u>-</u>	<u>-</u>
Total	<u>1,256,978</u>	<u>104,503</u>
Income/(Loss) before operating transfers	50,400,785	48,883,625
Operating transfers out:		
PSP enforcement - Note 3	(2,481,045)	(2,471,722)
Net Income/(Loss) from operations	<u>47,919,740</u>	<u>46,411,903</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	47,919,740	46,411,903
**Total net position - beginning - Note 12	<u>(795,129,139)</u>	<u>(875,237,627)</u>
Total net position - ending	<u>\$ (747,209,399)</u>	<u>\$ (828,825,724)</u>
Liquor tax	56,405,551	54,157,982
State Sales Tax	22,340,943	21,331,496
Local Tax	1,307,999	1,271,143
Taxes remitted to Dept.of Revenue PTD	<u>\$ 80,054,493</u>	<u>\$ 76,760,621</u>

*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 Six Months Ending December 31, 2023 and December 31, 2022
(Unaudited)

	<u>2023-24</u>	<u>2022-23</u>
Sales net of taxes	\$ 1,357,322,048	\$ 1,327,153,980
Cost of goods sold	<u>(915,923,532)</u>	<u>(940,532,992)</u>
Gross profit from sales	441,398,516	386,620,988
Operating (expenses):		
Wholesale	(15,009,363)	(10,992,870)
Retail	(207,749,059)	(173,843,965)
E-Commerce	(1,222,128)	(1,510,601)
Regulatory	(7,116,756)	(5,366,668)
Enterprise	(54,445,731)	(43,703,088)
Commonwealth provided services - Note 2	<u>(9,779,308)</u>	<u>(10,624,979)</u>
Total	<u>(295,322,345)</u>	<u>(246,042,171)</u>
Operating profit/(loss)	146,076,171	140,578,817
Other operating revenues (expenses):		
Enforcement fines	516,034	765,145
License fees	16,093,350	15,176,232
Miscellaneous income	<u>1,113,717</u>	<u>2,528,782</u>
Total	<u>17,723,101</u>	<u>18,470,159</u>
Total operating income/(loss)	163,799,272	159,048,976
Miscellaneous revenues (expenses):		
Interest income (expense)	6,445,185	181,159
Other	<u>17,008</u>	<u>55,374</u>
Total	<u>6,462,193</u>	<u>236,533</u>
Income/(Loss) before operating transfers	170,261,465	159,285,509
Operating transfers out:		
PSP enforcement - Note 3	(16,113,420)	(16,326,754)
Net Income/(Loss) from operations	<u>154,148,045</u>	<u>142,958,755</u>
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	54,148,045	42,958,755
**Total net position - beginning 2022-23 - Note 12	<u>(801,357,444)</u>	<u>(871,784,479)</u>
Total net position - ending	<u>\$ (747,209,399)</u>	<u>\$ (828,825,724)</u>
Liquor tax	239,802,891	236,709,299
State Sales Tax	94,613,009	93,166,001
Local Tax	6,365,161	5,912,270
Taxes remitted to Dept.of Revenue PTD	<u>\$ 340,781,061</u>	<u>\$ 335,787,570</u>

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

ASSETS	January 31, 2024	January 31, 2023
Current assets:		
Cash	\$ 49,807,947	\$ 48,849,207
Investments - short term	292,840,728	314,356,648
Accounts and claims receivable, net	8,077,858	6,785,585
Due from other funds - Note 9	-	-
Merchandise inventories, net	152,564,869	208,976,211
Operating supplies	1,061,604	431,240
Prepaid expenses	2,057,821	2,376,102
Total current assets	<u>506,410,827</u>	<u>581,774,993</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable or amortizable capital assets:		
Building	10,935,291	10,820,411
Leasehold improvements	209,134	209,134
Machinery and equipment	65,428,898	53,954,659
Intangible - internally generated software	82,252,935	58,587,903
Intangible - right to use leases - Note 10	428,522,934	375,776,751
Intangible - right to use IT subscriptions - Note 11	16,337,949	20,300,870
Less: accumulated depreciation or amortization	<u>296,986,460</u>	<u>223,224,011</u>
Net depreciable or amortizable capital assets	<u>306,700,681</u>	<u>296,425,717</u>
Total non-current capital assets	<u>307,023,654</u>	<u>296,748,690</u>
Total assets	<u>\$ 813,434,481</u>	<u>\$ 878,523,683</u>
Total deferred outflows of resources - Notes 5, 6	\$ 252,265,228	\$ 174,801,405
LIABILITIES		
Current liabilities:		
Trade accounts payable	\$ 270,550,444	\$ 344,152,317
Other accounts payable	19,277,732	27,045,032
Accrued expenses	31,347,112	28,407,698
OPEB - Note 6	-	-
Self-insurance, workers' compensation - Note 7	4,795,551	5,038,908
Due to other funds - Note 9	8,241,233	10,114,918
Due to fiduciary funds - Note 9	4,855,821	3,956,488
Due to other governments - Note 9	1,327,435	1,142,134
Right to use liabilities - Note 10	62,903,688	62,360,800
Total current liabilities	<u>403,299,016</u>	<u>482,218,295</u>
Non-current liabilities:		
OPEB - Note 6	358,495,000	422,740,000
Self-insurance, workers' compensation - Note 7	46,795,622	45,846,197
Net pension liability - Note 5	579,500,530	381,451,363
Compensated absences - Note 1	24,484,695	26,865,598
Right to use liabilities - Note 10	175,504,672	189,449,675
Total non-current liabilities	<u>1,184,780,519</u>	<u>1,066,352,833</u>
Total liabilities	<u>\$ 1,588,079,535</u>	<u>\$ 1,548,571,128</u>
Total deferred inflows of resources - Notes 5, 6	\$ 223,352,926	\$ 320,318,486
NET POSITION		
Net investment in capital assets	\$ 68,615,294	\$ 44,938,215
Deficit	<u>(814,348,046)</u>	<u>(860,502,741)</u>
Total net position - Note 12	<u>\$ (745,732,752)</u>	<u>\$ (815,564,526)</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 January 31, 2024 and January 31, 2023
(Unaudited)**

	<u>2023-24</u>	<u>2022-23</u>
Sales net of taxes	\$ 171,308,199	\$ 171,345,483
Cost of goods sold	<u>(119,756,589)</u>	<u>(117,943,640)</u>
Gross profit from sales	51,551,610	53,401,843
Operating (expenses):		
Wholesale	(3,351,025)	(1,642,791)
Retail	(36,664,166)	(28,783,850)
E-Commerce	(166,301)	(300,388)
Regulatory	(1,339,919)	(788,764)
Enterprise	(8,810,227)	(8,155,426)
Commonwealth provided services - Note 2	<u>(1,476,946)</u>	<u>(1,753,743)</u>
Total	<u>(51,808,584)</u>	<u>(41,424,962)</u>
Operating profit/(loss)	(256,974)	11,976,881
Other operating revenues (expenses):		
Enforcement fines	181,049	262,068
License fees	2,580,216	2,482,135
Miscellaneous income	<u>225,149</u>	<u>408,771</u>
Total	<u>2,986,414</u>	<u>3,152,974</u>
Total operating income/(loss)	2,729,440	15,129,855
Miscellaneous revenues (expenses):		
Interest income (expense)	1,051,245	352,417
Other	<u>-</u>	<u>4,777</u>
Total	<u>1,051,245</u>	<u>357,194</u>
Income/(Loss) before operating transfers	3,780,685	15,487,049
Operating transfers out:		
PSP enforcement - Note 3	(2,304,038)	(2,225,851)
Net Income/(Loss) from operations	1,476,647	13,261,198
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	1,476,647	13,261,198
**Total net position - beginning - Note 12	<u>(747,209,399)</u>	<u>(828,825,724)</u>
Total net position - ending	<u>\$ (745,732,752)</u>	<u>\$ (815,564,526)</u>
Liquor tax	29,824,902	31,997,559
State Sales Tax	11,830,120	12,619,574
Local Tax	812,953	881,079
Taxes remitted to Dept.of Revenue PTD	<u>\$ 42,467,975</u>	<u>\$ 45,498,212</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 Seven Months Ending January 31, 2024 and January 31, 2023
(Unaudited)

	<u>2023-24</u>	<u>2022-23</u>
Sales net of taxes	\$ 1,528,630,247	\$ 1,498,499,463
Cost of goods sold	<u>(1,035,680,122)</u>	<u>(1,058,476,632)</u>
Gross profit from sales	492,950,125	440,022,831
Operating (expenses):		
Wholesale	(18,360,389)	(12,635,662)
Retail	(244,413,223)	(202,627,814)
E-Commerce	(1,388,428)	(1,810,988)
Regulatory	(8,456,676)	(6,155,432)
Enterprise	(63,255,958)	(51,858,514)
Commonwealth provided services - Note 2	<u>(11,256,254)</u>	<u>(12,378,722)</u>
Total	<u>(347,130,928)</u>	<u>(287,467,132)</u>
Operating profit/(loss)	145,819,197	152,555,699
Other operating revenues (expenses):		
Enforcement fines	697,083	1,027,213
License fees	18,673,566	17,658,367
Miscellaneous income	<u>1,338,866</u>	<u>2,937,553</u>
Total	<u>20,709,515</u>	<u>21,623,133</u>
Total operating income/(loss)	166,528,712	174,178,832
Miscellaneous revenues (expenses):		
Interest income (expense)	7,496,430	533,575
Other	<u>17,008</u>	<u>60,151</u>
Total	<u>7,513,438</u>	<u>593,726</u>
Income/(Loss) before operating transfers	174,042,150	174,772,558
Operating transfers out:		
PSP enforcement - Note 3	(18,417,458)	(18,552,605)
Net Income/(Loss) from operations	155,624,692	156,219,953
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	55,624,692	56,219,953
**Total net position - beginning 2022-23 - Note 12	<u>(801,357,444)</u>	<u>(871,784,479)</u>
Total net position - ending	<u>\$ (745,732,752)</u>	<u>\$ (815,564,526)</u>
Liquor tax	269,627,794	268,706,858
State Sales Tax	106,443,129	105,785,575
Local Tax	7,178,113	6,793,349
Taxes remitted to Dept.of Revenue PTD	<u>\$ 383,249,036</u>	<u>\$ 381,285,782</u>

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OTHER ISSUES

Employee Recognition Tim Holden, Board Chairman

On the evening of December 18, 2023, Wayne Debor, a clerk from store 0201, was driving by the house of his coworker Allan Gundel, when Wayne noticed that Allan’s car was in the driveway, but no lights appeared to be on in the house. This prompted concern on Wayne’s part, so he contacted the General Manager, Gina Dean. Gina shared Wayne’s concern so she attempted to call Allan but received no answer. With the sense of concern building, Gina and staff reached out to DM Jim Cappertta and asked if the police could be asked to conduct a welfare check.

Based on these concerns, Jim called 911 and requested a welfare check of Allan’s residence. Shortly thereafter, the police arrived at Allan’s house, contacted Jim, and confirmed what Wayne had noticed earlier. Allan’s house was dark, no lights were on, but a car was parked in the driveway. The police knocked and rang the doorbell several times with no response. The police let Jim know that they would investigate further and call him back with any discoveries. About 45 minutes later, the officer called Jim back and stated that they heard some noises coming from inside Allan’s house, so they forced entry. At that point the police found Allan laying on the floor still breathing, but not alert. Due to the severity of his condition, Allan was transported to a hospital for further treatment. Unfortunately, Allan passed away on January 9, 2024. However, because of the quick thinking and extraordinary actions of Allan’s coworkers, Allan’s daughter, who lives in New York, was able to be by her father’s side before he passed.

Although this situation ended with the unfortunate loss of a valued coworker and friend, we wanted to acknowledge and recognize the caring folks who were concerned enough to act when they thought a member of their team was in need. So, the PLCB is honored to recognize Jim Cappetta, Gina Dean, and Wayne Debor for their extraordinary life-saving efforts and actions taken in an emergency response situation.

Thank you for your continued service to the Commonwealth and our community.

Board Member Randy Vulakovich addressed the recognized employees and offered that by interfering on behalf of their co-worker they brought a welcomed closure to the family in a situation that could have ended more tragically.

Board Member Darrell Clarke spoke about the difficulty in losing a family member and in this instance a member of your PLCB family. He commended the actions of the employees in stepping up to assist your co-worker in a time of trouble.

PUBLIC COMMENT

The Board has reserved 10 minutes for public comment.

No comments were offered.

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NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, April 10, 2024, beginning at 11:00 A.M. Prior to the public meeting, an Executive Session or Sessions will be held for the specific purposes as regularly set forth in the printed Board Agenda.

ADJOURNMENT

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

The foregoing actions are hereby officially approved.

Chairman

Member

Member

ATTEST:

Secretary