

PENNSYLVANIA LIQUOR CONTROL BOARD
MEETING MINUTES

WEDNESDAY, DECEMBER 21, 2016
NORTHWEST OFFICE BUILDING, CONFERENCE ROOM 117, HARRISBURG, PA

Tim Holden, Chairman
Mike Negra, Board Member
Michael Newsome, Board Member
Charlie Mooney, Executive Director
John Stark, Board Secretary

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

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

PUBLIC MEETING – 11:00 A.M

Board Secretary John K. Stark indicated that a quorum of the Board was present and Chairman Holden called the meeting to order.

CALL TO ORDER *Chairman Holden*

Pledge of Allegiance to the Flag

OLD BUSINESS..... *Secretary Stark*

A. Motion to approve the previous Board Meeting Minutes of the December 7, 2016 meeting.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously approved (3-0 vote) previous Board Minutes.

PUBLIC COMMENT ON AGENDA ITEMS

There was no public comment on the printed agenda items.

NEW BUSINESS

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

- (1) **Denight Enterprises, LLC** Administrative Law Judge Appeal
t/a Paradise Bar and Grille
718-720 Alter Street
Hazelton, Pennsylvania 18201-3133
Restaurant Liquor License No. R-4784
LID 59291
Citation No. 15-1780

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Michelle Fox, Executive Deputy Chief Counsel, was asked to explain the facts and circumstances surrounding this matter.

Ms. Fox indicated that, in October 2015, the Pennsylvania State Police, Bureau of Liquor Control Enforcement (“BLCE”) issued a citation to Licensee setting forth two separate counts. The first count charged Licensee with operating gambling devices or permitting unlawful gambling on the licensed premises. The second count charged Licensee with awarding alcohol as a prize. An evidentiary hearing was held before an administrative law judge (“ALJ”). Following the hearing, the ALJ issued a decision sustaining both counts of the citation and imposing fines of \$50.00 for the first count and \$150.00 for the second count. Licensee filed a timely appeal of the ALJ’s decision with the Board. On appeal, Licensee argues that the ALJ abused his discretion in finding the evidence in the record sufficient to sustain both counts.

Ms. Fox explained that, regarding the first count, BLCE needed to prove three elements to establish that unlawful gambling had occurred: consideration or a payment to play; an element of chance; and a reward or prize. During the hearing, Licensee acknowledged it was conducting a “wheel of booze” game in which every five to fifteen minutes Licensee’s bartender would call out a number, and the holder of the ticket with the matching number would get the opportunity to spin the wheel. Depending on where the wheel stopped, participants could win prizes including an alcoholic beverage, a bag of chips, one hundred cents, or a compliment from the bartender. There was no dispute that the game involved an element of chance and a reward or prize; so, the only issue was whether there was consideration or a payment to play. A BLCE officer testified that he visited Licensee’s establishment in an undercover capacity on three different occasions and was only given a ticket after he made a purchase of food or drinks. He also testified that he observed other people similarly being required to make a purchase before receiving a ticket to play. In addition, he testified that he heard the bartender telling people that they had to buy something first to receive a ticket. Licensee, however, presented testimony indicating that tickets were given free of charge to anyone who entered the licensees premises. The ALJ ultimately found the testimony provided by the BLCE officer more credible, and that testimony was sufficient to support the ALJ’s decision sustaining the first count.

Ms. Fox further explained that, regarding the second count, Licensee argued that it was simply giving away one free drink per customer, which it is permitted to do under the PLCB’s Regulations. However, the BLCE officer testified that he observed the bartender pouring and serving the alcoholic beverages that were awarded as prizes, and that such drinks contained more than one and one-half ounces of spirits, which is the allowable standard size that may be provided free of charge to a customer. The ALJ again found the BLCE officer credible, and his testimony was sufficient to sustain the charge. Ms. Fox noted that the PLCB’s longstanding policy is that no amount of alcohol can ever be awarded as a prize. Accordingly, the Office of Chief Counsel recommended that the ALJ’s decision be affirmed on both counts.

Board Member Negra asked Ms. Fox if the Board has a choice in this matter, even if it were to disagree with the ALJ’s decision. Board Member Negra noted that Licensee may have simply been engaging in an entrepreneurial endeavor to help promote and grow his business.

Ms. Fox responded by explaining that the ALJ made credibility determinations as to which witness to believe, and that the Board does not have the authority to overturn credibility determinations on appeal.

Motion Made: Board Member Negra

Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Affirm ALJ.

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- (2) **Profer, Inc.**
131 West Main Street
Leola, Pennsylvania 17540-1748
Restaurant Liquor License No. R-3249
LID 48024

Proposed Conditional Licensing Agreement to Allow for the Renewal.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal with New Conditional Licensing Agreement.

- (3) **Mixtape, LLC**
4907 Penn Avenue
Pittsburgh, Pennsylvania 15224-1608
Restaurant Liquor License No. R-12467
LID 71894

Request to Modify Conditional Licensing Agreement.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Modified Conditional Licensing Agreement.

- (4) **Stone Neapolitan Pizzeria, Inc.**
300 Liberty Avenue
Pittsburgh, Pennsylvania 15222-1210
Restaurant Liquor License No. R-12948
LID 66441
Docket No. SA-16-00115 (Allegheny County)

Appeal to Commonwealth Court

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Appeal to Commonwealth Court.

- (5) **VRAJ, Inc.**
222 Northampton Street
Easton, Pennsylvania 18042-3613
Distributor License No. D-1370
LID 67000
Docket No. 2592 C.D. 2015 (Commonwealth Court)

Petition for Allowance of Appeal to Supreme Court

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Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) – Do Not Appeal.

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

(1) **Ariel Eatery, LLC** “Intermunicipal” Double
t/a American Natural Transfer & Request to Sell
R-6454 (LID No. 80583) Other Items on the Licensed
2 Rich Hill Road Premises – Restaurant
Harmar Township
Cheswick, Allegheny County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer. The Request to Sell Other Items on the Licensed Premises was held by Board Member Negra.

(2) **Café Antonio, Inc.** New – Economic Development
t/a Café Antonio Pizzeria & Ristorante Restaurant
(LID No. 80615) Case No. 16-9089
107 East Trenton Avenue
Morrisville, Bucks County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Application for New Economic Development Restaurant Liquor License.

(3) **Lancaster Cigar, LLC** Extension of License – Restaurant
R-7903 (LID No. 69450) Case No. 16-9093
25 West King Street, Space #N/O
Lancaster, Lancaster County

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Daniel Falcon, Licensee's Owner and President, was present and requested to be recognized by the Board to offer some comments on this matter.

Mr. Falcon was recognized by Chairman Holden, and he offered the following comments.

Mr. Falcon indicated that this has been a long and arduous process. He stated that Licensee has been in business since September of 2014 and has operated successfully without incurring any citations or violations at either the state or local levels. He further indicated that he has received public commendations from Pedro Cortez, Secretary of the Commonwealth, and from Mike Sturla, State Representative, for his positive contributions to the community and for his role as a community leader. He also noted that Licensee serves the local community and is frequently patronized by local officials, including the Mayor of Lancaster, council members, and off-duty police officers.

Mr. Falcon conveyed that, in his prior experience with the PLCB, it has generally only taken one or two months for his applications to be processed and approved. However, the present application has been pending for approximately seven months. He explained that this has hampered his business and caused him some financial hardship. Specifically, he noted his desire to be open during the holiday season. Accordingly, Mr. Falcon indicated that he would like to get this matter resolved as quickly as possible without further delay, and he respectfully requested that the Board approve the application.

Board Member Negra asked if Rod Diaz, Chief Counsel, or Tisha Albert, Director of Regulatory Affairs, wished to respond to Mr. Falcon's comments.

Mr. Diaz explained that there were protests filed in this matter by some of the neighbors who had some concerns about Licensee's proposed extension. He indicated that the Board would have the option to either hold this matter for consideration at a future meeting or to approve or disapprove the application now. He noted that if the Board believed that the application would be detrimental to the welfare, health, peace and morals of the neighbors, it would be required to refuse the application based on the Liquor Code. However, Mr. Diaz explained that holding the matter for future consideration would give the protestants and Licensee an opportunity to reach an agreement addressing their respective concerns.

Board Member Negra asked Mr. Diaz to explain what might be causing this matter to take so much time.

Mr. Diaz explained that when an application is filed, the premises would need to be posted for 30 days to allow the opportunity for protests to be filed. If any protests are filed, they would then need to be reviewed to determine if they are valid. If the protests are deemed to be valid, the matter would need to be scheduled for a hearing before a Board hearing examiner. The timing of the hearing would depend on when the hearing examiner is available, and the parties would have the opportunity to request continuances. Following the hearing, the Board hearing examiner then has 30 days to prepare a recommended opinion for the Board. The Board then can review the recommended opinion and seek input from the Office of Chief Counsel. Mr. Diaz indicated that, because of these procedural requirements, it is not uncommon for an application to take numerous months to reach the Board for consideration when protests are filed. Mr. Diaz emphasized that when protests are filed in response to an application, they cannot be ignored.

Board Member Negra noted that, based on Mr. Diaz's explanation, it sounds like the delay in this case was because of the protests that were filed and the process that must be followed. It was not

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because the application was just sitting somewhere on a desk waiting to be approved. Board Member Negra also asked Mr. Diaz to clarify how this application might be impacting Licensee's business.

Mr. Diaz explained that the application in this case only involves an extension of premises. As such, Licensee's core business is still operating. Because Licensee already holds a restaurant liquor license, Licensee can still sell alcohol in the currently licensed areas of its premises. Licensee just can't engage in the sale of alcohol in the new area, prior to obtaining approval from the Board relative to the extension.

Board Member Newsome asked Mr. Diaz how long it might take for an agreement to be reached, if the Board were to hold the matter for future consideration.

Mr. Diaz indicated that it might take one or two more meetings before the matter would come back to the Board for consideration. He explained that the protestants and Licensee would need to reach an agreement, which would likely require some negotiation. He further explained that if the parties reach an agreement, the Office of Chief Counsel would draft a Conditional Licensing Agreement reflecting those terms, which would need to be reviewed and approved by the Board. Mr. Diaz noted that while the Conditional Licensing Agreement would be between the PLCB and Licensee, the protestants would need to support or agree to the terms before they will withdraw their protests. If not, they could file an appeal. Mr. Diaz stated that, in some instances, protestants and licensees can reach an agreement, but in other instances they are unable to do so. It just depends.

Board Member Negra asked Mr. Diaz to confirm if he was understanding correctly that the protestants could still file an appeal, even if the Board approved a Conditional Licensing Agreement.

Mr. Diaz confirmed that the protestants could still file an appeal and might be inclined to do so if they are not agreeable to the terms set forth in a Conditional Licensing Agreement.

Board Member Newsome indicated that it seemed that a resolution between the parties would have already been reached in this case, if that was possible, because of the significant amount of time that has already passed. He, therefore, questioned how likely it would be for the protestants and Licensee to reach an agreement at this point.

Mr. Diaz explained that, in many instances, the concerns of protestants are not made clear to an applicant until the evidentiary hearing. In other words, the evidentiary hearing is needed to draw out the concerns and to allow both sides to more fully understand the same. Thus, it is possible and has happened in the past where the parties have only reached an agreement later in the process after the hearing.

Board Member Negra then asked Mr. Falcon for clarification as to whether the licensed premises is part of a condominium unit with the licensed premises located on the first floor and residential units located above. Board Member Negra also asked if the concerns of the protestants in this case were primarily related to noise.

Mr. Falcon responded by indicating that there are basically five protestants in this case, one of which is another licensee. He also indicated that three of the other protestants have been patronizing his business after filing the protests. Thus, it is his understanding that these individuals no longer have an issue with the application and that their original concerns no longer exist. Mr. Falcon further indicated that the licensed premises is part of a condominium, but he noted that

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Downtown Lancaster is an up and coming area, and that this type of location or arrangement is not uncommon. Mr. Falcon again emphasized that Licensee has been operating for more than two years without any citations or incidents. He also again stated that his business is experiencing hardship because of this process, and noted that the delay is only because of the opinions of a few people. He reiterated that the City of Lancaster and everyone else is on board with his efforts and view them as positive contributions to the community.

Board Member Negra commented that this reminds him of the situation where someone moves in next to a golf course and then subsequently complains because the golf course is there.

Chairman Holden thanked Mr. Falcon for his time and noted that the Board appreciated his comments.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Application for Extension of License.

- (4) **Pizzuvio, LLC** Double Transfer – Restaurant
R-6149 (LID No. 73186)
260 Forbes Avenue #2
Pittsburgh, Allegheny County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer.

- (5) **7 Huntingdon, Inc.** Renewal – District 4
R-2609 (LID No. 64697) Case No. 2016-64697
7 Huntingdon Pike
Rockledge, Montgomery County

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal with Existing 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

- (1) **Brittany Brown - Removal**
- (2) **Michael Celeste – Affirm Removal**
- (3) **Erica Gaye – Affirm Removal**
- (4) **Tamika Laws – Five Day Suspension**
- (5) **Derrick Toler – Affirm Removal**
- (6) **Jeane Williams - Removal**

Motion Made: Board Member Negra
Seconded: Board Member Newsome

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

*From the Bureau of Accounting & Purchasing Director of Finance
Koppolu Ravindraraj, Director, Bureau of Accounting & Purchasing*

- (1) **Product Manager 3 Staff Augmentation** – Provide assistance to the PLCB Project Management Office in the capture of business requirements, project planning, and project delivery services for Act 39 initiatives such as SLO Direct and CRM for increased Operating Income.

Procured via DGS Statewide Contract #6100030999 – VENDOR: OST, Inc. – TERM: Six (6) months – \$77,904.45 estimated cost.

- (2) **Pin Pads, Software and Accessories** – Provide eighty (80) pin pads with software and accessories that will be used for upcoming new Fine Wine & Good Spirit stores as well as to quickly replace existing pin pads when they fail. Pin pads are maintained by PLCB staff and must be ordered before stock becomes critical to allow additional time swapping the pin pads for programming by Santander/First Data credit card processing service.

Procured via DGS Statewide Contract #4400007778 – VENDOR: PNC Merchant Services – \$57,600.00 estimated cost.

- (3) **Overhead Door and Grates Repair Maintenance** – Perform preventative maintenance, inspection, and repairs as requested on all grates and roll-up doors at thirty (30) Fine Wine & Good Spirit store locations plus the Philadelphia Distribution Center.

Procured via Invitation for Bid #260319 – VENDOR: Abstract Overhead Door – TERM: Three (3) years – \$96,736.00 estimated cost. No other bids were received.

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Board Member Newsome asked Nick Melnick, Chief Information Officer, if the first action being proposed is a renewal or a first-time contract.

Mr. Melnick explained that the first proposed action is for a Product Manager 3 Staff Augmentation, which is an existing position. As such, this action involves the renewal of an existing contract. He indicated that this position is needed to provide project planning and project delivery services relative to SLO, E-Commerce, and CRM initiatives.

Board Member Newsome also asked Mr. Melnick if this position will be covered as part of his long-term planning and analysis relative to staff augmentation, and Mr. Melnick confirmed that it would be covered.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve all Purchasing and Contracting Actions.

From the Office of Retail Operations..... Carl Jolly, Director of Retail Operations

- 1. **#4607 – 132 East Butler Pike, Ambler Amendment**
- 2. **#1518 – 1502 West Chester Pike, West Chester Relocation in Same Center w/ Added Space**

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve all Retail Operations Actions.

*From the Bureau of Product SelectionDale Horst, Director of Marketing & Merchandising
Director, Bureau of Product Selection*

1. Regular Recommended Delist Retail Reductions January 2017

BRAND NAME AND SIZE

CODE

Bacardi USA Inc

Dewars White Label Scratch Cask 80 Proof 750 ML

8836

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Sazerac Company Inc

Southern Cherry Comfort 750 ML	5708
Southern Lime Comfort 750 ML	3337

EFFECTIVE DATES: The transference to closeout will become effective December 19, 2016

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular Recommended Delist Retail Reductions January 2017 Revision

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
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EFFECTIVE DATE

Philadelphia Distilling

XXX Shine Liber Tea Whiskey 80 Proof 750 ML	31378
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EFFECTIVE DATES: The transference to closeout will become effective December 19, 2016

RECOMMENDED ACTION: We recommend the Board approve this action

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve all Bureau of Product Selection / Marketing Actions.

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

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

	<u>November 30, 2016</u>	<u>November 30, 2015</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 29,240,828	\$ 59,154,211
Investments - short term	331,940,775	244,525,073
Accounts and claims receivable, net	1,231,233	1,750,279
Due from other funds - Note 8	-	5,744
Merchandise inventories, net	322,266,657	273,390,221
Operating supplies	427,671	510,957
Prepaid expenses	2,405,664	2,013,794
Total current assets	687,512,828	581,350,279
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	19,557,620	19,557,620
Leasehold improvements	864,825	757,962
Machinery and equipment	47,258,302	46,401,068
Intangibles - internally generated software	28,127,364	25,212,344
Less: accumulated depreciation	56,241,449	55,394,442
Net depreciable capital assets	39,566,662	36,534,552
Total non-current capital assets	39,889,635	36,857,525
Total assets	\$ 727,402,463	\$ 618,207,804
Total deferred outflows of resources - Note 4	\$ 99,341,449	\$ 40,538,538
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 339,083,688	\$ 278,147,075
Other accounts payable	22,286,440	17,450,332
Accrued expenses	24,921,268	22,811,220
Self-insurance, workers' compensation - Note 6	10,271,965	10,316,604
Due to other funds - Note 8	5,423,871	5,102,991
Due to fiduciary funds - Note 8	3,110,410	2,292,377
Due to other governments - Note 8	937,775	812,053
Total current liabilities	406,035,417	336,932,652
Non-current liabilities:		
OPEB - Note 5	97,178,113	82,152,554
Self-insurance, workers' compensation - Note 6	39,287,287	42,109,251
Net pension liability - Note 4	465,775,699	377,185,050
Compensated absences - Note 1	19,506,861	20,092,247
Total non-current liabilities	621,747,960	521,539,102
Total liabilities	\$ 1,027,783,377	\$ 858,471,754
Total deferred inflows of resources - Note 4	\$ 6,586,121	\$ 4,002,223
<u>NET POSITION</u>		
Net investment in capital assets	\$ 39,889,635	\$ 36,857,525
Deficit	(247,515,221)	(240,585,160)
Total net position	\$ (207,625,586)	\$ (203,727,635)

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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 November 30, 2016 and November 30, 2015
(Unaudited)

	<u>November 2016-17</u>	<u>November 2015-16</u>
Sales net of taxes	\$ 180,289,486	\$ 167,168,381
Cost of goods sold	<u>(124,112,718)</u>	<u>(115,000,722)</u>
Gross profit from sales	56,176,768	52,167,659
Operating (expenses):		
Retail operations	(33,776,356)	(29,990,601)
Marketing & merchandising	(1,520,406)	(1,434,972)
Supply chain	(743,404)	(582,096)
Wholesale operations	(132,513)	-
Information technology services	(3,340,762)	(2,868,933)
Regulatory affairs	(2,047,266)	(2,027,561)
Administration	(1,143,762)	(1,071,814)
Finance	(318,671)	(447,076)
Board & secretary	(518,725)	(427,809)
Legal	(233,267)	(231,398)
Commonwealth provided services - Note 2	<u>(1,107,337)</u>	<u>(1,340,013)</u>
Total	<u>(44,882,469)</u>	<u>(40,422,273)</u>
Operating profit	11,294,299	11,745,386
Other operating revenues (expenses):		
Enforcement fines	119,590	164,959
License fees	2,330,520	896,845
Miscellaneous	75,574	247,825
Administrative law judge	<u>(219,657)</u>	<u>(212,656)</u>
Total	<u>2,306,027</u>	<u>1,096,973</u>
Total operating income	13,600,326	12,842,359
Non-operating revenues (expenses):		
Interest income	195,868	48,651
Other	<u>(4,758)</u>	<u>-</u>
Total	<u>191,110</u>	<u>48,651</u>
Income before operating transfers	13,791,436	12,891,010
Operating transfers out:		
PSP enforcement - Note 3	(2,170,946)	(1,774,480)
Income after enforcement/before other transfers	<u>11,620,490</u>	<u>11,116,530</u>
Other operating transfers out:		
General fund - Note 3	-	-
Drug and alcohol programs - Note 3	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	11,620,490	11,116,530
Total net position - beginning	<u>(219,246,076)</u>	<u>(214,844,165)</u>
Total net position - ending	<u>\$ (207,625,586)</u>	<u>\$ (203,727,635)</u>
Liquor tax	35,284,129	30,341,505
State Sales Tax	13,873,456	11,831,246
Local Tax	878,658	762,839
Taxes remitted to Dept.of Revenue PTD	<u>\$ 50,036,243</u>	<u>\$ 42,935,590</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 Five Months Ending November 30, 2016 and November 30, 2015
(Unaudited)

	<u>2016-17</u>	<u>2015-16</u>
Sales net of taxes	\$ 814,752,985	\$ 782,251,746
Cost of goods sold	<u>(564,680,125)</u>	<u>(538,357,456)</u>
Gross profit from sales	250,072,860	243,894,290
Operating (expenses):		
Retail operations	(166,298,246)	(154,141,145)
Marketing & merchandising	(6,569,321)	(6,445,233)
Supply chain	(3,973,938)	(2,968,295)
Wholesale operations	(528,913)	-
Information technology services	(14,858,193)	(13,725,842)
Regulatory affairs	(9,643,563)	(8,795,332)
Administration	(5,904,547)	(5,472,473)
Finance	(1,568,083)	(2,302,589)
Board & secretary	(2,623,903)	(2,400,901)
Legal	(1,145,830)	(1,452,628)
Commonwealth provided services - Note 2	<u>(5,590,856)</u>	<u>(7,083,028)</u>
Total	<u>(218,705,393)</u>	<u>(204,787,466)</u>
Operating profit	31,367,467	39,106,824
Other operating revenues (expenses):		
Enforcement fines	538,596	853,089
License fees	9,713,406	5,053,502
Miscellaneous income	546,667	1,099,853
Administrative law judge	<u>(1,102,361)</u>	<u>(1,070,661)</u>
Total	<u>9,696,308</u>	<u>5,935,783</u>
Total operating income	41,063,775	45,042,607
Non-operating revenues (expenses):		
Interest income	820,535	213,680
Other	<u>(45,023)</u>	<u>(6,981)</u>
Total	<u>775,512</u>	<u>206,699</u>
Income before operating transfers	41,839,287	45,249,306
Operating transfers out:		
PSP enforcement - Note 3	(11,286,509) <u>(11,286,509)</u>	(10,269,687) <u>(10,269,687)</u>
Income after enforcement/before other transfers	30,552,778	34,979,619
Other operating transfers out:		
General fund - Note 3	-	-
Drug and alcohol programs - Note 3	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	30,552,778	34,979,619
Total net position - beginning	<u>(238,178,364)</u>	<u>(238,707,254)</u>
Total net position - ending	<u>\$ (207,625,586)</u>	<u>\$ (203,727,635)</u>
Liquor tax	146,631,101	140,646,251
State Sales Tax	57,463,135	54,757,162
Local Tax	3,658,316	3,513,615
Taxes remitted to Dept.of Revenue YTD	<u>\$ 207,752,552</u>	<u>\$ 198,917,028</u>

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OTHER ISSUES

None.

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, January 18, 2017 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 Negra, seconded by Board Member Newsome, the meeting was adjourned.

The foregoing actions are hereby officially approved.

Chairman

Member

Member

ATTEST:

Secretary