

PENNSYLVANIA LIQUOR CONTROL BOARD
MEETING MINUTES

WEDNESDAY, APRIL 17, 2019

NORTHWEST OFFICE BUILDING, CONFERENCE ROOM 117, HARRISBURG, PA

Tim Holden, Chairman
Mike Negra, 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 – Leona Feger – Retail Operations, Real Estate

OLD BUSINESS..... *Secretary Stark*

A. Motion to approve the previous Board Meeting Minutes of the March 26, 2019 meeting.

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve Previous Board Minutes.

PUBLIC COMMENT ON AGENDA ITEMS

There was no comment on the printed agenda items.

NEW BUSINESS

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

(1) **SOUTH STRABANE TOWNSHIP**
Case No. 19-NE-06

Municipal Petition for Exemption
from the Liquor Code Statute
Regarding Amplified Sound

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve the Petition for Exemption
for the period April 17, 2019 to April 17, 2020.

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

- (2) **NEW GARDEN TOWNSHIP** Municipal Petition for Exemption
Case No. 19-NE-07 from the Liquor Code Statute
Regarding Amplified Sound

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve the Petition for Exemption for the period April 17, 2019 to April 17, 2022.

- (3) **Lawer, Inc.** Proposal to Allow for the Renewal
1830 Oakland Avenue of the Liquor License
Indiana, Pennsylvania 15701
Restaurant Liquor License No. R-20410
LID 81722

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve the Renewal of the Liquor License.

- (4) **JW & JW, Inc.** Request to Rescind Conditional
601 East 25th Street Licensing Agreement
Erie, Pennsylvania 16503-2113
Restaurant Liquor License No. R-12102
LID 34542

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve the Request to Rescind the Conditional Licensing Agreement.

- (5) **Transferor: Champ's Sports Grill and Lounge, Inc.** Application for Conversion of
355 Lincoln Highway Suspension to Fine
North Versailles, Pennsylvania 15137-1683
Restaurant Liquor License No. R-12343
LID 64965

Transferee: Giant Eagle, Inc.
1820 Lincoln Highway
North Versailles, Pennsylvania 15137-1683
Restaurant Liquor License No. R-12343
LID 97408

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

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve Conversion of Suspension to a Fine of \$1,000.00.

(6) **Philadelphia Film Society**
1412 Chestnut Street
Philadelphia, Pennsylvania 19102-2505
License No. PAF-102
LID 72037
Citation No. 18-0258

Appeal of Adjudication and Order
of Administrative Law Judge

Motion Made: Board Member Negra

Executive Deputy Chief Counsel Fox explained Licensee is a performing arts facility in Philadelphia. In March 2018, Licensee was cited under 47 P.S. § 1-102 and 47 P.S. § 4-413(f)(1) for selling alcohol during prohibited hours on two occasions. After the hearing, the Administrative Law Judge sustained the charge and added a third charge under 47 P.S. § 4-493(16), which she then sustained. This added charge comes with an enhanced penalty. The ALJ assessed a total fine of \$1,000.00. Licensee filed a timely appeal.

Licensee asserts the Administrative Law Judge committed an error of law in sustaining the original two violations, as well as sustaining the added violation under 47 P.S. § 4-493(16), which Licensee was not even charged with.

The Office of Chief Counsel agrees with Licensee that the Administrative Law Judge cannot sua sponte add a violation, particularly when it is an enhanced violation. Therefore, Office of Chief Counsel recommends reversing that part of the violation (47 P.S. § 4-493(16)), but otherwise agrees with the Administrative Law Judge's decision.

As a performing arts facility, Licensee can only sell alcohol two hours before, during, and one hour after any performance. Here alcohol was being sold during non-live film and quizzo (trivia) events. These are not the kind of events enumerated in 47 P.S. § 1-102: live musical, concert, dance, ballet, and legitimate play book-length productions. We have said before to this Licensee that non-theatrical events, such as private events, quizzo (trivia), or film screenings, do not meet this definition.

Therefore, Licensee violated 47 P.S. § 1-102 and 47 P.S. § 4-413(f)(1). The Office of Chief Counsel recommends affirming the ALJ's decision as to those sections and remanding the case back to the Office of the Administrative Law Judge for an appropriate penalty.

Board Member Negra stated that trivia is not a restricted event even though it is not listed in the definition of what a performing arts facility is. Chairman Holden stated Licensee would need a restaurant license in order to engage in a trivia event. He asked if that was correct. Executive Deputy Chief Counsel Fox agreed that statement was correct. She noted Licensee and/or the theater did have a restaurant license, at one time, and exchanged it for a performing arts facility license.

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Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Reverse the Administrative Law Judge as to 47 P.S. § 4-493(16), Affirm the Administrative Law Judge for violations under 47 P.S. §§ 1-102 and 4-413(f)(1), and Remand the Case Back to the Administrative Law Judge.

(7) **Fulton Athletic Club**
1309 East 9th Street
Erie, Pennsylvania 16503-1748
License No. CC-2012
LID 1141
Citation No. 18-0477

Appeal of Adjudication and Order
of Administrative Law Judge

Motion Made: Board Member Negra

Executive Deputy Chief Counsel Fox stated Licensee is a club in Erie. In April 2018, Licensee was charged with four counts: violation of Local Option Small Games of Chance Act, unlawful gambling, failure to adhere to its bylaws, and failure to keep records. Licensee signed a waiver, admitting to all charges.

On November 19, 2018, the Administrative Law Judge sustained the unlawful gambling, failure to keep records, and some dates of the bylaws violations, but he dismissed the count for Small Games of Chance violation on theory that Licensee did not violate Local Option Small Games of Chance Act because its Small Games of Chance license was expired at the time of the violation. The Bureau of Liquor Control Enforcement timely appealed dismissal of the Small Games of Chance count.

After a lengthy review, the Office of Chief Counsel agrees with the Administrative Law Judge's reasoning.

The Bureau of Liquor Control Enforcement has authority to cite Licensee for violations under Local Option Small Games of Chance Act, but Licensee has to be a "club licensee" as defined under the Act. Here, Licensee was not. It was not operating as a club licensee at the time of the violation, because to be a club licensee, you have to have a valid Small Games of Chance license. Licensee did not. The Small Games of Chance license had expired, so Licensee could not violate the Act.

Thus, Administrative Law Judge was correct in that he did not have the authority to decide that count. But that does not mean Licensee cannot be punished for its conduct. It just means Licensee has to be cited under the Liquor Code and Criminal Code for unlawful gambling (47 P.S. § 4-471) and here it was.

Thus, the Office of Chief Counsel recommends affirming the Administrative Law Judge's decision.

Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Affirm Administrative Law Judge.

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

- (1) **69-71 N. 2nd St. Liquor License, LLC** Double Transfer & Request for
R-2651 (LID No. 95250) Case No. 19-9004 Interior Connections with
69-71 North 2nd Street Another Business - Restaurant
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve the Transfer and Request for Interior Connections with Another Business.

- (2) **BRBH HD, LLC** Double Transfer - Restaurant
R-1 (LID No. 95357) Case No. 19-9014
129L South 30th Street
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve the Transfer.

- (3) **DEG View, LLC** Double Transfer - Restaurant
R-16071 (LID No. 92490) Case No. 18-9088
1101 West Hamilton Street, 5th Floor
Allentown, Lehigh County

Motion Made: Board Member Negra

Chairman Holden asked if there was anyone present for the Licensee. No response.

Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Refuse the Transfer.

- (4) **Rosie's West End, Inc.** Stipulation - Restaurant
t/a Vibe
R-16071 (LID No. 65342)
1328 West Tilghman Street
Allentown, Lehigh County
Citation Nos. 14-0998, 14-1222, 14-1886

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

No Motion Needed: Board Member Negra

Board Decision: Moot Since the Transfer of DEG View, LLC was Refused.

- (5) **King's Bar & Grill, Inc.** Request for Hearing After
R-741 (LID No. 47825) Case No. 18-9123 Revocation - Restaurant
11 Fleet Street
Rankin
Braddock, Allegheny County

Motion Made: Board Member Negra

Chairman Holden asked if there was anyone present for the Licensee. No response.

Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Affirm Administrative Revocation.

- (6) **Lehigh Valley Restaurant Group, Inc.** Conditional Licensing Agreement
t/a Red Robin Gourmet Burgers Appointment of Manager –
R-5417 (LID No. 51620) Case No. 18-9116 Restaurant
2020 Wilkes Barre Township Marketplace
Wilkes Barre Township
Wilkes Barre, Luzerne County **HOLD – 3/13/19 SESSION**

Motion Made: Board Member Negra

Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve Appointment of Manager with Conditional Licensing Agreement.

- (7) **Major Events Bar & Grille, LLC** Double Transfer - Restaurant
R-246 (LID No. 91084) Case No. 18-9096
5049-75 Lancaster Avenue
Philadelphia, Philadelphia County

Motion Made: Board Member Negra

Chairman Holden asked if there was anyone present for the Licensee. No response.

Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Refuse Transfer.

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(8) **Sheetz, Inc.** Double Transfer & Request for
t/a Sheetz #522 Interior Connections with
R-11631 (LID No. 92898) Case No. 18-9064 Another Business - Restaurant
3501 Nazareth Road
Palmer Township
Easton, Northampton County

Motion Made: Chairman Holden
Seconded:

Board Decision: Hold by Chairman Holden

(9) **TH Minit Markets, LLC** Double Transfer & Request for
t/a Turkey Hill Minit Market #79 Interior Connections with
E-2449 (LID No. 93220) Case No. 18-9097 Another Business –
1004 Harrisburg Pike Eating Place Malt Beverage
Manheim Township
Lancaster, Lancaster County

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve Double Transfer and Request for Interior Connections with Another Business.

(10) **520, LLC** Conditional Licensing Agreement
R-4202 (LID No. 83934) Case No. 2018-83934 Renewal – District 10
520 North Columbus Boulevard
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve Renewal with New Conditional Licensing Agreement.

(11) **East Side Family Beverage Co., Inc.** Renewal – District 4
D-1860 (LID No. 34228) Case No. 2018-34228
1048 Airport Road
Allentown, Lehigh County

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve Renewal.

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- (12) **Jones & Bazuine, Inc.** Renewal – District 2
t/a Colonial Hotel & Restaurant
R-19998 (LID No. 54545) Case No. 2018-54545
106 North Front Street
New Freedom, York County
- Motion Made:** Board Member Negra
Seconded:
- Board Decision:** Hold for an Amended Conditional Licensing Agreement.

- (13) **Nabil Abualburak, Inc.** Renewal – District 8
t/a Omnia Bar & Grill and Ali Baba Lounge
R-7002 (LID No. 63256) Case No. 2018-63256 **HOLD – 3/13/19 SESSION**
219-225 South Main Street
Wilkes Barre, Luzerne County
- Motion Made:** Chairman Holden
Seconded:
- Board Decision:** Hold by Chairman Holden

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

Personnel Actions

There were 18 personnel actions presented for consideration.

- (1) **Ricky Barnes – Affirm Removal**
- (2) **Tianna Bennett – Affirm Removal**
- (3) **David Chen – Affirm Removal**
- (4) **Michael Dombrowski – Affirm Removal**
- (5) **Steven Fronius – Removal**
- (6) **Anthony Herranz - Removal**
- (7) **Nakira Hicks – Removal**
- (8) **Keith Lennex – Affirm Removal**
- (9) **Tonetta Luke – Affirm Removal**
- (10) **Wendy Menard – Affirm Removal**

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- (11) **Jose Morales-Brown – Affirm Removal**
- (12) **Kimberly Peterson – Affirm Removal**
- (13) **Siddeeq Ramey – Affirm Removal**
- (14) **Kim Robinson – Removal**
- (15) **Dwight Taylor – Affirm Removal**
- (16) **Kevin Truong – Removal**
- (17) **Keyanna Vose – Affirm Removal**
- (18) **Leslie Young – Affirm Removal**

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve all Personnel Actions.

*From the Bureau of Accounting & PurchasingMichael Demko, Director of Finance
Koppolu Ravindraraj, Director, Bureau of Accounting & Purchasing
Mike Freeman, Director, Bureau of Financial Management & Analysis*

Procurement Actions:

- (1) **RIMS Software Support and Maintenance Renewal** – Provide software maintenance and support including 24/7 help desk services for the Robocom Inventory Management System (RIMS) software installed at the PLCB’s Philadelphia Distribution Center plus the Harrisburg test system. Additional support hours added for future potential PLCB initiatives which may include enabling Expiration Date Tracking and changes to proprietary reports.

Procured via PO 63010541 Amendment – VENDOR: **Robocom US LLC** – TERM: One year – **\$141,053.37 estimated cost** (Software support \$120,452.57 and 80 support hours at \$257.51 per hour \$20,600.80). Last year’s software support cost of \$176,071.00 included two distribution centers plus the Harrisburg test system.

- (2) **Furniture for Store #1501** – Center table and wall units for premium Fine Wine & Good Spirits Store #1501 in Exton due to store moving to another location in same shopping plaza.

Procured via DGS Contract #4400013989 – VENDOR: **TC Millwork** – **\$99,775.34 estimated cost.**

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- (3) **Central Station Alarm Monitoring Service for Region #3** – Contractor will furnish, install, and maintain a leased 24-hour monitored Central Station Security Alarm System in approximately 84 Fine Wine and Good Spirits in Allegheny and surrounding counties.

Procured via Invitation to Bid #260341 – VENDOR: **SVB Associates** – TERM: Five years - **\$367,160.00 estimated cost.** Bid pricing includes: Monthly Monitoring - \$35.00; and, Initial and Proposed Additional Installs - \$580.00 each. No other bids were received.

- (4) **75 HP Standard ProBook 600 G4 Microtower PCs with Monitors** – This is first order of scheduled store PC hardware refresh for FY 18-19 to replace PCs older than six years old that run Windows 7, a soon to be unsupported operating system. In-house Desktop support staff will establish the operating system and software install image for this batch and subsequent hardware refresh will continue using contracted services.

Procured via DGS Contract #4400017908 – VENDOR: **HP Inc.** - \$924.00 per unit cost for a total of **\$69,300.00 estimated cost.**

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve Items 1, 2, 4 and Hold Item 3.

Inter-Agency Charges:

- (1) **Bureau of Commonwealth Payroll Operations (BCPO) Billing (Job 30)** – This billing of \$349,056.56 is PLCB’s share of costs for payroll services for FY 2018-19. The billing is based on actual payroll transaction counts for the previous fiscal year (FY 2017).
- (2) **Department of Community and Economic Development (DCED) for e-Grants MOU** – The Memorandum of Understanding (MOU) between DCED and the PLCB covers the terms and conditions for the collaborative project to modify DCED’s existing eGrants solution to accommodate all PLCB grant programs. DCED will provide development, management, content, infrastructure, help desk/call center staff during the development/onboarding phase and maintenance phase as applicable. The PLCB commits to providing staff to work as liaison between the eGrant user community and DCED technical staff. The cost for development and support for the first year of the agreement is \$200,000. Maintenance and support costs for the subsequent fiscal years is \$50,000 annually for the duration of the MOU.

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

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Accept All Inter-Agency Charges.

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

1. #0408 – 816 Third Avenue, New Brighton
Amendment
2. #1602 – 452 Broad Street, New Bethlehem
Amendment
3. #2111 – East Penn Center, 736 Wertzville Road, Enola
Amendment
4. #2402 – 832 South Saint Marys Street, Saint Marys
Amendment
5. #2801 – Wayne Plaza, 987 Wayne Avenue, Chambersburg
Amendment
6. #3907 – Shops at Cedar Point, 333 South Cedar Crest Boulevard, Allentown
Amendment
7. #6710 – Windsor Commons, 3159 Cape Horn Road, Red Lion
Amendment
8. #9205 – 1602 Cochran Road, Pittsburgh
Amendment
9. #4006 – Luzerne Shopping Center, 468 Union Street, Luzerne
New Lease (Expansion)

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve all Retail Operations Actions.

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

1. Regular New Items Accepted

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
<u>Capital Wine and Spirits Inc</u> Yes Way Rosé 750 ML	1, 9
<u>Constellation Brands Inc</u> Black Box Red Blend 3 L	2, 3, 5

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The Edrington Group USA LLC

The Macallan Highland Single Malt Scotch Whisky Double Cask 12 Year 50 ML 2, 3

Sazerac Company Inc

JP Wiser’s Deluxe Canadian Whiskey 750 ML 10

Sutter Home Winery Inc

Three Thieves Cabernet Sauvignon 750 ML 18

Southern Wine Spirits PA

Luc Belaire Luxe Rosé Sparkling 750 ML 2, 3, 9

The Wine Group

13 Celsius Pinot Grigio 750 ML 2, 3

Ava Grace Pinot Grigio 375 ML 18

Ava Grace Rosé 375 ML 18

Beso Del Sol Red Sangria 500 ML 2, 3, 5, 11

Beso Del Sol Rosé Sangria 500 ML 2, 3, 5, 11

Beso Del Sol White Sangria 500 ML 2, 3, 5, 11

Insurrection Cabernet Sauvignon 750 ML 2, 3

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular PA Preferred New Items Accepted

BRAND NAME AND SIZE

REASON

Tall Pines Distillery LLC

Tall Pines Distillery Apple Pie Moonshine 750 ML 16

Tall Pines Distillery Bananas Foster Moonshine 750 ML 16

Tall Pines Distillery Huckleberry Moonshine 750 ML 16

Tall Pines Distillery Moonshine Ma’rita 750 ML 16

Tall Pines Distillery Peach Moonshine 750 ML 16

Tall Pines Distillery Pine Sap Moonshine 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

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

3. Regular Recommended Delist

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>MHW LTD</u> Holla Amaze Mint Vodka 750 ML	15981
<u>Philadelphia Distilling</u> Penn 1681 Vodka 50 ML	1329
<u>Rowhouse Spirits LLC</u> Rowhouse Spirits Bear Trap Herbal Liqueur 750 ML	9987

EFFECTIVE DATE: The transference to closeout will become effective May 17, 2019

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve all Bureau of Product Selection/Marketing Actions.

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FINANCIAL REPORT *Andrew Cameron, Comptroller Operations, Office of Budget*

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

	<u>March 31, 2019</u>	<u>March 31, 2018</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 52,057,622	\$ 62,141,222
Investments - short term	207,718,621	151,476,009
Accounts and claims receivable, net	813,903	957,648
Due from other funds - Note 8	-	-
Merchandise inventories, net	254,343,067	240,945,224
Operating supplies	369,166	213,411
Prepaid expenses	826,755	1,915,002
Total current assets	516,129,134	457,648,516
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	20,875,220	19,816,479
Leasehold improvements	341,826	612,301
Machinery and equipment	49,381,778	48,683,112
Intangibles - internally generated software	21,241,832	25,554,323
Less: accumulated depreciation	62,308,322	64,399,631
Net depreciable capital assets	29,532,334	30,266,584
Total non-current capital assets	29,855,307	30,589,557
Total assets	\$ 545,984,441	\$ 488,238,073
Total deferred outflows of resources - Note 4, 5	\$ 88,270,800	\$ 134,628,773
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 299,981,719	\$ 248,988,858
Other accounts payable	28,164,939	30,151,414
Accrued expenses	21,332,282	20,659,234
OPEB - Note 5	11,976,000	-
Self-insurance, workers' compensation - Note 6	12,137,029	11,239,857
Due to other funds - Note 8	4,647,351	3,949,895
Due to fiduciary funds - Note 8	2,935,957	2,833,482
Due to other governments - Note 8	802,332	754,803
Total current liabilities	381,977,609	318,577,543
Non-current liabilities:		
OPEB - Note 5	781,379,000	858,849,000
Self-insurance, workers' compensation - Note 6	47,949,448	42,256,546
Net pension liability - Note 4	464,617,473	499,943,490
Compensated absences - Note 1	20,809,984	18,904,788
Total non-current liabilities	1,314,755,905	1,419,953,824
Total liabilities	\$ 1,696,733,514	\$ 1,738,531,367
Total deferred inflows of resources - Note 4, 5	\$ 92,968,959	\$ 20,897,976
<u>NET POSITION</u>		
Net investment in capital assets	\$ 29,855,307	\$ 30,589,557
Deficit	(1,185,302,539)	(1,167,152,054)
Total net position	\$ (1,155,447,232)	\$ (1,136,562,497)

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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 March 31, 2019 and March 31, 2018
(Unaudited)**

	<u>2018-19</u>	<u>2017-18</u>
Sales net of taxes	\$ 172,018,200	\$ 179,519,798
Cost of goods sold	<u>(117,053,396)</u>	<u>(121,021,951)</u>
Gross profit from sales	54,964,804	58,497,847
Operating (expenses):		
Retail operations	(33,340,992)	(32,444,613)
Marketing & merchandising	(1,953,148)	(1,067,128)
Supply chain	(633,702)	(863,950)
Wholesale operations	(152,892)	(145,479)
Information technology services	(2,468,058)	(2,250,607)
Regulatory affairs	(1,709,055)	(1,705,502)
Administration	(1,213,397)	(1,236,316)
Finance	(309,424)	(335,223)
Board & secretary	(371,143)	(476,881)
Legal	(356,402)	(306,622)
Commonwealth provided services - Note 2	<u>(1,199,511)</u>	<u>(1,277,804)</u>
Total	<u>(43,707,724)</u>	<u>(42,110,125)</u>
Operating profit	11,257,080	16,387,722
Other operating revenues (expenses):		
Enforcement fines	165,367	99,146
License fees	3,847,903	3,792,397
Miscellaneous income	450,932	346,946
Administrative law judge	<u>(221,039)</u>	<u>(225,289)</u>
Total	<u>4,243,163</u>	<u>4,013,200</u>
Total operating income	15,500,243	20,400,922
Miscellaneous revenues (expenses):		
Interest income	553,603	284,758
Other	<u>1,500</u>	<u>-</u>
Total	<u>555,103</u>	<u>284,758</u>
Income before operating transfers	16,055,346	20,685,680
Operating transfers out:		
PSP enforcement - Note 3	<u>(2,394,361)</u>	<u>(2,498,393)</u>
Net Income from operations	13,660,985	18,187,287
Statutory Transfers:		
General fund - Note 3	(85,100,000)	-
Drug and alcohol programs - Note 3	-	-
Total	<u>(85,100,000)</u>	<u>-</u>
Change in net position	(71,439,015)	18,187,287
Total net position - beginning	<u>(1,084,008,217)</u>	<u>(1,154,749,784)</u>
Total net position - ending	<u>\$ (1,155,447,232)</u>	<u>\$ (1,136,562,497)</u>
Liquor tax	31,050,099	32,026,050
State Sales Tax	12,213,563	12,587,545
Local Tax	803,739	818,435
Taxes remitted to Dept.of Revenue PTD	<u>\$ 44,067,401</u>	<u>\$ 45,432,030</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 Nine Months Ending March 31, 2019 and March 31, 2018
(Unaudited)**

	<u>2018-19</u>	<u>2017-18</u>
Sales net of taxes	\$ 1,607,679,412	\$ 1,565,869,420
Cost of goods sold	<u>(1,094,094,563)</u>	<u>(1,067,039,023)</u>
Gross profit from sales	513,584,849	498,830,397
Operating (expenses):		
Retail operations	(297,951,240)	(297,526,478)
Marketing & merchandising	(13,212,795)	(11,162,734)
Supply chain	(5,838,333)	(7,415,439)
Wholesale operations	(1,374,092)	(1,290,738)
Information technology services	(24,201,323)	(22,791,584)
Regulatory affairs	(15,624,481)	(15,503,321)
Administration	(10,685,959)	(11,122,652)
Finance	(2,688,331)	(2,918,924)
Board & secretary	(4,640,215)	(5,308,783)
Legal	(2,750,605)	(2,664,576)
Commonwealth provided services - Note 2	<u>(10,042,012)</u>	<u>(10,618,186)</u>
Total	<u>(389,009,386)</u>	<u>(388,323,415)</u>
Operating profit	124,575,463	110,506,982
Other operating revenues (expenses):		
Enforcement fines	1,346,927	1,130,722
License fees	29,205,598	34,490,980
Miscellaneous income	2,753,581	2,489,030
Administrative law judge	<u>(2,109,493)</u>	<u>(2,024,590)</u>
Total	<u>31,196,613</u>	<u>36,086,142</u>
Total operating income	155,772,076	146,593,124
Miscellaneous revenues (expenses):		
Interest income	4,370,441	2,086,829
Other	<u>1,500</u>	<u>30,031</u>
Total	<u>4,371,941</u>	<u>2,116,860</u>
Income before operating transfers	160,144,017	148,709,984
Operating transfers out:		
PSP enforcement - Note 3	(23,184,350)	(22,217,594)
Net income from operations	<u>136,959,667</u>	<u>126,492,390</u>
Statutory Transfers:		
General fund - Note 3	(185,100,000)	(185,100,000)
Drug and alcohol programs - Note 3	-	-
Total	<u>(185,100,000)</u>	<u>(185,100,000)</u>
Change in net position	(48,140,333)	(58,607,610)
Total net position - beginning	<u>(1,107,306,899)</u>	<u>(1,077,954,887)</u>
Total net position - ending	<u><u>\$ (1,155,447,232)</u></u>	<u><u>\$ (1,136,562,497)</u></u>
Liquor tax	288,623,659	281,244,932
State Sales Tax	113,526,376	110,561,207
Local Tax	7,276,870	7,083,091
Taxes remitted to Dept.of Revenue YTD	<u>\$ 409,426,905</u>	<u>\$ 398,889,230</u>

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OTHER ISSUES

*Alcohol Education Grant Requests.....Tisha Albert, Director of Regulatory Affairs
Corinne Dinoski, Director, Bureau of Alcohol Education*

The Board may award grants to various entities throughout the Commonwealth for the purpose of reducing underage and dangerous drinking. The Bureau of Alcohol Education is requesting the Board fund approximately \$1,000,000 for the 2019-2020 grant cycle.

The Board approved the grants listed below.

Applicant	Amount Awarded
The Center for Youth and Community Development	\$18,000
Duquesne University	\$20,000
Point Park University	\$19,500
Hopewell Area School District	\$20,000
Kutztown University	\$16,500
Wyomissing Borough Police Dept.	\$11,856
Logan Township Police Dept.	\$16,000
Palisades School District	\$7,500
Hiram G. Andrews Center (PA Department of Labor & Industry)	\$20,000
The Learning Lamp	\$19,878
Alcohol & Drug Abuse Services, Inc.	\$20,000
State College Borough Police Dept.	\$20,000
The Pennsylvania State University	\$20,000
Coatesville Youth Initiative	\$10,380
Lincoln University	\$9,845
Clarion University	\$19,035
Bloomsburg University	\$20,000
Locust Township Police Dept.	\$14,420
Dickinson College Wellness Center	\$16,675
Shippensburg University	\$19,300
Haverford Township Police Dept.	\$19,957
Holcomb Behavioral Health Systems	\$20,000
Upper Darby Township Police Dept.	\$16,560
Juniata Co. Prevention Board	\$19,257

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The University of Scranton	\$20,000
Community Action Partnership of Lancaster Co.	\$6,758
Spanish American Civic Assoc.	\$20,000
University of Pittsburgh - Bradford	\$18,902
East Stroudsburg University	\$20,000
Pocono Mt. Regional Police Dept.	\$20,000
Lower Providence Twp. Police Dept.	\$19,791
Marlborough Twp. Police Dept.	\$20,000
Plymouth Twp. Police Dept.	\$20,000
Rosemont College	\$20,000
The CTC Wellness Foundation	\$19,645
Twp. of Lower Merion Police Dept.	\$19,446
Lehigh University	\$19,213
Chestnut Hill College	\$19,675
Temple University's Wellness Resource Center	\$12,920
Schuylkill Technology Centers	\$9,750
Susquehanna University	\$15,000
Venango County Substance Abuse*	\$17,350
Saint Vincent College	\$20,000
University of Pittsburgh - Greensburg	\$8,490
Lower Windsor Twp. Police Dept.	\$10,080
GRAND TOTAL	\$771,683

Motion Made: Board Member Negra
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to Approve Grant Funding in the amount of \$771,683.

Employee Recognition – Years of Service.....Charlie Mooney, Executive Director

Leona Feger – Retail Operations, Real Estate: 35 years of Commonwealth Service

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CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, May 1, 2019, 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 Chairman Holden, the meeting was adjourned.

Chairman

Member

ATTEST:

Secretary