

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

WEDNESDAY, DECEMBER 18, 2019

NORTHWEST OFFICE BUILDING, CONFERENCE ROOM 117, HARRISBURG, PA

Tim Holden, Chairman
Mike Negra, Board Member
Mary Isenhour, 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 – 10:30 A.M

Secretary Stark announced that Chairman Holden would not be present and that Board Member Negra would be presiding in the Chairman's absence.

CALL TO ORDER *Secretary Stark*

Pledge of Allegiance to the Flag – Barbara DiVittore – Information Technology Services

OLD BUSINESS..... *Secretary Stark*

A. Motion to approve previous Board Meeting Minutes of the December 4, 2019 meeting.

Motion Made: Board Member Isenhour

Seconded: Board Member Negra

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

B. Announcement by the Chairman for Ratification of a Board Action.

The following Board Action approved on December 6, 2019 was decided by Notational Voting since the Board's last public meeting:

Chairman Holden, Member Negra and Member Isenhour unanimously agreed (3-0 vote) to the Real Estate recommendation for a store relocation on Main Street in Carbondale, Pennsylvania.

Motion Made: Board Member Isenhour

Seconded: Board Member Negra

Board Decision: Unanimously agreed (2-0 vote) to Ratify Board Action decided by Notational Voting.

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

PUBLIC COMMENT ON AGENDA ITEMS

There was no public comment on the printed agenda items.

NEW BUSINESS

From the Office of Chief CounselRodrigo Diaz, Chief Counsel

(1) **Borough of Wormleysburg** Municipal Petition for Exemption
Case No. 19-NE-20 from Liquor Code Statute
Regarding Amplified Sound

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Board Decision: Unanimously agreed (2-0 vote) to Approve Noise Exemption from December 18, 2019 to December 18, 2024.

(2) **Borough of Wormleysburg** Municipal Petition for Exemption
Case No. 19-NE-21 from Liquor Code Statute
Regarding Amplified Sound

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Board Decision: Unanimously agreed (2-0 vote) to Approve Noise Exemption from December 18, 2019 to December 18, 2024.

(3) **Sly Toms Bristol, LLC** Request for Rescission of
2621 Durham Road Conditional Licensing Agreement
Bristol, Pennsylvania 19007-6905
Restaurant Liquor License No. R-42640
LID 97948

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Board Decision: Unanimously agreed (2-0 vote) to Approve Request for Rescission of Conditional Licensing Agreement.

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

- (4) **SCSF, LLC** Proposed Amended Conditional
601-603 Fourth Avenue Licensing Agreement
Altoona, Pennsylvania 16602-3819
Restaurant Liquor License No. H-630
LID 83725

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Board Decision: Unanimously agreed (2-0 vote) to Approve Proposed Amended Conditional Licensing Agreement.

- (5) **Graystone Grande Palazzo, LLC** Request for Rescission of
2500 7th Avenue Conditional Licensing Agreement
Altoona, Pennsylvania 16602
Restaurant Liquor License No. R-14532
LID 98586

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Board Decision: Unanimously agreed (2-0 vote) to Approve Request for Rescission of Conditional Licensing Agreement.

- (6) **Pennsylvania State Police, Bureau of Liquor Control ALJ Appeal**
Enforcement v. Redner's Markets, Inc.
110 Northside Commons
Palmyra, PA 17078
Citation No. 18-0645
License No. R-36428
LID 87161

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Chief Counsel Rodrigo Diaz explained that the case at issue involves a Bureau of Liquor Control Enforcement compliance check wherein an agent attempted to purchase a case of beer to go. After the sale was initially denied, a clerk advised that the purchase could be completed as two separate transactions requiring the removal of the original purchase from the licensed premises. Chief Counsel Diaz indicated that video footage of the subsequent sale is available and that the Bureau of Liquor Control Enforcement charged Licensee with violating a statutory requirement pertaining to removal of alcohol from an entire building as opposed to just a licensed premises in the type of scenario captured. The Administrative Law Judge determined that it was only necessary that the alcohol be removed from the licensed premises in this case, and Chief Counsel Diaz recommended that the decision of the Administrative Law Judge be affirmed since advice from the Office of Chief Counsel was in fact being followed. Chief Counsel Diaz concluded by stating that the appeal in question may be taken further by the Bureau of Liquor Control Enforcement.

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

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

- (7) **Procurement Delegation to the Executive Director** Delegation to ED for small software procurements and associated policy

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Chief Counsel Diaz indicated that the purpose of this Board action is to amend the Board’s existing delegation as it applies to software purchases of \$10,000.00 or less and further stated that the proposed delegation is consistent with the manner in which other agencies handle such purchases.

Board Decision: Unanimously agreed (2-0 vote) to Amend Existing Delegation to Executive Director.

- (8) **Advisory Notice No. 9** Adoption of Advisory Notice No. 9 (6th Revision)

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Chief Counsel Diaz affirmed that distributors and importing distributors cannot engage in outside business without Board approval and referenced a recent request from the Malt Beverage Distributors Association (“MBDA”) for an amendment to the list of items which such licensees are allowed to sell. Chief Counsel Diaz then explained that the proposed revision simply grants distributors and importing distributors blanket approval to sell specific items not set forth in the existing version of Advisory Notice No. 9.

Board Decision: Unanimously agreed (2-0 vote) to Adopt Advisory Notice No. 9 as Revised.

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

- (1) **Back Mountain Beer Distributor, LLC** Double Transfer & Requests for Interior Connections with Another Business & for Permission to Retain Other Employment – Distributor
t/a Back Mountain Beer Distributor
 D-2571 (LID No. 98337) Case No. 19-9062
 2384 Memorial Highway
 Dallas, Luzerne County

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Board Decision: Unanimously agreed (2-0 vote) to Approve Transfer & Requests for Interior Connections with Another Business & Permission to Retain Other Employment Subject to Appointment of New Manager.

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

- (2) **China Wok Brookville, Inc.** Request to Sell Other Items on the
t/a China Wok Licensed Premises - Restaurant
R-19484 (LID No. 96706)
234 A Allegheny Boulevard
Brookville, Jefferson County

Motion Made: Board Member Isenhour

Seconded: Board Member Negra

Board Decision: Unanimously agreed (2-0 vote) to Approve Request to Sell Other Items on the Licensed Premises.

- (3) **Newman-Smith American Legion** Extension of License –
Post No. 514 Home Corporation Catering Club
CC-5678 (LID No. 4041) Case No. 19-9034
2334 Milford Road
Lehman Township
Bushkill, Pike County

Motion Made: Board Member Isenhour

Seconded: Board Member Negra

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

- (4) **Tattered Flag Still Works, LLC** Limited Distillery Additional
AL-65 (LID No. 72663) Board-Approved Location &
5 South Union Street Request for an Interior
Middletown, Dauphin County Connection with Another
Business – Limited Distillery

Motion Made: Board Member Isenhour

Seconded: Board Member Negra

Board Decision: Unanimously agreed (2-0 vote) to Approve Additional Board-Approved Location & Request for an Interior Connection with Another Business.

- (5) **Barking Shark, Inc.** Conditional Licensing Agreement
t/a Barking Shark Renewal – District 5
R-6594 (LID No. 61882) Case No. 2019-61882
616 North Avenue
Millvale
Pittsburgh, Allegheny County

HOLD – 11/13/19 SESSION

Motion Made: Board Member Isenhour

Seconded: Board Member Negra

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

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

(6) **Eric A. Barton** Renewal – District 7
t/a Treehouse Tavern
R-14288 (LID No. 45454) Case No. 2019-45454
228 Main Street
Girard, Erie County

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

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

(7) **The Spot Etc., LLC** Renewal – District 5
R-19953 (LID No. 68125) Case No. 2019-68125
11675-B Frankstown Road
Penn Hills Township
Penn Hills, Allegheny County

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Board Decision: Hold for Conditional Licensing Agreement.

(8) **Wilson Restaurant Corporation** Renewal – District 5
t/a Jodi B's Restaurant
R-16104 (LID No. 17772) Case No. 2019-17772 **HOLD – 9/25/19 SESSION &**
140 Forest Hills Plaza **10/9/19 SESSION**
Forest Hills
Pittsburgh, Allegheny County

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Board Member Negra asked if there was anyone present from Wilson Restaurant Corporation. There was no response.

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

(9) **William E. Zimmerman** Renewal – District 3
t/a Tiffany Lounge
R-9286 (LID No. 24990) Case No. 2019-24990 **HOLD – 10/17/19 SESSION**
58-60 East Independence Street
Shamokin, Northumberland County

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

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Board Decision: Hold.

(10) **Kim’s Townhouse, LLC** New Tavern Gaming License
t/a Kim’s Townhouse
R-13144 (LID No. 50317)
21 North Main Street
Union City, Erie County

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Board Decision: Unanimously agreed (2-0 vote) to Approve New Tavern Gaming License.

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

There were 12 personnel actions presented for consideration.

- (1) **Larry Andrews – Affirm Removal**
- (2) **Eugene Bennett – Removal**
- (3) **Juanita Francis – Affirm Removal**
- (4) **Bradford Harrison – Removal**
- (5) **Loretta Johnson - Removal**
- (6) **Brian Miller – Affirm Removal**
- (7) **Gregory Ozgar – Affirm Removal**
- (8) **Marcus Ross – Affirm Removal**
- (9) **Nathaniel Sanders - Removal**
- (10) **Courtney Thornton – Affirm Removal**
- (11) **Mary Watson – Demotion**
- (12) **Casandra Zito – Removal**

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

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

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) **Microsoft Azure Cloud Subscription Services** – These cloud hosted services provide business with secure data analytics, agile project management, and IT test/development support. Monetary commitment is targeted to cover current consumption rate through the end of the contract.

Procured via DGS Contract #4400018548 – VENDOR: **CDW-G** – TERM: Five months - **\$175,586.24 estimated cost.**

- (2) **Senior Business Subject Matter Experts Staff Augmentation** – Provide IBM Websphere Commerce database, development and administrator support positions to analyze, build out, and migrate the Websphere Commerce environments in the Azure Cloud. These support positions will also analyze, design and develop any Websphere API integration points with the Adobe Experience manager front end, our back-end Oracle Store Inventory Management, EBS, RMS, and other integrations/modifications as needed for the implementation of the new FWGS site.

Procured via DGS Contract #4400014660 – VENDOR: **OST, Inc.** – TERM: Six months for the period 1/6/2020 through 6/30/2020 – **\$303,546.86 estimated cost.**

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Board Decision: Unanimously agreed (2-0 vote) to Accept all Procurement Actions.

Inter-Agency Charges:

- 1) **Department of General Services (DGS) Vehicle Purchases (Job 66)** – Billing of \$58,116.00 for the purchase of two Ford 250 cargo vans for the PLCB’s Regional Operations Facilities Maintenance staff. This purchase replaces two existing high-mileage cargo vans being used by the Wilkes-Barre and Philadelphia areas.

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

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

Board Decision: Unanimously agreed (2-0 vote) to Approve Inter-Agency Charge.

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

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

- 1. #0409 – Chippewa Center, 2580 Constitution Boulevard, Beaver Falls Amendment
- 2. #0921 – Yardley Shopping Center, 25 South Main Street, Yardley Amendment (Negotiated Buyout)
- 3. #3609 – 925 East Main Street, Mt. Joy Amendment (Negotiated Buyout)
- 4. #9705 – 935-37 (Rear) North Third Street, Harrisburg Parking Agreement

Motion Made: Board Member Isenhour
Seconded: Board Member Negra

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>Bacardi USA Inc</u>	
Martini and Rossi Fiero Vermouth 750 mL	2, 3, 19
<u>Brown Forman Corp</u>	
Jack Daniel’s Tennessee Apple Whiskey 70 Proof 750 mL	3
Woodford Reserve Rye Bourbon 90 Proof 375 mL	3
<u>Cape Classics Inc</u>	
Domaine Paul Buisse Touraine Sauvignon Blanc 750 mL	11, 14, 19
<u>Capital Wine and Spirits</u>	
Corvo Rosa 750 mL	9, 14, 19
Tropical Passion Fruit Moscato 750 mL	9, 19
<u>Constellation Brands Inc</u>	
Robert Mondavi Private Selection Buttery Chardonnay 750 mL	2, 3
Robert Mondavi Private Selection Aged in Rye Barrels Red Blend 750 mL	2, 3
Woodbridge Red Blend 500 mL	2, 3, 12
Woodbridge Cabernet Sauvignon 500 mL	2, 3, 12

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

Woodbridge Chardonnay 500 mL	2, 3, 12
Woodbridge Pinot Grigio 500 mL	2, 3, 12
<u>D'Andrea W L Imports</u>	
Dolin Dry Vermouth de Chambery 750 mL	3
<u>Heaven Hill Distilleries Inc</u>	
Deep Eddy Lemon Vodka 375 mL	2, 3
Deep Eddy Ruby Red Grapefruit Flavored Vodka 375 mL	2, 3
<u>Jim Beam Brands Co</u>	
Cruzan Black Cherry Rum 42 Proof 1.75 L	10
Jim Beam Peach Whiskey 65 Proof 1.75 L	10
Knob Creek Kentucky Straight Bourbon Whiskey 12 Year 100 Proof 750 mL	10
Laphroaig Islay Single Malt Scotch Whisky Select 80 Proof 750 mL	10
Maker's Mark Kentucky Straight Bourbon Whiskey 90 Proof 1 L	18
<u>JNY Corp</u>	
Soonhari Yogurt Soju 375 mL	2, 3, 5, 12
<u>Mast Jagermeister US</u>	
Jagermeister Cold Brew Coffee Herbal Liqueur 750 mL	2, 3
<u>Majestic W S USA Inc</u>	
Lignum Italian Red Blend 750 mL	2, 19
<u>North Wales Wines</u>	
New Amsterdam Pink Whitney Vodka 60 Proof 750 mL	3
<u>Northern Wine and Spirits</u>	
Margaret Pinotage 750 mL	11, 14, 19
<u>Palm Bay Imports Inc</u>	
Confetti Red Blend 750 mL	11, 19
Confetti Sweet Pink 750 mL	18
Molto Bene Rosso Toscana 750 mL	18
<u>Park Street Imports LLC</u>	
Few Spirits Rye Whiskey 93 Proof 750 mL	13
Widow Jane Straight Bourbon Whiskey 10 Year 91 Proof 750 mL	13
<u>Pernod Ricard USA</u>	
Jefferson's Ocean Aged at Sea Bourbon 90 Proof 750 mL	13
Smooth Ambler Old Scout Bourbon 99 Proof 750 mL	3, 6

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

Proximo Spirits Inc

Proper No Twelve Irish Whiskey 80 Proof 375 mL 3
 Three Olives Cherry Flavored Vodka 70 Proof 375 mL 10

Southern Glazer’s Wine and Spirits of PA

Grao Vasco Dao Red Wine DOC 750 mL 11, 14, 19
 Stella Rosa Pineapple 750 mL 2, 3, 19
 Stella Rosa Watermelon 750 mL 2, 3, 19
 Tequila Clase Azul Reposado 750 mL 13
 TY KU Junmai Sake Infusions Cucumber Cans 4 – 250 mL 2, 3, 19

Stoli Group USA LLC

Stolichnaya Elit Vodka 80 Proof 375 mL 10

Sutter Home Winery Inc

California Roots Sauvignon Blanc 750 mL 18
 Winecube Sparkling Rose Bubbles 1 L 18
 Winecube Sparkling White 1 L 18

The Wine Merchant LTD

Beau Rivage Bordeaux Rouge 750 mL 11, 19

W J Deutsch Sons LTD

Redemption High Rye Bourbon 92 Proof 750 mL 3, 10

William Grant Sons Inc

Monkey Shoulder Blended Malt Scotch Whiskey 86 Proof 1.75 L 3, 9

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular PA Preferred New Items Accepted

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
-----------------------------------	----------------------

1675 Spirits

1675 Spirits Vodka 80 Proof 750 mL	16
1675 Spirits Whiskey 80 Proof 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

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

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

3. Regular Recommended Delist

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>Jim Beam Brands Co</u>	
Calico Jack Spiced Rum 94 Proof 750 mL	6333
Jim Beam Devil's Cut Kentucky Straight Bourbon Whiskey 90 Proof 1.75 L	8371
Laphroaig Islay Single Malt Scotch Whisky Triple Wood 96 Proof 750 mL	30874
Maker's Mark Cask Strength Kentucky Straight Bourbon Whisky 110 Proof 750 mL	8952
<u>Majestic W S USA Inc</u>	
Charles Goodnight Kentucky Straight Bourbon Whiskey Small Batch 100 Proof 750 mL	8967
<u>Proximo Spirits Inc</u>	
Three Olives Loopy Vodka 70 Proof 750 mL	5205
<u>Stoli Group USA LLC</u>	
Stolichnaya Ohranj Vodka 75 Proof 375 mL	1244

EFFECTIVE DATE: The transference to closeout will become effective January 20, 2020

4. Regular Recommended Delist Revision

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>RESCIND</u>	
<u>Bacardi USA Inc</u>	
Bacardi Oakheart Spiced Rum 750 ML	3749

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

Note: Went to Board July 17, 2019

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

Motion Made: Board Member Isenhour

Seconded: Board Member Negra

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

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

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

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

	<u>November 30, 2019</u>	<u>November 30, 2018</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 80,454,338	\$ 51,470,737
Investments - short term	211,497,954	198,325,481
Accounts and claims receivable, net	2,804,266	1,231,586
Due from other funds - Note 9	-	-
Merchandise inventories, net	280,589,399	291,924,353
Operating supplies	314,586	520,701
Prepaid expenses	<u>1,673,293</u>	<u>1,250,924</u>
Total current assets	<u>577,333,836</u>	<u>544,723,782</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	20,875,220	20,875,220
Leasehold improvements	341,826	612,301
Machinery and equipment	48,830,720	49,086,882
Intangibles - internally generated software	<u>22,947,654</u>	<u>26,919,832</u>
Less: accumulated depreciation	<u>63,962,443</u>	<u>69,896,081</u>
Net depreciable capital assets	<u>29,032,977</u>	<u>27,598,154</u>
Total non-current capital assets	<u>29,355,950</u>	<u>27,921,127</u>
Total assets	<u>\$ 606,689,786</u>	<u>\$ 572,644,909</u>
Total deferred outflows of resources - Notes 5, 6	<u>\$ 162,943,631</u>	<u>\$ 88,430,800</u>
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 346,339,760	\$ 322,807,875
Other accounts payable	26,998,878	29,369,850
Accrued expenses	17,248,646	16,356,684
OPEB - Note 6	8,994,000	11,976,000
Self-insurance, workers' compensation - Note 7	7,693,938	10,137,029
Due to other funds - Note 9	7,007,948	4,818,548
Due to fiduciary funds - Note 9	2,074,653	1,870,684
Due to other governments - Note 9	551,470	505,787
Total current liabilities	<u>416,909,293</u>	<u>397,842,457</u>
Non-current liabilities:		
OPEB - Note 6	522,301,000	781,379,000
Self-insurance, workers' compensation - Note 7	48,841,124	47,949,448
Net pension liability - Note 5	546,291,336	453,977,473
Compensated absences - Note 1	<u>21,598,132</u>	<u>20,809,984</u>
Total non-current liabilities	<u>1,139,031,592</u>	<u>1,304,115,905</u>
Total liabilities	<u>\$ 1,555,940,885</u>	<u>\$ 1,701,958,362</u>
Total deferred inflows of resources - Notes 5, 6	<u>\$ 325,691,836</u>	<u>\$ 99,728,959</u>
<u>NET POSITION</u>		
Net investment in capital assets	\$ 29,355,950	\$ 27,921,127
Deficit	<u>(1,141,355,254)</u>	<u>(1,168,532,739)</u>
Total net position	<u>\$ (1,111,999,304)</u>	<u>\$ (1,140,611,612)</u>

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

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ending November 30, 2019 and November 30, 2018
(Unaudited)**

	<u>2019-20</u>	<u>2018-19</u>
Sales net of taxes	\$ 206,678,757	\$ 198,475,091
Cost of goods sold	<u>(140,104,331)</u>	<u>(134,450,793)</u>
Gross profit from sales	66,574,426	64,024,298
Operating (expenses):		
Retail operations	(32,883,391)	(33,464,510)
Marketing & merchandising	(782,696)	(1,853,210)
Supply chain	(488,423)	(376,271)
Wholesale operations	(118,505)	(175,110)
Information technology services	(2,177,755)	(2,462,029)
Regulatory affairs	(1,644,125)	(1,660,147)
Administration	(976,368)	(1,132,114)
Finance	(201,957)	(299,966)
Board & secretary	(220,511)	(321,104)
Legal	(290,620)	(285,474)
Commonwealth provided services - Note 2	<u>(1,402,895)</u>	<u>(1,234,531)</u>
Total	<u>(41,187,246)</u>	<u>(43,264,466)</u>
Operating profit	25,387,180	20,759,832
Other operating revenues (expenses):		
Enforcement fines	178,696	159,072
License fees	2,882,301	2,950,519
Miscellaneous income	316,391	352,301
Administrative law judge	<u>(228,303)</u>	<u>(232,266)</u>
Total	<u>3,149,085</u>	<u>3,229,626</u>
Total operating income	28,536,265	23,989,458
Miscellaneous revenues (expenses):		
Interest income	546,470	517,627
Other	<u>-</u>	<u>-</u>
Total	<u>546,470</u>	<u>517,627</u>
Income before operating transfers	29,082,735	24,507,085
Operating transfers out:		
PSP enforcement - Note 3	(3,617,187)	(3,747,833)
Net Income from operations	<u>25,465,548</u>	<u>20,759,252</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	(74,534,452)	(79,240,748)
Total net position - beginning	<u>(1,037,464,852)</u>	<u>(1,061,370,864)</u>
Total net position - ending	<u>\$ (1,111,999,304)</u>	<u>\$ (1,140,611,612)</u>
Liquor tax	36,787,195	35,793,831
State Sales Tax	14,464,473	14,069,589
Local Tax	928,580	884,822
Taxes remitted to Dept.of Revenue YTD	<u>\$ 52,180,248</u>	<u>\$ 50,748,242</u>

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

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Five Months Ending November 30, 2019 and November 30, 2018
(Unaudited)**

	<u>2019-20</u>	<u>2018-19</u>
Sales net of taxes	\$ 900,076,860	\$ 866,033,528
Cost of goods sold	<u>(614,394,478)</u>	<u>(590,486,188)</u>
Gross profit from sales	285,682,382	275,547,340
Operating (expenses):		
Retail operations	(155,084,182)	(163,905,705)
Marketing & merchandising	(3,810,645)	(7,047,174)
Supply chain	(3,245,298)	(3,937,234)
Wholesale operations	(669,516)	(770,641)
Information technology services	(11,669,836)	(13,109,185)
Regulatory affairs	(7,938,232)	(9,019,623)
Administration	(4,993,572)	(5,929,228)
Finance	(1,387,619)	(1,466,841)
Board & secretary	(1,378,065)	(2,004,761)
Legal	(1,512,963)	(1,520,959)
Commonwealth provided services - Note 2	<u>(6,055,975)</u>	<u>(5,482,990)</u>
Total	<u>(197,745,903)</u>	<u>(214,194,341)</u>
Operating profit	87,936,479	61,352,999
Other operating revenues (expenses):		
Enforcement fines	790,359	778,423
License fees	14,774,011	15,449,811
Miscellaneous income	1,417,213	1,556,497
Administrative law judge	<u>(1,199,130)</u>	<u>(1,182,540)</u>
Total	<u>15,782,453</u>	<u>16,602,191</u>
Total operating income	103,718,932	77,955,190
Miscellaneous revenues (expenses):		
Interest income	2,637,759	2,267,378
Other	<u>-</u>	<u>-</u>
Total	<u>2,637,759</u>	<u>2,267,378</u>
Income before operating transfers	106,356,691	80,222,568
Operating transfers out:		
PSP enforcement - Note 3	(13,169,299)	(13,527,281)
Net Income from operations	<u>93,187,392</u>	<u>66,695,287</u>
Statutory Transfers:		
General fund - Note 4	(100,000,000)	(100,000,000)
Drug and alcohol programs - Note 4	<u>-</u>	<u>-</u>
Total	<u>(100,000,000)</u>	<u>(100,000,000)</u>
Change in net position	(6,812,608)	(33,304,713)
Total net position - beginning	<u>(1,105,186,696)</u>	<u>(1,107,306,899)</u>
Total net position - ending	<u>\$ (1,111,999,304)</u>	<u>\$ (1,140,611,612)</u>
Liquor tax	161,025,816	155,278,732
State Sales Tax	63,340,550	61,059,719
Local Tax	4,087,092	3,916,800
Taxes remitted to Dept. of Revenue YTD	<u>\$ 228,453,458</u>	<u>\$ 220,255,251</u>

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

OTHER ISSUES

Employee RecognitionCharlie Mooney, Executive Director

Barbara DiVittore – Information Technology Services: 35 years of Commonwealth Service

John Donoughe – Information Technology Services: Retirement & 35 years of Commonwealth Service

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, January 15, 2020 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 Isenhour, the meeting was adjourned.

The foregoing actions are hereby officially approved.

Member

Member

ATTEST:

Secretary