

**PENNSYLVANIA LIQUOR CONTROL BOARD**  
**MEETING MINUTES**

**WEDNESDAY, JUNE 5, 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](#)

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**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 – Mary Brown – Talent Management and Organizational Development

**OLD BUSINESS**..... *Secretary Stark*

A. Motion to approve previous Board Meeting Minutes of the May 15, 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 public comment on the printed agenda items.

**NEW BUSINESS**

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

(1) **EAST HEMPFIELD TOWNSHIP**  
Case No. 19-NE-09

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 Noise Exemption for period  
July 18, 2019 to July 18, 2022.

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

(2) **CITY OF LANCASTER**  
Case No. 19-NE-10

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 Noise Exemption for period  
July 15, 2019 to July 15, 2024.

(3) **KWLT, LLC t/a Platinum Plus**  
1251 Airport Road  
Allentown, Pennsylvania 18109-3311  
License No. R-4008  
LID 64796  
Citation No. 13-1556

Appeal of Adjudication and Order  
of Administrative Law Judge

**Motion Made:** Board Member Negra

Executive Deputy Chief Counsel Michelle Fox explained that Licensee is a gentlemen's club which was cited in August 2013 for promoting prostitution on its premises on five different dates in 2012 and 2013. The Administrative Law Judge ("ALJ") sustained charges associated with two of the dates in question and issued a \$1,000.00 fine. Licensee filed a timely appeal which challenged the sufficiency of evidence, arguing that management was not aware dancers and staff were promoting prostitution.

The Bureau of Liquor Control Enforcement began its investigation of Licensee in 2012, which consisted of monthly or bimonthly visits by undercover enforcement officers attempting to arrange extra services not offered ostensibly. A raid was ultimately conducted in May 2013 during which twelve dancers were arrested along with a manager.

Board Member Negra questioned Licensee's status as a Nuisance Bar and Executive Deputy Chief Counsel Fox indicated that Licensee had originally appeared on a list of nuisance bars in 2014. Ms. Fox stated that the evidence is sufficient to affirm the ALJ's decision.

**Seconded:** Chairman Holden

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

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(4) **Gregory W. Spynda v. PLCB**  
State Civil Service Commission, Appeal No. 29981

Appeal to Commonwealth Court

**Motion Made:** Board Member Negra

Chief Counsel Rodrigo Diaz explained that the subject case is a fairly straightforward human resources matter involving a PLCB employee accepting food from a licensee. The Hearing Officer determined the employee had not consumed the food. According to Chief Counsel Diaz, it would be unlikely that the PLCB would win should an appeal be filed, so Chief Counsel advised to not appeal the decision.

**Seconded:** Chairman Holden

**Board Decision:** Unanimously agreed (2-0 vote) that No Appeal be Filed.

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

(1) **Café Brown Street, Inc.**  
E-919 (LID No. 92463)  
2200 Spring Garden Street  
Philadelphia, Philadelphia County

Person-to-Person Transfer &  
Requests for Interior Connections  
with Another Business & to  
Conduct Another Business on the  
Licensed Premises – Eating Place  
Malt Beverage

**Motion Made:** Board Member Negra

**Seconded:** Chairman Holden

**Board Decision:** Unanimously agreed (2-0 vote) to Approve Transfer and Requests for Interior Connections with Another Business and to Conduct Another Business on the Licensed Premises.

(2) **J & P Winery, LLC**  
**t/a J & P Winery**  
LK-30492 (LID No. 81012)  
10417 Mountain Road  
East Hanover Township  
Grantville, Dauphin County

Request to Sell Other Items on  
the  
the Licensed Premises – Limited  
Winery Additional Board-  
Approved Location

**Motion Made:** Board Member Negra

**Seconded:** Chairman Holden

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

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- (3) **Pellegrino’s Italian Deli, Inc.** New & Request for Dual  
**t/a Pellegrino’s Italian Deli** Employment – Economic  
(LID No. 92091) Case No. 19-9016 Development Restaurant  
449 Conewango Avenue  
Warren, Warren County

**Motion Made:** Board Member Negra

Board Member Negra referred to the fact that the dual employment issue in this case is moot, if the Board refuses the application.

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

**Seconded:** Chairman Holden

**Board Decision:** Unanimously agreed (2-0 vote) to Refuse New Application.

- (4) **Your Beermart, Inc.** Request to Conduct Another  
ID-345 (LID No. 95694) Business on the Licensed  
191 County Line Road Premises – Importing Distributor  
Colebrookdale Township  
Boyertown, Berks County

**Motion Made:** Board Member Negra

**Seconded:** Chairman Holden

**Board Decision:** Unanimously agreed (2-0 vote) to Approve Request to Conduct Another Business on the Licensed Premises.

- (5) **Bar 22, Inc.** Renewal – District 10  
R-14541 (LID No. 83820) Case No. 2018-83820  
3017 North 22<sup>nd</sup> Street  
Philadelphia, Philadelphia County

**Motion Made:** Board Member Negra

**Seconded:** Chairman Holden

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

- (6) **Brian, Inc.** Conditional Licensing  
R-4998 (LID No. 72293) Case No. 2018-72293 Agreement  
5007 Frankford Avenue Renewal – District 10  
Philadelphia, Philadelphia County

**HOLD – 5/15/19 SESSION**

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**Motion Made:** Board Member Negra  
**Seconded:** Chairman Holden

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

- (7) **Chueder Enterprises, Inc.** Renewal – District 10  
R-1622 (LID No. 91998) Case No. 2018-91998  
2004 North Front Street  
Philadelphia, Philadelphia County **HOLD – 5/1/19 SESSION**

**Motion Made:** Board Member Negra

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

**Seconded:** Chairman Holden

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

- (8) **Haines & Stackfield American Legion** Renewal – District 1  
**Post 826 Home Association**  
C-5271 (LID No. 2430) Case No. 2019-2430  
148 West Penn Street, P. O. Box 298  
Carlisle, Cumberland County

**Motion Made:** Board Member Negra

**Seconded:**

**Board Decision:** Hold for a Conditional Licensing Agreement.

- (9) **Han Dynasty of Philadelphia, Inc.** Renewal – District 10  
R-15514 (LID No. 65183) Case No. 2018-65183  
123 Chestnut Street  
Philadelphia, Philadelphia County

**Motion Made:** Board Member Negra

**Seconded:** Chairman Holden

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

- (10) **Jollie's Live, Inc.** Renewal – District 10  
R-8992 (LID No. 66580) Case No. 2018-66580  
822 North Broad Street  
Philadelphia, Philadelphia County

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

**Motion Made:** Board Member Negra  
**Seconded:**

**Board Decision:** Hold for a Conditional Licensing Agreement.

- (11) **Jollie’s West, Inc.** Renewal – District 10  
R-3736 (LID No. 68326) Case No. 2018-68326  
2643 West Sergeant Street  
Philadelphia, Philadelphia County

**Motion Made:** Board Member Negra  
**Seconded:** Chairman Holden

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

- (12) **Juns, Inc.** Renewal – District 10  
**t/a S & K Beers**  
E-140 (LID No. 73279) Case No. 2018-73279  
241 South 60<sup>th</sup> Street  
Philadelphia, Philadelphia County

**Motion Made:** Board Member Negra

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

**Seconded:** Chairman Holden

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

- (13) **Taphouse 23, LLC** Conditional Licensing Agreement  
R-1387 (LID No. 63350) Case No. 2018-63350 Renewal & Amusement Permit – District 4  
266 East 4<sup>th</sup> Street  
Bridgeport, Montgomery County

**HOLD – 5/1/19 SESSION**

**Motion Made:** Board Member Negra  
**Seconded:** Chairman Holden

**Board Decision:** Unanimously agreed (2-0 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

There were 18 personnel actions presented for consideration.

- (1) Donna Beckerfelt – Removal
- (2) Zachary Behers - Demotion
- (3) Shakir Cleveland – Affirm Removal
- (4) Alexander Danchanko – Affirm Removal
- (5) Sarah Davis – Removal
- (6) Jordan Forte – Removal
- (7) Jordan Gzikowski – Removal
- (8) Jessica Jackson – Removal
- (9) Michael Johnson - Removal
- (10) Michelle Lewis – Affirm Removal
- (11) William Mullen – Affirm Removal
- (12) Sadie Prescott – Affirm Removal
- (13) Jamima Royster – Removal
- (14) Margaret Sanchez – Removal
- (15) Charles Smith – Removal
- (16) Jon Smith – Affirm Removal
- (17) Terrance Solomon – Removal
- (18) Veronica Ward – Removal

**Motion Made:** Board Member Negra  
**Seconded:** Chairman Holden

**Board Decision:** Unanimously agreed (2-0 vote) to Approve Items 2 through 18 and Hold Item 1 for additional information.

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

Procurement Actions:

- (1) **Application Manager/AppWorx Maintenance Renewal** – AppWorx is the scheduling software used to run jobs and chains in the IBMS system with precision and without the risk of operator/user error running them manually. The IBMS system is PLCB’s main computer system that runs day-to-day operations.

Procured via Procurement Handbook Part I, Chapter 7 – **VENDOR: CA Technologies Inc.** – TERM: One year - **\$105,450.00 estimated cost** which represents a 3% increase over last year’s cost of \$102,379.00.

- (2) **Microsoft Premier Support Renewal** – Provide support to deploy, manage, and support our on-premise and cloud-based Microsoft services including delivery management, problem resolution, advisory support, on-demand assessments, education and web casts. Also included are 40 onsite sessions for staff training and development.

Procured via DGS Contract #440000452 – **VENDOR: Microsoft Corp.** – TERM: One year – **\$398,970.00 estimated cost** which represents a 10.6% increase over last year’s cost of \$360,717.00.

- (3) **System Administrator Staff Augmentation** – Provide Unix Administrator knowledge and skills to move much of PLCB’s equipment out of the NWOB as part of a management directive requirement. In addition, will provide vital migration assistance, through various scripts, manual configuration and research for the upcoming ERP/IBMS system project.

Procured via DGS Contract #4400014660 – **VENDOR: OST, Inc.** – TERM: One year for the period 7/1/2019 through 6/30/2020 - **\$119,536.88 estimated cost.**

- (4) **Technical Specialist Staff Augmentation** – Provide Oracle and Azure SQL database expertise to reduce storage needs, provide performance improvements, and solve system or implementation issues that threaten to impact PLCB’s business. In addition, will provide continued solutions and facilitation as PLCB moves towards new platforms and approaches to data warehousing.

Procured via DGS Contract #4400014660 – **VENDOR: OST, Inc.** – TERM: One year for the period 7/1/2019 through 6/30/2020 - **\$181,773.88 estimated cost.**

- (5) **Two Senior Business Subject Matter Experts Staff Augmentation** – Provide IBM Websphere Commerce support to assist with production issues and any needed changes to existing site. These positions will also work on the new E-Commerce site pertaining to Websphere integration points with the Adobe Experience Manager front-end, back-end Oracle Store Inventory Management, EBS and RMS systems. Modifications to the Order Management, Third Party payment interface, mobile application web services and new data load scripts will also be provided to support implementation of the new site.

Procured via DGS Contract #4400014660 – **VENDOR: OST, Inc.** – TERM: Six months for the period 7/1/2019 through 1/03/2020 - **\$213,885.52 estimated cost** (\$106,942.76 for each resource).



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**Motion Made:** Board Member Negra  
**Seconded:** Chairman Holden

**Board Decision:** Unanimously agreed (2-0 vote) to Approve All Items.

Inter-Agency Charges:

- (1) **Office of Comptroller Operations** – FY 2018-19 third quarter billing of \$1,216,021.45 from the Office of Comptroller Operation. The billing represents the LCB Comptroller Services actual personnel and operating expenses for January – March 2019.
- (2) **Office of Comptroller Operations** – FY 2018-19 fourth quarter billing of \$2,100,000.00 from the Office of Comptroller Operation for estimated LCB Comptroller Services personnel and operating expenses for April - June 2019. FY 2018-19 billings totaled \$5,595,598.57 or \$50,117.90 (-4.6%) less than FY 2017-18 total billed expenses.
- (3) **Department of General Services (DGS) Procurement Services (Job 917)** – Estimated billing of \$277,340.98 for FY 2018-19 to reimburse DGS for procurement service costs and PLCB usage of DGS’s state-wide contracts and purchasing cards. The PLCB’s portion represents 4.0% of DGS’s net billing of \$6.94 million to Commonwealth agencies.
- (4) **Department of General Services (DGS) Property Costs (JOB 7)** – Billing of \$108,320.75 for FY 2018-19 October - December for the PLCB’s estimated share of Commonwealth property costs for the Capital complex. This billing includes costs for the Northwest Office Building (NWOB) electricity charges, portions of the expenses for Capital Police services, City of Harrisburg Fire Protection and DGS’s maintenance costs.

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.

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

1. **#0938 – Center Point Place, 748 West Street Road, Warminster Amendment**
2. **#1524 – Oxford Square Shopping Center, 449 North Third Street, Oxford Amendment**
3. **#2327 – 789 East Lancaster Avenue, Villanova Amendment**
4. **#4636 – 1 Station Circle, Narberth Amendment**

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**5. #9710 – 927-933 North Third Street, Harrisburg  
Parking Agreement**

**Motion Made:** Board Member Negra  
**Seconded:** Chairman Holden

**Board Decision** Unanimously agreed (2-0 vote) to Approve Retail Operations  
Recommendations.

*From the Bureau of Product Selection .....Dale 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>
<b><u>Southern Wine Spirits PA</u></b>	
Louis Latour Family Estate Pinot Noir Les Bastides 750 ML	2, 3, 11
Louis Latour Macon Villages Chameroy Chardonnay 750 ML	2, 3, 11
Santa Gabriela Pinot Grigio 750 ML	18
Stella Rosa Rose 750 ML	2, 3, 5
The Palm by Whispering Angel 750 ML	2, 4, 5, 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>
<b><u>Lawrenceville Distilling Co</u></b>	
Ginzer Gin 750 ML	16
Parking Chair Vodka 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

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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>
<b><u>Banfi Products Corp</u></b>	
Bell'agio Rosso 750 ML	2218
Bolla Sangiovese 750 ML	8425
<b><u>The Edrington Group USA LLC</u></b>	
Macallan Highland Single Malt Scotch Whisky 12 Year 50 ML	6449
<b><u>Michael Skurnik Wines</u></b>	
Paul Jaboulet Red Blend Parallel 45 Cotes du Rhone 750 ML	6270
<b><u>Western Spirits Beverage Co</u></b>	
Bird Dog Blended Whiskey 750 ML	1543
<b><u>Vintage Imports Inc</u></b>	
Sileni Nano Sauvignon Blanc 187 ML	1226

EFFECTIVE DATE: The transference to closeout will become effective July 5, 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** ..... *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>April 30, 2019</u>	<u>April 30, 2018</u>
<b><u>ASSETS</u></b>		
Current assets:		
Cash	\$ 42,952,606	\$ 51,696,411
Investments - short term	227,643,947	172,450,923
Accounts and claims receivable, net	1,337,444	451,313
Due from other funds - Note 8	-	-
Merchandise inventories, net	253,087,211	256,522,572
Operating supplies	267,525	544,530
Prepaid expenses	538,670	1,290,087
Total current assets	525,827,403	482,955,836
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	48,474,222	49,026,329
Intangibles - internally generated software	21,352,577	25,554,323
Less: accumulated depreciation	62,425,145	65,164,615
Net depreciable capital assets	28,618,700	29,844,817
Total non-current capital assets	28,941,673	30,167,790
Total assets	<b>\$ 554,769,076</b>	<b>\$ 513,123,626</b>
Total deferred outflows of resources - Note 4, 5	<b>\$ 88,230,800</b>	<b>\$ 134,918,773</b>
<b><u>LIABILITIES</u></b>		
Current liabilities:		
Trade accounts payable	\$ 291,020,619	\$ 263,368,856
Other accounts payable	32,331,683	28,991,844
Accrued expenses	23,810,980	22,496,491
OPEB - Note 5	11,976,000	-
Self-insurance, workers' compensation - Note 6	12,637,029	11,739,857
Due to other funds - Note 8	2,879,270	1,729,641
Due to fiduciary funds - Note 8	3,389,266	3,169,264
Due to other governments - Note 8	928,436	849,151
Total current liabilities	378,973,283	332,345,104
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	467,277,473	502,443,490
Compensated absences - Note 1	20,809,984	18,904,788
Total non-current liabilities	1,317,415,905	1,422,453,824
Total liabilities	<b>\$ 1,696,389,188</b>	<b>\$ 1,754,798,928</b>
Total deferred inflows of resources - Note 4, 5	<b>\$ 91,278,959</b>	<b>\$ 21,017,976</b>
<b><u>NET POSITION</u></b>		
Net investment in capital assets	<b>\$ 28,941,673</b>	<b>\$ 30,167,790</b>
Deficit - Note 9	<b>(1,173,609,944)</b>	<b>(1,157,942,295)</b>
Total net position	<b>\$ (1,144,668,271)</b>	<b>\$ (1,127,774,505)</b>

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

	<u>2018-19</u>	<u>2017-18</u>
Sales net of taxes	\$ 165,473,310	\$ 153,091,944
Cost of goods sold	<u>(112,702,329)</u>	<u>(104,787,069)</u>
Gross profit from sales	52,770,981	48,304,875
Operating (expenses):		
Retail operations	(33,524,607)	(31,716,760)
Marketing & merchandising	(1,566,958)	(869,562)
Supply chain	(738,156)	(794,547)
Wholesale operations	(159,645)	(146,360)
Information technology services	(2,291,154)	(2,259,865)
Regulatory affairs	(1,758,935)	(1,571,207)
Administration	(1,159,497)	(1,218,670)
Finance	(314,938)	(299,340)
Board & secretary	(392,871)	(458,223)
Legal	(315,353)	(312,151)
Commonwealth provided services - Note 2	<u>(1,097,479)</u>	<u>(1,162,520)</u>
Total	<u>(43,319,593)</u>	<u>(40,809,205)</u>
Operating profit	9,451,388	7,495,670
Other operating revenues (expenses):		
Enforcement fines	196,587	104,011
License fees	3,701,507	3,420,433
Miscellaneous income	203,438	273,451
Administrative law judge	<u>(231,197)</u>	<u>(220,804)</u>
Total	<u>3,870,335</u>	<u>3,577,091</u>
Total operating income	13,321,723	11,072,761
Miscellaneous revenues (expenses):		
Interest income	513,783	247,549
Other	<u>(707,742)</u>	<u>(7,075)</u>
Total	<u>(193,959)</u>	<u>240,474</u>
Income before operating transfers	13,127,764	11,313,235
Operating transfers out:		
PSP enforcement - Note 3	(2,348,803)	(2,525,243)
<b>Net Income from operations</b>	<b><u>10,778,961</u></b>	<b><u>8,787,992</u></b>
Statutory Transfers:		
General fund - Note 3	-	-
Drug and alcohol programs - Note 3	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	10,778,961	8,787,992
Total net position - beginning, 2017-18 restated - Note 9	<u>(1,155,447,232)</u>	<u>(1,136,562,497)</u>
Total net position - ending	<u>\$ (1,144,668,271)</u>	<u>\$ (1,127,774,505)</u>
Liquor tax	29,526,720	27,661,667
State Sales Tax	11,612,581	10,876,991
Local Tax	773,781	726,690
Taxes remitted to Dept.of Revenue PTD	<u>\$ 41,913,082</u>	<u>\$ 39,265,348</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 Ten Months Ending April 30, 2019 and April 30, 2018  
(Unaudited)**

	<u>2018-19</u>	<u>2017-18</u>
Sales net of taxes	\$ 1,773,152,722	\$ 1,718,961,364
Cost of goods sold	<u>(1,206,796,892)</u>	<u>(1,171,826,092)</u>
Gross profit from sales	566,355,830	547,135,272
Operating (expenses):		
Retail operations	(331,475,847)	(329,243,238)
Marketing & merchandising	(14,779,753)	(12,032,297)
Supply chain	(6,576,490)	(8,209,986)
Wholesale operations	(1,533,737)	(1,437,098)
Information technology services	(26,492,477)	(25,051,449)
Regulatory affairs	(17,383,416)	(17,074,528)
Administration	(11,845,455)	(12,341,322)
Finance	(3,003,268)	(3,218,263)
Board & secretary	(5,033,087)	(5,767,006)
Legal	(3,065,958)	(2,976,727)
Commonwealth provided services - Note 2	<u>(11,139,491)</u>	<u>(11,780,706)</u>
Total	<u>(432,328,979)</u>	<u>(429,132,620)</u>
Operating profit	134,026,851	118,002,652
Other operating revenues (expenses):		
Enforcement fines	1,543,514	1,234,733
License fees	32,907,105	37,911,413
Miscellaneous income	2,957,019	2,762,481
Administrative law judge	<u>(2,340,690)</u>	<u>(2,245,394)</u>
Total	<u>35,066,948</u>	<u>39,663,233</u>
Total operating income	169,093,799	157,665,885
Miscellaneous revenues (expenses):		
Interest income	4,884,224	2,334,378
Other	<u>(706,242)</u>	<u>22,957</u>
Total	<u>4,177,982</u>	<u>2,357,335</u>
Income before operating transfers	173,271,781	160,023,220
Operating transfers out:		
PSP enforcement - Note 3	(25,533,153)	(24,742,838)
<b>Net Income from operations</b>	<b><u>147,738,628</u></b>	<b><u>135,280,382</u></b>
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	(37,361,372)	(49,819,618)
Total net position - beginning, 2017-18 restated - Note 9	<u>(1,107,306,899)</u>	<u>(1,077,954,887)</u>
Total net position - ending	<u>\$ (1,144,668,271)</u>	<u>\$ (1,127,774,505)</u>
Liquor tax	318,150,378	308,906,598
State Sales Tax	125,138,958	121,438,198
Local Tax	8,050,651	7,809,782
Taxes remitted to Dept.of Revenue YTD	<u>\$ 451,339,987</u>	<u>\$ 438,154,578</u>

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

**OTHER ISSUES**

*Transfer of Lottery Funds.....Michael Demko, Director of Finance*

Requesting Board authorization to transfer from the State Stores Fund to the General Fund lottery commissions of \$309,275.73 earned during the 3rd quarter of fiscal year 2018-19.

**Motion Made:** Board Member Negra  
**Seconded:** Chairman Holden

**Board Decision:** Unanimously agreed (2-0 vote) to Approve Transfer of Funds in the Amount of \$309,275.73

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

Mary Brown – Talent Management & Organizational Development: 35 years of Commonwealth Service

Chairman Holden also congratulated Chris Herrington on his new position and stated that this will be his last Board meeting with us. He continued by stating that it will not be the last time we see Chris as he is going to the Bureau of Liquor Control Enforcement.

**CITIZEN COMMENT/BUSINESS FROM THE FLOOR**

None

**NEXT BOARD MEETING**

**The next meeting of the PLCB will be a formal meeting on Wednesday, June 26, 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.

The foregoing actions are hereby officially approved.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Member

ATTEST:

\_\_\_\_\_  
Secretary