

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

WEDNESDAY, JUNE 3, 2020
TELEPHONE CONFERENCE MEETING

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](#)

Notice: Anyone who wishes to comment on a printed agenda item prior to official action being taken must make that known to the Chairman or the Board Secretary in advance.

PUBLIC MEETING – 11:00 A.M

CALL TO ORDER *Chairman Holden*

Pledge of Allegiance to the Flag

Chairman Holden made an opening statement thanking everyone for their cooperation as the PLCB is dealing with week eleven of the COVID-19 public health emergency and the need to meet in this telephonic fashion. As of today, there are 72,894 cases of COVID-19 in the Commonwealth of Pennsylvania, and 5,667 Pennsylvanians have passed away.

Chairman Holden further stated that the PLCB respects the right of everyone to peacefully protest and assemble; however, unfortunately across the Country and across the Commonwealth, there have been several issues with civil unrest. As a result of the unrest, PLCB stores in Philadelphia and Pittsburgh have suffered property damage. Chairman Holden expressed that it is appropriate to bring the public up-to-date with where the PLCB is regarding the property damage and what the best forecast is for getting these stores back up and operating. Chairman Holden asked the Director of Finance, Michael Demko, to elaborate on these two points.

Director of Finance, Michael Demko, stated that currently the PLCB has 56 stores closed due to the events that occurred this week. Of the 56 stores, 17 locations are severely damaged. It will take the PLCB a significant amount of time to assess the damage and remodel each store.

OLD BUSINESS..... *Secretary Stark*

A. Motion to approve previous Board Meeting Minutes of the May 13, 2020 meeting,

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

Board Decision: Unanimously agreed (3-0 vote) to approve previous Board Meeting Minutes with one exception; remove the word “unanimously” under New Business, third agenda item, as the matter was approved on a 2-1 vote with Member Negra dissenting.

PUBLIC COMMENT ON AGENDA ITEMS

The Board has reserved 10 minutes for Public Comment on printed agenda items.

The teleconference moderator confirmed that there were no callers with comments.

NEW BUSINESS

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

(1) **Transferor: Rosie’s West End, Inc.** Conversion of Suspension to Fine
1328 West Tilghman Street
Allentown, Pennsylvania 18102
Restaurant Liquor License No. R-16071
LID 65342

Transferee: Dave & Busters of Pennsylvania, Inc.
1491 MacArthur Road
Whitehall, Pennsylvania 18052
Restaurant Liquor Licensee No. R-16071
LID 101483

Chief Counsel Rodrigo Diaz stated that in the Bureau of Licensing there is a pending license, license number R-16071. The current owner of this license had incurred citations along with a three-day suspension that had not been served under the Liquor Code. The new owner of the license had asked the Board to convert the three-day suspension into a monetary fine.

Chief Counsel Diaz stated that there is a minimum amount that the Board will accept, depending on the violation. In addition, the Board looks at the operation of the previous owner. Chief Counsel Diaz explained that there is a formula set forth in the Regulations, which calculates the appropriate fine. In this case, the three-day suspension would convert to a fine of \$7,009.00.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the conversion of suspension to a fine of \$7,009.00.

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(2) Advisory Notice No. 26 (2nd Revision)

Revision of Advisory
Notice

Chief Counsel Rodrigo Diaz stated that Advisory Notice No. 26 had been the mechanism under which the Board had provided guidance to the alcohol beverage industry regarding the rules during the COVID-19 public health emergency. Those rules had changed over time, as the Governor's office had allowed more businesses to open, and as the Governor set up a phase program under which counties are designated as red, yellow or green.

Chief Counsel Diaz stated that when the PLCB first issued Advisory Notice No. 26, all counties were red. Subsequently, the Governor allowed certain recreational activities to begin occurring, including the opening of golf courses. Therefore, the PLCB had to again issue additional guidance in the form of Advisory Notice No. 26 (1st Revision). Now, due to counties changing status to yellow and green, and the Governor indicating that outdoor dining will be permissible in yellow counties effective June 5, 2020, the PLCB will again have to issue additional guidance.

Chief Counsel Diaz explained that this revised Advisory Notice No. 26 summarizes all the above changes and provides a link to those additional documents. This revised Advisory Notice also sets forth a procedure to expedite requests for the extension of licensed premises to include outside seating areas. This expedited process would be for businesses that are allowing outdoor seating on a temporary basis during the current health emergency. This revision will allow the Bureau of Licensing to grant those entities temporary operating authority until the PLCB has a chance to more thoroughly review their application. That authority would come to an end under certain circumstances. Those circumstances include: the public health emergency coming to an end; if the proposed location is ineligible for licensing; or if someone protests the application. Lastly, this policy would have the Board waiving the normal filing fee.

Chief Counsel Diaz stated that if the Board would adopt this policy, it would allow those licensees whose businesses are suffering under the current crisis a faster way to provide service of food and alcohol in outdoor areas that are immediately abutting or adjacent to their currently licensed premises.

Board Member Negra stated that this has been a great cooperative effort between the Board and the licensees that need help all around the state.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to adopt Advisory Notice No. 26 (2nd Revision) as revised.

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(3) Delegation to the Director of Regulatory Affairs

Amendment of Delegation Authority

Director of Regulatory Affairs, Tisha Albert, explained that this amendment will ratify some authority that is already given to the Director of Licensing under Section 470 of the Liquor Code. This amendment outlines various criteria in which the Director of Licensing can object to a renewal of a license. This particular delegation is giving the Director of Licensing authority to object if a licensee has had certain citations for gambling devices, in addition to authority to object to licenses that have been suspended under Advisory Notice No. 26.

Ms. Albert stated that the Bureau of Licensing currently has authority to approve certain applications, which would now include those licensees that have been suspended under Advisory Notice No. 26. The PLCB can lift that suspension once that county goes green.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the Amendment of Delegation of Authority to the Director of Regulatory Affairs.

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

(1) Arsenal Beer, LLC

ID-1000 (LID No. 98648) Case No. 19-9073
4104 Butler Street
Pittsburgh, Allegheny County

Double Transfer & Request for
Permission to Retain Other
Employment – Importing
Distributor

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the double transfer and request to retain other employment.

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(2) **Carlisle Sports Emporium, LLC**
t/a Carlisle Sports Emporium and
The Barn at Creeks Bend
(LID No. 97518) Case No. 19-9064
29 South Middlesex Road
Middlesex Township
Carlisle, Cumberland County

New & Requests for Interior
Connections with Another
Business & to Conduct Another
Business on the Licensed
Premises – Economic
Development Restaurant

HOLD – 1/29/20 SESSION

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Agreed (2-1 vote) to refuse the new economic development restaurant license and request for interior connections with another business and to conduct another business on the licensed premises.

Board Member Negra first made a motion to approve the new economic development restaurant license and the request for approval of an interior connection with another business as well as the conduct of another business on the licensed premises. Board Member Negra opined that the licensee had done a great job in laying out its plan of action. Board Member Isenhour declined to second Board Member Negra’s motion.

Board Member Isenhour then made a motion to refuse this license for three reasons: ongoing concerns with the updated proposed licensed premises plans being too similar to the original plans that were put on “Hold” in January 2020; concerns that the applicant did not exhaust all its options for obtaining a license in safekeeping; and that the proposed licensed areas are within close proximity to minors.

Chairman Holden asked if there were any representatives of the applicant on the call. Ms. Kimberly Zortha, on behalf of the Carlisle Sports Emporium, LLC, stated that their supplemental argument submitted in February 2020 was based upon their request for a full economic development license. Ms. Zortha stated that their submission, and their evidence presented at the hearing, does detail how it will regulate the areas where they are seeking to license as it relates to the proximity of minors.

Ms. Zortha stated that it had already begun to prepare how to regulate VIP presence on the property given their close proximity to the Carlisle Fairgrounds. In addition, it already deals with minors and VIPs, therefore, it has many RAMP-certified managers and employees who are fully equipped to regulate service. Any alleged dangerous areas where minors might be are not going to be licensed and are going to be strictly controlled by the company.

Ms. Zortha stated that there are several other businesses with restaurant licenses in the Commonwealth where minors are permitted to be on the premises and are permitted to operate arcades, go-karts, etc, so she does not see a reason for why this applicant would not qualify for an economic development license when other similar entities have been granted EDRs and full restaurant licenses.

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In addressing Board Member Isenhour's concern about efforts to obtain a license by purchase, Ms. Zortha stated that it had sent out 80 letters inquiring about the availability of restaurant licenses to purchase. Ms. Zortha assumed that the Board was aware that Cumberland County had very few licenses available for purchase. It had one offer for a sale of license in the approximate amount of \$700,000. This offer was documented in the record during the November hearing. It was unable to obtain a license for a reasonable price as those prices exist in other counties.

Ms. Zortha stated that it does believe it is qualified and is prepared to regulate the service of alcohol when minors would be on the premises. This facility is geared towards, and will be geared further towards, serving alcohol and providing an entertainment facility to adults, including potentially a bowling alley, a golf course, etc. Ms. Zortha indicated that the applicant representative, Keith Plaster, was also on the line but he did not elect to comment.

Chairman Holden thanked Ms. Zortha for her comments. However, Chairman Holden stated that he agreed with Board Member Isenhour that the new proposal submitted was basically the same as the original proposal, in that it proposed to license almost the entire premises.

Chairman Holden stated that he is also not satisfied with how the company had addressed the proximity to minors. In addition, Chairman Holden explained that 100 percent of licenses in safekeeping need to be contacted, and it did not meet that requirement. Lastly, the Board had a recommendation from the Hearing Examiner and from the Chief Counsel recommending a refusal. Therefore, Chairman Holden voted for the refusal.

Chairman Holden stated that if the company is unaware of their appeal rights, they can contact the PLCB's Office of Chief Counsel.

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| <p>(3) Clarion River Forest Lodge, Inc.
t/a Clarion River Forest Lodge
(LID No. 96919) Case No. 19-9079
159 Coleman Run Road
Barnett Township
Cooksburg, Forest County</p> | <p>Conditional Licensing Agreement
New – Hotel</p> <p>HOLD – 2/12/20 SESSION</p> |
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Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the new hotel license with Conditional Licensing Agreement.

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| <p>(4) J & J Enterprises of Altoona, Inc.
t/a Teriz Place
R-11916 (LID No. 47261) Case No. 19-9097
2900-02 8th Avenue
Altoona, Blair County</p> | <p>Renewal - Restaurant</p> |
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Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

Chairman Tim Holden asked if there was anybody on the line representing J & J Enterprises of Altoona, Inc.

The teleconference moderator confirmed that there were no callers with comments.

- (5) **LATJ, Inc.** Request to Conduct Another
t/a Allegheny Beverage Business on the Licensed
D-3751 (LID No. 89941) Premises - Distributor
2311 Freeport Road
Harrison Township
Natrona Heights, Allegheny County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

- (6) **MLP Liquor, LLC** New – Economic Development
(LID No. 97535) Case No. 19-9041 Restaurant
204-206 East Lincoln Highway
Coatesville, Chester County **HOLD – 4/29/20 SESSION**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the new economic development license.

- (7) **Mountain View Vineyard, Inc.** Limited Winery Additional
t/a Mountain View Vineyard Winery & Brewery Board-Approved Location &
LK-272 (LID No. 60947) Request for Interior Connections
2332 Walters Road with Other Businesses –
Hamilton Township Limited Winery
Stroudsburg, Monroe County

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

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the limited winery additional Board-approved location and request for interior connections with other businesses.

- (8) **Sheetz, Inc.** “Intermunicipal” Double
t/a **Sheetz #559** Transfer & Request for Interior
R-20045 (LID No. 95986) Case No. 19-9028 Connections with Another
4010 Columbia Avenue Business – Restaurant
West Hempfield Township
Columbia, Lancaster County **HOLD – 3/11/20 SESSION**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the transfer.

- (9) **Stoish, Inc.** Double Transfer – Restaurant
R-8975 (LID No. 98359) Case No. 19-9099 Conditional Licensing
240 Market Street Agreement
Philadelphia, Philadelphia County

Motion Made: Board Member Isenhour
Seconded: Chairman Holden

Board Decision: Agreed (2-1 vote) to approve the transfer.

Board Member Negra first made a motion to refuse the transfer. Chairman Tim Holden asked if there was anybody on the line representing Stoish, Inc. The teleconference moderator confirmed that there were no callers. Board Member Isenhour declined to second Board Member Negra’s motion.

Board Member Isenhour then made a motion to approve the transfer of this license and Chairman Holden seconded that motion to approve the transfer.

- (10) **TanishRushi Realty, LLC** Extension of License &
H-42344 (LID No. 93662) Case No. 20-9006 Request for Interior
6305-6307 Columbia Boulevard Connections with Another
South Centre Township Business - Hotel
Bloomsburg, Columbia County

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Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

Chairman Tim Holden asked if there was anybody on the line representing TanishRushi Realty, LLC. The teleconference moderator confirmed that there were no callers with comments.

- (11) **The Twilight Tavern, LLC** Double Transfer & Request to
R-16735 (LID No. 101678) Conduct Another Business on the
1001 Guttman Boulevard Licensed Premises – Restaurant
Charleroi, Washington County Conditional Licensing
Agreement

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the transfer and request to conduct another business on the licensed premises with a Conditional Licensing Agreement.

- (12) **Two Farms, Inc.** REQUEST FOR RECONSIDERATION
t/a Royal Farms “Intermunicipal” Double
R-19622 (LID No. 100271) Transfer & Request for Interior
5031 Horseshoe Pike Connections with Another
Caln Township Business - Restaurant
Downingtown, Chester County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to reconsider and approve the transfer and request for interior connections with another business with the revised plan.

- (13) **5131 G & D, Inc.** Renewal – District 10
R-253 (LID No. 88991) Case No. 2018-88991
5131 Woodland Avenue
Philadelphia, Philadelphia County

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Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Hold for a Conditional Licensing Agreement.

- (14) Ace and Summer, Inc.** Renewal – District 7
t/a Getaway Bar & Grille
R-3483 (LID No. 66687) Case No. 2019-66687
711 West Main Street
Sharpsville, Mercer County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the renewal with the existing Conditional Licensing Agreement.

- (15) B&T's Unique, LLC** Conditional Licensing Agreement
t/a Unique Bar and Grill Renewal – District 1
R-18286 (LID No. 83856) Case No. 2019-83856
13314 Monterey Lane
Washington Township
Blue Ridge Summit, Franklin County **HOLD – 4/15/20 SESSION**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the renewal with the Conditional Licensing Agreement.

- (16) Big Head's Bensalem, Inc.** Renewal – District 11
t/a Big Heads
R-19752 (LID No. 55382) Case No. 2019-55382
2806 Street Road, Showcase Plaza
Bensalem Township
Bensalem, Bucks County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Hold for Conditional Licensing Agreement.

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- (17) Chief's Café, Inc.** Conditional Licensing Agreement
R-9630 (LID No. 32793) Case No. 2017-32793
305-307 North Craig Street
Pittsburgh, Allegheny County
Renewal – District 5
HOLD – 4/15/20 SESSION

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the renewal with Conditional Licensing Agreement.

- (18) Keystone Lane Incorporated** Conditional Licensing Agreement
R-19373 (LID No. 50927) Case No. 2019-50927
7201 Route 13
Bristol Township
Levittown, Bucks County
Renewal – District 11

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the renewal with Conditional Licensing Agreement.

- (19) Manomay, LLC** Renewal – District 5
R-10390 (LID No. 84532) Case No. 2019-84532
130 7th Street, Century Building
Pittsburgh, Allegheny County
HOLD – 11/13/19 & 3/11/20 SESSIONS

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Hold for a Conditional Licensing Agreement.

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(20) Waterford Beverage Company, Inc. Conditional Licensing Agreement
D-2760 (LID No. 27312) Case No. 2019-27312
12001-R No. 19N
Waterford Township
Waterford, Erie County
Renewal – District 7
HOLD – 2/12/20 SESSION

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the renewal with Conditional Licensing Agreement.

(21) West Catasauqua Fire Company No. 1 Conditional Licensing Agreement
CC-2879 (LID No. 3362) Case No. 2018-3362
2010 2nd Avenue
Whitehall Township
Whitehall, Lehigh County
Renewal – District 4
HOLD – 1/29/20 SESSION

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the renewal with Conditional Licensing Agreement.

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

Personnel Actions – there were 11 Personnel Actions submitted for consideration.

- (1) Nefatiera Allen - Demotion**
- (2) Dorothy Booker - Demotion**
- (3) Erik Ciora – Affirm Removal**
- (4) Aleisha Coulter – Removal**
- (5) Leon Crockett - Removal**
- (6) Zyaire Crockett – Affirm Removal**
- (7) Christina Esteras –Removal**
- (8) Asim Hackett – Removal**

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(9) **Christian Malander – Removal**

(10) **Mary Odell - Removal**

(11) **Kimberly White – Affirm Removal**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the 11 Personnel Actions.

*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) **Steel Shelving for Store #4657** – Steel shelving for premium Fine Wine & Good Spirits Store #4657 in Plymouth Meeting.

Procured via DGS Contract #4400016767 – **VENDOR: Kent Fixtures Corp. - \$54,820.91 estimated cost.**

Michael Demko, Chief Operating Officer and Director of Finance, explained that this procurement is for shelving in a premium Fine Wine & Good Spirits store located in the Plymouth Meeting Mall, Plymouth Meeting. The estimated cost is \$54,820.91.

(2) **Southeastern PA Distribution Center Contract Extension** – This contract extension is needed until PLCB’s new contractor is able to begin operations out of a new warehouse that is currently under construction.

Procured via Amendment No. 9 to Contract No. 20050207 – **VENDOR: XTL, Inc. – TERM: August 8, 2020 through February 6, 2021 - \$11,000,000.00 estimated cost.**

Michael Demko explained that this procurement will extend the PLCB’s current Philadelphia distribution center contract with XTL for an additional six-month period. This extension is due to the delay in construction of the PLCB's new distribution center, mainly due to COVID-19. This contract extension will protect the PLCB from August 8, 2020 through February 6, 2021.

Board Member Negra stated that the PLCB is paying “A” instead of “B,” and that there is not an additional \$11 million cost to the agency due to this contract extension.

Mr. Demko stated that there could be some crossover when shipping product into the new facility while still shipping out of the old (XTL); however, the PLCB will have the ability to exercise a

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“kick-out” if the new distribution center is completed earlier than anticipated. These crossover costs were anticipated to occur regardless of the pandemic and construction delays.

- (3) **Symantec NetBackup Software Maintenance Renewal** – Annual software maintenance for Symantec NetBackup, the PLCB's disk/tape backup software solution, as well as a conversion to Veritas' new licensing program which allows use of every feature available with cost based upon backup data only. Currently we are extremely limited in the features we can take advantage of. This new license will allow the latest backup/snapshot/storage technology as well as new full cloud functionality to protect us well into our future cloud and on-premise goals.

Procured via DGS Contract #4400004253 – **VENDOR: Carahsoft Technology Corp.** – **TERM:** One year for period July 1, 2020 through June 30, 2021 - **\$87,938.33 estimated cost** which includes new license cost of \$53,693.04 and renewal cost of \$34,245.29 which represents a 34.40% decrease under last year's cost of \$52,202.

Michael Demko stated that this procurement is for the annual renewal of software maintenance in the estimated amount of \$87,938.33. This procurement is for a one-year renewal period beginning July 1, 2020 through June 30, 2021. This procurement is for the PLCB's disk/tape backup software solution.

- (4) **Point-of-Sale Registers** – Provide 23 Toshiba 6200-137 TCX 800 Point-of-Sale (POS) registers with accessories that will be used for upcoming new Fine Wine & Good Spirits stores as well as additional registers for stores during the holiday season.

Procured via Invitation for Bid #260356 – **VENDOR: Pomeroy IT Solutions Sales Company, Inc.** – **\$90,667.15 estimated cost (23 @ \$3,942.05 each).** No other bids were received.

Michael Demko stated that this procurement is for 23 point-of-sale registers. These registers will be used for new stores opening in the coming year, the holiday season and replacement registers due to the destruction that occurred in the last week. The estimated amount for this procurement is \$90,667.15.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve Procurement Actions.

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Inter-Agency Charges:

- (1) **Office of Comptroller Operations** – Billing of \$2,042,067.00 for the fourth quarter (Q4) of FY 2019-20 from the Office of Comptroller Operations, for estimated personnel and operational expenses incurred for April, May and June of 2020. The FY 2019-20 billings total \$6,024,999 or \$429,401 (+7.7%) more than FY 2018-19 billings. A “true-up” adjustment for the variance between FY 2019-20 billings and the actual expenses will be calculated and applied to the FY 2020-21 Q1 Comptroller Office billing.

Michael Demko, Director of Finance, stated that this charge is from the Office of Comptroller Operations estimated at \$2,042,067.00 for the fourth quarter. This charge is trueed-up in July or August of the next fiscal year. This charge is for accounts payable and receivable, along with the PLCB’s financial statements and audit teams.

- (2) **Office of Administration – Enterprise Data Center (EDC)** – Billing of \$61,837.56 from OA’s Office of Information Technology. The billing is for the 2019-20 annual renewal support cost for EDC to host the following applications: #147- Internet Portal, #148 – eCommerce (FWGS), #3133 SUSE/Redhat Migration, rack space and PAI SSL certificates.

Michael Demko, Director of Finance, stated that this is an annual charge from the Office of Administration totaling \$61,837.56. This cost is for the PLCB’s Enterprise Data Center to host applications, which include the internet portal, eCommerce, and Redhat migration.

- (3) **Integrated Enterprise System (IES) Billing (Job 920)** – The billing of \$2,188,066.25 is to reimburse the Executive Offices for the PLCB’s estimated share of costs for the Commonwealth’s integrated ERP system (SAP) for FY 2019-20.

Michael Demko, Director of Finance, stated that this is an annual charge of \$2,188,066.25 for the state’s SAP ERP system for FY 2019-20. This system houses financial records, accounts payable and other systems and this amount is the PLCB’s allocation.

- (4) **Office of Administration – HR Shared Services (Job 73)** – Billing of \$262,229.00 for the third quarter (Q3) of FY 2019-20 for OA’s HR-Enterprise Services (labor relations, employee benefits, training, etc). The YTD charges for the HR Shared Services billings amount to \$1,015,296.00 for the first three quarters of FY 2019-20.

Michael Demko, Director of Finance, stated that this charge is from the Office of Administration for the PLCB’s HR Shared Services for the third quarter. This charge totals \$262,229.00 and includes benefits, training, and other HR-related matters.

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- (5) **Office of Administration – IT Shared Services** – Billing of \$240,050.00 for the third quarter of FY 2019-20 for OA’s IT Enterprise Technology Essential Services. This billing is for enterprise-wide infrastructure, network, security, enterprise data center (EDC) and service desk costs. This brings the charges for these services to \$751,550.00 through Q3 of FY 2019-20.

Michael Demko, Director of Finance, stated that this charge is from the Office of Administration in the amount of \$240,050.00 for the third quarter. This charge is for the PLCB’s Enterprise Technology Services, which includes the enterprise-wide infrastructure, network, security, enterprise data center and service desk costs.

- (6) **Office of Administration – HR Shared Services (Job 73)** – Billing of \$354,117.00 for the fourth quarter (Q4) of FY 2019-20 for OA’s HR-Enterprise Services (labor relations, employee benefits, training, etc). FY 2019-20 charges totaled to \$1,369,413.

Michael Demko, Director of Finance, stated that this charge is from the Office of Administration for the PLCB’s HR Shared Services. This estimated charge totals \$354,117.00 for the fourth quarter. This charge will be trued-up after the fiscal year ends. This charge is for labor relations, employee benefits and training.

- (7) **Office of Administration – IT Shared Services** – Billing of \$240,050.00 for the fourth quarter (Q4) of FY 2019-20 for OA’s IT Enterprise Technology Essential Services. This billing is for enterprise-wide infrastructure, network, security, enterprise data center (EDC) and service desk costs. FY 2019-20 charges for these services totaled to \$991,600.

Michael Demko, Director of Finance, stated that this charge is from the Office of Administration totaling \$240,050.00, for the fourth quarter. This cost is for the PLCB’s enterprise-wide infrastructure, network, security, enterprise data center and service desk costs.

Mr. Demko explained that all of the PLCB’s fourth quarter bills are estimates, which are billed to the PLCB before the fiscal year ends. The charges are then trued-up either in July or August following the year end closing.

Board Member Negra asked if these charges catch the PLCB up.

Mr. Demko stated that there will be a few additional charges appearing on the next Board meeting agenda such as an Auditor General bill that will be coming in. However, everything the PLCB currently had to date is now caught up.

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

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Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve Inter-Agency Charges.

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

1. **#0219---Kennywood Shops, 1326 Hoffman Blvd., West Mifflin
Amendment**
2. **#0292---4801 McKnight Road Pittsburgh 15237
Amendment**
3. **#1405---1690 North Atherton Street, State College 16801
Amendment**
4. **#2310---149 Baltimore Pike, Springfield 19064
Amendment**
5. **#2515---2208 Broad Street, Erie 16503
Amendment**
6. **#4803---2375 Blue Valley Drive, Pen Argyl 18072
Amendment**
7. **#4813---30 East 4th Street Bethlehem 18015
Amendment**
8. **#5169---1935 Fairmount Ave., Philadelphia 19130
Amendment**
9. **#5801---605 Main Street, Forest City 18241
Amendment**
10. **#6510---3320 Leechburg Road, Lower Burrell 15068
Amendment**
11. **#6524---321 Tri-County Lane, Route 201,Rostraver Township15012
Amendment**
12. **40XX--- 26 West Side Mall., Edwardsville, PA 18704
New Lease**

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

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

<u>VENDOR – ITEM NAME</u>	<u>BOARD ACTION REQUESTED</u>
Various	1. Regular New Items Accepted
Various	2. Regular Recommended Delist

1. Regular New Items Accepted

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
<u>Anheuser Busch LLC</u> Drinkworks Summer Solstice Cocktails Variety Pack 4x50 mL	3
<u>Monsieur Touton Selection</u> Chateauxvieux Rose d Anjou 750 mL	18
<u>Southern Glazers Wine and Spirits of PA</u> La Vieille Ferme Rose 1.5 L	2, 3, 5, 19
<u>Vivino Selections</u> Colossal White Reserva 750 mL	18
Vina Palaciega Gran Selection Red Blend 750 mL	18
<u>Winebow Inc</u> Famiglie Montepulciano D’Abruzzo 750 mL	18
Famiglie Pinot Grigio IGT 750 mL	18
Famiglie Soave Pagus Doc 750 mL	18

RECOMMENDED ACTION: We recommend the Board approve this action

New Items – Recommended Listings

Reason Codes

1. Strong marketing support
2. High brand recognition
3. Line/Size extension of successful brand
4. Trade up opportunity
5. Growing category
6. Growing segment
7. National rollout
8. Niche item / Limited distribution
9. High dollar profit potential
10. Trade out
11. High quality for the value

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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

2. Regular Recommended Delist

BRAND NAME AND SIZE

CODE

Majestic W S USA Inc

Negroni Cocktail 48 Proof 1 L

2489

EFFECTIVE DATE: The transference to closeout will become effective July 10, 2020

Motion Made: Board Member Negra

Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve all Product Selections Actions.

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

Michael Burns, Comptroller Operations, stated that the COVID-19 pandemic’s disruption to business operations has had a negative impact on the financial result, which is reflected in the April statement.

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

ASSETS	April 30, 2020	April 30, 2019
Current assets:		
Cash	\$ 32,548,203	\$ 42,952,606
Investments - short term	145,857,594	227,643,947
Accounts and claims receivable, net	2,407,535	1,337,444
Due from other funds - Note 9	-	-
Merchandise inventories, net	222,255,539	253,087,211
Operating supplies	557,053	267,525
Prepaid expenses	329,564	538,670
Total current assets	<u>403,955,488</u>	<u>525,827,403</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	341,826
Machinery and equipment	49,016,378	48,474,222
Intangibles - internally generated software	24,299,427	21,352,577
Less: accumulated depreciation	65,960,370	62,425,145
Net depreciable capital assets	<u>28,572,481</u>	<u>28,618,700</u>
Total non-current capital assets	<u>28,895,454</u>	<u>28,941,673</u>
Total assets	<u>\$ 432,850,942</u>	<u>\$ 554,769,076</u>
Total deferred outflows of resources - Notes 5, 6	\$ 165,458,631	\$ 88,230,800
LIABILITIES		
Current liabilities:		
Trade accounts payable	\$ 188,983,103	\$ 291,020,619
Other accounts payable	19,317,738	32,331,683
Accrued expenses	24,710,509	23,810,980
OPEB - Note 6	8,994,000	11,976,000
Self-insurance, workers' compensation - Note 7	10,193,938	12,637,029
Due to other funds - Note 9	9,411,809	2,879,270
Due to fiduciary funds - Note 9	3,780,102	3,389,266
Due to other governments - Note 9	960,411	928,436
Total current liabilities	<u>266,351,610</u>	<u>378,973,283</u>
Non-current liabilities:		
OPEB - Note 6	449,641,000	781,379,000
Self-insurance, workers' compensation - Note 7	48,841,124	47,949,448
Net pension liability - Note 5	562,291,336	467,277,473
Compensated absences - Note 1	21,598,132	20,809,984
Total non-current liabilities	<u>1,082,371,592</u>	<u>1,317,415,905</u>
Total liabilities	<u>\$ 1,348,723,202</u>	<u>\$ 1,696,389,188</u>
Total deferred inflows of resources - Notes 5, 6	\$ 372,226,836	\$ 91,278,959
NET POSITION		
Net investment in capital assets	\$ 28,895,454	\$ 28,941,673
Deficit	<u>(1,151,535,919)</u>	<u>(1,173,609,944)</u>
Total net position	<u>\$ (1,122,640,465)</u>	<u>\$ (1,144,668,271)</u>

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Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ending April 30, 2020 and April 30, 2019
(Unaudited)

	<u>2019-20</u>	<u>2018-19</u>
Sales net of taxes	\$ 71,761,304	\$ 165,473,310
Cost of goods sold	<u>(50,292,637)</u>	<u>(112,702,329)</u>
Gross profit from sales	21,468,667	52,770,981
Operating (expenses):		
Retail operations	(28,885,821)	(33,524,607)
Marketing & merchandising	(802,520)	(1,566,958)
Supply chain	(885,644)	(738,156)
Wholesale operations	(155,462)	(159,645)
Information technology services	(2,877,025)	(2,291,154)
Regulatory affairs	(1,253,597)	(1,758,935)
Administration	(831,690)	(1,159,497)
Finance	(202,243)	(314,938)
Board & secretary	(334,663)	(392,871)
Legal	(255,632)	(315,353)
Commonwealth provided services - Note 2	<u>(1,060,929)</u>	<u>(1,097,479)</u>
Total	<u>(37,545,226)</u>	<u>(43,319,593)</u>
Operating profit/(loss)	(16,076,559)	9,451,388
Other operating revenues (expenses):		
Enforcement fines	45,135	196,587
License fees	2,257,504	3,701,507
Miscellaneous income	867,548	203,438
Administrative law judge	<u>(238,313)</u>	<u>(231,197)</u>
Total	<u>2,931,874</u>	<u>3,870,335</u>
Total operating income/(loss)	(13,144,685)	13,321,723
Miscellaneous revenues (expenses):		
Interest income	385,378	513,783
Other	<u>-</u>	<u>(707,742)</u>
Total	<u>385,378</u>	<u>(193,959)</u>
Income/(Loss) before operating transfers	(12,759,307)	13,127,764
Operating transfers out:		
PSP enforcement - Note 3	(2,371,406)	(2,348,803)
Net Income/(Loss) from operations	<u>(15,130,713)</u>	<u>(10,778,961)</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	(15,130,713)	10,778,961
Total net position - beginning	<u>(1,107,509,752)</u>	<u>(1,155,447,232)</u>
Total net position - ending	<u>\$ (1,122,640,465)</u>	<u>\$ (1,144,668,271)</u>
Liquor tax	12,012,734	29,526,720
State Sales Tax	4,686,924	11,612,581
Local Tax	248,899	773,781
Taxes remitted to Dept.of Revenue PTD	<u>\$ 16,948,557</u>	<u>\$ 41,913,082</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, 2020 and April 30, 2019
(Unaudited)

	<u>2019-20</u>	<u>2018-19</u>
Sales net of taxes	\$ 1,740,228,080	\$ 1,773,152,722
Cost of goods sold	(1,183,811,121)	(1,206,796,892)
Gross profit from sales	<u>556,416,959</u>	<u>566,355,830</u>
Operating (expenses):		
Retail operations	(308,259,121)	(331,475,847)
Marketing & merchandising	(10,316,853)	(14,779,753)
Supply chain	(6,708,003)	(6,576,490)
Wholesale operations	(1,419,530)	(1,533,737)
Information technology services	(24,607,383)	(26,492,477)
Regulatory affairs	(15,690,528)	(17,383,416)
Administration	(10,874,676)	(11,845,455)
Finance	(2,519,153)	(3,003,268)
Board & secretary	(3,154,983)	(5,033,087)
Legal	(3,025,517)	(3,065,958)
Commonwealth provided services - Note 2	(13,138,018)	(11,139,491)
Total	<u>(399,713,765)</u>	<u>(432,328,979)</u>
Operating profit/(loss)	<u>156,703,194</u>	<u>134,026,851</u>
Other operating revenues (expenses):		
Enforcement fines	1,381,591	1,543,514
License fees	29,001,966	32,907,105
Miscellaneous income	3,523,066	2,957,019
Administrative law judge	(2,357,018)	(2,340,690)
Total	<u>31,549,605</u>	<u>35,066,948</u>
Total operating income/(loss)	<u>188,252,799</u>	<u>169,093,799</u>
Miscellaneous revenues (expenses):		
Interest income	4,721,639	4,884,224
Other	4,910	(706,242)
Total	<u>4,726,549</u>	<u>4,177,982</u>
Income/(Loss) before operating transfers	192,979,348	173,271,781
Operating transfers out:		
PSP enforcement - Note 3	(25,333,117)	(25,533,153)
Net Income/(Loss) from operations	<u>167,646,231</u>	<u>147,738,628</u>
Statutory Transfers:		
General fund - Note 4	(185,100,000)	(185,100,000)
Drug and alcohol programs - Note 4	-	-
Total	<u>(185,100,000)</u>	<u>(185,100,000)</u>
Change in net position	(17,453,769)	(37,361,372)
Total net position - beginning	<u>(1,105,186,696)</u>	<u>(1,107,306,899)</u>
Total net position - ending	<u>\$ (1,122,640,465)</u>	<u>\$ (1,144,668,271)</u>
Liquor tax	311,316,063	318,150,378
State Sales Tax	122,465,309	125,138,958
Local Tax	7,765,438	8,050,651
Taxes remitted to Dept.of Revenue YTD	<u>\$ 441,546,810</u>	<u>\$ 451,339,987</u>

OTHER ISSUES

None

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

Mr. Bart Barton, President of the American Legion Post 138 Bucktail Club, asked if the Board planned to create a specific set of rules, not guidelines, for entities to follow and to be graded on if an enforcement officer would come into the establishment.

Chief Counsel Rodrigo Diaz stated that the PLCB will advise licensees either by responding directly to inquiries submitted, or directing licensees more generally to the Advisory Notices. The PLCB will be clear about that which must be followed by licensees to avoid getting in trouble versus that which are best practices. Chief Counsel Diaz stated that additional questions can be sent to the Office of Chief Counsel and a response articulating the answer will be given.

Chief Counsel Diaz stated that people are using the word “guidance” more regularly due to the use of that term by the Governor’s office; however, those documents will state that something is either mandatory or just a suggestion. If the guidance says “mandatory,” it must be followed, or there is a risk of getting in trouble.

Chief Counsel Diaz offered Mr. Barton to email the Office of Chief Counsel if there was a specific fact scenario he wanted clarified. The Office of Chief Counsel will respond to the email detailing what is mandatory and what is only a suggestion.

Mr. Barton stated that he had only come across “guidelines,” which do not say exactly what the enforcement officer might be looking at. Such as, is it mandatory to enforce six-foot distancing, and can four people sit at a table if they have a relationship? Mr. Barton stated that the word “relationship” is very vague, and questioned what exactly that term meant.

Chief Counsel Diaz responded that the term “relationship” came from the Governor’s guidance. Mr. Diaz clarified that there had been some initial confusion and the “four people together” requirement pertains to four people together at the bar. You can have more than four people together at table. The term “relationship” means a group that came together. What you don’t want to do is to put next to each other at the bar a group of two and another group of two who are unrelated other than both showing up at the same time. Specific questions such as that should be sent to the Office of Chief Counsel for response.

Mr. Barton asked if there are any specific lists related to COVID-19 that an enforcement officer might look at when they come into the facility.

Chief Counsel Diaz responded that the PLCB does have a list and it can be found on the PLCB website, under “Legal.” There are two sets of rules posted there, one being a link to the Governor’s guidance that outlines what is mandatory and what are suggestions.

Mr. Barton stated that he will go to the website in order to find the necessary documents to learn how to stay compliant.

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Ms. Patty Smith had several questions about the Bureau of Licensing actions. First, she questioned why the Board denied the renewal of J & J Enterprise of Altoona (Licensing action #4). Chairman Holden responded that it was refused due to a tax issue and that J & J Enterprise of Altoona is not compliant with their taxes.

Ms. Smith next questioned Licensing action #9 and why Board Member Negra voted to refuse the license for Stoish, Inc. Board Member Negra responded that, after reviewing the materials from the hearing, he didn't feel comfortable with the layout, specifically, that the site under consideration and was approved was a former beer garden, basically just an empty lot. Two shipping containers are going to be retrofitted for use on that site in downtown Philadelphia and it will be serviced by "porta-potties." Board Member Negra stated that he does not feel that porta-potties are appropriate for downtown Philadelphia. Chairman Holden added that there is no requirement under the Liquor Code dealing with bathrooms.

Ms. Smith questioned why the extension for TanishRushi Realty, LLC at Licensing action #10 was refused. Chief Counsel Diaz responded that this hotel had an outside, secondary service area. When TanishRushi Realty, LLC applied a year ago, the Board had in fact refused the additional secondary service area because Commonwealth Court had told the PLCB that the secondary service area is supposed to be secondary to the main operation. A secondary service area is not supposed to be a stand-alone operation. In this case, it is clearly a stand-alone operation. So, the courts have told the PLCB not to allow a secondary service area like that.

Ms. Smith questioned why Licensing action #11, The Twilight Tavern, LLC, was refused. Chairman Holden responded that The Twilight Tavern, LLC was approved, not refused. The double transfer with request to conduct another business on the license premises, along with a conditional licensing agreement, was approved by a 3-0 vote.

Finally, regarding Licensing action #19, Manomay, LLC, Ms. Smith questioned why the Board continued to hold Manomay, LLC. Chairman Holden explained that there was a bankruptcy issue that requires additional information. Ms. Smith further questioned if Chairman Holden actually voted on this agenda item. Chairman Holden stated that when there is a motion to hold a case, only two votes are required.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, June 24, 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.

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ADJOURNMENT

On a motion by Board Member Negra, seconded by Board Member Isenhour, the meeting was adjourned.

The foregoing actions are hereby officially approved.

Chairman

Member

Member

ATTEST:

Secretary