

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

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WEDNESDAY, JANUARY 24, 2024

NORTHWEST OFFICE BUILDING, CONFERENCE ROOM 117, HARRISBURG, PA MICROSOFT TEAMS MEETING

Tim Holden, Chairman
Randy Vulakovich, Board Member

Rodrigo Diaz, Executive Director
Michael Vigoda, Board Secretary

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

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

PUBLIC MEETING – 11:00 A.M

CALL TO ORDER *Chairman Holden*

Pledge of Allegiance to the Flag

Board Secretary Michael Vigoda indicated that a quorum of the Board was present and Chairman Holden called the meeting to order.

OLD BUSINESS.....*Secretary Vigoda*

- A. Motion to approve previous Board Meeting Minutes of the January 10, 2024 meeting.

Motion Made: Board Member Vulakovich

Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to approve previous Board Meeting Minutes.

ANNOUNCEMENT OF EXECUTIVE SESSIONS

As explained in the printed Meeting Agenda, certain matters being presented for “official action” at today’s meeting have been discussed during Executive Sessions held prior to today’s meeting as permitted by the Sunshine Act.

Chairman Holden announced the appointments of Rodrigo Diaz to Executive Director, Douglas Hitz to Deputy Executive Director, and Jason Worley as Chief Counsel.

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

PUBLIC COMMENT

The Board has reserved 10 minutes for public comment..

No public comments were offered.

NEW BUSINESS

From the Office of Chief Counsel.....Jason Worley, Chief Counsel

(1) **Frank Boslet** ALJ Appeal
t/a Frank J. Boslet, Jr.
514 East Union Street
Tamaqua, PA 18252-1621
License No. R-3512/LID 69254
Citation No. 21-0280

Motion Made: Board Member Vulakovich
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to affirm the ALJ's decision and remand for action.

(2) **Frank Boslet** ALJ Appeal
t/a Frank J. Boslet, Jr.
514 East Union Street
Tamaqua, PA 18252-1621
License No. R-3512/LID 69254
Citation No. 21-0655

Motion Made: Board Member Vulakovich
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to affirm the ALJ's decision and remand for action.

(3) **Frank Boslet** ALJ Appeal
t/a Frank J. Boslet, Jr.
514 East Union Street
Tamaqua, PA 18252-1621
License No. R-3512/LID 69254
Citation No. 21-0763

Motion Made: Board Member Vulakovich
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to affirm the ALJ's decision and remand for action.

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- (4) **1900 Market Street, LLC** Resolution of Appeal Pending in
1900 Market Street the Court of Common Pleas of
Suite 100 Philadelphia County
Philadelphia, PA 19103
License No. R-279
LID 108321
- Motion Made:** Board Member Vulakovich
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (2-0 vote) to resolve the pending appeal by rescinding the approval of application for double transfer and agreeing to the proposal submitted by the licensee.

*From the Bureau of Licensing Tisha Albert, Director of Regulatory Affairs
Andrew Stuffick, Director, Bureau of Licensing*

- (1) **FAM Royersford, LLC** New – Economic Development
(LID No. 116161) Case No. 23-9086 Restaurant
155 Railroad Plaza
Royersford, Montgomery County
- Motion Made:** Board Member Vulakovich
Chairman Holden asked if anyone in the audience wished to speak on behalf of FAM Royersford, LLC. There was no response.
- Seconded:** Chairman Holden
- Board Decision:** Unanimously agreed (2-0 vote) to refuse the Economic Development Restaurant License.
- (2) **Havertown Al Pastor, LLC** “Intermunicipal” Double Transfer –
t/a Al Pastor Restaurant
R-2313 (LID No. 116522) Case No. 23-9124
13-19 West Benedict Avenue
Haverford Township
Havertown, Delaware County
- Motion Made:** Board Member Vulakovich
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (2-0 vote) to approve the transfer.

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- (3) **James Buchanan, LP** Renewal – Hotel
t/a James Buchanan Pub & Restaurant
H-6173 (LID No. 103993) Case No. 23-9030
15 North Main Street
Mercersburg, Franklin County

Motion Made: Board Member Vulakovich

Chairman Holden asked if anyone in the audience wished to speak on behalf of James Buchanan, LP. There was no response.

Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to refuse the renewal.

- (4) **Montenegrin, LLC** Renewal – Restaurant
R-17630 (LID No. 69634) Case No. 23-9037
842 Lattimer Road
P.O. Box 101
Hazle Township
Lattimer Mines, Luzerne County

Motion Made: Board Member Vulakovich

Chairman Holden asked if anyone in the audience wished to speak on behalf of Montenegrin, LLC. There was no response.

Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to refuse the renewal.

- (5) **River Rats Marina, LLC** Renewal – Restaurant
t/a River Rats Marina
R-7504 (LID No. 95810) Case No. 22-9195
499 Palmer Road
German Township
Adah, Fayette County

Motion Made: Board Member Vulakovich

Chairman Holden asked if anyone in the audience wished to speak on behalf of River Rats Marina, LLC. There was no response.

Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to refuse the renewal.

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- (6) **Tri-State UPA, LLC** “Intermunicipal” Double Transfer –
t/a Hoho’s Billiards Eating Place Malt Beverage
E-3485 (LID No. 116340) Case No. 23-9077
891 R Eisenhower Boulevard
Swatara Township
Harrisburg, Dauphin County
- Motion Made:** Board Member Vulakovich
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (2-0 vote) to hold for a conditional licensing agreement.
- (7) **B Lander Group** Renewal – District 7
t/a The Blue Collar Tavern
R-18862 (LID No. 94944) Case No. 2021-94944 & **HOLD 12/20/23 SESSION**
2023-94944
2862 Route 38 **Conditional Licensing Agreement**
Salem Township
Emlenton, Clarion County
- Motion Made:** Board Member Vulakovich
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (2-0 vote) to approve the renewal with a conditional licensing agreement.
- (8) **Bob’s Inn, Inc.** Renewal – District 6
t/a Bob’s Inn
R-17535 (LID No. 18747) Case No. 2022-18747 **HOLD 11/15/23 SESSION**
3832 Old WM Penn Highway
Murrysville, Westmoreland County **Conditional Licensing Agreement**
- Motion Made:** Board Member Vulakovich
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (2-0 vote) to approve the renewal with a conditional licensing agreement.
- (9) **Duffer’s Beer and Soda Corp** Renewal – District 3
t/a Duffer’s Beverage
D-704 (LID No. 106065) Case No. 2023-106065 **HOLD 12/6/23 SESSION**
403 Greenwich Street
Kutztown, Berks County **Conditional Licensing Agreement**
- Motion Made:** Board Member Vulakovich
Seconded: Chairman Holden

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

Board Decision: Unanimously agreed (2-0 vote) to approve the renewal with a conditional licensing agreement.

- (10) **Elby's State College Inn, Inc.
t/a School House Lounge** Renewal – District 1
H-5218 (LID No. 7589) Case No. 2023-7589 **HOLD 12/20/23 SESSION**
1663 South Atherton Street **Conditional Licensing Agreement**
State College, Centre County

Motion Made: Board Member Vulakovich
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to approve the renewal with a conditional licensing agreement.

- (11) **Hangar 453 Restaurant and Pub, LLC** Renewal – District 1
R-18204 (LID No. 64452) Case No. 2023-64452 **HOLD 10/18/23 SESSION**
11035 Curwensville Tyrone Highway **Conditional Licensing Agreement**
Pike Township
Olanta, Clearfield County

Motion Made: Board Member Vulakovich
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to approve the renewal with a conditional licensing agreement.

- (12) **Phyllis A. Hudek James S. Hudek** Renewal District 6
t/a The Rainbow
R-8864 (LID No. 42235) Case No. 2022-42235 **HOLD 11/15/23 SESSION**
323 2nd Street **Conditional Licensing Agreement**
Freeport, Armstrong County

Motion Made: Board Member Vulakovich
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to approve the renewal with a conditional licensing agreement.

- (13) **J.S.E. Enterprises, Inc.** Renewal – District 8
t/a J.P.'s Sports Bar & Grill
R-10683 (LID No. 54771) Case No. 2022-54771 **HOLD 5/17/23 SESSION**
2020 Riverside Drive **Conditional Licensing Agreement**
South Williamsport, Lycoming County

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

Motion Made: Board Member Vulakovich
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to approve the renewal with a conditional licensing agreement, offer-in-compromise terms.

- (14) **Krick Wuder, Inc.**
R-15692 (LID No. 91569) Case No. 2022-91569
2670-76 Bridge Street
Philadelphia, Philadelphia County

Renewal – District 10

HOLD 10/4/23 SESSION

Conditional Licensing Agreement

Motion Made: Board Member Vulakovich
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to approve the renewal with a conditional licensing agreement.

- (15) **Morgan Hills, Inc.**
t/a Morgan Hills Golf Course
R-19911 (LID No. 51484) Case No. 2022-51484
219 Hunlock Harveyville Road
Union Township
Hunlock Creek, Luzerne County

Renewal – District 8

Motion Made: Board Member Vulakovich
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to hold for a conditional licensing agreement.

- (16) **RC's Bar & Grill, LLC**
R-17370 (LID No. 95836) Case No. 2022-95836
4547 Red Rock Road
Benton Township
Benton, Columbia County

Renewal – District 8

Motion Made: Board Member Vulakovich
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to hold for a conditional licensing agreement.

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- (17) **Sandi's Country Bar & Grill, LTD** Renewal – District 1
R-7163 (LID No. 44081) Case No 2023-44081
8804 Somerset Pike
Jenner Township
Boswell, Somerset County
- Motion Made:** Board Member Vulakovich
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (2-0 vote) to hold for a conditional licensing agreement.
-
- (18) **Tin Lizzy, Inc.** Renewal – District 6
R-15787 (LID No. 53320) Case No. 2022-53320
259 Main Street
P.O. Box 403
Youngstown, Westmoreland County
- Motion Made:** Board Member Vulakovich
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (2-0 vote) to approve the renewal with a conditional licensing agreement.
-
- (19) **Wright Koblika, Inc.** Renewal – District 1
t/a Village Tavern
R-32635 (LID No. 60619) Case No. 2023-60619
9459 Main Street
Henderson Township
Huntingdon, Huntingdon County
- Motion Made:** Board Member Vulakovich
Seconded: Chairman Holden
- Board Decision:** Unanimously agreed (2-0 vote) to hold for a 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 15 personnel actions presented for consideration.

- (1) Joy Allen – Affirm Removal
- (2) Andrew Cade – Affirm Removal
- (3) Joseph Cain – Removal
- (4) Cassidy Evans – Affirm Removal
- (5) Pamela Farrell - Removal
- (6) Rasheia Grant – Affirm Removal
- (7) Montaya Jamison - Removal
- (8) Dominique Jefferies – Removal
- (9) Indya Payne – Affirm Removal
- (10) Lakeisha Prunty - Removal
- (11) Nasir Rivers – Affirm Removal
- (12) Brandon Roe - Removal
- (13) Sabrina Sprowal – Removal
- (14) Anthony White – Affirm Removal
- (15) Benito Wilder – Affirm Removal

Motion Made: Board Member Vulakovich

Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to approve the personnel actions presented by the Bureau of Human Resources.

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*From the Bureau of Accounting & Purchasing Rodrigo Diaz, Executive Director
Melinda John, Chief, Purchasing & Contracting Administration
Ijeoma Ezekoye, Director, Bureau of Financial Management & Analysis*

Procurement Actions:

- (1) Plastic Shopping Bags Renewal** – This procurement action is to renew the contract for plastic shopping bags used in all Fine Wine & Spirit stores to package products sold to customers.

Procured via BPA 70000006 Option Year – VENDOR: **IBS Solutions Corporation** – TERM: One year for period 3/1/2024 through 2/28/2025 - **\$2,035,200.00 estimated cost.**

- (2) Third Party Ratings and Review Renewal** – This purchase is for the licensing renewal of Bazaarvoice. This product has been requested by the Marketing team and has been integrated into OCC. It is a web plug-in that gives product ratings and reviews.

Procured via DGS Contract #4400018548 – VENDOR: **CDW-G** – TERM: Three years - **\$186,331.89 estimated cost (\$62,110.63 per year).**

Inter-Agency Charges:

- (1) Office of Administration – HR Shared Services (Job 73)** – Billing of \$212,875.00 for FY 2023-24 Q3 the PLCB’s allocated share of OA’s HR-Enterprise Services (HR service center, training, labor relations, employee benefits, SEAP, etc.). The billing is allocated based on the agency’s number of benefit eligible employees (BEEs). The LCB’s billing portion is 0.81% of the HRSS total billing of \$26.2 million.

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 Vulakovich
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to approve the procurement actions and inter-agency charges presented from the Bureau of Accounting and Purchasing.

From the Office of Retail Operations..... Rodrigo Diaz, Executive Director

- 1. **#2220- 2310 Linglestown Rd, Harrisburg
New Lease**
- 2. **#2317-12 East Hinckley Avenue, Ridley Park,
Amendment**

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- 3. **#4001-3246 2136 Wilkes-Barre Blvd, Wilkes-Barre, Amendment**
- 4. **#3802- 1737 Quentin Road, Lebanon Exercise Option**
- 5. **#6715- 180-188 Newberry Parkway, Etters Exercise Option**

Motion Made: Board Member Vulakovich
Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to approve the recommendations from the Office of Retail Operations.

From the Bureau of Product SelectionTom Bowman, Director of Product Selection

VENDOR – ITEM NAME

BOARD ACTION REQUESTED

“These items went to Board for the public meeting without pricing”

- | | |
|---------|--|
| Various | 1. Regular New Items Accepted |
| Various | 2. Regular New Items Accepted Revision |
| Various | 3. Regular PA New Items Accepted |
| Variuis | 4. Regular Recommended Delist |

1. Regular New Items Accepted

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
<u>Fifth Generation</u> Tito's Mini 4x50mL Pack	3
<u>Oasis Wine and Spirits LLC</u> Trambusti Sentimento Toscana Rosso 750 mL	5, 19

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular New Items Accepted Revision

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
PRICING	
<u>Jim Beam Brands Co</u> On The Rocks Cruzan Strawberry Daiquiri Cocktail 375 mL	10

NOTE: Sent to board on 12-20-23 with incorrect retail

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RECOMMENDED ACTION: We recommend the Board approve this action

3. Regular PA New Items Accepted

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
<u>2Moods Inc</u>	
2Moods Black Cherry Vodka Seltzer 8x355 mL Cans	16
2Moods Pineapple Vodka Seltzer 8x355 mL Cans	16
2Moods Pink Lemonade Vodka Seltzer 8x355 mL Cans	16
<u>Ambler Distillery LLP</u>	
Widow's Peak Botanical Gin 750 mL	16
Widow's Peak Iced Tea Lemon Honey Cocktail 4x355 mL Cans	16
Widow's Peak Lemon Honey Bitters Cocktail 4x355 mL Cans	16
Widow's Peak Rye Whiskey 750 mL	16
Widow's Peak Vodka 750 mL	16
<u>Appalachian Craft Spirits</u>	
Appalachian Craft Spirits Rye Whiskey 750 mL	16
<u>Boardroom Spirits LLC</u>	
Boardroom Spirits Rosenberger's Iced Tea and Vodka 4x355 mL Cans	16
The Highlands Margarita 100 mL Can	16
<u>Capital Wine and Spirits</u>	
Irvine's Espresso Martini 100 mL Can	16
<u>City Distilling LLC</u>	
City Street Gin 750 mL	16
City Swigs Pink Lemonade 750 mL	16
<u>Heritage Spirits LLC</u>	
Stoll and Wolfe Blend of American Straight Whiskeys 375 mL	16
Stoll and Wolfe Kindred Spirits Collection Bourbon 750 mL	16
Stoll and Wolfe Kindred Spirits Collection Rye Whiskey 750 mL	16
Stoll and Wolfe Pennsylvania Rye Whiskey 375 mL	16
Stoll and Wolfe White Corn Whiskey 750 mL	16
<u>Horse Hollow Distillery</u>	
Horse Hollow Distillery Jimmy Juice Cranberry Citrus Cocktail 4x355 mL Cans	16
Horse Hollow Distillery Jimmy Juice Orange Fizzy Cocktail 4x355 mL Cans	16
<u>Kiki Vodka Company LLC</u>	
Kiki Smooth Iced Tea Lemonade and Vodka 4x355mL Cans	16

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Majestic Wine and Spirits

Diggs Boys Bourbon 750 mL 16

McLaughlin Distillery

McLaughlin Distillery Burlington Whiskey 750 mL 16

McLaughlin Distillery Handmade Vodka 750 mL 16

MLH Distillery LLC

MLH Spiced Rum 750 mL 16

Mountain Laurel Spirits

Dad's Hat Old Fashioned Cocktail 375 mL 16

Nomad Distilling Co

Nomad Distilling Co Tapped 750 mL 16

One Tier LLC

Bird Gang Bourbon Whiskey 750 mL 16

Bird Gang Vodka 750 mL 16

Pennsylvania Pure Distilleries

Boyd and Blair Happy Valley Vodka 750 mL 16

Boyd and Blair Silver Rum 750 mL 16

Boyd and Blair The Espresso Martini Cocktail 200 mL 16

Boyd and Blair The Grapefruit Mule Cocktail 1 L 16

Pittsburgh Spirits LLC

Wigle City of Champions Bourbon 750 mL 16

Wigle Reserve Bourbon Madeira Cask 750 mL 16

Wigle Reserve Cask Strength Bourbon 750 mL 16

Wigle Reserve Cask Strength Rye Whiskey 750 mL 16

Wigle Reserve Pennsylvania Bourbon 750 mL 16

Wigle Reserve Pennsylvania Rye Whiskey 750 mL 16

Wigle Smallman Street Vodka 750 mL 16

Spruce Street Beverages LLC

Two Robbers Cara Cara Orange Vodka Soda 4x355 mL Cans 16

Two Robbers Lemon Lime Vodka Soda 4x355 mL Cans 16

Two Robbers Pink Grapefruit Vodka Soda 4x355 mL Cans 16

Two Robbers Sweet Gold Pineapple Vodka Soda 4x355 mL Cans 16

Two Robbers Vodka Soda Variety Pack 8x355mL Cans 16

Thistle Finch Distilling LLC

Market Alley Barrel Rested Gin 750 mL 16

Shifty Lavender Lemonade Vodka Soda 4x355mL Cans 16

Tom's NecroNomNom Spiced Rum 750 mL 16

RECOMMENDED ACTION: We recommend the Board approve this action

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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
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

4. Regular Recommended Delist

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>Four Birds Distilling</u>	
Kickstand Charred Pineapple Poblano Cocktail 4x355 mL Cans	96210
Kickstand Roasted Jalapeno Cucumber Cocktail 4x355 mL Cans	96211
Kickstand Torched Peach Chipotle Cocktail 4x355 mL Cans	96212
<u>Pittsburgh Spirits LLC</u>	
Wigle Organic Bourbon 750 mL	2298
Wigle Rye Whiskey Small Cask Series 750 mL	7765

EFFECTIVE DATE: The transference to closeout will become effective February 23, 2024

Motion Made: Board Member Vulakovich

Seconded: Chairman Holden

Board Decision: Unanimously agreed (2-0 vote) to approve the recommendations from the Bureau of Product Selection.

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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>October 31, 2023</u>	<u>October 31, 2022</u>
ASSETS		
Current assets:		
Cash	\$ 82,786,172	\$ 52,518,461
Investments - short term	322,987,892	173,685,610
Accounts and claims receivable, net	6,654,955	6,296,052
Due from other funds - Note 9	-	-
Merchandise inventories, net	217,510,427	238,099,502
Operating supplies	47,689	482,447
Prepaid expenses	2,124,356	2,960,786
	632,111,491	474,042,858
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable or amortizable capital assets:		
Building	10,923,350	10,820,411
Leasehold improvements	209,134	209,134
Machinery and equipment	64,016,276	52,509,590
Intangible - internally generated software	83,109,549	58,028,353
Intangible - right to use leases - Note 10	413,716,446	370,295,167
Intangible - right to use IT subscriptions - Note 11	16,337,949	20,300,870
Less: accumulated depreciation or amortization	277,838,746	204,448,235
Net depreciable or amortizable capital assets	310,473,958	307,715,290
Total non-current capital assets	310,796,931	308,038,263
Total assets	\$ 942,908,422	\$ 782,081,121
Total deferred outflows of resources - Notes 5, 6	\$ 256,044,928	\$ 178,895,805
LIABILITIES		
Current liabilities:		
Trade accounts payable	\$ 367,550,568	\$ 213,942,187
Other accounts payable	19,481,693	17,384,776
Accrued expenses	23,386,331	23,141,646
OPEB - Note 6	-	-
Self-insurance, workers' compensation - Note 7	4,795,551	5,038,908
Due to other funds - Note 9	8,463,911	8,839,198
Due to fiduciary funds - Note 9	3,254,178	2,596,620
Due to other governments - Note 9	865,999	863,024
Right to use liabilities - Note 10	62,333,080	62,760,689
Total current liabilities	490,131,311	334,567,048
Non-current liabilities:		
OPEB - Note 6	383,146,000	426,775,000
Self-insurance, workers' compensation - Note 7	45,295,622	44,346,197
Net pension liability - Note 5	575,070,730	376,134,763
Compensated absences - Note 1	24,484,695	26,865,598
Right to use liabilities - Note 10	177,396,745	198,622,619
Total non-current liabilities	1,205,393,792	1,072,744,177
Total liabilities	\$ 1,695,525,103	\$ 1,407,311,225
Total deferred inflows of resources - Notes 5, 6	\$ 219,421,426	\$ 353,093,486
NET POSITION		
Net investment in capital assets	\$ 71,067,106	\$ 46,654,955
Deficit	(787,060,285)	(846,082,740)
Total net position - Note 12	\$ (715,993,179)	\$ (799,427,785)

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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 October 31, 2023 and October 31, 2022
(Unaudited)**

	<u>2023-24</u>	<u>2022-23</u>
Sales net of taxes	\$ 205,545,113	\$ 207,520,184
Cost of goods sold	<u>(137,508,549)</u>	<u>(146,430,366)</u>
Gross profit from sales	68,036,564	61,089,818
Operating (expenses):		
Wholesale	(2,627,585)	(1,767,862)
Retail	(33,314,958)	(29,930,651)
E-Commerce	(177,481)	(298,436)
Regulatory	(1,369,691)	(950,457)
Enterprise	(9,206,301)	(8,883,079)
Commonwealth provided services - Note 2	<u>(1,624,010)</u>	<u>(2,082,775)</u>
Total	<u>(48,320,026)</u>	<u>(43,913,260)</u>
Operating profit/(loss)	19,716,538	17,176,558
Other operating revenues (expenses):		
Enforcement fines	2,822	123,627
License fees	2,297,388	2,454,255
Miscellaneous income	<u>183,861</u>	<u>316,753</u>
Total	<u>2,484,071</u>	<u>2,894,635</u>
Total operating income/(loss)	22,200,609	20,071,193
Miscellaneous revenues (expenses):		
Interest income (expense)	1,094,777	104,252
Other	<u>19,461</u>	<u>-</u>
Total	<u>1,114,238</u>	<u>104,252</u>
Income/(Loss) before operating transfers	23,314,847	20,175,445
Operating transfers out:		
PSP enforcement - Note 3	(2,259,927) <u>(2,259,927)</u>	(2,174,622) <u>(2,174,622)</u>
Net Income/(Loss) from operations	21,054,920	18,000,823
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	21,054,920	18,000,823
**Total net position - beginning - Note 12	<u>(737,048,099)</u>	<u>(817,428,608)</u>
Total net position - ending	<u>\$ (715,993,179)</u>	<u>\$ (799,427,785)</u>
Liquor tax	36,473,269	37,537,963
State Sales Tax	14,451,234	14,766,932
Local Tax	956,677	970,036
Taxes remitted to Dept.of Revenue PTD	<u>\$ 51,881,180</u>	<u>\$ 53,274,931</u>

*Beginning Net Position was restated from \$(872,154,418) at June 30, 2022 to \$(871,784,479) at July 1, 2022, a \$369,939 increase, due to the implementation of Governmental Accounting Standards Board Statement No. 96 - Subscription Based Information Technology Agreements.

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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 Four Months Ending October 31, 2023 and October 31, 2022
(Unaudited)**

	<u>2023-24</u>	<u>2022-23</u>
Sales net of taxes	\$ 808,540,961	\$ 795,588,649
Cost of goods sold	<u>(541,827,180)</u>	<u>(563,917,669)</u>
Gross profit from sales	266,713,781	231,670,980
Operating (expenses):		
Wholesale	(9,554,069)	(7,610,759)
Retail	(131,681,897)	(113,704,319)
E-Commerce	(768,168)	(908,975)
Regulatory	(4,761,731)	(3,563,660)
Enterprise	(32,793,640)	(27,352,839)
Commonwealth provided services - Note 2	<u>(6,202,609)</u>	<u>(7,065,168)</u>
Total	<u>(185,762,114)</u>	<u>(160,205,720)</u>
Operating profit/(loss)	80,951,667	71,465,260
Other operating revenues (expenses):		
Enforcement fines	431,263	594,887
License fees	10,195,701	9,621,024
Miscellaneous income	<u>726,970</u>	<u>1,724,357</u>
Total	<u>11,353,934</u>	<u>11,940,268</u>
Total operating income/(loss)	92,305,601	83,405,528
Miscellaneous revenues (expenses):		
Interest income (expense)	3,929,321	(103,043)
Other	<u>17,008</u>	<u>55,374</u>
Total	<u>3,946,329</u>	<u>(47,669)</u>
Income/(Loss) before operating transfers	96,251,930	83,357,859
Operating transfers out:		
PSP enforcement - Note 3	(10,887,665)	(11,001,165)
Net Income/(Loss) from operations	<u>85,364,265</u>	<u>72,356,694</u>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	85,364,265	72,356,694
**Total net position - beginning 2022-23 - Note 12	<u>(801,357,444)</u>	<u>(871,784,479)</u>
Total net position - ending	<u>\$ (715,993,179)</u>	<u>\$ (799,427,785)</u>
Liquor tax	142,224,033	143,022,401
State Sales Tax	56,073,224	56,285,115
Local Tax	4,027,558	3,633,586
Taxes remitted to Dept.of Revenue PTD	<u>\$ 202,324,815</u>	<u>\$ 202,941,102</u>

*Beginning Net Position was restated from \$(872,154,418) at June 30, 2022 to \$(871,784,479) at July 1, 2022, a \$369,939 increase, due to the implementation of Governmental Accounting Standards Board Statement No. 96 - Subscription Based Information Technology Agreements.

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OTHER ISSUES

Oracle Report Creation.....Rodrigo Diaz, Executive Director

In support of the Oracle Enterprise Resource Planning platform, the PLCB has identified and approved reporting requirements for Oracle to develop solutions for that summarize wholesale and retail sales, inventory and other metrics. Such reporting requirements will necessitate creation of detailed specifications for reports; development of data tables in the PLCB’s autonomous data warehouse; extraction of such data into reports usable by PLCB Merchandising, Wholesale and Data Analytics teams to monitor business; and related testing and validation of report outputs. This ordering document provides \$1,035,000 for such data migration, structure and reporting development and delivery efforts. Such funding remains within the overall Board-approved amount for the Oracle Master Agreement (procured via Contract Agreement #63017408), valid through Feb. 26, 2030.

Executive Director Rod Diaz explained this was in keeping with the practice of providing occasional updates on the progress and spend of this project.

PUBLIC COMMENT

The Board has reserved 10 minutes for public comment.

Peter Laurenzano appeared before the Board to offer an update on the ongoing litigation regarding restaurant license number R18821. Mr. Laurenzano stated that he wanted to ask questions of the Chief Counsel’s Office and explained he was no longer being represented by counsel. Chief Counsel Jason Worley offered that due to the ongoing litigation surrounding Mr. Laurenzono case, there is limited information which he can discuss. At the request of Mr. Laurenzano, Mr. Worley agreed to briefly discuss this matter after the Board meeting adjourned.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, February 14, 2024 beginning at 11:00 A.M. Prior to the public meeting, an Executive Session or Sessions will be held for the specific purposes as regularly set forth in the printed Board Agenda.

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ADJOURNMENT

On motion by Board Member Vulakovich and seconded by Chairman Holden, the meeting was adjourned.

The foregoing actions are hereby officially approved.

Chairman

Member

ATTEST:

Secretary