

# PENNSYLVANIA LIQUOR CONTROL BOARD

## MEETING MINUTES [LISTEN TO THE RECORDING](#)

WEDNESDAY, JUNE 2, 2021  
TELEPHONE CONFERENCE MEETING

Tim Holden, Chairman  
Mike Negra, Board Member  
Mary Isenhour, Board Member  
Michael Demko, 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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*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.*

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### PUBLIC MEETING – 11:00 A.M

**CALL TO ORDER** ..... *Chairman Holden*

Board Secretary John K. Stark indicated that a quorum of the Board was present and Chairman Holden called the meeting to order.

Pledge of Allegiance to the Flag

Chairman Holden made an opening statement thanking everyone for their continued cooperation as meetings continue to be held telephonically and encouraged everyone to take precautions with regard to the public health crisis.

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

A. Motion to approve previous Board Meeting Minutes of the May 12, 2021 meeting.

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve previous Board Minutes.

### **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.

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**NEW BUSINESS**

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

(1) **Muncy Creek Township** Municipal Petition for Exemption  
Case No. 21-NE-03 from Liquor Code Statute  
Regarding Amplified Sound

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve noise exemption from July 2, 2021 through July 2, 2026.

(2) **North Bethlehem Township** Municipal Petition for Exemption  
Case No. 21-NE-04 from Liquor Code Statute  
Regarding Amplified Sound

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve noise exemption from June 2, 2021 through June 2, 2026.

(3) **City of Johnstown** Municipal Petition for Exemption  
Case No. 21-NE-05 from Liquor Code Statute  
Regarding Amplified Sound

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve noise exemption from June 2, 2021 through June 2, 2026.

(4) **Bootphilly, LLC** Request for Rescission of  
Restaurant Liquor License No. R-6143 Conditional Licensing Agreement  
LID 65779

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve rescission of conditional licensing agreement upon approval of double transfer.

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(5) **Sheetz, Inc.** Request for Rescission of  
Restaurant Liquor License No. R-17096 Conditional Licensing Agreement  
LID 104588

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve rescission of conditional licensing agreement.

(6) **Quick Beer To Go, LLC** Request for Rescission of  
Restaurant Liquor License No. R-10596 Conditional Licensing Agreement  
LID 65668

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve rescission of conditional licensing agreement.

(7) **Responsible Alcohol Management Program** Final-form Regulatory Change

Board Member Negra requested that Chief Counsel Rodrigo Diaz discuss this agenda item. Chief Counsel Diaz explained that the proposed final-form regulatory change pertaining the Responsible Alcohol Management Program is necessary to bring regulations related to the program up-to-date. He affirmed that statutory changes had necessitated updates; that there was a need to update fees to more accurately reflect costs; and that clarification was being provided as to standards which apply to in-person and online training. Chief Counsel Diaz indicated that the agency had responded to comments regarding the initial regulation and that should the Board approve the final-form regulation, it would be sent to the Independent Regulatory Review Commission for review and potential approval.

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve proposed regulatory change.

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

(1) **Brillante Mini Market, Inc.** Double Transfer &  
E-3061 (LID No. 102720) Case No. 21-9007 Requests for an Interior  
3301 North 6<sup>th</sup> Street Connection with Another  
Philadelphia, Philadelphia County Business & Dual Employment –  
Eating Place Malt Beverage

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

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**Board Decision:** Unanimously agreed (3-0 vote) to approve double transfer and requests for an interior connection with another business and dual employment, as well as rescission of conditional licensing agreement.

- (2) **CHR Corp./Rutters** Request to Sell Other Items on  
(The list of locations and products are on pages 18-21: the Licensed Premises –  
Exhibit A) Restaurant

Board Member Negra requested that Tisha Albert, Director of Regulatory Affairs, discuss this agenda item involving multiple licensed locations of CHR Corp. (aka “Rutters”). Director Albert explained that Rutters had requested to store and sell a variety of cannabidiol (“CBD”) products (e.g., oils, gummies, and lotions, but not any CBD-infused alcohol) on licensed premises.

Director Albert further advised that if approval is granted to Rutters for the sale of twenty-six specific CBD products, the Board might also consider granting approval to other licensees for the storage and sale of the same specific products.

The list of Rutters licenses involved in this request and the list of twenty-six specific CBD products for which selling authority is requested is attached to these meeting minutes as Exhibit A.

Board Member Negra made a motion to approve the request from Rutters to sell the CBD products on licensed premises and stated that he would make an additional motion to approve the sale of specific CBD products by all licensees.

Board Member Isenhour confirmed that Board Member Negra’s initial motion was specific to Rutters and both she and Chairman Holden subsequently indicated that they would approve this motion.

Board Member Negra then formally made a motion to approve the sale of the aforementioned products by all licensees on licensed premises as set forth in the request from Rutters.

Chief Counsel Diaz inquired as to whether or not Board Member Negra intended for his second motion to be relevant to distributors and manufacturers in addition to retail licensees. Board Member Negra affirmed that the motion would apply to any entity holding a license issued by the agency. He asked Chief Counsel Diaz to confirm that distributors and importing distributors would potentially be able to sell the products in question, and Chief Counsel Diaz stated that a decision per Board Member Negra’s second motion would encompass distributors, importing distributors, manufacturers, and retail licensees.

Chairman Holden requested that further Board action be held since he had been under the impression that an additional motion related to this agenda item would apply solely to retail licensees. Board Member Isenhour seconded Chairman Holden’s motion.

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**Board Decision:** Unanimously agreed (3-0 vote) to approve the request to sell twenty-six types of cannabidiol (“CBD”) products on licensed premises of CHR Corp./Rutters locations as identified in the attached Exhibit A and agreed (2-1 vote) to hold additional Board action on the issue of granting approval to all licensees to sell such items.

(3) **Anne W. Scarpaci** Extension of License -  
**t/a Sonny’s Place** Restaurant  
R-5953 (LID No. 12056) Case No. 20-9036  
307-309 Shiloh Street  
Pittsburgh, Allegheny County

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve extension of license.

(4) **Virgilio Investments V, LLC** Extension of License &  
R-15266 (LID No. 100313) Request for Interior  
160 Dunlap Street Connections with Another  
Bellefonte, Centre County Business – Restaurant

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve extension of license and request for interior connections with another business.

(5) **770 Ameribeer, Inc.** Renewal – District 10  
R-12833 (LID No. 44783) Case No. 2020-44783  
1501-03 Federal Street  
Philadelphia, Philadelphia County

Board Member Negra made a motion to refuse the renewal of this license. Chairman Holden asked if there was anyone on the line representing 770 Ameribeer, Inc. The teleconference moderator confirmed that there was no response. Subsequently, Board Member Isenhour seconded the motion and Chairman Holden concurred.

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

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

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- (6) **4311 Main License, LLC** Conditional Licensing Agreement  
t/a **4311 Main** Renewal – District 10  
R-8136 (LID No. 83480) Case No. 2020-83480  
4309-4311 Main Street  
Philadelphia, Philadelphia County **HOLD – 4/14/21 SESSION**

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve renewal with a new conditional licensing agreement.

- (7) **6104 Adan, Inc.** Renewal – District 10  
R-843 (LID No. 51491) Case No. 2018-51491  
6104 Lansdowne Avenue  
Philadelphia, Philadelphia County

Board Member Negra made a motion to refuse the renewal of this license. Chairman Holden asked if there was anyone on the line representing 6104 Adan, Inc. The teleconference moderator confirmed that there was no response. Subsequently, Board Member Isenhour seconded the motion and Chairman Holden concurred.

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

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

- (8) **Loyal Order of Moose Lodge 842** Conditional Licensing Agreement  
C-5246 (LID No. 2424) Case No. 2019-2424 Renewal – District 1  
1100 Sheller Avenue  
Chambersburg, Franklin County **HOLD – 1/27/21 SESSION**

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve renewal with a new 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) **Nicholas Anderson – Removal**
- (2) **Maureen Decker - Removal**
- (3) **Ruth DeHaven – Affirm Removal**
- (4) **David Green – Removal**
- (5) **Tiara Johnson – Removal**
- (6) **Pamela Komaromy – Affirm Removal**
- (7) **Michael Letosky – Removal**
- (8) **Michael Oliver – Affirm Removal**
- (9) **Christine Paisley – Demotion**
- (10) **Todd Richter - Removal**
- (11) **Gregory Riley – Removal**
- (12) **Heather Rivas – Affirm Removal**
- (13) **Jiovanni Rodriguez-Kleckner – Rescind Removal**
- (14) **Jessica Roof – Removal**
- (15) **David Rosenstein – Rescind Removal**
- (16) **Tejas Soni – Affirm Removal**
- (17) **Quinn Wells – Affirm Removal**
- (18) **Joy Wilkins – Removal**

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

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

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

Procurement Actions:

- (1) **WebSphere Solutions Architect Staff Augmentation** - This resource supports the current WebSphere E-Commerce Fine Wine and Good Spirits site on the Azure WebSphere Commerce Version 8 platform. This platform provides additional security, system monitoring and resource scalability. Work includes production issue support, functional changes requested by the business and other commerce-related updates that will be occurring during this timeframe.

Procured via DGS Contract #4400014600 – VENDOR: **OST, Inc.** – TERM: Six months for period 7/1/2021 through 12/31/2021 - **\$157,714.20 estimated cost.**

- (2) **WebSphere Developers Staff Augmentation** – These two resources support the current WebSphere E-Commerce Fine Wine and Good Spirits site on the Azure WebSphere Commerce Version 8 platform. This platform provides additional security, system monitoring and resource scalability. Work includes production issue support, functional changes requested by the business and other commerce-related updates that will be occurring during this timeframe.

Procured via DGS Contract #4400014600 – VENDOR: **OST, Inc.** – TERM: Six months for period 7/1/2021 through 12/31/2021 - **\$210,369.71 estimated cost.**

- (3) **WebSphere Commerce Database Administrator Staff Augmentation** – This resource supports the current WebSphere E-Commerce Fine Wine and Good Spirits site on the Azure WebSphere Commerce Version 8 platform. This platform provides additional security, system monitoring and resource scalability. Work includes production issue support, functional changes requested by the business and other commerce related updates that will be occurring during this timeframe.

Procured via DGS Contract #4400014600 – VENDOR: **OST, Inc.** – TERM: Six months for period 7/1/2021 through 12/31/2021 - **\$68,755.51 estimated cost.**

- (4) **WebSphere Commerce Administrator Staff Augmentation** - This resource supports the current WebSphere E-Commerce Fine Wine and Good Spirits site on the Azure WebSphere Commerce Version 8 platform. This platform provides additional security, system monitoring and resource scalability. Work includes production issue support, functional changes requested by the business and other commerce related updates that will be occurring during this timeframe.

Procured via DGS Contract #4400014600 – VENDOR: **OST, Inc.** – TERM: Six months for period 7/1/2021 through 12/31/2021 - **\$72,032.02 estimated cost.**

- (5) **HP ProBook 650 G8 Laptops** – This procurement is for the normal laptop replacement cycle. The existing laptops have reached that age where the failure rate is increasing yearly. Desktop support is spending a significant amount of time dealing with these failures. We have been sporadically replacing them as they fail, or the users need more compute power than their existing laptop has. These laptops have sufficient compute power and a fast Solid State hard drive which should make their life span 4-5 years of normal usage.

Procured via DGS Contract #4400017908 – VENDOR: **HP, Inc.** - **\$206,850.00 estimated cost** (150 @ \$1,379.00 each).



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- (6) **Legal Services Amendment** - Duane Morris was hired as specialized outside counsel in 2018 to assist PLCB with the labor negotiations and bankruptcy matters related the former Philadelphia warehouse and transportation provider, XTL. Since that time, Duane Morris has continued to assist the PLCB Office of Chief Counsel with various litigation matters which are expected to continue. The Office of Chief Counsel also requires the specialized skill set of Duane Morris to manage the PLCB's IP Portfolio. This Amendment will extend the term of the contract through December 31, 2023 and will raise the maximum yearly spend to \$400,000.00.

Procured via Sole Source Amendment – **VENDOR: Duane Morris LLP** – **TERM:** 30 months for period 7/1/2021 through 12/31/2023 - **\$1,050,000.00 estimated cost** (not to exceed \$400,000.00 per contract year).

At Board Member Negra's request, Executive Director Michael Demko further explained that the first four procurement actions are related to continued support of the existing Websphere-based website through the rest of this calendar year. The fifth agenda item is for replacement of 150 laptops within the organization and the sixth agenda item is to extend the legal services contract for outside counsel, under the direction of the Chief Counsel.

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

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

Inter-Agency Charges:

- (1) **Department of Auditor General** – FY 2020-21 fourth quarter (estimated) billing of \$686,767.75 from the Department of the Auditor General. The estimated charge for FY 2020-21 Q4 services is \$54,183 (+8.6%) higher than last year's Q4 billing. The FY 2020-21 billings total \$2.651 million for a \$204,954 (-7.2%) decrease as compared to last years \$2.856 million billings for FY 2019-20.

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

Executive Director Michael Demko noted that this Inter-Agency Charge is the estimated fourth quarter amount to be paid to the Auditor General.

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

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

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*From the Office of Retail Operations.....Michael Demko, Executive Director*

- (1) #0242 – Haymaker Village Shops, 4524 Broadway Boulevard, Monroeville  
Amendment
- (2) #2511 – 737 East 38<sup>th</sup> Street, Erie  
Amendment
- (3) #3503 – Price Chopper Shopping Center, 1520 South Main Street, Scranton  
Amendment
- (4) #4028 – 850 Sans Souci Parkway, Wilkes-Barre  
Amendment
- (5) #5603 – 1607 Jefferson Avenue, Windber  
Amendment

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

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

*From the Bureau of Product Selection .....Tom Bowman, Director of Product Selection*

**VENDOR – ITEM NAME**

**BOARD ACTION REQUESTED**

Various  
Various  
Various

- 1. Regular New Items Accepted
- 2. Regular PA New Items Accepted
- 3. Regular Recommended Delist

**1. Regular New Items Accepted**

**BRAND NAME AND SIZE**

**REASON**

**Sutter Home Winery Inc**

Aravail Vineyards Cabernet Sauvignon 750 mL	18
Aravail Vineyards Chardonnay 750 mL	18
Aravail Vineyards Red Blend 750 mL	18

RECOMMENDED ACTION: We recommend the Board approve this action

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**2. Regular PA New Items Accepted**

<u>BRAND NAME AND SIZE</u>	<u>REASON</u>
<b><u>Head Cuts Corp</u></b>	
4Four6 Distillery Spiced Flavored Rum 80 Proof 750 mL	16
4Four6 Distillery White Rum 80 Proof 750 mL	16
<b><u>Pine Creek Spirits</u></b>	
Buff Unicorn Strawberry Lemonade Vodka 70 Proof 750 mL	16
<b><u>Premier Innovations Group</u></b>	
5:Dirty Dab of Dirty Vodka Martini Cocktail 70 Proof 750 mL	16
5:Dirty Double Dirty Vodka Martini Cocktail 70 Proof 750 mL	16

RECOMMENDED ACTION: We recommend the Board approve this action

**New Items – Recommended Listings**

**Reason Codes**

1. Strong marketing support
2. High brand recognition
3. Line/Size extension of successful brand
4. Trade up opportunity
5. Growing category
6. Growing segment
7. National rollout
8. Niche item / Limited distribution
9. High dollar profit potential
10. Trade out
11. High quality for the value
12. Innovative product/flavor
13. High sales through other PLCB channels (Luxury, Online, SLO)
14. Underrepresented category/segment
15. Hole in selection – consumer/store requests
16. PA Spirits
17. PA Wines
18. Licensee only
19. Probationary listing

**3. Regular Recommended Delist**

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<b><u>Cape Classics Inc</u></b>	
Excelsior Syrah 750 mL	350

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**Constellation Wines U S**

Dreaming Tree Rosé 750 mL 630

**Diageo Americas Inc**

Crown Royal Extra Rare Canadian Whisky 80 Proof 750 mL 9551

**North Wales Wines**

Wohler Bridge Chardonnay Russian River Valley 750 mL 98298

Wohler Bridge Pinot Noir Russian River Valley 750 mL 98299

**Palm Bay Imports Inc**

Remy Pannier Rosé d'Anjou 750 mL 9501

**Premier Innovations Group**

Big Spring Spirits Silver Hare Wheat Whiskey 85 Proof  
750 mL 1011

Big Spring Spirits Silver Lion White Corn Whiskey 80 Proof 750 mL 1010

RECOMMENDED ACTION: We recommend the Board approve this action

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

**Board Decision:** Unanimously agreed (3-0 vote) to approve all Product Selection 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, 2021</u>	<u>April 30, 2020*</u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ 42,368,802	\$ 32,548,203
Investments - short term	275,945,380	145,857,594
Accounts and claims receivable, net	7,285,622	2,407,535
Due from other funds - Note 9	-	-
Merchandise inventories, net	221,961,472	222,255,539
Operating supplies	541,009	557,053
Prepaid expenses	750,344	329,564
	<u>548,852,629</u>	<u>403,955,488</u>
Total current assets		
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable capital assets:		
Building	21,139,183	20,875,220
Leasehold improvements	209,134	341,826
Machinery and equipment	47,366,762	49,016,378
Intangible - internally generated software	28,727,715	24,299,427
Intangible - right to use leases - Note 10	315,052,794	326,717,831
	<u>111,852,923</u>	<u>110,057,034</u>
Less: accumulated depreciation	-	-
Net depreciable capital assets	<u>300,642,665</u>	<u>311,193,648</u>
Total non-current capital assets	<u>300,965,638</u>	<u>311,516,621</u>
	<u>849,818,267</u>	<u>715,472,109</u>
Total assets	<u>\$ 849,818,267</u>	<u>\$ 715,472,109</u>
Total deferred outflows of resources - Notes 5, 6		
	\$ 162,911,469	\$ 165,458,631
<b>LIABILITIES</b>		
Current liabilities:		
Trade accounts payable	\$ 306,735,046	\$ 188,983,103
Other accounts payable	21,002,328	19,317,738
Accrued expenses	14,782,658	24,710,509
OPEB - Note 6	2,082,000	8,994,000
Self-insurance, workers' compensation - Note 7	10,595,210	10,193,938
Due to other funds - Note 9	7,185,314	9,411,809
Due to fiduciary funds - Note 9	1,777,995	3,780,102
Due to other governments - Note 9	488,751	960,411
Right to use liabilities - Note 10	52,019,163	49,279,874
Total current liabilities	<u>416,668,465</u>	<u>315,631,484</u>
Non-current liabilities:		
OPEB - Note 6	495,957,000	449,641,000
Self-insurance, workers' compensation - Note 7	47,995,269	48,841,124
Net pension liability - Note 5	487,353,120	562,291,336
Compensated absences - Note 1	24,809,043	21,598,132
Right to use liabilities - Note 10	219,456,956	236,730,099
Total non-current liabilities	<u>1,275,571,388</u>	<u>1,319,101,691</u>
	<u>1,692,239,853</u>	<u>1,634,733,175</u>
Total liabilities	<u>\$ 1,692,239,853</u>	<u>\$ 1,634,733,175</u>
Total deferred inflows of resources - Notes 5, 6		
	\$ 317,940,138	\$ 372,226,836
<b>NET POSITION</b>		
Net investment in capital assets	\$ 300,965,638	\$ 311,516,621
Deficit	<u>(1,298,415,893)</u>	<u>(1,437,545,892)</u>
Total net position	<u>\$ (997,450,255)</u>	<u>\$ (1,126,029,271)</u>

\*The fiscal year (FY) 2019-20 comparative information is adjusted to recognize the estimated impact of GASB Statement No. 87 which has been implemented for the FY 2020-21 reporting period. Under GASB 87, operating leases previously expensed based on payment schedules are reported as assets with associated liabilities for future lease payments. Additionally, certain FY 2019-20 operating expenses and miscellaneous revenues have been reclassified to Cost of Goods Sold and Sales respectively to provide comparability with the FY 2020-21 presentation.

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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, 2021 and April 30, 2020  
(Unaudited)**

	<u>2020-21</u>	<u>2019-20*</u>
Sales net of taxes	\$ 195,911,566	\$ 72,587,228
Cost of goods sold	<u>(135,577,670)</u>	<u>(50,373,535)</u>
Gross profit from sales	60,333,896	22,213,693
Operating (expenses):		
Retail operations	(27,698,583)	(28,689,922)
Marketing & merchandising	(712,366)	(802,520)
Supply chain	(543,248)	(885,644)
Wholesale operations	(129,629)	(155,462)
Information technology services	(2,353,742)	(2,876,529)
Regulatory affairs	(1,106,749)	(1,253,513)
Administration	(740,134)	(831,320)
Finance	(196,975)	(202,243)
Board & secretary	(343,851)	(334,342)
Legal	(251,664)	(255,632)
Commonwealth provided services - Note 2	<u>(1,189,382)</u>	<u>(1,060,929)</u>
Total	<u>(35,266,323)</u>	<u>(37,348,056)</u>
Operating profit/(loss)	25,067,573	(15,134,363)
Other operating revenues (expenses):		
Enforcement fines	99,156	45,135
License fees	1,090,911	2,257,504
Miscellaneous income	1,022,526	41,624
Administrative law judge	<u>(260,008)</u>	<u>(230,920)</u>
Total	<u>1,952,585</u>	<u>2,113,343</u>
Total operating income/(loss)	27,020,158	(13,021,020)
Miscellaneous revenues (expenses):		
Interest income (expense)	(403,994)	(31,099)
Other	-	-
Total	<u>(403,994)</u>	<u>(31,099)</u>
Income/(Loss) before operating transfers	26,616,164	(13,052,119)
Operating transfers out:		
PSP enforcement - Note 3	(3,542,620)	(2,371,406)
<b>Net Income/(Loss) from operations</b>	<b><u>23,073,544</u></b>	<b><u>(15,423,525)</u></b>
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	23,073,544	(15,423,525)
Total net position - beginning	<u>(1,020,523,799)</u>	<u>(1,110,605,746)</u>
Total net position - ending	<u>\$ (997,450,255)</u>	<u>\$ (1,126,029,271)</u>
Liquor tax	35,274,805	12,012,734
State Sales Tax	13,895,861	4,686,924
Local Tax	862,059	248,899
Taxes remitted to Dept.of Revenue PTD	<u>\$ 50,032,725</u>	<u>\$ 16,948,557</u>

\*The fiscal year (FY) 2019-20 comparative information is adjusted to recognize the estimated impact of GASB Statement No. 87 which has been implemented for the FY 2020-21 reporting period. Under GASB 87, operating leases previously expensed based on payment schedules are reported as assets with associated liabilities for future lease payments. Additionally, certain FY 2019-20 operating expenses and miscellaneous revenues have been reclassified to Cost of Goods Sold and Sales respectively to provide comparability with the FY 2020-21 presentation.

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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, 2021 and April 30, 2020**  
**(Unaudited)**

	<u>2020-21</u>	<u>2019-20*</u>
Sales net of taxes	\$ 1,925,744,596	\$ 1,741,386,465
Cost of goods sold	<u>(1,304,753,751)</u>	<u>(1,184,251,337)</u>
Gross profit from sales	620,990,845	557,135,128
Operating (expenses):		
Retail operations	(301,577,046)	(307,078,207)
Marketing & merchandising	(9,913,983)	(10,316,853)
Supply chain	(6,031,564)	(6,708,003)
Wholesale operations	(1,297,840)	(1,419,530)
Information technology services	(22,385,105)	(24,605,400)
Regulatory affairs	(13,188,206)	(15,689,685)
Administration	(7,897,447)	(10,870,973)
Finance	(2,228,948)	(2,519,153)
Board & secretary	(3,047,770)	(3,153,749)
Legal	(2,899,524)	(3,025,517)
Commonwealth provided services - Note 2	<u>(12,462,172)</u>	<u>(13,138,018)</u>
Total	<u>(382,929,605)</u>	<u>(398,525,088)</u>
Operating profit/(loss)	238,061,240	158,610,040
Other operating revenues (expenses):		
Enforcement fines	867,169	1,381,591
License fees	19,995,578	29,001,966
Miscellaneous income	2,763,724	2,364,681
Administrative law judge	<u>(2,273,882)</u>	<u>(2,325,867)</u>
Total	<u>21,352,589</u>	<u>30,422,371</u>
Total operating income/(loss)	259,413,829	189,032,411
Miscellaneous revenues (expenses):		
Interest income (expense)	(3,489,912)	553,221
Other	<u>14,020</u>	<u>4,910</u>
Total	<u>(3,475,892)</u>	<u>558,131</u>
Income/(Loss) before operating transfers	255,937,937	189,590,542
Operating transfers out:		
PSP enforcement - Note 3	(25,038,735)	(25,333,117)
<b>Net Income/(Loss) from operations</b>	<b><u>230,899,202</u></b>	<b><u>164,257,425</u></b>
Statutory Transfers:		
General fund - Note 4	(142,600,000)	(185,100,000)
Drug and alcohol programs - Note 4	-	-
Total	<u>(142,600,000)</u>	<u>(185,100,000)</u>
Change in net position	88,299,202	(20,842,575)
Total net position - beginning	<u>(1,085,749,457)</u>	<u>(1,105,186,696)</u>
Total net position - ending	<u>\$ (997,450,255)</u>	<u>\$ (1,126,029,271)</u>
Liquor tax	345,302,910	311,316,063
State Sales Tax	136,123,052	122,465,309
Local Tax	7,895,205	7,765,438
Taxes remitted to Dept.of Revenue YTD	<u>\$ 489,321,167</u>	<u>\$ 441,546,810</u>

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**OTHER ISSUES**

***Annual Oracle Support Renewal .....Rob McCabe, Chief Information Officer***

Provides technical and application support across the 23 different Oracle applications accessed by our user population of 5,500 different employees. This is required to keep all Oracle applications in good working order. This annual renew is from 6/1/21 to 5/31/22 and the total amount is \$2,578,870.22.

Chief Information Officer Rob McCabe explained that this expense is for the annual support of the Oracle on-premises software solution to ensure continuous functioning of the system. This on-premises solution will eventually be replaced by the cloud-based system that is the subject of the Oracle ERP project known as Project New Horizon. Mr. McCabe advised that his team carefully reviewed and validated the appropriateness of the charges for all the line items.

Board Member Negra asked for confirmation that no Board action is needed on this agenda item because the expense is part of the overall Oracle ERP project spend that has already been approved. Mr. McCabe confirmed that this is part of the already-approved project spend.

**CITIZEN COMMENT/BUSINESS FROM THE FLOOR**

The teleconference moderator confirmed that there was one caller.

Sara Provencio stated that she is a resident of Erie County who has obtained various wine and spirits industry-related certifications and would like to begin hosting educational tastings of spirits. She asked how she can do this lawfully, as she is not a manufacturer of spirits, and does not want to have a bar or other physical location. Rather, for example, she wants to “pack up” five different vodkas and take them to a location where people want to learn about them and to experience them in a tasting-style environment. She has been unable to determine how to do this within applicable regulations.

Chairman Holden requested guidance from Chief Counsel Rodrigo Diaz, who responded that providing alcohol and charging a fee, even when that fee is intended to cover more than just the alcohol, is a violation of the Crimes Code and the Liquor Code because it is considered a “sale” of alcohol. Chief Counsel Diaz noted one way that Ms. Provencio could do this lawfully would be if she did not charge anything. That is, if she only provides alcohol to persons 21 years or older at no charge so people can learn about the alcohol, that would take care of the “sale” issue.

Another way she could do it is to request that people bring their own alcohol so that she would not be considered to be selling it to them. Chief Counsel Diaz stated that if Ms. Provencio would like more detailed information she can write to the Office of Chief Counsel, the email address for which is on the website, and the legal office will identify issues for her.

Ms. Provencio questioned if a catering or event-type permit would work given her set of facts.

Chief Counsel Diaz responded that a catering license does allow for the sale of alcohol off the normal licensed premises; however, the issue is that what she is referring to as a “catering license” is actually an off-premise catering permit that only retail licensees are eligible to obtain. Therefore, unless Ms. Provencio had a restaurant, she would not be able to obtain that off-premise permit.



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Chief Counsel Diaz further explained that what PLCB calls “catering clubs” are essentially private clubs and a private individual would not be able to get the underlying license that would first be needed before an off-premises catering permit would be available. Chief Counsel Diaz referred Ms. Provencio to the Legal section of the PLCB website for answers to a lot of questions like this.

Board Member Negra asked Chief Counsel Diaz whether there is an option whereby Ms. Provencio could work with an existing licensee so that she could get paid by the licensee for educating their customers and the customers would then purchase the alcohol from the licensee. Chief Counsel Diaz stated it is possible to work with a manufacturer and do a wine or distillery exposition permit; however, in that case it would be a different entity selling the alcohol.

**NEXT BOARD MEETING**

**The next meeting of the PLCB will be a formal meeting on Wednesday, June 23, 2021 beginning at 11:00 A.M. Prior to the public meeting, there will be an Executive Session to discuss matters of personnel and to engage in non-deliberative informational discussions, some of which are regarding actions and matters which have been approved at previous public meetings.**

**ADJOURNMENT**

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

The foregoing actions are hereby officially approved.

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Chairman

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Member

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Member

ATTEST:

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Secretary

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**Exhibit A**

	<b>Product Name</b>	<b>Brand</b>	<b>Product Description</b>
1	Hemp Bomb Cbd Gummies 75 mg 12/5 CT	Hemp Bomb	Gummies
2	Hemp Bomb Cbd Gummies 180mg 12/12 CT	Hemp Bomb	Gummies
3	Hemp Bomb Cbd Gummies 240 mg 12/8 CT	Hemp Bomb	Gummies
4	Hemp Bomb Cbd Gummies 600mg 6/20 CT	Hemp Bomb	Gummies
5	Hemp Bomb Cbd Gummies Melatonin 120mg 12/8 CT	Hemp Bomb	Gummies
6	Hemp Bomb Cbd Gummies Melatonin 300mg 6/12CT	Hemp Bomb	Gummies
7	Hemp Bomb Cbd Capsules Crd 75 MG 12/5 CT	Hemp Bomb	Soft Gels
8	Hemp Bomb Cbd Pain Frz Gel 50mg 12/1 OZ	Hemp Bomb	Cream
9	Hemp Bomb Cbd Oil Peppermint 300ml 6/1 OZ	Hemp Bomb	Tinctuure
10	Hemp Bomb Cbd Oil Watermelon 300ml 6/1 OZ	Hemp Bomb	Tinctuure
11	Solari Softgel Capsules 150 mg 6/5 ct	Solari	Soft Gels
12	Solari Gummies 100mg 6/10ct	Solari	Gummies
13	Solari CBD Oil Tropical 198 mg/6ct	Solari	Tinctuure
14	Solari Warming Balm Tin 150 mg 6/ct	Solari	Cream
15	Solari Tincture Mint Oil 500 mg 6/ct	Solari	Tinctuure
16	Solari Tincture Lemon Oil 250 mg 6/ct	Solari	Tinctuure
17	Solari Pain Cream Cream 300 mg	Solari	Cream
18	Cannadip CBD Fresh Wintergreen 10mg/5ct	Cannadips	CBD Infused pouches
19	Cannadip CBD Full Amer Red 10mg/5ct	Cannadips	CBD Infused pouches
20	Cannadip CBD Natural Mint 10mg/5ct	Cannadips	CBD Infused pouches
21	Cannadip CBD Tangy Citrus 10mg/5ct	Cannadips	CBD Infused pouches
22	Cannadip CBD Mint 10mg/5ct	Cannadips	CBD Infused pouches
23	Floyd's StrawberryGems 50 mg	Floyd's	Gummies
24	Floyd's Soft Gels 5 Ct 25 mg	Floyd's	Soft Gels
25	RAW KARMA CBD CALM CIDER	Raw Karma	Beverage
26	RAW KARMA CBD MIND CIDER	Raw Karma	Beverage

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104547	R20011	Restaurant	(pending)	RUTTERS #16	362 N MAIN ST LOGANVILLE PA 17342	Loganville Borough	York County
104571	R18241	Restaurant	(pending)	RUTTERS 35	1090 OLD TRAIL RD GOLDSBORO PA 17319-9391	Newberry Twp	York County
104592	R16087	Restaurant	(pending)	RUTTERS #92	15475 KUTZTOWN RD KUTZTOWN PA 19530-9348	Maxatawny Twp	Berks County
104598	R18152	Restaurant	(pending)	RUTTERS #49	2345 CARLISLE RD YORK PA 17404	West Manchester Twp	York County
104640	R18421	Restaurant	(pending)	RUTTERS #5	6837 LINCOLN WAY E FAYETTEVILLE PA 17222	Greene Twp	Franklin County
105024	R2830	Restaurant	(pending)	RUTTERS 91	5261 & 5267 LINCOLN HWY GAP PA 17571	Salisbury Twp	Lancaster County
105100	R18108	Restaurant	(pending)	RUTTERS 72	4498 LINCOLN WAY W ST THOMAS PA 17252	St Thomas Twp	Franklin County
105100	R18108	Restaurant	(pending)	RUTTERS 72	4498 LINCOLN WAY W ST THOMAS PA 17252	St Thomas Twp	Franklin County
105334	R17989	Restaurant	(pending)	RUTTERS #33	661 BROADWAY HANOVER PA 17331	Hanover	York County
105343	R15750	Restaurant	(pending)	RUTTERS #66	1455 YORK RD CARLISLE PA 17015	Monroe Twp	Cumberland County
84168	R18351	Restaurant	(pending)	CHR CORP	201 COOL SPRINGS RD WRIGHTSVILLE PA 17368-9350	Hellam Twp	York County
99195	R21466	Restaurant	(pending)	RUTTERS #30	2 S BROAD ST NEW FREEDOM PA 17349	New Freedom	York County
73095	R15914	Restaurant	Active	CHR CORP	141 S POTOMAC ST WAYNESBORO PA 17268-2619	Waynesboro	Franklin County
73294	R16937	Restaurant	Active	CHR CORP	2215 OLD TRAIL RD ETTERS PA 17319-9628	Newberry Twp	York County
80507	R17365	Restaurant	Active	CHR CORP	370 W MAIN ST LEOLA PA 17540	Upper Leacock Twp	Lancaster County
80854	R32741	Restaurant	Active	CHR CORP	378 N MAIN ST MERCERSBURG PA 172361728	Mercersburg	Franklin County
81953	R16371	Restaurant	Active	CHR CORP	100 GRAND ST HAMBURG PA 19526	Hamburg	Berks County
82487	R11683	Restaurant	Active	CHR CORP	2800 VINE ST MIDDLETOWN PA 17057-3032	Londonderry Twp	Dauphin County
83744	R12759	Restaurant	Active	CHR CORP	910 S RICHLAND AVE YORK PA 17403-3448	Spring Garden Twp	York County
84168	R18351	Restaurant	Active	CHR CORP	201 COOL SPRINGS RD WRIGHTSVILLE PA 17368-9350	Hellam Twp	York County

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84228	R20852	Restaurant	Active	CHR CORP	405 HISTORIC DR STRASBURG PA 17579	Strasburg	Lancaster County
84828	R17599	Restaurant	Active	CHR CORP	8210 DERRY ST HUMMELSTOWN PA 17036- 9304	Swatara Twp	Dauphin County
86327	R20050	Restaurant	Active	CHR CORP	3849 HEMPLAND RD MOUNTVILLE PA 17554	West Hempfield Twp	Lancaster County
86494	R7125	Restaurant	Active	CHR CORP	935 PLANK RD DUNCANSVILLE PA 16635	Allegheny Twp	Blair County
87164	R36445	Restaurant	Active	CHR CORP	77 BENVENUE RD DUNCANNON PA 17020	Reed Twp	Dauphin County
88779	R36292	Restaurant	Active	CHR CORP	1391 S MAIN ST CHAMBERSBURG PA 17201- 8617	Chambersburg	Franklin County
88780	R37323	Restaurant	Active	CHR CORP	4425 W MARKET ST YORK PA 17408	West Manchester Twp	York County
88781	R37997	Restaurant	Active	RUTTER'S	129 LEADER HEIGHTS RD YORK PA 17402	York Twp	York County
89838	R36097	Restaurant	Active	CHR CORP	1520 PENNSYLVANIA AVE YORK PA 17404	York City	York County
89896	R18379	Restaurant	Active	CHR CORP	2115 E BERLIN RD EAST BERLIN PA 17316-9482	Reading Twp	Adams County
90244	R15064	Restaurant	Active	RUTTERS	1009 YORK ST HANOVER PA 17331	Penn Twp	York County
90245	R21151	Restaurant	Active	CHR CORP	899 N US ROUTE 15 DILLSBURG PA 17019	Carroll Twp	York County
90246	R20117	Restaurant	Active	CHR CORP	160 N HILLS RD YORK PA 17402-2368	Springettsbury Twp	York County
90247	R19392	Restaurant	Active	CHR CORP	509 GREENBRIAR RD YORK PA 17404	Manchester Twp	York County
90293	R699	Restaurant	Active	CHR CORP	234 KUHN LANE DUNCANSVILLE PA 16635	Allegheny Twp	Blair County
90642	R16886	Restaurant	Active	CHR CORP	368 LEWISBERRY RD NEW CUMBERLAND PA 17070	Fairview Twp	York County
90753	R21387	Restaurant	Active	CHR CORP	700 W MARKET ST HELLAM PA 17406	Hellam Twp	York County
91125	R18285	Restaurant	Active	CHR CORP	2125 SUSQUEHANNA TRAIL YORK PA 17404	Manchester Twp	York County
91553	R37594	Restaurant	Active	CHR CORP	2490 CAPE HORN RD YORK PA 17402	York Twp	York County
92361	R17272	Restaurant	Active	CHR CORP	14 W PENNSYLVANIA AVE STEWARTSTOWN PA 17363	Stewartstown	York County

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92445	R16121	Restaurant	Active	RUTTERS STORE 29	714 W MAIN ST MECHANICSBURG PA 17055	Mechanicsburg	Cumberland County
92562	R40195	Restaurant	Active	CHR CORP	15 NEW ENTERPRISE DR LEESPORT PA 19533	Ontelaunee Twp	Berks County
92640	R20962	Restaurant	Active	RUTTERS	3000 6TH AVE ALTOONA PA 16602-1918	Altoona	Blair County
92676	R41547	Restaurant	Active	RUTTERS	1621 W CUMBERLAND ST LEBANON PA 17042	West Lebanon Twp	Lebanon County
95270	R18972	Restaurant	Active	CHR CORP	SE COR OF RISHELL RD & BENNER PIKE SR 150 BELLEFONTE PA 16823	Benner Twp	Centre County
96169	R20797	Restaurant	Active	RUTTERS	1400 BALTIMORE ST HANOVER PA 17331	Penn Twp	York County
97548	R44740	Restaurant	Active	RUTTERS #7	2251 N GEORGE ST YORK PA 17404	Manchester Twp	York County
98381	R15962	Restaurant	Active	RUTTERS #96	20 COMMERCE DR MILROY PA 17063	Armagh Twp	Mifflin County
99195	R21466	Restaurant	Active	RUTTERS #30	2 S BROAD ST NEW FREEDOM PA 17349	New Freedom	York County
92676	R41547	Restaurant	Active	RUTTERS	1621 W CUMBERLAND ST LEBANON PA 17042	West Lebanon Twp	Lebanon County
96169	R20797	Restaurant	Active	RUTTERS	1400 BALTIMORE ST HANOVER PA 17331	Penn Twp	York County
104719	R47095	Restaurant	Safekeeping	RUTTERS 68	798 W MAIN ST ANNVILLE PA 17003	South Anville Twp	Lebanon County
86328	R15966	Restaurant	Safekeeping	CHR CORP	1160 CENTRE TURNPIKE ORWIGSBURG PA 17961	West Brunswick Twp	Schuylkill County
92369	R38896	Restaurant	Safekeeping	CHR CORP	NW CORNER OF E PLEASANT VALLEY AND SABBATH REST RD ALTOONA PA 16602	Antis Twp	Blair County