

PENNSYLVANIA LIQUOR CONTROL BOARD

MEETING MINUTES

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WEDNESDAY, MARCH 1, 2023

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

Tim Holden, Chairman
Mary Isenhour, Board Member
Randy Vulakovich, Board Member
Michael Demko, 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*

Board Secretary Michael Vigoda 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 acknowledged the presence of and introduced the new Commander of the PSP BLCE, Major Chris Neal and his counsel, Chris Herrington.

OLD BUSINESS..... *Secretary Vigoda*

- A. Motion to approve previous Board Meeting Minutes of the February 8, 2023 meeting.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

PUBLIC COMMENT

Peter Laurenzano was recognized by the Board to make comment. He reminded the Board that at the last meeting they refused to reinstate his license and repeated his argument that the website was not maintained properly. He directed pointed questions to Chief Counsel Diaz about the frequency and schedule of updates to the website and the overall functionality of the website. Mr. Diaz reminded Mr. Laurenzano that when the PLCB was made aware that he was having difficulty with the website, Mr. Laurenzano was given direct contact information of an employee within the PLCB who would assist with the application; however, Mr. Laurenzano never filed an application. When Mr. Laurenzano continued to ask questions about the website and describe difficulty in accessing the website, Mr. Diaz also pointed out that Mr. Laurenzano was given an alternative means to submit an application and all of this information has already been considered by the Board.

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Mr. Diaz once again outlined that the Board has made their decision. He went on to say that if Mr. Laurenzano is dissatisfied with the result, he has the option to seek relief in the Court of Common Pleas, which has the right to make its own independent assessment of the case and its own decision.

Mr. Laurenzano remained focused on questioning the functionality of the website, the additional extensions he was afforded as a result, and accused PLCB employees of arbitrarily applying discretion to assist him.

Mr. Diaz again reiterated that this issue cannot be litigated at a Board meeting and that if Mr. Laurenzano believes the Board has done something incorrectly, his argument needs to be taken to Court of Common Pleas.

Chairman Holden attempted to step in, and Mr. Laurenzano then directed questions to him about the use of discretion. Mr. Diaz interjected and explained that the Board could no longer provide relief and that he needed to go to the Court of Common Pleas to seek relief. Mr. Laurenzano repeated his argument about the perceived inconsistent use of discretion when making decisions, stating that other employees applied discretion when assisting him with his application process, but Mr. Diaz and the Board refused to use discretion.

Mr. Laurenzano questioned if he should go to the Governor’s office because he does not trust the Courts and asked that Mr. Diaz and the Board review the material he provided and meet with him before they go to court. He also requested that the Board corrects the mistake they made.

Mr. Laurenzano asked about the fees he would owe if the license got reinstated. Mr. Diaz stated that unless and until an appeal is filed, this conversation should be over.

Chairman Holden and Board Member Isenhour interjected and stated they need to move on. After a few more exchanges, Chairman Holden requested that Secretary Vigoda move on to new business.

NEW BUSINESS

From the Office of Chief CounselRodrigo Diaz, Chief Counsel

- | | |
|---|--|
| <p>(1) Spotted Chai, LLC
 520 East Ohio Street
 Pittsburgh, Pennsylvania 15212
 License No. R-7678/LID 112499</p> <p>Motion Made: Board Member Isenhour
 Seconded: Board Member Vulakovich</p> <p>Board Decision: Unanimously agreed (3-0 vote) to rescind the conditional licensing agreement.</p> | <p>Request for Rescission of
 Conditional Licensing
 Agreement</p> |
| <p>(2) Proposed Regulatory Change – Distilleries</p> | <p>Proposed-Form Regulatory
 Change</p> |

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Motion Made: Board Member Isenhour

Board Member Isenhour asked for background from Chief Counsel Diaz. Mr. Diaz summarized and advised that the proposed regulatory change is not intended to provide any substantive changes. However, the regulations need to be brought up to date to be consistent with the Liquor Code as it is currently written. An internal review of an earlier draft also proposed to make cross references to certain safety requirements that are found in other statutes such as federal Law or Labor and Industry rules. A discussion with industry members communicated their satisfaction that the safety requirements were already imposed on them, and it was decided that there was no need for cross reference. This proposed regulation, if approved, will be published in the PA Bulletin, given to the oversight committees, reviewed for public comments, then presented back to the board with a final form of the regulation.

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the proposed regulatory change and initiate the regulatory review process.

(3) **Rob's Pub & Grub, LLC** ALJ Appeal
232-234 Nesbitt Street
Larksville
Plymouth, PA 18651-1237
License No. R-4198/LID 80590
Citation No. 20-0971

Board Member Isenhour asked for background from Chief Counsel Diaz. Mr. Diaz explained that the following twenty-three ALJ cases were coming before the Board. All of the cases have facts in common and none of the facts are being disputed in any of these cases. Most of the appeals center on the COVID regulations and whether the ALJ had the authority to impose fines and penalties.

Mr. Diaz noted that this was an issue the Board had dealt with previously in the *Intoxicology* case, where the ALJ adopted the Board's opinion in order to address all of the legal issues. Mr. Diaz suggested that he would specify the penalty imposed for each citation before the Board decided whether to affirm.

Board Member Isenhour sought confirmation that by affirming the ALJ, the Board is being consistent with all of the prior decisions, and Mr. Diaz provided that confirmation.

Motion Made: Board Member Isenhour

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

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- (4) **Rob's Pub & Grub, LLC** ALJ Appeal
232-234 Nesbitt Street
Larksville
Plymouth, PA 18651-1237
License No. R-4198/LID 80590
Citation No. 20-972

Mr. Diaz explained this is a COVID case with an imposed penalty of a \$750.00 fine not yet paid and a one-day suspension of the license which has not yet been served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (5) **Rob's Pub & Grub, LLC** ALJ Appeal
232-234 Nesbitt Street
Larksville
Plymouth, PA 18651-1237
License No. R-4198/LID 80590
Citation No. 20-1090

Mr. Diaz explained this is a COVID violation with an imposed penalty of a \$1,000.00 fine not yet paid and a one-day suspension of the license not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (6) **Rob's Pub & Grub, LLC** ALJ Appeal
232-234 Nesbitt Street
Larksville
Plymouth, PA 18651-1237
License No. R-4198/LID 80590
Citation No. 20-1118

Mr. Diaz explained this is a COVID violation with an imposed penalty of a \$1,000.00 fine not yet paid and a twenty-day suspension of the license not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

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- (7) **Rob's Pub & Grub, LLC** ALJ Appeal
232-234 Nesbitt Street
Larksville
Plymouth, PA 18651-1237
License No. R-4198/LID 80590
Citation No. 21-0433

Mr. Diaz explained this is a three-count violation with the first two counts involving the Clean Air Act. The third count is a COVID violation. The ALJ imposed an aggregate penalty of a \$1,300.00 fine not yet paid and a three-day suspension of the license not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

There was some confusion and Secretary Vigoda repeated Citation 21-0433. However, this time, Mr. Diaz explained it was a COVID violation with a four-day license suspension and a \$1,000 fine.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (8) **Rob's Pub & Grub, LLC** ALJ Appeal
232-234 Nesbitt Street
Larksville
Plymouth, PA 18651-1237
License No. R-4198/LID 80590
Citation No. 21-0560

Mr. Diaz explained this is a three-count COVID violation with an aggregate penalty of a \$1,000.00 fine not yet paid and a five-day suspension of the license not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

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- (9) **Rob's Pub & Grub, LLC** ALJ Appeal
232-234 Nesbitt Street
Larksville
Plymouth, PA 18651-1237
License No. R-4198/LID 80590
Citation No. 21-0239

Mr. Diaz explained this is a smoking and COVID violation with an aggregate penalty of a \$1,300.00 fine not yet paid and a three-day suspension of the license not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (10) **Sanria LLC** ALJ Appeal
t/a Jigger's
5835-5839 Washington Avenue
Export, PA 15632-1331
License No. R-4927/LID 62227
Citation Nos. 20-0829

Mr. Diaz explained this is a two-count violation, one for smoking and one for COVID, with an aggregate penalty of a \$1,300 fine which has already been paid.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision.

- (11) **Sanria LLC** ALJ Appeal
t/a Jigger's
5835-5839 Washington Avenue
Export, PA 15632-1331
License No. R-4927/LID 62227
Citation Nos. 21-0354

Mr. Diaz explained this is a five-count violation: two counts for smoking and three counts for COVID. The aggregate penalty is a \$3,700.00 fine and a thirty-day license suspension. The fine has been paid; however, the suspension has not been imposed.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

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- (12) **Bonniebrook Club House & Golf Course LLC** ALJ Appeal
t/a Bonniebrook Club House & Golf Course
104 Serene Lane
Butler, PA 16002-7201
License No. PGR-36224/LID 89738
Citation Nos. 21-0114

Mr. Diaz explained this is a two-count COVID violation with an aggregate penalty of a five-day suspension not yet served and a \$2,000.00 fine not yet paid.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ’s decision and remand for action.

- (13) **Bonniebrook Club House & Golf Course LLC** ALJ Appeal
t/a Bonniebrook Club House & Golf Course
104 Serene Lane
Butler, PA 16002-7201
License No. PGR-36224/LID 89738
Citation Nos. 21-0279

Mr. Diaz explained this is a four count COVID violation with an aggregate penalty of a \$4,000 fine not yet paid and a seventy day license suspension not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ’s decision and remand for action.

- (14) **Brandy’s On Main Inc.** ALJ Appeal
t/a Café Supreme
200 Main Street
Irwin, PA 15642-3442
License No. R-17864/LID 96970
Citation Nos. 20-0844

Mr. Diaz explained this is a single count COVID violation with a penalty of a \$1,000 fine not yet paid.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ’s decision and remand for action.

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- (15) **Brandy's On Main Inc.** ALJ Appeal
t/a Café Supreme
200 Main Street
Irwin, PA 15642-3442
License No. R-17864/LID 96970
Citation Nos. 20-1061

Mr. Diaz explained this is a single count COVID violation with a penalty of a \$1,000 fine not yet paid and a five-day suspension not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (16) **Brandy's On Main Inc.** ALJ Appeal
t/a Café Supreme
200 Main Street
Irwin, PA 15642-3442
License No. R-17864/LID 96970
Citation Nos. 21-0109

Mr. Diaz explained this is a single count COVID violation with a penalty of a \$1,000 fine not yet paid and a ten-day license suspension not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (17) **Brandy's On Main Inc.** ALJ Appeal
t/a Café Supreme
200 Main Street
Irwin, PA 15642-3442
License No. R-17864/LID 96970
Citation Nos. 21-0470

Mr. Diaz explained this is a single count COVID violation with a penalty of a \$1,000 fine not yet paid and a fifteen-day license suspension not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

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- (18) **Dr. Adams, Ltd.** ALJ Appeal
t/a Luciano's
161 Scharberry Lane
Mars, PA 16046
License No. R-16680/LID 59058
Citation No. 21-0431

Mr. Diaz explained this is for two COVID violations occurring on different dates with an aggregate penalty of a \$2,000 fine not yet paid and a five-day license suspension not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (19) **JDCF LLC** ALJ Appeal
t/a Perky Café
400 Brower Avenue
Phoenixville, PA 19460-6122
License No. R-18676/LID 65737
Citation No. 21-0105

Mr. Diaz explained this is a single count COVID violation with a penalty of a \$1,000 fine, which has been paid.

Motion Made: Board Member Isenhour

Board Member Vulakovich asked whether there was a suspension involved with this citation. Mr. Diaz explained that the order consists of a short opinion indicating the procedural history, and an adoption of the Board decision from the *Intoxicology* case. Therefore, the last page refers to the orders specific to the *Intoxicology* case. There was no suspension imposed. Board Member Vulakovich confirmed that he understood.

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision.

- (20) **Pocono Enterprise Co.** ALJ Appeal
316-318 South Main Street
Shenandoah, PA 17976-2341
License No. R-14072/LID 72244
Citation No. 20-1008

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Mr. Diaz explained this is a single count COVID violation with a penalty of a \$1,000 fine not yet paid.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (21) **Pocono Enterprise Co.** ALJ Appeal
316-318 South Main Street
Shenandoah, PA 17976-2341
License No. R-14072/LID 72244
Citation No. 21-0057

Mr. Diaz explained this is a single count COVID violation with a penalty of a \$1,000 fine not yet paid and a five-day license suspension not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (22) **Pocono Enterprise Co.** ALJ Appeal
316-318 South Main Street
Shenandoah, PA 17976-2341
License No. R-14072/LID 72244
Citation No. 21-0290

Mr. Diaz explained this is a single count COVID violation with a penalty of a \$1,000 fine not yet paid and a ten-day license suspension not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (23) **Sandi's Country Bar & Grill Ltd.** ALJ Appeal
8804 Somerset Pike
Boswell, PA 15531-2805
License No. R-7163/LID 44081
Citation Nos. 20-1138

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Mr. Diaz explained this is a single count COVID violation with a penalty of a \$1,000 fine not yet paid.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (24) **Sandi's Country Bar & Grill Ltd.** ALJ Appeal
8804 Somerset Pike
Boswell, PA 15531-2805
License No. R-7163/LID 44081
Citation Nos. 21-0079

Mr. Diaz explained this is a two count COVID violation with an aggregate penalty of a \$1,000 fine not yet paid and a license suspension not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

- (25) **Sandi's Country Bar & Grill Ltd.** ALJ Appeal
8804 Somerset Pike
Boswell, PA 15531-2805
License No. R-7163/LID 44081
Citation Nos. 21-0168

Mr. Diaz explained this is a single count COVID violation with a penalty of a \$1,000 fine not yet paid and a ten-day license suspension not yet served.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ's decision and remand for action.

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

- (1) **64 Beer Store, LLC** Double Transfer & Request for
t/a 64 Beer Store Interior Connections with Another
D-3986 (LID No. 114135) Business –
6102 Nittany Valley Drive Distributor
Porter Township
Mill Hall, Clinton County

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Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve transfer and the request for an interior connection with another business.

- (2) **1606 Investments, LLC** Double Transfer – Restaurant
R-16573 (LID No. 110235) Case No. 22-9123
2623 Penn Avenue
Pittsburgh, Allegheny County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

- (3) **BBPA-1, LLC** Renewal – Restaurant
R-2349 (LID No. 69516) Case No. 21-9092
1109 Walnut Street
Philadelphia, Philadelphia County

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone in the listening audience representing BBPA-1, LLC who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

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

- (4) **Crescent Lodge, Inc.** Renewal – Hotel
t/a Crescent Lodge
H-4561 (LID No. 7227) Case No. 22-9004
5854 Paradise Valley Road
Paradise Township
Cresco, Monroe County

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone in the listening audience representing Crescent Lodge, Inc. who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

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

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- (5) **Dante & Luigi's, Inc.** Request for Hearing after
R-4886 (LID No. 37861) Case No. 22-9137 Administrative Cancellation –
760-762 South 10th Street Extension of License –
Philadelphia, Philadelphia County Restaurant
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to reinstate and approve the extension of the license.
- (6) **Davinci, Ltd.** Renewal – Restaurant
t/a Davinci's Pizza
R-15363 (LID No. 85309) Case No. 22-9017
505 Linden Street
Scranton, Lackawanna County
- Motion Made:** Board Member Isenhour
- Chairman Holden asked if there was anyone in the listening audience representing Davinci, Ltd. who wished to be recognized. There was no response.
- Seconded:** Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to refuse the renewal.
- (7) **Frontier Club** Renewal with Notice of Change in
C-4134 (LID No. 1898) Case No. 22-9148 Officers – Club
327 Depot Street
Latrobe, Westmoreland County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal and notice of change in officers.
- (8) **HOP Fidelity, LLC** New & Request to Conduct Another
t/a HOP Fidelity Business on the Licensed Premises
(LID No. 113370) – Brewery
121 West Market Street
West Chester, Chester County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to approve the new brewery and request to conduct another business on the licensed premises.

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- (9) **JSK Reading, LLC** Renewal – Hotel
t/a The Inn at Reading
H-39281 (LID No. 92119) Case No. 21-9110
1040 Park Road
Wyomissing, Berks County

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone in the listening audience representing JSK Reading, LLC. who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

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

- (10) **KRG Kings, LLC** Renewal – Restaurant
t/a Kings Family Restaurant
R-7901 (LID No. 87158) Case No. 21-9104
950 Presque Isle Drive
Pittsburgh, Allegheny County

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone in the listening audience representing KRG Kings, LLC. who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

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

- (11) **The Lion Brewery, Inc.** New & Request for Interior
(LID No. 113737) Connections
1001 Sathers Drive with Other Businesses – Brewery
Pittston Township Storage
Pittston, Luzerne County

Motion Made: Board Member Isenhour

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve new brewery storage and request for an interior connection with other business.

- (12) **Marrakesh East Coasts Premier Moroccan** Renewal – Restaurant
Restaurant, Inc.
R-3836 (LID No. 58237) Case No. 21-9111
517 South Leithgow Street
Philadelphia, Philadelphia County

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

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone in the listening audience representing Marrakesh East Coast Premier Moroccan Restaurant, Inc. who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

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

- (13) **Mt. Gretna Entertainment, Inc.** Appointment of Manager – Hotel
t/a Mt. Gretna Hideaway
H-4056 (LID No. 62807) Case No. 22-9145
40 Boulevard Street
P.O. Box 317
West Cornwall Township
Mt. Gretna, Lebanon County

Motion Made: Board Member Isenhour

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the appointment of manager.

- (14) **Palmer Township Fire Co.** Renewal with Notice of Change in
CC-4418 (LID No. 3665) Case No. 22-9111 Officers – Catering Club
950 South 27th Street **HOLD 2/8/23 SESSION FOR CLA**
Palmer Township
Easton, Northampton County

Motion Made: Board Member Isenhour

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the renewal with notice of change in officers with a conditional licensing agreement.

- (15) **RT Property Management, LLC** Renewal – Restaurant
t/a South City Tavern
R-17224 (LID No. 55169) Case No. 21-9112
2328 East Carson Street
Pittsburgh, Allegheny County

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone in the listening audience representing RT Property Management, LLC who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

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

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

- (16) **Ronak Foods, LLC** Request for Hearing after
R-13498 (LID No. 64337) Case No. 22-9128 Revocation –
300 West Baltimore Avenue Restaurant
Upper Darby Township
Clifton Heights, Delaware County

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone in the listening audience representing Ronak Foods, LLC who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to affirm the revocation and the license will remain revoked.

- (17) **Walter E. Skrobat** Renewal – Restaurant
R-13305 (LID No. 94207) Case No. 22-9011
211 East 2nd Street
Oil City, Venango County

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone in the listening audience representing Walter E. Skrobat who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

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

- (18) **Willowcreek Golf Club, Inc.** Renewal – Privately-Owned Public
t/a Donegal Highlands Golf Course Golf Course
PGR-83 (LID No. 29876) Case No. 22-9007
141 Clay Pike Road
P.O. Box 140
Mount Pleasant Township
Acme, Westmoreland County

Motion Made: Board Member Isenhour

Chairman Holden asked if there was anyone in the listening audience representing Willowcreek Golf Club, Inc. who wished to be recognized. There was no response.

Seconded: Board Member Vulakovich

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

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

- (19) **2347 Beradi Enterprises, Inc.** Renewal – District 10
R-1246 (LID No. 9866) Case No. 2020-9866
2347 Clearfield St
Philadelphia, Philadelphia County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.
- (20) **2769 Ly, Inc.** Renewal – District 10
R-7053 (LID No. 49069) Case No. 2020-49069
2769-71 Kensington Ave
Philadelphia, Philadelphia County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal.
- (21) **4931 Liu, Inc.** Renewal – District 10
R-5426 (LID No. 57164) Case No. 2020-57164
4931-33 Wayne Ave
Philadelphia, Philadelphia County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.
- (22) **Almost Home in Nanty Glo, LLC** Renewal – District 1
R-2426 (LID No. 97739) Case No. 2021-97739
997 1st St
Nanty Glo, Cambria County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.

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

- (23) **Bad Beightley, LLC** Renewal – District 6
t/a Whiskey Rhythm
R-13739 (LID No. 93312) Case No. 2022-93312
1198 Pennsylvania Ave
Monaca, Beaver County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement and offer in compromise.
- (24) **BCLT, Inc** Renewal – District 5
t/a Ace’s & Deuce’s
R-10019 (LID No. 49876) Case No. 2021-49876 **Conditional Licensing Agreement**
1400 Fifth Ave
Pittsburgh, Allegheny County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal with a conditional licensing agreement, offer in compromise.
- (25) **F R Wholesale, Inc.** Renewal – District 8
t/a Rodanos
R-13303 (LID No. 60392) Case No. 2022-60392
53 Public Sq
Wilkes Barre, Luzerne County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal.
- (26) **Five Kids Between Us LLC** Renewal – District 6
t/a Whiskey Throttled
R-17306 (LID No. 98483) Case No. 2022-98483 **HOLD 1/11/23 SESSION**
12416 US Route 422
Kittanning, Armstrong County **Conditional Licensing Agreement**
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to approve renewal with a conditional licensing agreement.

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

- (27) **HMR Communications Inc** Renewal – District 6
R-17700 (LID No. 43320) Case No. 2022-43320
1145 Greensburg Pk **HOLD 1/11/23 SESSION**
West Newton **Conditional Licensing Agreement**
Sewickley Township, Westmoreland County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

- (28) **HMR Communications Inc** Renewal – District 6
R-19213 (LID No. 73043) Case No. 2022-73043
132 March St PO Box 458 **HOLD 1/11/23 SESSION**
Yukon **Conditional Licensing Agreement**
South Huntingdon Township, Westmoreland County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

- (29) **HMR Communications Inc** Renewal – District 6
t/a Allenport Marina
R-12447 (LID No. 96002) Case No. 2022-96002 **HOLD 1/11/23 SESSION**
1933 Main St PO Box 15 **Conditional Licensing Agreement**
Allenport, Washington County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

- (30) **J B Beer Distributor Inc** Renewal – District 6
Trading as Carmichaels Beer Distributor
D-3967 (LID No. 58463) Case No. 2022-58463
558 RTE 88
Carmichaels, Greene County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to hold for conditional licensing agreement

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

- (31) **MS Depot, LLC** Renewal – District 4
R-2429 (LID No. 64455) Case No. 2022-64455
61 W Lehigh St
Bethlehem, Lehigh County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.
- (32) **Orsi Enterprises, LLC** Renewal – District 6
R-12521 (LID No. 72070) Case No. 2022-72070
342 W Pike St
Canonsburg, Washington County
- HOLD 1/11/23 SESSION**
Conditional Licensing Agreement
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to approve the renewal with a conditional licensing agreement.
- (33) **Pizzette Pizza, Inc.** Renewal – District 4
R-8069 (LID No. 87876) Case No. 2022-87876
191 W Main St
Macungie, Lehigh County
- Motion Made:** Board Member Isenhour
- Board Member Vulakovich questioned if the reason for the motion to hold was to develop a conditional licensing agreement. Board Member Isenhour clarified this would just be a hold. Chairman Holden confirmed that Board Member Isenhour is correct.
- Seconded:** Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to hold.
- (34) **Plenty Queen Village, LLC** Renewal – District 10
R-6378 (LID No. 72122) Case No. 2020-72122
705-707 S 5th St
Philadelphia, Philadelphia, County
- Motion Made:** Board Member Isenhour
Seconded: Board Member Vulakovich
- Board Decision:** Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.

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

- (35) **Rialto, Inc.** Renewal – District 6
t/a Rialto
R-2952 (LID No. 10749) Case No. 2022-10749
25 W Otterman St 112 & 114 N Pennsylvania Ave
Greensburg, Westmoreland County **Conditional Licensing Agreement**

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the renewal with a conditional licensing agreement, offer in compromise.

- (36) **SAP Investments, LLC** Renewal – District 6
R-12916 (LID No. 72725) Case No. 2022-72725
591 Perry Rd
Perryopolis, Fayette County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to hold for conditional licensing agreement.

- (37) **Edward A. Sunafrank** Renewal – District 7
t/a Tack's Inn
H-3374 (LID No. 55450) Case No. 2021-55450
7034 Rte 219
P,O, Box 252
Lewis Run, McKean County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

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

- (38) **Tomato Bar, Inc.** Renewal – District 8
t/a Tomato Bar
R-13103 (LID No. 66378) Case No. 2022-66378
7 Tomato Festival Dr
Pittston, Luzerne County

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to hold for a conditional licensing agreement.

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

(39) **Zachary Zancofsky**
t/a Zachary M Zancofsky
R-12262 (LID No. 66407) Case No. 2021-66407
339 Claremont Ave
Tamaqua, Schuylkill County

Renewal – District 3

HOLD 11/10/22 SESSION

Conditional Licensing Agreement

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the renewal with a 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 22 personnel actions presented for consideration.

- (1) **Alexis Anthony – Affirm Removal**
- (2) **Moriah Brevard – Removal**
- (3) **George Cordavari – Removal**
- (4) **Alexander Danner - Removal**
- (5) **Nina Deleonardis – Affirm Removal**
- (6) **Typrea Dorsey – Removal**
- (7) **Dominic Dunkelberger – Affirm Removal**
- (8) **Nideyah Duren - Removal**
- (9) **Chester Hughes – Removal**
- (10) **Edwina Jenkins – Removal**
- (11) **John Johnson - Removal**
- (12) **Kaylin Kirksey - Removal**
- (13) **Sierra Michelman – Affirm Removal**
- (14) **Michael Myers – Removal**
- (15) **Lyle Petrulli – Removal**

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- (16) **Kristopher Powell – Affirm Removal**
- (17) **Taris Sandling - Removal**
- (18) **Nyfise Stokes – Removal**
- (19) **Oluwamuyiwa Togun – Affirm Removal**
- (20) **Andrew Wallace – Removal**
- (21) **John Willis – Affirm Removal**
- (22) **Jmya Woodson – Affirm Removal**

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the recommendations from the Bureau of Human Resources.

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

Procurement Actions:

- (1) **Application Manager/AppWorx Maintenance Renewal** - AppWorx is used to schedule and run jobs in the IBMS/ERP system. This software keeps the Agency’s various systems working together by scheduling/running and reporting errors that have occurred.

Procured via DGS Contract #4400018548 – VENDOR: **CDW-G** – TERM: One year for period 5/13/2023 through 5/12/2024 - **\$241,211.32 estimated cost** which represents a 10.30% increase over last year’s cost of \$218,683.69.

- (2) **Grates and Overhead Door Repair and Maintenance** – This request is for preventative maintenance, inspection, and repairs within two Licensee Service Centers and 21 Fine Wine & Good Spirits Stores located in Delaware and Montgomery Counties, and the City of Philadelphia.

Procured via IFB #270013 – VENDOR: **Abstract Overhead Door Company** – TERM: One Year for period 3/1/2023 through 2/29/2024 **\$225,000.00 estimated cost.**

- (3) **ZAPTEST Expert Software Testing Tool Renewal** - Software used to develop functional, Load and performance testing scripts. These scripts will be used to provide automated load and performance testing on the new E-Commerce web site. The tool can also be used to develop the same for the Agency's other systems as well. Information Technology departments are moving in the direction of continuous integration and continuous development (CI/CD). Once the test scripts are created they can be set up to automatically run as part of this CI/CD process on any system. This helps ensure the systems can handle expected load and any issues that may be caused by enhancements can be detected as early as possible in the development lifecycle.

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Procured via DGS Contract #4400018548 – VENDOR: **CDW-G** – TERM: One year for period 3/20/2023 through 3/19/2024 - **\$169,065.01 estimated cost** which represents a 5% increase over last year’s cost of \$161,015.06.

Inter-Agency Charges:

- (1) **Department of Auditor General** – FY 2022-23 second quarter net billing of \$767,132.56 from the Department of the Auditor General. The billing is \$14,324.65 (+1.9%) more than last year’s Q2 billing. The year-to-date charges total to \$1.69 million or \$0.27 million (+18.9%) more than last year.
- (2) **Department of General Services (DGS) Property Costs (JOB 7)** – Billing of \$116,442.27 for FY 2022-23 Q3 for Commonwealth property costs. This is for the property costs for the Northwest Office Building (NWOB), which includes direct costs paid by DGS (electricity charges), as well as prorated expenses for Capital Police services and City of Harrisburg Fire Protection. The year-to-date JOB 7 billings have decreased (-6.9%) or (\$23,743.03) less than last year.

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

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the recommendations from the Bureau of Accounting and Purchasing.

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

- (1) **#0607 – 1772 Tilden Ridge Drive, Hamburg
Amendment**
- (2) **#0803 – 752 Canton Street, Troy
Amendment**
- (3) **#1405 – 1682 North Atherton Street, State College
Amendment**
- (4) **#2512 – 66 North Main Street, Union City
Amendment**
- (5) **#4817 – 3084 Emrick Drive, Bethlehem
Amendment (Licensee Service Center)**
- (6) **#5119 – 724 South Street, Philadelphia
Amendment**

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

- (7) **#0280 – Eastwood Shopping Center, 2800 Robinson Boulevard, Penn Hills
Exercise Option**
- (8) **#8414 – Purity Plaza, Ste. A, 158 Purity Road, Pittsburgh
Exercise Option (Region 3 Retail Operations Office)**
- (9) **#8554 – Purity Plaza, 140 Purity Road, Pittsburgh
Exercise Option (Region 3 Maintenance Shop)**
- (10) **#4814 – Northampton Crossings, 3718 Easton-Nazareth Highway, Easton
New Lease / Rebrand**
- (11) **#4013 – 379 South Main Street, Wilkes-Barre
Closing**

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the recommendations from the Office of Retail Operations.

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

VENDOR – ITEM NAME

BOARD ACTION REQUESTED

Various
 Various
 Various
 Various

1. Regular New Items Accepted
2. Regular New Items Accepted Revision
3. Regular PA New Items Accepted
4. Regular Recommended Delist

1. Regular New Items Accepted

BRAND NAME AND SIZE

REASON

CBL Wine Company LLC

L A Cetto Chenin Blanc Valle de Guadalupe 750 mL 11, 14, 19

Monsieur Touton Selection

Whale Route Sauvignon Blanc 750 mL 11, 14, 19

Sazerac Company Inc

99 Pink Lemonade Liqueur 50 mL 1, 2, 3

Fireball Golf Club Birdie Shot Multipack 10x50 mL 1, 2, 8

Paul Masson Grande Amber Brandy 50 mL 1, 2

The Wine Group Inc

Firefly Ridge Cabernet Sauvignon 750 mL 18

Firefly Ridge Chardonnay 750 mL 18

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

Firefly Ridge Pinot Noir 750 mL

18

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular New Items Accepted Revision

BRAND NAME AND SIZE

REASON

RESCIND

Capital Wine and Spirits

Quilt Cabernet Sauvignon Napa Valley Non Vintage 750 mL

18

NOTE: Sent to board on 2-8-2023

RECOMMENDED ACTION: We recommend the Board approve this action

3. Regular PA New Items Accepted

BRAND NAME AND SIZE

REASON

Midstate Distillery Inc

Midstate Distillery Gin 750 mL

16

PA Meade LLC

Elders Cut Meadery Classic Honey Mead 750 mL

17

Elders Cut Meadery Mead with Ginger and Lavender 750 mL

17

Elders Cut Meadery Mead with Lemon and Hops 750 mL

17

Elders Cut Meadery Mead with Persian Lime 750 mL

17

Elders Cut Meadery Whiskey Barrel Aged Mead 750 mL

17

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

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- 18. Licensee only
- 19. Probationary listing

4. Regular Recommended Delist

<u>BRAND NAME AND SIZE</u>	<u>CODE</u>
<u>Constellation Brands</u>	
Ruffino Chianti 1.5 L	6614
<u>Deerfoot Vineyards and Winery</u>	
Goblin Alchemy Mead 500 mL	98480
<u>Jim Beam Brands Co</u>	
On The Rocks Aviation Cocktail 200 mL	583
On The Rocks Cosmopolitan Cocktail 200 mL	581
On The Rocks Margarita Cocktail 200 mL	582
On the Rocks Old Fashioned Cocktail 200 mL	653
<u>Midstate Distillery Inc</u>	
Midstate Distillery Gin 750 mL	98007
Midstate Distillery Rum 750 mL	98009
<u>Majestic Wine and Spirits</u>	
Fess Parker American Traditional Reserve Rose Santa Barbara 750 mL	867
<u>North Wales Wines</u>	
Barefoot Wine To Go Cabernet Sauvignon 500 mL	842
Barefoot Wine To Go Riesling 500 mL	843
Barefoot Wine To Go Sauvignon Blanc 500 mL	844
Barefoot Wine To Go Sweet Red 500 mL	845
Blufeld Riesling Mosel 750 mL	3280
Richards Wild Irish Rose Red 3 L	4810
Taylor Lake Country Red 1.5 L	6769
<u>Philadelphia Distilling</u>	
Bluecoat American Dry Gin 50 mL	4141
<u>Sutter Home Winery</u>	
Sutter Home Riesling 1.5 L	6608

RECOMMENDED ACTION: We recommend the Board approve this action

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the recommendations from the Bureau of Product Selection.

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

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

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>ASSETS</u>		
Current assets:		
Cash	\$ 82,372,745	\$ 60,334,962
Investments - short term	260,920,172	340,284,096
Accounts and claims receivable, net	7,165,796	7,844,339
Due from other funds - Note 9	-	-
Merchandise inventories, net	199,529,314	187,198,076
Operating supplies	416,956	504,645
Prepaid expenses	<u>2,033,073</u>	<u>1,389,188</u>
Total current assets	<u>552,438,056</u>	<u>597,555,306</u>
Non-current assets:		
Non-depreciable capital assets:		
Land	322,973	322,973
Depreciable or amortizable capital assets:		
Building	10,820,411	10,711,563
Leasehold improvements	209,134	209,134
Machinery and equipment	53,820,871	47,677,083
Intangible - internally generated software	58,587,904	43,505,305
Intangible - right to use leases - Note 10	375,959,900	347,011,247
Intangible - right to use IT subscriptions - Note 11	<u>20,300,870</u>	<u>-</u>
Less: accumulated depreciation or amortization	<u>217,491,990</u>	<u>145,409,810</u>
Net depreciable or amortizable capital assets	<u>302,207,100</u>	<u>303,704,522</u>
Total non-current capital assets	<u>302,530,073</u>	<u>304,027,495</u>
Total assets	<u>\$ 854,968,129</u>	<u>\$ 901,582,801</u>
Total deferred outflows of resources - Notes 5, 6	\$ 176,166,205	\$ 196,472,447
<u>LIABILITIES</u>		
Current liabilities:		
Trade accounts payable	\$ 320,702,366	\$ 337,303,993
Other accounts payable	27,897,218	26,014,259
Accrued expenses	26,362,994	23,372,264
OPEB - Note 6	-	-
Self-insurance, workers' compensation - Note 7	5,038,908	6,298,715
Due to other funds - Note 9	10,964,548	7,711,016
Due to fiduciary funds - Note 9	3,553,765	3,178,843
Due to other governments - Note 9	1,054,711	927,618
Right to use liabilities - Note 10	<u>62,716,387</u>	<u>52,835,345</u>
Total current liabilities	<u>458,290,897</u>	<u>457,642,053</u>
Non-current liabilities:		
OPEB - Note 6	424,085,000	472,261,000
Self-insurance, workers' compensation - Note 7	45,346,197	61,900,983
Net pension liability - Note 5	379,679,163	470,662,828
Compensated absences - Note 1	26,865,598	25,995,401
Right to use liabilities - Note 10	<u>194,449,717</u>	<u>214,272,491</u>
Total non-current liabilities	<u>1,070,425,675</u>	<u>1,245,092,703</u>
Total liabilities	<u>\$ 1,528,716,572</u>	<u>\$ 1,702,734,756</u>
Total deferred inflows of resources - Notes 5, 6	\$ 331,243,486	\$ 328,659,464
<u>NET POSITION</u>		
Net investment in capital assets	\$ 45,363,969	\$ 36,919,659
Deficit	<u>(874,189,693)</u>	<u>(970,258,631)</u>
Total net position - Note 12	<u>\$ (828,825,724)</u>	<u>\$ (933,338,972)</u>

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

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Month Ending December 31, 2022 and December 31, 2021
(Unaudited)**

	<u>2022-23</u>	<u>2021-22*</u>
Sales net of taxes	\$ 310,028,036	\$ 293,300,238
Cost of goods sold	<u>(219,198,740)</u>	<u>(195,387,928)</u>
Gross profit from sales	90,829,296	97,912,310
Operating (expenses):		
Wholesale	(1,755,173)	(1,873,124)
Retail	(31,328,444)	(28,507,672)
E-Commerce	(348,262)	(450,926)
Regulatory	(947,606)	(872,045)
Enterprise	(8,846,141)	(7,463,477)
Commonwealth provided services - Note 2	<u>(2,006,258)</u>	<u>(2,138,487)</u>
Total	<u>(45,231,884)</u>	<u>(41,305,731)</u>
Operating profit/(loss)	45,597,412	56,606,579
Other operating revenues (expenses):		
Enforcement fines	104	75,998
License fees	2,812,214	2,976,260
Miscellaneous income	<u>369,392</u>	<u>227,689</u>
Total	<u>3,181,710</u>	<u>3,279,947</u>
Total operating income/(loss)	48,779,122	59,886,526
Miscellaneous revenues (expenses):		
Interest income (expense)	104,503	(379,668)
Other	<u>-</u>	<u>-</u>
Total	<u>104,503</u>	<u>(379,668)</u>
Income/(Loss) before operating transfers	48,883,625	59,506,858
Operating transfers out:		
PSP enforcement - Note 3	(2,471,722) <u>(2,471,722)</u>	(2,489,370) <u>(2,489,370)</u>
Net Income/(Loss) from operations	46,411,903	57,017,488
Statutory Transfers:		
General fund - Note 4	-	-
Drug and alcohol programs - Note 4	-	-
Total	<u>-</u>	<u>-</u>
Change in net position	46,411,903	57,017,488
**Total net position - beginning 2022-23 Restated - Note 12	<u>(875,237,627)</u>	<u>(990,356,460)</u>
Total net position - ending	<u>\$ (828,825,724)</u>	<u>\$ (933,338,972)</u>
Liquor tax	54,157,982	52,330,999
State Sales Tax	21,331,496	20,609,090
Local Tax	1,271,143	1,164,842
Taxes remitted to Dept.of Revenue PTD	<u>\$ 76,760,621</u>	<u>\$ 74,104,931</u>

* Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation. Such reclassifications did not affect Income after enforcement / before other transfers, Change in net position, or Total net position.

**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.

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

**Commonwealth of Pennsylvania
Pennsylvania Liquor Control Board
State Stores Fund
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For the Six Months Ending December 31, 2022 and December 31, 2021
(Unaudited)**

	<u>2022-23</u>	<u>2021-22*</u>
Sales net of taxes	\$ 1,327,153,980	\$ 1,289,901,601
Cost of goods sold	<u>(940,532,992)</u>	<u>(886,220,248)</u>
Gross profit from sales	386,620,988	403,681,353
Operating (expenses):		
Wholesale	(10,992,870)	(11,225,039)
Retail	(173,843,965)	(159,912,448)
E-Commerce	(1,510,601)	(1,580,841)
Regulatory	(5,366,668)	(4,830,403)
Enterprise	(43,703,088)	(36,660,246)
Commonwealth provided services - Note 2	<u>(10,624,979)</u>	<u>(8,566,211)</u>
Total	<u>(246,042,171)</u>	<u>(222,775,188)</u>
Operating profit/(loss)	140,578,817	180,906,165
Other operating revenues (expenses):		
Enforcement fines	765,145	523,876
License fees	15,176,232	11,045,393
Miscellaneous income	<u>2,528,782</u>	<u>2,780,409</u>
Total	<u>18,470,159</u>	<u>14,349,678</u>
Total operating income/(loss)	159,048,976	195,255,843
Miscellaneous revenues (expenses):		
Interest income (expense)	181,159	(2,274,371)
Other	<u>55,374</u>	<u>46,420</u>
Total	<u>236,533</u>	<u>(2,227,951)</u>
Income/(Loss) before operating transfers	159,285,509	193,027,892
Operating transfers out:		
PSP enforcement - Note 3	(16,326,754) <u>(16,326,754)</u>	(15,078,526) <u>(15,078,526)</u>
Net Income/(Loss) from operations	142,958,755	177,949,366
Statutory Transfers:		
General fund - Note 4	(100,000,000)	(100,000,000)
Drug and alcohol programs - Note 4	-	-
Total	<u>(100,000,000)</u>	<u>(100,000,000)</u>
Change in net position	42,958,755	77,949,366
**Total net position - beginning 2022-23 Restated - Note 12	<u>(871,784,479)</u>	<u>(1,011,288,338)</u>
Total net position - ending	<u>\$ (828,825,724)</u>	<u>\$ (933,338,972)</u>
Liquor tax	236,709,299	231,011,015
State Sales Tax	93,166,001	90,913,538
Local Tax	5,912,270	5,537,182
Taxes remitted to Dept.of Revenue YTD	<u>\$ 335,787,570</u>	<u>\$ 327,461,735</u>

* Certain amounts presented in prior year data have been reclassified in order to be consistent with the current year's presentation. Such reclassifications did not affect Income after enforcement / before other transfers, Change in net position, or Total net position.

**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

Transfer to General Fund.....Michael Demko, Executive Director

The Office of Budget requests a transfer of \$85.1 million dollars (\$85,100,000) in the month of March 2023 from the State Stores Fund to the General Fund. The Finance team will schedule when this transfer will occur.

The transfer of this prescribed amount of \$85,100,000 will be processed as authorized in Expenditure Symbol Notification Number 22-012.

Motion Made: Board Member Isenhour
Seconded: Board Member Vulakovich

Board Decision: Unanimously agreed (3-0 vote) to approve the authorization to make the transfer from the PLCB to the State General Fund.

Chairman Holden noted the total transfer for this year is now \$185.1 million dollars.

Change Orders.....Elizabeth Brassell, Director of Policy and Communications

Change Orders to Oracle Statements of Work 11189987, 11676438 and 11277609 for ERP Release 2 Build, Test and Deploy Including Commerce Platforms

Given the go-live extension from January 2023 to July, 2023, as well as additional change requests to be completed by the new go live date, these three change orders extend the timeframe for work on the Release 2 systems, including the new FWGS.com and LOOP platforms, and add funds to each for the extended work. The change orders add \$6.1 million, \$1.2 million and \$746,500 respectively, for a total Release 2 increase of \$8 million, all within the current contract cap of \$136 million.

Elizabeth Brassell further summarized that the Oracle Master Agreement provides for support for the current solution as well as the solution being developed to go-live in July 2023. These Change Orders do not require Board decision or action. Rather, this is an attempt at keeping with full transparency regarding this ERP project by putting these Change Orders on the Board agenda. The cap was increased last year to \$136 million dollars and these three Change Orders account for the funding required from the PLCB to get to the go-live date in July. Last fall the project delays were anticipated that would push out so this gets the dollars to the work done. In addition to these three Change Orders, there will be one more presented once it is finalized. There was a good faith negotiation effort between Oracle and PLCB to identify concessions on both parts in order to keep costs reasonable, given there is an upcoming statement of work involving Hypercare, so as not to significantly increase the budget that was previously presented.

PUBLIC COMMENT

Mr. Laurenzano was again recognized by the Board. He once again attempted to interrogate Chief Counsel Diaz about agency actions taken or not taken. Mr. Diaz responded by again telling Mr. Laurenzano this discussion is over and he should go to the Court of Common Pleas. Chairman Holden reaffirmed that a decision by the Board has been made, significant time has been afforded, and ample opportunity has been given.

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Mr. Laurenzano took the opportunity to ask about the fees owed should his license be reinstated, and specifically inquired about how the fees are calculated. Mr. Diaz explained that, if and when he is granted the relief he is seeking, they will have a conversation about that. Mr. Laurenzano wanted to have the conversation sooner, but Mr. Diaz declined, explaining it would be irrelevant if there is not a license to renew. Mr. Diaz did explain that those fees are determined by calculating a number of dates and when each year of safekeeping began and ended, taking into account some timelines were affected by the response to the pandemic. Mr. Laurenzano indicated that an appeal had been filed, but that he had not retained counsel. Mr. Laurenzano encouraged the Board to do the right thing and expressed his dissatisfaction with having to take an appeal because of what he perceived to be wrong doings of the Board.

Patti Smith from Rock the Capital asked for clarification regarding the reasoning some licenses were not renewed. Chairman Holden explained that by statute, a license cannot be renewed if the Commonwealth is owed any taxes, and that many of the non-renewals were due to tax issues. Ms. Smith asked for specifics on each license that was not renewed (noting Bureau of Licensing agenda item numbers). Chief Counsel Diaz provided the following information, noting that a licensee must get tax clearance from both Department of Revenue (DOR) and Labor & Industry (L&I), sometimes it is one, sometimes it is both:

- Item 3, BBPA-1, LLC: Did not get tax clearance from DOR
- Item 4, Crescent Lodge, Inc. t/a Crescent Lodge: Did not get tax clearance from DOR
- Item 6, Davinci, Ltd. t/a Davinci's Pizza: Davinci, Did not get tax clearance from DOR
- Item 9, JSK Reading, LLC t/a The Inn at Reading: DOR tax clearance
- Item 10, KRG Kings, LLC t/a Kings Family Restaurant: no tax clearance from L&I and DOR
- Item 12, Marrakesh East Coasts Premier Moroccan Restaurant, Inc.: no taxes from L&I and DOR
- Item 15, RT Property Management, LLC t/a South City Tavern; DOR tax clearance
- Item 16, Ronak Foods, LLC: Not a tax case, licensee allowed safekeeping period to lapse
- Item 17, Walter E. Skrobat: DOR and L&I tax clearance
- Item 18, Willowcreek Golf Club, Inc. t/a Donegal Highlands Golf Course; DOR and L&I tax clearance

Ms. Smith expressed her position that there is a lack of public deliberation as required by the Sunshine Act, and that Board members can be personally accountable for fines. Ms. Smith stated that Board meetings are covered under the Sunshine Act and require deliberation. Chairman Holden explained that, by his asking if anyone from the entity is present and would like to comment, the Board meets the requirement of deliberation. Ms. Smith disagreed and stated that more deliberation between the Board members should take place, and indicated that at a minimum, the reason for a license not being renewed should be part of the public meeting.

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, March 22, 2023 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 Isenhour, seconded by Board Member Vulakovich, the meeting was adjourned.

The foregoing actions are hereby officially approved.

Chairman

Member

Member

ATTEST:

Secretary