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

OLD BUSINESS ............................................................................................................................... Secretary Vigoda

A. Motion to approve previous Board Meeting Minutes of the April 27, 2022 meeting.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

PUBLIC COMMENT ON AGENDA ITEMS

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

Luisa Brown asked when the PLCB would restart the auctions for liquor licenses. Chairman Holden advised Ms. Brown that although there is no definitive commencement scheduled at this time, auctions will resume this year. There is a list of counties presented for consideration and the Board intends to move forward. Board Member Negra agreed and mentioned this may commence by this summer depending upon availability of personnel. Ms. Brown asked if the schedule would be published. Chairman Holden answered that it would.
NEW BUSINESS

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

(1) New Garden Township ................................................................. Noise Exemption (22-NE-03)

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the municipal petition for exemption from Liquor Code statute regarding amplified sound from May 18, 2022 through May 18, 2027.

(2) Hellertown Borough ................................................................. Noise Exemption (22-NE-04)

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve the municipal petition for exemption from Liquor Code statute regarding amplified sound from May 18, 2022 through May 18, 2023.

(3) 312 Denden, Inc. ................................................................. ALJ Appeal

312 Market Street
Philadelphia, PA 19106-2704
License No. R-6139/LID 82273
Citation No. 19-0231

Upon Board Member Negra’s request, Chief Counsel Diaz explained that the three matters that the board members would be voting on concerning 312 Denden, Inc. were appeals of decisions by the Administrative Law Judge to sustain the citation dealing with this particular licensee. In each of these, the parties stipulated to the facts and thus there are no factual disputes. Rather, the appeals question whether the facts are sufficient to support the citations. As an example, the first citation was issued after loud music/noise was heard off the licensed premises, specifically in the apartment above the licensee, and heard by a BLCE officer. The appeal argues that this single incident was not enough to receive a citation, however a single incident is legally sufficient to support a citation. Licensees are strictly liable for violations of the Liquor Code; therefore the Chief Counsel’s recommendation is for the Board to affirm the ALJ.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ’s decision and fine of $500.
(4) 312 Denden, Inc. ALJ Appeal
312 Market Street
Philadelphia, PA 19106-2704
License No. R-6139/LID 82273
Citation No. 19-0786

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ’s decision and fine of $800.

(5) 312 Denden, Inc. ALJ Appeal
312 Market Street
Philadelphia, PA 19106-2704
License No. R-6139/LID 82273
Citation No. 20-0014

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to affirm the ALJ’s decision and fine of $1,000.

(6) Intoxicology Department, LLC ALJ Appeal
131 West 2nd Street
Berwick, PA 18603-4713
R-19021/LID 102585
Citation No. 20-0910

Upon Board Member Negra’s request, Chief Counsel Diaz stated that there were six citations regarding violations of the Governor’s Emergency COVID-19 orders by this licensee. The facts were stipulated in all six of these cases. Violations consisted of employees and patrons not wearing masks, patrons being allowed to sit at the bar when the Governor’s orders said they could not. Licensee agreed that these things occurred but argued that the Governor had no right to issue these orders. Licensee further argues that, even if the Governor did have the right to issue these orders, a licensee’s refusal to comply with those orders does not constitute a violation that would support citations.

Advisory Notice 26 issued during COVID clearly states the Board’s recognition of the Governor’s authority to regulate alcohol in an emergency and the Pennsylvania Supreme Court affirmed the Governor’s emergency authority. Mr. Diaz stated that the recommendation is that the Board sustain each of the six citations and remand back to the ALJ as five of these citations involve suspensions and substantial fines, and the ALJ will have to reset the dates for the fines to be paid.

Board Member Negra asked if they could do one motion for all six actions. Mr. Diaz stated that yes, they could; however, they must be clear on what they are voting on.

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to affirm Administrative Law Judge and remand to ALJ for further proceedings.
Note: Board Minutes are not officially approved until all required signatures are affixed.

(7) **Intoxicology Department, LLC**

131 West 2nd Street
Berwick, PA 18603-4713
R-19021/LID 102585
Citation No. 20-0985

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

**Board Decision:** Unanimously agreed (3-0 vote) to affirm Administrative Law Judge and remand to ALJ for further proceedings.

(8) **Intoxicology Department, LLC**

131 West 2nd Street
Berwick, PA 18603-4713
R-19021/LID 102585
Citation No. 20-1134

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

**Board Decision:** Unanimously agreed (3-0 vote) to affirm Administrative Law Judge and remand to ALJ for further proceedings.

(9) **Intoxicology Department, LLC**

131 West 2nd Street
Berwick, PA 18603-4713
R-19021/LID 102585
Citation No. 20-1223

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

**Board Decision:** Unanimously agreed (3-0 vote) to affirm Administrative Law Judge and remand to the ALJ for further proceedings.

(10) **Intoxicology Department, LLC**

131 West 2nd Street
Berwick, PA 18603-4713
R-19021/LID 102585
Citation No. 21-0013

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

**Board Decision:** Unanimously agreed (3-0 vote) to affirm Administrative Law Judge and remand to ALJ for further proceedings.
(11) **Intoxicology Department, LLC**

ALJ Appeal

131 West 2nd Street
Berwick, PA 18603-4713
R-19021/LID 102585
Citation No. 21-0129

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to affirm Administrative Law Judge and remand to ALJ for further proceedings.

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**From the Bureau of Licensing**

Tisha Albert, Director of Regulatory Affairs
Stephanie McGrath, Acting Director, Bureau of Licensing

(1) **CNS Event Partners, LLC**

Double Transfer & Request to Rescind Conditional Licensing Agreement - Restaurant

R-1130 (LID No. 105633) Case No. 21-9098
1601 North Front Street
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve transfer and to approve the request to rescind the Conditional Licensing Agreement

(2) **Django & Jet, LLC**

t/a My Local Brew Works

New & Request for Interior Connections with Another Business – Brewery

(LID No. 109536)
4500 Worth Street
Suite J2
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve new brewery license and request for interior connections with another business.
Note: Board Minutes are not officially approved until all required signatures are affixed.

(3) Historic Woodburn Farm Distillery, LLC  
t/a Historic Woodburn Farm Distillery  
AL-48224 (LID No. 106822)  
4900 Spring Road  
Carroll Township  
Shermans Dale, Perry County

Motion Made:  Board Member Negra  
Seconded:  Board Member Isenhour

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

(4) MCR King of Prussia Tenant, LLC  
t/a Hampton Inn Philadelphia/King of Prussia  
(LID No. 109117)  
530 West Dekalb Pike  
Route 202  
Upper Merion Township  
King of Prussia, Montgomery County

Motion Made:  Board Member Negra  
Seconded:  Board Member Isenhour

Board Decision:  Unanimously agreed (3-0 vote) to approve new hotel license and request to sell other items on the licensed premises.

(5) RT/Stonebridge Joint Venture  
t/a Ruby Tuesday #4856  
H-5965 (LID No. 109381)  
1000-1020 Far Hills Drive  
Hopewell Township  
New Freedom, York County

Motion Made:  Board Member Negra  
Seconded:  Board Member Isenhour

Board Decision:  Unanimously agreed (3-0 vote) to approve transfer and request to sell other items on the licensed premises.
(6) Shenango Beverage, LLC Request to be Engaged in
D-3031 (LID No. 71844) Another Business/Dual
3102 New Butler Road Employment – Distributor
Shenango Township
New Castle, Lawrence County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve request to be engaged in another business and dual employment.

(7) Kimberly Wood Renewal - Restaurant
t/a Fairmont Tavern
R-20335 (LID No. 49551) Case No. 21-9107
118 East Main Street
Youngsville, Warren County

Motion Made: Board Member Negra

Chairman Tim Holden asked if there was anyone in the listening audience (in person or virtually) who would like to make a comment concerning this item. There was no response.

Seconded: Board Member Isenhour

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

(8) AMPM, Inc. Renewal – District 4
t/a Spanky’s East
H-127 (LID No. 54152) Case No. 2020-54152
1700 Butler Street
Easton, Northampton County

Motion Made: Board Member Negra

Chairman Tim Holden asked if there was anyone in the listening audience (in person or virtually) who would like to make a comment concerning this item. There was no response.

Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to refuse the renewal.
(9) Apple Inn, Inc. t/a Apple Inn
R-7348 (LID No. 12688) Case No. 2021-12688
2895 West Liberty Avenue
Dormont
Pittsburgh, Allegheny County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(10) Central Restaurant and Catering, Inc. t/a Central Hotel
R-17554 (LID No. 91359) Case No. 2021-91359
300 Filbert Street
Curwensville, Clearfield County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(11) Coopers Bar and Grill, Inc. t/a Cooper
R-9029 (LID No. 66269) Case No. 2022-66269
100 West Wyoming Avenue
Philadelphia, Philadelphia County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(12) Horton Township Sportsmens Club
C-3930 (LID No. 1804) Case No. 2021-1804
5197 Route 219
Horton Township
Brockport, Elk County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour
Board Decision: Unanimously agreed (3-0 vote) to hold for conditional licensing agreement.

(13) Ilex Investment, Inc. t/a Chambers
R-20753 (LID No. 49845) Case No. 2021-49845
19 North Main Street
Doylestown, Bucks County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(14) M & S Landis Corporation t/a Fat Daddy’s at the Woods
R-18271 (LID No. 41521) Case No. 2022-41521
2510 East Market Street
York, York County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(15) Todd A. Swartz t/a Midtowne Sports Bar & Grill
R-10713 (LID No. 42310) Case No. 2021-42310
36 East 4th Street
Emporium, Cameron County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

(16) TMP Tavern, Inc.
R-2654 (LID No. 68030) Case No. 2021-68030
1527 West 26th Street
Erie, Erie County

Motion Made: Board Member Negra
Seconded: Board Member Isenhour

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

There were 16 personnel actions presented for consideration.

(1) Darshela Atif – Removal
(2) Shaniyah Benson – Affirm Removal
(3) Stephanie Bologansky - Removal
(4) Jacqueline Brown – Removal
(5) Monique Epps – Affirm Removal
(6) Andrea Gallegos – Affirm Removal
(7) Kendra Krauss – Removal
(8) Michael Labik - Demotion
(9) Tara Lennon – Affirm Removal
(10) Nathaniel Mischen – Removal
(11) Mariah Motley – Affirm Removal
(12) Nicole Pfund - Removal
(13) Erica Rivera – Affirm Removal
(14) Joseph Shelton-Bey – Removal
(15) Clover Stufflet – Affirm Removal
(16) Jessica Wisniewski – Affirm Removal

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

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

1. **Steel Shelving for Store #0920** – Steel shelving for Fine Wine & Good Spirits Store #0920 in Quakertown.

   Procured via Contract #4400016767 – VENDOR: Kent Fixtures Corp. – $62,393.44 estimated cost.

2. **Cloud Security Administrator Staff Augmentation** - This purchase request is for a Cloud Security Administrator who possesses strong technical knowledge of security practices of Oracle Cloud Infrastructure (OCI) and Oracle Identity Cloud Service (IDCS). As part the PLCB Security Team, the Cloud Security Administrator will partner with cross-functional teams across the agency to prevent, assess and remediate security risks, ensure compliance with industry standards, and create solutions that solve or remediate security challenges. This individual will advise peers and IT managers to help influence and drive compliance in the form of risk remediation, data classification, regulatory obligations, and other security goals.

   Procured via DGS Contract #4400024749 – VENDOR: OST Inc. – TERM: Seven months for period 6/6/2022 through 12/31/2022 - $174,024.00 estimated cost.

3. **Hearing Examiner Services** – Represent the Board in the capacity of a hearing examiner.

   Procured via Sole Source – VENDOR: Jodi Isenberg – TERM: One year for period 6/14/2022 through 6/13/2023 - $150,000.00 estimated cost.

4. **Gap Analysis of PLCB Merchandising Activities and Recommendations for Process and Organizational Improvements** – To further the analysis that was accomplished, Deloitte Consulting, LLP will initiate key activities needed to launch the merchandising transformation including: designing the future state of the merchandising operating model, creating greater role clarity, and supporting change management activities.

   Procured via PO 63021629 Change Order – VENDOR: Deloitte Consulting, LLP – TERM: Approximately 20 months for period 05/18/2022 through 12/31/2023 - $399,800.00 estimated cost.

5. **ServiceNow Software Licensing** - 40 Customer Service Management Professional licenses and supporting ServiceNow environments to enable the PLCB to establish a customer service ticketing system for four different business areas (Fine Wine & Good Spirits, Wholesale Operations/LOOP support, Special Order and Regulatory/Licensing) to be integrated into existing Genesys call and chat platforms.

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 General Services (DGS) Property Costs (JOB 7) – Billing of $115,307.28 for the estimated costs for the fourth quarter of FY 2021-22 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. This year’s charges for Q1-Q4 are $461,229 or $19,015 (4.3%) higher than last year’s billing.

(2) Governor’s Office JOB OPE – Governor’s Office for Performance Excellence (OPE) billing of $52,726.00 for FY 2021-22 for the PLCB allocated share (2.3%) of the aggregate $2.3 million billed to Commonwealth agencies. Billing is prorated based on the LCB’s comparative share of aggregated Commonwealth agency budgets. The PLCB’s billing increased by $5,161 (+10.9%) from last year. This billing was previously known as the GOTIME billing and was charged as part of JOB 78 from the Office of Administration until last FY.

(3) Office of Comptroller Operations – Billing of $1,137,575.32 for the third quarter’s actual expenses for January, February, and March from the Office of Comptroller Operations. This billing is $2,339.01 (-0.2%) less than last year’s third quarter billing.

(4) Office of Comptroller Operations - Billing of $2,073,183.95 for the fourth quarter’s “estimated” expenses from the Office of Comptroller Operations, which includes an extra payroll and, as in prior years, it will cover the fiscal year “over-head” charges for portions of BAFM and BOA directors and Payables unit costs. The estimated billing is $107,980.06 (+5.5%) more than last year, but the total FY billings total $6,025,000.00 for the same exact billing amount as last year. Any over/under charges from this estimated billing will be “trued-up” with next year’s first quarter billing.

(5) Department of Auditor General – FY 2021-22 third quarter billing of $566,169.32 from the Department of the Auditor General. The charge for FY 2021-22 Q3 services is $20,875 (-3.6%) less than last year’s Q3 billing and is based on actual audit hours for January, February and March, which were down 9.7% from Q3 last year. FY 2021-22 YTD charges are $1.99 million or $24,508 (+1.8%) more 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 Negra
Seconded: Board Member Isenhour

Board Decision: Unanimously agreed (3-0 vote) to approve all Inter-Agency Charges.
From the Office of Retail Operations.................................................................Michael Demko, Executive Director

(1) #2201 – Kline Village Plaza, 29 Kline Village, Harrisburg
    Amendment

(2) #0202 – River Town Shops, 90 Allegheny River Boulevard, Verona
    Exercise Option

(3) #0279 – 722 Brookline Boulevard, Pittsburgh
    Exercise Option

(4) #3302 – Punxy Plaza, 567 West Mahoning Street, Punxsutawney
    Exercise Option

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

<table>
<thead>
<tr>
<th>VENDOR – ITEM NAME</th>
<th>BOARD ACTION REQUESTED</th>
</tr>
</thead>
<tbody>
<tr>
<td>Various</td>
<td>1. Regular New Items Accepted</td>
</tr>
<tr>
<td>Various</td>
<td>2. Regular PA New Items Accepted</td>
</tr>
<tr>
<td>Various</td>
<td>3. Regular Recommended Delist</td>
</tr>
</tbody>
</table>

1. Regular New Items Accepted

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>REASON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim Beam Brands Co</td>
<td></td>
</tr>
<tr>
<td>Canadian Club Apple 750 mL</td>
<td>2, 5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Majestic Wine and Spirits</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Artista Organic Lime Margarita 1.5 L</td>
<td>18</td>
</tr>
<tr>
<td>Artista Organic Strawberry Margarita 1.5 L</td>
<td>18</td>
</tr>
<tr>
<td>Santa Julia Organica Cabernet del Mercado 750 mL</td>
<td>18</td>
</tr>
<tr>
<td>Santa Julia Organica Malbec del Mercado 750 mL</td>
<td>18</td>
</tr>
<tr>
<td>Wellsley Farms Sauvignon Blanc 750 mL</td>
<td>18</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MHW LTD</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Viva Agave Maduro Cocktail 1 L</td>
<td>18</td>
</tr>
<tr>
<td>Viva Agave Silver Tequila 1 L</td>
<td>18</td>
</tr>
</tbody>
</table>


**Palm Bay International**
Alexander Grappa 700 mL

**Southern Glazers W S of PA**
Luc Belaire Bleu Sparkling 750 mL
Uptown Wine Blue Hawaiian Cocktail 1.5 L
Uptown Wine Pina Colada Cocktail 1.5 L

**The Wine Group Inc**
Redwood Highway Cabernet Sauvignon 750 mL
Redwood Highway Chardonnay 750 mL
Redwood Highway Merlot 750 mL
Redwood Highway Moscato 750 mL
Redwood Highway Pinot Grigio Colombard 750 mL
Redwood Highway Red Blend 750 mL
Sun Soaked Blueberry Moscato 750 mL
Sun Soaked Caramel Apple Moscato 750 mL
Sun Soaked Mango Moscato 750 mL
Sun Soaked Peach Moscato 750 mL
Sun Soaked Pineapple Moscato 750 mL
Sun Soaked Strawberry Moscato 750 mL

**BRAND NAME AND SIZE** | **REASON**
--- | ---

**Vivino Selections**
Oblivion Zinfandel 750 mL

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular PA New Items Accepted

**BRAND NAME AND SIZE** | **REASON**
--- | ---

**Pine Creek Spirits**
Vodka Jawn 750 mL
Yinz Vodka 750 mL

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

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allegro Winery</strong></td>
<td></td>
</tr>
<tr>
<td>Rave Harmony Pennsylvania 375 mL Can</td>
<td>98171</td>
</tr>
<tr>
<td>Rave Punk Pennsylvania 375 mL Can</td>
<td>98170</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constellation Brand Inc</strong></td>
<td></td>
</tr>
<tr>
<td>Woodbridge by Robert Mondavi Bourbon Barrel Aged Cabernet Sauvignon 750 mL</td>
<td>782</td>
</tr>
<tr>
<td>Woodbridge by Robert Mondavi Cabernet Merlot 1.5 L</td>
<td>4487</td>
</tr>
<tr>
<td>Woodbridge by Robert Mondavi Moscato 1.5 L</td>
<td>3260</td>
</tr>
<tr>
<td>Woodbridge by Robert Mondavi White Zinfandel 1.5 L</td>
<td>4121</td>
</tr>
</tbody>
</table>

| **County Seat Spirits LLC** | |
| Hidden Copper Bourbon 750 mL | 2083 |

| **Palm Bay International** | |
| Alexander Grappa 750 mL | 30589 |

| **Pip Imports and Domestics LLC** | |
| Maris Le Zulu 750 mL | 97533 |
**Spring Gate Vineyard**
Bubbly Lemon Lime Mello 375 mL Can 98463

**Southern Glazers W S of PA**
Saint M Rieslings Mosel 750 mL 7157

**The Colony Meadery**
Woofiedog 375 mL 34366

EFFECTIVE DATE: The transference to closeout will become effective June 17, 2022

- **Motion Made:** Board Member Negra
- **Seconded:** Board Member Isenhour
- **Board Decision:** Unanimously agreed (3-0 vote) to approve all Product Selection actions.
**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)**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>March 31, 2022</th>
<th>March 31, 2021*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$25,320,524</td>
<td>$30,553,050</td>
</tr>
<tr>
<td>Investments - short term</td>
<td>243,452,888</td>
<td>280,731,759</td>
</tr>
<tr>
<td>Accounts and claims receivable, net</td>
<td>8,381,820</td>
<td>7,194,300</td>
</tr>
<tr>
<td>Due from other funds - Note 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merchandise inventories, net</td>
<td>209,445,556</td>
<td>229,429,376</td>
</tr>
<tr>
<td>Operating supplies</td>
<td>519,192</td>
<td>565,800</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>830,609</td>
<td>682,217</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>487,950,589</td>
<td>549,156,502</td>
</tr>
<tr>
<td><strong>Non-current assets:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-depreciable capital assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>322,973</td>
<td>322,973</td>
</tr>
<tr>
<td>Depreciable capital assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building</td>
<td>10,762,508</td>
<td>21,139,183</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>209,134</td>
<td>209,134</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>47,871,619</td>
<td>49,157,065</td>
</tr>
<tr>
<td>Intangible - internally generated software</td>
<td>51,844,251</td>
<td>28,730,895</td>
</tr>
<tr>
<td>Intangible - right to use leases - Note 10</td>
<td>354,570,579</td>
<td>309,806,832</td>
</tr>
<tr>
<td><strong>Less: accumulated depreciation</strong></td>
<td>161,893,066</td>
<td>108,834,463</td>
</tr>
<tr>
<td><strong>Net depreciable capital assets</strong></td>
<td>303,687,998</td>
<td>300,531,619</td>
</tr>
<tr>
<td><strong>Total non-current capital assets</strong></td>
<td>303,687,998</td>
<td>300,531,619</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$791,638,587</td>
<td>$849,688,121</td>
</tr>
</tbody>
</table>

| LIABILITIES | | |
| Current liabilities: | | |
| Trade accounts payable | $298,230,070 | $313,754,320 |
| Other accounts payable | 8,849,436 | 21,422,245 |
| Accrued expenses | 26,143,233 | 23,206,032 |
| OPEB - Note 6 | 47,871,619 | 49,157,065 |
| Self-insurance, workers’ compensation - Note 7 | 6,298,716 | 10,965,210 |
| Due to other funds - Note 9 | 9,618,858 | 7,159,310 |
| Due to fiduciary funds - Note 9 | 3,825,312 | 3,686,699 |
| Due to other governments - Note 9 | 1,111,821 | 1,012,438 |
| Right to use liabilities - Note 10 | 54,777,775 | 14,575,321 |
| **Total current liabilities** | 408,855,221 | 397,003,575 |
| **Non-current liabilities:** | | |
| OPEB - Note 6 | 452,206,000 | 489,110,000 |
| Self-insurance, workers’ compensation - Note 7 | 63,400,982 | 47,995,269 |
| Net pension liability - Note 5 | 474,684,928 | 484,486,420 |
| Compensated absences - Note 1 | 25,995,401 | 24,809,043 |
| Right to use liabilities - Note 10 | 206,065,839 | 256,731,344 |
| **Total non-current liabilities** | 1,222,353,150 | 1,303,132,076 |
| **Total liabilities** | $1,631,208,371 | $1,700,135,651 |

| NET POSITION | | |
| Net investment in capital assets | $42,844,384 | $29,224,954 |
| **Deficit** | $(1,007,820,285) | $(1,048,748,753) |
| **Total net position - Note 12** | $(964,975,901) | $(1,020,523,799) |

* The prior fiscal year (FY) 2020-21 comparative Net investment in capital assets and Deficit amounts are adjusted to include the Right to use liabilities associated with Intangibles - right to use leases as part of Net investment in capital assets, and excluding them from Deficit. The adjustments did not affect Total net position.

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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 March 31, 2022 and March 31, 2021  
(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales net of taxes</td>
<td>$190,574,889</td>
<td>$190,516,690</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(131,320,001)</td>
<td>(129,960,147)</td>
</tr>
<tr>
<td>Gross profit from sales</td>
<td>59,254,888</td>
<td>60,556,543</td>
</tr>
</tbody>
</table>

Operating (expenses):  
- Retail operations: (28,841,158)  
- Marketing & merchandising: (2,849,610)  
- Supply chain: (517,591)  
- Wholesale operations: (121,845)  
- Information technology services: (2,671,537)  
- Regulatory affairs: (1,605,959)  
- Administration: (837,307)  
- Finance: (226,161)  
- Board & secretary: (1,079,473)  
- Legal: (344,431)  
- Commonwealth provided services - Note 2: (1,376,942)  
  Total: (40,472,014)  

Operating profit/(loss): 18,782,874  

Other operating revenues (expenses):  
- Enforcement fines: 114,103  
- License fees: 3,310,226  
- Miscellaneous income: 647,596  
- Administrative law judge: (247,935)  
  Total: 3,823,990  

Total operating income/(loss): 22,606,864  

Miscellaneous revenues (expenses):  
- Interest income (expense): (366,820)  
- Other: (911)  
  Total: (367,731)  

Income/(Loss) before operating transfers: 22,239,133  

Operating transfers out:  
- PSP enforcement - Note 3: (2,423,732)  
  Net Income/(Loss) from operations: 19,815,401  

Statutory Transfers:  
- General fund - Note 4: (85,100,000)  
- Drug and alcohol programs - Note 4: -  
  Total: (85,100,000)  

Change in net position: (65,284,599)  

Total net position - beginning: (899,691,302)  

Total net position - ending: $ (964,975,901)  

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquor tax</td>
<td>34,022,067</td>
<td>33,503,645</td>
</tr>
<tr>
<td>State Sales Tax</td>
<td>13,391,311</td>
<td>13,199,663</td>
</tr>
<tr>
<td>Local Tax</td>
<td>903,175</td>
<td>841,668</td>
</tr>
<tr>
<td>Taxes remitted to Dept.of Revenue PTD</td>
<td>$48,316,553</td>
<td>$47,544,970</td>
</tr>
</tbody>
</table>

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 Nine Months Ending March 31, 2022 and March 31, 2021  
(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales net of taxes</td>
<td>$1,814,805,402</td>
<td>$1,729,833,030</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(1,249,980,461)</td>
<td>(1,169,176,081)</td>
</tr>
<tr>
<td>Gross profit from sales</td>
<td>564,824,941</td>
<td>560,656,949</td>
</tr>
</tbody>
</table>

**Operating (expenses):**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail operations</td>
<td>(254,915,119)</td>
<td>(273,878,464)</td>
</tr>
<tr>
<td>Marketing &amp; merchandising</td>
<td>(9,503,810)</td>
<td>(9,201,618)</td>
</tr>
<tr>
<td>Supply chain</td>
<td>(3,262,801)</td>
<td>(5,488,316)</td>
</tr>
<tr>
<td>Wholesale operations</td>
<td>(987,327)</td>
<td>(1,168,211)</td>
</tr>
<tr>
<td>Information technology services</td>
<td>(18,011,396)</td>
<td>(20,031,363)</td>
</tr>
<tr>
<td>Regulatory affairs</td>
<td>(10,957,065)</td>
<td>(12,081,456)</td>
</tr>
<tr>
<td>Administration</td>
<td>(6,790,237)</td>
<td>(7,157,313)</td>
</tr>
<tr>
<td>Finance</td>
<td>(1,857,084)</td>
<td>(2,031,973)</td>
</tr>
<tr>
<td>Board &amp; secretary</td>
<td>(8,859,887)</td>
<td>(2,703,918)</td>
</tr>
<tr>
<td>Legal</td>
<td>(3,249,632)</td>
<td>(2,647,860)</td>
</tr>
<tr>
<td>Commonwealth provided services - Note 2</td>
<td>(12,694,360)</td>
<td>(11,272,790)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(331,088,724)</td>
<td>(347,663,282)</td>
</tr>
<tr>
<td>Operating profit/(loss)</td>
<td>233,736,217</td>
<td>212,993,667</td>
</tr>
</tbody>
</table>

**Other operating revenues (expenses):**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enforcement fines</td>
<td>791,258</td>
<td>768,012</td>
</tr>
<tr>
<td>License fees</td>
<td>19,592,156</td>
<td>18,904,668</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>4,725,513</td>
<td>1,741,198</td>
</tr>
<tr>
<td>Administrative law judge</td>
<td>(2,102,573)</td>
<td>(2,013,874)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>23,006,354</td>
<td>19,400,004</td>
</tr>
<tr>
<td>Total operating income/(loss)</td>
<td>256,742,571</td>
<td>232,393,671</td>
</tr>
</tbody>
</table>

**Miscellaneous revenues (expenses):**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income (expense)</td>
<td>(3,392,093)</td>
<td>(3,085,918)</td>
</tr>
<tr>
<td>Other</td>
<td>45,509</td>
<td>14,020</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(3,346,584)</td>
<td>(3,071,898)</td>
</tr>
<tr>
<td>Income/(Loss) before operating transfers</td>
<td>253,395,987</td>
<td>229,321,773</td>
</tr>
</tbody>
</table>

**Operating transfers out:**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSP enforcement - Note 3</td>
<td>(21,983,550)</td>
<td>(21,496,115)</td>
</tr>
<tr>
<td><strong>Net Income/(Loss) from operations</strong></td>
<td><strong>231,412,437</strong></td>
<td><strong>207,825,658</strong></td>
</tr>
</tbody>
</table>

**Statutory Transfers:**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund - Note 4</td>
<td>(185,100,000)</td>
<td>(142,600,000)</td>
</tr>
<tr>
<td>Drug and alcohol programs - Note 4</td>
<td>-</td>
<td>(142,600,000)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(185,100,000)</td>
<td>(142,600,000)</td>
</tr>
<tr>
<td>Change in net position</td>
<td>46,312,437</td>
<td>65,225,658</td>
</tr>
</tbody>
</table>

**Total net position - beginning - Note 12**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquor tax</td>
<td>325,479,055</td>
<td>310,028,105</td>
</tr>
<tr>
<td>State Sales Tax</td>
<td>128,102,951</td>
<td>122,227,191</td>
</tr>
<tr>
<td>Local Tax</td>
<td>7,969,912</td>
<td>7,033,146</td>
</tr>
<tr>
<td><strong>Taxes remitted to Dept.of Revenue YTD</strong></td>
<td><strong>$461,551,918</strong></td>
<td><strong>$439,288,442</strong></td>
</tr>
</tbody>
</table>

**Total net position - ending**

<table>
<thead>
<tr>
<th>Category</th>
<th>2021-22</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
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<td>7,033,146</td>
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<td><strong>$439,288,442</strong></td>
</tr>
</tbody>
</table>
OTHER ISSUES

RF SMART CHANGES………………………….Elizabeth Brassell, Director of Policy and Communications

RFSmart Change Order to Statement of Work 20210809, Software and Services for Oracle SCM Cloud. This change order includes changes to timelines and budget associated with installation of a warehouse management-light software solution in 13 Licensee Service Centers and the PLCB’s e-commerce fulfillment center in association with the new Oracle ERP Cloud solution. The change request reflects the updated January 2023 Release 2 go live date, as well as an additional 380 hours ($89,300) to support the implementation project from July 2022 through January 2023. This increases the total project spend (not inclusive of annual software subscription fees) with RFSmart to $437,335.

Elizabeth Brassell reviewed the above information and, upon Board Member Negra’s comment that the ERP system seems to be going as planned, confirmed that progress is being made toward Release 2.

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday June 8, 2022 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.

_________________________________________
Chairman

_________________________________________
Member

_________________________________________
Member

ATTEST:

____________________________
Secretary