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

**CALL TO ORDER**

*Chairman Holden*

Pledge of Allegiance to the Flag

**Employee Recognition**

*Chairman Holden*

The Board recognized and thanked Jeffery Lawrence, Assistant Director, Bureau of Licensing, for his 40 years of Commonwealth Service. Mr. Lawrence was presented with a commemorative, framed certificate from the Board.

**OLD BUSINESS**

*Secretary Stark*

A. Motion to approve the previous Board Meeting Minutes of the April 5, 2017 meeting.

- **Motion Made:** Board Member Negra
- **Seconded:** Board Member Newsome

**Board Decision:** Unanimously approved (3-0 vote) previous Board Minutes.

**PUBLIC COMMENT ON AGENDA ITEMS**

There was no public comment on the printed agenda items.
NEW BUSINESS

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

1. Borough of Highspire
   Case No. 17-NE-04
   Municipal Petition for Exemption from the Statute Regarding Amplified Sound

   Motion Made: Board Member Negra
   Seconded: Board Member Newsome
   Board Decision: Unanimously agreed (3-0 vote) to Approve Noise Exemption from April 19, 2017 to April 19, 2022.

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

(1) 201 Main Street, LLC
t/a Davio’s
R-132 (LID No. 84240) Case No. 17-9017
200 Main Street
King of Prussia Town Center
Upper Merion Township
King of Prussia, Montgomery County

   “Mixed-Use” Double Transfer – Restaurant

   Motion Made: Board Member Negra
   Seconded: Board Member Newsome
   Board Decision: Unanimously agreed (3-0 vote) to Approve Application.

(2) 2126 E. Carson St. Building, LLC
Person-to-Person Transfer – Restaurant
R-6441 (LID No. 72689) Case No. 16-9097
2126 East Carson Street
Pittsburgh, Allegheny County

   Motion Made: Board Member Negra
   Seconded: Board Member Newsome
   Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer.
Note: Board Minutes are not officially approved until all required signatures are affixed.

(3) **Anjon, Inc.**
D-3809 (LID No. 25237) Case No. 17-9005
5008-10-12-14 Lancaster Avenue
Philadelphia, Philadelphia County

**Request for Hearing After** Administrative Cancellation – Notice of Change in Business Structure – Distributor

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

**Board Decision:** Unanimously agreed (3-0 vote) to Affirm Administrative Cancellation of the Notice of Change in Business Structure.

(4) **Ben Franklin’s Beer Barn, LLC**  
**t/a Ben Franklin’s Beer Barn**
E-5185 (LID No. 72116)
4270 US 422
Slippery Rock Township
New Castle, Lawrence County

**Extension of License & Requests** For Interior Connections with Other Businesses & to Conduct Another Business on the Licensed Premises – Eating Place Malt Beverage

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

**Board Decision:** Unanimously agreed (3-0 vote) to Approve Extension and Requests for Interior Connections with Other Businesses and to Conduct Another Business on the Licensed Premises.

(5) **Gerrity’s Supermarket, Inc.**  
**t/a Gerrity’s Supermarket**
R-1889 (LID No. 83036)
100 Old Lackawanna Trail
Clarks Summit, Lackawanna County

“Intermunicipal” Double Transfer & Requests for Interior Connections with Another Business, to Conduct Another Business on the Licensed Premises & for Dual Employment Restaurant

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

**Board Decision:** Unanimously agreed (3-0 vote) to Approve Transfer and Requests for Interior Connections with Another Business, to Conduct Another Business on the Licensed Premises, and Dual Employment.
Note: Board Minutes are not officially approved until all required signatures are affixed.

(6) Omni Hotels Management Corporation
    t/a Omni Bedford Springs Resort
    Extension of License &
    Requests for an Interior
    Connection with Another
    Business & to Conduct Another
    Business on the Licensed
    Premises – Hotel
    
    Motion Made: Board Member Negra
    Seconded: Board Member Newsome
    
    Board Decision: Unanimously agreed (3-0 vote) to Approve Extension of License and Requests for an Interior Connection with Another Businesses and to Conduct Another Business on the Licensed Premises.

(7) Prickett Hospitality Group, LLC
    t/a Red Caboose Motel
    New with Secondary Service
    Area & Request to Conduct Other
    Businesses on the Licensed
    Premises – Hotel
    
    Motion Made: Board Member Negra
    Seconded: Board Member Newsome
    
    Board Decision: Unanimously agreed (3-0 vote) to Approve New Hotel with Secondary Service Area and Request to Conduct Other Businesses on the Licensed Premises.

(8) The Blackhorse Steak House at the Brown, LLC
    t/a Brown Hotel
    Conditional Licensing Agreement
    Renewal – District 6
    
    Motion Made: Board Member Negra
    Seconded: Board Member Newsome
    
    Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal with Conditional Licensing Agreement.
Note: Board Minutes are not officially approved until all required signatures are affixed.

(9) **Bootie, Inc.**
R-20009 (LID No. 65505) Case No. 2016-65505
3008 South Queen Street
York Township
Dallastown, York County

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

**Board Decision:** Hold by Board Member Negra for a Conditional Licensing Agreement.

(10) **George John Risha**
t/a Esther’s Tavern
R-12206 (LID No. 15389) Case No. 2016-15389
56 Austin Street
Uniontown, Fayette County

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

**Board Decision:** Hold by Board Member Negra for a Conditional Licensing Agreement.

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

*Jennifer Haas, Director, Bureau of Human Resources*

There were 16 personnel actions presented for consideration.

(1) **Bruce Bryk** – Thirty Calendar Day Suspension
(2) **Angela Burton** – Affirm Removal
(3) **Anthony Derkotch** – Removal
(4) **Nicole Giranda** - Removal
(5) **Neil Gossett** – Affirm Removal
(6) **Rainey Jones** – Removal
(7) **Samantha Juliana** – Removal
(8) **Barbara Kenney** – Removal
(9) **David Keppel** – Removal
(10) **Felecia Lennon** – Affirm Removal
Note: Board Minutes are not officially approved until all required signatures are affixed.

(11) Angelique McCoy – Removal

(12) James Mollick – Removal

(13) Gabriel Robertson – Removal

(14) Erich Sheaffer – Affirm Removal

(15) Jeanette White – Affirm Removal

(16) Karen White – Removal

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve all Personnel Actions, with one exception—the Board unanimously agreed to change the sixth proposed action involving R.J. from a removal to a suspension with time served and no back pay.

From the Bureau of Accounting & Purchasing ...........................................Oren Bachman, Director of Finance
Koppolu Ravindraraj, Director, Bureau of Accounting & Purchasing

(1) Philadelphia Distribution Center (DC1) Dock Repair – Provide repairs to the loading dock area of DC1 where trailers are staged for loading/unloading. Over time, the size and weight of the trailers has caused the asphalt surface to become uneven and deteriorate which is causing safety loading issues. Removal of the old asphalt and subsequent replacement with concrete is required for safe & efficient warehouse operations.


(2) Philadelphia Distribution Center (DC1) Expansion Joints Repair – Provide repairs to the expansion joints at DC1 which are the areas between separate concrete pours when the warehouse was being built. The joints permit the separated segments of the structural frame to expand and contract in response to varying temperatures to maintain overall building integrity and they require a covered metal system which are hinged to span uneven floors. The joints and covers require repairs and/or replacement to ensure the structural integrity of the warehouse as well as to maintain an environment that is conducive to safety plus minimize damage to product being transported within the warehouse.

(3) **Microsoft True-Up** – The Microsoft Enterprise Agreement requires an annual true-up by the PLCB to account for any increase in software licenses and this year’s true-up covers the 215 additional desktops that were deployed to the stores.

Procured via DGS Statewide Contract #4400007199 – **VENDOR: Dell – $122,098.50 estimated cost.**

Motion Made: Board Member Negra  
Seconded: Board Member Newsome  

Board Decision: Unanimously agreed (3-0 vote) to Approve all Purchasing and Contracting Actions.

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

1. #0280 – 2800 Robinson Boulevard, Pittsburgh  
   Amendment

2. #1520 – 2910 Conestoga Road, Glenmoore  
   Amendment

3. #2006 – 19017 Park Avenue Plaza, Meadville  
   Amendment

4. #4606 – 1925 Norristown Road, Maple Glen  
   Amendment

5. #5169 – 1935 Fairmont Avenue, Philadelphia  
   Amendment

6. #3915 – 2289 Schoenersville Road, Bethlehem  
   Rebrand / Expansion

7. #06XX – 1895 New Holland Road, Kenhorst  
   New Store / Relocation (to replace #0610)

Motion Made: Board Member Negra  
Seconded: Board Member Newsome  

Board Decision: Unanimously agreed (3-0 vote) to Approve all Retail Operations Actions.
Note: Board Minutes are not officially approved until all required signatures are affixed.

From the Bureau of Product Selection ......................... Dale Horst, Director of Marketing & Merchandising
Tom Bowman, Director, Bureau of Product Selection

1. Regular New Items Accepted

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>REASON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constellation Brands Inc</td>
<td></td>
</tr>
<tr>
<td>SVEDKA Citron Vodka 750 ML</td>
<td>8</td>
</tr>
<tr>
<td>McCormick Distilling Co Inc</td>
<td></td>
</tr>
<tr>
<td>Hussong’s Reposado Tequila 750 ML</td>
<td>10</td>
</tr>
</tbody>
</table>

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular New Items Accepted Revision

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>REASON</th>
</tr>
</thead>
<tbody>
<tr>
<td>RETAIL PRICING</td>
<td></td>
</tr>
<tr>
<td>Bacardi USA Inc</td>
<td></td>
</tr>
<tr>
<td>Bacardi Gold Rum 200 ML</td>
<td>3</td>
</tr>
</tbody>
</table>

RECOMMENDED ACTION: We recommend the Board approve this action

3. Regular PA Spirits New Items Accepted

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>REASON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barrel 21 Distillery and Dining</td>
<td></td>
</tr>
<tr>
<td>Barrel 21 Distillery and Dining Light Rum 750 ML</td>
<td>8</td>
</tr>
<tr>
<td>Barrel 21 Distillery and Dining Vodka Distilled from Rye Mash 750 ML</td>
<td>8</td>
</tr>
<tr>
<td>Barrel 21 Distillery and Dining Spiced Rum 750 ML</td>
<td>8</td>
</tr>
</tbody>
</table>

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

4. Regular Recommended Delist Retail Reductions May 2017

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>McSweet LLC McSweet Pickled Cocktail Onions Each</td>
<td>30127</td>
</tr>
<tr>
<td>Park Street Imports LLC New Liberty Unaged White Whiskey 115 Proof 750 ML</td>
<td>1029</td>
</tr>
<tr>
<td>Park Street Imports LLC New Liberty Unaged White Whiskey 80 Proof 750 ML</td>
<td>1028</td>
</tr>
<tr>
<td>Southern Wine Spirits PA Clos du Val Cabernet Sauvignon 750 ML</td>
<td>6196</td>
</tr>
</tbody>
</table>

EFFECTIVE DATES: The transference to closeout will become effective April 24, 2017

RECOMMENDED ACTION: We recommend the Board approve this action

Motion Made: Board Member Negra
Seconded: Board Member Newsome
Board Decision: Unanimously agreed (3-0 vote) to Approve all Bureau of Product Selection / Marketing Actions.
Note: Board Minutes are not officially approved until all required signatures are affixed.

**FINANCIAL REPORT**

Michael J. Burns, Comptroller Operations, Office of Budget

The Financial Report was presented by Paul Jones from the 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, 2017</th>
<th>March 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$43,119,317</td>
<td>$21,281,967</td>
</tr>
<tr>
<td>Investments - short term</td>
<td>208,915,864</td>
<td>268,662,166</td>
</tr>
<tr>
<td>Accounts and claims receivable, net</td>
<td>1,106,772</td>
<td>1,236,032</td>
</tr>
<tr>
<td>Due from other funds - Note 8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Merchandise inventories, net</td>
<td>259,283,344</td>
<td>229,091,268</td>
</tr>
<tr>
<td>Operating supplies</td>
<td>177,219</td>
<td>1,003,220</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>1,978,034</td>
<td>1,073,830</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$514,580,550</td>
<td>$522,348,483</td>
</tr>
<tr>
<td>Non-current assets:</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>19,557,620</td>
<td>19,557,620</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>864,825</td>
<td>757,962</td>
</tr>
<tr>
<td>Machinery and equipment</td>
<td>47,245,612</td>
<td>50,275,308</td>
</tr>
<tr>
<td>Intangibles - internally generated software</td>
<td>28,333,610</td>
<td>22,710,632</td>
</tr>
<tr>
<td><strong>Less: accumulated depreciation</strong></td>
<td>59,216,052</td>
<td>54,539,948</td>
</tr>
<tr>
<td><strong>Net depreciable capital assets</strong></td>
<td>36,785,615</td>
<td>38,861,674</td>
</tr>
<tr>
<td><strong>Total non-current capital assets</strong></td>
<td>37,108,588</td>
<td>39,184,647</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$551,689,138</td>
<td>$561,533,130</td>
</tr>
<tr>
<td><strong>Total deferred outflows of resources - Note 4</strong></td>
<td>$104,261,449</td>
<td>$48,138,538</td>
</tr>
</tbody>
</table>

| LIABILITIES                                  |                |                |
| Current liabilities:                         |                |                |
| Trade accounts payable                       | $247,175,811   | $248,993,352   |
| Other accounts payable                       | 25,701,454     | 12,602,655     |
| Accrued expenses                             | 20,361,140     | 18,743,642     |
| Self-insurance, workers' compensation - Note 6 | 12,271,964     | 12,316,604     |
| Due to other funds - Note 8                  | 3,336,191      | 5,418,265      |
| Due to fiduciary funds - Note 8              | 2,345,767      | 1,804,078      |
| Due to other governments - Note 8            | 712,114        | 645,153        |
| **Total current liabilities**                | $311,904,441   | 300,523,749    |
| Non-current liabilities:                     |                |                |
| OPEB - Note 5                                | 102,778,113    | 86,552,554     |
| Self-insurance, workers' compensation - Note 6 | 39,287,287     | 42,109,251     |
| Net pension liability - Note 4               | 479,055,699    | 388,785,050    |
| Compensated absences - Note 1                | 19,506,861     | 20,092,247     |
| **Total non-current liabilities**            | 640,627,960    | 537,539,102    |
| **Total liabilities**                        | $952,532,401   | $838,062,851   |
| **Total deferred inflows of resources - Note 4** | $7,346,121     | $4,802,223     |

| NET POSITION                                 |                |                |
| Net investment in capital assets             | $37,108,588    | $39,184,647    |
| Deficit                                     | (341,036,523)  | (272,378,053)  |
| **Total net position**                      | (303,927,935)  | (233,193,406)  |
## 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, 2017 and March 31, 2016 (Unaudited)*

<table>
<thead>
<tr>
<th></th>
<th>March 2016-17</th>
<th>March 2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales net of taxes</td>
<td>$166,270,091</td>
<td>$155,693,509</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(113,636,380)</td>
<td>(107,283,862)</td>
</tr>
<tr>
<td>Gross profit from sales</td>
<td>51,633,711</td>
<td>48,409,647</td>
</tr>
</tbody>
</table>

### Operating (expenses):

- Retail operations
  - (33,830,070)
  - (32,154,327)
- Marketing & merchandising
  - (1,373,606)
  - (1,013,254)
- Supply chain
  - (1,031,156)
  - (936,396)
- Wholesale operations
  - (62,181)
- Information technology services
  - (2,817,036)
  - (2,407,355)
- Regulatory affairs
  - (1,753,195)
  - (1,708,375)
- Administration
  - (1,284,818)
  - (1,282,599)
- Finance
  - (342,663)
  - (400,149)
- Board & secretary
  - (525,060)
  - (402,680)
- Legal
  - (272,117)
  - (278,300)
- Commonwealth provided services - Note 2
  - (1,304,064)
  - (1,068,123)

Total: (44,595,966) (41,591,558)

Operating profit: 7,037,745 6,818,089

### Other operating revenues (expenses):

- Enforcement fines
  - 87,485
  - 148,775
- License fees
  - 3,678,410
  - 1,357,080
- Miscellaneous
  - 251,435
  - 105,506
- Administrative law judge
  - (230,289)
  - (206,422)

Total: 3,787,041 1,404,939

Total operating income: 10,824,786 8,223,028

### Non-operating revenues (expenses):

- Interest income
  - 175,498
  - 96,885
- Other
  - -
  - -

Total: 175,498 96,885

Income before operating transfers: 11,000,284 8,319,913

### Operating transfers out:

- PSP enforcement - Note 3
  - (2,173,889)
  - (1,946,904)
- Income after enforcement/before other transfers: 8,826,395 6,373,009

### Other operating transfers out:

- General fund - Note 3
  - (48,300,000)
  - (25,000,000)
- Drug and alcohol programs - Note 3
  - -
  - -

Total: (48,300,000) (25,000,000)

Change in net position: (39,473,605) (18,626,991)

Total net position - beginning: (264,454,330) (214,566,415)

Total net position - ending: $303,927,935 $233,193,406

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>March 2016-17</th>
<th>March 2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquor tax</td>
<td>29,746,837</td>
<td>28,062,626</td>
</tr>
<tr>
<td>State Sales Tax</td>
<td>11,695,861</td>
<td>10,929,428</td>
</tr>
<tr>
<td>Local Tax</td>
<td>777,641</td>
<td>717,089</td>
</tr>
<tr>
<td>Taxes remitted to Dept.of Revenue PTD</td>
<td>$42,220,339</td>
<td>$39,709,143</td>
</tr>
</tbody>
</table>

---

**Note:** Board Minutes are not officially approved until all required signatures are affixed.
### Comparative Statements of Revenues, Expenses, and Changes in Net Position

**For The Nine Months Ending March 31, 2017 and March 31, 2016**

(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales net of taxes</td>
<td>$1,521,297,290</td>
<td>$1,467,732,825</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(1,049,156,726)</td>
<td>(1,009,870,270)</td>
</tr>
<tr>
<td>Gross profit from sales</td>
<td>472,140,564</td>
<td>457,862,555</td>
</tr>
</tbody>
</table>

**Operating (expenses):**

<table>
<thead>
<tr>
<th>Category</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail operations</td>
<td>(300,721,771)</td>
<td>(280,875,056)</td>
</tr>
<tr>
<td>Marketing &amp; merchandising</td>
<td>(11,597,338)</td>
<td>(10,191,939)</td>
</tr>
<tr>
<td>Supply chain</td>
<td>(7,546,612)</td>
<td>(6,062,583)</td>
</tr>
<tr>
<td>Wholesale operations</td>
<td>(885,413)</td>
<td>-</td>
</tr>
<tr>
<td>Information technology services</td>
<td>(25,932,884)</td>
<td>(24,394,314)</td>
</tr>
<tr>
<td>Regulatory affairs</td>
<td>(16,964,380)</td>
<td>(15,432,074)</td>
</tr>
<tr>
<td>Administration</td>
<td>(10,782,593)</td>
<td>(10,011,624)</td>
</tr>
<tr>
<td>Finance</td>
<td>(2,825,692)</td>
<td>(3,842,646)</td>
</tr>
<tr>
<td>Board &amp; secretary</td>
<td>(4,694,996)</td>
<td>(3,989,102)</td>
</tr>
<tr>
<td>Legal</td>
<td>(2,280,004)</td>
<td>(2,613,543)</td>
</tr>
<tr>
<td>Commonwealth provided services - Note 2</td>
<td>(10,425,480)</td>
<td>(12,251,699)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(394,657,163)</td>
<td>(369,664,580)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>77,483,401</td>
<td>88,197,975</td>
</tr>
</tbody>
</table>

**Other operating revenues (expenses):**

<table>
<thead>
<tr>
<th>Category</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enforcement fines</td>
<td>945,238</td>
<td>1,500,880</td>
</tr>
<tr>
<td>License fees</td>
<td>20,719,424</td>
<td>9,933,196</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>1,049,156</td>
<td>2,129,302</td>
</tr>
<tr>
<td>Administrative law judge</td>
<td>(1,980,877)</td>
<td>(1,880,577)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>20,732,941</td>
<td>11,682,801</td>
</tr>
<tr>
<td>Total operating income</td>
<td>98,216,342</td>
<td>99,880,776</td>
</tr>
</tbody>
</table>

**Non-operating revenues (expenses):**

<table>
<thead>
<tr>
<th>Category</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>1,697,260</td>
<td>531,028</td>
</tr>
<tr>
<td>Other</td>
<td>(45,023)</td>
<td>(11,381)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,652,237</td>
<td>519,647</td>
</tr>
<tr>
<td>Income before operating transfers</td>
<td>99,868,579</td>
<td>100,400,423</td>
</tr>
</tbody>
</table>

**Operating transfers out:**

<table>
<thead>
<tr>
<th>Category</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSP enforcement - Note 3</td>
<td>(20,709,213)</td>
<td>(19,866,575)</td>
</tr>
<tr>
<td>Income after enforcement/before other transfers</td>
<td>79,159,366</td>
<td>80,513,848</td>
</tr>
</tbody>
</table>

**Other operating transfers out:**

<table>
<thead>
<tr>
<th>Category</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund - Note 3</td>
<td>(144,908,937)</td>
<td>(75,000,000)</td>
</tr>
<tr>
<td>Drug and alcohol programs - Note 3</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(144,908,937)</td>
<td>(75,000,000)</td>
</tr>
<tr>
<td>Change in net position</td>
<td>(65,749,571)</td>
<td>5,513,848</td>
</tr>
<tr>
<td>Total net position - beginning</td>
<td>(238,178,364)</td>
<td>(238,707,254)</td>
</tr>
<tr>
<td>Total net position - ending</td>
<td>$ (303,527,935)</td>
<td>$ (233,193,406)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquor tax</td>
<td>273,992,345</td>
<td>263,755,072</td>
</tr>
<tr>
<td>State Sales Tax</td>
<td>107,367,194</td>
<td>102,761,580</td>
</tr>
<tr>
<td>Local Tax</td>
<td>6,817,603</td>
<td>6,560,612</td>
</tr>
<tr>
<td>Taxes remitted to Dept.of Revenue YTD</td>
<td>$ 388,177,142</td>
<td>$ 373,077,264</td>
</tr>
</tbody>
</table>

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

Interagency Billings.................................................Oren Bachman, Director of Finance

The Office of Comptroller Operations provides numerous financial shared services including financial statement preparation, accounting, internal audit, payroll and accounts payable.

The third quarter billing of $1,123,259 has been received for review and processing for the Fiscal Year 2016-17:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>3rd Quarter Billings</th>
<th>FYTD thru 3rd Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>$1,123,259</td>
<td>$3,426,252</td>
</tr>
<tr>
<td>% Change</td>
<td>-5.9%</td>
<td>2.3%</td>
</tr>
<tr>
<td>2015-16</td>
<td>$1,194,304</td>
<td>$3,350,764</td>
</tr>
<tr>
<td>2014-15</td>
<td>$1,282,925</td>
<td>$3,631,011</td>
</tr>
<tr>
<td>2013-14</td>
<td>$1,229,057</td>
<td>$3,301,551</td>
</tr>
</tbody>
</table>

The Bureau of Financial Management and Analysis has performed its review of the Fiscal Year 2016-17 quarterly billing and determined that the third quarter billing of $1,123,259 is reasonable based on billing methodology and previous experience.

Board Member Negra expressed his support for matters such as this being presented at public meetings so that the public can be made aware of how much financial support the PLCB provides to other agencies.

Board Member Newsome agreed with Board Member Negra, noting that the PLCB has provided nearly $3.5 million in financial support to the Office of Comptroller Operations this fiscal year.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Accept Billing Request.

Transfer of Lottery Funds..............................................Oren Bachman, Director of Finance

In accordance with Section 207 (I) of Act 39 of 2016, this authorization request is for the transfer of $136,622 from the State Stores Fund to the General Fund. The funds will satisfy the requirement of Act 39 which requires “all proceeds retained by the Board as compensation for the sale of tickets, including incentive awards or bonuses, as well as credit for direct payment of prizes, shall be deposited into the General Fund” by transferring the commissions quarterly during the fiscal year.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Transfer of Lottery Funds.
Transfer to General Fund…………………………………………Oren Bachman, Director of Finance

The Office of Budget requests the transfer of $23,200,000 in May 2017 from the State Stores Fund to the General Fund.

The transfer of this prescribed amount of $23,200,000 will be processed, as authorized in Expenditure Symbol Notification Number 16-085.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve the Requested Transfer to the General Fund.

Board Member Negra asked Oren Bachman, Director of Finance, for an update as to the total dollar amount of transfers to the General Fund for this fiscal year.

Mr. Bachman responded by indicating that, with the transfer that was just approved, the total dollar amount transferred to the General Fund for the current fiscal year is now $191.6 million.

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, May 3, 2017 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 Newsome, the meeting was adjourned.

The foregoing actions are hereby officially approved.

__________________________________________
Chairman

__________________________________________
Member

__________________________________________
Member

ATTEST:

__________________________________________
Secretary