PUBLIC MEETING – 11:00 A.M

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

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

A. Motion to approve the previous Board Meeting Minutes of the May 17, 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

Peter Good, Esq. indicated that he wished to offer comments on the first matter being presented for consideration under New Business. Mr. Good stated that he is the attorney for Rosheema L. Thomas, who operates a licensed establishment at 14th and Swatara Streets in Harrisburg, Dauphin County. He explained that the Board had previously voted to refuse renewal of Ms. Thomas’ license, but that Judge Curcillo of the Dauphin County Court of Common Pleas issued a well-reasoned decision overturning the Board’s decision. He further explained that Ms. Thomas operates a well-run establishment, which is not on the City’s list for nuisance bars and that the refusal was because of a de minimis violation of a Conditional Licensing Agreement and a few outside disturbances that were not linked to the operation of the establishment. Accordingly, Mr. Good asked that the Board not pursue an appeal of Judge Curcillo’s decision reinstating the license.
NEW BUSINESS

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

(1) Rosheema L. Thomas
1412 Swatara Street
Harrisburg, Pennsylvania 17104-1801
Restaurant Liquor License No. R-16347
LID 64434
Docket No. 2016-CV-8752-MD (Dauphin County)

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) – Do Not Appeal.

(2) Transferor: Frank Staub Tavern, Inc.
2760-62 East Pacific Street
Philadelphia, Pennsylvania 19134-5533
Restaurant Liquor License No. R-11080
LID 14723

Transferee: Pacific Street, LLC
2760-62 East Pacific Street
Philadelphia, Pennsylvania 19134-5533
Restaurant Liquor License No. R-11080
LID 85155

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Conversion of Suspension to a Fine of $3,000.00.

(3) Pick a Deli Six Packs to Go, LLC
419 South Centre Street
Pottsville, Pennsylvania 17901-3509
Restaurant Liquor License No. R-17721
LID 70053

Motion Made: Request to Modify
Seconded: Conditional Licensing Agreement

Request to Modify Conditional Licensing Agreement

Note: Board Minutes are not officially approved until all required signatures are affixed.
Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Modified Conditional Licensing Agreement.

(4) J.S.E. Enterprises, Inc.
2020 Riverside Drive
South Williamsport, Pennsylvania 17702-6959
Restaurant Liquor License No. R-10683
LID 54771

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Rescind Conditional Licensing Agreement.

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

(1) Bald Eagle Fuel & Tire, Inc.
t/a Snappy’s
R-4034 (LID No. 81786) Case No. 17-9023
14543 Clearfield Shawville Highway
Lawrence Township
Clearfield, Clearfield County

“Intermunicipal” Double Transfer & Requests for Interior Connections with Another Business & to Conduct Another Business on the Licensed Premises – 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 and to Conduct Another Business on the Licensed Premises.

(2) HG Coal Fired Pizza, Inc.
t/a Hector’s Coal Fired Pizza
(LID No. 83317) Case No. 17-9012
500 Chesterbrook Boulevard, Unit 12
Tredyffrin Township
Wayne, Chester County

New – Economic Development Restaurant
Motion Made: Board Member Negra
Seconded: Board Member Newsome

Chairman Holden asked if there was anyone present for the Applicant, but there was no response.

Board Decision: Unanimously agreed (3-0 vote) to Refuse New Economic Development Restaurant Liquor License.

(3) Rosalitas Bodega, Inc.
R-450 (LID No. 71963) Case No. 16-9087
1600 South Street
Philadelphia, Philadelphia County

Conditional Licensing Agreement
Extension of License – Restaurant

HOLD – 1/18/17 SESSION

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Application for Extension of License with Conditional Licensing Agreement.

(4) Second Street Ventures, LLC
R-11083 (LID No. 69132)
16-18 South 2nd Street, 2nd Floor
Philadelphia, Philadelphia County

Request to Conduct Other Businesses on the Licensed Premises – Restaurant

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Request to Conduct Other Businesses on the Licensed Premises.

(5) 201 Enola Enterprises, Inc.
R-12781 (LID No. 64809) Case No. 2017-64809
201 Enola Road
East Pennsboro Township
Enola, Cumberland County

Renewal – District 1

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Hold by Board Member Negra for an Amended Conditional Licensing Agreement.
Note: Board Minutes are not officially approved until all required signatures are affixed.

(6) 562-66 S. 19th, Inc.
t/a Double D Neighborhood Bar & Grill
R-5634 (LID No. 38818) Case No. 16-9040
562-66 South 19th Street
Harrisburg, Dauphin County

Conditional Licensing Agreement Renewal – District 2

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal with Conditional Licensing Agreement.

HOLD – 12/7/16 SESSION

(7) 4936 SSP, Inc.
R-15465 (LID No. 60140) Case No. 2015-60140
Valley View Shopping Center
4936 Pennell Road
Aston Township
Aston, Delaware County

Renewal – District 11

Motion Made: Board Member Negra
Seconded:

Board Decision: Hold for a Conditional Licensing Agreement.

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

Conditional Licensing Agreement Renewal & Amusement Permit – District 2

HOLD – 4/19/17 SESSION

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal and Amusement Permit with Conditional Licensing Agreement.

(9) JACC Enterprises, Inc.
t/a IMBIBE
R-20355 (LID No. 67126) Case No. 2016-67126
321 Pine Street
Williamsport, Lycoming County

Conditional Licensing Agreement Renewal – District 8

HOLD – 3/8/17 SESSION
Note: Board Minutes are not officially approved until all required signatures are affixed.

Motion Made: Board Member Negra  
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal with Conditional Licensing Agreement.

(10) PL Phase One Operations, LP  
t/a Xfinity Live!  
R-8504 (LID No. 65838) Case No. 2014-65838  
1100 Pattison Avenue  
Philadelphia, Philadelphia County

Motion Made: Board Member Negra  
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewals.

(11) 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 Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve Renewal with Conditional Licensing Agreement.

(12) Rock Ann Haven, Inc.  
t/a Rock Ann Haven  
R-12315 (LID No. 29309) Case No. 2016-29309  
141 Greenwood Avenue  
Butler Township  
Butler, Butler County

Motion Made: Board Member Negra  
Seconded:  

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

Board Member Negra noted that it appears the neighbor who raised concerns in this case moved in after the restaurant was already operating. He analogized this to someone moving in next to a golf course and then complaining about golf balls coming into his yard. He expressed his hope that the issues could be resolved through 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 15 personnel actions presented for consideration.

(1)  David Davis – Affirm Removal
(2)  Albert Fernandez – Removal
(3)  Richard Frysinger – Demotion
(4)  Bernadette Gibson – Five Day Suspension
(5)  Sarita Jones – Removal
(6)  Yuhanna Kennedy – Affirm Removal
(7)  Brenda Kopko – Affirm Removal
(8)  Mark Marusak – Removal
(9)  James Moore – Removal
(10) Jayson Nageotte – Affirm Removal
(11) Jasmine Patterson – Removal
(12) Bennett Searles – Removal
(13) Rahiem Waddell – Affirm Removal
(14) Shakeia Washington – Affirm Removal
(15) Renee Willochell - Removal

Motion Made:        Board Member Negra
Seconded:           Board Member Newsome

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

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

(1) **Hearing Examiner Services** – Represent the Board in the capacity of a hearing examiner for administrative hearings conducted in the Commonwealth of Pennsylvania regarding matters which the Board shall adjudicate as required.

Procured via PO 63015368 Option Year One (1) – VENDOR: Richard M. Rosenbleeth, Esquire – TERM: One (1) year for the period 7/18/2017 through 7/17/2018 – **$75,000.00 estimated cost.** Renewal cost remains the same at $75,000.00 a year.

(2) **Lot 3, Point of Service Operations, of RFP 20143025, Oracle ERP (Enterprise Resource Planning) Production Support and Enhancement Consulting Services** – Provide production support, maintenance, and enhancement consulting services for the PLCB’s Point of Service Operations system.

Procured via PO 63013714 Option Year One (1) and Amendment One (1) to RFP Contract 20143025 – VENDOR: SkillNet Solutions, Inc. – TERM: One (1) year for the period 5/18/2017 through 5/17/2018 – **$1,404,000.00 estimated cost** which represents a decrease of 4% over last year’s cost. Per Amendment One (1), staff resources will be reduced from $125.00 per hour to $120.00 per hour for the term of Option Year One.

(3) **Lot 2, Retail Operations, of RFP 20143025 Oracle ERP Production Support and Enhancement Consulting Services** – Provide production support, maintenance, and enhancement consulting services for the PLCB’s retail systems.

Procured via PO 63013717 Option Year One (1) to RFP Contract 20140325 – VENDOR: Deloitte Consulting LLP – TERM: One (1) year for the period 6/22/2017 through 6/21/2018) - **$1,288,310.40 estimated cost** which represents an average increase of 1.5% blended rate over last year’s cost. Four (4) staff resources are being renewed as per contracted rate card fixed hourly rates for first renewal period.

**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. #0409 – 2580 Constitution Boulevard, Beaver Falls
   Amendment

2. #4013 – 379 South Main Street, Wilkes-Barre
   Amendment
Note: Board Minutes are not officially approved until all required signatures are affixed.

3. #5122 – 8 Penn Center, 1628 John F. Kennedy Boulevard, Philadelphia Amendment

4. #4302 – 837 Sharon New Castle Road, Farrell Closing

<table>
<thead>
<tr>
<th>Motion Made:</th>
<th>Board Member Negra</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seconded:</td>
<td>Board Member Newsome</td>
</tr>
<tr>
<td>Board Decision:</td>
<td>Unanimously agreed (3-0 vote) to Approve all Retail Operations Actions.</td>
</tr>
</tbody>
</table>

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>Jim Beam Brands Co</td>
<td></td>
</tr>
<tr>
<td>Jim Beam and Cola Ready to Drink 355 ML</td>
<td>8</td>
</tr>
<tr>
<td>Jim Beam and Ginger Ale Ready to Drink 355 ML</td>
<td>8</td>
</tr>
</tbody>
</table>

RECOMMENDED ACTION: We recommend the Board approve this action

2. Regular PA Spirits New Items Accepted

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>REASON</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boardroom Spirits LLC</td>
<td></td>
</tr>
<tr>
<td>Boardroom Spirits Fresh Cranberry Flavored Vodka 750 ML</td>
<td>8</td>
</tr>
<tr>
<td>Boardroom Spirits Fresh Ginger Flavored Vodka 750 ML</td>
<td>8</td>
</tr>
<tr>
<td>Boardroom Spirits Fresh Citrus Flavored Vodka 750 ML</td>
<td>8</td>
</tr>
<tr>
<td>Five Saints Distilling</td>
<td></td>
</tr>
<tr>
<td>Five Saints Blood Orange Liqueur 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

3. Regular Recommended Delist Retail Reductions August 2017

<table>
<thead>
<tr>
<th>BRAND NAME AND SIZE</th>
<th>CODE</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Wales Wine</td>
<td></td>
</tr>
<tr>
<td>Barefoot Rosa Red Blend 750 ML</td>
<td>9006</td>
</tr>
<tr>
<td>Park Street Imports LLC</td>
<td></td>
</tr>
<tr>
<td>New Liberty Rye Vodka 750 ML</td>
<td>1025</td>
</tr>
</tbody>
</table>

EFFECTIVE DATES: The transference to closeout will become effective June 12, 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

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

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>April 30, 2017</th>
<th>April 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 54,188,019</td>
<td>$ 34,327,925</td>
</tr>
<tr>
<td>Investments - short term</td>
<td>198,713,446</td>
<td>269,881,442</td>
</tr>
<tr>
<td>Accounts and claims receivable, net</td>
<td>1,421,986</td>
<td>1,087,269</td>
</tr>
<tr>
<td>Due from other funds - Note 8</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Merchandise inventories, net</td>
<td>250,232,823</td>
<td>238,046,325</td>
</tr>
<tr>
<td>Operating supplies</td>
<td>354,993</td>
<td>806,147</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>1,300,923</td>
<td>745,612</td>
</tr>
<tr>
<td>Total current assets</td>
<td>$ 506,212,190</td>
<td>$ 544,895,120</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>47,395,207</td>
<td>51,036,603</td>
</tr>
<tr>
<td>Intangibles - internally generated software</td>
<td>28,333,610</td>
<td>23,250,632</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>60,114,528</td>
<td>55,292,848</td>
</tr>
<tr>
<td>Net depreciable capital assets</td>
<td>$ 36,036,734</td>
<td>$ 39,309,969</td>
</tr>
<tr>
<td>Total non-current capital assets</td>
<td>$ 36,359,707</td>
<td>$ 39,632,942</td>
</tr>
<tr>
<td>Total assets</td>
<td>$ 542,571,897</td>
<td>$ 584,528,062</td>
</tr>
<tr>
<td>Total deferred outflows of resources - Note 4</td>
<td>$ 105,491,449</td>
<td>$ 84,438,538</td>
</tr>
</tbody>
</table>

| LIABILITIES | | |
| Current liabilities: | | |
| Trade accounts payable | $ 249,226,360 | $ 258,774,256 |
| Other accounts payable | 24,831,092 | 12,068,132 |
| Accrued expenses | 20,229,157 | 23,166,886 |
| Self-insurance, workers' compensation - Note 6 | 12,771,965 | 12,816,604 |
| Due to other funds - Note 8 | 3,507,927 | 3,543,428 |
| Due to fiduciary funds - Note 8 | 2,422,852 | 1,979,331 |
| Due to other governments - Note 8 | 740,027 | 704,756 |
| Total current liabilities | $ 313,729,380 | $ 313,053,393 |
| Non-current liabilities: | | |
| OPEB - Note 5 | 104,178,113 | 87,652,554 |
| Self-insurance, workers' compensation - Note 6 | 39,267,287 | 42,109,251 |
| Net pension liability - Note 4 | 482,375,699 | 437,085,050 |
| Compensated absences - Note 1 | 19,506,861 | 20,092,247 |
| Total non-current liabilities | $ 645,347,960 | $ 586,939,102 |
| Total liabilities | $ 959,077,340 | $ 899,992,495 |
| Total deferred inflows of resources - Note 4 | $ 7,536,121 | $ 5,002,223 |

| NET POSITION | | |
| Net investment in capital assets | $ 36,359,707 | $ 39,632,942 |
| Deficit | (354,909,822) | (275,661,060) |
| Total net position | $ (318,550,115) | $ (236,028,118) |
Comparative Statements of Revenues, Expenses, and Changes in Net Position
For The Month Ending April 30, 2017 and April 30, 2016
(Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>April 2016-17</th>
<th>April 2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales net of taxes</td>
<td>$157,170,513</td>
<td>$157,500,254</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(108,536,877)</td>
<td>(108,210,143)</td>
</tr>
<tr>
<td>Gross profit from sales</td>
<td>48,633,636</td>
<td>49,290,111</td>
</tr>
</tbody>
</table>

Operating (expenses):
- Retail operations: (31,697,064)
- Marketing & merchandising: (807,329)
- Supply chain: (743,821)
- Wholesale operations: (72,356)
- Information technology services: (2,974,055)
- Regulatory affairs: (1,904,402)
- Administration: (1,170,952)
- Finance: (268,412)
- Board & secretary: (510,113)
- Legal: (250,999)
- Commonwealth provided services - Note 2: (1,080,724)

Total operating expenses: (41,480,227)

Operating profit: 7,153,409

Other operating revenues (expenses):
- Enforcement fines: 149,840
- License fees: 3,039,786
- Miscellaneous: 404,260
- Administrative law judge: (195,741)

Total other operating revenues (expenses): 3,398,145

Total operating income: 10,551,554

Non-operating revenues (expenses):
- Interest income: 168,700
- Other: -

Total non-operating revenues (expenses): 168,700

Income before operating transfers: 10,720,254

Operating transfers out:
- PSP enforcement - Note 3: (2,042,434)
- Income after enforcement/before other transfers: 8,677,820

Other operating transfers out:
- General fund - Note 3: (23,300,000)
- Drug and alcohol programs - Note 3: -

Total other operating transfers out: (23,300,000)

Change in net position: (14,622,180)

Total net position - beginning: (303,927,935)

Total net position - ending: $318,550,115

Liquor tax: 28,319,727
State Sales Tax: 11,136,464
Local Tax: 722,093
Taxes remitted to Dept.of Revenue PTD: $40,178,284

<table>
<thead>
<tr>
<th></th>
<th>April 2016-17</th>
<th>April 2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquor tax</td>
<td>28,319,727</td>
<td>28,228,236</td>
</tr>
<tr>
<td>State Sales Tax</td>
<td>11,136,464</td>
<td>10,988,380</td>
</tr>
<tr>
<td>Local Tax</td>
<td>722,093</td>
<td>726,307</td>
</tr>
<tr>
<td>Taxes remitted to Dept.of Revenue PTD</td>
<td>$40,178,284</td>
<td>$39,942,923</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 Ten Months Ending April 30, 2017 and April 30, 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>$ 1,678,467,803</td>
<td>$ 1,625,233,079</td>
</tr>
<tr>
<td>Cost of goods sold</td>
<td>(1,157,693,603)</td>
<td>(1,118,080,413)</td>
</tr>
<tr>
<td>Gross profit from sales</td>
<td>520,774,200</td>
<td>507,152,666</td>
</tr>
</tbody>
</table>

Operating (expenses):

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail operations</td>
<td>(332,418,836)</td>
<td>(320,295,663)</td>
</tr>
<tr>
<td>Marketing &amp; merchandising</td>
<td>(12,404,667)</td>
<td>(11,120,970)</td>
</tr>
<tr>
<td>Supply chain</td>
<td>(8,290,433)</td>
<td>(6,804,235)</td>
</tr>
<tr>
<td>Wholesale operations</td>
<td>(957,769)</td>
<td></td>
</tr>
<tr>
<td>Information technology services</td>
<td>(28,906,939)</td>
<td>(27,512,133)</td>
</tr>
<tr>
<td>Regulatory affairs</td>
<td>(18,868,781)</td>
<td>(17,743,552)</td>
</tr>
<tr>
<td>Administration</td>
<td>(11,953,545)</td>
<td>(11,257,951)</td>
</tr>
<tr>
<td>Finance</td>
<td>(3,094,104)</td>
<td>(4,779,579)</td>
</tr>
<tr>
<td>Board &amp; secretary</td>
<td>(5,205,108)</td>
<td>(4,635,007)</td>
</tr>
<tr>
<td>Legal</td>
<td>(2,531,004)</td>
<td>(2,830,129)</td>
</tr>
<tr>
<td>Commonwealth provided services - Note 2</td>
<td>(11,506,204)</td>
<td>(13,406,357)</td>
</tr>
<tr>
<td>Total</td>
<td>(436,137,390)</td>
<td>(420,385,577)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>84,636,810</td>
<td>86,767,089</td>
</tr>
</tbody>
</table>

Other operating revenues (expenses):

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enforcement fines</td>
<td>1,095,079</td>
<td>1,649,288</td>
</tr>
<tr>
<td>License fees</td>
<td>23,759,210</td>
<td>10,881,158</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>1,453,416</td>
<td>2,529,763</td>
</tr>
<tr>
<td>Administrative law judge</td>
<td>(2,176,618)</td>
<td>(2,069,262)</td>
</tr>
<tr>
<td>Total</td>
<td>24,131,087</td>
<td>12,990,948</td>
</tr>
<tr>
<td>Total operating income</td>
<td>108,767,897</td>
<td>99,758,037</td>
</tr>
</tbody>
</table>

Non-operating revenues (expenses):

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>1,865,959</td>
<td>641,523</td>
</tr>
<tr>
<td>Other</td>
<td>(45,023)</td>
<td>(16,124)</td>
</tr>
<tr>
<td>Total</td>
<td>1,820,936</td>
<td>625,399</td>
</tr>
</tbody>
</table>

Income before operating transfers  

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating transfers out:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PSP enforcement - Note 3</td>
<td>(22,751,647)</td>
<td>(21,876,257)</td>
</tr>
<tr>
<td>Income after enforcement/before other transfers</td>
<td>87,837,186</td>
<td>78,507,179</td>
</tr>
</tbody>
</table>

Other operating transfers out:

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund - Note 3</td>
<td>(168,200,000)</td>
<td>(75,000,000)</td>
</tr>
<tr>
<td>Drug and alcohol programs - Note 3</td>
<td>-</td>
<td>(828,043)</td>
</tr>
<tr>
<td>Total</td>
<td>(168,208,937)</td>
<td>(75,828,043)</td>
</tr>
</tbody>
</table>

Change in net position  

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in net position</td>
<td>(80,371,751)</td>
<td>2,679,136</td>
</tr>
</tbody>
</table>

Total net position - beginning | (238,178,364) | (238,707,254) |

Total net position - ending   

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016-17</th>
<th>2015-16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquor tax</td>
<td>302,312,072</td>
<td>291,983,308</td>
</tr>
<tr>
<td>State Sales Tax</td>
<td>118,503,657</td>
<td>113,749,960</td>
</tr>
<tr>
<td>Local Tax</td>
<td>7,539,696</td>
<td>7,286,919</td>
</tr>
<tr>
<td>Taxes remitted to Dept.of Revenue YTD</td>
<td>$ 428,355,425</td>
<td>$ 413,020,187</td>
</tr>
</tbody>
</table>

13
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 billing of $1,700,000 represents the actual and estimated costs for the Fourth Quarter of Fiscal Year 2016-17.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>4th Quarter Billings</th>
<th>Total FY Billings</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>$1,700,000</td>
<td>$5,126,252</td>
</tr>
<tr>
<td>% Change</td>
<td>-5.6%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>2015-16</td>
<td>$1,800,000</td>
<td>$5,150,764</td>
</tr>
<tr>
<td>2014-15</td>
<td>$1,300,000</td>
<td>$4,931,011</td>
</tr>
<tr>
<td>2013-14</td>
<td>$1,101,000</td>
<td>$4,402,551</td>
</tr>
</tbody>
</table>

The Bureau of Financial Management and Analysis has performed its review of the above Fiscal Year 2016-17 quarterly billing and determined that the fourth quarter billing of $1,700,000 is reasonable based on billing methodology and previous experience.

Motion Made: Board Member Negra
Seconded: Board Member Newsome

Board Decision: Unanimously agreed (3-0 vote) to Approve the Billing of $1,700,000 as presented.

CITIZEN COMMENT/BUSINESS FROM THE FLOOR

None

NEXT BOARD MEETING

The next meeting of the PLCB will be a formal meeting on Wednesday, June 28, 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.
Note: Board Minutes are not officially approved until all required signatures are affixed.

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