

**PENNSYLVANIA LIQUOR CONTROL BOARD**  
**MEETING MINUTES**

**WEDNESDAY, MARCH 8, 2017**

**NORTHWEST OFFICE BUILDING, CONFERENCE ROOM 117, HARRISBURG, PA**

Tim Holden, Chairman  
Mike Negra, Board Member  
Michael Newsome, Board Member  
Charlie Mooney, Executive Director  
John Stark, Board Secretary

[Office of Chief Counsel](#)  
[Bureau of Licensing](#)  
[Bureau of Human Resources](#)  
[Bureau of Accounting & Purchasing](#)

[Office of Retail Operations](#)  
[Bureau of Product Selection](#)  
[Financial Report](#)  
[Other Issues](#)

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**PUBLIC MEETING – 11:00 A.M**

**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 February 15, 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 Glen Rock**  
Case No. 17-NE-03

Municipal Petition for  
Exemption from the  
Statute Regarding  
Amplified Sound

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 Noise Exemption from March 9, 2017 to March 9, 2020.

(2) **Borough of Mount Joy**  
Case No. 17-NE-01

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 March 8, 2017 to March 8, 2022.

(3) **Butler Township**  
Case No. 17-NE-02

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 March 8, 2017 to March 8, 2020.

(4) **Transferor: Illusionz, LLC t/a Illusionz by Randi Silver-Rivera**  
130-132 Main Street  
Greenville, Pennsylvania 16125-2277  
R-17183, LID 57246

Application for  
Conversion of  
Suspension to Fine

**Transferee: Blackout Burger, LLC**  
Route 208 and Veterans Road  
Springfield, Pennsylvania 16127-0000  
R-17183, LID 81251

**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.

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**(5) Proposed PLCB Regulation Change**

Return of Liquor to the Board

Board Member Negra asked Rod Diaz, Chief Counsel, to explain the proposed regulation changes.

Mr. Diaz explained that the proposed regulation changes involve returns of liquor to the Board. He provided a brief overview of the changes and the necessary steps to have the regulation approved. Mr. Diaz also indicated that he had reviewed the proposed changes with Carl Jolly, Director of Retail Operations, and Douglas Hitz, Director of Wholesale Operations.

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

**Board Decision:** Unanimously agreed (3-0 vote) to start the regulatory review process with regard to Proposed PLCB Regulation #54-91.

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

- |   |   |
|---|---|
| <p><b>(1) 730 East Pittsburgh Street Food Associates, L.P.<br/>t/a Shop N Save<br/>R-771 (LID No. 63758)<br/>730 East Pittsburgh Street<br/>Greensburg, Westmoreland County</b></p> | <p>Extension of License &amp; Requests for Interior Connections with Another Business &amp; to Conduct Another Business on the Licensed Premises – Restaurant</p> |
|---|---|

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

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

- |  |   |
|--|---|
| <p><b>(2) Breakaway Sports Lounge, Inc.<br/>R-18107 (LID No. 46746)<br/>810 &amp; 800 Suite D South Potomac Street<br/>Waynesboro, Franklin County</b></p> | <p>Extension of License &amp; Requests for Interior Connections with Another Business &amp; to Conduct Another Business on the Licensed Premises – Restaurant</p> |
|--|---|

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

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

- (3) **C & CC Essence Market, Inc.** Double Transfer & Requests for Interior Connections with Another Business & to Conduct Another Business on the Licensed Premises – Eating Place Malt Beverage  
E-3716 (LID No. 72985) Case No. 16-9099  
719 South 4<sup>th</sup> Street  
Philadelphia, Philadelphia County

**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.

- (4) **Capital Wine & Spirits Company, LLC** Extension of License & Request to Conduct Another Business on the Licensed Premises – Importer  
I-716 (LID No. 49405)  
129 Hartman Road  
Montgomery Township  
North Wales, Montgomery County

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

**Board Decision:** Unanimously agreed (3-0 vote) to Approve Extension of License and Request to Conduct Another Business on the Licensed Premises.

- (5) **McGuire’s Pub, Inc.** Conditional Licensing Agreement Appointment of Manager – Restaurant  
**t/a McGuire’s Pub**  
R-17708 (LID No. 64128) Case No. 16-9085  
130 West Centre Street  
Mahanoy City, Schuylkill County **HOLD – 12/7/16 SESSION**

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

**Board Decision:** Unanimously agreed (3-0 vote) to Approve Appointment of Manager Application with Conditional Licensing Agreement.

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- (6) **Phoenicia Fine Middle Eastern Cuisine, LLC** Request for Hearing After  
**t/a Phoenicia** Revocation - Restaurant  
R-7878 (LID No. 64381) Case No. 16-9083  
154 Northampton Street  
Easton, Northampton County

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

**Board Decision:** Unanimously agreed (3-0 vote) to Affirm Administrative Revocation.

- (7) **Rock'n Willy's Hookah Garden, LLC** "Intermunicipal" Double  
E-5190 (LID No. 84417) Transfer & Requests for an  
578 Main Street Interior Connection with Another  
Stroudsburg, Monroe County Business, to Conduct Another  
Business on the Licensed  
Premises & Dual Employment –  
Eating Place Malt Beverage

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

**Board Decision:** Unanimously agreed (3-0 vote) to Approve Transfer and Requests for an Interior Connection with Another Business, to Conduct Another Business on the Licensed Premises and Dual Employment.

- (8) **Taphouse Bar & Grill, Inc.** Stipulation – Restaurant  
R-3058 (LID No. 65573)  
23 Chestnut Street  
Sharon, Mercer County  
Citation No. 13-0972

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

**Board Decision:** Hold by Board Member Negra.

- (9) **Toss'd Food Service, LLC** "Intermunicipal" Double  
R-3058 (LID No. 81922) Case No. 16-9098 Transfer – Restaurant  
489 South Hermitage Road  
Hermitage, Mercer County

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

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

**Board Decision:** Hold by Board Member Negra.

- (10) **Bad-Cor, LLC** Conditional Licensing Agreement  
**t/a The Red Barn** Renewal – District 4  
R-11031 (LID No. 70077) Case No. 2016-70077  
646 North 8<sup>th</sup> Street, Rear  
Allentown, Lehigh County **HOLD – 12/7/16 SESSION**

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

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

- (11) **JACC Enterprises, Inc.** Renewal – District 8  
**t/a IMBIBE**  
R-20355 (LID No. 67126) Case No. 2016-67126  
321 Pine Street  
Williamsport, Lycoming County

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

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

- (12) **Jones & Bazuine, Inc.** Conditional Licensing Agreement  
**t/a Colonial Hotel & Restaurant** Renewal – District 2  
R-19998 (LID No. 54545) Case No. 16-9026  
106 North Front Street  
New Freedom, York County **HOLD – 12/7/16 SESSION**

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

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

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- (13) **Orion Restaurant Group III, Inc.** Conditional Licensing Agreement  
**t/a Tally Ho Tavern** Renewal – District 4  
R-8825 (LID No. 68341) Case No. 2016-68341  
205 West 4<sup>th</sup> Street  
Bethlehem, Northampton County **HOLD – 11/16/16 SESSION**

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

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

- (14) **Park Confectionery, Inc.** Renewal – District 6  
**t/a Park Casino** **HOLD – 1/18/17 SESSION**  
R-10076 (LID No. 14187) Case No. 2016-14187  
308 Connellsville Street  
Uniontown, Fayette County

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

**Board Decision:** Unanimously agreed (3-0 vote) to Refuse Renewal.

- (15) **Syndicate Real Estate, Inc.** Renewal – District 6  
**t/a Pclub's Sports Bar & Grille** **HOLD – 1/18/17 SESSION**  
H-3592 (LID No. 65412) Case No. 2016-65412  
899 Pennsylvania Avenue  
Monaca, Beaver County

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

**Board Decision:** Unanimously agreed (3-0 vote) to Refuse Renewal.

- (16) **White Twp. Inn & Lanes, Inc.** Renewal – District 6  
**t/a White Township Inn**  
R-17867 (LID No. 18976) Case No. 2016-18976  
2518 Clayton Road  
White Township  
Beaver Falls, Beaver County

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**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*

Personnel Actions

- (1) Donna Adams – Affirm Removal
- (2) Mary Barnes – Affirm Removal
- (3) Melissa Clayton – Removal
- (4) Mithnie Dorce – Removal
- (5) Qaaid Fuller –Affirm Removal
- (6) Tami Fulvi – Removal
- (7) Na’Imah Keitt – Removal
- (8) Nicholas Mauro – Removal
- (9) James Mergile – Removal
- (10) Kristopher Moyer – Affirm Removal
- (11) Hiyab Stefanos – Affirm Removal
- (12) Sharaina Troop – Affirm Removal
- (13) Kathrn Weikel - Removal

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

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



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

- (1) **AIX Software Support for IBM Servers** – Provide hardware and software maintenance for several IBM servers located at the Northwest Office Building, the Discovery Site located on Cameron Street and at the Commonwealth Technology Center. These servers provide vital business functions for the PLCB’s business, such as Store Personnel Training, Gift Cards, an application development environment, and an external File Transfer Protocol server.

Procured DGS Statewide Contract # 4400012883 – VENDOR: IBM – TERM: One (1) year – \$58,453.29 estimated cost.

- (2) **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 sole source – VENDOR: Charles M. Gibbs, Esquire – TERM: One (1) year – \$150,000.00 estimated cost.

Chairman Holden asked Rod Diaz, Chief Counsel, how many hearing examiners the PLCB currently has in Region 1.

Mr. Diaz indicated that there are currently two hearing examiners in Region 1. He further indicated that if the proposed action were approved, there would be a total of three hearing examiners in that region. Mr. Diaz also noted that there is one additional hearing examiner for Region 1 whose appointment is still pending.

**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. **#0203 – 230 Yost Boulevard, Pittsburgh Amendment**
- 2. **#0279 – 722 Brookline Boulevard, Pittsburgh Amendment**
- 3. **#0801 – 2323 North Elmira Street, Sayre Amendment**
- 4. **#2210 – 5070 Jonestown Road, Harrisburg Amendment**

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- 5. **#2333 – 1500 Garrett Road, Upper Darby Amendment**
- 6. **#5002 – 65 Main Street, Duncannon Amendment**
- 7. **#1302 – 1215 North Street, Jim Thorpe Amendment (with added space)**
- 8. **#1007 – Suite #302-A, 20111 Route 19, Cranberry Township Amendment (with added space)**
- 9. **#51XX – 3903 Aramingo Avenue, Philadelphia New Store/Relocation (to replace #5140)**

Board Member Newsome asked Carl Jolly, Director of Retail Operations, why the square footage rate increased so much for Store #1007. Board Member Newsome also asked what the term of the lease is for Store #1007.

Mr. Jolly responded by indicating that the PLCB took additional space, and the increased cost reflects the rebrand and expansion for the store. Mr. Jolly also stated that the lease term is a ten-year split term, with two separate five-year terms.

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

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

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

**1. Regular New Items**

| <u>BRAND NAME AND SIZE</u>                                      | <u>REASON</u> |
|---|---------------|
| <u>Sidney Frank Importing Co</u><br>Jagermeister Liqueur 200 ML | 3             |

RECOMMENDED ACTION: We recommend the Board approve this action

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## 2. Regular PA Preferred New Items

| <u>BRAND NAME AND SIZE</u>                                   | <u>REASON</u> |
|--|---------------|
| <b><u>Brandywine Branch Distillers LLC</u></b>               |               |
| The Revivalist Botanical Gin - Dragondance Expression 750 ML | 8             |
| The Revivalist Botanical Gin - Equinox Expression 750 ML     | 8             |
| The Revivalist Botanical Gin – Summertime Expression 750 ML  | 8             |

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 April 2017

| <u>BRAND NAME AND SIZE</u>                    | <u>CODE</u> |
|---|-------------|
| <b><u>Diageo Americas Inc</u></b>             |             |
| Ketel One Citroen 200 ML                      | 1070        |
| Ketel One Vodka 200 ML                        | 1069        |
| <b><u>McCormick Distilling Co</u></b>         |             |
| Platte Valley Fireshine 750 ML                | 9469        |
| <b><u>W J Deutsch Sons LTD</u></b>            |             |
| Yellow Tail Cabernet Sauvignon Reserve 750 ML | 7140        |

EFFECTIVE DATES: The transference to closeout became effective February 27, 2017

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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.

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**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)**

|  | <u>January 31, 2017</u> | <u>January 31, 2016</u> |
|--|-------------------------|-------------------------|
| <b><u>ASSETS</u></b>                           |                         |                         |
| Current assets:                                |                         |                         |
| Cash   | \$ 27,126,929           | \$ 32,836,449           |
| Investments - short term                       | 259,142,242             | 260,812,340             |
| Accounts and claims receivable, net            | 1,543,238               | 2,304,527               |
| Due from other funds - Note 8                  | -                       | -                       |
| Merchandise inventories, net                   | 263,444,527             | 227,934,116             |
| Operating supplies                             | 272,397                 | 526,300                 |
| Prepaid expenses                               | <u>2,744,419</u>        | <u>1,354,817</u>        |
| Total current assets                           | <u>554,273,752</u>      | <u>525,768,549</u>      |
| Non-current assets:                            |                         |                         |
| Non-depreciable capital assets:                |                         |                         |
| Land   | 322,973                 | 322,973                 |
| Depreciable capital assets:                    |                         |                         |
| Building                                       | 19,557,620              | 19,557,620              |
| Leasehold improvements                         | 864,825                 | 757,962                 |
| Machinery and equipment                        | 47,173,960              | 49,748,368              |
| Intangibles - internally generated software    | <u>28,329,441</u>       | <u>24,929,185</u>       |
| Less: accumulated depreciation                 | <u>57,744,660</u>       | <u>55,672,029</u>       |
| Net depreciable capital assets                 | <u>38,181,186</u>       | <u>39,321,106</u>       |
| Total non-current capital assets               | <u>38,504,159</u>       | <u>39,644,079</u>       |
| Total assets                                   | <u>\$ 592,777,911</u>   | <u>\$ 565,412,628</u>   |
| Total deferred outflows of resources - Note 4  | \$ 101,801,449          | \$ 44,338,538           |
| <b><u>LIABILITIES</u></b>                      |                         |                         |
| Current liabilities:                           |                         |                         |
| Trade accounts payable                         | \$ 239,959,107          | \$ 244,039,938          |
| Other accounts payable                         | 24,813,770              | 15,493,837              |
| Accrued expenses                               | 18,681,788              | 17,023,419              |
| Self-insurance, workers' compensation - Note 6 | 11,271,965              | 11,316,604              |
| Due to other funds - Note 8                    | 4,655,833               | 5,488,365               |
| Due to fiduciary funds - Note 8                | 2,057,536               | 1,557,906               |
| Due to other governments - Note 8              | 614,777                 | 524,360                 |
| Total current liabilities                      | <u>302,054,776</u>      | <u>295,444,429</u>      |
| Non-current liabilities:                       |                         |                         |
| OPEB - Note 5                                  | 99,978,113              | 84,352,554              |
| Self-insurance, workers' compensation - Note 6 | 39,287,287              | 42,109,251              |
| Net pension liability - Note 4                 | 472,415,699             | 382,985,050             |
| Compensated absences - Note 1                  | <u>19,506,861</u>       | <u>20,092,247</u>       |
| Total non-current liabilities                  | <u>631,187,960</u>      | <u>529,539,102</u>      |
| Total liabilities                              | <u>\$ 933,242,736</u>   | <u>\$ 824,983,531</u>   |
| Total deferred inflows of resources - Note 4   | \$ 6,966,121            | \$ 4,402,223            |
| <b><u>NET POSITION</u></b>                     |                         |                         |
| Net investment in capital assets               | \$ 38,504,159           | \$ 39,644,079           |
| Deficit  | <u>(284,133,656)</u>    | <u>(259,278,667)</u>    |
| Total net position                             | <u>\$ (245,629,497)</u> | <u>\$ (219,634,588)</u> |

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**Commonwealth of Pennsylvania  
Pennsylvania Liquor Control Board  
State Stores Fund  
Comparative Statements of Revenues, Expenses, and Changes in Net Position  
For The Month Ending January 31, 2017 and January 31, 2016  
(Unaudited)**

|   | <u>January<br/>2016-17</u> | <u>January<br/>2015-16</u> |
|---|----------------------------|----------------------------|
| Sales net of taxes                              | \$ 134,805,868             | \$ 135,790,530             |
| Cost of goods sold                              | <u>(94,074,950)</u>        | <u>(95,378,920)</u>        |
| Gross profit from sales                         | 40,730,918                 | 40,411,610                 |
| Operating (expenses):                           |                            |                            |
| Retail operations                               | (32,554,905)               | (32,889,158)               |
| Marketing & merchandising                       | (1,188,989)                | (1,005,783)                |
| Supply chain                                    | (838,937)                  | (987,161)                  |
| Wholesale operations                            | (83,073)                   | -                          |
| Information technology services                 | (2,172,336)                | (2,248,242)                |
| Regulatory affairs                              | (1,895,008)                | (1,560,542)                |
| Administration                                  | (1,207,454)                | (1,030,391)                |
| Finance   | (317,632)                  | (259,115)                  |
| Board & secretary                               | (542,589)                  | (380,690)                  |
| Legal   | (266,797)                  | (266,274)                  |
| Commonwealth provided services - Note 2         | <u>(1,107,479)</u>         | <u>(1,449,770)</u>         |
| Total   | <u>(42,175,199)</u>        | <u>(42,077,126)</u>        |
| Operating profit                                | (1,444,281)                | (1,665,516)                |
| Other operating revenues (expenses):            |                            |                            |
| Enforcement fines                               | 97,708                     | 203,500                    |
| License fees                                    | 2,344,848                  | 927,353                    |
| Miscellaneous                                   | 92,250                     | 126,827                    |
| Administrative law judge                        | <u>(223,101)</u>           | <u>(195,009)</u>           |
| Total   | <u>2,311,705</u>           | <u>1,062,671</u>           |
| Total operating income                          | 867,424                    | (602,845)                  |
| Non-operating revenues (expenses):              |                            |                            |
| Interest income                                 | 235,702                    | 76,269                     |
| Other   | <u>-</u>                   | <u>(4,400)</u>             |
| Total   | <u>235,702</u>             | <u>71,869</u>              |
| Income before operating transfers               | 1,103,126                  | (530,976)                  |
| Operating transfers out:                        |                            |                            |
| PSP enforcement - Note 3                        | (2,138,216)                | (2,594,506)                |
| Income after enforcement/before other transfers | <u>(1,035,090)</u>         | <u>(3,125,482)</u>         |
| Other operating transfers out:                  |                            |                            |
| General fund - Note 3                           | (73,300,000)               | (50,000,000)               |
| Drug and alcohol programs - Note 3              | -                          | -                          |
| Total   | <u>(73,300,000)</u>        | <u>(50,000,000)</u>        |
| Change in net position                          | (74,335,090)               | (53,125,482)               |
| Total net position - beginning                  | <u>(171,294,407)</u>       | <u>(166,509,106)</u>       |
| Total net position - ending                     | <u>\$ (245,629,497)</u>    | <u>\$ (219,634,588)</u>    |
| Liquor tax                                      | 24,944,567                 | 25,167,718                 |
| State Sales Tax                                 | 9,620,513                  | 9,852,879                  |
| Local Tax                                       | 651,063                    | 652,144                    |
| Taxes remitted to Dept.of Revenue PTD           | <u>\$ 35,216,144</u>       | <u>\$ 35,672,741</u>       |

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**Commonwealth of Pennsylvania  
Pennsylvania Liquor Control Board  
State Stores Fund  
Comparative Statements of Revenues, Expenses, and Changes in Net Position  
For The Seven Months Ending January 31, 2017 and January 31, 2016  
(Unaudited)**

|   | <u>2016-17</u>          | <u>2015-16</u>          |
|---|-------------------------|-------------------------|
| Sales net of taxes                              | \$ 1,210,801,006        | \$ 1,166,027,108        |
| Cost of goods sold                              | (835,031,972)           | (800,688,566)           |
| Gross profit from sales                         | 375,769,034             | 365,338,542             |
| Operating (expenses):                           |                         |                         |
| Retail operations                               | (236,120,318)           | (219,534,200)           |
| Marketing & merchandising                       | (8,861,132)             | (8,253,468)             |
| Supply chain                                    | (5,671,620)             | (4,511,170)             |
| Wholesale operations                            | (744,969)               | -                       |
| Information technology services                 | (20,548,497)            | (19,444,021)            |
| Regulatory affairs                              | (13,452,855)            | (12,027,259)            |
| Administration                                  | (8,318,794)             | (7,630,037)             |
| Finance   | (2,185,305)             | (3,039,150)             |
| Board & secretary                               | (3,676,485)             | (3,197,073)             |
| Legal   | (1,742,472)             | (1,991,687)             |
| Commonwealth provided services - Note 2         | (7,804,188)             | (9,878,989)             |
| Total   | <u>(309,126,635)</u>    | <u>(289,507,054)</u>    |
| Operating profit                                | 66,642,399              | 75,831,488              |
| Other operating revenues (expenses):            |                         |                         |
| Enforcement fines                               | 742,120                 | 1,196,692               |
| License fees                                    | 14,457,140              | 7,183,396               |
| Miscellaneous income                            | 822,400                 | 1,779,701               |
| Administrative law judge                        | (1,546,443)             | (1,487,057)             |
| Total   | <u>14,475,217</u>       | <u>8,672,732</u>        |
| Total operating income                          | 81,117,616              | 84,504,220              |
| Non-operating revenues (expenses):              |                         |                         |
| Interest income                                 | 1,272,838               | 339,501                 |
| Other   | (45,023)                | (11,381)                |
| Total   | <u>1,227,815</u>        | <u>328,120</u>          |
| Income before operating transfers               | 82,345,431              | 84,832,340              |
| Operating transfers out:                        |                         |                         |
| PSP enforcement - Note 3                        | (16,487,627)            | (15,759,674)            |
| Income after enforcement/before other transfers | 65,857,804              | 69,072,666              |
| Other operating transfers out:                  |                         |                         |
| General fund - Note 3                           | (73,308,937)            | (50,000,000)            |
| Drug and alcohol programs - Note 3              | -                       | -                       |
| Total   | <u>(73,308,937)</u>     | <u>(50,000,000)</u>     |
| Change in net position                          | (7,451,133)             | 19,072,666              |
| Total net position - beginning                  | <u>(238,178,364)</u>    | <u>(238,707,254)</u>    |
| Total net position - ending                     | <u>\$ (245,629,497)</u> | <u>\$ (219,634,588)</u> |
| Liquor tax                                      | 218,259,372             | 209,900,564             |
| State Sales Tax                                 | 85,447,419              | 81,784,555              |
| Local Tax                                       | 5,361,899               | 5,180,803               |
| Taxes remitted to Dept.of Revenue YTD           | <u>\$ 309,068,690</u>   | <u>\$ 296,865,922</u>   |

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

**OTHER ISSUES**

*Announcement for Ratification of a Board Action.....Chairman Holden*

The following Board Action approved on February 16, 2017 was decided by Notational Voting after the adjournment of the Board’s last public meeting.

Chairman Holden, Member Negra and Member Newsome unanimously agreed (3-0 vote) to approve the transfer of \$48,300,000 from the State Stores Fund to the General Fund on March 1, 2017 as requested by the Governor’s Budget Office.

The transfer of the prescribed amount of \$48,300,000 has been processed, as authorized in Expenditure Symbol Notification Number 16-085.

**CITIZEN COMMENT/BUSINESS FROM THE FLOOR**

None

**NEXT BOARD MEETING**

**The next meeting of the PLCB will be a formal meeting on Wednesday, March 22, 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