**Virginia Wine Board**

**Wine Marketing Office**

**Richmond Virginia**

**May 25, 2016**

**FINAL MINUTES**

**Present**

David King Mitzi Batterson Steven Brown

Kirk Wiles Doug Fabbioli Len Thompson

Diane Flynt Bill Tonkins Patrick Duffeler

**Absent**

Secretary Haymore

**Guests**

Margie Gehler David Robishaw Terri Cofer-Bierne

Annette Boyd Susan Kramer Megan Womack

Robin Hill Katie Hellebush Mary Beth Williams

Laurie Aldrich Justin Rose Shannon Johnson

Greg Rosko Jim Dolphin Betsy Dolphin

Molly Kelly Joe Marcy Scott Dwyer

Emily Pelton Mitch Moreland Jim Benefiel

Dr. Van Wood

**Call to order**

The Chairman called the meeting to order at 10:10 and welcomed the Board and guests

**Approval of the minutes from the previous meeting**

Prior to the meeting, the minutes were posted on Board Docs. Chairman King found one correction which was noted. With that change, Bill Tonkins moved to approve the minutes as presented, Doug Fabbioli seconded, and with no further discussion, the motion passed.

**Financial Report**

Prior to the meeting, the financials report was posted on Board Docs. Margie Gehler made the financial presentation, reviewed the remaining balance for FY 16 and presented the working budget for FY 17. The Board had several questions that Margie addressed. After the financial report, Chairman King commented there was some uncertainty over the exact way ABC figures and collects the cider tax and whether that money is part of the wine appropriation. The Wine Marketing Office has some data from ABC which will be shared with the Board. Chairman King will check with ABC and/or the Department of Taxation to see if the collections reflect both farm and commercial cideries.

For FY 17, Mitzi moved to retain the services of Margie to provide financial support. Diane seconded, and with no further discussion, the motion passed.

For the National Grape and Wine Initiative, the Board moved to fund dues for $10,000 and an additional $3,000 for travel expenses for Rock Stephens. Patrick Duffeler moved to fund this proposal, Bill Tonkins seconded and with no further discussion the motion passed.

**Report from the Virginia Wine Council (VWC)**

Prior to the meeting, the VWC report was posted on Board Docs. Katie Hellebush gave a brief recap, including a roundtable being held tomorrow at Barboursville Winery

**Report from Terri Cofer Bierne**

Terri Cofer Bierne from the Wine Institute reported on the issue of split case fees and the impact on the industry. Terri Cofer Bierne has asked the ABC to review this fee and oppose the implementation of the fee. This regulation could lead to additional fees.

**Report from the Virginia Vineyards Association (VVA)**

There was no report submitted prior to the meeting. Bill Tonkins reported to the Board for the VVA. The summer meeting will be held at Veritas Winery on June 8th. The theme for this meeting is “Clean Plants-Keeping them Clean” and they will have several technical experts to address this topic.

**Report from the Virginia Wineries Association (VWA)**

Prior to the meeting, all the materials were posted on Board Docs. Laurie Aldrich began with a report on the Governor’s Cup, including suggested changes. Laurie also reviewed how the money flows from the Wine Board to the VWA and how the money is allocated. The money pays for the educational portions and the competition, but not the marketing (Gala). The VWA is requesting to move the Gala to the Wine Marketing Office, thereby reducing the amount they will request for this year. The VWA is removing the Gala due to certain marketing restrictions that would not apply to the Wine Marketing Office. The net effect will not increase the costs. The VWA is also requesting to use this year’s unspent monies (savings) for cost overruns from previous years rather than return the money to the Wine Board. After discussion the Board did not agree that the VWA keep the money – rather return the money as agreed but request additional funding.

The VWA also asked the Board to consider the Social Media and Digital workshop funding proposal ($15,000). This event would coincide with the Gala, either the day before or the day after. There would be a charge to attend the event that would be used to partly pay for the event.

The VWA also asked the Board to consider the Regulation Round Up and Winery Resource Guide proposal ($9,050). This proposal would include 4 sessions to be held regionally. Mary Beth Williams will speak at the meetings.

The VWA also asked the Board to consider the Annual Meeting funding request to cover speaker and meeting costs ($5,000). The Board had questions on how this money would be spent. The new VWA president Justin Rose addressed this issue.

All of these funding requests will be addressed at the end of the meeting.

**Report from the Wine Marketing Office**

Prior the meeting, all the Wine Marketing Office materials were posted on Board Docs.

The report began with an update on the matching marketing proposals. The WMO received 3 grants. All the proposals were well received and the marketing committee felt all 3 deserved some level of funding. This is an area that could benefit from extra funding. The WMO will look at the criteria for funding new proposals. This will be part of the entire Wine Marketing Office budget. The current committee members will present new criteria and budget number (or other changes) at the next meeting.

Annette made her budget presentation for FY 17, which was posted on Board Docs. Annette addressed the objectives for the FY 17 budget, including building brand awareness, increase exposure on restaurant wine lists, drive visitors to wineries, and expand sales along the East Coast, especially in the metro Washington DC area and the Southeast.

The Board continued discussing the Marketing objectives and reviewed the actual numbers in the budget.

**The Board took a lunch break at 12:30. The Board returned to work at 12:50**

Mitzi moved to extend the contract with Ringwood Boyd for FY 17. Diane seconded, and with no further discussion, the motion passed.

Diane moved to accept the Marketing budget as proposed, Patrick Duffeler seconded, and with no further discussion, the motion passed (1,137,139.).

**RFP Proposals**

With 4 separate RFP’s, the Board invited those that had proposals to come and be a part of the discussion.

Enology Extension

**Molly Kelly, Virginia Tech** - Molly Kelly and Dr. Joe Marcy both made the proposal to the Wine Board. Dr. Marcy updated the Board on the structure of the Food Science department and how that impacts and serves the wine industry ($24,200).

**Michael Attanasi** – Enology extension – Michael was in California and not able to attend this meeting ($40,000).

Commercial Grape Report

Producing a grape report will be on ongoing project, expected to be produced every year.

**Dr. Wood – VCU**

Dr. Wood has been working with his students to use statistics and surveys in marketing. The current report while providing good data does not address issues that drive the industry ($30,250).

**Jim Benefiel – VVA**

The growers think the commercial grape report is critical to their decision making ($17,176).

**Mitch Morehart – Authoritative**

Mitchell Morehart gave the Board his plan for producing a commercial grape report ($31,324).

Enology Research

**Emily Pelton –** **Virginia Winemakers Research Exchange**

Emily presented her proposal to the Board. One of the main features is that fact this is a state wide project done at the regional level, and the structure is an integral part of this proposal

($104,000).

**Scott Dwyer** – **Monticello Wine Trail Winemakers Research Exchange Grape**. Scott used to work at Pollack Vineyards and is now heading up the proposal that was funded last year as well as the new proposal ($46,060).

**Paul Beckwith** – **VITUS**. Paul introduced himself and his proposal to the Board. The Board had several questions which he answered ($50,000).

**Kinha Lester** – **Bloomsburie** Kinha Lester wasn’t able to attend the meeting. ($25,000)

Workforce Development

**Greg Rosko** – **Piedmont Virginia Community College**. ($20,075) Greg walked the Board through the curriculum for the course.

**Follow up on all the proposals**

The Board discussed all the proposals presented, as well as all the funding requests from the Virginia Wineries Association.

After discussion, the following proposals were recommended for funding:

Virginia Tech Enology Extension 24,200

VCU Grape Survey Report 30,250

VVA Grape Report 17,176

Virginia Winemakers Research Exchange 104,000

PVCC Work Force Development 20,075

VWA Regulation Roundup 9,050

VWA Social Media Workshop 15,000

Total 219,751

Len Thompson moved to fund the above listed proposals and Doug Fabbioli seconded. With no further discussion, the motion passed.

David King and Bill Tonkins recused themselves from the voting on these proposals.

Doug Fabbioli moved to approve $127,000 for the Governor’s Cup. Len Thompson seconded the motion, and with no further discussion, the motion passed.

**Next meeting and Adjourn**

The next meeting is tentatively set for Monday August 8th at Blacksburg at the new research center. With no further business, the meeting was adjourned at 5:40 PM.