**Virginia Wine Board**

**Virginia Department of Forestry, Charlottesville**

**May 12, 2014**

**FINAL MINUTES**

**Present**

David King Doug Fabbioli Mitzi Batterson

Christopher Blosser Ruth Saunders Diane Flynt

Mills Wehner Len Thompson Bill Tonkins

**Absent**

Todd Haymore

**Guests**

Ben Rowe Katie Hellenbush Susan Wagner

Amy Ciarametaro Annette Boyd Jim Turpin

Teri Cofer Bierne Laurie Aldrich Rich Janke

Melissa Ball David Robishaw

**Call to Order**

David King called the meeting to order at 10:05. He welcomed the Board and guests

**Approval of Minutes**

Before the meeting, David Robishaw posted the meeting minutes for March 24 and 25 and April 24 to Board Docs. After a brief discussion, the Board approved both sets of minutes.

**Financial Report**

Prior to the meeting, David Robishaw placed all financial documents on Board Docs. A copy of the financial report is included with the official minutes. Melissa Ball and Mitzi Batterson discussed the Budget numbers with the Board. Mitzi pointed out the need to discuss increasing office rent for the Wine Marketing Office as they have to move to another location. The Board also discussed the National Grape and Wine Initiative and where to slot it. Mitzi Batterson moved to keep the NGWI in research, Doug Fabbioli seconded, and with no further discussion, the motion passed.

**Report from the Virginia Vineyards Association**

Bill Tonkins reported for the VVA. The VVA is working on the summer meeting, which will be at Barboursville on June 6 and focus on wildlife management. They will also be focusing their educational efforts for vineyards under 20 acres.

**Report from the Virginia Wineries Association**

Laurie Aldrich gave the report for the VWA. They are continuing with the Governor’s Cup seminars. They did a “regulation roundup” in Williamsburg with another one scheduled for later this summer. They will also have their annual meeting this summer.

There are some small changes in the Governor’s Cup, based on feedback they have received from the participants. The VWA is diligent about making sure all the entrants are using all Virginia grapes. There were discussions about the composition of the Governor’s Cup case, making sure to include more white wines. There were also discussions about having a separate event exclusively for white wines. All these ideas are under consideration. Mitzi asked the Board for any ideas on how the industry can do more to promote the whites, as they appear to be overshadowed by the red entries.

The budget for the Governor’s Cup will be $147,500 ($104,500 for marketing and $43,000 for education) for the upcoming event, which is slightly less than the previous year. There will also be some carry over from the previous year, but the exact amount will not be known until after the audit is complete. The best estimate for the balance is approximately $13,000. Laurie suggested the Board leave the balance with the VWA and apply it to the upcoming Governor’s Cup. The Board also engaged in a discussion on the use of the educational seminars and how they can most effectively reach consumers as well as the trade. One consideration is to make sure wines that are used in the seminars be available for purchase**. \*\*Later on the VWA said they had an excess of $10,000 so the total GC budget will be reduced by the same amount out of the education side (43,000 – 10,000 = 33,000).**

Laurie also updated the Board on the Cooperative. The VWA (for the Cooperative) is asking the Board to financially support the establishment of the Cooperative. The director of the Coop is Rich Jante. Rich reported there are currently 17 members in the Coop. The main mission of the Cooperative is group purchasing, including glass ware and chemicals. The list will be expanded over time to include many other items all wineries use. The second main role will be Wine Club shipping/logistics and wine storage. The Coop has identified a company that will help on shipping, transportation, and coordinating tasks. Rich told the Board the potential is there for substantial savings for wineries. The VWA is asking for $100,000 to launch the Cooperative and the budget is included with the official minutes. The feasibility study has been completed and everything is positive, but there is much more work to do and the Coop will need funding in order to continue. The Board had questions for the VWA and Rich, including whether there will be a cost to be a member in the Coop, and would there will be a sliding scale including an initial investment and a charge based on acreage and production. The goal is for the Coop to be self supporting by year 3 of its existence. David King is concerned the Coop does not have numbers to support the supposition that it will be self supporting. The VWA will provide the Board with a “business plan” to justify the expenditure of the money. At this point, the Board deferred action until the Coop provides the supporting documentation.

**Report from the Virginia Wine Council**

Jim Turpin is the new chair of the Virginia Wine Council and he gave the Board an update. The VWC is going to develop a broad agenda and push the agenda forward. Before the meeting, David Robishaw put the report on Board Docs for the Board and the report will be included with the official minutes. The VWC has met its funding goals, which is a positive for the industry. Katie has been attending meetings around the state to stay abreast on what counties are doing from a regulatory point. Ben Rowe reported the General Assembly work for this season is complete, but moving forward, the VWC is interested in building a “grass roots” organization of industry personnel to help move the industry position forward. The VWC is increasing their use of Facebook, Twitter, Constant Contact and other social media to spread information.

**Report from Molly Kelly, Enology Extension**

Before the meeting, David Robishaw put the report from Molly Kelly on Board Docs. The report will also be included with the official minutes. The Board reviewed her report. The general consensus was she did not need to appear at every meeting, just the funding meeting, but rather provide a report for the Board for each meeting. After discussion, Ruth moved Molly attend 2 Board meetings per year, the funding meeting and 6 months out (March and August) and Doug will be the point of contact. Diane Flynt seconded the motion, and with no further discussion, the motion passed.

**Lunch**

**Report from the Wine Marketing Office**

Annette Boyd gave the report to the Board. Before the meeting, David Robishaw placed the Wine Marketing Office information on Board Docs and the report will be included with the official minutes.

The Wine Marketing Office reviewed 5 proposals and is suggesting the Board award 4 marketing proposals. The total money for the 4 proposals is $30,000. Approval will be during the Budget discussion.

Annette reviewed her budget request for FY 15 which was on Board Docs prior to the meeting. Annette reviewed each budget category and answered questions from the Board. Annette addressed questions on the proposed staffing, including a new part time person and a change in health coverage. Annette answered questions on the “Viognier Camp” and could we successfully hold this workshop. Annette feels this has a great deal of promotional promise. The Board had additional comments, but everything will be finalized during the budget approval process.

Melissa maintained the budget updated with changes as the Board debated each item. The VWA has a $10,000 overage, which is reflected in a reduction on the Governor’s Cup research side (lower from 43,000 to 33,000).

Before the Board voted on the Marketing budget, all other funding requests were put on the table. Albemarle County has a request for $32,500 for Phase 2 of the study for the purpose of where to locate the new facility and what will be its main purpose. After discussion, the Board did not feel it could put money at this point towards this project in light of all the other demands. This project was too much in its infancy and there was too much uncertainty over future funding requests. With no motion or second, the Board did not take any action to fund this proposal.

During the Strategic Planning session, one of the number one priorities was for the VVA to do some work on increasing the amount of grapes being produced. At this point, the VVA does not have any numbers on cost, so they are asking the Board to set aside some money for this research.

Laurie Aldrich from the VWA, representing the Coop, provided the Board with updated financial information on the feasibility of the Coop. The information is now on Board Docs and will be part of the official minutes. The Board has long range concerns over the sustainability of the Coop, but it is important to try to support this effort. Less than full funding will still help the Coop continue forward. Doug Fabbioli moved to fund the Coop $25,000, which is less than requested. Len Thompson seconded the motion, and with no further discussion, the motion passed. There was 1 dissenting vote.

The Wine Marketing Office budget request is for $1,039,031. This includes staff salary and all marketing efforts. A motion to approve the budget was made by Christopher Blosser and was seconded by Diane Flynt. With no further discussion, the motion passed. The budget by line item and categories includes:

Salary 268,381

Travel 15,000

Office Expenses 38,500

Winery Guide 136,500

Website 45,150

Trade Relations 222,500

Public Relations 150,000

Wine Library 15,000

Advertising 40,000

International Marketing 50,000

Other 58,000

TOTAL 1,039,031

Mitzi Batterson moved to fund the Governor’s Cup at $137,500 and the motion was seconded by Len Thompson. With no further discussion, the motion passed.

Dennis Rohlfing from Emerald Data Solutions gave a presentation on Board Docs that included Board member training as needed.

**Public Comment**

There was no additional public comment

**Next meeting and Adjournment**

The next meeting of the Board will take place Tuesday, August 12, 2014 with the location to be determined. With no further business, the meeting adjourned at 4:10 PM.