**VIRGINIA WINE BOARD**

**June 04, 2013**

**State Capital Building, Senate Room 3**

**Richmond, VA**

**FINAL MINUTES**

**Present**

John Stephens Chris Blosser Luca Paschina

Mills Wehner Diane Flynt Bill Tonkins

David King Mitzi Batterson Secretary Haymore

**Absent**

Ruth Saunders

**Guests**

Annette Boyd Amy Ciarametaro Josh Lief

Laurie Aldrich Katie Hellenbush Max Adams

Elizabeth McLaughlin Kate Maxwell Charles Green

Mary Catherine Searson Grant Mizell

**Call to Order**

Chairman Stephens called the meeting to order at 11:10. The Chairman welcomed the Board and guests to the meeting.

**Minutes**

Prior to the meeting, David Robishaw sent out copies of the minutes from the March 18 and 19 meeting held in Charlottesville Mitzi Batterson moves to approve, Diane Flynt seconds, and with no further discussion, the motion passed

**Financial**

Prior to the meeting, David Robishaw sent out copies of the financials to the Board. A copy of the report is included with the official minutes. The Board requested that the financial report be put in a different format that is simpler to work use. Dave will consult with VDACS to come up with a new format.

**Report from Virginia Vineyards Association**

Bill Tonkins gave the report for the VVA. Plans are moving forward for the summer meeting. The Sustainable Workbook has been rolled out and is available on line. Bill encouraged everyone to visit the web site and begin using the workbook

**Report from the Virginia Wineries Association**

Mitzi Batterson gave the report. Wednesday is the last forum for the Governor’s Cup. The VWA is continuing to work on the Resource Guide. The VWA has sent out a survey for the Co-Op, assessing interest in group purchases (glasses, equipment, etc.) and identifying other common interests. The annual meeting is set for November 12 at Veritas Winery. Several members of the VWA are planning to attend the annual Virginia Association of Counties (VACO) meeting to share industry concerns.

**Report from the Virginia Wine Council**

Katie Hellenbush gave the report for the VWC. The VWC is continuing to work with legislatures to seek new incentives for winery and vineyard expansion. Katie feels the Senate may be interested in working on a tax incentive program. The VWC had their first meeting of the “on farm” working group to discuss labeling issues for items not inspected by VDACS. There are still many issues involved with the “Right to Farm” law and there will be new legislation introduced to protect that law. The issues involving “Right to Farm” go back to 2006 and the VWC will be pushing legislation to protect the industry. The VWC is going to hold a fund raising event later in the year (October 19) with $1.00 for every glass of wine sold donated to the Council.

**Report from the Wine Marketing Office**

Annette Boyd gave the WMO presentation, which is included with the official minutes. The highlights of the marketing report included an overview of sales, marketing budget, Governor’s Cup competition, a winery guide update, a report from the International Wine Fair, and upcoming projects.

For calendar 2012, all wine sales grew at 2%, but Virginia wine sales provided 9% of the growth. Overall, Virginia wine sales grew by 4%, which is twice the overall rate. Wines sold at wineries continue to grow and represent 64% of total Virginia sales. All wine sales through distributors, including Virginia wines, declined. Seasonal promotions continue to provide increased sales. Market share for Virginia wines increased to 4.62% in 2012. The limiting factor for continued sales growth for Virginia wineries appears to be a lack of grapes.

The WMO is pushing forward with plans for the 2013 Wine Summit. It will be held at “Salamander Resort” in Middleburg, which is a spectacular venue. It is tentatively set for October 28, but the WMO is hoping to reschedule for October 29. Virginia tourism will work with the WMO to make this a “wine and food” event. The WMO is continuing to work with the VWC on the July 10 industry summit.

**Update from Secretary Haymore**

Sec Haymore thanked all parties involved for “1813” – including the Wine Marketing Office, Luca Paschina and his team from Barboursville Vineyards, and all the area winemakers and growers that contributed to the making of this wine.

Secretary Haymore had the opportunity to visit with Steven Spurrier while he was in London and Steven continues to be very complimentary of the work Virginia has done to promote the wine industry. Steven Spurrier is one of world’s acclimated wine experts and his opinion carries great weight within the industry.

The Homestead Resort and Busch Gardens, as well as the Greenbrier, are all working to upgrade their wine lists to include Virginia wine. The Secretary’s office is willing to work with the industry and make calls on buyers, encouraging them to consider adding Virginia wines to their menus. Approximately 5 million people per year visit Busch Gardens, so the exposure should be huge

**OLD BUSINESS**

**Enology Extension Update**

Molly Kelly, Extension Specialist made a presentation to the Board on her extension activity. Molly had a handout for the Board, which is included with the official minutes. Molly has scheduled her visits to coincide with the ongoing roundtables. She has been working with winemakers as they encounter taste issues, such as a copper flavor, spoilage, and yeast that is introduced from the fruit. She is also working with wineries on sanitation issues, such as how to keep the bottling line clean and free of microbes. Molly has been asking wineries what they want in terms of further education. She is looking to broaden the base and include more wineries that may not normally participate in workshops. Molly will eventually be responsible for producing “Enology Notes” and all her presentations will be available as a PDF for the entire industry.

**Status Update for the Online Winemaker Course**

Rock Stephens gave the Board an update from Virginia Tech on the current status of the Online Winemaker course. Virginia Tech is making progress but doesn’t have a concrete proposal to present to the Board yet. Virginia Tech offered some preliminary figures on what it would cost to bring the course up to Virginia Tech’s on-line standards.

**Beyond 2015**

The meeting will take place July 10, 2013 at the Richmond Marriott West. We are continuing to work on finding a moderator, finalizing a list of industry personnel to be invited, and the agenda. The agenda will include a message from Secretary Haymore, an opportunity for industry associations to give updates, and time for industry strategic planning.

**Virginia Wine Expo**

David King reported on his meeting with Alex Papajohn from the Virginia Wine Expo. This year the Expo is expecting between 9 and 10 thousand people at the event. The event stretches from Wednesday night through Sunday afternoon. The industry will continue to support the Expo and push for them to highlight Virginia wines. The Board felt they provided seed money for the event to get started, but there was no need to continue to financially support this event.

**NEW BUSINESS**

**Matching Marketing Grant committee**

Mitzi Batterson is the new Chairperson of this committee and she provided a handout to the Board, which is included with the official minutes. There were 7 grants submitted and 4 were recommended by the committee for funding. The 4 proposals total 27,600 with a balance remaining of 22,400. The committee recommended a second round of RFP’s to get additional qualified proposals. Mitzi moves to accept the four proposals as recommended, David King seconds, and with no further discussion, the motion passed. Luca moves to reallocate the remaining 22,400 to the unallocated marketing budget. Diane Flynt seconds, and the motion passed.

**Marketing Budget Proposal**

Annette presented the Board the WMO budget for FY 14. The proposal is included with the official minutes. Annette went over each line item and explained it to the Board. On the wine guide, the WMO will attempt to limit winery directions in order to reduce the contents and retain the same size.

The WMO had 2 representatives from the web site development company explain the proposed changes.

The Board heard the Governor’s Cup proposal from the VWA before taking action on the entire WMO budget.

After reducing the amount on printing, Governor’s Cup gala, and matching grants (amounts indicated), Mitzi moved to accept the wine marketing budget as presented. Diane Flynt seconded, and the motion passed. The final budget is included with the official minutes. David Robishaw will get the updated budget to the Board.

**Governor’s Cup Proposal**

Mitzi gave the Board the 2014 Governor’s Cup proposal, which is included with the official minutes. The Board discussed all the sections of the proposal, including the competition and

educational parts. Luca moved to fund the Governor’s Cup for $150,000 (103,000 for marketing and 47,000 for education) and the VWA will retain the fees collected for the Governor’s Cup and utilize them to fund the Gala. David King seconded the motion. After further discussion, the motion passed

**Public Comment**

There were no public comments. David King shared with the Board that UVa and UC Davis were experimenting with using drones to assist in spraying.

Chris Blosser moved to send the Board into closed session. Chris stated “Mr. Chairman, I move that this meeting be recessed and that the Board immediately reconvene in closed meeting for the purpose of consultation with legal counsel and for discussion and consideration the position of independent marketing contractor as permitted by §2.2-3711.A.1 and A.7 of the Code of Virginia. The following non-member will be in attendance to reasonably aid the consideration of the topic: Josh Lief, Office of the Attorney General, Kate Maxwell, Office of Attorney General, and David Robishaw, Board Program Manager. Diane Flynt seconded the motion, and with no further discussion the motion passed and the Board went into closed session at 4:40 PM.

Chris Blosser moved to exit from closed session and the motion was seconded by Luca Paschina. With no further discussion, the motion passed. The Board reconvened in open session at 5:10

Chairman John Stephens read the following statement.

“WHEREAS, the Wine Board has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and WHEREAS, §2.2-3712 of the Code of Virginia requires a certification by this Committee of the Wine Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE BE IT RESOLVED the Wine Board hereby certifies that, to the best of each member’s knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Committee of the Wine Board.

A roll call vote of committee members certifying the committee only discussed matters approved for the closed session is as follows:

Bill Tonkins AYE Mitzi Batterson AYE

David King AYE Mills Wehner AYE

Diane Flynt AYE

Chris Blosser AYE Luca Paschina AYE

John Stephens AYE

David King moved to renew the contract of Ringwood Boyd. Mitzi Batterson seconded the motion and with no further discussion, the motion passed.

Diane Flynt and David King will investigate how other Boards operate, how they are staffed, and how they operate on a daily basis. They will bring back a recommendation on whether we need to revise the way the Board currently operates.

**Next meeting and Adjourn**

The next meeting is tentatively set for August 13 for Charlottesville. With no further business, the meeting adjourned at 5:45 PM.

Respectfully Submitted,

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John Stephens, Chair David Robishaw, Secretary