

FINAL MINUTES
Virginia Wine Board
Wine Marketing Office
East Main Street, Richmond VA
August 07, 2008

PRESENT

David King
Luca Paschina
Mills Wehner

Jennifer McCloud
Patrick Duffeler

John Stephens
Dean Triplett

ABSENT

Ruth Saunders

William Moses

Todd Haymore

GUESTS

Kerry Hannon
Annette Boyd
Bill Reifenberger
Alex Papajohn
Diane Bechamps
Dave Neudeck

Carrington King
Amy Ciarametaro
Brian Mount
Tamra T. Anderson
Alisa Bailey
Julia Scott

Ben Clore
Joel Erb
Lindsay Potts
Terri C Beirne
Tyler Carroll
Ann Heidig

CALL TO ORDER

At 1:05 PM, Chairman King called the meeting to order. He welcomed the Board members and all guests to the meeting.

APPROVAL OF THE MINUTES

Prior to the meeting, David Robishaw sent all the Board members copies of the draft minutes from the June 03, 2008 meeting. With no further discussion, Patrick Duffeler moved to accept the minutes as presented, Jennifer McCloud seconded the motion, and the minutes were accepted.

REPORT FROM THE VVA (Virginia Vineyards Association)

John (Rock) Stephens, President of the VVA, made a brief report to the Board. The VVA held their summer social at Prince Michel in July and there was a good turnout of both growers and wineries. On August 14, the VVA will have a summer meeting featuring Dr. Smart who will speak at Veritas Winery on his book and the effects of global warming.

REPORT FROM TERRI COFER BIERNE

Chairman King reported to the Board on a legal issue between a winery in Fauquier County and a homeowners association. This situation is different for the wine industry because it is a threat from a citizen group, not local or state government. At this point, Terri Bierne arrived and continued the discussion. The presiding judge in this case has ruled the winery is not an agricultural enterprise but rather a commercial operation. The General Assembly is reluctant to step into a situation if there is ongoing litigation. The wine industry is going to try to stop this legislation. This could be a very dangerous precedent for the industry.

REPORT FROM THE VWA (Virginia Wineries Association)

Ann Heidig reported to the Board on VWA activities. First, the VWA will contact the Farm Bureau as well as wineries state wide regarding the legal issue mentioned above. The VWA is solvent again, with money made from various events. The VWA is looking to fill the legal void left when Terri Bierne resigned from her law firm. The VWA is also looking to hire a lobbyist, but that is dependent on their funding.

MARKETING REPORT

Silver Thorn Film

Chairman King began the marketing portion with a report on Silver Thorn Films, an independent film company located in Charlottesville. Silver Thorn is currently shooting footage of Virginia wineries they hope to use in a full length feature documentary. They hope to sell the film to some major broadcast companies. If the Board decides to fund a portion of this project, the Virginia Tourism Corporation has some matching funds. The Virginia wine industry would get several pieces of professional film that could be used for many years in generic advertising and on the web site. Additionally, if this project is sold, Virginia would receive some very favorable national publicity. After further discussion, Patrick Duffeler moved to have the Wine Marketing Office continue negotiations with Silver Thorn on the level of funding and the use of the film. Rock Stephens seconded the motion, and with no further discussion, the motion passed.

Web Site Update

Representatives from the web site development company showed the Board some of the web site. Technical difficulties prevented a complete presentation, but the Board saw enough to share some ideas and concerns. The Board felt the site should have a map featuring all the wineries in the state, thereby showing visitors the numerous options they would have when visiting Virginia. The Board also suggested that as many wineries as possible solicit feedback from their tasting room visitors on the "useability" of the site. While the Board was pleased overall, the Wine Marketing office and web developers will continue to address the concerns of the Board. Phase 1 of the web site is still set to go live in the very near future.

Virginia Tourism Corporation

Alisa Bailey from the Virginia Tourism Corporation made a presentation to the Board. The complete presentation is part of the permanent minutes. The VTC is expecting budget cuts this year, but is still pushing their theme, "Live Passionately". The VTC goals are to help market Virginia wineries, encourage visitation, build awareness of the regional wine trails, and support the surrounding tourism infrastructure. They are asking wineries to put up posters (which they will supply) in tasting rooms promoting "Find the One You Love" 20th Anniversary Wine Month Sweepstakes. There is also a tourism conference in Roanoke September 10 and 11, 2008.

Marketing Report from the Virginia Wine Marketing Office

Annette Boyd reported to the Board on the current marketing activities of the Wine Marketing Office. A complete report is part of the permanent minutes.

- 1) A consumer survey on the winery guide has been completed and approximately 75% of the respondents felt the guide met their needs.
- 2) A marketing progress report will be sent to wineries quarterly
- 3) The wine marketing office will be collecting wine sales data from the ABC
- 4) Plans are coming along to celebrate October wine month
- 5) The launch of the new www.virginiawine.org web site is scheduled for Monday, August 11, 2008 with suggestions from the Board
- 6) The winery guide is continuing to be distributed
- 7) The Wine Marketing Office is continuing to work with the Virginia Tourism Corp.
- 8) Plans are continuing for the 2nd annual Virginia Wine Expo

Virginia Wine Expo

Alex Papajohn made a presentation to the Board on behalf of the Virginia Wine Expo. The inaugural expo was a great success and Alex is working to make the show this year bigger and better. It will be a 3 day event, featuring an exclusive Friday afternoon trade show and Friday evening VIP reception. During the reception, there will be announcements of numerous awards, including the wine distributor, restaurant, and retailer of the year as well as the Governor's Cup award winning wines. Alex is asking for \$25,000 to support this Expo. Luca Paschina said there should be only Virginia appellation wines at this event.

Wine Marketing Budget Requests

After presenting the marketing updates and hearing the proposal for the Wine Expo, Annette Boyd gave the Board copies of her proposed marketing budget. Chairman King opened the floor for comments about the budget. Jennifer McCloud asked about banner ads generating income. Banner ads will be part of the finished web site and will be a source of income to help pay for the web site. Chairman King had concerns that the Wine Marketing Office not become too spread out. There were also concerns the total wine budget may be affected by the state budget shortfall, but nothing will be

known for a while. After further discussion on each line item with some changes, Rock Stephens moved to accept the marketing budget with the suggested changes. Dean

Triplett seconded the motion, and with no further discussion, the motion passed.

CHAIRMAN'S CORNER

Wine Marketing Office Contract

The current contract with Annette Boyd is scheduled to run out October 14, 2008. It was suggested that the new contract run less than 1 year to coincide with the state fiscal year. Annette Boyd has agreed to that change. Rock Stephens moved to extend the contract with Annette Boyd, Ringwood Boyd Marketing, from October 15, 2008 to June 30, 2009. Dean Triplett seconded the motion, and with no further discussion, the motion passed.

David Robishaw discussed the administrative procedures currently in place between the Wine Marketing Office and VDACS. In an effort to streamline and make the system more efficient, beginning when the new contract starts, VDACS will transfer money to Ringwood Boyd Marketing in 2 lump sums rather than reimbursing each individual invoice. The first transfer will take place at the beginning of the contract and the second will be determined by the contract administrator. Annette Boyd has agreed to this change. Jennifer McCloud moved to implement a streamlined system to allow Ringwood Boyd to receive lump sum payments for marketing instead of paying on each invoice. Ringwood Boyd will continue to maintain all accounting procedures currently in place. Patrick Duffeler seconded the motion, and with no further discussion, the motion passed.

Chairman King reviewed the Virginia Wine Distribution Company. The industry is using the company, but it has not been as busy as hoped. The trend is moving upward however. The Wine Distribution Company will continue to encourage those wineries that have signed up to use the company.

PUBLIC DISCUSSION

Other than those comments already noted, there was no further public comments

NEXT MEETING AND ADJOURN

The next meeting date and time will be determined at a later date. With no further business before the Board, the meeting was adjourned at 5:50 PM.

Respectfully submitted:

David King, Chairman

David Robishaw, Secretary

