

Virginia Wine Board
Wednesday, August 24, 2011
Virginia Department of Forestry
Charlottesville, Virginia

Present

Marcie Siegel	Rock Stephens	Dean Triplett
Luca Paschina	Mills Wehner	Christopher Blosser
Diane Flynt	David King	Sec. Todd Haymore

Absent

None

Guests

Jim Corcoran	Terri Beirne	Mary Beth Williams
Len Thompson	Lindsay Reames	Lisa Champ
Shawn Bobick	Frank Britt	Valerie Palamountain
Greg Rosko	Annette Boyd	Amy Ciarametaro
Nicki Bazaco	Brian Roeder	Mary Catherine Searson
Ann Heidig	Laurie Aldrich	Mitzi Batterson
Ben Rowe	Ron King	Steven Jack

David Robishaw, Secretary

Call to Order and Welcome Guests

Chairman Stephens called the meeting to order at 11:10 AM. The Chairman welcomed the Board, including new Board member Christopher Blosser and all the guests introduced themselves.

Approval of the Minutes from the June 08, 2011 Meeting

Prior to the meeting, Dave Robishaw sent all the Board members a copy of the draft minutes from the June 08, 2011 meeting. David King commented on the discussion related to the Virginia Tourism Corporation having access to some basic winery information from the Wine industry web site. While the Board verbally supported signing the MOA with the Virginia Tourism Corp., the Board did not make a motion officially supporting this. David King moved to accept the June 08, 2011 minutes as presented with the additional clarification at this meeting that the Board officially supports the VTC having access to the information. Diane Flynt seconded the motion, and with no further discussion, the motion passed.

Virginia Vineyards Association (VVA)

Dean Triplett, past president of the VVA, gave a brief report to the Board. The VVA held their summer technical meeting at Rappahannock Vineyards. They are continuing to work on a sustainability project.

Virginia Wineries Association (VWA)

Ann Heidig gave the Board the VWA report. The Association has officially incorporated the Cooperative. They will have another meeting at Veritas Vineyard to continue discussing issues the Cooperative will work on. Officials from the State Alcohol Beverage Control (ABC) will be in attendance to discuss any new regulations.

Virginia Wine Council (VWC)

Ben Rowe updated the Board on the activities of the VWC. Patrick Cushing has resigned to take a position with a Richmond law firm. Katie Frazier, currently with the Virginia Agribusiness Council, has been hired to replace Patrick. Katie will begin working for the VWC on September 06, 2011. The VWC will also launch their own web site, which will give members real time updates, which is especially timely with General Assembly activities.

Virginia Wine Lovers Newsletter

Frank Britt of the Virginia Wine Lovers Newsletter updated the Board on his activities. Frank has a database of over 30,000 names and has done several industry surveys. He wanted the Board to know he was doing at least 2 more, focusing on the industry instead of the consumer. Frank gave the Board several examples of his surveys and they are included with the official minutes.

Update from Steven Jack from the Attorney General's Office

Attorney Steven Jack was asked to attend this meeting to clarify some of the "property ownership" issues that have come up regarding the research projects. Steven suggested the Board may want to consider going into closed session for these discussions, which the Board did later in the meeting.

Report from Ronald King, Virginia Department of Agriculture Office of Procurement

Ron King updated the Board on the status of the contract between the Board and Ringwood Boyd Marketing. The contract is in the last option year and must be put out to bid for FY 2012. The whole process may take between 90 and 120 days to complete. The Board must work on a new "scope of work" and other criteria to be included in the RFP. Chairman Stephens will appoint a committee of 2 to work on the content of the RFP. Once that work is complete, the RFP goes out, a committee of the Board will review all RFP's submitted and make a recommendation to the entire Board.

Report from the Wine Marketing Office

Annette Boyd from the WMO gave the Board a current update on her office. All handouts are included with the official minutes. Annette's review included an overview of the year end budget, a breakdown of wine sales by category, and a listing of completed projects, including the Grape Harvest report, the sesquicentennial passport program, current status of work on the web site, and a review of the Wine Bloggers Conference held at Monticello. By all accounts,

the Wine Bloggers Conference was an overwhelming success that resulted in a tremendous amount of positive publicity for the state.

The industry is still trying to effectively track out of state wine sales, which is especially important as the industry tries to meet the objectives of the strategic marketing plan of increasing sales in the Northern Virginia, Washington DC and Baltimore markets. Luca Paschina and Chris Blosser will work with Mary Beth Williams to capture this data.

Annette also reported on the status of the marketing projects funded in FY 11. The report is included with the official minutes.

The Wine Marketing Office is still working on the following projects: finishing the industry Strategic Marketing Plan, working on the October Wine Month kickoff event at Virginia Museum of Fine Arts, moving the Branding of Virginia wines forward, and finalizing additional FLITE tours with the First Lady. One major project is the completion of an Economic Impact Study of the Virginia Wine Industry, hopefully in time for the start of the General Assembly in January. After discussion related to data collection, David King moved to provide the research firm with the most recent data available in order to have a completed study by January 15, 2011. Chris Blosser seconded the motion, and with no further discussion, the motion passed.

Closed Session

At 1:05 PM, Dean Triplett made a motion to go into closed session. Dean 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 of the RFP for the position of independent marketing contractor as permitted by §2.2-3711.A.1 of the Code of Virginia. Additionally, the Board will seek legal advice on Board membership. The following non members of the Board will be in attendance to reasonably aid the consideration of the topics: Ronald King, Virginia Department of Agriculture and Consumer Services, Director of Procurement; Steven Jack, attorney, Office of the Attorney General, Todd Haymore, Secretary of Agriculture and Forestry, and David Robishaw, Virginia Department of Agriculture and Consumer Services, contract administrator for the Wine Board." Ruth Saunders seconded the motion, and the motion passed.

Board Chairman invited the guests to take a break and return when the Board reconvenes.

Open Session

At 2:15 PM, David King moved to exit from closed session. Diane Flynt seconded the motion, and the motion passed.

Chairman Rock 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 the Wine Board that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE BE IT RESOLVED that the Wine Board hereby certifies that, to the best of each members knowledge, (1)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 Wine Board.”

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

Luca Paschina AYE	John Stephens AYE
Diane Flynt AYE	David King AYE
Ruth Saunders AYE	Dean Triplett AYE
Marcie Siegel AYE	Chris Blosser AYE
Mills Wehner AYE	

Wine Board Financial Update

Prior to the meeting, David Robishaw sent the Board an updated financial report. The report is included with the official minutes. The financial report included a recap of the FY 11 money as well as the FY 12 appropriation. The report included money already allocated for FY 12 research and marketing programs.

Old Business

VDOT Funding Proposal – Secretary Haymore reported that we have received the money and he is still talking with all parties involved and will have a more detailed report for the Board at the next meeting.

Secretary Haymore is also working with Alicia Bailey from the Virginia Tourism Corporation (VTC) as well as the First Lady regarding some ongoing projects. The Governor is interested in holding a “Wine Industry Summit” sometime in 2012. The Board discussed this idea and agreed to set aside a total of \$10,000 (\$5,000 from marketing and \$5,000 from research) and will await further details from Secretary Haymore before making a formal motion.

On Line Wine Making Course

At the June 08, 2011 meeting, David King and Luca Paschina offered to work with Bruce Zoecklein to address some issues of concern arising from the work on the “On Line Wine Making” project funded by the Board. The committee met with Bruce to discuss the operational side of the project. Currently, the project is hosted on the Virginia Tech server and is administered by Virginia Tech. The committee met with officials at Piedmont Virginia Community College to see if they could offer the same or enhanced services. Progress was

made, but the committee has more work to do and will come before the Board at the next meeting with their final recommendations.

New Business

Second Round of Research Proposals – Due to increased funding, the Board had additional monies for research (approximately \$184,000), and sent out a second RFP. A total of 10 additional projects were received, and these projects were evaluated by a working committee of the Virginia Vineyards Association. This committee made their recommendations to the Board. Piedmont Virginia Community College (PVCC) had 2 representatives at the meeting to discuss their project. The Board had the opportunity to question PVCC about the project prior to voting. The Board then listed each project individually and requested a motion to fund before engaging in any discussion.

PVCC Training Vineyard	\$67,700	No Motion
VWA Quality Program	\$13,000	No Motion

Grapevine Yellows	\$37,964	Motion
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Dean Triplett moved to fund, and David King seconded. After a brief Board discussion, a vote was taken and the motion Passed

Cover Crop Management	\$29,500	No Motion
Indigenous Cultivar	\$29,163	No Motion
Study of Viognier	\$35,660	No Motion
Benchmarking	\$22,500	No Motion
Survey of Industry	\$44,415	No Motion
Wine TV Education	\$20,000	No Motion
Wine Cave Study	\$19,800	No Motion

As a result of Board activity, one project, *Grapevine Yellows*, was funded.

Wine Marketing Office Marketing Grants for FY 12

Diane Flynt and Marcie Siegel reviewed the 12 projects submitted for funding to the committee. The complete report is included with the official minutes. The committee felt 4 projects had geographical appeal with broad support, including matching funds. The 4 projects recommended for funding are:

Mountains to Shore Sweepstakes	\$20,000
Chesapeake Bay Wine Trail	\$11,000
Loudoun -NY Media Initiative	\$10,000
Celebrate Shenandoah Park with Blue Ridge Wineries	\$ 9,000

Diane Flynt moved to fund the 4 recommended projects. Ruth Saunders seconded the motion, and after further discussion, a vote was taken and the motion passed.

Virginia Wineries Association Governor's Cup Improvement Proposal

Requests for Funding:

Marketing	\$70,000
Judging and Screening	\$117,000
Education and Research	<u>\$13,000</u>
Total request	\$200,000

Ann Heidig made the presentation for the VWA to the Board. The complete proposal is included with the official minutes. David King moved to accept the proposal, Diane Flynt seconded and the floor was open for discussion.

There were several member of the VWA at the meeting, including Jim Corcoran, Len Thompson, and Brian Roeder, and they contributed greatly to the Board discussion. Generally speaking, the Board was in favor of the concept of the proposal, but there were significant concerns over the cost of the program and the lack of any details or specific deliverables and timelines. Other concerns included work on this proposal was overlapping work already being done in other projects. There was uncertainty why there was a need for a separate marketing component when there is an existing Wine Marketing Office. Secretary Haymore indicated the Governor was not familiar with this specific proposal, but was certainly behind the goals of this project. The Governor wants to see the industry work together, raise the credibility of the industry nationally and internationally, and improve the overall quality of Virginia wine. After a significant amount of discussion, the VWA was not able to give specific details of the proposal or commit to accepting any of the recommendations that were made by Board members. As a result, the Board was not able to come to a resolution at this meeting. Secretary Haymore offered his services to bring a small number of people to his office to work through the details. At this point, David King withdrew his original motion and offered a substitute motion. David King moved to have 2 members of the Wine Board work with Secretary Haymore and other industry representatives to reach a workable proposal and bring that proposal back to the next Board meeting. Mills Wehner seconded the motion, and with no further discussion, the motion passed. David King will be one of the Board participants and Chairman Stephens will appoint a second member to serve.

Farm Bureau Proposal

Annette Boyd gave the Farm Bureau proposal to the Board. The proposal is included with the official minutes. The Farm Bureau holds 2 events each year and they reach a large number of consumers. The Wine Marketing Office will receive mention in television ads in Central Virginia and Fredericksburg, on-line banner ads on the Google network, mention in Farm Bureau newsletters, and the Wine Logo on postcards going to Farm Bureau members. The Wine Marketing Office will also have a booth at the event. The request is for \$5,000. Dean Triplett moved to fund the proposal, Chris Blosser seconded, and with no further discussion, the motion passed.

Public Comment

There was no additional public comment.

Next Meeting and Adjourn

With no further business, Flynt moved to adjourn, Dean Triplett seconded, and the motion passed. The meeting adjourned at 5:45. The next meeting date will in late November or early December.

Respectfully submitted,

J (Rock) Stephens, Chairman

David Robishaw, Secretary