

**Virginia Wine Board**  
Thursday June 21, 2012  
11:00 AM  
Patrick Henry Building-West Reading Room #1062  
1111 E. Broad Street, Richmond, VA

**FINAL MINUTES**

**Present**

John Stephens  
Chris Blosser  
Diane Flynt  
Secretary Haymore

David King  
Bill Tonkins  
Mitzi Batterson

Mitzi Batterson  
Ruth Saunders  
Luca Paschina

**Absent**

None

**Guests**

Annette Boyd  
Katie Hellebush  
Stephen Jack

Amy Ciarametaro  
Ben Rowe

MK Searson  
Laurie Aldrich

**Call to order**

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

**Approval of Minutes**

Prior to the meeting, David Robishaw sent out the minutes of the April 16 and 17 meeting to the Board. After a brief review, Chris Blosser found 1 typo and David will make the correction. With the change noted, Bill Tonkins moved to accept the minutes as amended, Chris Blosser seconded, and with no further discussion, the motion passed.

**Financials**

Prior to the meeting, David Robishaw sent out a financial report for FY 12. The report, which is included with the minutes, includes items budgeted as well as actual expenses. David reviewed the projected balance and some reasons for the large balance. David then gave the Board the start of the financials for FY 13, which are included with the minutes.

**Report from VVA**

Bill Tonkins gave the VVA report to the Board. The VVA had their summer technical meeting in Winchester, which was huge success. There was a large turnout and the workshops were well attended. They are now planning the winter meeting.

### **Report from the VWA**

Mitzi gave the VWA report to the Board. The VWA is still working on the money for the Co-operative grant and web portal. They are applying for additional grants. The VWA is working on more Governors' Cup projects, including holding their first seminar. The VWA is collecting data related to the competition. The VWA is getting very positive feedback from the initial Governor's Cup competition. The proposal for the 2013 Governor's Cup is an agenda item for later in this meeting. The VWA met with Alex Papajohn (Virginia Wine Expo) for the 2013 event. The event will be held again on Thursday. The VWA will work with the WMO to coordinate the Gala. The VWA annual meeting is set for Tuesday, November 13, 2012.

### **Report from the Virginia Wine Council**

Katie Hellebush, the new head of the VWC, gave the report to the Board. She has been staying in touch with Curtis Coleburn to monitor current issues. The VWC had a successful start to their fundraising efforts. She is looking forward to getting out to meet as many winery owners as possible. Katie will check into whether the craft beer industry is trying to get the same privileges as farm wineries.

### **Report from Virginia Wine Marketing Office**

Annette Boyd gave the report for the Wine Marketing Office. All printed materials are included with the official minutes. Annette's report included an overview of the FY 12 budget, wine sales for the fiscal year, the impact of the Governor's Cup advertising, Wine and Dine, the commercial grape report, an update on the trade mission to London, and the targeted, consumer oriented marketing event held in North Carolina. The North Carolina event was well attended and very successful. The trade tasting in Raleigh attracted wine shop buyers and media people and generated a lot of positive comments.

The WMO is still working on the strategic plan, completing phase 5 of the web site, RAMMY sponsorship, and the Governor's Wine Summit scheduled for October 2, 2012. The WMO has sent out requests for proposals for a wine profitability study but hasn't received any proposals back yet.

### **Old Business**

Commercial Grape report – The report is complete and a copy is included with the official minutes. The WMO office is printing 500 copies and will have a PDF version on the web site. Viognier is the top requested grape for purchase by wineries and they desire an additional 120 tons.

Strategic Plan - The strategic plan working committee met, gathered input and incorporated changes into the plan. The only thing remaining is to complete a final edit and then send it to the Board at the next meeting

#### Research Grants

Viognier Proposal. Luca and Mills talked with the research committee and the consensus is the proposal is more marketing than education as it is currently written. The issues regarding this proposal remain cost and focus (California). Can you use the lab facilities in California but conduct the tastings on the East Coast (vs East Coast wine)? Virginia is looking for knowledgeable, more “upscale” Viognier consumers. Luca and Mills will go back to Ms Mueller and ask her to resubmit based on these comments.

Winemaker Online, Sensory Training and Extension support - The Board had discussions on the status of these FY 12 projects. There are portions of the Winemaker online and Sensory Training FY12 projects that have not been completed. The Board also had questions about the amount of work done on Extension work. After more discussions, David King moved to withhold 4<sup>th</sup> qtr payments for all three of these projects, since the projects are unfinished. Ruth Saunders seconded and with no further discussion, the motion passed. It was also decided to have a committee from the Board, along with David Robishaw, to meet with the Office of Sponsored projects at VaTech to review specific deliverables and billings on these projects.

#### New Business

Secretary Haymore – Secretary Haymore shared some ideas and proposals from Governor McDonnell. There is interest in maintaining the FLITE tours. The First Lady would like to do 4 tours this year. The Governor’s Office would like to hold the Governor’s Summit, which was funded in FY 12 but it will not happen until FY 13. Next year is the 200<sup>th</sup> anniversary of the Governor’s Mansion. The Governor and First Lady want to create a blended red wine for the occasion. The cost is estimated to be around \$25,000 to \$30,000 dollars. The idea would be to gather grapes from the mansion and around the state and have a winery make the wine, which would be used in conjunction with the Mansion’s 200<sup>th</sup> anniversary. Finally, the Governor would like to expand the international marketing budget, as some progress has been made in that arena. The hope would be to increase the budget from \$50,000 to \$75,000.

Governor’s Cup Competition for FY 2013 - Mitzi made this presentation to the Board. The proposal is included with the minutes. The Governor’s Cup is split between competition, marketing, and education. The proposal includes income of approximately \$27,000 generated from entrance fees. The proposal also included a budget recap from this current years’ event. David King asked if the event was worth the money. Mitzi felt the excitement and interest generated was worth the cost. David King commented that a lot of thought needs to go into the decision before going ahead with another event. Luca feels the event had enough of an impact to warrant another year. Rock Stephens thought that due to the very brief notice given on last year’s competition, that to fully evaluate the impact we needed to fund it for at least one more year, but we should be actively looking at ways to do it for less money. Annette has gotten a lot of feedback, it generated a lot of buzz, and feels it should get another year. The

WMO has used this event to call and push the national media. After further discussions, the general feeling is the Board wants to do the event this year, as 1 year isn't enough to gauge results, but the costs are a concern.

Marketing Budget – Annette handed out the budget to the Board. A copy of the budget will be included with the official minutes. Annette went through each budget category and the Board had the opportunity to ask questions about each line item. The Board discussed areas to make budget reductions. After a lot of discussion, the Board made targeted cuts in several line items in trade relations and public relations, as well as moving general advertising to the unallocated category

**Marketing Budget**

Staffing	226,123
Travel	10,000
Office	35,000
Winery Guide	153,000
Website Electronic Marketing	54,620
Trade Relations	172,000
Public Relations	115,500
Wine Library	12,000
Advertising	20,000
International Marketing	60,000
Gov Cup (VWA MOU)	110,000
Other Matching Marketing Grants)	40,000
Gov Cup Marketing	TBD

After more discussions, Bill Tonkins moved to give the VWA \$150,000 for the Governor's Cup of which \$110,000 would come from the marketing budget and \$40,000 from the research and education portion. David King seconded the motion, and with no further discussion, the motion passed.

David King moved to accept the marketing budget as amended, Chris Blosser seconded, and with no further discussion the motion passed.

**Directional Signage**

Scott Eliff sent out an email to the industry asking for help with roadside signage. The cost for signage is a significant expense. Scott asked the Board for funding signs for the industry. While this is a good idea, the Board does not have the funds. The Board did not take any action, and the Chairman will call Mr. Eliff.

VVA request for funding

Bill Tonkins went over 2 funding requests from the VVA. The VVA is asking for funding for the Sustainable Vineyard Workbook (\$25,000) and Infrastructure Support (\$11,000).

Luca moved to fund the infrastructure proposal, David King seconded, and the Board discussed the proposal. After discussion, the proposal was modified to ask for only \$2,000 for the web site. After further discussion, there was no support for the motion and the proposal was not funded.

The Board thought the Sustainable Vineyard Workbook proposal was a good idea, but the Board will need to see a solid budget request and review the workbook before taking action. The VVA will provide additional details and present it to the Board at the next meeting.

#### Public Comment

Secretary Haymore mentioned that he would like the Wine Board to take over the project of AVA/Region signage that is funded by federal dollars. Chris Blosser and Luca Paschina will form a committee to recommend where the remaining signs should be located.

#### Next meeting

Because of harvest, the next meeting will be in first week of August. A tentative date is August 2 for a meeting in Charlottesville. With no further business, the meeting adjourned at 6:15 PM.

Respectfully submitted:

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J. (Rock) Stephens, Chairman

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David Robishaw, Secretary