

Virginia Wine Board
Thursday, August02, 2012
Early Mountain Vineyards
Madison, Virginia

FINAL MINUTES

Present

Mitzi Batterson
Diane Flynt
Chris Blosser
Secretary Haymore

Rock Stephens
Bill Tonkins
Ruth Saunders

David King
Mills Wehner
Luca Paschina

Absent

None

Guests

Annette Boyd
Steven Jack
Kris Stephens
Tremain Hatch
Lisa Champ

Amy Ciarametaro
John Wehner
MB Williams
Erich Broksas
Thomas Kelly

MK Searson
TK Bierne
Jim Benefeld

Call to Order

Chairman Stephens called the meeting to order at 10:15 AM. The Chairman welcomed the Board and guests to the meeting.

Approval of the Minutes from the Last Meeting

Prior to the meeting, David Robishaw sent out the minutes of the June 21, 2012 meeting to the Board. Mitzi moved to approve the minutes as presented and Dave King seconded. Bill Tonkins had a question, which was resolved and with no further discussion, the passed.

Financials

David Robishaw passed out the FY13 financial sheet as well as a recap of FY 12. The FY 12 numbers are not available until mid August and David will send the update to the Board. David reviewed the FY13 numbers for the marketing and research.

Virginia Vineyards Association

Bill Tonkins gave the report for the Virginia Vineyards Association. The VVA is working towards the winter technical meeting. Most of the report and work is focused on the new proposal which will be presented to the board later in this meeting

Virginia Wineries Association

Mitzi gave the Virginia Wineries Association report. The Agricultural Cooperative Grant – the VWA appealed the loss of funding and the money was restored. The grant is for planning a web portal that will facilitate sales on one website. This grant will also include a feasibility study. The VWA also had a session in July where winery representatives could discuss regulatory issues, including all the paperwork required by the Alcoholic Beverage Control (ABC) Board. As a result of the meeting, there are some changes in the paperwork process. The VWA is interested in doing more of these listening and work sessions around the Commonwealth. The VWA is also interested in preparing a manual that answers many of these questions to help wineries follow and comply with all the regulations. David King suggested the VWA come to the Board with more updates on the ABC and compliance issues.

Virginia Wine Marketing Office

Annette gave the Board the Wine Marketing Office report. Many of the items will be discussed later in the meeting. The handout is part of the official minutes. Among the topics covered were the recently completed RAMMY event in Washington, DC., Wine Pro Tours working with the WMO, the recently completed FLITE tour in Northern Virginia and the Salamander Resort event with the First Lady where they unveiled the Northern Virginia wine signage. The Salamander Resort is committed to featuring Virginia wine. The WMO is continuing their work targeting markets in North Carolina. The web site is almost ready to implement Phase 5 of the development. The Governor's Wine Summit scheduled for October 02, 2012 is moving ahead and will be discussed later in the meeting. Virginia Wine Month plans are moving forward also. Participants will be able to request materials on line which will speed up the process as well as save money. The Virginia Tourism Council (VTC), along with Whole Foods and the WMO, will have 2 "Crush Buses" for the Northern Virginia stores to promote Virginia Wine Month. Finally, Annette reviewed the branding effort, "true to our roots". There will be promotion of this through social media as well as point of sale materials and merchandise. Luca had a concern if "true to our roots" might be trademarked and the WMO will make sure there are not any problems. Luca moved to trademark "true to our roots" and Chris Blosser seconded. There was discussion if the phrase was so commonplace it could not be trademarked, but the WMO decided on that based on the focus group testing. With no further discussion the motion passed.

Old Business

Follow up on Governor's Cup Cases sent

Annette passed out the list of people receiving cases of wine and the list is included with the official minutes. The wines were shipped out on May 24 and many people have not had the opportunity to evaluate the wine. The WMO will follow up but there was some disappointment within the Board that so many recipients have not tasted the wines. Luca suggested a PR firm may help with personal contacts with these people in the wine industry and can push the people to taste the wines. Annette suggested for next year the recipient list needs to be modified. Luca suggested this was a very important project and should be the focus of our efforts since we have invested a lot of time and money on this. Mitzi suggested using Jay Youmans and the Washington Wine Academy to get the wines in front of writers,

bloggers, and enthusiasts. Annette and Mitzi will talk about using the last cases of wine and who to target. The total budget was about \$28,000 for the wine, shipping, and PR follow up.

Strategic Plan

The Strategic Plan is finished and is now in final review by Diane Flynt and will be ready to go to print within 30 days.

VVA Grant Requests Sustainable Viticultural Practices Workbook

Bill Tonkins reintroduced this grant request and all material is included with the minutes. Bill brought 2 VVA officers and 1 VT researcher to go over the materials.

The Sustainable Workbook contains sections on compliance, worker safety, economic viability, and good agricultural practices. The goal is for growers to move through the workbook to achieve their scores in the various topics. The vision would be for growers to log on and register on line, input their data, and the web site would collect information like acreage and yield. This could possibly be included with the CQA program, helping the industry to improve their practices and perhaps reaping an economic benefit. The rating system could be a tool for grape growers and wineries to do business and not for the general public. Luca had real concerns that the rating system could ultimately lead to requirements that are not economically feasible. There is sentiment to support the education but not the certification aspect of the proposal. Teri C Beirne has done work with a California grape growers association and they now have a 500 plus page workbook but does not have a certification aspect. To complete this proposal, the VVA is asking for NO MORE THAN \$30,000 as they are still waiting for more quotes.

Break for Lunch

After returning from lunch, 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 employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel as permitted by §2.2-3711.A.7 of the Code of Virginia. The following non-member(s) will be in attendance to reasonably aid in the consideration of the topic: David Robishaw, Board Program Manager and Steven Jack, Office of the Attorney General.” David King seconded the motion, and with no further discussion the motion passed and the Board went into closed session.

Diane Flynt moved to exit from closed session and the motion was seconded by Ruth Saunders. With no further discussion, the motion passed. The Board reconvened in open session at 2:25 PM

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	Ruth Saunders	AYE
Chris Blosser	AYE	Luca Paschina	AYE
John Stephens	AYE		

VVA Grant, Continued

Jim concluded the financial report on the project, **Sustainable Viticultural Practices Workbook**. The Board chairman called for a motion. David King moved to fund this proposal for no more than \$30,000 and Ruth Saunders seconded. The Chairman opened up the floor for more discussion. The overall consensus was there has been a lot of work done already and it is a good educational tool, but there is no support for the certification. The cost (\$30,000) seemed to be high to the Board. Chris Blosser suggested using less costly methods and tools rather than create an expensive, interactive database. David King agreed to modify his motion that would require the VVA get 3 bids before awarding the project, an MOU with a scope of work must be done, and the VVA will report the findings to the Board. With these changes noted, the motion passed.

Virginia Wine Council

Katie Hellebush made a presentation to the Board on legislative events and actions. Fauquier County recently passed a very restrictive ordinance that will negatively impact farming (and specifically wineries) in the county. The ordinance effectively regulates the number of visitors to the farm as well as the number of farm related events that can be held. This is going to be an ongoing issue. David King relayed some of his dealings with Albemarle County. What happened in Fauquier County is a threat to every winery in Virginia.

Viognier Grant - Mueller

Luca passed out a review and update on this project and it is included in the official minutes. Luca feels the project has merit and worked with Martha to reduce the costs. Luca endorses funding the project with the revisions from the previous proposal. The expected outcome would be: is our (Virginia) style of Viognier preferred by a knowledgeable wine consumer? The participants in the survey will come ½ from California and ½ from the East Coast. Luca moves to fund this project for \$30,328 and Mitzi seconded the motion. Luca will email the researcher to include the performance dates. The original RFP required a final report. With no further discussion, the motion passed.

New Business

Highway Signage

Before the meeting, Luca sent the Board an update on the signage issue and the report is included with the minutes. The cost of the 17 signs is less than anticipated so VDOT may be able to install more signs than originally anticipated. The feedback on the signs has been very favorable.

Wine Summit

Annette passed out an update on the Wine Summit, which is included with the minutes. The Wine Marketing Office (WMO) hired a PR firm to assist with the event. Because of the quality of the program, this may be a national event in terms of publicity. Steven Spurrier and Bartholomew Broadbent headline the summit. The target audience for the event is an extension of the FLITE buyers (sommeliers, restaurants, wine shops and trade buyers). The WMO is alerting the local and national media about the Summit. The event will be held at the Richmond Marriot on October 02.

Mansion Wine

Secretary Haymore spoke and passed out information on this proposal, which is included in the minutes. The wine will be label "1813" to honor the 200th anniversary of the Governor's Mansion. The wine will be used domestically and internationally to promote the Virginia wine industry. Diane Flynt moved to fund this project for \$30,000, and Bill Tonkins second the motion. There was some additional discussion, including the possibility down the road to make wine to sell and donate the proceeds to charity. The Board wants Luca, as the wine maker on this project, to have flexibility in the sourcing and blending the wine. Mills Wehner, Chris Blosser, Mitzi Batterson, David King and Luca Paschina all abstained from this vote to avoid an appearance of a conflict of interest. With no further discussion, Diane Flynt, Bill Tonkins, Ruth Saunders, and Rock Stephens voted "yes" and the motion passed.

Matching Marketing Grants

Diane Flynt presented the work of the committee to the Board and passed out information which is included with the minutes. The committee received 8 proposals for a total of \$154,971.50 and funded 4 projects for \$40,000. The proposals funded included: Virginia Cider Week, Discover Shenandoah-A Beautiful Place for Wine, Jefferson Heritage Trail, and Instant

Redeemable Coupon Promotion. Mills moved to fund all 4 projects as recommended by the evaluation committee and Chris Blosser seconded the motion. Diane Flynt detailed how the Coupon Redemption program worked, which led to a further discussion on Virginia appellation wine. With no further discussion, the motion passed.

Governors Cup MOU

The Board discussed making changes to the existing MOU. The Board can update the MOU with a change of dates and the level of funding. Mitzi and Rock will work together and Appendix A of the MOU will be updated. Once the changes are agreed upon, David will send them to Ron King to update the MOU.

Plan for Education and Research Money

Chairman Stephens asked the Board to think of ways to effectively spend the extra research money. Some of the ideas included doing more regional forums with Jay Youmans and financially supporting the VWA's work on compiling an online handbook available to wineries that helps them understand and deal with the many regulations, including ABC laws. Chairman Stephens asked the Board to talk with their neighboring wineries and solicit their ideas.

Calendar of Events

Dave distributed a FY calendar of events to the Board. If any Board member has updates, they will send them to Dave.

Other new business

Annette made a request for money to make some web site updates/changes for the Governor's Cup competition. Annette requested \$5,000 for the web site and PR for the Governor's Cup and support to do ads in the *Wine Spectator* and *Wine Enthusiast*. Annette said the 2 ads would be approximately 40,000. For \$45,000, the WMO could get started on the Governor's Cup marketing but will request more funding at the next meeting. Mitzi moved to fund the web site and ads for \$45,000 and David King seconded. With no further discussion, the motion passed

Public Comment

There was no public comment

Next meeting and adjourn

The next meeting of the Board is tentatively set for December 5, either in Charlottesville or Richmond. With no further business, the meeting was adjourned at 5:10 PM.

Respectfully submitted,

John Stephens, Chairman

David Robishaw, Secretary