

DRAFT Minutes

Virginia Wine Board
Friday, August 18, 2006
Charlottesville, VA

Present

William Moses	Dean Triplett	Doug Flemer
Jennifer McCloud	Tareq Salah	Rock Stephens
Patrick Duffeler	Luca Paschina	Ruth Saunders

Absent

Mills Wehner

Guests

Dave Robishaw	Jason Eige	Chris Breiner
Dennis Horton	Ann Heidig	Nicki Bazaco
Emmet Randel	Tonya Rideout	Kent Lewis
Terri Cofer Beirne	Chris Hill	Annette Ringwood Boyd
Chad Zakaib	Michaele Salah	Amy Lynch
Louizos Paradopoulos	Steven Waller	

Opening Remarks

Chairman Moses called the meeting to order at 11:10 AM and welcomed guests and new Board members. The new members included Patrick Duffeler (reappointed), Mills Wehner (absent), and Ruth Saunders. Ruth introduced herself and shared with the Board background information on her vineyard operation.

Approval of the Minutes from the June 20, 2006 Meeting

Prior to the meeting, Dave Robishaw distributed copies of the draft minutes. Doug Flemer noted an error on page four, with the word "tabled" changed to "passed". With no further corrections or discussions, the minutes were approved as presented.

Approval of the release of the March AG Advisory opinion

The Attorney General's office had provided the Board with an informal opinion which was previously confidential information. After an informal poll, the privileged information was made public. Patrick Duffeler moved to officially sanction the release, it was seconded, and with no further discussion, the motion was approved.

Wine Board Financial report

At the end of the 2006 fiscal year, the Board had \$6,471.36 in unspent funds. Chairman Moses has drafted a letter to the Commissioner of Agriculture for the return of the unspent funds to the Wine Board. A copy of the letter is attached to these minutes.

Report from the Virginia Vineyards Association

Rock Stephens, President of the Vineyards Association and a Board member, presented the report of the VVA. During FY 05-06, the VVA received \$9,500 from the Board for a specific grant of which only \$8,198 was spent leaving a balance of \$1,302. Rock requested an extension for 2006-2007 to spend the remaining funds. Patrick Duffeler moved to allow the request, the motion was seconded and with no further discussion, the motion passed.

During the June 20, 2006 meeting the Board funded projects 1-7 (attached list part of the official minutes). With the final funding figures, there are additional monies available for other projects. There is enough money to fund projects 8, 10, and 11. Project 9 was not funded and it was suggested the Tobacco Settlement Commission may be a source of funding. Rock Stephens moved to fund projects 8, 10, and 11. Dean Triplett seconded the motion, and after clarifying a question from Doug Flemer, the motion passed.

RFP Study required under HB #1435

The Chairman reported that the Secretary of Agriculture and Forestry, pursuant to HB 1435, is to conduct a study of the economic viability of the wine industry in Virginia. The Board has been asked to allocate \$30,000 to help pay for this study. Virginia is one of the larger wine producing states NOT to have this study. After a lengthy discussion pertaining to the total cost of this study, Doug Flemer moved to table discussion on the allocation of \$30,000 to pay for a wine study. Jennifer McCloud seconded the motion, and with no further discussion, the motion to table was passed. The Chairman indicated that he would so advise the Secretary's office and that this issue would likely have to be dealt with again in the near future.

Virginia Wineries Marketing and Financial Report

Ann Heidig, President of the Virginia Wineries Association, presented to the Board the Association's financial report and marketing report, both of which are included with the permanent minutes. Ms. Heidig reviewed the marketing activities of the Association, and noted due to the lack of funding from the Board, some marketing initiatives had not been carried out. Chris Breiner, Treasurer of the Association, provided details on the financial report. A discussion was initiated about obtaining more monies from the General Assembly in support of the industry and during the discussion, it was noted it would be helpful to show the General Assembly how the money was going to be spent. Rock Stephens suggested using Vision 2015 as a guide to accomplish the marketing objectives. Ms. Heidig reviewed the role of Clarion Management, including a list of duties they perform. That list is part of the official minutes.

Marketing proposals - Wineries Association and Virginia Tourism Corporation

This subject took up the majority of the afternoon and the discussions were spirited and intense. The Chair started with a brief review of the proposal from the VTC which the Board received at the last meeting. Ann Heidig then presented the concerns of the VVA regarding the VTC proposal. A lot of the debate centered on the pros and cons of the existing wine guide versus the VTC proposal. The Chair suggested to the Board

that it really had three choices: accept the VTC proposal in full which harms the VWA; accept the VWA proposal in full which precludes working with the VTC; or figure out a way to share the money. After more discussions, Tareq Salahi moved to accept the VTC proposal in full. There was not a second, so the motion died.

The Board acknowledged a general consensus that its preference would be to find a way to work with both parties and the discussion continued. Patrick Duffeler admonished the Board to act in the best interest of the industry. Luca Paschina felt it was too late in the budget process to bring in a new partner, and moved to accept the VWA proposal as presented. Dean Triplett seconded the motion, and after further discussion, the motion failed by a 4-3 vote with 2 abstaining.

After more discussions, two more motions were introduced. First, there was a motion to grant the VWA \$180,000 to implement the marketing plan as presented, minus the wine guide expenses. The motion was seconded by Patrick Duffeler and with no further discussion, the motion passed. The second motion was to grant UP TO \$200,000 to the Virginia Tourism Corporation for the publication of the wine guide as presented, subject to negotiations which must be carried out by August 25, 2006. The negotiations will include Luca Paschina and William Moses as well as representatives from the VWA. If negotiations are unsatisfactory to all parties, the \$200,000 will be granted to the VWA to produce a version of the current wine guide. Luca Paschina seconded the motion, and with no further discussion, the motion passed.

Public Comment

There was extensive public comment from interested parties during the entirety of the meeting.

Next meeting and Adjourn

Due to the extreme length of the meeting, the rest of the agenda items were deferred to the next meeting. With no further business, the Chairman adjourned the meeting at 3:00 PM.

Respectfully submitted:

William Moses, Chair

Dave Robishaw, Secretary