

FINAL MINUTES

Virginia Winery Distribution Company (VWDC)

102 Governor Street

Richmond, VA 23219

March 19, 2018

Call to Order

Jay Colston called the VWDC Board meeting to order at 10:00am

Members Present

Charles Green, Interim Commissioner VDACS

Jay Colston

Gary Archuleta

Courtney Mailey

Others Present

Ben Rowe, Virginia Wine Council

Jennifer Cavedo, VDACS

Burnie Gaskill, VA ABC

Chuck Duvall, Virginia Wine Wholesalers Association

Robin Hill, VDACS

Nicolina Gueriera, VDACS

John Sanderson, Virginia Interactive

Approval of Draft Minutes

Copies of the agenda and draft minutes were distributed to all board members at the beginning of the meeting. Jay Colston called for a vote to adopt the minutes as read and the motion passed unanimously.

Website Update

Robin Hill introduced John Sanderson with Virginia Interactive. Mr. Sanderson discussed updates to the VWDC website. Sanderson discussed the updates on the website redesign and the awards the website has won, including the MARCOM Website Redesign Award- Gold, AVA Digital Awards-Gold, Website and Redesign Awards, Summit Emerging Media- B2B Website Leader Award, Website Redesign Innovator Award, and Horizon Interactive Award- Bronze Corporate & B2B and Silver Government Agency Award. All aspects of the project are in green status and have no unscheduled down time since September. Code cleanup was completed over the past three months. Mr. Sanderson advised the significant amount of code, as well as time taken to remove the impersonation function on the website and simplify the administration process put the website production two and half months behind. This current phase of the development incorporated feedback from the wineries.

Operations Report

Ms. Hill provided the operations report. Ms. Hill stated a significant amount of expenses is for software development, which is \$146,735 of the current budget. Total Software expenses for the year will be \$159,500. The additional software expenses will be covered by a reduction in license renewal fees. Ms. Hill reported this year wineries will pay half of the ABC license renewal fee of \$92.50 as determined by the

VWDC Board. VDACS Administrative Costs of \$40,000 were paid in August 2017. Remaining expenses include Ms. Hill's salary, part-time administrative staff and miscellaneous expenses for office supplies. Ms. Hill advised Nicolina Gueriera, VDACS Finance Intern, is working with VWDC part time. Ms. Hill advised Ms. Gueriera assists VWDC with daily deposits, month-end closing validation, and licensing activities. Ms. Gueriera primarily works in the Finance Department and her wages are shared with VWDC.

Licensing Update

Ms. Hill continued with the licensing update. Ms. Hill reported on one winery license issued since the last meeting for W-2 wines. Sassafra Shade and Effingham Manor will be licensed in the upcoming weeks. Ten wineries have completed Part – 1 of the application process and VWDC is waiting for their remaining documents to complete their application. Saga Meadery is in Part -2 of the application process. Ms. Hill reported VWDC currently holds a license at Saga Meadery; however, a new license must be issued due to a change in the winery license location.

Ms. Hill noted wineries must submit application documents within six months as determined by the VWDC Board. Applications withdrawn included Hamilton Station Vineyards, Stone Mountain Vineyards, Mountain Run Winery, and Winery at Kindred Pointe.

Financial Highlights

Ms. Hill reported VWDC sales at \$2.1 million, a reduction as compared to last year due to Potters Craft Cider moving to another distributor to fit its growing distribution needs. Ms. Hill reported VWDC sales comprised of 79% wine, 17% Cider, and 4% Mead. Ms. Hill referred to the case limit report showing cases sold by winery for the calendar year. Ms. Hill also advised the new web application would show winery case sales on the Dashboard where wineries could also monitor their case sale activity.

Old Business

Attorney General's Office is researching the business license fee assessed by the locality to Rosemont Winery. Justin Bell, Attorney General's Office, advised VWDC not to pay the fee in the past and VWDC will wait for his direction in this matter.

New Business

Ms. Hill and Ms. Cavedo attended the Governor's Cup event and wineries they spoke to are pleased with VWDC.

Adjourn

Mr. Colston adjourned the meeting at 10:49am

Next Meeting:

June 5