



# MEETING MINUTES

## LOCATION

Virtually via Microsoft Teams

## DATE & TIME

Friday, January 17, 2025  
@ 11 AM

### Call to Order

The Chair, Jason Romano called the meeting to order at 11:03 am. He began the meeting noting this is an all-virtual public meeting being held using Microsoft Teams. He also noted the meeting materials were broadcast from the VDACS Conference Room 232. Chair Romano reminded participants of the virtual meeting housekeeping and made note that the public comment period is after the approval of the draft minutes. The text chat function will not be available except during that time period.

### Directors Present Virtually

Jason Romano, Chair, Lake Anne Brew House

Aden Short, Vice Chair, P.A. Short Distributing Company

Joseph Guthrie, Secretary, VDACS Commissioner (streaming virtually from VDACS Conference Room 232)

Matt Mullett, Member, RichBrau Brewing

Greg White, Member, Hoffman Beverage Distribution Company

### Others Present In-person (streaming virtually from VDACS Conference Room 232)

Dakota Rust, VDACS, VBDC Operations Manager

Missy Johnson, VDACS, VBDC Financial Analyst

Cleve Packer, VDACS, Virginia Management Fellow

Val Southall, Office of the Attorney General, Assistant Attorney General

Ashley Reed, VDACS, Deputy Director of Administrative and Financial Services

Dewey Jennings, PhD, VDACS, Director of Administrative and Financial Services

### Others Present Virtually

Staci Saunders, VDACS, VWDC Operations Manager  
Rachael Zilic, Tyler Technologies Virginia, Project Manager  
Elle Smith, Secretary of Agriculture and Forestry, Executive Assistant  
Kevin Cronin, VDACS, Director of Information Systems

### **Approval of Agenda**

Chair Romano made a motion to approve the agenda as written. The motion was seconded by Mr. White, and the motion passed unanimously.

### **Approval of Draft Minutes**

Chair Romano made a motion to approve the draft minutes as written. The motion was seconded by Mr. Guthrie, and the motion passed unanimously.

### **Public Comment**

Chair Romano opened the public comment period and Mr. Kevin Cronin orally verified the microphones and audio were operational. There were no written or oral comments.

### ***Operations Manager Report***

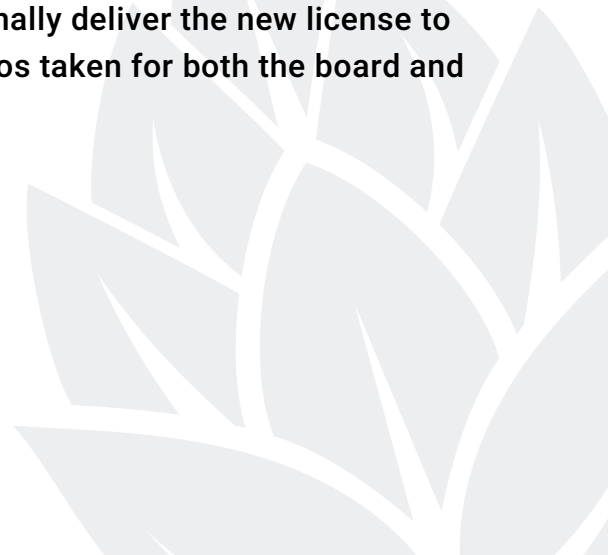
#### **Budget overview and revised spending plan**

Mr. Rust presented the board with an updated budget and three revised spending plans to aid in the discussion of the proposed keg management options. He highlighted an increase in expenditures for Marketing and Software Development, as well as a decrease in the projected non-general fund revenue collections since distribution has not yet begun.

#### **Licensing**

Mr. Rust began the licensing update with some exciting news: VBDC is now officially licensed at Sweetbay Brewing Company in Abingdon. He noted that Cave Hill Farms Brewery in McGaheysville and Thin Brew Line Brewing in Virginia Beach will also receive their licenses today. Additionally, there are seven applications pending with the ABC. There are 53 other breweries that have either registered their accounts, paid the application fee, or are in the process of submitting their documents. Mr. Guthrie will personally deliver the new license to Sweetbay Brewing on Saturday, January 18 and will have photos taken for both the board and the VBDC website.

#### **Engagement**



Mr. Rust provided an update on the steady growth of social media during the last quarter. We saw 875 page views from organic internet searches. The top three pages viewed were the breweries page, retailers page, and the board members page. Mr. Mullett suggested tagging VBDC breweries in VBDC Instagram posts, so they could repost and possibly boost followers. Additionally, Mr. Rust showed the new Retailer Welcome and Brewery Welcome letters that will be sent using the new VBDC letterhead.

### *Business Development*

#### Internal Policies

The board will review revised internal policies regarding Returned Payments and Releasing a Brewery from Distribution Rights at the March board meeting.

#### Keg Management

Chair Romano opened the discussion on keg management. Mr. Rust summarized three proposed workflows for converting keg deposits into credits and refunding retailers. These options were provided by Ms. Zilic and included pricing details. All options allow for even exchanges on the same order/invoice and there is a 90-day window to allow for unused converted cash to be refunded manually in the system. The language that will be used on the invoice will be: "Keg Deposit" and "Keg Deposit Returned."

Option 1 (\$10,280): Keg credit return converts to cash of \$30 to spend on the next order. The credit is applied to the next order when a keg is returned. Credits can only be used in \$30 increments. If the order triggering the converted cash does not meet the minimum order of \$30, then the credit will save to the retailer's account to be applied on the next order.

Option 2 (\$8,560): Keg credit return converts to cash of \$30 to spend on the current invoice. The credit is applied instantly when a keg is returned. Credits can only be used in \$30 increments. If the order triggering the converted cash does not meet the minimum order of \$30, then the credit will save to the retailer's account to be applied on the next order.

Option 3 (\$24,240): Keg credit converts to cash and can apply to any order in any increment on the current order.

The board discussed the pros and cons of each option and agreed that option 2 aligned more closely with the current beer wholesale industry market and standards. It was also noted that recordkeeping is easier keeping the credits in increments of \$30 so keg returns can be traced.

Although option 3 closely met the retailer's desires, the high cost of option 3 ultimately led the board to agreeing that option 2 was the best for VBDC. Chair Romano moved to approve Keg Management option 2. The motion was seconded by Mr. Guthrie, and the motion passed unanimously.

During the December 11 board meeting, Mr. Mullett advised that disposable draught/keg should be a container type option. Mr. Rust informed the board that the disposable draught container type option has been added to the system. The system will not assess a keg deposit or track keg inventory for products with this option selected.

#### Distribution to banquet and special events licensees policy

Vice Chair Short and Director White presented a draft policy to the board for consideration. Banquet and special event licensees are registered as retailers with a temporary account that is deactivated after the event concludes. The board discussed the potential process for distributing to special events, including identifying accountable parties and addressing liability concerns related to invalid contracts. They emphasized the importance of not overburdening the VBDC with oversight of existing wholesaler agreements.

There was considerable discussion about who should be responsible for sending the amended contract whether it's solely the wholesaler's responsibility or if the brewery can submit the amendment as well. Relying solely on the wholesaler for this task could lead to issues, given that the VBDC has the established relationship with the brewery. Mr. Guthrie requested Mr. White to provide his rationale for why he believes the wholesaler should handle sending the amended distribution agreement. Additionally, Mr. Rust will follow up with the Office of the Attorney General regarding liability and determining who is responsible for sending the duly signed amended distribution agreement.

Overall, the drafted policy was a promising starting point and will be revisited at the next meeting.

#### Next meeting date

The next board meeting is scheduled for Wednesday, March 26, 2025, 11 AM (location TBD – Mr. Rust will check with ABC) and Wednesday, June 11, 2025, 12 PM (location TBD).

#### Adjourn

The meeting was adjourned at 12:41pm.

