

## **DRAFT MINUTES**

Virginia Winery Distribution Company (VWDC)  
102 Governor Street  
Richmond, VA 23219  
March 31, 2021

This meeting was held electronically via WebEx on Wednesday, March 31, 2021, during the Governor's declared state of emergency due to the COVID-19 pandemic making it unsafe for the public body to assemble in a single location. A recording of the meeting is available:

VWDC Board Meeting-20210331 1734-1 [View](#) Password - NeixBeK5

### **Call to Order**

Chairman, Randy Phillips called the VWDC Board meeting to order at 1:31 p.m.

### **Roll Call**

#### **Members Present**

Randy Phillips, Chairman  
Jay Colston  
Courtney Mailey  
Doug Zerbst

#### **Others Present**

Justin Bell, OAG  
Kevin Clay, Big Spoon Co.  
Enrique Mendez, Big Spoon Co.  
Robin Hill, VWDC and VDACS  
Carla Mendez, Big Spoon Co.  
Kate Pyle, Big Spoon Co.  
Kevin Clay, Big Spoon Co.  
Kendra Shifflett, VDACS

### **Approval of Draft Minutes**

Copies of the agenda and draft minutes were distributed in advance to all board members. Chairman Phillips asked if there were questions about the minutes. There being none, Robin Hill called the roll for approval of the minutes as presented. With all members voting affirmative, the minutes were approved as presented.

### **Operations Report**

Ms. Hill shared her desktop with participants and provided the Operations budget and expense report as of February 28, 2021. Ms. Hill reported that currently VWDC has not spent a large portion of the budget. The majority of the expenses are for Ms. Hill's salary. Ms. Hill reported VWDC continues to pay Virginia Interactive for software development. The current remaining funds are \$34,000 and Mr. Sanderson from

Virginia Interactive will provide an update on the items we are soon going live. VWDC paid \$21,000 for marketing expenses to Big Spoon Co. VWDC paid \$6,600 for the renewal of the SevenFifty contract. Ms. Hill advised there are upcoming partnerships with the Virginia Wine Marketing Office that will utilize more of SevenFifty. Orders are sent directly to VWDC from SevenFifty and Ms. Hill makes sure the orders are filled by the wineries. Ms. Hill advised there should be more orders through SevenFifty once the Virginia Wine Marketing Office's spring and summer events get started. Additional expenses include administrative costs to VDACS of \$40,000 and license renewals of \$58,540. Non-general funds include transaction fees totaling \$33,390. VWDC has an ending cash balance of \$54,009.

### **Licensing Update**

Ms. Hill continued with the licensing update. Ms. Hill reported VWDC issued 10 new winery licenses since the last meeting and 9 pending wineries have completed Part – 1 of the application process. Ms. Hill advised that VWDC staff is working to delete non-responsive VWDC applicants who have been inactive after six months unless the wineries indicate continued interest.

### **Financial Highlights**

Ms. Hill reported VWDC has sales of \$3.2 million, 25,645 cases sold and 5,471 transactions. Ms. Hill added sales are higher than the prior year resulting from wineries using opportunities for distribution due to the pandemic. Chairman Phillips commented that trend fits with what is going on nationally, so VWDC is right in line with national trends. VWDC sales comprised of 80% wine, 15% cider, and 5% mead. Sales by varietal include \$757,313 in Blend, \$543,997 in Apple, \$288,007 in Chardonnay, \$253,840 in other and \$223,437 in Cabernet Franc.

Currently, the top sellers are Winery at Bull Run, Veritas Vineyard, CrossKeys Vineyard, Prince Michel, Bluestone Vineyard, Blenheim Vineyards, Blue Toad Hard Cider, Coyote Hole Ciderworks, Peaks of Otter Winery and Showalters - Old Hill Cider. Top buyers include The Winery at Sunshine Ridge, Wegmans locations, Virginia Wine Merchants, Well Hung Vineyard, Blue Mountain Brewery, Valley Pike Farm Market, VinoWines and Charley's Waterfront Café.

Ms. Hill reviewed the VWDC Sales by Winery report and VWDC Sales by Case reports. Ms. Hill noted The Winery at Bull Run is close to the 3,000 case limit because of the wine they produced for The Winery at Sunshine Farms. The Winery at Bull Run has been alerted of their current number of cases sold. Ms. Hill Robin asked if there were any questions.

Doug Zerst asked if VWDC is provided with feedback regarding the number of hits received from SevenFifty. After a brief discussion, Ms. Hill advised that she will work towards a physical card the wineries can have with information regarding the relationship with SevenFifty. Also, VWDC will request analytics for the hits received on the SevenFifty site. Additionally, a link to the SevenFifty site will be added to the VWDC homepage. Finally, VWDC will continue to use the newsletter to inform retailers that VWDC has a presence on the SevenFifty site.

### **Old Business**

Enrique Mendez, Big Spoon Co., provided an update on the VWDC website. Mr. Mendez encouraged meeting participants to check out the VWDC website. Big Spoon has done a soft launch of the new website to detect any bugs and to make sure everything is working properly. Before announcing the new website, Big Spoon wants to ensure the VWDC website is being backed up every few minutes, the site is mobile optimized, and the site is compliant with e-readers. The new website may be announced in the next newsletter.

Carla Mendez, Big Spoon Co. provided additional information about the VWDC website and blog. Widgets have been incorporated, a firewall and different systems have been put in place. Ms. Mendez asked the group to check out the blog and provide feedback.

Kate Pyle, Big Spoon Co., provided a VWDC social media update. Ms. Pyle shared there are three new blog posts. The blog is a way to provide some marketing tools for wineries, cideries, and meaderies. Big Spoon staff are working to revamp VWDC's social media channel. In response to the Women in Wine Campaign, 26 people provided information for posts. Feedback was excellent for this campaign. Instagram engagement increased 213 percent. Ms. Pyle shared that Big Spoon is working on efforts to make the VWDC newsletter more valuable to wineries and retailers and to work on possible ways to increase SevenFifty clicks.

John Sanderson from Virginia Interactive had issues joining the meeting. Mr. Hill provided the board with an updated Virginia Interactive's work for VWDC. iControl payment processing will be moving into production. iControl is similar to Fintech. iControl, an electronic payment method used by retailers to pay distributors, has been fully integrated into the VWDC site. Invoices are now forwarded to iControl from the VWDC system and payments are posted based on a data file received from iControl. Mobile deposits for wineries are being tested. Procurement is reviewing the Mobile Deposit contract. Virginia Interactive built the system to charge only the wineries using mobile deposit method instead of charging all wineries a flat fee.

Ms. Hill spoke about the Veraison Project. The goal of the program is to create a more equitable wine industry through greater access to wine education, wine certifications, mentoring, and networking for BIPOC. VWDC has an opportunity to have an intern through this program. Ms. Hill is working out the details with the Veraison Project.

### **New Business**

Chairman Randy Phillips announced his resignation from the VWDC board. The board thanked him for his years of service since the formation of VWDC.

### **Next Meeting Dates**

TBD

### **Adjourn**

Chairman Phillips adjourned the meeting at 1:58 p.m