

DRAFT MINUTES

Virginia Winery Distribution Company (VWDC)
Republic National Distributing Company
14038 Washington Highway
Ashland, VA 23005

June 21, 2023

Call to Order

Stan Joynes called the meeting to order at 1:02 p.m., with a quorum present.

Roll Call

Members Present in Person

Doug Zerbst, Republic National Distributing Company
Stan Joynes, Valley Road Vineyards
Joseph Guthrie, VDACS Commissioner

Members Participating Remotely

Dave Drillock, Fifty-Third Winery and Vineyard

Others Present in Person

Staci Saunders, VWDC and VDACS
Dewey Jennings, Director of Administration and Finance VDACS

Remote Participation

Dave Drillock of Fifty-Third Winery and Vineyard is participating remotely, via telephone while driving back from attending a celebration of life ceremony. Dave notified the VWDC Chair, Stan Joynes, via email prior to the meeting. Dave can clearly be heard by all members and can hear all of the conversation amongst the board members.

Approval of Draft Minutes

Copies of the agenda and draft minutes from the April 7, 2023, meeting were distributed in advance to all board members. Commissioner Guthrie moved to approve the minutes, Doug Zerbst seconded, all in favor. The minutes were approved.

Operations Report

Ms. Saunders reviewed the report provided to the board to include updates for budget and expenditures, licensing, and all relevant sales data, through May 30, 2023.

The Board would like to see the growth or loss in sales and case sales broken down by wine, cider and mead. Additionally, the board would be interested to see growth and loss related to each winery. Ms. Saunders will prepare this comparison for review by the Board prior to the next meeting.

Licensing Update

Ms. Saunders updated the board on all pending and approved licenses, noting that ABC is short staffed and therefore the approval process is longer than usual. Four have been approved since the last board meeting, seven have been submitted for approval.

Commissioner Guthrie suggests a review of the current ABC licensing process to streamline and speed up the process. Ms. Saunders will review and provide suggestions to the Board.

Old Business

Marketing Proposals

After review and comment of the proposals submitted to VWDC for marketing services, Commissioner Guthrie made a motion to accept the proposal offered by Flair Communications, Doug Zerbst seconded. All in favor. Ms. Saunders will begin the process with Flair and bring details regarding the transition timeline to the board.

Annual Renewals

A survey was distributed to gauge interest in allowing wineries to pay the annual renewal fee in smaller amounts, monthly, rather than one lump sum. The responses were overwhelming to keep this fee as a lump sum amount, due annually.

Tasting Events

The board continues to discuss the option of VWDC to host an independent trade tasting event. This initiative will be a large undertaking and Mr. Zerbst provided a few highlights of imperative items or tasks to make it successful. Marketing, timing, the right wineries and products, and buyers' attendance, are a few of the key elements to consider. Mr. Zerbst suggests having a committee of wineries to work together to host a tasting event.

Member Education

The board is attempting to determine the best education to provide, and how to deliver it, as social media platforms have not been as successful at reaching the buyers in the industry as hoped, and the overall sentiment of member education is variable, depending on the winery member. The board discussed several ideas such as identifying wineries that are committed to growing Virginia's wine industry and finding ways to leverage their participation. Additionally, the board would like to involve the new marketing firm in

hopes of fresh ideas and advice for this initiative. This will be discussed with Flair during the transition period.

Winery Payments

VWDC conducted a survey to gather feedback regarding the option to have VWDC payments issued to wineries twice per month, instead of once. Only 1/3 of the respondents chose to have this changed. This, coupled with the costs involved for VDACS finance support and system programming, make this option unfavorable. The board agreed to keep the VWDC payments to wineries remain at once per month and to discuss opportunities to incentivize retailers to pay via Fintech or ACH for faster processing of payments.

New Business

Fiscal Year 2024 Budget

Ms. Saunders presented the board with the proposed budget for FY2024. Motion to approve by Doug Zerbst, seconded by Dave Drilllock. No additional questions, all in favor.

VWDC Logo / Branding

Big Spoon provided several options for a new logo, this was distributed to the board members for review and comment / suggestions. The board members discussed and provided suggestions for revisions. Ms. Saunders will communicate to Big Spoon and send back revisions for the board members.

Public Comments

There were no public comments.

Next Meeting Date

September 21, 2023 @ 1:00 p.m.

Adjourn

Mr. Joynes adjourned the meeting at 2:53 p.m.