



FINAL MINUTES

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

September 18, 2024

Call to Order

Stan Joynes called the meeting to order at 1:00 p.m., with a quorum present.

Roll Call

Members Present in Person

Stan Joynes, Valley Road Vineyards
Kenneth Tambaschi, Republic National Distributing Company
Dave Drillock, Fifty-Third Vineyard and Winery
Joseph Guthrie, VDACS Commissioner

Others Present in Person

Staci Saunders, VWDC and VDACS
Ashley Reed, Deputy Director of Administration and Finance, VDACS

Approval of Draft Minutes

Copies of the agenda and draft minutes from the June 24, 2024, meeting were distributed in advance to all Board members. Commissioner Guthrie moved to approve the minutes, and Ken Tambaschi seconded; all were in favor. The minutes were approved.

Operations Report

Ms. Saunders reviewed the Operations Budget Report provided to the Board, including updates for budget and expenditures, licensing, and all relevant sales data through August 31, 2024. As of this date, expenses total \$39,806.

Licensing Update

Nine licenses have been approved since the June 2024 Board meeting. The new VWDC members are Honeycomb Grove, Lakehill Vineyards, Old Bust Head Brewing Company, Rockbridge Vineyard, Sweet Briar College Farm, The Barn at 678, The Veil Brewing Company, Two Twisted Posts Winery, and King Family Vineyards LLC.

Four applications have been submitted for ABC approval, while fifteen are awaiting documents to be submitted by wineries for application completion.

Financial Highlights

Ms. Saunders reviewed the financial highlights for fiscal year 2025 as of August 31, 2024. Sales total **\$957,903**, cases sold totals **6,562**, and transaction count totals **1,391**.

The year-over-year review shows that annual sales are returning to levels before COVID. Cider sales and transactions will likely show a decrease during this fiscal year due to the absence of Cobbler Mountain Cellars, who graduated from VWDC in June 2024.

Silver Hand Meadery is the Top Seller, and Wegman's Charlottesville is the Top Buyer so far this year.

Old Business/Updates

VWDC Bylaws

Mr. Joynes and Mr. Bell have completed their review and revision of the Bylaws document. This was presented to the Board for consideration and vote of approval. Motion to approve in this form by Mr. Tambaschi, seconded by Mr. Drillock. All in favor. The Bylaws are approved. Ms. Saunders will add the adoption date to the document's footer and add the document to the Policy Binder on the website.

Federal Filing Requirements

VWDC has received the official correspondence from McGuire Woods determining that VWDC is tax-exempt and not required to file the annual form 990.

VWDC Licensing Costs

Ms. Saunders reviewed the discussion from the previous meeting regarding licensing costs and procedures for new member wineries. The costs of licensing new member wineries average \$650 per application. The Board again discussed the historical practice of VWDC's absorbing these costs and the costs expended for wineries that did not proceed with final application submission. The Board's discussion agreed that notice should be given to prospective new wineries that beginning January 1, 2025, all new applicants will be required to pay the application fees associated with membership. Mr. Tambaschi motioned to discontinue the current practice of VWDC's absorbing up-front application, publishing, and license fees, and instead require new member wineries to pay these costs during the application process, beginning January 1, 2025. Mr. Drillock seconded the motion. All were in favor, and the motion passed unanimously.

Ms. Saunders will communicate this change via the monthly VWDC newsletter, the Virginia Wine Board newsletter, a notice on the VWDC website, and a mention during the upcoming annual Virginia Wineries Association Conference.

VWDC Logo / Trademark

Mr. Bell shared before the meeting that this is still outstanding and will provide an update in December.

New Business

VWDC / VDACS Policy Updates

Ms. Saunders included the policy updates adopted by VDACS regarding remote meeting policies for adoption by the VWDC Board of Directors. The policy has been updated to increase permissible virtual meeting frequency from 25 to 50 percent per year, but it cannot be two in a row. The policy also includes a Conflict-of-Interest Form. Motion to approve VWDC's remote participation policy by Mr. Drillock, seconded by Mr. Tambaschi. All were in favor, and the policy was adopted.

Software Upgrades

Ms. Saunders shared that the ordering software is fourteen years old and needs updates. The Virginia Beer Distribution Company has developed a software system that will be used as a repeatable format for the VWDC system, taking advantage of the work already completed and paid for previously. Ms. Saunders detailed that the new system will include enhancements such as online winery registration and renewals, keg management, improved reports, and improved product catalog and shopping cart experience. Ms. Saunders communicated that Tyler Technologies had presented Ms. Saunders with a scope of work for the upgrade, which is still being reviewed by the VDACS IS Director and the Administration and Finance Director. Mr. Joynes asked for information regarding the status of making this decision. He suggested a special meeting to review the statement of work together with the intent of approving and determining funding. A virtual meeting will be held on October 8th at 2:00 pm. All of the public meeting requirements will be complied with for this meeting.

Marketing Items

Rack Cards - Ms. Saunders will soon create rack cards to serve as "leave-behinds" for events and when visiting wineries and/or retailers. These will help communicate a how-to guide for participating with VWDC.

VWDC Sign - Mr. Joynes suggested an indoor/outdoor sign for all member wineries, hoping it will be displayed onsite. Mr. Drillock agrees that this would benefit when someone employed by a retailer or restaurant notices this sign and connects with the winery to purchase wines for resale at their establishment. The Board would like to see a mockup of a draft to review before deciding to proceed. Commissioner Guthrie suggests a certificate to accompany this sign, depending on specific criteria being met. Mr. Tambaschi agrees that this may be a classy way to raise awareness of VWDC.

Retailer Recognition—Mr. Joynes discussed the possibility of recognizing any retailer surpassing certain purchasing levels to heighten interest and reward those supporting Virginia wine, perhaps creating a sign or plaque similar to that for wineries but for retailers who substantially support the industry. Commissioner Guthrie suggested integrating this concept into the Governor's Cup celebration.

Upcoming Meetings

Mr. Tambaschi will host the VWDC Board members on a tour of RNDC operations immediately following the December meeting.

Ms. Saunders will send dates for meetings in 2025, with a few to be held at winery locations. The dates and locations will be determined.

Public Comments

There were no public comments.

Next Meeting Date

December 17, 2024, @ 1:00 p.m.

Location: Republic National Distributing Company

Adjourn

Mr. Joynes adjourned the meeting at 2:33 p.m.