



FINAL MINUTES

Virginia Winery Distribution Company (VWDC)
Remote Meeting via Microsoft Teams
102 Governor Street
Richmond, VA 23219

October 8, 2024

Call to Order

Mr. Joynes called the meeting to order at 1:59 p.m., with a quorum present.

Roll Call

Members Present via Remote Participation

Stan Joynes, Valley Road Vineyards
Kenneth Tambaschi, Republic National Distributing Company
Dave Drillock, Fifty-Third Vineyard and Winery
Jay Colston III, Virginia Imports LTD

Members Present in Person

Joseph Guthrie, VDACS Commissioner

Others Present in Person

Staci Saunders, VWDC and VDACS
Ashley Reed, Deputy Director of Administration and Finance, VDACS
Kevin Cronin, Information Systems Director, VDACS
Dewey Jennings, Director of Administration and Finance, VDACS

Others Present via Remote Participation

Bradley Copenhaver, Lindl Corporation

Special Meeting Purpose & Notice

Ms. Saunders confirmed that the meeting notice was posted on Virginia Town Hall and the VDACS website within the three-day requirement.

Mr. Joynes stated that the purpose of the meeting is to review the Statement of Work provided by Tyler Technologies for the planned updates to the VWDC online ordering platform.

Introduction of Mr. Cronin and Overview of VDACS IT Support

Mr. Cronin, Director of Information Systems at VDACS, introduced himself and outlined his background in IT consulting and government roles.

Mr. Cronin explained the role of VDACS in supporting VWDC's technology needs, including negotiating statements of work and providing project management oversight. He highlighted the responsibilities of VDACS, including technical guidance, security vulnerability remediation, and ensuring compliance with industry standards. He then outlined the ongoing relationship with Tyler Virginia for IT projects. Mr. Cronin explained that Tyler Technologies has a long-standing positive relationship with VDACS, having successfully delivered multiple projects. He mentioned the recent successful implementation of the Virginia Beer Distribution Company (VBDC) portal and the ongoing marketing websites project for Virginia Finest and Virginia Grown.

Challenges with the Legacy VWDC Application

Mr. Cronin discussed the outdated nature of the existing VWDC application, developed in 2012, and its lack of modern features like online registration and renewals. He pointed out security vulnerabilities and ADA compliance issues with the legacy system, making it necessary to modernize. Mr. Cronin emphasized the importance of meeting security and accessibility standards, leveraging tools provided by the Virginia Information Technology Agency (VITA). He explained the need for a modernized system to improve user experience and address technological shortcomings.

Modernization Plan and User Experience Improvements

Mr. Cronin outlined the modernization plan for the VWDC application, aiming to provide a more user-friendly interface similar to Total Wine. He described the enhanced features, which include online registration, fee payment, uploading supporting documents, and real-time application status updates. Mr. Cronin mentioned the improved dashboards for wineries, retailers, and administrators, providing detailed insights and notifications. He emphasized the importance of leveraging the existing investment in the VBDC system to reduce costs and improve efficiency for the VWDC project.

Cost and Budget Considerations

Mr. Cronin shared Tyler Technologies' project proposal of \$185,000 to modernize the VWDC software and highlighted the economies of scale involved due to the recently developed VBDC platform. Mr. Jennings communicated that the proposed price is fair and noted the cost savings due to following closely behind this recent development. The VWDC will not incur the costs of programming and innovation for a new platform built from scratch.

Mr. Copenhaver asked about the risk of cost increases. Mr. Cronin reassured the Board that the current cost estimates are based on historical trends and Tyler and Virginia's positive working relationship and will only increase if there are significant changes to the scope of work. He also described that VWDC and VBDC share some hosting costs, which will benefit both companies by decreasing overall costs.

Mr. Colston raised his concern over the VWDC's bearing the project's total cost. He recalls from the work-study group that the beer company may pay some or all these costs if formed.

Commissioner Guthrie reminded the Board of the recent fee increase to fund future software upgrades. Mr. Cronin highlighted that without the recent VBDC software development, the cost of VWDC's upgrade would be closer to \$330,000. Both companies will continue to benefit from each other as new functionality workflows will be available to both systems simultaneously rather than each application separately.

Growth Overview and ADA Compliance

Ms. Saunders presented a growth overview, highlighting that the number of member wineries and sales volume has more than doubled.

Mr. Joynes raised a technical question regarding ADA accessibility and compliance, seeking clarification on the safe harbor for compliance. Mr. Cronin explained the use of tools for compliance scoring and the agency's goals for maintaining at least an 80 percent score. Commissioner Guthrie followed up by saying that VDACS would do additional research to confirm compliance with the ADA and enlist the help of the Attorney General, if necessary.

Project Timeline and Updates

Mr. Cronin outlined the project timeline, aiming to approve the Statement of Work in October 2024 and engage with the Tyler Technology team in November 2024. The timeline includes refining requirements, conducting mock conversions, and user acceptance testing in April through June, with a scheduled launch in August 2025.

Ms. Saunders will provide monthly progress updates to the VWDC Board of Directors.

Approval and Potential Alternatives

Mr. Joynes asked for the endorsement from the advisors to approve the Statement of Work Proposal provided by Tyler Technologies. Mr. Cronin responded that, unequivocally, yes, he advised the Board to proceed. He further outlined the alternatives as 1) Do nothing, and we continue to allow the slow deterioration of the web solution for retailers and wineries or 2) Look to another service provider to build a new software platform for VWDC. He stated that the cost would be well above Tyler's proposal of \$185,000 and likely closer to \$400,000.

Mr. Joynes asks for feedback from the Board and Ms. Saunders regarding the level of urgency for this upgrade.

Ms. Saunders stated that the existing system works in its current state. However, the application and renewal processes involve many manual processes and security risks. The user dashboards and reports are lacking and clunky. In addition to adopting automation, proceeding now ensures that the same developers for the beer system will work on the VWDC system. Their intimate knowledge of the programming and requirements is valuable to this project.

Mr. Drilllock agreed that the user experience with the existing system is unfavorable, and an upgraded platform would benefit the users.

Commissioner Guthrie stated that we have a unique opportunity. If we delay, we may lose some of the synergies, and we would also extend the period in which we are less efficient and incur more costs. Mr. Joynes agreed that proactive decision-making is essential and delays likely have potential risks.

Mr. Tambaschi agreed with the cost analysis and timing, noting the unique opportunity to utilize the beer project's synergy.

Mr. Joynes called for a motion to approve moving forward with Tyler Virginia and the Statement of Work. Mr. Tambaschi made the motion to approve, and Mr. Drillock seconded. All were in favor; the motion passed unanimously.

Public Comment

Brad Copenhaver stated that he was interested in understanding the financial situation and expectations and that his questions were answered.

Mr. Joynes adjourned the meeting at 3:00 p.m.