



## **FINAL MINUTES**

Virginia Winery Distribution Company (VWDC)  
102 Governor Street  
Richmond, VA 23219  
December 8, 2020

This meeting was held electronically via WebEx on Tuesday, December 8, 2020 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-20201208 1839-1 [View](#) Password - nN63wmXJ

### **Call to Order**

Chairman Phillips called the roll to ensure there was a quorum and called the VWDC Board meeting to order at 1:37 p.m.

### **Roll Call**

#### **Members Present**

Jewel Bronaugh, VDACS Commissioner  
Randy Phillips, Chairman  
Jay Colston  
Courtney Mailey  
Doug Zerbst

#### **Others Present**

Annett Boyd, Virginia Wine Marketing Office  
Carol Brown, VDACS  
Kevin Clay, Big Spoon Co.  
Enrique Mendez, Big Spoon Co.  
Morgan Guthridge, Lindl Corp.  
Robin Hill, VWDC and VDACS  
Carla Mendez, Big Spoon Co.  
Kate Pyle, 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. Robin Hill asked if there were questions about the minutes. There being none, Chairman Phillips 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 a snapshot of the Operations budget and expense report as of October 31, 2020. Ms. Hill reported the current VWDC budget is \$344,658 and thus far, \$71,248 have been paid for VWDC expenses with most of that amount being for Ms. Hill's salary and to cover marketing costs for the work Big Spoon is doing for VWDC. Big Spoon's work includes the newsletters, social media posts, and website redesign. The remaining expensed for normal operations include VWDC payments for ABC new licenses and renewals, system maintenance fees that go along with web postings. Additionally, Ms. Hill pointed out the expense for part-time administrative staff, the Finance intern who assists VWDC. There are also \$255 in miscellaneous expenses. Ms. Hill reported VWDC has received \$16,386 in transaction fees. We have also recovered a total of \$7,770 for license renewal fees. Additionally VWDC has received non-general funds from the Wine Marketing Office for the Marketing Fund Grant amount of \$3,300, which is one-half of the SevenFifty fee. We have \$34,415 as our ending cash balance. Ms. Hill asked if there were questions about this information. There were none.

### **Licensing Update**

Ms. Hill continued with the licensing update. Ms. Hill reported VWDC issued four new winery licenses since the last meeting and 18 pending wineries have completed Part – 1 of the application process. Ms. Hill advised pending wineries are reflective of application active for six months. Carol Brown contacted wineries with pending applications and has been working with Mr. Gaskill to delete non-responsive VWDC applicants with inactivity past the six-month application period.

### **Financial Highlights**

Ms. Hill provided financial highlights as of November 30, 2020. Ms. Hill reported VWDC has sales of \$1.9 million thus far for this fiscal year, which covers July 1- June 30, 2021. VWDC sold 16,804 cases through 3,611 transactions. VWDC sales comprised of 76% wine, 20% cider, and 4% mead. Sales by varietal include \$439,786 in Blend, \$376,688 in Apple, \$150,458 in Other including Sake, \$117,618 in Cabernet Franc, and \$113,822 in Chardonnay.

Currently, the top sellers are Veritas Vineyard, Cross Keys Vineyards, Prince Michel, Blue Toad Hard Cider, Bluestone Vineyard, Coyote Hole Ciderworks, Blue Bee Cider, and Peaks of Otter Winery. Top buyers include Wegmans - Charlottesville, Virginia Wine Merchants, Well Hung Vineyard, Blue Mountain Brewery, Valley Pike Farm Market, Vino Wine LLC, Wegmans – Short Pump, Charley's Waterfront Café, and Backporch Vineyard. Ms. Hill asked if there were questions about this information. There were no questions. Chairman Phillips commented he was pleasantly surprised wine sales have not dropped during the pandemic.

Ms. Hill directed the meeting participants to review the VWDC Sales by Winery report and VWDC Sales by Case reports. She advised the Sales by Winery Report is in alphabetical order to provide easy access to view sales for a specific winery. The grand total of sales is \$1,923,730. As the final piece of the operations report, Ms. Hill provided the Sales by Case Report. Ms. Hill advised the Sales by Case Report is presented by calendar year instead of fiscal year. Ms. Hill noted Blue Toad Hard Cider reached the 3,000 case limit. Showalters - Old Hill Cider is close to the 3,000 case limit and is using another distributor. The case limit parameter resets in January. Ms. Hill asked if there were any questions. Mr. Zerbst asked how long a winery has to find a new distributor once the winery reaches the 3,000 case limit. Ms. Hill replied she checks before each meeting to see where wineries stand regarding the case limits sold. Additionally,

wineries have access to the information via their dashboards on the VWDC website. Mr. Zerbst asked Ms. Hill what kind of feedback VWDC is receiving regarding SevenFifty. Ms. Hill replied two retailers have reached out to her directly stating they had seen information about VWDC on the SevenFifty website. Ms. Hill added VWDC has only been live on the SevenFifty website for a few weeks. Chairman Phillips commented he was pleased to see Robin had sent out information to the wineries regarding VWDC's presence on SevenFifty. Ms. Annette Boyd commented with VWDC on SevenFifty, the Virginia Wine Wholesalers Association has received comments about people noticing how prominent Virginia wines were in the promotions they were running. The Virginia Wine Marketing Office is planning a spring promotion built around Virginia wines.

Ms. Hill provided an update on other projects. Ms. Hill reported VWDC did go live on SevenFifty. However, there was an issue with the iControl project due to a lawsuit involving iControl and Fintech. The lawsuit is over and Virginia Interactive is now testing the iControl files. The iControl project should go live in a couple of weeks.

### **Old Business**

Chairman Phillips asked for an update regarding the International Marking - China presentation provided by Keith Long at the VWDC virtual meeting held on September 30, 2020. Ms. Hill reported that there were successful transactions selling seafood. However, sales through China may not be a part of the original intent of VWDC.

Big Spoon provided an update. Enrique Mendez from Big Spoon Co. reported security issues associated with hosting the VWDC website design have been resolved. Kate Pyle from Big Spoon provided stats regarding Big Spoon's newsletters and social media ads for VWDC. Ms. Pyle reported the reach for the newsletters is about 50 percent open rate of the wineries, which is good. She added when the information is specific the open rate from the wineries goes up to 81 percent. As an example, Ms. Pyle said when Big Spoon sent the newsletter regarding the mobile deposits to the wineries, 81 percent of the wineries opened the communication. The open rate for the retailers is slowly growing. Currently, the open rate for retailers is 20 percent. Regarding social media ads, in November, there was an increase of 20 percent following on Instagram. There was a decrease of impressions on Facebook during the month of November. Big Spoon plans to work on a blog for VWDC in 2021. Chairman Phillips asked if there were any questions. There were no questions.

Carla Mendez shared her screen and provided a presentation on the VWDC's website redesign preview. Big Spoon considered all of the requests from Ms. Hill, including how she wants the website to look. Updates include the menu, homepage, story of VWDC, facts and benefits, footer, social media icons, Board members and bios were added, as well as the history and benefits of becoming a VWDC member. The statues are downloadable as a PDF. The resources tab includes facts, resources, and news. The news section of the site will be the blog Big Spoon Co. is working on for 2021. Ms. Mendez shared examples of what the blogs will look like. Mr. Enrique Mendez shared he added a link to the chat so individuals can preview the website individually. He added there are nice animations on the site and the website will translate well to mobile devices. Ms. Mendez continued, stating the list of the wineries is on the website and the list is updatable as needed. Ms. Hill commented the new website provides VWDC with flexibility for

making changes and incorporates blogs and social media. Chairman Phillips asked the payment mailing address be added to the website for those wineries still mailing payments to VWDC.

Ms. Mendez asked if there were any questions. Ms. Mailey asked about the fonts used for the website redesign. Mr. Mendez assured that the presentation is not the final product and the font selections can be updated. Mr. Zerst commented VWDC winery photos should be used on the website. Mr. Mendez assured the board the website will only include VWDC winery photos.

Mr. Mendez suggested Board members send any concerns and comments about the website redesign to Ms. Hill. All comments will be taken in to consideration before the website goes live. Mr. Mendez provided a wrap-up of ongoing marketing strategies. The news section of the website will be populated with newsletters, announcements, and possibly highlighting some of the wineries. Chairman Phillips thanked Big Spoon for the update and presentation.

As an update, Ms. Hill reported VWDC is ready to move forward with mobile deposits Wineries will use the Suntrust app to make the mobile deposits. Suntrust will charge a fee for each transaction. Ms. Hill suggested the cost for mobile deposits be passed on to the wineries. Virginia Interactive has to build the fee into the web application and incorporate a way to identify the deposits mobile deposits for VWDC's reconciliation purposes. Chairman Phillips asked if there were any questions are comments. There was none.

Chairman Phillips thanked Ms. Hill for the excellent work she does for VWDC.

### **New Business**

There was no new business to discuss.

### **Next Meeting Dates**

TBD

### **Adjourn**

Chairman Phillips adjourned the meeting at 2:13 p.m.