

PENNSYLVANIA WINE MARKETING AND RESEARCH PROGRAM

Minutes of the May 6, 2014 Board Meeting

PA Department of Agriculture, Room 309

Harrisburg, Pennsylvania

Public notice of the May 6, 2014 Pennsylvania Wine Marketing and Research Program Board meeting was given on April 25, 2014, as stipulated by the Sunshine Law.

CALL TO ORDER

Mario Mazza, Chairman, called the meeting to order at 10:15 a.m. Board members in attendance (in addition to Mr. Mazza) included Carl Helrich, John Landis, Bradley Knapp, Joanne Levengood, Douglas Moorhead, Elwin Stewart and Karl Zimmerman. Also attending was Jennifer Eckinger, Pennsylvania Wine Association; Liz Diesel, Pennsylvania Wine Association; Chardan Huston, Pennsylvania Wine Association; Gregory O'Loughlin, SWELL, LLC; Diane Belles, Accountant for the Program; Ben Junkin, representing the Secretary of Agriculture; Brook Duer, Pennsylvania Department of Agriculture; and Samantha Snyder, Pennsylvania Department of Agriculture. Jennifer D'Angelo attended and recorded the minutes.

MINUTES

Minutes of the March 18, 2014 meeting were emailed to Board members for their review in advance of the meeting.

RESOLUTION 2014.11 – ACCEPTANCE OF MARCH 18, 2014 MINUTES

Motion by: John Landis

Seconded by: Karl Zimmerman

Passed: Unanimously

To accept the minutes of the March 18, 2014 meeting.

FINANCIALS

Ms. Belles reviewed the April 30, 2014 financial statements. Outstanding projects were discussed. PDA will look into the status of invoices from PSU.

RESOLUTION 2014.12 – ACCEPTANCE OF FINANCIAL REPORTS

Motion by: Elwin Stewart

Seconded by: Karl Zimmerman

Passed: Unanimously

To accept the April 30, 2014 financial reports.

Mr. Landis reviewed the proposed budget for July 1, 2014 – June 30, 2015. Ms. Belles will update the budget spreadsheet to reflect the upcoming new fiscal year as well as correcting the percentages for marketing and enology from 75% to 70% and viticulture research from 25% to 30%. Ms. Belles also pointed out that the \$33,916.00 contingency funds available is a positive not a negative figure.

A discussion took place regarding the vacated position of the Wine Grape Educator. Ms. Eckinger stated the PWA decided that it would not fund the position while it is vacated.

DRINK LOCAL WINE CONFERENCE

Ms. Eckinger stated that the PWA would prefer to have regional marketing events instead of pursuing the funding for Drink Local Wine. The PWA would like to withdraw the proposal for Drink Local Wine with the understanding that they would like to request further funds to execute the regional promotional events. Perhaps one of the events could be tied into the Drink Local Wine. Mr. O'Loughlin also discussed the regional marketing events.

ASSESSMENT REPORTS

Ms. Snyder reviewed the Summary of Assessment Forms 2013 Year-To-Date. As of April 30, 2014, \$126,907.10 has been collected from Pennsylvania wineries. There were 264 licensed wineries, 91 licensed wineries with no sales assessments reported, 173 producers with sales assessments and the number of producers paid was 137.

Ms. Snyder then reviewed the Assessment Income Analysis by Quarter. \$51,122.88 was received in the first quarter of 2014 and so far \$10,819.20 was received in the second quarter of 2014 for a total of \$61,942.08. Ms. Snyder also stated that 2011 was closed out and PDA is currently working on the audit for 2012.

RESOLUTION 2014.13 – ACCEPTANCE OF ASSESSMENT REPORTS

Motion by: Bradley Knapp

Seconded by: John Landis

Passed: Unanimously

To accept the assessment reports presented by Ms. Snyder.

DELINQUENTS

Ms. Snyder reviewed the delinquent report for 2012. There are approximately 20 non-payers who have not paid into the Program yet. Total owed from everyone (includes non-payers and wineries that had a balance) is \$9,583.82. There were a handful of wineries that were a little higher than \$100 and phone calls were placed to those individuals. \$9,174.60 is owed by the non-payers. PDA will send out letters to the non-payers.

Ms. Snyder also stated that IT will make the change from \$0.15 to \$0.20 which will take place in the database on January 1, 2015. Mr. Duer explained that PDA will ask everyone to **not** pay with one check and mix assessments owed for 2014 and 2015 – **checks should be issued separately for each assessment calendar year.**

RESOLUTION 2014.14 – APPROVAL OF DELINQUENT REPORT

Motion by: Douglas Moorhead

Seconded by: Bradley Knapp

Passed: Unanimously

To accept the delinquent report presented by Ms. Snyder.

PWA

Ms. Eckinger reported on PWA activities:

- Legislative
- Festivals
- Marketing

- Off and running in PA Wine Land
- Share the news
- PA Wine Land Centers
- Committee Meetings – 2014

RESEARCH

Mr. Knapp stated that reports were received from all of the research that was funded (viticulture and enology). Mr. Knapp and Mr. Stewart are still working on the requirements for the project funding requested by Dr. Crassweller. Mr. Duer stated that once he receives the conditions from Mr. Knapp and Mr. Stewart he will go forward with the contract for Dr. Crassweller. The board discussed a commitment letter which is referenced by Dr. Crassweller. PDA was unable to locate the commitment letter and only has record of documents referencing that this project is for one year at a time. Nothing found by PDA qualifies as a commitment letter to fund the project on a continued basis. Mr. Knapp will reach out to Dr. Crassweller regarding this letter.

LETTER FROM MARK CHIEN

All board members received a copy of the letter from Mark Chien. This letter will be a part of the meeting minutes.

Mr. Landis asked if the board could request and encourage Penn State to fill the Wine Grape Educator position as soon as possible. Mr. Helrich informed board members that he discussed the job description with Penn State. Currently, Mr. Helrich and Mr. Mazza will be headed to PSU to discuss the position with Dr. Christ. PSU will start a search committee before June 30.

HACC PROPOSAL

Mr. Mazza stated that HACC has not invoiced for the current fiscal year. Board members discussed the project approved last year as well as the new proposal. Mr. Mazza will reach out to HACC to obtain more information. This proposal is tabled until the July 8 meeting.

AMENDMENT REFERENDUM

Mr. Mazza informed board members that the amendment referendum is finalized and approved. Over 140 phone calls were made to reach out to wineries regarding the amendment referendum and benefits of the Program. Board members discussed a variety of outreach opportunities to educate wineries about the Program and also how to obtain feedback.

ANNOUNCEMENT FROM BOARD MEMBER

Mr. Helrich informed fellow board members that he will be stepping down from the Board once an appropriate replacement on the Research Committee is found.

NEXT BOARD MEETING

The next board meeting will be held on Tuesday, July 8, 2014 at the PA Department of Agriculture in Room 309. Future board meetings will be held at the PA Department of Agriculture in Room 309 and are scheduled for Tuesday, September 2, 2014, and Tuesday, November 18, 2014.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:32 p.m.

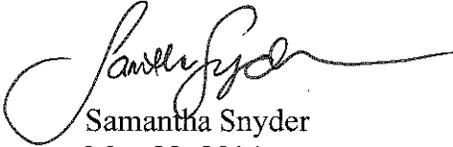
RESOLUTION 2014.15 – ADJOURNMENT

Motion by: Bradley Knapp

Seconded by: Karl Zimmerman

Passed: Unanimously

Respectfully Submitted:



Samantha Snyder

May 22, 2014