

**PENNSYLVANIA WINE MARKETING AND RESEARCH PROGRAM
BOARD MEETING**

**Minutes of the February 13, 2018 Board Meeting
Pennsylvania Department of Agriculture
Room 206
2301 North Cameron Street
Harrisburg, PA 17110**

Public notice of the February 13, 2018 Pennsylvania Wine Marketing and Research Program Board Meeting was given on January 25, 2018 as stipulated by the Sunshine Law.

CALL TO ORDER

Mario Mazza, Chairman, called the meeting to order at 10:20 a.m. Board members in attendance (in addition to Mr. Mazza) included Karl Zimmerman, Vice Chairman; John Landis, Secretary/Treasurer; Chris Dietz, David Hoffman, Robert Mazza, Jonathan Patrono, Lela Reichart (via conference call), John Skrip, III, Elwin Stewart, Charles Zaleski, Jr. (via conference call) and Jamie Williams (via conference call).

Also in attendance were Brook Duer, Pennsylvania Department of Agriculture; Patrick Andrews, Board Liaison to the Department of Agriculture; and Laura England, Director, Department of Agriculture, Bureau of Marketing and Development.

The following individuals attended a portion of the meeting: Diane Belles, accountant, Pennsylvania Department of Agriculture; Liz Diesel; Jennifer Eckinger; Jen Munsch, Pennsylvania Wine Association; Jennifer DeAngelo, Department of Agriculture; Gregory O'Loughlin, Meghan Kolb, SWELL, LLC; and Dr. Molly Kelly, Penn State Enology Extension Educator.

APPROVAL OF NOVEMBER 14, 2017 MEETING MINUTES

Minutes of the November 14, 2017 meeting were emailed to Board members for their review.

RESOLUTION 2018.01-APPROVAL OF MINUTES

Presented by: Chris Dietz

Seconded by: Karl Zimmerman

Passed: Unanimously

To approve the Minutes of the November 14, 2017 meeting.

FINANCIAL REPORTS

Diane Belles referred Board members to the Budget versus Actual Report for the period ending February 7, 2018, for further discussion. Assessments received totaled \$187,902.70. The expense total incurred included \$19,993.35 to prevent post-bottling reductive aroma and \$4,763.72 from the prior year was paid to Penn State.

Jamie Williams entered the meeting via conference call at 10:26 a.m.

Ms. Belles noted grand total expenses in the amount of \$31,179.90, and cash fund available as of February 7, 2018, in the amount of \$294,085.29. She stated she moved \$75,000 to a money market account, which has earned \$51.78 as of this date. Ms. Belles suggested that additional money be placed in the money market account. Chairman Mazza suggested more active committee structure with regard to investment ideas and recommendations to the Board.

Ms. Belles also suggested switching banks due to the fees being charged. She will contact Members 1st Federal Credit Union and Santander Bank for further information.

RESOLUTION 2018.02-MONEY MARKET/CHECKING ACCOUNT DEPOSITS

Presented by: Mario Mazza

Seconded by: Jamie Williams

Passed: Unanimously

To approve Ms. Belles to move money at her discretion into a money market account and/or checking account.

RESOLUTION 2018.03-APPROVAL OF FINANCIAL REPORT

Presented by: Karl Zimmerman

Seconded by: John Landis

Passed: Unanimously.

To approve the Financial Report prepared by Ms. Belles.

ASSESSMENT REPORTS AND AUDIT

Mr. Andrews referred Board members to the Audit Report for further discussion. He noted those wineries which have made no assessments or payments for any production, some since 2014. Effective ways to collect outstanding balances were discussed, including the filing of a civil complaint before the district justice wherever the winery is located, after which a hearing would be held and judgement entered. It was stated that Producer ID, PDA report gallons,

Assessment, Paid to PDA, Actual Owed, Status/Audit Balance and Actually Owe column captions are the Board's headings and all other columns on the report are PLCB generated. The Sales to Licensees Gallons column are sales solely to restaurants and hotels.

RESOLUTION 2018.04-APPROVAL OF ASSESSMENT REPORTS AND AUDIT

Presented by: David Hoffman

Seconded by: John Landis

Passed: Unanimously.

To approve the Assessment Reports and Audit presented by Mr. Andrews.

STATUS REPORT ON PWA ACTIVITIES

There was discussion related to researching and updating the PWA guide as well as the information that should be included in the guide. There was dialogue regarding whether wine-producing ciderys that are paying assessments are eligible to be listed in the guide. It was noted that alcoholic cider as defined in the Liquor Code was not a subset of wine and wine can never be a subset of the definition of alcoholic cider either. There was further discussion regarding whether or not wineries listed on the audit that have not provided assessments or payments or are uncooperative should be removed.

RESOLUTION 2018.05-APPROVAL OF GUIDELINE RECOMMENDATIONS

Presented by: Charles Zaleski

Seconded by: John Landis

Passed: Unanimously.

To move ahead with best information supplied by Mr. Andrews and charge Industry Relation with coming back to the Board with a recommendation in terms of how to handle this in the future with regard to guidelines.

There was discussion regarding the number of trails that would be eligible for funding and the use of that funding. Ms. Eckinger noted the PWA would like to see more specific guidelines with regard to the funding. Mr. Duer supported the Board on the idea that the multi-state and multi-beverage trails continue to comply with the Liquor Code language.

Ms. Eckinger stated that half of the first round of grants totaling \$127,685 has already been paid out by the PWA to the wine trails. She thanked the Review Committee for its thoughtful discussion and determination during that first round.

It was noted that a meeting will be held March 28, 2017, with the PWA and the Board.

Meghan Kolb, SWELL, LLC, a marketing strategy company, was introduced to the Board. Greg O'Loughlin, founder of SWELL, LLC, referred members to the current wine campaign for further discussion. He discussed the Pennsylvania Wine School providing education with regard to native and hybrid grapes. He stated the Farm Show promotion increased the winter visits and 71 wineries responded to the State of the Industry Survey, up one from the previous year. Mr. O'Loughlin discussed sales statistics on satellite locations. A written report will be distributed in the future.

Ms. Kolb, on behalf of Penn State Extension and PWA, discussed a request for additional funding so registrants could attend the PWA Annual Conference being held this year at the Lancaster Marriott.

RESOLUTION 2018.06-APPROVE ADDITIONAL FUNDING

Presented by: Mario Mazza

Seconded by: Jamie Williams

Passed: Unanimously

To approve additional funding to reduce the fee to \$25 a person.

Molly Kelly, PhD., Enology Extension Educator, Penn State University, addressed the Board. She provided a brief summary of her educational and professional background. She will be looking for ways to improve the wine quality in Pennsylvania. Dr. Kelly noted regional meet and greets are planned for April 2018 as well as a wine microbiology workshop. Dr. Kelly expressed her eagerness to work with the Board.

SUBCOMMITTEE UPDATES

John Skrip was invited to join one or more of the committees.

Marketing

Chris Dietz has joined the Marketing Committee.

Research

No update

Institutional Relations

Chairman Mazza suggested the Board be a little more proactive with regard to PLCB funding and the amounts of those funds.

Finance

Chairman Mazza noted that a few conversations had been held with Mr. Landis regarding finances.

Industry Relations

No Update

RFP TIMELINE REVIEW FOR FY 18/19 ACT 39 MONIES

Ms. Reichert provided an update with regard to her recent communications with the Penn State Grant and Finance Office and Cornell University. There was discussion regarding amending the grant contract caps to 10 percent with both institutions. Mr. Duer distributed and discussed a copy of the proposal. Mr. Andrews discussed a recent communication with Mary O'Brien at Penn State regarding the current awards. There was further discussion regarding the caps and timeline.

NEW BUSINESS

None

Charles Zaleski requested to be added to the Institutional Relations Committee.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:45 p.m.

RESOLUTION 2018.07 - ADJOURNMENT

Presented by: John Landis

Seconded by: Jamie Williams

Passed: Unanimously

Respectfully Submitted:



Bernadette M. Black February 13, 2018