

PENNSYLVANIA WINE MARKETING AND RESEARCH PROGRAM
Minutes of the November 18, 2014 Board Meeting
PA Department of Agriculture, Room 309
Harrisburg, Pennsylvania

Public notice of the November 18, 2014 Pennsylvania Wine Marketing and Research Program Board meeting was given on November 11, 2014, as stipulated by the Sunshine Law.

CALL TO ORDER

Mario Mazza, Chairman, called the meeting to order at 10:09 a.m. via conference call. Board members in attendance included Bradley Knapp, John Landis, Joanne Levensgood, Douglas Moorhead, Elwin Stewart and Karl Zimmerman. Also attending was Jennifer Eckinger, Pennsylvania Wine Association; Jonathan Patrono, Pennsylvania Wine Association; Liz Diesel, Pennsylvania Wine Association; Jamie Williams, Pennsylvania Wine Association; Chardan Huston, Pennsylvania Wine Association; Michela Centinari, Pennsylvania State University; Robert Crassweller, Pennsylvania State University; Mary Bender, Deputy Secretary, Pennsylvania Department of Agriculture; Brook Duer, Pennsylvania Department of Agriculture; Diane Belles, Accountant for the Program via conference call; Samantha Snyder, Pennsylvania Department of Agriculture and Jennifer D'Angelo, Pennsylvania Department of Agriculture.

MINUTES

Minutes of the September 2, 2014 meeting were emailed to Board members for their review in advance of the meeting.

RESOLUTION 2014.31 – ACCEPTANCE OF SEPTEMBER 2, 2014 MINUTES

Motion by: Elwin Stewart
Seconded by: Karl Zimmerman
Passed: Unanimously
To accept the minutes of the September 2, 2014 meeting.

AUDITOR AND 2014 AUDIT

Ms. Belles stated that the auditor, Neal Lewis, merged with another CPA firm. She is not aware what the rate will change to due to this merge.

Mr. Landis stated that there were no issues with the June 30, 2014 audit.

RESOLUTION 2014.32 – ACCEPTANCE OF 2014 AUDIT REPORT

Motion by: Karl Zimmerman
Seconded by: Bradley Knapp
Passed: Unanimously
To accept the June 30, 2014 audit report prepared by Lewis Barlett Klees.

FINANCIAL REPORTS

Ms. Belles reviewed the prepared financial reports dated November 16, 2014 for fiscal year July 1, 2014 – June 30, 2015. The revenue is \$56,651.69, cash balance is \$332,524.43, overhead expenses paid to date is \$4,869.98, total marketing and enology and viticulture research expenses is \$55,947.94. Ms. Belles stated that a check was just issued to the Pennsylvania State University for the viticulture researcher position in the amount of \$18,750.00.

RESOLUTION 2014.33 – ACCEPTANCE OF FINANCIAL REPORTS

Motion by: Bradley Knapp

Seconded by: Karl Zimmerman

Passed: Unanimously

To accept the financial reports presented by Ms. Belles.

PSU VITICULTURE RESEARCHER POSITION INVOICES

Mr. Landis stated that he has been working with Cindy from Penn State and it has been set-up that the Program will receive quarterly invoices for the viticulture researcher position.

ASSESSMENT REPORTS

Ms. Snyder reviewed the Summary of Assessment Forms 2014 Year-To-Date. As of November 10 2014, \$140,585.64 has been collected from Pennsylvania wineries. There were 276 licensed wineries, 113 licensed wineries with no sales assessments reported, 163 producers with sales assessments and the number of producers paid was 173.

Ms. Snyder then reviewed the Assessment Income Analysis by Quarter. \$51,054.63 was received in the first quarter of 2014, \$34,033.90 was received in the second quarter, \$42,211.70 was received in the third quarter and so far \$13,285.41 was received in the fourth quarter of 2014 for a total of \$140,585.64.

RESOLUTION 2014.34 – 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 stated that at the last meeting there were four non-payers for 2012 and all have paid - 2012 is now closed out. There was one winery that overpaid but that will be applied to future assessments. The Program received \$4,089.90 from the 2012 delinquent producers.

Mr. Duer informed the board that a letter will be sent out to all wineries which will remind producers of the increase from 15 cents to 20 cents effective January 1, 2015. The letter will also request that wineries pay by two separate checks – a check for 2014 sales and a check for 2015 sales. Hopefully by following this method it will reset the clock to zero for our entire internal accounting system so that everyone will start at zero.

Ms. Snyder also informed the board that the IT office will be putting a tag line on the website to inform wineries of the assessment rate increase effective January 1.

RESOLUTION 2014.35 – DELINQUENT REPORT

Motion by: Bradley Knapp

Seconded by: Douglas Moorhead

Passed: Unanimously

To accept the delinquent report presented by Ms. Snyder.

NEW PROPOSED DATABASE

Discussion took place regarding the current IT database. Mr. Duer stated that the board can purchase an independent off the shelf program and a laptop. The PA Apple Marketing Program purchased their own system and no longer uses the state's database. Ms. Belles said she could do the data entry for this new program – a new contract would have to be created for Ms. Belles. Mr. Duer suggested that a few board members should form a small committee and meet with the Department and the apple program so that the software being used by the PA Apple Marketing Program can be reviewed.

RESOLUTION 2014.36 – COMMITTEE FORMED FOR DATABASE INVESTIGATION

Motion by: Karl Zimmerman

Seconded by: Bradley Knapp

Passed: Unanimously

To elect Mr. Mazza and Mr. Landis as part of a committee to investigate the opportunity for the Program to use off the shelf software to track assessments.

PWA

Ms. Eckinger reported on PWA activities:

- Legislative
- Farm Show
- Annual Conference/WMRB Summit
- Industry
- Marketing
 - Committee Meeting Schedule – meeting following the PWMRP board meeting today
 - Tourism Outreach + Co-Op Program
- Band of 30
- PR Efforts
- Social Media

SUBCOMMITTEE UPDATES

Marketing – provided by Ms. Eckinger.

Research – Research survey topics were just emailed to board members for them to rank.

PENN STATE

Mr. Mazza stated that a new Dean started in October. There are currently some efforts with the PWA and the PWMRB to schedule a meeting with Penn State to present the case to the new Dean. Dr. Crassweller informed board members that this position is a high priority position but there will probably not be any movement on the position for another six months. Dr. Crassweller said he is willing to do more extension work in wine grapes. If there are individuals who need help troubleshooting or site visits he is willing to help out with that as well. Board members discussed the

importance of this position. Discussion took place regarding invoices for this position as well as renewing the contract – the MOU expires June 30, 2015.

RESOLUTION 2014.37 – COMMITMENT TO RENEW THE MOU FOR THE ENOLOGIST AND VITICULTURIST POSITIONS

Motion by: Elwin Stewart

Seconded by: John Landis

Passed: Unanimously

The board intends to renew the commitment to fund the operating expenses of the enologist and viticulture positions as has been done in previous years when the positions have been filled.

HACC

Mr. Landis informed the board that there was a request from HACC to use some of the funds from last fiscal year to buy some equipment. The invoice is for a total of \$794.73.

RESOLUTION 2014.38 – APPROVAL OF HACC’S REQUEST TO EXPEND LAST FY FUNDS

Motion by: Bradley Knapp

Seconded by: Douglas Moorhead

Passed: Unanimously

The board permits HACC to expend funds from last fiscal year for the invoice submitted: Pruning shears \$106.91, Felco pruners \$424 (eight each at \$53) and various Pennsylvania wines \$263.82.

RESEARCH PROJECTS

Mr. Mazza discussed the concerns of the researchers receiving payment for projects. Mr. Duer stated all research agreements were placed under one agreement which will speed up the signature process. He also informed board members that work done prior to the agreement start date will still be reimbursed. There will be no issues regarding this matter of work being done prior to the start date. Mr. Mazza stated that we need to be flexible with the timeline for when the proposals need to be submitted in January.

PROPOSAL FROM DR. MICHELA CENTINARI

Dr. Centinari provided the board with a letter regarding the planting of a new research vineyard that can be used for viticulture and enology research projects. She discussed the proposal that she will be submitting to the board in January.

MAINTENANCE OF WINE GRAPE CULTIVAR TRIALS IN PA

Dr. Crassweller informed the board that this project is in the final year. He will submit a proposal for an extension.

OTHER BUSINESS

Mr. Carl Helrich resigned from the board. Board members and Mr. Duer discussed the procedures on the appointment of a new board member to fill this vacancy.

NEXT BOARD MEETING

The next board meeting will be held on Wednesday, February 4, 2015 at the PA Department of Agriculture in Room 309. Future meetings are scheduled as follows: Tuesday, March 10, 2015 at the PA Department of Agriculture in Room 309; Tuesday, May 19, 2015 at the PA Department of Agriculture in Room 309; Tuesday, July 14, 2015 at the PA Department of Agriculture in Room 309; Tuesday, September 1, 2015 via conference call; and Tuesday, November 10, 2015 at the PA Department of Agriculture in Room 202.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:16 p.m.

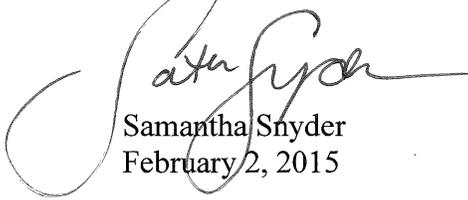
RESOLUTION 2014.39 – ADJOURNMENT

Motion by: Bradley Knapp

Seconded by: Karl Zimmerman

Passed: Unanimously

Respectfully Submitted:



Samantha Snyder
February 2, 2015