

PENNSYLVANIA WINE MARKETING AND RESEARCH PROGRAM
MS TEAMS VIRTUAL BOARD MEETING
Minutes of the July 12, 2022 Board Meeting

Public notice of the July 12, 2022 Pennsylvania Wine Marketing and Research Program Board Meeting was given as stipulated by the Sunshine Law.

CALL TO ORDER

Mario Mazza, Chairman, called the virtual meeting to order at 10:00 a.m. Board members in attendance included Karl Zimmerman, Vice Chairman; John Landis; Lela Reichart; John Skrip, III; Jake Gruver; Chris Dietz; Carley Razzi; Robert Mazza; and Jamie Williams.

David Hoffman and Elwin Stewart were not present.

Also present were Patrick Andrews, Chief of Marketing Development, PDA; Beth Williams, Board Project/Program Coordinator; Holly Zarefoss, Clerk 2, Bureau of Market Development; John Hayes, Ph.D., Penn State University, Professor of Food Science; Helene Hopfer, Ph.D., Penn State University, Department of Food Science; and Ryan Elias, Ph.D., Penn State University, Department of Food Science.

Also in attendance were Lindsay Young, McKonly and Asbury CPAs; Virginia Mitchell and Abigail, PWA.

APPROVAL MEETING MINUTES

RESOLUTION 2022.12-APPROVAL OF MINUTES

Presented by: Chris Dietz

Seconded by: Jake Gruver

Passed: Unanimously

To approve the Meeting Minutes of April 12, 2022.

ACCOUNTING UPDATE

Lindsay Young, McKonly and Asbury CPAs, referred to the Assessment and Interest Income Reports, Budget vs. Actual Reports and Balance Sheet for further discussion. She noted an adjustment that would be made. Members had questions.

RESOLUTION 2022.13-APPROVAL OF ACCOUNTING UPDATE

Presented by: Jake Gruver

Seconded by: Robert Mazza

Passed: Unanimously

To approve the Accounting Update as presented by Ms. Young.

ASSESSMENT REPORT

Holly Zarefoss, Clerk 2, referred members to the Wine Assessment Report and Collections. She indicated no assessment collections for 2018, \$151,000 for 2019, \$272,000 for 2020, \$260,000 for 2021 and thus far \$40,000 for 2022.

Mr. Andrews commented that Holly's last position as clerical will take another month to month and a half until it gets posted. Members had questions regarding assessment report and delinquent account errors.

RESOLUTION 2022.14-APPROVAL OF ASSESSMENT REPORT

Presented by: Karl Zimmerman

Seconded by: Jamie Williams

Passed: Unanimously

To approve the Wine Assessment Report as presented.

MCKONLY AND ASBURY CONTRACT

Mr. Andrews indicated McKonly and Asbury has requested a fee increase, from \$265 to \$290 annually. He noted the firm has one more renewal option next spring, that in the spring of 2024 the contract will be bid again.

RESOLUTION 2022.15-APPROVAL OF FEE INCREASE

Presented by: Jake Gruver

Seconded by: Carley Razzi

Passed: Unanimously

To approve the McKonly and Asbury fee increase.

There was discussion regarding whether the PLCB could change its licensing structure to renew on February 1 instead of January 1 including the immediate past year to provide better, up-to-date data. Mr. Andrews agreed the matter should be presented to the PLCB for consideration.

2022-2023 BUDGET

Lindsay Young, McKonly and Asbury, provided an overview of the 2022-2023 Budget via a screen presentation of Assessments by year.

Chair Mazza commented that after today there may be some committed ACMA funds but that at this point there are no projects committed out of that funding. He stated two things ongoing are two \$15,000 commitments to Penn State for operation expenses for extension educators and a third year of \$53,000 for the viticulture educator position. There was further discussion.

Ms. Young suggested that it might make more sense to present a more concrete budget using an Excel schedule. Chairman Mazza agreed that could be presented to the Board at the next meeting in August or September.

PRESENTATION

Virginia Mitchell, PWA Grant Administrator, and Abigail, presented before the Board for discussion of the PWA's recent marketing efforts which focus on targeting sponsored social media campaigns, producing podcast areas, producing the first Winetime vineyard video with a second scheduled for this week and also, the development and introduction of mobile application with the goal of increasing awareness of the PA wine industry. Chairman Mazza suggested that Ms. Mitchell utilize metrics and data that may be helpful to the Board.

Ms. Mitchell was asked to discuss Brand Refresh. She indicated that marketing designs from the past are still being utilized and new things are being tried but nothing has been officially changed or announced.

Mr. Dietz noted many dollars went into the existing brands and PA Wines over the years. He wanted to make sure that going forward the momentum continued to be maintained. Ms. Mitchell commented that it was a refresh and not a complete rebrand. Some members commented that the videos were well done. She will update the Board with regard to the matter.

REVIEW OF RESEARCH SURVEY RESULTS

Mr. Andrews will compile the results and members will receive a copy of the report for review at the next meeting.

GRANT FUND REVISION

Mr. Andrews noted that a request was received for one revision. He referred members to a budget adjustment for further discussion.

RESOLUTION 2022.16-APPROVAL OF REVISION REQUEST

Presented by: Chris Dietz

Seconded by: Jamie Williams

Passed: Unanimously

To approve the revision as requested.

Chairman Mazza noted a request by Dr. Cain Hickey with regard to the Development of Fruit Maturation Reporting System for the Pennsylvania Grape and Wine Industry would be considered by the Board, but it was late for it to be executed this year. There was discussion with regard to a final progress report from Tanya at Penn State Extension included with the packet of materials.

INVOICE DEADLINES

Mr. Andrews noted he has been receiving constant requests from Maryellen O'Brien and staff to pay invoices for all different commodity boards that have already been paid which he stated may be due to software change and staffing.

REVIEW OF PROPOSALS

Chairman Mazza noted, although the Board can make final recommendations to the PLCB, the Board is not subject to a time frame to respond to those recommendations. Additional information from any applicant may be necessary to make appropriate decisions.

Chairman Mazza stated 14 projects were submitted for consideration under Act 39 for a total of \$1.564 million out of the available \$1 million. Two additional projects were submitted to be considered separately under ACMA funding totaling nearly \$150,000, one due to a technical issue but would still be considered, and the other project from Dr. Hickey as previously discussed.

Chairman Mazza inquired of Helene Hopfer, Ph.D., Penn State University, Department of Food Science, regarding her pre-COVID proposal. Dr. Hopfer commented that the proposal would be adapted to the economic times moving forward. Dr. John Hayes commented that choice-based models are being experimented with and that questions surrounding price sensitivity could be built into the survey.

Ryan Elias, Ph.D., Penn State University, Department of Food Science, exited the meeting.

Dr. Hopfer offered comments regarding Pennsylvania's volatile acid levels and identification of yeast strength that could potentially convert sugar into ethanol while reducing acidic levels. There was further discussion.

Board members viewed proposals, had the option of score revisions if necessary and whether a project could be allocated out of ACMA funding. There was further discussion regarding the scores.

Chairman Mazza noted the Board was hesitant about supporting a mobile app when the original had not been reviewed and requested Ms. Mitchell provide a breakdown of direct advertising dollars for the overall PWA budget.

(WHEREUPON A SHORT LUNCH BREAK WAS TAKEN.)

REVIEW OF PROPOSALS (CONTINUED)

After further discussion of the proposals the Board considered recommending projects ranked one through nine in the amount of \$1,155,422 to the PLCB but the PWA at \$500,000 less \$155,422 to get to the even million. The \$155,422 would be allocated out of ACMA funds towards the PWA project.

Chair Mazza summarized which projects would not be considered.

A motion was considered to approve the projects ranked one through nine all for the budget as written with the exception of the PWA which would be for a budget of \$344,578 but was tabled pending receipt of information from PWA. Mr. Andrews clarified for the record that the \$344,578 would be approved as a recommendation to the PLCB and the additional \$155,422 would be contingent upon getting satisfactory information back to the Board.

The Board had discussion regarding which projects would be funded through ACMA.

RESOLUTION 2022.17 - APPROVAL OF TWO PROJECTS FROM ACMA FUNDS

Presented by: Jamie Williams

Seconded by: Carley Razzi

Passed: Unanimously

To fund two projects from ACMA funds.

NEW BUSINESS

Mr. Andrews suggested that there should be discussion with regard to grant proposal language and solicitation as well as the scoring matrix. Members discussed changes to the economic impact study and a timeline would be determined by Mr. Andrews to allow for review of proposals at the November meeting.

RESOLUTION 2022.18 - APPROVAL OF ECONOMIC IMPACT STUDY REVISIONS

Presented by: Chris Dietz

Seconded by: Jake Gruber

Passed: Unanimously

To approve changes to the economic impact study and a timeline determined by Mr. Andrews.

There was further discussion with regard to releasing information ahead of the next RFP to help make the Board's position clear. Mr. Andrews will update the Beer Board regarding the matter.

There was discussion regarding the March 1-2, 2023 Wine and Grape Industry Conference to be held in State College. A planning committee meeting would be held July 21.

Chairman Mazza and Mr. Landis provided an update of the recent finance committee meeting was provided.

A meeting would be held on Monday, July 25, 2022 to review information received from PWA and to have a motion. It was suggested that at the same meeting the finance committee provide a recommendation to the Board and have a motion with regard to investments.

ADJOURNMENT

RESOLUTION 2022.19-MOTION TO ADJOURN

Presented by: Chris Dietz

Second by: John Landis

Passed: Unanimously

To adjourn the meeting.

There being no further business, the Pennsylvania Wine Marketing and Research Program Board Virtual Meeting adjourned at 2:11 p.m.



Hannah Bartkowski

July 12, 2022