

PENNSYLVANIA WINE MARKETING AND RESEARCH PROGRAM
MS TEAMS VIRTUAL BOARD MEETING
Minutes of the April 4, 2023 Board Meeting

Public notice of the April 4, 2023 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 10:06 a.m. Board members in attendance included Karl Zimmerman, Vice Chair; David Hoffman; Carley Razzi, Treasurer; Elwin Stewart; Jamie Williams; Jake Gruver; John Landis.

Lela Reichart, John Skrip, III, and Robert Mazza were not present.

Chris Dietz was not present at the commencement of the meeting.

Also present were Patrick Andrews, Chief of Marketing Development, PDA; Beth Williams, Board Project/Program Coordinator; Jenny Groff, Clerical Assistant; Holly Zarefoss, Administrative Assistant for Commodities; Adam Morris, Esquire; Ashley Fehr, Director of Agricultural Marketing and Business Development.

Also in attendance were Lindsay Young, McKonly and Asbury, CPAs; Abigail, PWA; Scott Neeley, PWA and King View Mead Wine and Cider; Andrew Yingst, PWA and The Inn at Grace Winery; Dan Brown, Deerfoot Vineyards and Winery.

APPROVAL OF MEETING MINUTES

RESOLUTION 2023.08-MEETING MINUTES

Presented by: Elwin Stewart

Seconded by: Jamie Williams

Passed: Unanimously

To approve the Minutes of the February 21, 2023 meeting.

FINANCIAL REPORT

Lindsay Young, McKonly and Asbury, CPAs, referred members for further discussion to information on the Balance Sheet as of February 28, 2023; Profit and Loss July 2022 through February 2023; Profit and Loss Budget vs. Actual July 2022 through February 2023; Summary Snapshot; A/P Aging Summary; Penn State University Snapshot of Bills.

RESOLUTION 2023.09-APPROVAL OF FINANCIAL REPORT

Presented by: John Landis

Seconded by: Jake Gruver

Passed: Unanimously

To approve the Financial Report as presented.

ASSESSMENT REPORT

Jenny Groff, Clerical Assistant, reported \$307,941.23 had been collected for 2019; \$300,499.55 for 2020; \$270,792.30 for 2021; and \$226,834.94 for 2022. \$11,828.43 had been collected thus far for the 2023 marketing season. All numbers reflect corrections made.

RESOLUTION 2023.10-APPROVAL OF ASSESSMENT REPORT

Presented by: Jake Gruver

Seconded by: Carley Razzi

Passed: Unanimously

To approve the Assessment Report as presented.

NCE REQUEST - PWA

Residual monies that were ACMA funds from Round Six are being sought to be rolled over for additional wine trails. It was noted this is regarding money to be allocated from the general wine trail. There were questions and comments.

RESOLUTION 2023.11-APPROVAL OF NCE REQUEST

Presented by: Carley Razzi

Seconded by: Elwin Stewart

Passed: Unanimously

To approve this fund extension.

PWA ACTIVITY UPDATE

Abigail, PWA, introduced Scott Neeley who was recently elected as the new PWA Board President.

Abigail talked about steps taken to make the website more functional and user friendly including a video series, 12 podcast episodes, events including Sommelier Judgement scheduled for May 22, 2023, and social media campaigns.

Mr. Neeley provided an update noting the addition of three new Board members. He indicated a change in committee structure to provide new events within the state to start positioning PA for a broader regional and national campaign.

[Chris Dietz entered the meeting at 10:26 a.m.]

SUBCOMMITTEE UPDATES

Marketing

Chris Dietz had no updates to report.

Research

Jamie Williams reported that Round 3 projects are in review with PDA and about to be delivered to the PLCB and legislators. He thanked Beth for her help. Mr. Williams also commended the committee who put together the symposium which he indicated was very successful.

Marketing (continued)

Elwin Stewart commented he was impressed with the good proposals that came in but indicated there is a little bit of confusion that should be clarified. Chairman Mazza indicated this is in relation to a position paper drafted by Beth to help reinforce and supplement the RFP in terms of the types of projects which will be provided to the Board for review.

Mr. Stewart referred to discussion held at a previous meeting regarding the elimination of the Wine Trail grant process from PWA marketing. He requested the matter be placed back on the table for further discussion. Mr. Stewart stated this is not about "bringing home the bacon" but allocating funds to get "worthwhile and productive projects".

Mr. Dietz agreed the Wine Trail grant program was a good strategy, but there were issues that began to surface around wine trails that have members who may not be members of PWA. Those funds are not available to those trails that do not have enough wineries as members of the PWA. There was further discussion regarding the challenges.

Mr. Neeley indicated he was "on board" with Mr. Stewart and his thoughts regarding the matter and discussed some business models to keep the industry viable including a new fee structure and outreach programs. He talked about PWA's three committees, including marketing, events and legislative/outreach committees. He indicated that wine trail marketing will continue to move forward.

Chairman Mazza noted the opportunity with new leadership at PWA to in the future re-engage in discussion of funds and how to balance supporting the Pennsylvania brand while providing support for individual wineries and trails. The Chairman explained the audit process and noted the \$300,000-plus generated yearly by the assessments is coming from producers in Pennsylvania.

Institutional Relations

Chairman Mazza reported ongoing conversations continue with regard to the viticulture educator position and is hopeful the existing individual would be provided the opportunity. Chairman Mazza, Mr. Williams, Beth and Mr. Dietz will provide an update to the PLCB Board and several key staff in the near future. Round Three reports will be delivered in hand that day.

Finance

Mr. Landis reported there is ongoing discussion regarding higher yield fund investment and taking approximately \$600,000 and investing in low-risk bonds or certificates of deposit. A motion was authorized at the last meeting regarding the matter. Financial advisors would be assisting in the matter.

Industry Relations

Chairman Mazza stated members of this committee were asked to re-connect. Beth noted a date for the meeting is being reviewed.

SOFTWARE BUILD UPDATE

Mr. Andrews provided an update on the software build. He stated work has begun on the registration pages for the commodity producers for the various boards as well as administrators and sales agents. He indicated the current payment processing system would be retired in a year; other options would become available. A software would be built to interact with a gateway rather than directly with the payment solution which would result in a cheaper maintenance cost to PDA. The software build is scheduled to be completed in October of 2023.

MCKONLY & ASBURY ACCOUNTING FEE INCREASE

Mr. Andrews noted that after the current renewal, the contract with this accounting firm will expire next spring and will need to be bid out. A modest increase of \$30 per month or from \$290 to \$320 is being requested.

RESOLUTION 2023.12-APPROVAL OF FEE INCREASE

Presented by: Jamie Williams

Seconded by: Carley Razzi

Passed: Unanimously

To approve the fee increase proposed by McKonly and Asbury.

SCORE CONCEPT PAPERS

Chairman Mazza indicated the main focus of this meeting relates to paper scoring for project proposals and refining the evaluation process. Ensuring consistency in scoring across different categories would be discussed at the next meeting, May 30, 2023, in advance of the final review and scoring. Mr. Andrews reminded members that the full proposal scoring is the annual in-person meeting in the summertime.

Mr. Andrews and members had discussion regarding the scoring process. He noted that projects 18 and 3 are dual applications to the Wine Board and Beer Board and should be treated as separate proposals. Mr. Williams added certain criteria with regard to the proposals including there would be no reference to prior marketing, no performance metrics and no research references. Mr. Andrews noted that PLCB requested that any changes to the scoring process be double checked, that the budgets add up properly, and the number of awards being sought in the proposals be the same throughout.

Dan Brown requested additional information regarding performance metrics. Chairman Mazza provided further explanation.

Mr. Andrews commented that the Board had previously provided feedback requesting that future proposals be \$500,000 or lower or revised budgets would be recommended. There was discussion whether the Board would continue advocating that PWA revise criteria for inclusion of other TTAs, wine trails, et cetera to support the Pennsylvania wine brand. Board members had comments.

There was discussion of a position paper to outline the industry's needs and goals as guidance for future grant applicants which would be reviewed by members at one of the upcoming Board meetings. Concept paper scoring and inviting proposals with or without recommendations for revisions and funding mechanisms was also discussed. The group provided requested modification comments as they began to evaluate proposals.

[The Board recessed from 12:10 p.m. until 12:15 p.m.]

There was further discussion of the remaining concept papers.

Mr. Andrews summarized the discussion by stating that all concept paper applicants should submit a full proposal and the wine trail proposals will be further investigated with regard to funding and they would be contacted at a later date about whether or not a full proposal would be accepted.

Mr. Landis suggested indirect costs be communicated to all proposal applicants.

Work on engaging PWA, reconvene the Board end of April, early May for further discussion and to make recommendations.

RESOLUTION 2023.13-INVITATION FOR FULL PROPOSALS

Presented by: David Hoffman

Seconded by: Jamie Williams

There was further discussion on the motion.

Passed: Unanimously

Motion to invite back for full proposals those projects scored/ranked 1 through 13 with the recommended feedback or modifications as denoted during the course of the meeting.

RESOLUTION 2023.14-INVITATION FOR POTENTIAL FULL PROPOSALS

Presented by: Jamie Williams

Seconded by: Chris Dietz

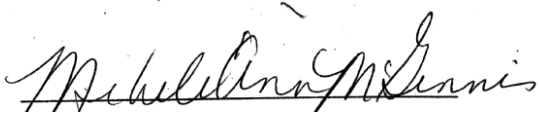
Passed: Unanimously

Motion to hold on projects ranked 14, 15, 16 pending notifications from the Department of Ag advising that it is working on a mechanism for those to be potentially funded, that there will be further discussion and to invite them back for potential full proposals based on a future Board vote.

ADJOURNMENT

There being no further business, the Pennsylvania Wine Marketing and Research Program Board Virtual Meeting adjourned at 1:38 p.m.

Respectfully submitted,



Michele Ann McGinnis

April 4, 2023