

PENNSYLVANIA WINE MARKETING AND RESEARCH PROGRAM
BOARD MEETING VIA SKYPE
Minutes of the September 1, 2020 Board Meeting

Public notice of the September 1, 2020 Pennsylvania Wine Marketing and Research Program Board Meeting as stipulated by the Sunshine Law.

CALL TO ORDER

Mario Mazza, Chairman, called the Skype conference to order at 10:04 a.m. Board members in attendance included Karl Zimmerman, Vice Chairman; John Landis, Secretary/Treasurer; David Hoffman; Chris Dietz; Jake Gruver; and Robert Mazza.

Lela Reichart, Jonathan Patrono, Elwin L. Stewart, John Skrip III, and Jamie Williams were not present.

Also present were Patrick Andrews, Chief of Marketing Development, PDA; Laura England, Director, Bureau of Market Development, PDA; and Char Riley, Liaison PDA and ACMA Boards. John Howard, Esquire, Chief Counsel, was not present.

RESOLUTION 2020.28 APPROVAL OF MINUTES

Presented by: Chris Dietz

Seconded by: Robert Mazza

Passed: Unanimously

To approve the Minutes of the June 19, 2020, June 24, 2020 and June 30, 2020 meetings.

BUDGET ADJUSTMENT REQUEST

Chair Mazza indicated that a marketing education and professional development project that was previously approved for Tanya Lamo, Extension Educator, Program Area Lead-Leadership and Community Vitality, Penn State University, was requested to be amended given the circumstances surrounding the pandemic and how the project was intended to proceed. It was noted the dollar amount would be the same as previously noted.

RESOLUTION 2020.29 APPROVAL OF BUDGET ADJUSTMENT

Presented by: Jake Gruver

Seconded by: Karl Zimmerman

Passed: Unanimously

To approve the revised budget timelines for the previously approved ACMA project for Tanya Lamo.

ACMA FUNDED PROJECTS APPROVED AT THE JUNE 24, 2020 MEETING

Chair Mazza reminded members that these projects previously submitted under the Act 39 Round 5 RFP and recommended to the PLCB but then rescinded due to ongoing issues, much of which had been resolved. He reminded members that there was discussion regarding funding these projects out of ACMA as they are viewed as important to the industry, and proposals were to be sent back with updated timelines that were appropriate to the project, given that it was quite some time since they were originally submitted.

RESOLUTION 2020.30 APPROVAL OF REVISED BUDGET TIMELINES FOR THE ACMA PROJECTS PREVIOUSLY APPROVED

Presented by: David Hoffman

Seconded by: John Landis

Passed: Unanimously

To approve the revised budget timelines for ACMA projects previously approved on June 24, 2020.

APPLICATIONS

Chair Mazza discussed two sets of applications that had been put forth to the Board, noting that the larger set will be reviewed shortly regarding the Act 39 Recovery Fund. He noted the first set of requests was one that he and Dave Hoffman took a call from PWA regarding, which was a request for ACMA funds to help offset some of their operational costs. Chair Mazza indicated that the other revenue or income streams for the PWA had been adversely impacted and the line item typical in the budget had been significantly reduced, which will adversely impact their operational funds given that there is a 10 percent limit on Act 39 funds.

He further indicated that the conversation requested two different modes of support, one for administrative activities to help offset some of those costs and the other was for the share cost for Penn State asking if the Wine Marketing and Research Board would consider covering those for a year.

It was suggested that should the Board decide to approve, particularly administrative, that it should approve something quarterly rather than supporting for a whole year, and that way financial status could be updated to determine if need still exists quarter to quarter.

Mr. Gruver commented that PWA was reaching out but at the same time scaling back operations as much as possible. He liked the quarterly aspect as well. Chair Mazza commented that it makes sense for the Board to consider supporting that and consideration should be given on a quarterly basis. Mr. Hoffman commented the PWA has to figure out how to be viable without supplementing from ACMA funds. He suggested committing to a maximum amount but not necessarily committing to all of it while reviewing the request quarterly. There was discussion as to whether other avenues of funding were addressed by the PWA due to damages from COVID-19.

RESOLUTION 2020.31 APPROVAL OF REQUEST FOR PWA ADMINISTRATIVE SUPPORT

Presented by: Chris Dietz

Seconded by: Robert Mazza

Passed: Unanimously

To approve the request for administrative support up to the full amount with a request for quarterly updates on financial situation and pursuit of additional revenue streams.

There was further discussion regarding the second ACMA request, the operating expenses for the viticulturist and enologist at Penn State for a portion of this year and into next year and the current fiscal year for the wine grape educator. There was further discussion regarding the request.

RESOLUTION 2020.32 APPROVAL OF SECOND PWA REQUEST

Presented by: John Landis

Seconded by: Jake Gruver

Passed: Unanimously

A motion to support PWA by funding their portion for this calendar year with specificity of the timeline and dollar amounts per the request.

Ms. Riley indicated that further discussion of the operational expense portion of the obligation between PWA and the PA Wine Marketing and Research Board would be added to the next meeting agenda in November.

FAST TRACK FUNDED PROJECTS

Chair Mazza explained that the Board needed to be able to convince PLCB that fast track funded projects are going to be beneficial with regards to recovery. He stated Chris had been

in contact with PLCB Board member Mary Isenhour regarding what had been accomplished with funds and the impact on the industry, and hopefully the conversation will continue moving forward.

Patrick Andrews, Chief of Marketing Development, discussed the following projects that would be funded: The project that scored the highest was PWA's request for marketing funds in the amount of \$550,000; the second was for Dr. Centinari's spotted lantern fly project; the third was for Dr. Kwasniewski's project for diagnostic capabilities for wine industry; the fourth was Dr. Cain Hickey's Smart Phone app project; the fifth was for Mr. Hed's grapevine leaf roll virus project followed by another project from Dr. Kwasniewski's; and the final project to improve grapevine health.

Projects not funded included Dr. Kelley's project; a web development request from Penn State Extension to improve and update resources through extension.; John Hayes project regarding the impacts of COVID-19 on consumer and at-home consumption; Dr. Wirth, St. Joseph University, market research project on the impact of stay-at-home orders and consumer wine purchasing; and Jason Reimer's request for the wine industry.

Mr. Andrews suggested a review of project scores with regard to understanding consumer behavior around buying trends. Board members had further discussion regarding the projects.

Chris Dietz updated Board members regarding some of the conversations he's had with Mary Isenhour.

A revised list of funded projects, taking out the high and the low, include: PWA's proposal; Dr. Centinari's spotted lantern fly project; Dr. Kwasniewski's project for diagnostic capabilities for wine industry; Dr. Kelley's adaptation impacts project; Dr. Cain Hickey's Smart Phone app project; John Hayes project regarding the impacts of COVID-19 on consumer and at-home consumption; and Dr. Kwasniewski's second project.

Chris Dietz suggested that the Smart Phone and website proposals be consolidated to make a Smart Phone app that was based off of the website database. There was discussion regarding current information being maintained on the website.

Recommendations with regard to the revised scoring were made after a voice vote was taken to discuss those revisions further. Robert Mazza suggested that at this point the top six ranked be approved for a total of \$888,000 with \$122,000 remaining for one or two other projects. Jake Gruver agreed. It was also suggested that the Smart Phone be held back to give additional time to work with the website. John Landis supported the suggestion.

Dave Hoffman recommended Projects One through Four and to rank Six and advising PLCB that the Board has at least one or more proposals that it's requesting revisions to that they can consider later.

RESOLUTION 2020.33 APPROVAL OF PROJECTS

Presented by: David Hoffman

Seconded by: Karl Zimmerman

Passed: Unanimously

A motion to rank One through Four and Six with a request for revisions to at least Number Five and potentially other proposals.

The Board had further discussion of the revised proposal for Six. Chair Mazza noted he would be willing to set up a quick call to give specific feedback with regard to the Board's discussion as to what it is looking for as far as revisions. Chair Mazza recommended an emergency meeting to review revised proposals.

Mr. Andrews made Board members aware of House Bill 2821, an act establishing the Pennsylvania brewery, distillery and winery manufacturers COVID-19 grant program imposing powers and duties on the Department of Community and Economic Development and making an appropriation. Mr. Andrews explained that this would be appropriating approximately \$20 million to give out \$20,000 maximum grants for COVID recovery to the beverage industry.

ADJOURN

RESOLUTION 2020.34 MOTION TO ADJOURN

Presented by: Chris Dietz

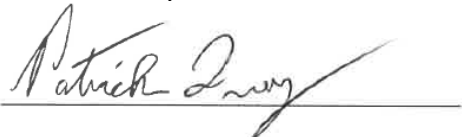
Seconded by:

Passed:

There was no second to the motion.

There being no further business, the Pennsylvania Wine Marketing and Research Program Board Teleconference adjourned at 11:46 a.m.

Patrick Troy

A handwritten signature in cursive script that reads "Patrick Troy". The signature is written in black ink and is positioned above a horizontal line.

September 1, 2020