

OREGON WINE BOARD
MEETING MINUTES
JULY 13, 2010
HOOD RIVER, OR

Attendees: Sam Tannahill (Chair), David Adelsheim (Vice Chair) Tim Kennedy (Treasurer), Leigh Bartholomew, David Beck, Terry Brandborg, Michael Donovan, Harry Peterson-Nedry

Absent: Kara Olmo (Chair Emeritus)

Guests: Gary Conkling and Dan Jarman, CFM

Staff: Hannelore Buckenmeyer, Lavonda Driskell, Stephany Boettner, Annie Cocchia, Lisa Stevens

Call to Order

Tannahill called the OWB meeting to order at 12:25 pm.

Minutes Approval

| |
|--|
| Kennedy moved, Donovan seconded that the Board approve the minutes from the May 4, 2010, OWB meeting. Peterson-Nedry abstained. Motion passed. |
|--|

Action items

Adelsheim reported on the Oregon Wine Industry Archive project noting a number of parties interested. The next step will be to hold meetings to understand what each party envisions doing, i.e., archives, books, displays, etc. He will wait to approach OSU's president following meetings. Adelsheim would like Boettner to be part of that conversation along with other Board members interested. Beck indicated he would participate in conversations. Boettner will assist with scheduling the meeting.

OWB Revenue update

Buckenmeyer reported year end reconciliation numbers will be provided at the August 31 Board meeting. She noted privilege and tonnage tax are up \$8K and \$21K, respectively, over the latest budget projection shared with the Board. Some FY 09-10 programs are expected to come in under budget allowing for approximately \$30K total to be reallocated in FY 10-11. She also stated 26 wineries have not paid their taxes and OLCC will withhold their license renewals.

Buckenmeyer also announced OWB will be the recipient of an ODA \$92.5K grant to support our OCSW program. The monies are slated for support media, reallocation, and online buys. The Carbon Neutral Challenge was also funded allowing LIVE to hire a staff person to manage the development of a certification program. The OWB grant is a dollar-for-dollar match, and we anticipate funding to occur in late fall.

OLCC update

Tannahill and Stevens met with OLCC Chairman, Phil Lang. The conversation encompassed proactively collecting tax revenue, the fundamental role of the OLCC and creating a more communicative and stronger relationship between the organizations. Lang also asked the Board to consider collaboration on retail sales supporting non-exclusive licenses for agents selling Oregon wine in their stores. Following Board discussion, no decision was made. Adelsheim suggested this be brought up in an OWA meeting and revisited.

Tannahill reinforced the new Executive Director (ED) will need to establish, maintain and strengthen relationships not only intra-industry but inter-agency as well. Adelsheim encouraged OWA President and the ED to continue with annual meetings to keep the lines of communication open.

Executive Director Search update

Beck stated the Search Committee created a position description that was posted on industry.oregonwine.org and used for an ad on the winejobs.com website. They have reviewed and created a list of qualified candidates and have requested proposals from search firms. The committee is scheduled to interview two search firms in the coming week. It is expected that engaging a search firm to vet candidates will cost in the area of \$25K. A search firm could be in place within a couple of weeks of Board approval.

Bartholomew noted the committee met with industry experts who provided guidance and feedback for identifying ideal candidates. She believes the committee will use their recommendations along with that of the Board to recognize individuals who warrant further follow-up.

Beck anticipates having a slate of candidates to present to the Board in September. Tannahill commended the group on their thorough processes and suggested we communicate to the industry where we are in the search process.

OWRI update

Adelsheim noted the new Director of the Oregon Wine Research Institute, Neil Shay, has already been quite active with the industry, attending conferences and visiting wineries since he accepted the position in June. Todd Bastian OSU's Director of Development is organizing a schedule to properly introduce Shay to the industry. Boettner is working with Bastian to involve all regional organizations in a meet and greet. Shay is expected to be on the job by August 15.

Research reporting approval process

Cocchia proposed a small subcommittee of Research Committee members review the progress of each grant awarded to assure the Board that grant expectations are being met. Beck agreed there should be a review of the researchers' progress and agreed with Cocchia's recommendation. He proposed a subcommittee of approximately twelve Research Committee members be identified to perform these reviews and report their findings to the Board for approval to continue funding.

Food & Wine Classic in Aspen Report

Boettner and Henry recently attended the 2010 Food & Wine Classic in Aspen representing the Oregon wine industry. The OWB purchased a table at the basic level entry fee in the pavilion and featured nine Oregon wines from throughout the state. They were encouraged by the steady stream of visitors and connected with key media. They also hosted an *Oregon: A Discussion of Place* picnic engaging with ten media and three Food & Wine Best New Chef attendees. Boettner took the opportunity to recognize Colu Henry for her networking at the event and tireless efforts to increase our visibility among the attendees.

Boettner noted our presence at the event establishes Oregon as a serious wine region. The event enabled increased visibility, unparalleled networking opportunities and access to media, trade and tastemakers. She recommended attending again next year suggesting opportunities to encourage more winery participation and possibly hosting an evening event. Registration for next year's event opens in January.

The Board discussed options for moving forward with the event next year but noted an expanded investment above the basic table entry should be looked at more carefully and assessed by the new ED for sign off. Boettner will communicate with Oregon wineries on how to participate next year.

New Board Business

Beck presented a Grants Policy draft for the Board's review and approval. Its purpose is to provide guidelines for OWB staff when presented with proposals seeking grant monies for the purpose of supporting the Oregon wine industry. This

policy is separate and apart from our traditional research grant program. Following discussion, the Board requested further revisions be made to the policy before approval.

Boettner reported she met with Chris Mertz of USDA-NASS who presented their 2009 winery report invoice and that he mentioned a slight increase would occur for the 2010 report. The Board asked that a proposal be submitted in writing for its approval. She also asked the Board for interest in participating in conversations for drafting the 2010 winery report. Adelsheim, Peterson-Nedry, Bartholomew, Donovan and Tannahill all expressed interest.

Buckenmeyer mentioned she is requesting quotes to do a current economic impact study. The last report was issued in 2006 and based on 2004 data. Adelsheim suggested initiating a benchmarking salary survey as well. The Board discussed options for conducting an anonymous survey, but agreed Tannahill would contact Jack Irvine first to discuss his available data before exploring other options.

Tannahill recessed the OWB meeting at 2:36pm to address further OWA business.

Tannahill reconvened the OWB meeting 2:43 pm.

Tannahill recessed the OWB meeting at 2:43 pm to call an Executive Session under ORS192.660(2)(a) to hold discussions regarding employment of public officers, employees and agents. Under this provision only the Board and press are allowed to participate. Staff and guest were excused from the meeting.

Tannahill reconvened the OWB meeting 3:13 pm with staff present.

Tannahill adjourned the OWB meeting at 3:13 pm.