

**OREGON WINE BOARD
MINUTES [FINAL]
TUESDAY, JUNE 7, 2011
LOCATION: DAVIS WRIGHT TREMAINE
PORTLAND, OR**

Attendees: Sam Tannahill (Chair), Michael Donovan (Vice Chair), David Adelsheim (Chair Emeritus), Leigh Bartholomew (Treasurer), David Beck, Bill Sweat, Kara Olmo, and Terry Brandborg

Absent: Tim Kennedy

Staff: Jeanette Morgan (Executive Director), Katie Bray, Charles Humble, and Karen Walsh (by phone).

Guests: Neil Shay, OWRI, Christian Miller, Full Glass Research

Call to Order

Tannahill called the meeting to order at 11:26am.

Minutes Approval

There is a reference on p. 3 to an attached committee structure outline – take out “see attached”. Attach David Beck’s research committee sheet and other attachments referenced. Take Tannahill out of Board votes.

Donovan moved, Beck seconded to approve minutes from the April 12, 2011 Board meeting as amended. Bartholomew and Brandborg abstained. Motion passed.

Action: Beck requested to put the entire research policy up on the website.

Tannahill recessed the OWB meeting at 12:08pm.

Tannahill reopened the OWB meeting at 12:44pm.

Year End Projection/ 2011-2012 Proposed Budget

Bartholomew requested that staff look at timing for VAPG and ODA grant applications.

Adelsheim suggested a meeting is needed with Todd Bastian regarding the OWB’s financial obligation to the OWRI – how many years? What is shortfall?

Tannahill asked about workshops and suggested taking out “workshops” on the revenue and the expense line item wording. Humble reported that the PR event to promote this year’s Oregon Bounty is called Liquid Oregon and includes tea, coffee, spirits, beer, etc. Morgan reported that the website line item may have reduced maintenance costs that could be used to refresh the website design.

Bartholomew reported discussion of having a risk assessment evaluation as part of the Financial Review in the Miscellaneous Admin line item.

Action: Add the rule about the required reserve amount back on to the presented budget document.

Tannahill recommended raising Staff T&E to \$20,000. Increase Personnel to \$655,000 to pay for half of the Industry Relations Manager position.

Discussion about the event at Aspen 2012 and whether it should be reviewed by the Marketing Committee and whether some or all of the cost is covered by the grant.

Morgan presented the draft strategic plan for 11-12, and presented the Org Chart for the OWB/OWA.

The following changes were suggested:

Education & Research Director becomes a Manager position. Dir. Membership becomes part-time Membership Manager, tied to the Symposium on the OWB side. Beck suggested separating the charts to have one each for OWB and OWA. Combine Education and Research Director with the Account Manager below it and change to a Program Manager.

LIVE

LIVE is in the process of completing its own strategic plan. It is asking for \$60,000 from the OWB; \$20,000 each over next three years to pay for a person to recruit 10 wineries a year to the LIVE program. The main reason to join the LIVE winery program is to be able to use the OCSW logo on bottles. A small committee met with Jason Tosch and Chris Serra from LIVE to understand LIVE's plans better.

This subject begs the bigger question of what is the long-term vision for OCSW and OWB's relationship with LIVE. LIVE's growth potential outside of wineries is in vineyards outside the state of Oregon. If the OWB wants to continue to have winery certification, it may need to help support LIVE.

Adelsheim noted that if OCSW continues to be a valued program of the OWB, perhaps it is appropriate to help LIVE, but that there should be a time limit to the support and a plan for LIVE to eventually become self-supporting. OCSW may have taken away some of LIVE's revenue stream from putting its logo on labels. Tannahill suggested we could trade out the OWRI funding to support LIVE.

Discussion tabled at 2:15.

Economic Impact Study Results

Christian Miller from Full Glass Research was called in at 2:15pm to present the results of his study.

Process: numbers from Ag Stats extrapolated and mixed with other input to create a more robust report than the 2004 study.

Top-line info: economic impact of the wine industry to the state of Oregon is now well over \$2.6 billion.

One of the big differentiators of the wine industry compared to other ag industries in Oregon is the additional activity that takes place around wine in the state, whereas other products are shipped off as

commodities and processed or value-added outside of the estate. The Board discussed the difference between the total impact and that which is attributable to Oregon wine (vs. wine made elsewhere).

Action: Work with Dan Jarman to coordinate release of information with the OWA's efforts in Salem next week.

Action: Check with Dean Runyan at Travel Oregon to see what kind of revenue comparison can be made to other industries, festivals, tourist attractions, etc.

OCSW

Tannahill read the main points from Annie Cocchia's summary email regarding an OCSW steering committee meeting with a few OWB members.

OCSW Working Group Meeting Notes: 5.24.11

In Attendance: Sam Tannahill, Leigh Bartholomew, Kara Olmo, Pat Dudley, Jason Tosch, Cheryl Francis, Annie Cocchia, Charles Humble

Goal of the meeting: To develop a strong recommendation for the Board on the future and role of OCSW

What is the Possible Future of OCSW: keep in OWB, dissolve, or spin off as independent program.

After much discussion there were two options to consider:

1. Change the mandate by removing "review standards" as a role of the committee and make OCSW just a marketing program
2. Change the mandate to allow rules to be added above and beyond the current certification program

Next steps:

1. The below recommendation was put on the table to present to the Board:
The OWB should reaffirm the OCSW Steering committee roles/charter, specifically for its current role "To recommend new OCSW requirements" – to include going above and beyond (or in addition to) what our certifying partners require. In order to do this, a technical committee and marketing committee need to be appointed to make recommendations to the Steering Committee. The Steering Committee would then combine all to create one complete recommendation (technical and marketing) to the OWB. In addition, it will be strongly recommended that to be an OCSW member, you commit to serving on one of the listed committees.

Discussion of a plan to give OCSW a timeline for becoming its own organization. Adelsheim pointed out that OCSW is in state regulations and is a state program whose sole purpose is marketing. Sweat suggested streamlining the committee responsibilities regarding certification to be simply a thumbs-

up or thumbs-down for inclusion of new or current certification programs and move the marketing responsibilities to the Marketing Committee.

The Board reviewed the highlighted recommendation and came to consensus that it is not in favor of creating additional standards for OCSW certification beyond certification by one of the approved agencies. The OWB encourages program participants to become actively involved in the technical committees of these certifying agencies.

Donovan moved, Adelsheim seconded a motion to recognize that the standards used to certify OCSW wines will not deviate from the standards set by the recognized certification agencies. Motion passed unanimously.

LIVE Grant Proposal

The Board discussed potential crossover of function between LIVE's proposed winery recruiter and the OWB's staff person who will oversee OCSW. There may also be issues with timing regarding the budget. Discussion of the grant proposal was tabled until the November meeting in order to have a better picture of the harvest revenues.

Year End Projection/2011-2012 Proposed Budget – Donovan moved, Beck seconded to approve the budget with the three changes as noted.

Changes to the OWB 11-12 budget as proposed: put \$35,000 into payroll for other half of Industry Relations manager. Take \$55,000 out for the second Account Manager. And increase Staff and Board Travel and Entertainment to \$20,000.

Tannahill recessed the meeting at 4:40 p.m. and called Executive Session under ORS192.660(2)(A) to hold discussions regarding personnel matters.