

OREGON WINE BOARD MEETING MINUTES

JULY 30, 2013 <<FINAL>>

LOCATION: ASHLAND SPRINGS HOTEL, ASHLAND, OREGON

Attendance

Board: Leigh Bartholomew (Chairwoman), Bill Sweat (Vice Chairman), Michael Donovan (Chairman Emeritus), Ellen Brittan (Treasurer), David Beck, JP Valot, and Steve Thomson

Staff: Tom Danowski, Rose Cervenak, Charles Humble, Dewey Weddington & Margaret Bray

Guests: Matt Leek/White Lion Winery, Chad Day/RoxyAnn Winery, Eva Skuratowicz/SOURCE, Nora Lancaster/Kriselle Cellars, Ruth Garvin/Cliff Creek Cellars, Mark Weisinger/Weisinger's of Ashland

Call to Order

Bartholomew called the OWB Board meeting to order at 9:04 a.m.

Beck moved for approval of the May 21, 2013 Board meeting minutes. Donovan seconded and the motion carried unanimously.

Marketing Committee Report (see attached presentation)

- Donovan asked if OWB's original goal (when we decided to update the website) of making content management in-house was worth the expense.
 - Both Humble and Danowski indicated that the updated website is richer, more user-friendly for consumers and industry members and most importantly, the OWB staff is able to make any/all content changes in-house.
- In reference to the slide, "Website Views on the Rise," Beck asked what it meant that only "1 in 4 website visitors are returning."
 - Humble replied that there may be a couple of reasons for this statistic, such as the website may not be simple enough for consumers/industry members to find things – so perhaps one thing we could look at is search engine enhancement. However it may also mean that users may have found the one specific thing they were looking for and had no reason to go back, perhaps they stumbled onto the website when they were looking for something else, etc.
 - He added, that none-the-less, it warrants a bit more investigation and analysis.
- Leek (guest) asked if we knew what percentage of visitors (to the website) are industry members vs. consumers.
 - Humble replied that there is no way of specifically identifying visitors. However we are able to ask things like, "Where visitors come from, how many clicks we get on "industry" pages, etc. to help us hone in on this demographic.
- Thomson commented that the bloggers conference is in Santa Barbara in 2014 and suggested that may be an opportunity for Southern Oregon wineries since many of the varieties in both regions are similar.
 - Humble suggested that perhaps Southern Oregon group could host the hospitality suite at the conference. He went on to say there are a number of opportunities for exposure.

- In reference to media coverage spikes in May around Oregon Wine Month, Thomson suggested that OWB take a look at the media outreach and employ some sort of strategy to increase attention around Symposium.
- Donovan and Thomson both wondered if there are other lessons learned that OWB can employ to build consumer interest leading into Oregon Wine Month, such as communication in February for upcoming on-premise events with something like IPNC or OPC tickets as consumer giveaways
- Brittan asked if consumers had to do anything specific in order to utilize the Oregon Wines Fly Free program.
 - Weddington said there are no special requirements by consumers, other than flying on Alaska Airlines or Horizon Air within the designated timeframe.
- Thomson asked if anyone had heard if growlers were getting any traction in the marketplace.
 - Weddington noted that stores that provide wine in bulk for growler use were popping up all over Portland metro.
 - Thomson asked if there might be a way that OWB could educate consumers on growler use and availability.
 - Humble mentioned that OWB will be posting a list of places who sell wine in bulk, but since it's such a new program, information is hard to come by.
 - Donovan agreed that consumers need to be educated, but he suggested OWB develop a program to better educate industry members on how to get into the program, perhaps at Symposium.
 - **ACTION: Thomson will introduce OWB to the company in Napa (get their name) who are the standard in the industry for producing standardized growlers.**
 - Bartholomew suggested that this may be a good topic for an OWB webinar.
 - Bartholomew indicated that the conclusion of this discussion signals the Board's concurrence with the staff's recommended 2013-14 Marketing/Communications plans, tactics, calendar and budgets

Research Committee Report (OWRI Policy Board restructure)

- Beck and Bartholomew briefed the Board on the July 16th meeting of OWRI's Policy Board and the discussion about re-structuring the working relationships between OWB, OWRI and OSU.
- Bartholomew said that a cornerstone of the restructure would be a new OWB subcommittee named the Oregon Wine Standing Committee on Research (OWSCR) which will set research priorities and bridge the gap between the industry and OWRI/Oregon State University.
- Beck commented that the OWB Research Review & Award Committee will not change. The function of this committee will still be to establish funding goals, assess grant-funded research projects, recommend research directions to research scientists and advocate for research policy and funding when needed. However, the role of OWSCR will be to recommend funding to OWB for grants that come up through the Research Review & Award Committee. This role overlaps a bit with the OWB/OWRI Policy Subcommittee.
 - This overlap calls into question about where the OWB/OWRI Policy Subcommittee will sit. This proposed new OWSCR will provide a big picture perspective on Oregon wine research needs and look at what the next phase of OWRI could look like (OWRI 3.0). This subcommittee will also work with OWA on things such as legislative requests for fermentation sciences program funding

and communicating the goals and purposes of research in viticulture and enology with our “community.”

- A discussion about the OWB/OWRI Policy Subcommittee followed.
 - Bartholomew asked the Board if they were willing to accept the challenge of subsuming the OWRI Policy Board within the OWB’s committee structure.
 - Sweat asked where the original OWRI was on the chart.
 - Beck explained that day-to-day management of the OWRI will be managed by a project coordinator to be hired by OSU (reporting to the Executive Associate Dean of the College of Agricultural Sciences). There will not be a Director’s position at OWRI.
 - Beck went on to say that the Dean and Exec. Associate Dean at OSU portrayed their role as “managing” OWRI but not “governing” OWRI. They want the governance of OWRI to reside within the wine community (OWB).
 - Bartholomew went on to say that OSU wants us to speak with one voice and that voice to OWRI should be OWB’s.
 - There was some discussion about the role of OWA vs. OWB in this new structure.
 - Donovan suggested that if OWSCR is going to be charged with governance it should reside “above” the two subcommittees (OWRI Policy Subcommittee and OWB Research Review & Award Committee).
- After the discussion Sweat and Beck came up with a revised chart (attached) for consideration.

Beck moved that the OWB agree in principle to assume responsibility for setting policy for OWRI and responsibility for governing OWRI. Sweat seconded and the motion carried unanimously.

- **ACTION:** Beck to take the new OWRI 2.3 diagram and a draft “charter” for OWRI and OSU feedback.

OWS Committee Report

- Weddington explained that OWB has simplified the name of Oregon Wine Industry Symposium but dropping the “industry” title. All future reference to Symposium will be “Oregon Wine Symposium.”
- Thomson reminded the Board that they discussed working farther out to put together auction packages and asked for an update from staff on this.
 - McKamey replied that the auction(s) at Symposium are managed by the OWA and the funds received support the OWA agenda. She also commented that in 2013 OWA raised \$14,000 and will begin pursuing ideas and packages for 2014 very soon.
- Beck commented that within the wine community there has been a lot discussion about incorporating OSU Grape Day into the OWS program.
 - Weddington commented that Grape Day is more intensely focused on research and the OWB Symposium Planning Committee decided recently, not to incorporate Grape Day into the OWS programming.
 - Bartholomew added that she likes the idea of having the OWS programming to have a broader/national focus rather than insular/Oregon focus.
 - However, she went on to say that OWB must do a better job of focusing on OWB-funded research projects and communicating progress/results to the industry and perhaps there is a venue for that at OWS.

- Ruth Garvin (guest and SOWA President) made a general comment about OWS programming. Garvin reminded the Board and staff that an *Oregon-centric* and a *small/mid-size winery emphasis* are important when formulating OWS curriculum (referring to the business track from last year).
 - **ACTION:** Weddington will send the business track session outlines to Garvin for her feedback.

Finance Committee Report

- Brittan reported the financial balance sheet and P&L for May 2013.

Beck moved that the May 2013 financials be approved as submitted. Sweat seconded and the motion carried unanimously.

August Board Retreat Update

- Danowski gave an update on the process and subcommittee involved in planning the agenda for the retreat.
- He presented a rough timeline for completion of the 3-year strategic plan by OWS in February 2014. Detailed next steps and timing will be discussed Aug. 14 by the Board at the Strategic Planning retreat in Portland.

New Business

- Danowski reviewed an OWS agreement (attached and based on Department of Justice input), that defines the profit share relationship between OWA and OWB. Current OWB Chair Leigh Bartholomew signed on behalf of OWB and current Vice Chair Bill Sweat signed on behalf of OWA.

Beck moved that the Board accept the profit share agreement as approved by Board Chair and Vice Chair. Brittan seconded and motion carried unanimously.

- Danowski informed the Board about a book being published by John Ovesen, “Spectacular Wineries of Oregon,” and commented that there had been some question in the wine community about whether or not OWB funds had been used to promote this book. He made it clear that no OWB funds had been used to endorse the book and that OWB had only agreed to edit the forward.
 - **ACTION:** OWB will clarify its participation in the book, in the next Grapevine.
- Humble commented on David Schildknecht’s recent trip to Oregon and how OWB is responding to wineries that may be frustrated by the process of selecting wines for David’s evaluation.
 - **ACTION:** OWB will clarify the process in the next Grapevine.
- OCSW Update
 - Danowski gave an update on the wind-down of the OCSW program and asked for Board direction on next steps after having received input from the DOJ on possible licensing and/or transfer of OCSW to either a for-profit or a non-profit third party (if any expressed interest).
 - Brittan suggested that there be a stipulation in the proposed agreement that OWB will not assume any responsibility in the event of a transfer to another party.
 - Beck argued the OCSW trademark should not be sold or transferred, but licensed (a non-exclusive license).

- Danowski asked for clarification on whether the Board was interested in continuing the dialogue about a possible transfer of ownership, or if they would like to shift that dialogue to a licensing discussion.
 - Sweat commented that if OWB were to license OCSW, it would still be responsible for OCSW
- Brittan asked what the potential legal expense would be for OWB if it were to continue the dialogue around possible licensing.
 - Danowski estimated it would likely be under \$1,000 and that Karen Walsh/OWB Finance Manager would be working to identify a third-party to put a value on the intangible OCSW asset for proper accounting treatment when OWB's Board decides on next steps.

Sweat moved that the OWB Exec Committee take this issue under advisement and come back to the Board with a recommendation. Beck seconded and the motion carried unanimously.

At 12:21 p.m. Bartholomew recessed the OWB Board meeting for lunch.

Bartholomew reconvened the OWB Board meeting at 1:00 p.m.

Eva Skuratowicz/Southern Oregon State University Research Center (SOURCE) (guest) provided the Board with an update on the 2012 Winery/Vineyard Census report.

- She asked the Board for their advice on how to approach those who are reluctant to participate in the census.
 - Sweat suggested that SOURCE explain how the data could be used and/or might benefit wineries and vineyards.
 - Bartholomew commented that one of the ways she uses the report is to set grape prices that are based on average grape prices in the area.
 - Donovan agreed that another use would be for contracts that might read “x amount above the statewide average”
 - Sweat commented that there are certain times of the year that wineries and vineyards use certain information, so perhaps the census could be split up to ask for data during the time of when you need it at your fingertips.
 - Sweat also suggested that we pare the census down to just essential information, (data that are useful, data that are needed for grants).

Bartholomew recessed the OWB Board meeting at 1:16 p.m.

At 3:29 p.m. Bartholomew re-opened the OWB Board meeting to allow for an Executive Session.

Bartholomew adjourned the OWB Board meeting at 3:42 p.m.