



11:00 AM

Thursday, October 24, 2024

**Virginia Craft Brewers Guild
Headquarters**

2112 W Laburnum Ave

Ste 205

Richmond, VA 23227

Meeting Minutes

Call to order

The Chair, Jason Romano called the meeting to order at 11:04 AM with a quorum present.

Directors Present in Person

Jason Romano, Chair, Lake Anne Brew House

Aden Short, Vice Chair, P.A. Short Distributing Company

Matt Mullett, Member, RichBrau Brewing

Greg White, Member, Hoffman Beverage Distribution Company

Joseph Guthrie, Secretary, VDACS Commissioner

Others Present in Person

Dakota Rust, VDACS, VBDC Operations Manager

Missy Johnson, VDACS, VBDC Financial Analyst

Ashley Reed, VDACS, Deputy Director of Administrative and Financial Services

Dewey Jennings, PhD, VDACS, Director of Administrative and Financial Services

Cleve Packer, VDACS, Virginia Management Fellow

Staci Saunders, VDACS, VWDC Operations Manager

Brett Vassey, Virginia Craft Brewers Guild, President and CEO

Stacie Gordon, Virginia Craft Brewers Guild, Government Affairs Managers

R. John O'Connor, Virginia ABC, ASAC Compliance Unit

Marc Haalman, Virginia ABC, SAC Compliance Unit

Approval of Agenda

Chair Romano made a motion to permanently amend the agenda by moving the public comment section of the meeting immediately after the approval of the draft minutes.

This motion was seconded by Vice Chair Aden Short, and the motion passed unanimously to approve the agenda with the amendment.

Approval of Minutes

Secretary Guthrie made a motion to approve the September 19, 2024, minutes as presented. Chair Romano seconded the motion. The motion passed unanimously.

Public Comment

Brett Vassey suggested using the first sale with a brewery to promote VBDC on social media to encourage more breweries to register. The VCBG can support this endeavor.

Operations Manager Report

Budget Overview

Mr. Rust provided more details regarding the VBDC budget. Not many expenses occurred since the last meeting, however, most expenses have come from software, and staff salary and fringe. The Memorandum of Agreement (MOA) between VBDC and VDACS concerning administrative and financial services has been informally managed until now. The MOA requires formal approval by the board. Chair Romano moved to approve the MOA as presented, and Vice Chair Short seconded the motion. Secretary Guthrie chose to abstain from the vote. The motion passed with 4 in favor and 1 abstention.

Walkthrough of VBDC online system enhancements

Mr. Rust presented an overview of the VBDC online system enhancements, which include notifications, updated field names for package types, and additional disclaimers for discounts. He demonstrated the appearance of notifications for users, which can be configured for specific dates and times with links to relevant documents. The discount options have been simplified and moved to the bottom of the page. Resources are currently available, with more potentially added later. Keg management features are in progress and will be delivered for testing in mid-November.

Engagement

Mr. Rust provided an update on the growth of the VBDC site and social media following our attendance at seminars, public events and social media posts. Flair Communications made social media announcements for VBDC regarding the VBDC becoming fully operational on October 15, 2024. 40 Breweries were approved and moved to the next step in the application process. Thin Line Brewing has been sent to ABC for processing. Currently there are 50 registered Breweries and 8 retailers. Mr. Rust gave a summary of the NBWA convention that was attended in San Diego. Staff visited wineries and breweries on Monday, October 24, 2024. Staff visited Barrel Oak Winery and Brewery which distributes through VWDC and is interested in distributing through VBDC.

Business Development

Distribution to banquet and special events licensees' policy

The General Assembly tasked the VBDC with creating a policy for the sale and delivery of beer to banquet and special event licensees when events overlap with another wholesaler's territory. Chair Romano led the discussion, noting that new breweries without a wholesaler are not affected. Mr. White explained if a brewery does have a wholesaler, it must contact its wholesaler for permission to use VBDC to distribute to the special event. Mr. White mentioned this should be in the form of a temporary contract that is signed by both distributors. Mr. Mullett brought up the issue of a non-

response from the wholesaler with the distribution rights. Mr. Bell explained that a non-response generally means there isn't an agreement between the parties. If the wholesaler declines to distribute the brewery's products to the event and releases the brewery, the brewery can then use VBDC services.

The board discussed multiple ideas to aid breweries that want to attend special events. Per ABC agents, breweries may host up to eight manufacturer events a calendar year which allows the brewery to sell directly to retailers. The board decided that they needed more legal clarification and follow up discussion before making any policies. Mr. Rust will work with the Mr. Bell and follow-up with the board.

Non-alcoholic beverage distribution discussion

Many manufacturers are following a market trend of producing non-alcoholic (NA) beverages. Many beer distributors have started distributing these products. The board discussed whether these products were something that VBDC would want to add to the availability for retailers to purchase given that anything less than 0.5% alcohol does not need ABC approval and is taxed differently. The board agreed that VBDC will only sell beer products that have an approval code from ABC.

Future meeting dates

The next board meeting is tentatively scheduled for December 11, 2024, from 11AM – 1PM and January 17, 2024, 11AM – 1PM.

Next meeting topics:

- Continuation of distribution to banquet/special events policy
- Status of wholesaler ABC licenses

Adjourn

Chair Romano adjourned the meeting at 1pm.