



12:00 PM

Tuesday, July 16, 2024

Virginia Department of Agriculture
& Consumer Services

102 Governor Street
Conference Room 220
Richmond, VA 23219

Meeting Minutes

Call to order

Joseph Guthrie, VDACS Commissioner called the meeting to order at 12:17 PM, with a quorum present.

Introductions

Directors Present in Person

Joseph Guthrie, VDACS Commissioner
Jason Romano, Lake Anne Brew House
Aden Short, P.A. Short Distributing Company

Others Present in Person

Dakota Rust, VDACS VBDC Operations Manager
Missy Johnson, VDACS VBDC Financial Analyst
Dewey Jennings, PhD, VDACS Director of Administrative and Financial Services
Travis Rickman, Office of the Governor, Deputy Secretary of Agriculture and Forestry
Emma Chupp, Office of the Governor, Virginia Management Fellow
Kevin Cronin, VDACS Director of Information Systems
Jacob French, Office of the Attorney General, Intern
Justin Bell, Office of the Attorney General, Assistant Attorney General
Mike Mullin, Virginia Beer Wholesalers Association, General Counsel
Phil Boykin, Virginia Beer Wholesalers Association, President and CEO
Charles Green, VDACS Deputy Commissioner
Ashley Reed, VDACS Deputy Director of Administrative and Financial Services

Cleve Packer, VDACS Virginia Management Fellow

Rachael Zilic, Tyler Technologies – Virginia, Project Manager

Staci Saunders, VDACS VWDC Operations Manager

Business Development

Adoption of Bylaws

Commissioner Guthrie opened the conversation about the bylaws. Commissioner Guthrie mentioned that the bylaws are mirrored from Virginia Winery Distribution Company's (VWDC) bylaws. Mr. Guthrie asked Mr. Bell to explain the work that's been done to update the VWDC bylaws. Mr. Bell informed the Board of the importance of adopting an initial set of bylaws to set the foundation in which the Board will operate. Mr. Bell mentioned that if the Board would like to amend anything in the bylaws all it takes is a motion to amend. Mr. Guthrie highlighted a provision in the VBDC bylaws that include a Vice Chair as an elected officer. Jason Romano questioned Article IV paragraph four about language regarding removal of a Director or Officer. The current bylaws only discuss resignation of an Officer. Mr. Bell will research the issue and either explain how the subject is addressed in the code or bring a revised copy of the bylaws to the next board meeting. Aden Short made a motion to adopt the bylaws as they are written. Jason Romano seconded the motion. All were in favor; the bylaws were adopted as written.

Election of Board Chair

Mr. Short nominated Jason Romano as the Board Chair. Mr. Romano accepted the nomination. The motion passed unanimously.

Election of Board Vice Chair

Commissioner Guthrie nominated Aden Short as the Board Vice Chair. Mr. Short accepted the nomination. The motion passed unanimously.

Introduction to FOIA, Conflict of Interest, Media Relations

Records and Meetings

Mr. Bell explained to the Board that if you can find it somewhere and see it, then it's considered a record. It is public if you wrote it, transmitted it, or if it's part of your work. Mr. Bell emphasized that anytime the public asks for something, we have five days to provide a response. Mr. Bell mentioned the Board needs to appoint a FOIA Officer. Commissioner Guthrie made a motion to appoint VBDC Operations Manager, Dakota Rust. The motion passed unanimously. If anyone receives a FOIA request, it should go to Mr. Rust for a response.

Mr. Bell communicated that any time three or more board members speak about business of the Board, it is considered a meeting. Two board members discussing business of the Board is not considered a meeting. Meetings are to be publicly announced.

Conflicts of Interest

Mr. Bell emphasized that penalties for FOIA are monetary, but conflicts of interest can result in jail time. Mr. Bell explained not to accept gifts over \$100.00 in aggregate per year and not to guess if a gift can be accepted or not. Mr. Bell explained to call himself or Mr. Rust to ask if it's a particular situation would result in a violation. Mr. Bell explained there's a conflicts council with a searchable database of topics.

Media Relations

Mr. Bell explained that Board members are not empowered to speak on behalf of VBDC. If the Board would like to have a media presence, the Board must approve and elect the person to speak. Mr. Bell mentioned that no one other than Mr. Rust or Commissioner Guthrie can make public statements.

Electronic Meetings

Mr. Bell explained that in order for the Board to be eligible to conduct electronic meetings, the Board must vote to adopt an electronic meeting policy. The existing VDACS Policy and Procedure 2.3: Conduct of Board Meetings and Board Votes; Freedom of Information; Conflict of Interest and the FOIA – Electronic Meetings Guide was provided in the Board Package for review and discussion.

All-virtual Meetings

Everyone participates virtually in these meetings. The meeting must be announced ahead of time according to code. A revision to the policy enacted on July 1, 2024, allows for 50 percent of meetings to be all-virtual. All-virtual meetings shall not be back-to-back.

Remote Participation

Quorum must be gathered together physically in a room to conduct a meeting where some are requesting to participate remotely.

Private Meetings

Mr. Bell explained that these may be held for some situations but there are very specific rules to do this.

Adoption of Electronic Meeting Policy

Vice Chair Short moved to adopt the electronic meeting policy. Commissioner Guthrie seconded the motion. The motion passed unanimously.

Operations Manager Report

Review of Articles of Incorporation

Mr. Rust presented the Virginia State Corporation Commission Articles of Incorporation which were enacted on February 27, 2024. Mr. Rust is working to add the newly appointed Board members to the Articles.

Hire Operations Manager

Mr. Rust was hired in February 2024 and began working right away on various tasks and projects to help standup VBDC.

Build Point-of-sale Software

The VBDC team has been working with Tyler Technologies to develop business requirements necessary for the successful launch of the VBDC software.

IRS FEIN

In February 2024, Mr. Rust submitted the application to the IRS to be issued a FEIN. The IRS issued the FEIN in March 2024.

Tax Exempt

The Office of the Attorney General has applied for an exemption for VWDC; the same provisions will apply.

TTB Exemption

The Office of the Attorney General has filed the exemption request. Mr. Bell will follow up on the status.

Secure URL: vbdc.org

Mr. Rust gave the Board a brief overview of the website that was created by Flair Communication.

Hire VBDC Financial Analyst

Mr. Rust hired Missy Johnson to be VBDC's Financial Analyst. Mrs. Johnson started on July 10, 2024. Mrs. Johnson has worked in state government for over 2 decades. She comes to VDACS/VBDC from Va Cooperative Extension and has an extensive background in administrative and financial roles. Mrs. Johnson will be assisting with new brewery registration and applications, reviewing product registrations, processing payments, reconciling tax statements, scheduling board meetings, preparing board meeting materials, and taking meeting minutes.

Insurance & Bonding

Mr. Rust has submitted the application for insurance with Virginia Department of Treasury's Risk Management unit and is waiting to hear back. Mr. Rust has called two insurance companies to apply for a surety bond.

Brand Guidelines

Mr. Rust shared the logo design and color palette created by Flair Communication. The design was created from feedback solicited from preliminary board nominees. Mr. Rust requested the Board adopt the logo presented. Vice Chair Short moved to adopt the logo. Commissioner Guthrie seconded the motion. Chair Romano called for a vote. The motion passed unanimously.

Walkthrough of VBDC online system

Mr. Rust provided the Board with an overview of the brewery registration process. The Board provided minor suggestions to aspects of the system.

New Business

Discussion of Operating Agreement

Mr. Rust highlighted provision 8.1.5 to the Board regarding cleaning tap lines. Commissioner Guthrie suggested marking this provision in bold so the breweries understand VBDC will not be responsible for cleaning those tap lines. Vice Chair Short asked if VBDC is planning to have an audit of tap line cleaning. The Board agreed to table this discussion until the next meeting to deliberate further.

Discussion of Fee Structure

Mr. Rust presented a fee determination workbook that provides an estimate of transaction volume or dollar amount in sales needed to cover a percentage of the operating costs. Chair Romano asked to see more detail on how the budget is being allocated to assist the Board in making this determination.

Next meeting date

The next Board meeting is tentatively scheduled for Friday, August 16, 2024 from 12 PM – 3 PM.

Public Comment

The Board allowed for a public comment at 3:18 PM. There were no comments from the public.

Adjourn

Chair Romano adjourned the meeting at 3:20 PM.