

Vermont Brewers Association

Board of Directors Meeting

VBA Office / Burlington, VT

June 6, 2017

12:30 - 5:00

Present: Avery Schwenk, Sean Lawson, Garin Frost, Paul Sayler, Steve Parkes, Matt Nadeau (on conference line), James Branagan, Melissa Corbin, and Amy Cronin

- Green Mountain Beer Week debrief / 2018 planning
 - Is May the best time to be doing GMBW? Should we be doing this another time of year?
 - What do we want to get out of GMBW specifically? What can we do to focus GMBW?
 - “Vermont Beer Week” is talking about our festival on Twitter, giving us a hard time about it being a fundraiser
 - We are having a hard time standing out in the marketplace since there are so many festivals in the area
 - Melissa to meet with Eric, the Vermont Beer Week guy, this month

- May financial review / Ticket sale update / Advertising update
 - Review of spreadsheet:
 - \$16,000 verbally secured in Allied Partnership program
 - This goal has been reduced to \$20,000, as it seems more realistic at this point
 - We got the \$35,000 grant from the BA
 - We asked for \$23,000, so we equal out here with the AP program
 - The reality is we got less income than expected during GMBW
 - Signage for beer tickets this year at the Festival--hopefully this will increase the number we sell
 - Last year it was around 4,000 tickets (people can purchase up to 5 tickets)
 - We still have 1,930 tickets to sell for the Festival
 - Just some of the marketing efforts thus far:
 - Boosted Facebook posts and crafted ads, in collaboration with a digital marketing company within Amy’s professional network
 - We are paying for the ads but not the work going into them
 - Ad on WCAX
 - Promotion on VPR
 - An email with Everwonder (a company that handles Vermont vacation emails)
 - Green Cab has promotion in each one of their cabs

- It's suggested that we do more marketing in the areas of NYC, Philly, and CT in addition to VT, Boston, and Montreal.
- Perhaps posts to Front Porch Forum?
- Nightshift posted and so did some of our participating Canadian brewers
 - We should ask Nightshift to post again
- Selling approx. 40 tickets per day in sales
 - Would take 48 days to get to our goals
- How to add extra interest? Perhaps ask brewers to bring a special keg for Friday session?
- Perhaps, in the future, if Saturday is more in demand, raise price for that session, driving traffic to a cheaper Friday session?
- What about shifting the days to Sat/Sun vs. Fri/Sat?
 - More expensive to rent the space from Burlington
 - Though could eliminate the conflict of Friday session and attendees' work schedules
- We are working with Killington to use their marketing reach
- Update on recent budget changes
 - Small line added for "Gifts given," for outgoing president and interns
 - Rent line went up because internet costs went up slightly
 - Recent insurance audit and costs down
 - Due to regulations, need to make temporary employees out of volunteers this year
 - Payroll profit and loss will show those volunteers
 - All the employees will be lumped into payroll
 - "Volunteer compensation and taxes" renamed as "Volunteer payroll and taxes"
 - We were under-budget for conference and travel expenses
 - If we can hit ticket sales targets we're in a good spot
 - Where do grants fit in?
 - Grant considered income
 - New grant submitted for plug and play passport program app for \$46,000 for northern regions, but would benefit the whole state
- Proposal from events committee for festival mileage reimbursement
 - Committee proposes that one car per brewery to and from the festival could be reimbursed
 - If all VBA breweries submitted, the estimate would be \$2,205.60
 - Just an upper limit estimation
 - Only applies to in-state breweries
 - Considering the timing, It would be preferable to get it into the budget for next year
 - Phase one of providing member accommodations is providing volunteer pourers this year, which is underway

- Sean motions to provide mileage reimbursement for Vermont brewers traveling to VBA festivals and starting in 2018, subject to budget approval; Paul seconds
 - Six in favor, one opposed
- Killington festival updates
 - The date is set for the 24th of March
 - In the process of negotiating for comp'd rooms and lift tickets
 - 2,000 tickets per session, selling 4,000 total would be ideal
 - If we sold 3,000 total we would be within budget goals
 - What are the benefits of Individual tents vs. one or two big tents?
 - There are warm spaces and heaters included in budget for the brewers
 - Might be ideal to have one big tent, considering you can roll the sides down
 - The plan is for two three-hour sessions
 - Break even number for ticket sales?
 - Just above 2,000 - 2,200 or so for both sessions
 - We are hoping to advertise ticket sales for the Killington fest at VBF Burlington
 - Could we negotiate an out clause with Killington if ticket sales aren't up to par?
 - Would not look good if we cancelled
 - According to Killington, over 8,000 people per day on that weekend this year, for skiers and snowboarders
 - How to market this?
 - Collaborations between VT breweries
 - Better to leverage through the VBA, makes it stand out
 - In Philly, they have a draw on collaborations, a very successful event, builds camaraderie
 - Is there board support for this idea?
 - At the 20th anniversary VBF there were collaborations
 - Well received then
 - Some money was provided for travel and other expenses for collaborations
 - There should be just Vermont breweries collaborating at Killington, keeping it small
 - A little risky to market it before some sign-ons
 - There should ideally be 10 collaborations at minimum to start
 - We should reach out ourselves and offer help to facilitate collaborations if needed
 - What's the vision for selling the Killington VBF tickets at the Burlington VBF this year?
 - An email is being sent out to our mailing list
 - Killington will issue a press release
 - Attendees would be able to sign up at the fest, thereafter receiving an email with their tickets

- How to communicate with the rest of the association?
 - Has the event committee talked about this?
 - Could they come up with a zingy title? For example, “Wintry Mix”?
 - Should we *require* brewers to collaborate?
 - No need to do so
 - Could offer a stipend to collaborating brewers
 - It was \$200 during the 20th VBF
 - We set a requirement to have a date set for collaborations
 - Paul motions to approve March 24, 2018 as the date for the Killington VBF and to approve the marketing of this event at our summer festival; James seconds
 - Six in favor, one opposed
- Marketing update
 - Grant funding deadline is on June 30th, need to launch website by then
 - A handful of pages will not be launched immediately, but all prioritized pages will be live, the rest two weeks later
 - Rumbletree has been very responsive thus far, and they’ve been great at communication
 - Merch and signage is getting ready for launch
 - Marketing committee is active via email
 - On June 26, staff is getting trained on content management of the new site
 - Forum will be launched later in July
 - Meeting the deadline is priority, ensuring that Rumbletree is paid with the grant
 - Out of developers’ hand by the 26th and out to the public by the 30th
 - Government Affairs update
 - Current contract with Necrason Group is through the end of August
 - Should we want to really push for franchise law, they’re asking for an additional investment
 - Quoted at \$36,000 for next year on franchise reform, which reflects actual lobbying efforts
 - This is in place of \$15,000 from last year, which had established our presence in the statehouse and gave us regular legislative updates
 - The usual rate is around \$60,000--we’re receiving a 40% discount
 - The committee felt that, given our position and latest successes, if we can find the money, it’s worth the investment
 - How would it affect Vermont brewers in the present and future?
 - Part of Necrason’s research has been to review the benefits of this investment
 - They’re working on a membership survey that will help to justify moving forward

- They're also researching models in other states: how they function economically and what the fall-out has been for these states
- Should we move forward with the research and bring up a proposal to the annual meeting?
 - Yes, though the timing is tricky, because they would like a September to September contract
- There does need to be some change to franchise law, however it's a delicate situation
- Already 8-10 states have changed their franchise laws
- A change could bring better service to all breweries, creating a more free and open marketplace
- The forever-binding contract is at stake, not the three-tier system
 - Franchise law always supercedes contract law, even if there is clear language in the original contract
 - To prove good cause for termination of contract, the legal efforts involved are monumental
 - There needs to be education among our membership regarding franchise law and how it interacts with contract law
 - We have a two-page document from Jessica at Necrason which was designed to explain franchise law to lawmakers
- Could we have a stepped contract with Necrason, allowing us time to talk with the membership and educate them so that we have full buy-in?
- Perhaps set up a set of town hall-style regional meetings to fully inform members?
 - Could the Government Affairs committee help to coordinate these?
- Can we afford to do it? Given current shortfalls and the additional expense of this contract?
 - Ideally, we'd have a majority of members on board before we can sign a contract for that extra amount of \$21,000
- What are the average costs for this reform effort from other states?
 - That research will be done this summer
- The VT legislative biennium continues on this next year, which means we should have a good chance of pushing our reforms through
 - We already have champions in the House and Senate, groundwork has been laid
- Still need to see final numbers from fest before we make any decision regarding Necrason's contract
- We could have a board conference call sometime during the 2nd week of August to discuss fest numbers and to approve a new contract
- Part of the \$21,000 includes immediate lobbying work before the next session begins
 - Distributors will know about our efforts
 - There has been talk about this in the Statehouse

- Their lobbyist has approached Melissa in Montpelier, to which she replied that we're considering all our options, and we don't have clarity yet around what we're doing
 - Need to let members know before the distributors raise the alarm, need to fast-track education
 - Can distribute information at the VBF
 - Need to alert members that this is going on, perhaps in an email
 - Perhaps better to reach out directly via phone, making clear that we're moving forward with franchise reform, as approved at the last annual meeting
 - Action steps
 - 1) Send out educational documents and follow-up with phone calls: asking members if they've received the survey; informing them about what actions the board has been taking; that the board has been working on this issue since approval at the annual meeting; providing updates; answering questions and addressing concerns
 - Done by staff and board members between now and the end of the VBF
 - Melissa can rely on board members to answer more specific questions that she can't answer
 - 2) Revisit this topic during a conference call on August 9th at 10 AM
 - During which time we will review the survey results and figure out if this fits into our budget based on VBF ticket sales
 - 3a) Staff will be responsible for coordinating town hall meetings to be held in October, informing members before the annual meeting
 - 3b) Presenting at these meetings will be brewery members and Necrason group representatives
- Multiple board members allowed from one brewery?
 - Decision to be given to the Governance committee for inclusion in the bylaws
 - Should this also apply to committee levels too?
 - You can send different staff to different committees, but having more than one person on the board is at question
 - Limiting the committees could limit involvement
 - There's no major urgency regarding this issue on the committee level
 - This should be decided for the bylaws regarding board not committee participation
 - Matt motions to add to the bylaws that there should only be one board member per brewery, Paul seconds
 - All in favor
 - Proposal on how to structure board member continuity and turnover year to year

- Avery reviews his chart of how to create continuity on the board in the near future, resulting in three new members every year
 - Part of the Governance committee's work is to educate and recruit board members for these terms
 - Paul motions that this re-organizing structure be added to our policy manual until 2019, and that any absent seats shall be filled for the remainder of their terms (e.g., a three year term vacated in the second year will be filled by a new member for one year); Sean seconds
 - All in favor
 - Should there also be a by-law change regarding this continuity policy?
 - This would require member voting
 - We can't follow through with policy without changing the by-laws
 - Could change the language to say "one to three" instead of "three"
 - (Matt had to leave due to his canning run.)
 - Sean motions that we include along with the proposed policy change a bylaw amendment to article 4, section C regarding terms of directors, which will be presented at the annual meeting; Garin seconds
 - Six in favor, one abstaining (Matt still absent)
- Board reviews policy manual
 - Melissa and James' notes combined and sent to Kara for revisions
 - Action: Due to time constraints, board members will review the rest of this document and will send comments to Melissa in two weeks time
- New Business
 - If the VBA has a table at a non-VBA event, does that imply approval?
 - It makes sense to have a table at events if it has a tangible benefit to the VBA
 - Are other festivals competitors? Do we need to make that distinction clear?
 - Every festival is a chance for consumers to interact with brewers
 - Perhaps we should weigh our participation on a case by case basis
 - We would have more of an educational presence at fests, informing attendees of beer styles, BA tasting notes, brochures, passports: the marketing/education aspect of our mission
 - We're okay with tabling at festivals, as long as it's in line with our marketing/education mission
 - Concern raised: If staff decides to leave, we're in a rough scenario
 - Someone will have to step up, if it comes to that
 - If we lost management, we have a document in hand to pass on, which we should keep updated

- InBev has bought RateBeer, Dogfish has asked that they take all of their beers of the site, should we take a position similarly?
 - The danger is that macro brewers are controlling messaging
 - Tabled for later discussion
- Other pressing items?
 - Two breweries haven't signed up: Lost Nation and Hill Farmstead
 - Lost Nation needs to take a year off due to DLC harassment last year
 - No response from Hill Farmstead
 - 39 breweries signed up
 - Some breweries haven't signed up, due to capacity for beer
- Meeting adjourned