

## Vermont Brewers Association

Board of Directors Meeting

April 17, 2018

Burlington, VT

12:30 - 4:00

Present: Dan Sartwell, Dan Ukolowicz, Anne Linehan, Amy Cronin, Avery Schwenk, Paul Saylor, Melissa Corbin, Marty Bonneau, James Branagan, and Marly Thompson (via speaker phone)

Absent: None

- Review of meeting minutes
  - Two conference call meeting minutes to review: 2/27/18 and 4/4/18
  - Board reviews motions for accuracy
  - Anne motions to approve both sets of minutes; Paul seconds
    - Vote: All in favor
- Open Treasurer position
  - A new vacancy since Garin has recently left the board
  - Anne will step into the role of Treasurer, as long as someone else will chair the Membership and Governance committee
  - Avery officially appoints Anne as Treasurer, un-appointing her as Chair of the M&G committee
    - Currently looking for volunteers to serve as the replacement Chair
- Dan S. is stepping down as co-chair of the Legislative committee
  - Paul will be continuing on as Chair of this committee, with Dan S. still remaining on the committee
  - Kudos to Dan S. and to committee members for their efforts during this critical legislative session
- Franchise reform update
  - Our lobbyist, Jessica, is currently working to reconcile the differing versions of the Senate committee's draft and the current House bill
  - The percentage of portfolio definition could have a sunset provision, a suggestion made by Senator Baruth
    - Would be 2% of portfolio, enforced up to 5-7 years
    - Could be a creative way to make a compromise
      - Could address the distributors' concern over short-term solvency and the VBA's concern over long-term relationships/contracts

- Distributors are worried about their brands playing musical chairs during the transition, and the expensive legal actions this shuffling may bring about
  - The VBA is still endorsing the right for brewers to leave without cause during the transition period
  - The House version has the portfolio provision set at 3%, but the VBA still wants no such provision
    - How to verify that information if it's privately held?
    - Would there be a way to set up a third party assessment?
      - Could it be based on declared annual sales per brand?
    - If we can't abolish this portfolio provision, we're still hoping to apply the percentage across a distributor's affiliated companies and products (e.g., wine, soda, juice, etc.)
    - In this current market, it's in a distributor's interest to acquire as many small brands as possible, regardless of their intent to represent those brands fairly
  - Multipliers
    - For buy-outs, the VBA's starting negotiating term is two times a distributor's three-year average annual gross profit for a given brewery brand
    - Five is a typical multiplier in the distribution industry when buying a business
      - An arbitrary value based on past business transactions within this industry
  - Members are encouraged to contact their Senate representative regarding Senate bill H710
  - Could a social media campaign be an option?
    - Might be too late with timing
    - Perhaps on the second round, if it comes to that
- Review of 2017 year-end financial reports
  - There has been little change when compared to January
  - Grant income is lower than expected, but just due to timing
    - Money is coming in during 2018 instead of 2017, as planned
  - Marty motions to adopt the 2017 year-end financial reports; Dan S. seconds
    - Vote: All in favor
  - These will be posted in the member forum on the VBA website
- Killington fest review
  - Number of attendees
    - 3,294 tickets sold ahead of time
    - 141 additional tickets sold at door
    - Total of 3,435 tickets sold

- 96 designated driver tickets sold (at \$10 per)
  - Less extra drink tickets were sold during this event, as compared to VBF Burlington
  - Good DLC feedback
    - The agent mentioned that there should be lines marked on the glass for different fill amounts, rather than relying on the symbol markers
    - He had good interactions with organizers, security, and brewers
  - It was difficult to see bracelets under coats
  - Length of beer lines
    - Few complaints, though some were decidedly longer than others
    - Could we ask those breweries with longer lines to add volunteers and/or have multiple taps for popular brands?
  - Very lucky with the weather
  - Would be nice to move the date back to earlier in the winter
  - Kudos!
    - Running two fests, planning GMBW, and prepping for this board meeting has been a lot all at once
    - A heavy workload for Amy, and Andrea Gagne did a lot as well
    - How to address this workload? Via committee or board?
      - Topic tabled for now
- App update, discussion of rating system
  - Overall feedback has been positive in tap rooms and bars
  - Could there be a badge that you could earn in the app? For a check-in at the VBF or other VBA events?
  - Push notifications have been very useful for marketing
  - In-app rating system and comments
    - Could there be a way for users to make comments but keep them private?
      - Having a record of your travels and what you did/didn't like is useful for customers
    - All agree that there shouldn't be option to give beers a star rating
    - The objective should be to keep any ratings or comments private and neutral
    - Keeping neutrality and all of our members on a level playing field should be a high priority for the VBA, in this and all ventures
  - Ideally, we could keep the option to have beer check-ins and posted pictures as public
  - Could commenting be kept as an option but only for private use?
  - Better to get rid of the public ratings and comments that have already accrued now vs. later in the summer

- Dan U. motions to, in the spirit of neutrality, remove the app's star rating system and commenting capability from public view ASAP, with the approval of further development costs subject to Finance committee review; Paul seconds
  - Vote: All in favor
  
- Tech day review/discussion
  - Preference for full vs. half day schedule?
    - Half day is the majority opinion
    - Still able to do some work in the morning before afternoon workshops
    - Ideal for folks traveling from a distance
  - Great socializing time
  - We should plan on a half day in the fall too
  
- Green Mountain Beer Week
  - Info going out to membership this week
  - Small events planned throughout week, some event suggestions being sent to members in upcoming email
  - "Bowl with the Brewers" planned for 5/17
    - Hoping for at least 16 brewers participating
    - Will sell tickets to that event
  - \$3,000 revenue goal
  - Future events?
    - "Bocce with the Brewers"?
    - Vermont brewers dinner? More than one brewery represented on the same menu?
  
- Board retreat review, planning
  - Review of why we use the facilitator to structure future planning, discussions
    - Started with developing ED job description
    - The next year we developed a strategic plan with six areas of focus
    - Last year we had a board meeting and strategic plan review/adjustment of goals
  - What to accomplish this year? Topics?
    - We've accomplished many of our strategic goals
    - We're at a pivotal point--what are the next steps?
    - Facilitator will be conducting interviews of VBA members beforehand
    - Jane has long-term experience with the association and its members
  - Marty motions that the board hire Noonmark Services to help facilitate our board retreat; Dan S. seconds
    - Discussion:
      - Enough money in the budget?
      - Yes, this is not a make or break item
    - Vote: All in favor

- Deciding on format
  - We should plan to extend our next three-year plan from 2019 to 2021
  - First things to discuss: unfinished strategic goals and how to revise/achieve
  - It'd be good to review how well it worked getting to this point and how we'd like to move forward
  - We should have Friday and Saturday working time set aside during the retreat
    - Best to have most of the work done on Friday and keep synthesis and next steps development on Saturday
- Which members will be surveyed by Jane?
  - Best to include new members
  - Also to represent different brewery sizes, levels of VBA participation, and years in operation
  - Good to talk to folks that were active board members during the development of the strategic plan
- Melissa will send retreat-related details in the near future
- New business?
  - Management of staff time with VBF Killington, GMBW, etc.
    - Could staff delegate some tasks to an administrative assistant or a particular committee?
    - Staff will come up with some suggestions to be discussed at next board meeting
  - How to move the ball forward with the question of "What is VT beer?"
    - Board members had previously volunteered to be on a working group
      - Paul as point person, along with Dan U., Marly, and Marty
    - Paul will follow up with those members
  - Governance and Membership committee work has slowed down
    - Not much happening on governance, more focus on membership goals
    - Dan S. has been working on numbers with vendors for a potential group-buying program
    - They can continue focusing on this
      - Could add this topic to the strategic plan session as well
- Executive session
- Dan S. officially appointed as Chair of the Governance and Membership committee
- Avery adjourns meeting