

Allan Hancock College

Viticulture & Enology Foundation



AGENDA

Board of Directors

Quarterly Meeting

December 13, 2017

3:30 PM

Sky Room
Building A
Room A-204



Allan Hancock College Viticulture & Enology Foundation



AGENDA

Board of Directors

Quarterly Meeting

Wednesday, December 13, 2017 – 3:30 PM

Sky Room A-204, Building A

	<u>Page</u>	<u>Est. Time</u>
1. Call to Order		3:30 PM
2. Public Comment		
<p>The section of the agenda is intended for members of the public to address the board on items involving the foundation. Public comment not pertaining to specific agenda items is welcome under public comment. <i>Please note that Board members are prohibited by the Brown Act from responding to comments made regarding topics not on the official agenda.</i> Testimony on specific agenda items will be welcome during consideration of the item by the Board. When public testimony is completed regarding a specific agenda item, discussion is then confined to board members only. This practice is in accordance with laws governing Board of Directors public meetings.</p>		
3. Approval of Meeting Minutes		3:30 PM
3.A. Approval of September 20, 2017 Meeting Minutes	3	
<p>A recommendation to approve the minutes of the September 20, 2017 meeting.</p>		
4. Presentations		3:35 PM
4.A. Viticulture and Enology Two-Year Degree Program Presentation		
<p>A presentation to review the proposed two-year Viticulture and Enology Program.</p>		
5. Recent or Upcoming Events		
<p>A report on recent or upcoming events.</p>		
6. Action Items		
6.A. Acceptance of Donations	6	
<p>A recommendation that the board accept the donations received.</p>		

	<u>Page</u>	<u>Est. Time</u>
6.B. Approval of Expenditure for the Winery Website	7	
A recommendation that the board approve an expenditure up to \$1,000 to create an AHC winery website to support wine sales.		
6.C. Approval of Auction of 6L Bottle of Syrah	8	
A recommendation that the board approve the auction of a 6L bottle of Syrah.		
7. Information Items		4:00 PM
7.A. Financial Report	9	
A report on year-to-date financial data ending October 31, 2017.		
8. New Business/Oral Reports		4:20 PM
9. Adjournment		4:30 PM

The next regular meeting of the Board of Directors will be held on March 21, 2018 at 3:30 PM.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the President's Office at (805) 922-6966 ext. 3245. Please make requests 48 hours prior to the meeting in order to make reasonable arrangements to ensure accessibility to this meeting.

Kevin G. Walthers
Foundation President

ALLAN HANCOCK COMMUNITY COLLEGE
Viticulture & Enology Foundation



Kevin G. Walthers, Ph.D., President
 Larry Lahr, Vice President
 Michael Black, Treasurer
 Richard Mahon, Ph.D., Secretary
 Alfredo Koch, Ph.D., Board Member

Minutes
Board of Directors
Annual Meeting

Wednesday, September 20, 2017

Allan Hancock College
 Captain's Room, B-102, Building B
 800 South College Drive, Santa Maria, CA 93454

1. Call to Order

Dr. Walthers called the meeting to order at 3:30 p.m. with the following directors present: Larry Lahr, Michael Black, Richard Mahon, and Alfredo Koch.

Also present: Susan Houghton, Keli Seyfert, Bruce Wade

2. Public Comment

No public comment was made.

3. Action Items

3.A. Approval of June Annual Meeting Minutes

On a motion by Dr. Mahon, seconded by Dr. Koch, the Foundation board voted to approve the minutes of the June 21, 2017 annual board meeting as submitted.
 (Ayes: Walthers, Lahr, Black; Noes: None; Abstentions: None)

3.B. Approval of Scholarship Gifts

On a motion by Dr. Mahon, seconded by Michael Black, the Foundation board voted to approve the scholarship gifts from CoastHills Credit Union. \$2500 is budgeted for the 2018-19 fiscal year for two scholarships at \$1250 each. There was discussion regarding the possibility of creating an ongoing scholarship fund in CoastHills' name for the program. A discussion to determine what scholarship funds have been dispersed already and in which years, as well as how to proceed with spending priorities from this fund, will continue at the next board meeting once a program review is completed.

(Ayes: Walthers, Lahr, Koch; Noes: None; Abstentions: None)

3.C. Approval of Pricing

Dr. Koch presented pricing proposals for resellers, wholesalers, faculty/staff/students and events/holiday wine prices. Currently, there are about 1200 total cases in inventory. The board reviewed current prices from other colleges who produce wines.

Dr. Walthers made a recommendation to price Torrontés at \$15 and Albariño at \$16 with tax per bottle. Dr. Walthers made a recommendation to provide a 30% discount to wine club members, faculty/staff/students who will also automatically become wine club members, and for event and holiday purchases. For these groups, if 6 or more bottles are purchased, there is an extra 10% off the 30% discounted price, but no case discount. Dr. Walthers recommended that for 5 cases or more purchased there is a 40% discount. For those with a resale license, there is a discount of 50% per case purchased. For those purchasing higher case levels there will be a 60% off per case discount.

Allan Hancock College Winery
Discount Table

<i>Except as noted, discounts may not be combined</i>	
AHC Wine Club	-30%
AHC faculty/staff/students	-30%
Events/holidays	-30%
Buy 6 or more bottles <i>(may be combined with above discounts)</i>	-10% additional
Charity/nonprofits	-50%, case lot only
Resale	-60%
10 or more cases	-60%

On a motion by Dr. Mahon, seconded by Dr. Koch, the board approved the price list as discussed.

(Ayes: Walthers, Lahr, Black; Noes: None; Abstentions: None)

3.D. Acceptance of Donations

On a motion by Dr. Mahon, seconded by Michael Black, the board accepted the donations received as listed in the agenda.

(Ayes: Walthers, Lahr, Koch; Noes: None; Abstentions: None)

4. Information Items

4.A. Financial Report

Michael Black reviewed the balance sheet and the income statement for the period ending June 30, 2017. This is the first actual balance sheet, income statement and inventory based on process costing, which Keli and Bruce have worked through. The reports show that bulk wine is valued, bottled wine is valued and deferred crop cost which are prepaid costs for next harvest and become part of costing in the next year. On the income statement, the gift amount listed includes the scholarship money. Larry Lahr asked, if non-cash contributions come in, do we also expense them? Keli confirmed that when the gift comes in, it is posted a revenue and expense. Dr. Walthers noted that current expenses are \$34,000 and the actual loss is \$10,000 on current revenue versus current operating income. Michael Black indicated that cost of goods sold will be more next year because our beginning balance was an arbitrary number that the auditors wanted valued. Once it passes through, we will get a truer cost picture. Keli indicated that the cost per bottle will be a lot lower because we don't

have a lot of labor and overhead. Larry Lahr asked why we are operating at a loss. Keli stated that we received a fixed asset for a filter which was expensed at \$20,226.

4.B. Winery Inventory Report

Michael Black reviewed the inventory for the period ending June 30, 2017.

5. New Business/Oral Reports

Dr. Walthers indicated the new permanent position was approved by the board and should be posted. Dr. Mahon stated he is unable to get the position posted and filled until he receives a budget code for the PAR/NE. He understood strong workforce funds would support that position. In early October, Academic Senate is convening a task force to prioritize this year's use of these funds. Dr. Walthers will discuss with Marla Allegre regarding the position. It should be posted as an exempt position. There is interest in the position already and it is necessary to take the time to get the best possible candidate.

Dr. Walthers reviewed the Foundation's Gala event on the October 21st with respects to the arrangements made for wine. The Foundation will pay \$6,336 for the wine purchased from the Viticulture & Enology Foundation for this event, and sales of the sparkling wine will cover the cost of any additional wine consumed. This is a 60% discount. We will bring in \$9.12 per bottle or \$3,611.52 total for wine purchased at the event. Extra wine will be brought to the event and any bottle not sold can be returned. There will be 50% off on Pinot Noir and Chardonnay used at the event. Dr. Mahon will follow up with Susan to inform her that Dr. Koch will be present at the event as a winery representative. Michael Black has also volunteered to assist.

On All Staff Day, the faculty association held a reception in the winery. Someone informed ABC about an internal email sent to faculty promoting the event which stated that wine and beer would be provided. We did not receive a violation from ABC, but in their communication, they stated that our license is not for beer and is for wine only. Dr. Mahon replied to ABC that wine was served, but no beer was poured. He indicated there was no violation and no response was made from ABC yet.

6. Adjournment

Dr. Walthers adjourned the meeting at 5:00 p.m.

7. The next regular board of directors meeting will be held on Wednesday, December 13, 2017 at 3:30 p.m. in the Captain's Room, Building B.

Richard Mahon
Foundation Secretary



AHC Viticulture & Enology Foundation



To: Board of Directors	ACTION ITEM
From: Kevin Walthers, President	Date: December 13, 2017
Subject: Acceptance of Donations	Item Number: 6.A.
	Enclosure(s): Page 1 of 1

BACKGROUND

On October 12, 2017, Rancho Sisquoc Winery of Santa Maria, California, donated one ton of Cabernet Sauvignon grapes for use in the winery.

On October 11, 2017, J. Lohr Vineyards & Wines of Paso Robles, California, donated .868 tons of Cabernet Sauvignon grapes for use in the winery.

FISCAL IMPACT

None.

RECOMMENDATION

Staff recommends that the board accept the donations received.



AHC Viticulture & Enology Foundation



To: Board of Directors	ACTION ITEM
From: Alfredo Koch, Ph.D., Board Member	Date: December 13, 2017
Subject: Approval of Expenditure for the Winery Website	Item Number: 6.B
	Enclosure(s): Page 1 of 1

BACKGROUND

At the September board meeting, the board approved a pricing plan that includes a rate for an AHC Wine Club. Creating a dedicated AHC winery website would be the most practical way to organize this activity. The website will support the ability of the winery to handle online sales for its wine club members.

This will be a prepackaged website hosted on our server or an outside server, but linked to the district website and it will look like a commercial winery website. Staff have met with the college webmaster, Phil Hamer, to discuss the development website process.

Timing is fortuitous because the wine program will be able to take advantage of the knowledge, experience, and skills of a pending program graduate who's expertise in web development has supplemented that experience with knowledge about wine acquired in the program.

FISCAL IMPACT

Estimated \$500-\$1,000.

RECOMMENDATION

Staff recommends that the board approve an expenditure up to \$1,000 to create an AHC winery website to support wine sales.



AHC Viticulture & Enology Foundation



To: Board of Directors	ACTION ITEM
From: Alfredo Koch, Ph.D., Board Member	Date: December 13, 2017
Subject: Approval of Auction of 6L Bottle of Syrah	Item Number: 6.C.
	Enclosure(s): Page 1 of 1

BACKGROUND

The AHC wine program has received a donation of one 6L bottle that has been filled with the college's Syrah. The bottle is labeled and ready to go. A comparable bottle might sell for \$100-\$200 at retail. An online silent auction of the bottle during the holidays might make it possible for the program to raise \$500 to \$1,000.

Staff anticipates working with the Public Information Office to identify a means of making the college community aware of the auction. The auction should end by December 20 to allow time for the winning bidder to come to the college before the holiday closure to retrieve the wine (college closure begins on December 22).

FISCAL IMPACT

Modest income to the program.

RECOMMENDATION

Staff recommends that the board approve the auction of a 6L bottle of Syrah.



AHC Viticulture & Enology Foundation



To: Board of Directors	INFORMATION ITEM
From: Michael Black, Treasurer	Date: December 13, 2017
Subject: Financial Report	Item Number: 7.A.
	Enclosure(s): Page 1 of 4

BACKGROUND

Attached are the balance and income sheets for the AHC Viticulture and Enology Foundation as of October 31, 2017.

AHC Viticulture & Enology Foundation
Balance Sheet
October 31, 2017

Assets

Rabobank Checking	76,876
Inventory-Bulk Wine	26,933
Inventory-Bottled Wine	39,312
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Total Assets:	<u>142,921</u>

Liabilities

Sales Tax Payable	159
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Total Liabilities:	159

Fund Balance

Fund Balance, July 1	131,051
Current Income (Loss)	11,711
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Total Fund Balance:	142,762
Total Liabilities and Fund Balance:	<u>142,921</u>

AHC Viticulture & Enology Foundation
Income Statement
October 31, 2017

Revenue

Contributed Gifts/Grants/Endw	0
Non-Cash Contributions	7,597
Other Local Revenue	0
Net Revenue	7,597

Wine Operations

Sales & Commissions	13,373
Less: Returns & Allowances	-200
Less: Sales Discounts	-908
Net Sales	12,266
Less: Cost of Goods Sold	-5,062
Gross Profit	7,203

Total Revenues 14,800

Expenditures

Bank Service Charges	100
Cash Over and Short	0
Food Supplies	323
Freight	134
In-Kind Supply Expense	7,597
Indep Contractor (Individuals)	1,200
Inventory Allocation Expense	-20,532
Merchant Fees	65
Misc Operating Expenses	467
Non-Tech Licenses,Permits,Fees	240
Office/Operational Supplies	3,626
On-Site-Business/Training Exp	105
Printing	4,987
Service Contracts (Businesses)	4,763
Technology Hosting Services	12
Total Expenditures	3,089
Net Income(Loss)	11,711

Fund Balance

Fund Balance, July 1	131,051
Current Balance	\$142,762

Allan Hancock College Viticulture & Enology Foundation
Board Inventory Report
Fiscal Year 2018
As of: October 31, 2017

Vintage/Varietal	FY18 Beginning Inventory	Minus: YTD Sales	Minus: YTD Donations	Minus: YTD Tasting	Plus/Minus: YTD Adjustments	Plus: YTD Inventory Additions	Less: Removed for Testing	FY18 Ending Inventory	Cost per Bottle	FY18 Ending Inventory Cost Value
2012 White Wine	507	-19	-29	0	7	0	0	466	\$ 1.53	\$ 712.98
2014 Blanc de Noir (Sparkling Wine)	402	-396	0	-1	-5	0	0	0	6.87	0.00
2014 Pinot Noir AHC (Estate SBC)	1072	-254	-45	-4	23	0	0	792	3.38	2,676.96
2014 Pinot Noir Magnum	6	-6	0	0	0	0	0	0	7.50	0.00
2014 Red Wine Paso Robles(Bordeaux)	135	-25	-7	-1	-6	0	0	96	3.00	288.00
2014 Syrah SBC	396	-44	-17	-5	-2	0	0	328	3.38	1,108.64
2015 Albarino	93	-20	0	0	-3	0	0	70	1.81	126.7
2015 Chardonnay	60	-51	-8	-1	0	0	0	0	2.08	0.00
	423	-107	-25	-4	-10	0	0	277	1.76	486.58
2015 Pinot Noir	1824	-1	-12	-1	-349	0	0	1461	1.76	2,572.82
2015 Pinot Noir Rose	581	-20	-2	-4	391	0	0	946	2.93	2,771.78
2015 Syrah	359	-5	-3	-1	-26	0	0	324	1.78	577.82
2015 Torrontes	429	-3	0	0	90	0	0	516	2.80	1,444.80
2016 Albarino	0	0	0	0	-6	258	0	252	4.21	1,059.91
2016 Cabernet Sauvignon	0	-1	-1	0	2	372	0	372	3.97	1,476.28
	0	0	0	0	0	108	0	108	4.07	439.28
2016 Chardonnay	0	0	-13	0	-35	834	-30	756	4.13	3,123.62
2016 Malbec	0	0	0	0	0	612	0	612	3.99	2,440.66
2016 Pinot Noir	0	0	-23	0	-50	2340	-36	2231	4.00	8,914.41
2016 Pinot Noir Rose	0	-1	-13	0	-34	984	-24	912	3.99	3,642.62
2016 Syrah	0	0	-13	0	1	1056	0	1044	3.99	4,166.33
2016 Torrontes	0	0	-1	0	3	367	0	369	3.47	1,281.76
Total Number of Bottles	6,287	-953	-212	-22	-9	6,931	-90	11932		
Cost Value Totals	\$ 16,742.97	\$ (4,294.16)	\$ (624.67)	\$ (64.66)	\$ 259.91	\$ 27,217.15	\$ (363.66)	\$ 39,312.11		\$ 39,312.11