

# *Allan Hancock College*

## *Viticulture & Enology Foundation*



### **AGENDA**

Board of Directors

Quarterly Meeting

December 14, 2016

3:30 PM

Captain's Room

Building B

Room—B-102

**Allan Hancock College Viticulture & Enology Foundation**



**AGENDA**

Board of Directors

Quarterly Meeting

Wednesday, December 14, 2016 – 3:30 PM

Captain's Room B-102, Building B

	<b><u>Page</u></b>	<b><u>Est. Time</u></b>
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. Action Items		3:30 PM
3.A. Approval of September 21, 2016 Annual Meeting Minutes	3	
<p>A recommendation to approve the minutes of the September 21, 2016 annual meeting.</p>		
4. Information Items		3:40 PM
4.A. Marketing Plan Proposal		
<p>Presentation of a marketing plan by Paul Kendrick, a student.</p>		
4.B. Engagement of Students in Sales, Marketing, and Promotion	6	
<p>A report on the engagement of viticulture and enology students in the sale, marketing, and promotion of AHC Wines.</p>		
4.C. The Role of Auxiliary Accounting Services	7	
<p>A report by Auxiliary Accounting Supervisor, Keli Seyfert, on her department's role in supporting the Viticulture and Enology Foundation.</p>		

	<b><u>Page</u></b>	<b><u>Est. Time</u></b>
4.D. Financial Report	8	
A report on year-to-date financial data ending November 30, 2016.		
4.E. Winery Inventory Report	11	
A report on inventory as of November 30, 2016.		
4.F. Facility Security and Access to the Winery Premises	13	
An update by Richard Mahon on the implementation of security measures.		
4.G. Point of Sale (POS) System and Accounting for Valuation on the Inventory Report	14	
An update by Michael Black on the strategy for implementation.		
4.H. Donation Report	15	
A report on donations.		
4.I. Recent/Upcoming Events	16	
A report on recent and/or upcoming events.		
4.J. Need for Electrical Upgrade and Refrigerated Container at the Winery	17	
A discussion on the need and funding for an electrical upgrade and refrigerated storage container.		
5. New Business/Oral Reports		
6. Adjournment		4:30 PM
7. The next regular meeting of the Board of Directors will be held on March 15, 2017 at 3:30 PM in the Captain's Room, Building B.		

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.

Alfredo Koch  
Foundation President

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**ALLAN HANCOCK COLLEGE**  
**Viticulture & Enology Foundation**

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

Minutes  
Board of Directors  
Annual Meeting  
Wednesday, September 21, 2016

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

1. Call to Order

Alfredo Koch called the meeting to order at 3:35 p.m. with the following directors present: Michael Black, Alfredo Koch, Larry Lahr, Richard Mahon, and Kevin Walthers.

Absent: None

Also present: Terri Lee Coleman, Linda Reed (note taker)

2. Public Comment

No public comment was made.

3. Action Items

3.A. Approval of July 12, 2016 Meeting Minutes

On a motion by Richard Mahon, seconded by Kevin Walthers, the Foundation board voted to approve the minutes of the July 12, 2016 board meeting as submitted.  
(Ayes: Black, Koch, Lahr, Mahon, Walthers; Noes: None; Abstentions: None)

3.B. Election of Directors and Officers

On a motion by Larry Lahr, seconded by Michael Black, the Foundation board approved the election of the following directors and officers: Alfredo Koch, President; Larry Lahr, Vice President; Michael Black, Treasurer; Richard Mahon, Secretary; and Kevin Walthers; Director.  
(Ayes: Black, Koch, Lahr, Mahon, Walthers; Noes: None; Abstentions: None)

3.C. Determination of Date, Time and Place of Regular Board Meetings

On a motion by Richard Mahon, seconded by Larry Lahr, the board approved holding regular meetings at 3:30 p.m. on December 14, 2016, March 15, 2017, and September 20, 2017, and holding the annual meeting at 3:30 p.m. on June 21, 2017.  
(Ayes: Black, Koch, Lahr, Mahon, Walthers; Noes: None; Abstentions: None)

3.D. Designation of Staff Authorized to Approve the Movement of Wine Out of Inventory

On a motion by Kevin Walthers, seconded by Michael Black, the board designated the following employees who can authorize the release of wine from inventory: Alfredo Koch, Michael Black, Kevin Walthers, Richard Mahon, and George Railey. (Ayes: Black, Koch, Lahr, Mahon, Walthers; Noes: None; Abstentions: None)

3.E. Facility Security and Access to the Winery Premises

On a motion by Kevin Walthers, seconded by Michael Black, the board authorized the following employees, in addition to Plant Services staff, to have access: Alfredo Koch, Michael Black, Kevin Walthers, Richard Mahon, George Railey, and the lab assistant. (Ayes: Black, Koch, Lahr, Mahon, Walthers; 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 August 31, 2016. He noted that there has not been a lot of activity, and sales are down compared to last year. Contracts for servicing the vineyards were paid, but \$20,000 on the wine filter has not been paid to the district yet. Alfredo Koch welcomed suggestions for sales and will prepare a case of wine to take to events for promoting the winery if you let him know in advance.

4.B. Winery Inventory Report

Michael Black reviewed the inventory report as of August 31, 2016. He commented that unidentified shrinkage is a reason for better security, and it needs to get down to zero. Alfredo Koch added that some shrinkage is due to donations they did not track.

A discussion followed about wine labels and using student art work. Dr. Walthers suggested label design as a project for the marketing class (offered in spring 2017). Design from students can be ongoing. We need to either continue Captain's Reserve or not and label what we have this semester, including Chardonnay when bottled. Alfredo said they have identified a few designs. They have a new Pinot Rose and will have a sparkling wine later this year. Dr. Walthers noted that we should have a permanent label for wine from our vineyard and a different label for wine from donated grapes.

Dr. Walthers stressed the need for a plan merging the academic program and the winery. Michael Black mentioned PCPA as an example; their lab and academic calendars are integrated. He suggested integrating a Strong Workforce plan for funding with the lab plan.

4.C. Donation Report

Alfredo Koch reported that the Viticulture and Enology Foundation received the following donations: 40 small Chardonnay Vines from Vintage Nurseries of Wasco, California and one Bordeaux export icone American oak wine barrel from Seguin Moreau Napa Cooperage Inc. of Napa, California.

5. New Business/Oral Reports

As a thank you for the Rancho Vino fundraiser, Alfredo Koch will invite the Coast Hills team to the winery for a tasting and perhaps pizza from the winery's portable pizza oven. He also announced that a professor from UC Davis will be here October 31 for a technical presentation.

Terri Lee Coleman passed out invitations to the Fall Gathering reception on October 19 at Cottonwood Canyon Winery, sponsored by the AHC Foundation. She reported that Rancho Vino was a success. Coast Hills is still tallying the proceeds and will present a check at the board of trustees meeting on November 8.

Dr. Walthers said that Michael Black and Dr. Mahon will discuss how to move forward toward a plan to integrate the academic program and the winery before scheduling a presentation on the viticulture and enology program at a board of trustees meeting.

Michael Black commented that he is happy we have Mike Sandoval in place at the winery and a plan for more help. In October, the district will create a full-time lab assistant position with Strong Workforce funding.

Alfredo Koch is following up on a volunteer's suggestion to stack barrels on industrial racks using a forklift. He suggested two items to consider purchasing with proceeds from the Rancho Vino fundraiser: a capper for screw tops (approximately \$8,000) and a grape elevator.

Dr. Walthers added that a capper would provide good experience for students, and both items should be included in the Program Review. He also suggested looking into Cooperative Work Experience whereby students could get credit for working in the winery.

6. Adjournment

Alfredo Koch adjourned the meeting at 4:20 p.m.

7. The next regular board of directors meeting will be held on Wednesday, December 14, 2016 at 3:30 PM in the Captain's Room, Building B.

Richard Mahon  
Foundation Secretary



## *AHC Viticulture & Enology Foundation*



To: Board of Directors	<b>INFORMATION ITEM</b>
From: Alfredo Koch, President	Date: December 14, 2016
Subject: Engagement of Students in Sales, Marketing, and Promotion	Item Number: 4.B.
	Enclosure(s): Page 1 of 1

### BACKGROUND

Alfredo Koch and Brook Williams, part-time instructor, will discuss efforts to engage viticulture and enology students in the sale, marketing, and promotion of AHC wines. They have been discussing with the instructors possibilities for engaging the students in the marketing and sales processes. Requirements of the wine industry pose some difficulties, as we must comply with all federal, state, and college regulations.

To conduct wine sales and promotional events, the AG 114 Wine Business course will be offered in the fall, and the AG 105 Wine Marketing and Sales course will be offered in the spring. All related marketing and sales will be conducted by students to the extent that is legally possible and that our capabilities allow.

As a part of the wine business and marketing courses, labels and promotional designs will be produced with the help of the fine arts department (art, graphic design) and other campus departments as needed.



## *AHC Viticulture & Enology Foundation*



To: Board of Directors	<b>INFORMATION ITEM</b>
From: Michael Black, Treasurer	Date: December 14, 2016
Subject: The Role of Auxiliary Accounting Services	Item Number: 4.C.
	Enclosure(s): Page 1 of 1

### BACKGROUND

The Auxiliary Accounting Services department provides accounting and reporting services for the AHC Viticulture & Enology Foundation. The services provided include reconciling wine sales cash receipts and preparing them for deposit to Rabobank, recording the wine sales activity in ONESolution, the college's financial software, invoicing retailers for wine purchased at wholesale prices, depositing and posting cash and non-cash donations, reconciling the bank account, tracking and reporting on the inventory, approving and printing purchase orders, preparing invoices and reimbursement requests for payment, printing and mailing checks, preparing the financial statements, remitting taxes and reports to state and federal agencies, and preparing for the annual audit and 990 tax return.





*AHC Viticulture & Enology Foundation*



To: Board of Directors	<b>INFORMATION ITEM</b>
From: Michael Black, Treasurer	Date: December 14, 2016
Subject: Financial Report	Item Number: 4.D.
	Enclosure(s): Page 1 of 3

BACKGROUND

Attached are the balance and income sheets for the AHC Viticulture and Enology Foundation as of November 30, 2016.

**AHC Viticulture & Enology Fdtn  
Balance Sheet  
As of November 30, 2016**

**Assets**

Rabobank Checking	97,551
Accounts Receivable	1,700
<b>Total Assets:</b>	<b>99,251</b>

**Liabilities**

Accounts Payable	(74)
Sales Tax Payable	1,703
<b>Total Liabilities:</b>	<b>1,629</b>

**Fund Balance**

Fund Balance, July 1	54,711
Current Income(Loss)	42,911
<b>Total Fund Balance:</b>	<b>97,622</b>
<b>Total Liabilities and Fund Balance:</b>	<b>\$99,251</b>

**AHC Viticulture & Enology Fdtn  
Income Statement  
As of November 30, 2016**

**Revenue**

Sales & Commissions	13,205
Sales Returns & Allow	-17
Sales Discounts	-2,527
Contributed Gifts/Grants/Endw	65,004
Non-Cash Contribution	2,086
<b>Total Revenues:</b>	<b>77,751</b>

**Expenditures**

Technology Supplies	137
Office/Operational Supplies	1,396
In-Kind Supply Contribution	1,980
Printing	532
Food Supplies	73
Service Contracts (Businesses)	6,681
Technology Services	200
Facility Leases	100
Land Lease	400
Legal Fees	106
District/College Support	20,226
Postage/Express Services	5
Advertising	1,400
Merchant Fees	145
Cash Over and Short	24
Equipment	1,434
<b>Total Expenditures:</b>	<b>34,840</b>
<b>Net Income(Loss)</b>	<b>42,911</b>

**Fund Balance**

Fund Balance, July 1	54,711
<b>Current Balance:</b>	<b>\$97,622</b>


***AHC Viticulture & Enology Foundation***


To: Board of Directors	<b>INFORMATION ITEM</b>
From: Alfredo Koch, President	Date: December 14, 2016
Subject: Winery Inventory Report	Item Number: 4.E.
	Enclosure(s): Page 1 of 2

**BACKGROUND**

Attached is the inventory report as of November 30, 2016. Alfredo Koch and Mike Sandoval will explain the process for recording and approving inventory movement, as well as any shrinkage.

**Allan Hancock College Viticulture & Enology Foundation  
Board Inventory Report: September - November 2016**

	Beginning Inventory				Ending Inventory						
	09/01/16 Physical Count	Retail Price per bottle	equals: 9/01 Inventory Valuation	less: Sales	less: Donations	less: Tasting	less: Shrinkage	equals: 11/30/2016 Physical Count	Retail Price per bottle	equals: Inventory Valuation	
Cabernet Sauvignon Paso Robles 2014	0	\$ 18.48	\$ -	0	0	0	0	0	\$ 18.48	\$ -	
Chardonnay Barrels 2014 (Oak)	118	16.63	1,962.34	-81	-61	-9	52	19	16.63	315.97	
Chardonnay Stainless Steel 2014	1	13.86	13.86	0	0	0	-1	0	13.86	-	
Magnum	17	36.95	628.15	-2	0	0	0	15	36.95	554.25	
Pinot Noir AHC 2014 (Estate SBC)	1841	16.63	30,615.83	-124	-88	-5	-34	1590	16.63	26,441.70	
Pinot Noir Rose 2014	160	13.86	2,217.60	-42	-36	-9	-17	56	13.86	776.16	
Pinot Noir Santa Rita Hills 2014	0	18.48	-	0	0	0	0	0	18.48	-	
Red Wine Paso Robles 2014 (Bordeaux)	419	14.78	6,192.82	-78	-40	-5	1	297	14.78	4,389.66	
Syrah AHC 2014 (Estate Syrah)	0	18.48	-	-1	1	0	0	0	18.48	-	
Syrah SBC 2014	823	16.63	13,686.49	-84	-63	-11	-15	650	16.63	10,809.50	
Torrontes 2014	0	13.86	-	0	0	0	0	0	13.86	-	
Torrontes Rose 2014	2	13.86	27.72	0	0	0	-2	0	13.86	-	
<b>2012 White Wine Torrontes added to inventory in November 2016</b>											
White Wine Torrontes 2012	750	13.86	10,395.00	-28	-3	-4	-1	714	13.86	9,896.04	
White Wine Torrontes/Bottle (Holiday)	30	5.54	166.20	-30	0	0	0	0	5.54	-	
White Wine Torrontes/Case (Holiday)	36	55.43	1,995.48	-36	0	0	0	0	55.43	-	
Total	4197		\$ 67,901.49	-506	-290	-43	-17	3341		\$ 53,183.28	


**AHC Viticulture & Enology Foundation**


To: Board of Directors	<b>INFORMATION ITEM</b>
From: Richard Mahon, Secretary	Date: December 14, 2016
Subject: Facility Security and Access to the Winery Premises	Item Number: 4.F.
	Enclosure(s): Page 1 of 1

BACKGROUND

At the September 21, 2016 meeting of the Board of Directors, the following employees were authorized to have access to the winery premises, in addition to Plant Services staff: Alfredo Koch, Michael Black, Kevin Walthers, Richard Mahon, George Railey, and the viticulture/enology lab assistant.

Richard Mahon will provide an update on the implementation of security measures.



## *AHC Viticulture & Enology Foundation*



To: Board of Directors	<b>INFORMATION ITEM</b>
From: Michael Black, Treasurer	Date: December 14, 2016
Subject: Point of Sale (POS) System and Accounting for Valuation on the Inventory Report	Item Number: 4.G.
	Enclosure(s): Page 1 of 1

### BACKGROUND

Auxiliary Accounting Services staff has contacted Toshiba and obtained the hardware and software installation manuals for the Point of Sale (POS) system removed from the bookstore. Staff is in discussion with an outside contractor to determine the cost to configure the system to meet the needs of the viticulture and enology program. I am researching cost accounting standards for grape and wine production with the objective of establishing a system for valuation of cost of goods and inventory.



## *AHC Viticulture & Enology Foundation*



To: Board of Directors	<b>INFORMATION ITEM</b>
From: Alfredo Koch, President	Date: December 14, 2016
Subject: Donation Report	Item Number: 4.H.
	Enclosure(s): Page 1 of 1

### BACKGROUND

The foundation has received the following donation since the last board meeting.

- \$65,000 from CoastHills Community Foundation and CoastHills Credit Union, representing the proceeds from the 10<sup>th</sup> Annual Rancho Vino fundraiser held on September 10, 2016, in partnership with Presqu'ile Winery. These funds will be used to continue the agriculture scholarships established by CoastHills last year and to support the college's agribusiness, viticulture, and enology courses with current curriculum and equipment.





## *AHC Viticulture & Enology Foundation*



To: Board of Directors	<b>INFORMATION ITEM</b>
From: Alfredo Koch, President	Date: December 14, 2016
Subject: Recent/Upcoming Events	Item Number: 4.I.
	Enclosure(s): Page 1 of 1

### BACKGROUND

Recent and/or upcoming events include the following:

2<sup>nd</sup> Annual Wine Tasting and Sale on Saturday, November 5, 2016, from 11 AM to 4 PM at the AHC Winery;

AHC Wines Cyber Holiday Sale – 30 percent off every bottle of award-winning wines at the AHC Winery from 10 AM to 4 PM on Thursdays, December 1, 8 and 15, and from 10 AM to 3:30 PM on Fridays, December 2, 9 and 16.



## *AHC Viticulture & Enology Foundation*



To: Board of Directors	<b>INFORMATION ITEM</b>
From: Alfredo Koch, President	Date: December 14, 2016
Subject: Need for Electrical Upgrade and Refrigerated Container at the AHC Winery	Item Number: 4.J.
	Enclosure(s): Page 1 of 1

### BACKGROUND

Some winery equipment, such as presses, destemmers and filters, use a higher voltage than normal equipment, and our winery does not provide an adequate electrical supply at this time. The approximate cost of an electrical upgrade is \$15,200. There is also a need to consolidate and separate some finished goods (wines) for storage. The best solution is to store wines in a refrigerated container outside the winery on the working space crush pad. The approximate cost of a refrigerated container is \$12,000.

Both could be purchased with funding from CoastHills Community Foundation's recent donation, or district funding could be used for the electrical upgrade. The viticulture and enology department requests direction from the board on possible steps to implement these improvements.