

Allan Hancock College

Viticulture & Enology Foundation



Board of Directors Meeting

March 10, 2021
3:30 PM

This meeting will be conducted via zoom:
<https://cccconfer.zoom.us/j/96318536899>



Allan Hancock College Viticulture & Enology Foundation



Board of Directors

Quarterly Meeting

Wednesday, March 10, 2021

3:30 p.m. to 4:30 p.m.

Zoom Meeting: <https://cccconfer.zoom.us/j/96318536899>

In response to the Coronavirus crisis, the Governor has issued **Executive Order N-25-20**, **Executive Order N-29-20**, and **Executive Order N-35-20** modifying the Brown Act in order to facilitate essential public meetings being held through remote methods, such as telephonically or electronically.

AGENDA

	<u>Page</u>	<u>Est. Time</u>
1. Call to Order		3:30 PM
2. Public Comment		
<p>This 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> Public comment on an agenda item or another topic must be submitted in advance, no later than one hour before the start of the meeting, on March 10, 2021, via email to: evalenzuela@hancockcollege.edu. Comments will be read by district staff for the record during the meeting.</p>		
3. Action Items		3:30 PM
3.A. Approval of December 9, 2020 Meeting Minutes	3	
<p>A recommendation that the board approve the minutes from the December 9, 2020 meeting.</p>		
4. Information Items		3:45 PM
4.A. Winery Online Sales Software Change Update	6	
<p>An update on the implementation of Active8 will be provided.</p>		
4.B. Winery Production	8	
<p>An update on the short-term winery bottling plans will be provided.</p>		
4.C. Winery Board Inventory Report	10	
<p>A report on year-to-date financial data ending December 31, 2020.</p>		
4.D. Financial Report		13

A report on year-to-date financial data ending December 31, 2020.

- | | | |
|----|---------------------------|---------|
| 5. | New Business/Oral Reports | 4:20 PM |
| 6. | Adjournment | 4:30 PM |

The annual meeting of the board of directors will be held on June 16, 2021.

In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the associate superintendent/vice president of finance and administration's office at (805) 922-6966 ext. 3939. Please make requests 48 hours prior to the meeting in order to make reasonable arrangements to ensure accessibility to this meeting.

Kevin G. Walthers, Ph.D.
Foundation President

ALLAN HANCOCK COMMUNITY COLLEGE
Viticulture & Enology Foundation



Minutes

Board of Directors

Wednesday, December 9, 2020

3:30 p.m.

Teleconference: <https://cccconfer.zoom.us/j/96318536899>

Kevin G. Walthers, Ph.D., Board President
 Larry Lahr, Vice President
 Eric D. Smith, Treasurer
 Sean J. Abel, Secretary
 Alfredo Koch, Ph.D., Board Member

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

1. Call to Order

Dr. Kevin G. Walthers called the meeting to order at 3:30 p.m. with the following directors present: Sean J. Abel, Alfredo Koch, and Larry Lahr.

Absent: Eric D. Smith

Guests present: Jon Hooten, Keli Seyfert

Note taker: Espie Valenzuela

2. Public Comment

No public comments were received.

3. Action Items

3.A. Approval of September 16, 2020 Meeting Minutes

On a motion by Sean J. Abel seconded by Alfredo Koch, the board approved the minutes from the September 16, 2020 board meeting.

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

3.B. Acceptance of Donations

The board received donations from Snap-on Inc., and Cambria Winery – Jackson Family Wines valued at \$5,547.50 in support of the viticulture program.

On a motion by Alfredo Koch seconded by Sean J. Abel, the board approved the donations received.

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

4. Information Items

4.A. Planting Suggestions

Alfredo Koch stated Pinot Noir was increasing for market conditions. The plan is to reduce Pinot Noir and start practicing with other varietals that can be blended with existing wines that we already have. Alfredo indicated our vineyard is in constant change and adaption. He shared a presentation of the Vineyard Plans. The recommendation is to adapt slowly to future blends and sell the Pinot Noir grapes at market price of approximately \$2,000/ton. And gradually start

replanting with new vines. As more info is received from nurseries, research and growers in different regions we can start adapting our future production. There are benefits of a slow transition. Future blends were shared for the upcoming of planting varietals.

Kelsie Norris said having more varietals should not affect the sales of those wines that have already been sold. From a marketing point, having more varietals may not increase sales. We currently have 12 wines for sale right now. Kelsie indicated there will be 7 new varietals which will bring it up to a total of 14.

Keli Seyfert added our big sellers last fiscal year was the Pinot Noir, Cabernet, and Torrontes.

Alfredo noted the advantages of expanding varietals is good exposure for the students as they are educated in different possibilities. We want to keep their interest at its peak. It also provides a variety in the tasting room as people visiting may want to try something new and different.

Dr. Walthers concern is that we have too many varietals. Trader Joes and Spencer's are currently purchasing Pinot, why reduce our production? We have a huge inventory of wine now and the inability of marketing so many brands is a concern.

Alfredo stated if the board supports they would like to plant two rows of Malbec this spring. Dr. Walthers is in support of increasing the Malbec but suggested holding off on the recommendation of adding more varietals. Goal is to help our students understand the business side of selling wine. Larry Lahr supported Dr. Walthers suggestion.

Alfredo agreed with the suggestion and added we can certainly bring the plan back for further discussion, as it is a long-term goal.

4.B. Activ8 Update

Kelsie Norris said training is scheduled December 16 with herself, Alfredo Koch, Bruce Wade, and Keli Seyfert. The goal is to have the credit card reader set up, website online sales, and wine club set up and running by the end of January. VinoShipper will remain on our website for out of state sales.

4.C. Estimated Wine Production and Sales

Kelsie Norris provided an update regarding the wine production and sales. Jon Hooten added an interesting discussion for a future agenda topic would be to determine a direction that you want to go long term with the winery, in terms of what you want to be known for and who you want your market position to be. Dr. Walthers agreed to have someone come in who could guide that conversation.

4.D. Estimated Cost Reduction Plan

Strategies for cost reductions were presented by Alfredo Koch and Kelsie Norris. Chemical analysis can be completed in-house. \$4,000 is suggested to purchase equipment needed for the analysis, which would save up to \$7,00 per year. Dr. Walthers suggested to meet with M.Lau regarding a request for funds (Strong Workforce) to support our student needs in the program, specifically for the wine analysis course.

4.E. Winery Board Inventory Report

Keli Seyfert presented the wine inventory report as of October 31, 2020.

4.F. Financial Report

Keli Seyfert discussed the financial statements detailing the year-to-date financial data ending October 31, 2020.

5. New Business/Oral Reports

Kelsie Norris provided an update regarding the Encore Circle and President's Circle event. Sold 10-15 cases of wine, totaling \$3500.

Alfredo Koch shared student recommendations for a Sales and Marketing Plan, AHC Wine Guide developed and published on an annual basis. A newsletter, booklet would be informational and serve as additional advertising. Marketing plan ideas and Regional Marketing Program was suggested for an eat local/drink local marketing program. A Mobile Marketing Program was suggested to initiate and develop, student involvement, community outreach, creating videos for marketing program, wine guide, Edu-tainment (educational videos), use QR Codes, International Education Program.

6. Adjournment

The next regular meeting of the board of directors will be held on March 10, 2021 at 3:30 p.m.

adjourned 4:30 p.m.

Kevin G. Walthers, Ph.D.
Board President Secretary



AHC Viticulture & Enology Foundation



To: Board of Directors	INFORMATION ITEM
From: Sean J. Abel, Secretary	Date: March 10, 2021
Subject: Winery Online Sales Software Change Update	Item Number: 4.A.
	Enclosure(s): Page 1 of 2

BACKGROUND

Training is close to completion.

We plan to continue with both VinoShipper for out of state sales and Activ8 for in state sales.

Wine sales are currently being conducted through VinoShipper. VinoShipper was contracted for online sales, collections and shipping. Our bond is used in the state of California and in other states VinoShipper bond is used. Costs are 4.75 percent plus 75 cents per unit sold in California and 8.75 percent plus 75 cents per unit sold in any other state. Wine club sales are at 8.75 percent plus 75 cents per unit.

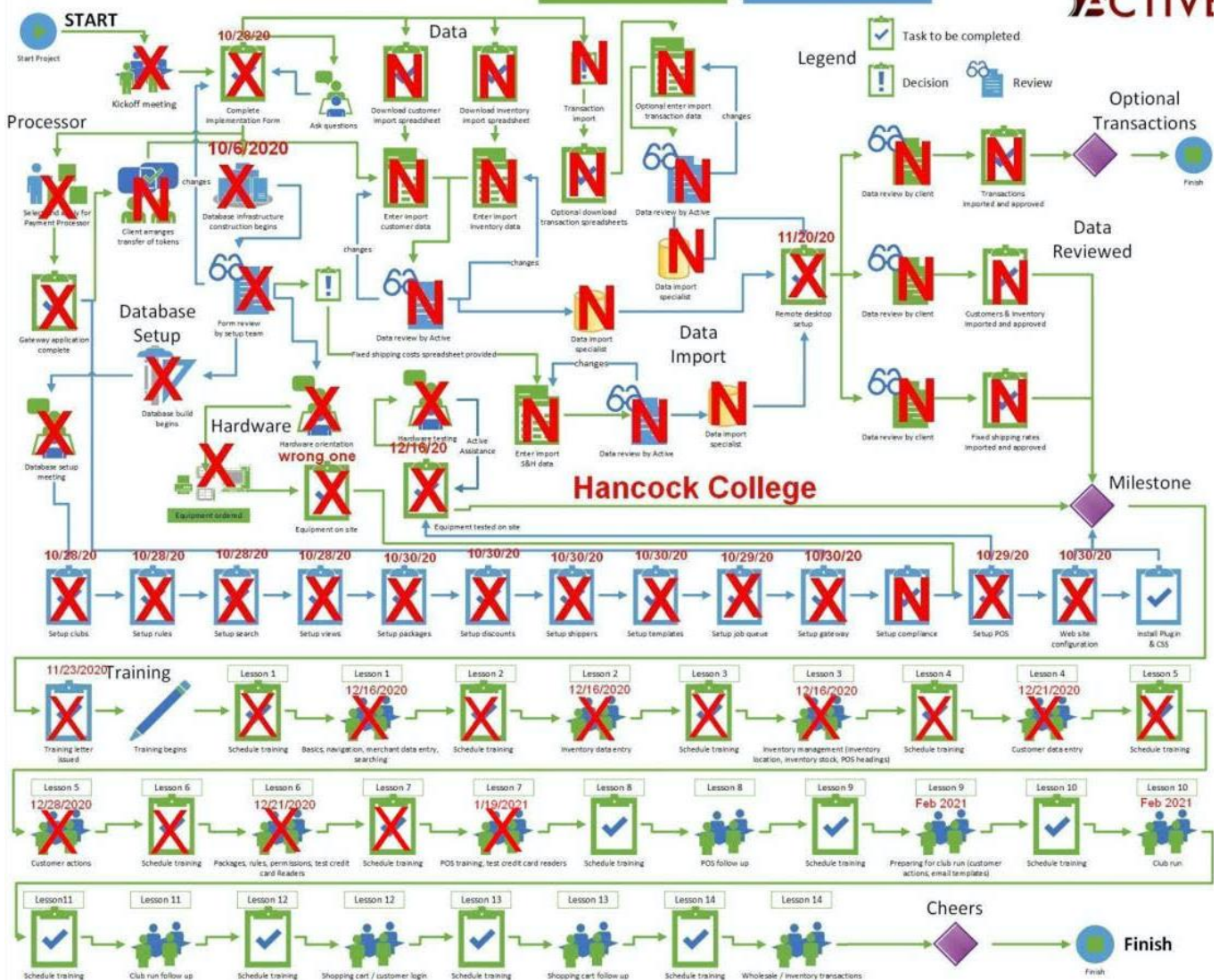
It was requested in previous meeting to look for a software that could unify all inventories. Action 8 commerce can do that, with the advantage of a lower cost. The disadvantage is that it is only for the state of California, although most of our sales are in CA. The costs of installation are being donated but there is a charge of approximately 3 percent of sales. This software includes POS management, club management, ecommerce, marketing, shipping, tracking, inventory and data management.

Active8 combines eCommerce, POS and Wine Club all into one system, making it easier to keep track of sales and inventory.

Active8 is donating the system and monthly fees to the winery. It would usually cost \$1500 set up fee and monthly fees of \$200-\$450 a month. Only fees would be the CC fees which are 2.6 percent plus 10 cents a transaction. We may also need to purchase a new receipt printer for \$300.



Active Database Implementation Roadmap





AHC Viticulture & Enology Foundation



To: Board of Directors	INFORMATION ITEM
From: Sean J. Abel, Secretary	Date: March 10, 2021
Subject: Winery Production	Item Number: 4.B.
	Enclosure(s): Page 1 of 2

BACKGROUND

Winery Production:

We decided that the 2020 Vintage production be lowered to about 300-350 cases of wines.

By lowering 2020 production, we hope to get caught up on inventory without having to do as many drastic sales. This should help with winery profits on both bottled and bulk wine.

We also expect to reach usual grape prices next season in our grape sales.

2020 BULK WINE INVENTORY		
WINE	GALS	CASES
Chardonnay	182	77
Albarino	57	24
Torrontes	0	0
Pinot Noir	276	116
Cabernet Sauvignon	155	65
Malbec	15	6
Syrah	148	62
Blanc de Noir	0	0
TOTALS	833	350

The projected production for 2021 will probably be around 400-500 cases.

Bottlings:

March 2021

VINTAGE	WINE	GLASS	CLOSURE	COLOR	GALLONS	CASES	GLASS	SCREWCAP
2020	Albarino	BDX-Flint	Screwcap	White	60	25	26	309
2020	Chard	BGY-AG	Screwcap	Black	180	76	77	927
2020	Rose	BDX-Flint	Screwcap	Red	85	36	36	438
2019	Cab Sauv	BDX-AG	Cork	n/a	340	143	146	0
2019	Syrah	BGY-AG	Cork	n/a	210	88	90	0
					875	368		

July 2021

VINTAGE	WINE	GLASS	CLOSURE	COLOR	GALLONS	CASES	GLASS	SCREWCAP
2020	Pinot Noir	BGY-AG	Screwcap	Red	236	99	101	1215
						0	0	0
						0	0	0
					236	99		



AHC Viticulture & Enology Foundation



To: Board of Directors	INFORMATION ITEM
From: Eric D. Smith, Treasurer	Date: March 10, 2021
Subject: Winery Board Inventory Report	Item Number: 4.C.
	Enclosure(s): Page 1 of 3

BACKGROUND

Attached is the winery board inventory report for the AHC Viticulture and Enology Foundation as of December 31, 2020.

Allan Hancock College Viticulture & Enology Foundation
Board Inventory Report
As of December 31, 2020

Vintage/Varietal	Bottled Wines										
	FY21 Beginning Inventory (Bottles)	Minus: YTD Sales	Minus: YTD Donations	Minus: YTD Winery Use	Plus/Minus: YTD Adjustments	Plus: YTD Inventory Additions	FY21 Ending Inventory (Bottles)	Cost per Bottle	FY21 Ending Inventory Cost Value	Retail Cost per Bottle	FY21 Ending Retail Cost Value
2014 Pinot Noir AHC (Estate SBC)	121	-109	0	-12	0	0	0	3.38	0.00	18.00	-
2015 Pinot Noir	986	-959	0	-27	0	0	0	1.76	0.00	18.00	-
2016 Pinot Noir Blanc de Noir (Sparkling)	254	-218	0	-13	1	0	24	4.46	107.00	30.00	720.00
2017 Albarino	290	-280	0	-9	-1	0	0	6.05	0.00	14.00	-
2017 Pinot Noir	437	-160	-23	-19	0	0	235	6.61	1,553.52	18.00	4,230.00
2017 Pinot Noir Rose	7	-8	0	0	1	0	0	6.31	0.00	14.00	-
2017 Syrah	71	-70	0	-1	0	0	0	5.96	0.00	18.00	-
2017 Torrontes	16	-13	0	-4	1	0	0	5.22	0.00	14.00	-
2017 Sparkling Wine	0	-36	0	0	0	36	0	9.49	0.00	30.00	-
2018 Albarino	248	-71	-7	-12	-1	0	157	5.68	890.99	14.00	2,198.00
2018 Bordeaux (Blend)	1,006	0	0	-6	0	0	1,000	8.04	8,036.13	15.00	15,000.00
2018 Cabernet Sauvignon (RSQ)	491	-152	-6	-16	0	0	317	9.54	3,024.32	15.00	4,755.00
2018 Chardonnay (Steel)	247	-224	-15	-6	-2	0	0	6.53	0.00	14.00	-
2018 Chardonnay (Oak)	431	-69	-6	-3	2	0	355	8.39	2,978.77	14.00	4,970.00
2018 Malbec	204	-127	-4	-16	0	0	57	4.89	278.95	15.00	855.00
2018 Pinot Noir Rose	210	-192	-2	-14	-2	0	0	5.21	0.00	14.00	-
2018 Syrah (Estate)	304	-56	-8	-15	0	0	225	14.26	3,209.55	18.00	4,050.00
2018 Syrah (Blend)	516	-151	-3	-32	-12	0	318	5.82	1,852.03	18.00	5,724.00
2018 Torrontes (Old)	865	-376	0	-16	0	0	473	4.42	2,088.83	14.00	6,622.00
2018 Centennial Sparkling 750 ml	0	-46	0	-10	0	552	496	10.62	5,265.67	30.00	14,880.00
2018 Centennial Sparkling 1.50 L	0	0	0	0	0	156	156	20.33	3,170.85	45.00	7,020.00
2019 Albarino	0	0	0	0	0	192	192	10.34	1,986.09	14.00	2,688.00
2019 Chardonnay	0	0	0	-1	0	720	719	10.27	7,387.08	14.00	10,066.00
2019 Grenache	0	-13	0	-5	0	396	378	9.91	3,747.05	18.00	6,804.00
2019 Grenache blanc	0	-34	0	-8	-2	216	172	11.18	1,922.32	15.00	2,580.00
2019 Merlot	0	-24	0	-10	0	588	554	9.19	5,091.60	18.00	9,972.00
2019 Pinot Noir	0	0	0	-4	0	528	524	9.44	4,945.91	18.00	9,432.00
2019 Torrontes	0	0	0	-1	0	347	346	14.05	4,860.45	14.00	4,844.00
2019 Zinfandel	0	0	0	-7	0	852	845	9.28	7,837.97	15.00	12,675.00
Total Number of Bottles	6,704	-3,388	-74	-267	-15	4,583	7,543				
Cost Value Totals	\$ 41,132.22	\$ (16,731.73)	\$ (558.92)	\$ (1,772.58)	\$ (94.68)	\$ 48,260.81	\$ 70,235.09		\$ 70,235.09		\$ 130,085.00

**Allan Hancock College Viticulture & Enology Foundation
Board Inventory Report
First Class Pinot Noir
As of December 31, 2020**

Bottled Wines											
Vintage/Varietal	FY21 Beginning Inventory (Bottles)	Minus: YTD Sales	Minus: YTD Donations	Minus: YTD Winery Use	Plus/Minus: YTD Adjustments	Plus: YTD Inventory Additions	FY21 Ending Inventory (Bottles)	Cost per Bottle	FY21 Ending Inventory Cost Value	Retail Cost per Bottle	FY21 Ending Retail Cost Value
First Class Pinot Noir	276	-264	0	-12	12	0	12	\$ 16.50	\$ 198.04	\$ 30.00	\$ 360.00
Total Number of Bottles	276	-264	0	-12	12	0	12				
Cost Value Totals	\$ 4,554.00	\$ (4,356.00)	\$ -	\$ (198.04)	\$ 198.04		\$ 198.04		\$ 198.04		\$ 360.00



AHC Viticulture & Enology Foundation



To: Board of Directors	INFORMATION ITEM
From: Eric D. Smith, Treasurer	Date: March 10, 2021
Subject: Financial Report	Item Number: 4.D.
	Enclosure(s): Page 1 of 3

BACKGROUND

Attached are the income statement and balance sheet for the AHC Viticulture and Enology Foundation as of December 31, 2020.

**AHC Viticulture & Enology Foundation
Statement of Financial Position
For The Period Ending 12/31/2020**

Assets

Claim on Cash	60,564
Cash on Hand	100
Accounts Receivable	1,083
Charge Sale Clearing Account	468
Due From Other Funds	615
Inventory-Bulk Wine	58,249
Inventory-Bottled Wine	70,433
Total Assets:	<u>191,513</u>

Liabilities

Sales Tax Payable	573
Total Liabilities:	<u>573</u>

Fund Balance

Fund Balance, July 1	193,426
Current Income (Loss)	(2,486)
Total Fund Balance:	<u>190,940</u>
Total Liabilities and Fund Balance:	<u>191,513</u>

AHC Viticulture & Enology Foundation
Statement of Operations
For The Period Ending 12/31/2020

Revenue

Contributions, Gifts, Grants & Endowments	1,500
Non Cash Contribution	14,554
Other Local Revenues	0
Net Revenue	16,054

Wine Operations

Sales and Commission	70,457
Sales Discounts	(32,885)
Net Sales	37,572
Cost of Goods Sold	(33,528)
Gross Profit	4,044
Gross Profit Margin	10.8%

Total Revenues 20,098

Expenditures

Office/Operational Supplies	12,129
In Kind Supply Expense	8,679
Inventory Allocation Expense	(52,014)
Non Instr Printing	5,759
Food - Business Meetings/Events	440
Service Contracts (Businesses)	22,903
Travel - All Travel Costs	1,200
In Kind-Software/Technlgy Licenses	6,975
Sales Tax Expense	181
Postage/Express Services	168
Merchant Fees	3,075
Gain/Loss-Disposal of Assets	4,096
Cash Over and Short	(6)
Equipment	5,218
Equipment-In Kind Donations	3,780
Total Expenditures	22,584
Net Income (Loss)	(2,486)

Fund Balance

Fund Balance, July 1	193,426
Current Balance	<u>\$190,940</u>