

IDITAROD TRAIL COMMITTEE, INC.
BOARD OF DIRECTORS MEETING
Millennium Alaskan Hotel
May 5, 2012

CALL TO ORDER

The meeting was called to order by President Andy Baker at 9:04 a.m.

ROLL CALL

Members present: Andy Baker, Aaron Burmeister, John Handeland, Mike Jonrowe (via phone), Mark Moderow, Danny Seybert, Rick Swenson and Aliy Zirkle

Members absent: Mike Owens and Joe Redington, Sr.

Others present: Stan Hooley, Executive Director; Mark Nordman, Race Director; Don Patterson, Finance Director; Diane Johnson Education Director; Erin McLarnen, Communications Director and Joanne Potts, Recording Secretary.

The president noted that Joe Redington Sr.'s absence is excused. He is on the trail.

The President noted that Danny Seybert's son is seriously ill in ICU and asked Handeland to offer a prayer for his recovery.

PUBLIC COMMENT

There was no public comment.

APPROVAL OF AGENDA

Seybert/Burmeister moved to approve the agenda as presented.

Committees as 9.2 and By Law Changes as 9.3 were added.

Moderow noted that he'd like to talk about the five year plan. The President added that to the agenda.

Seybert/Burmeister motion to approve the agenda was approved with the addition requested.

ADOPTION OF MINUTES OF FEBRUARY 17, 2012

Handeland/Seybert moved to adopt the minutes of the February 17 board meeting. Motion passed.

PRESIDENT'S REPORT – ANDY BAKER

Baker reported that he'd been working in Juneau to get \$1,000,000 from the State but was successful in getting \$100,000, noting that that opens the door. It's a start to build upon and said he wants to appoint

a new committee with John Handeland in charge to do more lobbying. Seybert asked to be part of that legislative committee. He noted that there are no strings on that \$100,000.

He stated that communication with Hooley has been great and said he was very happy about that.

He commented on a letter from Eric Rogers to the Board that he said the Board would take a positive look at.

EXECUTIVE DIRECTOR'S REPORT

Hooley's written report was in the Board Packet.

Hooley pointed out that the nomination and election process is in progress and that the nominees selected by the nominating committee are Handeland for Seat A, Stan Foo for Seat B and Dan Seavey and Rick Swenson for Seat C. All have been contacted for the information necessary or the ballot materials.

He noted that as of now, the net revenue projection is \$145K, about \$250K under what had been hoped for. He explained that significant debt has been paid down and the payables are currently on track, with 30 day balances of \$24K.

He explained that negative cash flow is expected monthly between now and the first of October. We need cash now to get through in a workable fashion until sponsor money begins to come in.

Handeland/Seybert moved to enter into a line of credit with a bank and authorize the Executive Committee to approve the final details.

Hooley suggested that that line of credit should be for \$150K.

Baker noted that there is an existing \$100K line of credit now that needs to be paid off.

Seybert suggested that it is important that once a year this line of credit is paid down to \$0.

There was discussion as to whether \$150K is enough and Handeland asked the second if he would be willing to amend the motion to say "up to \$300K."

Patterson noted that the five year plan currently calls for paying off the current \$100K line of credit by paying \$50K this year and \$50K next year.

Swenson commented that he was disappointed that Iditarod needs to seek this line of credit but understands that operating cash is necessary. Seybert noted that this is a very common business practice.

Baker noted that Iditarod's Tax Credit had been sold to Northrim Bank and perhaps it would be well to begin a relationship with that financial institution.

Handeland/Seybert's motion with the amendment of "up to \$300K" passed.

Seybert/Handeland moved that when the line of credit is approved, it will be paid down once a year.

Hooley explained that the balance would be reduced by the end of the year but it wouldn't have to stay there. It could be redrawn.

Seybert/Handeland motion passed.

Hooley noted that the budget and race rules will be adopted at the June 1 Board meeting. He said he will bring the proposed budget to the Board by Friday, May 25.

He noted all the financial detail was in his written report.

Moderow noted that Iditarod has no reserved account now, that the rounder is the operational cash.

RACE DIRECTOR'S REPORT – MARK NORDMAN

Nordman's written report was in the packet.

Nordman explained that straw is a big deal to the government right now. They are still looking for viable bedding material, but we're sitting well with them on that. It sounds like they are willing to work with the growers in Delta to have a cleaner product. They received grant money to work on this because of the Iditarod. Whatever they end up getting will be very available.

Zirkle noted that at the finishers' meeting in Nome, the mushers' cabin at Rainy was a pretty big deal. Nordman explained that Perins is talking about trying to get weather ports with floors.

Nordman noted that he is planning a good will trip to Unalakleet this summer.

He also noted that Paul Sayre's land in Ophir deeded over to Iditarod.

He met with the INHT and is comfortable that they will be providing \$80K for trail work.

Seybert asked if there was any fallout from the mushers about planning to not use the steps and then changing at the last minute that the trail would go that way. Nordman commented that it was pretty much a non-issue for the mushers.

CHIEF VETERINARIANS REPORT – DR. STUART NELSON, JR., DVM

Nelson's written report was in the packet. Hooley explained that Nelson had planned to be at this meeting at the original time it was scheduled but couldn't make it work for this weekend.

Moderow asked about the Drontel issue, noting that we were on the edge with it last year. Hooley explained that Nelson was able to put together enough for the 2012 Race but it is an unresolved issue for 2013.

Swenson suggested that it wouldn't be too expensive now if the mushers had to purchase it themselves. Zirkle determined on the website that it would be \$15 per pill.

Swenson commented that this is the only dog event that he knows of that dogs in heat are allowed to participate. He asked that Nelson and crew rethink the availability of a heat prevention such as cheque drops.

Zirkle noted that bitches in heat are part of the race and mushers should deal with it.

Swenson suggested that if mushers did have bitches in heat on the Race, they should be given separate parking areas so the dogs wouldn't be a distraction for the other teams.

Nordman explained that the reason Iditarod had stopped using cheque drops was because of the negative results in the drug testing.

Swenson commented that the best thing would be for mushers to spay and neuter all their dogs that they weren't planning on using for breeding.

Handeland asked that Nelson look into the medical side of this issue and bring something to the rules committee to be enacted for the 2013 Race.

COMMUNICATIONS DIRECTOR – ERIN MCCLARNEN

McClarnen spoke a little about what she was doing with the website . She noted that she'd like to be a bigger part of the Iditarod banquet.

Handeland noted that McClarnen did a great job in Nome where she hit the ground running.

Swenson commented that he felt that everyone at the banquet should get a list of the mushers in their drawing position. He said that would help the mushers know when to head up to the stage to draw for their starting position. He also suggested that the autograph line be on the other side of the stage so mushers could do their autographing before they go up to draw their number.

It was agreed that those were both workable suggestions. It was pointed out, however, that selling Race Guides at the banquet is an important thing for revenue purposes but Potts noted that she could easily provide all the mushers with a list so they could determine when their drawing time was coming up.

GUESTS FROM RUBY

Andy Baker introduced Ginger and Jay Delima from Ruby and noted that they had been a huge help in the Ruby checkpoint this year and were instrumental in getting the checkpoint to function better.

Nordman noted that it was refreshing this year to see the support from that community. He noted that Jim Paulus has agreed to get them another outhouse and asked them to be sure and let him know what else we need to do in Ruby.

EDUCATION DIRECTOR – DIANE JOHNSON

Johnson was here passing through on her way to Hawaii for vacation. She told the Board what she had been doing with regard to the Summer Education Camp, noting that there were only eight people last year and it had been difficult to create a program for 8 people, but this year she is expecting 20 – 22 attendees, all brand new people, which is very exciting.

She also noted that the Winter Conference had gone up this year from about 20 participants to 60 participants.

Johnson explained that she does a lot of work with the Insider and through that was contacted by Wildlife Experience in Colorado. They ended up putting together an IKidARod event that drew 3000 people who participated in watching the race start and included many other events. She explained it is important to reach out to other organizations and says she is looking forward to helping race awareness of this Race around the Nation.

She noted that the Iditarod's Facebook page is growing by leaps and bounds. It went from 7000 likes to 17,000 likes. She explained that wherever she could she directed people on Facebook back to the Iditarod website so they could purchase from our store.

She explained that concerns with the changeover in the website this time were much less than before when it was changed over. Some still needs to be brought to the new server. She explained that the developers are working on a way to respond more effectively to issues that come up with the website.

Zirkle questioned how Iditarod will move forward with new ideas for the website. Hooley explained that that will be a part of brainstorming in the budget planning. How do we make sure we have year round content on the site. Iditarod will work with Elevator to make that happen. He asked that anyone having new and different ideas about making money from the website, pass those ideas along to him.

Jonrowe asked about putting a web cam up at the finish line. Handeland explained that there is a webcam there that the visitor's center has control of but we could put up another camera if we wanted to do that.

Swenson commented that 50% of the home page on the website is not relevant now. Hooley explained that it is a matter of cash flow. Seybert commented that we need to be using that space to entice people to buy something.

Hooley explained that one of the reasons we need to get the line of credit changed is to have the cash flow to do the things we want to do with the website now.

Baker asked to have the Elevator 10 people at the next meeting.

IOFC REPORT – ALIY ZIRKLE

Zirkle reported that there were six main points coming out of the IOFC meeting after the Race.

First she said, banquets were discussed and the consensus is that they are boring and long winded and unprofessional. The question of auction items funds not coming back to the ITC was also a concern.

The second issue was the website. The consensus was that the mushers wanted more involvement in the website. There was also concern that the Insider did not give equal time to all the mushers.

The third used dealt with drug testing. She explained that the consensus was that the drug testing should continue but there was strong opinion on both sides. She said there were some who wanted to

bump up the drug testing to include performance enhancing drugs. There was also concern that it was getting too invasive with doing both the saliva and the urine test this year. She said the mushers asked for one form of testing only.

The fourth issue dealt with the dropped dog transport. Seybert noted that PenAir had transported 120 dogs in the SAAB without boxes. He said he preferred to do it that way. He said he can carry hundreds of dogs safely with a short choke chain on each dog.

Nordman noted that the handling of dropped dogs has to be improved and that we are preparing to build new dog boxes to use as necessary.

The fifth issued was doing something for the volunteers who sit outside all night in the dog lot taking care of the dogs. IOFC is in favor of using their funds to build something for a warm up hut for the volunteers. It was suggested finishing out a Conex. Burmeister is looking into finding a Conex.

The last issue concerned the dog yard at ITC HQ. That area needs a face lift annually. It needs to look like one of the best dog yards on the world. That was on the to-do list discussed yesterday.

Swenson asked if mushers had had comments about the snow machines on the trail and why we have them if all the footage that is used is in the checkpoints.

Baker asked for ideas at the next meeting and make decisions to make this work better. He asked to have Heister here for the meeting.

NOMINATING COMMITTEE REPORT – AARON BURMEISTER

Burmeister reported that the nominating committee had met and come up with a slate of candidates for the open seats on the Board of Directors: Seat A, John Handeland, Seat B, Stan Foo, and Seat C, Dan Seavey and Rick Swenson.

Moderow asked if there was any other interest from people wanting to run for the board. Burmeister noted that the interest wasn't very high. He noted that Eric Rogers had expressed interest and then withdrawn. He also noted that two years ago, there was more interest than there were seats available.

RULES COMMITTEE – ALIY ZIRKLE

Zirkle noted that the Rules Committee had met on May 3 and went over the minutes. They discussed some grammatical wording changes and a number of issues, the big ones of which were tabled until the next meeting on the 24th of May. She went briefly through the rules that had been discussed.

Rule 16, regarding mandatory items, was discussed with regard to putting a required poundage in for the food the mushers have to carry.

Rule 26 has to do with parking and the parking issues were discussed.

Rule 36, Competitiveness, was look at with the possibility of doing something different with the hours listed to get to the checkpoints.

Rule 41, Jurisdiction and Care was looked because of an issue regarding specifically regarding Iditarod's jurisdiction.

In Rule 47, the Rule Committee agreed to reduce the poundage in the drop bags from 60 pounds to 50 pounds.

She noted that there was also discussion on the Media Rule regarding who can do interviews with mushers on the trail and for what purpose. Seybert noted that this is Iditarod's race and it should not be filmed by other entities. Anything filmed on our race should belong to us.

Hooley explained that in general, this rule is speaking about another commercial enterprise in competition with what we're doing. We are going to have to take a hard look at this rule.

There was discussion regarding the fact that we don't control the venue where our race takes place. While it should be ours to sell, the Iditarod Race is in a different position than a basketball game being played in an arena or the Indy 500 that use its private facility.

Moderow noted that the one thing Iditarod can control is the checkpoints. We can take a hard stand regarding the use of the name "Iditarod" or we could not allow the news media there. He noted that Bob Stewart's office has done a lot of work and has a lot of information about this sort of thing.

Hooley explained that when an event like Nascar controls who does what because they own the venue and entities pay a rights fee to get in there.

Moderow also noted that Iditarod can control what the competitors do when they are running Iditarod.

Along these lines, Swenson noted that there is a new coffee table book coming out called "Dogs of the Iditarod." Hooley was not aware of that book. It's being done by Alfred Lewis.

SOA DNR IDITAROD TRAIL EASEMENTS QUARTERLY REPORT

Hooley noted that this is in the board packet as an informational item.

ACTION FROM THE PLANNING MEETING THE DAY BEFORE

Swenson went over items discussed at the planning meeting: 1) bylaw change for quorum issues; 2) Annual Meeting; 3) Need for website to generate more income; 4) proposed changes in rules; 5) qualifiers and qualification of mushers and races; 6) Thanking sponsors; 7) Potential revenue sources; 8) Trail Quality; 9) Re-Start situation; 10) Belt buckle, patch and trail mail – consensus was that it is best to leave the trail mail as is but limit the auctioning at the banquet as well as Iditarod's taking over the production of the finisher's belt buckle; 11) Having and Iditarod sponsor party –Seybert said he'd be glad to host such an event at his hanger.

The agenda for the next meeting must include the changes to the bylaws regarding quorum and number needing to be present for meeting. It was also determined that joe Redington, Sr. should be changed from being listed as an ex officio member of the Board, he should be Director Emeritus.

Also discussed for future work was changing the makeup of the Board of Directors by appointing three new seats to the current board. Baker noted that these appoint board members should be full blown members and Swenson suggested that after their appoint term is up they should run for their seat or get off the board. Baker will draft verbiage for putting this bylaw change into effect.

Baker stated that he would appoint a new committee to take a look at memberships and brainstorm ideas to boost the membership and also to take care of fans and volunteers. He noted that Eric Rogers had offered to work with that committee so he appointed Rogers the chair but said the Board should appoint the committee. Hooley said he'd like to think on whom else should be on that committee. He suggested creating a survey to get detail on who these people are, what their roles have been and are and their satisfaction levels. It was decided to call this the Membership/Volunteer Development Committee.

Handeland asked to go back to the by law issues. One of the things we need to clarify in the bylaws is that the quorum can leave a meeting but it can still continue. Moderow noted that the meeting would not have to end, but if someone raises a point of order, then the board could no longer take any official action at the meeting.

EXECUTIVE SESSION

Handeland/Seybert moved to go into Executive Session for legal matters. Motion passed.

The Board went into Executive Session at 12 noon and came out at 12:50 p.m.

DIRECTORS' COMMENTS

Aaron Burmeister – no comment

John Handeland – no comment

Rick Swenson – glad he came to the meeting, dealt with unpleasant things and pleasant things

Mark Moderow – No comment

Mike Jonrowe –Thanks to GCI for providing 700 minutes of cell time. Enjoyed the meeting.

Stan Hooley – Appreciated the two day meeting. Thought a lot got done. Appreciates working with the Board of Directors

Andy Baker –He noted that he looks forward to having Elevator 10 and Heister at the next meeting.

After discussion, the next planning meeting was set for Thursday, May 31 at 9 a.m. Potts will check on availability of space at this hotel for that day.

ADJOURNMENT

Moderow/Burmeister moved to adjourn. Motion passed. Meeting adjourned at 1:00 p.m.