

**Iditarod Trail Committee, Inc.
Board of Directors Meeting
Millennium Alaskan Hotel
October 17th, 2014**

1. CALL TO ORDER

The meeting of the Board of Directors was called to order by President Andy Baker at 9:10am.

2. ROLL CALL

Members present: Andy Baker, Danny Seybert, Mike Jonrowe, Aaron Burmeister, Stan Foo, Paul Gebhardt

(via phone) John Handeland & Rick Swenson

Members absent: Mike Owens

Others present, Stan Hooley, Executive Director, Mark Nordman, Race Director/Race Marshall, Don Peterson, Finance Director, Willie Karidis, Chief Operating Officer

3. PUBLIC COMMENT

None

4. APPROVAL OF AGENDA

Added 7.5. Bylaw Amendment Discussion

Added 7.6. Prize Discussion

Added 7.7. Alternate Route

Seybert/Foo moved/seconded to approve the agenda as presented. Motion passed.

5. ADOPTION OF MINUTES FROM AUGUST 14, 2014

Jonrowe/Foo moved/seconded to approve the minutes of the August 14 meeting as presented in the Board packet. Motion passed.

6. REPORTS

6.1. PRESIDENTS REPORT, Andy Baker

No message to report

6.2. MANAGEMENT REPORT, Stan Hooley

~ Observations concerning current musher field for 2015. Currently at 70 mushers, 20 of whom are rookies.

~ COO, Willie Karidis, on board.

~ Sold out, 2,000 summer raffle tickets

~ Month later started selling 4,000 winter raffle tickets, 6 months to raise \$400,000

~ Request for Board Members to supply names of family members. These names are needed so staff can cross check names with people who have bought raffle tickets. Please help us out with this if you have not already.

~ Donlin Gold has extended an invitation to all of the Board Members to visit the Donlin Gold site. Encourages all board members to take advantage of this opportunity.

~ Public hearings on Donlin Gold Pipeline Project. Hooley made public comments at Anchorage meeting after Executive Committee reviewed previously on Wednesday, October 15, 2014. Foo commented that public hearings currently being held are for soliciting input regarding the pipeline corridor right of way specifically through the State's pipeline coordination office. Next year when draft EIS is published there will be another public comment period on the broader project.

~ Completed 3 months of the fiscal year.

~ Operating plan adopted in June of 2014 called for:

- Revenues of \$4,128,848 an increase of \$126K over FY14
- Expenses of \$3,930,027 an increase of \$7K over FY14
- Net revenues of \$199K
- Long term debt payments totaling \$34K scheduled to be retired

~ New forecasts for the year ending June 30, 2015

- Revenues of \$4,143,333 an increase of \$14K over budget
- Expenses of \$3,991,646 an increase of \$62K over budget
- Net revenues of \$152K a decrease of \$47K under budget

Jonrowe pleased to see that using the SPOT system we have decreased our costs by over \$60,000. Hooley, SPOT is not as seamless but we can make it work for the savings we gain.

~ Hooley describes that if our Insider customers have a choice, the majority choose Insider Video on Demand as opposed to Insider Tracker. As time changes there are more and more options for people to satisfy their craving for video. In today's world photojournalists are out with cameras and video cameras.

~ Baker, asks about e10 relationship. Hooley is not sure if e10 sees the Iditarod as the economic opportunity they initially thought we were. E10 developed the mobile app last year but the game has not been developed. ITC told e10 not to use Kickstarter during the race to raise money to develop the game. E10 was relying on that money from our fan base to start the project. We are committed to working with them through this year. Contract is done in June.

~ COO Report, Willie Karidis

~ e10, last year there were 811 help tickets generated during race time, not acceptable, ITC's reputation is at stake and we have to deliver on our brand promise. E10's response to fixing what we already have installed and their eagerness/responsiveness to work with ITC will predicate our future relationship with them.

~ Headquarters has several capital projects which need attention, entrance signs, resealing and restriping front parking lot, redo the roof, computer upgrades for the

race, developed budgets for all. Stan and I met with the Foraker Group, President and CEO Dennis McMillian, to consult with him regarding applying for Rasmuson Foundation grants.

~ Two types of Rasmuson grants; Tier I grants which are \$25K or less, Tier II grants \$25K or greater. We can apply for Tier I at any time. Tier II grants require that 100% of the board of directors contribute a meaningful cash contribution to the organization and/or project during the previous 12 months.

~ Working on Division of Parks and Outdoor Recreation Trail Grant Application with Mark Nordman for \$100K. Funds in 2015 to benefit race in 2016.

~ Developing a master year round calendar of Iditarod activities and database of all contacts who run the race.

~ Meeting with UAA and UAF to explore potential partnerships.

~ Race Director Report, Mark Nordman

~ Accepted the report of the Race Director

~ Chief Veterinarian Report, Stu Nelson

~ Accepted the report of the Veterinarian

6.3. FINANCIAL REPORT, Hooley

~ Accepted the report of CEO

~ Question was raised whether mushers can sign up for future races if they have outstanding bills owed to ITC. No, a musher cannot enter the Iditarod until their accounts payable have been paid in full.

6.4. IOFC, Iditarod Official Finishers Club, Aaron Burmeister

~ This summer transition from Rhodi Karella Davidson former Treasurer has stepped down, replaced by Jen Seavey. Accounts have been switched over.

~ Conex in Nome designated for volunteers is ready for the race, heater and fuel tank ready to be plugged in once the race rolls around.

~ Meeting with Leo Rasmussen soon to discuss belt buckles.

6.5. Mushers Representative, Paul Gebhardt

~ No neckline survey was presented to mushers who finished last years race.

Results from the survey indicated a higher percentage of mushers indicated they would like to keep the rules as is, meaning no necklines will be required.

~ The board should be aware that the mid distance races are filling up, sometimes within half an hour, with veterans as well as new mushers. Mushing is a growing sport.

7. NEW BUSINESS

7.1. Turquoise Lake Trail Project, Mark Nordman

~ Staff was directed to try and get this project taken care of. On June 30, 2014 observed the area via helicopter with Dave Cruz (contractor), Lance Williamson (operator of mini excavator) to check the area, very wet and flooded.

~ Cruz, gave in kind donation of \$73K, equipment and personnel

- ~ ITC, \$17K, equipment and administration
- ~ \$40K from IHTA, real funds through BLM. These 3 dollar amounts total \$130K and we classified as In Kind donations. We needed this to apply through the State for \$100K,
- ~ \$37K has been budgeted which ITC may have to pay for completion of the project. These funds are for food, helicopter time, jet a fuel, misc. However, as of yesterday, Andy Willis reported there is enough snow to eliminate the helicopter and the jet a which will save us \$12K.
- ~ Herc landed yesterday with all of the equipment, 2 super wides (snowmachines), centaur, mini excavator, skid steer mulcher and fuel, The 4 guys have started transporting the equipment to the trail. They will go from Farewell to Rohn.
- ~ Substantial snow so we have had to drag the runway so the Herc could land.
- ~ Estimated finish in two weeks.

7.2. Appointment of ITC Representative to IHTA Seat

Jonrowe/Seybert moved/seconded to appoint Mark Nordman to IHTA Seat. Motion passed.

7.3. Iditarod The First Ten Years Book

- ~ Old Iditarod Gang (OIG) is asking ITC to support their new book. ITC wants to be supportive as the book sounds like a great addition to the history of Iditarod. OIG has asked that ITC promote their book on the ITC website and through social media. OIG has also asked that ITC hold a book signing at the Millennium Hotel, sell the book at the Musers Banquet as well as take the book to Nome to sell. The financial return for ITC for doing this is an extra 10% off the wholesale price of their book. OIG will also give an unspecified percentage of sales from the book to the Iditarod Trail Foundation designating these funds for dog care.
- ~ ITC wants to counter with asking the OIG for 100 free books (from their first printing of 5,000) to stock the ITC inventory and to sell 50 of those during the book signing, mushers banquet and to sell in Nome. In addition ITC would ask to designate \$1 of the sale of each \$60 book to the ITC designated to a donor directed fund for dog care.
- ~ We really support the book project and the writers and want to make this work.

Foo/Gebhardt moved/seconded for Stan Hooley to negotiate the terms of sale with OIG and their book Iditarod - The First Ten Years. Motion passed.

7.4. Proposal to Hold Upcoming Board Meeting in Nome, Hooley

- ~ Josie Bahnke, Nome City Manager, contacted Hooley to hold a future board meeting in Nome prior to the 2015 race. Only time this could happen is December 5th prior to the race. This is less than ideal as the rookie meeting is starting the night of December 5th through December 7th.
- ~ Josie commented, "We really need to put our heads together to get more folks to the END of the Iditarod. This we be a good opportunity to have Board members experience Nome and a good gesture on ITC's part."

~ I agree that it would be a good opportunity to have a meeting as well as a community celebration. I worry that we will not have enough time to have much of an impact on Nome for the coming year.

~ The hotel rooms are sold out in June for the following year. Rooms are in short supply.

~ More people in the past as there were two airlines competing for people's dollars. Cheap flights were available for \$100 and it was easy to get more people to Nome.

~ Handeland. There aren't as many folks showing up for the finish as there used to be. Hotel and housing is a major issue. Airlines tickets are more expensive. People don't want to sleep in people's houses. This is beyond the scope of the ITC.

~ Discussion about whether to move the basketball tournament which currently runs at the same time as the Iditarod. The tournament takes away from available resources. Agrees that it would be difficult to hold a meeting of substance before the race in 2015. Wants to hold a brainstorming session with Nome representatives of the board and of the staff.

~ Swenson. Different mushers and fans who are not spending money like they used to. Not staying as long as they used to. Between the finish and the banquet is 6 days, that's a long time to be in Nome.

Handeland/Seybert moved/seconded to go into Executive Session. Motion passed.

7.5 Bylaw Amendment,

~ Discussion centered around every year having one elected board member and two who are appointed by the internal board. The reason for this is to bring in expertise to help the board with gathering specialists to the board.

~ Bylaw amendment changes need to be posted with 14 days notice before the next board meeting.

~ Burmeister, there could be a coup by outside interest groups to buy votes.

~ Swenson, didn't know this was an issue, good reason to make a change.

7.6 Prize Money

~ Recommendation to add \$50K to the purse of the 2015 race in prize money. The \$50K would be added to the first five finishers total prize award.

Jonrowe/Burmeister moved/seconded to increase purse \$50K to be applied to the first 5 places. The total purse for the 2015 Iditarod top five finishers are as follows:

1st place \$70,000

2nd place \$58,600

3rd place \$53,900

4th place, \$48,400

5th place, \$44,300

Motion passed.

7.7. Alternate Route

Gebhardt/Burmeister moved/seconded to develop designated alternative route plan and an announcement date in the event that there are weather conditions which prevent running on the historic Iditarod trail. This plan will be presented at the December 5th meeting. Motion passed.

General Discussion:

- ~ Discussion centers around the potential of dropping checkpoints.
- ~ Jonrowe, potential checkpoints to drop could be Yentna, Skwentna, Finger Lake, Iditarod, Eagle Island, Cripple.
- ~ Staff needs to break down the budget numbers to see what it costs to drop checkpoints based on reality rather than assumptions.
- ~ Gebhardt, consider not getting rid of checkpoints completely instead consider dropping the requirement for straw and heat especially in Yentna.
- ~ Foo, cost cutting and revenue raising measures are related. Need to take these measures seriously. Raising revenue is challenging and a race field with a 50 team limit will make the race more efficient and will save money.
- ~ Swenson, for every dollar cut in the race, administration should be cut a dollar.
- ~ Discussion centers around mushers quitting early.
- ~ Nordman, need to leave tracker system the way it is to be prepared for emergency's .
- ~ Perhaps we should require mushers to have to pay to fly out if they drop?
- ~ Swenson, need to look at whomever drops going in front of the qualifying review board.
- ~ Need to consider penalties for conduct detrimental to the race. Automatic disqualification, warnings, need to enter this into the rules.
- ~ Consideration of limiting entrants to race to increase quality of entrants. Will be a challenge determining who those limited entrants will be.

Jonrowe/Burmeister moved/seconded to enter into Executive Session to discuss CEO employment agreement. Motion passed.

End of Meetng