

IDITAROD TRAIL COMMITTEE, INC.
BOARD OF DIRECTORS
MILLENNIUM ALASKAN HOTEL
February 15, 2013

CALL TO ORDER

The meeting was called to order at 9:03 by President Andy Baker.

ROLL CALL

Members Present: Andy Baker, Aaron Burmeister, John Handeland, Mike Jonrowe, Mike Owens, Danny Seybert and Aliy Zirkle (via phone)

Members Absent: Stan Foo, Rick Swenson, and Joe Redington, Sr.

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

Others Present: Stan Hooley, Erin McLarnon, Stuart Nelson, Jr., DVM, Mark Nordman, Don Patterson, Joanne Potts, Eric Rogers and Andy Willis

PUBLIC COMMENT

There was no public comment.

Approval of Agenda

Jonrowe/Seybert moved to approve the agenda.

The Herbie Nayokpuk award was added as agenda item 8.2.

Featured Content on the Website was added as agenda item 8.3.

Jonrowe/Seybert motion passed.

ADOPTION OF MINUTES OF NOVEMBER 30, 2012

Handeland/Owens moved to adopt the minutes of the November 30, 2012 board meeting. Motion passed.

PRESIDENT'S REPORT

Baker reported that a letter from Bob Walsh, formerly of Lisa Murkowski's office, indicated that Iditarod is good for a re-start on Willow Lake for the next five years, but he emphasized that we need to keep on top of this. Hooley will e-mail the letter to all the board members so they can know the details.

Seybert noted that he had recently talked to Jane Dale, who extended an invitation to the Board of Directors to go to the next Willow Airport meeting.

It was noted that Iditarod did not have “approval”, but rather “no objection.” Mike Jonrowe suggested that Iditarod might want to try and get a letter of “no objection” from the State also.

Baker noted that he still had to get together with Handeland, Chair of the Government Relations Committee, and work out the details of making the \$1,000,000 request of the legislature in Juneau. He explained that he is hoping that what we get this year will be something we can use to help out cash flow, something that doesn't have strings attached.

EXECUTIVE DIRECTOR'S REPORT

Stan Hooley submitted a written report.

He noted that since the report was printed, Rick Swenson had withdrawn, so the number of mushers to start now is 67.

Hooley noted that Donlin Gold has extended their sponsorship through the 2015 Iditarod Race. He explained that a press release is ready to go. He noted that we will reinforce at the Media Briefing, the Musher Meeting and the Banquet.

Hooley also noted that ExxonMobil is very interested in their tie to us through the education program and that Diane Johnson has been working closely with them. The wife of a senior level executive of ExxonMobil was at the Iditarod last year and went away with a passion for the Iditarod and a tremendous interest in the educational program. She has worked tirelessly to open doors in Texas for Johnson's delivery of the program and it has paid dividends.

Hooley noted that the renewal process with ExxonMobil beyond this years race continues. The challenge now is not only to renew this relationship but to ensure Iditarod receives additional revenue for the rights to sponsor and brand our Educational Program. He explained that currently, ExxonMobil is the only one of the four principal partners that receives additional branding and leveraging opportunities above those associated with being a Principal Partner, yet the current sponsorship fee is similar to other Principal Partners.

Hooley also said that Iditarod's proposal, first delivered last summer, calls for an increase but what ExxonMobil will come back with in terms of an offer is still an unknown. He has received word that they are making good process with the funding process. He says Iditarod should know something by the end of the Race.

FINANCIAL REPORT

Hooley noted that the current forecast is for revenues of \$4,067,115, which is \$72K under budget, and expenses of \$3,887,899, which is \$123K over budget, thus net revenues of \$179K, which is \$195 under budget.

He explained that we did not reach budget in the Idita-Rider auction. It finished \$46K under what was budgeted.

He explained how important it is to the budget to sell all 4,000 raffle tickets and the efforts staff is making to do so, noting that we're 201 behind where we were last year at this time. He encouraged all board members to help in this area.

In the sponsorship area, he explained that when we began this fiscal year, we needed \$262K in new sponsorship revenue, \$150 to replace 3 sponsors and \$112 in actual growth. He said his best projection is that we'll see \$114.5K in new money this year in the sponsorship area.

The \$114.5K comes from: \$50K from Konica Minolta; \$25K (thanks to the efforts of Danny Seybert) from Bristol Bay Native Corporation; \$15K comes from Allworx, (plus another \$25K in cash elimination for phone systems), \$30K from Guggenheim and \$10K from Waste Management.

He explained that the long and short is that we won't have improved our position much by the end of the year. Absent a line of credit at Wells Fargo, we're still not in a good position. However, we recently received confirmation from the ITRF that they have agreed to secure the line. Wells Fargo is in the process of drawing up the necessary paperwork.

Baker noted that Wells Fargo had been willing to give Iditarod a loan but not the line of credit. But the line of credit was what we wanted.

Hooley explained that the Millennium is putting a lot of energy into the "FunRaiser" for Friday night, February 28. This has potential upside to us in the form of unbudgeted revenue. He encouraged the board members to attend if possible and to invite their corporate guests and friends to join them.

Hooley noted that he had reached out to Wildlife Trading Company again and asked for a revised proposal. He said he thinks they are best equipped to take on this job. However, he indicated that, thusfar, they haven't agreed to 'our number' or a reasonable guarantee.

Hooley explained that the tracker demo requires technical coordination between E10 and IonEarth and that the parties have been meeting weekly. He will find out just where that is now. He said we do expect to demo that on line and at the banquet.

RACE DIRECTOR'S REPORT

Mark Nordman's report was included with that of the Executive Director.

He noted that he learned that we didn't have the armory in Shaktoolik because the school was using it, but after discussion, it looks like we'll be fine there.

He said there is lots of snow still coming down. Reports of big drifts in the Burn didn't turn out to be true.

He explained that we have large groomer being prepared for going to McGrath.

In referring the keeping the trail breakers 24 hours ahead of the teams, Baker wanted to make it clear that the Race Marshal has the flexibility to have the trail breakers do whatever they need to do. Nordman noted that there had been a stumble last year and they are aware that the trail breakers have to be further ahead of the teams than last year.

Burmeister noted that quite a bit of work has been done on the stretch of trail through Hells Gate and Kaltag. The guys from Kaltag have done an incredible amount of work and it IS obvious. Baker suggested more recognition for them, maybe a “thank you” in a bigger setting.

Nordman noted that a decision hasn’t been made regarding the Steps. After the Iron Dog, the plan is to fix the Steps, check out the other road and then make a decision.

Jonrowe noted that it was a positive thing that Nordman had been able to attend so many race starts this winter.

CHIEF VETERINARIAN’S REPORT

He noted that he’s looking forward to a great race this year.

He noted that there would be no research studies as part of the Race this year. Several people applied but no one had a project that he felt would benefit the mushers or the Race.

He explained that he doesn’t have the final results yet from the study done last year.

He noted that the dog deaths in the early races this year were not good, but we’ll continue to focus on doing what we do and trying to make a no dog death a reality again this year.

Nordman commented that we have been able to talk to the qualifiers and support them and give them the protocol that Nelson has put together. He noted that this has been a big thing for the Tustumena and the Paul Johnson races.

IOFC Report

Burmeister noted that the conex for the volunteers is in place at the dog lot. It is just missing the Toyostove. He said all the mounts were in. He asked the Nome board members to try and help get a stove installed in the conex.

It was noted that Zirkle was off line for the meeting.

Baker asked about Burmeister’s other committee and he said he and Eric Rogers still needed to get together and discuss this.

Rogers suggested that Board Meeting notices should be under Board Meetings on the website, rather than just under Calendar. He also commented that he is a real proponent of easy access to info.

GOVERNMENT RELATIONS COMMITTEE

Hooley noted that the tax credit netted Iditarod between \$55K and \$60K. That is a byproduct of what we do with our production efforts.

He noted that he has been made aware that legislation has been introduced to do away with this program. Baker noted that he didn’t think that would happen, but we’re watching.

Baker noted that we still need to come up with a plan of attack for the funding request of the legislature.

Hooley noted that Norman's letter from the ITRF was included in the packet.

HERBIE NAYOKPUK AWARD

Hooley explained that the Herbie Nayokpuk award was advocated by Dan Seavey to be presented by the Board of Directors. Hooley said he'd like a little flexibility to use the presentation of this award to react to special opportunities to honor and recognize individuals who had provided exceptional service to the Iditarod. He would prefer a board member to be present when the award was presented, but if that weren't possible, he would like for staff to be able to go ahead and present it.

Burmeister suggested that Hooley just forward each board member an e-mail about why the award is being presented so board members can respond in advance of a presentation.

Handeland/Seybert moved that the Executive Director develop additional criteria for the Herbie Nayokpuk Award in consultation for President Baker. Motion passed.

FEATURED CONTENT ON THE WEBSITE

Hooley noted that we have a desire to be as informational and engaging as we can be to draw visitors to our website.

He explained that as we had sponsorships evaluated, a large part of the value of the principal level of sponsorship comes exposure from the website. Anything we can do to drive traffic to the website is of benefit to the sponsors, and ultimately our finances.

He said that one of the things we are doing is having Joe Runyan writing from the trail. He has a following and does draw people to the website.

He noted that we have an opportunity to add Sebastian Schnuelle to our team, who has been covering many other races this year and has developed a very strong following as well. Aaron Burmeister has been in conversation with Sebastian and indicated he was available to us. Through Burmeister and Baker, we learned he was not under contract with others this year. He still needs to get together with Schnuelle to work out details.

Rogers suggested that there are a lot of stories with the volunteers on the trail and perhaps some of those could be funneled to the website. Baker noted that that was a good concept to look into.

EXECUTIVE SESSION

Stan Foo arrived.

The Board agreed to go into Executive Session to discuss the broadcast rights proposal.

DIRECTOR'S COMMENTS

Mike Owens – Excited about the Race; set up and ready to go in Nome

Mike Jonrowe – Looks like it's going to be a good race

John Handeland – Glad to be here and excited about the race

Aaron Burmeister – Thanked everyone for their hard work

Andy Baker – Everything going well; looks like it will be another great race

Danny Seybert – Exciting time for all of us

Stan Hooley – Staff could benefit from 30 hour days this time of year, but we will be ready.

ADJOURNMENT

Meeting adjourned at 12:04 p.m.