

IDITAROD TRAIL COMMITTEE
BOARD OF DIRECTORS MEETING
May 24, 2013
Millennium Alaskan Hotel
Anchorage, Alaska

CALL TO ORDER

The meeting was called order by President Andy Baker at 9:00 a.m.

ROLL CALL

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

Board Members absent: Stan Foo (excused), Mike Owens (haven't heard from him)

Others present: Stan Hooley, Executive Director; Stuart Nelson, DVM, Chief Veterinarian, Don Patterson, Finance Director, Mark Nordman (via phone), Race Director/Race Marshal and Kurt Parkin

A quorum is present.

PUBLIC COMMENT

There was no public comment.

APPROVAL OF AGENDA

Seybert/Burmeister moved to approve agenda.

Hooley noted that the Board may wish to talk about Jim Palin's request that the Board more formally appoint him as a volunteer and as a representative of the Board to work with the IHTA and the State of Alaska on the Easement project. Hooley explained that Palin had been on this board for some time.

Baker added that to the agenda.

Seybert/Burmeister moved to approve the agenda with the addition. Motion passed unanimously.

ADOPTION OF MINUTES of April 25, 2013

Jonrowe/Seybert moved to adopt minutes of the April 25, 2013 board meeting. Handeland noted that the minutes are dated April 26 which is the correct date. Motion passed unanimously.

PRESIDENT'S REPORT

The President noted that he didn't have a report at this time.

EXECUTIVE DIRECTOR'S REPORT

Hooley submitted a written report.

Hooley noted that the majority of his work the past month has been to put together a budget that makes sense to get started in the new fiscal year. He apologized for its being a few days later than it should have been.

He noted that we are forecasting net revenues for FY 13 of \$133K, a negative variance of \$214K of the \$374K called for in the budget plan.

He explained that for the purposes of this report, the usual financial statements and the proposed operating budget have been combined for comparative purposes.

He explained that he had intended to get the proposed FY 14 budget to the board by this past Friday but that proved to be a bit ambitious because of a week less to prepare between board meetings and because there are many more than the normal amount of moving targets to our operating plan for the coming year. He expects to need to revisit various areas of the budget as things become more clear.

Baker asked what was left out since we're \$214K short in net revenue projections, what is left out and what does that do to the overall budget and are we really short?

Hooley reported that we didn't improve our cash position so it means that in terms of the five year plan, we didn't put any money away. The budget had called for \$180K. We'll finish with a positive cash flow, not much, though.

Hooley explained we were short in sponsorship. We gained about \$140K in new sponsors but lost Fred Meyer, Target and WellPet, so essentially we didn't make up for what was lost and the budget had called for some growth. There is a \$130K variance there. Membership was short by about \$60K, at least in gross revenues. We're getting all we can out of the raffle. Membership is about \$20K under, Royalties came in where expected, the Insider came in at budget, the tracker a little short of budget but both grew over the previous year. There were a couple of grants last year in G & A that we won't have this year (from IHTA and from the State, which was reflected on the revenue side of the G & A. On the Race side, we were about \$150K over, merchandising right at budget, sponsorship, over in expenses mostly due to the sponsorship event in November, raffle a little over budget, membership, a little under budget, special events a little over budget (including the musher auction and banquets), Idita-Rider about 450K short.

Baker pointed out that we need to come up with a way to get the Idita-Rider Auction back up and increase it. Hooley agreed that that needs some special attention.

Hooley explained that the food expenses got so far out of whack because Iditarod lost the Fred Meyer sponsorship of \$37K in cash and \$30K in food. He explained that we didn't know about that when we did the budget. He explained that there were meaningful conversations last year and the most promising was Carrs but in December they informed us that they weren't interested. This is a significant expense and a good example of what happens when an in kind sponsorship goes away. It shows us how to know.

Food Services of America was suggested and Burmeister commented that if we could get them it would be awesome. Hooley also said Alaska Commercial was on the prospect list. He noted that back in the mid '90's, AC had been a sponsor. He suggested maybe Seybert could get us a start with talking to them.

Zirkle noted that she had a Safeway person in her sled. The person is pretty high up in the corporation and Zirkle will get the name to Hooley.

Baker asked about the expense of the wine and Hooley explained that it costs Iditarod nothing except time. Baker suggested that if we were going to be associated with wine, we might want to look for a vineyard that really wants to put some money into the program. Hooley noted that the proceeds go to all the mushers and it was somewhere around \$200 per musher this year.

Hooley explained that if we get really aggressive and go out and find a vineyard that is interested in participating as a sponsor, that would preclude this relationship from happening. The thought of several board members was that this is of some benefit to the mushers without costing the ITC and it is better to spend our time looking for another sponsor. Zirkle commented that this winery tends to get more out of this relationship than some of the bigger sponsors and they don't give a significant amount of money. She particularly noted their being set up in the room at the musher meeting.

Handeland expressed support for the effort Lee Larsen put out to get this thing going. It said it has started small but can get bigger. He would hate to cancel this program and discourage others to take the initiative to come up with an idea to put money in our pocket.

Burmeister suggested advertising this product a little. Hooley explained that we used to advertise it on the website but there was a significant blowback from the education committee. So we took it off the front page. Hooley explained that the other issue is that the quality of wine is not going to generate business, according to the feedback he has received.

Hooley said he'd look for direction about promoting it on the website and noted that we have two other alcohol related sponsors. So we're not staying away from alcohol, unless the Board provides direction to do that.

Hooley reported the the 2013 Documentary qualified for Alaska's File production Tax Credit. We have been successfully selling this tax credit for .80 cents on the dollar and it generates us an additional \$65K-\$70K annually. We are unsure what will happen to this in the coming years. There has been a bill introduced to do away with this in the last session.

He also noted that Representative Stolz has asked Iditarod about going into the villages to do what the Lions Club does regarding eye glasses.

Hooley explained that he had tasked Don Patterson with working his way through the paperwork to apply for Iditarod to get listed as a beneficiary on the permanent fund. We were denied before because they require that all board members be from Alaska and Lee Larson was the President and from South Dakota. They have actually changed that requirement now but our board is also all Alaskan, so it's a non-issue now. The budget we're adopting today will not be affected by what this might generate. Hooley will send a link to the board member that identifies what entities that received funds this year through that program and what they received. He noted that Iditarod has a self interest in promoting the pick, Click and Give program.

Hooley reported that the election process is underway. There were no additional petitions for names on the ballot. The votes won't be tallied until the day of the annual meeting.

Hooley noted that from a schedule standpoint, the Annual meeting is at 10 a.m. to noon, volunteer picnic starts at noon til 3:30. Sign-ups open at 9:30, close at 3 p.m. Musers will draw for two entry fees at 3:30. Immediately after the Annual Meeting we'll have the organizational meeting of the Board.

He noted that Golden Corral will cater the picnic and Seybert will provide 200 lb. of fresh salmon.

Hooley explained that the sponsor appreciation luncheon was held earlier in the week. It was well attended by sponsors. Last year the decision was made not to have it the day of the board meeting because that's too much for staff to try to do in one day.

CHIEF VETERINARIAN'S REPORT

Dr. Nelson submitted a written report.

Nelson noted that he'd been asked to draft something to explain the drug testing program. It is included and board members can read it and see what they think and then give him feedback

He noted that the loss of the Bayer sponsorship is a pretty big hit. The cost of Drontal Plus is high. He explained that we're trying to get some sort of deal through our contacts for the coming year. He has checked to see if there are other options but finds that Drontal Plus is still the best option. He explained that this budget shows a \$25K expense for purchasing this year.

The Bayer loss of sponsorship is a pretty big hit. Cost of Drontal plus. We are trying to get some sort of deal through our contacts for the coming year.

Nelson also explained that we had had enough left over Drontal Plus for last year but Iditarod will have to get more this year. It is written into the rules that if we can't secure it from another source, the mushers will be required to pay for it. .

Nelson's letter to the Board is included in the packet. Nelson explained that in the fall he will send out to the mushers the explanation of drug testing as per the last four paragraphs of the letter.

Nelson explained that the language will only refer to positives or negatives, no longer reference to false positives will be made.

Swenson asked about getting a list of commonly used drugs that will cause positives so they might consult their veterinarians about when to stop using them. Nelson explained that that is all detailed in the Musher Veterinary Handbook and covered in the letters he sends to mushers. He explained that as a general guideline, if it's a short term drug, a couple of weeks ahead is good but if it is a long term drug, it would take 30 days to get out the system.

Seybert suggested using the fact that we haven't had any positive tests while horse racing does have positive tests to promote our sport. Nordman agreed with Seybert that Iditarod needs to get the word out but suggested a whole paragraph on the drug testing rather than something that just states that

there are no positives. Nelson commented that it would difficult then if and when we did have a positive test.

Zirkle questioned in Dr. Craig's report, the three bullet points and suggested that only the first two are necessary because we aren't talking about pending positives.

Baker explained that Craig's report just goes to Dr. Nelson, Hooley and the Board. The part that goes to the public would exclude the 2nd and 3rd bullet points.

Nelson noted that there are four different levels of report detail. Craig will be the first to find out all the results and ill have all the levels. Then we have the report of the findings that is sent to the Board. The third left is for the mushers and the fourth, for the general public.

Swenson noted that we need either positive or negative, that there is no gray area. We would then eliminate the potential for someone to misread or misinterpret the results.

Zirkle questioned whether all that information is relevant. Seybert stated that it is relevant to the person taking the test.

Hooley noted that at some point we have to review parameters as to what the testing program should consist of. To do that we'll have to know something about what we're dealing with. Dr. Nelson should tell us what we need to be doing.

Zirkle suggested that Iditarod send a press release along with Nelson's letter to the mushers. She noted that this is great information.

Stu: needs to know what direction is for him. Already sent out post-race letter.

IOFC

Burmeister noted that he still gets phone calls over concerns about the Berkowitz issue. People wanted to know what they could do. There was discussion about starting a fund for the little girl. Just a lot of talk about it.

MUSHERS' REPRESENTATIVE

Zirkle noted that there was nothing of great significance to report. She noted she is still talking to Page Drobny and will be calling her this afternoon. Drobny wants to stay in the loop on what is being done.

Jonrowe asked if we'd made a press release yet on improvements. The Board has discussed six months press release. Nordman noted that we are working on the dog boxes. The boxes will be done in September but nothing will be shipped until after the first of the year. Handeland suggested a graphic of what's going on to send out to folks and Swenson asked if the Board would have the opportunity to review the plans before they are implemented. Nordman noted that absolutely that could be done. He said we're looking at putting up some dodge lodge type things. It's a pretty extensive project, he noted. He will definitely be in touch.

Baker suggested we try to get chains etc. for this project donated and Hooley noted that we will get as much donated as possible. Burmeister suggested getting the mushers together with buckets of chain

and S hooks and have a picnic. Baker noted that that could possibly be done during the down time at the picnic.

RULES COMMITTEE

Zirkle reported that she had sent out an e-mail to the members explaining what they were expected to discuss at the meeting. The meeting was at 5 p.m. on May 19. Aliy Zirkle, Zack Steer, Greg Parvin, Mark Nordman and Stuart Nelson were present. Seven rules had come to the Rules Committee by mushers and there were some that the board asked us to look at.

First was brought up necklines seem to be an issue. Traditionally dogs have run with a tugline and neckline which limited their movements. Some for the past 10 or so years have opted not to use necklines. Mushers, race officials and vets have mentioned that some teams are out of control without necklines, both in check points and on the trail. So there was a lot of conversation about that. Race Officials would have the opportunity to say that dogs must be on necklines to continue. The rule change would be in rule #16: Functional non chafing harness and functional neck line for each dog in team.

Nordman explained that it was voted that it is not mandatory that necklines be on the dogs at all time but that functional necklines be available.

Baker noted that the change would be in affect if no one was opposed. There was no opposition so that rule change is accepted.

Zirkle noted that the **second** issue pertained to Rule #40. She said this has been talked about for years but she's hasn't personally thought about it. Each musher turns in a list of 20 dogs the night before the race.

Burmeister asked to go back to Rule #16 and noted that he sees dogs every year crossing the finish line with bloody tails. He asked what the non-chafing harness rule really is. Nordman noted that that rule has stated "non-chafing harnesses have to be on each dog" for as long as he can remember. Burmeister noted that it is a kind of given that necklines be available but he asked how the rule on non-chafing harnesses is enforced. Nordman noted that this is something that needs discussing.

Nelson noted that they are aware that there are some nasty rubs well hidden by dog coats. He said the vets don't keep personal logs indicating what they see when the dogs come through a checkpoint. He said he does document all the reasons for scratching.

Swenson noted that the harnesses with a spreader bar on the back can get frozen feces on them or he tail gets above the spreader bar and causes the bottom of the tail to rub or he harness droops down causing chafing on the back legs.

Zirkle asked if they wanted to add "functional necklines" to the rules with enforcement being a part of that. Baker noted that the harness thing is clear in the rules.

Zirkle went back to the list of 20 dogs in Rule #40. She explained that in the past, the musher choses 12 dogs on Saturday. If they run with a musher on Saturday, no other mushers can use that dog on Sunday. She said the change would make it legal for a musher to use on Sunday a dog that had been used by someone else on Saturday. She noted that they had questioned whether that would make the

paperwork more complicated for the veterinarians but Nelson had advised that it would actually make it easier. The rule change would eliminate “and not run in another team on Saturday” in the fifth paragraph, in the 11th line down.

Swenson noted that there is nothing wrong with the way the rules have been implemented in the past. A musher has all winter to get down to 20 dogs. Burmeister noted that one of the reasons the rule had stayed the way it is is because changing it would be a big disadvantage to mushers with smaller kennels.

Nelson noted that it was not his idea to change that rule. He was asked about the paperwork involved and he said the paperwork would be easier because they wouldn't have to cross reference between Saturday and Sunday.

Zirkle noted that there would be no change in Rule #40.

She noted that the **third** item was the issue of cell phones being present. She explained that Rule #35 already states that no two way communication devices are allowed. The rule change would be in Rule #25, first sentence, to add, “including cell phones.” It's pretty straight forward.

Swenson commented that it needs to say that no two way communication devices, including cell phones, shall be carried or used. It is not an option. Nordman noted that if that is put in the rules, it will be a disqualification if a musher is caught with a cell phone.

Zirkle noted that in Rule #35, “no cell phones may be carried or used” will be added.

The **fourth** item is the question of whether the Chief Veterinarian or Race Marshal has the authority to withdraw a dog from a team during the Race without the musher's approval. Who has the final say? She explained that the Rules Committee discussed adding, “The Race Marshal, with consultation with the Chief Veterinarian, has the authority to withdraw a dog.”

Zirkle noted that in her opinion, the Race Marshal is the referee and the only person who has the authority to preside over the entire race from a neutral point of view. In her opinion, as the rules stand now, the Race Marshal does not have the authority to withdraw a dog. The veterinarians are supposed to be the good guys, the ones who are checking the dogs. Every sport has both health care professionals as referees.

Burmeister commented that the professionals are the veterinarians and the mushers. There are two groups of professionals, one whose sole concern is the safety of animals and the other is the mushers who are trying to get to Nome. We can't give the Race Marshal the authority to pull a dog without the consent of the musher. He is not a professional. The Race Marshal has the authority to pull mushers and dogs for many different reasons. We count on the veterinarians to go through our dogs and make recommendations. We have one responsibility – to get to the finish line with our team in the best shape possible. If we turn the responsibility over to the Race Marshal, then where are we?

Nordman noted that we're not talking about the top end or the back end of the field. We're talking about those mushers who have a tendency to think they should be higher in the standings. In the past it's another filter that can be gone through.

Burmeister said that point is whether we want to take the authority to care for the dogs away from the musher. We have a rule in place.

Nordman asked what would happen if a dog is in that bad a shape and the musher insists on taking it and something happens to the dog. Who really suffers in that case? What happens to the event. He said he is trying to get away from having something happen when a musher won't take advice.

Zirkle commented that as we look ahead and think about the future of this race, we need to keep in mind public relations. If we don't have the public on our side, no one will make any money. I don't see controversy anymore between mushers and veterinarians. When the race begins, the Race Marshal has the say. We can't say publically that as mushers, we don't need the vets, that we know more than they do.

Baker noted that we want the veterinarians and mushers to work closely together for dog care so we can't do stuff that makes out the veterinarian to be the bad guy.

Swenson noted that the reason we don't see the adversarial relationship now between mushers and veterinarians is because that was taken away some years ago and we gave the final say to the mushers. He explained that if he had to go back to what Zirkle was suggesting, he would skip as many checkpoints as he could. If you aren't going to require that the Race Marshal be at the checkpoint, they you're giving the veterinarian on site the final say.

Zirkle noted that one of the things mushers are touted for is their toughness and they talk about how tough they are, how sleep deprived they are, how many trees they saw, so are they really watching the dogs. If a musher can't figure out that he's in the middle of an ocean and not in a forest, some other eyes ought to be there helping making decisions on dogs. Burmeister noted that the veterinarians are those people. Mushers have a good working relationship with the veterinarians and count on each other for advice. It wasn't always that way and if we go back, a lot more dogs are going to be pulled.

Baker noted that the Race Marshal has been put there as another filter, as another set of eyes. It's still going to be the Chief Veterinarian who has the final decision.

Burmeister noted that according to the Race Rules, the Race Marshal still has the authority. He can tell you that if something happens to a dog you take against advice, you will be disqualified. But it is still the decision of the musher.

Nelson noted that the veterinarians are dedicated to creating a working relationship between themselves and the mushers, no matter what the outcome of this rule is. In a worst case scenario, it is very scary that someone wouldn't have the authority to say a dog couldn't stay in the race if it didn't meet the criteria.

Burmeister asked how many red tagged dogs have left a checkpoint in the last 15 years and Nelson said it hasn't been done. Burmeister asked why something needed to be changed that was working. Jonrowe suggested a compromise. He suggested leaving the rule the way it is with a written warning that a musher would be permanently banned if he takes a dog he was told not to take and it died.

Swenson asked for a five minute Executive Session.

Jonrowe/Swenson made a motion to go into executive session with exception of Nelson and Nordman. Passed.

OUT OF EXECUTIVE SESSION.

Zirkle noted that the best scenario would be that the Chief Veterinarian and Race Marshal would both be there when there is a question of not allowing a dog to continue.

Jonrowe suggested voting on whether the mushers will be disqualified if he defies what is in writing.

Baker said he believed the ultimate authority should be the Race Marshal.

Swenson noted that he liked the way it was written. The veterinarian doesn't come across as the bad guy. He is just offering recommendations. The musher can present his point to the Race Marshal.

Burmeister/Jonrowe moved to remove in first sentence of Rule #41 "Chief Veterinarian and veterinary staff." Motion passed.

Jonrowe noted that there will be times when the Chief Veterinarian thinks a dog might make it to the next checkpoint but it wouldn't be prudent to let it continue on for the health of the dog. You would have no mechanism except to take the dog out.

Swenson noted that that's where you get back to the Veterinarians and Race Marshal and mushers discussing the situation. The veterinarian can tell the Race Marshall what he sees and the Race Marshal will be the one to make the decision.

Rule #41 was to be changed from: All dogs entered in the race are under the jurisdiction of the Chief Veterinarian and veterinary staff from the time they enter the staging area at the start until 71 hours after they have been released by the ITC veterinarians" to "All dogs entered in the race are under the jurisdiction of the Race Marshal from the time they enter the staging area at the start until 72 hours after they have been released by the ITC veterinarians or 48 hours after the final musher finishes."

The **fifth** item discussed by the Rules Committee was the QRB. Zirkle noted that Bernie Willis is not going to be part of the QRB any longer. He was a good part. She also said Jason Barron was no longer in dog s so it's hard to ask him about stuff when he's not there anymore. She said she thinks the QRB works as well as it can. There are definitely some flaws. When last minute folks sign up, it's hard to bring people together and take a bunch of time to look at the report cards. She said the report cards are coming in better this year.

The **sixth** item regarding wording in Rule #47. It has been understand that any unused dog food becomes the property of the ITC and is donated to the village. It's a win – win situation. The rule currently reads "No food may be....". It appears that there needs to be stronger wording and say "No dog food may be shipped back in return bags."

The **seventh** item from the Rules Committee concerns Rule #41. When exactly does the responsibility for the dogs end? Because it is somewhat vague in the rules about dogs staying in the dog lot in Nome,

the proposal is that the rules provide an exact time when the Race relinquishes its responsibility of the dogs in the Nome dog lot.

Zirkle commented that Dr. Nelson has noted that there were dogs in the Nome dog yard after it was no longer being policed. After 48 hours the Iditarod is no longer Adds or 48 after final mushers finishes Stu noticed that there were dogs in the yard but no one was policing it. After 48 hours the Iditarod is no longer responsible. Nelson had explained that he tried to stay until all the dogs are gone but sometimes can't and is concerned on where Iditarod's responsibility ends. Who is responsible if a dig dies?

Burmeister commented that if the dogs are in the Iditarod's dog lot, we are responsible. If we are going to close down and leave Nome, we need to pull the chains and close the dog lot. Once we're gone, the dog lot is gone.

Swenson asked about the unfortunate situation that a few teams can't get out.

Seybert/ Burmeister moved to adopt rules changes from the rules committee with the change in #35 replaced with carried or used and the rest as recommended and Rule #41 that there was already a motion on. Motion passed.

Zirkle suggested talking about the Nome Dog Lot at the next meeting and have a big discussion about it.

ADOPTION OF OPERATING BUDGET

Hooley noted that there are a lot of moving parts and pieces at the moment that affect any budget we adopt today. The attitude has to be that anything adopted today is a roadmap and that we may need to come back and revisit certain areas through the coming months. We have done that in the past.

He explained that one example of this involves the trackers. Iditarod had put a lot of energy and effort into developing an online tracking product that was viable and enhanced this year. Just this week he was made aware that IonEarth no longer exists. It was acquired by a Texas company last year. The long and short of it is that they are out of the tracking business and Jerry Miller is no longer with the company. The two web programmers he hired last year are no longer employed.

He noted that there is at least one option out there that doesn't work nearly as well. He said he hopes there is some way to get to the parenting company and acquire the programming and hardware and maybe even hire Miller as a consultant to try to patch this thing together this year. He explained that the hardware is the easy part. We paid for the satellite time so that's easy. It's the intellectual property and the guys that were sitting up 24 hours a day babysitting this thing. This is five years of experience that is going away.

He explained that the other thing is that we've been exchanging information with a couple of parties in regards to licensing our merchandising operations. He said he expects to have more to report in the next few weeks. We'll likely have to revisit the budget on both tracking and merchandise.

The proposed budget calls for a year end net revenue of \$194K, an increase of 462K over our current forecast, provided all the revenue stays the same, particularly in the sponsorship area, that we don't lose a Fred Meyer, WellPet or whatever else. What we'll need to accomplish in terms of new revenue in the sponsorship area is about \$250K. Provided we meet our revenue targets, we'll reduce the long term

debt by \$54K, put 480K in reserve, increase operational cash by \$33K and keep the accounts payable current.

Hooley noted that we have deferred maintenance projects at ITC HQ as much as possible and longer than we should have. Over the next few months, we must make approximately 450K in capital improvements to the HQ building – a new roof, sign refurbishment, sealing and sanding the exterior and repairs to sidewalk and parking lots. We're working on some grants and hoping to get some of this funded.

Looking at each activity in the budget the most pertinent bullet points are listed.

Increase in purse of \$50K, increase in dropped dog equipment and supplies of \$15K, increase in veterinary pharmaceuticals and supplies of \$27K (drontal plus), increase in AV fuel of \$5K, Increase in race communications of \$7.4K, decrease in trail grant work of \$87K.

It was suggested that the mushers could pick up the cost for the wormer and there were meds out there for \$15 a tablet. Nelson explained that the only one that has tape worm efficacy is the Drontal Plus.

Nelson noted that it is already in the rules and his hope is to get the best price possible. It was suggested that he talk to drug companies and see if it could be sponsored.

It was agreed that Iditarod would try to get Drontal Plus funded but if not, as stated in the rules, the mushers would be required to purchase it.

Hooley noted that the merchandise area can change a great deal, so for now, we have just plugged in a number. The goal is to make a transition to a third party within a few months. We're predicting an increase in sales revenue of \$13K. So far, he's had conversations with three parties regarding the licensing of merchandising program. Finding the right relationship is a top priority.

Hooley noted an Increase in auction revenue of \$12K and increase from an artwork fundraiser of \$50K Over the courses of the last 20 years we have some of these. The seed money in the race foundation was from something similar. A guy named James Hagens would do the artwork.

Utilizing a steady 10% average growth revenue would Increase Insider VOD in revenue of \$22K. There are more who subscribe to VOD than to the tracker. Jonrowe noted that he was able to get on five different computers with the same password at the same time. So there are some glitches there. Insider tracker, increase of \$15K

On sponsorship side, this is where we're targeting more growth for an increase in revenue of \$250K Increase in expenses of \$37K. Essentially that \$37K is takes into account the hiring of a new person. There is some money we spent in sponsorship expenses this year that we wouldn't spent next year.

We'll be expending considerably less on website expenses. The effort last year was getting the Education site up and running. So for FY14, a decrease in expenses of \$16K is expected.

In the G & A area we're expecting a decrease in grant revenue of \$187K, contribution revenue of \$26K (volunteer who wrote a check for \$25K last year when he won the lottery)and in maintenance, communications and insurance expenses, \$20K

Hooley explained that that is the top level view and the details follow.

Jonrowe asked about getting Alaska Airlines to give more saying that he hated to give them the Leonhard Seppala award for just \$80K. Hooley noted that they'd probably go away without that award, but said that with the recent change in personnel, chances of getting them up are better than they were. We need to do some brainstorming on what approach to take and who should be involved.

Swenson suggested that there are other airlines, Jet blue and Icelandic, for example. Maybe they'd like to become sponsors.

Hooley asked how it would affect the musher s if Alaska Airlines went away. It was noted that NAC was the cheapest way of getting dogs back. The only advantage of Alaska Air is that a musher can fly back with his dogs. Seybert noted that if there is a way to get them to come up with more, it isn't going to happen locally.

There was discussion about how the Iditarod could change its approach by offering Alaska Airlines something. Burmeister suggested a champion could appear in their ads in return for unlimited status of MVP gold.

Seybert suggested talked to Joe Sprague at Alaska Airlines. He is pretty high up in the company. He said he thought that could be done without upsetting the local Alaska Air people.

When asked, Hooley explained that there is money in the budget to provide for the hire of a new PR person.

Seybert/Jonrowe moved to adopt budget as presented. Motion Passed unanimously.

Hooley explained that Iditarod had entered into a promissory note with the ITRF for \$250K. We took that money to Wells Fargo and deposited it. They encumbered that money and based on that, issued Iditarod a line of credit. The document was just issued and is being executed this week. For two years, our borrowing costs are comparable to what they would have been had a more conventional approach been taken. We will pay this down to \$0 for at least a period of 30 days. This will allow us to stay current on payables , allow us to hire now rather than wait until November and allow us to work on projects now rather than wait until we have the cash.

Jonrowe/Handeland moved to formally approve the action taken by the Executive Committee and Executive Director relative to the financial agreements entered into with both the ITRF and Wells Fargo. Motion passed unanimously.

RESOLUTION AUTHORIZING COMMEMORATIVE WINE SALES

Handeland explained that the ABC Board asks for proof that the activity for which a permit is applied is approved by the Board of Directors.

Handeland/Seybert moved to draft a resolution for the wine auction permit. Motion passed unanimously.

JIM PALIN'S REQUEST

Hooley had explained that Palin had asked to be officially appointed a volunteer representative of the ITC to lobby for funds in Juneau.

Hooley explained that Baker had lobbied for money for ITC this year and it had ended up getting written into the trail adjudication project. So now we have the INHT after the same money ITC is after.

Hooley explained that anytime the Iditarod name gets attached to something, it is thought that it is the Iditarod (Race). A few years back Senator Stevens thought they were sending Iditarod \$18million dollars but that was really going to the Forest Service for trail work on the Kenai Peninsula on the old invisible historic Iditarod Trail. Stevens honestly thought when the funding was appropriated that they were helping the ITC.

This year's funding out of Juneau is somewhat the same thing. The State of Alaska D & R was lobbying for funding for continuation of the Trail Adjudication project to finish it. Representative Dunlevy was thinking that the funding to be allocated for this year was moving our way when in reality it was going to D & R. So as of now, that funding is scheduled to go to the State of Alaska, not the ITC.

Baker noted that we have Palin and Judy Bitner fighting for money for the D & R project now. Dunlevy has told Baker that he will make the money go wherever the Iditarod wants it to go, so now we're in a position to irritate the trail side.

Swenson asked for a motion to table this and wait for the Annual Meeting and organizational meeting. We'll have it hammered out by then and know what we want to do with the money. Right now it seems like there is conflict. We need the money but we don't have it figured out what we are going to do with it.

Hooley explained that he thinks Palin just wants to stay involved and sees this as an important project as we did when he was on the Board.

Burmeister commented that the adjudication project is important but it isn't a project the ITC was trying to get funding for. Nordman noted that in talking to Leslie, this money would get them another year and she doesn't know if they'll get done in a year or not. Burmeister noted that Dunlevy should be advised that the money needs to come to us. The other issue is Jim Palin and that should be tabled until the next meeting.

Nordman noted that we're in good standing with the IHTA. We're the only one who has accomplished anything on the trail. He said this will be a big hit and he doesn't know if it means the project will stop or if they have already started spending.

Hooley asked about damaging our relationship with the State. Baker noted that the D & R is totally on our side. Nordman stated that we want the trail to be adjudicated. We want both actually.

DIRECTORS COMMENTS

Jonrowe: Thanks to everyone.

Burmeister: Thanks. We got a lot done this weekend.

Swenson: I think it was a good meeting. The planning session helped on some of the issues today. Looking forward to next year's event. We definitely have some big challenges to deal with.

Handeland: Hopefully the budget is attainable. Said he didn't get excited about the rules, feels the mushers are more attuned to how this impacts the race. He tends to listen to Swenson and go along with his suggestions. Thanks for today.

Baker: Thank you. We had some controversial issues and everyone worked well together. Thanked Hooley for the budget. A lot of work went into that.

Hooley: Busy summer coming up with a lot of new faces sitting in front of you who have been at work for weeks. I'm a little anxious to find a replacement for the tracker project.

ADJOURNMENT

(Note: There was no motion on the tape or time for adjournment.)