

IDITAROD TRAIL COMMITTEE, INC.
BOARD OF DIRECTORS MEETING
Millennium Alaskan Hotel
December 5, 2014

CALL TO ORDER

The meeting was called to order by the President at 9:16 a.m.

ROLL CALL

Members present:

Andy Baker, Aaron Burmeister, Stan Foo, Paul Gebhardt, Mike Jonrowe, Mike Owens, Danny Seybert, Rick Swenson (via phone)

Member Absent:

John Handeland, Joe Redington, Sr.

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

A quorum was present.

Others present: Stan Hooley, CEO; Mark Nordman, Race Director/Race Marshal; Andy Willis, Race Coordinator; Don Patterson, Finance Director; Diane Johnson, Education Director, Stuart Nelson, Jr., DVM, Chief Veterinarian; Joanne Potts, Recording Secretary; Bob Stewart, Attorney for Iditarod; Eric Rogers and Chris Blankenship

PUBLIC COMMENT

There was no public comment.

ADOPTION OF THE AGENDA

An Executive Session was added to discuss a proposed rule change.

Item 8.4 was added to discuss the qualifying status of the GinGin.

Baker asked to move the Executive Session up from #9 to between 5 & 6.

Owens/Jonrowe moved to approve the agenda as amended. Motion passed.

ADOPTION OF MINTUTES OF OCTOBER 17, 2014 BOARD MEETING

Seybert/Foo moved to adopt the minutes of the October 17 Board Meeting. Motion passed.

EXECUTIVE SESSION

Owens/Jonrowe moved to go into Executive Session to discuss the COO's employment agreement and proposed rule change. Motion passed.

The Board went into Executive Session at 9:20 a.m.

The Board came out of Executive Session at 10:45 a.m.

PRESIDENT'S REPORT

Baker asked what policy is in place regarding sending dropped dogs to Pet Emergency. Dr. Nelson explained that we only send dogs in life threatening situations to Pet Emergency and that musher is responsible for the bill. The issue is the ability for these dogs to have 24 hour care. Nelson also explained that Iditarod has nothing to do with what happens after the dog is released from PET. Baker indicated that we need a protocol established and asked Mike Jonrowe to work with Dr. Nelson on establishing that protocol.

Baker appointed a Trail Committee: Paul Gebhardt, Aaron Burmeister, Mike Jonrowe and Rick Swenson. This committee will look at the trail and work with Nordman on making the decision as to whether Iditarod can use the usual trail this year. Nordman will meet with them and work out getting them out to see the trail.

BY LAW CHANGE

Hooley introduced Barbara Kraft, an attorney from Bob Stewart's office. He noted that Kraft had worked on the Iditarod's bylaws, in particular, a bylaw change.

Kraft reported that the bylaw change had to do with the selection of the members of the Board of Directors. The Musher Representative would stay there and be elected by the mushers. There would be a best effort Nome seat. She explained one board seat would be elected by the IOFC, two seats would be elected by the membership and the other seats would be appointed by the Board.

It was explained that there is a problem getting the needed levels of expertise elected to the Board. If a musher is running for a seat, the musher will always get elected.

The Nominating Committee would determine who would run for the seats, both those member elected and those who are board appointed.

Seybert/Burmeister moved to adopt the Bylaws as presented with the following changes (a) revise Section 5.3 to provide for the Board of Directors to adopt a process at its February 2015 meeting to classify the currently seated directors as member-elected or Board elected; (b) revise Section 5.3 to provide for the Nominating Committee to develop suggested processes for the Board to consider at the February 2015 meeting; and (c) authorize management to make formatting changes and corrections throughout the Bylaws that do not change the substance of any provision.

Mike Jonrowe, Rick Swenson and Mike Owens noted that they would like to see the general membership elect a board member every year.

Seybert/Burmeister motion passed.

CEO'S REPORT – Stan Hooley

Hooley submitted a written report.

Hooley reported that a press conference took place on Tuesday to announce the increase of \$50K to the top five finishers in the race and to explain the recent trail project.

He explained that he is now predicting revenues of \$4,161,051, an increase of \$32K over budget, expenses of \$4,074,218, an increase of \$144K over budget and net revenues of \$87K, a decrease of \$112K under budget. He explained that we have commitments or have received \$1,080,370 of the \$4,143,333 forecasted. There is still \$3,080,681 still left to be realized to meet the forecast.

The forecasted balance owed the ITRF is \$250K, Wells Fargo LOC 1, \$100K and Wells Fargo LOC 2, \$0.

At this time, we have renewals expected of \$205K and a likely gap of \$27K as opposed to the \$160K gap indicated in his last report.

He noted that there isn't a line item for cash reserves. Any reserve now would be a result of profitability.

He explained that the four presenting sponsors have contracts for \$215 K for Donlin, \$218K for ExxonMobil and \$216K for GCI. Anchorage Chrysler Dodge Jeep is on a year to year basis. He noted that there is \$150K in new sponsorship so far.

COO'S REPORT – Willie Karidis

Karidis submitted a written report.

Hooley explained that Karidis had been called out of town due to a death in his family. There were no questions on his report.

RACE DIRECTOR'S REPORT – MARK NORDMAN

Nordman submitted a written report.

Nordman noted that he has lined up good speakers for the rookie meeting and invited any board members around to attend any part of the meeting.

He also noted that there would be 10 judges this year.

CHIEF VETERINARIAN'S REPORT – STU NELSON, DVM

Nelson submitted a written report.

He noted that the proposal for a research study submitted by Dr. Mike Davis, isn't solidified yet.

Jonrowe asked if we had considered a cursory parasitology study to make sure we aren't leaving anything behind in the villages that would harm people or dogs. Nelson noted that he could suggest such a study to a student who was looking for a specific research study, but we haven't done such a study.

FINANCIAL REPORT

The financial report is in the board packet.

Don Patterson explained that the cash surplus shows on the balance sheet on the 5 year plan. It shows on a yearly basis. He explained that we had never accomplished Step 1. So at the end of the day, we haven't met the goal.

IOFC – AARON BURMEISTER

Burmeister noted that he had received calls from mushers recommending more enforcement of the rules during the race. They were suggesting more consistency in the judges and recommended that a judge stay with the front of the pack to enforce the rules. They feel that some of the rule infractions are because of inconsistency in judges. Some, he noted, are outside assistance, snow machines and cell phone use.

Nordman noted that it would be feasible to have a judge with the front of the pack, maybe from Nikolai on. He will discuss these issues at the judges' meeting prior to the start of the race. Nordman agreed that they will come up with a plan.

REQUEST FOR QUALIFICATION STATUS FOR GINGIN 200

Gebhardt explained that the GinGin had been a qualifier before but hadn't run for several years so had to be approved again as a qualifier. He stated that the rules committee had approved it.

There was question about the dead dog policy in the GinGin's race rules. Swenson noted that it should be up to the race marshal and chief veterinarian as to whether the death of a dog was the mushers fault.

Gebhardt/Foo moved to accept the GinGin as a qualifier. Motion passed. Swenson opposed.

MUSHERS' REP – PAUL GEBHARDT

Gebhardt had no additional report.

PERSONAL CONDUCT RULE

Owens/Seybert moved to pass the Personal Conduct Rule as discuss during Executive Session:

Commencing on the date of their individual signup for the annual Iditarod Trail Sled Dog Race ("Race") and continuing until 45 days after the last musher completes that year's Race, mushers shall not make any public statements or engage in any public conduct which is disparaging to any of the sponsors of that

year's Race, nor shall they make any such statements or engage in any such conduct which are injurious to and in reckless disregard of the best interests of the Race. Violations of this Rule will be determined by the CEO of the ITC. Notwithstanding the provisions of Rule 52, the sanctions for violation of this rule will be determined at the discretion of the Executive Committee of the Board of Directors and may include forfeiture of the entrance fee, involuntary withdrawal, retroactive disqualification and prospective disqualification for a period of years.

Owens/Seybert motion passed.

CEO EMPLOYMENT AGREEMENT

Seybert/Gebhardt moved to authorize Andy Baker, as President of the Board of Directors of the Iditarod Trail Committee, to execute an Employment Agreement with Stanley R Hooley, CEO of the Iditarod Trail Committee, pursuant to the guidance provided to Mr. Baker by the ITC Board of Directors in executive session. Motion passed.

ALTERNATIVE ROUTE RECOMMENDATION

Nordman noted that he has been in contact with people in Fairbanks and Galena. The alternative route is Fairbanks, Nenana, Manley, Tanana, Galena, Huslia, Koyukuk, then to Nulato and then on the traditional trail to Nome. It would be 2 miles further than the Southern route. The addition of Huslia adds 168 miles. The trail from Galena to Huslia is well traveled by the locals and there is local interest in Iditarod's following this trail. There is a shelter cabin halfway between Galena and Huslia. Koyukuk to Nulato is 18 miles.

Nordman noted that a decision must be made by the 12th of February, prior to food drops.

Baker wants the committee to meet and finalize the decision regarding Plan B. He asks that they meet with Nordman prior to the 12th of February.

Gebhardt/Burmeister moved that the preceding plan would be accepted as Plan B and the decision as to whether to use the traditional route or Plan B would be made no later than February 12. Motion passed.

TURQUOISE LAKE FIRE TRAIL WORK PROJECT – FINAL REPORT

Nordman showed a power point presentation detailing the trail work that has been done since mid-September. He noted that everything has been brushed to the ground through the gorge.

He explained that nothing has been done on the trail from Willow to Skwentna.

VISIT TO NOME

Hooley noted that the City Council was pleased with their visit. He suggested that Iditarod consider a meeting there after the race, late April or early June.

Burmeister suggested that it would be good to have demographics of what Iditarod has done for Nome. They are now hearing the negative, not the positive, created by the \$70K increase in the purse. Owens commented that it used to be a carnival atmosphere in Nome for the month of Iditarod, and now we're lucky if it is for six days.

RESOLUTION FOR SIGNING AUTHORITY

Seybert/Owens moved to pass the resolution for signing authority:

At its regularly scheduled meeting, duly held on December 5, 2014, the Board of Directors of the Iditarod Trail Committee resolved that:

The Chief Executive Officer is authorized by this delegation to execute various agreements and obligations on behalf of the corporation, such as sponsorship and vendor agreements, various permits, as well as other agreements considered usual and customary to the business of the corporation.

Be it resolved further that:

This resolution is subject to annual review by the Board and shall be considered in effect, unless revoked by resolution of the Board.

Seybert/Owens motion passed.

HONORARY MUSER

Burmeister reported that he had received several nominations for honorary musher, including, Joe Delia, Greg Bill, Dave Cruze, Leo Rasmussen and Philip Esai.

He explained that Philip Esai, from Nikolai, was an Iditarod volunteer from the beginning. He died this past year. Marty and John Runkle sent in the nomination detailing all the things Philip and his wife Dora had done during the past Iditarod's.

Jonrowe/Gebhardt moved to approve Philip Esai as the honorary musher for 2015. Motion passed.

DIRECTOR'S COMMENTS

Stan Foo: Very good meeting; helpful update on trail; appreciation to Nordman

Danny Seybert: One of the best meetings; thanked everyone

Mike Owens: Thanked Hooley and staff for the many hours of work on daily basis

Paul Gebhardt: Good meeting; apologized to Mark – didn't believe he could get the trail work project done; thanked Nordman, Burmeister and Swenson for alternative trail

Mike Jonrowe: Thanked everyone for hard work

Aaron Burmeister: Very productive meeting; everyone worked collectively for future; thanked staff for holding up their end

Rick Swenson: Thanked everyone for patience and staff for getting ready for meeting

Andy Baker: Did a number of big issues very professionally; thanked everyone for that

Stan Hooley: Have 90 days to get everything in place; appreciate team effort on the trail project

ADJOURNMENT

The meeting adjourned at 2:10 p.m.