

IDITAROD TRAIL COMMITTEE, INC.
Board of Directors Meeting
December 5, 2003
Millennium Anchorage Hotel

CALL TO ORDER

The meeting was called to order by Board Secretary Richard Burmeister at 9:18 a.m. at the Millennium Hotel Anchorage.

ROLL CALL

Members present: Richard Burmeister, Sam Maxwell, Lee Larsen, Dan Seavey, Rick Koch (via phone), and Mark Moderow (via phone)

Members absent: John Handeland, Mike Owens, Rick Swenson and Joe Redington, Sr. Burmiester stated that Redington's absence is excused and that he is "on the trail."

PUBLIC COMMENT

There was no public comment.

APPROVAL OF AGENDA

Seavey asked to add three things to the agenda: the Jr. Iditarod as a qualifier, the sign up policy and setting a date for the long range planning meeting. He explained that he wanted to suggest consideration of having completion of two Jr. Iditarods constituting one 200 mile qualifier. He said he wanted to discuss changing the sign up policy to state that one couldn't sign up unless he or she were fully qualified.

Moderow said he was in favor of the Jr. Iditarod proposal but not in favor of the sign up proposal. He said he could see requiring that one qualifier be completed before signing up. And he said he totally agreed that the long range planning meeting should be scheduled.

Koch said he would speak against discussing Seavey's first and second proposals at this meeting. He said these suggestions should go before the rules committee for a recommendation to come back to the Board. He said it couldn't be changed to be in effect for this year.

Seavey commented that these should be in place for next year.

Maxwell/Seavey moved to adopt the agenda as amended.

Nordman noted that if something were to be done with the rules, it should be done within the next week.

Maxwell/Seavey motion passed.

ADOPTION OF MINUTES FROM SEPTEMBER 19, 2003

Seavey/Larsen moved to adopt the minutes of September 19, 2003.

Maxwell asked if the Board could get the minutes a couple of weeks after the board meeting.

Seavey/Larsen motion passed.

PRESIDENT'S REPORT

Koch noted that he had asked board members for suggestions for the long range planning meeting and encouraged them to continue to get information to him. He explained that the facilitator has specific forms that he asked people to complete prior to meetings of this type. Koch asked Hooley to get those forms from the facilitator and get them to board members as soon as he could.

EXECUTIVE DIRECTOR'S REPORT

The Executive Director provided a written report in the packet.

Hooley reported that we have 108 mushers entered in the 2004 Race. He said that for comparison, 84 had entered by this time last year. We are projecting that 83-92 will actually leave the starting line in early March.

He noted that the operating plan for FY04 calls for gross cash revenues of \$2,720,269 (an increase over FY03 or \$199K) over cash expenses of \$2,719,107 for year-end net revenues of \$1,162.

He explained that six months into the year on the revenue side, we have either experienced or expect to be under budget (a negative variance) by some \$45K. And on the expense side we have either experienced or expect to be under budget (a positive variance) of approximately \$26K. Consequently, we are projecting a net loss of approximately \$17K for the year. Of course, we have ½ of our fiscal year ahead of us and have many fundraising activities in place with ambitious goals for each, all with varying degrees of risk.

Hooley reported that the raffle was in place and said we are doing more marketing and we are ahead of schedule. He said we are right on target for the Idita-Rider program.

He explained that we've budgeted \$140,000 in new sponsors and have located \$62,000 and have had \$45,000 in sponsor money go away.

He pointed out that a detailed financial statement appears in his written report. He said he doesn't anticipate any significant changes.

Larsen asked about the \$50,000 in the budget to pay someone to help Greg Bill.

Hooley explained that he advertised for the position in July and didn't get anyone whom he thought was a good fit. He advertised a second time and says he now has had a second round of conversations with Tom Jensen. Jensen is interested and familiar with the Alaska market. He said the budget is now projecting his payment and revenue for the last half of the year. He stated that this will be an incentive base based on results.

Seavey said the grand daughter of Leonhard Seppala is working on a grant for the Race, which she envisions going to up and coming junior racers who would be going into the senior ranks of racing. Seavey explained that she wants to come to Anchorage and be part of the announcement about the grant. She said Mike Williams, Libby Riddes and himself are an ad hoc committee to work with this and they will decide on the criteria. The funds will be channeled through the INHT.

Seavey explained that she will give \$10,000 a year for three years and hopes that amount can be fluffed up by Alaskans.

Hooley asked what the role of the ITC will be in welcoming her and having her participate in activities.

Hooley suggested that if this is identifying a musher for the Jr. Iditarod, then the Jr. Iditarod Committee should be involved.

Seavey said she would like to have this all in place for 2005.

Seavey explained that the Millennium Trail organization has been formed as a private non profit organization. He said it has overplayed what the ITC and INHT are trying to do. They are proposing a freight race from Seward to Nome this year. He said the INHT filed civil action against them the first of December and they have now initiated criminal action to determine how the \$25,000 that was intended for the INHT ended up in the treasury of the Millennium Trail organization. Seavey said that the INHT has sent a letter to the BLM to ask that the INHT, the Irondog and the ITC be made aware of any permit applications. He said they had been informed by the BLM that the Millennium Trail organization has applied for a permit. He said the INHT responded that they would suggest not granting a permit until this issue is resolved.

Hooley commented that the ITC had been asked to write a letter to the BLM and said he anticipates doing that. He explained that Hillary Clinton had designated 16 historic trails as Millennium Trails and along with that designation, there was corporate involvement with American Express. After doing some checking, the INHT learned that a check had been cut and an individual who was loosely employed by the INHT had cashed the

check for \$25,000. This individual and her partner created the National Millennium Trails organization and are now proposing this freight expedition along the trail.

Seavey explained that the Idita-Support group had been giving the information on this matter so that the people know to whom or what their money is going.

Larsen/Seavey moved to direct the Executive Director emphatically communicate to the BLM the Iditarod's objection to the use of the Iditarod's name and the use of the Iditarod Trail by the Iditarod National Millennium Trail organization.

Motion passed unanimously.

Hooley noted that the audit report was in the board packet. He said we had projected \$20,000 in year-end revenues but we finished up with \$40,000 in year-end net revenues.

Seavey asked how long Iditarod has been with the current account firm. Don Patterson explained that it's been five years and that they donated half the cost as well as donating their services for the musher draw and for verifying the summer raffle.

Hooley explained that the first year with an accounting firm is higher and our costs have gone down. He said we pay them \$3,600 for the audit. He explained that they account for every stub in the summer raffle.

Larsen asked about the savings on credit card processing.

Hooley explained that because of Larsen's association with Wells Fargo, he negotiated a better credit card rate for us so we will save about \$5,000 a year.

DEVELOPMENT DIRECTOR'S REPORT

The Development Director provided a written report in the packet.

Greg Bill said that he has been working on securing existing sponsorships for 2004 and targeting new prospects to add to the sponsorship list. He said he has secured commitments for 2004 from most of them, but an unusually high percentage of the larger sponsors won't have made their final decisions until later in the year, some as late as late December.

He said we had known early on that Providence would be cutting out their \$10K cash contribution which we used to purchase and ship the straw bedding but he said the Millennium is interested in salvage this shortfall. He said he had asked Providence to make up for this cut back in the form of an in kind contribution of approximately \$7K worth of veterinary supplies which we don't get donated and have to purchase.

He explained that his contact at Smurfit-Stone Recycling said the renewal was not going to be a problem but the president decided to cut their funding. He defended their position

be telling me that they had just recently decided to closed down two paper mills and were letting go 1400 employees.

He said that on November 4, he got the word that ACE Hardware would not be continuing their sponsorship. He explained that the first year, they were a \$7,500 sponsor and last year they went up to \$25,000 (\$7,500 in cash and \$17,500 in in-kind.) He said their corporate money didn't come through this year.

He explained that he had talked to AIH about picking up this sponsorship under a three-year agreement. It might come in at \$12,500 cash and \$12,500 in kind.

He said Craig Taylor Equipment and Horizon Lines have signed on as new \$7,500 cash sponsors. He said he has met with the AND in an effort to upgrade them to a major sponsor. Their initial response was no but now they are rethinking. He explained that he met with Mayor Mark Begich who fully supports continuing their cash and in kind contribution to the Iditarod. But he said Begich said there were two assembly members who don't necessarily support the Iditarod as he does and he suggested Bill meeting with the assembly that evening, which he did. He said he answered lots of questions and thinks we will get the full funding.

He said he has finalized a new three year agreement with Fred Meyer which includes an additional \$2,500 in cash and \$5,000 additional in-kind. He said it appears that we will receive some new cash from Global Information Technologies. He said he is working on Office Tech to get them back as a sponsor for '04. He said he has written Marylou Whitney a request for 450K cash to fund the continuation of the EKG research as well as covering the lack of growth we had expected to receive from Alaska Airlines the past few years.

He said he has not been able to secure a dog food sponsor but that Eagle Pack is interested in discussing sponsorship for next year.

Bill commented that he couldn't speak highly enough of Tom Jensen. He explained that he used to be on the Iditarod Board of Directors, he worked for Alascom when Alascom sponsored the Iditarod and he was born and raised in Alaska. He has the advantage of speaking from a former sponsor's perspective which Bill said adds a lot.

Seavey asked if we have any anonymous sponsors.

Bill explained that the Bayer Corporation helps with the worm medication. He said they will give us enough drug to cover 85 teams which comes to about a \$28,000 donation. He noted that retail for this medication would be \$500 per team. Bayer does not want to be listed as a sponsor. He said there were a few others like that, who supported us but didn't want to be listed.

Seavey asked if Bill offers this suggestion when he approaches sponsors.

Bill explained that we want the prospective sponsors to understand that we advocate excellence in dog care. We want them to be able to answer the animal rights people's questions.

Larsen commented that Bill had done a good job with the Muny. He said we should never take Nome, Wasilla or Anchorage for granted, because the politics changes all the time.

Bill said he had secured the T Rowe Price sponsorship for the Jr. Iditarod.

RACE DIRECTOR'S REPORT

Potts reported that she had been busy with this record number of mushers. She pointed out that while we have 108 names on the list, we have actually had 109 people enter and one has already withdrawn. She said of the 50 rookies still on the list, 18 are qualified, 18 are half qualified and only 14 need to do both their qualifiers.

RACE MANAGER'S REPORT

Niggemyer reported that he had had enough food drop bags made for 90 mushers and he was going to have to get another 10.

He said the first pilots' meeting had been last week and they had decided not to add any additional planes. There will be 21 to 22 planes in the Air Force this year.

He reported that John Norris had talked to the insurance rep. He explained that airplane insurance is finally starting to level off, the cost may even be going down. Iditarod did have a significant claim last year and Niggemyer said at worst, this year's insurance isn't going down.

He explained that the BLM permit is for 90 mushers. But he said when he talked to the BLM they indicated that it should be a problem if we have more. Their number for permits for the various events is 2500 trail days. He said that is a lot of days to borrow against.

Niggemyer explained that the area near Poorman had a fire year before last. He said there is a stretch of 18 to 19 miles where there are trees across the trail in spots. He said it will take a significant amount of work to clear it. He said they are looking for a grant through the INHT and the State to get the work done.

He said Jim Palin had said there is another potential grant for work between Skwentna and Rainy Pass.

He said his only potential problem is the availability of the armory in Shaktoolik. Because of the war in Iraq we may not be able to use it but he says he will know by the first of the year.

He noted that there is a new owner at Rainy Pass who is enthusiastic about being involved with the Iditarod.

Niggemyer noted that there were three possibilities for the race if we should get into the position we were in last year. All would be starting at Fairbanks and going to Nenana.

- 1) Nenana, Kantishna, Lake Minchumina, , Telina, Nikolai and then on the usual trail to Nome;
- 2) Nenana, Tanana, north to Alakaket, Hughes, Huslia, Galena and then on the usual trail to Nome
- 3) Nenana, Tanana, Ruby, Kaltag, Unalakleet, Koyuk to Candle, Buckland, Kotzebue, Candle, Council, White Mountain and Safety and Nome

He explained that the drawback of option three is that mushers would have 600 miles near and around the Bering Sea. He suggested that option would end up being the best option.

Larsen asked what it would take to have a good viable alternate trail plan.

Maxwell pointed out that we'd be building infrastructure every 80 or 90 miles on the trail from Minchumina or Kotzebue.

Hooley noted that it was Stu Nelson's birthday and the board sang Happy Birthday to him.

CHIEF VETERINARIANS'S REPORT

Nelson included a written report in the board packet.

Nelson noted that Greg Bill had already spoken about Bayer.

He explained that in '98, a research study was done to determine if there was a correlation between serum vitamin E levels and the presence of myopathy lesions, it was found that dogs with higher vitamin E levels were significantly more likely to complete the race, but not necessarily less apt to have muscle pathology. At that time he said we weren't scooping dogs for GI abnormalities. In more recent years, they have scoped the dogs but not tested the vitamin E levels.

He explained that since '98, they have advised mushers to supplement their dogs with 400U/day of the alpha tocopherol vitamin E. Recently a much more potent type of vitamin E has been developed which shows even greater potential in its antioxidant properties. He said that for 2004, they will provide the new type of vitamin E or the usual to volunteer teams in a blinded random study. The supplements will be delivered to participating mushers approximately one month before the race. He said they will establish whether more potent antioxidant supplementation enhances performance and will be evaluating the possible impact of more potent antioxidant supplementation on GI mucosal integrity.

He noted that he will continue to emphasize to the mushers the importance of observing the dogs and how critical it is for the mushers to work with the veterinarians.

He said Jan Bullock will be returning as the head technician in charge of the blood work, chipping and EKG's.

The large number of mushers this year will probably mean 36-37 trail veterinarians rather than the usual 34-35, but it will be necessary to assure sufficient coverage to maintain our standards.

Burmeister asked if there is a list anywhere of the studies that have been done to help racing dogs.

Seavey asked for a list from Nelson from a medical standpoint on what the Iditarod has done for dog care.

Hooley said he would work with Nelson on providing this information in an unscientific format.

RACE MARSHAL/VILLAGE COORDINATOR'S REPORT

Nordman included a written report in the Board packet.

Nordman noted that a list of the qualifying races has been included in the packet.

Nordman noted that the list of judges who agreed to work this year are John "Andy" Anderson, Lavon Barve, Rich Bosela, Rudy Indermuhl, Rhodi Karella, Mark Lindstrom, Don Lyrek and Al Marple.

He said the rookie meeting is set up and will take place this weekend. He explained that Saturday's meeting will be at the Millennium and Sunday's will be at Martin Buser's kennel. He included the agenda for the two days in the packet.

Seavey asked about the two new qualifiers. He wondered if Nordman had lined up people to be there.

Nordman explained that he has people watching all the qualifiers, not just the new ones. He said he is using Iditarod people who live near where the races are.

The letter from Billy Honea asking for patches for the checkers was brought up and discussed.

Nordman noted that he will be making trips to the villages before the holidays and again right after the fist of the year.

He noted that ITC will be setting aside one Idita-Rider position for a child from the communities along the trail. He said he is working on the details and talking to school districts along the trail for input.

He said he has been contacted by Carsten Ruud, a senior lecturer, who is a Dean at Buskerd College in Norway. He is in Alaska and working on a PhD project at the U of A Fairbanks on village life in the Interior, and wants to incorporate Iditarod into the program. He said he is helping Mr. Ruud with organizing his visits.

He said he will be sending a letter to mushers and making it available to volunteers in an attempt to ensure that Iditarod continues to receive the hospitality that it does from those who live along the trail. He said he has solicited the help of Loren Anderson of the Alaska Native Heritage Center for this letter.

Seavey commented that the INHT is going to request that Theresa Daily be accommodated on the trail to go to the villages on behalf of the INHT website. He said she would have checkpoint signs to deliver to select villagers compliments of the INHT.

Nordman agreed to be in contact with her before the Race.

Greg Bill noted that she had notified him that she wouldn't be able to go out this year. But he said, if she had, the information she gathered would have information Iditarod could also use.

HONORARY MUSHERS

A list was provided in the board packet of names that had been submitted to Hooley by various staff and board members. Those names are Terry Adkins, Tony Anthony, Jim Brown, Bill Devine, Bob Ernise, Dick Mackey, Harry J Pitka, Jeff Schultz, Larry Thompson, Norman Vaughan and Jon Van Zyle.

Larson noted that we have recognized Lolly Medley but we've never recognized Mary Shields. He said we haven't recognized Libby Riddles or Susan Butcher. He said he also thought Keli Mahoney should be on the list. He said we have only recognized four women as honorary mushers.

Seavey commented that he thought it was a disgrace when Leonhard Seppala was dropped from being the honorary musher.

Burmeister commented that it was some of the Sweepstakes runners who got dog racing going. He explained that Seppala didn't start racing until after the All Alaska Sweepstakes.

Niggemyer noted that he had made a list and we have three volunteers who started volunteering in 1973 and are still alive.

Burmeister commented that we need to honor people who have been active since 1973. He suggested that there are other ways to honor people than making them honorary mushers. He also said it is important to honor mushers from the past.

Nordman commented that he didn't want to see the Honorary Musher thing get watered down too much.

Bill said that we had honored Leonhard Seppala for the first eight years. Perhaps we could just name the award the Leonhard Seppala Honorary Musher.

An explanation was given on each person on the list and on those named by Larsen as to how they have been involved with the Iditarod.

Maxwell/Seavey moved to change call the Honorary Musher to the Leonhard Seppala Honorary Musher.

Maxwell/Seavey motion passed.

Maxwell noted that the honorary musher should be someone who put a lot of time and energy into the Iditarod.

Seavey commented that this may have gone beyond us and we might be slighting someone.

Maxwell/Larsen moved that we have two honorary mushers this year. Motion passed.

A secret ballot was cast and Terry Adkins and Harry Pitka were chosen as Leonhard Seppala Honorary Mushers for 2004.

ANCHORAGE CONVENTION AND VISITORS BUREAU ASSISTANCE

Hooley introduced Carolyn Muegge-Vaughan.

Muegge-Vaughan noted that she is the event person for the ACVB and it is her responsibility to get more heads and beds in Anchorage, especially in the winter.

She provided the board with a report from Bruce Bustamante, President & CIO of the ACVB showing the ACVB support of the Iditarod for 2003 and discussed this information.

She provided a Marketing Report from the ACVB and explained that the Iditarod Trail Sled Dog Race is a strong marketing tool for winter tourism and convention sales in Anchorage. She said the ACVB actively supports and promotes the Iditarod and Iditarod and Anchorage both benefit.

She explained that the Iditarod is also at the heart of the Winter Recreation, Sports & Tourism Partnership, a group that represents the development of winter recreation and spots in Anchorage. She said the vision for the group is for the greater Anchorage area to be a winter recreation capital and the Iditarod is the cornerstone of that vision. She said the Iditarod sells conventions, tourists and other sporting events for the same weekend.

Muegge-Vaughan discussed and explained about the promotions, media support and website and winter packages that the ACVB has done in support of the Iditarod.

She explained that by having Fur Rondy and the Iditarod back to back it has been easier to market and will benefit both Fur Rondy and Iditarod. She said another economic impact survey will be done this year to see what the impact is of Fur Rondy and Iditarod being back to back.

She provided copies of the Economic Impact Study that had been conducted last year and provided the form that was used to get the information. She said it was done by volunteers last year but they will pay people to do it this year.

Larsen asked if it would help in their promoting if the Iditarod guaranteed them a sled for \$1,000. Muegge-Vaughan said that would be a big help.

Seavey said it sounds like a fantastic program and asked how it will equate to more money in the bank for mushers.

Muegge-Vaughan said that the bigger the Race gets, the bigger the purse can get.

Seavey noted that the efforts of ACVB are providing the needed exposure and he said he hopes that the Board sees this and the next time someone wants to do something for us for the exposure, we can tell them to take a hike, that we don't need the exposure, we need the cash.

REQUEST FOR SUPPORT OF GAMING OPERATION

Hooley explained that he had received a letter from Husky Advertising asking for our support of bringing casino gaming to Alaska.

Seavey suggested this die for lack of a motion.

Hooley noted that as an organization we probably don't want to be out in front on this issue.

REQUEST FOR SUPPORT OF NOME KENNEL CLUB'S BUSINESSMAN'S RACE

Hooley provided a letter from Greg Parvin, president of the Nome Kennel Club asking for more musher support of the Businessman's Race.

Seavey said he would communicate with the IOFC about the need for handlers and mushers for the Businessman's Race.

Hooley asked Seavey to follow-up with Greg Parvin.

BACK TO ANCHORAGE CONVENTION AND VISITOR'S BUREAU ASSISTANCE

Hooley commented that from the ACVB standpoint, it makes sense to market the Fur Rondy and Iditarod together. They want to get people to stay here six days rather than three.

He said he has made it clear that while we're not opposed to packaging winter tourism, we wanted it to be clear that we are separate events.

Hooley said that now this appears as one big event and the reason is deliberate misrepresentation by Fur Rondy staff. He said Fur Rondy publicity includes the Iditarod start in its list of events. He said this is more of a benefit to Fur Rondy than is being acknowledged.

JR. IDITAROD AS A QUALIFIER

It was suggested that we direct Nordman to have a rules committee meeting in a week to discuss this.

Seavey said this request came out of the finisher's meeting.

SIGN-UP ELIGABILITY

Seavey noted that it makes a lot of sense to require mushers to be qualified when they sign up for the race. He said we could have saved a whole lot of trouble with recent events.

Burmeister noted that this would eliminate 18 year olds from the Iditarod but suggested that it be referred to the Rules Committee.

Nordman agreed to report back to the Board by the 15th of December.

DATE FOR LONG RANGE PLANNING MEETING

Hooley said we can't set this date with only four members of the Board present and without talking to Bruce Skinner about his available dates.

Burmeister recommended having it around the April Board meeting.

Seavey said we should get away and have a serious retreat.

Hooley pointed out that Bruce Skinner will cost about \$5,000.

Hooley asked Board members to send him available dates and said he will have a recommended date after that information is compiled.,

BOARD COMMENTS

Maxwell asked if we couldn't buy the speakers for our teleconference phone. He said they will make all the difference when we have people on the phone.

Seavey reported that the INHT is waiting on permits for the cabin to be built south of Ruby. He said it won't be done by race time. He said the INHT has adopted the Finger Lake to Rainy Pass stretch of trail as a project. He said they have access to federal money. He said they hope to fund clearing the trail out of Poorman with the grant funds and with the remainder, fund working on the stretch between Finger Lake and Rainy Pass.

Larsen commented that the announcement of the honorary musher would be an opportunity to include the information about our veterinary program.

Larsen also commented that we don't have a strong avenue of exposure in the Lower 48.

Hooley explained that the Outdoor Channel produces 14 one half hour shows. He said no one has bid on the Peter Henning/Joe Runyan/Darcy Marsh proposition for this year. He said it would take a half a million dollars for a couple hours of prime time.

Burmeister commented that this has been a good meeting and it's too bad we're shy on members.

ADJOURNMENT

Maxwell/Larsen moved to adjourn. Motion passed.

The meeting was adjourned at 2:55 p.m.