

BOARD OF DIRECTORS MEETING
APRIL 23, 2004
Millennium Hotel Anchorage
Anchorage, Alaska

CALL TO ORDER

The meeting of the Board of Directors of the Iditarod Trail Committee, Inc., was called to order at 9:00 a.m. by President Rick Koch.

ROLL CALL

Members present: Richard Burmeister, John Handeland, Rick Koch, Lee Larsen, Sam Maxwell, Mark Moderow, Dan Seavey and Rick Swenson

Member absent: Mike Owens (excused – in Juneau on business)

President Koch announced that Joe Redington Sr. is excused and on the trail.

Others present: Stan Hooley, Executive Director; Joanne Potts, Race Director; Jack Niggemyer, Race Manager; Greg Bill, Development Director; Don Patterson, Finance Director; Stuart Nelson, Jr., DVM, Chief Veterinarian; Mark Nordman, Race Marshal and Jim Palin, representing the INHT

PUBLIC COMMENTS

President Koch introduced Jim Palin, the President of the Board of Directors of the INHT. Palin reported that on April 12, the INHT Board reviewed a proposal on trail improvement needs that had been prepared by the ITC, the total request being 2.4 million. The INHT Board agreed to send that proposal on to the congregational delegation and the state administration, requesting the needed funding. He said the INHT would ask the ITC to support this request and pass a resolution to that affect.

Moderow asked if the INHT is a formal partner with the BLM. Palin stated that the INHT is a formal partner with the BLM. He explained that the two organizations have a formal cooperative agreement.

Moderow asked if the INHT is authorized to work with the BLM to expend funds. Palin noted that the proposal had been sent to the BLM but if they submitted it, it would have to become special legislation. He said the BLM is in the loop in the entire procedure.

Koch noted that he was involved in putting this document of Trail Needs together and said that inflation has taken place in the three years since the document was prepared and suggested that now the 2.4 million would not be sufficient to do the work that is requested in the document.

Koch said he thought at the time that it would be a pass through grant through the city of Wasilla. He suggested that having it go through the BLM would further erode what the 2.4 million could accomplish. He said he would expect to lose 30% to the BLM.

Palin stated that he had not heard anything about the city of Wasilla having taken this over. He pointed out that in the document there are trail needs costs and capital costs. When asking for 2.4 million, we would hope to get as much as possible and the BLM has agreed to funnel as much as possible back to do the work.

Moderow noted that sometimes the government agencies have to do things in the most expensive ways, but when working with a partner, they can do the work with less money. He suggested we might get more bang for our buck doing it with a partner.

Greg Bill noted that it was the intent that the funding would be spent wisely, using volunteers to do the work.

He said that Mike Zaidlicz had stated that in order to have a better chance of getting this funding, there needs to be more detail.

Koch said that he thinks going through the congressional delegation would be advantageous.

Palin asked the Board for a resolution from the ITC to encourage the congressional delegation to fund this request.

APPROVAL OF THE AGENDA

Maxwell/Burmeister moved to approve the agenda.

Dan Seavey asked to have "IOFC Dues" added as agenda item #10. He said he wants to see the Board set up a mechanism to collect IOFC dues at the time of entry and have it be part of the entry fee.

He asked for "Discussion of the 2005 Purse" be added as agenda item #11. He said he would like to have a motion that the amount of the 2005 purse be put in the budget by the Board.

Seavey/Handeland moved to add the requested Items #10 and #11 to the agenda.

Motion passed.

Moderow asked to add "INHT Resolution" to the agenda toward the front of the agenda, perhaps as item #5a.

Swenson said he wanted to add an Executive Session as agenda item #12 for the purpose of discussing a personnel issue.

Maxwell asked to add “Strategic Planning Session” as agenda item #13.

Handeland/Maxwell moved to amend the agenda with the proposed items #5a, #11, #12 and #13. Motion passed.

The original Maxwell/Burmeister motion to approve the agenda passed with the approved amendments. Motion passed.

APPROVAL OF THE MINUTES OF THE MEETING OF FEBRUARY 27, 2004

Handeland/Larsen moved to approve the minutes of the Board meeting on February 27.

Koch noted that on the first page, “suite” needs to be changed to “suit.”

Moderow noted a typo on page 9 in the fourth line and asked that “ha” be changed to “has.”

Handeland/Larsen motion passed with the corrections noted.

INHT RESOLUTION

Seavey/Burmeister moved that the ITC adopt a resolution in support of the funding request for trail improvements from the INHT.

Koch noted that the way this request was written didn’t envision Davis-Bacon wages to get the work done.

Larsen asked if any of the work had already been done.

Seavey noted that the INHT has already gotten everything in place for one or two cabins between Ophir and Cripple, and they are just waiting to put them up.

It was noted that money was diverted from the BLM to INHT for a bridge outside of Knik. That project just needs to get through the beaurocracy.

Moderow agreed to write up the resolution. The President and Secretary of the Board will sign the resolution.

Koch suggested that Palin contact places along the trail for additional support.

RESOLUTION (submitted by Mark Moderow)

Resolved, that the Iditarod Trail Committee, Inc. supports the Iditarod National Historic Trail, Inc., as formal cooperating partner to the BLM, federal manager of the Iditarod Trail, in urging the congregational delegation and the state administration to fund the

current version of the Trail Preparation and Maintenance Efforts and Goals, originally prepared by the Iditarod Trail Committee, Inc.

Seavey/Burmeister motion passed unanimously.

PRESIDENT'S REPORT

Koch noted that he attended a portion of the IOFC meeting in Nome and that overall things are favorable with the IOFC. He said there was a fair amount of discussion of trail things, issues at Happy River that he will discuss with Hooley and Niggemyer.

Swenson noted that there was no major topic at the IOFC meeting. He said the major thing was how to make the race a better experience for everyone when we have so many teams out there. He noted that one of the major problems was mushers who didn't get their teams out of Nome in a timely manner because they didn't have anyone on this end of the race to pick up the dogs.

Seavey noted that Koch had talked about a possible change in the start date, about possibly skipping the Knik stretch of trail, maybe a periodic start in Fairbanks and changes in the Internet set-up for the race's benefit.

Koch noted that any potential race start change should be a strategic planning issue.

EXECUTIVE DIRECTOR'S REPORT

Hooley's written report was included in the Board packet.

Hooley noted that there is a great amount of work still to be accomplished before the end of the fiscal year.

He stated that the operating plan for FY04 calls for gross cash revenues of \$2,720,269 over cash expenses of \$2,719,107 for year-end net revenues (revenues exceeding expenses) of \$1,162. In late February we were forecasting net revenues of \$3K. He noted that at this time, with two months remaining in the fiscal year, the overall forecast remains roughly the same.

He noted that on the revenue side, we expect to fall short of budget (a negative variance) by some \$21K. However, on the expense side we expect to be under budget (a positive variance) by approximately \$23K.

He noted that the detailed financial statements are included in the packet and said he would answer questions regarding them.

Moderow asked if membership revenues are offset by expenses, including Runner expense and staff time.

Hooley explained that in 1993 we were at about 1200 members and we got that up to about 5,000 at one time. He said now that there is a general perception of stability, the membership has stabilized at about 2500 members. He said about 60% of the membership is from outside Alaska.

Moderow asked that a breakdown of membership benefits and expenses be done before the strategic planning meeting.

Hooley noted that four directors will be elected this year: Seat H, Seat I, Seat J and Seat V. He said individuals interested in running for the Board should contact him and he will forward the information to the nominating committee. He noted that the IOFC is required by the Bylaws to submit names of two nominees for the Board and he doesn't have those names yet.

Seavey stated that the nominees from the IOFC are Dan Seavey and Rick Larson.

Hooley said that to date the only letter of interest he has received for the Board is from Jim Palin.

Moderow asked if the ITC paid travel expenses for directors. Hooley explained that we try to get as much covered by sponsors as possible but we have paid for some hotel rooms etc.

Moderow noted that when soliciting people to run for the Board it should be made clear on what is expected. He said he is in favor of getting quality people and doing what it takes to get them.

Handeland noted that often Board members schedule other things to be in Anchorage for at the time of Board meetings so that ITC doesn't have to pick up the tab for getting here.

Moderow noted that we just need a formal policy regarding this.

Hooley noted that the nominating committee is Will Peterson, Dave Monson and said he is waiting for a call back from Max Lowe about serving on the committee.

Hooley went through the dates for the election process and noted that the annual meeting will be on June 26.

Hooley said that there hasn't been a date set for a budget meeting. He said the staff will prepare the budget and get it to the Board by May 26. He asked if the Board wanted to have a budget meeting before the 26th, noting that meetings have been scheduled the last two years and have been cancelled.

Handeland noted that one reason we stopped having separate budget meetings was because everything done at the budget meetings ended up having to be rehashed when the full board met. He said he would support not having a special budget meeting.

Moderow noted that as a new board member, he thinks it would be valuable to sit down with Stan and discuss the budget.

Koch said we'd get the word out about a quasi workshop on the budget at HQ but it won't be a formal meeting.

Koch asked when the Board would see proposed rules. Nordman noted that he is going to have a rules committee meeting soon.

Swenson asked how much of the strategic planning meeting would affect the 2005 Iditarod. Koch noted that there will probably be some but most of the meeting will be discussing things out farther than the 2005 Race.

Swenson asked what the bottom line is regarding how we are doing financially at the time this financial report was prepared. Hooley noted that we had budgeted to have \$1000 and now it looks like it will be \$3000.

Swenson asked how much we have in savings. Hooley noted that it is expected to be about \$326,000 at the end of the year and in December it draws down to about \$60,000.

Handeland noted that we had done a little better than expected and he thanked the staff for their efforts to keep expenses down.

Hooley noted that the stated cash balance should be "actual" for November – March and almost actual for April.

DEVELOPMENT DIRECTOR'S REPORT

Greg Bill's written report is included in the Board packet.

Bill noted that he has started working on 2005, solidifying existing sponsors and following up on leads for new sponsors.

He noted that overall the sponsorship revenue came in close to where it was projected. He said he appreciated Tom Jensen's securing \$30,000 in new cash despite getting a late start and said he will follow-up on some of the leads Jensen initiated even if the response was not positive on the first go around.

Swenson asked about the status of Jensen. Hooley noted that he had met with Jensen several times and they couldn't agree on compensation. He said the other issue is the ACS Yellow pages and he asked to refer that discussion to Executive Session.

Swenson asked if the lottery bills in the state legislature will affect the Iditarod. Hooley noted that it will not affect the Iditarod in an immediate sense. He said it states that dog-mushing associations are exempt.

Bill noted that he had just heard that the “Perry Green” bill had passed the house and said he wasn’t sure how, if that does become a reality, it will affect our raffle.

Swenson asked about the situation with Fur Rondy.

Hooley noted that there is no resolution yet but said he intends to meet with their Board to express our concerns.

Moderow said we should talk about a uniform policy on the use of our trademark. He stated that we have to protect it but we still want it used.

Koch asked Hooley to e-mail the Board members about what comes out of his meeting with the Rondy Board.

Hooley noted that Fur Rondy does more to churn existing money and the Iditarod does more to bring in outside money.

Seavey noted that this should be an object lesson for Iditarod. He said why would any musher want to keep a few dogs for racing if he weren’t going to make any money on racing.

Moderow noted that Rondy had lost its gambling revenue and they too quickly chased diverse sponsors and lost their cohesive event.

RACE MANAGER’S REPORT

Niggemyer noted that the number of mushers in the race ended up having impacts where we didn’t anticipate them. He cited Rohn as an example. With as many teams as were there at one time, the personnel there worked as hard as they could but still couldn’t get every piece of information out in a timely manner. He said that having 87 mushers start the race and 77 finish indicates that something was successful.

He said the numbers did tax the Air Force and the checkpoints, but it still worked.

He noted that the Norovirus affected us and we wasted a lot of time from being sick. That together with the weather problems set us back some.

He noted there were problems getting our supplies in place with one of our sponsors.

He said the BLM groomer was promised to be available to work around Unalakleet but that fell through at the last minute. He said he was disappointed that that didn’t happen.

He noted that we had better snow through the Burn, Happy River wasn’t as good as it should be and snow machine traffic is increasing all the time.

He said there were comments made on the stretch between McGrath and the Yukon and when we sent the trailbreakers out and where the mushers were. He said it is a judgment call. It snowed behind the trailbreakers and some mushers had to break trail.

He said he had tried to make it clear that extra sleds are the mushers' responsibility but we will do what we can to help. He said the biggest problem is that we don't have a plane that can carry sleds without dismantling them.

He said that PenAir gave us their caravan and they hauled way more dropped dogs than the DC 6. PenAir saved us a lot of tickets on Alaska Air out of Nome too.

He said the Air Force did a good job. They burned less aviation gas this year. He said there were a couple of small encounters and one medium encounter with the Air Force.

Niggemyer said food drops had gone all right. We did have to deal with getting food drops up from the Lower 48 this year and he said he will continue to plan for that in case the borders are still closed next year.

He said he had heard rumors that the Iron Dog will go Wasilla to Nome and back to Wasilla next year. He said that will double their impact on certain areas.

He noted that the Iron Dog crew did some work on the stretch around Poorman and we also did some there. He said it still needs significant attention.

He noted that Cripple was a challenge but it worked out well and was comfortable for the mushers. Seavey noted that he had heard it was wonderful!

Swenson noted that the teams between 30 and 60 had a hard time in all the checkpoints.

Niggemyer said we're looking at Eagle Island next year. That checkpoint needs attention. Ken Chase has offered to donate land and he will follow up on that. He said Cripple has by far become the most complex checkpoint with all the flights needed there.

He said he continues to be amazed by the quality of people that we attract to do the work and cited the great work of Robin Boulding in managing the dropped dogs.

He also noted that the pilots seem to get more professional each year.

Burmeister asked if four people needed permits from the BLM. Niggemyer said they do.

Burmeister suggested asking the BLM to require that tours can't use paddle track snow machines.

Koch suggested there could be a resolution requesting the prohibition of paddle track machines.

Swenson noted that you can't legislate snow machines. Seavey suggested that he would think four groups could be regulated. Nordman suggested there could be a brochure done about snow machining the Iditarod to help educate the snowmachiners.

Seavey asked Niggemyer how much problem it would be if the Jr. Iditarod food drop were held at the same time as the Iditarod food drop. He said it would be a lot more convenient for the mushers to only have to make one trip with food drops. Niggemyer said he'd have to think about that but that was something that should be brought up by the Jr. Iditarod committee.

Swenson asked about talking the Iron Dog into going through Iditarod this year and up the river.

Koch noted that two years ago, the Iron Dog's executive director had assured him that the Iron Dog would run on an alternate trail from Skwentna to Rainy Pass. So he suggested that we should at least approach them about this.

Niggemyer noted that part of the problem with Happy River is that the first people there are the Iron Dog people. They do a lot of work putting in their trail. What they put in gets followed. He said he'll talk to them about working together to put the trail in right to begin with.

Maxwell noted that the worst thing is that no one can get there soon enough to cut the brush. It's trail maintenance that needs to be done in the summer.

Swenson commented that there are more positives than negatives with the snow machines. They are another safety net for the Iditarod.

CHIEF VETERINARIAN'S REPORT

Stuart Nelson's written report is included in the Board packet.

Nelson commented that staffing checkpoint became an issue at some points during the race. Flying conditions were marginal and some personnel were delayed a full day because of that. He also said that 25% of the veterinarians were infected by the Norovirus, which required adjustments in checkpoint logistics. He credited the staff for working very hard to pick up the slack. He said he was confident that all the animals were healthy when released from Iditarod's care.

He noted that Jan Bullock and her team of technicians had done an excellent job of completing the pre-race screening.

Nelson broke down the percentages for reasons for dropping dogs and compared this year's results to last year's results. That information is in his report.

He commented that we still have a problem of having our own facilities in which to treat dogs, perform research studies, and store equipment in McGrath, Unalakleet and Nome. He suggested that a modified cargo container in each of the locations would work. He said there is also a need to purchase more Dodge lodges for McGrath and Unalakleet.

He said Nome is a particular problem for a place to treat the dropped dogs. We have had to use the mini-convention center, which isn't a good solution. He said we have the option of Leedy's clinic but he often isn't available when we need the facility.

He detailed information regarding the research studies in his report and discussed it extensively.

Swenson suggested taking samples from dogs on the trail that have been dropped because of fatigue rather than from just the top 20 dogs.

Swenson asked what the biggest problem relative to a field this size is. Nelson said that if everything goes smoothly, there isn't a problem but if something doesn't go smoothly, the problems are compounded by the large numbers of mushers.

Seavey asked how many mushers got to Nome without having exams at every checkpoint. Nelson noted that many of the top teams are passing through checkpoints without stopping. He said he expects that many get to Nome without exams in every checkpoint.

Seavey said that he has heard that if we dropped every dog that the Chief Vet wanted the mushers to drop, we'd be out of business by Rainy Pass.

Nelson noted that there are specific signs for sudden death events.

Swenson commented that the veterinarians help him decide whether he can treat a dog or whether he should drop it.

Nelson said he has always promoted that mushers and veterinarians should work together as a team.

Koch noted that by his calculations there were 14,000 hands on examinations of dogs during this race and said he thinks that would make a great story.

Moderow asked about the status of Bayer. Nelson noted that Roy Catalano said he is going to go for it next year. Nelson said he had mentioned this issue to Joe McLaughlin and explained our struggles with getting the vaccine and questioned whether we could get help from the State. He said McLaughlin seemed positive on the idea.

Moderow noted that we should include wormer strategy in our strategic planning meeting.

Swenson asked Nelson that if we budgeted for purchase of containers, would we have assurance that they would be gotten. Nelson explained that it's an issue of where they would be stored. He suggested that by going to a mobile unit, it can be parked wherever it needs to be.

Nelson discussed the necropsies on the two dogs that died during the race. More detail is in his report.

Nelson's report also included discussion of research studies performed under his tenure and their impact. The board thanked him for including that information in his report.

RACE MARSHALL'S REPORT

Mark Nordman's written report is included in the packet.

He noted that the Norovirus had a great effect on the race. He distributed a report from Joe McLaughlin, MD, and Medical Epidemiologist of the CDC about the virus during the Iditarod.

He talked about the ever-increasing number of rookies and the need to decide how to deal with these numbers. He said this does need to be discussed because he sees the potential for another record field next year.

He said the race judges did a great job but we would need to increase the number of judges if the size of the field remains this large.

Swenson said we have had a really dedicated group of judges and asked about how to keep that up in replacing them. Nordman noted that there are people he'd like to bring into being judges and he is available for suggestions.

He also noted that if we are going to Eagle River, we need to talk to the Base earlier. He said conditions through the base would not have been satisfactory for our race and dialog needs to begin earlier.

He said there were some problems at Willow with mushers knowing when they were supposed to go out. He said he has discussed that with the people who need to deal with it.

Swenson asked about the layout of the teams at the re-start. He suggested putting teams closer to teams that were going out near their times so each team could see the teams before him go out.

He noted that there were problems in Nome with team parking due to team numbers and weather preventing teams' flying out. He said we've also been made aware of problems with using the mini-convention center and that Handeland and Owens are working on a solution for that.

Handeland noted that the main thing at the Mini was that mushers were using the closet as a place to make their dog food rather than just as a place to get water.

Seavey noted that there was no alternate place to store dog food. Handeland said they are looking at ways to solve this problem.

Nordman said he has contacted the IOFC and is waiting for a list of their concerns for consideration at the rules committee meeting.

VILLAGE RELATIONS REPORT

Nordman's written report was included in the Board packet.

He noted that the program to send a village young person to the Idita-Rider program started this year with Nikolai and it worked well. He said however, that he didn't have time to be a chaperone for three days for the young person who comes to Anchorage to do this.

He said he has continued talking to Carten Ruud, the Norwegian professor working on his PhD at UAF on village life in the Interior. He included Ruud's preliminary report with his report.

He noted that he was disappointed that he never connected with the Alaska Native Heritage Center to gather information to create an introduction/orientation to increase village awareness for our volunteers. He will continue to work in that area.

PROPOSED BY-LAW AMENDMENT

Seavey noted that agenda items #9, #10 & #11 all came from the IOFC meeting in Nome.

Seavey/Burmeister moved that the Seat V term be changed from a one-year term to a three-year term and that the bylaws reflect this change and that it become effective in 2005.

Koch stated that he would like to wait and discuss this in a more comprehensive discussion about board seats. He said he has long kicked around this board's construction compared to boards of other events. He said this board is comprised of people who have ties to mushing. There are people who would be extremely beneficial to this board who wouldn't stand for election among the membership. He would like to propose a discussion at the Strategic Planning meeting of the board make up, with part of the board to be elected and part appointed.

Seavey said he doesn't think that two days will cover the topics we want to discuss. He said he is asking this board to consider this proposed change. He said he doesn't understand why it is a one-year term to begin with.

Burmeister said he supports the motion because it brings consistency.

Handeland noted that over the last 10 years or so there has been consistency because the mushers' representatives have served for three or more one-year terms.

Moderow said he would support the motion. He noted that we can't discuss everything we want to discuss in two days at the strategic planning meeting.

Seavey/Burmeister motion passed.

IOFC DUES

Seavey/Handeland moved that \$20 of the present entry fee be designated as IOFC dues and at the time of entry the musher should be given the option of whether he wants to do that.

Seavey noted that they are trying to give the IOFC some teeth and direction. If the dues aren't paid, the musher wouldn't have the right to go into the meeting in Nome.

Moderow said he thinks that is a misstatement. He said there is a new core of IOFC people who want to keep track of where everyone is and this would allow them a phone and mailing budget.

Moderow also noted that if we took \$20 out of all the entry fees this year, it would have wiped out two thirds of Iditarod's profit for the year.

Swenson said he heard concern for finances at the IOFC meeting and the need to raise money. He said they don't even have a contact list. He said they want access to a contact list so they can solicit dues. He said it would make it easier if the ITC would collect the dues. Swenson noted that the IOFC has \$5600 at Wells Fargo.

IT was noted that Jon Little has the paperwork to transfer those funds into his name.

Handeland/Burmeister moved to table the motion. Motion to table failed.

Seavey/Handeland motion failed.

2005 PURSE AMOUNT

Seavey/Swenson moved to direct the budget committee to include a minimum purse of \$750,000 in the 2005 budget.

Discussion was held and Seavey commented that he expected to include all finishers.

Koch noted that last year we paid \$675,000 to the top 30 and a total of \$724,303 to include what was paid to the remaining finishers.

Handeland suggested voting now and determining the purse later.

Seavey/Swenson motion passed.

STRATEGIC PLANNING MEETING

Maxwell said he had asked for that to be on the agenda to confirm that what we're doing is what we're trying to accomplish.

Hooley noticed that a memo had been sent out from Bruce Skinner asking for input.

Seavey noted that that memo was so relative that he couldn't figure out what Skinner wanted.

Swenson commented that he didn't know how relevant that is to what the Iditarod's problems are.

Moderow noted that the most important thing to do first is decide who we are. The mission statement should tell everyone what we're trying to accomplish. He suggested everyone should look at the Bylaws, the mission statement and the rules and policy and see if that is who we really are.

Hooley noted that he wants to rid this organization of a lot of wasted energy. He said that now it is up to staff to manage as best as possible without any clear priorities.

Burmeister said that this will have to be revisited once a year.

DIRECTOR'S COMMENTS

Moderow: Dick Westlund has been going over an Internet solution. He said GCI will be coming up with a revenue sharing proposal that might have an impact on the budget. He said one of the things would be the voluntary broadcasting GPS but someone on the Internet would have to pay to get the information.

Larsen: He was told that the Nome banquet went better this year. He said the Teacher on the Trail program has the potential to be great but needs more partnership there.

Burmeister: Thanked the staff and volunteers

Seavey: He said they are soliciting people for the \$10,000 grant from Maja Ramsey. He said they hope to select a musher and have an announcement at the annual meeting. He said they are rethinking requiring that the person be qualified and thinking that maybe he will just need one qualifier.

EXECUTIVE SESSION

Handeland/Burmeister move to go into Executive Session Motion passed.

Swenson asked that Nordman remain available.

At 2:10 the Board came out of Executive Session.

ADJOURNMENT

Burmeister/Maxwell moved to adjourn at 2:10. Motion passed.