

IDITAROD TRAIL COMMITTEE, INC.  
BOARD OF DIRECTORS MEETING  
Millennium Anchorage Hotel  
Anchorage, Alaska  
April 22, 2005

#### CALL TO ORDER

The meeting was called to order by President John Handeland at 9:15 a.m. on Friday, April 22, 2005.

#### ROLL CALL

Members present: Richard Burmeister, John Handeland, Lee Larsen, Sam Maxwell, Mark Moderow, Mike Owens (via telephone), Jim Palin, Dan Seavey & Rick Swenson

Member absent: Joe Redington, Sr.  
The president noted that Redington is on the trail.

Others present: Stan Hooley, Executive Director; Greg Bill, Development Director; Jack Niggemyer, Race Manager; Stuart Nelson, Jr., DVM, Chief Veterinarian; Mark Nordman, Race Marshal; Don Patterson, Finance Director; Chas St. George, Public Relations Director; Joanne Potts, Race Director/Recording Secretary; Ramy Brooks, Dale Meyers, Bill Devine, Will Peterson and Vern Halter

#### PUBLIC COMMENT

There was no public comment.

#### APPROVAL OF AGENDA

Rick Swenson asked to have the 2005 purse added to the agenda.

Dan Seavey asked to have a stander spot on the agenda for a report from the mushers' representative.

Jim Palin noted that requests from the mushers should go through the staff if it's an operational issue. Seavey said that since he was on the board as the mushers' rep, it is a board issue.

Richard Burmeister noted that he felt having a mushers' rep report at the board meetings would help improve relations between the board and the mushers.

Mark Moderow commented that in a perfect world musher concerns probably should go through the staff first. But he said he is in favor of adding an agenda item for the

mushers' rep's report because we have a tradition and that is the way the corporation is set up.

Swenson noted that some of the employees aren't there year round and suggested that it wouldn't enhance any situation just to talk to Stan Hooley and Joanne Potts six months of the year.

Handeland suggested that if a report is provided in writing, staff items could be noted.

Palin noted that Seavey has brought things to the board before when it has been clear that the IOFC was overwhelmingly against that particular thing.

Handeland explained that Seavey is the mushers' rep but that doesn't preclude him from bringing up things he has an interest in whether it came from the mushers or not.

Burmeister asked to have an executive session regarding snow machines on the trail. Handeland explained that that would be covered in the planned executive session.

**Larsen/Burmeister moved to approve the agenda as amended. Motion Passed.**

#### ADOPTION OF MINUTES OF MEETING ON FEBRUARY 25, 2005

Moderow commented that the minutes did not list those who were present at the meeting nor did the minutes lists Joe Redington's excused absence.

**Larsen/Maxwell moved to approve the minutes with the noted additions. Motion passed.**

#### REPORT OF THE PRESIDENT

Handeland reported that he thought the race went relatively well, especially with the start, re-start and finish activities. He noted that he appreciated the efforts of staff, volunteers and board members.

He noted that he participated in a snow machine strip to Skwentna with Hooley and men from Cabela's. He said they had a great time and noted that it was important to keep sponsors happy.

He noted that at the end of the race he had bestowed a lifetime membership on Tom Bush. He explained that Bush had served at KNOM thirty years and now has retired. Handeland further explained that Bush had been instrumental in covering and promoting the Iditarod both locally and nationally.

He noted that he had appointed Vern Halter to the rules committee and Vern had attended their meeting last night.

He commented that the nominations committee has been appointed: Mayor Michaels of Nome, Max Lowe from the Millennium and Will Peterson from public radio, member of the rules committee and trail sweep. Peterson is the chair of the committee.

## REPORT OF THE EXECUTIVE DIRECTOR

Hooley presented a written report.

He noted that on the financial report the month-by-month expenses and receivables have been eliminated so now there are only two columns to read.

He explained that Iditarod has had better years. He said that receivables were about \$8,000 less than we had hoped for and we had about \$45,000 more in expenses.

Moderow noted that race expenses look inflated. He explained that when this budget was determined, it was thought that GCI would be doing the communications as it had done in the past. However, the new agreement between GCI and Iditarod has GCI giving the cash to the Iditarod and Iditarod is paying its communications expenses. So, he explained, if that is corrected for, we actually spent less than budget. The real reason, he said, is that the revenue wasn't what we expected it to be.

Handeland commented that the budget was \$25,000 higher for entry fees than we actually ended up having. And there were facility charges that hadn't been anticipated.

Hooley noted that 100 banquet tickets went unsold and said we'd work on changing that.

Larsen asked if the tour groups that come to the banquet could package an Iditarod membership with the tour.

Moderow asked where Hooley is with finding a sponsorship firm. Hooley suggested a telephone meeting between now and the next board meeting to discuss this.

Handeland appointed Palin, Larsen and Burmeister to the budget committee.

Moderow asked if there had been any feedback from the Outdoor Life Network or Cabela's.

Hooley noted that he had asked OLN but he received nothing yet. He said he is working with them to package and market the five hours of coverage.

Moderow asked if we are getting information from Cabela's on their advertising and suggested that this would be good information for Iditarod to have.

Hooley said that both Wells Fargo's and Cabela's' contracts are being renegotiated this year. He said he expects that the sort of information Moderow is talking about will not be forthcoming in definitive detail before the contract is finalized.

Moderow asked if we have followed up with the other sponsors of the coverage and Hooley explained that it is on his list to do.

Seavey commented that last year the board directed staff to start with \$750,000 for the purse and asked if we are on track so that the next level will automatically be plugged in. He said the IOFC is pretty adamant about an \$830,000 purse for 2006.

Handeland asked if Iditarod had received the final bill for the streaming video. Hooley stated that he is still waiting for the final bill from GCI.

Seavey asked about Iditarod and P.R.I.D.E.

Hooley explained that Iditarod pays P.R.I.D.E. dues for each musher who pays an entry fee. That is paid out of the entry fee.

Moderow noted that P.R.I.D.E. has been reconstituted and said that someone needs to follow up and make sure the mushers get their memberships when Iditarod pays it.

Maxwell commented that it appears that merchandise sales are doing better. He noted that the 5<sup>th</sup> Avenue store does in a year just a little more business than the Millennium does at race time.

Hooley explained that other than tourism business, Iditarod has never had a store that has realized great revenues. He said our stores are outlets to sell raffle tickets and display a truck.

Don Patterson commented that the net from 5<sup>th</sup> Avenue is probably \$20,000 to \$25,000.

Maxwell asked if having a store at the 5<sup>th</sup> Avenue Mall is viable.

Patterson commented that the 5<sup>th</sup> Avenue store did \$50,000 in sales in March.

Hooley explained that if Iditarod had to pay the regular lease, we would not be operating a store there. He said it is clear that the key to making money has to do with the timing of the race.

Palin asked what the reserve would be if the projections are correct.

Patterson said it would be \$380,000 in cash.

Palin asked if there is a dedicated reserve.

Larsen noted that it is not a dedicated reserve, just cash flow.

Seavey asked about the IOFC list Joanne Potts had been working on. Potts noted that she had lost the entire list last summer when she lost all her excel files but said she is working on it again.

Hooley explained the nominating process. Moderow asked if we could get that information on the website to tell the members about this process.

Moderow commented that a website can be programmed to automatically ping when something is updated. He said he would have paid \$20 to have had his computer ping when the race stats were updated.

Handeland introduced Dale Myers and Bill Devine who had just arrived at the meeting.

Devine commented he didn't think that some of the mushers understand about dog nutrition the way some of the top mushers do and suggested that there should be some sort of document put together with a list on nutrition and what it takes for a dog to stay in good health.

Seavey suggested that that could be done way in advance of the race.

Stuart Nelson noted that every musher gets a copy of the Veterinary Manual and there are 20 pages in that book on nutrition. He offered to share that information with Devine.

Handeland said this was probably good information to get out.

Moderow noted that we require each musher to ship 60 pounds to each checkpoint and it is inexcusable for any musher not to know that.

Swenson said it would be a good idea to make a list of food items that have been proven to be helpful for dogs on the trail.

**Palin/Burmeister moved to accept the staff reports as presented subject to any additions or questions. Motion passed.**

#### DEVELOPMENT DIRECTOR' REPORT

Greg Bill commented that the state health examiner was running ramrod over Iditarod's operation in several checkpoints and in Nome this year. He said they monitored the church in Nome as well as the banquets. He said the Millennium caters the banquet in Nome every year and that this inspector said that the Millennium people had to be present at the second banquet. Greg Bill said that Max Lowe had agreed to allow some of his crew to remain in Nome an extra day to be there for the second banquet, but Lowe had asked that Iditarod find a local caterer to make sure the food is properly displayed next year.

Handeland said that the only one in Nome with a caterer's license is Bob Madden. He said we would work on other arrangements for the second banquet next year.

Moderow noted that he had planned to present a motion this meeting to send out a survey. He said he knew that would be very expensive if it is done out of house and if we did it in house, it would interrupt staff time. He said Iditarod does need these demographics but he said he would hold his motion until the next meeting. He said we should know whom we are talking to, what they are interested in and how best we can present ourselves. He explained that he had priced this sort of survey and with a lot of in house, it could run from \$20,000 to \$80,000 to do an organized campaign. He said he doesn't want to order us to spend money futilely but this is an ongoing concern in development and public relations.

Handeland noted that the board is in agreement that this is something it wants to work on.

#### RACE DIRECTOR'S REPORT

Potts noted that she is busy working on the volunteer list, getting thank yous out, working on reconstructing the musher address list and other things that have to be done after the race.

#### RACE MANAGER'S REPORT

Seavey asked Jack Niggemyer if the Rainy Pass checkpoint had been improved over last year.

Niggemyer noted that they had a better facility and there were tents on the lake close to the lodge.

Seavey asked how much straw the mushers had there.

Niggemyer said they used 60 lb bales of hay there and they were split in half for each musher.

Seavey asked if the mushers knew about the building and Niggemyer explained that they did.

Nordman said that the checkpoint was much improved. He said the owners had worked very hard to make the checkpoint work this year.

Seavey said the mushers were in a tent on the ice where the stove didn't work and they had half a bale of hay.

Nordman commented that the stove was working when he was there.

Seavey said the trail from Iditarod to Shageluk was not broken out until a couple of hours before the front-runners went through there.

Niggemyer explained that he had asked a crew to go out from Shageluk and one from McGrath. He said he found out on the day of the start that the crew from McGrath had turned around and gone back and the crew from Shageluk didn't go out at all. He said he had told them to go ahead and purchase their fuel and he would reimburse them.

Swenson noted that in the future we need to plan on putting a trail in and having people doing it who are responsible to us. He questioned whether we could interest the Iron Dog in going south.

Niggemyer said he had talked to them about that and they want to go the northern route.

Moderow suggested that when the Iditarod Air Force starts flying in that area should be soon enough to get that trail in.

Niggemyer said the Air Force goes out there right after food drop. He said he thought that two to two and a half weeks ahead should be adequate.

Seavey asked if there are reliable people to hire to put the trail in and then run it every week.

Niggemyer said there are in McGrath, but explained that people have jobs too.

Swenson said if we put that trail in in December and marked it, it should encourage others to use it. The trail will fall apart if it doesn't get put in from the ground up. He said if the mushers have a trail that is marked, there is no complaint.

Niggemyer said he sent out 200-300 reflective markers to Shageluk and they never got put up.

Swenson said Iditarod needs to figure out what needs to be done, hire people to do it and then hold them responsible.

Handeland said Iditarod needs to give serious consideration to getting things done much earlier.

Nordman commented that if the trail is in and then we get two feet of snow, there is a trail to go to Nome.

Niggemyer said he had always felt that his obligation is to give the mushers what they need to get to Nome but it isn't his obligation to get them there in nine days. He said he would like to work up what it would take financially.

Palin said he'd like to see that in the budget.

Maxwell commented that a discussion is just everyone's opinion. He said we need to write down what we're going to do and then that is what we do. Now, he said, there is no plan. It's what we can do and when we can get it done.

Seavey said he agrees that it isn't Niggemyer's responsibility to get mushers to Nome in nine days. He said the rules committee discussed the problem in Skwentna and came up with the decision that the mushers have to control their teams. He asked how long ahead of time could a parking area be packed down, noting that a team can't be anchored in loose snow.

Swenson suggested that it would be simple to freeze in 2 X 4's at every place a dog team will be parked. All you'd have to do is stay there with your dog team and keep it under control. He said if we're going to have veterinarian services in the open areas, we should be able to park in those areas.

Palin commented that there would be an opportunity for the Iditarod and the Iron Dog to assist each other. He said you'd have to weigh all these suggestions and see how it would affect the purse.

Handeland noted that we had taken a good step with the Operations Manual but we need to expand that about tie downs and putting in trail.

**Swenson/Seavey moved to direct staff to come up with a projected budget to make the improvements we've been discussing and reflect that in the entry fee.**

Handeland noted that by next meeting we need to have a plan and address specifics for each area of the trail.

**Maxwell/Moderow moved to amend the previous to removed the projected budget part and the entry fee part of the preceding motions.**

Swenson noted that mushers should be willing to pay. He said it costs the ITC about \$11,000 per musher to put in the race.

Maxwell noted that he doesn't think that there will be significant costs involved in what has been discussed. He said we have to say what we want and what it will cost and present it to the mushers.

Seavey noted that it seemed that Maxwell was still thinking about volunteers but the IOFC's intent was that people be hired to work on the trail.

Niggemyer noted that different stretches of the trail require different amounts of effort. He said we can't generalize and say we'll hire everywhere or use volunteers everywhere.

**Maxwell/Moderow proposed amendment passed.**

**Swenson/Seavey motion as amended passed.**

Handeland asked Hooley if he wants help from the board on the plan.

Hooley said if anyone wants to see it to let him know.

Burmeister suggested e-mailing it to the board.

Swenson noted that part of the report should be whether we're starting in Wasilla or Willow. He explained that the mushers need to know ahead of time where the race will re-start. He said Iditarod needs to find a safe place for the re-start and plan accordingly. He said it makes it hard for the mushers to plan if they don't know until the last minute where the start will be.

Chas St. George explained that the city of Wasilla has a five-year plan for trail work to go directly from the new sports complex to Big Lake.

Swenson commented that we should just say we are going to re-start in Willow.

Seavey commented that the city of Wasilla has no expense if we re-start in Willow and he explained that his family ate in Wasilla on the way to Willow and on the way home and they bought gas in Wasilla. So it was his feeling that he didn't hurt Wasilla's economy for the race to re-start in Willow.

**CHIEF VETERINARIAN'S REPORT**

Nelson reported that Roy Catalano is no longer with Bayer. He said we do still have a contact there but he doesn't know if we will still get the drontal plus.

Handeland noted that Nome requires dogs to be vaccinated for parvo. It came up to withdraw that requirement because it was a pain to Alaska Airlines to check the certificates. So he asked if we should still require drontal plus for the dogs.

Nelson said that for 80 teams the wholesale price would be \$28,000. He said one option would be to use a lesser product but if you did, you wouldn't have protection against ecchinachocus.

Larsen commented that some thought some veterinarians worked harder than others and asked if there is a chance for feedback.

Nelson said he would always welcome feedback. He noted that some people have more of a drive than others and obviously the rookies have a higher energy level in most cases and it's the older people who have the most experience and wisdom. He explained that he has worked hard to have a good relationship between the mushers and veterinarians so feedback is important.

Moderow asked why we do EKG's. Nelson explained that there is an average of one to two dogs a year that don't run the race because of EKG results.

Moderow asked about the effect of the blood work that is done on the dogs.

Nelson explained that that blood work tells mushers things about their dogs that they wouldn't otherwise know. Some dogs don't go on the race because of potential problems that are discovered through the blood work.

Swenson noted that if the mushers didn't get the bloodworm done free from the ITC, they'd be paying for it. He said it is really valuable. And he said that EKG's do catch dogs that shouldn't go on the race.

Nelson said he is positive that no dog death is in vain. We do learn lessons from them.

Nelson discussed the survey given to the mushers regarding their use of Pepcid. Swenson asked for a copy of the questionnaire. Nelson said about 30% used it.

Swenson commented that he thought diarrhea was more of a problem this year and Nelson commented that he believes that also.

Nelson commented that we could get more veterinarians to more places earlier with more staff and available snow machines. He said four snow machines and 1 guide could move three people at Rainy Pass, for example. He said snow machines available to the veterinarians would give them lots of options.

Handeland commented that he appreciated the job the veterinarians and Nelson did.

## RULES COMMITTEE REPORT

Nordman noted that the rules committee had met the night before and discussed many of the rules but the only one presented to the board today was the policy about selecting starting positions.

He explained that each musher would select his or her own starting position at the banquet in Anchorage in the order that he or she had signed up. Everyone would have the option of choosing any available starting position, one that hadn't been chosen already.

He said the rules committee suggested that that would bring more people to the volunteer appreciation picnic because it would be to the mushers' advantage to be early on the list. He explained that this change in policy involved changes in rules 38 and 53.

**Moderow/Seavey moved to adopt the rules 38 and 53 as presented by the rules committee. Motion passed.**

## MORE PUBLIC COMMENT

Ramy Brooks arrived and was introduced.

Brooks noted that he had lost a sponsor to the Iditarod and one of his other sponsors had been approached by the Iditarod. He said he had talked to Greg Bill about this and now understands what happened in each case. He said he wanted to talk about a Code of Ethics and suggested that mushers could help with sponsors for the Iditarod and vice versa.

Greg Bill noted that he had long adhered to the policy of not taking sponsors away from the mushers. He said he remembered telling Wilson Hughes he didn't want to talk about a GCI sponsorship for the Iditarod if it would endanger Susan Butcher's GCI sponsorship. He said he makes a practice of advising sponsors that there is an advantage to both sponsoring mushers and sponsoring the Iditarod.

Potts commented that mushers have to turn their lists of sponsors in to the Iditarod if we are to know who their sponsors are and Greg Bill agreed to look more closely at those sponsor lists in the future.

Swenson commented that no sponsorships are sacred in professional sports of other natures.

**Burmeister/Moderow moved to recess into executive session at 1:20 p.m. Motion passed.**

The board came out of executive session and resumed its meeting at 4:20 p.m.

Will Peterson and Vern Halter just arrived and were introduced.

## DRUG TESTING REPORT

**Burmeister/Palin moved to approve the report. Motion passed.**

## FINANCIAL RESERVES

Larsen noted three assumptions: 1) The race is cancelled for one year (causing loss of revenue and expenses not incurred); 2) Major sponsorship(s) lost; and 3) Drastic decline in race participation (unexpected infrastructure expense).

He said non-profits should have four to six months of operating expense available. He said in 2005, our year-end net worth is projected to be \$558,484 cash in had to be \$351,153 and cash plus accounts receivable, \$471,153. For four months of operating expenses Iditarod would need approximately \$440,000 and for six months, Iditarod would need approximately \$660,000.

He suggested that calculating in the same manner for 2006, the net worth would be \$620,000 plus \$61.5 thousand, the cash would be \$351.2 thousand plus \$50.8 thousand and the cash and accounts receivable would be \$525 thousand.

He calculated the figures through 2001 with 2009 goal figures being \$800 thousand plus \$60 thousand for net worth, \$600 thousand plus \$65 thousand for cash in hand and \$700 thousand plus \$60 for cash and accounts receivable.

**Larsen/Maxwell moved to use Larsen's figures to develop a 2006 budget. Motion passed.**

#### PROCESS FOR HONORARY MUSHERS

Handeland noted that the committee to bring a plan for this was Chas St. George, Richard Burmeister and Lee Larsen.

**Larsen/Maxwell moved to adopt the proposed process for selecting the honorary musher and to give the Hall of Fame people the proposed process to use as they wish.**

Dan noted that we need to get the title straight. He reminded the board that it had voted to call it the Leonhard Seppala Honorary Musher award.

**Larsen/Maxwell motion passed.**

#### PURSE DISTRIBUTION

Swenson said he had proposed that first place not be changed until 20<sup>th</sup> position got to \$20,000. He said something slipped through the cracks this year and 1<sup>st</sup> place was increased. He suggested that we need to go back to what we voted for, 1<sup>st</sup> place at \$69,000 and a truck.

Moderow agreed to have someone in his office run the numbers to come up with a quick look at how this can be accomplished. He said we can look at the numbers at the next meeting and see if we want to do this.

Handeland noted that the board had agreed to give back \$1,049 to those who didn't place in the top 30 but now there are some suggesting that they should get their entire entry fee back.

Swenson asked to go back to the Drug Testing report and asked about the eight positives and asked if anyone had talked to the person who had three positives. He suggested that that person should be told not to do again whatever he or she had done.

Nelson stated that he doesn't usually notify the mushers about this and doesn't know if Morrie Craig has notified them yet. He said that typically, Craig talks to them and tries to

find out where the positives came from. He said he'd have an answer from Craig at the next meeting.

#### DIRECTORS' COMMENTS

Jim Palin: He noted that he had attended the rookie meeting and that it was very educational. He said dog care was clearly enforced at that meeting. He said based on the action we took on the reserve, we'll need to increase to \$545,000. With a \$50,000 short fall, and an \$830,000 purse, we'll have to decide if the reserve or the purse is the priority.

Maxwell noted that we'd promised the purse. Handeland said it had been approved as a guideline.

Swenson: He noted that it had been a long meeting and a good meeting. He said we have heard the priorities of the participants. He is looking forward to how we'll get to where we want to be.

Maxwell: He commented that the race went pretty well given all the difficulties and said the staff did a great job and all should be thanked for their tremendous effort and accomplishment.

Burmeister: He said people were glad to have the walkways in Willow. He said he enjoyed the Willow re-start.

Moderow: He noted that we have things to do before the next meeting.

Larsen: He said he is impressed with how St. George has jumped into harness starting at such a late date. He commented that we need new revenue sources and questioned whether we need to work harder to get new revenues or do something to increase current revenues.

Seavey: He suggested that maybe we need events that people pay for such as Meet the Musers. He said we need to build boxes where people have to pay to get in.

Swenson: He noted that he'd rather pay for his Idita-Rider than participate in the Idita-rider auction if he had a choice.

Handeland: He thanked everyone for a good meeting.

The meeting adjourned at 5:00.p.m.

