

IDITAROD TRAIL COMMITTEE
BOARD OF DIRECTORS MEETING
Lakefront Alaska Hotel
December 4, 2015

CALL TO ORDER

In the absence of President Andy the meeting was called to order by Vice President, Danny Seybert, at 9 a.m.

ROLL CALL

Members present: Aaron Burmeister, Stan Foo, Mike Jonrowe, Danny Seybert, Rick Swenson (via phone)

Members absent: Andy Baker, Paul Gebhardt, John Handeland, Mike Owens

Others present: Stan Hooley, CEO; Willie Karidis, COO; Diane Johnson, Education Director; Mark Nordman, Race Director/Race Marshal; Stuart Nelson, Jr., DVM, Chief Veterinarian; Andy Willis, Logistics Coordinator; Don Patterson, Finance Director; Joanne Potts, Recording Secretary;

PUBLIC COMMENT

There was no public comment.

APPROVAL OF AGENDA

Foo/Jonrowe moved to approve the agenda as presented. Motion passed.

ADOPTION OF MINUTES OF OCTOBER 30, 2015

Foo/Burmeister moved the adoption of the minutes of October 30, 2015. Motion passed.

PRESIDENT'S REPORT

There was no President's report.

CEO REPORT – STAN HOOLEY

Hooley submitted a written report.

When discussing the 86 mushers entered in the 2016 Iditarod, Hooley noted that this does not necessarily translate to a better race. With that many mushers, staging the race is more challenging and definitely more expensive.

Hooley's Financial Forecast shows that the year end forecast has improved but there is still a lot of ground to cover.

Currently the line of credit with the ITRF is due to be paid off in May of 2016, but based on the current cash flow needs, it will be necessary to ask the ITRF to extend that line of credit. Without that, it would be necessary to delay paying payables for months, postpone all capital improvements, and Iditarod would not be prepared to deal with any potential negative budget variations.

It is important to understand that the reasons Iditarod has not made progress on the five year plan to have a financial reserve of \$600K are the entry fee reduction is a total of \$279K, the Iditarod's absorption of food drop shipping costs is \$207,753 and the net revenue shortfalls amount to \$113,247.

As of today, Iditarod has received, or there are commitments for \$1,002,286 in revenue of the \$4,154,645 forecasted. That leaves \$3,152,360 in revenue to be achieved in the next seven months.

The FY 16 budget calls for a minimum of \$65K in new cash sponsorships, and at this time, we know we must replace \$105K, and there are still a number of significant sponsorships yet to renew.

Hooley explained that there is a delegation of Norwegians here to make a presentation to the Board of Directors this morning. He noted that he did not know the details of what they will present, but stated that we both share a common interest in raising the perception of sled dog racing globally. They are very sincere in figuring out ways we can work together to grow our sport globally.

Hooley explained that the Sportsman Channel did not renew their agreement. He has no way of knowing yet whether the new relationship with ESPN will replace what revenue Iditarod received from the Sportsman Channel because this it is a profit sharing relationship.

COO REPORT – WILLIE KARIDIS

Karidis submitted a written report.

Karidis explained that the dispute had been resolved with the company that made the winners' trophy. Iditarod can now create a new trophy that has all the elements of the original trophy. The trophy being made now will not be substantially different and will be made in Alaska.

He noted that Iditarod has finalized the agreement with our new retail partner Wildlife Trading Company. They will be here on January 4. They have hired a manager who is currently the manager of the store at the Sea Life Center.

He noted that a trail grant for \$100K was submitted on November 15 through the State of Alaska.

Gebhardt had asked about Iditarod's selling pull tabs. Patterson and Karidis had researched this. Patterson noted that Iditarod can have five vendors (5 bars). The vendor would purchase a game and would award up to 80% of the net to Iditarod and the vendor getting 20%. 30% of the profit is the maximum the vendor is allowed to keep. More research is being done on this.

He noted that an Ultimate Nome package is being developed for the Idita-Rider auction. The price will be \$30K. It is still in the development stages. Johnson is working on developing this and suggested three nights in Nome and events available for a true Alaska experience for the purchaser. We have to be careful about what we promise because weather could dictate changes.

He is working on a deal with Thompson and Company to provide media relations expertise. They would handle the credentialing and get Iditarod more national attention.

ExxonMobil has been active in helping Iditarod increase Alaskan's involvement in the education programs. They are working with Diane Johnson to expand that.

RACE DIRECTOR/RACE MARSHAL REPORT – MARK NORDMAN

Nordman submitted a written report.

He noted that he and Andy Willis were to fly to the Alaska Range December 1, but bad weather prohibited that. There is not a lot of snow in the Alaska Range. From Puntilla on, the snow is good. We are getting snow on the trail.

He explained that IHTA has funding for a shelter cabin between White Mountain and Nome. It would make the A Frame a usable structure or build a new structure.

He noted that we shouldn't forget about the project for the arch in Nome.

Nordman invited any board members who will be around this weekend, to come to the rookie meeting on Saturday.

CHIEF VETERINARIAN REPORT – STUART NELSON, JR., DVM

Dr. Nelson submitted a written report.

Nelson noted that December 1 was the first day that mushers could call for their appointments for their pre-race screening. He explained that Tabitha Jones has just had a baby and so Jan Bullock will be doing the scheduling for her.

HONORARY MUSER COMMITTEE

Aaron Burmeister reported for the committee and stated that they had selected Joanne Potts as the honorary musher.

Burmeister/Foo moved to approve the Honorary Musher Committee's report. Motion passed.

IOFC REPORT – AARON BURMEISTER

Burmeister reported that the mushers have been pretty quiet. He said he had nothing to report.

FAA EXEMPTION

Nordman noted that the goal continues to be to get a permanent exemption, but the FAA is continuing to want to review the exemption every two years. The exemption has been granted for this year. He noted that the FAA continues to work with us and has been good about granting the exemptions.

MUSER FREIGHT

It was suggested that due to budget concerns this year, that Iditarod might want to consider not paying the mushers food shipment freight.

Nordman noted that he has a quote for \$10K for the drop lines. It had been decided earlier that the mushers would pay for the drop lines, which would come out of the Iditarod's freight payment.

Foo/Burmeister moved to reduce the freight payment from \$1000 to \$500. Motion passed.

NORWAY DELEGATION

The delegation from Norway presented the concept of the Ultimate Musher to the Iditarod Board of Directors. They explained that their goal is to strengthen the reputation of the races and make them more attractive and that this would make it possible for the best mushers in the world to compete against each other.

The concept would be that in 2017, the three best mushers from the Finnmarksløpet would go race in the Iditarod the next year and the three best mushers from the Iditarod would go race in the Finnmarksløpet the next year. Points would be based on results. The mushers with the highest points would compete in the Ultimate Musher in 2019, which would be in Alaska and then in 2022 it would be in Norway.

They explained that this would benefit the musher because he/she would get to compete against the best mushers in the world, it would help with personal brand building and the prize money (which would be in addition to whatever prize money they won that year in their respective races) would be \$150K.

They explained that the project would provide financial support for transportation for teams to either Norway or Alaska. Funding would be available from their sponsor, SpareBank, and would come from public funding and other sponsors.

The Norwegian Broad Casting Corporation, a partner with the Finnmarksløpet since 2009, would broadcast this and there would be good possibilities of distribution in Scandinavia and Europe. They inquired about the TV interest in the US.

The Board agreed to appoint a committee of Stan Hooley, Mark Nordman and Rick Swenson to work with the Norwegians to further define this proposed project. He asked Aaron Burmeister to think of another musher for the committee.

Hooley noted that 2017 isn't far away so things would need to be in place and finalized soon.

The meeting adjourned at 11:20 a.m.