

Draft

ANNUAL MEMBERSHIP MEETING
IDITAROD TRAIL COMMITTEE, INC.
Iditarod Headquarters
June 26, 2010

CALL TO ORDER

The meeting was called to order at 10:00 a.m. by President Leelan Larsen.

ESTABLISHMENT OF QUORUM

Members present: Sue Allen, Kay Arnold, Andy Baker, Greg Bill, Barbara Boucher, Marlene Buccione, Aaron Burmeister, Martin Buser, ~~Judy Ch????~~, Patricia Chandler, ~~Paul Dickinson~~, Phyllis Dickinson, ~~Karen Ditzsen~~, Paul Foutz, Rae Foutz, ~~Ginny Gebhardt~~, John Handeland, Lori Henry, Stan Hooley, Diane Johnson, Magnus Kaltenborn, ~~Mike Klix~~, Lee Larsen, Robert T Lawson, ~~Janet Linnell~~, ~~Cathy Mackey~~, Dick Mackey, Mark Moderow, Dale Myers, John Nagy, Maryann Nagy, Stuart Nelson, Jr., Mark Nordman, Will Peterson, Jim Palin, Don Patterson, Barbara Pollock, Joanne Potts, Donna Quante, Ray Redington, Jr., ~~Eric Rogers~~, ~~Marti Rogers~~, ~~Leslie Schick~~, Pat Schue, John Schultz, Dan Seavey, Danny Seybert, Sally Smith. Billy Snodgrass, Rick Swenson, Chas St. George, Jim Terry, Sally Terry, Eleanora Wands

Fifty four (54) people present. The names with a strike through were present but not members. Ten (10) of those present are not members. Thus there were forty four (44) verified members present.

Proxies present:

~~Jennifer Ambrose~~ - 2; Andy Baker - 4; ~~John Baker~~ - 1; Greg Bill - 1; Aaron Burmeister - 40; ~~Brenda Crim~~ - 1; Martin Buser - 33; ~~Vivian Crowe~~ - 1; ~~Wayne Curtis~~ - 2*; John Handeland - 13; ~~Bert Hansen~~ - 1*; ~~Karin Hendrickson~~ - 1; Stan Hooley - 11; ~~Greg Hopkins~~ - 1; Diane Johnson - 2; ~~DeeDee Jonrowe~~ - 33; ~~Mike Jonrowe~~ - 6; ~~Jeff King~~ - 2; Leelan Larsen - 47; ~~Lance Mackey~~ - 2; ~~Andi Mallard~~ - 1; ~~Sam Maxwell~~ - 16; ~~Denise Michels~~ - 1 *; Mark Moderow - 11; Stu Nelson - 2; Mark Nordman - 1; ~~Mike Owens~~ - 29; Jim Palin - 41; Joanne Potts - 6; Donna Quante - 21; ~~Joe Redington, Sr.~~ - 5**; Dan Seavey - 78; ~~Mitch Seavey~~ - 1; Danny Seybert - 3; Sally Smith - 1; Rick Swenson - 137; ~~Gaye Thomas~~ - 1; ~~Deby Trosper~~ - 8; ~~Susan Whiton~~ - 2*; ~~Blank~~ - 103

There were a total of 672 proxies. There were a total of 452 valid proxies. There were 6 proxies given to non members, 5 to a deceased person, 106 to members not present and 103 blank for a total of 220 invalid proxies. Those with a strike through were not present. Those with an * are not members. ** means deceased.

One hundred eighty-two (182) members are needed for a quorum. With 44 members present in person and 452 present by proxy, a total of 496 were present either by proxy or in person. A quorum was present.

APPROVAL OF AGENDA

Dan Seavey/Rick Swenson moved to approve the agenda. Motion passed.

INTRODUCTIONS

The president asked for everyone to introduce themselves and welcomed members and fans to the meeting.

Draft

ADOPTION OF MINUTES

Dale Myers/Maryann Nagy moved to approve the minutes of the 2009 Annual Meeting. Motion passed.

ANNUAL REPORT – LEELAN LARSEN, PRESIDENT

Larsen presented the schedule for the day announcing that the Millennium would be serving at noon and the Board of Directors meeting will begin immediately following this meeting. He explained that musher sign up for 2011 began at 9:30 and will continue until 3:30, after which at 3:45 there will be a drawing for sign up order and at 4 p.m. there will be a drawing for two free entry fees as well as other donated prizes.

Larsen introduced Leslie Schick who presented a power point program showing the work that had been done with grant money recording easements for the Iditarod Trail. She noted that the \$360K in grant money recently received should allow DNR to complete this project. In September of 2012, it is expected that the entire trail will be adjudicated. Mark Nordman thanked both Leslie Schick and Jim Palin for their work on the project, noting that Jim Palin had been really responsible for getting the project this far.

Larsen reported that Iditarod XXXVIII had been a successful race. Seventy-one (71) teams started, fifty-five (55) finished, which included sixteen (16) rookies. He noted that there are now 687 people who have finished the Iditarod Trail Sled Dog Race. He commented on the feat accomplished by Lance Mackey in winning his fourth straight Iditarod and showed a DVD that previews the 2010 documentary. He asked for a round of applause for Lance Mackey, the first ever four time Iditarod champion.

He further reported that this year's race was completed with zero (0) dog deaths, a major accomplishment. He noted however, that the zero dog deaths was not something that just happened because Iditarod finally took dog deaths seriously and worked a little harder this year, as was portrayed in some media sources. He noted that nothing could be further from the truth. The amount of energy and resources that the mushers and veterinary team put into the welfare of the dogs is staggering every year. He recognized the Chief Veterinarian, Dr. Stuart Nelson.

Larsen noted that the Iditarod has changed dramatically since its early years. It is still the one annual event that galvanizes Alaskans and creates a sense of excitement and pride across the State. The Iditarod is Alaska. It's unique and special and the entire country knows it's Alaska!

Larsen announced that the 2010 Iditarod documentary won a regional Emmy for the fourth time and congratulated Greg Heister, whose passion for this Race shows in the production, and Chas St. George for his part in making things happen

Larsen recognized members who have recently passed away: Mark Kelliher on February 27, Dick Forsgren on March 19 and Jerry Austin on June 2. He also noted that passing this past year of Jea, Stan Hooley's dog who had been the face of the world famous Zuma on the Iditarod website since 1994.

He noted that it is a challenge to stage this race year after year and listed some of the things accomplished over the last few years:

- Board has held three (3) long term planning sessions with full board and consultants
- Conducted a drug testing program for the mushers with no expense to the Iditarod.
- Delivered the GPS tracking on a subscription basis to expand the fan base and improve the opportunity to follow the race electronically.

Draft

- For the second year, we succeeded in registering every volunteer and providing insurance for them, thus having less exposure to the ITC for financial ruin. Membership has also increased.
- We completed a marketing study and valuation of sponsorship inventory by the University of Oregon and conducted a survey of public opinion to support marketing efforts.
- Formalized archive categorization and collected video history in HD format.
- Streamlined the banquet the last two years and this year set an all time record for attendance.
- Embraced a successful service dog project for a young autistic boy in Unalakleet.
- Facilitated an arrangement whereby a legally blind musher was able to participate in the Race and is now a veteran of two finishes.
- Developed an inclusive process for the orderly selection of the Honorary Musher
- Internally delivered on-line Video on Demand. ITC now receives documentary sales income at the rate of 10 to 12 times the previous model.
- Received an FAA exemption followed by a multi year exemption. This was a very real race-stopper!
- Advanced the re-start location acquisition. Evaluation recommendation of two from eleven potential sites is near completion.
- Delivered three years of media training to all mushers and directors
- Completed the fastest race ever without one dog fatality with the Red Lantern (Celeste Davis) arriving over 24 hours earlier than any previous Red Lantern winner.

Larsen recognized Greg Miller with the 2010 Herbie Nayokpuk Spirit of Iditarod Award, for his efforts in working with the FAA to secure the exemptions.

FINANCIAL REPORT

Larsen presented the financial report for the year using graphs and pie charts in a power point presentation.

He reported that the operating budget had been revised in December of 2009 to call for a revenue decrease of \$165K over FY09 and expense decreasing by \$653K. Based on what we know now, we are forecasting a \$91K profit for the year and realize that while that is progress, there is much that needs to be done to improve the balance sheet as well as the cash flow.

He reported that the budget for FY11 calls for a revenue excess over expenses of \$336K. This would allow Iditarod to retire \$121K or one fourth of the debt. It also allows the operational cash balance to grow a modest amount and to pay down accounts payable. On the revenue side, for the most part, the budget is flat. It goes without saying that the goals of the staff are much higher. It is no secret that these are difficult economic times but we believe we can fare better than most.

To demonstrate how the revenues and expenses break down, Larsen showed pie charts. Revenues break down as follows:

Fundraising, Sponsorship -- \$1,227, 619 or 31%
Fundraising, Insider/Licensing -- \$716,500 or 18%
Fundraising, Merchandise -- \$684,819 or 17%
Fundraising, Raffle/Gaming -- \$47,500 or 14%
Fundraising, Special Events -- \$376,717 or 9%
Entry Fees -- \$227,050 or 6%
Fundraising, Membership -- \$180,400 or 5%

Draft

Gen & Admin -- \$13,096 or 0%

The expense breakdown is as follows:

Race -- \$1,529,723 or 40%

Fundraising, Insider/Licensing -- \$675,561 or 18%

Gen & Admin -- \$506,637 or 13%

Fundraising, Merchandise -- \$284,418 or 8%

Fundraising, Sponsorship -- \$245,992 or 6%

Fundraising, Raffle/Gaming -- \$228,582 or 6%

Fundraising, Special Events -- \$179,020 or 5%

Fundraising, Public Relations -- \$127,288 or 3%

Fundraising, Membership -- \$40,120 or 1%

Fundraising -- \$0 or 0%

The total assets for the end of this fiscal year are forecast to be \$632,358 and budgeted for the end of FY11 to be \$697,600. The liabilities for the end of this fiscal year are forecasted to be \$1,114,910 and budgeted for the end of FY11 to be \$844,065.

Larsen then announced that there are 252 days until the start of Iditarod XXXIX!!!

MEMBER COMMENTS

Dale Myers asked, referring to the University of Oregon study, whether the negatives pointed out in that study were being worked on. Larsen responded that the biggest thing in that study was the value and potential of revenue.

Paul Foutz noted the debt problem and said he hoped that it will get taken care of and Iditarod can do marketing that will make money. Jim Palin noted that the Board has been addressing the financial issues and said the employees had taken a 10% pay cut last year and the new budget does not include any increases. He said he agreed that it is necessary that we get rid of the debt.

Eleanora Wands suggested that some of the things presented by Larsen this morning be posted on the website. She felt it shouldn't be difficult to put more of the daily happenings of the Iditarod on the website. She suggested that the membership's having a proactive role to play will help to sustain the Race. If members have a right to vote for the decision makers, they feel they have more of a voice.

Judy ?? noted that the minutes of the Board meetings should be posted in a more timely manner.

Phyllis Dickinson noted that her students are surprised when they learn that this is such a big volunteer effort and suggested that Iditarod make a stronger effort to let people know of the need for donations, need for people to purchase merchandise etc. She thinks people are getting this message.

Dale Myers asked if the board had ever considered including a volunteer representative as a board member. Larsen noted that we have one board member now, the musher's representative, but that it isn't a good thing to have single issue board members. All board members should be working on the same goals.

Rick Swenson noted that at every board meeting there is a public comment period and any member can be heard at that time.

Draft

John Handeland noted that there is a link on the website whereby members can contact the board members.

Kay Arnold noted that she had contacted board members in the past and hadn't received a response and suggested that there should be some way that people at least can know that the board member did receive their message.

John Schultz thanked those running for election to the Board who sent cards out to the members.

Eleanora Wands suggested that there be a volunteer website that people could click on and see what people are saying from all over the country.

Diane Johnson noted that there is a discussion forum on the website and invited anyone interested to join that.

Mark Nordman explained that each year the mushers select a checkpoint of the year to honor one particular checkpoint and noted that this is always difficult because all the checkpoints do a great job.

Dan Seavey reminded that membership that we are now in the midst of celebrating the Iditarod Trail Centennial under the auspices of the Iditarod Trail Alliance. He also noted that the Board has begun the cataloging of historic papers/photos, which was started last summer. And finally he noted that IOFC members can now get their IOFC license plate at any DMV.

ELECTION RESULTS

The president introduced Sally Smith, chair of the election committee.

Smith thanked the committee for getting up bright and early to count the ballots and read the results as follows:

Seat H – Mike Jonrowe, 695 votes
Sam Maxwell, 131 votes

Seat I -- Danny Seybert, 478 votes
Jim Palin, 334 votes

Seat J -- Andy Baker, 794 votes

She commented that there were ten (10) write in candidates getting a total of 12 votes.

President Larsen thanked Sally Smith for her work with the committee.

Larsen recognized Jim Palin for his many years of work on the Board of Directors and publically thanked him for those efforts.

ADJOURNMENT

Dale Myers/Paul Foutz moved that the meeting be adjourned. Motion passed.

The meeting adjourned at 11:30 a.m.