IOWA STATE RACING COMMISSION
MINUTES
JANUARY 14, 1986

The Iowa State Racing Commission met on Tuesday, January 14, 1986, at 10:00 a.m. in the Wallace State Office Building Auditorium. Present were Chairman Scalise, Vice-Chairman, "Bud" Pike, Lavonne Mydland, Dr. Sally Prickett, and Steve Sovern. Chairman Scalise called the meeting to order.

The Chair took up the first agenda item, the approval of the minutes of the November 22, 1985, meeting. Commissioner Sovern moved to approve the minutes. Commissioner Mydland seconded the motion and the minutes were adopted unanimously. See Order (86-1).

Chairman Scalise recognized Von Elbert of Cedar Rapids Horse Racing, Inc. for a progress report on their site location and financing. Mr. Elbert stated that they were unable to find an experienced developer and financing for their track. Therefore, the Cedar Rapids Horse Racing Assn. asked that their license be set aside to provide the Des Moines track the opportunity to proceed ahead, and offered their support. Also asking that in the event that the Racing Association of Central Iowa is unsuccessful in obtaining their financing, their license also be set aside and invite other groups to apply for a racing license.

After some discussion, Commissioner Sovern moved that the Racing Commission accept, with regret, the tendering of the Cedar Rapids Horse Racing, Inc. license. Commissioner Pike seconded the motion, which was adopted unanimously. See Order (86-2).

The Chair moved to the next agenda item and recognized Stan Duysen, Executive Director of Iowa West Racing Association, for their kennel contracts, and addressed the question of purse distribution structure. Mr. Duysen then introduced Bill Edge, Racing Director of Bluffs Run, who advised the Commission that an addendum had been added to the kennel contracts to provide purse distribution to include fourth place.

Chairman Scalise next addressed the question of Iowa Whelped Greyhounds and recognized Commissioner Sovern who asked for a definition of a "local". Jack Ketterer, Executive Secretary of the Racing Commission, explained that a "local" is a greyhound that is brought from a location off track to race, and then returned to that location, as opposed to a greyhound being housed in an on-site kennel.

The Chair asked what the policy at Bluffs Run will be regarding locals. Mr. Edge stated that only greyhounds housed in on-site kennels will be allowed to run. He explained that the primary

concern is for security reasons, but also to help prevent sickness and disease from being carried into the kennels. Mr. Edge also explained the track's program for Iowa whelped greyhounds contained in the kennel contract.

Commissioner Pike asked how the agreements would be made between the kennels and the greyhound breeders, to which Mr. Edge replied that the kennels and breeders would negotiate an agreement among themselves without track interference. However, under the assumption that they are unable to agree, the track will intercede, so as to guarantee that any and all Iowa whelped greyhounds will have an opportunity to run in more schooling races, in order to qualify.

Chairman Scalise asked Mr. Ketterer what the breakage was the first year at Dubuque. Mr. Ketterer stated approximately $240,000. Mr. Edge advised the Commission that Bluffs Run expects $300,000 to $400,000, which would benefit kennel operators if they take Iowa whelped greyhounds.

The Chair asked Mr. Edge what the purse level would be between kennels and greyhound breeders, to which he replied the minimum they can expect would be 65% to the kennels, 35% to the greyhound owner, and 50/50 split on added money, which is standard in the racing industry.

Commissioner Sovern expressed his concern that the proposed 2.7% purse level is below the national average of 3%, and questioned if it would discourage people from becoming involved in the breeding industry in Iowa.

Gary Zumach, President of the Iowa Greyhound Association, and several Iowa greyhound breeders were present and expressed their concern that locals would not be permitted to run at Bluffs Run. Mr. Zumach asked that the Commission take a good hard look at the proposed 2.7% purse level, because he feels that too much is being taken away from the breeders.

After further discussion, Commissioner Sovern moved that the Commission go on record as supporting the 3% purse level in Iowa. Commissioner Prickett seconded the motion.

Chairman Scalise advised the Commission that he was not in favor of an across the board purse level in Iowa.

Commissioner Sovern asked that his motion be changed, with the approval of the second, to a 3% purse level for the facility before the Commission, rather than across the board.

Commissioner Pike moved to amend the motion and change the purse level from 3% to 2.85%, for this year. Commissioner Prickett

seconded the motion. Commissioners Sovern, Prickett, Mydland, and Pike voting aye, and Commissioner Scalise opposed, the motion as amended was adopted. See Order (86-3).

Chairman Scalise called for a vote on the proposed distribution structure as follows: 1st place - 55%, 2nd place - 30%, 3rd place - 10%, and 4th place 5%.

Commissioner Pike moved to adopt the distribution structure as presented. Commissioner Mydland seconded the motion, which was adopted unanimously. See Order (86-4).

Commissioner Sovern asked that the Commission review the matter of "locals", in an attempt to come up with a workable program. The Chair asked that Mr. Ketterer, and Mr. Lura, Director of Administration, conduct a study and report their findings at the next meeting.

Chairman Scalise moved to the next agenda item, the adoption of rules 7.6(16), 8.1, 8.2(4)"i", 8.6(4), trifecta wagering, and Chapter 10, application for tax credit for horse racing facilities. Mr. Ketterer stated that a notice of intended action had been filed along with emergency adoption, and public hearings had been held. The Chair called for a motion to adopt the rules as presented. Commissioner Mydland moved for adoption, Commissioner Sovern seconded the motion, and the rules were adopted unanimously. See Order (86-5).

The Chair recognized Mr. Ketterer for new proposed rules. Mr. Ketterer stated that the following rule changes were simply clarification of existing policies.

7.3(9) The first line should be changed to read: A license shall be denied "and, if already issued, shall be suspended or revoked" if the applicant:

7.11(2) Change the "commission" to the "state steward".

7.13(1) Should be changed to read: "All greyhounds must be weighed not less than one hour before the time of the first race of the day, unless prior permission is granted by the state steward".

8.3(2) Insert "trifecta" after exacta, each time it is used.

8.10 Add "exacta" and "trifecta" to types of wagering.

8.2(4)"h"(7) Change to: "In the event one or two of the races comprising the pic-six is cancelled for any reason or in the event one or two of the races comprising the pic-six is

declared as "no race" by the stewards, the distribution of the entire net amount wagered on the pic-six that day shall be among the holders of pari-mutuel tickets which correctly designate the most winning selections in all of the remaining races comprising the pic-six on that day. Any retained distributable amounts carried over from any prior pic-six pool pursuant to 8.2(4)"h"(4) shall be carried over to the next succeeding racing date, or performance if applicable, of that meeting.

In the event the stewards cancel or declare as "no race" three or more of the races comprising the pic-six, all pari-mutuel tickets on the pic-six shall be refunded and the pic-six shall be cancelled in its entirety for that day and any retained distributable amounts carried over from any prior pic-six pool pursuant to 8.2(4)"h"(4) shall be carried over to the next succeeding racing date, or performance if applicable, of that meeting".

Commissioner Sovern moved to file a notice of intended action of the rule changes as presented. Commissioner Pike seconded the motion, which was adopted unanimously. (See Order (86-6).

The Chair next recognized Dick Klingaman of the Cattle Congress for an update on construction of their facility. Mr. Klingaman advised the Commission that the footings are in and they are waiting on the steel. He also stated that they are still within budget and proceeding ahead with management contracts.

Chairman Scalise recognized Don Muyskens, of the Racing Association of Central Iowa for a progress report. Mr. Muyskens reported that they have raised $49,000,000 of the $52,000,000 in bond financing. Mr. Muyskens also stated that they have finalized construction contracts and equipment leasing contracts, so that as soon as financing is complete they will be in a position to move very rapidly.

The Chair asked how Cedar Rapids setting aside their license will affect them. Mr. Muyskens advised the Commission that it would appear to investors that there is only one viable project in Iowa and should improve their chances significantly.

The Chair asked Mr. Grandquist, President of the Racing Association of Central Iowa, how much money has been spent on this project to date. Mr. Grandquist advised the Commission that he has spent $1,600,000 for purchase of the land, plus the association has bills outstanding in the amount of $400,000. Mr. Grandquist stated that "I don't know when financing will be complete, but we are working on it every day, and I am not ready to throw in the towel yet".

Commissioner Sovern expressed his concern that maybe the time has come to assess what we are doing here in Iowa, since the Racing Association of Central Iowa has not come forth with anything substantial.

Commissioner Pike proposed that a committee of two be assigned to study alternative locations in the State and/or any changes that needed to be made in the law. The Chair appointed Commissioners Sovern and Pike to make that proposed study.

The Chair then asked for a motion to go into Executive Session to discuss DCI background investigations for Bluffs Run. The motion was made by Commissioner Sovern and seconded by Commissioner Prickett, with the vote 5-0 in favor. See Order (86-7).

The Commission went into closed session pursuant to Iowa Code, Chapter 21.5(1)"a".

Upon the close of the Executive Session, the Chair moved to the administrative portion of the meeting and recognized Judy Gilbert of the Iowa Development Commission. Ms. Gilbert advised the Commission that the promotional theme for Iowa this year is "Homecoming '86", in hopes of attracting more people to the state. She explained that pari-mutuel racing in Iowa could play a significant role in promoting Iowa.

Mr. Ketterer suggested the Commission could have an informational piece in the Development Commission's Iowa Travel Guide. The piece would identify the locations where Iowa pari-mutuel racing is being conducted and on what dates. The Travel Guide will contain information on state tourist attractions. It will be distributed to those requesting tourist information from the Iowa Development Commission and at Welcome Centers throughout the state.

Mr. Ketterer advised the Commission that Commissioner Prickett and he would hold a meeting to discuss the Official Chemist and State Veterinarian positions for Bluffs Run, and would have recommendations by February 10th.

Mr. Ketterer also announced that the State Steward for Bluffs Run would be Jake McIsaac.

Chairman Scalise moved to the next item, the bond to be set for Bluffs Run, and moved that the bond be set at $150,000, to which Commissioner Prickett seconded the motion which was adopted unanimously. See Order (86-8).

It was decided that the next meeting would be held February 21, in Council Bluffs, and the meeting was adjourned.

IOWA STATE RACING COMMISSION
MINUTES
TELECONFERENCE MEETING
FEBRUARY 18, 1986

On February 18, 1986, the Iowa State Racing Commission held a teleconference call pursuant to Iowa Code Section 21.8. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matter to be decided.

Participating in the call were: Chairman Larry Scalise, Vice-Chairman Bud Pike, Members Lavonne Mydland, Steve Sovern, Dr. Sally Prickett, Executive Secretary Jack Ketterer, Legal Counsel, Gary Hayward, and representatives of the Racing Association of Central Iowa; Ken Grandquist, Bill Masterson, Dave Mulcahy, and Don Muyskens. Present in the Racing Commission office was Mick Lura and members of the press. The Chair called the meeting to order at 10:00 a.m.

Chairman Scalise called up for consideration the request for approval of the management, project lease, and licensing agreements by the Racing Association of Central Iowa.

The Chair asked if all members had received the amendment to review in addition to the agreements, to which all members replied that they had. Chairman Scalise then asked if these pages were to be considered part of the agreement, in terms of its consideration by the Commission, but not part of the contract in terms of whether it is a binding contract to all parties, to which Mr. Muyskens agreed that that was acceptable.

The Chair advised the Commission that one of his main concerns with the agreements was problems arising between the manager of the facility and the association, and asked if there is a problem between the manager and the association that cannot be resolved, would the matter be submitted to the American Arbitration Association and the decision by the arbitrator be binding to both the manager and the association, to which Mr. Muyskens stated that that was correct.

The Chair then stated his other concern was the scaling down of the facility. In the event that the non-profit corporation makes a profit he would like to see that money, put back into the facility the things that were taken out, and asked for a commitment from Mr. Grandquist to do just that.

Mr. Grandquist stated that his staff would work to make additional capital improvements to the racing facility, both during construction and over the long term. The master plan calls for the phasing in of major enhancements, such as: additional barns, completion of the turf course, training track, and other improvements. In addition to underwriting any losses incurred by the non-profit corporation, Mr. Grandquist agreed to provide funding for charitable purposes in addition to the charitable contributions made by the non-profit corporation, and after the track is operating, supplementing the contributions made by the non-profit corporation to provide for total contributions ranging up to 40% of the net earnings of the General Partnership, after capital improvements.

The Chair recognized Commissioner Sovern who advised the Commission that he was concerned that under section 99D.9 of the Iowa Code, it states that a non-profit association cannot turn over to a person, the operation of a race meeting licensed under section two of the agreement, and section three of the agreement, a license shall not be granted to a non-profit corporation if there is substantial evidence that the applicant or licensee is not the true owner, and asked Legal Counsel, Gary Hayward for his determination.

Mr. Hayward advised the Commission that the amendment puts back in the management provisions as originally proposed. The law does not require that the licensee be the owner of a facility.

Commissioner Sovern asked Mr. Hayward if he could make a determination without having actually seen the amendment, and if Chairman Scalise's description was sufficient. Mr. Hayward stated that he has not actually seen the amendment on paper, but that he felt comfortable with the changes that have been made.

Commissioner Sovern then asked if it is appropriate that a facility being built substantially by a tax credit, be available to the limited partnership for their own purposes.

Mr. Ketterer stated that it is somewhat similar to the federal investment tax credit, where tax dollars are paying for equipment for private industry, but maybe not to the extent of this type of facility.

Mr. Mulcahy reinterated comments covered in a written statement provided by Mr. Grandquist and found attached to these minutes.

Commissioner Pike asked how the fee structure would be handled between the limited partners and the general partners, to which Mr. Grandquist replied that they haven't gotten (sic) to that yet.

Commissioners Pike and Prickett also expressed their concern that profits first be put back into capital improvements, landscaping, turf course, training course, and if necessary supplement the purses. After these capital improvements, out of the profit, up to 40% to go to the Racing Association of Central Iowa for charitable contributions. Mr. Grandquist reiterated that he would like to put back in the things taken out during construction if possible, with the first priorities being the paddock, tunnel and barns. The association will be made up of a nine member board which will make the decision where any charitable contributions will go.

Mr. Ketterer asked Mr. Grandquist, if after the revenues come in after the first year of racing, is it solely his decision as general partner that some or all of the revenue will go to capital improvements as opposed to being distributed to the limited partners or through himself, to which Mr. Grandquist replied yes.

Mr. Ketterer then asked if the limited partners are aware that it will be a while before they see a return on their investment, to which Mr. Muyskens made a statement that they are all aware.

Mr. Hayward asked that the statement made by Mr. Grandquist be put in writing and submitted to the Racing Commission as part of the record, to which Mr. Grandquist agreed. (Statement on file)

The Chair called for a motion on the management, project lease, and licensing agreements. Commissioner Sovern moved the acceptance of the agreements contingent upon the review of the amendment, and asked that the statements made by Mr. Grandquist, Mr. Mulcahy, and Mr. Muyskens be made part of the record as they relate to the order of priorities and improvements, as well as revenue for the Racing Association of Central Iowa and contributions to charities. Commissioner Mydland seconded the motion and the motion was adopted unanimously. See Order No. (86-9).

The meeting was adjourned.

Minutes Taken By

Jean K. Cook

Jean K. Cook

IOWA STATE RACING COMMISSION
MINUTES
FEBRUARY 21, 1986

The Iowa State Racing Commission met on Friday, February 21, 1986, at 3:00 p.m. at the Holiday Inn in Council Bluffs, Iowa. Present were Chairman Scalise, Vice-Chairman Bud Pike, Lavonne Mydland, and Dr. Sally Prickett. The Chair called the meeting to order.

The Chair took up the first agenda item, the approval of the minutes of the January 14, 1986 meeting. Commissioner Mydland moved to approve the minutes. Commissioner Pike seconded the motion and the minutes were adopted unanimously. See Order (86-10).

Chairman Scalise called up for consideration the second agenda item, the emergency adoption of rule change 8.2(4)"h"(7) and recognized Jack Ketterer, Executive Secretary, who then explained that the reason for the emergency adoption was to avoid expense to the tracks of having to reprogram the totalisator system in the middle of a race meeting. The emergency adoption is simply a clarification of existing policy, in which a notice of intended action was filed on January 29, 1986.

> 8.2(4)"h"(7) "In the event one or two of the races comprising the pic-six is cancelled for any reason or in the event one or two of the races comprising the pic-six is declared as "no race" by the stewards, the distribution of the entire net amount wagered on the pic-six that day shall be among the holders of pari-mutuel tickets which correctly designate the most winning selections in all of the remaining races comprising the pic-six on that day. Any retained distributable amounts carried over from any prior pic-six pool pursuant to 8.2(4)"h"(4) shall be carried over to the next succeeding racing date, or performance if applicable, of that meeting."

Commissioner Prickett moved that 8.2(4)"h"(7) be adopted and to be initiated on an emergency basis. Commissioner Mydland seconded the motion which was adopted unanimously. See Order (86-11).

The Chair moved to the next item, approval of the plan for supplementary payment to owners of Iowa Whelped Greyhounds and the Grading System for Bluffs Run, and recognized Jack Ketterer.

Mr. Ketterer stated that copies of the grading system and the supplementary payment plan had been made available to State Steward, Jake McIsaac and Bob Hardison, President of the Iowa Greyhound Breeder's Association, who both expressed their approval of the proposed plans and grading system.

The Chair recognized Commissioner Pike who moved for approval of the proposed grading system and supplementary payment plan to owners of Iowa Whelped Greyhounds. Commissioner Prickett seconded the motion which was adopted unanimously. See Order (86-12).

Chairman Scalise advised the Commission that members of the Racing Association of Central Iowa could not be present for an update. However, a letter was submitted by Bill Masterson stating that sufficient equity needed to market the bonds has not been raised yet, but that they continue to meet on an ongoing basis.

Commissioner Sovern was in attendance at 3:20 p.m.

The Chair then recognized Dick Klingaman of the National Cattle Congress for their request for a revision of racing dates. Mr. Klingaman asked that they be granted the same amount of racing days they had originally been granted (September 1 to June 7), and asked that they be given continuous racing dates of October 15, 1986 to May 7, 1987 for their first year only. Roy Berger, General Manager of Dubuque Greyhound Park was present and expressed his opposition to the requested dates in that the requested dates represented an extension of Waterloo dates of thirty days. Mr. Berger stated that he would not be opposed to an extension from March 1 to April 7, if Dubuque could be granted two additional days of November 1 and 2.

Commissioner Pike asked Mr. Klingaman if they would be satisfied with the dates of October 15, 1986, to April 15, 1987, to which Mr. Klingaman advised the Commission that they would like the dates requested as it is necessary for the success of their first year of racing.

Mr. Ketterer stated that he feels very strongly that the tracks should not have overlapping dates, and in the future the Commission should sit down and study the matter before granting any dates.

After much discussion, Commissioner Pike moved that the National Cattle Congress be granted continuous racing dates of October 15, 1986, to April 15, 1987, for their first year only. Commissioner Sovern seconded the motion which was adopted unanimously. See Order (86-13).

The Chair addressed the next agenda item, remarks from the Iowa Greyhound Breeder's Association, and recognized Bob Hardison, who then stated that at this time they did not have any comments to make.

The Chair then asked for a motion to go into Executive Session to discuss DCI background investigations for Bluffs Run. The motion was made by Commissioner Mydland and seconded by Commissioner Sovern, with the vote 5-0 in favor. See Order (86-14).

The Commission went into Executive Session pursuant to Iowa Code, Chapter 21.5(1)"a".

Upon the close of Executive Session, the Chair moved to the Administrative portion of the agenda.

Chairman Scalise brought up for discussion the possibility of undesirables attending Bluffs Run that had been banned from Aksarben, and asked if it shouldn't be policy that anyone banned from Aksarben be banned from Bluffs Run, to which all Commissioners agreed.

Mr. Ketterer advised the Commission that Iowa State University Veterinary Diagnostic Laboratory was the laboratory recommended for Bluffs Run by the subcommittee of Dr. Prickett and Jack Ketterer who were responsible for reviewing the proposals. Commissioner Prickett moved the approval of the one year contract for Iowa State University Diagnostic Laboratory. Commissioner Sovern seconded the motion which was adopted unanimously. See Order (86-15).

It was decided that the next Commission meeting would be held in Dubuque, Iowa, on April 1, 1986.

The meeting was adjourned at 4:45 p.m.

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Minutes Taken By
Jean K. Cook

IOWA STATE RACING COMMISSION
MINUTES
APRIL 1, 1986

The Iowa State Racing Commission met on Tuesday, April 1, 1986, at 3:00 p.m. at the Dubuque Inn, Dubuque, Iowa. Present were Chairman Scalise, Vice-Chairman Bud Pike, Dr. Sally Prickett, and Steve Sovern. The Chair called the meeting to order.

The Chair took up the first agenda item, the approval of the minutes of the February 18, 1986, teleconference meeting and the February 21, 1986, Commission meeting. Commissioner Pike moved to approve the minutes. Commissioner Prickett seconded the motion, which was adopted unanimously. See Order (86-16).

The Chair called up for consideration Dubuque Greyhound Park's request for additional racing dates for the 1986 season, and recognized Roy Berger, General Manager. Mr. Berger asked that they be granted two additional racing days, to extend their season through Sunday, November 2, 1986.

The Chair recognized Commissioner Prickett who moved to grant the additional days. Commissioner Pike seconded the motion, which was adopted unanimously. See Order (86-17).

The Chair then recognized Dick Klingaman for the purpose of a report on the construction of the Waterloo facility. Mr. Klingaman stated that construction was moving along on schedule and that they hope to begin schooling races in September.

Chairman Scalise moved to the next agenda item and recognized Bill Masterson of the Racing Association of Central Iowa for a report on the status of the Altoona project. Mr. Masterson stated that the Association has met with the Altoona City Council and a plan has been submitted whereby the city of Altoona would issue tax increment financing bonds up to 2½ million dollars, the proceeds of which would be used to purchase the land for the racetrack development and/or prepare the site. This plan was presented to the Altoona planning and zoning committee on March 31st. A tentative timetable for moving the issue through the administrative process for file consideration and votes from the city of Altoona is prior to April 30th.

In addition to the Altoona support, Mr. Masterson advised the Commission that they continue to meet with large institutional investors and that a number of analysts and brokers from around the country visited Des Moines on March 25th to look at the individuals involved in the project, and assess local support for the central Iowa area, and stated that the reaction has been very positive.

Mr. Masterson then asked that a clarification be made of the racing dates that have been awarded to Racing Association of Central Iowa for the calendar years 1985, 1986, and 1987, and asked if he was correct in stating that following the 1987 season the Commission will consider an application for future dates, to which the Chair stated that he was correct.

Commissioner Pike asked if the amount of bonds sold at this time could be disclosed. Mr. Masterson stated that it is not appropriate at this time, however he advised that a substantial amount of bonds have been purchased.

Commissioner Sovern asked at what point in time the Association will make the decision that everything possible has been done and that it is not possible. Mr. Masterson stated that they are as strong today as they have ever been.

The Chair asked that the next agenda item (Executive Session) be skipped over at this time and taken up at the end of the meeting. The Chair then asked to go on to item 6 on the agenda, the proposed harness rule changes, and recognized Jack Ketterer, Executive Secretary.

Mr. Ketterer stated that the proposed harness rule changes were simply to make technical changes to clarify items that became apparent after one racing season and added two additional changes to those submitted.

Judy Roland of Iowa Fair Racing Association was present and advised the Commission that she and Roger Roland had met with Mr. Ketterer and gone over the proposed rule changes and that they support the changes.

Commissioner Prickett moved to adopt the proposed harness rule changes as amended by Mr. Ketterer's statements. Commissioner Sovern seconded the motion which was adopted unanimously. See Order (86-18).

Chairman Scalise moved to the next agenda item, the proposed rule to allow twin trifecta wagering and recognized Paul Bryant of Bluffs Run for their request.

Mr. Bryant advised the Commission that the pic six has not been very popular in Council Bluffs. He stated that the twin trifecta would be a lot more appealing to the patrons at Bluffs Run since in the first month of racing approximately 40% of the handle was trifecta. Mr. Bryant recommended an 18% take-out, and suggested that 50% pay-out be made on the first half of the twin trifecta with a 50% carry-over to the second half. The twin trifecta to be the last two races of the day.

Chairman Scalise asked for a recommendation from Mr. Ketterer. Mr. Ketterer stated that a copy of the Alabama and Florida twin trifecta rules had been distributed to Commission members. He then recommended that the Alabama twin trifecta rules with changes to sections (9), (16), and (17) of those rules be adopted, and a Notice of Intended Action should be filed, as well as adopted on an Emergency Implemented basis. (A copy of the amended rules are on file.)

Commissioner Sovern moved to file a Notice of Intended Action and adopt the twin trifecta rules as amended on an Emergency Implemented basis, to become effective upon filing. Commissioner Pike seconded the motion.

After further discussion, Commissioner Sovern withdrew his motion.

Commissioner Pike then moved to file a Notice of Intended Action to adopt the proposed rules as amended on an Emergency Implemented basis to become effective April 15, 1986. Commissioner Prickett seconded the motion which was adopted unanimously. (See Order 86-19).

The Chair then asked Dan Luciano of Dubuque Greyhound Park what their minimum purse structure will be, to which he replied 3%.

Mr. Ketterer stated that he would like to meet with subcommittee members in the near future to discuss fair purse structures, budget matters and marketing information.

Chairman Scalise then called for a motion to go into Executive Session for a DCI report. The motion was made by Commissioner Prickett and seconded by Chairman Scalise, with the vote unanimous. See Order (86-20).

The Commission went into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a".

Upon the close of Executive Session it was decided that the next Commission meeting would be held on May 22, 1986, and the meeting was adjourned at 5:45 p.m.

Minutes Taken By

Jean K. Cook

JEAN K. COOK

IOWA STATE RACING COMMISSION
MINUTES
MAY 22, 1986

The Iowa State Racing Commission met on Thursday, May 22, 1986, at 9:30 a.m. at the Westmark Inn, West Des Moines, Iowa. Present were Chairman Scalise, Vice-Chairman Bud Pike, Dr. Sally Prickett, and Steve Sovern. The Chair called the meeting to order.

The Chair took up the first agenda item, the approval of the minutes of the April 1, 1986, meeting. Commissioner Prickett moved to approve the minutes. Commissioner Pike seconded the motion, which was adopted unanimously. See Order (86-21).

Chairman Scalise moved to the second agenda item, the Iowa Fair Horse Racing application for tax credit and recognized Judy Roland. Mrs. Roland gave a progress report relating to track surfaces, electrical improvements, lighting, and number of horses applying to race. Mrs. Roland stated that 340 had applied for stalls at the Iowa State Fair, with 30 having to be turned down due to lack of stalls.

The Chair asked if the bond and list of officials had been submitted, to which Mrs. Roland replied yes.

Executive Secretary, Jack Ketterer stated that the bond amount and the officials are the same as last year. The purse structure has been approved by members of the subcommittee. Mr. Ketterer stated that the only concerns with the tax credit application are the pari-mutuel purpose and nature of construction. Cost and evidence of indebtedness which would have to be ruled upon at the end of the season. The only item submitted that would not qualify under the Commissions' rule is the back pads.

Commissioner Sovern moved that the minimum purse structure, officials, and bonds be approved. Commissioner Pike seconded the motion, which was adopted unanimously. See Order (86-22).

Chairman Scalise next recognized Augusta Masciotra, General Manager of Waterloo Greyhound Park, who then gave a progress report and advised the Commission that official schooling will probably begin on September 1, and the track will be ready to open on October 15, 1986.

Commissioner Prickett asked what the status of kennel bookings are, to which Mr. Masciotra replied that they have received over 60 applications and 16 kennels have been booked.

Commissioner Sovern asked what the purse structure would be, to which Mr. Masciotra replied that 3% would be paid.

The Chair called up the fourth agenda item, possible action on the conditional license of the Racing Association of Central Iowa, and recognized Ken Grandquist.

Mr. Grandquist stated that the difficulty in selling the bonds are partly due to the Iowa economy, and the risk factor of a new market in this state. The Association has been advised that $10,000,000 to $12,000,000 was needed in equity, rather than the $3,500,000 raised, to make the bonds more marketable. Mr. Grandquist stated that he still has a couple of good prospects working, both of which are capable of funding or enhancing the bonds to make them more saleable, and that he is not ready to throw in the towel yet.

Mr. Grandquist then made a statement offering any corporation, person, charitable organization, or anyone else, what he has in the Central Iowa Racetrack. He stated that if someone wanted to come forward and take his position, or join with him in a joint venture to get a racetrack built in Altoona, he would offer his staff, site location, architectural plans, contractor, feasibility and demand studies, approvals and opinions, a major New York brokerage house, $3,500,000 in equity, providing the investors are in agreement, and $40,000,000 worth of industrial revenue bonds that are alive and fully documented, which can be assigned to someone as long as they are used for the Altoona location. However, if the Racing Association of Central Iowa's license is revoked, the bonds would automatically collapse.

Commissioner Sovern commended Mr. Grandquist for all the energy he has put forth and for his continuing willingness to do whatever is necessary to get this project done. However, Commissioner Sovern stated that the Commission has an obligation to the state, and to the people investing their money in horses for an opportunity they thought existed three years ago with the passage of the pari-mutuel bill, and that it is time to start the wheels rolling and give someone else the opprotunity to come forward.

Chairman Scalise asked what the figure is for bonds sold, to which Mr. Grandquist stated that $17,000,000 in bonds, $3,500,000 in equity, in either checks or letters of credit, and $7,500,000 in financing, which brings the total to $27,500,000.

Chairman Scalise recognized Commissioner Pike. Commissioner Pike asked that the message be made clear that the Commission is not interested in a greyhound facility in Des Moines. Also, that the fairgrounds could never be made into a first class horse racing facility which is detrimental to the success of horse racing in Iowa.

Commissioner Pike then moved that the Commission invoke the authority granted to it by Iowa Code Chapter 99D.7(8), (1985), and the rules of the Commission to initiate appropriate proceedings for the revocation of the license issued to the Racing Association of Central Iowa, and that the Executive Secretary be directed to deliver to that licensee a Notice of Hearing to be held June 5, 1986, to show cause why its license should not be revoked. (See attached motion). Commissioner Sovern seconded the motion, with the vote being unanimous. See Order (86-23).

The Chair moved to the administrative business portion of the meeting, and recognized Mr. Ketterer. Mr. Ketterer stated that due to the reorganization bill passed by the General Assembly, the Racing Commission, as of July 1, 1986, becomes the Gaming Division of the Department of Commerce. The Gaming Division to include, not only pari-mutuel, but, bingo, raffles, and carnival games, and that the Commission is required to appoint an Administrator of the Gaming Division.

Chairman Scalise moved that Executive Secretary, Jack Ketterer, be appointed as the Administrator of the Gaming Division. Commissioner Prickett seconded the motion, with all in favor. See Order (86-24).

After a short discussion on harness rules and future Commission meetings, Commissioner Sovern suggested that a subcommittee be appointed to discuss future goals of the Commission. No one was appointed at this time.

The Chair then called for a motion to go into Executive Session for a DCI report. The motion was made by Commissioner Pike and seconded by Commissioner Prickett, with the vote unanimous. See Order (86-25).

The Commission went into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a".

Upon close of Executive Session the meeting was adjourned.

Minutes Taken By

Jean K. Cook

Jean K. Cook

IOWA STATE RACING COMMISSION
MINUTES
JULY 2, 1986

The State Racing Commission met on Wednesday, July 2, 1986, at 10:00 a.m. in the Wallace State Office Building Auditorium. Present were Chairman Scalise, Vice-Chairman, Bud Pike, Lavonne Mydland, Dr. Sally Prickett, and Steve Sovern. Chairman Scalise called the meeting to order.

The Chair took up the first agenda item, approval of the minutes of the May 22, 1986 Commission meeting, and the June 17, 1986 Work Session meeting. Commissioner Sovern moved to approve the minutes. Commissioner Prickett seconded the motion, which was adopted unanimously. See Order (86-26).

Chairman Scalise moved to the second agenda item, proposed changes to subrules 7.8(1)"c", 7.8(4)"a", 8.2(4)"g" and 8.2(4)"d". The proposed rule changes permit the Racing Commission to appoint two of the three stewards for each race meeting, and the Association to appoint one. Also, to combine the winners of the daily double, and in the event the quiniela double is canceled or no race declared, to distribute the quiniela double pool to those wagering combinations which include runners or betting interests finishing first and second.

The Chair recognized Executive Director, Jack Ketterer. Mr. Ketterer advised the Commission that the rule changes also clearly outline that one person may serve in more than one official position, if he or she can do so without detriment to any other position, provided that neither the Racing Secretary nor the Director of Racing may serve as the Steward. Mr. Ketterer asked that 7.8(1)"c" be amended to add, after the word "steward", "except in emergency situations".

The Chair called for a motion to adopt the proposed rule changes as amended. Commissioner Sovern moved for adoption. Vice Chair Pike seconded the motion with all in favor. See Order (86-27).

Chairman Scalise recognized Mr. Ketterer for the purpose of taking up the third item on the agenda, surplus funds. Mr. Ketterer suggested that, as discussed at the June 17 Worksession Meeting, Iowa State University College of Veterinary Medicine be granted up to $50,000 of surplus funds for equine research.

Commissioner Prickett stated that she has already contacted Dr. Switzer of Iowa State University College of Veterinary Medicine, and they are very interested in meeting with members of the Racing Commission to put together a viable program. After some discussion, it was agreed that Commissioner Prickett and Mr. Ketterer would meet with Dr. Switzer and his colleagues, and they would appear before the Racing Commission at the August meeting to present their proposal for research.

The Chair took up the next agenda item, Bluffs Run request for two additional racing dates. With no opposition, the Chair asked that the Executive Secretary advise Delbert Reed, General Manager of Bluffs Run, that the dates of July 3 and September 1, 1986 are granted. Since their license encompasses those dates already, no motion was necessary.

The Chair recognized Richard Wilkey for a progress report from the Racing Association of Central Iowa. Mr. Wilkey stated that the Polk County Board of Supervisors were asked to create a study committee for the Altoona project. A committee of 24 members was appointed with the first meeting being held sometime the week of July 7, 1986. The committee plans to engage in an economic impact study and feasibility study. The studies will be comprehensive in terms of analyzing revenue the track will generate, operating expenses, size of facility needed, and if private or public investments can go forward with the project.

Commissioner Prickett asked once the feasibility study begins, how long is predicted before the results are in, to which Mr. Wilkey replied, hopefully by September.

Commissioner Sovern stated that there may be some difficulty in giving a substantial progress report in 60 days which was agreed upon at the June 17, 1986, hearing. Mr. Wilkey stated that he will report the amount of progress made at that point.

Mr. Ketterer asked that the Commission explore the possibility of updating some existing feasibility studies, since two or three studies have already been completed, to determine the type of facility that Central Iowa can support. Mr. Ketterer advised the Commission that it would be helpful to know what can be expected in a facility should Mr. Wilkey fail.

Chairman Scalise suggested that Killingsworth and Associates do the update. Mr. Ketterer stated that he would like to explore what the Commission's options are. The Chair directed Mr. Ketterer to look into the feasibility study and report back to the Commission.

Chairman Scalise next recognized Augie Masciotra of Waterloo Greyhound Park for a progress report. Mr. Masciotra reported that the track heating system has been completed and work is about to begin on the track surface. He also stated that construction is still on schedule.

The Chair took up the next agenda item, Iowa Fair Racing Association's request for two additional dates at the Iowa state fairgrounds. Judy Roland asked that the dates of July 30 and August 4, 1986 be granted due to rainouts at the state fairgrounds at the beginning of the fair racing season.

Mr. Ketterer stated that a request had been received in the Racing Commission office from the Iowa Fair Racing Association to allow trifecta wagering at the July/August race meet at the Iowa state

fairgrounds, but was inadvertently left off the agenda. He then advised Mrs. Roland that it would be put on the agenda for the July 25th Commission meeting, to which she agreed.

After some discussion, the Chair recognized Commissioner Prickett who then moved that the dates of July 30, and August 4, 1986 be granted to the Iowa Fair Racing Association. Commissioner Mydland seconded the motion which was adopted unanimously. See Order (86-28).

The Chair moved to the administrative business portion of the meeting, election of Chairman and Vice Chairman of the Racing Commission. Commissioner Mydland moved that Commissioner Scalise be re-elected as Chairman. Commissioner Prickett seconded the motion, with all in favor. See Order (86-29).

Commissioner Prickett moved that Commissioner Pike be re-elected as Vice Chairman, with Commissioner Sovern seconding the motion. The vote was unanimous. See Order (86-30).

The Commission went into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a".

Upon close of Executive Session the meeting was adjourned.

IOWA STATE RACING COMMISSION
MINUTES
JULY 25, 1986

The State Racing Commission met on Friday, July 25, 1986, at 10:00 a.m. at the Village West/Manhattan Beach Hotel, Okoboji, Iowa. Present were Chairman Scalise, Vice-Chairman, Bud Pike, Lavonne Mydland and Dr. Sally Prickett. Chairman Scalise called the meeting to order.

The Chair took up the first agenda item, approval of the minutes of the July 2, 1986, Commission meeting. Commissioner Mydland moved to approve the minutes. Commissioner Pike seconded the motion, which was adopted unanimously. See Order (86-31).

Chairman Scalise then recognized Miles Johnson, Secretary/Manager of Clay County Fair. Mr. Johnson welcomed members of the Racing Commission to Northwest Iowa and thanked them for permitting Spencer to conduct pari-mutuel harness racing in their community. He then stated that attendance and handle have been lower than anticipated but they are hopeful the final days of racing will be more successful.

Executive Director, Jack Ketterer addressed the third agenda item, a progress report from Waterloo Greyhound Park. Mr. Ketterer advised the Commission that Augie Masciotra, General Manager, Waterloo Greyhound Park, was unable to attend the meeting, however a letter had been received from him stating that a considerable amount of progress has been made since the last report to the Commission, and that he is still confident that everything will come together in time for the October 15th opening.

Chairman Scalise called up the fourth agenda item and recognized Mr. Ketterer. Mr. Ketterer advised the Commission that he had received a letter from Richard Wilkey, President of the Racing Association of Central Iowa, apologizing for not being able to attend the meeting and stating that he will be ready to give the required 60 day progress report at the August 19th meeting.

The next agenda item was taken up, the report and recommendation from the Executive Director as to updating the Killingsworth and Associates feasibility study for the Central Iowa Horsetrack. Mr. Ketterer stated that several meetings and conversations have been held with the Polk County Horsetrack Study Committee in the past few weeks. They were unable to retain Killingsworth and Associates to do the update due to their busy time schedule. However, Killingsworth and Associates offered their assistance and any resources they have

available to a local CPA firm or other firm updating the study. A resolution was then offered which would authorize Mr. Ketterer to retain the CPA firm of McGladrey, Hendrickson and Pullen to prepare an update of the feasibility study, with the assistance of Killingsworth and Associates, at a cost which would not exceed $20,000,the cost to be incurred by the Racing Commission. Commissioner Pike moved that the Resolution be adopted. Commissioner Mydland seconded the motion.

Commissioner Prickett asked Mr. Ketterer how much time is needed to complete the updated study, to which he replied approximately six weeks.

The Chair then called the motion to a vote, which was adopted unanimously. See Order (86-32). See Resolution attached.

Chairman Scalise recognized Mr. Ketterer for the purpose of taking up a report of the pari-mutuel handle to date. Mr. Ketterer reported that as of the results of the races of July 23rd at Dubuque Greyhound Park, Bluffs Run, and including five Harness Fair Meets (Des Moines, What Cheer, Cedar Rapids, Humboldt and Denison) pari-mutuel wagering has exceeded the $100,000,000 mark for 1986.

Commissioner Pike asked that the minutes reflect the monumental date that the handle reached $100,000,000 and the date the total revenue to the state reached $5,000,000. Those dates and figures are as follows:

July 23, 1986 - Total Handle - $100,408,252
July 24, 1986 - Total Revenue to the State - $5,034,189

The Chair next recognized Roger Roland of the Iowa Fair Racing Association for their request for trifecta wagering. Mr. Roland stated that attendance and handle are down significantly from last year, to which he partly attributed to sickness of horses, poor weather and track conditions, which resulted in having to lower the horsemen's purses. Mr. Roland then asked that the Commission allow trifecta wagering at the Des Moines meet to "give them the shot in the arm that is needed".

Mr. Ketterer asked Mr. Roland how cooperation and communication between the Association and the fairs have been. Mr. Roland stated that there are still some major problems at some locations in making the fairs understand the importance of their requests. Poor lighting at Cedar Rapids and Denison seemed to be the greatest problem. Mr. Roland advised the Commission that the Fairs are not familiar with racing and don't seem to show a desire to learn. Mr. Ketterer stated that the communication between the Association, the fairs and the Commission is a real concern.

The Chair then recognized Bill Reagan, State Steward for the Iowa harness fair race meets, who offered some recommendations that he would like to see taken in account before the 1987 harness racing season.

All Commissioners present were in agreement that allowing trifecta wagering this late in the season would not be that beneficial to the outcome of the season.

Members agreed that a subcommittee should meet with representatives of the Iowa Fair Horse Racing Association and staff to discuss the future of fair harness racing, after the 1986 season.

The Chair then recognized Commissioner Prickett for a subcommittee report of the meeting held with representatives of Iowa State University College of Veterinary Medicine. Commissioner Prickett advised members that a copy of the research proposals by the University should have been received by all members. Commissioner Prickett stated that she is very satisfied with the proposals and asked that any input Commissioners would like to make be done before the August 19th meeting, as members from Iowa State University , College of Veterinary Medicine will be present for questions.

The Chair moved to the final agenda item, Executive Session.

Commissioner Prickett moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a". Commissioner Pike Seconded the motion, which was adopted unanimously. See Order (86-33).

Upon close of Executive Session the meeting was adjorned.

Minutes taken by

Jean Cook

Jean Cook

IOWA STATE RACING COMMISSION
MINUTES
AUGUST 19, 1986

The State Racing Commission met on Tuesday, August 19, 1986 at 9:00 a.m. in the Wallace State Office Building Auditorium. Present were Vice-Chairman, Bud Pike, Dr. Sally Prickett, Lavonne Mydland and Steve Sovern.

Vice-Chairman Pike called the meeting to order and asked for approval of the minutes from the July 25, 1986 meeting. Commissioner Prickett moved to approve the minutes. Commissioner Mydland seconded the motion which passed unanimously. See Order (86-34).

The next item brought up for discussion was the appointment of Jake McIsaac as Director of Greyhound Racing. Executive Director, Jack Ketterer advised the Commission that Mr. McIsaac has served as State Steward at both Dubuque Greyhound Park and presently at Bluffs Run. Mr. McIsaac will continue to serve as Chief State Steward at Bluffs Run, but will now be involved in evaluations of racing officials at all three greyhound facilities and will help in identifying the need for rule changes and help to develop Commission policy in respect to greyhound racing.

Vice-Chairman Pike called for a motion to appoint Jake McIsaac as Director of Greyhound Racing. Commissioner Mydland so moved with Commissioner Sovern seconding the motion. The motion was adopted unanimously. See Order (86-35).

Vice-Chairman Pike moved to the 6th item on the agenda and recognized Richard Wilkey, President of the Racing Association of Central Iowa, for a sixty day progress report, which was agreed to at a hearing held on June 17, 1986. Mr. Wilkey advised the Commission that on June 23rd and 24th he appeared before the Polk County Board of Supervisors to ask that a citizens committee be appointed to investigate and update the feasibility study prepared for the Altoona site and to engage in a study of the economic impact. A twenty-four member Committee (Polk County Horse Racetrack Study Committee) was appointed on July 1, 1986. Since that date, two meetings have been held in which the accounting firm of Peat, Marwick and Mitchell have been engaged to do an economic impact study, and the accounting firm of McGladrey, Henrickson and Pullen have been engaged to do an update of the Killingsworth and Associates feasibility study, with the Racing Commission underwriting the cost of the updated feasibility study. Mr. Wilkey then stated that the deadline for completion of both studies is September 30, 1986.

Commissioner Prickett asked Mr. Wilkey how soon the Commission can expect the bonds to be marketed, to which he replied, "if there is a positive impact and the feasibility is in the "ballpark", I will then appear before the Polk County Board of Supervisors to ask for their assistance in marketing the bonds, which should be the end of September".

Commissioner Sovern then stated that he would like to remind the public that the Commission will be reviewing licenses and applications for licenses in November if anyone is interested.

Vice-Chairman Pike returned to the scheduled agenda and recognized Judy Roland of the Iowa Fair Horse Racing Association for their application for tax credit. Mrs. Roland stated that the amount available for use by the fairs is $102,833.55. The Association met with the fairs in the spring to set up a formula for payment of the tax credit based upon 5% of the pari-mutuel handle from the previous season, which they felt was a good analysis, and to which all were in agreement.

Mr. Ketterer advised the Commission that on May 22, 1986 the Commission approved certain items for the tax credit, those items being the pari-mutuel purpose and nature of construction, with the cost and evidence of indebtedness to be taken up at the end of the season. Mr. Ketterer stated that since the pari-mutuel handle did not reach expectations this season, the funds available from the tax credit are considerably less than the amount of qualifying indebtedness. He then asked that the Commission authorize the subcommittee to approve the cost and evidence of indebtedness for the purpose of expediting the tax credit prior to the next Commission meeting.

Commissioner Sovern moved that the subcommittee be authorized to refund the tax credit, contingent upon satisfaction of the cost and evidence of indebtedness, and to be allowed to reimburse the licensee the tax credit due for permanent improvements as authorized by Chapter 10, 99D.15, Iowa Code. The motion was seconded by Commissioner Mydland and the vote was unanimous. See Order (86-36).

Vice-Chairman Pike next recognized Augie Masciotra, General manager, Waterloo Greyhound Park. Mr. Mascriotra advised the Commission that construction is still on schedule. He stated that the hiring process has been completed with 200 people being employed, most of which are from the Waterloo/Cedar Falls area. Mr. Masciotra then stated that the request for approval of their grading system, performance bond, minimum purse and take-out structure had been submitted to the Racing Commission office and a list of officials will be sent out later.

Mr. Ketterer advised the Commission that the performance bond of $50,000, minimum purse of 3% of the pari-mutuel handle and the take-out structure of 16% W/P/S wagering and 18% exotic wagering are consistent with Dubuque Greyhound Park and Bluffs Run, and types of exotic wagering requested are already authorized by rules. Mr. Ketterer then stated that a copy of the grading system had been sent out to state judges for their perusal. There was only one concern, that of the number of Grade A greyhounds that would be available with only 16 kennels. Mr. Masciotra stated that there will be 60 greyhounds per kennel, therefore it should not be a problem.

The Vice-Chairman called for a motion. Commissioner Sovern moved that the performance bond, minimum purse, take-out structure and grading system as submitted be approved. Commissioner Prickett seconded the motion with all in favor. See Order (86-37).

Mr. Masciotra then asked that Waterloo Greyhound Park be granted the additional racing dates of April 16 - 19, so they could end their first racing season on a weekend.

Commissioner Sovern asked Mr. Ketterer for a recommendation. Mr. Ketterer advised the Commission that Dubuque Greyhound Park was granted additional dates last year in order to close on a weekend. Waterloo Greyhound Park requested and received a change and extension dates on February 21st and Dubuque Greyhound Park asked for two additional racing dates on April 1st. Mr. Ketterer stated that "somewhere along the line, the Commission has to say no to these requests. Too many overlapping dates can become detrimental to the success of racing in Iowa."

Commissioner Sovern asked Mr. Ketterer what his recommendation would be, to which he replied he would recommend that the request be denied.

After some discussion, Vice Chairman Pike moved that the request for additional dates be denied. Commissioner Sovern seconded the motion. The vote was unanimous. See Order (86-38).

Vice-Chairman Pike took up the next agenda item and recognized Dr. Switzer of Iowa State College of Veterinary Medicine for their proposal for use of funds. Dr. Switzer stated that there is very little canine research being done in this country, therefore, they have prepared three proposals for canine research to be conducted if the surplus funds are granted. The three proposals are as follows:

1) Influence of Age/Diet/Training on the Physiological Conditioning and Longevity of the Racing Greyhound.
2) Preliminary Studies on control of fleas on dogs using non-traditional methods.
3) Drug Metabolites and Foreign Compounds of Interest in the Canine Pari-Mutuel Racing Industry.

Dr. Switzer also submitted proposals for equine research as follows:

1) Fentanyl analysis: a comparison of analytical methods.

2) GC-FT-IR as a secondary confirmation tool.

Commissioner Prickett moved that the Racing Commission allocate $50,000 to the three canine research projects outlined and also $50,000 to equine research projects under Chapter 99D.18, Iowa Code, and that upon completion of these individual research projects, the Commission request formal reports and would hope the investigators would publish their research in appropriate publications. Commissioner Sovern seconded the motion, which was adopted unanimously. See Order (86-39).

It was decided that the next meeting would be held on September 16th. Commissioner Sovern moved to adjourn. Commissioner Prickett seconded the motion, with all in favor. See Order (86-40).

Prior to the Racing Commission Meeting, Executive Session was held pursuant to Iowa Code Chapter 21.5(1)"a" to discuss security and background investigations of licensees. Present were: Vice-Chairman Bud Pike, Steve Sovern and Lavonne Mydland.

Minutes taken by:

Jean K Cook

Jean K. Cook

MINUTES
TELECONFERENCE MEETING
OCTOBER 2, 1986

On October 2, 1986 the Iowa State Racing Commission held a conference call pursuant to Iowa Code Section 21.8. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matter to be decided.

Participating in the call were: Chairman Larry Scalise, Vice-Chairman Bud Pike, members Lavonne Mydland, Dr. Sally Prickett and Steve Sovern. Also present were: Mick Lura, Director of Administration, Gary Hayward, Legal Counsel and John Nelson of Iowa West Racing Association. Present in the Racing Commission office was Administrator Jack Ketterer. The Chair called the meeting to order at 9:00 a.m.

The Chair recognized Jack Ketterer who advised the Commission that Iowa West Racing Association requested a telephone meeting, since there had not been a September meeting and due to there immediate need for approval of an extension of their 1986 and 1987 racing dates. The dates requested are as follows:

1. An additional matinee for Friday, November 28, 1986
2. An extension of their 1986 season from December 1st to December 15th.
3. An extension of their 1987 season from May 1st through December 1st, to January 30th through December 14th, 1987.

Mr. Ketterer stated that since there would not be horse racing in Des Moines in 1987, the only competition would be Waterloo Greyhound Park, which is 250 miles away. He stated that it has always been the policy of the Commission to grant racing dates in November of each year, however due to budgeting and the number of service contracts required by each facility, that policy will probably need to be changed in the future.

The Chair recognized John Nelson. Mr. Nelson stated that the basis for the request at this time is due to a contract with AIM, Inc., which requires that before start up, a budget be submitted at least 90 days in advance for review by Iowa West Racing Association. Other concerns are contracts with kennels, the totalizator, coach lines, travel agencies, and billboard companies which need immediate attention.

Chairman Scalise asked what the extension of dates would mean in terms of revenue. Mr. Nelson advised the Commission that some budget and financial projections have been done on the basis that the additional 6 weeks (54 performances) would be granted. Those projections determined that the additional racing dates would yield approximately 1.1 million dollars in mutuel tax, $91,000 in

admission tax, 1.6 million dollars in additional revenue from the total sales tax, unemployment liability tax and outs tickets. It would also mean an additional $420,000 in payroll, $500,000 in purses, $750,000 to Iowa West and approximately $200,000 in purchases to local vendors.

Commissioner Sovern asked Mr. Ketterer if he has received any response from the other tracks, to which he replied that he had visited with Roy Berger of Dubuque Greyhound Park and Dick Klingaman of the National Cattle Congess who stated that they did not have a problem with the dates.

Commissioner Pike stated that he had also talked with Dick Klingaman, and Augie Masciotra, General Manager of Waterloo Greyhound Park, and that their only request is that they do not want to see any marketing of Bluffs Run east of Des Moines, to which Mr. Nelson agreed.

Commissioner Sovern stated that he did not have a problem with the additional dates, however he would prefer the request be taken up at the November meeting, of which Commissioner Prickett was in agreement.

The Chair then recognized Commissioner Prickett who asked Mr. Nelson what the status is at this time with the Council Bluffs Police Department and Bluffs Run. Mr. Nelson replied that the personality conflict between certain individuals at the police department and Bluffs Run's director of security has been resolved. The problem with hourly wage to the police officers employed by the track is receiving almost daily attention and the situation should be resolved within the next 10 or 15 days.

The Chair called for a motion to grant the additional dates requested. Commissioner Pike moved to extend the 1986 season from December 1st to December 15th and that the 1987 racing season be extended to January 30th through December 14th, 1987. The motion was seconded by Commissioner Mydland.

Commissioner Sovern stated that he could not support the motion. He advised the Commission that he had no problem with granting the dates, however he did not feel secure in granting the dates by telephone and not in a more public atmosphere.

After some discussion, Commissioner Pike withdrew his motion, with the consent of Commissioner Mydland, and then moved that the extension of the 1986 racing dates be granted (December 1 to December 15) and that the 1987 dates be decided at the October meeting. Commissioner Sovern seconded the motion.

The Chair called the motion to a vote. A roll call vote was taken with all voting aye. (See Order 86-41).

Mr. Ketterer asked that the request for the November 28, 1986, Friday matinee be taken up. Commissioner Pike moved that the matinee be granted with Commissioner Sovern seconding the motion, with all in favor. (See Order 86-42).

Commissioner Sovern asked that the cost benefit of fair harness racing be made a part of the agenda for the November meeting, to which Mr. Ketterer agreed.

It was decided that the November meeting would be held on November 12th at 9:00 a.m. in Des Moines. The meeting was adjourned at 9:55 a.m.

Minutes Taken By

Jean Cook

Jean K. Cook

STATE RACING COMMISSION
MINUTES
OCTOBER 15, 1986

The State Racing Commission met on Wednesday, October 15, 1986, at 1:30 p.m. at the Conway Civic Center in Waterloo, Iowa. Present were Chairman, Lawrence Scalise, Vice-Chairman, Bud Pike, and members Lavonne Mydland and Steve Sovern. The Chair called the meeting to order.

The Chair took up the first agenda item, approval of the August 19, 1986 Commission and Joint Work Session minutes. Commissioner Sovern asked that a statement made by him, reflected in the minutes of the Joint Work Session Meeting be changed to read as follows: Commissioner Sovern stated that the role of the Commission is to cooperate in providing that Committee, or any Committee, with all information available to help them in their decision making process".

Commissioner Sovern then moved that the minutes, as amended, be approved. Commissioner Mydland seconded the motion, with all in favor. See Order (86-43).

The Chair took up the second agenda item, adoption of rule changes to Chapter 7.8(1)"c", 7.8(4)"2", 8.2(4)" " and 8.2(4)"d" and recognized Jack Ketterer, Administrator of the Racing Commission. Mr. Ketterer stated that the changes were approved at the July 2, 1986, meeting and a Notice of Intended Action was filed. He advised the Commission that the final adoption is simply a formality of the rule making process.

Commissioner Sovern moved that the proposed rule changes be adopted as submitted. Commissioner Pike seconded the motion, with the vote unanimous. See Order (86-44).

The next item on the agenda was emergency adoption of rule changes resulting from the reorganization bill, Senate File 2175. The Chair advised the Commission that the rule changes essentially change the location (Ankeny), and phone number of the Racing Commission office, and change the title of the "Executive Secretary" to "Administrator" of the Racing Commission. Commissioner Sovern moved that the rule changes be adopted as presented and implemented on an emergency basis. Commissioner Pike seconded the motion, which was adopted unanimously. See Order (86-45).

The Chair then addressed Legal Counsel, Gary Hayward with the question as to whether the location of the Racing Commission office is in violation of the law, since the law states that the Iowa Racing Commission will be headquartered in Des Moines, to which Mr. Hayward replied that the location is contrary to statute.

Chairman Scalise called up for consideration approval of a request from Bluffs Run for a revision of their 1987 racing dates. The dates requested are January 30 through December 14, 1987. The Chair then advised the Commission that an objection to the request had been filed with the Racing Commission office by Augie Masciotra, General Manager of Waterloo Greyhound Park.

Mr. Ketterer stated that Waterloo Greyhound Park and Bluffs Run are located in two different geographic market areas of the state, with the only overlap being Des Moines, and that not granting the request could cause significant loss of revenue to Iowa.

After some discussion Commissioner Mydland moved that the dates of January 30 to December 14, 1987, be granted to Bluffs Run. Commissioner Pike seconded the motion.

Commissioner Sovern brought up a question of the element of safety to the greyhounds racing in winter months. Delbert Reed, General Manager of Bluffs Run, advised the Commission that the track is heated with electrical heating coils which keep the surface of the track at a 40° temperature. This same system was used in January and February of this year with no significant problems.

The Chair called the motion to a vote, with all voting aye. See Order (86-46).

Chairman Scalise next recognized John Logsdon, a member of the Iowa Greyhound Breeder's Association who spoke of his concerns of "locals" not being allowed to race at Iowa tracks. Chairman Scalise stated that the "locals" issue is becoming a growing problem that needs to be dealt with. He then asked Mr. Logsdon to submit his presentation in writing to be filed at the Racing Commission office, to which he agreed.

Commissioner Pike asked Mr. Ketterer to set up a meeting between track management and representatives of the Iowa Greyhound Breeder's Association and report to the Commission at the December meeting, to which he agreed.

The next item on the agenda was the findings of the Polk County Horse Racetrack Study Committee. Mr. Ketterer reported that the economic impact and feasibility studies showed favorable and that the Committee's recommendation to the Polk County Board of Supervisors was that Polk County support the horse racetrack.

Commissioner Pike advised the Commission that on October 13th, $100,000,000 in handle had been reached at Bluffs Run, which has generated $5,000,000 in revenue to the state. Commissioner Pike then offered his congratulations to Iowa West Racing Association and the management of Bluffs Run.

Commissioner Pike then moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a". Commissioner Sovern seconded the motion, with the vote unanimous. See Order (86-47).

Upon close of Executive Session, Commissioner Pike moved that the Waterloo Greyhound Park officials be approved, based upon reports on file. Commissioner Mydland seconded the motion, with all in favor. See Order (86-48).

It was decided that the December meeting would be held in Council Bluffs (approximately the 16th or 17th). Commissioner Pike moved that the meeting be adjourned, with Commissioner Sovern seconding the motion, the vote was unanimous and the meeting was adjourned.

Minutes Taken By:

Jean Cook

Jean K. Cook

STATE RACING COMMISSION
MINUTES
NOVEMBER 12, 1986

The State Racing Commission met on Wednesday, November 12, 1986, at 9:00 a.m. at the Wallace State Office Building Auditorium. Present were: Chairman, Larry Scalise; Vice-Chairman, Bud Pike; and members, Lavonne Mydland, Dr. Sally Prickett and Steve Sovern. The Chair called the meeting to order.

The Chair took up the first agenda item, approval of the October 2, 1986, teleconference, and October 15, 1986, Commission meetings. Commissioner Sovern moved that the minutes be approved as submitted. Commissioner Mydland seconded the motion, with all in favor. See Order (86-49).

The Chair next recognized Jack Ketterer, Administrator of the Racing Commission, for the purpose of taking up proposed rule changes to Chapters 7.6(16) and 8.2(4)"k". Mr. Ketterer asked that the rule changes as submitted be amended and advised the Commission that 8.2(4)"k" simply adds superfecta wagering as a betting option to greyhound licensees, and 7.6(16) changes the number of greyhounds of different ownership to at least six in races 3/8 mile and longer, seven greyhounds in races less than 3/8 mile, and eight greyhounds of completely different ownership in races in which superfecta wagering is conducted.

Commissioner Pike moved to adopt the proposed rule changes as amended and file a Notice of Intended Action. Commissioner Sovern seconded the motion, with the vote being all in favor. See Order (86-50).

The next item taken up was the 1987 racing dates for Dubuque Greyhound Park and Waterloo Greyhound Park. The requested dates are as follows:

Dubuque Greyhound Park - April 1 to November 1, 1987
Waterloo Greyhound Park - October 16, 1987 - April 16, 1988.

After some discussion, Commissioner Sovern moved that the requested dates be approved. Commissioner Prickett seconded the motion, with all in favor. See Order (86-51).

Chairman Scalise next recognized Mr. Ketterer for a report on the cost effectiveness of fair harness racing. Mr. Ketterer stated that he had met with members of Iowa Fair Horse Racing, Ltd., and advised the Commission that most fairs reported small profits and losses for the 1986 season, however, with the tax credit issued they were able to make capitol improvements. The general fund received $30,483.61 in pari-mutuel revenue less approximately $15,000 for the cost of DCI agents supervising security and assisting with occupational licensing enforcement for a net gain of approximately $15,483.61. The Racing Commission experienced a loss of $6,500.

The Chair recognized Roger Roland, President of Iowa Fair Horse Racing, Ltd., who advised the Commission that the Iowa horse industry is still very interested in conducting harness racing in Iowa in 1987. Mr. Roland advised the Commission that the state fairgrounds track will be limed this year to alleviate cancellations due to poor track conditions resulting from bad weather. He also advised the Commission that Bill Fisher has been appointed general manager of Iowa Fair Horse Racing, Ltd. and will handle all problems arising at all locations. Mr. Roland then asked that the following locations and dates for fair harness racing be granted for 1987:

State Fairgrounds, Des Moines	May 28, 29, 30, 31 June 4, 5, 6, 7, 11, 12, 13, 14, 18, 19, 20, 21, 25, 26, 27, 28
Humboldt	July 3, 4, 5
What Cheer	July 10, 11, 12

Mr. Ketterer stated that some concerns expressed at the meeting were the number of sufficient horses and program production. Mr. Roland and his wife Judy had assumed these duties in the past but were uncertain about 1987. Mr. Roland advised the Commission that they are in hopes of having details worked out ahead of time to give it a better shot in 1987.

Commissioner Mydland then moved that the harness racing dates requested for 1987 be granted. Commissioner Prickett seconded the motion, and the vote was unanimous. See Order (86-52).

The Chair next recognized Richard Wilkey of the Racing Association of Central Iowa for a progress report. Mr. Wilkey stated that the conclusions of the feasibility and economic impact studies were favorable, therefore, they were able to make a strong case to the Polk County Board of Supervisors. Agreements presently being worked on are the nine member board of directors and the marketing firm, with the condition that the facility is operated independently by the Racing Association of Central Iowa. Mr. Wilkey, stated that the board members must be selected prior to securing financing.

Commissioner Sovern stated that he was expecting something more substantial in the report, and asked Mr. Wilkey why the Commission should continue another day protecting central Iowa for a horse racing facility.

Mr. Wilkey replied that they have been working on control of the site for a couple of weeks, and that one third of the land is already secured. Mr. Wilkey stated that the Board of Supervisors are proceeding more cautiously to minimize the risk to the tax payer, and that he believes there is a strong commitment to work this out.

Commissioner Sovern asked what time frame they are talking about, to which Mr. Wilkey replied that he could not see this going in to next year.

After some discussion, the next agenda item was taken up, the Administrator's report of the meeting held on November 11th between track management and representatives of the Iowa Greyhound Breeder's Association. Mr. Ketterer stated that the issues discussed were "locals", direct payment of purses, disbursement of breakage, and minimum purse. Mr. Ketterer stated that the meeting afforded an opportunity for the greyhound breeders to state their position and to hear track management's positions and vice versa.

Treasurer of State Michael Fitzgerald was then welcomed by the Chair and presented a check for $3,182,214.30 by Roy Berger, General Manager of Dubuque Greyhound Park. The check represented the state's share of tax revenue from Dubuque Greyhound Park's 1986 season.

The meeting was then moved to Conference Room A, in the Wallace Building to conduct hearings on appeals of licensees Louis Borgh, Dan Beaton and Perry A. Padrta.

Mr. Ketterer stated that Louis Borgh's appeal for the denial of a license had been withdrawn.

The first hearing to be held was that of Dan Beaton's appeal of the Steward's Ruling at Bluffs Run, and the $200 fine invoked for the substance polyethylene glycol which was found in three greyhounds under his care. Since the appeal date was set, two additional cases of polyethylene glycol being detected in greyhounds under Mr. Beaton's care occurred, and were included at the hearing. After much discussion, the Chair stated that the matter would be postponed and taken up in approximately thirty days or at the December meeting of the Commission. (The hearing was taped and can be reviewed at the Racing Commission Office.)

The next hearing was that of Perry Padrta's appeal of the Steward's Ruling at Dubuque Greyhound Park, and a $150 fine invoked for the substance Procaine which was found in two greyhounds under his care. After much discussion, it was decided that the ruling would stand. (The hearing was taped and can be reviewed at the Racing Commission Office.)

The Commission then went into Executive Session, pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background investigations by the DCI.

Upon close of executive session, the Commission opened the meeting and it was determined that the next meeting would be held in Council Bluffs on December 18th.

Commissioner Pike moved that the meeting be adjourned. Commissioner Mydland seconded the motion, which was unanimous. See Order (86-53).

Minutes Taken By

Jean Cook

Jean K. Cook

STATE RACING COMMISSION
MINUTES
DECEMBER 18, 1986

The State Racing Commission met on Thursday, December 18, 1986, at 2:00 p.m. at the Best Western Frontier Motor Lodge, Council Bluffs, Iowa. Present were: Vice Chairman, Bud Pike; Dr. Sally Prickett, Lavonne Mydland and Steve Sovern.

Vice-Chairman Pike called the meeting to order and asked for approval of the minutes from the November 12, 1986, meeting. Commissioner Sovern moved to approve the minutes. Commissioner Mydland seconded the motion which passed unanimously. See Order (86-54).

The next item brought up for discussion was continuation of the November 12, 1986, hearing of trainer Dan Beaton's appeal of the Steward's Ruling at Bluffs Run. Jack Ketterer, Administrator of the Racing Commission, advised the Commission that since the last hearing an additional case of polyethylene glycol had been detected in a greyhound under Mr. Beaton's care, and a fine of $200 was invoked. Mr. Ketterer asked Mr. Beaton if that appeal could be made a part of this hearing, to which he agreed.

Testimony was given by Mr. Beaton, Jake McIsaac, State Director of Racing and Walter Hyde, official chemist for the Racing Commission. After much discussion, Commissioner Sovern asked that Mr. Ketterer make a recommendation to the Commission. Mr. Ketter advised the Commission that since this is a de novo hearing, the Commission is not bound by the steward's ruling. The Commission may suspend or revoke a license or fine up to $1000. However, his recommendation to the Commission would be to uphold the steward's ruling.

Commissioner Sovern moved to uphold the steward's decision based upon Findings of Fact and Conclusions of Law proposed by Counsel, Gary Hayward. Commissioner Prickett seconded the motion. Vice-Chairman Pike called for a roll call vote, with all Commissioners voting aye. See Order (86-55). (A copy of the Findings of Fact and Conclusions of Law are on file in the Racing Commission office, along with a recording of the hearing).

The third item taken up for discussion was Emergency Implementation of rule 8.2(4)"k", superfecta wagering. Mr. Ketterer advised the Commission that a Notice of Intended Action was implemented at the November 12th meeting, and since that filing, Waterloo Greyhound Park has asked to offer superfecta wagering commencing January 1, 1987. Emergency implementation is also necessary in order for Bluffs Run to offer superfecta at the start up of their 1987 season. After some discussion, Commissioner Sovern moved that the rule changes be implemented on an emergency basis, with Commissioner Mydland seconding the motion, and all in favor. See Order (86-56).

The Vice-Chair called up the next item on the agenda, a report from the subcommittee on proposals for Racing Chemist for the 1987 racing season, and recognized Mr. Ketterer. Mr. Ketterer stated that he had not had a chance to meet with Commissioner Prickett to discuss proposals. However, most proposals solicited for had been received in the Racing Commission office, and that Commissioner Prickett and he would be meeting later this month and would make a recommendation to the Commission at the January meeting. Mr. Ketterer then asked that Iowa State University Veterinary Diagnostic Laboratory's contract be extended from December 31, 1986, to January 27, 1987.

Commissioner Mydland moved to extend the contract, with Commissioner Prickett seconding the motion, the motion was adopted unanimously. See Order (86-57).

Mr. Ketterer addressed the next agenda item, Iowa Whelped Stakes Races and advised the Commission that the statute does not address whether an Iowa whelped greyhound can compete in stakes races at more than one track in Iowa. At this time there is no rule preventing a greyhound from racing in a stake race at each facility. Mr. Ketterer then asked that a committee by formed to study the issue. The committee would consist of Jake McIsaac, a representative from each track, and Bob Hardison, President of the Iowa Greyhound Association, along with another member of that association, and report their findings at the January meeting.

Mr. Hardison asked that the Commission wait in appointing him to that committee until after officers of the Iowa Greyhound Association have been elected at the January 17 meeting, to which Mr. Ketterer agreed.

Mr. Hardison and Gloria Sanders, a member of the Greyhound Association, spoke to the Commission of their concerns of the minimum purse and "local" issues. Mr. Hardison stated that members of the Association would like to see the Commission mandate that each facility pay a 3% minimum purse. John Nelson, Chairman of Iowa West Racing Association stated that last year the 2.85% was a compromise and that the Association is opposed to the Commission setting a fixed minimum purse for each facility, and still opposed to paying a 3% purse. After some discussion, Commissioners Sovern and Prickett asked that the 3% minimum purse be made a part of the January agenda as an action item, to which Mr. Ketterer agreed.

Vice-Chairman Pike and Commissioner Sovern congratulated Bluffs Run management, the Iowa West Racing Association, and the Iowa Greyhound Breeders for an outstanding year of racing, and asked that the Commission staff prepare a letter of congratulations to which Mr. Ketterer agreed.

The Vice-Chair recognized Mr. Ketterer for the next item of business, additional cost incurred for the Polk County feasibility study in the amount of $3,859.13. Mr. Ketterer advised the Commission that most of the additional costs incurred were due to time spent beyond the original scope of the project and asked the Commission if they wanted to pay those additional costs.

All Commissioners were in agreement that the maximum the Racing Commission agreed to pay was up to $20,000. The Vice-Chair called for a motion to pay the additional costs. The issue of whether or not to pay the $3859.13 additional cost failed for lack of a motion.

It was decided that the next meeting would be held in Des Moines on January 15, 1987. Commissioner Sovern then moved that the meeting be adjourned. Commissioner Prickett seconded the motion, with all in favor. See Order (86-58).

Minutes Taken By:

Jean Cook

JEAN K. COOK