STATE RACING COMMISSION
MINUTES
JANUARY 15, 1987

The State Racing Commission met on Thursday, January 15, 1987, at 9:30 a.m. at the Holiday Inn, West Des Moines, Iowa. Present were: Chairman, Lawrence Scalise; Vice-Chairman, Bud Pike; Dr. Sally Prickett; Lavonne Mydland; and Steve Sovern.

Chairman Scalise called the meeting to order and asked for approval of the minutes from the December 18, 1986, meeting. Commissioner Sovern moved to approve the minutes. Commissioner Prickett seconded the motion which passed unanimously. See Order (87-1).

The Chair called up the next item on the agenda and recognized Richard Wilkey, President of the Racing Association of Central Iowa. Mr. Wilkey stated that on December 23rd the Polk County Board of Supervisors voted to enter into a lease purchase agreement with the Racing Association of Central Iowa. An agent to remarket the bonds, an architect, and a representative of the Board of Directors to oversee the construction project would be selected within a week. Once the nine member Board of Directors is appointed, their first priority will be to select an operations manager.

Commissioners Pike and Sovern expressed their concerns that available plans are not being used to expedite the project and to possibly save money. Mr. Wilkey stated that they are moving slowly and planning carefully in hopes of saving time and money in the long run.

Chairman Scalise then recognized Jack Ketterer, Administrator of the Racing Commission for the purpose of taking up the following agenda items: performance bond, grading system, purse supplement program for Iowa whelped greyhounds and racing officials for Bluffs Run's 1987 season. Mr. Ketterer stated that the $150,000 performance bond and the grading system are unchanged from the 1986 season. The only change made in racing officials is that of mutuels manager, and that background investigation is underway at this time. Mr. Ketterer advised the Commissioners that a proposal was submitted at the December meeting, whereby the purse supplement would be based upon a point system with a maximum of $250 per point, and a minimum of $150 per point, funded when necessary by the carryover pool.

After some discussion, Commissioner Mydland moved to approve the performance bond as submitted. Commissioner Pike seconded the motion with all in favor. See Order (87-2).

Commissioner Pike then moved that the grading system be approved. Commissioner Prickett seconded the motion which was unanimously adopted. See Order (87-3).

Commissioner Sovern moved for approval of the purse supplement as proposed. Commission Pike seconded the motion which was adopted unanimously. See Order (87-4).

Commissioner Mydland then moved to approve racing officials at Bluffs Run, with the exception of mutuel's manager. Commissioner Prickett seconded the motion which was adopted unanimously. See Order (87-5).

The Chair called up for consideration the next agenda item, minimum purse at Bluffs Run. Present for discussion were Delbert Reed, General Manager, Bluffs Run; Stan Duysen, Executive Director, and Dennis Reed, Vice President of Iowa West Racing Association; Bob Hardison, President of the Iowa Greyhound Breeder's Association; Roy Berger, General Manager, Dubuque Greyhound Park; and Augie Masciotra, General Manager, Waterloo Greyhound Park.

The Chair then recognized Delbert Reed. Mr. Reed advised the Commission that Bluffs Run is among the top ten racetracks in the country with the fewest number of kennels, resulting in more purses per kennel. Mr. Reed stated that he feels that Iowa Greyhound Breeders "have a good deal in Iowa" and asked that the minimum purse remain at 2.85% for at least one more year.

Chairman Scalise asked if the property tax issue had been resolved, to which Dennis Reed replied that they will be required to pay somewhere around $600,000 to $1,000,000 in property tax for the first year and a half of operation. The case is pending at this time due to possible legislation.

Commissioner Prickett asked Mr. Reed when their debt service would be depleated by half, to which he replied September of 1988. Commissioner Prickett then addressed the same question to Mr. Masciotra and Mr. Berger to which they replied 10 years.

The Chair addressed questions to Mr. Masciotra and Mr. Berger regarding the amount involved in retiring their debt service, and asked if Waterloo Greyhound Park or Dubuque Greyhound Park are required to pay property tax. Mr. Masciotra and Mr. Berger both replied that neither track pays property tax.

Delbert Reed then stated that only 5% of the total greyhound earnings went to Iowa bred greyhounds last year. If Bluffs Run had paid 3% minimum purse in 1986, the difference paid out would have been $185,000. If only 5% is paid out to Iowa breds in 1987, the breeders would stand to lose only about $3,215 if the minimum purse remains 2.85%.

Commissioner Prickett expressed her concerns that one of the most important functions of the pari-mutuel wagering act was to create a greyhound breeding industry in Iowa. The greyhound breeders need some encouragement to help them improve the quality of their greyhounds. Commissioner Prickett stated that she does not feel the 3% would be of detriment to Bluffs Run.

Chairman Scalise recognized Bob Hardison who stated that the debt retirement was the main issue for argument in 1986. Only a few greyhound tracks in the country pay less than 3% in minimum purse, and in consideration of the success of Bluffs Run's first season he did not feel it would be damaging to the track.

After further discusssion, Commissioner Pike moved that the minimum purse be set at 3% for Bluffs Run effective with the beginning of their 1987 race meeting. Commissioner Prickett seconded the motion. The Chair called for a roll call vote. Commissioners Pike, Sovern and Prickett voted aye. Commissioners Mydland and Scalise voted nay. The motion passed. See Order (87-6).

Commissioner Pike then asked that he be excused for the remainder of the meeting.

Mr. Ketterer addressed the next agenda items: proposed rule changes to chapter 7.9(1)"b" and "c", 7.9(2)"d", and possible emergency adoption of rule changes to chapter 8.6. Mr. Ketterer advised the Commission that the proposed rule change to 7.9(1)"b" and "c" simply add "foreign substance" as an agent that might mask or screen the presence of any prohibited drugs. Chapter 7.9(2)"d" simply clarifies language that an owner or trainer "may be" present rather than "shall be" present at the time the sample is taken. Emergency adoption and implementation of Chapter 8.6 is to change the minimum wager for superfecta wagering to $1.00, which was simply an oversight when superfecta was adopted.

Commissioner Mydland moved to file a Notice of Intended Action to adopt the proposed rule changes as submitted to chapter 7, and adopt rule changes to chapter 8 on an Emergency Implemented basis. Commissioner Sovern seconded the motion with all in favor. See Order (87-7).

The next item taken up for consideration was a report of the subcommittee to appoint a racing chemist for the 1987 racing season. Mr. Ketterer and Commissioner Prickett advised the Commission that all proposals had been reviewed and that the recommendation of the subcommittee would be to retain Iowa State University Veterinary Diagnostic Laboratory for the 1987 season. Commissioner Prickett then so moved. Commissioner Sovern seconded the motion with all in favor. See Order (87-8).

The next item on the agenda was a hearing on the occupational license of Danny D. Montgomery. Mr. Ketterer advised the Commission that Mr. Montgomery had been advised of the hearing, but failed to appear. Therefore, Commissioner Sovern moved that the steward's decision be upheld, to which Commissioner Mydland seconded the motion with all in favor. See Order (87-9).

Chairman Scalise then recognized Todd Haley for an appeal of Stewards' Ruling No. 13, in which he was fined for the substance procaine found in a greyhound under his care. Mr. Haley gave testimony that he was not appealing the fact that procaine was found in the animal but felt he should not be held accountable since the source of the procaine was probably from meat fed to the greyhound.

After some discussion, the Chair advised that the matter would be taken under advisement and a ruling would be made within 30 days. Mr. Haley asked for a stay on the fine issued, which was granted. (A tape of the hearing may be reviewed in the Racing Commission office.)

The Chair asked if Kevin Dodd was present for an appeal of stewards' ruling No. 18 to which Mr. Ketterer advised the Commission that notice was mailed to an address at which Mr. Dodd no longer resided. Mr. Ketterer asked that Mr. Dodd's case be continued and the $100 fine stayed until the February meeting to which all agreed.

It was determined that the next Commission meeting would take place in Des Moines on February 17, 1987. The meeting was then adjourned.

Minutes Taken By

Jean K. Cook

JEAN K. COOK

STATE RACING COMMISSION
MINUTES
FEBRUARY 17, 1987

The State Racing Commission met on Tuesday, February 17, 1987, at 9:30 a.m. at the Wallace State Office Building Auditorium. Present were: Chairman, Lawrence Scalise; Vice-Chairman, Bud Pike; Members, Dr. Sally Prickett; Steve Sovern; and Lavonne Mydland. The Chair called the meeting to order.

The first order of business taken up was approval of the minutes of the January 15, 1987, Commission meeting. Commissioner Pike moved to approve the minutes. Commissioner Prickett seconded the motion, with all in favor. See Order (87-13).

The next order of business was approval of the minutes of the February 4, 1987, hearings in which Commissioners Mydland, Pike and Sovern were in attendance. Commissioner Mydland moved that the minutes be approved. Commissioner Sovern seconded the motion, with Commissioners Mydland, Sovern and Pike voting aye, and Commissioners Scalise and Prickett abstaining. See Order (87-14).

The Chair then recognized Richard Wilkey, President of the Racing Association of Central Iowa for a progress report. Mr. Wilkey stated that since the last report to the Commission, the nine member Board of Directors had been selected, along with a project manager, all subject to background investigations. The Omaha architectural firm of Leo A. Daly Company has been retained, due to their experience and knowledge of racetrack design, and a local firm is being sought to assist. Three committees have been formulated, those being a finance committee, to complete fund raising; an operations committee, to recruit a track manager; and a building committee to work with the project manager to oversee construction.

Mr. Wilkey stated that once the bonds, interest and equipment leasing figures are established, they will know what additional capital is needed, and a method and means of obtaining that additional capital. They will then seek a rating of the bonds to enhance their attractiveness. Management agreements between Polk County and the Racing Association of Central Iowa still need to be reached.

Commissioner Sovern expressed his concerns in the delay of the project due to the Association starting from scratch, and reminded Mr. Wilkey that it is the responsibility of the Commission to review all plans, and particularly to meet the concerns of area residents. Mr. Wilkey advised the Commission that this project is a major undertaking. The Association is assembling a team that knows how to build a racetrack, and residents are being consulted for their views.

Commissioner Prickett asked Mr. Wilkey how many months are needed to complete the project, to which he replied the plan is to break ground this June or July, and open sometime in the fall of 1988.

Chairman Scalise reminded Mr. Wilkey that all contracts and plans must be submitted to the Racing Commission, in a timely manner, for their approval, and asked that Jack Ketterer, Administrator of the Racing Commission, be kept abreast of all meetings between consultants and architects, to which Mr. Wilkey agreed.

The next item on the agenda taken up was the continuation of the appeal of Kevin L. Dodd for Steward's Ruling No. 18, in which procaine was found in two greyhounds under his care and a $200 fine invoked. A continuation of the January 15, 1987, hearing was held at Waterloo Greyhound Park on February 4, 1987.

After some discussion Commissioner Sovern moved that the stewards' ruling be upheld based upon Findings of Fact and Conclusions of Law proposed by Counsel, Gary Hayward. Commissioner Mydland seconded the motion. Commissioners Mydland, Sovern and Pike voted aye, and Commissioners Scalise and Prickett abstained. See Order (87-15).

The Commission then took up the February 4th continuation of appeal of Todd Haley for Steward's Ruling No. 13, in which procaine was found in a greyhound under his care and a $100 fine invoked.

Commissioner Mydland moved that the steward's decision be upheld, based upon Findings of Fact and Conclusions of Law, proposed by Mr. Hayward. Commissioner Pike seconded the motion. Commissioners Pike, Mydland and Sovern voted aye. Commissioners Scalise and Prickett abstained. See Order (87-16).

Commissioner Pike then moved that the Commission go into Executive Session, pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background investigations by the DCI. Commissioner Prickett seconded the motion, with all in favor. See Order (87-17).

Upon close of executive session, Chairman Scalise asked that legal counsel, Gary Hayward, conduct an investigation as to why the Racing Commission office is located in Ankeny, when the law (99D.6 Code of Iowa) clearly states that the Racing Commission headquarters will be in the city of Des Moines. Mr. Hayward stated that Attorney General, Thomas Miller would need to be contacted to determine who would conduct the investigation.

Mr. Ketterer advised the Commission that Policy and Procedures for Occupational Licensing had been submitted to the Commissioners for their review and would be made a part of the March agenda. It was then decided that the next meeting would take place on March 13, 1987, in Des Moines,

Commissioner Sovern then moved that the meeting be adjourned. Commissioner Pike seconded the motion, with all in favor. See Order (87-18).

Minutes taken by:

JEAN K. COOK

STATE RACING COMMISSION
MINUTES
MARCH 13, 1987

The State Racing Commission met on Friday, March 13, 1987, at 9:30 a.m. at the Wallace State Office Building Auditorium. Present were: Chairman, Lawrence Scalise; Members, Dr. Sally Prickett, Steve Sovern and Lavonne Mydland. The Chair called the meeting to order.

The first order of business taken up was approval of the minutes of the February 17, 1987, Commission meeting. Commissioner Mydland moved to approve the minutes. Commissioner Prickett seconded the motion, with all in favor. See Order (87-19).

The Chair called up the appeal of Don Ennis for Steward's Ruling 24, in which Mr. Ennis's license was suspended indefinitely, pending reinstatement to good standing in Rhode Island. Chairman Scalise then advised the Commission that a motion to continue had been filed.

The Chair recognized Jack Ketterer, Administrator of the Racing Commission, who recommended the continuance as long as the ruling stayed in force until after the hearing in Rhode Island.

The Chair called for a vote to continue the appeal until after the hearing. All Commissioners voted aye. See Order (87-20).

The Chair recognized Carol Baumgarten for a progress report from the Racing Association of Central Iowa. Ms. Baumgarten stated that officers of the Board of Directors had been selected, subject to the approval of the Racing Commission. The officers are as follows: Richard Wilkey, President; Carol Baumgarten, Vice-President; Bob Dee, Treasurer; Jerry Chicoine, Secretary; and Morris Knopf, Recording Secretary.

Ms. Baumgarten then introduced Morris Knopf for a financial report. Mr. Knopf stated that a proposal has been made and accepted by Piper, Jaffray and Hopwood, and Chiles Heider, Division of Shearson Lehman Brothers, to co-manage a syndicate for re-offering the $40,000,000 in bonds. The Association has also retained an underwriter's counsel. They are continuing to develop plans and specifications for the track construction contract, along with a summary of terms and transactions. Once those items are in place a presentation can be made to the rating agencies to establish a formal price. Once the price is set, closing should be within two or three weeks.

Chairman Scalise then recognized Ed Skinner, member of the Board. Mr. Skinner advised the Commission that April 1st is the target date guaranteed for offering the bonds, and April 15th as the closing date. All land is under control. It was agreed by the

Board Members to purchase an additional four acres, which means 80 acres have been obtained. Architectural plans are to be completed by March 16th. Once the plans are completed the architects will appear before the Racing Commission, Altoona City Council, Board Members and residents to discuss any concerns or suggestions. A hearing has been set for March 31st for approval by the planning and zoning committee. The plans must be in place by April 1st to be on schedule with the bonds.

Mr. Skinner stated that bids were submitted to corporations in Iowa that the Association felt could handle the project and would be able to give a gross maximum price before the contracts are locked in. The recommendation being Weitz Company due to their qualifications and experience in the community.

The Chair asked if sub-contracts will be open for bid, to which Mr. Skinner replied yes.

Mr. Skinner asked that he go on record as stating that as Chairman of the Building Committee, he has never had a discussion with Mr. Wilkey in respect to Weitz Company.

Commissioner Prickett expressed her concern that the contract did not go through the normal bid process. Mr. Skinner replied that this is a normal procedure when it is necessary to get the gross maximum price up front.

The Chair asked if opening dates were still scheduled for the fall of 1988, to which Mr. Skinner replied that Mr. Wilkey's goal is still the fall of 1988, however, the spring of 1989 is attainable.

Mr. Ketterer stated that the joint meeting would be scheduled as soon as possible and the public would be notified.

The Chair then recognized Bruce Wentworth of Dubuque Greyhound Park, for the purpose of taking up the following agenda items: performance bond, grading system, minimum purse, supplemental payments to Iowa breeders, and approval of racing officials for their 1987 season. Mr. Wentworth stated that the performance bond and grading system are unchanged from last year. There are two changes in racing offficials, those being 1986 officials moved up to higher positions. Mr. Wentworth advised the Commission that the supplemental payment program had been reviewed by Bob Hardison, President of the Iowa Breeders Assn., and members of that association, and all feel that it is a good system. The system assigns point values to winners and assures that those greyhounds will be rewarded throughout the season.

Mr. Ketterer explained that the supplemental payments to breeders are paid during the course of the year for each Iowa bred winner. At the end of the season the remainder of the breakage is divided up with 1/4 going to the Breeders' Stakes Race and 3/4 divided by the number of points. All breeders will be paid at the end of the season with the payments going directly to the owners rather than the kennel.

The Chair called for a motion to approve the performance bond, grading system, minimum purse, racing officials and the supplemental payment program. Commissioner Sovern so moved, with Commissioner Mydland seconding the motion. The vote was unanimous. See Order (87-21).

Chairman Scalise recognized Commissioner Sovern, who expressed his concern of pending legislation relating to riverboat gambling and the effect it will have on existing pari-mutuel facilities.

After some discussion, Commissioner Sovern moved that a resolution be prepared authorizing Mr. Ketterer to express the concerns of the Racing Commission of the effect riverboat gambling would have on Iowa's racetracks, to the Public Safety Commissioner, sponsors of House File 468, and Senate and House leadership, and ask that a feasibility study be conducted, with the cooperation of the Commission. Commissioner Prickett seconded the motion, with all in favor. See Order (87-22).

Chairman Scalise then announced that he was resigning as Chairman of the Commission. Due to a busy work schedule he would not be available April through July, and felt that with so many critical issues facing the Commission he should step down, and asked that a new chairman be elected at the next Commission meeting.

The next item taken up was a discussion of policy and procedures for occupational licensing. Mr. Ketterer stated that guidelines need to be formulated whereby there would be consistency in screening occupational license applicants.

After some discussion, Mr. Ketterer recommended that the policy and procedures for occupational licensing, as proposed, be adopted, and a Notice of Intended action filed. Commissioner Sovern so moved, with Commissioner Prickett seconding the motion. The motion passed unanimously. See Order (87-23).

The Chair then asked that an investigation be done relating to the location of the Racing Commission in Ankeny, and asked that Mr. Ketterer make a formal request to the Attorney General for an opinion, since the law clearly states that the Racing Commission headquarters will be in Des Moines, to which Mr. Ketterer agreed.

Commissioner Mydland moved that the Commission go into Executive Session, pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background investigations by the DCI. Commissioner Prickett seconded the motion, with all in favor. See Order (87-24).

Upon close of Executive Session, Commissioner Sovern moved that the meeting be adjourned. Commissioner Prickett seconded the motion. The vote was unanimous. See Order (87-25).

MINUTES TAKEN BY:

Jean Cook

Jean Cook

STATE RACING COMMISSION
MINUTES
MARCH 27, 1987

The State Racing Commission met on Friday, March 27, 1987, at 9:30 a.m. at Adventureland Inn, Altoona, Iowa. Present were: Chairman Lawrence Scalise, Dr. Sally Prickett, Lavonne Mydland and Steve Sovern. The Chair called the meeting to order.

Chairman Scalise recognized Jack Ketterer, Administrator of the Racing Commission for the first agenda item: proposed rule change to chapter 4.14. Mr. Ketterer advised the Commission that the proposed rule change allows an administrative hearing officer to conduct contested case proceedings and other hearings to the extent and manner provided by Iowa Code section 17A.11-17A.15, under the direction of the Commission.

After some discussion, Commissioner Mydland moved to adopt the proposed rule change and file a Notice of Intended Action. Commissioner Prickett seconded the motion, with all in favor. See Order (87-26).

The Chair then addressed the second agenda item: approval of board members of the Racing Association of Central Iowa. Mr. Ketterer stated that all background investigations had been completed and recommended approval of the nine member board. The members are as follows: Carol Baumgarten, Herb Schulte, Keith Hopkins, Richard Wilkey, Ed Skinner, Bob Dee, Lloyd Clark, Bill Knapp II, and Jerry Chicoine.

Commissioner Prickett moved that all board members be approved. Commissioner Mydland seconded the motion. The vote was unanimous. See Order (87-27).

The Chair then called for a motion to go into Executive Session, pursuant to Iowa Code chapter 21.5(1)"a" to discuss background investigations by the DCI. Commissioner Sovern so moved, with Commissioner Mydland seconding the motion, with all in favor. See Order (87-28).

Upon close of Executive Session, Commissioner Sovern asked what steps had been taken in relation to the Riverboat Gambling Bill, to which Mr. Ketterer replied that a letter had been sent to the Commissioner of Public Safety, leadership of the House and Senate, and sponsors of House File 468, advising them of the concern the Commission has of the impact riverboat gambling could have upon existing pari-mutuel facilities.

The Chair then recognized Richard Wilkey for a progress report of the Racing Association of Central Iowa. Mr. Wilkey introduced William Dahl, project manager, for a presentation and rendering of site plans for the Altoona horse racetrack.

Mr. Dahl stated that the first steps taken were to examine and prepare a program for the project, designing the size of facility, seating, number of barns, staff housing, etc. Once the program was completed, the conclusion was that the land would be better utilized if the facility was oriented north and south, in terms of sun, shade, energy efficiency, and the impact it would have upon the community. Access to the facility was designed so that all traffic would be separated from the horses. Plans are for 6,000 approximate seating, most of which would be in an enclosed environment, with 6,000 standing; parking for 3,000 paid spaces; housing for 300 staff; housing for 1,000 horses, with expansion for 500; a one-mile track, with future plans for an inside practice track; and a 1/4 mile chute.

Mr. Dahl stated that they are very conscious of the effect construction would have upon the neighborhood, and plan berms and intense landscaping to conceal residents on 17th Street. A portion of the site has been raised and landscaping will extend the entire length of the site. The track will be approximately 150 ft. to 200 ft. from the edge of project.

Commissioner Sovern asked what size berms would be put in place initially, and if they would be in place before opening. Mr. Dahl stated that berms will vary in size (some 5 ft. to 6 ft.) and other areas it could be different, however, they would be in place before opening.

Commissioner Sovern asked if it was conceivable that berms could be put in place once grading around perimeter has been completed. Mr. Sedlacek of Weitz Company stated that it is very difficult to put berms and trees in before seeding, but if it is possible they will do it.

Mr. Dahl advised the Commission that rough grading would be completed this fall, and they are in a position to commit to landscaping berms in the spring of 1988 with trees to follow in the fall.

Commissioner Sovern stated that he is still very concerned about the inconvenience to area residents the construction could cause and asked that the situation be monitored, to which Mr. Dahl stated that the Commission would be kept informed.

Commissioner Prickett asked if the completion date had been setback, to which Mr. Dahl replied that they are looking for a completed project March 1, 1989.

Commissioner Prickett then expressed her concern that the barns would only accommodate 1,000 horses when original plans called for housing 1,200. Mr. Leuschen of the Leo Daly Company, architects for the site, advised Commissioner Prickett that this is the first knowledge they have had of housing for more horses, since 1,000 was in the planned price base.

Mr. Dahl asked that a work session be scheduled so that members of the Commission and architects could sit down and work out details and problems such as those arising, and solicit any ideas or criticisms the Commission members may have. Chairman Scalise advised Mr. Skinner to set up a meeting date.

Commissioner Sovern asked if members of the horse industry had been solicited for their opinions, to which Mr. Dahl replied that they are trying to keep people informed.

Commissioner Prickett asked if it would be beneficial to establish a "Horsemen's Advisory Board" to bring in ideas, to which Mr. Wilkey stated that it would be a valuable asset.

Chairman Scalise then addressed the exterior design of the facility, to which Mr. Dahl stated that present plans are for a brick base building with stucco and glass. Barns would be wooden structures with sprinkling systems each housing 48 horses. The guaranteed maximum cost of the facility is $30,000,000.

Chairman Scalise asked if approval of site plans are necessary at this time, to which Mr. Skinner replied that approval would be needed in order to proceed.

Mr. Ketterer clarified that the location of the buildings, parking lot and track in relation to the site was the approval being requested. Approval of detailed architect's plans would come at a later date.

Mr. Dahl stated that there is a lot more work to be done and it is not uncommon to approve site plans at this stage.

After further discussion, Commissioner Mydland moved that the site plans be approved conceptionally as presented before the Commission, subject to Commission renderings, and further action. Commissioner Sovern seconded the motion. The vote was unanimous. See Order (87-29).

Several Altoona residents were in attendance and expressed concern that fencing and berms be put in initially to help keep the noise and dirt level down, and especially for the safety of children in the neighborhood.

The meeting was then adjourned.

MINUTES TAKEN BY

Jean Cook

Jean Cook

IOWA STATE RACING COMMISSION
MINUTES
TELECONFERENCE MEETING
APRIL 23, 1987

On April 23, 1987, 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 urgency of the matter to be decided.

Participating in the call were: Chairman, Larry Scalise; Vice-Chair, Bud Pike; member, Steve Sovern; Administrator, Jack Ketterer; and Legal Counsel, Dave Richter. Present in the Racing Commission office were: Director of Administration, Mick Lura; and Legal Counsel, Gary Hayward. The Chair called the meeting to order at 9:00 a.m.

The purpose of the meeting was for consideration of proposed order No. 987-87 re Ron D. Brumage's appeal of Stewards' Ruling No. 7 at Bluffs Run. The meeting is a continuation of a hearing held on April 13, 1987 in Des Moines.

The Chair stated that upon inspection of the Brumage Kennel on March 23, 1987, a large number of hypodermic needles were found under the floor boards of a greyhound crate and were apprehended by DCI agent Jim Brewster.

Mr. Richter stated that there is no dispute about the needles found in the kennel as it is not uncommon to find needles in a kennel. Mr. Richter then advised the Commission that the situation was not related to race fixing and there were no illegal drugs found in any greyhounds under Mr. Brumage's care, therefore, his license should not be revoked.

After further discussion, the Chair moved that the Commission go into Executive Session pursuant to 21.5(1)"a" and asked that the record show that both legal counsels Hayward and Richter were not present.

Upon close of Executive Session, Mr. Hayward rejoined the meeting. Commissioner Sovern then moved that the Findings of Fact, Conclusions of Law presented by Mr. Hayward be amended to strike language defining the drug equipoise as an anti-inflammatory drug and that Findings of Fact, Conclusions of Law be adopted as amended, and that Mr. Brumage's license be revoked upon signing. Commissioner Pike seconded the motion. The vote was unanimous. See Order (87-30).

All documents relating to Ron D. Brumage's case are on file and can be reviewed at the Racing Commission Office upon request.

MINUTES TAKEN BY:

Jean Cook

Jean Cook

STATE RACING COMMISSION
MINUTES
APRIL 29, 1987

The State Racing Commission met on Wednesday, April 29, 1987, at 10:00 a.m. at the Chamber of Commerce, Cedar Rapids, Iowa. Present were: Bud Pike, Lavonne Mydland, Dr. Sally Prickett, and Steve Sovern.

Vice-Chairman Pike called the meeting to order and asked for approval of the minutes from the March 13 and March 27, 1987, Commission meetings. Commissioner Sovern moved to approve the minutes. Commissioner Mydland seconded the motion, which passed unanimously. See Order (87-31).

Jack Ketterer, Administrator of the Racing Commission, addressed the second agenda item: final adoption of rule changes to Chapter 7.9(1)"b" and "c", and 7.9(2)"d". Mr. Ketterer advised Commission members that the rule changes simply add "foreign substance" as an agent that might mask or screen the presence of any prohibited drugs, and clarifies language that an owner or trainer "may be" rather than "shall be" present at the time a sample is taken.

Commissioner Mydland moved that the rule changes be adopted. Commissioner Prickett seconded the motion, with all in favor. See Order (87-32).

The Vice-Chair then recognized Mr. Ketterer for a progress report of the Racing Association of Central Iowa. Mr. Ketterer stated that Mr. Wilkey had been unable to attend, and had sent a letter advising the Commission that the necessary site approval had been received from the city of Altoona. The Board of Directors would soon be completing negotiations on the construction contract, which will provide a guaranteed maximum cost, and that the $40 million in bonds will be priced for remarketing in May, allowing for a summer ground breaking.

Concern was expressed by Commissioners Pike and Sovern as to the slow progress being made. Commissioner Sovern stated that it was his understanding that the special meeting held on March 27 in Altoona was for the purpose of approving site plans so that negotiations could be completed on the construction contract to provide for a guaranteed maximum cost.

Mr. Ketterer stated that negotiations on the construction contract have been more involved and taking a little longer than they had anticipated.

Commissioner Prickett advised the Commission that she and Mr. Ketterer had attended a meeting with a small group of horsemen to discuss the track, site plans, barns, and things of that nature. Some good comments were made, and a Horsemen's Advisory is in the organizing stages.

After further discussion, the next item taken up was a hearing on the denial of a license to Firecracker Kennel and Betty Harris. Mr. Ketterer advised the Commission that the matter had been resolved with both applications being withdrawn.

The Vice-Chair then recognized Mr. Ketterer for consideration of Dubuque Greyhound Park's proposal for funding approximately $3,100 to the American Greyhound Council. Mr. Ketterer stated that Roy Berger, General Manager of Dubuque Greyhound Park, has requested that the Commission adopt a rule, whereby the track could assist in the funding of a non-profit corporation to train personnel, and to deal with animal welfare concerns. The funding would derive from $1.00 being deducted from each purse, with the track matching that amount.

Mr. Ketterer stated that he supports the concept since it would be for the betterment of the industry, the Commission, and the state. However, he felt that this is something that should not be mandated by the Commission.

Commissioner Pike asked if the $3,100 is the estimated amount that Dubuque Greyhound Park would be required to match, to which Mr. Ketterer agreed. Mr. Ketterer then stated that Mr. Berger was unable to attend the meeting and had asked that the matter be postponed until he could address the Commission at a future meeting.

The next item on the agenda was to elect a new Chairman of the Racing Commission. Commissioner Prickett nominated Bud Pike as Chairman. Commissioner Sovern seconded the motion, with all in favor. See Order (87-33).

Commissioner Sovern then nominated Commissioner Prickett as Vice-Chairman. Commissioner Mydland seconded the motion, which was adopted unanimously. See Order (87-34).

The next item taken up was a presentation to Commissioner Sovern whose term on the Commission was ending May 1st. After a few remarks by Mr. Ketterer, Commissioner Sovern was presented with a plaque expressing the feelings and appreciation of fellow Commissioners and Racing Commission staff.

Commissioner Sovern stated "I am proud to have served as a member of the Racing Commission. Part of the responsibility of the Commission was to create new jobs, and revenue for the state in a way that Iowan's could be proud. The activity generated from racing in Iowa has given me a great sense of satisfaction."

Commissioner Pike then appointed himself and Commissioner Scalise as a Standing Committee to do some preliminary work before setting race dates for the 1988 season.

It was then decided that the Commission would hold their next meeting in Des Moines on May 20, 1987. Commissioner Prickett then moved that the Commission go into Executive Session pursuant to Iowa Code chapter 21.5(1)"a" to discuss background investigations. Commissioner Mydland seconded the motion with all in favor. See Order (87-35).

Upon close of Executive Session, Commissioner Sovern moved that the meeting be adjourned. Commissioner Prickett seconded the motion. The vote was unanimous. See Order (87-36).

MINUTES TAKEN BY

Jean Cook

Jean Cook

STATE RACING COMMISSION
MINUTES
MAY 20, 1987

The State Racing Commission met on Wednesday, May 20, 1987, at 9:00 a.m. at the Hotel Fort Des Moines, Des Moines, Iowa. Present were: Chairman Bud Pike and members Dr. Sally Prickett and Leo Monaghan.

The Chair called the meeting to order and welcomed Commissioner Leo Monaghan of Manchester, Iowa, who replaced former Commissioner Steve Sovern.

Chairman Pike then gave opening remarks stating that "with the success of the three greyhound tracks operating in Iowa, 50% of the goal of the Commission has been fulfilled. There is now a positive force in Iowa and an intense community pride. It is now up to the Commission to fulfill that goal and bring a horse racetrack to Iowa."

The Chair then recognized Commissioner Prickett who moved that the minutes of the April 29, 1987, Commission meeting be approved. Chairman Pike seconded the motion, which was unanimous. See Order (87-37).

The next agenda item taken up was consideration of Dubuque Greyhound Park's proposal for funding the American Greyhound Council. The Chair recognized Roy Berger, General Manager of Dubuque Greyhound Park. Mr. Berger advised the Commission that the American Greyhound Council is a non-profit corporation consisting of members from both the National Greyhound Association and the American Greyhound Track Operator's Association. The Council will be funded by greyhound tracks and greyhound owners for the betterment of the industry. Not more than $1.00 will be deducted from each purse, with the track matching that amount, to go into effect January 1, 1988. Mr. Berger asked that the Commission adopt a rule whereby all greyhound tracks in Iowa would participate.

Chairman Pike asked Mr. Berger if all tracks would be required to participate or if it would be optional, to which he replied it would be optional.

Jack Ketterer, Administrator of the Racing Commission, stated that it would be better to pass a resolution supporting the concept rather than adopt a rule.

After further discussion, Commissioner Monaghan moved that a resolution be adopted supporting the funding of the American Greyhound Council. Commissioner Prickett seconded the motion, with all in favor. See Order (87-38).

Chairman Pike then recognized Carol Baumgarten, Vice-President of the Board of Directors of the Racing Association of Central Iowa for a progress report. Ms. Baumgarten stated that a preliminary timetable has been set, which is as follows:

May 28 -- Board of Supervisors meet to review Documents
June 2 -- Majority of Documents to be completed
June 9 -- Bond Pricing
June 11 -- Polk County Board Meeting-Approval of Financial Documents
June 25 -- Bond Closing

Ms. Baumgarten advised the Commission that advertisements have been placed seeking an Operation's Manager, however, no deadline for hiring has been set. Ms. Baumgarten then introduced Ed Skinner, Chairman of the Construction Committee. Mr. Skinner stated that the ratings will be completed approximately May 28th, the main concern at this time being the interest rate and what price they are facing. The next 30 days are critical. Mr. Skinner advised the Commission that they have been working with the Bonding Counsel, and there is some language that needs to be resolved. However, he is confident that they will be able to resolve the differences without much problem.

The Chair then recognized Judy Roland of the Iowa Fair Racing Association for approval of racing officials, performance bond, purse structure, Iowa Bred Program and exotic wagering. Mrs. Roland stated that Augie Masciotra, General Manager of Waterloo Greyhound Park, had been retained as Manager, and Beth Delagardelle as Publicity Manager. The Iowa Bred Program and the purse supplement remain unchanged from last season. The performance bond is based upon a $125,000 per day handle. Mrs. Roland advised the Commission that limestone was applied to the track surface approximately one month ago, tested in rainy weather, and seems to work well.

Mr. Ketterer stated that Pic 9 wagering had been planned, but they have since been advised by United Tote that six weeks programming would be necessary. Therefore, the Association has requested Pic 6 and quiniela double wagering, which Mr. Ketterer said should not be a problem since they are already in use at greyhound tracks.

The Chair asked that a vote not be taken until after Executive Session, to which all Commissioners were in agreement.

The next agenda item taken up was a presentation by Patrick Mahaffey of the Heartland Association. Mr. Mahaffey advised the Commission that an application for a horse racetrack had been submitted to the Commission, stating that there appears to be very little competition for a horse racetrack in Central Iowa. Mr. Mahaffey then advised the Commission that the Association has a plan for a successful horse racetrack, and that the necessary backing is there. The proposed facility would cost $21,000,000. Equity of $7,000,000 or $8,000,000 has already been raised and the balance would need financing. Mr. Mahaffey stated that "the money is there, all we need is the license."

Commissioner Monaghan expressed concern as to whether Central Iowa could support two horse racetracks.

Commissioner Prickett asked if the Association would continue to seek a license if the Racing Association of Central Iowa would break ground in July, to which Mr. Mahaffey replied yes they would anticipate a split season.

Chairman Pike asked if the feasibility study completed three or four years ago had been updated, to which Mr. Mahaffey replied that projections at that time were for a $500,000 per day handle, 4,900 attendance per day, resulting in $103.00 per capita wager, which he feels is still in line.

Mr. Ketterer asked if equity sources could be disclosed at this time, to which Mr. Mahaffey replied no.

Mr. Mahaffey asked the Commission to review the application at their leisure, to which Chairman Pike replied that no decision would be made at this time, and they would be placed on the agenda for the June meeting.

Commissioner Prickett then moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background investigations. Commissioner Monaghan seconded the motion with all in favor. See Order (87-39).

Upon close of Executive Session, Commissioner Prickett moved that racing officials, purse supplement, performance bond, Iowa Bred Program as outlined, and exotic wagering as presented by the Iowa Fair Horse Racing Association be approved. Commissioner Monaghan seconded the motion. The vote was unanimous. See Order (87-40).

The Chair then moved to the administrative business portion of the meeting and appointed Commissioner Prickett as a committee of one to work with Mr. Ketterer to study Racing Chemistry.

Chairman Pike stated that further committee assignments would be made at the June meeting.

It was then determined that the next meeting would be held on June 16, 1987, in Des Moines. Commissioner Prickett then moved that the meeting be adjourned, with Commissioner Monaghan seconding the motion, and all in favor. See Order (87-41).

Respectively submitted

Jean Cook

JEAN K. COOK

STATE RACING COMMISSION
MINUTES
JUNE 16, 1987

The State Racing Commission met on Tuesday, June 16, 1987, at 1:30 p.m. at the Wallace State Office Building Auditorium. Present were Chairman, Bud Pike; Vice-Chairman, Sally Prickett; Members, Leo Monaghan and Lavonne Mydland. The Chair called the meeting to order.

The first order of business taken up was approval of the minutes of the May 20, 1987, Commission meeting. Commissioner Monaghan moved that the minutes be approved as submitted. Commissioner Prickett seconded the motion, with all in favor. See Order (87-42).

The Chair then recognized Jack Ketterer, Administrator of the Racing Commission for the purpose of taking the second agenda item: final adoption of rule changes to Chapter 4.14. Mr. Ketterer stated that the rule changes allow an administrative hearing officer, under the direction of the Commission, to conduct contested case proceedings and other hearings to the extent provided in Iowa Code sections 17A.11 through 17A.15.

Upon recommendation by the Administrator, Commissioner Mydland moved that the rule changes, as presented, be adopted. Commissioner Monaghan seconded the motion which passed unanimously. See Order (87-43).

The Chair then recognized Patrick Mahaffey of the Heartland Association, applicant for a horse racetrack license in Central Iowa, and opened the meeting for discussion.

Commissioner Mydland asked Mr. Mahaffey if the land has been acquired, to which he replied that the land would not be purchased until the license had been granted.

Commissioner Mydland then asked how the facility would be financed. Mr. Mahaffey advised the Commission that the track would be financed on a 2 to 1 debt ratio. The intention is to build a $21,000,000 facility, downsized from a previous Cedar Rapids application, in order to make a profit.

Commissioner Monaghan stated that the original Cedar Rapids application proposed an estimated $6,000,000 in contributed capital at 14% interest. Mr. Mahaffey replied that the intention is to raise $7,000,000 in contributed capital based upon approximately 12% interest, which should show a higher profit, stating that the debt equity ratio would make the difference.

Commissioner Monaghan then stated that 38% of the intended market area currently have racetracks, and asked Mr. Mahaffey what he felt the effect would be on Waterloo Greyhound Park and Dubuque Greyhound Park. Mr. Mahaffey stated that Waterloo Greyhound Park would not suffer any effect since they will be running different seasons, and that Dubuque Greyhound Park and the Cedar Rapids facility could co-exist and still both be profitable.

Chairman Pike then advised Mr. Mahaffey that all Commissioners are concerned with the number of licenses issued, the competition factor is there whether or not racing head to head.

Mr. Ketterer asked Mr. Mahaffey for a clarification of how the stock was to be marketed. Mr. Mahaffey explained that two corporations would be established. A non-profit corporation would hold the license, with the profit corporation developing the racetrack. Consultants advised that 15,000,000 shares of stock would be sold, and for every $1 of stock sold, $2 must be loaned toward the project. The non-profit corporation could reinvest 25% of the profit back into the facility, thereby increasing the value of stock.

Mr. Ketterer then asked Mr. Mahaffey why he felt the horse track could draw 2,200 patrons per day in the secondary market, when Dubuque Greyhound Park only draws 200 to 300 now from the same market area, to which he replied "because the horse industry is virtually untapped."

After further discussion, the Chair stated that a decision on granting a license to the Heartland Association would be made at the July meeting.

The next item taken up was approval of the 1988 racing dates for Dubuque Greyhound Park and Bluffs Run. The requested dates are as follows:

Dubuque Greyhound Park - April 6 to November 6, 1988.
Bluffs Run - January 8 to December 19, 1988

After some discussion Commissioner Mydland moved that Dubuque Greyhound Park be granted the requested dates. Commissioner Monaghan seconded the motion. The vote was unanimous. See Order (87-44).

Commissioner Prickett then moved that Bluffs Run be granted their requested dates. Commissioner Mydland seconded, with the vote unanimous. See Order (87-45).

Mr. Ketterer then asked that the Commission approve an additional matinee performance on July 3, 1987, at Bluffs Run, which was discussed at the May meeting. Commissioner Mydland moved to grant the additional performance with Commissioner Monaghan seconding the motion, and all in favor. See Order (87-46).

Chairman Pike stated that the Racing Association of Central Iowa was not made a part of the June agenda due to conflicting meetings, and preparation of a presentation that will be made before the Board of Supervisors on June 17. The Chair advised that an announcement will be made very soon, and hopefully ground breaking in July.

The Chair then moved to the Administrative Business portion of the meeting and made the following committee assignments:

Simulcasting and Off-track Wagering Committee - Commissioners Monaghan and Pike

Legislative Committee - Commissioners Mydland and Scalise

It was decided that the July meeting would be held in Ames, Iowa, with the date to be announced later. Chairman Pike then called for a motion to adjourn. Commissioner Prickett so moved, with Commissioner Monaghan seconding the motion. The vote was unanimous. See Order (87-47).

MINUTES TAKEN BY:

Jean Cook

JEAN COOK

STATE RACING COMMISSION
MINUTES
JULY 14, 1987

The State Racing Commission met on Tuesday, July 14, 1987, at 9:30 a.m. at the Wallace State Office Building Auditorium. Present were: Chairman, Bud Pike; Vice-Chairman, Sally Prickett; and member Leo Monaghan. The Chair called the meeting to order.

The Chair called up the first agenda item and asked for a motion to approve the minutes of the June 16, 1987, Commission meeting. Commissioner Monaghan so moved, with Commissioner Prickett seconding the motion, which passed unanimously. See Order (87-48).

Chairman Pike then introduced John Schaffner, Deputy Director of the Department of Inspections and Appeals. Mr. Schaffner welcomed the Racing Commission to the Department of Inspections and Appeals, and stated that "he is looking forward to a close working relationship with the Racing Commission, and will offer his support whenever possible". (The Racing Commission was transferred from the Department of Commerce to the Department of Inspections and Appeals during the 1987 legislative session.)

The next item taken up was Waterloo Greyhound Park's request to run races with nine greyhounds. The Chair recognized Augie Masciotra, General Manager of Waterloo Greyhound Park. Mr. Masciotra stated that they are trying new innovative things to generate more interest at the racetrack, and are asking for approval to race nine greyhounds in the superfecta and twin trifecta races.

Jack Ketterer, Administrator of the Racing Commission, stated that his only concern is the safety factor in the 3/8 mile race. Nine greyhounds have been run at other tracks that have 20' wide tracks, however, Waterloo Greyhound Park is only 17' wide.

Mr. Masciotra stated that they are making a sizeable investment, but will maintain the racetrack in the same manner as in the past. The welfare of the greyhound is also their main concern.

The Chair recognized Jake McIsaac, Director of Greyhound Racing, who advised the Commission that he has visited with the greyhound breeders, and they do not seem to be concerned since Waterloo Greyhound Park is a very safe track. Mr. McIsaac then stated that he does not foresee any problems with the 5/16 race, but problems could occur with the 3/8 race and suggested testing the 3/8 race during schooling races in September.

Mr. Ketterer recommended that the 5/16 race be approved, subject to review of the necessary rule changes, and the decision of the 3/8 race be held off until after schooling races in September.

The Chair then stated that the Commission would review the rules and make a decision of the 5/16 race at the August meeting.

The Chair took up the next agenda item, consideration of the renewal of the conditional license issued to the Racing Association of Central Iowa, and recognized Carol Baumgarten and Morris Knopf. Mr. Knopf distributed a copy of the legal discription of the premises for Commission review, stating that the Association has complied with all zoning ordinances, problems with water, sewage, and items of that nature have satisfactorily been resolved. The general layout consisting of safety and comfort to patrons, distance of track from populated areas, arrangements for food and beverages, and general operations will continue to be resolved with input from Mr. Ketterer and Commission members.

Ms. Baumgarten advised the Commission that the Association is currently seeking a track manager. Applications are being accepted, and interviewing should begin in late August, and a manager retained by January 1, 1988.

The Chair asked what has been done to protect against cost overruns, to which Ms. Baumgarten stated that Mr. Wilkey is currently entertaining bids. The project manager is in place and all costs are being overseen by a paid staff.

Mr. Ketterer asked at what date the bonds would close, to which Mr. Knopf replied the bonds are being reprinted for re-delivery and should close on July 29th. Construction will begin in late August. The Weitz Company will complete the project on or before February 28, 1989, and a time schedule will be forwarded to the Commission. The racing dates will be explored in the future, however, it is anticipated a March 1 through November 30 racing season. At this time everything is on schedule.

After further discussion, the Chair called for a motion that the conditional license of the Racing Association of Central Iowa be renewed. Commissioner Prickett so moved, subject to the review of all documents for finalization by the Commission. Commissioner Monaghan seconded the motion with all in favor. See Order (87-49).

Chairman Pike then asked to make a statement to the people of Iowa. "Despite negative comments, it is the opinion of the Chair that there are enough people in this state to support a moderate facility such as this one. There are many spin-off benefits, one of which will be an intense community pride. I ask that the people of Iowa, government and business communities get involved by providing their talents and leadership to this project, because their support is vital to its success."

The Chair called up the next agenda item, the license application of the Heartland Association, and recognized Patrick Mahaffey. Mr. Mahaffey extended his congratulations to the Racing Association of Central Iowa, and offered his assistance and support to the Altoona project.

Mr. Ketterer asked Mr. Mahaffey if the Heartland Association was withdrawing their application or asking for a vote. Mr. Mahaffey stated that he would like to have a vote taken.

Commissioner Monaghan then moved to deny a license to the Heartland Association. Commissioner Prickett seconded the motion. A roll call vote was taken. Commissioner Pike, Prickett and Monaghan voted aye. See Order (87-50).

The next agenda item taken up was a report from Iowa State University College of Veterinary Medicine of research projects funded from surplus funds of the Racing Commission in 1986. Dr. W. P. Switzer advised the Commission that funding was made available nine months ago and significant progress has been made in all five research projects. Reports of progress were given as follows:

Dr. Walter Hyde - Controlled Bioassay Evaluations-Equine Racing Chemistry
- Drug Metabolites and Foreign Compounds of Interest in the Canine Pari-Mutuel Racing Industry

Dr. Richard Engen - Influence of Age/Diet/Training on the physiological Conditioning and Longevity of the Racing Greyhound

Dr. W. P. Switzer - Preliminary Studies on Control of Fleas on Dogs Using Nontraditional Methods
- Carbon Filament Laryngoplasty

After some discussion, the next order of business was consideration of an additional superfecta race at Bluffs Run. Mr. Ketterer stated that since the superfecta has proven to be a successful wager, he would recommend the additional superfecta be granted. Due to the high payoffs with the superfecta, regulatory measures such as collecting additional body fluid samples are utilized to insure integrity.

Commissioner Monaghan then moved that the additional superfecta be granted to Bluffs Run. Commissioner Prickett seconded the motion, with the vote being unanimous. See Order (87-51).

The Chair then recognized Jake McIsaac for a report of kennel inspections being conducted at the greyhound facilities. Mr. McIsaac stated that the inspections are conducted by a DCI agent, member of the track staff, and himself. A variety of medications are being found in the kennels, however, there are no regulations regarding medications, only needles and syringes. Every kennel has been inspected at least twice. Inspections are conducted on a weekly basis.

Commissioner Prickett stated that the situation is confusing since the greyhounds need medication, however, it is illegal to be injected in the kennel, and a veterinarian is too expensive.

After some discussion, the Chair asked that Commissioner Prickett and Mr. McIsaac work more closely to find a solution to the problem.

Chairman Pike then recognized Mr. Ketterer for a report from the Iowa Fair Horse Racing Ltd. Mr. Ketterer advised the Commission that the Association would like to make a report as to the success of the Fair Harness Racing Circuit at the next Commission meeting.

Commissioner Prickett then moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a". Commissioner Monaghan seconded the motion with all in favor. See Order (87-51).

Upon close of Executive Session, the Chair moved to the administrative business portion of the agenda and called for a nomination for Chairman of the Racing Commission. Commissioner Monaghan moved that Commissioner Pike be re-appointed as Chairman. Commissioner Prickett seconded the motion, with all in favor. See Order (87-52).

Commissioner Monaghan then moved that Commissioner Prickett be re-appointed as Vice-Chairman. Chairman Pike seconded the motion, and the vote was unanimous. See Order (87-53).

It was decided that the next meeting would be held August 12th in Ames, and the following meeting would be held on Wednesday September 9th in Dubuque.

The meeting was then adjourned.

MINUTES TAKEN BY

Jean Cook

Jean K. Cook

STATE RACING COMMISSION
MINUTES
AUGUST 13, 1987

The State Racing Commission met on Thursday, August 13, 1987, at 9:30 a.m. at the Iowa State University Veterinary Diagnostic Lab, Ames. Present were: Chairman, Bud Pike; Vice-Chairman, Sally Prickett; and members Leo Monaghan and Lavonne Mydland. The Chair called the meeting to order.

Chairman Pike introduced Dr. Seaton, professor and head of the Iowa State University Veterinary Diagnostic Laboratory. Dr. Seaton welcomed the Racing Commission to Iowa State University and stated that they are proud to be a part of the pari-mutuel industry in Iowa.

The Chair then entertained a motion to approve the minutes of the July 14, 1987, Commission meeting. Commissioner Monaghan so moved, with Commissioner Prickett seconding the motion, with all in favor. See Order (87-54).

The Chair then recognized Robert Dee, of the Racing Association of Central Iowa for a report on the groundbreaking ceremony scheduled for Thursday, August 25, 1987, at 4:00 p.m. at the Altoona site. Mr. Dee stated that there will be a short program with food and refreshments following. A reception will precede the groundbreaking ceremonies at 3:00 p.m. at the Adventureland Inn. The public is welcome to attend the groundbreaking ceremony.

The next item taken up was a request by Dubuque Greyhound Park to initiate twin trifecta wagering and to terminate pic-six wagering. The Chair recognized Roy Berger, General Manager of Dubuque Greyhound Park, who advised the Commission that twin trifecta wagering would commence on September 9, 1987, with pic-six wagering being terminated at the conclusion of racing September 7, 1987. The payout will be distributed as if the last day of the racing season.

Jack Ketterer, Administrator of the Racing Commission recommended approval of Dubuque Greyhound Park's request and asked that the public be notified, to which Mr. Berger agreed.

Commissioner Mydland then moved that the request for twin trifecta wagering at Dubuque Greyhound Park be adopted and pic-six wagering terminated. Commissioner Monaghan seconded the motion. The vote was unanimous. See Order (87-55).

The next item brought up was the Iowa Fair Racing Association, application for tax credit. Jack Ketterer suggested that a subcommittee be appointed to review the tax credit application. Chairman Pike asked that Commissioner Monaghan and himself be appointed to that subcommittee. Commissioner Monaghan so moved with Commissioner Prickett seconding the motion. The vote was unanimous. See Order (87-56).

The Chair recognized Mr. Ketterer for the next item; notice of intended action to transfer the administrative rules from the Department of Commerce to the Department of Inspections and Appeals. Mr. Ketterer explained that this was just a formality and would not change the substance of the rules. Commissioner Mydland moved that the rule changes be adopted and a Notice of Intended Action be filed. Leo Monaghan seconded the motion. The vote was unanimous. See Order (87-57).

The Chair called up the next agenda item, the hearing of Frank Garrison vs AIM, Incorporated, and recognized Mr. Ketterer. Mr. Ketterer stated that a question of jurisdiction had been raised as to whether this was a matter that required a decision by the Commission, since Mr. Garrison was not a licensee but a patron at the time of ejection. The attorneys representing the parties involved were before the Commission as the result of a motion and order in Pottawattamie County District Court requiring the plaintiff to exhaust his administrative remedies.

Gary Hayward, Legal Counsel for the Commission, stated that it was his opinion that the Commission did not have any authority in this case, since Mr. Garrison was not ejected from the grounds due to racial or ethnic reasons. Mr. Hayward recommended that the Commission not take jurisdiction over this matter.

After some comments, Commissioner Mydland moved that the Commission not take jurisdiction over the matter. Commissioner Prickett seconded the motion, with all in favor. See Order (87-58).

The next item on the agenda was the Iowa State University College of Veterinary Medicine proposals for FY 88 for canine and equine research. Mr. Ketterer explained that the first $50,000 in surplus Commission funds were to be used for equine research as provided in 99D.18, Iowa Code. An additional $50,000 was provided for canine research in 1987. Mr. Ketterer stated that he had met with Commissioner Prickett and Dr. Seaton to discuss the FY 88 proposals.

Commissioner Prickett asked Dr. Seaton if new equine proposals could be in to the Commission by September 1 or 2 to which he agreed.

Chairman Pike asked that Dr. Seaton work with the NASRC so as not to duplicate the same research efforts performed by some other veterinary diagnostic laboratory, too which he agreed.

The Chair then moved to the administrative business portion of the meeting and stated that he would like to see more money spent to promote the racing industry in the next year and asked what was being done as far as marketing the pari-mutuel industry in Iowa.

Jean Cook, Administrative Assistant for the Racing and Gaming Division, replied that the staff is in the process of developing a speaker's bureau, obtaining dates for trade shows and developing a media guide. Chairman Pike asked that a presentation of a marketing program be given at the next Commission meeting, to which Mrs. Cook agreed.

After some discussion it was agreed that the next Commission meeting would be held Wednesday, September 9th in Dubuque. A work session will be held Thursday, August 25th in Des Moines to review the Altoona track design.

Commissioner Prickett then moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a". Commissioner Monaghan seconded the motion with all in favor. See Order (87-59).

Upon close of Executive Session, the meeting was adjourned, with a tour of the Veterinary Diagnostic Laboratory following.

MINUTES TAKEN BY:

Karyl Schoff

Karyl Schoff

STATE RACING COMMISSION
MINUTES
SEPTEMBER 9, 1987

The State Racing Commission met on Wednesday, September 9, 1987, at 9:30 a.m. at the Dubuque Inn, Dubuque. Present were: Chairman, Bud Pike; and members Larry Scalise, Leo Monaghan and Lavonne Mydland. The Chair called the meeting to order.

The Chair entertained a motion that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a". Commissioner Scalise so moved with Commissioner Monaghan seconding. All in favor. See Order (87-60).

Upon conclusion of Executive Session, Chairman Pike complimented Dubuque Greyhound Park on their outstanding Labor Day weekend. The average attendance for the five performances was 4,111 and the average handle was $440,919. Roy Berger, General Manager of Dubuque Greyhound Park, said it was a tribute to the founders of the track, the people who had the wisdom to back the bonds and the confidence of the Racing Commission.

The Chair then called up the first item on the agenda, approval of the August 13, 1987, Commission meeting and the August 25, 1987, Work Session. Commissioner Mydland moved that the minutes be approved. Commissioner Scalise seconded. The vote was unanimous. See Order (87-61).

The Chair then recognized Jack Ketterer, Administrator of the Racing Commission for the purpose of taking up the following agenda items: approval of Waterloo Greyhound Park exotic wagering format, grading system, minimum purse, and officials for their 1987 racing season. Mr. Ketterer stated that the exotic wagering format, the grading system and the minimum purse were unchanged from last year. Mr. Ketterer explained that there were a couple of background investigations that were not complete on new racing officials. Mr. Ketterer recommended that all officials be approved with the exception of those that the backgrounds were not completed.

Chairman Pike asked Augie Masciotra, General Manager of Waterloo Greyhound Park, if he had anything to add to what Mr. Ketterer had said. Mr. Masciotra replied that they were looking forward to a good season, hopefully to surpass last year.

Commissioner Scalise moved that the exotic wagering format, grading system, minimum purse and officials with the exception of the two that the background investigations were not complete, be approved. Commissioner Mydland seconded. All in favor. See Order (87-62).

The Chair introduced Stan Bowker, consultant for the Racing Association of Central Iowa for the next agenda item. Mr. Bowker brought the Commissioners up-to-date on a few minor changes to the Administration Level of the Grandstand due to electrical and mechanical problems in the design since the Commission's Work Session. Mr. Bowker told the Commission that they were in the process of reviewing the stable area now and hopefully by the first of the year final plans could be approved.

Mr. Bowker then reported on the cost of building a training or exercise track. A track similar in surface to the racetrack would cost between $225,000 and $275,000 and a basic exercise track would run around $150,000. Mr. Bowker informed the Commission that by building an additional track it would take up some of the space they were planning to use for barn expansion. He also added, that at this time, there was no money available to build a training or exercise track.

Chairman Pike asked what the possibilities were for housing some of the horses off-track. Mr. Bowker replied that this would help and needs to be looked into.

Mr. Bowker then introduced Lloyd Clark, a member of the Racing Association of Central Iowa, who gave the Commission a brief history on the Association, where the Association was to date and what the Association was trying to do to make the track a viable one. Mr. Clark stated that two goals of the Association were to build the track on time and within budget and to start the first race on March 1, 1989.

The Chair then recognized Mr. Ketterer for the next item: Application for tax credit by the Iowa Fair Racing Association. Mr. Ketterer reported that Commissioners Monaghan, Pike and himself examined the capital improvement expenditures for the harness racing circuit and found them to be in order. Mr. Ketterer recommended that the Commission approve $99,322.95 in tax credit.

Commissioner Monaghan moved that the application for tax credit of the Iowa Fair Racing Association be approved. Commissioner Scalise seconded with all in favor. See Order (87-63).

The next item taken up was Notice of Intended Action for amendment to rule 8.2(4)"j"(12), twin trifecta, and the Chair recognized Mr. Ketterer. Mr. Ketterer explained that these rule changes would allow the licensee to determine in the event of a dead heat in the second race of the twin trifecta if the payoff would be distributed as a win pool or a place pool provided the

method selected was conspicuously displayed in a prominent place in the grandstand or in the program so the public would be aware of how the payoff would be made. After some discussion, Commissioner Mydland moved that the rule changes be adopted and a Notice of Intended Action be filed. Commissioner Monaghan seconded with all in favor. See Order (87-64).

The Chair called up the administrative portion of the meeting and recognized Jack Ketterer for a report on the Iowa State University, College of Veterinary Medicine, research proposals. Mr. Ketterer reported that Commissioner Prickett and himself were still not in agreement with the College on what they would like to see in the equine area. They would like to see something more innovative than what had been submitted.

Mr. Ketterer then gave a brief report as to what the states of Nebraska, South Dakota, and Illinois were doing in the area of simulcasting. Both Illinois and Nebraska started simulcasting this past weekend and as details, results and literature are received they will be forwarded to the Commissioners.

Chairman Pike then formed a Committee of Commissioner Scalise and Mr. Ketterer to follow through on the background investigations that were not complete on Waterloo Greyhound Park officials for the 1987 racing season, and delegated the Commission's responsibility to the Committee.

The October meeting was set for the 16th to be held in Waterloo in conjunction with the opening of the Waterloo Greyhound Park's 1987 season.

Commissioner Mydland moved that the meeting be adjourned with Commissioner Monaghan seconding. All in favor. See Order (87-65).

MINUTES TAKEN BY

Karyl Schoff

Karyl Schoff

IOWA RACING COMMISSION MEETING
MINUTES
OCTOBER 16, 1987

The State Racing Commission met on Friday, October 16, 1987, at 3:00 p.m. at the Holiday Inn Civic Center, Waterloo. Present were: Chairman, Bud Pike; and members Leo Monaghan and Lavonne Mydland. The Chair called the meeting to order.

Chairman Pike introduced Dick Klingaman, past president of Waterloo Greyhound Park. Mr. Klingaman welcomed the Commission to Waterloo and thanked them for the part they had played in allowing the Waterloo Greyhound Park to be in existence today.

Commissioner Pike wished Mr. Klingaman good luck in the upcoming season at Waterloo Greyhound Park. Jack Ketterer, Administrator of the Racing Commission, stated that the community of Waterloo-Cedar Falls owes Mr. Klingaman a debt of gratitude for all the work he has done to make Waterloo Greyhound Park a reality.

Chairman Pike then read a letter from Augie Masciotra, General Manager and Chief Executive Officer of Waterloo Greyhound Park. Mr. Masciotra apologized for not being able to attend the meeting due to last minute details for the opening of the track that evening. Mr. Masciotra stated that they were anticipating a good season and thanked the Commission for the care and concern they had given to greyhound racing.

The Chair then recognized Jake McIsaac, Director of Greyhound Racing, for a report on schooling races with nine greyhounds at Waterloo Greyhound Park. Mr. McIsaac stated that he did not anticipate any problems in running nine greyhounds at one time. He stated they would run three races per performance with nine greyhounds, one race at 3/8 mile and two races at 5/16 mile. If any problems did develop, the races with nine greyhounds would be stopped.

Commissioner Mydland moved to approve the running of nine greyhounds at Waterloo Greyhound Park with the condition, if any problems develop, they will be discontinued. Commissioner Monaghan seconded. All in favor. See Order (87-66).

Next the Chair entertained a motion that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a". Commissioner Monaghan so moved with Commissioner Mydland seconding. The vote was unanimous. See Order (87-67).

Upon close of Executive Session, the Chair entertained a motion to approve the minutes of the September 9, 1987, Commission meeting. Commissioner Monaghan so moved, with Commissioner Mydland seconding the motion, with all in favor. See Order (87-68).

The Chair recognized Tom Ruxlow, Director of the Department of Criminal Investigation (DCI). Mr. Ruxlow introduced Richard Kemming who will be the DCI agent at Dubuque Greyhound Park and Waterloo Greyhound Park, replacing Al Scholle. Chairman Pike welcomed Mr. Kemming on board.

The Chair then introduced Keith Hopkins, of the Racing Association of Central Iowa for a progress report. Mr. Hopkins reminded the Commission that they are only 17 months away from opening day. A lot of dirt has been moved and they believe with the nice weather they have had that they are where they anticipated being at this time. He said that they are looking to have a manager and chief executive officer on board by the first of the year. He said that they want no mistakes made in the hiring of top management positions for the track. Mr. Hopkins believes that the enthusiasm is growing and hopefully the track will open on schedule.

For the next agenda item, final adoption of rule changes transferring the administrative rules from the Department of Commerce to the Department of Inspections and Appeals, the Chair recognized Mr. Ketterer. Mr. Ketterer explained this was only a formality and would not change the substance of the rules. Commissioner Mydland moved that the rule changes be adopted. Commissioner Monaghan seconded. The vote was unanimous. See Order (87-69).

Chairman Pike introduced Larry Wessel, Director of the Quarterhorse Association of Iowa. Mr. Wessel informed the Commission that this is an industry which is holding back. Their membership is up but the amount of quarterhorses racing is down. Mr. Wessel explained that this is due to the high cost of transporting the horse to a track to race. He said breeders are here in Iowa, but are selling the horses instead of racing them. Mr. Wessel told the Commission that if quarterhorses were allowed to race at Altoona, that there would be no problem filling the stalls. He asked the Commission to consider allowing quarterhorses as well as thoroughbreds to race at Altoona.

Chairman Pike asked if there were training tracks and trainers for quarterhorses in the state of Iowa, to which Mr. Wessel replied yes. Mr. Wessel said the basic difference between a quarterhorse and a thoroughbred is how they are trained.

Commissioner Pike asked if the distances to which a quarterhorse races could be increased. Mr. Wessel replied that right now the American Quarterhorse Association only recognizes races up to 870 yards. Stan Bowker, consultant for the Racing Association of Central Iowa, said that within the next year that could change and the distances will probably increase. The Chair thanked Mr. Wessel for his comments.

The Chair called up the administrative portion of the meeting and recognized Mr. Ketterer for a report on the Peoria, Illinois, Teletheatre. Mr. Ketterer stated that Commissioners Pike and Monaghan and himself visited the Peoria Teletheatre. He explained that Illinois just passed legislation allowing two teletheatres per track in the state. A consortium of four tracks was establishing eight teletheatres of which Peoria was the first. Mr. Ketterer explained that the facility was a former shopping mall. The facility cost $3 million and was completed in three to four weeks working 24 hours around-the-clock. The capacity is approximately 500 with no admission charge. They have a dining area and cafeteria style food service. There are TV monitors everywhere with two or three large screens. All bets are put in with the host track for one distribution pool. Mr. Ketterer explained that there was no noticeable impact on attendance at the tracks located in the Chicago area approximately 150 miles away.

Commissioner Monaghan stated that we need to know what the states around us are doing and explore the possibilities for Iowa.

Mr. Ketterer then informed the Commission that their Chairman, Bud Pike, had been appointed to the National Association of State Racing Commissioners Executive Committee. Mr. Pike will also Chair the subcommittee on greyhound racing. Mr. Ketterer congratulated Mr. Pike on his new appointments.

Mr. Ketterer advised the Commission that the Racing Commission office would move from Ankeny to the Lucas Building in Des Moines in the next week or two.

It was decided that the November Commission meeting would be held in Des Moines with the December meeting to be held in Council Bluffs.

Commissioner Mydland moved that the meeting be adjourned. Commissioner Monaghan seconded, with all in favor. See Order (87-70).

The meeting was adjourned to the Waterloo Greyhound Park.

MINUTES TAKEN BY

Karyl Schoff

Karyl Schoff

IOWA RACING COMMISSION MEETING
MINUTES
November 13, 1987

The State Racing Commission met on Friday, November 13, 1987, at 1:00 p.m. at the Wallace State Office Building Auditorium. Present were: Chairman, Bud Pike; Vice Chairman, Sally Prickett; and members Leo Monaghan, Larry Scalise and Lavonne Mydland. The Chair called the meeting to order.

The Chair entertained a motion to approve the minutes of the October 16, 1987, Commission meeting. Commissioner Mydland so moved, with Commissioner Monaghan seconding the motion, with all in favor. See Order (87-71).

Chairman Pike then introduced Roy Berger, General Manager of Dubuque Greyhound Park, for a report on their 1987 racing season. Mr. Berger stated that their third season was more successful than anticipated. Total mutuel handle surpassed the 1986 season by $2.1 million. Mr. Berger then stated that of 232 performances, total attendance was 593,000, resulting in an average attendance of 2,555; and a total mutuel handle of $65.7 million. Per capita wagering was $110.97. Mr. Berger advised the Commission that $3,288,651 had been paid in state taxes and $328,000 was paid in city and county tax. Mr. Berger then introduced Dan Luciano, Racing Secretary of Dubuque Greyhound Park for comments about the Iowa Breeder's Program.

Mr. Luciano reported to the Commission that a check for $20,397.65 has been sent to the Department of Agriculture for the Iowa Breeder's Fund, leaving a balance of $52,876.30 for the Iowa Breeder's Stake and $158,628.90 in Supplements. Carryover Breakage was $193,199.21.

Mr. Ketterer, Administrator of the Racing Commission, asked Mr. Berger if he was correct in saying that approximately 65% of Dubuque Greyhound Park's patrons are from out-of-state, to which Mr. Berger replied yes. He then asked what percentage of the patrons come from the Chicago and Milwaukee areas to which Mr. Berger replied that those areas combined, accounted for approximately 13 to 14% of their business. Mr. Ketterer then congratulated Mr. Berger and his marketing staff for a job well done.

The Chair then recognized Lloyd Clarke, of the Racing Association of Central Iowa, for an update on progress of the Altoona track. Mr. Clarke explained that all the financing had been secured and closed, grading should be completed in the next couple weeks with the deep foundation work to begin next week and work continues with the architects and general contractors so they continue to fine tune the track with the help of experts. Mr. Clarke stated that the track analysis was predicated on the assumption of opening March 1, 1989, having 169 racing days and running through November 6, 1989, and each year thereafter.

Commissioner Scalise asked how firm the March 1, 1989, deadline is for opening, to which Mr. Clarke replied that they were firm in their belief that the track would open on that date.

Commissioner Monaghan asked what the status of retaining a general manager was. Mr. Clarke stated that the word is out and a professional firm has been retained to locate a manager.

The Chair called up the next agenda item, approval of Waterloo Greyhound Park 1988-89 racing dates. Chairman Pike reminded the Commission that Waterloo's 1987-88 racing dates were October 16, 1987, through April 16, 1988. The Chair then introduced Augie Masciotra, General Manager of Waterloo Greyhound Park.

Mr. Masciotra said that Waterloo Greyhound Park was asking for the dates of October 21, 1988, through April 23, 1989. This is a one week shift so the overlap with Dubuque would remain the same. They are trading one bad week for one good week. He stated that as Commissioners, you have to take in consideration the weather and the holidays when deciding on their dates. Mr. Masciotra stated that they needed $4 million over last year's mutuel handle to show the same profit as last year due to their fiscal year change two weeks into their meet which meant they ran a short fiscal year with a lot of income and nothing going out when they were down.

The Chair then allowed for discussion from the floor and recognized Chuck Schott, President of the Iowa Thoroughbred Association. Mr. Schott reminded the Commission of past verbage concerning racing dates of Waterloo by reading from past Racing Commission minutes. Mr. Schott also quoted from the Commission rules that "the general policy of the Commission is that overlapping racing dates are undesirable unless in different geographic market areas and unless both tracks agree to such dates". Mr. Schott said that there needs to be some reliability in what the Commission has said in the past.

The Chair then recognized Mr. Clarke. Mr. Clarke said that the assumptions the Racing Association of Central Iowa (RACI) has been going by was the assurance that the record shows there would be no overlap in dates in the spring. They have to appeal to all people in Iowa if the track is to be successful. They are dealing with a limited market and direct economic competition was not an assumption. Greyhound tracks in direct competition would have a severe impact on the horse track.

Commissioner Scalise again asked the question, will you open March 1 to which Mr. Clarke replied that is our belief and judgment. Commissioner Scalise then asked if RACI had any mechanism of penalizing their contractor if they are not done on time. Mr. Clarke replied yes. One is payment of performance bond to assure the track is built to fixed contract price and the other is to pay the interest on all debts on a daily basis.

Chairman Pike than asked for committee reports on racing dates and called on Commissioner Scalise. Commissioner Scalise said that since the granting of licenses, it was his thought and commitment and his belief of the Commission that Waterloo would not run in March and April in the event a track opened in Des Moines. Commissioner Scalise believes that Waterloo needs six months to be successful and he recommended the dates of September 6, 1988, through February 28, 1989. He believes this would give them more days with nice weather. To avoid more overlap with Dubuque, he would bump Dubuque back to March instead of April. Commissioner Scalise said he does not believe that Dubuque would have any effect on the Altoona track.

Next, Chairman Pike gave his report. He said the cornerstone of his remarks is fairness. There will be four tracks in the state with Dubuque running seven months, Council Bluffs running ten and one-half months, Waterloo running six months and the Altoona track running eight and one-half months. If RACI wanted 365 days he would grant them. Commissioner Pike cannot concur that the horse track should operate without competition. Commissioner Pike does not feel a Board two, three or four years ago should commit this Board. He said there is no other horse track in a 100 mile radius so this gives good protection, they have a 5% tax credit to service debt and the greyhound tracks have taught people of this state to bet.

Chairman Pike said that a 50 mile core radius around the Altoona track had big cities and was more insulated than Dubuque and Council Bluffs on the borders. Waterloo will not impact the horse track. Dates are for one year and can be changed. He said that Waterloo cannot run in September because it would be in conflict with the Dairy Cattle Congress, therefore, Chairman Pike recommended the dates of September 30, 1988, through April 2, 1989. The newness of the track and marketing will help the horse track. He believes the State of Iowa can support one horse track and three greyhound tracks.

The Chair asked Mr. Masciotra if he had anything further to say. Mr. Masciotra stated that they needed six months and if they had to run in September, they would be running against the Dairy Cattle Congress Fair. He said that Polk and the surrounding seven counties account for only 5.44% of their patrons. The month of March had an average of $1.3 million handle a week resulting in $60,000 to the track. In his calculation, only $35,000 might be going to Waterloo that could go to Altoona. He asked the Commission to take these things into consideration as he appealed to their fairness and said that he was willing to compromise. Mr. Masciotra also said that they would pull their advertising out of the horse track area during the overlapping period.

The Chair then recognized Mr. Ketterer for his report. Mr. Ketterer said that there was some degree of protection or level of expectation when RACI was seeking their license, securing financing and going forward with the construction. This was based on the assumption of the track in Waterloo but not running in competition with the horse track. He recommended Waterloo dates be September 6, 1988, through February 28, 1989, and Dubuque open March 28, 1989. Mr. Ketterer made a comparison between Dubuque racing free of competition with Waterloo and Dubuque racing overlapping Waterloo. This showed no adverse impact on Dubuque. This is not to say there will be none with the additional overlap. Mr. Ketterer was inclined to think that the overlap has not severely affected Dubuque because of the significant number of patrons they are drawing from out-of-state. Mr. Ketterer explained that Wisconsin passed pari-mutuel and Illinois teletheater wagering, both of which will soon necessarily shrink the volume of out-of-state patrons coming to Dubuque Greyhound Park. Dubuque will then become more dependent on in-state patrons and more affected by over-lapping dates with Waterloo. Therefore, an overlap of this length is not suggested as a long term solution. This should be viewed strictly as a one year schedule to allow Waterloo Greyhound Park a third extended season before Altoona opens. Mr. Ketterer said that the Commission has had the advantage of one greyhound track opening each year with no horse track. This has given the Commission the luxury of granting extensions beyond the dates originally granted when each license was issued. With the schedule Mr. Ketterer proposes, it would allow each track three extended seasons.

Commissioner Prickett asked Mr. Masciotra when the Cattle Congress Fair was held and whether the events were during the day or evening. Mr. Masciotra said it started around September 19 for ten days. There is entertainment during the day and runs into the evening. She then asked the cost of the Waterloo facility to which Mr. Masciotra replied $6½ million.

Chairman Pike reviewed the dates that had been recommened:

10/21/88-4/23/89	Waterloo requested
9/6/88-2/28/89	Commissioner Scalise and Mr. Ketterer's recommendation
9/30/88-4/2/89	Commissioner Pike's recommendation

Commissioner Monaghan moved to deny the request by Waterloo Greyhound Park for the dates of October 21, 1988 to April 23, 1989. Commissioner Scalise seconded the motion. The vote was unanimous. See Order (87-72).

Commissioner Scalise moved to grant Waterloo Greyhound Park racing dates of September 6, 1988 to February 28, 1989. Commissioner Prickett seconded the motion. Commissioner Monaghan moved to amend the motion by changing the dates to September 30, 1988, to April 2, 1989. Commissioner Mydland seconded the motion. A roll call vote was taken, with Commissioners Mydland, Pike and Monaghan voting aye and Commissioners Scalise and Prickett voting nay. The amendment was adopted. See Order (87-73).

Commissioner Prickett said that you need to educate people for horse and greyhound tracks to be successful. When the Commission voted to award a license to Waterloo, she voted against it for the very reason they are facing now. She stated that the competitive dollar has gotten stronger and the degree of protection from competition is necessary. She does not believe what a Commission said in the past when money is sought should later be changed. It is not business like. RACI should not be granted anything less than the dates and protection that was promised when their license was granted to them. This would leave the Commission open to critism should the track fail. The impact on the horse industry would be much greater than on the greyhound industry. A poor start to the track could doom the facility with a poor image that subsequent date shuffling cannot reverse.

Commissioner Scalise said that it was understood from inception that Waterloo would never run in competition in the spring with Altoona. Whether it was stated publicly or not, it was always understood. It was always the contemplation of the Commission that Altoona would run free of competition, that is free of Waterloo's competition. The Commission needs to be reliable and keep its word. "My recommendation is a stated policy and in keeping with the rules." It was agreed to overlap in the fall but not in the spring because there was never any contemplation of overlapping dates in the spring by Waterloo and the Commission. What has been done today in agreeing to an overlap in the spring is in violation of the rules of the Commission and is a void act and you should consult your Counsel. I am not going to vote for anything I consider to be illegal, and I consider this to be illegal."

Chairman Pike stated there was never a commitment that RACI would ever race free of competition in March and April. He then asked Gary Hayward, General Counsel for the Commission, if they were in violation of their policy.

Mr. Hayward said that there was not an iron clad prohibition but a statement of policy for denying applications for overlapping dates. He did not feel it is in violation of the policy but a change in direction.

Chairman Pike asked who decides on the market area. Who decides whether Waterloo has it own market area and Altoona has their own. Mr. Hayward said that the market area would be a question of fact initially determined by the Commission and subject to judicial review if someone were to challenge the Commission's decision.

Commissioner Monaghan, a member of the Commission since May 1, 1987, commended the Commission up to now on their geographical distribution of the tracks not being within 100 miles of each other. He does not feel that with March weather and the roads being a factor, that Waterloo being open would affect Altoona. He feels there should be greyhound racing in the eastern part of Iowa in March. To take March away from Waterloo would be adversely devesating to them. If $35,000 a day handle would impact Altoona that greatly, then he said things are already too close.

Commissioner Mydland said that no official action was ever taken on RACI running free of competition. She has faith that the Altoona track will succeed even with competition in March.

Chairman Pike said that with Waterloo running in March it would have only a $250,000 impact, at most, on RACI.

Mr. Clarke stated that if those racing dates were approved, he would move to abandon the Altoona project at the next board meeting.

Commissioner Scalise had to leave but wanted to go on the record as voting against the motion on the floor.

The Chair called for a recess.

The meeting resumed after a brief recess with the Chair asking that the motion be tabled and no decision be made at this time. He then asked that RACI appear before the Commission with facts and figures to support their anticipated losses should Waterloo be granted overlapping dates, to which Mr. Clarke agreed.

Mr. Masciotra stated that confirmed racing dates are necessary for contracts and their marketing program. Chairman Pike asked for a couple of weeks to which Mr. Masciotra agreed.

Commissioner Prickett moved to table the motion with Commissioner Monaghan seconding the motion with all in favor. See Order (87-74).

Mr. Masciotra then asked the Commission, if the agenda item of the Iowa Racing Commission versus United Tote could be continued at a later meeting. United Tote and the Commission agreed to this.

The Chair called up the next agenda item, Iowa State University research proposals and recognized Commissioner Prickett. Commissioner Prickett said that Iowa State University was going to give updates on research the Commission supported from last year and research projects for next year but due to time restrictions, will give their report at the next Commission meeting.

The Chair then called upon Roger Roland of the Iowa Fair Horse Racing Limited for a report of the 1987 Harness Fair Meet. Mr. Roland explained that the attendance was down but the per capita was up. The owners and breeders were paid $19,373.70. The total income was $270,580, with expenses totaling $299,886 for a net loss of $29,306.

Commissioner Prickett asked Mr. Roland if they are planning to conduct the Fair Harness Racing Meet again next year to which Mr. Roland replied that a decision will be made next month.

The next item taken up was Final Adoption of amendment to rule 8.2(4)"j"(12), twin trifecta, and the Chair recognized Mr. Ketterer. Mr. Ketterer explained that these rule changes would allow the licensee to determine in the event of a dead heat in the second race of the twin trifecta if the payoff would be distributed as a win pool or a place pool provided the method selected was conspicuously displayed in a prominent place in the grandstand or in the program so the public would be aware of how the payoff would be made. Commissioner Mydland moved that the rule changes be adopted. Commissioner Monaghan seconded with all in favor. See Order (87-75).

Next the Chair entertained a motion that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a". Commissioner Monaghan so moved with Commissioner Prickett seconding. The vote was unanimous. See Order (87-76).

Upon close of Executive Session, the Chair called up the administrative business portion of the meeting and recognized Mr. Ketterer for a committee report. Mr. Ketterer advised the Commission that all tracks have been contacted concerning simulcasting. They are looking at a joint study involving the Commission and each track. The parameters of the study and the costs are being discussed.

It was decided that the next Commission meeting would be Monday, November 23 at 9:30 a.m. in Des Moines. The December meeting would be held on the 15th at 9:00 a.m. in Council Bluffs.

Chairman Pike then raised the question as to what information should be requested of both RACI and Waterloo Greyhound Park.

Mr. Hayward stated that RACI and Waterloo Greyhound Park should show how the month of March would affect each of them. Waterloo should show the effects of not racing in March and RACI should show the effect of overlapping dates. Mr. Bowker, Consultant for RACI, agreed to provide this information and stated that if the horse track doesn't take off the first year, it will take three to four years to get back on track.

Commissioner Monaghan moved that the meeting be adjourned. Commissioner Prickett seconded. The vote was unanimous. See Order (87-77).

MINUTES TAKEN BY

Karyl Schoff

Karyl Schoff

IOWA RACING COMMISSION MEETING
MINUTES
November 23, 1987

The State Racing Commission met on Monday, November 23, 1987, at 9:30 a.m. at the Savery Hotel, Des Moines. Present were: Chairman, Bud Pike; Vice Chairman, Sally Prickett; and members Leo Monaghan and Lavonne Mydland. The Chair called the meeting to order.

The Chair entertained a motion to approve the minutes of the November 13, 1987, Commission meeting. Commissioner Monaghan so moved, with Commissioner Mydland seconding the motion, with all in favor. See Order (87-78).

Chairman Pike then recognized Commissioner Prickett for the next agenda item, Iowa State University College of Veterinary Medicine, report on Research for FY87 and proposals for FY88. Commissioner Prickett said that funding proposals for FY88 had not yet been selected by the subcommittee for recommendation to the Commission for approval. This report would come later. Commissioner Prickett then introduced Walter Hyde, Racing Chemist for the Iowa Racing Commission, for a report on his research project from FY87. Commissioner Prickett informed the Commission that the other reports on research projects from FY87 would be given at a later meeting.

Mr. Hyde thanked the Commission for their financial support and encouragement. Mr. Hyde said that with the research they are doing it would help answer questions on drug testing for pari-mutuel racing and help keep racing fair. Mr. Hyde said that some specific accomplishments of the research funded by the Iowa Racing Commission for FY87 were as follows: Canine, establishment of the identity of the mebendazole metabolites, characterization of Jacksonville Gas and a field test for its use, dermal adsorption of Methoprene, a possible flea preventative, determination of urinary PEG elimination in the canine, characterized urinary excretion of "Bute" and metabolities; Equine, evaluation of analytical techniques for fentanyl, including ELISA, determination of Etorphine by RIA and Mass Spec in equine urine, evaluation of analytical procedures for "Bute" analysis, and use of DRIFT infrared spectroscopy to identify TLC components. Mr. Hyde again thanked the Commission and said that they have enjoyed working with them.

A brief discussion followed concerning the drug testing used on canine and equine in the United States and other countries. Commissioner Prickett said in the past, greyhounds have been left in the dust in research. That is now being turned around. Mr. Hyde said that the greyhound world was behind and hopefully more research will be done in that field.

Mr. Ketterer, Administrator for the Racing Commission, gave a brief update on the Breeder's Cup.

The Chair then called for a recess until 10:30 a.m.

Following the recess, the meeting resumed. Commissioner Scalise joined the meeting. The Chair called up the next item, Hearing on Administrator vs United Tote. Chairman Pike informed the Commission that United Tote had requested a continuance which was granted and would be heard at a later meeting.

The next item on the agenda was the continuance of the granting of 1988-89 racing dates for Waterloo Greyhound Park. The Chair called on Ed Skinner, Racing Association of Central Iowa (RACI). Mr. Skinner said that RACI was concerned about overlapping dates because all the feasibility studies that were done were based upon what the Commission had said in the past, that RACI would not have competition in March and April. Mr. Skinner said that RACI is worried about their cash flow. They might be too conservative but everything right now is based upon assumptions. Mr. Skinner said that all the tracks need to work as a unit and make efforts of reconciliation so they can all be a part of the state. The state needs to support both dogs and horses. Mr. Skinner said that after looking at all tracks, he agrees that Waterloo needs more than December and January without competition. Mr. Skinner asked the Commission to vote to approve the motion by amending the Waterloo season to end March 12, 1989. He said that the RACI Board has agreed to this overlap with Waterloo Greyhound Park. Mr. Skinner said that the 1988 portion is none of their concern. He also asked that the Commission file another policy that there will be no racing by Waterloo between the dates of March 12, 1989, through September 25, 1989. He also asked for a three year commitment from the Commission on these dates. Mr. Skinner said that RACI wants to work with the Commission but they need a commitment. We all need to work together.

Commissioner Monaghan said that three years is a problem. This would propose a hardship on the two eastern Iowa tracks for one year let alone three. Commissioner Monaghan believes that this is too long an overlap for two greyhound tracks.

The Chair then recognized Augie Masciotra, General Manager for Waterloo Greyhound Park. Mr. Masciotra said that the threats of going to the legislature, and going to court with law suits, are situations no one would win. He agreed that they all needed to work together for racing whether for dogs or horses. The legislation was passed for pari-mutuel racing. Mr. Masciotra said that they had made some concessions in the past week. He said that he was agreeable to the the dates of September 6, 1988, through March 12, 1989. Mr. Masciotra said, everyone is going to have to hurt as long as one doesn't have to hurt for all.

Commissioner Scalise asked if RACI was agreeable to those dates. Mr. Skinner said that RACI stayed out of 1988 and were asking for Waterloo not racing March 12, 1989, through September 25, 1989.

Commissioner Scalise asked Mr. Masciotra if he was agreeable to this to which Mr. Masciotra replied, "for one year".

The Chairman then recognized Roy Berger, General Manager of Dubuque Greyhound Park. Mr. Berger then introduced Arnie Honkamp, Treasurer of Dubuque Racing Association. Mr. Honkamp said that Dubuque Racing Association was concerned for pari-mutuel racing in Dubuque and the state of Iowa. He believes the industry will be in shambles in three to five years. Dubuque Greyhound Park was the first licensed, first built and has abided by every rule of the Commission and law of the state. He was appalled that they were left out of the negotiations for racing dates. He then quoted from correspondence that he had received from the Commission and staff and minutes of the Commission meetings. He said that Dubuque had not been takers but givers. They had appeared before the Commission five times, two for date extensions and three for types of wagering. They were approached about simulcasting and agreed to help even though they originally felt it was basically to help Altoona. No other permitee can match their record. Mr. Honkamp said that the dates of September 6, 1988, through March 12, 1989, which they were informed by Commissioner Monaghan as being the choice of the Commission, would be in violation of Commission rule 195-6.3(99D) because Dubuque has not agreed to such an overlap. He said it was not the contention of the Commission to have overlapping dates. He said that when Waterloo was granted their license it was for October 15 through March 1 and May 1 through June 7.

Commissioner Monaghan informed Mr. Honkamp that at no time did he say that those dates were the choice of the Commission.

Commissioner Prickett said that the Commission cannot keep bouncing the dates around. They need to establish dates by which everyone can live.

Mr. Honkamp said that Dubuque Greyhound Park agreed to the dates of October 15, 1986, through April 15, 1987, believing that no more than four weeks of overlap would occur. He said that you can't take from someone without giving something in return. They have to survive. They have a $7.5 million bond debt facing them. Increasing competition in Illinois, Wisconsin, lottery, and riverboat gambling in the next three years will hit them hard. The proposal before the Commission is to help Altoona and Waterloo. He said that in five years the legislature will have to step in and straighten things out. He said that the Commission should abide by their own rule in that all tracks agree on the overlap. Mr. Honkamp said the proposed overlap would have a $1.5 million impact on Dubuque.

Commissioner Scalise said that "what the minutes and letters state are accurate, but whoever calls you speaks for themselves only and not the Commission. The Commission needs to be reliable. Waterloo's license was granted because they publicly agreed to be dark in March and April." Commissioner Scalise said he will do the best he can based upon the promises made to him and by him.

Mr. Honkamp said that they hope that things can be worked out.

Commissioner Scalise asked if Waterloo was dark during the dates of March 12, 1989, through September 24, 1989, would this be agreeable to him, to which Mr. Honkamp replied yes. Mr. Berger said that if March 12, 1989, through September 25, 1989, were approved, they would not come back for additional dates.

Commissioner Mydland said that the Commission should set the dates for all the tracks at the same time.

Commissioner Pike said that the Commission operates in what they see is fair for the state of Iowa, in the spirit of what was fair and that all tracks be treated the same.

Mr. Honkamp said that they would like to be involved upfront when decisions are being made that concern them.

Mr. Hayward, General Counsel for the Racing Commission, asked Mr. Honkamp what he was talking about for the $1.5 million loss. Mr. Honkamp replied $1.5 million in handle. Mr. Hayward said, "So the effect on Dubuque would not be $1.5 million bottom line," to which Mr. Honkamp said that was correct "but it would be close by the time you consider everything and not just handle."

Mr. Berger then introduced Dan Luciano, Racing Secretary at Dubuque Greyhound Park. Mr. Luciano said that the quality of racing would decrease because of overlap. Kennels depend on year round racing to make it. The kennels have to scramble to staff both tracks when overlapping occurs. A lot of kennels who book at Dubuque also book at Waterloo to complete the racing circuit. There needs to be consistency.

Commissioner Prickett asked Mr. Luciano how the dates of September 6, 1988, through February 28, 1989, would impact the kennels to which Mr. Luciano replied it would help. They would not have to have two complete staffs, one for each track.

Mr. Masciotra agreed that from a kennel standpoint, an overlap is not healthy. What Dubuque is facing, so is Waterloo. Mr. Masciotra said Waterloo has no problem with Dubuque having an extra week at the beginning, but no extra overlap in the fall.

Commissioner Monaghan asked Mr. Masciotra what the availability of greyhounds during the overlap was. Mr. Masciotra said that they will be okay with kennels and greyhounds.

Commissioner Prickett asked, "Do you mean Dubuque beginning March 30, 1988, through November 6, 1988," to which Mr. Masciotra replied "yes".

Commissioner Pike said that they could go one year with these dates and then get back into a rotation.

Mr. Skinner said that no where does Altoona hurt Dubuque.

Mr. Ketterer, said that the record of the Commission shows the dates that were given Waterloo when they were granted their license as Mr. Honkamp had said. The reason they had been granted an extension to April 15 was so they could have six months in succession. The additional performances would help to secure their debt. By Altoona moving to March 12 they could use those dates to reduce the amount of overlap in the fall with Dubuque. He recommended no change in the 1988 dates for Dubuque. He felt those should stand. Waterloo and Altoona were both in agreement for the dates of March 12, 1989, through September 25, 1989, in which Waterloo would be dark. Mr. Ketterer recommended September 18, 1988, through March 12, 1989, for Waterloo's racing dates.

Mr. Masciotra said that things change. Commissioner Scalise said that Waterloo is up and running because they said that they would not run in March and April because of the track in Des Moines when they were granted their license. That third vote was cast by me because of that promise.

The Chair called for a five minute recess.

The meeting resumed following the recess. The Chair said that they have heard from everyone today. "Every track has their own turf to protect, but they were setting racing dates for Waterloo only today." He invited Dubuque back to request additional dates.

Commissioner Monaghan moved that the motion from the November 13, 1987, meeting be taken from the table for discussion. Commissioner Prickett seconded with all in favor. See Order (87-79).

Commissioner Monaghan moved to amend the motion by substituting September 6, 1988, through March 12, 1989, for September 30, 1988, through April 2, 1989. Commissioner Mydland seconded the motion. A roll call vote was taken. Commissioners Pike, Mydland and Monaghan voted aye with Commissioners Scalise and Prickett voting nay. Motion passed. See Order (87-80).

To expedite the matter before the Commission, Commissioner Scalise moved to approve the motion as amended. Commissioner Mydland seconded the motion. A roll call vote was taken with Commissioners Pike, Mydland and Monaghan voting aye and Commissioners Scalise and Prickett voting nay. Motion passed. See Order (87-81).

The 1988-89 racing dates for Waterloo Greyhound Park will be September 6, 1988, through March 12, 1989.

Mr. Skinner then asked the Commission if they would approve and ratify the agreement between Waterloo and RACI, that Waterloo would not race between March 12, 1989, through September 24, 1989.

Commissioner Scalise moved that Waterloo Greyhound Park be dark between March 12, 1989, and September 24, 1989. Commissioner Prickett seconded the motion with all in favor. See Order (87-82).

Commissioner Scalise moved that the meeting be adjourned with Commissioner Mydland seconding. All in favor. See Order (87-83).

MINUTES TAKEN BY

Karyl Schoff

Karyl Schoff