IOWA RACING COMMISSION MEETING
MINUTES
JANUARY 19, 1989

The State Racing Commission met on Thursday, January 19, 1989, at 9:00 a.m. at the Wallace Auditorium, Des Moines. Present were: Chairman, Bud Pike; and members Leo Monaghan and Richard Canella. The Chair called the meeting to order.

The Chair stated that the Commission was optimistic for 1989 and looking for a very successful year. Iowa pride is showing through and we all need to work together to keep things moving.

The Chair then entertained a motion to approve the minutes of the December 14, 1988, Commission meeting. Commissioner Canella so moved with Commissioner Monaghan seconding the motion, with all in favor. See Order (89-1).

The next item on the agenda was recommendation for approval of FY89 research proposals from Iowa State University (ISU). The Chair recognized Mick Lura, Acting Administrator for the Racing Commission. Mr. Lura recommended approval of $50,000 for equine research and $52,337 for canine research. He also recommended approval of an additional $105,114 over a three year period for Dr. Walter Hyde to conduct research for the development of immunologic tests for drugs of abuse in racing. Mr. Lura said that ISU is fast becoming the national leader in greyhound research.

Commissioner Monaghan moved to approve $102,337 for FY89 research proposals by ISU and an additional $105,114 over the next three years for a special research project (see attached). Commissioner Canella seconded the motion. The vote was unanimous. See Order (89-2).

The Chair then recognized Stan Bowker, General Manager of Prairie Meadows for a progress report. Mr. Bowker stated that the Annual Business Plan had been presented to the Polk County Board of Supervisors and approved. They are in the process of hiring and training personnel. They are interviewing approximately 600 people per day to fill 600 positions.

Mr. Bowker stated that February 18 would be a dry run with an open house for the public on February 25. They are getting several stall applications so they will have a good variety of horses.

There will be 19, three-hour courses conducted through Des Moines Area Community College to give people an overall view on racing and wagering. The classes that have been conducted to date have averaged around 60 people.

The construction of the track is approximately 97% complete. They will open the facility for the horses February 1 and the track will be ready by February 6.

Chairman Pike asked how horses could run on the track in February. Mr. Bowker replied that crews would work 24 hours to keep the track in shape. They will keep the track from freezing by working it up all the time.

Chairman Pike then asked how they were going to handle opening day. Mr. Bowker replied that they were having opening week instead of opening day. They have approximately 10,000 ticket reserved for opening week.

Commissioner Canella asked if there would be two quarterhorse races a day to which Mr. Bowker replied that there would be two quarterhorse races and eight thoroughbred races per day.

Mr. Bowker stated that 98% of the positions would be filled by Iowans. Some of the key positions would be filled by out-of-state people. Monday the tote board would begin going up and would take about three days to install.

Chairman Pike said that Prairie Meadows would be the first track, he was aware of nationally, to come in under budget. He congratulated Mr. Bowker on a job well done.

The Chair then called upon Jim Heywang, General Manager for Bluffs Run, for a report on their 1988 racing season. Mr. Heywang stated that they had a good season despite all the competition as Bluffs Run ranks 5th nationally in handle. Of 458 performances, total attendance was 1.1 million and a total mutuel handle of $122 million; down about one percent from last year. Per capita wagering was $110. Mr. Heywang told the Commission that $6.1 million had been paid in state taxes and $1.2 million was paid to the city and county. Purses were paid totalling $3.7 million with a total breakage of $43,282. Bluffs Run had approximately 400 Iowa-breds with more expected in 1989. Mr. Heywang said that Bluffs Run was off to a good start in 1989.

Chairman Pike asked if half of their handle was from outside Iowa to which Mr. Heywang replied, a little more than half.

Commissioner Canella asked if they were planning any capital improvements to which Mr. Heywang said there were not any planned.

Mr. Lura congratulated Mr. Heywang on a job well done.

The Chair then recognized Judy Roland for a standardbred industry update. Mrs. Roland thanked the Commission for inviting her to the meeting to represent the industry. She stated that their chance to race at a first class track is nearly here and the excitement is growing. Prairie Meadows is a beautiful structure of which to be proud. She stated that there were 323 standardbred horses registered with the Department of Agriculture; 290 broodmares and 23 stallions. She stated that an Iowa Harness Horseman's Association has been formed and they will be encouraging the Race Secretary to write "Iowa Owned" races so that it will allow Iowa residents to race their horses more frequently and competitively. She stated the goals of the Iowa Harness Horseman's Association will be to work with Prairie Meadows management to insure the success of the pari-mutuel harness horse meet, to negotiate a contract between the horsemen and the track and to pursue legislation seeking the funding of purses at non pari-mutuel fair meets for two and three year old Iowa-Owned and Iowa-Bred/Registered horses.

In 1989, the Iowa fair circuit will include 11 locations and 18 days of racing. Eight dates will be outside the Prairie Meadows' dates and ten days will be during the pari-mutuel meet. These will be held to get 2 and 3 year old colts ready to race competitively and will be driven by people trying to acquire the necessary skills and experience to obtain up-graded licenses allowing them to train and race at a pari-mutuel track.

Mrs. Roland stated that the one concern of the Iowa Harness Horsemen was that the horses had to be on the track grounds at 8:00 a.m. on the day they are programmed to race. This rule is going to work an extreme hardship on the stables that are located an hour or more away from the track. In their experiences in racing at pari-mutuel tracks they have never had to be at the track more than two hours before post time. She asked that the Commission carefully consider the impact this rule will have on off-track training stables before imposing it on the horsemen.

Commissioner Canella asked why the 8:00 time. Mr. Lura said that it was for work-flow purposes so the vets could do their pre-race exam and that horses seem to run truer to form after being stabled for a while. Mr. Lura said that if we were overdoing on the time that we would adjust it but right now he felt comfortable with the 8:00 time to have the horses on the grounds.

Mrs. Roland said that different breeds are trained different and asked the Commission to investigate it.

Commissioner Pike asked if there would be a lot of horses boarded off-track. Mrs. Roland replied about half as many standardbreds as thoroughbreds because standardbreds can race once a week compared to thoroughbreds who can race only once every two to three weeks.

Commissioner Pike asked if there would be enough horses to race. Mrs. Roland said that there would be an ample number as 20% more horses are being trained in Iowa.

The next item on the agenda was the appointment of the Administrator for the Racing Commission. Commissioner Pike moved to hire Mick Lura as Administrator of the Racing Commission at a salary of $55,000 per year. Commissioner Monaghan seconded the motion with all in favor. See Order (89-3).

Chairman Pike then asked Chuck Schott, President of the Iowa Owners and Breeders Association, if he had anything to say. Mr. Schott said that they feel good about the track and getting excited. The relationship between the horsemen, Prairie Meadows and the Iowa Racing Commission is good and things seem to be falling into place. Everyone is optimistic.

The next item on the agenda was rule changes and the Chair called on Mr. Lura. Mr. Lura briefly explained the rule changes concerning the alcohol and drug section and asked that the jockey fee issue be deferred until the next meeting. Mr. Schott voiced an objection to the rule changes stating that they

felt the rules were to stringent. Mr. Lura explained that they won't randomly give breathalizer tests but must have reasonable cause.

Commissioner Pike said that he felt comfortable with the reasonable cause clause as it was important to prove to the public that the track is clean.

Mr. Bowker asked if the rules on the jockey fees were delayed until the next meeting if they would be in place by March 1. Mr. Lura assured him that they would. He also said that the horsemen and jockey guild have independently agreed to the jockey fee schedule which has already been adopted for the first year.

Commissioner Canella moved to Emergency Adopt and Implement amendments to Chapter 9, "Harness Racing," and Chapter 10, "Thoroughbred Racing," and also file a Notice of Intended Action incorporating any changes discussed today. Commissioner Monaghan seconded the motion with all in favor. See Order (89-4).

The Chair then called up the administrative portion of the meeting which was to elect a new vice-chairman of the Commission due to the vacancy left with the resignation of Commissioner Prickett. Commissioner Canella moved to elect Commissioner Monaghan as Vice-Chairman of the Racing Commission. Commissioner Pike seconded the motion. The vote was unanimous. See Order (89-5).

Commissioner Monaghan then moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a". Commissioner Canella seconded the motion with all in favor. See Order (89-6).

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY

Karyl Jones

KARYL JONES

IOWA RACING COMMISSION MEETING
MINUTES
FEBRUARY 16, 1989

The State Racing Commission met on Thursday, February 16, 1989, at 9:30 a.m. at the Wallace Auditorium, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and member Richard Canella. The Chair called the meeting to order.

The Chair then entertained a motion to approve the minutes of the January 19, 1989, Commission meeting. Commissioner Canella so moved with Commissioner Monaghan seconding the motion. All in favor. See Order (89-7).

Chairman Pike then made a few remarks concerning medication. Commissioner Pike stated that since racing began in Iowa, 60,000 samples have been tested with only 262 being positive. Of those positives, most of the drugs detected are used for the treatment of injuries to animals. Chairman Pike said that you have to keep in mind that there are good drugs and bad drugs.

The Chair then presented Dr. Sally Brown Prickett with a plaque for her service on the Commission from 1983 through 1988. He stated Dr. Prickett was one of the best canine and equine vets in the state and had served as point guard for the Commission on drugs. She is serving on the American Association of State Racing Commissioners sub-committee on canine research and the Quality Assurance Program committee for uniform drug testing. She will continue her work with the Commission by serving as the state vet at Bluffs Run. He thanked her for a job well done and wished her well in the future.

Dr. Prickett thanked the Commission and staff for the opportunity afforded her to be associated with so many outstanding people and the personal satisfaction she has received. She thanked everyone for their friendship over the years and looked forward to the continued working relationship.

The next item on the agenda was approvals for the 1989 racing season at Prairie Meadows. The Chair called upon Stan Bowker, General Manager and Steve Kasperski, Racing Secretary at Prairie Meadows. Mr. Kasperski stated that for the start of the season they were requesting approval of a 100% supplement for all Iowa-bred races, 80% for overnight and 20% for stakes. Mr. Kasperski stated that the Commission had been sent a list of the racing officials for approval.

Commissioner Canella asked how many horses would be Iowa-bred to which Mr. Kasperski replied 163 out of 988 will be registered Iowa-breds. Mr. Kasperski stated that at this time next week, they hope to have 80% of the horses here. There are just under 400 here now.

Mr. Bowker stated they are requesting a $100,000 track over-all performance bond and a $150,000 horsemen's bookkeeper bond. They are asking for a $2,000 minimum purse for thoroughbred races and $1,000 minimum purse for quarterhorse races, subject to agreement with the horsemen's group and money available in purse fund. They are requesting wagering of win, place and show on all races, daily double in first two races and exactas in the fourth, sixth, eighth and tenth races with a 20% takeout on exotic wagers.

Commissioner Monaghan asked if the extra 2% takeout was going for the purses to which Mr. Bowker replied yes.

Mick Lura, Administrator for the Racing Commission, stated that there were two other approvals needed, starting gates and a temporary pass policy which Mr. Bowker was not aware of.

Mr. Lura recommended approval of the Iowa-bred purse supplement; racing officials, subject to background checks; performance bond; minimum purse; and multiple wagering format.

Commissioner Monaghan so moved with Commissioner Canella seconding the motion. The vote was unanimous. See Order (89-8).

Mr. Lura also recommended that the Commission give him the authority to approve the starting gates and the temporary pass policy.

Commissioner Canella so moved with Commissioner Monaghan seconding the motion. All in favor. See Order (89-9).

Mr. Bowker stated that last Saturday and Sunday they had an orientation for their employees. This Saturday will be a dry run with an open house Sunday, February 26. Training is going extremely well; construction is completed, except for some touch-up work; and they are in good shape for their opening. They have 7,000 tickets still available for opening week.

The Chair then called upon Mr. Lura to give a report on the drug testing procedure used by the Commission. Mr. Lura stated that the procedure starts with the adoption of rules by the Commission. There are several key people involved in the process. The stewards, who supervise races and administer justice. The licensing staff who approve all people who participate in racing by licensing and running background checks. The veterinarians who look out for the health and safety of animals and make sure they are racing true to form. The veterinarians collect fluid samples (blood and urine) and send them to the racing chemist, Dr. Walter Hyde at Iowa State University. Dr. Hyde tests these samples for drugs and reports the results to the stewards and veterinarians. The stewards hold hearings on all positives and issue the fines. There have been very few positives detected. Many of the positives that are detected are drugs used for treatment of animals.

Mr. Lura stated that Dr. Hyde was first in the nation in canine research and Iowa State University was the second or third leading lab in the country in research.

Mr. Lura then asked Jean Cook, Administrative Assistant for the Racing Commission, to give a brief report on the licensing at Prairie Meadows. Ms. Cook stated that they began licensing ten days ago and have licensed approximately 800 people. They are licensing in the backstretch in the morning and grandstand in the afternoon. Ms. Cook then explained the license

fees.

Mr. Lura commended Ms. Cook and her staff for the job they have done.

Mr. Lura then introduced the stewards, Sheila Gaudreau and Lou Baranello; and the veterinarians, Dr. Robert Stenbom and Dr. John Sweeney. Each gave a brief background on themselves. Both Dr. Sweeney and Dr. Stenbom thanked the Commission for allowing them to come back home to Iowa to work.

Next on the agenda was a greyhound industry update and the Chair recognized Bob Hardison, President of the Iowa Greyhound Association. Mr. Hardison stated that in 1984, there were only 10 individual dogs registered and five litters registered. This has grown to 1,572 individuals and 335 litters in 1988. The monetary supplements in the Iowa-bred program has increased, however, the amount per win has went down because of more Iowa-breds winning. Mr. Hardison said that 25-30% of the dogs competing in Iowa are Iowa-breds. The Iowa-breeders' Classics are now more competitive.

The Iowa Greyhound Association has over 200 members with at least three training tracks in the state.

Chairman Pike asked how many Iowa kennels were running in Iowa to which Mr. Hardison replied five.

Mr. Hardison said that racing will still be successful in the state despite all the competition.

The Chair called upon Mr. Lura for the next item on the agenda, final adoption of amendments to Chapters 4, 7, 8 and 10 and the Chair called upon Mr. Lura. Mr. Lura explained that there were no changes to these amendments since the Commission filed a Notice of Intended Action.

Commissioner Canella moved to final adopt amendments to Chapter 4, "Practice and Procedure Before the Racing Commission and Board of Stewards," Chapter 7, "Greyhound Rules," Chapter 8, "Mutuel Departments," and Chapter 10, "Thoroughbred Racing." Commissioner Monaghan seconded the motion with all in favor. See Order (89-10).

Mr. Lura stated that the Administrative Rules Committee had lifted their hold on the Commission rules relating to the payment of lab fees, jockey fees and the human alcohol testing so all the rules will be in place for the March 1 opening.

The Chair then brought up the Administrative Business portion of the meeting. Chairman Pike called on Commissioner Canella to gave a sub-committee report on Waterloo Greyhound Park (WGP). Commissioner Canella stated that WGP has a deficiency of funds. The sub-committee, consisting of himself, Commissioner Monaghan and Mr. Lura, met with track management, representatives of the board at WGP and representatives of the National Cattle Congress. Commissioner Canella reviewed several of the ideas that were discussed and why they felt

some of them were not feasible solutions to the problem.

Commissioner Canella then moved that the Iowa Racing Commission support the efforts of WGP in the Iowa Legislature aimed at reducing the pari-mutuel tax imposed by Chapter 99D to the extent that such a reduction does not reduce taxes for Iowa's other greyhound tracks at their current level of wagering. The Racing Commission staff shall notify Legislative Leadership and the Governor of this position. Commissioner Monaghan seconded the motion. The vote was unanimous. See Order (89-11).

Chairman Pike then called upon Mr. Lura to discuss the policy and procedures for the Commission. Mr. Lura said that he had reviewed the policy and procedures of the Commission which was established back in 1983 and briefly outlined the changes and additions his was proposing. Commissioner Monaghan asked that Gary Hayward, General Counsel for the Racing Commission, review these changes and the Commission will take action at their next meeting.

It was decided that the next meeting would be held Thursday, March 9.

Commissioner Canella 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 (89-12).

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY

Karyl Jones

KARYL JONES

IOWA RACING COMMISSION MEETING
MINUTES
MARCH 9, 1989

The State Racing Commission met on Thursday, March 9, 1989, at 9:30 a.m. at the Wallace Auditorium, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella and Lavonne Mydland. The Chair called the meeting to order.

The Chair entertained a motion to approve the minutes of the February 16, 1989, Commission meeting. Commissioner Canella so moved with Commissioner Monaghan seconding the motion. All in favor. See Order (89-13).

The next item on the agenda was Dubuque Greyhound Park's (DGP) requests for their 1989 season and the Chair recognized Roy Berger, General Manager of DGP. Mr. Berger explained that the Iowa bred purse supplement program, racing officials, performance bond, minimum purse, multiple wagering format and grading system would remain the same as last year.

Chairman Pike asked Mick Lura, Administrator for the Racing Commission, if he had any problems with their requests to which he replied no.

Dan Luciano, Assistant General Manager and Racing Secretary for DGP, then gave a brief report on the equitrack surface at DGP. Mr. Luciano stated that they have been doing some experimenting with the surface but thus far have been very pleased with it. It will not eliminate injuries all together, but will cut down on them. He said that the greyhounds run nicely on the surface and the track will be in good shape when the season opens.

Mr. Luciano stated six out of 14 kennels this season will be Iowa kennels. The quality of the Iowa-breds are improving and they expect 300-400 Iowa-breds this season. This will be the best competitive season for Iowa-breds since their opening season.

Mr. Lura asked how many kennels had signed up for direct payments to which Mr. Luciano replied eight.

Commissioner Mydland moved to approve the Iowa bred purse supplement program, racing officials, performance bond, minimum purse, multiple wagering format, and grading system, for the 1989 season at Dubuque Greyhound Park. Commissioner Canella seconded the motion with all in favor. See Order (89-14).

Chairman Pike then called upon Stan Bowker, General Manager at Prairie Meadows (PM), for a recap of their opening week. Mr. Bowker thanked the Commission for all of their cooperation in getting the track up and running. He said that even though they had to cancel two days, their average attendance was approximately 5,000 with an average handle of $320,000 and a per capita of $64. He felt this was very good. Mr. Bowker stated that 12 of the races had been won by Iowa owners and he was pleased with the Iowa-bred horses. He stated that the racing surface held up well under the weather conditions.

Commissioner Canella asked how many horses were on-site to which Mr. Bowker replied 855-860.

Commissioner Canella then asked if there were enough quarterhorses for the races to which Mr. Bowker replied yes.

Mr. Bowker thought that the staff did very well opening week considering 95% of them had never seen a horse race before. They still have a few kinks to work out but that will come in time. They have received a lot of favorable comments.

Chairman Pike asked about the width of the area to the backstretch. Mr. Bowker said the only problem they have encountered is that they need to raise the fence as the horses are able to jump the fence at the height it is now. Chairman Pike then asked how many injuries they have had thus far to which Mr. Bowker replied six.

Next the Chair recognized Tom Ruxlow, Director of the Division of Criminal Investigation (DCI), for a report on security at PM. Mr. Ruxlow stated that a law enforcement meeting was held before opening day at PM with approximately 50 law enforcement officials attending. He briefly outlined what had been discussed, and stated that the meeting was well received. He said that the DCI had been working very closely with the Altoona Police Department with any crimes or disturbances.

Chairman Pike asked who has the leadership role for security at the track to which Mr. Ruxlow replied DCI.

Mr. Lura said that the Commission and staff appreciates the good interaction that they have with the DCI.

The Chair then introduced Dr. Schwieger and Glenn Howden, trainers at PM, for a look at life on the backside of the track.

Dr. Schwieger said that he was happy to be at PM. Track management listens to problems and takes action when necessary. The barns are as good or better than other tracks he has been at and the food is good.

Mr. Howden said that he was recruited to Iowa when PM came to Lincoln trying to sell their facility. He has been happy with the racing surface and has found security to be a lot more friendly and helpful than at other tracks. He is very glad he came to Iowa and congratulated the racing department for putting together a good racing card and for their open line of communication.

Commissioner Monaghan asked if they had any problems with the distance from the backstretch to the track. Mr. Howden replied if they put up higher fences they can live with it. It is not that much different than other tracks.

Mr. Lura asked how it has been working with the state stewards and state

veterinarians. Mr. Howden said that they respect their knowledge and accept what they say. Mr. Howden said however, that they are concerned with the medication rules but understand that legislation is in the works to make some changes to the existing law.

Chairman Pike asked if they were satisfied with the jockeys to which they replied that they were good riders and PM had a good jockey colony.

Mr. Howden said that the one thing they would like to see different would be one straight season instead of a split season.

Chairman Pike thanked them for coming and sharing their thoughts with the Commission.

The next item on the agenda was final adoption of amendments to Chapters 9 and 10 and the Chair recognized Mr. Lura. Mr. Lura stated that the Rules Review Committee had asked that the Commission amend these amendments to exempt owners from the .05% alcohol level.

Chairman Pike asked Gary Hayward, Counsel for the Racing Commission, what his opinion was. Mr. Hayward stated that it was up to them as he had no legal problem with it either way; exempting the owners or including them.

Commissioner Monaghan asked what authority we would have if owners were exempted. Mr. Lura said that they would be treated like any other patron and ask to leave if they were creating a disturbance.

After some discussion, Commissioner Canella moved to final adopt amendments to Chapters 9 and 10 without the additional amendment of exempting the owners. Commissioner Monaghan seconded the motion. A role call vote was taken with Commissioners Monaghan, Canella and Mydland voting aye and Commissioner Pike abstaining. Motion carried. See Order (89-15).

Next on the agenda was a legislative report on the Riverboat Gambling Bill and the Chair recognized Dick Thornton, lobbyist. Mr. Thornton gave a brief overview of the contents of the Riverboat Gambling bill as it passed the Senate and was sent to the House.

Mr. Lura then briefly explained the Medication Bill as it passed the Senate and headed for the House. Mr. Lura stated that the only changes proposed to what was passed last year was administrative changes to help cut back on unnecessary work.

The Chair then brought up the administrative portion of the meeting and called upon Mr. Lura for the adoption of Commission Policy and Procedures. Mr. Lura stated that no changes had been made to the Policy and Procedures since they were brought before them last month. Mr. Lura stated that they were sent to Mr. Hayward and he had no problems with them.

Commissioner Mydland moved to adopt new Commission Policy and Procedures (see attached). Commissioner Monaghan seconded the motion with all in favor. See Order (89-16).

Chairman Pike then appointed a Veterinary and Medication Sub-committee of Commissioners Monaghan and Canella.

The next meeting will be held April 20 in Dubuque.

Commissioner Mydland moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a". Commissioner Canella seconded the motion. The vote was unanimous. See Order (89-17).

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY

Karyl Jones

KARYL JONES

IOWA RACING COMMISSION MEETING
MINUTES
APRIL 20, 1989

The State Racing Commission met on Thursday, April 20, 1989, at 9:30 a.m. at the Dubuque Greyhound Park, Dubuque. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella and Lorraine May. The Chair called the meeting to order and thanked Dubuque Greyhound Park for their hospitality.

The Chair entertained a motion to approve the minutes of the March 9, 1989, Commission meeting. Commissioner Canella so moved with Commissioner Monaghan seconding the motion. All in favor. See Order (89-18).

The next item on the agenda was an update report on Prairie Meadows (PM). The Chair called upon Bruce Seymour, Vice-President of Administration at PM. Mr. Seymour stated that thus far this season they have handled $10M, which is an average of $304,000 per performance and an $82 per capita. He stated that they have 850 confirmed horses for the harness meet with approximately 200 horses that will be shipping in to race. They will be racing nine horse fields instead of ten as was done during the spring meet. Prairie Meadows continues to grow as it has a strong fan base.

Commissioner Canella asked if they expected the per capita wagering to decrease during harness season. Mr. Seymour responded that they expect it to drop $4 or $5 even though they have been promoting horse racing as a whole not by type of horse racing.

Commissioner May asked how close the $82 per capita wagering was to their projection, to which Mr. Seymour replied it was off by 25%. Commissioner May then asked if they could tie the decrease to anything. Mr. Seymour felt it was because of the newness of the track and the bad weather they had opening week forcing them to cancel two sold out performances.

Commissioner Pike asked if there was any problems with the jockeys. Mr. Seymour said that they were concerned with having enough quarterhorse riders to finish the spring meet, but the Jockey's Guild has assured them there will be enough.

Commissioner Pike then asked if there were any problems on the backstretch, to which Mr. Seymour replied not alot. They are trying to make life on the backside more pleasant for the people who have to be there.

The Chair then called upon Mick Lura, Administrator for the Racing Commission, for the request for new wagers by PM. Mr. Lura stated that PM was seeking approval for Pick 6, Daily Triple and Trifecta wagering. He said that rules were in place for those wagers and it was just a matter of the Commission giving approval for PM to offer them.

Mr. Seymour said they were still doing research on the wagers and were not ready to implement them yet. They were only asking for approval now, so there would be no delay when, and if, they decided to add them to the program.

Commissioner Monaghan moved to approve the request of Prairie Meadows for Pick 6, Daily Triple and Trifecta wagering. Commissioner Canella seconded the motion with all in favor. See Order (89-19).

Mr. Lura then asked for the approval of the Escrow and Depository Agreement between Racing Association of Central Iowa, Racing Commission and First Interstate Bank of Des Moines, N. A. Mr. Lura said that he had forwarded the Agreement to Gary Hayward, Counsel for the Racing Commission, for review. Mr. Hayward had one change to the Agreement which was made. Mr. Lura recommended approval of the Escrow and Depository Agreement, and give him the authority to sign the Agreement on behalf of the Commission. Commissioner May so moved with Commissioner Canella seconding the motion. The vote was unanimous. See Order (89-20).

Chairman Pike then stated that Mr. Lura has the authority to approve PM request to add on two additional performances, May 15 and October 9, as those dates are within the span of the dates granted to PM.

The Chair then called upon Roy Berger, General Manager of Dubuque Greyhound Park (DGP), for an update on their season. Mr. Berger welcomed the Commission and staff to DGP. Mr. Berger said that in their first three weeks of racing their handle was up 4% over last year but their attendance was down by 9%. Per capita wagering is $130.

Commissioner Canella asked if they were satisfied with the new track surface. Danny Luciano, Assistant General Manager and Racing Secretary at DGP, said that the surface is a little sticky and they have been loosing some of the surface on the bottom of dog's paws and lead-out's shoes. Mr. Luciano said that the greyhound people are happy with the surface.

Commissioner Pike asked if the Iowa kennels at DGP were competitive with the other kennels to which Mr. Luciano replied yes.

Commissioner Monaghan complimented DGP on a job well done. Mr. Berger said that most of the credit goes to the Dubuque Racing Association for taking management's suggestions and turning them into reality.

Chairman Pike then introduced the new member of the Racing Commission, Lorraine May. Commissioner May is an attorney in Des Moines for the Duncan, Jones, Riley and Finley Firm. Chairman Pike welcomed her aboard.

The next item on the agenda was an update report from Bluffs Run and the Chair called on Jim Heywang, General Manager of Bluffs Run. Mr. Heywang said that they started their season off strong but took a decline in February and March

due to the weather. They are down about $2M in sales. Of the 127 performances, they are averaging $278,000 in handle. This is compared to $310,000 in 1988. Mr. Heywang felt that the simulcasting in Nebraska was plaguing Bluffs Run.

Don Hess, DGP, then gave a report on the adopt a greyhound program at DGP. Mr. Hess stated that greyhounds, which have finished their racing career, are recommended to them to be adopted out as pets. The charge to the family for adopting one of these greyhounds is $75. This covers the veterinarian's fee for an exmaination, to make sure the greyhound is in top shape; deworming, neutering and shots. They have placed over 200 greyhounds since the program began. If there is much increase in demand to adopt a greyhound, they won't have enough greyhounds to fill the requests.

Commissioner May asked what happens if a greyhound is returned to them. Mr. Hess said that very few have been returned but if one is, it is returned to the veterinarian until they can adopt it out again.

Commissioner Monaghan asked if such a program was going on at the other tracks. Mr. Heywang stated that they are in the process of establishing a program.

Mr. Lura stated that Iowa gets token attention around the nation because it has a real program for adopting out a greyhound than has ended it racing career.

The Chair then brought up the administrative portion of the meeting and called on Mr. Lura for the expenditure of surplus funds. Mr. Lura said that staff was working with the University of Arizona in setting up a mobile Marketing Seminar to be held May 11 at the Savery Hotel in Des Moines. Mr. Lura ask that the Commission authorize the spending of up to $5,000 in surplus funds to defray the costs associated with the seminar. Commissioner Canella so moved with Commissioner Monaghan seconding the motion. All in favor. See Order (89-21).

Mr. Lura then said that the Association of Racing Commissioners International was asking each racing jurisdiction to contribute $5,000 to the Quality Assurance Program to be used for greyhound research.

Commissioner May asked if the Commission was duplicating efforts by supporting both Iowa and the National Association program in research. Mr. Lura said that Iowa State University is deeply involved in greyhound research and did not feel there was any duplication of effort.

Commissioner May moved to approve $5,000 in surplus funds for the Quality Assurance Program for greyhound research. Commissioner Monaghan seconded the motion with all in favor. See Order (89-22).

Commissioner Monaghan then gave a brief report on the American Greyhound Track

Operators Association's meeting he attended in Mobile, Alabama, March 12-16.

Commissioner Pike and Mr. Lura each gave a brief report on the ARCI national convention held March 19-23, in New Orleans, Louisiana.

Chairman Pike then changed the Veterinarian and Medication Sub-committee from Commissioners Monaghan and Canella to Commissioners May and Canella, and established a Date Setting Committee of himself and Commissioner Monaghan.

The next meeting will be held May 12 in Des Moines.

Commissioner Monaghan moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a". Commissioner Canella seconded the motion. The vote was unanimous. See Order (89-23).

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY

Karyl Jones

KARYL JONES

IOWA RACING COMMISSION MEETING
MINUTES
MAY 12, 1989

The State Racing Commission met on Friday, May 12, 1989, at 10:00 a.m. at the Wallace Auditorium, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, Lavonne Mydland and Lorraine May. The Chair called the meeting to order.

The Chair entertained a motion to approve the minutes of the April 20, 1989, Commission meeting. Commissioner Canella so moved with Commissioner May seconding the motion. The vote was unanimous.

The Chairman then announced some additional agenda items.

The next item on the agenda was a request for change in wagering format at Dubuque Greyhound Park (DGP) and the Chair called upon Roy Berger, General Manager at DGP. Mr. Berger stated that effective May 29, DGP would like to discontinue wagering on the Twin-Trifecta and Daily Triple and distribute the entire Twin-Trifecta pool. Mr. Berger said DGP also requests effective May 31 to begin offering Pic-Six wagering on races 5-10 and introduce an early Quiniela Double to be offered on races 3-4 in addition to the Quiniela Double already in place. They also request to run an all Superfecta performance on Sunday evening, May 28.

Mick Lura, Administrator for the Racing Commission, stated he had no problem with DGP's request.

Commissioner Mydland moved to approve DGP's request for change in wagering format. Commissioner May seconded the motion with all in favor. See Order (89-24).

Stan Bowker, General Manager at Prairie Meadows (PM) gave a brief recap of their spring meet even though four performances remain. Mr. Bowker stated that the average attendance will be 3600-3700, handle of $300,000-$310,000, with a per capita of $82-$85. Mr. Bowker stated that many horsemen and fans have moved on to Aksarben and Canterbury. Mr. Bowker felt the track was put there to boost the economic development in the area, which it has done. Patron comments have been very friendly and favorable. There has been great cooperation with the horsemen. Mr. Bowker commended the stewards on how well they worked together and how fair they were towards everyone.

Mr. Bowker stated that quarterhorse racing for the fall meet was still up in air because they do not have enough stall space. They are trying to get something worked out.

Commissioner Canella asked why the thoroughbreds had priority over the quarterhorses. Mr. Bowker said that he was of the impression the fall meet was a thoroughbred meet.

Commissioner Monaghan stated that the fall meet was approved as a mixed meet and asked that PM do what they can for the quarterhorses.

Commissioner Pike asked how the per capita compared between the thoroughbreds and standardbreds to which Mr. Bowker replied standardbreds were 75% of the thoroughbreds.

Commissioner Canella asked what the expectations were for the harness season. Mr. Bowker said they are projecting an average attendance of 3,000 and an $80 per capita.

Mr. Lura asked what the purse overpayment would be for the fall meet to which Mr. Bowker replied $500,000.

Mr. Bowker said they would be running 12 races per day for the harness season keeping the same post times. The purses will run between $18,000-$20,000. Their group business is just beginning to take off for the summer season.

Mr. Bowker then introduced Connie Ackerman, Racing Secretary for the Harness meet. Ms. Ackerman gave a brief history on herself and the other officials which were brought in for the Harness meet. Ms. Ackerman then asked for approval of the PM Harness Racing officials.

Mr. Lura said he had no problems with the officials, but they should be approved subject to background checks.

Commissioner Canella moved to approve the 1989 Harness Racing officials subject to background checks being completed. Commissioner Mydland seconded the motion with all in favor. See Order (89-25).

Commissioner Canella asked what marketing effort had been made in southern Iowa to get the horsemen to race in Iowa instead of Illinois. Ms. Ackerman stated that most horsemen want to come home to race.

Ms. Ackerman stated she has approved 950 horses and already has a waiting list for the Harness meet. Ms. Ackerman said that all Iowa horses which applied for stalls were granted.

Chairman Pike asked how often a harness horse could run to which Ms. Ackerman replied once a week.

Mr. Bowker then introduced Chet Allen, the Chaplain at PM. Mr. Allen gave a brief background on himself and then described his duties. He said he is down around the barns everyday, does counselling, holds a chapel service every Tuesday night and says a prayer every night with the jockeys before they race.

Chairman Pike asked if he had is own church to which Mr. Allen replied that a track chaplain has to devote all his time to the track itself and not split time with a church.

Mr. Lura stated that Mr. Allen was very highly regarded at the track by the horsemen.

Mr. Bowker stated that the Chaplain puts in a lot of hours and is paid by both the track and the horsemen.

Next Mr. Bowker introduced Kris Flavin, Director of Operations at PM. Ms. Flavin stated that PM was working with the Des Moines Area Community College (DMACC) to help employees in the backstretch and grandstand to receive their GED. They will have two levels; one will be 0 to eighth grade and the other will be ninth to twelfth grade. Classes will be held Monday and Tuesday evening at the track. Each person will be tested individually to find out

what level they are at. Volunteers from PM will help the instructors from DMACC so there will be more individual help since the classes will contain people at all different levels. After a person has gone through the program and received their GED, PM would reimburse the employees their cost for the course.

Ms. Flavin stated they can start the course here but can continue at any community college if they travel around from track to track.

Commissioner Canella asked how many they anticipate enrolling in the course. Ms. Flavin said they expect a minimal number at first but as the reputation of the course grows, they expect it to increase.

Mr. Bowker felt they had the responsibility to their employees to provide them with this opportunity.

The Chair then called upon Lorenzo Creighton, Deputy Administrator for the Racing Commission, for the next item, hearings. Mr. Creighton stated that the first hearing was on the license suspension of Wayne Schilling (Licensee) which was referred to the Commission by the PM Board of Stewards. The Licensee was notified of the hearing by certified mail but was not present.

Mr. Creighton stated that the Licensee was granted a probationary license by the Stewards. On March 18, 1989, the Clerk of Scales observed the Licensee in what he thought was an intoxicated state. The Clerk notified the Board of Stewards who requested security to give the Licensee a breathalyzer test. The Licensee recorded a .298 on the meter. A reading of .100 is considered impaired under Iowa law.

The Board of Stewards looked at the Licensee's history of alcohol related problems and determined that a suspension through the end of the meet was warranted. The Licensee did not appeal the suspension, but the Board of Stewards made a recommendation that the Licensee's suspension be lifted upon presentation of documentation that the Licensee has enrolled in and successfully completed alcohol treatment.

The Licensee had been granted a probationary license to begin with because of a history of alcohol related offenses.

Commissioner May asked what a probationary license was. Mr. Creighton stated that a probationary license is issued if there is behavior problems in their background.

Chairman Pike restated that the Licensee did not ask for an appeal to which Mr. Creighton replied that was correct.

Mr. Allen stated that the Licensee was in the process of going through treatment in Kentucky.

The Chairman then swore in Louis Baranello, State Steward at PM, for his testimony. Mr. Baranello stated that the Stewards granted the Licensee a probationary license due to the alcohol problems in his past. He stated their findings are in their ruling which has been provided to the Commission (see attached). Mr. Baranello said they referred this matter to the Commission because they did not have the power to suspend the Licensee's license pending

completion of alcohol treatment.

Commissioner Canella moved to enter the Order on the record. Commissioner May moved to amend the motion by adopting the Findings of Fact and Conclusions of Law and uphold the Stewards' decision. Commissioner Monaghan seconded the motion. The vote was unanimous. Commissioner Monaghan then moved to approve the original motion as amended. Commissioner May seconded the motion with all in favor. See Order (89-26). (See attached Order).

Mr. Creighton then brought up the Hearing on the Appeal of Stewards' Ruling #4053 by Luann Hosford (Licensee). Mr. Creighton stated that the Licensee was notified by certified letter of the Hearing but was not present.

Mr. Creighton stated that on or about April 7, 1989, the Board of Stewards issued a ruling which suspended the Licensee's license for seven (7) calendar days for careless riding. The Licensee appealed the ruling and a hearing was held on April 17, 1989, before a Hearing Officer. The Licensee stated that she had done all she could to control her mount and did not feel the suspension was fair.

The Hearing Officer sustained the suspension of the Stewards but reduced the seven (7) day suspension to three (3) days.

The Administrator for the Racing Commission filed a request for review of the Hearing Officer's Decision on April 21, 1989, because he felt the Hearing Officer erred in reducing the suspension. The Administrator felt if the Hearing Officer's decision was upheld, it would place the burden on the Board of Stewards to prove a specific intent on the part of a licensee before a violation could occur.

Louis Baranello, State Steward, was sworn in by the Chairman. Mr. Baranello gave testimony on the violation by the Licensee as a video tape was shown of the race in which the violation occurred.

Ron Fairholm, Track Steward; and Sheila Gaudreau, State Steward; were sworn in by the Chairman. Each steward provided testimony on how they viewed the race by the Licensee. All stewards were in agreement on the decision that was made, that anytime you fail to have your horse under control, it is careless riding. You are endangering other horses and jockeys and the seven (7) day suspension was warranted.

Commissioner May moved to adopt the Order, Findings of Fact and Conclusions of Law, amending paragraph 2 under Conclusions of Law by inserting the word "veterinary" following the word "competent" in the first line and amending paragraph 5 by deleting the last sentence (see attached Order) and uphold the Stewards' decision. Commissioner Monaghan seconded the motion with all in favor. See Order (89-27).

The Chair then brought up the administrative portion of the meeting and called on Mr. Lura for a legislative update. Mr. Lura said that the bill with the proposed medication changes had passed the Senate but not the House. Hopefully, this bill will be brought back up in January when the session reconvenes. Riverboat gambling passed and staff was in the process of researching casino type gambling. Limited simulcasting was passed which would be conducted at the track facilities only.

Mr. Bowker asked that the Commission sit down with House leadership a head of the next session and try to iron out any misunderstandings there may be on the medication bill. Chairman Pike agreed and said that would be a priority for the Legislative Sub-Committee.

Chairman Pike stated that the Commission has accepted the responsibility for Riverboat Gambling and already has established a good relationship with the DCI to help keep the criminal element out.

The Chair then asked for a Medication Sub-Committee report. Commissioner Canella said that they are setting up their first meeting to meet with Dr. Walter Hyde, Racing Chemist. They will have more to report at the next meeting.

Chairman Pike stated that the Date Setting Sub-Committee had met with all the tracks and discussed preliminary dates and the Committee will have their recommendations for the full Commission at the next meeting.

Commissioner Canella asked about a review and update of policies concerning the licensing of people with a criminal record. Mr. Lura said that staff would review the policies and present their recommendations to the Commission.

Commissioner May moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a". Commissioner Mydland seconded the motion. The vote was unanimous.

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY

Karyl Jones

KARYL JONES

MINUTES
TELECONFERENCE MEETING
JUNE 1, 1989

On June 1, 1989, the Iowa State Racing Commission held a conference call pursuant to Iowa Code Section 21.8. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matter to be decided.

Participating in the call were: Chairman Bud Pike, Vice-Chairman Leo Monaghan, Members Lavonne Mydland, Richard Canella and Lorraine May, and Administrator of the Racing Commission Mick Lura. Present in the Commission office were Lorenzo Creighton, Director of Administration, and Roger Munns of the Associated Press.

The Chair recognized Mick Lura who advised the Commission that before them at this time are two requests for simulcast wagering events (Senate File 220, signed by the Governor May 24, 1989, allowing simulcast wagering in Iowa) by Dubuque Greyhound Park and Bluffs Run to simulcast the "Greyhound Race of Champions" from Mile High in Colorado on June 17, 1989, and Prairie Meadows request for the "Belmont Stakes" race from New York on June 10, 1989. Mr. Lura stated that Gary Hayward, Legal Counsel for the Racing Commission, is reviewing the bill to interpret whether Iowa is allowed 10 events per track or 10 events annually for all tracks. That portion of the Bill needs clarifying and Mr. Hayward will have a determination by the end of June.

Commissioners May and Monaghan expressed concern as to whether all track management were in agreement and if all had been notified of the requests. Mr. Lura advised the Commission that there were no objections from any track management. Augie Masciotra, General Manager of Waterloo Greyhound Park was contacted and stated that due to winter months of racing, they really had no interest in simulcasting the event, but had no objections to the other tracks requests. Mr. Lura advised the Commission that State Stewards in Iowa would be in telephone contact with Colorado and New York Stewards at the time the events take place in order to make sure the betting machines are locked at the designated time.

After further discussion Chairman Pike called for a motion to allow the Belmont Stakes to be simulcast to Prairie Meadows on June 10, 1989. Commissioner Canella so moved, with Commissioner Monaghan seconding the motion. The Chair called for a roll call vote with all Commissioners voting aye. (See Order 89-28).

Chairman Pike then called for a motion to allow the Greyhound Race of Champions to be simulcast to Dubuque Greyhound Park and Bluffs Run on June 17, 1989. Commissioner Mydland so moved with Commissioner Canella seconding the motion. A roll call vote was taken with all in favor. (See Order 89-29).

Mr. Lura then advised the Commission that Prairie Meadows is pursuing a promotional plan scheduled for the end of June in which

they may offer different types of wagers such as the quiniela wager. Mr. Lura stated that no action could be taken at this time, but could be taken up at the regular Commission meeting scheduled for June 15. He then asked if the Commission had any objections to Prairie Meadows beginning an ad campaign, to which all Commissioners replied no.

Chairman Pike then called for a motion to adjourn. Commissioner Canella so moved, with Commissioner Mydland seconding the motion, all in favor.

MINUTES TAKEN BY

Jean Cook

JEAN COOK

IOWA RACING COMMISSION MEETING
MINUTES
JUNE 15, 1989

The State Racing Commission met on Thursday, June 15, 1989, at 9:30 a.m. at the Wallace Auditorium, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, Lavonne Mydland and Lorraine May. The Chair called the meeting to order.

The Chair entertained a motion to approve the minutes of the May 12, 1989, Commission meeting. Commissioner Mydland so moved with Commissioner Canella seconding the motion. The vote was unanimous.

The next item on the agenda was the request for change to existing racing dates by Prairie Meadows (PM) and the Chair called upon Bruce Seymour, Vice President of Administration, PM. Mr. Seymour stated PM was asking to extend their season one week through November 13 due to inclement weather during opening week.

Commissioner Canella asked if the weather would be good enough to race that late in the year. Mr. Seymour stated that it was weather that brought them before the Commission with the request and will always be an unknown. Commissioner Monaghan stated that he was opposed to the request because the dates had been set and should not be changed.

Mick Lura, Administrator for the Racing Commission, stated that staff had no objections to the extension provided there were no objections from the other tracks. Chairman Pike asked if there were any objections from the other tracks on the date extension requested by PM. Mr. Masciotra, General Manager at Waterloo Greyhound Park (WGP), stated they had no objections to the request if their request for a date extension was granted. Commissioner May moved to extend PM's racing season through November 11 with Commissioner Pike seconding the motion. A role call vote was taken with Commissioners Pike, Mydland and May voting aye and Commissioners Monaghan and Canella voting nay. Motion carried. See Order (89-30).

The Chair then called upon Mr. Masciotra, for WGP's request to extend their racing season. Mr. Masciotra stated they were asking to extend their 1989-90 racing season to April 8, 1990. He said the date extension would help them out financially. Mr. Lura stated that staff had no objections to the extension if there was no objections from the other tracks. No objections were heard. Commissioner May moved to extend WGP's 1989-90 season through April 8, 1990, with Commissioner Mydland seconding the motion. A role call vote was taken with Commissioners Pike, Mydland and May voting aye and Commissioners Monaghan and Canella voting nay. Motion carried. See Order (89-31).

Commissioner Canella stated that he was against the changing of race dates once they were established. They need to be consistent.

Approval of 1990 racing dates was the next item on the agenda. Chairman Pike asked Commissioner Monaghan for a Date Setting Sub-Committee report. Commissioner Monaghan stated that Chairman Pike and himself served on the Date Setting Sub-Committee. He said they had met with representatives from each of the tracks and no one seemed to have any objections to the other tracks' requests for dates. Commissioner Monaghan recommended approval of the dates as requested by the tracks.

The Chair called upon Roy Berger, General Manager, at Dubuque Greyhound Park. Mr. Berger stated that the Dubuque Racing Association was requesting to race from March 24 through November 4, 1990.

Commissioner Mydland moved to grant Dubuque Racing Association the race dates of March 24 through November 4, 1990. Commissioner Canella seconded the motion with all in favor. See Order (89-32).

Next, the Chair called upon George Beno, Executive Director for Iowa West Racing Association for their request for dates for the 1990 season. Mr. Beno stated that they were requesting to race from January 5 through December 31, 1990, with no racing being conducted December 10 through December 25.

Commissioner Monaghan moved to grant Iowa West Racing Association the dates of January 5 through December 31, 1990, with no racing being conducted December 10 through December 25. Commissioner Mydland seconded the motion. The vote was unanimous. See Order (89-33).

The Chair then called upon Mr. Masciotra for the WGP request for their 1990-91 racing dates. Mr. Masciotra said that they were asking for six months of continuous racing from October 11, 1990, through April 14, 1991.

Commissioner Monaghan moved to grant Waterloo Greyhound Park the race dates of October 11, 1990, through April 14, 1991. Commissioner Canella seconded the motion with all in favor. See Order (89-34).

Next the Chair called upon Mr. Seymour for the Racing Association of Central Iowa's (RACI) request. Mr. Seymour stated they were asking that their 1990 season be from February 28 through November 19, 1990.

Commissioner Canella voiced a concern that he felt the season was a little long and didn't want to see PM back before the Commission with any changes.

Commissioner Monaghan moved to approve RACI's request for racing dates of February 28 through November 19, 1990, racing thoroughbreds, standardbreds, and quarterhorses sometime during the season. Commissioner Canella seconded the motion with all in favor. See Order (89-35).

Chairman Pike said that he was pleased that all the tracks came to the meeting with the spirit of cooperation and hoped that the cooperation continued.

The next item on the agenda was a 1988-89 season recap by WGP and the Chair

called upon Mr. Masciotra. Mr. Masciotra thanked the Commission for their part in getting legislation enacted that helped WGP finish their season in the black instead of in the red. Mr. Masciotra stated that their handle was down $3.5 million from last season and their attendance down 18%. Their per capita was $121 which was 9% up over last season. He stated there was a 42% increase in Iowa breds and he was very happy with the program. WPG did not lose any days due to weather. They are looking for better things in the future and hopefully they are over the hump. Mr. Masciotra commended state steward Jim Gibson for his honesty and help and stated that Mr. Gibson was very highly regarded at WGP.

Commissioner Canella asked what WGP was doing to try to increase attendance. Mr. Masciotra replied that they got hurt by opening in September which they could not recoup and he hoped the later start to the season would help. He also said the early bird wagering accounted for lack of attendance.

Commissioner Monaghan asked what the quality of the Iowa-breds were. Mr. Masciotra said that it was hard to judge because an overlap with Dubuque brought in a lot of Iowa-breds, but not necessarily quality Iowa-breds, because they were still racing in Dubuque.

Commissioner Monaghan said that it is very visible what the tracks have done for Iowa. They bring people back to the state have and stimulated the economy.

The Chair then introduced Carole Baumgarten, the new General Manager at PM and wished her the best of luck.

Ms. Baumgarten said that she is looking forward to the challenge and gave the Commission a brief background on herself. She said in her new position she will listen to the public and see what can be changed to satisfy them. They have already changed the post times and added new exotic wagers. She felt she had background in the track by serving on the RACI Board since the beginning of the project. She said that the fever is growing and there are many changes yet to come.

Mr. Seymour then gave a spring thoroughbred season recap. Mr. Seymour stated that they had a 53 day season with an attendance of 191,436, averaging 3,612 a performance. Their handle was $15 million with an average of $298,834 per performance and a per capita wagering of $82.73. They paid out purses of $1.5 million. He said that they averaged 8.3 horses per race which beats the national average. He said that they felt they had reached their goal of providing a professionally operated entertainment center.

Commissioner Pike asked if they were trying to educate people on harness racing. Mr. Seymour said they have a talk show before every race and a radio show every week for call in questions.

Commissioner Canella asked if they were satisfied with the quarterhorses. Mr. Seymour stated that the quarterhorse people were very cooperative and will not be ruled out for their fall meet.

Chairman Pike asked how the thoroughbreds look for the fall meet to which Mr. Seymour replied they look real positive.

Mr. Seymour than asked Commission approval to offer Quinella wagering at PM.

Chairman Pike asked how the wager would be used to which Mr. Seymour stated that they would be experimenting with it at this time but their surveys show a popular demand by the public for quinella wagering.

Chuck Schott, President of the Iowa Thoroughbred Association, stated that he understood why PM wanted to add quinella wagering but quinella wagering would affect the breakage which would cut back on the amount of money the horsemen would receive.

Mr. Lura stated that PM was experimenting with the wagers to see how the different wagers affect the handle. A smaller percentage of a larger handle would equal out to the same thing as a higher percentage of a lower handle. No one will know without trying.

Royal Roland, Vice President of the Iowa Harness Horsemens Association, stated that whatever is good for the track is good for the horsemen. Give the people what they want.

Mr. Seymour stated that as the success of PM increases so does the success of the horsemen.

Mr. Lura stated that staff had no problem with the request and PM's tote equipment was programmed to handle the wager. Commissioner Canella moved to approve quinella wagering at Prairie Meadows with Commissioner Mydland seconding the motion. The vote was unanimous. See Order (89-36).

Mr. Lura also notified the Commission that PM would be terminating Pic-Six wagering on Sunday.

Next the Chair called up the administrative business and asked for a Medication Sub-Committee report. Commissioner May stated that herself, Commissioner Canella and Mr. Lura had met with Dr. Walter Hyde, Racing Chemist; and briefly explained what had transpired during their meeting.

Commissioner May stated that the Medication Sub-Committee's goals are to maintain the integrity of the medication rules; increase the turn around time of specimens, not negative but spicious; and increase the research in the area of drug testing. They plan to meet with the track veterinarians for their input and come to the full Commission later with recommendations.

Next Commissioner Canella gave a brief report on his trip to Atlantic City to attend the National Association of Gambling Regulatory Agencies, June 6-9. He also reported on his meeting with the New Jersey Gaming Commission. He summed his report up by stating he felt it was a very worthwhile and informative trip.

Chairman Pike stated that this was one of many trips which would be taken to

gain firsthand experience on gambling.

Mr. Lura then briefly explained the Riverboat Gambling Timetable (see attached) and ask for the Commission's approval of the Timetable. He explained that the Timetable is only tentative and could be changed if need be. He stated the only part of the Timetable that could not be changed was that it was not physically possible to have a draft of the rules ready before August. A couple of the Commissioner voiced a concern that applications should be accepted earlier in the fall than what the Timetable reflected. After further discussion, Commissioner Mydland moved to approve the Timetable with Commissioner May seconding the motion with all in favor. See Order (89-37).

Commissioner Monaghan stated that we can't rush into anything but we do need to keep riverboat gambling moving along.

Commissioner May then read a Press Release (see attached) on Riverboat Gambling which was prepared to notify the public of what is happening with Riverboat Gambling and what they can expect down the road.

The next item brought up was Hearings and the Chair called upon Lorenzo Creighton, Deputy Administrator for the Racing Commission. Mr. Creighton stated that the first hearing was on the license suspension of David Lucky (Licensee) which was referred to the Commission by the PM Board of Stewards. The Licensee was notified of the hearing by certified mail but was not present.

Mr. Creighton stated that on March 11, 1989, a check in the amount of $750 drawn on the account of Lem Klemme of Walnut Grove, Missouri, was presented to the horsemen's bookkeeper at PM and on March 23, 1989, the check was returned for insufficient funds. Mr. Klemme stated to DCI agent, Gary Marker, that he had not written the check and it had been taken from his home in Missouri, where the Licensee had worked.

The Board of Stewards sent the Licensee a notice of hearing by certified mail, which was returned unclaimed to answer allegations of theft and forgery. When Licensee did not appear, the Board of Stewards issued a ruling referring the case to the Commission with a recommendation of suspending the Licensee's license for the balance of the year.

Mr. Creighton stated that this violation had occurred prior to the Commission staff finding out the Licensee had falsified his license application.

Chairman Pike then swore in Louis Baranello, State Steward at PM; and Gary Marker, Special Agent for the Iowa Division of Criminal Investigation. Both Mr. Baranello and Mr. Marker gave testimony reaffirming what had already been stated.

Commissioner Canella moved to uphold the findings of the Board of Stewards. Commissioner Mydland seconded the motion with all in favor. See Order (89-38).

Commissioner May then moved to adopt the Findings of Fact and Conclusions of Law, eliminating the last sentence of the first paragraph on page two (see attached). Commissioner Monaghan seconded the motion. The vote was unanimous. See Order (89-39).

Mr. Creighton then addressed the next Hearing, the Appeal of the license suspension of Sharon K. Burchett (Licensee) by the PM Board of Stewards' Ruling #4207. Mr. Creighton stated that the Licensee was notified of the Hearing and was present with her attorney, Christopher Rogers.

Mr. Creighton stated that on June 3, 1989, DCI agent Rollie Hoffman received a phone call from state veterinarian, Dr. Robert Stenbom, stating that he observed a horse identified as "Twig O'Perry" suffering from what is commonly referred to as a bowed neck. This, according to the veterinarian, indicated that the horse had been injected improperly with a syringe. Since no practicing vet had treated the horse, and the horse was entered in a race for that day, a preliminary investigation was initiated. A stable search was conducted resulting in the findings of a bottle used for injections and a syringe and needle. The Licensee admitted in a written statement that she had injected the horse "Twig O'Perry" with what she stated was a vitamin. The allegations of the violation is not in dispute, but rather if the rules were actually violated.

Chairman Pike swore in the following witnesses: Louis Baranello, State Steward at PM; Rollie Hoffman, Special Agent for the Iowa Division of Criminal Investigation; and Sharon K. Burchett, Licensee.

Following lengthy testimony (which is available on tape at the Commission office), Commissioner May moved to vacate the Stewards' Ruling and dismiss the alleged allegations and adopt the attached Findings of Fact and Conclusions of Law. Commissioner Canella seconded the motion with all in favor. See Order (89-40).

Commissioner Mydland 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.

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY

Karyl Jones

KARYL JONES

IOWA RACING COMMISSION MEETING
MINUTES
JULY 20, 1989

The State Racing Commission met on Thursday, July 20, 1989, at 9:00 a.m. at the Adventureland Inn, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella and Lorraine May. The Chair called the meeting to order.

The Chair entertained a motion to approve the minutes of the June 1, June 15 and June 22, 1989, Commission meetings. Commissioner May so moved with Commissioner Canella seconding the motion. The vote was unanimous.

The next item on the agenda was the Racing Association of Central Iowa and the Chair recognized Carole Baumgarten, President and Chief Executive Officer at Prairie Meadows (PM). Ms. Baumgarten detailed $1.7 million in reductions at PM. These reductions include laying off maintenance workers, valets and assistant starters; reducing hours of mutuel clerks; not spending the $5000 a day in advertising; cutting back on purses; dropping some of the consultant contracts; and cutting back on the amount of items they would serve on their menu. She felt comfortable that they had not made any cutbacks in the areas that would hurt the integrity of racing. She stated that they had geared up for the opening of PM and never backed down.

Ms. Baumgarten stated that she did not want to make any projections for the upcoming meet because then they become goals instead of projections. She told the Commission that she would come to their next meeting with their operating budget for the fall meet, preliminary report on next years season, and the audit information to date.

Ms. Baumgarten felt that by asking the County to help with their budget, the Polk County taxpayers felt a little more comfortable knowing Polk County would be involved with the finances. She stated that group bookings were the backbone of the success of the track and to date over 50,000 seats have been sold for the fall meet. They will be having promotions throughout the meet hoping to increase attendance. Ms. Baumgarten said that they are focusing on creating an entertainment facility and not just on opening day.

Mr. Lura, Administrator for the Racing Commission stated that he had met with representatives from PM and feels comfortable with the changes and cutbacks that have been made.

Chairman Pike stated that the Iowa Racing and Gaming Commission is the regulator, not the operator. The changes PM makes is not of concern to the

Commission unless they affect the integrity of racing.

Commissioner Monaghan asked if they were going to have some type of program to education or orient the public to the facility. Ms. Baumgarten responded by saying that they will have live handicapping tapes, handing out brochures outlining the facility and tips on wagering. The key is have a good time so people will return. PM wants to make that as easy as possible.

Bruce Seymour, Vice President of Administration at PM, was then called upon to walk the Commission through the approvals PM was requesting for their 1989 fall meet. Mr. Seymour recognized Steven Kasperski, Racing Secretary at PM, to update the Commission on bringing the thoroughbred and quarterhorses back early.

Mr. Kasperski said that they were able to put the fall meet together in a months time. They have had a lot of help but the response has been great. They have 400 horses on the grounds now and expect 800 by Monday. Purses will be lower than the spring meet but the horsemen have agreed to come back anyway. The horsemen feel they were treated well by staff and management and were impressed with the racing surface. They have as assigned stall space to 200 Iowa-bred horses.

Commissioner Canella asked if they will be bringing in any popular named horses. Mr. Kasperski said not at this time however they have booked stall space to owners that have the capability of bringing in some big-name horses.

Commissioner Pike asked where the horses will be coming from to which Mr. Kasperski replied that the bulk will be from Iowa and Nebraska. Commissioner Pike then asked if they will have to board any horses off-grounds. Mr. Kasperski stated that they were already referring people to the fairgrounds and are looking for more stable space. He said that it was a nice headache to have; to have to find stable space instead of horses.

Commissioner Canella asked about the quarterhorses. Mr. Kasperski that he has allotted 200 stalls for quarterhorses.

Commissioner Monaghan asked if they would still run two races a day for quarterhorses to which Mr. Seymour replied yes but would not be locked into just two; it could be more.

Commissioner Monaghan asked about the purse. Mr. Seymour said that they had met with the Horsemen's Protection Benevolent Association and they have agreed to lower the minimum purse from $2300 to $1800. The horsemen have been working closely with track management on purses.

Mr. Lura asked how the changing of the surfaces went to which Mr. Seymour replied well. The weather was perfect and the change over was made at little

cost. The time and equipment was donated. Mr. Lura then asked if the quality of the track was the same as the spring meet. Mr. Seymour said that they had samples tested and what was missing has been added back in so the surface will be the same.

Mr. Lura asked what percentage of the horses are two-year olds to which Mr. Kasperski stated around 20%.

Mr. Lura said that an Attorney General's opinion stated that Iowa-bred purse supplement money shall be paid to Iowa-bred horses placing first, second, third and fourth in non-restricted races and to the owner of the winning horse in a restricted race, therefore, PM is changing their request to conform.

Commissioner Canella moved to approve PM's request for the Iowa bred purse supplement for their fall 1989 meet. Commissioner Monaghan seconded the motion with all in favor. See Order (89-44).

Mr. Seymour then informed the Commission of the changes made to the officials from their spring meet and the changes made to the department heads since the track opened in March. Mr. Seymour gave a brief background on those in question.

Mr. Lura recommended approval of racing officials and department heads subject to background checks.

Commissioner Monaghan moved to approve PM's racing officials for their fall 1989 met and the department heads subject to background checks. Commissioner Canella seconded the motion. All in favor. See Order (89-45).

Mr. Seymour stated that the minimum purse was lowered from $2300 to $1800 and the purse structure would be paid out as follows: 1st-60%, 2nd-20%, 3rd-12%, 4th-5% and 5th-3%.

Mr. Lura recommended approval of the $1800 minimum purse and the purse structure. Commissioner Canella so moved with Commissioner Monaghan seconding the motion. The vote was unanimous. See Order (89-46).

Mr. Seymour stated that they were requesting wagers of win, place and show and exotic wagers of daily double, quinella, exacta and trifecta for their fall meet. Mr. Lura asked if they would only use the trifecta on eight betting interest or more to which Mr. Seymour replied yes. Mr. Seymour stated that their survey to the public reflected that the trifecta wagering was the most popular followed by the daily double.

Commissioner Monaghan moved to approve the wagering format requested by PM for the fall 1989 meet. Commissioner May seconded the motion with all in favor. See Order (89-47).

Mr. Lura recommended approval for PM to simulcast the September 3, Budweiser; and the September 24, Super Derby. Commissioner Monaghan so moved with Commissioner Canella seconding the motion. The vote was unanimous. See Order (89-48).

Mr. Lura explained that the amendment to the By-Laws and the amendment to the Operating Agreement with Polk County was to increase the Racing Association of Central Iowa's board members from nine to 45 which he did not see any problem with. He also informed Ms. Baumgarten that the Commission never approved amendments one or two to the Operating Agreement which needed to be brought before the Commission for approval.

Commissioner May moved to approve the amendments to the By-laws and the third amendment to the Operating Agreement. Commissioner Canella seconded the motion. All in favor. See Order (89-49).

Following a short recess, the Chair called up the next item on the agenda, the hearing on the Steven Boyd appeal of Bluffs Run Board of Stewards' Ruling No. 1032. The Chair called upon Lorenzo Creighton, Deputy Administrator for the Racing Commission. Mr. Creighton stated Mr. Boyd had appealed the Board of Stewards' decision which was heard before a Hearing Officer, who upheld the decision of the Board of Stewards. Mr. Boyd then appealed the Hearing Officer's Decision to the Commission. Mr. Boyd had been notified by certified mail of the hearing and both Steven Boyd and his attorney, David Richter, were present.

Mr. Creighton stated that on May 2, 1989, the Bluffs Run Board of Stewards issued ruling #1024 suspending Mr. Boyd (Appellant) for seven calendar days, a $100 fine, and placed on probation for the remainder of the 1989 racing season for his conduct on April 28, 1989, for swearing at an official. The conditions of the suspension set forth in ruling #1024 stated in pertinent part that no access to track premises other than Boyd Kennel for care and feeding of greyhounds; no participation in racing activities including, but not limited to, official and unofficial schoolings, entry and take off sheets and weigh in.

On May 11, 1989, the Appellant was observed jumping over the fence separating a public area and entering the starting gate area. The Appellant was observed by a security officer who later filed an incident report with the Board of Stewards. The incident report initiated ruling #1032 by the Stewards suspending the Appellant for 30 days for a violation of the terms set forth in ruling #1024.

Mr. Creighton stated that when the Appellant went over the fence to the track area, he was accessing an area of the track other than the Boyd Kennel. This was a violation of the terms of the suspension as set forth in the Board of

Stewards Ruling #1024 . Ruling #1024 was not appealed as required and therefore, the suspension, fine and probation contained therein are a matter of record.

Chairman Pike then swore in the following witnesses: Richard Woodsmall, State Steward at Bluffs Run; Steven Boyd, Appellant; and John Boyd, employer of Steven Boyd.

Following lengthy testimony (which is available on tape at the Commission office), Commissioner May moved to reduce the suspension by the Board of Stewards from 30 days to 14 days and adopt the attached Findings of Fact and Conclusions of Law. Commissioner Monaghan seconded the motion with all in favor. See Order (89-50).

Next on the agenda was the administrative business and the Chairman called up the election of Chairman and Vice-Chairman of the Commission. Commissioner Canella moved to re-elect Bud Pike as Chairman. Commissioner May seconded the motion with all in favor. See Order (89-51). Commissioner May then moved to re-elect Commissioner Monaghan as Vice-Chair. Commissioner Canella seconded the motion. The vote was unanimous. See Order (89-52).

The Chairman then asked for a Medication Sub-Committee report. Commissioner Canella stated that he had went to Dubuque to meet with Dr. Vanderloo, state veterinarian, and to observe firsthand what goes on behind the scenes at the greyhound track. He said that it was very interesting and worthwhile. Commissioner May said that she had met with Dr. Prickett, state veterinarian at Bluffs Run, and got a good background on what the veterinarians do at the track. She stated that the sub-committee would be coming before the Commission in the next couple of months with recommendations.

Chairman Pike then said that the Commission had received a letter from the Iowa Greyhound Association asking the Commission to increase the purses paid by the tracks. This will be brought up at the October meeting for discussion.

Mr. Lura then ask that the Commission appoint a sub-committee of one to handle the budget decisions for FY91 instead of trying to contact each Commission member when a decision needs to be made. Commissioner May moved that the Commission delegate budget decisions for FY91 to a subcommittee of one appointed by the Chairman. Commissioner Canella seconded the motion with all in favor. The Chairman appointed Commissioner Monaghan to serve on this sub-committee. See Order (89-53).

Chairman Pike then assigned Commissioners Canella and May to serve on a sub-committee on riverboat gambling rules.

Commissioner May then moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background investigations.

Commissioner Canella seconded the motion. The vote was unanimous.

Following a break for lunch, the Chair reconvened the meeting at 1:30 p.m.

The Chair introduced Anthony Parillo, Director, and Fred Gushin, Assistant Director, of the New Jersey Division of Gaming Enforcement. Mr. Parillo and Mr. Gushin outlined the structure of the New Jersey Division of Gaming Enforcement and went through some of the problems they encountered and how they have corrected them. They briefly outlined some of their rules and why they had them. Revenues have increased for the state of New Jersey through casino gambling.

They told the Commission that they should act with extreme caution as they get further into casino gambling. Every state has their own ideals on how gaming should be handled and the Commission needs to make sure rules are developed to cover all aspects of the games.

The next part of the meeting was devoted to riverboat gambling. The Commission had invited potential operators, they were aware of, to the meeting so the Commission could get a feel for what was out there, what the potential operators anticipate happening, and any problems the operators saw with the riverboat legislation. Following is a list of those potential operators present and their comments.

Alter Company - Spokesperson Bernie Goldstein, President

Mr. Goldstein stated that they were looking at operating in the counties of Muscatine, Scott, and Clinton. They anticipate two large boats with 1000 person capacity. They would run three to four cruises a day each being three to four hours in length. They plan other economic growth such as a theme park and hotels. The only problem they saw with the legislation was the 20% tax.

Delta Queen Steamboat Co. - Spokesperson Patrick Fey

They are looking at the Dubuque and Davenport area with one large boat with a capacity of 2500 people. They would want to maintain the history and spirit of the riverboats on the Mississippi. They would run two excursions a day for four to six hours each. He sees riverboat as increasing tourism in Iowa. They are still not sure if there is enough business in Iowa so they are still tossing numbers around. The only problem Delta had with the legislation was the 20% tax. You have to leave room for the operators to make a living.

Frank Fried and Associates - Spokespersons Frank Fried and John Schegan

Mr. Fried said that they would bring historic boats to Iowa. They would consider operating on the Mississippi, Missouri, and maybe the interior. They have not be approached by any interior counties and it is not good business to

contact them. They will just have to wait on the referendums to pass in the counties. Each boat would be a story of the area it is operating in. They would look at three-hour cruises. They want to revive history. They would need 14-15 months lead time to get their boat built. They also did not like the 20% tax.

Robert's River Rides - Spokesperson Bob Kehl

Mr. Kehl gave a brief background on their business and introduced his key players. He stated that he opposed riverboat gambling but now that it has passed would have to conform or be out of business. They would be operating three boats on the Mississippi River. They are in the process of building a 1500 passenger boat but the other two boats are in place and all they would have to do is put the gambling equipment on board. He felt that the legislation should be reversed and the operators should find the non-profit organization instead of the non-profit organization being the license holder.

Mr. Lura thanked the operators for taking time to come in and speak before the Commission. He stated that it seems that everyone is playing down the gambling end and up playing the tourism end. The legislation was designed to help tourism, however the Commission's responsibility is to regulate the casino gambling and that is what the rules will be designed to do.

Commissioner Canella moved to adjourn the meeting with Commissioner May seconding the motion. All in favor.

MINUTES TAKEN BY

Karyl Jones

KARYL JONES

IOWA RACING AND GAMING COMMISSION MEETING
MINUTES
SEPTEMBER 21, 1989

The State Racing and Gaming Commission met on Thursday, September 21, 1989, at 9:00 a.m. at the Adventureland Inn, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella and Lorraine May. The Chair called the meeting to order.

The Chair entertained a motion to approve the minutes of the July 20, 1989, Commission meeting. Commissioner Canella so moved with Commissioner May seconding the motion. All in favor.

The next item on the agenda was Waterloo Greyhound Park's (WGP) requests for their 1989-90 season and the Chair called upon Augie Masciotra, General Manager at WGP. Mr. Masciotra stated that the Iowa bred purse supplement program, performance bond, multiple wagering format and grading system would remain the same as last season. They are raising the minimum purse from 3% to 3.1% and the Commission has been provided with a list of racing officials.

Mick Lura, Administrator for the Racing and Gaming Commission stated that staff had no problem with the requests, however, he would recommend that the officials be approved subject to background checks.

Commissioner Monaghan moved to approve the Iowa bred purse supplement program; racing officials, subject to background checks; performance bond; minimum purse; multiple wagering format; and grading system for Waterloo Greyhound Park's 1989-90 season. Commissioner May seconded the motion.

Commissioner Canella asked if the minimum purse was raised from 3% to 3.1% if that meant that all the other tracks had to follow suit. Mr. Lura responded by saying the Commission has set the minimum purse at 3% and anything above 3% is up to the track.

Commissioner Monaghan complimented WGP on the changes that they have made to the facility and asked how many Iowa kennels they would have this season. Mr. Masciotra responded seven.

Mr. Lura stated that he liked the detail of WGP's financial report from last season and would like to see it done that way in the future.

Mr. Masciotra asked if the motion to approve the racing officials subject to background checks included the new comptroller, Mary Barnes, since the comptroller is not an official.

Commissioner Monaghan amended the motion to include approving comptroller, Mary Barnes; subject to background check. Commissioner May seconded the motion. The vote was unanimous. See Order (89-54).

The Commission then voted on the original motion as amended, with all in favor. See Order (89-55).

The Chair then introduced Carole Baumgarten, President of Prairie Meadows (PM) for a financial and operating report. Ms. Baumgarten stated that through the first 41 days of the fall meet they averaged 3,092 people with an average handle of $222,749. They have increased the purses by $400 from $1800 to $2200 for an average purse of $2350. It has been eight weeks since they have had to use the line of credit extended them by Polk County, but they now have to get $300,000 of that money to meet expenditures.

Ms. Baumgarten requested that the Commission change PM's Iowa bred purse supplement program from paying only supplements to the winner of Iowa-bred restricted races to paying the first, second, third and fourth place finisher in restricted races.

Mr. Lura stated that it had been the Commission's understanding of an Attorney General's opinion that the supplement payment was only due the winner of restricted Iowa-bred races. Since that time, we have asked for clarification from the Attorney General's Office of that opinion and late yesterday afternoon received that clarification. It is now the Attorney General's opinion to pay the supplement to the first four finishers in Iowa-bred restricted races and if the track has no objection to this he didn't see any problems with granting their request.

Commissioner May moved to pay Iowa-bred purse supplements to the top four finishers in Iowa-bred restricted races effective September 27, 1989. Commissioner Canella seconded the motion with all in favor. See Order (89-56).

Ms. Baumgarten said that they are doing parking lot surveys for out-of-state and out-of-county plates. They will have a summary of that survey at the end of the season. Their group sales are up over 100,000 and 45-59% of the patrons surveyed at the track are there for the first time. She stated that they have a good statewide advisory committee and they are being very instrumental in getting people from all parts of the state to the track.

Ms. Baumgarten told the Commission that the audit report being conducted would be presented to the Polk County Board of Supervisors on September 26 and each Commissioner would be receiving a copy at that time.

Commissioner Canella asked if the trend continues of decreased attendance and handle, what will PM do. Ms. Baumgarten responded by saying that group sales will triple in late September and October. They need to get through one season and see where the mistakes were made and what can be done to correct them and what they can do to help promote the facility. They don't expect to break even the first year. They also need to take a look at what the facility can be used for during non-racing times.

Ms. Baumgarten then requested Commission approval to simulcast six races of the Breeders' Cup; races 1, 3, 4, 6, 7 and one of the juvenile races to be determined after the draw.

Mr. Lura stated that he had contacted the greyhound tracks to see if they were planning on simulcasting any other races the rest of the year because if the Commission granted PM's request that would be all the races that could be simulcast for calendar year 1989. He received a negative response and therefore did not see any reason to deny PM's request.

Chairman Pike again asked the other tracks if they had any plans to simulcast any other races the rest of the year to which there was no response.

Commissioner Monaghan moved to approve Prairie Meadows' request to simulcast races 1, 3, 4, 6, 7 and one of the juvenile races of the Breeders' Cup. Commissioner Canella seconded the motion. The vote was unanimous. See Order (89-57).

Mr. Lura then outlined the operating contracts at PM for Monarch Food, Atlantic Bottling, HBPA, Tote System, Linen Wear, Waste Disposal and Racing Programs; and recommended Commission approval. Commissioner Canella so moved with Commissioner May seconding the motion. All in favor. See Order (89-58).

Next Mr. Lura explained amendments one and two to PM operating agreement with Polk County. Amendment one outlined the priority of payments and amendment two dealt with the certificate of completion and what equipment had to be leased by PM and not purchased. Mr. Lura recommended approval of both amendments.

Commissioner Canella moved to approve amendments one and two to PM operating agreement with Polk County. Commissioner Monaghan seconded the motion with all in favor. See Order (89-59).

Chairman Pike then introduced Dr. Robert Stenbom, State Track Veterinarian at PM for a health report. Dr. Stenbom stated that they had an outbreak of Equine Viral Arteritis (EVA) at PM. The virus was brought into the track by an unknown horse. He briefly explained the symptoms associated with the disease and stated that it turned out not to be as severe as first thought. They worked closely with the State Veterinarian and federal authorities to make sure the situation was handled properly. The virus did have a minimal impact on the track by dimishing the amount of pool horses available and causing some late scratches. Track management and the horsemen were kept up-to-date as new information was received. He thanked everyone for their cooperation with the EVA outbreak and felt the virus was under controlled.

Mr. Lura stated that the state track veterinarians at PM did a very admiral job in coordinating and taking the right steps during the EVA outbreak.

The next item on the agenda was rules and the Chair called upon Mr. Lura. Mr. Lura stated that the amendments to Chapters 9 and 10 concerning the possession of hypodermic needles needed to be final adopted. No changes were made to the amendments since the Notice of Intended Action was filed.

Commissioner May moved to final adopt amendments to Chapters 9 and 10. Commissioner Monaghan seconded the motion with all in favor. See Order (89-60).

Next Mr. Lura brought up the riverboat application rules. Mr. Lura said that the preliminary draft rules were sent out to over 100 interested parties for comments and several were received. Commissioners May and Canella, who served on the riverboat rules committee; Lorenzo Creighton, Deputy Administrator for the Racing and Gaming Commission; Gary Hayward, Counsel for the Commission; and himself set down and went through all the comments that were received. He said that a lot of the comments received involved changing the law which they could not do. They have to keep the rules within the scope of the law. He will draft a letter next week to the people who sent in comments covering the issues that are law and if they want those changed, they will have to go to the Legislature.

Mr. Lura then went through the rules recommended by the riverboat rules committee for adoption by the Commission and highlighted the changes made from the preliminary draft. The Chair then opened it up to the floor for any additional comments that were not submitted to the Commission in writing.

Dick Thornton, lawyer representing the Delta Queen, had a few additional comments. He felt that the Commission should not allow an additional admission fee to be charged to get into the casino area of the boat. He also felt that the boat operators should be given a five year license and that clear and convincing should be used instead of substantial. He also understood that some of the changes that need to be made have to go through the Legislature and he asked that the Commission send a recommendation of needed changes to the Legislature.

Pete Griner from Albia asked for clarification of the 500 person rule. Mr. Lura stated that they need at least a capacity for 500 people holding tickets.

Mr. Lura then responded to Mr. Thornton's comments. He said that charges for admission into the casino area of the boat was left up to the operator. The Commissioner was allowing total flexibility in that area as that was an administrative decision and not a regulatory decision. The five year license for a boat operator would have to be a legislative change.

Mr. Hayward do not recommend changing the language involving the use of substantial to clear and convincing because of how it is used in the document.

After all comments were heard, Commissioner Canella moved to adopt Chapters 20 and 21 as recommended by the riverboat committee and file a Notice of Intended Action. Commissioner Monaghan seconded the motion.

Commissioner Canella then moved to amend the motion by inserting the words "on the numbers six and eight" after the word bets in 20.10(5)f and to change the

words "non-profit applicants" to read "sponsoring organization" and to strike the words "from the qualified sponsoring organization" in 20.11(6). Commissioner Monaghan seconded the motion. All in favor. See Order (89-61).

Commissioner May moved to amend the motion by striking the words "and subsequent applications" and insert the word "application" and insert the words "and the same qualified sponsoring organization" at the end of the sentence in 20.20. Commissioner Monaghan seconded the motion. The vote was unanimous. See Order (89-62).

Commissioner May then moved to amend the motion by striking the words "qualified sponsoring organization" and inserting the word "operator" in 20.11(4)a(2). Commissioner Monaghan seconded the motion. All in favor. See Order (89-63).

Commissioner May moved to amend the motion by striking the commas on either side of the words "made available to the applicant" in 20.13(d). Commissioner Monaghan seconded the motion with all in favor. See Order (89-64).

The Commission then voted on the original motion as amended. The vote was unanimous. See Order (89-65).

Commissioner Monaghan moved that the Racing and Gaming Commission accept riverboat applications only during the period of November 15 through December 31 of 1989. Applications received shall be considered confidential until January 1, 1990, in accordance with Chapter 22 of the Code of Iowa. Further applications shall not be accepted until sometime after June 30, 1990. Commissioner May seconded the motion with all in favor. See Order (89-66).

Mr. Lura briefly explained why there was a need for the motion. He stated that because of time constraints imposed by the Legislature and background checks that need to be done the Commission and staff need that much time to thoroughly review the applications received. The applications will remain confidential until January 1 so that no other applicants can review another applicants application until they are all made public on January 1.

Mr. Lura then asked the Commission what their feelings were for requiring the use of electronic equipment on the boats so the applicants can have some guidance when figuring their cost estimates. It seemed to be the consensus of the Commission to require quality electronic equipment to help provide better security.

Mr. Lura then announced the resignation of Commission member Lavonne Mydland effective September 1. At this time, there has been no report of a successor.

Commissioners Pike and Monaghan each gave a brief report on their trips to the Gulf, to get the feel for a cruise ship, and their trip to Las Vegas. Full reports are on record in the Commission office.

Mr. Lura advised any riverboat applicant that it would be wise to consult people already in the business to see how they operate. The fact finding trips the Commission have taken have been very informational and worthwile. Iowa will be a standout from everyone when it comes to security and cash control.

Chairman Pike stated that the Commission was planning a trip to visit eastern Iowa where county referendums have been passed. They will take the trip October 23 and 24. More specifics on the trip will be available at a later time.

The next meeting will be held in Waterloo on Thursday, October 19 at 10:00 a.m.

Commissioner May then moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background investigations.

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY

Karyl Jones

KARYL JONES

MINUTES
OCTOBER 19, 1989

The State Racing and Gaming Commission met on Thursday, October 19, 1989, at 10:00 a.m. at the Waterloo Greyhound Park, Waterloo. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella and Lorraine May. The Chair called the meeting to order.

The Chair introduced Joe Brummel, President of the National Cattle Congress, who welcomed the Commission to Waterloo. He stated that the advertising and promotion for Waterloo Greyhound Park (WGP) is going well and the facility is ready to go. Chairman Pike thanked WGP for hosting the Commission meeting and complimented them on how nice the facility looked.

Next the Chair entertained a motion to approve the minutes of the September 21, 1989, Commission meeting. Commissioner Canella so moved with Commissioner May seconding the motion. All in favor.

The next item on the agenda was hearings and the Chair called upon Lorenzo Creighton, Deputy Administrator for the Iowa Racing and Gaming Commission. Mr. Creighton stated that the hearing on the appeal of Bluffs Run Board of Stewards Ruling 1061 by Marvin Anderson would be conducted by Sean McGuinness, Administrative Law Clerk for the Racing and Gaming Commission.

Mr. McGuinness stated that Mr. Anderson was notified of the hearing by certified mail but was not present. On August 9, 1989, the Board of Stewards at Bluffs Run issued a Ruling which fined Mr. Anderson (Licensee) $100 based upon a test showing procaine in a urine sample from a racing greyhound under his care. The Board of Stewards also ordered that the purse money be redistributed. The Licensee appealed the decision and an administrative law judge (ALJ) heard the appeal on September 6, 1989, and reversed the decision of the Board of Stewards. The Administrator for the Racing and Gaming Commission requested that the Commission review the ALJ's decision because the ALJ erred in finding that the Licensee was free from negligence when a greyhound under his care was found to have a foreign substance (procaine) in its system. Upholding the ALJ's decision would in effect set a precedent permitting the use of procaine, which was not the intent of the legislation.

Commissioner May moved to vacate the findings of the ALJ and to uphold the ruling of the Bluffs Run Board of Stewards and to adopt the attached Findings of Fact and Conclusions of Law. Commissioner Monaghan seconded the motion with all in favor. See Order (89-67).

Mr. Creighton then brought up the hearing on the appeal of Prairie Meadows (PM) Board of Stewards Ruling 4208 by Earl Casey. Mr. Creighton stated that Mr. Casey had been notified of the hearing by certified mail and was present.

Mr. Creighton stated that on June 7, 1989, the PM Board of Stewards issued a ruling summarily suspending the trainer/owner Earl Casey (Licensee) for having been found in possession of a hypodermic syringe in the detention barn at PM. The Board of Stewards suspended the Licensee pending adjudication by the

Commission. The Licensee requested a hearing which was held on August 31, 1989, by telephone before a ALJ. The ALJ upheld the decision of the Board of Stewards, however changed the period of suspension to the balance of the race meeting plus 30 days, the maximum suspension which the stewards may impose. That suspension has already been served. The ALJ also stated that the Racing and Gaming Commission might, upon providing proper notice to the Licensee, impose further sanctions, but any such sanctions are beyond the scope of this proceeding. The Administrator for the Iowa Racing and Gaming Commission, requested the Commission review the ALJ's decision because although the ALJ found that the Licensee has violated the rule, he erred by imposing a suspension rather than a revocation of the occupational license and that the ALJ erred in limiting his own authority to the limited authority of the board of stewards. That under IAC 491-4.14, the ALJ has the same authority under the rules granted to the Commission, and that the suspension imposed by the ALJ is inconsistent with legislation which requires that the Licensee's occupational license be revoked for possession of a hypodermic needle in the detention barn.

Chairman Pike then swore in the following witnesses: Dr. John Sweeney, State Veterinarian at Prairie Meadows; Rollie Hoffman, Special Agent for the Division of Criminal Investigation; and Earl Casey, Licensee.

After lengthy testimony, which is available on tape in the Commission office, Commissioner May moved to vacate the ALJ's decision and revoke the occupational license of Earl Casey pursuant to Iowa Code 99D.25(8), however, Mr. Casey shall be allowed to reapply for Licensure after December 31, 1989. Commissioner May further moved to adopt the attached Findings of Fact and Conclusions of Law by adding "However, Mr. Casey shall be allowed to reapply for Licensure after December 31, 1989." Commissioner Monaghan seconded the motion. The vote was unanimous. See Order (89-68).

The Chair then recognized Commissioners May and Canella for a Medication and Veterinarian Committee report. Commissioner Canella stated that they had met with the veterinarians to discuss any changes they felt needed to be made. They felt that a review of all drugs needed to be done to decide which drugs actually cause changes in the way a animal performs and which do not, and not fine as much for drugs that will not affect the racing animal versus those which do. Commissioner Canella recommended that a program be implemented to review all drugs with Dr. Hyde to determine which ones will alter the way an animal races and which have no effect on how the animal races and to make fines for drugs consistent throughout the state.

Chairman Pike stated that this would be a good program for Dr. Sally Prickett to be a part of along with Dr. Hyde and staff.

Commissioner May then recommended a rule change, which can be adopted at the next meeting, which will not allow a commission veterinarian to prescribe any medication for or treat any greyhound or horse on any race course in Iowa, with or without compensation, except in the case of an emergency.

Commissioner May also stated that the veterinarian service contracts are not all consistent. She recommended that staff revise the contract for all tracks and come back with a proposed uniform contract for veterinary services at the next meeting.

Commissioner Monaghan asked if the contracts only affected the greyhound tracks to which Mr. Lura responded yes. The veterinarians at Prairie Meadows are on the payroll. Commissioner Monaghan also felt that the rule change would help prevent potential conflict of interest.

Commissioner Monaghan moved to adopt the Medication and Veterinarian Committee report. Commissioner Canella seconded the motion with all in favor. See Order (89-69).

The Chair then reviewed the Committees which serve as standing committees. They are as follows: Date Setting, Commissioners Monaghan and Pike; Medication and Veterinarian, Commissioners May and Canella; Financial, Commissioner Monaghan; and Riverboat, Commissioners May and Canella. The Chair then established a Legislative Committee to consist of Commissioner Pike and the new Commission member.

Next Commissioner May gave a brief report on her trips to Florida and Las Vegas. She felt they were very critical trips for her and very informational.

Commissioner Canella reported on his trip to Florida and Commissioner Pike reported on his Sports Betting Meeting in Las Vegas.

Chairman Pike then reminded everyone that the Commission would be taking a trip to the eastern part of the state October 23 and 24 beginning in Keokuk and ending in Dubuque.

The next Commission meeting will be Tuesday, November 28. Mr. Lura announced that Chuck Patton has been hired as the Riverboat Director and will begin work the middle of November.

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

Following Executive Session, the Chair brought up the Iowa Greyhound Association's (IGA) request to increase the minimum purse to 4%. He stated that statistical information had been given to the Commission and everyone who wished would be allowed to comment.

The Chair introduced Bob Hardison, President of the IGA. Mr. Hardison commended Mr. Lura for the information that he had gathered and distributed to interested parties. He then provided the Commission with some additional information. Mr. Hardison stated that the IGA brought the request before the Commission because they felt that to maintain the standard of the industry the

minimum purse needed to be raised. Two years ago, the average purse was 3.5% and now the average is 4% and Iowa remains at 3%. Without raising the purse the quality of the greyhounds in Iowa would be hurt because it would be tough to get top notch greyhounds to race here. The IGA realizes that the increased purse would be tough on everyone but Iowa needs to be competitive with other states. With Kansas and Wisconsin coming into the picture, there is going to be increased competition.

Chairman Pike said that with a 1% increase the tracks would suffer. Mr. Hardison responded by saying that they should come out the same. They should continue to do well especially since they are a non-profit corporation.

Commissioner Pike stated that they were hearing from management that no one from IGA communicated with them on the raising of the minimum purse. Mr. Hardison said that there was not a breakdown in communication. He offered to meet with the tracks and discuss the issue, however, this issue is met with opposition on both sides and a decision would never be agreed on. The purse issue will never be decided among track management and IGA, there is a need for a third party.

Commissioner Monaghan stated that a 1% increase at this time would throw the tracks into a loss situation. There is already going to be a loss in purses do to the reduction in handle. Mr. Hardison agreed that the purses would go down rather there was a purse change or not. Increase competition in the industry is all over.

Commissioner Monaghan asked about the breakage money for Iowa breds. Mr. Hardison said that breakage should not be taken into consideration because the tracks would not be getting that money anyway. They are trying to get more money for all breeders and not just Iowa-breds.

The Chair then recognized John Nelson, President of Iowa West Racing Association, at Bluffs Run. Mr. Nelson asked why the need for uniformity when everyones situation is different. All the variables that you use in determining the final outcome is different for each track. Iowa West is willing to give 100% of the extra money to breeders; that money which is left after expenses have been paid, but to raise the purse would be a million dollar shift and would be devastating. Iowa West would have to sell the facility to increase the purse.

Commissioner May asked how an increase in the money for stakes races would effect getting dogs. Mr. Nelson stated that he did not feel that it would make any difference.

Commissioner Monaghan asked how it felt to be on the "bottom of the barrel" so to speak in paying purses. Mr. Nelson responded by saying that you need to include all other variables when deciding how Iowa compares to other states when it comes to distributing the dollar.

Commissioner Monaghan then asked how he felt about raising the takeout to which Mr. Nelson responded that would be a mistake. The takeout is a drawing card for the racetracks. Patrons feel they are getting a bigger return on the wager.

Mr. Nelson stated that kennels have the option of moving on but Bluffs Run cannot leave. It has to deal with what is before it and can't make the choice of relocating.

Commissioner Canella stated that Bluffs Run had a lot of room for improvement in their financing. Mr. Nelson said that they have laid off tellers, raised prices and if taxes were backed off, the track would be paid off and they wouldn't have that expense.

Mr. Lura asked how many dogs they have lost to the competition in Kansas City. Mr. Heywang, General Manager for Bluffs Run, stated that four kennels have went to Kansas City. This has not hurt Bluffs Run, it has just made the competition more even instead of one kennel always winning. Mr. Nelson stated that even matching is more important to the patron than quality.

Mr. Lura stated that an additional $3000 to $4000 in stakes races would help get quality dogs to Iowa. If you don't have quality, you turn into a gambling parlor and not an entertainment center.

The Chair then called upon Augie Masciotra, General Manager at WGP. Mr. Masciotra stated that each track contracts with kennels and not the IGA. It is hard to justify or defend something that has never be brought up to you before. We are paying what we can afford to pay. If the breeders need more money, they need to go to the Legislature and ask for their help. Raising the takeout is not the answer. There is still too many question marks out there to make any type of rational decision. You need to develop a committee of all parties and discuss the purses.

Commissioner Pike asked what would be gained by studying the purse issue further. Mr. Masciotra stated that it would open a line of communication and give the tracks a chance to talk to kennel operators. At this point, it does not appear that the kennel operators have entered into the discussion. You can pull a number out but how do you know the impact it will have on each track.

The Chair then recognized Bruce Wentworth, General Manager at Dubuque Greyhound Park (DGP). Mr. Wentworth said that the timing of raising the minimum purse could not be worse. With the increased competition in Wisconsin, raising the purse to 4% would put DGP in the red. They are not trying to outdo the larger tracks. They are content to book young dogs and let them develop at their track and then they can move on to bigger tracks. He understands the needs of both sides but who really benefits. It is not good to raise the takeout because it is a good selling tool for the tracks.

Commissioner Pike asked since DGP has done so well, why not share with the breeders. Mr. Wentworth stated that they have been very conservative because they were well aware of the increased competition heading their way.

Commissioner Canella asked if raising the purse to 4% would put DGP in the red how would 3.5% affect DGP. Mr. Wentworth responded by saying that it would probably keep them in the black.

Mr. Lura asked if there were $3000 stake races if that would bring better quality dogs to which Mr. Wentworth responded that it was possible.

Chairman Pike asked why the kennel operators did not come forward concerning the purse issue. Mr. Hardison stated that the IGA hears from a lot of kennels as their representative in Iowa. The kennel operators recognize the IGA as their spokesperson for the industry in Iowa. Mr. Hardison said that Florida is the worse state for competition yet their Legislature saw fit to help the greyhound industry. May be legislative action is necessary.

Commissioner May asked why the market could not decide. There are waiting lists of kennels to get into the tracks. Mr. Hardison stated that just because a kennel is on a waiting list, that doesn't mean it is a step up, it could be a step down they just don't want to lose their kennel so they will go anywhere.

Mr. Lura then gave the staff's recommendation (see attached). He stated that when developing the recommendation he tried to avoid variables. How Iowa shares revenues is already better than Kansas and Wisconsin. The loss of quality animals is the real issue and the only way to get good animals is by having good stake races. Iowa is in the top one-third in terms of sharing revenues. With staff recommendation, Dubuque and Council Bluffs minimum purse would not increase but Waterloo would increase to 3.25%. The amount of money each track receives should be shared.

Mr. Nelson stated that it was an interesting compromise but not what either party wants.

Mr. Hardison said that they want an equal share for all dogs and not just the quality dogs.

Mr. Masciotra stated that he was not in agreement with staff recommendation. He needs more time to look it over.

Mr. Wentworth said that he had not had a chance to look it over, however he agreed with the concept that the larger tracks should pay more.

Commissioner Canella agreed that an increase of some sort was needed but was not ready at this time to make any type of a recommendation.

Commissioner May felt that some sort of an increase was necessary but all

tracks should be treated the same. Something close to what WGP is doing, 3.1%, for a year and see what happens.

Commissioner Monaghan felt that some type of program for both the kennel operators and the tracks needed to be put into effect. A phase in of some type. Let everyone know what it is going to be for the next three years and implement phase I in six months.

Commissioner May felt that a phase in was not the answer because the Commission would get a request for reconsideration next year no matter what was decided today. As the market changes so will the request.

Chairman Pike then turned the Chair over to Vice-Chairman Commissioner Monaghan.

Commissioner Pike moved to increase the minimum purse at WGP to 3.25 effective with their fall 1990 season, increase the minimum purse at DGP to 3.25 effective July 1, 1990, and increase the minimum purse at Bluff Run to 3.125 effective July 1, 1990. Commissioner May seconded the motion. After limited discussion, a roll call vote was taken with Commissioner Pike voting aye and Commissioners Canella, May and Monaghan voting nay. Motion died. See Order (89-70).

Acting Chair Monaghan turned the Chair back over to Commissioner Pike.

Commissioner Monaghan moved to increase the minimum purse to 3.3% effective July 1, 1990. Commissioner Canella seconded the motion. A roll call vote was taken. Commissioners Monaghan and Canella voting aye and Commissioners Pike and May voting nay. Motion died. See Order (89-71).

Commissioner May moved to increase the minimum purse to 3.1% effective July 1, 1990, with an additional .05 to stakes races also effective July 1, 1990. Motion died due to lack of second.

Commissioner Canella moved to increase the minimum purse to 3.25 effective July 1, 1990. Commissioner Monaghan seconded the motion. A roll call vote was taken with Commissioners Monaghan, Canella and Pike voting aye and Commissioner May voting nay. Motion carried. See Order (89-72).

Commissioner Monaghan moved to adjourn the meeting with Commissioner May seconding the motion. All in favor.

MINUTES TAKEN BY

Karyl Jones

KARYL JONES

IOWA RACING AND GAMING COMMISSION MEETING
MINUTES
NOVEMBER 28, 1989

The Iowa Racing and Gaming Commission met on Tuesday, November 28, 1989, at 9:00 a.m. at the Adventureland Inn, Des Moines. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, Lorraine May and Rita Sealock. The Chair called the meeting to order.

Mick Lura, Administrator for the Racing and Gaming Commission then introduced two new additions to the Department of Inspections and Appeals. Mary Jean Temp, Public Relations person for the Department and Chuck Patton, Riverboat Manager for the Racing and Gaming Commission.

Chairman Pike introduced Rita Sealock, the new Commission member from Council Bluffs and welcomed her aboard.

The Chair then entertained a motion to approve the minutes of the October 19, 1989, Commission Meeting. Commissioner Canella so moved with Commissioner May seconding the motion. The vote was unanimous.

The next item on the agenda was amendments to the pari-mutuel rules and the Chair called upon Mr. Lura. Mr. Lura stated that the amendments had been sent out to interested parties for their review. He briefly outlined the major changes to the rules and then reviewed the modifications that had been made since the rules were sent out for review. He received some comments and was able to accommodate most requested changes. Mr. Lura recommended the Commission adopt these amendments and file a Notice of Intended Action.

Commissioner Monaghan voiced a concern over the felony conviction language. It was decided that himself and Commissioner May would work out some language for future amendments.

Commissioner Monaghan moved to adopt the amendments to the pari-mutuel rules and file a Notice of Intended Action. Commissioner May seconded the motion. After some discussion, a vote was taken on the motion with all in favor. See Order (89-73).

The Chair then deviated from the agenda and recognized Tom Timmons, Finance Director for Prairie Meadows (PM). Mr. Timmons gave the Commission a handout reflecting the financial information for PM for the period ending November 13, 1989. Mr. Timmons stated that the numbers from January 1 through July 9 had been audited and there will be a year end audit done in January for the year ending December 31. PM showed an operating loss from January 1 through July 9, 1989, of $3.8 million, averaging out to $43,200 per race day; and a $938,777 operating loss from July 9 through November 13, 1989, averaging out to $11,448 per race day; for a year-to-date operating loss of $4.7 million. They are anticipating a total loss of $7.2 million for 1989.

Commissioner Monaghan asked what the deferred revenue was. Mr. Timmons said that they did not pay full price for the scoreboard and they are writing it off year by year.

Commissioner Canella asked about their line of credit. Mr. Timmons responded by saying that they had $3.8 million left that they will be able to use.

Mr. Timmons then gave each Commissioner a copy of PM's Annual Business Plan for their review and would come back at a later meeting to answer any questions they may have concerning the Plan.

Chairman Pike asked if the horsemen had been paid to which Mr. Timmons responded yes.

Commissioner Sealock asked about PM funding for marketing. Mr. Timmons said that they have built money back into the budget for marketing for next year.

The 1989 projected loss was $5 million and the 1990 budget shows a $1.7 million loss with a calculated variance of $3.3 million. This does not figure in depreciation or assets. Polk County owns the assets and the Racing Association of Central Iowa has the operation.

Mr. Lura stated that under the Capital Lease, the title does not pass to Polk County until 28 years have passed. He stated that he would check to be sure.

Mr. Lura then brought up the contract between the quarterhorse association and PM and said that staff had no problem with the contract and recommended Commission approval. Commissioner Canella so moved with Commissioner Sealock seconding the motion. The vote was unanimous. See Order (89-74).

The Chair then brought up the riverboat application rules and called upon Mr. Lura. Mr. Lura explained the amendments to the rules since the Notice of Intended Action was filed. Following a short discussion, Commissioner Canella moved to final adopt Chapter 20, "Application Process for Excursion Gambling Boats and Chapter 21, "Criteria for Granting an Excursion Gambling Boat License. Commissioner Sealock seconded the motion.

Commissioner May moved to amend the motion by adding "including the amendments discussed today." Commissioner Canella seconded the motion with all in favor. See Order (89-75). The Commission then voted on the original motion as amended with all voting aye. See Order (89-76).

The next item on the agenda was the 1989 season recap of Dubuque Greyhound Park (DGP) and the Chair recognized Bruce Wentworth, General Manager, DGP. Mr. Wentworth stated that since they began racing in 1985, they have had an attendance of 2.9 million, averaging 2600 per performance; $65 million in handle, averaging $265,000 per performance; given $1.5 million to the city/county and $16.6 million to the state treasury. Their per capita has went from $72.35 in 1985 to $119.40 in 1989. DGP came in slightly over budget even through they were down 1.8% in handle and 6% in attendance from 1988. Their three largest days on record came in 1989; that being opening day, Labor Day and closing day.

DGP will find out if they can stand on their own two feet in 1990 with the competition from Chicago and Milwaukee. They are putting together a marketing program to hopefully reach areas that they have not marketed in before. They are hoping to get some repeat group sales that were there three or four years ago and have not been back.

Commissioner Pike asked about the track surface. Mr. Wentworth stated the equi-track surface was definitely an experiment. It is all being removed next

week and a whole new surface brought back in a new form to try again.

Commissioner Monaghan congratulated DGP on a great season.

The Chair then called upon Lorenzo Creighton, Deputy Administrator for the Racing and Gaming Commission for the next item, Hearings. Mr. Creighton stated that the first hearing was the Appeal of Waterloo Greyhound Park's (WGP) board of stewards' Ruling #51 by Robert Trow. On February 26, 1989, a hearing was held before the WGP board of stewards on the results of two positive tests for antibiotic drug, trimethoprim, found in two greyhounds in Mr. Trow's care. Mr. Trow was assessed a $25.00 fine for each positive test. Mr. Trow appealed the decision to the Iowa Racing and Gaming Commission (IRGC) on February 27, 1989. A telephone hearing of the appeal was heard before an Administrative Law Judge (ALJ) on May 9, 1989. The ALJ affirmed the two $25.00 fines on May 23, 1989. Mr. Trow filed an application for further review with the IRGC on June 2, 1989. By stipulation of the parties, it was agreed that briefs be submitted to the IRGC in lieu of a hearing before the Commission.

Mr. Creighton stated that the information had been sent to each Commissioner and he recommended upholding the decision of the ALJ. Commissioner May moved to uphold the decision of the ALJ and adopt the attached Findings of Fact and Conclusions of Law. Commissioner Canella seconded the motion. A roll call vote was taken with all voting aye. See Order (89-77).

Mr. Creighton then brought up the appeal of Bluffs Run board of stewards ruling 1096 by Theroy A. Hovick. This hearing was a matter of the license suspension of Theroy A. Hovick. Mr. Creighton stated that on November 3, 1989, a hearing was held before the Bluffs Run board of stewards regarding Theroy A. Hovick's kennel owner's license. The stewards found that the owner occupational license of Mr. Hovick should be suspended for the balance of the race meeting plus 30 days for the failure to demonstrate financial responsibility and to meet monetary obligations in connection with a race meeting held in this state and management practices of the licensee which are considered undesirable and detrimental to the best interest of racing in the state of Iowa by reflecting on the honestly and integrity of the spirit of racing. The Bluffs Run Board of Stewards then referred this case to the full IRGC for possible further action.

Mr. Creighton stated that the stewards imposed the most severe penalty that they had the authority to do. The IRGC has the power to revoke his license. Mr. Creighton stated that Mr. Hovick was present.

The Chairman then swore in Theroy A. Hovick; Jake McIsaac, Director of Greyhound Racing; and Jim Heywang, General Manager at Bluffs Run.

After lengthy testimony, which is available on tape in the Commission office, Commissioner May moved to adopt the attached Findings of Fact and Conclusions of Law with the following changes: delete "and occupational licensee" in the first sentence; change "kennel operator" to "kennel owner" in second sentence; and insert the word "kennel" between the and owners in the first line of second paragraph. Commissioner Monaghan seconded the motion.

Commissioner May then withdrew her motion until the Commission had a chance to discuss the issue during Executive Session.

Commissioner Sealock then moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background investigations and the Hovick case.

Following Executive Session, Commissioner May moved to adopt the attached Findings of Fact and Conclusions of Law with the following changes to the Conclusions of Law: delete "and occupational licensee" in the first sentence; change "kennel operator" to "kennel owner" in second sentence; and insert the word "kennel" between the and owners in the first line of second paragraph. Commissioner Monaghan seconded the motion. A roll call vote was taken with all voting aye. See Order (89-78).

Chairman Pike then appointed Commissioner Sealock to serve with him on the Legislative Committee.

Commissioner Monaghan then said that the Budget Committee presented the IRGC's budget to the Governor on November 6.

Commissioner May then brought up the veterinary contracts for discussion. Following lengthy discussion, Mr. Lura recommended approval of the veterinary contract with the amendments discussed and pending approval of section I by Commissioner May. Commissioner May so moved with Commissioner Canella seconding the motion with all in favor. See Order (89-79).

Commissioner May then asked that the Commission get an opinion on whether you need to advertise each time a contract comes up for renewal. Mr. Lura said that he would check into it.

Commissioner Monaghan asked about the payment of the Iowa supplements by PM had been straightened out. Mr. Creighton said that there was a problem at first with the paying of supplements but it was resolved. Chuck Schott, President of the Iowa Thoroughbred Association was comfortable with how it was handled.

Commissioner Sealock moved to adjourn. Commissioner May seconded the motion with all in favor.

MINUTES TAKEN BY

Karyl Jones

KARYL JONES

IOWA RACING AND GAMING COMMISSION MEETING
MINUTES
DECEMBER 14, 1989

The Iowa Racing and Gaming Commission met on Thursday, December 14, 1989, at 9:30 a.m. at Bluffs Run, Council Bluffs. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella, Lorraine May and Rita Sealock. The Chair called the meeting to order.

The Chair thanked Bluffs Run for hosting the December Racing and Gaming Commission meeting.

Chairman Pike stated that due to the closeness of the November and December meetings and the Administrator being out of the office, the November minutes would be approved at the January meeting.

The first agenda item on the agenda was the Remand from Pottawattamie County District Court on the Appeal of Steven Boyd. The Chair called upon Lorenzo Creighton, Deputy Administrator for the Racing and Gaming Commission (IRGC). A transcript of this hearing is on file at the Commission office in Des Moines.

The next hearing was on the Appeal of Bluffs Run Board of Stewards' Ruling #1063 by Steven Boyd and the Chair recognized Sean McGuinness, Administrative Law Intern for the IRGC. Mr. McGuinness stated that on August 11, 1989, Steven Boyd was given notice by the Bluffs Run Board of Stewards that a sanction was imposed against him because DMSO plus DMSO2 were found in a urine sample taken from a greyhound under his care. On August 15, 1989, Boyd's attorney sent a petition for appeal to the IRGC. This petition was received on August 16, 1989. All appeals must be filed in the IRGC office within 72 hours of the decision by the Board of Stewards. The Administrative Law Judge (ALJ) would not hear the appeal because it was not timely filed.

David Richter, Attorney for Steven Boyd, said that they were not allowed proper time to file the appeal and the rights of Steven Boyd had been taken away by not hearing the appeal.

Mr. McGuinness said that since the time of the appeal, the Commission rules have been changed to reflect that an appeal may be filed at any commission office and not just the Des Moines office. It is up to the Commission whether or not they choose to waive the 72 hour limit and hear the appeal.

Gary Hayward, General Counsel for the IRGC, stated that the ALJ erred in saying that the agency has no jurisdiction over the appeal if it is not filed within the 72 hour time frame. This rule can be waived.

Mick Lura, Administrator for the IRGC, stated that staff felt comfortable with remanding the appeal back to the ALJ.

Mr. Hayward stated that since no final order had been issued the Commission could remand the appeal back to the ALJ.

Commissioner May moved to remand the appeal back to the Administrative Law Judge and to adopt the attached Findings of Fact and Conclusion of Law. Commissioner Canella seconded the motion with all in favor. See Order (89-80).

Mr. Creighton then brought up the appeal of Bluffs Run Board of Stewards' Ruling #1038 by Steven Boyd. Mr. Creighton stated that on June 13, 1989, the Bluffs Run Board of Stewards issued a ruling that imposed a $525 fine upon Steven Boyd due to the findings of foreign substances in the urine samples of six different greyhounds under his care.

On June 15, 1989, a petition for appeal was received by the IRGC. On September 28, 1989, an ALJ heard the appeal. The ALJ reversed the decision of the Board of Stewards and stated that no fine was to be imposed upon Steven Boyd and the purse money shall not be redistributed. The Administrator for the IRGC requested the Commission review the ALJ's decision because he felt that the ALJ had erred in determining that DMSO and DMSO2 were not substances prohibited in racing greyhounds. This is an incorrect interpretation of the rule and is incongruent with Chapter 99D of the Iowa Code. The ALJ also ruled that Mr. Boyd was not negligent for sulfamethazine and trimethoprim being found in racing greyhounds under his care, which also is incongruent with Chapter 99D of the Iowa Code. The Administrator also felt that the ALJ erred in ruling that the fines, amounting to $525, be overturned, as well as ordering the purse money not be redistributed. Steven Boyd was notified by certified mail of the hearing and was present with his attorney, David Richter.

The Chair swore in the following witnesses. Dr. Walter Hyde, Official Chemist for the IRGC; Ronald Killpack, track steward at Bluffs Run; Virginia Fuller and Richard Woodsmall, state stewards at Bluffs Run; and Dr. Sally Prickett, State Veterinarian at Bluffs Run. After lengthy testimony, which is available on tape in the Commission office, Commissioner May moved to reverse the ALJ's ruling and reinstate the various fines which total $525 and order the purse money to be redistributed, and adopt the attached Findings of Fact and Conclusions of Law by adding the words "and Iowa Code Chapter 99D" to the end of the third paragraph under the Findings of Fact. Commissioner Monaghan seconded the motion. A role call vote was taken with all voting aye. See Order (89-81).

The Chair then called upon Mr. Lura for the 1990 season requests by Bluffs Run. Mr. Lura stated that the point payment for the Iowa bred purse supplement program would be reduced from $25 to $18. This should assure them sufficient funds to distribute a proportionate point value amount to all eligible greyhounds and any money they have left over will be distributed to the greyhounds which are entitled. The performance bond is set at $150,000, grading system is the same as last season, and the minimum purse will be 3% with a 3.25% minimum purse effective July 1. The wagering format will remain the same. Iowa West is requesting a 16% takeout on win, place and show and

20% takeout on exotic wagering. A list of the officials were sent out to each Commissioner. Mr. Lura recommended approval of Bluffs Run's requests for their 1990 season with the approval of the racing officials subject to background checks.

Commissioner Pike asked Jim Heywang, General Manager at Bluffs Run, how many Iowa kennels they have booked for their 1990 season. Mr. Heywang referred the question to Jim Ebbs, Racing Secretary at Bluffs Run. Mr. Ebbs said they have three Iowa kennels, however, many of the other kennels have Iowa-breds in their kennel. They are just not Iowa based kennels.

Commissioner Canella moved to approve the 1990 season requests by Bluffs Run with the approvals of the racing officials subject to background checks. Commissioner Sealock seconded the motion with all in favor. See Order (89-82).

Chairman Pike then recognized Dr. Prickett for a Quality Assurance Program report. Dr. Prickett stated that by the year 1991, there will be 62 greyhound tracks throughout the United States. In 1988, $30 million was spent on lab fees. They are taking a look at the proficiency in lab testing and attempting to develop a uniform policy regarding disciplinary action on drugs throughout the United States. This is something that the Committee is looking into for future use. A questionnaire was sent out to all racing labs and commissions to attain information as to what drugs they test for and what penalties are attached to the drugs once found. This is the first step toward a uniform policy and they need everyones cooperation. They are looking at testing fewer animals in the future but testing them more thoroughly. The trainers will not know what greyhounds are the ones being tested. It will be a random selection.

Dr. Prickett stated that the Quality Assurance Program is here to stay.

Mr. Lura asked about the accreditation of racing laboratories. Dr. Prickett said that this was being handled by the Association of Racing Commissioners International but the way she understands it is that they will visit each lab and tell them what needs to be improved upon and give the lab a chance to better themselves before they actually go out for the accreditation process.

Next, a short video was shown on greyhound racing in England.

The Chair then called upon the Administrative portion of the meeting.

Chairman Pike asked that the Medication Committee be expanded from Commissioners May and Canella to include Mr. Lura, Dr. Hyde, Dr. Prickett and Jake McIsaac, Director of Greyhound Racing for the IRGC.

Mr. Lura then gave the Legislative Committee report. Mr. Lura highlighted the contents of the report. Commissioner Canella ask that the coinage issue be

clarified to indicate continued support for the $200 loss limit. Commissioners Monaghan and Canella objected to the portion of the report calling for a study of the tax rate. Commissioner Monaghan felt that quarterly CPA audits were to frequent and Mr. Lura agreed. Commissioner Monaghan asked that this recommendation be removed until Nevada and New Jersey could be checked. Commissioner Sealock moved that the Commission adopt the Legislative Committee's report with the changes discussed (see attached report). Commissioner Canella seconded the motion with all in favor. See Order (89-83).

Chairman Pike stated that himself, Commissioner Monaghan, Mr. Lura and Mr. Creighton had met with the Prairie Meadows Executive Committee and staff. Mr. Creighton would be preparing minutes on the meeting.

Commissioner Sealock then moved that the Commission go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background investigations.

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY

Karyl Jones

KARYL JONES