IOWA RACING AND GAMING COMMISSION
MINUTES
JANUARY 16-17, 1991

The Iowa Racing and Gaming Commission (IRGC) met on Wednesday, January 16, 1991, at 6:00 p.m. in Council Bluffs. Present were Chairman, Bud Pike; Vice-Chairman, Leo Monaghan; and members Richard Canella and Rita Sealock.

The Chair called the meeting to order and entertained a motion to go into Executive Session pursuant to Iowa Code Chapter 21.5(1)"a" to discuss background investigations. Commissioner Sealock so moved with Commissioner Monaghan seconding the motion. All in favor.

Following Executive Session, Chairman Pike recessed the meeting until 9:30 a.m., January 17, 1991. Commissioner May joined the meeting following the recess.

The Chair called the meeting to order at 9:30 a.m., January 17, 1991, and thanked Bluffs Run (BR) for hosting the January meeting of the IRGC. The Chair then recognized Walter Pyper, General Manager at BR. Mr. Pyper welcomed the Commission to BR and highlighted the changes that had been made at the facility.

Chairman Pike then entertained a motion to approve the December 13, 1990, minutes. Commissioner Monaghan so moved with Commissioner May seconding the motion. The vote was unanimous.

The next item on the agenda was administrative rules and the Chair recognized Chuck Patton, Director of Riverboat Gambling for the IRGC. Mr. Patton explained that the amendments to Chapter 20 had not changed since they were first brought before the Commission.

Commissioner Canella moved to final adopt the amendments to Chapter 20. Commissioner Sealock seconded the motion with all in favor. See Order (91-1).

The Chair then recognized Augie Masciotra, General Manager at Waterloo Greyhound Park (WGP). Mr. Masciotra stated that WGP was asking the Commission to approve an additional 1% takeout on exotic wagers which would raise it from 19% to 20%. Mr. Masciotra stated that WGP would be willing to add an additional $12,000-15,000 in purses to be spread out among the remaining stakes races.

Commissioner Monaghan objected to this request as he felt the greyhound owners continue to get less.

Mick Lura, Administrator for the IRGC, stated that staff mildly objected to this request. Staff is in the process of conducting a greyhound survey and by July 1 it will be a whole new ballgame.

There will be a new recommendation on the purse and takeout structure. If the Commission chooses to approve the request, it would only be for the remainder of the season.

Commissioner Canella asked if that would bring the minimum purse up to about 3.5% with an additional $12,000. Mary Barnes, Comptroller at WGP, stated that 3.5% would be close.

Randy Huff, representing the Iowa Greyhound Association (IGA), objected to the request because the IGA felt that putting money in the stakes races only benefits a few people. Mr. Masciotra responded by saying that all kennels have the opportunity to enter the stakes races and that WGP does not contract with the IGA but the kennel owners.

Chairman Pike entertained a motion to approve WGP's request to increase the takeout to 20% with an additional $13,500 going for the remaining stakes races. Commissioner Canella so moved with Commissioner Sealock seconding the motion. A roll call vote was taken with Commissioners Pike, Canella, May and Sealock voting aye and Commissioner Monaghan voting nay. Motion carried. See Order (91-2).

The next item on the agenda was written briefs and the Chair recognized Lorenzo Creighton, Deputy Administrator for the IRGC. Mr. Creighton stated that all the information had been submitted to the Commissioners and the Commissioners were to base their decision on the information before them. Mr. Creighton then introduced Rex Darrah, Attorney for the plaintiffs.

Mr. Darrah addressed the Commission on behalf of his clients. Mr. Creighton objected to Mr. Darrah addressing the Commission in the manner he was, the Commission was not to hear any evidence other than what had been submitted in writing.

Chris O'Dell, Counsel for the IRGC, stated that the Commission chose to hear the case by written brief so they are limited to the information contained in the briefs.

Commissioner May rejected the fact the burden of proof was placed on the Commission and therefore disagreed with the Administrative Law Judge's (ALJ) findings on the cases of Bill Nuno and Laurence Brocka. However, she felt there was insufficient evidence in the Gary Kelley case to overturn any decision.

Commissioner May moved to adopt the Orders DIARC-7 and DIARC-8 by amending them to reflect that the ALJ reversed the stewards' decision (see attached) and defer DIARC-9 until a later time. Commissioner Monaghan seconded the motion with all voting aye. See Order (91-3).

Mr. Patton then addressed the Commission on riverboat contracts and stated that he recommended approved of each. He also said that the contract form would be revised to include a contact person from both contractees, a signature line for staff approval and an area where they sign off that they searched the Iowa market for the product before going to another state.

Mr. Patton recommended approval of the following contracts:

Steamboat Development/Steamboat Southeast In. and Sigma Game Inc., Page and Semro, George C. Matteson Co. Inc., and Standard Register

Steamboat Southeast and International Electronic Protection Ltd. and Hillebrand Construction of the Midwest, Inc.

Mr. Patton then brought up the Clinton Excursion Boat Gambling Application and recognized Steven Juergens, Attorney for Robert Kehl. Mr. Juergens gave a brief background on Mr. Kehl and informed the Commission that there was a lot of community support behind this application. It would be a great tourist attraction and the City of Bellevue would be served.

Tom Fullerton, representing the Clinton County Gaming Association gave the Commission a history of riverboat gambling in the Clinton area and stated that Clinton and Clinton County were behind the application and asked for approval.

Commissioner Canella asked about the nongaming excursions in the application. Mr. Juergens stated that this was in there because of prior commitments by Mr. Kehl in that area for nongaming excursions.

Commissioner Canella then asked about the CMS exclusive in Dubuque to which Mr. Juergens replied that the provision was for Mr. Kehl's benefit but he was sure Mr. Kehl would waive the CMS exclusive for Dubuque.

Bob Ginter, Dubuque Racing Association and Bruce Wentworth, Dubuque Greyhound Park both showed their support of the application. They see a potential for more tourists in being able to cross market the two boats.

Bernie Goldstein, representing Steamboat Development Corporation, gave a history of their organization and how riverboat gambling came to be in the area. They planned landbase development in excess of $50 million and if the Clinton application is granted that landbase development would no longer be feasible.

Commissioner Sealock asked how firm the second boat was. Mr. Goldstein replied that it was firm and they could not adequately serve the three cities without the second boat.

Commissioner Sealock then asked when the operation of the second boat would startup to which Mr. Goldstein replied the end of this year or early next spring.

Commissioner Monaghan said, "So if the Clinton application is approved, you cannot proceed with the landbase development?" to which Mr. Goldstein replied yes.

Commissioner Monaghan asked what role the Goldstein family would be playing in Illinois' riverboat gambling. Mr. Goldstein said that his family would have two ownerships totally 10% and would be the management team for one.

Commissioner Monaghan then asked staff what effect, if any, would not going through with the landbase development by Steamboat Development have on their license. Mr. Lura replied that they would have to change their contractual agreement by permission of the Commission.

Commissioner May asked if they would be managing a boat in Galena or Peoria to which Mr. Goldstein replied that they would be managing one of the two boats. Commissioner May then asked if the boats in Illinois would be economically viable with the boats in Iowa. Mr. Goldstein said yes because the Dubuque/Galena area is a bigger market.

Bettendorf Mayor Ann Hutchinson told the Commission that the Quad Cities is feeling the competition in Illinois and asked that the Commission continue to take a conservative approach when dealing with riverboat gambling in Iowa.

Commissioner May asked why when the application was submitted Steamboat was projecting 600,000 passengers per year and now your numbers reflect 224,000 passengers per year and your financial statement went from showing a profit to a loss situation. Doug Kratz stated that as the market changes our projections are going to change. It is a whole new area and we don't know what to expect.

Commissioner May then stated that Steamboat was showing 35,000 passengers out of Clinton and logically with another boat you would expect to lose half, but you are showing a total loss of passengers in Clinton. Mr. Goldstein replied that was correct.

Mr. Kratz said that everyone is in unchartered waters and doesn't know what to expect and why put another boat in the same location so that two operations can go under.

Commissioner Canella felt that be granting a license to Kehl it would be destroying the regional concept.

Mr. Fullerton stated that Steamboat is only contractually liable for one boat and there is no guarantee of the second.

Following a brief recess, the Chair asked for a Greyhound Committee report. Commissioner Monaghan highlighted the greyhound survey and stated that preliminary data would be available next month and a rough draft of the report in March.

The Chair then recognized Bob Miller, Riverbend Regional Authority. Mr. Miller stated that he was against Clinton supporting the Kehl application. It does not support the regional concept and additional competition, we do not need.

A conference call was then held with Bob Kehl.

Mr. Lura asked if Mr. Kehl was committed to the cost of regulation to which Mr. Kehl replied yes.

Commissioner May then asked if the cost of maintaining the boat was included in the financial statement. Mr. Kehl replied it was not. The maintenance of the boat is in the lease agreement with Robert's River Rides.

Commissioner May asked why the depreciation was 10 years versus five. Mr. Kehl replied that the CPA had set up the corporation on a 10 year depreciation cycle. He said that from past experience that the actual life of tables, chairs, etc., if maintained daily, was 15 to 20 years so he had no problem with a 10 year cycle.

Mr. Kehl explained to the Commission that you don't need gambling to make the boat work. Feasibility studies are only guesses and he has past history in the excursion boat business. If it is marketed right, all boats can make it.

Commissioner May asked how it would impact if on the weekends instead of Clinton to Clinton you overnight in Dubuque. Mr. Kehl replied that it would not affect anything except that Dubuque does not have motels for that type of weekend traffic.

Commissioner Canella asked if he thought there would be any problem with the boat having a capacity of 500. Mr. Kehl responded by saying that he was confident that it would be a 500 passenger boat.

Mr. Lura then addressed the saturation issue. Mr. Lura stated that staff looked at the actual square foot of casino space. If you include the Clinton application, you are only looking at 86,000 square feet which equals one large casino in Vegas. With the boats in Illinois you are looking at one and one-half casinos. You are looking at a market area of 20 million people. If the boats are marketed, they should have no trouble making it.

Mr. Lura stated that staff had received a letter from Bellevue showing support of the application.

Mr. Patton stated that staff's recommendation was in the packet and they are recommending approval of the application subject to the five conditions that were generic to all applicants and the approval of the contracts between Clinton County Gaming Association/Mississippi Belle II, Dubuque Racing Association/Mississippi Belle II, City of Dubuque/Mississippi Belle II, City of Clinton/Clinton County Gaming Association, and City of Bellevue/Mississippi Belle II which will become condition number 6 on staff's recommendation.

Each Commissioner gave closing comments.

Commissioner Canella strongly objected to the approval of the Clinton application. He felt it was morally wrong and irresponsible to grant another license in Clinton and felt the market was not large enough to support two boats. He cited the decline of the attendance at the four racetracks as an example of saturation.

Commissioner Monaghan moved to grant a license to Clinton County Gaming Association/Mississippi Belle II contingent upon the six conditions in staff's recommendation. Commissioner May seconded the motion. A role call vote was taken with Commissioners Pike, Monaghan and May voting aye and Commissioners Canella and Sealock voting nay. Motion carried. See Order (91-4).

The Chair then brought up the Gary Kelley case. Commissioner May moved to adopt the revised Order (see attached) which drops the fine for Gary Kelley. Commissioner Monaghan seconded the motion with all in favor. See Order (91-5).

The meeting was adjourned.

MINUTES TAKEN BY

Karyl Jones

KARYL JONES

IOWA RACING AND GAMING COMMISSION
TELECONFERENCE MEETING
MINUTES
FEBRUARY 1, 1991

On February 1, 1991, the Iowa Racing and Gaming Commission held a conference call reference 28E Agreement with Iowa Department Public Safety (IDPS) - consideration of an agreement to transfer on Board Administrative and Auditing duties to IDPS and associated funds for FY 91. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matter to be discussed.

Participating in the call were: Chairman, Bud Pike; Vice Chairman Leo Monaghan, Commissioners Lorraine May, Dick Canella and Rita Sealock; Chris O'Dell, Counsel for the IRGC; Mick Lura, Administrator; Chuck Patton, Riverboat Director for the IRGC and John Tinker, Division of Criminal Investigation.

Mick Lura stated the purpose of the meeting was to consider for adoption a contract between the Racing and Gaming Commission (IRGC) and the Department of Public Safety (IDPS). The contract was drafted by Chuck Patton and reviewed by IDPS. There were a couple of amendments that were asked for by IDPS so Mick Lura deferred to Chuck Patton for explanation of those changes.

Item #1 on page 1 of the contact after the word investigative, add <u>auditing of regulations and enforcement services to the IRGC.</u>

Item #2 last line shall read; Such staff will perform these duties under the direction of the <u>IRGC</u> Director of Riverboat Gambling.

On page 2, item 3 c, fifth line first word is chips place a period after the word chips. The remainder of item c add; <u>Assigned IDPS staff will also monitor periods when slot machines are open and hoppers are exposed, such as when a malfunction is being cleared, repairs are being made on the device, or a fill or drop is being conducted.</u>

On page 3 item h, at the request of IDPS, modify the words "IDPS will report immediately" to "The IDPS will report <u>as soon as practical.</u> Chuck explained that this would clear up questions about when incident reports would be expected. Commissioner May stated that as far as her interpretation was concerned the words "immediately" and "as soon as practical" would read the same.

Item i; "The assigned staff will preform any other duties required to fulfill the <u>demonstrated</u> responsibilities of the Racing and Gaming Commission and assigned by the administrator of the Iowa Racing and Gaming Commission." Chuck explained that this change was based upon a concern of the DCI as to what the IRGC was going to require of them related to their regulatory responsibilities. Commissioner May raised concern over the wording "demonstrated responsibilities." She asked Agent Tinker if he had a problem with dropping the word "demonstrated".

There was no objection, the word was "demonstrated" dropped.

Item 5 on page 4 insert under responsibilities of the DCI the phrase; "auditing regulations".

Item 6 page 4 modified to read; "Where a completed investigation has been requested and forwarded to the IRGC."

Item 9, insert; The Commissioner of the Department of Public Safety. Chris O'Dell and Commissioner May expressed concern reference item #5 regarding the agreement to reimburse the IDPS the amount appropriated to the IRGC to fulfill their riverboat gambling responsibilities. The following new language was added; "The effective period of this contract as stated in paragraph 7." The following language was added as the last sentence of item #7; "At the termination of the contract, any unearned portion of the funds will be returned to the IRGC".

Commissioner Canella made an inquiry as to the training of the DCI agents. He observed that the agreement did not state that the IRGC was responsible for training the agents. Chuck Patton stated that he had been assured by Tom Ruxlow that the DCI agents would attend the training session as scheduled. It was also noted that item 3 in the contact under; "other duties assigned," would cover Commissioner Canella's concerns.

Commissioner May stated that by statute the legislature gave the Iowa Racing and Gaming Commission responsibility for fulfilling regulatory duties. She feels a commitment to meeting the obligations the legislature has given to the IRGC, but feels it is being done by this methodology because of the budget crunch and this will take the direct supervision of those people and the direct employment of those people out of IRGC's control. She stated that the IRGC should either have the regulatory responsibility or have enough control to meet the responsibilities.

Commissioner Canella moved that we accept the agreement as outlined by Chuck Patton. Commissioner Sealock seconded the motion. There was a voice roll call. All Commissioners voted "aye" the motion was carried. See Order (91-6).

Commissioner May has a conflict for the March Commission meeting. The March Commission meeting will be rescheduled for March 14th. Mick Lura will notify the meeting change in the February commission agenda.

Chuck updated the Commission on the schedule for riverboat training. February 11th- 15th and will be conducted in Davenport, Iowa and Steamboat Development has agreed to allow the IRGC to use their dealer school for any other additional training. On February 15th James Maida, a contractee for slot machines program development, will be in to go through testing signatures of chips and slot machine inspections. March 8-11th we will go to Atlantic City. Chuck Patton extended an invitation for the Commissioners to attend any of the training sessions they felt they could. He felt it would be good for the agents to meet some of the Commissioners. Mick Lura cautioned the Commissioners that we have a Commission meeting on February 14th in Des Moines.

Chuck Patton advised that the IRGC has all the internal controls from the boats and have just approved Dubuque's and are reviewing two others.

Meeting was adjourned 10:20 PM.

MINUTES TAKEN BY

Connie Eichhorn

CONNIE EICHHORN

IOWA RACING AND GAMING COMMISSION
MINUTES
FEBRUARY 14, 1991

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, February 14, 1991, at 9:00 a.m. at the Westmark Convention Center in West Des Moines, Iowa. Present were Chair, Bud Pike, Vice-Chair, Leo Monaghan; and Commissioners May, Sealock and Canella.

The Chair entertained a motion to approve the minutes of the January 16-17 and February 1, 1991 Commission meeting. Commissioner Monaghan so moved with Commissioner May seconding the motion. All in favor.

Lorenzo Creighton was recognized to discuss the final adoption of the pari-mutuel rules. Mr. Creighton offered an amendment to page 15, item 48 subrule 1.14(2) by striking the words do not. Commissioner May moved final adoption of the pari-mutuel rules as presented by staff. Commissioner Sealock seconded the motion with all in favor. See Order (91-7).

Lorenzo Creighton stated that at the last Commission meeting Dr. Cogley, DVM, presented an argument to the Commission asking them to become more involved in helping vendors and persons that provide services to horseman and people associated with racing at Prairie Meadows. His concern is that there is such a problem that there maybe a situation where vendors may not offer needed services and supplies to persons at the track. Staff has entered into a policy which addresses the problem. Dr. Cogley was not entirely happy with the policy but it is an improvement. Mr. Creighton stated that he and Dr. Cogley had spent a lot of time on this matter and also cleared it with Prairie Meadow Board of Stewards, they felt it was a workable agreement. Chairperson Pike stated that this matter should be monitored closely throughout the year to see if it is working. This situation will be a matter of policy therefore not needing a Commission vote.

Mick Lura, Administrator explained that Chapter 25, dealing with Riverboat Operations, has been before the Commission before and adopted. There have been some changes and all the changes except for one have been at the request of the licensees. They further reviewed the rules and could see some potential problems. We changed section 25.14 by further defining the boat or support facilities in regards to the scope of our jurisdiction. Section 25.16 and 17 has basically changed the decision making authority from the individual official to the board of officials. In 25.18 is a definition of commission office space. In 25.19(2) is the mechanism for collecting admission fees. He noted that he refers to these as admission taxes to distinguish from the fee that the boat operators charge for people to get on, but technically it is admission fees. He stated that they can see a problem in just collecting the fees as each passenger goes on the boat because it could create some cash flow problems. To deal with this he met with the operators and non-profit groups and proposed that rather than collect the fee in advance or set the fee in advance for each person, just divide the appropriation that allocable by 52 and they send a check once a week. There seemed to be very little objection to this proposal.

Bob Genter of the Dubuque Racing Association (DRA) stated that they object to final adoption of Chapter 25. Dubuque has based their business plan and their contract on the commissions application criteria that had been adopted a year and one half ago and basically have based their planning on that and they are very concerned that the admission tax is not what was in the application criteria section. Gary Norby, Attorney in Dubuque and also Legal Council to the Dubuque Racing Association, addressed the Dubuque Racing Association's objections. He stated that basically the proposed rule 25.20(2) should not be adopted. They believe that the rule conflicts with an existing rule which is 20.10(5). Secondly it impairs contractual rights and is also inconsistent with and conflicts with the statute. Mr. Lura stated that in 99F.10(4) we are required by statute to recover the amount that is appropriated. If we were to leave in place the fifty cents for the first 500,000 passengers we would be in violation of that law. Commissioner Monaghan stated that he sympathized with Dubuque and the fifty cents projection that they relied on. He thought a very valid point was the letter that was sent out in February before the contracts were finalized. He felt that when it comes to constitutionality or whether we are within the law, we will have to rely on the Attorney General's office. He also stated that he wanted some help from Mr. Lura in understanding the allocation per licensee on the fees that are charged. He is not sure that it should be total expenses divided by six. Commissioner Monaghan requests that they have some session at some point so that he will feel more comfortable with that kind of an allocation. He stated that the statute was clear on collecting the expenses from the operations. Commissioner Sealock moved to final adopt Chapter 25. Commissioner Canella seconded the motion with all in favor. See Order (91-8).

Bruce Seamore, Vice President of Administration for Prairie Meadows appeared before the Commission for 1991 Season approvals. Lorenzo Creighton, Deputy Administrator, referred to the staff recommendation referencing:

a. Iowa Bred Purse Supplement
b. Racing Officials and Department Heads
c. Minimum Purse
d. Multiple Wagering Format
e. Performance Bond
f. Security Plan
g. Contracts:

    1. Dr. Jacobs and Prairie Meadows
    2. Agreement between Racing Association and Quarter Horse Association.
    3. Agreement between the Track and the HBPA
    4. New Paramedic service that will provide the ambulance to Prairie Meadows.
    5. Progress Industries and Prairie Meadows

It was made clear that Prairie Meadows was not requesting the Commissions approval on Simulcasting. Their simulcasting schedule is pending on legislature action.

Bruce Seamore verbally requested that during the first seven weeks of the racing season, they simulcast two thoroughbred races a race day. He also stated that the only money that the HBPA will received is monies that is generated by simulcasting, in order to fund their organization Prairie Meadows needs some simulcasting revenues coming in.

Commissioner Monaghan requested clarification on the number of security guards that would be in place at Prairie Meadows, specifically the backside. Bruce Seymore responded that it appeared there would be at least one more person. Lorenzo Creighton stated that it was his understanding that there would be at least one additional security guard under this plan. Agent Rollie Hoffman stated that he had reviewed this plan and that it was better than the previous year because of its inclusion of one additional "Rover".

Commissioner Monaghan moved that Prairie Meadows requests for approvals for the 1991 season, as listed on page 2, with the modification that the racing dates at this time be approved from March 1 to September 2. Commissioner Canella seconded the motion with all in favor. See Order (91-9).

Lorenzo Creighton discussed the Bluffs Run contract with Iowa West Racing Association and Sportview Television Corporation for a four year contact. Commissioner May moved approval of the Bluffs Run contract. Commissioner Sealock seconded the motion with all in favor. See Order (91-10).

Mick Lura discussed four riverboat contact approvals with Steamboat Development and two with the Greenbridge Company. He states that Chuck Patton, Riverboat Director, has reviewed these contracts and recommends approval. Commissioner Canella moved that the contracts be approved as submitted. Commissioner May seconded the motion with all in favor. See Order (91-11).

Commissioner Monaghan, Commissioner Sealock and Lorenzo Creighton will be meeting after the Commission meeting. He stated that he and Commissioner Sealock have received copies of the results of the written Greyhound Survey. Commissioner Monaghan stated that they are probably looking at May for a meeting where interested parties need to come before the commission and present their case with respect to any changes which may or may not be applicable in the Greyhound purses.

Mary Ellen Chamberlin, President of the Riverboat Development Authority which is affiliated with the President Riverboat Casino in Davenport, Iowa, Dave Joyce, Vice President of Steamboat Southeast and Steamboat Development Corporation, and Bob Kehl, Roberts Riverrides with the Dubuque Casino Belle all gave a brief overview of their progress to the Commission.

Following the Executive Session, the meeting was adjourned.

MINUTES TAKEN BY CONNIE EICHHORN

IOWA RACING AND GAMING COMMISSION
TELECONFERENCE MEETING
MINUTES
MARCH 11, 1991

On March 11, 1991, the Iowa Racing and Gaming Commission held a conference call to review a request for a contract approval submitted by the Connelly Group L.P. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matter to be discussed.

Participating in the call were: Chair, Bud Pike; Vice-Chair, Leo Monaghan; Commissioners Lorraine May, Rita Sealock and Dick Canella; Counsel for the Iowa Racing and Gaming Commission, Chris O'dell. Present in the Commission office were Administrator of the Racing and Gaming Commission, Mick Lura and Deputy Administrator, Lorenzo Creighton.

The contract submitted for approval was the commitment letter between the First Bank, N.A. and J. Connelly Associates ("JECA"), for $12,000,000 credit to ("JECA").

Mick Lura, Administrator, stated that this contract is a $12,000,000 loan. He further explained that there is a participating bank in Pennsylvania called Equi Bank which is a Federally regulated bank out of Pennsylvania and their participation in this loan is $5,500,000. $6,500,000 is coming from First Bank and $5,500,000 is coming from Equi Bank. This transaction is structured to allow John Connelly and Associates in Pennsylvania to participate for $5,500,000 and he in turn sells that participation and all security interest to Equi Bank. This is to comply with a Pennsylvania law that requires Equi Bank to solely invest in Pennsylvania.

Lorenzo Creighton, Deputy Administrator, stated that he has been in touch with their attorney who is preparing an opinion letter on the document itself. He stated that this is a seven year loan, the maximum interest rate would be about 13%. Lorenzo stated that the document appears to be solid and he is comfortable with it being regulated properly.

Commissioner Canella asked staff for a specific recommendation and Mick Lura stated that based on the commitment letter and the fact that these banks are both regulated financial institutions that he would strongly recommended approval and feels that this is an up front and a proper loan agreement.

Commissioner Monaghan moved for the approval of the loan agreement as submitted and recommended by staff. Commissioner Sealock seconded the motion. Chairperson Pike called for a roll call vote. Chairperson Pike noted that all Commissioners voted "Aye" and declared the motion approved. See Order (91-12)

The meeting was adjourned at 8:45 AM.

Minutes taken by Connie Eichhorn

IOWA RACING AND GAMING COMMISSION
TELECONFERENCE MEETING
MINUTES
MARCH 27, 1991

On March 27, 1991, the Iowa Racing and Gaming Commission held a conference call to do the approvals for the 1991 Dubuque Greyhound Park season and to set the FY 91 Admission Fees. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matters to be discussed.

Participating in the call were: Vice-Chair, Leo Monaghan; Commissioners Lorraine May, Rita Sealock and Dick Canella; Council for the Iowa Racing and Gaming Commission, Chris O'Dell; Mick Lura, Administrator; Participating from the Dubuque Greyhound Park were Lorenzo Creighton, Deputy Administrator; James Aldrich, Director of Racing; Sidney Blumn, Dubuque Racing Association; Brian Southwood, Director of Operations and Roger Hoeger, Comptroller.

Lorenzo Creighton explained the 1991 approvals for the Dubuque Greyhound Park. He felt the most significant part of the requested approvals was the request for the take out increase on multiple wagers from 18 to 19%. Commissioner Canella raised the question as to whether Dubuque had made any provisions to share the increased money with the dogs. Mr. Aldrich replied that they had decreased the number of kennels from 18 to 16 to help share some of the money with the kennel operators; they also decreased the amount of payouts that they pay out on a net basis for the kennels and at the present time they have not increased any of the stake races regarding purses. He also stated that in the future there was a good possibility of a purse increase coming.

Mick Lura stated that one of the reasons their request was for 19% instead of 20% is because of the possibility of a purse increase July 1st and that way they would still have some room to deal with it. He also felt that they should make the same condition that they have on the other tracks, that being that the 19% would be approved through July 1. He stated that something is going to be done about purses in June, therefore all of the take out requests have been approved only through July 1.

Commissioner Canella requested that the minimum purse issue be a separate motion.

Commissioner Monaghan stated that the purse issue is in line with the other tracks in Iowa and is under the competition that Dubuque faces in Wisconsin. He stressed that this is a temporary situation and will be available for review within the next few months.

The DCI, because of their involvement with the riverboats, has not given a full review to the security plan. Mick Lura suggested that they approve a, b, d, e, f and g subject to review of the security plan by the DCI at a later time and then go to the minimum purses as a separate motion per Commissioner Canella's request.

Commissioner Sealock moved to approve a, b, d, e, f, and g subject to the approval of the security plan by the DCI. Commissioner Canella seconded the motion. Commissioner Monaghan called for a roll call vote. The motion was passed by a unanimous vote of 4-0 . See Order (91-13)

Commissioner Monaghan asked for further discussion on the minimum purse issue. Hearing none called for a motion. Commissioner Sealock moved to approve the minimum purse as requested by Dubuque until July 1st. Commissioner May seconded the motion. Commissioner Canella stated that he wanted to be consistent with the way he has been voting and explained that he voted yes with Council Bluffs and voted yes for Waterloo but only when they agreed to put $13,000 into the Stake Races. He has a personal philosophy that when the Commission does something for the tracks financially they should share that in some way with the dog people and he thinks that they should be willing to do something until July 1st. Commissioner Monaghan asked the Dubuque staff if they were willing to share an increase in the purse with the dog people at this time. Mr. Blumn's response was they were increasing to 19% as compared to Waterloo that is 20%. He wanted to make it clear that if they went to 20% they would be able to share more with the dog people. In consideration of the fact that the purses are expected to be raised he stated that at that time the money will be shared. He also stated that Dubuque was the last one to seek an increase on the 18% exotics and go up in the state and that was because of their concern that once you increase your exotic take out then you do effectively decease your handle therefore you do decrease the amount of purses for the dog people. Mick Lura felt that the Dubuque request was conservative as compared to the other tracks and when they financially benefit the tracks then they need to benefit the greyhound industry as well. He stated when his recommendations come out in May he will guarantee that will be the system he will propose. Commissioner Monaghan called for the question and requested a roll call vote. The motion passed 3-1 with Commissioner Canella voting "nay". See Order (91-14)

Commissioner Monaghan asked Mick Lura to explain setting the FY 91 Admission Fees. Mick explained that he sent a memo to the Commissioners and boat operators that had a schedule for FY 91 Admission Fees and it explained how he came up with the calucations. He stated that the Commission is required by law to recover the appropriation. He also explained that there was some difficulty with FY 91 due to the fact that the boats were starting at different times and the flat fee per boat was based on the assumption that they were running 52 weeks a year. He stated that he had talked to the three operators and they did not have a problem with FY 91 Admission Fees and understood that these will be refigured for FY 92. Commissioner Monaghan commented that he felt that the smaller boats may not have the volume that some of the larger boats are anticipating and the cost of regulation compared to their initial projections are going to be out of line. He is not convinced that it will cost as much to regulate the smaller boats with considerably less passengers than it will with the larger boats and their large volumes. He stated that he will not sign off on the computation and the allocation of overhead equally to all of the boats. Commissioner Monaghan hearing no further discussion called for a motion. Commissioner Canella moved the approval of the admission fee computation and assessment as presented by staff. Commissioner Sealock seconded the motion. The motion passed unanimously on a roll call vote. See Order (91-15)

Mick Lura gave a progress report on the riverboats reference surveillance and miscellaneous matters.

Commissioner Canella moved that we adjourn. Commissioner May seconded, meeting adjourned.

MINUTES TAKEN BY CONNIE EICHHORN

IOWA RACING AND GAMING COMMISSION
MINUTES
APRIL 25, 1991

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, April 25, 1991 at 8:00 AM at the Westmark Convention Center in West Des Moines, Iowa. Present were Chair, Bud Pike, Vice-Chair, Leo Monaghan; and Commissioners May Sealock and Canella.

The Chair entertained a motion to go into Executive Session to discuss track security. Commissioner Canella so moved with Commissioner May seconding the motion. All in favor.

The Chair entertained a motion to approve the Commission meeting minutes from February 14th and the telephone conferences from March 11 and 27. Commissioner Monaghan so moved with Commissioner May seconding the motion. All in favor.

The meeting in May will be cancelled and a two day meeting in June will be scheduled for June 6 and 7, 1991. The meeting in July is scheduled for the 11th.

The Chair recognized Mick Lura, Administrator to explain the legislation currently in the legislature awaiting debate referencing simulcasting. One of the provisions in the bill is to increase the Iowa bred purse supplement funding by 1% of all exotic wagers involving 3 or more animals also called triple wagers. He explained that this was a mandatory provision of the legislation. Another provision to offset that cost to the tracks is allowing the commission to raise their take out on those triple wagers by up to 2% or up to 22%. He explained that these provisions are effective upon enactment and if it is enacted the Commission is not scheduled to meet until June 6th so the tracks could not request us to off set revenue that are allowed in that provision. Mick Lura suggested that general authority be given to the tracks to raise their take out on those triples if that legislation passes. Then they would get the revenue to offset the increase in the Iowa bred purses until July 1, 1991. The Chair called for a motion on the take out. Commissioner Monaghan moved that the Iowa Racing and Gaming Commission approve an increase of 1% on triples contingent upon passage of the legislation currently pending effective until July 1, 1991, based on the legislation being a requirement to pass that money along to greyhound or the horse industry. Commission Monaghan clarified that his motion states a 1% increase to the existing take out at any track on triples. Commissioner May seconded the motion. Mick Lura explained that if they do not act on this motion the tracks will actually lose money because the purse increase must go into effect upon passage of the legislation and their would be no offsetting revenue to pay the Iowa bred purse supplements. Commissioner May stated that her understanding of the legislation was intended to have an increase which would be shared equally by the track and by the breeders associations. She feels that addressing this issue without enacted legislation is difficult and wished to table the motion until such time that the bill is enacted. Commissioner May moved to table the motion until they know the final form of the bill. Commissioner Monaghan seconded the motion. The vote was 4 to 1 to table the motion with Commissioner Sealock voting "nay". The motion was tabled. (See

der # (91-16)

The Chair recognized Mick Lura to explain Prairie Meadows simulcast contract. He stated it was very similar to last year's contract and the only section that he commented on was the purse monies. He stated that the purses are set by the Racing and Gaming Commission and that was at his suggestion because he knew on July 1, 1991 they would be taking action to set the purse rates. He also was concerned with the purse money. He was concerned with the wording because it says it can be divided equally between the three Iowa Horse Bred Associations eligible to run at the receiving track. His recommendation was to approve the contract at 3.25% purse levels until July 1, 1991 subject to an amendment indicating that these monies have to be used for Iowa purse supplements. The Chair entertained a motion to approve the contract. Commissioner May moved the approval of the agreement at 3.25% until July 1, 1991 subject to an amendment to the first sub paragraph of number 3 to specifically indicate that the payments to horse breeders associations shall be used for Iowa purse supplement. Commissioner Sealock seconded the motion. All present voted "aye". The motion was carried.

The Chair recognized Lorenzo Creighton to discuss the dates for Prairie Meadows. He explained that the request is for two greyhound performances per week, Saturday afternoon and Sunday evening. He explained that this was introduced in the previous business plan that was received early this fall. If the legislation discussed earlier passes Prairie Meadows will ask for greyhound simulcasting from September 4 through November 17, 1991. There will be 33 days of actual greyhound simulcast racing, 66 greyhound simulcasting performances in total to be held every Wednesday, Saturday and Sunday. The Chair entertained a motion to approve the dates for greyhound simulcasting at Prairie Meadows. Commissioner Canella so moved and Commissioner Monaghan seconded the motion. Motion carried on a 5-0 vote. (See Order # 91-17)

The Chair recognized Lorenzo Creighton to discuss the Darrin Fitch hearing. Darrin Fitch was not present at the meeting but was duly notified by certified mail and the letter came back unopened and undelivered. This case was originally scheduled for the March Commission meeting and that meeting was cancelled. He explained that Mr. Fitch was licensed as a dog trainer from the Waterloo Greyhound Park. At that time he was charged with violation of Iowa Administrative Code rules 7.39 d e and 7.41. He was called to a hearing before the Waterloo Greyhound Park Board of Stewards in regards to the violation of those rules and failed to appear at that hearing also. The Board of Stewards conducted a hearing in his absence and ruled that he should be suspended for a period of one year from the date of the ruling and fined $1,000. The Stewards then referred the matter to the full Racing and Gaming Commission for further review. Lorenzo Creighton recommended that the Commission revoke Mr. Fitch's license for an indefinite period of time and drop the $1,000 fine. Commissioner Monaghan expressed concern regarding dropping the $1,000 fine. Mick Lura explained that there is no incentive for this person to pay this fine and legally the Commission could take no action to force him to pay the fine. Commissioner Monaghan felt that the fine can be handled as a write off. The Chair entertained a motion. Commissioner Sealock made the motion that they accept the recommendation to make a more intent penalty in stating preclusion of ever coming back to the industry in lieu of a fine. She moved that the Commission follow the recommendation of staff. Commissioner May seconded the motion. Commissioner Monaghan moved to amend

the motion to include the fine as originally proposed. Commissioner Canella seconded the motion. The Chair called for a roll call vote and the amendment failed on a 3-2 vote. The Chair called for the roll call vote on the original motion. Motion carried 5-0. (See Order # 91-18)

The Chair recognized Chuck Patton, Director of Riverboat Gaming. He asked that the boat operators and representatives of the operations give the Commission a breakdown on how they felt the first three weeks had gone. Present from Steamboat Development were Doug Kratz, President and Juris Basens, General Manager of the Diamond Lady; Ed Ellers from the Connelly Group and Mary Ellen Chamberlin, representing the Riverboat Development Authority; and Sidney Blum, Executive Director of the Dubuque Racing Association, LTD representing the Dubuque Casino Belle.

The Chair again recognized Chuck Patton regarding an amendment to Chapter 25 referencing forfeiture of property. (see attached) Commissioner Monaghan moved for the amendment as proposed. Commissioner Canella seconded the motion. The motion passed 5-0. (See Order # 91-19)

Chuck Patton explained a number of Riverboat contracts to be approved. Commissioner Canella stated that he wants Chuck Patton to be sure that he is policing these contracts to insure that the Iowa people are being given a fair chance. Chuck Patton informed him that the contract form was revised requiring operator's to address this issue.

The Chair entertained a motion to go into Executive Session for the purpose of sample testing and medications. Commissioner May so moved and Commissioner Sealock seconded the motion.

Commissioner Sealock moved that the meeting be adjourned Commissioner Monaghan seconded. Motion carried.

Minutes taken by Connie Eichhorn

A RACING AND GAMING COMMISSION
TELECONFERENCE MEETING
MINUTES
MAY 6, 1991

On May 6, 1991, the Iowa Racing and Gaming Commission held a conference call referencing Prairie Meadows simulcasting requests and the take-out request for all of the tracks.

Participating in the call were: Chair Bud Pike; Vice Chair Leo Monaghan, Commissioners Lorraine May, Dick Canella and Rita Sealock; Chris O'Dell, Counsel for the IRGC; Mick Lura, Administrator; Lorenzo D. Creighton, Deputy Administrator; Bruce Wentworth, General Manager of the Dubuque Greyhound Park; Carole Baumgarten, President of Prairie Meadows; Walter Pyper, General Manager of Bluffs Run; Chuck Patton, Riverboat Director; Bill Petroski, Register; Greyhound Focus Group; Dr. Sally Prickett.

Mick Lura stated that both of these issues are related to the Governor's signature on House File 651 which they are awaiting and told the tracks that they need to know 4 when that bill is signed because what they will be doing is not possible until his signature is on that bill. Once he has signed the law it immediately takes affect.

Prairie Meadows has requested, based on House File 651 to televise two greyhound cards and a thoroughbred card on Wednesdays when they are normally dark. This is authorized by House File 651. PM is asking for an afternoon and evening greyhound card and they would like to intersperse in with the afternoon greyhound card a simulcast thoroughbred card.

Carole Baumgarten stated that their plans are after House File 651 is passed they plan to begin the simulcasting May 22, 1991. She said that they would not start the horse simulcast until they have approval from Mick Lura and the Commission to co-mingle the pools because they do not think there would be an interest in it unless they had a commingled horse pool. She stated that they are asking permission to begin any time after May 22 and they will not start the horse simulcast until they have a co-mingle approval.

Leo Monaghan asked Mick Lura if there was any objections to Prairie Meadows proposal to simulcast. Mick stated that he had not talked to Waterloo, but in the past they have not objected. Bruce Wentworth stated that they would not oppose it.

Chair Bud Pike entertained a motion to approve the simulcasting request. Commissioner May moved approval simulcast request through September 1, 1991, subject to the Governors signature on the bill. Commissioner Monaghan seconded the motion. The motion passed on a roll call vote of 5-0. (See Order # 91-20)

Chair Bud Pike asked Mick Lura to explain the take out requests for the Greyhound Tracks.

Mick Lura explained that the proposed legislation allows 1% of the wagers on triples to be given to the Iowa Bred Purse Supplement program. It also provides that the Commission may raise the take out on those wagers 2%. Bluffs Run requested to go to 22% on those wagers, which would be a 2% increase. Bruce Wentworth, from the Dubuque Greyhound Park, requested that they want to go from 19% on all exotics to 20% on all exotics and that would be for wagers involving not more than two and for three and better. Walt Piper from Bluffs Run, stated that per his letter he was requesting 22% on the three dog exotics. The Chair called for a motion. Commissioner Canella moved that the Iowa Racing and Gaming Commission approve a take out of exotic wagers involving three or more greyhounds up to 21%. Each track may be allowed to go to 20% of wagering involving two greyhounds. This change may be at the option of the licensee. These changes will go into effect upon the signing of House File 651 by Governor Branstad. Commissioner Monaghan stated that for purposes of discussion he would second the motion. Commissioner Monaghan requested Chris O'Dell to give clarification on the legislation. She stated that the Commission can authorize the licensee an additional 2%. She stated that the Commission does not have to authorize them to do anything. It is discretionary on the Commissions part to do the authorizing but if the Commission does do that it can not be 1%. She said that the Commission may authorize them to deduct an additional 2% or decide not to authorize them to deduct an additional 2%. Commissioner Canella moved to amend his motion to read 22% instead of 21%. Commissioner Monaghan seconded the motion. Commissioner Monaghan asked Bruce Wentworths to clarify his intentions between now and July 1, 1991 regarding 20%. Bruce assured him that he would remain at 20% unless Bluffs Run moved to 22%. Walt Piper stated that he would remain at 21% on triples or better. The motion passed on a roll call vote of 5-0. (See Order # 21) The Chair moved to adopt the original motion as amended. The motion passed on a roll call vote of 5-0. (See Order # 22).

Carol Baumgartner from Prairie Meadows, stated that they would like the take-out to go to 22% with the understanding that 1% goes to the breeders and 1% goes to the track. The Chair called for a motion. Commissioner Canella moved that the Iowa Racing and Gaming Commission approve a take-out on exotic wagers on horses up to 22%. That change to take effect upon the signing of House File 651 by Governor Branstad. Commissioner May seconded the motion. The motion passed on a roll call vote of 5-0. (See Order # 23)

Mick Lura stated the June 6th & 7th meeting will be held at Prairie Meadows.

The meeting was adjourned at 3:00 PM.

Minutes Taken by Connie Eichhorn

IOWA RACING AND GAMING COMMISSION
MINUTES
JUNE 6 & 7, 1991

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, June 6 and Friday June 7, 1991 at 9:30 AM in the board room at Prairie Meadows. Present were Chairman, Bud Pike, Vice-Chairman, Leo Monaghan; and Commissioners Rita Sealock and Richard Canella. Commissioner Lorraine May was present for the June 7, 1991 meeting only.

The Chair entertained a motion to approve the minutes of the April 25, 1991, Commission meeting and the telephone conferences from May 6, 1991. Commissioner Canella so moved with Commissioner Sealock seconding the motion. All in favor.

The Chair introduced Allen Keiser, Chaplin at Prairie Meadows. Chaplin Keiser came to Iowa in 1985 from Mississippi and is currently employed by the Polk County Sheriff's office and an associate of an Inter-denominational church here in Des Moines.

The chair recognized Carole Baumgarten General Manager of Prairie Meadows for a report on simulcasting. Ms. Baumgarten stated that they have begun to simulcast greyhound races from Bluffs Run's Wednesday matinee and evening performances and Saturday and Sunday evening performances. Compared to last season's simulcast numbers, to date they are where they anticipated. However, she stressed concern that until they see all the numbers they are unsure how simulcasting will fit into their current business plan. In 1991 they will have 108 days of live racing compared to 95 in 1990. This month Prairie Meadows will co-mingle pools with Arlington Park in Illinois. All quarterhorse, simulcasts, co-mingled pools and live racing will be looked at closely in helping determine the business plan for 1992. The Polk County Board of Supervisors will meet in December to approve that plan.

The Chair recognized Walt Pyper, General Manager of Bluffs Run. Mr. Pyper advised the commission that he was in agreement with Ms. Baumgarten and is very pleased with the results of simulcasting so far. After ten performances, through the end of May, Prairie Meadows handle was $936,000 and has been even better since June. He stated that the $936,000 has not had a negative effect on Bluffs Run's live handle, when in fact the attendance and handle increased the month of May.

The Chair recognized Dr. Sally Prickett who gave a report on a meeting relating to quality assurance that took place in Cincinnati, Ohio, on May 11, 1991. Chairman Pike also attended that meeting.

The Committee of Commissioners Monaghan and Sealock had completed their study of the greyhound industry in Iowa. The Chair recognized Commissioner Monaghan who gave a report of those findings. Commissioner Monaghan explained that a written greyhound survey was sent out by staff to approximately 300-400 greyhound trainers, officials, management, board members, owners, kennel operators, etc. Several meetings took place involving representatives from each of those groups. The discussions focused on results of questions asked in the survey. The focus groups gave each industry related party an opportunity to express their views and concerns and to offer any ideas they had to make the greyhound industry in Iowa more attractive and competitive. Commissioners Monaghan and Sealock outlined their committee recommendations to the Commission. Those recommendations are as follows:

SIMULCASTING

1. The committee recommended that the Iowa Racing and Gaming Commission set a purse rate of 27% of the adjusted gross revenue on all greyhound simulcasting conducted by Iowa's greyhound tracks either as the receiver or the sender. Adjusted gross revenues is defined as revenue minus pari-mutuel tax.

PARI-MUTUEL TAXES

2. The committee recommends that this matter be referred to and studied by the legislative committee and the committee further recommends that the legislative committee develop a legislative recommendation that includes a progressive tax structure without decreasing total State revenues.

MEDICATIONS

3. The committee recommends that the commission continue to support the current medication legislation and discipline policy until such time as research is conducted on a national level and uniform policies are developed by the Association of Racing Commissioners International.

OVERLAPPING RACING DATES

4. The committee recommends that the date committee of the Racing and Gaming Commission review the overlapping dates between Dubuque and Waterloo and develop a plan to eliminate or minimize that overlap sometime in the future.

PROMOTIONS AND PUBLIC RELATIONS

5. The committee recommends that the Iowa Racing and Gaming Commission discuss the possibility of earmarking a portion of the funds allocated for greyhound promotions be used for industry wide pubic relations.

FOCUS GROUP

6. The committee recommends that the staff develop a plan to have focus groups on an on going basis.

GREYHOUND PURSES

7. The committee recommends to the full commission that regular purse rates for greyhounds in the state of Iowa be set at 4% for the tracks at Waterloo and Dubuque and set at 3.7% at Bluffs Run effective July 1, 1991 until January 1, 1993. Because the tax rate changes legislatively for Bluffs Run on January 1, 1993 the committee further recommends that the rate at Bluffs Run be increased to 4% effective January 1, 1993.

The chair opened the floor for discussion of greyhound purses.

The chair recognized Don Loughren, President of the Iowa Greyhound Breeders Association (IGA). Mr. Loughren stated that he was pleased with the job the Committee had done and introduced Gerald Crawford, attorney for the IGA.

Mr. Crawford spoke on behalf of the IGA and commended the greyhound study as being both comprehensive and informative. He stated that, in general, their philosophy about the commissions recommendation phase of the report is not, unlike the philosophy that was, expressed by the organizations president at the commissions last meeting when he responded to the concept of simulcasting. He addressed the seven recommendations.

SIMULCASTING

1. He stated that they support the ultimate recommendation made by the sub-committee.

PARI-MUTUEL TAXES

2. Relating to the tax policy, he believes that there is no reason for anyone in this industry, regardless of their position, to take exception to the recommendation. He stated that they want to be a full partner with the commission in taking that agenda to the legislature to achieve an incentive from a tax standpoint. The IGA appointed Don Avenson as it's legislative coordinate during this past legislative session. The commission can count on their assistance with the legislature in order to achieve a tax incentive.

MEDICATIONS

3. Mr. Crawford advised the commission that their proposal and recommendation were acceptable. The IGA is currently active in the National Greyhound Association's efforts in regard to new medication proposals. They will be in touch with the commission as new proposals are developed and defined.

OVERLAPPING DATES

4. The IGA is not taking a position in regard to the tracks overlapping dates. Explaining that they have shared the frustration that has been expressed by others more directly effected and they are hopeful that a solution can be found that serves all industry participants.

PROMOTIONS

5. This has become one of the priority items on the agenda for discussion at the next IGA meeting in Dubuque.

FOCUS GROUPS

6. Mr. Crawford stated that this is an effective tool for communication and dialogue between interested participants.

TAKE-OUT AT TRACK

7. The IGA is supportive of the committees recommendation regarding statutorily approving take-out increases at the tracks of 22% for 3 animal entries; 20% for exotic wagers and 16% for straight wagers.

PURSES

8. The 4% recommendation with the grandfather clause for Bluffs Run until January 1, 1993 leaving them at 3.7% until that date is also a recommendation that they support.

Mr. Crawford advised the commission that the IGA fully approves of the committee's recommendations.

The greyhound purse issue was deferred.

Mr. Crawford was then recognized to discuss the greyhound promotion fund. He stated that the IGA spent $13,000 in greyhound promotional activities with expenses such as; newsletters, seminars, animal welfare, and stakes programs. Of the $9,246.00 the IGA received from the 2% funding, $13,000 was actually spent. The IGA absorbed the $3,700+ from other funding sources. Mr. Crawford then asked that on behalf of the IGA they be granted the 2% funding.

Mick Lura, Administrator of the commission recommended that the money go to the Iowa Greyhound Association due to the excellent job they have done in the past, and because of the emphasis they have put on the breeding industry in Iowa, which was the intent of the original law. He recommended the Commission consider the possibility of some provisions allowing promotion of track activities, as was discussed by the committee reports.

The Chair entertained a motion on the greyhound promotion fund. Commissioner Monaghan moved that the presentation be accepted as presented, but stipulated that part of the motion was to include a report as to specifics of how the funds were to be used. Commissioner Sealock seconded the motion. Motion carried 4-0; Commissioner May absent. See Order # 91.24

The Chair recognized Lorenzo Creighton, Deputy Administrator, to discuss Prairie Meadows contract approval regarding simulcasting and common pooling. Mr. Creighton stated that the agreement between Prairie Meadows and Arlington International appears to be a standard simulcasting common pooling agreement. The agreement allows for the Illinois take-out to be used at Prairie Meadows since they are the guest track. It is felt that Prairie Meadows participation in larger co-mingled pools, such as with Arlington Park will give them another marketing tool to attract the large bettor. Prairie Meadows will pay 4% to the host track for the signal. Approval was recommended.

Commissioner Sealock moved that the Commission approve Prairie Meadows contract for simulcasting and common pooling. Commissioner Monaghan seconded the motion. Motion carried 4-0; Commissioner May absent. See Order # 91.25

Mr. Creighton then brought up for discussion approval of Bluffs Run's simulcasting and common pooling contract. Mr. Creighton stated that the agreement between Bluffs Run and South Dakota Racing Club, Inc. (SODRAC) also appears to be a standard agreement. The agreement allows for the Iowa take-out rates, since Bluffs Run is the host track. The significance of this agreement is that it sells and Iowa product to another racing jurisdiction. Bluffs Run will be paid 3% of the total handle of the guest facility and the breakage will be handled according to Iowa law. The agreement between the parties is in compliance with Iowa simulcasting rules (Chapter 12) and approval is needed from both Iowa and South Dakota Commissions. Approval was recommended.

Commissioner Sealock moved that the simulcasting contract between Bluffs Run and SODRAC be approved. Commissioner Monaghan seconded the motion. Motion carried 4-0; Commissioner May absent. See Order # 91.26

Mr. Creighton then addressed approval of the corporate insurance contract between Herrig & Herrig Insurance and Dubuque Greyhound Park. Mr. Creighton stated that the contract seem to be in order and that the amount appears to be within normal ranges for corporate insurance, and recommend approval.

Commissioner Canella moved for approval of the contract between Herrig & Herrig Insurance and Dubuque Greyhound Park. Commissioner Monaghan seconded the motion. Motion carried. 4-0; Commissioner May absent. See Order # 91.27

The Chair resumed discussion of greyhound purses and recognized Mr. Pyper who advised the commission that he was very pleased with the greyhound study. Although the study ranked Iowa tracks in the lower third in the country and their goal, as well as the commissions, is to put Iowa in the top third in the country. He stated that the final recommendation as summarized relating to the purses caused great concern since a fixed 3.7% to 4% would put Bluffs Run on top of the list. He felt it was a business decision and in their business judgement they believe it is appropriate for them to request a 22% take-out for three dog and greater exotics, effective July 1, 1991. He said they have to work to find ways to increase purses. Simulcasting needs to be taken into consideration since it will bring added money to kennels. One great concern of Bluffs Run is that due to recent legislation they are now subject to property taxes. It is a unique problem that they and the county assessor will have to deal with. He stated that they would support a 27% standard rather than a fixed 3.7%

The Chair recognized Barry Savage, also representing Bluffs Run. In looking at the five year financial results as summarized in the report, and giving consideration of the 1990 law change, which increased the take-outs on exotics to 22%, allowing for a 1% increase for triples resulting in a 3.7% purse, he felt the 27% concept was fair. In 1986, 1987, and 1988, Bluffs Run handled $122 million each year. In 1990 the handle dropped to $82 million, a 33% decrease, with state taxes dropping likewise. In looking at compensation to the breeders in 1986, which is the second party that shares in the take-out from total handle, purses and the breakage, the breeders received $3,951,000 on a $22 million handle. The net commission to the track in 1986 was $10 million compared to $7.7 million in 1990. This decline has resulted in not only the 33% decrease in handle and state tax, but ia a 24% decrease in the track's share and a 3% decrease in the kennel owner and dog breeders share. Mr. Savage feels that Bluffs Run should receive some credit and consideration of purses and compensation to the breeders for the increase that is now going into the breeders fund, resulting from their support in the legislature. The fact that the money is now going into the breeders fund instead of into purses was not their choice, but the choice of the IGA.

Augie Masciotra, General Manager of Waterloo Greyhound Park (WGP) was recognized and stated that he would like to commend the committee and staff for a job well done on the greyhound study. He feels that the idea of focus groups is unique and is something that is long overdue. He then advised the commission that he would like to object to the 4% purse that is being recommended. Setting the purse rate at 4%, in his situation is much better than 27%, however he felt that the 4% is somewhat oppressive to WGP. Each track is unique and should be treated as such. The purse rates and tax schedules for each track is different. You must also take a look at length of racing seasons and length of opportunity to race. The situation of who has retired debt and who does not have debt should be a factor. A great deal of money is spent making WGP a safe track to race. In fact, the safest track in the state. The committee report projected a net profit of $250,000 this year. A 4% purse increase based on handle will run WGP an increase of a quarter of a million dollars. That wipes out the bottom line right there. This is the first year we were hoping that we would not have to borrow money to open the facility. This is not a healthy situation for WGP. We are not saying that the greyhound people don't deserve more, because they do, but if the 4% goes into effect, we will not cash flow.

Chairman Pike recognized Randy Hoskins of Hoskins Kennels, who stated that at the present 3.25% they have a very difficult time making it. He felt that 4% would be realistic, they could meet expenses based on that amount.

Bruce Wentworth, General Manager for Dubuque Greyhound Park (DGP) advised the commission that he found the greyhound study to be very useful and much needed. The exotic take-outs last season were based on 18% and will go to 22% this year, making a $2 wager increase by 8 cents. The people who will be affected other than the track and kennels will be the customer, and we will need to be very cautious where they are concerned. He stated that Wisconsin is currently at 23%.

The Chair entertained a motion on greyhound purses. Commissioner Monaghan moved to implement the recommendation of the Greyhound Committee as presented, stating that the purse rates for greyhound racing in the State of Iowa be set at 4% at the Waterloo Greyhound Park and Dubuque Greyhound Park, and 3.7% at Bluffs Run until January 1, 1993, when they will be increased to 4%. Commissioner Sealock seconded the motion.

Commissioner Canella stated that he felt that all purse rates in Iowa should be the same, but agreed to the concept of 27%. Therefore, he amended the motion to increase Bluffs Run's purses to 4% on January 1, 1992, rather than 1993 to quicken the movement toward 4% purses across the board.

Chair Pike turned the chair over to Commissioner Monaghan in order to speak to Commissioner Canella's Motion. Commissioner Pike seconded the motion. Commissioner Monaghan called for a roll call vote on Commissioner Canella's amendment to the Motion. The amendment failed 2-2. Commissioner's Pike and Canella voted yes and Commissioner's Sealock and Monaghan voted no with Commissioner May absent. See Order # 91.28.

Commissioner Monaghan turned the chair back over to Commissioner Pike. Commissioner Pike called for a roll call vote on the original motion. Roll call vote failed 2-2. Commissioner's Sealock and Monaghan voted no and Commissioner's Pike and Canella voted yes with Commissioner May absent. See Order # 91.29

After some discussion Commissioner Canella moved that the vote by which Commissioner Monaghan's motion was defeated be reconsidered. Commissioner Pike called for a roll call vote. The motion to recall the original motion passed 4-0 with Commissioner May absent. See Order # 91.30

Commissioner Pike then called for a roll call vote on Commissioner Monaghans original motion to increase purse rates to 4% for DGP and WGP and 3.7% for Bluffs Run until January 1, 1993, when they will be increased to 4%. The motion passed 4-0 with Commissioner May absent. See Order # 91.31

The Chair entertained a motion for the take-out structure at each facility. Commissioner Monaghan moved that take-outs at all tracks in Iowa be set at any level desired by that Racing Association up to the maximum allowed by law. He further moved that in setting the take-out the Association shall provide Commission written notice of the take-out to be used at least 21 days prior to any implementation of change. Commissioner Sealock seconded the motion.

Mr. Lura explained that the purses were geared toward the assumption that they would ask for the extra 1%. The calculation for the recommended purse was based on that level of take-out. It was not part of the motion. When the committee made it's recommendation for the purse level the extra 1% was taken into consideration.

Commissioner Monaghan further explained that if the maximums were used, the tracks would be at 3.75% at Bluffs Run, 4.05% at DGP and about 4.25% at WGP. He explained that this was the committee recommendation and the proposed levels. Motion carried 4-0 with Commissioner May absent. See Order # 91.32

Commissioner Monaghan moved that the Commission set a purse rate of 27% of the adjusted gross revenue on all greyhound simulcasting conducted by Iowa greyhound tracks either as receiver or sender. He defined the adjusted gross revenue as revenue minus pari-mutuel tax. Commissioner Sealock seconded the motion. Commissioner Monaghan clarified that it would run about 3.75% at Bluffs Run based on that number and would move to about 4.05% on January 1, 1993. Motion carried 4-0 with Commissioner May absent. See Order # 91.33

The Date Setting Committee included Commissioner Monaghan and Commissioner Pike. Commissioner Monaghan reported that the Date Setting Committee recommended that Prairie Meadows be granted the authority to receive horse and greyhound signals from September 2, 1991 till September 2, 1992. He explained that in accordance with the law they must have 105 live racing days. The committee recommendation is 108 live racing days because it is important to the breeding industry in Iowa that live racing is conducted as opposed to simulcasting. Prairie Meadows requested 105 live racing days from February 15, 1992 to September 2, 1992.

Commissioner Canella moved to accept the requested dates from Prairie Meadows for live racing February 15, 1992 to September 2, 1992, and simulcasting from September 2, 1991 to September 2 1992 which includes 108 live racing performances as suggested by the committee. Commissioner Sealock seconded the motion. Motion carried 4-0 with Commissioner May absent. See Order # 91.34

Commissioner Monaghan reported that Bluffs Run requested dates are January 3, 1992 to December 31, 1992 with a holiday closing between December 14, 1992, and December 25, 1992 inclusive. He explained that this is approximately 2 days more than their current schedule. He then recommended approval of Bluffs Run's proposal as presented.

Commissioner Canella moved to accept the requested dates of January 3, 1992, to December 31, 1992. Commissioner Sealock seconded the motion. Motion carried 4-0 with Commissioner May absent. See Order # 91.35

Commissioner Monaghan suggested that since the DGP and WGP requests effect similar market areas that they be considered at the same time. Dubuque Greyhound Park's request for live racing is April 1, 1992 through November 8, 1992. Waterloo Greyhound Park's request for live racing is September 3, 1992, through May 30, 1993. Both DGP and WGP request simulcast dates of June 1, 1992 through September 2, 1992, for the purpose of receiving signals. The committee report (both from the focus groups and the survey results) indicated a dissatisfaction with the overlap that exists between the two tracks. The committee's recommendation is that the commission reduce, or if possible, eliminate the overlap that now exists between DGP and WGP, and that DGP be granted a seven month season from April 7, 1992 to November 8, 1992. They further recommend that WGP be granted a six month live season from October 22, 1992 to April 25, 1993. The attempt of the committee is to reduce the overlap by a total of two weeks. A recommendation for simulcasting was deferred at this time.

The Chair recognized Mr. Masciotra who stated that their date request did not come to the Commission in the absence of thought. It was a very generous request on Waterloo's behalf. It was a proposal that was put before management at DGP. Knowing that this could be an impossible situation given the fact that DGP did not want to extend their season any longer based on problems such as a heated track and a different parking lot. These requests for dates were done with one thought in mind, and that was hopefully to get some additional dates and possibly to generate some conversation between the tracks and the commission. He stated that the recommendations that were put before the commission today were never discussed with him. No one on the commission or staff contacted him to ask for his thoughts or opinions and felt that he has always compromised and cooperated with the commission and other tracks. He stated that he feels that decisions appear to be made before the meetings. WGP has totally been left out of the process and was never consulted on these decisions. He cannot put the trust in the commission that should be there. He stated that he protests and contests the dates the commission is going to grant Waterloo Greyhound Park. He feels that something could have been worked out.

Chairman Pike disagreed with Mr. Masciotra's statements. Advising the commission that WGP should have contacted the commissioners. He stated that WGP was offered a license for winter racing dates and that was the basis that the license was issued. For WGP to ask for nine months of racing totally violated the six months winter racing dates that were given. Waterloo never would have been granted a license for greyhound racing if they had asked for anything other than winter racing. He stated that he has always been an advocate of WGP and has done nothing to betray anyones trust. Overlapping dates continues to be a terrible problem. He apologized if the Commission had done anything to destroy Waterloo's confidence in them.

Mr. Masciotra advised the commission that his assumption was that if he did not hear from the commissioners that those dates were going to be granted. The commissioners are the ones making the decision and if the request posed a problem they should have contacted him. He stated that he was not saying that he wanted the nine months but he felt that WGP's request should have generated discussion.

Chair Pike told Mr. Masciotra that Mick Lura had been directed by the Committee to contact him regarding the results of the committee meeting.

Mr. Masciotra responded that Mr. Lura contacted him after the recommendations had been determined made not before.

The Chair recognized Mr. Wentworth, who advised the commission that a letter was sent asking that the commission deny WGP's date request. He stated that the request for simulcasting came as a great shock. They were under the assumption that WGP and DGP had an agreement that they would not receive a simulcast signal without the blessing of the other. He stated that DGP's request for racing dates represents the same length of season that they have this year.

Original dates for WGP were October 15, 1992 to April 25, 1993 and DGP dates were April 1, 1992 to November 8, 1992.

Mr. Wentworth stated that he preferred the initial request as was his first position, but if it is the commissions desire to keep the overlap at six weeks rather than reduce it to four weeks then he would compromise and accept that position. DGP remains convinced that the first position is the direction that takes the overlap back to four weeks.

Commissioner Sealock requested the committee's view of the recommendation. Chairman Pike stated that the committee's desire was to cut back overlapping dates and thought they were heading in that direction by cutting back one week.

Commissioner Monaghan recognized Mr. Masciotra for further comments. Mr. Masciotra stated that his original request was made to generate conversation. The October 15, 1992 to April 25, 1993 would have been acceptable because it is identical to this seasons dates.

Commissioner Monaghan stated that the overlap was an age old problem. He felt the commission needed to take heed with what they heard in the focus groups and surveys requesting some reduction of overlap and improvement in the situation between the two tracks.

Chair Pike entertained a motion. Commissioner Monaghan moved that the recommendation of the date setting committee be approved for dates as follows:

Dubuque Greyhound Park - April 7, 1992 to November 8, 1992.
Waterloo Greyhound Park October 22, 1992 to April 25, 1993.

Commissioner Canella seconded the motion. Motion carried on a roll call vote of 3-1 with Commissioner Pike voting no and Commissioner May absent. See Order # 91.36

Commissioner Monaghan asked that all four tracks sit down together and come up with a proposal that they can present to the commission for sending simulcast signals, keeping in mind that if the tracks can't come up with a solution then the commission may force a solution and that is not something they want to do. The four tracks agreed to meet and make a recommendation to the Commission at the July 11, 1991 meeting.

JUNE 7, 1991

RIVERBOAT AGENDA

The Chair recognized Chuck Patton, Director of Riverboat Gambling, who requested an overview of boat operations by operators and representatives. Those present were as follows: Steamboat Development and Steamboat Southeast, Inc.; Ed Ernst and Dave Joyce, The Connelly Group; Ed Ellers, Riverboat Development Authority; Mary Ellen Chamberlin, Riverbend Regional Authority; Robert Miller, Roberts Riverides; Bob Kehl, and representing the Dubuque Racing Association, LTD.; Sidney Blum; Executive Director and Bob Ginter, President.

Mr. Patton explained the Clinton license contracts. He stated that the contract between Dubuque and the Mississippi Belle II is not signed at this point, but will be signed at the June 20, 1991, meeting of the City Council in Dubuque. Recommendation is that the contracts be approved providing that both the commission and the City of Dubuque are in agreement.

Steve Jergens, Attorney for Dubuque Racing Association, Inc., representing the Dubuque Casino Belle and the Mississippi Belle II confirmed that the agreement with the City of Dubuque is fully negotiated and he expects approval. The issue was raised that the office facilities may not be adequate in Clinton. Mr. Patton stated that the licensing office would not be moved from Dubuque until they have an acceptable office to license out of in Clinton.

Commissioner May moved approval of the Clinton contracts and amendments that have been presented subject to the approval of the City. Commissioner Monaghan seconded the motion. Motion carried 5-0. See Order # 91.37

Mr. Patton advised the commission of schedule changes on the Mississippi Belle II. Stating that the changes meet all the of rule requirements and recommended approval of the schedule. Commissioner Canella raised a point that there needs to be some procedure for handling changes to schedules of any kind. He felt that there should be a request by the boat operators giving the reasons for the changes and input from all interested parties as well as adequate notice of these changes. Bob Ginter, President of the Dubuque Racing Association, stated that they are on record as approving this schedule with Mr. Kehl. He further stated that Mr. Kehl always keeps the association informed. Commissioner Canella suggested that a written procedure be sent to all boat operators on how changes will be made.

Mr. Kehl stated that they were of the understanding that procedures be put in writing and sent to Mr. Lura for approval.

The Chair called for a motion to approve the Mississippi Belle II's summer changes. Commissioner Canella moved that the Commission approve the schedule changes contingent upon getting some agreement from the Clinton non-profit group. Commissioner Monaghan seconded the motion. Motion carried 5-0. See Order # 91.38

Commissioner Canella again stated that a request is needed for handling changes in scheduling and there needs to be a formalized procedure. That procedure should include why the change is necessary, and have input from the non-profit group and any interested parties.

Mr. Lura suggested that the Chair appoint a committee to write a procedure that should be followed for making changes in schedules to be adopted at the July 11, 1991 meeting. The Chair appointed Commissioner Canella and Commissioner May.

Mr. Patton brought up for discussion a schedule change for the Emerald Lady. On May 23 Steamboat Southeast was granted permission to discontinue weekly moonlight cruises subject to commission approval.

The Chair called for a motion. Commissioner Sealock moved that the Commission approve the schedule change as previously agreed to. Commissioner May seconded the motion. Motion carried 5-0. See Order # 91.39

Mr. Patton explained that the "President" has asked that their schedule be modified to allow actual excursions through November 29, 1991, as opposed to docking at the end of the regular season. For fall promotional purposes they asked for immediate consideration. Mr. Patton recommended that the commission approve the schedule. Commissioner May moved for approval of the new schedule with Commissioner Monaghan seconding the motion.

Commissioner May amended her motion to read that during the "winter docking season" any of the boats may cruise the river within obvious determinations of safety, but they will not be required to dock in that time period. Commissioner Monaghan seconded the motion. The motion carried 5-0. Motion carried as amended 5-0. See Order # 91.40

Mr. Patton stated that under the current liquor laws, operators are only allowed to run excursions during normal selling hours which are 10:00 a.m. on Sunday mornings. A recent change in the law allows alcoholic beverages to be purchased earlier on Sunday and also until 2:00 AM. It was decided that the authority to grant additional hours in this particular case would be given to the Administrator, to which all Commissioners agreed.

Mr. Patton then explained a modification in the admission fee proposal. There is a revised estimate on the cost of providing the auditing function by the Division of Criminal Investigation (DCI). He stated that the current schedule requires the Commission to recover $1,244,493. Apportioning that amount between the five boats would bring the total cost per boat (fiscal year '92) to $248,899, or $4,787 per week. Mr. Patton then recommended approval of the schedule as proposed.

Commissioner Canella stated that the proposed schedule called for equal payment by each boat regardless of the number of passengers riding on that boat. Based upon the proposed recommendation the admission fee for passengers on the President would be $.25, Mississippi Belle - $2.48, $.71 - Diamond Lady and Emerald Lady, and the Dubuque Casino Belle would be $.64 based on projections for the second year of operation. Maintaining that the reimbursement to the State should be based upon total passengers embarking upon riverboats rather than apportioned to specific boats. If that phylosophy was agreed upon by the commission. The President would pay $613.000; Mississippi Belle II - $60,000; Emerald Lady and the Diamond Lady - $180,000, and the Dubuque Casino Belle - $232,000. Commissioner Monaghan felt that some combination of Commissioner Canella's proposal might be more equitable and make the cost of regulation a little more palatable.

Chair Pike appointed Commissioner Canella and Commissioner May to come up with a fair and equitable solution for cost of regulation.

Commissioner Monaghan moved approval of the admission fees schedule as presented by staff. Commissioner Sealock seconded the motion. Motion carried 5-0. See Order # 91.41

Mr. Patton stated that 19 contracts had been submitted for approval, and recommended approval of each contract. The Chair asked for a blanket motion to approve all the contracts that had been submitted to the Commission this date. Commissioner Monaghan so moved. Commissioner Canella expressed concern in approving contracts after the fact. The operators concurred that some business decisions must be made at the last minute. In view of the fact that the Commission meets only once a month, temporary approval (subject to commission approval) is sometimes needed.

Commissioner May moved that the Commission delegate authority to the Administrator to approve all contracts under $1/2 million, with a term not to exceed one year, with the additional requirement that copies of all forms and all approvals are provided to the commission at it's regular meeting. Commissioner Canella seconded the motion. Motion carried 5-0. See Order # 91.42

Commission May moved to approve all the contracts that have been submitted to the Commission this day. Commissioner Sealock seconded the motion. Motion carried 5-0. See Order # 91.43

The four tracks will meet June 18, 1991 to discuss simulcasting.

The Commission meeting will be held in Dubuque, July 11, 1991.

Minutes Taken By Connie Eichhorn

IOWA RACING AND GAMING COMMISSION
MINUTES
JULY 11, 1991

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, July 11, 1991 at 1:00 PM at the Dubuque Greyhound Park, in Dubuque, Iowa. Present were Chairman, Bud Pike, Vice-Chairman, Leo Monaghan; and Commissioners Rita Sealock and Richard Canella and Commissioner Lorraine May.

The Chair entertained a motion to approve the minutes of the June 6 & 7, 1991, Commission meeting. Commissioner Canella so moved with Commissioner Sealock seconding the motion. All in favor.

Chuck Patton, Director of Riverboat Gambling discussed Notices of Intended Action. The first one dealt with Chapter 25 sub-rule 20 (3), which specifies what has been the policy of the Commission to this date in terms of collecting gaming taxes due under Chapter 99F. A requirement has been made that all monies owed must be received in the Commission office by noon on Thursday following the weeks end. He explained that this is necessary in order to comply with the ten day requirement contained in 99F. The second change deals with Chapter 26 sub-rule 10 (6), which changes the age of wagering from 21 to 18, which corresponds with the change made in the law this year. The third change is Chapter 22 sub-rule 14(1), which would require that the license held by each licensee on a riverboat be exposed so that it is visible to the public at all times.

The Chair entertained a motion to adopt the Notices of Intended Action covering Chapters 20-25. Commissioner May moved that the Commission file the notices of intended action. Commissioner Monaghan seconded the motion. Motion carried 5-0. (See Order # 91-44)

Representatives from each boat gave a brief overview of their operations to date. They were as follows:

Ed Ellers	President
Mary Ellen Chamberlin	President of the Non-Profit for the President
Gary Armontrout	Vice President of Gaming
Ed Ernst	Steamboat Development Bettendorf
Coleen Wilson	Steamboat Development Diamond Lady
Bob Kehl	Roberts Riverrides Dubuque Casino Belle & Mississippi Belle II
Sidney Blumn	Executive Director of the Non-Profit Dubuque Greyhound Association

Chuck Patton prepared and discussed a status sheet on the commitments and obligations of each boat operator. (Attached)

Jerry Hanson, represented the City of Sioux City. He explained that things are not on schedule for the Sioux City boat. He said they are attempting to negotiate a new schedule and that it is not possible to have a boat operational by April of 92. He said that Steamboat was in default of the developers agreement and that the Sioux City, City Council has not taken action to find them in official default. He also stated that they met in Des Moines with Mr. Ernst and other representatives of Steamboat, June 25th to discuss these issues. At that time they asked that Steamboat proceed immediately with design work on both the boat and the shore sight facilities.

Ed Ernst, President of Steamboat Development, stated that Steamboats position is that until a compact is reached with the Winnebago Indians and their proposal to open a casino 22 miles south of Sioux City, they can not proceed. He stated that this has been Steamboat's position since they became aware that the indians were looking at a full service casino and feels they kept everyone informed of that decision. He was very clear in stating that until they find out what their competition is, it would be difficult for Steamboat to design facilities or make modifications in their proposal.

Commissioner Monaghan asked staff if there was something legally that needs to be addressed. He stated that the non-profit was not getting what they bargained for and needed to be represented in this matter.

Dave O'Brien from the Non-Profit in Sioux City addressed the Commission. He said that they too were anxious to see the compact negotiated so they could find out one way or another what was going to happen. He said they would like to see Steamboat proceed with their proposal and just down scale the boat and compete with the indians. He explained one provision of their contract which requires Steamboat to front the non-profit up to an additional $25,000 in funds to cover operating expenses until they were receiving funds from the riverboat. He said they have incurred $5,000 in legal fees and requested payment from Steamboat and payment was refused.

Commissioner May expressed to Ed Ernst her concern about the contract provision. He explained that Steamboat asked for a list of expenditures that were incurred prior to funding them. He stated that to date he has had no communication with Dave O'Brien since the letter was written.

Commissioner May requested that this matter be resolved before the Commission meets in August. Mick Lura stated that if the non-profit were to get a judgement the Commission would enforce it and it would affect the other two Steamboat operations. Chuck Patton recommended that the Commission wait two months before taking the issue up again. He stated that his conversation with Chuck Sweeney was optimistic in respects to getting a compact signed within a month. He felt that this would give Steamboat and Sioux City a month to resolve their differences and get their agreement back on course.

Commissioner Monaghan suggested providing notice to Steamboat and giving them 60 days to show proof why their license should not be revoked. He asked staff if that would work and Chuck Patton, after questioning Lorenzo Creighton, stated that it would.

Dave O'Brien stated that he felt it was safe to suggest that if the plans did not proceed to allow them to be operational by July of 92 the Commission would not need to meet again in two months. He stated the City of Sioux City would take action to find Steamboat in default if they are unable to be operational by July of 92.

There was general discussion regarding uniform pari-mutual rules. Lorenzo Creighton, Deputy Director stated that the progress towards the adoption of the first batch of uniform rules is moving along on schedule. He said that a copy of the rules has been sent out to industry people for comments. The comments are to be returned by July 29th.

There was general discussion regarding the McKinsey report. This is a report that has been done on horse racing and the pari-mutuel industry. The report was received at the last ARCI meeting that Bud Pike attended.

Mick Lura, Administrator, explained that the four tracks got together to create a simulcast plan, at the request of the Commission during the June meeting.

Carole Baumgarten explained the simulcast plan which was agreed to by all tracks. She stated that this was a one year experimental agreement from labor day to labor day and then an evaluation and discussion on any changes that need to be made. (Simulcast plan attached)

Jerry Crawford, represents the Iowa Greyhound Association. He stated that they have some minor concerns about the allocations in the proposed agreement that they expressed at an earlier meeting. He stated that this proposal deserves the year of experimentation they requested.

Barry Savage stated that he was pleased there was a simulcast agreement that had been worked out. He is anxious to evaluate the out come in a year.

Bruce Wentworth, General Manager of the Dubuque Greyhound Park, feels that by the Commission approving this proposal, it will show other states how the passive partner concept can work with impact payments going to the tracks that are not active participants. This shows that the four tracks are concerned about everyones well being. He also feels that by the Commission approving this proposal it will show other states how this can happen and how a licensee in a jurisdiction need not be left out.

Augie Masciotra, General Manager of the Waterloo Greyhound Park, reiterated that all tracks were in agreement with the main part of this proposal.

Mick Lura's staff recommendation was that the Commission adopt the main part of the simulcast proposal. He saw no technical flaws in the proposal.

Commissioner Sealock moved that the Commission adopt the proposal as proposed for the experimental time as suggested, 9-1-91/9-1-92. Commissioner Canella seconded the motion. Motion carried 5-0. (See Order # 91-45)

Discussion was opened regarding whether Prairie Meadows horse races should be simulcast to Waterloo during June, July and August of next year. Waterloo is willing to try this experiment. Prairie Meadows is strongly in favor. Dubuque objects very strongly.

Carole Baumgarten, President of Prairie Meadows, stated that this horse signal should have the opportunity to go to one of the tracks. She stated that the horse industry has accused Prairie Meadows of slighting them for the sake of Prairie Meadows. She stated that without the expanded simulcast bill Prairie Meadows might not be open. (addendum attached)

State Senator Mike Connelly from Dubuque, felt that until all tracks agree on the addendum the Commission should not make decisions on simulcasting between tracks. He felt very strong that Dubuque would be hurt in this experimental simulcasting to Waterloo. He charged that the Commission should rise above the politics of this issue.

Bruce Wentworth, stated the Dubuque Greyhound Association is on record as opposing simulcasting from Prairie Meadows to Waterloo.

Bob Ginter, Dubuque Greyhound Association. He feels that the Commission is approving a concept that may or may not take place. As regulators he feel that is not appropriate. He feels that if a track wants to send a signal they should know how much it is going to cost them. The same applies for receiving a signal. He wants the "date" fighting put to rest.

Augie Masciotra, Waterloo Greyhound Park. He said that Waterloo would like the opportunity to explore simulcasting Prairie Meadows into Waterloo for the one year experiment. He feels that there is not going to be a cross over of bettors.

Kim Houlding, President of the Iowa Thoroughbred Breeders Association. She feels that simulcasting should be a two way street in which both horse and dog industries should be simulcast.

Jerry Crawford, representing the Iowa Greyhound Association stated that his organization studied the written arguments that were submitted as the addendum to the primary report. He said that they looked at the arguments that Prairie Meadows and Dubuque made. He feels that a decision should not be made until the issue is joined, meaning Prairie Meadows does not know what it will cost to send the signal and Waterloo does not know whether they want to receive the signal. His organization feels that a sub-committee should be established and by time the sub-committee conducts its deliberations maybe some of the questions could be answered that are presently unresolved.

Mick Lura, Administrator, stated that one track in the market cannot stand pat penalizing the other tracks in the market that wish to try new and creative things. He said pari-mutuel racing was legalized for economic development and employment. He stated that his original recommendation was to grant Waterloo the three months of simulcasting. Also, to offer the Dubuque track competing race dates in the Spring from Prairie Meadows and then it would be a management decision. If management chooses to stand pat, they can not blame the Commission for allowing the track that did not want to stand pat the opportunity to grow. He said there are more details yet to surface, he does not see an urgency to make this decision today. He recommended that the Commission follow Mr. Crawfords advice and ask the Chair to appoint a committee to review this situation and get more information from Prairie Meadows and Waterloo and at some future meeting the Commission will readdress this issue with a report from the committee.

Chair Pike recommended Mick Lura's recommendation to the Commission with a further stipulation that it is deferred for one month.

Commissioner May moved that the Commission defer the decision on this issue until the September meeting date. During that time frame she is hoping that the Chair will appoint a committee to work with the two tracks to investigate and determine whether it is a viable option before a decision is made on whether or not a potentially viable option is appropriate or not. She feels that this Commission is the entity that will have to make this decision. She strongly disagreed that the politics are taken out of the issue by turning it over to the politicians. She feels that the agreement among the parties themselves was that this Commission will reach a decision, it is the their obligation. She feels that to do otherwise would be unethical and gutless and she does not want to be accused of that. Commissioner Monaghan seconded the motion. Motion carried 5-0 (See Order # 91-46)

Lorenzo Creighton discussed with the Commission a proposal amending the Commissions original action regarding Jeffery Johnson. Jeff Johnson is requesting access to the backside of the race track for purposes of exercising horses. Mr. Creighton asked that Mr. Johnson be given that opportunity but not be eligible for an officials or jockey's occupational license until after June 15 of 1993.

The Chair entertained a motion on Jeff Johnson's partial reinstatement. Commissioner Canella so moved. Commissioner Sealock seconded. Motion carried 5-0. (See Order # 91-47)

The Chair instructed staff to prepare reconciliation between pari-mutuel rules and proposed uniform rules by the next meeting.

The Chair appointed Commissioner Sealock and Commissioner Canella to the Committee to research the Prairie Meadows and Waterloo issue.

The Chair entertained a motion to nominate a Chairperson. Commissioner Monaghan nominated Bud Pike as the Chair. Commissioner Canella seconded the motion. Motion carried 4-0; Commissioner May abstained from voting. (See Order # 91-48)

The Chair entertained a motion to nominate a Vice Chair. Commissioner Canella nominated Commissioner Monaghan. Commissioner Sealock seconded the motion. Motion carried 5-0. (See Order # 91-49)

Mick Lura explained that traditionally the Commission meets the third Thursday of each month with the exception of December being scheduled a week earlier and in April a week later because of a conflict with the RCI meeting in an attempt to reduce costs in light of the state's current budget problems. The schedule omits November and March meetings. The Chair hearing no objections gave staff approval on accepting these dates.

The Chair entertained a motion to close the meeting and go into Executive Session for the purposes of discussing security. Commissioner May so moved. Commissioner Monaghan seconded.

The meeting was adjourned.

Minutes taken by Connie Eichhorn

IOWA RACING AND GAMING COMMISSION
MINUTES
AUGUST 15, 1991

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, August 15, 1991 at 10:00 AM at the Kingsley Inn, in Ft. Madison, Iowa. Present were Chairman, Bud Pike, Vice-Chairman, Leo Monaghan; and Commissioners Rita Sealock and Richard Canella and Commissioner Lorraine May.

The Chair entertained a motion to approve the minutes of the July 11, 1991, Commission meeting. Commissioner Sealock so moved with Commissioner May seconding the motion. All in favor.

Chair Pike took a moment to thank Ft. Madison for the invitation and the hospitality that they shared with us. He especially thanked Randy Kurfman with the Ft. Madison Chamber of Commerce for hosting the Commission meeting.

Chuck Patton, Riverboat Director, was recognized to take up the winter schedule for the Dubuque Casino Belle. Mr. Patton stated that the schedule complies with all elements of the Racing and Gaming Commission rules, also the Dubuque Racing Association approves of this schedule. He recommended the Commission approve the schedule as submitted. Commissioner Canella moved to approve the winter docking schedule for the Dubuque Casino Belle. Commissioner May seconded the motion. Motion carried 5-0. See Order # 91.50

Chuck Patton discussed a proposed amendment between the Mississippi Belle II and Bellevue. He explained that the dock in Bellevue was not owned by Bellevue it is owned by the U.S. Army Corp of Engineers. When the Corp of Engineers found out about the contract they required that some provisions be added in the contract that would protect their interest. Mr. Patton assured the Commission that the proposed amendment before the Commission included the US Army Corp of Engineers request. Mr. Patton recommended that the contract be approved as amended. (Attached) Commissioner Sealock moved that the contract be approved. Commissioner Canella seconded the motion. Motion carried 5-0. See Order # 91.51

The Proposed Procedure for Schedule Changes on Iowa Riverboats Committee included Commissioner May and Commissioner Canella. Commissioner May reported that the Committee recommended adoption of the procedure for schedule changes. (Attached) Commissioner Canella moved that the Commission adopt the proposed procedure for schedule changes on Iowa riverboats. Commissioner Monaghan seconded the motion. Motion carried 5-0. See Order # 91.52

James Overland head of the Gamblers Assistance Program gave an overview of the functions of the program. He explained that this program was created with the legislation that created the lottery. The legislation established a gamblers assistance fund which was charged with making services available to individuals that have a problem because of gambling or other people effected because of that gambling. They are also charged with promoting services such as Gamblers Anonymous and similar support groups. This program has a total staff of three. The Gamblers Assistance Program is allotted 3% of the adjusted growth from the riverboats and 1/2% from the lottery. The Gamblers Assistance Fund has been redirected for this fiscal year and next fiscal year into the general fund. They are going through the appropriation process.

The Chair recognized Lorenzo D. Creighton, Deputy Administrator, for the four riverboat appeal hearings. The appeals were: John Sherman; Raymond Sawyer; Steven Wyant and Earl W. Freeman.

Steven J. Wyant was the only appellant which appeared before the Commission. After much discussion with Agent Kietzman, Agent Searl and Mr. Wyant, Mr. Creighton stated that licensing Mr. Wyant immediately, given the host of felonies that he has, will send a very negative message to the industry. Commissioner May moved to amend the original Commission Order as noted on attached Order "A". Mick Lura stated that the decision should be affirmed from March, explaining that the decision in March was based on multiple offenses and the fact that there was a pending offense. He explained in March of 91 the five years of evidence of rehabilitation had not occurred. Commissioner May stated that the Commission could go ahead and affirm the Order with the understanding to Racing and Gaming officials who are issuing licenses, that the Commission considers what they have heard at this meeting to now be sufficient evidence of rehabilitation. There was no second to Commissioner May's original motion, so the original motion is dead. Commissioner May moved to adopt the Commission Order as presented to the Commission (attached Order "B") and suggested that the decision they are making is based upon the record from March of 1991, with the understanding that there is no prejudice to Mr. Wyant to reapply for an application. Commissioner Monaghan seconded the motion. A roll call vote was requested. Motion carried 5-0. See Order # 91.53

Commissioner May stated that she would like to have our occupational license applications reflect all charges against an applicant not just convictions.

Lorenzo Creighton asked that the cases that are still pending: John Sherman, Raymond Sawyer, and Earl Freeman, rather than have a formal proceeding without them, he asked that the documents that are in the administrative files be admitted into evidence as exhibits to the Commission and the Commission take action based upon the administrative file by affirming the Administrative Law Judges decision because they failed to appear. He stated that they were all notified by certified mail.

The Chair entertained a motion to affirm the Administrative Law Judges decision regarding John Sherman. Commissioner Sealock moved to affirm the Administrative Law Judges decision. Commissioner Canella seconded. Motion carried 5-0. See Order # 91.54

The Chair entertained a motion to affirm the Administrative Law Judges decision regarding Raymond Sawyers. Commissioner May moved to affirm the Administrative law Judges decision. Commissioner Monaghan seconded. Motion carried 5-0. See Order # 91.55

The Chair entertained a motion to affirm the Administrative Law Judges Decision regarding Earl Freeman. Commissioner Monaghan moved to affirm the Administrative Law Judges decision. Commissioner Sealock seconded. Motion carried 5-0
See Order # 91.56

The Horse Simulcast Committee includes Commissioner Sealock and Commissioner Canella. Commissioner Sealock reported that she received information from Prairie Meadows but none from Waterloo. She will make a report at the September Commission meeting.

The Admission Tax Committee includes Commissioner Canella and Commissioner May. Commissioner Canella reported that they have a rough draft of several options that can be used in calculating the admission tax. He stated that they are at the stage where they will sit down an review the options and in 30 to 60 days make a recommendation.

Mick Lura reported that there is a delay on the Uniform Mutuel Rules.

Mick Lura reported on Sioux City/Steamboat. He said that the payment of bills regarding Steamboat Sioux City paid the bulk of the bills that were submitted. They did contest one part of the bill amounting to about $1,000.

He reported that Bettendorf is not in violation of their license. He stated that the second boat in that application was very loosely worded and left them a lot of wiggle room in the event that Illinois passed riverboat gambling. He suggested that this was not a license compliance issue, rather it is a matter of the Commission imposing further stipulations on the license. Steamboat management has stated that they will develop a decision making criteria on the second boat. They want to see the impact of Illinois before they make a final decision. Mick told them that the Commission wants to know when the decision would be made and when the boat would arrive.

In the matter of the contested case with Steamboat/Sioux City being in compliance with their license, Mick stated that Steamboat/Sioux City would make a decision within 2 weeks of the Indian Compact being signed. Steamboat feels that they cannot proceed with their license until they know what the economic demographics are. Mick stated that the non-profit group in Sioux city was willing to go along with this delay, at this time. However, the city of Sioux City had not expressed such a willingness. The Commissioners instructed Mick to monitor the Steamboat/Sioux City situation and report to them on a monthly basis. Commissioner Monaghan requested that Mick report monthly on the Sioux City Non-Profit's position.

Chair Pike opened the floor to comments regarding Tom Ruxlow, with the Division of Criminal Investigation, having his job eliminated as a result of the State layoffs. He stated that Tom Ruxlow has served the Iowa Racing and Gaming Commission well. Ed Ernst, President of the Steamboat Companies, expressed his dissatisfaction with Tom Ruxlow's job being eliminated. He said Tom Ruxlow has done a very good job for the operators and he thinks that he works well with the Iowa Racing and Gaming Commission and they too, feel that it is unfortunate that his position has been eliminated. The operators believe Tom Ruxlow will be missed. Dave Joyce, Vice President, General Manager of Steamboat, stated that Tom Ruxlow's cooperation with he and his people has been outstanding. He feels Tom Ruxlow does an excellent job of keeping the lines of communication open between the regulators and enforcers and operators. Bob Genter, President of the Dubuque Greyhound Association - Non-Profit, stated that he has worked with Tom Ruxlow for over eight years and their experience with him has been terrific and expressed how badly they feel about his elimination.

Ed Ernst suggested that the Commission make some sort of proclamation as to Tom Ruxlow's service.

Mick Lura explained the Administrative Rule Termination - ARCI 2039. The Chair entertained a motion to adopt the termination notice. Commissioner Canella so moved. Commissioner Sealock seconded. Motion carried 5-0. See Order # 91.57.

Commissioner Canella expressed the Commissions appreciation for the use of the Kingsley Inn.

The Chair entertained a motion to adjourn.

MINUTES TAKEN BY CONNIE EICHHORN

IOWA RACING AND GAMING COMMISSION
MINUTES
SEPTEMBER 19, 1991

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, September 19, 1991 at 9:30 AM in the Wallace building auditorium. Present were Chairman, Bud Pike, Vice-Chairman, Leo Monaghan; and Commissioners Rita Sealock and Richard Canella and Commissioner Lorraine May.

The Chair entertained a motion to approve the minutes of the August 15, 1991, Commission meeting. Commissioner Sealock so moved with Commissioner Monaghan seconding the motion. All in favor.

The Commission prepared a resolution honoring Thomas Ruxlow, Chief of the Gaming Unit Bureau of the Department of Public Safety. The resolution paid him tribute for his devoted service to the Iowa Racing and Gaming Commission and the citizens of the state and wished him the very best in years ahead.

The Simulcasting Committee included Commissioner Canella and Commissioner Sealock. Commissioner Canella reported that the Simulcasting Committee recommended to the full Commission the following: (1.) Approval of the request to simulcast horse racing from Prairie Meadows to Waterloo Greyhound Park--June through August, plus the Kentucky Derby. (2.) Approve the simulcasting of horse racing to Council Bluffs and Dubuque from Prairie Meadows, subject to Commission approval of any requested dates. A copy of the Simulcast Committee Report is attached. Commissioner Sealock commented that simulcasting could be a good opportunity for expansion. She stated that simulcasting is an opportunity for the state and another opportunity for Waterloo and it could be an opportunity for Dubuque if they would view it that way. Bruce Wentworth, General Manager of the Dubuque Racing Association, stated that he wanted the comments he made at the July meeting to stand and restated Dubuque's strong opposition to the simulcast proposal. He read the agreement that Dubuque and Waterloo had: "Waterloo Greyhound Park agrees not to send a signal to Prairie Meadows or elsewhere nor receive a signal from any entity during off season dates without the express consent of Dubuque Greyhound Park and the Dubuque Greyhound Park agrees not to send a signal to Prairie Meadows or elsewhere nor to receive a signal from any entity during any off season dates without the express consent of Waterloo Greyhound Park." Bob Ginter, President of the Dubuque Racing Association stated that they have researched the simulcasting proposal and could find no case where any racing commission in the United States has approved what the IRGC has been asked to approve. He said that if the Commission approves this proposal they are setting up competition between a track that is

running and a receiving station that is in the same market area. Chair Pike stated that he has received letters from both of the horse groups and they support the simulcasting of the signal from Prairie Meadows to Waterloo Greyhound Park. Lorenzo Creighton, Deputy Administrator, reiterated Mick Lura's comments from the July Commission meeting which strongly supported and recommended simulcasting between Prairie Meadows and Waterloo. Lorenzo Creighton's staff recommendation was to accept the sub-committee report. Commissioner Monaghan wanted clarification on a statement made by Bruce Wentworth regarding the agreement between Dubuque and Waterloo regarding simulcasting without joint permission. Both Augie Masciotra, General Manager of Waterloo Greyhound Park and Bruce Wentworth explained their interpretation of the agreement. Commissioner Pike requested a report to the Commission from staff on this experiment between Prairie Meadows and Waterloo when it was over. Lorenzo Creighton acknowledged the request. Chair Pike called for a motion. Commissioner Canella moved that the Commission approve the request to simulcast horse racing from Prairie Meadows to Waterloo Greyhound Park, June through August plus the Kentucky Derby. Approve the simulcasting of horse racing to Council Bluffs and Dubuque from Prairie Meadows subject to Commission approval of any requested dates. Commissioner Sealock seconded the motion. Commissioner Monaghan stated that he strongly opposes this simulcasting proposal. He feels that this proposal will adversely affect and impact an existing track at a time when handles are dropping dramatically in the greyhound area. Roll Call vote Commissioner's Canella, Sealock, Pike, May voted "aye" and Commissioner Monaghan voted "nay". Motion carried 4-1. See Order # 91.58

The Chair recognized Lorenzo Creighton to explain the requested approvals for Waterloo Greyhound Park 1991-92 meet. See attached.

Gary Wegmann, Greyhound Breeder/Owner of Hyland Kennels from Earlville, requested to speak before the commission reference his inability to secure a booking at Waterloo Greyhound Park. (attached) Lorenzo Creighton told the commission that currently there is no regulatory control or enforcement in the area of booking kennels. Commissioner Monaghan requested that the tracks give as much preference as their management can permit, promoting the Iowa bred dogs and the Iowa owners.

Commissioner Monaghan requested that Augie Masciotra keep the Commission up to date in regards to Waterloo Greyhound Parks (WGP) track financing. Commissioner Canella asked Augie if the track would be better off if the National Dairy Congress did their financing outside rather than Waterloo staking them. Augie Masciotra introduced Frank Sang, Independent CPA from Waterloo, to answer questions regarding the financial situation addressed by the Commission. The Commissioners stated that their only concern is wanting assurance that the money that has been ear marked to pay off the investors is used for that purpose and not funding the operations. Frank Sang and Augie Masciotra stated they understood and assured them that the money ear marked to pay off the investors is not being used to fund operations.

The Chair entertained a motion to approve the Waterloo Greyhound Parks 1991-92 requests. Commissioner Canella so moved, Commissioner Monaghan seconded the motion. Motion carried 5-0. See Order # 91.59

Chuck Patton, Riverboat Director, explained a request from Steamboat regarding their Bettendorf, Muscatine scheduling. He explained that it was a matter of scheduling the boat for all day stays in one city as opposed to running excursions back and forth between Bettendorf and Muscatine. This proposal will be for the month of October.

Chuck Patton explained the Emerald Lady and the Diamond Lady's winter scheduling proposal. Ed Ernst assured the Commission that the non-profits were in agreement with the winter scheduling.

The Chair entertained a motion to approve the requests from Steamboat regarding winter docking and all day stays in one city opposed to running excursions back and forth between Bettendorf and Muscatine. Commissioner Sealock so moved, Commission Canella seconded. Motion carried 5-0. See Order # 91.60

The Chair recognized Ed Ernst for an update on the Sioux City boat. He reiterated that everything was still pretty much statuesque, the are still waiting for the Indian Compac.

Chuck Patton, explained an excursion modification for the President. He said the non-profit group supported the change. Chuck Patton recommended approval. Commissioner Monaghan moved the excursion modification for the President. Commission Canella seconded. Motion carried 5-0. See Order # 91.61

Chuck Patton explained a modification in the Presidents agreement having to do with construction of the guest services center. Ed Ellers, President of the President Casino, explained that the City of Davenport and the President of Riverboat Casino with the concurrence and support of the Riverboat Development Authority renegotiated the operating agreement. Commissioner May stressed that when the commission originally granted the Presidents license it granted a license pursuant to a specific plan. Her concern is that this contract alters that plan, and its contract term permits the plan to be altered again without coming back before the commission. Ed Ellers acknowledged Commissioner Mays concern and stated that he was powerless to change the agreement and did not want to be put between the City of Davenport and the State of Iowa. Commissioner May stated that she has a problem with permitting subsequent modifications to the plan without the commission having an impact on it. She feels that the commission is not meeting their obligations if they approve a contract which then permits unlimited additional amendments to the structure. Commissioner May's main concern is that the integrity of sales is maintained. Ed Ellers assured the commission that if they were to do any substitutions, the facility would be functionally the same.

The Chair entertained a motion to approve the President excursion boat development agreement. Commissioner May so moved. Commissioner Sealock second the motion. The motion carried 5-0. See Order # 91.62

Chuck Patton discussed the Presidents contract approvals and pointed out that one contract, providing health insurance to the President Casino employees, could exceed the 1/2 million dollars in a calendar and the commission must approve that separately. Chuck Patton recommended commission approval.

Chris O'Dell, Legal Counsel for the Commission, expresses a concern regarding the contract approvals. She quoted 99F.7(4) which requires an applicant to utilize Iowa resources, goods, and services in the operation of an excursion gambling boat. The Commission shall develop standards to assure that a substantial amount of all resources and goods used in the operation of an excursion gambling boat come from Iowa and that a substantial amount of all services and entertainment be provided by Iowans. She stated that 9 out of 15 contract were out of state contracts and raised the question of whether the commission was operating under 99F.7(4) in requiring that a substantial amount of these come from Iowa. Chuck Patton explained that the boat operators are asked to provide an explanation as to why their contracts are not with Iowans and contracted for Iowa products. Commissioner Canella stated that this issue has been discussed before and Chuck Patton has given his assurance that he has checked out the contracts. Ed Ellers maintained that the President meets the standards.

The Chair entertained a motion a approve the $500,000 estimated contract. Commissioner May moved approval of the Benefit Administrators of America, Inc. (BAAI) contract. Commissioner Canella seconded the motion. Motion carried 5-0.
See Order # 91.63

Chuck Patton discussed proposed rule changes for notice of intended action. There will be a hearing November 5, 1991 and that date is also the deadline for any comments. These rules will be final adopted in the December Commission meeting. The Chair entertained a motion to adopt the rule changes for notice of intended action. Commissioner Monaghan so moved. Commissioner Sealock seconded the motion. Motion carried 5-0. See Order # 91.64

The Chair recognized Bob Kehl, Roberts Riverrides, for an overview of how his operation is doing. He said that they are going to be building more offices on a barge in Clinton, Iowa where, among other offices, he will locate the DCI and the Iowa Racing and Gaming Commission offices. He stated that he has not made a decision as to where his new boat will be located.

Commissioner Canella advised that the Admission Committee has not come to any conclusions yet.

Chair entertained a motion to go into Executive Session for the purposes of background approvals. Commission Sealock so moved. Commissioner Canella seconded. Regular meeting was temporarily adjourned.

The Chair entertained a motion to adjourn. So moved.

MINUTES TAKEN BY CONNIE EICHHORN

IOWA RACING AND GAMING COMMISSION
MINUTES
NOVEMBER 21, 1991

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, November 21, 1991, at 9:00 AM in the Wallace building auditorium. Present were Chair, Bud Pike, Vice-Chair, Leo Monaghan; and Commissioners Lorraine May and Richard Canella. Commissioner Rita Sealock was not present.

The Chair entertained a motion to approve the minutes of the September 19, 1991, Commission meeting. Commissioner Canella so moved with Commissioner May seconding the motion. All in favor.

Chair Pike introduced Keith Hopkins, Chairperson of the Racing Association of Central Iowa (RACI). Within the week the RACI would meet with their trustee and bond counsel to discuss refinancing or restructuring of the bonds. They would also be meeting with members of the executive board and present plans to the county board of supervisors. He stated it has to be a unanimous decision to voluntarily refinance the bonds and indicated it would cost approximately $7,000,000 to close the facility down and reopen it in a year. During the time it was closed, it would cost approximately $800,000 for maintenance of the facility. He was also concerned about the breeders and people who have horses in foal.

The Chair recognized Chuck Patton, Riverboat Gambling Director, to speak on games and tournaments on the boats. Mr. Patton asked for permission to go approve games and tournaments that are legal under statue and the Commission rules. Ed Ellers, President of the President Casino, spoke on the effectiveness of the slot tournament that was held. The President had the first historic slot tournament in Iowa, called "Jackpot Jungle Fever" and it was attended by premium slot players. The tournament was purposely limited to 100 people. The grand prize was a Pontiac Grand Am, a Caribbean cruise and $10,000 worth of additional prizes. He stated that it was a very positive event. Chuck Patton's concern was that the Commissioners be aware of the tournaments and that staff have the authority to approve a tournament when it's proposed, as opposed to having each one approved or disapproved by the Commissioners. Commissioner Canella expressed concern that there be sufficient time to check them out from a legal standpoint. Chuck Patton assured the Commission that each tournament would be thoroughly investigated prior to being approved.

Chuck Patton discussed various departures from current games. He felt the proposed rules cleared up questions about the new games. He used "Lucky Dice", "Aquarius" and "Lucky Seven" as examples. There is some interest in spicing up the game of blackjack or twenty one. Over and under 13 has already been implemented. Chair Pike deferred the discussion of games and tournaments until the December Commission meeting.

The Chair recognized Ed Ellers, of the President Casino, for an overview on the winter season. He was happy to report that they were 22% above internal projections which will put them on track to attract at least 1,000,000 people to Davenport during their first year of operation. He stated that they could not disagree more with statements stating that this business was in a slump or that it is a fad. He feels riverboat gaming is a fundamentally sound business with a bright and unlimited future. Like all gaming businesses -- whether here, in Nevada or Atlantic City -- certain months are going to be better than others. Its unrealistic to believe that guests would be evenly spread over a 12-month period. He stated that it takes two things to make a casino work: marketing and management. It is a total team effort. They believe that it is sending an inaccurate message to the industry by indicating that the business is in trouble or way has problems. He said they have added covered, heated, lighted walk ways to the boat and have free parking (both self and valet) for guests. Contracts that are being reviewed at this meeting involve their bus and car turn-around which permits buses and cars to pull within 15 to 20 feet of the boat entrance all year around. He stated that in this new industry they are writing the book as they go.

The Chair recognized Robert Kehl. Mr. Kehl stated there has been a drastic drop in bus business because of Indian reservations in Minnesota. He said that during the summer they had over 7,000 buses come to their casino. Jackpot Junction, Minnesota is approximately 350 miles from Dubuque and the tour companies are paying their customers $20 each. "Treasure Island" Indian Casino is expanding also. He believes unlimited gaming would help but does not feel his organization can compete with the other companies if the environment stays the same. He feels that video lottery would also hurt.

The Chair recognized Ed Ernst, representing the Diamond Lady and Emerald Lady. Mr. Ernst reported the Diamond Lady started off the winter season with frozen pipes due to very cold weather. Attendance levels are running close to the June levels. Parking is free and they have a shuttle running to the boat entrance. Business is doing very well and competition has not been a problem. The early morning breakfast cruise was eliminated. The Emerald Lady's schedule has been altered due to the feeling this area is a five-day-a-week market area not seven-day. He said they were looking forward to a good year next year.

Chair Pike recognized Chuck Patton regarding riverboat contracts. Mr. Patton recommended approval. Chair Pike noted too many contracts are going out of the state and hoped Mr. Patton was monitoring them closely. The Chair entertained a motion to approve the riverboat contracts. Commissioner May so moved, Commissioner Canella seconded. Approved. (4-0) Order # 91.65

The Chair recognized Chuck Patton regarding the rules. Chuck Patton explained the proposed emergency rules. Chapter 25.13(1), excursion length, limits boarding time to prevent boats from becoming land-base casinos. This proposal will allow a longer time for boarding passengers, given the fact the boats have to have a 2½ hour period during which admissions are prohibited. Chapter 25.19(6), the admissions, allows people to come on the boat for the restaurant only and waives the admission fee for those not gambling. This proposal should increase admissions. No one would be allowed in the casino area without a ticket of admission and there would be a security guard at the casino doors. Approval was urged by Mr. Patton. Commissioner Canella asked if there was a legal opinion on this proposal. Chris Odell responded that she had a concern dealing with 99F.10. The statute divides the people into two parts. Ms. Odell's concern was the statute does not state "getting into casino" but states "getting onto the boat." If limited to the casino, this proposed amendment may waive fees to the non-profit and taxes. Chuck Patton contended that there are already rules allowing the Commission to regulate admissions. Commissioner May stated that the Commission can regulate, but they cannot regulate in violation of the statute.

The Chair recognized Mary Ellen Chamberlin, of the non-profit organization for the President, to speak on the admissions issue. Ms. Chamberlin stated that they had looked at the rule changes and in addition to the attorney general's question they also questioned if it were legal under subsection 2 for the Commission to waive those admissions fees. Subsection 2 doesn't cover admission fees paid to the cities. Subsection 3 should not be a waiver of the admission fees contracted for by the non-profits with the boat operator. She questioned if the waiver covered any class of people entering the boat; if the waiver gave authority under subsection 2, and if it did, does it extend to subsection 3 in the non-profits' contracts. Chris Odell wanted clarification on what was meant by "does the waiver cover any class of people getting on the boat?"

Mary Ellen Chamberlin replied that 99F.10(2) speaks of selling an admission ticket for people embarking on the boat; subsection 3 appears to grant some authority to the IRGC on fee-free passes and asked if fee-free passes are allowable under subsection 2. She requested Chris Odell determine if this only applies to subsection 2 and not to subsection 3, which is a separate admission fee granted by ordinance to the cities where the boats dock. Also Ms. Chamberlin asked if the subsection would not give the IRGC people the ability to waive the non-profits' contracted admission fees.

Chuck Patton stated in his opinion 99F.10(2) reads that an excursion boat licensee shall pay the Commission admission fees for each person embarking on an excursion gambling boat with a ticket of admission. If people are not charged a ticket of admission for boarding the boat, there are no admission fees to be charged.

Mary Ellen Chamberlin stated that subsection 3 does not require a ticket of admission. It merely says an admission charge for each person embarking on the boat and that is how the cities are paid. It does not require a ticket of admission -- merely requires embarking on the boat.

Commissioner May suggested an attorney general's opinion be obtained and the issue be addressed at the next meeting.

Chuck Patton asked to withdraw the emergency rule proposal. He will obtain the opinion from the legal counsel and bring the proposal before the Commission at the December meeting.

Chuck Patton explained proposed item 3 which amends the title "board hearings" to read "board meetings." The term "hearings" implies something that is not there. On page 5, item 16, (20.16) would modify the final sentence from "as required by commission policy" to "as required by written commission policy" so as to clear what that policy was. There was a typographical error on item 20 22.10(2). On page 10, 24.24(1), the amendment would make it clear "whenever a

gaming table is dropped or closed at the end of the day" and temporary closing of the tables does not require an entire count down of the chips.

There are a number of changes that Chuck Patton opposes that the boat operators are proposing. The first has to do with item 14 which involves the privilege to apply for a riverboat gambling license. This is a standard industry practice and he believes it is necessary to protect the commission from erroneous disclosure of information. He urged that it remain the same.

Gary Armentrout, from the President Casino, explained the operators' position on the rules changes. The first one was privacy rights of the individual applicants as well as the privacy rights of the employees of the riverboat operator. His concern was employees submit license applications to the State containing a great deal of private information, everything from their name, address, and telephone number to detailed information. The issue is what authority does the Commission have to assure privacy of that information in light of the State's Sunshine laws. Names, addresses and telephone numbers of employees, agents and officers are made available and are sold by the state. He explained that lists are out there and employees who thought that information was confidential are finding out this information automatically becomes a matter of public domain. Mr. Armentrout understands the Commission is constrained by the State Law of Iowa and the Sunshine law. He suggested that the Commission clarify what authority it has under Iowa's Sunshine law and exercise what authority to protect the confidentiality of this information. Also, he requested the Commission review the appropriateness of certain aspects of Iowa's Sunshine law to the riverboat gambling industry and its employees' information. He suggested a legislative amendment to protect privacy rights. Chris Odell agreed to look into the matter.

Chuck Patton discussed 22.10(4) dealing with licensing. He said that the objection was not so much the content of the rule but its application. They have specific concerns about people who are required to be licensed but do not actually go on the boat.

Dick Searl, Division of Criminal Investigation, stated these people are related with the casino boat industry in Iowa, whether directly or indirectly. He feels the individuals associated with a boat -- but not actually on the boat -- are a concern and should have backgrounds and licenses just as the rule requires. Exposing individuals to licensing will discourage criminals from applying, or if they do, you keep them out. You do not have to deal with it after they are on the job.

Mick Lura, Administrator, suggested this rule be left unchanged and made a commitment to the operators and to the Commission policy would be drafted.

Chuck Patton introduced the final issue dealing with annual licensing.
Mick Lura stated that administratively he preferred the Commission continue with the rules the way they are written. The Commission may look at annual licensing in the future. The Commission would like to prorate the fees but that involved budgets and less fees to admissions as well as more complex things. He does not feel there is enough field staff to deal with annual renewals.

Gary Armentrout stated that this is an employee issue. Operators want their employees to the have an annual license. This could be done by amending the law, assigned an expiration date.

Chuck Patton recommended adoption of the rules as amended. Commissioner May moved final adoption of the rules with the changes identified. Commissioner Canella seconded the motion. Motion carried. Order #91.66

The Chair recognized Ed Ernst, Steamboat Development with the Sioux City update. He stated that the Indians have not yet signed a compact. The city of Sioux City terminated their agreement and they hope to go back and renegotiate an agreement after the compact comes out. They have made a commitment to the city that within 10 days a decision would be made.

The Chair recognized Bruce Wentworth, General Manager for Dubuque Greyhound Park. They ran 255 performances and three were cancelled due to the inclement weather. He explained their success is measured by two things; budget and the 1990 season, Compared to 1990, the 1991 season was down 6½% in attendance and 15½% in handle. The reason for loss on handle was measured on per capita, which was much lower this year than last.

The Chair recognized Kim Houlding, President of the Iowa Thoroughbred Breeders and Owners (ITBOA). She stated her organization saw pari-mutuel as something that could help agriculture. The turmoil around Prairie Meadows has hurt breeders and owners of thoroughbreds. They would like to see some of the dog simulcast money restored to Iowa thoroughbreds.

Chuck Schott, former President of the ITBOA, stated it is going to be a tough year. He asked for strong support and commitment from the Commission to help the breeding farms and industry to get through the political mettle in Polk County. If get creative programs are introduced and begun, the industry could survive in Iowa.

Lorenzo Creighton, Deputy Administrator, submitted a request to Chris Odell to have answer whether simulcasting can continue at Prairie Meadows.

Chair Pike recognized Lorenzo Creighton for the Dubuque Greyhound Park contract approvals. Mr. Creighton discussed two contracts -- United Tote and a printing. contract. He recommended approval on both.

Commissioner May moved to go into Executive Session. Commissioner Monaghan seconded the motion.

Commissioner May moved to adjourn regular session. Commissioner Monaghan seconded the motion.

MINUTES TAKEN BY CONNIE EICHHORN

IOWA RACING AND GAMING COMMISSION
MINUTES
DECEMBER 12, 1991

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, December 12, 1991, 9:00 AM at Bluffs Run Greyhound Track in Council Bluffs, Iowa. Present were Chairman, Bud Pike, Vice-Chairman, Leo Monaghan; and Commissioners Rita Sealock, Richard Canella and Lorraine May.

The Chair entertained a motion to approve the minutes of the November 21, 1991, Commission meeting. Commissioner Canella so moved with Commissioner Monaghan seconding the motion. All in favor.

The Chair recognized Dick Shanahan, representing an appointed Legislative Committee for the HBPA, The Iowa Thoroughbred Breeders and Owners Association (ITBOA); and the Iowa Quarterhorse Association (IQHA). He asked that the aforementioned organizations go on record as opposing Prairie Meadows becoming a simulcast facility or a video lottery attraction. He also requested a written explanation of the take-out procedure currently being used. He then advised the Commission that for their convenience they would be mailed a membership list providing the names and addresses of every person in their organization.

Commissioner Monaghan asked that staff check and see if there are funds that might be available next year for the horseman. Mick Lura, Administrator, stated there will be a recommendation of available funds for horseman at the Commission meeting in January.

Mr. Shanahan expressed concern by the horsemen regarding the Chapter 11 filing by Prairie Meadows and the deferred purse money, should a new organization be hired to operate Prairie Meadows. The question being, whether those funds will be frozen or have to be dealt with through the court system. Chairman Pike responded that this is currently being checked into by staff.

Mr. Shanahan then asked staff if it is feasible for the horsemen to have control of that money, verses an entity that is in a bankrupt situation so that they could go to another state and another track and run their program. Mr. Lura stated that a recommendation will be made in January after conferring with a bankruptcy lawyer.

Chair Pike recognized Keith Hopkins, President of Prairie Meadows Racing Board and CEO of Prairie Meadows, for an update on the track. He stated Prairie Meadows will be allocated $100,000 by the Polk County Board of Supervisors each month to simulcast until June 30, 1992, at which time they are hoping that there will be legislation in place that will change the horse industry at Prairie Meadows. He stated that Prairie Meadows is handling about $50,000 a day on horse simulcasting and from that the track receives 18%. 6% is taken out for tax credit, 4% going toward the simulcast signal, 4% to the tellers/tote lines etc., and 4% for operating costs. He stated that the following offer has been proposed to the horseman and they are awaiting a reply:

> $500 - overpayment of purses.
> $500 - to be placed in escrow for 1992 purses.
> 1% of the total handle is proposed in the event the handle would go to $70,000 a day.

Lorenzo Creighton, Deputy Administrator, advised the Commission that the staff will do a recommendation in January regarding the take-out, which is based on the four track agreement.

Mr. Creighton, was then recognized for the purpose of discussing Dubuque Greyhound Park contracts. He explained that Dubuque has a contract for improvements to the greyhound park in the amount of $61,000 and recommended approval.

Roger Hoeger, controller for the Dubuque Racing Association, explained that there would be improvements made to the parking lot and to the curbing of Greyhound Park Drive. Stating that all improvements are in compliance with city codes. The Chair entertained a motion to approve the Dubuque contract. Commissioner Sealock so moved, Commissioner Canella seconded. The contract was approved 5-0. See Order # 91.67

Mr. Creighton then brought up for discussion Bluffs Run approvals for their 1992 season and recommended approval.

Walt Pyper, General Manager of Bluffs Run, stated that they are requesting 462 performances between January 3, 1992, and January 1, 1993. The track will be closed from December 14, 1992, through December 25, 1992. Other approvals for the 1992 included the grading system, purse and point system, Iowa Bred Supplements, racing officials, department heads,; kennel listings, trainers, (included on kennel list), proposed wagering format, application for racing dates, security plans marked Confidential, contract approvals, and license/permit bond & certificate of Insurance.

Commissioner May moved to defer the approvals for their 1992 season.

Chair Pike recognized Augie Masicotra, General Manager of Waterloo Greyhound Park for a discussion of Dubuque/Waterloo dates. Mr. Masicotra stated that his request was in three parts: 1.) The Commission re-open the date hearing issue; 2.) An extension of the present racing season until mid May; 3.) Address 1992-1993 schedule to open in October and close in April. Their requested season would be to open in September and conclude the end of May.

Frank Seng, representing the independent accounting firm of McGladery and Pullen, stated that he has worked with Waterloo Greyhound Park since its inception. He explained that Waterloo's debt structure is in place and due to the increased competition in the industry they need to extend their racing dates in order to pay their overhead expenses during the 6 months they are down. He explained that they are working with a core staff and the debt continues to accrue. With the handle decreasing, as it currently is, they can foresee a problem continuing with their payments in the future.

Commissioner Monaghan expressed his concern regarding the additional overlap that is being requested and the effect it will have on the kennels.

Commissioner Canella stated that he was surprised how little effect the overlapping causes based on the figures in hand. The 1991 season, Waterloo had 47 performances overlapping and a handle of $5,079,000, an average handle per day per performance of $108,000. On the no overlap days he explained that Dubuque had 175 performances totaling $20,400,000 an average $116,000 per day.

Bruce Wentworth, General Manager of Dubuque Greyhound Park, discussed the package that was submitted from Waterloo requesting an additional 150 days. He stressed that the decision for additional simulcasting days not only effects the two tracks, but the surrounding communities.

Mr. Hoeger, explained that Dubuque's concerns are the effects additional dates issued to Waterloo might have on the market area that Dubuque shares with Waterloo; With the overlap, and the negative attendance for Dubuque, they will lose 42,000 people and $4.4 million in handle, which impacts the State of Iowa and City of Dubuque and County.

Mr. Hoeger stressed in making the decision for extended racing dates for Waterloo, the Commission should not look at the gaming revenues in Dubuque as a part of the racing monies because they are financed differently. One industry was never intended to subsidize the other. The Greyhound Park operation was financed through general operation bonds and the Ice Harbor debt was financed through tax increment bonds.

Jim Aldridge, Director of Racing, Dubuque Greyhound Park, expressed his concern in extending Waterloo's racing season. He explained that anytime you have an increase in racing dates your handle will go down and he does not believe the kennels can recoup such losses even with an extension of their racing season. He feels that giving Waterloo their requested dates will make it impossible for either track to be profitable.

Bob Ginter, President of the Dubuque Racing Association, advised the Commission that the single effect on handle is the economy. He stated his concerns regarding Dubuque/Waterloo racing dates and does not feel that an extension of dates for Waterloo will solve their financial problem, but will create Dubuque a hardship down the road.

Chair Pike recognized Jerry Crawford, Attorney for the Iowa Greyhound Association. Mr. Crawford stated that the Commission should convene a summit on racing and gaming issues of this state. The summit would include the governor, legislative leaders, representatives of the tracks, trainers, and representatives of breeders and owners to see if a plan could be developed that would allow the best possible chance for success for the entire industry both thoroughbred and greyhound. He stated that the Iowa Greyhound Association opposed any decision that continues or perpetuates or expands overlapping race dates. He feels that the Commission took a tough first step this past summer in reducing the overlap. He encouraged the Commission to take a second step and eliminate overlap entirely. The Iowa Greyhound Association will be coming back to the Commission at a later meeting to suggest administrative regulations that might effect the appeal process for people who feel they have not been treated fairly in the decision making process or the booking system.

The Chair recognized Mr. Lura for his views and recommendations. Mr. Lura recommended parity between the two cities and expanded pari-mutuel racing activity in both. A six month live racing season with the option of a simulcasting season when live racing is not being conducted. Mr. Lura stated he agreed that Waterloo's financial concerns are viable and there is a definite financial need. The Commission has an obligation to consider that need. He believes that the Commission cannot hold Waterloo to past history and decisions regarding racing dates because times have changed and the economics of racing have changed. It is not appropriate for the Commission to continue to referring to agreements and commitments that were made several years ago. He stated that this proposal does not need a change in live racing dates to be made by the Commission. The Commission will need to take action allowing the simulcast seasons at the two parks. He recommended the Commission take no action on live dates, and recommended adoption

of some form of motion that would allow simulcasting during dark times in both of these markets, effective June 30, 1992. The motion should also include language stating that the simulcast signal come from another Iowa track.

Commissioner Monaghan agreed with the concept of no overlap but expressed some concern about the horse industry and the Waterloo track and its shared market with Des Moines.

Mr. Lura advised the Commission that management from both Waterloo and Prairie Meadows tracks do not consider themselves in the same economic market area. He reviewed the Commissions options: 1.) Dubuque proposal; 2.) Waterloo proposal; 3.) Staff's proposal.

Mr. Pyper stated that with two years experience in simulcasting they would be happy to enter into the negotiations with Waterloo and Dubuque for simulcasting.

Mr. Masicotra stated that he did not see any long range benefit to Mr. Lura's proposal and does not believe simulcasting is the answer to their financial problems.

Mr. Wentworth advised the Commission that they came prepared to ask that Waterloo's request be denied, but did not realize that their racing season was in jeopardy. Forfeiting one month of live racing and establishing two simulcasting seasons with Waterloo receiving good weather simulcasting dates will not be good for Dubuque. He stressed that Dubuque came to the Commission meeting prepared strictly to ask the Commission to deny Waterloo's request, he did not realize that his racing season was in jeopardy.

Chair Pike explained that there are five options before the Commission. 1.) Extended season for 1991 for 30 days 50 performances for Waterloo Greyhound Park. 2.) Allow nine months of racing for Waterloo Greyhound Park for the next season. 3.) A combination of both 1 & 2. 4.) Vote to reject the above application 5.) Staff recommendation of 6 months live racing and six months simulcasting during the tracks dark period.

After some discussion Commissioner Canella moved that Waterloo Greyhound Park racing season be extended by 50 performances and further that Dubuque has the right to extend their season by the same number of performances. The Chair hearing no second to the motion ruled that the motion died.

The Chair called for a five minute recess.

Upon reconvening, Commissioner May moved that effective June 30, 1992, Waterloo and Dubuque be permitted to conduct simulcast seasons during periods when live racing is not being conducted. The simulcasting shall come from Iowa tracks and individual simulcast contracts will be submitted to the Commission for approval. Further, the Commission endorse a policy that seasons of equal length with no overlap for live racing dates for tracks in common markets beginning with the 1993 season. Commissioner Sealock seconded the motion. Roll call vote. Motion carried 5-0. See Order # 91.68

The Chair then recognized Chuck Patton, Riverboat Director, who introduced Bob Ellis, Corporate Counsel for Steamboat, for a Sioux City license update. Mr. Ellis stated that their situation had not changed since the November update, and that they are still awaiting the results of the negotiations on the Indian Compact between the State of Iowa and the Winnebago Tribe in Sloan. It is anticipated that the compact will be signed by the end of December and Steamboat will make a decision as to whether to continue with the project.

The Chair recognized Nina Rasmussen, assistant general manager of the Diamond Lady. Ms. Rasmussen addressed a proposed rule change allowing patrons unlimited entry to the dining area during the dock side season. Stating that attendance on the Diamond Lady was adequate but lower than expected in S.E. Iowa.

Mr. Patton, addressed the proposed emergency rules and deferred to Chris O'dell, Legal Counsel for the Commission. Ms. O'dell referred to page 3, line 4, Sec. 491.22.19(6) of the Iowa Administrative Code stating that the proposed rule change would require only those patrons entering the casino during the dockside season to pay an admission fee, not those entering for other purposes. After reviewing 99F of the Code, and meeting with Mr. Patton, representatives of Steamboat, and visiting with some not for profit groups, it was her informal opinion that adoption of this rule would violate several of the provisions of 99F as well as several other administrative rules. She sighted several provisions of legislative intent such as; the boats should be required to resemble Iowa history; limits on the maximum amount of casino space; requirements for location of minors; and sale of Iowa arts and crafts. With an emphasis on promotion of tourism and Iowa economic development. The legislative intent is that the riverboats are not just for gambling purposes but are an entire entertainment tourist package. She stated that in 99F.4(21) the Commission is to establish admission fees and to regulate fee free passes. The statute requires that an admission fee is paid upon embarking the boat....not into the casino. The statutory language is clear, and it is her opinion that the adoption of this rule would amount to issuance of fee free passes in violation of the statute.

Distribution of fee free passes have a very stringent restriction placed upon them, including corporate stockholders with less than 5% or limited partners with less than 5% being denied free access to the boats. A list of those receiving fee free passes must be filed with the Commission. A representative of Steamboat advised the Commission that they anticipate 200-300 people per day would be using the restaurant only, therefore a list of 200-300 people would need to be filed with the Commission everyday. Ms. O'dell also stated that they would be in violation of 99F.10(3) of the Code, since the cities involved are entitled to a 50 cent cut on every person boarding the boat not just into the casino. Contracts entered into with the non-profit groups would be effected. The license was issued jointly to the non-profit group and the boat operator, but the adoption of the proposed rule change would benefit the boat operator during dockside season only. In addition, 99F.4(17) requires a minimum 2 1/2 hour period during which admissions from port of call is prohibited. If this rule is implemented, patrons would be allowed to enter the boat anytime which in her legal opinion would violate several statutes of 99F and numerous administrative rules.

Upon advise of the legal counsel Mr. Patton, withdrew item 4 and asked the Commission to move on items 1-3 in the emergency rules.

The Chair entertained a motion to adopt items 1-3 in the emergency rules. Commissioner Monaghan so moved, Commissioner May seconded. Motion carried 5-0. Order # 91.69

Mr. Patton, then discussed the Notice of Intended Action amending Chapter 22 which would require the registration of organizations that represent employees such as labor and trade unions. Commissioner May moved that a Notice of Intended Action be filed. Commissioner Monaghan seconded. Motion carried 5-0. Order # 91.70

The Chair again recognized Walt Pyper for approval of contracts for Bluffs Run which was deferred earlier.

Mr. Creighton, stated that the contracts are consistent with those approved in the past and recommended approval as submitted. The Chair entertained a motion to approve Bluffs Runs approvals for the upcoming season. Commissioner Canella so moved, Commissioner Sealock seconded the motion. Motion carried 5-0. Order # 91.71

The Chair recognized Mr. Creighton for the next scheduled agenda item; a hearing of seven contested testosterone cases which have been merged into one. Rick Olson, Attorney at Law, was present representing defendants; Terry Garrett, Gary Kelley, Dave McShane, Brad Nash, Douglas Page and Roger Wessels. Mr. Creighton explained that due to the significance of the medication issue, the cases had not been brought before an administrative law judge. Witnesses for the prosecution were; Robert Stenbom, DVM., Dr. Walter Hyde, State Chemist; and Thomas Tobin, DVM.

After some discussion, Mr. Creighton asked that the Commission adopt the proposed findings of fact and conclusion of law, which would require that a $500 fine, 15 day suspension, and redistribution of the purses be imposed.

Mr. Olson asked that the Commission review his proposed findings of fact and conclusion of law since the basis for the argument is the same as given by him in the past and that testosterone is not a masking agent and does not delay testing procedures.

Mr. Creighton then brought up for consideration the contested case of Gary Hinshaw, Ruling No. 41339, in which Mr. Hinshaw was fined $200 for a positive test for phenylbutazone/oxyphenbutazone in excess of the level permitted by law. Mr. Creighton explained the case has been heard by an Administrative Law who upheld the Stewards decision. He then asked that the Commission adopt the order as submitted.

Mr. Olson, also representing Mr. Hinshaw, asked that the Commission review his proposed order as submitted, stating that it was self-explanatory.

Mr. Creighton advised the Commission that the Glen Howden hearing that was scheduled had been postponed.

The Chair recognized Commission May who moved that the Commission go into executive session to deliberate on the matters of Mr. Hinshaw and the testosterone cases. Commissioner Monaghan seconded the motion with all in favor. See Order # 91.72

After deliberation in Executive Session the Commission reconvened.

Commissioner May moved that the Commission adopt the Findings of Fact in the testosterone cases and amended the Commission Order reducing the $500 fine to $400, with no suspensions; and redistribution of the purses. Commissioner Canella seconded the motion. Motion carried 5-0. Order # 91.73

Commissioner May moved that the Commission uphold the fine set by the Stewards in the Gary Hinshaw case and sustain the decision of the Administrative Law Judge. Commissioner Monaghan seconded the motion. Motion carried 5-0. Order # 91.74

Commissioner May moved that the Commission adjourn, Commissioner Monaghan seconded the motion.

Minutes Taken by Connie Eichhorn