IOWA RACING AND GAMING COMMISSION
TELEPHONIC MEETING MINUTES
JANUARY 11, 1993

On January 11, 1993, the Iowa Racing and Gaming Commission held a conference call pursuant to Iowa Code Section 21.8. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matter to be discussed.

Participating in the call were: Chair, Lorraine May; Vice-Chair, Leo Monaghan; members Rita Sealock, Dick Canella and David Blair; Administrator of IRGC, Mick Lura. Present in the Commission office were Chuck Patton, Director of Riverboat Gambling and Linda Vanderloo, Director of Administration/Licensing for IRGC.

The Chair called the meeting and stated that the purpose of the meeting was to appoint an interim administrator.

Chair May stated that she had spent a lot of time reviewing the option of appointing an interim administrator. One which could successfully operate the Racing and Gaming Commission. Considering the time availability and the learning curve, Chair May announced that she had selected Linda Vanderloo.

Commissioner Monaghan agreed with the selection and felt very comfortable with Ms. Vanderloo's ability to carry on.

Commissioner Canella agree and felt if was important to get someone on aboard to continue the continuity of the agency.

Commissioner Sealock and Blair echoed the comments of the other Commissioners.

The Chair entertained a motion appointing Linda Vanderloo as Interim Administrator. Commissioner Canella so moved with Commissioner Blair seconding the motion. A role call vote was taken with all voting aye. (See Order 93-1).

Ms. Vanderloo's appointment will be effective January 16, 1993, and will be in effect until a permanent replacement for Mick Lura can be found. Iowa Department of Personnel has been contacted concerning Ms. Vanderloo's appointment and her current permanent position will be protected while she serves as Interim Administrative.

Chair May stated that an all staff meeting was being held at 10:30 and she was going to announce the Interim Administrator and take any questions or concerns staff may have with the appointment of Ms. Vanderloo.

Commissioner Canella reminded staff that a rule needed to be drafted changing the stockholder rule notifying the Commission be changed from 5% to 3%.

Meeting was adjourned.

MINUTES TAKEN BY KARYL JONES

IOWA RACING AND GAMING COMMISSION
TELEPHONIC MEETING MINUTES
JANUARY 27, 1993

On January 27, 1993, the Iowa Racing and Gaming Commission held a conference call pursuant to Iowa Code Section 21.8. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matter to be discussed.

Participating in the call were: Chair, Lorraine May; Vice-Chair, Leo Monaghan; members Rita Sealock and Dick Canella; Interim Administrator of IRGC, Linda Vanderloo; and Lou Baranello, State Steward.

The Chair called the meeting to order and stated that the purpose of the meeting was to approve Prairie Meadows 1993 staffing plan and takeout request.

Ms. Vanderloo stated that Jeff Farrell, Attorney General representing IRGC; and Dale Baker, Attorney General for the Bankruptcy Trustee; legally saw nothing wrong with the plan.

Mr. Baranello stated that the 1992 Legislature enacted a one year moratorium on the statutory requirement for live racing at Prairie Meadows. The Legislature subsequently imposed a provision that a staffing plan for the 1993 live racing meet be presented to the Commission at their January 1993 meeting for review and approval. Staff feels that the staffing plan submitted by Prairie Meadows meets the requirement of the Legislature and recommended Commission approval.

Commissioner Canella stated that he felt it was an ambitious plan, with such a short time frame, and would the necessary people for the positions be available.

Mr. Baranello replied that he had visited with Prairie Meadows and they already have several applications. Once they go public with their plans, he did not feel Prairie Meadows would have any problem with filling the positions.

Commissioner Canella asked about the status of the agreement between the HBPA and Prairie Meadows.

Mark Bader, representing the HBPA, stated that he signed an agreement yesterday and sent it back to Prairie Meadows Federal Express.

Tom Timmons, representing Prairie Meadows, stated that he had been in communication with Larry Eide, Bankruptcy Trustee, who said that he will sign the agreement and then submit it to the Bankruptcy Court.

Mr. Bader stated that he had not seen a copy of the staffing plan but would like to know who would be filling the official positions. Chair May replied that the staffing plan only lists the positions and not the people who would be filling them. She suggested Mr. Bader contact Prairie Meadows for that information.

Chair May entertained a motion to approve Prairie Meadows 1993 staffing plan. Commissioner Canella so moved with Commissioner Sealock seconding the motion. A roll call vote was taken with all voting aye. (See Order 93-2)

Commissioner Canella asked, if the Legislature does not make the change from 90 days to 60 days, will Prairie Meadows go ahead with the 90 day meet. Mr. Timmons responded yes.

The next agenda item was the request by Prairie Meadows to increase the takeout. Mr. Baranello stated that the 1992 Legislature provided for a "range" of takeout percentages to be authorized by the Commission at the request of the track operators. Staff recommended that the Commission act in accordance with the statute and approve the increase in takeout.

Commissioner Canella asked if Mr. Baranello felt that an increase in takeout causes a reduction in handle. Mr. Baranello responded that there is a school of thought among some in the industry that this is true, however, there is no facts to support either side.

Commissioner Blair joined the meeting. Chair May updated Commissioner Blair on what had transpired so far.

Gary Lucas, representing the Iowa Thoroughbred Breeders and Owners Association, asked if the request in takeout only affected exotic wagering. Mr. Baranello explained that the request would raise the win, place, show from 16% to 18%, doubles from 20% to 24% and triples from 22% to 25%. These are the maximum allowed by law.

Chair May stated that Legislation gave the Commission the power to approve the request but not to deny.

The Chair entertained a motion to approve Prairie Meadows' request to increase takeout. Commissioner Monaghan so moved with Commissioner Blair seconding the motion. A roll call vote was taken with all voting aye. (See Order 93-3)

Meeting was adjourned.

MINUTES TAKEN BY KARYL JONES

IOWA RACING AND GAMING COMMISSION
MINUTES
FEBRUARY 3, 1993

The Iowa Racing and Gaming Commission (IRGC) met on Wednesday, February 3, 1993, at 9:00 a.m., at Prairie Meadows in Altoona, Iowa. Commissioners present were: Chair, Lorraine May; Vice-Chair, Leo Monaghan; Commissioners David Blair, Rita Sealock and Dick Canella.

Chair May called the meeting to order and entertained a motion to approve the agenda. Commissioner Sealock so moved with Commissioner Canella seconding the motion. Motion passed.

Commissioner Canella made a motion to approve the minutes of the December 17, 1992, Commission meeting and the January 11, 1993, and the January 27, 1993, telephonic Commission meetings. Commissioner Monaghan seconded the motion with all in favor.

The Chair called up the agenda item, continuation of the Waterloo Greyhound Park date request. Each witness was sworn in by the Chair prior to their testimony. The witnesses were as follows:

Frank Seng, Accountant, McGladrey & Pullen, Independent Auditor for Waterloo Greyhound Park
Jim Gruber, Senior Vice President Lending, Waterloo Savings Bank
Michael Schreurs, President, Schreurs & Associates
Dr. Gordon Patzer, Professor for College of Business Administration, University of Northern Iowa
Gary Guccione, Secretary/Treasurer, National Greyhound Association
August Masciotra, General Manager, Waterloo Greyhound Park
Dr. Murray Austin, Professor of Geography & Regional Science, University of Northern Iowa

Following Dr. Austin's testimony, Chair May entertained a motion to go into Executive Session to discuss backgrounds. Commissioner Blair so moved with Commissioner Canella seconding the motion. All in favor.

Following Executive Session, the Chair brought up the sale of the Dubuque Casino Belle and recognized Darwin Chapman, Director of the Division of Criminal Investigation. Chair May asked Mr. Chapman if an investigation had been conducted on the prospective buyers of the Dubuque Casino Belle to which Mr. Chapman replied yes. Chair May then asked if the approval of the sale would have any negative impact on the integrity of gaming in Iowa or would negatively reflect on the seller of the boat, an Iowa licensee. Mr. Chapman replied no.

Commissioner Canella moved to approve the contract for the sale of the Dubuque Casino Belle. Commissioner Blair seconded the motion with all in favor. (See Order 93-4)

The Chair then continued with the hearing on the Waterloo Greyhound Park date

request. The following witnesses were sworn in prior to giving any testimony:

Bruce Wentworth, General Manager, Dubuque Greyhound Park
Will Cummings, Christensen/Cummings Associates
Arnold Honkamp, Honkamp, Krueger & Co, P.C., Independent Auditor for the Dubuque Racing Association
Roger Hoeger, Comptroller, Dubuque Racing Association
Steve Krumpe, O'Connor & Thomas, P.C., Attorney for Dubuque Greyhound Park
Jerry Crawford, Attorney for the Iowa Greyhound Association

Following all testimony and closing comments by Commissioners, Commissioner Monaghan moved to deny Waterloo Greyhound Park's date request. Commissioner Sealock seconded the motion. A roll call vote was taken with Commissioners Monaghan and Sealock voting aye and Commissioners May, Blair and Canella voting nay.

Commissioner Blair then moved to extend Waterloo Greyhound Park's current season until October 24, 1993, with a 6% purse effective April 26, 1993, and that both Dubuque Greyhound Park and Waterloo Greyhound Park be allowed live racing and simulcasting during this period, all changes, however to be contingent upon the Commission receiving funding and staff to adequately regulate; Commissioner Blair further moved that the Commission would set the racing dates in July, 1993 for the following season including all race dates for WGP and DGP after October 24, 1993. Commissioner Canella seconded the motion. A roll call vote was taken with Commissioners Blair, May and Canella voting aye and Commissioners Monaghan and Sealock voting nay. Motion carried. (See Order 93-5)

A COMPLETE TRANSCRIPT OF THE WATERLOO GREYHOUND PARK DATE REQUEST IS ON FILE IN THE COMMISSION OFFICE.

The Chair recognized Lou Baranello, State Racing Steward, for the horse promotion fund. Mr. Baranello informed the Commission that the 1992 Legislature amended 99D.12 to provide a two percent funding for a horse racing promotional fund. This year that amounts to $3094.87. Staff recommends that this amount be divided among the Iowa Quarter Horse Racing Association (IQRA) and the Iowa Thoroughbred Breeders and Owners Association (ITBOA) with the IQRA receiving the amount generated from quarterhorse races ($14.10) and the ITBOA receiving the amount generated from thoroughbred racing ($3,080.70) and that both organizations provide the Commission with an annual accounting of the expenditure of these funds. Commissioner Canella so moved with Commissioner Sealock seconding the motion. All in favor. (See Order 93-6)

The next item on the agenda was rules. The Chair recognized Mr. Baranello. Mr. Baranello walked the Commission through the proposed racing rule amendments explaining the need for each. Mr. Baranello recommended approval of the amendments. Chuck Patton, Director of Riverboat Gambling explained the amendments concerning related party contracts and changing the notification to the Commission for stockholders from 5% to 3%. Mr. Patton recommended approval of the amendments. Linda Vanderloo, Interim Administrator outlined the amendment for the change of custody for drug testing. Ms. Vanderloo

stated that this amendment needed to be adopted emergency in order for the Commission to continue to do drug testing.

Commissioner Monaghan asked that Mr. Patton find out how Las Vegas handles the reporting of stockholders to which Mr. Patton replied he would.

Commissioner Monaghan moved to adopt the amendments as presented and file a Notice of Intended Action and also moved to Emergency Adopt the amendment to Chapter 4 on change of custody for drug testing. Commissioner Blair seconded the motion with all in favor. (See Order 93-7)

The Chair then called up the Hearing on Kenneth Arthur and recognized Mr. Patton. Mr. Patton told the Commission that an attempt was made to notify Mr. Arthur of the Hearing, but he was unaware if Mr. Arthur had received it. Mr. Arthur was not present for the Hearing. Mr. Patton explained to the Commission that Mr. Arthur, at the time Casino Manager for the Mississippi Belle II, was notified on at least two occasions, that request for credit/fill slips had been found unsecured in the casino. The third time this was found, Mr. Arthur was noticed to appear for an inquiry before the Gaming Board. The Gaming Board imposed a $50 fine on Mr. Arthur for violating Commission rules in not having the credit/fill slips secured. Mr. Arthur appealed that fine and it went before the Administrative Law Judge who upheld the decision of the Gaming Board. On May 21, 1992, a hearing was conducted before the Commission, which deferred a decision for six months, with the intent to dismiss the Administrative Law Judge's decision if Mr. Arthur had not incurred additional difficulties. On December 23, 1992, the Gaming Board issued a ruling finding that Mr. Arthur violated Commission rules again. Staff therefore recommends, that the Commission affirms the Gaming Boards' ruling and the Administrative Law Judge's decision imposing a $50.00 fine upon Mr. Arthur. Mr. Arthur is no longer employed by the Mississippi Belle II.

Commissioner Blair so moved with Commissioner Sealock seconding the motion. All in favor. (See Order 93-8)

The next item on the agenda was riverboat contracts. Mr. Patton stated that Dubuque Casino Belle had submitted a contract for slot machines purchased for their recent remodeling. Since this contract was submitted, sixteen of the machines were returned, reducing the total contract value to $720,657.86. Mr. Patton stated that this appears to be a normal business transaction and approval is recommended. Commissioner Canella so moved with Commissioner Blair seconding the motion. The vote was unanimous. (See Order 93-9)

The Chair then brought up the approval of the auditing firm for the Sac & Fox Tribe of the Mississippi in Iowa. Mr. Patton explained that the Iowa Gaming Compact between the state of Iowa and the Sac and Fox Tribe of the Mississippi in Iowa provides that the tribe agrees not to employ any certified public accountant whose qualifications are disputed by the Director of Inspections and Appeals. The Director's responsibilities has been assigned to the Commission. The tribe has selected the firm of Piercy, Bowler, Taylor and Kern to act as their independent certified public accountant. The corporation appears well qualified and completely independent of both the tribe and the gaming operation. Approval is recommended.

Commissioner Monaghan expressed concern that this was a Nevada firm. Commissioner Monaghan asked if the compact had similar language to utilize Iowa companies where possible. Mr. Patton replied no.

Commissioner Sealock asked if there was anyway to check the authenticity of this auditing firm. Mr. Patton replied that he would check the firm out more closely if it was the wish of the Commission.

Chair May deferred the approval of the Sac & Fox Tribe of the Mississippi in Iowa auditing firm until verification of the firm was received.

Chair May stated that she had appointed Commissioners Sealock and Canella to the search committee for a new Administrator. She will contact Chris Peden, Iowa Department of Personnel, with their names. Ms. Peden will get in touch with them when all resumes have been received so they can do the initial screening.

Commissioner Monaghan then asked if staff could start collecting data to update the greyhound study. Chair May said that she had talked with Mr. Crawford and he has agreed to update the charts in the greyhound study and will send the current information to Commissioner Sealock and Monaghan when completed.

Meeting was adjourned.

MINUTES TAKEN BY KARYL JONES

IOWA RACING AND GAMING COMMISSION
TELEPHONIC MEETING MINUTES
MARCH 2, 1993

On March 2, 1993, the Iowa Racing and Gaming Commission held a conference call pursuant to Iowa Code Section 21.8. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matter to be discussed.

Participating in the call were: Chair, Lorraine May; Vice-Chair, Leo Monaghan; members Rita Sealock and Dick Canella and David Blair; Interim Administrator of the IRGC, Linda Vanderloo; Lou Baranello, State Steward; Karyl Jones, Administrative Assistant; Jeff Farrell, Assistant Attorney General; and Beverly Zylstra, Legislative Liaison; and Debbie Baker, Recording Secretary.

Chair May called the meeting to order and entertained a motion to approve the agenda. Commissioner Canella so moved with Commission Blair seconding the motion. The motion was unanimouly approved.

Mr. Baranello discussed contract approvals for Dubuque Greyhound Park and directed the Commission's attention to item #13 in the Common Pooling Agreement document. Modifications were made in the second paragraph dealing with operations, and all parties to the contract were made aware and agreed to the amendment which should read, "At the race finish, race officials of the host track will confirm the preliminary order of finish with the on-track race officials." In explanation, Mr. Baranello stated that the stewards would be calling the preliminary order of finish to the mutual department at the host track as opposed to taking place at the remote sites. Mr. Baranello reiterated that the Common Pooling Agreement stated that purses would be pro-rated between Dubuque and Bluffs Run in proportion to the net take-out detained by each after deducting the parimutuel tax. That tax would be six percent at Bluffs Run two percent tax at Waterloo and Dubuque.

Walt Pyper, General Manager of Bluffs Run stated that it is twenty-seven percent of the total handle and that he was not sure about the taxes Lou had mentioned. Mr. Pyper added that parimutuel tax is only two percent on simulcasting.

Mr. Baranello agreed with Mr. Pyper that the tax would be two percent on simulcast handle. In June of 1991, Commissioner Monaghan moved that the Commission set a purse rate of twenty-seven percent of the adjusted gross revenue on all greyhound simulcasting conducted by Iowa greyhound tracks either as a receiver or sended. Adjusted gross revenue was defined as revenue minus pari-mutuel tax.

Mr. Pyper stated that twenty-seven percent was correct. Mr. Pyper continued that these contracts only cover simulcast revenues, and that there is no live revenue involved in this contract. So you only have a two percent tax.

Mr. Baranello stated that Mr. Pyper was correct and to excuse his reference to the six percent. Mr. Baranello explained that for auditing purposes the twenty-seven percent should be applied to that figure, the residual after the two percent parimutuel tax. Mr. Baranello stated that after reviewing the contract, it is staff's recommendation that the contract be adopted in their present form.

Commissioner Monaghan asked if this contract was something that could be handled under our current budget.

Ms. Vanderloo, stated that as long as Dubuque kept to the schedule submitted with the simulcast contract, there was money budgeted to cover the contract.

The Chair entertained a motion to approve the Dubuque Greyhound Park contract as amended. Commissioner David Blair so moved and Commissioner Sealock seconded the motion. The Dubuque contract was unanimously approved. (See order 93-10)

Ms. Vanderloo discussed the beginning date of simulcasting and the ability of operations under the current budget with this approval. Ms. Vanderloo stated that if Mr. Wentworth, General Manager of Dubuque Greyhound Park could have staff available for licensing at 4:00 p.m., today, and employees are licensed, simulcasting could begin at 7:15 p.m., today, March 2, 1993.

Motion was made by Commissioner Canella to approve Dubuque Greyhound Park season approval for simulcasting, however Dubuque would have to provide season approvals for live. Commission Monaghan seconded the motion with all in favor. (See order 93.11)

Mr. Baranello discussed Waterloo Greyhound Park contract approval and stated that the contract was exactly the same and therefore subject to the same amendment. After reviewing the contract for Waterloo Greyhound Park, Mr. Baranello stated that staff recommended approval with strict provision that Waterloo Greyhound Park limit its simulcasting to periods of live racing, so as not to require additional regulation by this Commission. Mr. Baranello continued that live races should be run at post time, regardless of the timing of the incoming simulcast races.

Commissioner Canella asked if additional appropriation for live racing was received, would the provisions pertaining to Waterloo Greyhound Park change as he could see additional restriction on Waterloo Greyhound Park that was not on Dubuque Greyhound Park.

Ms Vanderloo stated that there was additional restrictions on Waterloo and that if additional funding were available, that restriction on Waterloo could be lifted, however, additional funding has not been requested for Waterloo during their live race season.

Mr. Masciotra, General Manager of Waterloo Greyhound Park, stated that he realized that the simulcasting was limited to the times of their live meets. However, Mr. Masciotra wondered if when Dubuque started racing live, they would be under the same restriction.

Chair May stated that the same restriction would apply.

Ms. Vanderloo stated that back in June of 1992, approval was given by the Commission allowing that when one track was live the other was simulcasting. Right now, Waterloo is live so Dubuque could be simulcasting because funds were appropriated for that. Waterloo, on the other hand, is in their live season, and that's what they were appropriated for. She added that if they go beyond what they were approved for, for example picking up Wednesday night for simulcasting, additional staff would be needed for regulation.

Chair May summarized that Waterloo was not initially scheduled to simulcast during this live meet. Dubuque was not originally scheduled to simulcast during its live meet. The limitations put on the tracks, barring any additional funding, should be equal for both the tracks as being proposed. Waterloo would not be able to simulcast during times when they would not otherwise be racing live. Dubuque, when it begins its live season, unless there is other funding available, would have the same restrictions for the same reasons.

Ms. Vanderloo stated that for fiscal year 1993, the Commission was asked by the Legislative Fiscal Bureau what it would cost to regulate Waterloo for the rest of the fiscal year. She stated that the information was given to the Legislative Fiscal Bureau. She also stated that Mr. Masciotra came in and they discussed the figures and he was aware of the cost to get through fiscal year 1993. Ms. Vanderloo said that the figures were given to the Legislative Fiscal Bureau and left at the request of the Appropriation Sub-committee.

Mr. Wentworth asked if the Commission budgeted the upcoming six month/six months prior to or after receipt of the race track schedule. Mr. Wentworth stated that he realized the budget was formulated by fiscal year, but the date submittal does not happen until June and the budget would have already been on the table by then.

Chair May stated that Mr. Wentworth was correct, however with the budgeting time frames and the changes occurring are not in sync. With regard to approving some additional simulcasting by during your live meet, will be addressed when live meet approval comes up.

Commissioner Canella moved to approve the Waterloo contract as amended, with the understanding that simulcasting will be limited to live racing time periods. The approval is subject to the Legislature, and if in fact, a statutory prohibition is enacted against the Commission's use of funds to regulate the simulcasting, that it must cease upon the enactment of that bill. The motioned was seconded by Commissioner Sealock, will all in favor. (See order 93.12)

Mr. Masciotra requested approval from the Commission to use early bird wagering on their simulcasting as they are doing with their live racing. Mr. Masciotra stated that the tote company is ready to do it and the track has not encountered any problems with early bird wagering.

Ms. Vanderloo stated Mr. Masciotra had sent a letter on February 22, 1993, stating that it was the intention of Waterloo Greyhound Park to offer early bird wagering on their simulcasting similar to the early bird wagering used during live racing. Ms. Vanderloo stated in her letter that until the contract was approved, she felt a decision should wait.

Mr. Masciotra explained that early bird wagering works on Tuesday and Thursday when they have evening racing. They open one mutuel window at the entrance and people are allowed to place wagers for that evening performance. They also offer early bird wagering during matinee days at noon for about an hour until post time. These monies are included in the pools. They have been doing this for approximately six years on the live racing, and since they have that service for the customers, they want to offer it on the simulcasting as well.

Ms. Vanderloo stated that there was no additional cost to the state as far as regulation so the Commission staff would have no problem with that.

Chair May asked if the continuance of the early bird wagering required Commission action, since she did not require approving early bird wagering for live raceing. Approval of early bird wagering can be done by Commission Staff.

Ms. Vanderloo stated that she had wanted to defer the decision on early bird wagering until after the Commission took action on the simulcast contract. Mr. Masciotra and Ms. Vanderloo will take care of this in writing.

Ms. Vanderloo discussed the need for the emergency adoption of Chapters 7, 10, and 12, to allow smooth flow with the simulcasting taking place.

Chair May asked why we needed to emergency adopt these rules if they are ready for final adoption.

Ms. Jones stated that final adoption would make the rules effective in approximately forty to forty-five day, while emergency adoption would allow the rules to be effective immediately.

Motion for emergency and final adoption of Chapters 7, 10, and 12, was made by Commissioner Sealock and seconded by Commissioner Monaghan. The motion was unanimously approved. (See order 93.13)

Meeting was adjourned.

MINUTES WERE TAKEN BY DEBBIE BAKER

IOWA RACING AND GAMING COMMISSION
MINUTES
MARCH 18, 1993

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, March 18, 1993, at 9:00 a.m., at Prairie Meadows in Altoona, Iowa. Commissioners present were Chair, Lorraine May; Vice Chair, Leo Monaghan; Commissioners David Blair, Rita Sealock and Dick Canella.

Chair May called the meeting to order and entertained a motion to approve the agenda. Commissioner Sealock so moved with Commissioner Canella seconding the motion. Motion passed.

Commissioner Canella made a motion to approve the minutes of the February 3, 1993 Commission meeting, and the March 2, 1993, telephonic Commission meeting. Commissioner Blair seconded the motion with all in favor.

The Chair called up the first agenda item, and recognized Lou Baranello, State Steward for the IRGC who discussed the Emergency Adoption to Amendments of Chapters 4, 5, 7, 10, and 24; Notice and Emergency Adopt Amendments to Chapters 1, 4, 5, 6, 7, and 10; and Final and Emergency Adopt Chapter 8, with two exceptions.

Mr. Baranello stated that a change was made at the request of Prairie Meadows to allow entries and fields in trifecta and twin trifecta wagering. Also a correction was made in one of the tables to effect breakage from the nickel to the dime as required by 99D.

Mr. Baranello continued that the rules being Noticed and Emergency Adopted contain a time limit being placed on the chair, an adjustment from forty-eight hours to ten days on the payment of fines, and some adjustments and definitions in the appropriate places to address simulcasting. There is also an adjustment from thirty to fifteen days on the response time for temporary licenses in horse racing and a rule setting racing dates in July of each year.

Commissioner Monaghan questioned why the date setting to determine live and simulcast race dates should be changed from May/June to July, and wondered if it impacted scheduling in any way.

Linda Vanderloo, Interim Administrator, stated that the change had been discussed at an early meeting and at that time it was decided to look at doing it annually in July. Partly, because it was felt that this year more time and information were needed.

The Chair indicated the amendment for the chairperson should be changed from two consecutive full terms to two consecutive full one-year terms.

Commissioner Monaghan made a motion to approve the Emergency Adoption of Amendments to Chapters 4,5,6,7,10, and 24; Notice and Emergency Adoption of Amendments to Chapters 1,4,5,6,7,10, and Final and Emergency Adoption of Chapter 8, with amendments as proposed. Commissioner Sealock seconded the motion, with all in favor. (See Order 93.14)

The next item on the agenda was the hearing on the Testosterone Cases. Chair May stated that there had been substantial submissions with regard to those cases. Currently pending is a renewed motion to strike the testimony of Dr. Thomas Tobin. Chair May denied the renewed motion to strike testimony.

Chair May stated that there was a request to submit additional exhibits into record which include Dr. Snow's study published in 1982 in the Equine Veterinary Journal, article published in the American Journal of Sports medicine, and a yet to be published article which will appear in "Continuing Education of Veterinary Medicine Journal." The exhibits were accepted. Chair May stated that with these submissions, the evidentiary record with regard to the testosterone cases is closed.

Commissioner Canella moved to reaffirm the previous order for sanctions finding violation of the Code of Iowa and administrative rules and the penalty provided. The motion was seconded by Commissioner Sealock and a role call vote was taken with all in favor. (see order 93.15) A written order due to the probable judicial review was requested by Commissioner Blair.

The Chair called upon Chuck Patton, Director of Riverboat Gambling, to discuss the John Pagliughi hearing. Mr. Patton stated that Mr. Pagliughi had been informed of the date and time of this hearing and indicated to staff that he would not be available to attend the meeting. Mr. Pagliughi was directed by staff to submit his arguments in writing, however they have not been received. Recommendation to continue with the hearing was requested by Mr. Patton.

Special Agent Craig Mackaman of the Division of Criminal Investigation was sworn in by Chair May. Special Agent Mackaman stated that in 1991, he was assigned to the Gaming Unit at the Diamond Lady in Bettendorf, and he recognized the background form submitted by Mr. Pagliughi. Special Agent Mackaman indicated that Mr. Pagliughi had not indicated on his background form ever having arrests, convictions, pleading guilty or no contest to any criminal offense, felony, or misdemeanor or any alcohol or drug related offense. Due to Mr. Pagliughi's responses, he was issued a temporary license until full backgrounds could be completed. In March of 1992, criminal history background was found involving growing and possessing marijuana and drug paraphernalia in New Jersey in March of 1991. He was placed on probation, fined $500.00, and ordered to pay $50.00 in lab fees. Mr. Pagliughi was placed on probation, given a fine, agreed to undergo random urinalysis, and for that agreement the charges were "conditionally discharged."

Commissioner Monaghan asked if Mr. Pagliughi had filled out the background application while on probation, and Mr. Patton answered, "yes." Commissioner Monaghan stated that he felt the charge was alive if he falsely answered the questions of the background investigation while on probation.

Commissioner Blair made a motion to affirm and amend the findings to include the substance of this meetings discussion and to formally accept into evidence all exhibits and testimony of this hearing. The motion was seconded by Commissioner Monaghan with all in favor. (See order 93.16)

The next agenda item was the hearing of James M. Murphy who was denied a gaming license. Mr. Murphy was aware of the time and place of the hearing and indicated that he would be in attendance. Mr. Patton asked that the hearing continue as scheduled.

Special Agent Steve Henson of the Division of Criminal investigation and Ramona Moody, Gaming Official for the Iowa Racing and Gaming Commission was sworn in by Chair May. Special Agent Henson indicated he is currently assigned to the Mississippi Belle II in Clinton and that he recognized the background application filled out by Mr. James Murphy. Special Agent Henson indicated that the background shows the criminal history of Mr. Murphy. Mr. Murphy verified that his criminal history was as stated on his background form which included episodes of drunken behavior, alcohol abuse, grand larceny, assault, repeated violence and child abuse. He had indicated that he had gone through counselling for the child abuse.

Ms. Moody stated that Mr. Murphy fully admitted to numerous convictions, repeated acts of violence, and drunken behavior. Ms. Moody asked Mr. Murphy what the outcome of the child abuse charge was and Mr. Murphy stated that he was sentenced to counselling which he did not complete because he did not feel it was necessary as he was attending Alcoholics Anonymous.

Mr. Patton asked Ms. Moody that since the rules allow approval of a license since the charge is more than five years old, if she felt that there was appropriate rehabilitation in considering whether to deny or approve Mr. Murphy's license in this case.

Ms. Moody indicated that Mr. Murphy's failure to receive the counselling as ordered by the court, his multiple convictions and his repeated acts of violence were great considerations in denying the license.

Commissioner Blair moved to affirm the denial of license for James Murphy. The motion was seconded by Commissioner Sealock, with all in favor. (See Order 93.17)

Chair May stated that due to the controversy of the matter in how the lead out fees at Bluffs Run is being handled, she appointed Commissioner Sealock and Commissioner Blair to investigate this issue and make recommendations back to the Commission by the April meeting.

Mr. Patton discussed Admission Fee changes which are necessitated by the departure of the Dubuque Casino Belle on March 31, 1993, and also changes by the fee structure of the Division of Criminal Investigation. Mr. Patton indicated that beginning April 1, 1993, to the end of June, a fee of 7,158.00 per week will be charged. The operators were paying $7,380.00 per week.

Commissioner May requested an opinion from legal counsel, Jeff Farrell, concerning the Commissioner's role in the setting of admission fees. Mr. Farrell advised the Commission that it had no authority to investigate or ascertain the reasonableness of the fees or the nature of the services being performed by the Division of Criminal Investigation upon which they based the fees to be changed.

Motion was made by Commissioner Monaghan to approve the change of admission fees upon the departure of the Dubuque Casino Belle, and seconded by Commissioner Sealock with all in favor. (See Order 93.18)

Mr. Patton discussed the contract submitted for approval between the Connelly Group, L.P., and the Thoms Proestler Company of Davenport, Iowa. The proposal would continue a relationship between the President and an unrelated Iowa Company that is suited to the President's needs.

Commissioner Canella made a motion to approve the contract between the President and the Thoms Proestler Company, which was seconded by Commissioner Monaghan with all in favor.

Mr. Patton discussed the management firm for the Winnebago Tribe and stated that during the last Commission meeting the Commission was presented with the background information of those individuals involved with GNS. Since that time Kim Gilkyson has resigned his position and sold his share of the company. Mr. Patton recommends that the company with the remaining principals be approved.

Commissioner Monaghan questioned the wording of the contract in that the terms still sound much like a partnership or a dividend than a sale of share. Commissioner Monaghan asked how long these terms would be in effect.

Commissioner Blair agreed that it sounded as if it were a limited partnership.

Commissioner Monaghan stated that the terms of this contract were unacceptable, their reason to ask him to sell his interest in the company and not to receive a share in the profits.

Commissioner May stated that due to the questions involved in this contract, this agenda item should be tabled until next month.

Mr. Patton, at Commission request contacted the Nevada Gaming Commission in regard to qualifications and performance of Piercy, Bowler, Taylor and Kern, the certified public accountants submitted for approval by the Sac and Fox Tribe. Mr. Patton stated that Suzanne Peters, a senior agent with the Nevada Gaming Control Board, reported that the firm's qualifications are in order and the firm has several gaming clients in Nevada. Ms. Peters was not aware of any negative reports concerning their performance.

Commissioner Monaghan motioned to approve the auditing firm of Piercy, Bowler, Taylor and Kern, and was seconded by Commissioner Canella with all in favor. (See Order 93.19)

Commissioner Monaghan made a motion to move into Executive Session for the purpose of reviewing backgrounds, which was seconded by Commissioner Sealock, with all in favor.

Following Executive Session, Mr. Murphy was allowed to speak regarding his case previously heard. He pled that he had not had any charges filed on him since 1954 when he sought recovery from alcoholism. Mr. Patton asked Mr. Murphy about his 1986 child abuse charge in which Mr. Murphy stated that his daughter admits now that it never happened. He pled no contest to the charge. Mr. Murphy felt that since 1977 he had turned his life around and felt he should be allowed to be licensed now.

A motion was made by Commissioner Blair to uphold and affirm the action of denial of license as previously taken. Commissioner Sealock seconded the motion, with all in favor. (See Order 93.20)

Chair May recognized Bruce Wentworth, Dubuque Racing Association, who announced the signing of an agreement between the Dubuque Racing Association and The Greater Dubuque Riverboat Entertainment Co., L.C.

Joe Zwack and Bill Alfredo, of The Greater Dubuque Riverboat Entertainment Co., L.C., spoke to the Commission about how they came to the decision to attempt to buy a boat. They discussed in detail the financial structure of the financing; the advantages to the City of Dubuque, including employment opportunities, competition with the other boats; and tourist advantages.

Mr. Alfredo discussed the boat design and layout of slot machines, table games, restaurant, security and count rooms, as well as discussed the options for land facilities.

Mr. Alfred assured the Commission that they were in contact with the United States Coast Guard to make sure that their plans would indeed be allowable under Federal regulations as well.

Mr. Alfredo stated that they were at a standstill until approval of the license is granted. Mr. Alfredo stated that they would request approval even if there was a contingency attached.

Commissioner Blair asked Mr. Wentworth for assurance that Greater Dubuque Riverboat Entertainment Company, L.C., was in the best interest of the

Dubuque Racing Association and the City of Dubuque.

Mr. Wentworth stated that all Dubuque Racing Association decisions made good business sense for the community, jobs, tourism, and would take into consideration the needed business to the new hotels that need filled. He also stated that it wasn't necessarily good for the track, but it is for the rest of the community.

Commissioner Monaghan moved approval of the application between the Dubuque Racing Association and the Greater Dubuque Riverboat Entertainment Co., L.C. contingent to the following items:

A. Financing to be achieved by April 22, 1993.

B. No transfer voluntarily or involuntarily of interest in Greater Dubuque Riverboat Entertainment Company, L.C. without Commission approval.

C. All contracts approved by April 22, 1993.

D. Satisfactorily completed background investigations within the next fourteen days. (April 1, 1993).

Commissioner Blair seconded the motion. A roll call vote was taken, with all voting aye. (See Order 93.21)

Commissioner Blair moved to go into Executive Session to discuss personnel matters. Commissioner Monaghan seconded the motion with all in favor.

Following Executive Session, the meeting was adjourned.

MINUTES TAKEN BY DEBBIE BAKER

IOWA RACING AND GAMING COMMISSION
MINUTES
APRIL 14-15, 1993

The Iowa Racing and Gaming Commission (IRGC) met on Wednesday, April 14, 1993, at 4:30 p.m., at the Crystal Tree Inn in Des Moines, Iowa. Commissioners present were: Chair, Lorraine May; Commissioners Rita Sealock and Dick Canella.

Chair May called the meeting to order and entertained a motion to approve the agenda. Commissioner Sealock so moved with Commissioner Canella seconding the motion. Motion passed.

Chair May then entertained a motion to go into Executive Session pursuant to Iowa Code Chapter 21.5 to avoid disclosure of specific law enforcement matters such as allowable tolerances or criteria for the selection, prosecution or settlement of cases, which if disclosed would facilitate disregard of requirements imposed by law and to discuss matters relating to drug testing. Commissioner Canella so moved with Commissioner Sealock seconding the motion. Motion passed.

Commissioner Monaghan joined the meeting following Executive Session.

Chair May call up the next agenda item, interviewing of candidates for the Administrator position.

Chair May introduced Jack Ketterer and informed him that he could request to be interviewed in closed session under Iowa Code Chapter 21.5(1)i if the provisions of the section were applicable. Mr. Ketterer requested to be interviewed during public session.

Following Mr. Ketterer, the Chair introduced Richard Krueger and informed him that he could request to be interviewed in closed session under Iowa Code Chapter 21.5(1)i if the provisions of the section wewe applicable. Mr. Krueger requested to be interviewed in closed session.

Commissioner Canella moved to go into Executive Session pursuant to Iowa Code Chapter 21.5(1)i. Commissioner Sealock seconded the motion with all in favor.

During Executive Session, Commissioner Blair joined the meeting.

Following Executive Session, the Chair introduced Fred Gushin and informed Mr. Gushin that he could request to be interviewed in closed session under Iowa Code Chapter 21.5(1)i if the provisions of the section were applicable. Mr. Gushin requested to be interviewed in closed session.

Commissioner Canella moved to go into Executive Session pursuant to Iowa Code Chapter 21.5(1)i. Commissioner Sealock seconded the motion with all in favor.

Following Executive Session, the Chair recessed the meeting until 9:00 a.m., Thursday, April 15, 1993.

The Chair reconvened the meeting at 9:00 a.m., Thursday, April 15, 1993, at Adventureland Inn, Des Moines, Iowa. Commissioners present were: Chair, Lorraine May; Vice-Chair, Leo Monaghan; Commissioners David Blair, Rita Sealock and Dick Canella.

The Chair entertained a motion to go into Executive Session pursuant to Iowa Code Chapter 21.5 to discuss personnel matters.

Following Executive Session, Commissioner Canella moved to approve the minutes of the March 18, 1993 meeting which was seconded by Commissioner Monaghan. The motion was unanimously approved.

The Chair called the next agenda item, the appointment of an Administrator. Commissioner Sealock moved to defer the appointment of an Administrator until the following week to allow further deliberation. The motion was seconded by Commissioner Canella, with all in favor.

The Chair recognized Lou Baranello, State Steward for the IRGC, to discuss the amendments to Chapters 4, 5, 7, 10, and 24 and amendments to Chapters 4, 7, 10, and 12. Mr. Baranello stated the amendments to Chapters 4, 5, 7, 10, and 24 were unchanged from the last time they were brought before the Commission and recommended final adoption.

Mr. Baranello stated that the amendments to Chapters 4, 7, 10, and 12, addressed reciprocity for bleeder certificates, the detention barn, the ability for stewards to address non-licensees that violate rules and establish criteria for the first-aid room during simulcasting. Mr. Baranello recommended the Commission emergency adopt and file a notice of intended action on these amendments.

Commissioner Monaghan asked Mr. Baranello what safeguards would be in place if there was no detention barn. Mr. Baranello stated that Dr. Walter Hyde of the Iowa State University Veterinary Diagnostic Laboratory, Dr. Sally Prickett, Commission veterinarian and Dr. Dick Bowman, the Commission veterinarian at Prairie Meadows, concur that the testing procedures that would be used would ensure that lasix is not being administered other than what is authorized by law.

Commissioner Sealock moved to final adopt amendments to Chapters 4, 5, 7, 10, and 24 and to emergency adopt and file notice of intended action on amendments to Chapter 4, 7, 10, and 12 as amended. Commissioner Monaghan seconded the motion with all in favor. (See Order 93-22)

The next item on the agenda was the Frank Sebetka hearing. Mr. Baranello stated that the Commission had received a letter from Mr. Sebetka stating that he had business interests which would prevent his attendance for the hearing and requested a continuance.

Chair May brought to the Commission's attention that Mr. Sebetka had requested a continuance previously, however, she stated that Mr. Sebetka had a legitimate reason for his request. Chair May agreed to the continuance with the understanding that the hearing would be held at the next scheduled Commission meeting and if Mr. Sebetka was unable to attend, he should submit his comments in writing. Chair May stated that she would draw up an order reflecting these stipulations.

Before continuing with the next agenda item, Chair May introduced and welcomed Del Van Horn, the newly appointed Commission member replacing Commissioner Monaghan. Commissioner Monaghan was presented with a plaque to honor and thank him for his service to the Commission from May 1, 1987 to April 30, 1993.

Commissioner Monaghan stated he appreciated the opportunity to serve on the Commission and that it had been a pleasure working with licensees, staff, and Commissioners. Commissioner Monaghan also stated he felt Iowa had been well served by its Commission.

Commissioner Canella stated that he had served with Commissioner Monaghan as a collegue and friend for about four years and that although they had not agreed very often, every decision made by Commissioner Monaghan had been made with the best interest for the state of Iowa, and the racing and gaming industries in mind. Commissioner Canella also stated that he appreciated and admired Commissioner Monaghan's integrity.

The next item on the agenda was Iowa West Racing Association petition for contested case hearing wherein Iowa West Racing Association is requesting a refund from the Commission of 1% of the gross amount wagered for their 1992 racing season. James Campbell, Attorney for Iowa West Racing Association stated that when legislation was previously enacted during a season that both Prairie Meadows and Waterloo Greyhound Park had been able to take advantage of the tax breaks on the whole season. He argued that Bluffs Run should be allowed to take advantage of the same benefits as the other tracks.

Jeff Farrell, Attorney General's Office, stated that the 1989 tax amendments set up three tax brackets - six, five and four percent. The five percent was to have a one percent set aside for capitol improvement, retirement of debt; the four percent tax bracket had two percent set aside; the six percent bracket paid the entire tax and would not be allowed to have any set aside. Mr. Farrell continued that in 1991, the Legislature decided to allow a one-sixth or one percent set aside for those in the six percent tax bracket. At this time, the Legislature specifically stated that this change would begin January 1, 1993.

Mr. Campbell stated that because their season concluded January 1, 1993, they should be allowed the tax break for the whole season even though their season began on January 3, 1992. Mr. Campbell also stated that in the case of Waterloo, whose season ended in March, the tax break didn't become law until May and they still got the advantage of the entire break as did Prairie Meadows.

Chair May stated that neither of those amendments had a delayed effective date and that Chair May's recollection of the 1991 amendment was that the intention was specifically to take into consideration Waterloo's and Prairie Meadow's situation in the amendment's enactment.

Jeff Farrell stated that he did not feel that the Legislature intended a one-half million dollar tax benefit for Bluffs Run as a result of adding one day of racing.

Commissioner Canella moved that the application for refund to Iowa West Racing Association doing business as Bluffs Run be denied. The motion was seconded by Commissioner Monaghan with all in favor. (See Order 93-23)

The next item on the agenda was the 1993 season approvals for Dubuque Greyhound Park. The Chair recognized Mr. Baranello, who stated that Dubuque's purse distribution is set at 4.5%, and the purse supplements are in keeping with 99D. Mr. Baranello commented That the track steward and other operating and racing officials be approved pending completion of backgrounds. Mr. Baranello continued that the grading system and wagering format were standard. Dubuque Greyhound Park's live racing schedule is acceptable and the proposed simulcasting is within the parameters of the live racing program and will not incur additional regulation. The security plan appears to be the same as in 1992 and the required bond is in place.

Jim Aldrich, Director of Racing at Dubuque Greyhound Park, stated that they have fourteen assigned kennels, actual signatures, contracts are in their possession and schooling ready to begin. Mr. Aldrich stated that they are very optimistic about the new season. Mr. Aldrich stated that the offer of a $2,500 signing bonus stimulated kennel bookings.

Commissioner Sealock moved to approve the Dubuque Greyhound Park 1993 season approvals, with the approval of racing officals subject to background checks. Commissioner Blair seconded the motion with all in favor. (See Order 93-24)

Mr. Baranello discussed Prairie Meadows 1993 season approvals, stating that their purse structure is addressed in the respective contracts between Prairie Meadows and the Iowa Thoroughbred Owners and Breeders Association and the Iowa Quarterhorse Association. Mr. Baranello stated that he felt comfortable with the racing officials and department heads.

Mr. Baranello stated that the racing schedule and wagering format were standard. The 90 performance legislative requirement is met with a 60 day meet and if legislative efforts are unsuccessful, an additional 30 day meet.

Mr. Baranello noted that equipment, security, and bond certification is in place.

Tom Timmons, General Manager at Prairie Meadows, stated that he was very excited and the club house is completely sold out for opening night, May 7, 1993. Their intention is for nine races per day, seven of which are thoroughbred and two quarterhorse races per contract with the horesemen.

Chair May asked Mr. Timmons if he understood that at this time the Commission could only approve the ninety day racing season due to the issue before the legislature. Mr. Timmons stated that he fully understood.

Peter Scarnati, Racing Secretary of Prairie Meadows, stated that he was pleased with the officials they have and praised the quality of horses and horsemen at Prairie Meadows which he attributed to the closing of Canterbury Downs.

Commissioner Monaghan moved that Prairie Meadows 1993 season approvals be approved for ninety days subject to background checks. Commissioner Canella seconded the motion with all in favor. (See Order 93-25)

The Chair recognized Mr. Baranello to discuss the Bluffs Run lead out fees. Mr. Baranello stated that the committee consisting of Commissioners Sealock and Blair, assisted by himself was set up to investigate the settlement of a joint application between Bluffs Run and the Iowa Greyhound Association to effect payment of certain purse money called for in the kennel booking agreements, and change the payment of other funds known as lead out fees. Mr. Baranello continued that a meeting took place at Bluffs Runs between the committee; Mr. Baranello; Walt Pyper, the General Manager at Bluffs Run; James Campbell, counsel for Bluffs Run; and the attorney for the Iowa Greyhound Association, Jerry Crawford. Commissioner Blair instructed the attorney's to put in writing their requests to be reviewed by the committee, which was received and reviewed by Commission staff.

Mr. Crawford stated that Bluffs Run had held one dollar per dog per race since the beginning of Bluffs Run. This amount approximates a quarter of a million dollars from the distribution of purses since the inception of operations. Mr. Crawford continued that the Commission did not approve the withholding of one dollar per dog per race. Mr. Crawford recommended that funds in escrow be distributed 65/35 the way purse monies are distributed since they are purse dollars. Secondly, recognize their loss by creating added money stakes races prospectively, $30,000 a year suggested by Bluffs Run and agreeable by IGA, with IGA suggesting a five year period. The IGA requested to co-sponsor the stakes races at their own expense and promote the stakes race in order to alleviate the attention given to them, improve the handle, as well as the attention given to the community. Mr. Crawford also stated that some of the lead out be terminated respectively. Mr. Crawford explained that these recommendations were different from that of the committee, however requested the Commission approve IGA's recommendations.

Mr. Crawford stated that he had received many positive responses on the dispersement of the escrow fund at a 65/35 split. Mr. Crawford acknowledged that the kennel owners and the greyhound owners determine the proper allocation of the purse money, however, the order set forth by the Commission regarding monies established for purses has not been followed and is not being followed now.

Mr. Pyper stated that in the issue of the 65/35 split there would be those who didn't like that, or the fact there would not be lead out fees any more. Mr. Pyper explained that Bluffs Run's suggestion is to have stakes races with a minimum of $30,000 for three years as opposed to five years. Mr. Pyper indicated that he accepted the idea for IGA to co-sponsor the stakes races, but has not been approached by the IGA.

Mr. Campbell asked that the written agreement between the track and the kennel include a statement of understanding that the kennels were aware they had the opportunity to speak on this issue, in an effort to protect the track from litigation.

Chair May asked if the purse structure would be based on winnings or the number of dogs running?

Mr. Campbell stated that it would be the number of dogs.

Commissioner Blair indicated that the Commission was not to approve anything because this was a contested case and that the Commission did not have the ability to make a directive to the tracks to contribute $30,000 toward stakes races.

Chair May agreed with Commissioner Blair stating that she would hesitate having the Commission approve a $30,000 stakes race for the next three years, and that the Commission cannot affect the legal right of these people by making a binding determination.

Mr. Pyper indicated that Bluffs Run finds it acceptable to eliminate the $30,000 minimum contribution, however, Mr. Pyper continued that he felt stakes racing was a good idea and they would put the $30,000 in 1993, for stakes racing. Mr.Pyper clarified that this would not be part of an agreement, nor part of the settlement.

Commissioner Blair indicated that the Commission would not be willing to get into the middle of legal decisions as to Bluffs Run and the IGA and their legal fees as requested in the recommendation.

Mr. Crawford stated that there were only three issues before the Commission, the distribution of escrow funds, the stakes races respectively and whether or not there will be lead out fees. Mr. Crawford explained that Bluffs Run had indicated that the proposed distribution of escrow funds was agreed upon, Mr. Pyper had already agreed to the $30,000 stakes race and that everyone was in agreement to discontinue the hold out of lead out fees in the future. Mr. Crawford suggested that agreement had been reached on this item.

Commissioner Blair moved that Bluffs Run pay accumulated and escrow lead out monies to kennel operators as originally agreed to by contract. That the matter of the one dollar check charge be recognized as a management decision and is not subject to Commission approval, and that Bluffs Run cease the practice of the one dollar lead out fee effective April 15, 1993.

Chair May asked legal counsel, Mr. Farrell, if appropriate notice of meeting had been provided in order to take action. Mr. Farrell stated that he did not feel that there was a problem.

Commissioner Monaghan suggested that clarification needed to be made in the deduction of the one dollar from purses to be more specific.

Commissioner Blair restated the motion that Bluffs Run pay accumulated and escrow lead out monies to kennel operators as originally agreed to by contract; that the matter of the one dollar check charge be recognized as a management decision not subject to Commission approval; that Bluffs Run cease the practice of deducting one dollar from purses for lead out fees effective April 15, 1993. The motion was seconded by Commissioner Sealock with all in favor. (See order 93-26)

The Chair recognized Chuck Patton, Director of Riverboat Gambling for IRGC, to discuss the Sale of the Dubuque Casino Belle. Mr. Patton indicated that due to a change in the closing date from April 1, 1993, to July 31, 1993, or ten days after Station Casino's Inc., a re-negotiation of elements of the contract is in question. The element in question is whether or not this is an arms length transaction. Staff believes that it is and recommends approval of of the revised contract.

Special Agent in Charge, Bill Brosnahan, stated that the Division of Criminal Investigation had looked at the amended sale contract and find no problem with it.

Commissioner Canella moved to approve the amended contract for the sale of the Dubuque Casino Belle. The motion was seconded by Commissioner Blair with all in favor. (See Order 93-27)

Mr. Patton spoke on the approval of the GNS Management firm for the Winnabago Tribe. At the March Commission meeting, a change in management raised a concern with the purchase agreement and its effect on the current management. A revision has been received by the Commission, and based on this, staff recommends approval.

Commissioner Blair moved to approve the management firm, GNS, for the Winnabago tribe. The motion was seconded by Commissioner Sealock with all in favor. Commissioner Monaghan was not present during this vote. (See order 93-28)

Commissioner Blair moved to go into Executive Session to discuss backgrounds. Comissioner Canella seconded the motion with all in favor.

Following the Executive Session, Chair May stated that Mr. Crawford asked that the agenda item regarding minimum purse be deferred until the July meeting.

The next item on the agenda was an update report on the Dubuque Racing Association and the Greater Dubuque Riverboat Entertainment Company, L.C. This item was deferred until the May meeting.

Commissioner Monaghan motioned for adjournment of the meeting. Commissioner Canella seconded the motion with all in favor.

Minutes taken by Debbie Baker

IOWA RACING AND GAMING COMMISSION
TELEPHONIC MEETING MINUTES
APRIL 23, 1993

The Iowa Racing and Gaming Commission (IRGC) held a telephonic meeting on Wednesday, April 23, 1993, at the Commission Office in Des Moines, Iowa. Included in the telephonic meeting were Chair, Lorraine May; Vice-Chair, Leo Monaghan; and Commissioners Rita Sealock, Dick Canella, and David Blair; Commission Staff Linda Vanderloo, Interim Administrator; Chuck Patton, Director of Riverboat Gambling; and Karyl Jones, Administrative Assistant; Jeff Farrell, Attorney General's Office; Bev Zylstra, Legislative Representative; John Schaffner, DIA Administrator's Office; Jack Ketterer, Administrator applicant; Augie Masciotra, Waterloo Greyhound Park; Bruce Wentworth, Dubuque Greyhound Park; Steve Krumpe, Attorney for Dubuque Greyhound Park.

Commissioner Canella moved to approve the agenda. Commissioner Sealock seconded the motion with all in favor.

The second item on the agenda was to appoint an administrator for the Commission. Chair May opened the floor for questions, comments, or motions from the Commission.

Commissioner Sealock moved that the Commission extend the position offer of Administrator to Jack Ketterer. Commissioner Canella seconded the motion.

Commissioner Monaghan stated that on behalf of the Commission he would like to thank the committee that did the nation-wide search of twenty-eight applicants, which was narrowed to three very qualified finalists. Commissioner Monaghan commented that he thought Mr. Ketterer's background and experience in Iowa, and his expertise will get him off to a very good start in Iowa.

Commissioner Blair added that he agreed with Commissioner Monaghan's comments on the process, gratitude to the committee, and how pleased the Commission is on having Mr. Ketterer coming on board.

Chair May asked for a role call vote due to the telephonic meeting with all Commissioners voting aye. (See Order 93-28)

Commissioner May stated to Mr. Ketterer that the Commission had unanimously voted to offer him the remaining one year on the previous administrator's term.

Mr. Ketterer stated that he would be delighted to accept the position, and is looking forward to coming back to Iowa and working with the Commission, the licensees, and the industry.

The Chair introduced the next item on the agenda which was an update on Waterloo Greyhound Park. Chair May continued that the available funding with regard to regulation in Waterloo expires on April 25, 1993.

Linda Vanderloo, Interim Administrator stated that there had not been a supplemental appropriation given to the IRGC for fiscal year 1993, which would allow the Commission to regulate Waterloo Greyhound Park's live season after April 25, 1993.

Chair May stated that she had spoken with Ms. Vanderloo on several occasions, and that Ms. Vanderloo had worked with budget analysts in an effort to carefully review the budget to determine the Commission's options and availability of funds in order to extend the regulatory time period. Chair May stated that the funds are simply not there, however, funding may be available from an alternative source.

August Masciotra, General Manager at Waterloo Greyhound Park, stated that Waterloo Greyhound Park would like to make a gift to the Racing and Gaming Commission to pay for the extension of their current season through June 30. 1993. Mr. Masciotra stated that there was a provision of the Code that would allow the track to do this. He continued that the amount of the gift would be between $62,000 and $65,000.

Chair May clarified Mr. Masciotra's statement by saying that Waterloo Greyhound Park would have to make a gift to the State of Iowa, in an amount sufficient to permit an allocation of funds to the Racing and Gaming Commission to continue the regulation. Chair May asked Ms. Vanderloo how much was needed to properly regulate Waterloo Greyhound Park for the extended period.

Ms. Vanderloo stated that is would be approximately $65,000.

Mr. Masciotra stated that Waterloo Greyhound Park was in a position to make a $65,000 gift.

Chair May asked Jeff Farrell, Assistant Attorney General, if that was an appropriate and legal method in which to proceed.

Mr. Farrell stated that the Attorney General's Office had taken a look at the issue and believes it to be an appropriate method to use as an appropriation for the Commission. The Governor's Office will be accepting the money, and according to the Iowa Acts from 1992, Chapter 1234, any grant or receipt that is directed toward a particular purpose relating to the Department of Inspections and Appeals can be an additional supplement to an appropriation to that Department.

Chair May stated that what would happen is that a gift would be made to the State of Iowa, the Governor would accept it for the purpose of allocating the money for regulation of Waterloo Greyhound Park through June 30, 1993.

Mr. Farrell continued that was true assuming that gift was made with that condition in mind.

Chair May stated to Mr. Masciotra her concerns of cash flow and that because of regulation being based on this situation, that the money be received by the State prior to the incurring of expenses. Chair May stated that the May expenses be received by Monday, April 26, 1993, the expenses being incurred in June being paid by the first of June, as well as the expenses for April by April 1, 1993.

Mr. Masciotra stated that if the Commission would just tell him how much needed to be at the state by Monday, the money would be here.

Commissioner May stated that she would get with Ms. Vanderloo to calculate the expenses.

Attorney, Steve Krumpe for the Dubuque Greyhound Park, stated that by doing this, the Commission would be levying, assessing or collecting additional fees which is against the Iowa Code, Chapter 99D.14. Mr. Krumpe also indicated that Article 7, Section 1, of the Iowa Constitution prohibits the state from being responsible for or assuming the debts of individual association or corporation, and that any money has to be in receipt before any sums are extended. Mr. Krumpe continued that the Commission decided to authorize the extension only if funds were appropriated and that Dubuque could have been in operation if this requirement had not been enforced. The Commission made the decision to extend Waterloo's racing season based on a set of financial criteria and facts in February assuming that the state would be paying for regulation not Waterloo Greyhound Park. Mr. Krumpe also stated that it was clear during the February meeting that Waterloo was verging on insolvency, and if they default on this the state would be left "holding the bag." Have Waterloo's secured creditors been made aware of and approved of the diversion of this substantial amount of cash away from debt obligations? If Waterloo should subsequently become insolvent, would a trustee in bankruptcy seek to recover funds on behalf of secured or unsecured creditors?

Mr. Farrell commented that Iowa Code, Chapter 99D.14(4) language does not prohibit a licensee from voluntarily providing money to the state; only from levying, assessing, or collecting or otherwise forcing a licensee to pay.

Commissioner Blair moved to extend Waterloo Greyhound Park's racing schedule until June 30, 1993, if funding is available to cover incurred expenses in accordance with the February meeting. Commissioner Canella seconded the motion.

Commissioner Monaghan stated that in the original motion back in February, on a three/two vote it was agreed that the season for Waterloo be extended to October 24, 1993, contingent upon the Commission receiving adequate funding and staff to regulate. Commissioner Monaghan does not feel the requirement passed in February has been met.

Chair May stated that effective July 1, 1993, there would be appropriation and money in the budget to regulate Waterloo for an additional six months in fiscal year 1994.

Ms. Vanderloo stated that it was a six month period of time for the entire fiscal year of live racing.

Chair May stated that in July the Commission would again address what six months they would authorize expenditures. To date they have indicated that they would continue racing through the October date.

Mr. Wentworth, General Manager at Dubuque Greyhound Park, stated that it appeared to him that the Commission was changing the rules on Dubuque. Mr. Wentworth said that if the Commission were prospectively looking at allowing this, he suggested that retrospectively the Commission had not made the same offer to Dubuque in February. In February, Dubuque accepted what was believed to be a decision based on appropriated funds, and waited until April 27, 1993, to open. Mr. Wentworth explained that both tracks would be running head to head and producing significantly less overall revenue. Mr. Wentworth commented that in looking at the appropriated funds that would be necessary to offset expenses, would Waterloo Greyhound Park also be expected to offset this decrease under this scenario.

Chair May replied that no offer had been made to Waterloo Greyhound Park. Chair May continued that according to her recollection of her conversation with Mr. Wentworth shortly after the February vote, Dubuque Greyhound Park would be unable to get up an operation before April, and to contend now that if other possible funding sources would have been known, Dubuque Greyhound Park would have done otherwise, seems unusual.

Mr. Krumpe observed that the Legislature had been presented with this request several times and rejected it, and wondered if the Commission, by approving this, was doing something that the Legislature has expressly said they do not want done?

Chair May stated that there is a difference in taking money from an already limited source for reallocation as opposed to giving the state the option to receive gifts from other sources to proceed.

Commissioner Monaghan stated that Mr. Krumpe had raised an interesting question about a release from secured creditors and wondered if that was an area that needed to be pursued further.

Mr. Masciotra stated that he did not feel that would be a problem because this is a part of normal operating costs.

Commissioner Monaghan stated that he did not understand how it could be construed as normal operating costs since it was a cost never incurred before.

Mr. Masciotra stated that there are items that come up that you must prepare yourself to pay. You cannot anticipate all expenses, and this would go under that category. For every expenditure the track makes, they could not go to their creditor for permission to pay.

Commissioner Monaghan asked that Mr. Farrell voice the state's status in this area.

Mr. Farrell stated that he did not feel there was a problem. Once the money was given, the only recovery against the state of Iowa would be if there was some sort of fraud in giving the money, which is not the case here. He stated he did not feel there was any way for creditors to come back against the state of Iowa.

Chair May asked that a role call vote be taken with Commissioners Canella, Sealock, Blair and May voting Aye, and Commissioner Leo Monaghan voting Nay. (See Order 93-29)

Commissioner Monaghan moved for adjournment with Commissioner Canella seconding the motion. The motion was unanimously approved.

Minutes taken by Debbie Baker

IOWA RACING AND GAMING COMMISSION
MINUTES
MAY 20, 1993

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, May 20, 1993, in the Wallace Building Auditorium in Des Moines, Iowa. Commissioners present were: Chair, Lorraine May; Commissioners Rita Sealock, Dick Canella, David Blair and Del Van Horn.

Chair May called the meeting to order and entertained a motion to approve the agenda. Commissioner Sealock so moved with Commissioner Canella seconding the motion. Motion passed.

Chair May entertained a motion to approve the minutes from the April 14-15, 1993, meeting and the April 23, 1993, telephonic meeting. Commissioner Canella so moved with Commissioner Blair seconding the motion. Motion passed.

Chair May introduced Del Van Horn as the new Commission member. He is filling the vacancy left by Commissioner Leo Monaghan. The Chair also introduced Jack Ketterer, the new Administrator for IRGC.

Chair May brought up the next item on the agenda, election of the vice chair. This office became vacant with the departure of Commissioner Monaghan. The chair opened the floor for nominations for vice-chair. Commissioner Sealock nominated Commissioner Richard Canella. The motion was seconded by Commissioner Blair. Motion passed with all in favor. Commissioner Canella abstained.(93-30)

Chair May introduced the next item on the agenda. Lou Baranello, State Steward discussed the changes to the amendments to Chapters 1, 4, 5, 6, 7, 10, and 25, since they were first noticed by the Commission. Commissioner Canella moved to final adopt amendments to Chapters 1, 4, 5, 6, 7, 10, and 25 as presented, with Commissioner Sealock seconding the motion. Motion passed. (93-31)

Chair May recognized the fact that on the next agenda item, hearings for Frank Sebetka and Scott Bockes violations had been inadvertently transposed on the agenda. With that clarification being made, Chair May stated that the Frank Sebetka transcript of the Administrative Law Judge's hearing had not been received. However, the record is considered officially closed. After receipt and review of the transcript, a decision will be made on the case. Mr. Sebetka did not appear, but submitted a written statement which was made part of the record.

Chair May deferred the Scott Bockes hearing until later in the meeting to allow Mr. Bockes' counsel time to appear.

Chair May introduced the next item on the agenda, Waterloo

Greyhound Park's (WGP) request to cease live racing on May 31, 1993.

Augie Masciotra, General Manager at WGP, stated that WGP wanted to seek approval to cease live racing on Monday, May 31, 1993, and resume live racing at the beginning of the 1993-1994 racing season in October. During the time between the end of live racing and October, Mr. Masciotra stated that they wished to continue simulcasting. Mr. Masciotra continued that the pari-mutuel tax, loan payments, unclaimed winnings, and kennel deposits would all be paid. Mr. Masciotra stated that he felt that land based casino gambling was hurting the tracks. He felt that something had to be done legislatively if the tracks were to survive.

Chair May commented that it had been ten years since the pari-mutuel legislation had been enacted. She indicated that it was time that an analysis be done to see if the purposes for passing the gambling legislation had been met. These purposes included economic impact, riverfront restoration, increased tourism and jobs.

Commissioner Blair stated that it was apparent the gambling law was dual edged by not only encouraging gambling but driving it out as well. Commissioner Blair continued that it was not up to the Commission to lobby for or against, but only to tell the truth.

Commissioner Canella moved to approve WGP's request to cease live racing May 31, 1993, but to allow the continuation of simulcasting until the beginning of their live meet in October. The motion was seconded by Commissioner Sealock. Motioned Passed. (93-32)

Chair May recognized the next item on the agenda which was the approval of the closing of the Dubuque Casino Belle.

Terry Hirsch, IRGC Gaming Official, stated that the license held by Dubuque Racing Association and Dubuque Casino Belle had been relinquished and the money remaining in the progressive slot had been turned over to the state. Mr. Hirsch explained that the progressive slot monies, with Commission approval, would be distributed to the three remaining operating excursion boats based on the 1993 fiscal year attendance records at the time the boat ceased operation.

Commissioner Sealock moved to accept the relinquishment of the Dubuque Racing Association and the Dubuque Casino Belle excursion boat license and the methodology of the distribution of the progressive slot monies. The motion was seconded by Commissioner Canella with all voting aye. (93-33)

Chair May recognized Mr. Hirsch to discuss the Greater Dubuque Riverboat Entertainment Company, L. C. (GDREC). Mr. Hirsch stated that although many of the contingencies set forth by the Commission for the approval of GDREC had been met, the interim financing contract for the boat renovation was still not in place.

Commissioner May stated that it was evident that significant progress had been made toward securing all contingencies and stated that by the next meeting the financing must be in place and the Commission would take final action on the license.

Commissioner Sealock moved for approval of the amendment to the license application; the boat purchase agreement and amendments; the Waterfront Development Corporation contract; the Caterpillar Financial Service Corporation letter of commitment; and a deferral of review of contingencies of the application from the March 18, 1993, meeting until the next Commission meeting. The motion was seconded by Commissioner Canella with all in favor. (93-34)

The Commission then discussed the meeting schedule for Fiscal Year 1994. The schedule will be as follows:

July 20, 1993	Des Moines
August 26, 1993	Clinton
September 16, 1993	Des Moines
October 21, 1993	Ames
November 18,1993	Des Moines
December	No Meeting
January 20, 1994	Des Moines
February	No Meeting
March 17, 1994	Des Moines
April 21, 1994	Waterloo
May 19, 1994	Des Moines
June 16, 1994	Des Moines

The next item on the agenda was the approval of the Excursion Boat summer schedules. Mr. Hirsch stated that all schedules as presented meet all the requirements of excursion rules.

Commissioner Sealock moved to approve the excursion schedules for the summer season as presented. The motion was seconded by Commissioner Blair, with all in favor. (93-35)

Carlos Jayne, a lobbyist for the United Methodist Church, asked to address the Commission. Mr. Jayne stated that a voice needed to be heard from those who were not interested in expanded gambling. Mr. Jayne commented that whatever problems occur, the blame is placed on the fact that they are not allowed to have additional gambling opportunities. Mr. Jayne stated he feels it is extortion to assume that it is the fault of the State that the Cattle Congress is loosing money. Mr. Jayne said that many people feel so strongly about casino operations that they would be willing to pay the additional tax that it would take in Polk County to pay off Prairie Meadows so there would not be a casino there, and the same should be the case in Waterloo. Mr. Jayne stated that the moral issue is not if a person decides to gamble, the immorality is that the government is so heavily involved in the promotion of gambling of the state.

Chair May clarified that it was not the State who operates the pari-mutuel or riverboat industry.

Mr. Jayne stated that he felt the Iowa Lottery so heavily advertises gambling that it spills over into all aspects of gambling and he just wanted his voice to be heard.

Chair May assured Mr. Jayne that Commission meetings were public and that he or anyone else was welcome to voice their opinions at Commission meetings at any time.

Chair May recognized Dave Nagle, Attorney for Scott Bockes, and told him that the Commission was waiting for the transcript of the case with the Administrative Law Judge and upon receipt would be part of the record in the case.

Mr. Nagle indicated that Mr. Bockes is not disputing the charge, but that the fine which was assessed Mr. Bockes was excessive. Mr. Nagle asked Mr. Bockes to identify which of the Administrative Law Judge's findings of fact were in error.

After being sworn in by Chair May, Scott Bockes stated many of the facts indicated by the Administrative Law Judges decision were inaccurate. The computer generated identification cards are not used in the process unless the dogs' tatoos were illegible; that responsibilities listed for that of kennel master were taken over by the paddock judges since there is no kennel master position, and overseeing the weighing of greyhounds was a responsibility now taken over by the State Stewards. He continued that the handing out of the racing blankets is the responsibility of the scale person, not the paddock judge. Mr. Bockes stated that the Administrative Law Judge is not aware of the responsibilities or duties, does not know the paddock area, nor the procedures for preparing for post time. That lack of understanding affected his decision in his case.

Mr. Nagle stated that due to a procedure that Mr. Bockes was taught, he was fined $500, and because of action taken today by the Commission, ceasing live racing at Waterloo Greyhound Park, is now unemployed. The lead out was fined $25.00 and the stewards were not questioned at all in this incident. Mr. Nagle continued that he feels that Scott was excessively fined and requested a reduction in fine be made.

Commissioner May indicated that procedurally the record will show the submitted materials from this meeting, the transcript, and the evidence admitted at the administrative hearing which will be furnished to the Commission between now and the next meeting of June 9, 1993. At that meeting, a formal vote will be taken in regard to the hearing, the appeal, and the commission order.

Commissioner Canella moved to go into Executive Session to discuss

backgrounds. The motion was seconded by Commissioner Blair with all in favor.

Following Executive Session, Commissioner Blair moved to adjourn the meeting with Commissioner Sealock seconding the motion. All in favor.

Minutes taken by Debbie Baker

IOWA RACING AND GAMING COMMISSION
MINUTES
JUNE 9, 1993

The Iowa Racing and Gaming Commission (IRGC) met on Wednesday, June 9, 1993, at Adventureland Inn in Altoona, Iowa. Commissioners present were: Chair, Lorraine May; Vice-Chair, Richard Canella; and Commissioners David Blair, Rita Sealock and Del Van Horn.

Chair May called the meeting to order and entertained a motion to approve the agenda. Commissioner Canella so moved with Commissioner Blair seconding the motion. Motion passed.

Chair May then entertained a motion to approve the minutes from the May 20, 1993, Commission meeting. Commissioner Sealock so moved with Commissioner Blair seconding the motion. Motion passed.

The next item on the agenda was the continuation of the hearing on Frank Sebetka. Chair May stated that Mr. Sebetka was found in violation of rule 7.3(16)k, possession of hypodermic syringes in the kennel area. Chair May stated that the record was officially closed at the last meeting but the Commission was waiting on the transcript of the Administrative Law Judge's hearing. The Commission is in receipt of the transcript and Chair May opened the floor for any questions or comments about the case.

Commissioner Sealock moved to affirm the ruling of the Board of Stewards and the decision of the Administrative Law Judge and ordered the twenty-five dollar fine due and payable. Commissioner Canella seconded the motion with all in favor. See Order 93-36

The Chair then called up the continuation of the hearing on Scott Bockes. Chair May stated that Mr. Bockes was in violation of rule 7.8(6),incorrect identification of greyhounds prior to the race. Chair May stated that the record was officially closed at the last meeting and the Commission was waiting on the transcript of the Administrative Law Judge's hearing. The Commission is in receipt of the transcript and Chair May opened the floor for any questions or comments about the case.

Jack Ketterer, Administrator for IRGC, stated that he agreed with the findings of the Administrative Law Judge but in view of the testimony and the new procedure Mr. Bockes has initiated, he felt that the fine should be reduced from $500 to $250.

Commissioner Sealock asked if a precedent had been set in the past

on a similar violation. Mr. Ketterer replied that a similar situation had occurred at Bluffs Run and a $100 fine and a three day suspension was given. He stated that he felt a $250 fine would be comparable to the $100 fine and three day suspension.

Commissioner Canella moved to affirm the findings of the Board of Stewards and the Administrative Law Judge, but reduce the fine from $500 to $250. Commissioner Sealock seconded the motion with all in favor. See Order 93-37

Chair May then called up the next agenda item, approval of the distribution of greyhound promotion fund to Iowa Greyhound Association(IGA). Mr. Ketterer explained that pursuant to Iowa Code 99D.12(2)c, the Commission is authorized to distribute the dog promotion fund to a non-profit organization to be used to promote the industry, however, the money cannot be used for political or legal endeavors.

Chair May asked for clarification of how the money was used in the past. She stated that some of the items were generic in nature. Jerry Crawford, Attorney for the IGA, stated that the so called generic items were for the newsletter. No lobbying or legal fees were paid for out of the promotional fund.

Chair May then asked how we could approve the expenditure of the promotion fund not knowing how that money will be used. It does not appear to be fiscally responsible. Mr. Ketterer noted the statute reads it "shall be a condition of the allocation of funds" that they be used not for political activity but for research, education and marketing. The words "condition of the allocation" seem to imply future spending.

Chair May asked if the IGA was a legal recipient of the dog promotion fund. Jeff Farrell, Assistant Attorney General, stated yes.

Commissioner Blair moved to approve the request of the IGA to be the recipient of the FY 94 dog promotion fund to be used according to Iowa Code 99D.12(2)c. Commissioner Canella seconded the motion with all in favor. See Order 93-38

Next on the agenda was the approval of the management contract between the Sac and Fox Tribe and Gamblers Supply of Iowa, Incorporation. Mr. Ketterer informed the Commission that the backgrounds on Gamblers Supply of Iowa were complete and everything was in order and recommended approval.

Commissioner Canella asked how the Commission could regulate the Indian casinos with no money. Mr. Ketterer stated that at this point, there has been no resolution on where the money would come from for monitoring the Indian gaming compacts.

Chair May stated that the Commission would not assume any responsibility for something they could not adequately regulate.

Commissioner Van Horn asked what "monitoring" meant. "Do we regulate the Indian casinos?"

Chair May stated that the Commission was assigned the responsibility to monitor compliance with the compact. If staff finds that they are not in compliance with the compact, notice is given and they have 30 days to comply. To date, all deficiencies that have been found, have been corrected within the 30 days. The only remedy available to the Commission after notification of the deficiency to the tribe, and then after 30 days no attempt has been made to correct the deficiency, is referral to the Attorney General's office for suspension of the compact. Without a compact, the casino would be shut down. Commissioner Blair added that we also have no police power.

Chair May reiterated that without proper funding and staffing the Commission would not take the responsibility for monitoring the compacts.

Commissioner Blair moved to approve the management contract between the Sac and Fox Tribe and Gamblers Supply of Iowa. Commissioner Sealock seconded the motion with Commissioners May, Sealock, Blair, and Canella voting aye and Commissioner Van Horn voting nay. See Order 93-39

The next item on the agenda was the Greater Dubuque Riverboat. The Chair recognized Joseph Zwack for an update on the progress of the application. Mr. Zwack informed the Commission that the boat was in Mississippi under tow and would hopefully be in dry dock this week. Once in dry dock, an estimate on the time of construction could be given. They are looking at twelve weeks. A contest was held for the naming of the boat with "Dubuque Diamond Jo Casino" the winner. They are getting final quotes on the gaming equipment and temporary office space has been secured. They are in the process of developing an employee manual. They have an experienced crew on board to date. All previously worked on the Dubuque Casino Belle. Mr. Zwack then reviewed the financing with the Commission.

Mr. Ketterer stated that as an incentive to keep the project moving, Greater Dubuque Riverboat was liable to the Dubuque Racing Association for $1250 per day for every day the boat is not in operation after August 1, 1993.

Chair May asked Mr. Zwack to update the Commission on the interim financing. Mr. Zwack stated that they have had several offers to finance the slot machines. Sea-Fab, the company refurbishing the boat, was willing to carry 80% of the interim financing.

Commissioner Van Horn asked how many the boat would employ. Mr. Zwack responded there would be between 300 and 350 jobs. He stated that having to pay wages of 25% over minimum wage, these would be some of the better paying jobs in the city. Tips would double the wages of casino employees.

Chair May stated that it appeared that the contingencies placed upon the Greater Dubuque Riverboat/Dubuque Racing Association license had been met and entertained a motion to give final approval of the Greater Dubuque Riverboat/Dubuque Racing Association license, keeping in mind that as contracts were negotiated they still had to be brought before the Commission for approval. Commissioner Canella so moved with Commissioner Blair seconding the motion. All in favor. See Order 93-40

The next item on the agenda was the approval of the FY94 riverboat admission fees. Mr. Farrell recommended that the Commission defer any changes in the fees and continue with the current admission fees due to this matter being in litigation. Commissioner Sealock so moved with Commissioner Van Horn seconding. All in favor. See Order 93-41

Chair May then appointed Commissioners Sealock and Canella to serve on a greyhound committee. She ask them to research the request of the IGA to increase the minimum purse and come back to the Commission in September as to whether there is a need to address the request of the IGA at that time.

Chair May asked if there were any further comments or items needing attention by the Commission. Hearing none, the meeting was adjourned.

IOWA RACING AND GAMING COMMISSION
MINUTES
JULY 20, 1993

The Iowa Racing and Gaming Commission (IRGC) met on Tuesday, July 20, 1993, at Adventureland Inn in Altoona, Iowa. Commissioners present were: Chair, Lorraine May; Vice-Chair, Richard Canella; and members David Blair, Rita Sealock and Del Van Horn.

Chair May called the meeting to order and entertained a motion to approve the agenda. Commissioner Blair so moved with Commissioner Canella seconding the motion. Motion passed.

Chair May then entertained a motion to approve the minutes from the June 9, 1993, Commission meeting. Commissioner Sealock so moved with Commissioner Van Horn seconding the motion. Motion passed.

The next item on the agenda was the hearing on Deborah Schumacher. Chair May stated that as a part of the record in this case there was a Notice of Hearing indicating that Ms. Schumacher had received notice of the hearing, the transcript of the hearing before the Division of Appeals and Fair Hearings, a request for further review dated June 21, signed by Ms. Schumacher, the decision from the Administrative Law Judge and a letter from Mary Schnack dated May 20, 1993. Chair May then asked if Ms. Schumacher was present or if anyone was present to represent Ms. Schumacher. With no one present, Chair May entertained a motion on the Deborah Schumacher hearing. Commissioner Canella made a motion to uphold the Administrative Law Judge's decision. Commissioner Sealock seconded the motion with all in favor. See Order 93-42

Chair May then called up the next item on the agenda and called upon Jack Ketterer, Administrator for IRGC. Mr. Ketterer informed the Commission that there were two sets of rules for Commission action. Mr. Ketterer stated that previously they had been addressed as notice of intended action and adopted and filed emergency. Chapters 4, 7 and 10 related to stewards' authority. Rule 10.6(1) relates to a horse being placed on the bleeder list through reciprocity. Item 6 rule 10.6(2) relates to lasix and relieves the burden of trainers of having to leave their horses in a detention barn 4 to 6 hours before running. They may now come to the detention barn to have the lasix administered and then return to their stall. Rule 491-12.12(99D) outlines the minimum first-aid station at licensed facilities during simulcasting. Chair May asked for any comments with regard to the amendments to the rules. Hearing none, Chair May entertained a motion regarding amendments to Chapters 4,7,10 and 12. Commissioner Blair moved to final adopt

amendments to Chapters 4,7,10,and 12. Commissioner Canella seconded the motion, with all in favor. See Order 93-43

The next item was notice of intended action regarding safety vests for jockeys. Mr. Ketterer stated that the vest shall weigh no more than two pounds and shall not be included in the jockey's weight. Currently Prairie Meadows is announcing the jockeys who are wearing the vest and that its weight is approximately two pounds. The Jockey's Guild has made a request to Racing Commissions asking that they require all jockey's to wear the vest and to have the rule in effect by January 1, 1994. Chair May called for any comments with regard to the notice of intended action. Hearing none, Chair May called for a motion to adopt the amendment to Chapter 10 and file a notice of intended action. Commissioner Sealock so moved and Commissioner Blair seconding the motion. All in favor. See Order 93-44

Chair May then called up the next item on the agenda, update on Prairie Meadows, and recognized Tom Timmons, General Manager at Prairie Meadows. Mr. Timmons stated that they opened their 60 day meet on May 7 and have to date met their goal of 2,000 people a day, $1 million handle a week and that their relationship with the horsemen had been excellent. Mr. Timmons stated that in April the Iowa Supreme Court relieved Prairie Meadows of over a $50 million debt transferring it to Polk County. Since that time, a new racing board was assigned to which he was a member. The board met in July to sign an operating agreement with Polk County. The new board requested him to come before the Commission and ask them to waive the final 30-days of the meet, but still allow Prairie Meadows to continue simulcasting. Mr. Timmons said that he had assigned Peter Scarnati, Racing Secretary at Prairie Meadows to conduct a survey of how many horses and jockeys would be staying on for the additional 30-days.

Mr. Scarnati informed the Commission that his survey revealed that there would be approximately 130 horses and 3 jockeys staying on for the additional 30-days. Mr. Scarnati then asked the Commission what constitutes a race, how many horses have to be in a race and if betting has to be conducted on the race.

Chair May asked when the poll was ran of the people, what did they indicate the purse would be to which Mr. Timmons replied $500.

Commissioner Blair asked if Prairie Meadows had trouble getting horses for the first 60-days with the purses being $20,000. Mr. Timmons stated that some of the horsemen said that they would not stay even if he upped the purses because they had already committed to race in other places.

Dick Shanahan, incoming President of the Iowa Horsemen's Benevolent Protective Association, informed the Commission that when they agreed to a contract with Prairie Meadows it was for 60-days and they needed a minimum purse structure of $2,000 per day. Mr. Shanahan stated that Quarterhorse people had agreed to the same

contract. Mr. Shanahan asked the Commission to forego the 30-days. The horsemen can not afford to race a 30-day meet for $500 a day in purses. Mr. Shanahan informed the Commission that if Prairie Meadows is forced to run the 30-days, he is going to do everything in his power to see to it that Prairie Meadows will have no "actors in their theater." If Prairie Meadows is forced to run the 30-day, meet it will take away the quality of the 1994 racing season.

Commissioner Blair informed Mr. Shanahan that it would be different if the Commission had any wiggle room under the statute. The legislature clearly intended that there be nothing fewer than 90 performances of live racing. We have no room to move.

DaNelle Klein, President of the Iowa Quarterhorse Association, informed the Commission that she would like the Commission to forego the 30 day meet because most of the horsemen have been scheduled to go other places for meets. If they did not go, they may not be able to get stalls again next year. Ms. Klein stated that if Prairie Meadows has to run the 30-day meet that her organization would do whatever they can to help Prairie Meadows with horses.

Gary Lucas, President of the Iowa Thoroughbred Breeders and Owners Association, stated that the horsemen agreed to a 60-day meet when the contracts were signed. Mr. Lucas stated that he polled Polk County legislators and two said that they were going to vote in favor of a 60-day meet but voted against it because of betting limits being attached to the bill. He also stated that we need some definition of the word "schedule".

Mr. Timmons informed the Commission that if the Commission could not forego the 30-day meet, that he would do his best to run the day meet.

Senator Bill Dieleman, Chairman of The Ways and Means Committee, stated the Senate did not get to vote on the bill to reduce Prairie Meadows live racing season from 90 to 60 days. Due to other amendments attached to it, the House voted it down. If the track can not pay the $13,300 that was promised to the Commission and Bankruptcy Court, they should not be allowed to continue racing. It is the Commission's responsibility to make sure that the track lives up to its promise. If there are not enough horses or the purses are too low, it is up to the Commission to shut them down. A 90-day schedule was promised at the beginning of the year with fair purses to the Bankruptcy Court and the Commission must follow the law.

Ed Schaffner, owner-trainer at Prairie Meadows, stated that the horsemen agreed to a 60-day meet and that if Prairie Meadows waited until October to run the 30-day meet with a good enough package they could get the horses needed.

Mark Anderson, owner, informed the Commission that he was not going to pack up his horses and leave. He is going to stay and run.

Chair May stated that there are two issues and lets handle them one at a time. Chair May entertained a motion to the request from Prairie Meadows to waive the final 30 days of the meet. Commissioner Blair made the motion to deny the request of Prairie Meadows. Commissioner Canella seconded the motion. Chair May called for a roll call vote with all the Commissioners voting yes. See Order 93-45

Commissioner Canella asked Mr. Timmons how many horses he needed to run a race? Mr. Timmons responded at lease 3 or 4 but you need 350 horses with at lease 6 or 8 jockeys to run a good meet.

Commissioner Blair cited the shortage of purse money. The Commission back in April approved $20,000 in purse money per day if the season turned out to be 60-days and $13,300 for 90 days. The Chair stated at that time, the only approval we could give was for a 90-day meet mandated by the legislature.

Chair May suggested that Mr. Timmons work very close with Mr. Ketterer to get through the 30-day meet. Chair May appointed a committee of Commissioner Van Horn and herself to meet with Mr. Ketterer and Mr. Timmons in the next 2 weeks to outline what will be necessary to run a respectable 30-day meet.

Chair May then called for the next item on the agenda approval of live and simulcast racing seasons and called upon Mr. Masciotra.

Mr. Masciotra, General Manager of Waterloo Greyhound Park, stated that he would like to amend his request of December 26, 1993, to May 1, 1994 and permission to receive year-round simulcasting from Bluffs Run to be able to receive a simulcasting signal from another track outside of Iowa if he could not receive the signal from Bluffs Run.

J.D. Hardtung, representing the Iowa Greyhound Association, informed the Commission that they have a problem with Waterloo's racing schedule starting December 26. Dubuque's season ends on October 24 which leaves a 2 month lay-off. If kennels have to wait until December 26 there may not be any dogs to run at Waterloo come December 26th, and more importantly, what will happen to the dogs.

Bob Ryder, Ryder Kennels, stated that if the dates that Mr. Masciotra ask for are granted, he will take his best dogs to Council Bluffs and the dogs that he has leased from other owners he will have to return. If the owner does not have a place for the dog the dog may have to go to a pet farm or be destroyed. Mr. Ryder presented a proposal of 125 racing dates running Friday, Saturday, Sunday from October 29, 1993 with a Wednesday matinee through March, and then go with Mr. Masciotra's schedule.

Augie Masciotra informed the Commission that after looking at several alternative schedules he was not going to change the request that he submitted because that is the request that his Board of Directors approved. The Board feels it is the best

schedule for Waterloo.

Neil Vernhoff, IGA, stated that they were not informed about Waterloo's schedule until Friday July 16, 1993, and that the 2 month lag is going to be hard on the kennels. Mr. Vernoff stated that he has a dog and he cannot keep it at his home and it may have to be destroyed.

Walt Pyper, General Manager of Bluffs Run, stated that Bluffs Run was requesting racing dates of January 4, through December 31, 1994, with a holiday closing between December 12 through and including December 25, 1994, and asked to be able to continue simulcasting to other tracks.

Bruce Wentworth, General Manager of Dubuque Greyhound Park, requested racing dates of May 7, 1994, through and including October 9, 1994, with simulcasting from Bluffs Run on a year-round basis. Mr. Wentworth requested to amend his request for simulcasting to read "from Bluffs Runs if available, if not from some other source."

Chair May entertained a motion to approve racing dates as follows:

> Waterloo Greyhound Park, December 26, 1993, through May 1, 1994, and permission to receive year round simulcasting from Bluffs Run if reasonably available, if not from am alternate site approved by the Commission.
>
> Bluffs Run, January 4 through December 31, 1994 with a holiday closing from December 12 through and including December 25, and permission to simulcast all programs to sites approved by the Administrator.
>
> Dubuque Greyhound Park, May 7, 1994 through October 9, 1994 and permission to receive year round simulcasting from Bluffs Runs if reasonably available, if not from an alternate site approved by the Commission.
>
> Waterloo Greyhound Park, November 1, 1994 through April 30, 1995 and permission to receive year round simulcasting from Bluffs Run if reasonably available, if not from an alternate site approved by the Commission.
>
> Prairie Meadows, for a window April 17, 1994 through September 30, 1994 and permission to simulcast year round subject to compliance with statutory requirements.

Commissioner Sealock so moved with Commissioner Blair seconding the motion. All in favor. See Order 93-46

The next item on the agenda was riverboat contract approvals and the Chair recognized Terry Hirsch, Director of Riverboat Gambling for the IRGC. Mr. Hirsch stated that he had reviewed the contracts submitted by the President and recommended approval.

The Chair entertained a motion to approve the following contracts between the President and A. Whitcomb & Associates, Inc., Deloitte & Touche, Elan Financial Services, Altorfer Machinery Company, Blackhawk Fleet, Inc., Custom Fuel Service, Sedgwick James of PA, Inc., Bally Gaming Inc., and Universal Distributing of Nevada, Inc. Commissioner Canella so moved with Commissioner Blair seconding the motion. All in favor. See Order 93-47

Chair May then called for the next agenda item, Greater Dubuque Riverboat, and recognized Joe Zwack. Mr. Zwack informed the Commission that the boat had been moved to a vender in Mobile, Alabama. Mr. Zwack stated that they had not received approval to make the cut on the boat yet due to the Coast Guard being tied up with the flooding. This would delay them by about 2 weeks. They have held a job fair and had over 400 people apply for jobs. Mr. Zwack believes that they will be in good shape with employees. He believes he will have a docking facility by the next Commission meeting. Dealer school is scheduled to start August 23, 1993. They have about 49 applicants and need about 75. Commissioner Canella asked Mr. Zwack if he is acting as General Manager. Mr. Zwack responded that he is and the office opened June 10, 1993.

Chair May then called up the next item on the agenda administrative business, election of Chair and Vice-Chair, and opened the floor for nominations. Commissioner Canella nominated Commissioner May for Chair with Commissioner Blair seconding. All in favor with Commissioner May abstaining. See Order 93-48

Commissioner Sealock nominated Commissioner Canella as Vice-Chair with Commissioner Blair seconding. All in favor with Commissioner Canella abstaining. See Order 93-49

Meeting was adjourned.

Minutes taken by Johnita Lewis-Clark

IOWA RACING AND GAMING COMMISSION
MINUTES
AUGUST 26, 1993

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, August 26, 1993, at The Best Western Frontier Inn, in Clinton, Iowa. Commissioners present were: Chair, Lorraine May; Vice-Chair, Richard Canella; and members David Blair, Rita Sealock and Del Van Horn.

Chair May called the meeting to order and called upon Gil Baker for a welcome to Clinton, Iowa.

Chair called up the next item on the agenda, approval of the amended agenda and entertained a motion to approve. Commissioner Canella so moved with Commissioner Blair seconding the motion. Motion passed.

Chair May entertained a motion to approve the minutes from the July 20, 1993, Commission meeting. Commissioner Sealock so moved with Commissioner Canella seconding the motion. Motion passed.

The next item on the agenda was an update on The President Riverboat and Chair May called upon Rob Long, General Manager of The President Riverboat Casino. Mr. Long stated, that due to the flooding, The President Riverboat has only cruised 46 days due to the Coast Guard closing down the Mississippi River. Mr. Long continued that if The President cruises the remaining 67 days left on the cruising schedule, The President will still be 7 days short of the 120 day cruising requirement and Mr. Long informed the Commission that he had a breakdown of the cruising schedule in writing to present to the Commission. Chair May informed Mr. Long that this issue was not an action issue on the agenda and Mr. Long would have to submit the information to staff. Chair May continued that their are provision in the Code regarding the cruising season due to bad weather.

Mr. Long then recognized Mary Ellen Chamberlin, President of the Riverboat Development Authority (RDA). Ms. Chamberlin gave the Commission an update on what the non-profit has been doing the past year in the community. Ms. Chamberlin stated that as of April, 1993, RDA has given 173 grants to different community agencies and schools.

Chair May called for the next item on the agenda, proposed redemption of shares and issuance of new shares and amendment to license and operations agreement of Mississippi Belle II. Robert Kehl, owner of the Mississippi Belle II stated, that he and his

wife are planning to sell the Mississippi Belle II to their children. Mr. Kehl also stated that the children have been running the boat the last two years. Jack Ketterer, Administrator of IRGC, stated that the license of the Mississippi Belle II will remain in the Mississippi Belle II Inc., that the corporation is just redeeming shares of Mr. & Mrs. Kehl and issuing new shares to the children.

The children are all currently licensed and A/B backgrounds were completed on them by the DCI to the satisfaction of the Commission.

Chair May entertained a motion to approve the proposed redemption of shares, issuance of new shares and amendment to license and operations agreement. Commissioner Sealock so moved with Commissioner Van Horn seconding the motion. All in favor. See Order 93-50

Chair May entertained a motion to go into Executive Session for the purpose of discussing background information. Commissioner Van Horn so moved with Commissioner Canella seconding the motion. All in favor.

Following Executive Session, Chair May called up the next item on the agenda, Summit Riverboat Casino/Missouri River Development application for license to purchase and operate Sioux City Sue. Chair May recognized Ed Stevenson, President of Summit Riverboat Casino. Mr. Stevenson informed the Commission of the background of Summit Riverboat Casino and its commitment to leaving the Sioux City Sue in Sioux City. Mr. Stevenson called on Roger Elton, Chairman/CEO of Summit in Reno, Nevada to speak on the finances of the company.

Mr. Elton stated that the company consist of five gaming operations, and he is financially backing the sale of Sioux City Sue. Mr. Stevenson stated that Summit Riverboat is asking for the same exclusivity that the current riverboat owner has. Commissioner Sealock asked Mr. Stevenson if he is asking for the same exclusivity that the current owner has or for the exclusivity that is in their application. Mr. Stevenson informed the Commission that Summit is asking for the same amount of time on the current exclusivity until January 1996, and that they want the exclusivity that is in their application, which is the current exclusivity afforded the Sioux City Sue.

Chair May explained that at the time the exclusivity clause came into being there were no Indian casinos between Sioux City and the Omaha/Council Bluffs area. The exclusivity was to allow the Sioux City riverboat to become established and maintain its access to the Omaha market without competition of another riverboat in the Council Bluffs market. Chair May stated that it was her understanding that it was meant to mean only one riverboat on the Missouri river and that was to be located in Sioux City. Mr. Stevenson stated that it was his understanding that the exclusivity was to protect the Missouri River and was not limited to one boat

but to give the Sioux City Riverboat time to get established. Mr. Stevenson also stated that Summit went back and looked at the minutes and agreements from the meeting referring to exclusivity. Their interpretation was more than one boat because the wording was riverboats. The current owners could expand wherever they wanted to expand but they had to make sure that the Sioux City riverboat was up and running before they could put another boat in the water.

Chair May stated it was her understanding that the exclusivity was not meant to let organizations operate as many boats as they wanted on the Missouri River. The exclusivity was meant to protect the Sioux City market in order to improve that market and their access to the population base as well.

Commissioner Canella stated that his interpretation was that the current boat owner could put another boat on the water as well.

James R. Wharton, Mayor of Sioux City, stated that he was in support of Summit purchasing the Sioux City Sue and that the Sioux City Sue is an important part of Sioux City's riverfront development. Mr. Wharton stated that the City is very comfortable with the proposal that they have received from Summit and hope that the Commission would grant Summit their license.

Stanley Evans, member of the Missouri River Historical Development Board of Directors, stated that the non-profit wants to keep the boat in Sioux City and asked the Commission to grant the license to Summit.

Betty Strong, President of Missouri River Historical Development, stated that she would like the Commission to grant the license to Summit.

John Bengston, President of Sands Regency, stated that there are other quality operators who would like a chance to operate a boat in Council Bluffs. Mr. Bengston asked that the Commission not grant the exclusivity to Summit.

Sam Curley, Executive Director of Council Bluffs Business Association, stated that he is not against Summit getting a license but he is against Summit getting the exclusive rights to Council Bluffs. Council Bluffs wants a chance to be included on what group will have a riverboat in Council Bluffs.

Bruce Crary, Attorney for the present owners of the Sioux City Sue, stated that Summit would not have bought the boat if they could not have the same exclusivity that the current owners have. Mr. Crary stated that the exclusivity that his clients hold is from the Missouri line to the South Dakota line and includes Pottawattamie County and other counties. Mr. Ketterer asked Mr. Crary if it would be his understanding that anybody applying for a license in Council Bluffs area would be denied until after the exclusivity is up? Mr. Crary replied yes, because, before anyone could receive a license to operate a boat in Council Bluffs they would have to come

before the Commission in order to receive a license. The exclusivity gives Summit the opportunity to get the Sioux City boat up and running and then possibly come back to the Commission to seek a license for a boat in Council Bluffs once they have established a track record on the Missouri River.

Chair May asked Mr. Stevenson if the Sioux City Sue was a viable operation as it stands right now. Mr. Stevenson replied yes, with additional promotions and funding.

Rick Crawl, District Attorney for Pottawattamie County, stated that the Board of Supervisors are strongly opposed to the exclusivity and do not want it granted to Summit or any other group. They want to be free to pick whomever would bring a boat to Council Bluffs.

Gerald Walter, Mayor of Carter Lake, stated that nobody has asked what this is going to do for Western Iowa. Grant the exclusivity to Pottawattamie County so they can decide who will bring a riverboat into Council Bluffs.

Tom Hanafan, Mayor of Council Bluffs, stated that Council Bluffs just wants to be free to choose who brings a boat into Council Bluffs.

Bob Lund, Chamber of Commerce, stated that he wanted the Commission to deny Summit's request for exclusivity because Council Bluffs should be able to choose who gets a boat.

Dick Wegman, City of Council Bluffs, stated that Council Bluffs is opposed to Summit being granted the exclusive rights because their application said one thing and they are talking something different now. It is the additional language that Summit has in their application that is the problem.

Tom Pogge, Chairman of the Omaha Tribe, stated that the tribe would like the Commission to deny Summit's request for exclusivity. The tribe is currently reviewing opening a land based casino in the Council Bluffs area. Mr. Pogge informed the Commission that the tribe is not against Summit getting a license for the Sioux City Sue just against Summit getting the exclusive rights.

Chair May deferred action on the Summit application and continued on with the agenda.

Chair May called up the next item on the agenda, approval of riverboat contracts and called upon Terry Hirsch, Director of Riverboat Gambling for IRGC. Mr. Hirsch stated that the Mississippi Belle II had two contracts for approval; one with Jeff Miller, entertainer and Dubuque Casino Belle, Inc., sale of computer system. Chair May entertained a motion for approval of the Mississippi Belle II contracts. Commissioner Canella so moved with Commissioner Blair seconding the motion. All in favor. See Order 93-51

Chair May stated that The President had five contracts for approval the fifth one being a financial transaction. Mr. Hirsch stated that he had the following contracts for The President for approval. Mr. Hirsch stated that the contracts he had were with Colonial Coach Lines, Dav-N-Rock Meat & Poultry Inc., DOS Computer, and Johannes Bus Service, Inc. Chair entertained a motion for approval of The President's contracts. Commissioner Canella so moved with Commissioner Blair seconding the motion. All in favor. See Order 93-52

Chair May stated that the Dubuque Diamond Jo had three contracts for approval. Mr. Hirsch stated that the Dubuque Diamond Jo contracts for approval were with Bally Gaming, Vessel Repair and Modification, and Paulson Dice & Card. Mr. Hirsch called upon Joe Zwack, General Manager for the Dubuque Diamond Jo. Mr. Zwack informed the Commission that the boat had been moved to Ballenger Shipyard and the vessel will be delivered by October 29. Dealer school will start on Monday August 30, and they have about 30 dealers starting school. Chair entertained a motion for approval of the Dubuque Diamond Jo contracts. Commissioner Sealock so moved with Commissioner Blair seconding the motion with all in favor. See Order 93-53

Chair May then called up the next item on the agenda, update on Prairie Meadows current racing season and turned it over to Mr. Ketterer. Mr. Ketterer stated that Prairie Meadows was placed on the agenda to clarify events occurring since the last Commission meeting. The Commission voted to require Prairie Meadows to run the 90-day season in order to comply with 99D.11. Mr. Ketterer stated that due to Governor Branstad using emergency powers to suspend the statute to allow racing funds to be used for flood relief in Polk County, Prairie Meadows season was cut from 90 to 60-days and Prairie Meadows will still be allowed to simulcast year round.

Chair May recognized Mr. Elton. Mr. Elton requested a deferral of the Sioux City Sue application in order to get clarification on the exclusivity. Mr. Elton stated that some financial concerns were made in earlier discussion and informed the Commission that they have a company that was going to raise the money to do the project and that they would like to be on the September Commission agenda.

Commissioner Blair moved to defer the Sioux City application noting that the deferral had nothing to do with the integrity of the application. Commissioner Canella seconded the motion with all in favor. See Order 93-54

Meeting was adjourned.

Minutes taken by Johnita Lewis-Clark

IOWA RACING AND GAMING COMMISSION
MINUTES
SEPTEMBER 16, 1993

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, September 16, 1993, at the Wallace Auditorium, Des Moines, Iowa. Commissioners present were: Chair, Lorraine May; Vice-Chair, Richard Canella; and members David Blair, Rita Sealock and Del Van Horn.

Chair May called the meeting to order and entertained a motion to approve the agenda, Commissioner Canella so moved with Commissioner Van Horn seconding the motion. Motion passed.

Chair May entertained a motion to approve the minutes of the August 26, 1993, Commission meeting. Commissioner Sealock so moved with Commissioner Canella seconding the motion. Motion passed.

Chair May stated that there had been some changes in the IRGC staff. In addition to Jack Ketterer, Administrator, Linda Vanderloo was promoted to Director of Racing/Administration, Terry Hirsch, Director of Riverboat Gambling and Karyl Jones, Executive Assistant. Chair May continued that the staff has been very helpful and that she is proud to be working with them.

Chair May called up the next agenda item, approval of the Operating Agreement between Polk County and Racing Association of Central Iowa (RACI) and called upon Jack Ketterer, Administrator of the IRGC. Mr. Ketterer stated that the agreement was approved by the Bankruptcy Court and by the newly formed RACI Board. Mr. Ketterer called upon Tim Timmons, General Manager of Prairie Meadows to address the issue.

Mr. Timmons stated that RACI had filed a plan of reorganization to the Bankruptcy Court in which Polk County would assume the loan, own the property, but RACI will operate the track and hold the license. This plan was approved by the Court. With Polk County assuming the debt, an Operating Agreement was signed between the two entities. Mr Timmons stated that in the four years in which he has been at Prairie Meadows, this is the first time there has been a dividing line between Polk County and RACI. In the past, even though RACI's name was on the deed, Polk County made some of the payments. Now Polk County's name is on the deed and they will make all the payments and own the property.

Mr. Ketterer stated that a percent of the financing was for equipment leasing and asked if RACI now owned the equipment or leased it from Polk County. Mr. Timmons replied that Polk County

paid off the equipment bonds, however, a promissory note is in existence between Polk County and RACI. This note carries no interest rate or payment schedule. Mr. Timmons stated that there is a proposal to the County that in exchange for the promissory note, Polk County would own all the equipment. RACI will be required to submit two budgets a years to Polk County. An operating budget and a capital budget.

Chair May asked Jeff Farrell, Assistant Attorney General, if he was comfortable with the agreement. Mr. Farrell replied that he was.

Mark Stevens, Assistant County Manager, stated that the Operating Agreement clearly states who is responsible and how the track would be operated in the next year. Chair May asked Mr. Stevens about the exchange of the promissory note for the equipment. Mr. Stevens responded that there has been some discussion on the note and right now Polk County does not intended to call the note payment. Polk County should own both the facility and the equipment but no decision has been made. Chair May entertained a motion to approve the contract. Commissioner Blair so moved with Commissioner Canella seconding the motion. All in favor. See Order 93-55

Chair May called up the next item on the agenda, approval of riverboats' winter schedules and recognized Terry Hirsch, Director of Riverboat Gambling for IRGC. Mr Hirsch stated that The President is requesting the same schedule that they have in place at the present time for their summer excursion season. However, they may want to review this schedule at a later time.

Mr. Hirsch stated that the Mississippi Belle II request is the same schedule as their last winter docking schedule. Mississippi Belle II is also requesting that the excursion season be delayed until June 1st.

Mr. Hirsch continued that the Sioux City Sue requested schedule is similar to the schedule they ran last winter but different then the summer season. They are going to drop a cruise and extend the boarding time on the first cruise of the day. They are also requesting that the commencement of the excursion season be delayed until June 1st. Chair May asked Mr. Hirsch if this meets all legal responsibility to which Mr. Hirsch responded yes. Chair May asked for any questions or comments regarding the winter scheduling.

Commissioner Canella asked, that with the extended boarding time, can a person get on the boat at 9:00 and get off at 10:00 and come back at 10:30 and get another $200 in tokens. Mr. Hirsch stated no, the method of control should prevent that from happening.

Chair May asked if there were anymore comments. Hearing none, Chair May entertained a motion for approval of the requested winter schedules. Commissioner Sealock so moved with Commissioner Blair seconding the motion. All in favor. See Order 93-56

Chair May stated that the next item of the agenda was an update of the Bi-Partisan Committee. Chair May stated that Ed Stanek of the Lottery Commission and herself have been appointed to co-chair a gaming study committee. Chair May informed the Commission that the purpose for the committee is to conduct a study on the gaming industry in the State of Iowa and how, if necessary, it can be changed. The other members of the committee are: Representative Teresa Garman, Representative Art Ollie, Senator Joe Welch, and Senator Mary Kramer who was unable to attend. Chair May continued that the committee met on Friday, September 10th and the purpose of the meeting was to see how the study should be conducted. The committee came up with a telephone line which will begin operating Friday morning September 17, 1993 at 8:00 a.m. and will continue to operate through Monday September 27, 1993, through midnight. The calls will be recorded and individuals will be given three minutes per call. Callers will be required to give their name, address and telephone number to verify their identity. The hot line number is (515) 281-7090. Callers can also send their comments to Gaming Study, Equitable Building, 4th Floor, Des Moines, Iowa 50309. The meetings are scheduled for October 4th and October 22nd. The plan is to have the recommendation to the Governor before the end of October.

Chair May called up the next item on the agenda, Summit Riverboat Casinos/Missouri River Historical Development, Inc. (MRHD), application for license to purchase and operate Sioux City Sue and called upon Steve Roberts, Attorney for the Summit Group. Mr. Roberts stated that when Summit negotiated with the Sioux City Sue owners, Summit decided they wanted the same exclusivity which was granted the previous owners. The language of the exclusivity was a problem at the August meeting so Summit amended the language on the application. Mr. Stevens continued that if the application for license is not granted then the exclusivity that the current owners have is still in place until January 29, 1996. Mr. Roberts continued that Summit would hope that the Commission would grant them a license with the exclusivity in which they seek so Summit can go into Sioux City. Mr. Roberts further stated that Summit would like to thank the Commission, the citizens of Sioux City and everyone else who Summit as dealt with in trying to get an application for the Sioux City Sue.

Dave O'Brien, Missouri River Historical Development Inc.(MRHD), stated that the Board discussed the application and are happy with Summit and asked that Summit be granted the same exclusivity that is in place with the current owners. Chair May stated that in this application the non-profit is waiving its interest in the exclusivity in favor of the operator only. Mr. O'Brien stated that his understanding was that MRHD would have the exclusivity along with whomever the applicant is and MRHD would have to approve any changes in the exclusivity. Chair May stated that is not the way she understood it to read. Chair May requested Mr. O'Brien to look over the amended application. Following a short recess, Mr. O'Brien stated that from the wording in this application it does appear that the non-profit is waiving its rights to the

exclusivity.

Rick Crawl, Pottawattamie County Attorney, stated that the exclusivity was granted as a shield to Sioux City Sue. Pottawattamie County is not opposed to Summit getting a license to operate in Sioux City. They are opposed to Summit getting the exclusivity because Pottawattamie County wants to be able to choose the company that would put a riverboat in Council Bluffs. Mr. Crawl continued that it is a risk to Bluffs Run with this exclusivity and would hurt the State of Iowa with Nebraska getting into gaming.

Sam Curley, Representative of the Council Bluffs Business Association, stated that Omaha may join in the gaming industry and the Commission should deny Summit the exclusivity. Council Bluffs wants some type of permanent gaming not run in and get the money quick and get out. Mr. Curley continued that there is no need for the exclusivity now because of the two Indian casino's between Council Bluffs and Sioux City. The exclusivity limits Council Bluffs from going out and seeking other companies to come into Council Bluffs.

Chuck Smith, Secretary for Iowa West, stated that Summit has put a price tag on the exclusivity. Iowa West was not opposed to Sioux City getting the exclusivity in 1992 because Iowa West is in the dog racing business. Iowa West does not want Summit to be granted the exclusivity.

Chair May stated that in 1992 when the exclusivity was granted the Commission knew that the Indian casino's were coming into gaming.

Bruce Crary, Attorney for the current owners of the Sioux City Sue, stated that Summit only wants the same exclusivity that the current owners have.

Chair May stated that if the non-profit waives its rights for exclusivity, that is not the same exclusivity that was granted to the current boat owner.

Tom Hanafan, Mayor of Council Bluffs, stated that the exclusivity protects the Indian casino's because the casino's have taken the money away from gaming in Iowa. Council Bluffs just wants to be able to choose who comes into Council Bluffs.

Chair May asked for question and comments.

Commissioner Sealock stated that she supported the exclusivity when it was granted to Sioux City because it was to protect Sioux City and make it the only gaming town in Western Iowa. The exclusivity that Summit is asking for is not the same as the current exclusivity.

Chair May entertained a motion on the approval of Summit's application for license to purchase and operate Sioux City Sue.

Commissioner Blair moved to approve the application for Summit with Commissioner Canella seconding the motion. A roll call vote was taken: Commissioner Blair yes, Commissioner Canella yes, Commissioner Sealock no, Commissioner Van Horn no, Commissioner May no. Application was denied. See Order 93-57

Mr. Roberts requested that the record show that the application was denied because of the exclusivity and not the integrity of the operator. Chair May stated that the Commission had no reason to deny the application based upon the integrity of the operator.

Meeting was adjourned.

Minutes by Johnita Lewis-Clark

IOWA RACING AND GAMING COMMISSION
TELEPHONIC MEETING MINUTES
SEPTEMBER 23, 1993

On September 23, 1993, the Iowa Racing and Gaming Commission held a conference call pursuant to Iowa Code Section 21.8. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matter to be discussed.

Participating in the call were: Chair, Lorraine May; Vice-Chair, Richard Canella; members Rita Sealock and Del Van Horn; Assistant Attorney General, Jeff Farrell; The President Attorney, Bob Sims; and IRGC staff, Linda Vanderloo; Karyl Jones; and Johnita Lewis-Clark.

Chair May called the meeting to order and entertained a motion to approve the tentative agenda. Commissioner Van Horn so moved with Commissioner Sealock seconding the motion. Motion passed.

Chair May stated that she was moving to the financial transaction portion on the agenda. She stated that at the August 26, 1993, Commission meeting, the Commissioners had an opportunity to view information from The President Riverboat Casino that dealt with a private stock offering. Since that time, the private stock offering has been amended to increase in amount. Chair May recognized Mr. Sims for clarification. Mr. Sims stated that the only change was the amount of the private offering. As it relates to the Connelly Group L.P., the license holder. The obligations are identical. Commissioner Canella stated that this was not a stock offering. Mr. Sims replied no, it is a note and warrant offering.

Chair May stated that it involves notes and warrants to purchase shares, however, if the warrants are exercised and at anytime reaches the 5% limit, there are provision in the document that require The President to comply with IRGC rules. Chair May entertained a motion permitting or authorizing the licensees to enter into the contract in accordance with the offering memorandum. Commissioner Canella so moved with Commissioner Van Horn seconding the motion. All in favor. See Order 93-58

Meeting was adjourned.

Minutes by Johnita Lewis-Clark

IOWA RACING AND GAMING COMMISSION
MINUTES
OCTOBER 21, 1993

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, October 21, 1993, at the Iowa State University Veterinary Medicine Diagnostic Laboratory in Ames, Iowa. Commissioners present were: Chair, Lorraine May; Vice-Chair, Richard Canella; and members David Blair, Rita Sealock and Del Van Horn.

Chair May called the meeting to order and entertained a motion to approve the agenda. Commissioner Van Horn so moved with Commissioner Canella seconding the motion. Motion passed unanimously.

Chair May entertained a motion to approve the minutes of the September 16, 1993, Commission meeting and the September 23, 1993, telephonic Commission meeting. Commissioner Canella so moved with Commissioner Blair seconding the motion. Motion passed unanimously.

Chair May thanked and praised the Iowa State University Veterinary Diagnostic and Racing Chemistry Laboratory for the informative tour the Commissioners received prior to the meeting. She stated that they were the most prominent laboratory for the United States and possibly internationally in Racing Chemistry issues. She stated that the laboratory had been the first in the United States to develop the expertise and capabilities to test for anabolic steroids. The Racing Chemistry Lab has been named "Research and Reference Laboratory" for both dogs and equine by the Association of Racing Commissioners International, Inc.

Chair May called upon Jack Ketterer, Administrator of the IRGC to discuss the final adoption of the amendments to Chapter 10. The amendments mandate the use of a safety vest for the protection of the jockey as defined by the British Equestrian Trade Association by January 1, 1994. Commissioner Canella moved final adoption of amendments to Chapter 10, with Commissioner Sealock seconding the motion. Motion passed unanimously. (See Order #93-59)

Mr. Ketterer then discussed the Notice of Intended Action to amend Chapters 20, and 25. The statute provides for excursion boat licenses to be approved for "not more than an original three year period and annual renewals thereafter," as opposed to the IRGC rule which currently states, "an original three year period." Commissioner Sealock moved to Notice the amendments to Chapters 20 and 25, with Commissioner Van Horn seconding the motion. Motion passed unanimously. (See Order #93-60)

Commissioner Canella asked Mr. Ketterer what procedure would be used for re-application of the boats. Mr. Ketterer stated that it would be a condensed application that would be submitted by January 1, which is ninety (90) days prior to the start of the April 1, excursion season.

Chair May stated that the Commission was waiting for documents that deal with the President Riverboat Casino case proceedings. Therefore, pending review of that information, the case proceedings and the setting of admission fees for fiscal year 1994 would be deferred.

Chair May called up the next agenda item, the Mississippi Belle II operations update. Ken Bonnett, President, Mississippi Belle II, announced that a new excursion gambling boat is being built to replace the boat currently located in Clinton, Iowa. Mr. Bonnett took the opportunity to thank the Clinton County Gaming Association, City of Clinton, Clinton County, and all the surrounding communities for their support since 1991. Mr. Bonnett stated that with the new excursion boat and a new kitchen facility (project to be started this fall) it would represent a commitment of more than thirteen million dollars in capital to the Clinton community, and an anticipated employment of more than 300 people. The new boat, anticipated to remain the Mississippi Belle II, would have a 1,000 person capacity and would be a replica of a nineteenth century paddle wheeler.

Chair May called upon Gene Enke, Chairman of the Southeast Iowa Regional Riverboat Commission (SEIRRC), to discuss riverboat activity in their area. Mr. Enke stated that during the fourteen months of Steamboat Southeast's operation in southeast Iowa, the riverboat operator was presented with problems relative to cruising and docking at three different communities. Mr. Enke stated that on the application that would be forthcoming, they would be requesting docking only at two communities: Burlington and Fort Madison. However, during the excursion season revenues would be shared by the three communities of Burlington, Ft. Madison and Keokuk.

Mr. Enke announced that SEIRRC had recently designated Catfish Bend, L.C., as the new boat operator. Mr. Enke continued that Catfish Bend had been selected because it is comprised of a group of area investors as well as the Kehl Family. Catfish Bend would be offering an intra-state (Iowa residents only) stock offering at a later date. Mr. Enke stated that Catfish Bend would be presenting the excursion boat application to the IRGC within the next few days and asked for approval at the November Commission meeting.

Mr. Enke introduced Gary Hoyer, representative of Catfish Bend Casinos, L.C.,to discuss the execution of the agreement between Catfish Bend and the SEIRRC with a nine year commitment.

Mr. Hoyer stated that Catfish Bend's intentions were to operate out of Ft. Madison as their summer port and out of Burlington as their winter port. Mr. Hoyer stated that they are pleased with the community support. He continued that a name had not been given to the boat at this time since between two and three thousand name suggestions were received in a recent "name the boat contest." Mr. Hoyer stated that currently they are working on leases with the communities. After finalization of those leases, they would begin working on the purchase of the vessel. The tentative start-up date is summer 1994. Mr. Hoyer stated that it was imperative that they have a license in their hands by the end of the year. If approval was not possible at the November meeting, they were requesting the Commission to meet in December.

Chair May called upon Terry Hirsch, Director of Riverboat Gambling of the IRGC to discuss the next item on the agenda, Greater Dubuque Riverboat Entertainment Company, L.C (GDREC). Mr. Hirsch stated that GDREC had several items for discussion: request for waiver of the 120-day excursion requirement, approval of off-season schedule, approval to delay commencement of the 1994 excursion season, and an operations update by managing member, Joe Zwack. Mr. Hirsch had no problem with the approval of the first three items. The requests were all within the letter of the law.

Commissioner Van Horn moved for approval of the request for waiver of the 120-day excursion requirement, off-season schedule and the delay of the commencement of the 1994 excursion season, with Commissioner Sealock seconding the motion. Prior to a vote, Chair May called upon Mr. Zwack, managing member of the Greater Dubuque Riverboat Entertainment Company, L.C., for clarification of his requests.

Mr. Zwack commented that these requests were a matter of procedure and have been afforded to other operators.

Mr. Zwack stated that they had been struggling for quite some time over an idea for a temporary dockside ticketing and boarding facility. Mr. Zwack continued that the decision had been made to use the Queen of Hearts, which is a Quad-City dinner cruise riverboat, for the winter season. Mr. Zwack stated the Queen of Hearts would afford them more versatility than a land-based facility. This vessel holds about 400 people, has dining capacity for approximately 300, and has a dance floor. Mr. Zwack stated that there would be space provided for the Division of Criminal Investigation (DCI) and security systems.

Mr. Zwack stated that the Diamond Jo would be enroute to the Ice Harbor between November 11 and 15, 1993. While enroute, last minute construction will continue such as electrical and surveillance. Once docked in Dubuque finishing touches will be handled. Operations should begin either the first or second week of December.

Chair May reiterated that by mid-November the boat should arrive, arrangements made for the DCI and Racing and Gaming Commission staff, key employee positions filled, with background forms received by the DCI. Chair May inquired as to when a final plan would be provided for a boarding facility after the winter season.

Mr. Zwack stated that background forms would be in and that they were working on a lease for a permanent portside facility plan and a decision would be in place before the end of 1993.

Chair May stated the Commission would not be having a meeting in December, although it may still be open. Chair May reviewed the motion to approve the requests for the 120-day excursion requirement, approval of an off-season schedule, and delay of the 1994, excursion season. All Commissioners were in approval. (See Order #93-61)

Commissioner Canella asked Mr. Hoyer of Catfish Bend if the applications for the key employees of his operation had been submitted to the DCI.

Mr. Hoyer stated there were only six applications that needed to be submitted and the applications would be in by the first of the week.

Commissioner Canella asked of Chuck Wood, Acting Assistant Director of Field Operations for the Division of Criminal Investigation if that would be enough time to complete needed investigations. Mr. Wood stated that there were a lot of variables involved, but would do their best.

Chair May stated that while the cooperation of the DCI in meeting stringent time requirements is very much appreciated, the Commission has no intention of putting undue pressure on that agency. Chair May requested that the backgrounds be sent in as quickly as possible.

Chair May called upon Mr. Hirsch to discuss the next item on the agenda which was the contract approvals. The Dubuque Diamond Jo requested approval of GDC, Inc., to provide gaming tokens; Northern Iowa Diesel, LTD., engines and accessories; Bally Gaming, Inc., modification of a prior approved contact (increase the number of slot machines); Schadler River Excursions, lease for the land facility; Frank Hardie Advertising for eighteen billboards. Mr. Hirsch did not have a problem with any of the contracts. Commissioner Sealock moved to approve the so named contracts and was seconded by Commissioner Canella. All in favor. (See Order #93-62)

Mr. Hirsch discussed the Mississippi Belle II's request for approval of a contract with IGT for additional slot machines. The installation of these machines would be on the lead deck and would still be in line with the 30% requirement and the 20 to 1 ratio.

Commissioner Canella expressed some concern regarding minors having to walk through that area. Mr. Hirsch stated that the boat was set-up so that other areas of the boat could be reached with out entering the lead deck.

Commissioner Canella moved to approve the contract between Mississippi Belle II and IGT, which was seconded by Commissioner Blair. All in favor. (See Order #93-63)

Chair May stated the Gaming Study Panel would be meeting at 8:30, on October 22, 1993, at the Capitol building in Room 116 for those interested in attending.

Chair May introduced Dr. Vaugh Seaton, Professor and Head of the Iowa State University (ISU) Veterinary Diagnostic Laboratory, to wish him well on his new opportunities upon retirement early 1994.

Commissioner Van Horn moved for adjournment which was seconded by Commissioner Sealock. All in favor.

MINUTES TAKEN BY DEBBIE BAKER

IOWA RACING AND GAMING COMMISSION
TELEPHONIC MEETING MINUTES
OCTOBER 28, 1993

On October 28, 1993, the Iowa Racing and Gaming Commission held a conference call pursuant to Iowa Code Section 21.8. The meeting was conducted by telephonic means due to the brevity of the agenda and the urgent nature of the matter to be discussed.

Participating in the call were: Chair, Lorraine May; Vice-Chair, Richard Canella; members David Blair and Rita Sealock; Assistant Attorney General, Jeff Farrell; The President Attorney's, Bob Sims and Bill Wimmer; Otto Steel; Bill Petroski, with The Des Moines Register; Sheila Wilson, Waterloo Greyhound Park; Ken Bonnet, Mississippi Belle II; Bill Brosnahan, DCI and IRGC staff, Jack Ketterer, Administrator; Linda Vanderloo; Terry Hirsch; Debbie Baker; and Johnita Lewis-Clark.

Chair May called the meeting to order and entertained a motion to approve the agenda. Commissioner Sealock so moved with Commissioner Canella seconding the motion. Motion passed.

Chair May stated that there was only one topic on the agenda with two elements, one being the case involving The President Riverboat Casino and the second being the commitment the Commission made in June, 1993, regarding the admission fees. Chair May called upon Jack Ketterer, Administrator of IRGC. Mr. Ketterer stated that the stipulation and settlement agreement and the order were clear and asked if anyone had questions. Hearing none, Chair May entertained a motion to approve the settlement and entry of the proposed order. Commissioner Canella so moved with Commissioner Sealock seconding the motion. A roll Call vote was taken: Commissioner Canella yes, Commissioner Blair yes, Commissioner Sealock yes, Commissioner May yes. All in favor. See Order 93-64

Chair May asked for any other questions or comments from anyone. Mr. Ketterer asked Chair May if the Commission needed to review the admission fees or did the order take care of that. Chair May stated that the order only relates to The President but the same arrangement for admission fees will apply for FY94.

Chair May then entertained a motion to accept the FY 94 admission fees as outlined in the order relating to The President and other Iowa excursion boats. Commissioner Canella so moved with Commissioner Sealock seconding the motion. A roll call vote was taken: Commissioner Blair yes, Commissioner Sealock yes, Commissioner Canella yes, Commissioner May yes. All in favor. See Order 93-65

Meeting was adjourned.

Minutes by Johnita Lewis-Clark

IOWA RACING AND GAMING COMMISSION
MINUTES
NOVEMBER 18, 1993

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, November 18, 1993, at the Wallace Auditorium, Des Moines, Iowa. Commissioners present were: Chair, Lorraine May; Vice-Chair, Richard Canella; and members David Blair, Rita Sealock and Del Van Horn.

Chair May called the meeting to order and entertained a motion to approve the agenda. Commissioner Blair so moved with Commissioner Canella seconding the motion. Motion passed.

Chair May entertained a motion to approve the minutes of the October 21, 1993, Commission meeting and the October 28, 1993, telephonic Commission meeting. Commissioner Sealock so moved with Commissioner Blair seconding the motion. Motion passed.

Chair May called up the next item on the agenda, season approvals for Waterloo Greyhound Park (WGP). Linda Vanderloo, Director of Racing/Administration for IRGC, informed the Commission that WGP was requesting live racing dates from December 26, 1993, to May 1, 1994. The total number of performances requested is 116 or 95 days. WGP will pay a minimum of 4.1% in purses supplemented by simulcasting purse revenues. The kennel list for the 1993-1994 season includes ten kennels, eight of which are Iowa-based kennels. A performance bond is in place in the amount of fifty thousand dollars. Additionally, WGP is requesting approval to simulcast all performances from Bluffs Run.

Augie Masciotra, General Manager of WGP, stated that they will have 13 kennels. Three of the kennels are doubled.

Chair May entertained a motion to approve WGP's 1993-94 season requests and contracts. Commissioner Sealock so moved with Commissioner Van Horn seconding the motion. All in favor. See Order 93-66

Chair May addressed the next item, season approvals for Bluffs Run. Ms. Vanderloo stated that Bluffs Run was requesting live racing dates from January 4, 1994, through December 31, 1994. Total number of performances requested is 457. Purses will equal 4% of the pari-mutuel handle. A performance bond is in place in the amount of one hundred and fifty thousand dollars. The kennel list for the 1994 season includes fifteen kennels of which seven are Iowa-based.

Chair May entertained a motion for approval of the 1994 Bluffs Run season requests with the approval of the racing official subject to background investigation. Commissioner Canella so moved with Commissioner Blair seconding the motion. All in favor. See Order 93-67

Chair May called up the next item on the agenda, gaming study summary. Chair May stated the purpose of the Gaming Study Panel was to take a broader view and approach to gaming in Iowa, and to identify recommended procedures in the handling of gambling issues. Chair May commented that it is rare that such a large volume of public imput can be receive by a study group. Over 1300 calls representing 65 hours of testimony was received by the Gaming Study Panel. Since the completion of the report, several changes have occurred which appear to validate the report. For example: the report indicated that riverboat bet and loss limits, as well as boarding restrictions, have hindered the riverboat industry of the state and no longer provide protection to the system. Since that time, the Sioux City Sue was sold and will not remain in Iowa, and with their departure, jobs for 150 people will be lost. The purchasers of the Sioux City Sue indicate that two of the reasons they have decided to cease operations in Iowa, are the limits and boarding restrictions. The majority report indicates that gambling will continue to expand within the state of Iowa. The question seems to be whether gambling will expand in areas that the state has some type of control, as well as receive revenue, and in turn be able to address some of the social issues affected by gambling.

Chair May thought it interesting that other recent events corresponded in a timely matter with the Gaming Study findings. For example: Tama is looking at an expansion of their facility and has since started simulcast racing, in which the state receives no revenue and has no regulating authority. Another validation of the report comes with an Iowa poll taken by the Des Moines Register recommending that slot machines be placed at the tracks and restrictions on boarding and betting limits be lifted. The poll showed 53% favored lifting the limits on the riverboats and 63% favored putting slot machines at the tracks. Only a small minority favored putting slot machines in taverns, bars, and bowling alleys. That option was rejected unanimously by the Gaming Study Panel.

Chair May called up the next item on the agenda, the pending sale of the Sioux City Sue and recognized Bruce Crary, Attorney for the Sioux City Sue. Mr. Crary informed the Commission that they are still working on the final terms of the contract. One of the things holding it up is whether the boat will remain open until January 7th. Mr. Crary continued that there has also been discussion on keeping the boat open until spring but that has not been decided. The final terms on the sale should be completed by the week ending November 26, 1993.

Commissioner Blair stated that he regretted the majority vote taken by the Commission that resulted in the closing and departure of the Sioux City Sue. He explained that it had always been the Commission's goal to assist licensees; however, in this instance, he did not feel the assistance was there. All licensees are in trouble due to the competition which is beyond Commission control. Commissioner Blair stated that Summit asked the Commission for the same exclusivity, and then would discuss with Council Bluffs the opportunities arising from placing a boat there. It was understood, by all involved, that in order for anything to happen in Council Bluffs, all groups involved would have to be in agreement, as well as convince the Commission that a license should be granted. If the Commission felt that this was a noncompetitive situation in terms of additional licensing due to the exclusivity, the license would not have been granted. Commissioner Blair stated he remembers no concerns expressed for the families in Sioux City losing their jobs as a result of this situation. Commissioner Blair expressed his sincere regret.

Commissioner Sealock commented that her motivation and feelings were clear. At no time, when she voted upon exclusivity for any of the operators that applied for a Sioux City boat, was she voting for an opportunity for them to have multiple boats in the river, including the Council Bluffs/Omaha market. Everytime she voted on a boat, it was for the exclusive right to have a boat and an opportunity to tap that market.

Chair May called up the next item on the agenda, Dubuque Racing Association/City Lease and Dubuque Racing Association/Greater Dubuque Riverboat Entertainment, Co., L.C. (GDREC), Sublease and recognized Bruce Wentworth, General Manager of Dubuque Racing Association (DRA). Mr. Wentworth stated that DRA had two documents for approval, a lease agreement and a sublease agreement. After a brief description of the agreements, Mr. Wentworth asked for the Commission's approval. Chair May entertained a motion with regard to approval of the contracts. Commissioner Van Horn so moved with Commissioner Sealock seconding the motion. All in favor. See Order 93-68

Chair May recognized Joe Zwack for an update on the Dubuque Diamond Jo. Mr. Zwack stated that the boat should be finished by February 15th and weather permitting would head up river. The shipyard recommended that the boat stay in Louisiana until completion. Due to the March date, there is no need for the temporary boarding site. The employees have been notified that the boat will not arrive for a few months and have been very understanding. Mr. Zwack continued that he has leased space for the IRGC and DCI offices. Backgrounds have been sent out for completion by key employees.

Commissioner Canella asked Mr. Zwack how the delay was affecting their financial status. Mr. Zwack stated that the Diamond Jo had recently arranged for a temporary interim loan which will be submitted to the IRGC for approval at the January commission meeting.

Mr. Zwack introduced some of the investors of the Dubuque Diamond Jo. They were as follows: Steve Conlon, Charles Nienstadt, Harlon Turner, Gerald Haugen, Eugene Skinner and Donald Bluml.

Terry Duggan, Mayor elect of Dubuque, stated that he and the city of Dubuque is very supportive of the riverboat and willing to wait until spring for its opening.

Gerald Haugen, Investor in the Dubuque Diamond Jo, stated that the investors are very happy with their partnership with the DRA and are looking forward to a long relationship with Dubuque and the DRA.

Norma Denlinger, President of DRA, stated that the Board had discussed the arrival date of the boat and also the effects of the delay of the boat. The Board has asked the Dubuque Diamond Jo for current financial statements, so they can review the financial status of the operator. The General Manager is going to identify and secure the services of an on-site marine consultant to keep DRA appraised of the status of the boat. DRA is also reactivating a contingency plan which will be in place in the next 60 days. In addition, GDREC will continue to pay a twelve hundred and fifty dollar late charge each day until the boat begins operation. Ms. Denlinger continued that the DRA will continue to monitor the project and keep everyone informed as to what is happening with the boat.

Commissioner Canella commented that he felt the twelve hundred and fifty dollar per day late charge was harsh.

Ms. Denlinger stated that the DRA had an obligation to the citizens of the city and county and they have budgeted funds based on the operation of riverboat gaming in our area and that is what that payment is.

Marilee Fowler, Director of the Convention and Visitors Bureau, stated that they stand behind the DRA and GDREC. The citizens of the community are "like a child waiting for Christmas and it just can not get there soon enough". The Chamber is disappointed that the boat is not in place yet but is happy that the project is being done right. The citizens appreciate that fact, and are willing to wait on their Christmas present to arrive in the spring or early summer.

Chair May called upon Terry Hirsch, Director of Riverboat Gambling for IRGC, for contract approvals for the President. The contracts were with Northwest Mechanical, Inc., and Davenport Electric Contract Company. Mr. Hirsch stated that the contracts are for repairs from flood damage to the facility. The expected date of return to the building is December 1st. Chair May entertained a motion for approval of the contracts. Commissioner Canella so moved with Commissioner Sealock seconding the motion. All in favor. See Order 93-69

Chair May called up the next agenda item, admission fees and called upon Jack Ketterer, Administrator for IRGC, to address the issue. Mr. Ketterer stated that due to the sale of the Sioux City Sue, the admission fees would have to be based on the two remaining boats.

Chair May entertained a motion to accept the two boat admission fees schedule that was presented contingent upon the sale of the Sioux City Sue boat. Commissioner Sealock so moved with Commissioner Canella seconding the motion. All in favor. See Order 93-70

Meeting was adjourned.

Minutes taken by Johnita Lewis-Clark