

**IOWA RACING AND GAMING COMMISSION
MINUTES
JANUARY 13-14, 2016**

The Iowa Racing and Gaming Commission met on January 13-14, 2016 at The Meadows Event Center, Prairie Meadows Racetrack & Casino (PMR&C), Altoona, Iowa. Commission members present were Jeff Lamberti, Chair; Carl Heinrich, Vice Chair; and Richard Arnold, Kris Kramer and Dolores Mertz.

Chair Lamberti called the meeting to order at 5:30 PM, and requested a motion to approve the agenda. Commissioner Heinrich moved to approve the agenda as presented. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti requested a motion to go into Executive Session. Commissioner Mertz moved to go into Executive Session pursuant to Iowa Code Section 21.5(1)a, d, and g for the purpose of receiving Division of Criminal Investigation background reports. Commissioner Arnold seconded the motion, which carried unanimously on a roll call vote.

Following the conclusion of Executive Session, Chair Lamberti recessed the meeting until 8:30 AM on January 14th.

Chair Lamberti reconvened the meeting at 8:30 AM, and advised the agenda had been approved the previous evening. He requested a motion to approve the minutes from the November 19, 2015 Commission meeting. Commissioner Mertz moved to approve the minutes as submitted. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Brian Ohorilko, Administrator of IRGC, for announcements. Mr. Ohorilko provided the following information regarding future Commission meetings:

- February 2016 – No Meeting
- March 3, 2016 – Prairie Meadows Racetrack & Casino, Altoona, IA (Submissions due by February 18, 2016)
- April 14, 2016 – Ameristar, Council Bluffs, IA (Submissions due by March 31, 2016)
- May 2016 – No Meeting
- June 9, 2016 – Wild Rose Jefferson, Jefferson, IA (Submissions due by May 25, 2016)

Chair Lamberti called on Pinnacle Entertainment, Inc. Jack Godfrey, Executive Vice President, Secretary and General Counsel, introduced Anthony Sanfilippo, Chief Executive Officer; Carlos Ruisanchez, President and Chief Financial Officer; Troy Stremming, Executive Vice President of Government Relations and Public Affairs; and Doug Gross, local counsel. Mr. Godfrey stated Pinnacle was before the Commission seeking approval of all qualifying agreements in connection with the transaction with Gaming and Leisure Properties, Inc. (GLPI), a real estate investment trust. He stated Pinnacle is going to sell all of their real estate assets to GLPI and lease them back pursuant to a Master Lease. Mr. Godfrey advised the transaction would include the Ameristar property in Council Bluffs. He stated the operations would not change; Pinnacle

will have full use of the property, and the management team in Council Bluffs will not change as a result of this transaction. Mr. Godfrey indicated Pinnacle is monetizing their real estate assets and focusing on operating casino and entertainment facilities. Pinnacle also requested approval of shelf financing for the transaction. Mr. Godfrey thanked Mr. Ohorilko and the Division of Criminal Investigation for the time spent on the matter and being placed on the agenda.

Chair Lamberti called for any questions concerning the transaction. Chair Lamberti thanked Pinnacle for their cooperation in working through this matter, noting that it is new territory in the gaming world. He noted the Commission did have some issues regarding control of the property, and appreciated Pinnacle's willingness to work through those. Chair Lamberti noted the Commission feels comfortable with the Master Lease.

Mr. Ohorilko stated it is important to the Commission that the properties be properly maintained, and the concerns in that area have been resolved.

Hearing no further comments or questions, Chair Lamberti stated the first item to be addressed is the contracts and business arrangements related to the Real Estate Investment Trust transaction with Gaming and Leisure Properties, Inc.:

- Master Lease
- Merger Agreement
- Employee Matters Agreement
- Separation and Distribution Agreement
- Tax Matters Agreement

Chair Lamberti requested a motion. Commissioner Mertz moved to approve Pinnacle's qualifying agreements indicated on the agenda contingent upon the following condition:

- Approval of the REIT transaction by the Shareholders of Pinnacle Entertainment, Inc. and Gaming and Leisure Properties, Inc.

Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti requested a motion to approve the shelf application for approval of debt financing. Commissioner Heinrich moved to approve Pinnacle's shelf financing as submitted contingent upon the following condition:

- Listing of equity shares of PNK Entertainment, Inc. ("OpCo) (which will be renamed Pinnacle Entertainment, Inc. upon closing of the REIT Transaction) on the NASDAQ such that OpCo becomes eligible for a shelf application pursuant to Iowa Administrative Code 491-5.4(20)(b).

Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti moved to the contract approval portion of the agenda, and called on Dubuque Racing Association, Ltd. d/b/a Mystique Casino (Mystique). Dustin Manternach, Chief

Financial Officer, presented the following contracts for Commission approval:

- Commercial Flooring – Replacement of Casino Carpet
- USA Security – Replace Surveillance System

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contracts as submitted by Mystique. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo (IOCW). Grant Gubbrud, Senior Director of Finance, presented a contract with JCM Global for new bill validating technology in slot machines for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contract as submitted by IOCW. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Ameristar Casino Council Bluffs, Inc. d/b/a Ameristar Casino Council Bluffs (Ameristar). Matthew Block, Vice President of Government Relations, presented a contract with First Wireless, Inc. for a property-wide digital radio system for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contract as submitted by Ameristar. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on Diamond Jo, LLC d/b/a Diamond Jo Casino (DJ). Wendy Runde, General Manager, submitted a contract with Alpha Video for software and hardware upgrades for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the contract as submitted by DJ. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Diamond Jo Worth, LLC d/b/a Diamond Jo Worth (DJW). Kim Pang, General Manager, presented a contract with Alpha Video for a maintenance contract and hardware and software upgrades for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contract as submitted by DJW. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Harvey's Iowa Management Co., Inc. d/b/a Harrah's Council Bluffs Casino and Hotel (Harrah's). Janae Sternberg, Chief Financial Officer, presented a contract with Simplex Grinnell LP for a fire control system for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contract as submitted by Harrah's. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on Isle of Capri Marquette, Inc. d/b/a Lady Luck Casino Marquette (LL). Don Ostert, General Manager, presented a Fourth Amendment to the Dock Site Agreement between the City of Marquette and Isle of Capri Marquette, Inc. for Commission approval. He stated LL values their relationship with the city over the last 21 years and looks forward to continuing to deliver an exceptional entertainment experience and being a great community partner.

Chair Lamberti stated it is his understanding this is the final component of all the agreements. Mr. Ostert answered in the affirmative.

Hearing no comments or questions concerning the Dock Site Agreement, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the agreement as submitted by LL. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on Wild Rose Emmetsburg, LLC d/b/a Wild Rose Emmetsburg (WRE). Tom Timmons, Vice President of Operations for Wild Rose Entertainment, presented a contract with USA Security to upgrade and replace surveillance equipment for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contract as submitted by WRE. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Isle of Capri Bettendorf, L.C. d/b/a Isle of Capri Bettendorf (IOCB). Nancy Ballenger, General Manager, presented the following contracts for Commission approval:

- Reldom Corporation – Purchase Custom Steel Cabinets for Land-Based Casino
- Gitchi Gaming, Inc. – Purchase New Slot and Table Game Chairs for Land-Based Casino
- VSR Industries, Inc. – Purchase New Slot Machine Bases for Land-Based Casino
- Iowa Beer and Beverage d/b/a Fleck Sales Co. – Alcoholic Beverage Vendor
- E-Gads! – Interior Sign Package for New Land-Based Casino

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by IOCB. Commissioner Arnold seconded the motion, which carried unanimously.

Commissioner Heinrich asked about the construction of the land-based facility. Ms. Ballenger advised that it was going very well; it is on schedule and they are anxious for spring/summer to arrive. She indicated additional information regarding an opening date would be provided once it is closer.

Chair Lamberti called on Riverside Casino & Golf Resort, LLC d/b/a Riverside Casino & Golf Resort (RCGR). Sharon Haselhoff, General Manager of Grand Falls Casino & Golf Resort, presented the following contracts for Commission approval:

- Coca Cola Refreshments USA, Inc. – Beverage Agreement
- Everi Games, Inc. – Slot Machine Leases
- Honkamp Krueger & Co., P.C. – Professional Services

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by RCGR. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Rhythm City Casino, LLC d/b/a Rhythm City Casino (RC). Mo Hyder, General Manager, presented the following contracts for Commission approval:

- Lane & Waterman, LLP – Legal Services
- Maxwell Construction, Inc. – Construction – Basement Stabilization
- The Minnesota Chemical Co. – Purchase of Laundry Equipment
- UMR (United Healthcare Co.) – Medical and Flexible Spending Plan

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by RC. Commissioner Mertz seconded the motion, which carried unanimously.

Commissioner Heinrich asked about the progress on the land-based facility. Mr. Hyder indicated it was progressing very well; the structure is completely enclosed and there are approximately 200-300 individuals working on the inside. He indicated the project is on schedule.

Chair Lamberti called on the Iowa Greyhound Association (IGA). Brian Carpenter, General Manager and Director of Racing for Iowa Greyhound Park, presented the following contracts for Commission approval:

- Sport View Television Corp. – Television Control Center, Monitor System, Cameras and Technical Support for Live Racing
- Sportech Racing, LLC – Tote System
- Goldfinch Entertainment, LLC – Consulting Services for Live and Simulcast Wagering

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by the Iowa Greyhound Association. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Iowa West Racing Association (IWRA) d/b/a Horseshoe Casino-Bluffs Run Greyhound Park regarding the approval of the purse supplement reconciliation for 2015. Lorraine May, legal counsel, stated they were seeking approval of the purse reconciliation for the

final time. She advised the Commission had been provided with a full list of how they intend to manage the final payout in full satisfaction of the 2015 purse supplement.

Chair Lamberti asked if all parties were in agreement. Nick Mauro, legal counsel for the IGA, answered in the affirmative.

Hearing no comments or questions concerning the purse supplement reconciliation, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the purse supplement reconciliation as submitted by IWRA d/b/a Horseshoe Casino-Bluffs Run Greyhound Park. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti moved to the hearings before the Commission, noting the first is for IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo (IOCW) for a violation of Iowa Code § 99F.9(5) (Minor). Mr. Ohorilko advised that Commission staff and IOCW have entered into a Stipulated Agreement. On July 25, 2015, an underage female entered the facility and gained access to the gaming floor unchallenged, gambled and was on the floor for over 30 minutes, and consumed alcohol, which triggered the Commission referral. Mr. Ohorilko advised that IOCW has instituted a number of additional exercises to prevent this type of situation from occurring in the future. As a result of the violation, IOCW and Commission staff have agreed to an administrative penalty of \$20,000, subject to Commission approval.

Mr. Gubbrud stated the facility takes underage gambling very seriously. Sharon Korsi, Senior Director of Casino Operations, advised the two team members involved in the situation were terminated upon investigation; one team member was suspended as she did not follow procedure and removed the individual from the casino floor, which enabled the facility to review the incident. Ms. Korsi stated the facility has retrained all of the security officers to insure they understood what had happened. They also brought in the DCI for additional ID training for all staff and recognition of false identification.

Chair Lamberti stated he was appreciative of the extensive training IOCW did of staff. Hearing no further comments or questions concerning the matter, Chair Lamberti moved to approve the proposed Stipulated Agreement with an administrative penalty of \$20,000. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti moved to the next hearing, Board of Stewards vs. William McCarty, noting the actual hearing was held during the November Commission meeting, at which time the Commission directed conflict counsel to prepare a proposed Order. The proposed Order, which is consistent with the Commission's deliberations and instructions, is before the Commission today. Chair Lamberti requested a motion with respect to the Order.

Commissioner Mertz moved to approve the proposed Order as presented. Commissioner Arnold seconded the motion, which carried unanimously.

As there was no Public Comment or Administrative Business to come before the Commission, Chair Lamberti requested a motion to adjourn. Commissioner Kramer so moved. Commissioner Mertz seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING & GAMING COMMISSION
MINUTES
MARCH 3, 2016**

The Iowa Racing and Gaming Commission (IRGC) met on March 3, 2016 at The Meadows Event Center, Prairie Meadows Racetrack & Casino (PMR&C), in Altoona, Iowa. Commission members present were Jeff Lamberti, Chair; Carl Heinrich, Vice Chair; and Richard Arnold, Kris Kramer and Dolores Mertz.

Chair Lamberti called the meeting to order at 8:30 AM, and requested a motion to approve the agenda. Commissioner Mertz moved to approve the agenda as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti moved to the approval of the minutes from the January 13-14, 2016 Commission meeting, noting they had been disseminated previously. Commissioner Kramer moved to approve the minutes as submitted. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti moved to Announcements and called on Brian Ohorilko, Administrator of IRGC. Mr. Ohorilko provided the following information regarding upcoming meetings:

- April 14, 2016 – Ameristar, Council Bluffs, IA (Submissions due by March 31, 2016)
- May 2016 – No Meeting
- June 9, 2016 – Wild Rose Jefferson, Jefferson, IA (Submissions due by May 25, 2016)

He advised the schedule for the Fiscal Year 2017 meetings would be released at the April meeting.

Chair Lamberti moved to the Rules before the Commission for final adoption, and called on Mr. Ohorilko. Mr. Ohorilko advised these are the rules that were before the Commission in November, and there have been no changes. He noted a public hearing was held and the Commission did receive one comment from the Iowa Horsemen's Benevolent and Protective Association (IHBPA) regarding Item 6. The IHBPA feels the rule does not give their members due process. Mr. Ohorilko stated the proposed rule is a very common rule in the industry, and staff has consulted legal counsel and other jurisdictions. He stated the rule gives the betting public the same opportunities as the participants in the race, and is consistent with every other professional sport. Mr. Ohorilko advised staff still recommends approval of that rule. He noted staff had also appeared before the Rules Review Committee and did not receive any comments from them.

Hearing no comments or questions concerning the rules, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the final adoption of the proposed rules. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Eric Preuss, Program Manager, with the Iowa Gambling Treatment and Prevention Program (IGTPP), with regard to National Problem Gambling Awareness Month.

Mr. Preuss stated the theme for this year is “Have the Conversation”, with the goal of educating the public and healthcare professionals about the warning signs of problem gambling and promote the availability of help and hope both locally and nationally. He noted the IGTPP partners with the Iowa Lottery, Iowa Gaming Association and National Council on Problem Gambling to hold local, regional and statewide activities throughout the month. Mr. Preuss advised the month of March is selected for this designation as it has become one of the biggest gambling occasions due to the NCAA “March Madness” basketball tournament, with approximately \$2.5 billion gambled illegally each year. He also noted that gambling revenue is at an all-time high; and that between 8-12 million people in the United States meet the criteria for gambling problems but only a fraction seek assistance.

Mr. Preuss advised there is growing evidence that a gambling disorder is a brain disease as it modifies how the brain works and shows similarities to the causes and consequences of alcohol and drug problems. Symptoms of a gambling disorder include tolerance, withdrawal, loss of control, preoccupation, gambling when distressed, chasing losses, lying to conceal gambling, jeopardized/lost relationships, and relying on others to relieve desperate financial situations. Mr. Preuss noted problem gambling can happen to anyone; however, seniors, adolescents, college students, athletes and veterans have a higher risk.

With regard to adult gambling rates in Iowa, 87.6% indicate they have gambled in their lifetime; 68.1% in the past 12 months, and 39.1% in the past 30 days. While 1.2% of adult Iowans (29,155) have a gambling disorder, 12.6% (294,222) are “at risk” of developing a gambling disorder. Fifteen percent of Iowans indicate they have been negatively affected by the gambling behavior of someone they know.

Mr. Preuss stated the Iowa Department of Public Health (IDPH) funds ten problem gambling treatment programs covering all 99 counties and services are provided to over 600 Iowans each year. IDPH also funds eleven gambling prevention programs in all 99 counties and over 85,000 Iowans were impacted in FY 2015. The 1-800 Bets Off phone line received 6,311 phone calls in Fiscal Year 2015. Mr. Preuss indicated the program is funded through a state appropriation that has been flat since 2011 at approximately \$3.1 million. He provided additional websites through which individuals can seek help for their gambling problems. Mr. Preuss thanked the Commission for the opportunity to address them regarding problem gambling and their support of the program.

Chair Lamberti asked if the program saw the effects of illegal sports betting or fantasy sports in the individuals contacting them or if there was any kind of trend relating to those activities. Mr. Preuss stated the 2015 study would be released later this spring and would contain information on what they are discovering about the role of fantasy sports. He stated that a high number of individuals experiencing problems related to gambling are also playing illegally or playing fantasy sports.

Commissioner Mertz noted one of his handouts stated that 76,000 sixth, seventh and eighth graders indicated they had gambled and asked what kinds of gambling they were participating in. Mr. Preuss indicated most adolescents bet on sports such as pick-up games, card games with

family as well as fantasy sports. Commissioner Mertz asked if he knew how much money was exchanging hands. Mr. Preuss indicated he did not but indicated the study is available on the IDPH website.

Chair Lamberti called on the Iowa Gaming Association. Wes Ehrecke, President, stated the casinos take problem gambling very seriously and are active participants with the treatment providers. During the week of March 13-18, treatment providers will be on-site at several of the casinos to interact with patrons and facility staff.

Mr. Ehrecke distributed copies of “Building Iowa’s Communities through Philanthropy” which provides highlights of the 2014-2015 County Endowment Fund program and grants made by the casino non-profit organizations. He indicated the program has been in place for ten years, and provides approximately \$130,000 per year to the counties that do not have a casino.

Mr. Ehrecke stated that April 1st will mark the 25th anniversary of riverboat gambling in Iowa. When the legislation was originally passed, Iowa was coming out of a farm crisis, and Legislators were looking for a way to generate tourism and jobs; Mr. Ehrecke feels the industry has exceeded those expectations. Over the years, the industry has provided \$22.6 billion dollars in tax revenues for a variety of projects, and the non-profits have given out over 29,000 grants totaling \$1.4 billion. He noted that a number of employees have been in the industry for a number of years, and 89 have been involved since the start. Mr. Ehrecke also touched on the number of women leaders in the gaming industry.

Mr. Ehrecke stated the Legislature established a regulatory body that has become a model across the country, and noted the Commission understands the business of gaming, has created premier entertainment destinations with a significant amount of investment, and that the Commission is fair and reasonable.

Chair Lamberti moved to the contract approval portion of the agenda and called on Wild Rose Jefferson, L.L.C. (WRJ). Mike Couch, General Manager, presented the following contracts for Commission approval:

- Ziegler – Preventive Maintenance Service Agreement
- Jefferson Telecom – Hosted PBX Service Agreement
- SimplexGrinnell – Fire Alarm, Sprinkler and Extinguisher Testing

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by WRJ. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on Prairie Meadows Racetrack & Casino, Inc. d/b/a Prairie Meadows Racetrack & Casino (PMR&C). Gary Palmer, General Manager, presented the following contracts for Commission approval:

- Associated Computer Services – Computer Backup Equipment and Software

- Electronic Engineering – Radio/Communication System Platform
- ODS Technologies d/b/a TVG Network – Horse Race Advance Deposit Account Wagering Services
- Sportech – Pari-Mutuel Wagering Totalisator Services

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by PMR&C. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti moved to the Excursion Gambling Boat and Gambling Structure License Renewal portion of the agenda and called on Iowa West Racing Association (IWRA) and Ameristar Casino Council Bluffs, LLC (Ameristar). Pete Tulipana, Executive Director of IWRA, stated they have an excellent partnership with Pinnacle Entertainment, Inc. and Caesar's Entertainment. The parties meet regularly, stay connected and are forthright in their conversations about the opportunities and challenges that gaming brings to the community. He noted Pottawattamie County will be celebrating 20 years of gaming in the county; and according to IWRA's records, they have distributed approximately \$350 million. Mr. Tulipana stated Council Bluffs is currently making great strides in redeveloping their side of the riverfront and by the end of the summer there will be a new landing park, which will serve as a gathering place for families and children. Additional development in the area includes an office building, a major townhome/apartment development and two additional condo developments are close to being finalized. Mr. Tulipana stated the Iowa West Foundation is partnering with developers on the office building and will have space in the building.

Mr. Tulipana stated IWRA is committed to a broader reach and their Cities Program recently granted \$900,000 each to the towns of Avoca, Neola and Oakland for the purpose of creating affordable housing. Mr. Tulipana stated that with Ameristar as a partner, IWRA is able to think big and make a transformational impact on southwest Iowa; they have generated some momentum and will be able to continue doing so. He requested approval of Ameristar's license.

Matthew Block, Vice President of Government Relations for Pinnacle Entertainment, concurred with Mr. Tulipana's comments regarding the relationship between the entities. He stated Ameristar achieved their highest market share in 2015 since 2006, allowing them to contribute over \$5 million to IWRA and invest over \$6 million in the property, improving the AV system, audio/video system on the casino floor, and the high limit gaming area. Mr. Block noted the facility saw improvement in their team member satisfaction and guest service scores year over year. He requested approval of their license renewal.

Hearing no comments or questions concerning the license renewal, Chair Lamberti requested a motion. Commissioner Mertz moved to renew the license to conduct gambling games to Iowa West Racing Association, renew the license to operate Ameristar Casino Council Bluffs, LLC as an excursion gambling boat that will not cruise and approve the facility's revised security plan included in the application. Commissioner Kramer seconded the motion, which carried unanimously.

Mr. Block presented the following contracts for Commission approval:

- Council Bluffs Police Department – Law Enforcement Staffing
- M&D Inc. – Vessel Rubberized Decking Replacement
- Trane – Landside Chiller Replacement
- Verizon – Increase LTE Coverage on Boat

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by Ameristar. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on IWRA/ Harvey's Iowa Management Company, Inc. d/b/a Harrah's Council Bluffs Casino and Hotel (Harrah's). Mr. Tulipana advised gaming is the largest employer in southwest Iowa. He noted the industry has generated a significant amount through the hotel/motel tax and the visitors to the community who come to participate in gaming. Mr. Tulipana stated the Iowa West Foundation has selected the area around the MidAmerica Center as one of their major economic development initiatives and hope to develop it into an entertainment district. They are partnering with Caesar's with regard to parking in the area. He noted IWRA would not be able to undertake this economic development without their partnership with Ameristar and Harrah's.

Bo Guidry, General Manager of Harrah's, concurred with Mr. Tulipana's comments, noting the Harrah's team does a great job of communicating with IWRA staff. He stated there are numerous projects taking place in the community and he is excited about the future. Mr. Guidry stated the partnership would continue for many years to come. He requested approval of Harrah's license.

Hearing no comments or questions concerning the license, Chair Lamberti requested a motion. Commissioner Heinrich moved to renew the license to conduct gambling games to Iowa West Racing Association, renew the license to operate Harvey's Iowa Management Company, Inc. d/b/a Harrah's Council Bluffs Casino and Hotel as a gambling structure, and approve the facility's revised security plan included in the application. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on Black Hawk County Gaming Association (BHC GA)/IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo (IOC Waterloo). Todd Connelly, General Manger, noted he had been at the property for two months. He stated it is easy to see the impact the funds distributed to the BHC GA have had on the area. He introduced Tim Hurley, Chair of the BHC GA.

Mr. Hurley indicated the partnership between the IOC Waterloo and BHC GA is very successful. He stated Isle of Capri has, are and believes they will always live up to their commitments and are an asset to the community. Mr. Hurley advised that management staff and employees are embedded in the community and volunteer with many organizations. Over the past 12 months, he noted BHC GA has committed over \$4.3 million to 44 projects located in 19 municipalities in Black Hawk County and the six surrounding counties – Butler, Buchanan, Bremer, Tama,

Grundy and Chickasaw. These counties, as stated in BHC GA's by-laws, receive up to 10% of available funds. Mr. Hurley stated BHC GA has funded over 375 projects for a total outlay of \$34.3 million. He pointed out BHC GA rarely funds any project at 100%, the average is 30-33%. Mr. Hurley stated the largest commitment in 2015 was \$1.5 million to the Hartman Reserve Interpretive Center, a pristine, natural area between Waterloo and Cedar Falls. Other projects include body cameras and laptops to the New Hampton Police Department, defibrillators for LaPorte City, fire house and Carriage House renovations in Cedar Falls, a new ambulance for Sumner, and innovative nature space at the Waterloo Public Library. Mr. Hurley stated their largest investment, \$8 million, was in the Sports Complex in downtown Waterloo. The overall project cost approximately \$28 million, and is now spurring additional economic investment. Mr. Hurley stated BHC GA's partnership with IOC Waterloo has never been stronger. He noted approximately a year and half ago the Commission suggested some refined operating principles for the BHC GA. He stated they were in compliance with seven of the nine recommendations at the outset. He advised their financial is now available on the website, and BHC GA used the opportunity to make improvements to the website. With regard to board tenure, he indicated they would be in full compliance by next fiscal year. Mr. Hurley requested approval of their license for another year.

Chair Lamberti thanked Mr. Hurley for BHC GA's compliance with the good governance recommendations.

Hearing no comments or questions regarding the license application, Chair Lamberti requested a motion. Commissioner Kramer moved to renew the license to conduct gambling games to Black Hawk County Gaming Association and renew the license to operate IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo as a gambling structure. Commissioner Mertz seconded the motion, which carried unanimously.

Mr. Connelly presented the following contracts for Commission approval:

- Demuth Cleaning Services d/b/a ServPro of Black Hawk County – Cleaning and Restoration Services
- Communications Engineering Company – New Digital Radios

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by IOC Waterloo. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on Worth County Development Authority (WCDA)/Diamond Jo Worth, LLC d/b/a Diamond Jo Worth (DJW). Kim Pang, General Manager, introduced Deb Hanson, Chief Financial Officer, of WCDA. Ms. Hanson thanked the staff at DJW for the wonderful partnership and having such a successful business in the rural setting of north Iowa. A packet of information was distributed listing all of the grants from the last year. Ms. Hanson noted that an integral part of their program is the money set aside for education. She stated they work with the five school districts in the county. She pointed out that each graduating senior in Worth County has received in excess of \$7,000. Ms. Hanson requested renewal of the license.

Hearing no comments or questions regarding the license renewal, Chair Lamberti requested a motion. Commissioner Arnold moved to renew the license to conduct gambling games to Worth County Development Authority and renew the license to operate Diamond Jo Worth, LLC d/b/a Diamond Jo Worth as a gambling structure. Commissioner Kramer seconded the motion, which carried unanimously.

Mr. Pang advised the model at DJW has been introduced to their sister property in Kansas, which has proved beneficial to that community. Mr. Pang submitted the following contracts for Commission approval:

- Ainsworth Game Technology – Purchase of Slot Machines, Leases, Conversions and Parts
- Young Plumbing & Heating – Gas Conversion Project

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the contracts as submitted by DJW. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Washington County Riverboat Foundation (WCRF)/Riverside Casino & Golf Resort, LLC. Dan Franz, General Manager, stated their economic impact for 2015 was just short of \$75 million, which included \$22.5 million in taxes and fees, \$19.4 million in payroll and related expenses, and just under \$19 million for equipment, supplies and services and \$4.1 million in charitable contributions. He stated 98% of their non-gaming, non-specialized purchases were made from Iowa vendors. Mr. Franz indicated they typically have around 700 employees, but the number increases to 750 once the golf course opens for the season. Mr. Franz noted this is the fourth year of the employee volunteer program, Lending Hands, which eclipsed 10,000 volunteer hours in 2015. There were 167 employees who logged volunteer hours.

Mr. Franz stated they are very excited about 2016 at Elite Casinos. In addition to celebrating 25 years of gaming in Iowa, they are also opening a new land-based casino in Davenport, will celebrate their 5-year anniversary in Grand Falls and 10 years at Riverside. He indicated there are many events scheduled at the Riverside facility for the employees, patrons and community members that have helped them to be successful. Mr. Franz stated WCRF is a great non-profit partner, and does great things around the community. He introduced Mark Driscoll, President of WCRF.

Mr. Driscoll stated 2015 was a busy year for WCRF. They received the Commission's request for good governance procedures; and with a few minor changes, WCRF has met all of the recommendations. Board members were already limited to three 3-year terms limits, which was changed to two 3-year term limits. Since inception in 2006, WCRF has had 27 different directors participate on the board, and members must wait one full term before reapplying. They have restricted the number of elected officials who serve on the board to no more than 20%, and currently have one. WCRF has also established a minimum number of board members of at least seven; there are currently 14 and there has never been less than 14. Mr. Driscoll stated board members regularly review and update their Conflict of Interest policies, which are signed at the

annual meeting by every member. He noted WCRF does have a website and their financial information is posted and distributed to the press at every meeting. Mr. Driscoll stated WCRF continually strives to fund grants in Washington County, as well as other counties that strongly support the casino. In 2015, WCRF funded 108 non-profit projects with 30% of those projects going to organizations located outside of Washington County. He stated they have an excellent relationship with the facility, and look forward to continuing it as they have renewed the Operating Agreement for another ten years.

Mr. Franz requested renewal of the license.

Chair Lamberti thanked WCRF for their responsiveness to the Commission's good governance requests.

Hearing no comments or questions concerning the license renewal, Chair Lamberti requested a motion. Commissioner Mertz moved to renew the license to conduct gambling games to Washington County Riverboat Foundation, Inc., renew the license to operate Riverside Casino & Golf Resort, LLC as a gambling structure and approve the facility's revised security plan included in the application. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Missouri River Historical Development, Inc. (MRHD)/SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City (Hard Rock). Mark Monson, President of MRHD, noted it has been a wild ride since 2014. He stated that by the end of June they will have granted nearly \$3.9 million to Woodbury County non-profits. He stated MRHD has also approved another \$3 million over the next three fiscal years to go toward economic development in addition to the regular grants. Mr. Monson advised MRHD has changed its by-laws to limit terms to six years with three years off before returning. Their grant policy has been changed to include the five counties that connect with Woodbury County. Mr. Monson stated four board members retired last year, and six new board members were added this year; the process will be repeated over the next three years.

Mr. Monson stated MRHD and Hard Rock are jointly sponsoring quality of life community events to ensure they continue to function in the area. He stated there are significant economic developments taking place in the area. Mr. Monson noted there is a viable energy upon entering the Hard Rock; they are offering entertainment four nights a week. He stated many local bars and nightclubs are also offering local entertainment. Mr. Monson stated Sioux City is becoming an entertainment destination. He stated one of MRHD's goals during the Request for Proposal process for a new operator was amenities, and Hard Rock has succeeded in that area. Mr. Monson requested approval of the license renewal.

Todd Moyer, General Manager, stated the facility just finished its first full year of operation, and has over 525 team members. Salaries, wages and benefits exceeded \$13.5 million; gaming and other taxes totaled \$20 million, and donations through direct contributions to MRHD and personal company donations totaled more than \$4.9 million. He stated Hard Rock hosted more than 200 entertainment events and more than 86,000 guests, which came from 46 different states.

Mr. Moyer stated the facility has received several awards and recognitions – the 4-Diamond rating from AAA, which requires a 3-Diamond rated restaurant. He stated the facility also won the Governor’s Office of Tourism Award for the most outstanding attraction in 2015. He requested approval of the license renewal.

Hearing no comments or questions concerning the license renewal, Chair Lamberti requested a motion. Commissioner Heinrich moved to renew the license to conduct gambling games to Missouri River Historical Development, Inc. and renew the license to operate SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City as a gambling structure. Commissioner Mertz seconded the motion, which carried unanimously.

Mr. Moyer presented the following contracts for Commission approval:

- Glazer’s Distributors of Iowa – Beverage Distributor
- Farmers Brothers Co. – Coffee Distributor
- L & L Distributing Co., Inc. – Beverage Distributor

He advised the contracts were with Iowa vendors and totaled \$740,000.

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contracts as submitted by Hard Rock. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on Scott County Regional Authority (SCRA)/Isle of Capri Bettendorf, L.C. (IOCB). Nancy Ballenger, General Manager, introduced John Nagle, Vice President of SCRA. Mr. Nagle advised SCRA did not have too many changes to make in order to be in compliance with the Commission’s good governance recommendations, but did make a couple of minor changes and are in full compliance. He advised since SCRA’s inception almost 20 years ago, they have distributed over \$75 million to governments, education and non-profit organizations in the Scott County community. This past year, SCRA received just over \$3 million and awarded 133 grants. Mr. Nagle stated SCRA is collaborating with the City of Bettendorf and the school district to renovate the tennis courts. They are also contributing over \$250,000 to the renovation of some historic buildings in the downtown area. Mr. Nagel noted the Girl Scouts, which serves 20 different counties along the Mississippi River, is renovating facilities for all of the troops and SCRA has contributed \$150,000.

Ms. Ballenger stated April 21st will be the 21st birthday of gaming in Bettendorf and several activities are planned. She noted the property has evolved through the years; they now are the largest hotel in Iowa with 514 rooms, which allows them to bring in larger conventions. She stated they partnered with the city in 2009 to complete the Quad City Riverfront Convention Center, which has 25,000 square feet of meeting space. They are excited to bring the casino off the water into the new land-based space. Ms. Ballenger indicated the project is on track and a late spring or early summer opening is anticipated.

Ms. Ballenger noted that Mr. Ehrecke talked about the various careers in gaming. She advised that approximately 15% of the employees at IOCB have been there twenty or more years. She stated the property works with the local colleges to make sure students are aware of the career opportunities available in the gaming industry. Ms. Ballenger requested renewal of their license.

Hearing no comments or questions concerning the license, Chair Lamberti requested a motion. Commissioner Kramer moved to renew the license to conduct gambling games to Scott County Regional Authority, renew the license to operate Isle of Capri Bettendorf, L.C. as an excursion gambling boat that will not cruise and approve the facility's revised security plan included in the application. Commissioner Heinrich seconded the motion, which carried unanimously.

Ms. Ballenger presented the following contracts for Commission approval:

- Henry Incorporated – Manufacture and Install Signage for New Land-based Casino
- North American Video – Digital Surveillance System for Land-based Casino
- PSX Audiovisual Technologies – Purchase and Install AV Equipment for Land-based Casino

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by IOCB. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Riverboat Development Authority (RDA)/Rhythm City Casino, LLC. Mo Hyder, General Manager, advised the land-based facility is progressing very well. He indicated the facility is about 81% complete; there are between 250-300 construction workers working on the inside of the building. Barring any further inclement weather, they anticipate a June 16 opening. Mr. Hyder introduced Randy Rathje, President of RDA. He stated the facility has an excellent relationship with RDA and looks forward to continuing that relationship going forward.

Mr. Rathje stated RDA is excited about the opening of the land-based casino. He noted that while the relationship between RDA and the Kehl family is relatively new, they have done everything they said they would. Mr. Rathje stated the partnership is strong and RDA is pleased with the development of the new casino; that it is an imposing structure and is hard to miss when traveling on the I-74 corridor. The facility has spurred other economic development in that area.

With regard to the corporate governance recommendations, Mr. Rathje thanked the Commission for pushing the matter; that it is an issue that is important to him. He advised RDA is in compliance. He requested approval of the license.

Mr. Hyder noted the current facility employs approximately 250, and they are looking to add another 350. He stated there is a lot of excitement in the community about the new land-based facility. He requested approval of the license.

Hearing no comments or questions concerning the license renewal, Chair Lamberti requested a motion. Commissioner Arnold moved to renew the license to conduct gambling games to Riverboat Development Authority and renew the license to operate Rhythm City Casino, LLC as an excursion gambling boat that will not cruise. Commissioner Mertz seconded the motion, which carried unanimously.

Mr. Hyder presented the following contracts for Commission approval:

- Ainsworth Game Technology – Purchase of Slot Machines
- Aristocrat Technologies, Inc. – Purchase of Slot Machines
- Aruze Gaming America, Inc. – Purchase of Slot Machines
- Atmosphere Commercial Interiors – Purchase of Hotel Furniture, Drapes & Bedding and Casino Restaurant Furniture
- CPI (Crane Payment Innovations) – One Time Purchase of Bill Acceptors
- CSI, LLC (Computer Service Innovations) – Purchase of Low Voltage-Cabling Products, Coax Products, Fiber Products and Accessories
- Cummins Allison – Count Room Equipment
- Everi Games, Inc. – Purchase of Slot Machines
- Gaming Partners International USA, Inc. – Purchase of Gaming Tables & Accessories
- Gitchi Gaming, Inc. – Purchase of Gaming Chairs
- IGT – Purchase of Slot Machines and Conversion Kits
- iWireless Center – Suite License Agreement
- JC Millwork, Inc. – Construction – Casework
- Konami Gaming, Inc. – Purchase of Slot Machines
- Lange Sign Group – Purchase of Signs
- Mastercraft Floor Covering – Construction – Floor Coverings
- Midwest Game Supply – Roulette Wheel, Roulette Sign, Gaming Chips
- Scientific Games – Purchase of Slot Machines
- Video Security Specialists – Purchase of Surveillance Equipment
- VSR Industries – Locks for Slot Machines, Tables, and Related Gaming Equipment
- Yates & Yates Glass Co., Inc. – Construction – Furnish All Labor, Material, Equipment and Services to Furnish and Install All Hotel Glass Partitions

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the contracts as submitted by Rhythm City. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Dubuque Racing Association, Ltd. (DRA)/Diamond Jo, LLC d/b/a Diamond Jo Casino (DJ). Wendy Runde, General Manager, stated the facility would celebrate the 22nd year of their contract and long-standing relationship with the DRA. She noted that over the course of their contract, the DJ has distributed \$252 million to the county, City of Dubuque and the State of Iowa in taxes, and another \$31.6 million to DRA. Ms. Runde introduced Jesús Avilés, President and CEO of Mystique Casino and DRA.

Mr. Avilés stated DRA could not ask for a better partner. He noted the facility has a program called Diamond Jo Cares where they contribute to non-profit organizations on their own. He stated that in its 31-year existence, the DRA has contributed over \$700 million to the city, state and communities it serves. Mr. Avilés requested approval of the license.

Hearing no comments or questions concerning the license renewal, Chair Lamberti requested a motion. Commissioner Mertz moved to renew the license to conduct gambling games to Dubuque Racing Association, Ltd. and renew the license to operate Diamond Jo, LLC d/b/a Diamond Jo Casino as a gambling structure. Commissioner Heinrich seconded the motion, which carried unanimously.

Ms. Runde submitted the following contracts for Commission approval:

- Rondinelli Music/Audio – Backline Equipment Rental and Backline Equipment Purchase
- Conlon Construction – Construction: Food and Beverage Remodel Project

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by DJ. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on the Dubuque Racing Association, Ltd (DRA). Mr. Avilés introduced Brian Southwood, Vice President of Special Projects and Grants, who has been with DRA since day one. He noted the 1980s were a bad time for Dubuque. A group of investors elected to mortgage their homes and started the DRA, and were subsequently granted a license for greyhound racing in 1984 and started racing in 1985. Mr. Avilés stated the DRA Board is different than the other boards; it is licensed as a non-profit and an operator. Mystique Casino is a not-for-profit casino; one of two in Iowa. He reiterated that DRA has contributed over \$700 million to the community; the city has received \$178 million; the county has received \$7.2 million, and over \$42 million has been distributed in grants. Mr. Avilés stated the casino partnered with the Dubuque Corporation to renovate a shopping mall; they were able to attract IBM, who employs 1,350 employees, to the community. He requested approval of the license to continue operating under Iowa Code Section 99F.

With regard to the corporate governance recommendations, Mr. Avilés stated they have done a lot of work on it.

Hearing no comments or questions concerning the license renewal, Chair Lamberti requested a motion. Commissioner Heinrich moved to renew the license to conduct gambling games to Dubuque Racing Association, Ltd., renew the license to operate Dubuque Racing Association, Ltd. as a gambling structure and approve the facility's revised security plan included in the application. Commissioner Kramer seconded the motion, which carried unanimously.

Mr. Avilés submitted the following contracts for Commission approval:

- Aimbridge Hospitality, LLC – Hotel Management Company

- The Buzz Creative Group – Marketing Agency
- Community Foundation of Dubuque – Donor Advised Endowment Fund

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by DRA. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on Lyon County Riverboat Foundation, Inc. (LCRF)/Grand Falls Casino Resort, LLC (GFCR). Sharon Hasselhoff, General Manager, and Jerry Stai, Vice President of LCRF, were present to address the license renewal. Ms. Hasselhoff stated 2015 was an excellent year; gaming revenue was \$57.2 million, down slightly from 2014 due to a decrease in promotional credits. She noted 2016 would be an exciting year as it will be the first full year for the golf course, and June will mark their five-year anniversary. Since the facility opened, it has contributed over \$65.4 million in taxes and fees to the State of Iowa, and created over 500 jobs. Last year's annual payroll was \$14.9 million. Ms. Hasselhoff advised that GFCR has an excellent partner in LCRF, and introduced Mr. Stai.

Mr. Stai stated it seems like it was only yesterday that the facility opened. He noted Lyon County has 11,000 residents and two stoplights. The referendum passed with 63%. Mr. Stai stated Lyon County was fortunate to be granted a license. In the past five years, GFCR has kept their word, and LCRF has received over \$2 million per year to distribute. He advised that one-half has gone to the schools and municipalities, and the other half is distributed via grants. Mr. Stai stated LCRF conducts two grant cycles each year, distributing approximately \$500,000 per cycle, and \$1 million to the students and municipalities of Lyon County. He noted there are eight small towns in the county, and five districts. The LCRF is made up of a representative from each town and district. Mr. Stai stated LCRF has a great working relationship with GFCR, and requested renewal of their license.

Hearing no comments or questions concerning the license renewal, Chair Lamberti requested a motion. Commissioner Kramer moved to renew the license to conduct gambling games to Lyon County Riverboat Foundation, Inc., renew the license to operate Grand Falls Casino Resort, LLC as a gambling structure, and approve the facility's revised security plan included in the application. Commissioner Mertz seconded the motion, which carried unanimously.

Ms. Hasselhoff submitted the following contracts for Commission approval:

- Brockway Mechanical – Multistack Repair
- Elite Edge – Promotional Products
- Forward Sioux Falls – Economic Investment Agreement

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by GFCR. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Clarke County Development Corporation/HGI-Lakeside, LLC (Lakeside). Bob Thursby, General Manager, advised Lakeside had an economic impact of just over \$31 million in the past year. He stated the facility is entering its 16th year of operations. Mr. Thursby requested renewal of their license.

Hearing no comments or questions concerning the license renewal, Chair Lamberti requested a motion. Commissioner Arnold moved to renew the license to conduct gambling games to Clarke County Development Corporation and renew the license to operate HGI-Lakeside, LLC as a moored barge. Commissioner Mertz seconded the motion, which carried unanimously.

Mr. Thursby submitted a contract with C3 PPS, Inc. for booking services for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contract as submitted by Lakeside. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on Southeast Iowa Regional Riverboat Commission (SIRRC)/Catfish Bend Casinos II, LLC (CBC). Rob Higgins, General Manager, stated 2015 was a fantastic year as they experienced an 11% increase in revenue. He introduced Steve Staebell, President of SIRRC.

Mr. Staebell stated SIRRC received approximately \$1.4 million from CBC in 2015. He stated the Keokuk Convention and Tourism Board uses their share of the funds for programs and enhancements to their tourism efforts. Last year, those events generated approximately \$275,000 in hotel and motel taxes for the city as well as money used to provide funding for public safety equipment, and parks and recreation facilities. In Fort Madison, the funds are used to provide specific grants for a variety of organizations. Funds have been awarded to assist with economic development through Fort Madison Partners. Other recipients are the Fort Madison United Way, Donnellson Library, a golf course, and continued follow-up grants to the Fort Madison Rec Class and Tri-State Rodeo. In Burlington, the funds are channeled through Grow Greater Burlington for economic development. He listed several businesses which have received funds, which will lead to an increase in the number of employees. Mr. Staebell stated SIRRC has a great relationship with CBC; they are supportive of their operations and attend meetings, and are a good corporate and community citizen. Mr. Staebell stated SIRRC endorsed the license renewal application.

Hearing no comments or questions concerning the license renewal, Chair Lamberti requested a motion. Commissioner Mertz moved to renew the license to conduct gambling games to Southeast Iowa Regional Riverboat Commission and renew the license to operate Catfish Bend Casinos II, LLC as a gambling structure. Commissioner Kramer seconded the motion, which carried unanimously.

Mr. Higgins concurred with Mr. Staebell's comments regarding the relationship between the facility and SIRRC. He stated his belief that most people forget that funds are shared with Fort

Madison and Keokuk. Mr. Higgins submitted a contract with Global Payments, Inc. for the purchase of kiosks for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contract as submitted by CBC. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Clinton County Development Association (CCDA)/Wild Rose Clinton, L.L.C. (WRC). Travis Dvorak, General Manager, stated that in addition to economic development and purchasing from Iowa vendors first, WRC has gone beyond that and has gotten their 215 employees involved in the community in various capacities. The facility is also becoming involved in the community through various organizations. Mr. Dvorak stated the CCDA got the facility involved in the Vision 2020 program, which is an economic development group that is looking to generate business from within the state, the country and internationally. Mr. Dvorak introduced Les Shields, a CCDA board member.

Mr. Shields stated CCDA and its predecessor organizations have been continually licensed by the IRGC since January 17, 1991 to conduct casino entertainment in Clinton County, and will be celebrating the 25th anniversary of the first casino cruise on June 12th. He stated the nine member board of directors consists of a diverse and committed group of volunteers who take their license responsibilities seriously. Proceeds from the casino operation have been distributed in the form of grants to local IRS 501(c) not-for-profit organizations for projects in Clinton County and to units of local government in Clinton County, such as the city, schools, law enforcement agencies and fire departments, including significant grants to volunteer fire departments within the county. Mr. Shields stated CCDA's website shows they have committed over \$17 million to local non-profit organizations in Clinton since their inception. It does not show additional projects, such as \$2 million that was committed to the Vision Iowa projects in Clinton in collaboration with money from the State of Iowa. Mr. Shields stated they also committed \$2 million to the Clinton River/Rail/Air Park to attract new industry and business to the west end of Clinton. He noted they recently made a significant contribution to the remodeling of the Eagle Point Lodge in Clinton. The lodge is a historic building built during the first Progress Administration, and the Rotary Club has undertaken an extensive remodeling project.

Mr. Shields stated Iowa Code Section 279.68 requires all school systems to test third grade students in reading comprehension and those students found to be deficient must take a summer reading program, summer school or repeat third grade. He indicated that 20-30% of students in most districts would be identified as deficient. Mr. Shields stated this is an unfunded mandate from the State. He stated CCDA met with the school superintendent and principals to start discussions on how they can help prevent some of the students from falling through the cracks; state law only addresses what is to happen after the fact.

Mr. Shields requested the approval of CCDA's license to operate a casino in order to continue their efforts in funding worthwhile projects in Clinton County.

Chair Lamberti stated he was going to make some comments that are off the license issue. He noted this is the day when the Commission hears all of the good things that gaming does in Iowa through the non-profits. He noted there have been numerous comments about the Commission's voluntary effort on the part of the non-profit organizations to review their good governance procedures. Chair Lamberti stated the items were not pulled out of thin air, but are national principles of good governance and that many non-profit licensees have made changes without any prompting. He noted that in the world of public companies, good governance and the policies that are adopted and how the company is governed are very important. Chair Lamberti stated that after twenty plus years the Commission felt it was appropriate to take these steps and it is within their jurisdiction. He noted Iowa has a unique licensing system as a result of Iowa law, and the Legislature and Governor were very thoughtful in their process. He is not sure they were aware of what they were creating or how unique and effective the system of having the non-profits would be, but it also creates a lot of responsibility. Chair Lamberti stated these are not average non-profits where a group of local business people get together and decide they are going to do good things in their community, then go out and raise the money and are accountable only to themselves.

Chair Lamberti stated non-profits in Iowa exist by virtue of the good graces of the people of Iowa, the Iowa Legislature, the Governor and IRGC, who granted that authority in certain areas; he stated it is a privilege to have that status. He expressed the Commission's extreme displeasure with CCDA's decision to not comply with the Commission's request to adopt the good governance principles they were asked to consider. Noting that he was contacted by some CCDA members; saw some comments in the paper, and the Commission received a letter from legal counsel, he stated he believes some board members have lost track of why CCDA exists and by whose good graces they exist. He stated someone had stated "The Commission should leave us alone." Chair Lamberti reiterated the CCDA exists due to the good graces of the people of Iowa; and has a high fiduciary responsibility. Chair Lamberti stated he had no evidence that any non-profit in Iowa has ever done anything improper; that the Commission's request is not about that. He stated it is about making sure the non-profits govern themselves and stay current with modern principles of good governance so those types of issues don't occur. He pointed out that he serves on a public company and gets tired of spending his time dealing with good governance as opposed to running the company, but the good governance principles are important. Chair Lamberti reiterated the Commission believes the principles are important to keep the non-profits healthy and focused on their responsibility. He stated there are numerous ways for the Commission to address the issue, but asked Mr. Shields to take his comments back to the rest of the CCDA members. Chair Lamberti stated the Commission is asking them to reconsider their decision and to come into compliance sooner rather than later, and certainly before CCDA appears before the Commission at the next license renewal. Chair Lamberti stated the issue is that important to the Commission and that Mr. Shields should convey the Commission's level of concern to his fellow board members.

Chair Lamberti asked if other Commission members wished to comment. Commissioner Heinrich stated he concurred with Chair Lamberti's comments.

Mr. Shields stated he understood the Commission's concerns and would relay them to the rest of the CCDA board. He stated it is only the one section with regard to term limits that CCDA elected not to comply with, and asked if there were additional concerns.

Mr. Ohorilko stated the Commission's concerns were with the term limits and the mandatory time off between terms. Chair Lamberti stated that when looking at governing principles at some of the national organizations, the number one issue is term limits. He reiterated that no one is accusing anyone of doing anything improper. He pointed out CCDA members have tenures of 27 years, 24 years, two with 18 years, 16 years, 15 years, and 11 years. The term limit principles are to avoid entrenchment; he stated he is not making that accusation but it is a concern. Chair Lamberti stated it is the Commission's belief, and that of individuals at the national level, that it is important to bring on new people and new ideas; that it is healthy for an organization to have some turnover in the makeup of the board. He indicated it is not a reflection on the commitment or job of the current members, but is important to have new ways of thinking and new ideas. Chair Lamberti stated the Commission is not trying to have a "one size fits all" but does believe term limits and some time off to allow for that turnover and transition are extremely important.

Commissioner Mertz stated she totally agreed with Chair Lamberti's comments. She stated there is a time when an organization has to look at the big picture; that it doesn't belong to any one person that sits on the board; it belongs to the whole organization. She stated that for the betterment of the community and governance of the CCDA, the board should take the Commission's recommendations under advisement again.

Mr. Shields advised he understood the above was the unanimous position of the Commission.

Hearing no further comments or questions, Chair Lamberti requested a motion regarding the license renewal. Commissioner Heinrich moved to renew the license to conduct gambling games to Clinton County Development Association and renew the license to operate Wild Rose Clinton, L.L.C. as a gambling structure. Commissioner Mertz seconded the motion, which carried unanimously.

Mr. Dvorak presented the following contracts for Commission approval:

- Konami – 12 New Slot Machines and Parts
- Data Direct Services – Direct Mailing and Printing

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contracts as submitted by WRC. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Palo Alto County Gaming Development Corporation (PACGDC)/Wild Rose Emmetsburg, L.L.C. (WRE). Amy Rubel, General Manager, stated 2016 will also mark their facility's 10-year anniversary and special events are planned to mark the occasion. She introduced Don Miller, President of PACGDC.

Mr. Miller thanked the Commission for the opportunity to be part of an organization to promote economic development. He noted PACGDC has term limits in place and he would be leaving the board the following week. He indicated he has enjoyed his time on the board, and was amazed by the grant applications. Mr. Miller stated he appreciated the working relationship between PACGDC and WRE management and staff. He noted the community had started "Help Assist" and a community foundation, Palo Alto Community Foundation under the Northeast Iowa Community Foundation. It is hoped the foundation will serve as a catalyst for donor and scholarship funds for the long-term benefit of the county. Mr. Miller introduced Mary Lee Orr, PACGDC Secretary.

Ms. Orr stated PACGDC has distributed \$15,314,726 and awarded 784 grants since its inception. She noted PACGDC would be holding its annual awards banquet on March 8th, and would be distributing approximately \$1.8 million. Some of the funds will be going to organizations in the surrounding counties. She advised they have good communications with WRE. She requested approval of the license renewal for Wild Rose Emmetsburg.

Commissioner Mertz thanked PACGDC for following the Commission's recommendation on giving awards to the surrounding counties. She stated that when she served in the Legislature, she had to get the Board of Supervisors in the counties of Pocahontas, Humboldt and Kossuth to pass a resolution approving of Emmetsburg getting a gambling license. Commissioner Mertz urged them to continue awarding grants to the surrounding counties.

Hearing no further comments or questions concerning the license renewal, Chair Lamberti requested a motion. Commissioner Kramer moved to renew the license to conduct gambling games to Palo Alto County Gaming Development Corporation and renew the license to operate Wild Rose Emmetsburg, L.L.C. as a gambling structure. Commissioner Mertz seconded the motion, which carried unanimously.

Ms. Rubel presented a contract with Lithia MBDM, Inc. for the purchase of 10 Smart Cars for Giveaway prizes for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by WRE. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Upper Mississippi Gaming Corporation (UMGC)/Isle of Capri Marquette, Inc. d/b/a Lady Luck Casino Marquette (LLCM). Donald Ostert, General Manager, advised this would be the facility's 21st year of operation; they are one of the largest employers in Clayton County with 198 employees. He stated 16% have been with the facility for fifteen or more years. He introduced Sindee Gohde, Executive Director of UMGC.

Ms. Gohde thanked the Commission for approving the amendment to their contract. She noted UMGC had been locked into small revenues; the amendment will increase their receipts to 3.25%, which will equal approximately \$800,000 per year. This represents a significant increase from the \$140,000 they currently receive. Ms. Gohde advised UMGC has done good things over

the years, just on a smaller scale. She advised UMGC has granted approximately \$5 million with \$1 million going to health and safety. They will continue to do so; but also hope to branch out into tourism to help attract more visitors to Clayton County. Ms. Gohde stated UMGC and LLCM have a very good relationship. She advised UMGC is in compliance with the good governance recommendations. She noted some board members were disgruntled, but she reminded them the Commission grants the license and advised they should comply. Ms. Gohde requested approval of the license renewal.

Hearing no comments or questions concerning the license renewal, Chair Lamberti requested a motion. Commissioner Arnold moved to renew the license to conduct gambling games to Upper Mississippi Gaming Corporation and renew the license to operate Isle of Capri Marquette, Inc. d/b/a Lady Luck Casino Marquette as an excursion gambling boat that will not cruise. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on IWRA d/b/a Horseshoe Casino Council Bluffs regarding their modified security plan. Janae Sternberg, Director of Finance, requested approval of the modified security plan as presented to the Commission.

Chair Lamberti noted there has been a significant amount of discussion over the past months regarding security plans and the Commission has allowed some modifications. He thanked everyone for their hard work on the matter, noting the Commission would be monitoring the plans going forward.

Hearing no further comments or questions, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the modified security plan as submitted by IWRA d/b/a Horseshoe Casino Council Bluffs. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on the Iowa Greyhound Association d/b/a Iowa Greyhound Park, and their request for the approval of their season approvals for the 2016 live race meet. Nick Mauro, legal counsel, requested approval for the 32nd racing season in Dubuque. He concurred with Mr. Avilés' comments regarding the economic issues in Dubuque in the early 1980's, and would like to think that greyhound racing played a significant role in helping to resolve the issues and formed the basis for what the Iowa Greyhound Association currently has with the City of Dubuque. He introduced Brian Carpenter, General Manager and Director of Racing.

Mr. Carpenter requested approval of the season approval request. Live racing will occur between May 14, 2016 and October 22, 2016 with four performances per week for a total of 96 performances with 15 races per performance. Post times will be at 6:30 PM on Wednesday and Friday, and 1:00 PM on Saturday and Sunday. Additional performances will be held on May 30, July 4 and September 5 with a post time of 1:00 PM.

Hearing no further comments or questions regarding the season approvals, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the 2016 Season Approvals for the Iowa Greyhound Association d/b/a Iowa Greyhound Park with the following conditions:

- The immediate written notification of any change in racing official positions.
- The completion of necessary IRGC licensing and DCI background checks of officials.
- The import and export contracts should continue to have the review and approval by staff to insure regulatory compliance.
- Continuous review of racetrack maintenance issues and monitoring of injuries in cooperation with IRGC representatives.
- Walk through by IRGC staff to ensure all equipment is in working order and the facility is ready to accept the greyhounds.
- Approved security plan by staff.

Commissioner Kramer seconded the motion, which carried unanimously.

Mr. Carpenter presented the following contracts for Commission approval:

- Dubuque Racing Association – Service Contract
- United Healthcare – Health Insurance for Full-time Employees
- Roberts Communications – Equipment and Services for Sending Simulcast Signal for Live Races
- American Teletimer – Photo Finish and Timer Equipment
- ROSNET – Specialized Racing Software

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contracts as submitted by the Iowa Greyhound Association d/b/a Iowa Greyhound Park. Commissioner Heinrich seconded the motion, which carried unanimously.

As there was no Public Comment, Chair Lamberti moved to Administrative Business and called on Mr. Ohorilko. Mr. Ohorilko advised the annual economic impact reports were due to the Commission's office by mid-February. He noted the reports are prepared by the facility and are unaudited by the Commission, but feels they give a good indication of the economic impact of gaming and racing in Iowa. Mr. Ohorilko advised the reports show \$274 million in payroll and related expenses, over \$393 million in gaming taxes or other payable taxes, and the total economic impact in Iowa related to gaming was approximately \$1.2 billion, a significant increase from the previous year. In terms of the Buy Iowa initiative, the percentage of dollars spent in Iowa was 88.5%, an increase from last year. If gaming equipment and other goods and services that need to be purchased outside of Iowa are deducted, expenditures with Iowa vendors were 95%. Mr. Ohorilko stated the following facilities reached the 95% mark in purchases from Iowa vendors: Ameristar, Catfish Bend Casino, Diamond Jo, Diamond Jo Worth, Grand Falls Casino Resort, Horseshoe, IOC Waterloo, Lady Luck Marquette, Prairie Meadows, Riverside, Wild Rose Clinton and Wild Rose Jefferson. He noted information was received from the Iowa Greyhound Association, which showed 89% of expenditures were made with Iowa vendors, and without purses, it would be 100%.

Mr. Ohorilko gave notice of the Horse Promotion Fund, advising there is \$1,270.57 available for distribution in FY 2016. Applications for the funds must be submitted to the Commission's Des Moines office by 3:30 PM on April 1st. Recipients of the funds for FY 2015 are required to submit a written accounting of how the funds were utilized, and an affidavit stating none of the funds were spent on any political activity or an attempt to influence legislation.

Mr. Ohorilko advised the purse allocation at PMR&C for 2016 would be as follows: Thoroughbreds - \$14,187,112; Quarter Horses - \$2,846,756.03; and Harness - \$1,633,384.61. He noted purse calculations are based on gaming revenues from the previous calendar year at PMR&C.

Chair Lamberti called for any other business to come before the Commission. Commissioner Mertz stated she found it hard to believe it has been 25 years since she was in her first year in the Legislature and cast the 51st vote for riverboat gambling. She stated she feels it has been beneficial for the State of Iowa. Commissioner Mertz indicated her belief that one of the reasons gambling works so well in Iowa and there is no crime connected to the industry is because of the non-profit organizations and the casinos working together. She stated it was her language that created the County Endowment Fund to provide gaming funds to those counties without a gaming facility in their county. She offered her congratulations to all of the facilities.

Hearing no further comments, Chair Lamberti requested a motion to adjourn. Commissioner Mertz moved to adjourn. Commissioner Kramer seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
APRIL 14, 2016**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, April 14, 2016 at Ameristar Casino Council Bluffs, LLC (Ameristar), Council Bluffs, Iowa. Commission members present were Jeff Lamberti, Chair; Carl Heinrich, Vice Chair; Richard Arnold, Kris Kramer and Dolores Mertz.

Chair Lamberti called the meeting to order at 8:30 AM, and moved to the approval of the agenda, noting Item 6H was being pulled from the agenda. Chair Lamberti requested a motion concerning the agenda. Commissioner Mertz moved to approve the agenda as amended. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti moved to the Welcome. Monty Terhune, General Manager of Ameristar, introduced Mayor Matt Walsh, who welcomed the Commission to Council Bluffs. He noted it has been just over 20 years since the riverboats opened, and the city still has three very successful gaming operations in the city. He advised the establishments provide entertainment and dining opportunities, but also provide consultation, board members, and ad hoc committee members that benefit the community. Mayor Walsh stated the city will be rolling out a rebranding of the city for the first time in approximately 30 years. He noted that Mr. Terhune sits on the board of the Convention and Visitors Bureau, one of three agencies involved in the rebranding, which will be providing free t-shirts. The new brand will be rolled out on the 13th anniversary of Stir Cove, which Harrah's has made available for the event.

Chair Lamberti moved to the approval of the minutes from the March 3, 2016 Commission meeting. Hearing no comments or questions, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the minutes as submitted. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti moved to announcements, and called on Brian Ohorilko, Administrator of IRGC. Mr. Ohorilko advised there would be no meeting in May, and the June meeting would be held on June 9th at Wild Rose Jefferson, Jefferson, IA. He noted submissions for the meeting are due in the Des Moines office by May 25th.

Mr. Ohorilko provided the following dates and locations for the Commission meetings for Fiscal Year 2017:

July 14, 2016	Holiday Inn & Suites, W. Des Moines
August 18, 2016	Grand Falls Casino & Resort, Larchwood
October 13, 2016	Rhythm City Casino, Davenport
November 17, 2016	Honey Creek Resort, Moravia
January 5, 2017	Isle Casino Hotel Waterloo, Waterloo

March 7, 2017

April 13, 2017

June 15, 2017

Prairie Meadows Racetrack & Casino, Altoona

Harrah's, Council Bluffs

Isle of Capri Bettendorf, Bettendorf

Mr. Ohorilko then recognized the following Commission staff assigned to the Council Bluffs properties: Linda Baxter, Licensing Assistant; Lynette Masker and Bryan Crowdy, Gaming Representatives at Ameristar; Jeff Rethmeier and Julie Petersen, Gaming Representatives at Harrah's; and Carol Fajen and Cory Ostermeyer, Gaming Representatives at Horseshoe.

Chair Lamberti noted the Commission would be dealing with Greyhound Cessation Hardship claims later on the agenda, and thanked Commission staff who performed the background work on the claims.

Chair Lamberti moved to the review of the licensee's financial audits and called on Ameristar. Kendra Stronach, Director of Finance, noted Ameristar had several capital improvements with the main one being the opening of the High Limit Room in December 2015; another was the IPO project, which is expected to be completed in the next two months. They are also working on the VIP Lounge, and Club 38, which should be completed before summer. She advised they have several projects in the planning stage which the Commission will be hearing about in the next few months. Ms. Stronach estimated capital expenditures for 2016 would be about the same as in previous years. She stated their community spend in 2015 was \$46 million; of that \$34 million went to the state and over \$5 million to the Iowa West Racing Association (IWRA). Salaries and benefits totaled \$26 million. Ms. Stronach advised Ameristar's market share increased year over year but the overall market is down slightly.

Hearing no comments or questions concerning Ameristar's audit, Chair Lamberti called on Catfish Bend Casinos II, L.C (CBC). Gary Hoyer, Chief Executive Officer of Great River Entertainment, LLC, the parent company for CBC, advised 2015 was a good year as they experienced a 12% increase in gaming revenue, and a 13% increase in revenue overall. He indicated the increase was attributable to their revamped marketing and promotion program, floor upgrades, construction workers in the area, gas prices and a general economic upturn in southeast Iowa. Mr. Hoyer stated the equity position for CBC materially improved over last year, and substantially over prior years; as did the cash position. Operating income increased 33%, and net income was up 49%. He introduced Donald Spears, Controller, for the facility.

Hearing no comments or questions concerning CBC's audit, Chair Lamberti called on Diamond Jo, LLC d/b/a/ Diamond Jo (DJ). Wendy Runde, General Manager, and Debbie Puetz, Director of Finance, were present to address the audit. Ms. Runde advised the Dubuque market was up 1.9% in 2015; DJ saw an increase in revenue of \$3.5 million, or 5.7%; and slot revenue increased \$3.6 million while table revenue decreased slightly. She noted DJ employs an average of 318 FTEs for payroll and benefits totaling \$12.2 million; and made payments to the Dubuque Racing Association (DRA) of just under \$3 million. Their total economic impact for 2015 was just over \$47,250,000, of which \$43.1 million was spent with Iowa vendors. When gaming equipment is excluded from the \$47.2 million, 98.9% was spent with Iowa vendors. Ms. Runde advised DJ invested \$1.8 million in capital expenditures for maintenance improvements, technology

upgrades, and approximately \$1 million in keeping the slot floor fresh. Capital expenditure plans for 2016 are similar to 2015, with the addition of the new food and beverage restaurant venue, which was approved at the March meeting.

Hearing no comments or questions concerning DJ's audit, Chair Lamberti called on Diamond Jo Worth, LLC d/b/a Diamond Jo Worth (DJW). Kim Pang, General Manager, and Carrie Stapelkamp, Director of Finance, were present to address the audit. Mr. Pang indicated the facility is maintaining the status quo, noting that 2015 was good even though revenues remained flat. He noted the facility was challenged with some projects, one of which was the renovation of the gas station at a cost of approximately \$1.1 million. Other capital expenditures were for reconfiguring the slot floor and bringing in new product. Mr. Pang advised they employ approximately 400 team members, 280 from Iowa and approximately 150 from Minnesota. He stated their market continues to be robust, drawing a majority of their business from southern Minnesota. Mr. Pang advised they compete with two Native American casinos in Minnesota, and Wild Rose Emmetsburg and Isle Waterloo in Iowa. He advised 2016 is looking strong for them. They are celebrating their 10th anniversary as the facility opened on April 6, 2006; there will be celebrations throughout the month.

Hearing no comments or questions concerning DJW's audit, Chair Lamberti called on the DRA. Bill Eichhorn, Director of Finance, stated 2015 was a little less eventful, noting the purchase of the Hilton Garden Inn and Houlihan's Restaurant in 2014 and the elimination of greyhound racing. He indicated both strengthened the financial position of the facility. DRA distributed \$2.3 million in grants and the City of Dubuque received \$7.3 million. Outside of the grant program, DRA also distributed funds to the Greater Dubuque Development Corporation and United Way of approximately \$300,000 for a total of \$9.9 million to the city and charities. Mr. Eichhorn noted DJ did provide DRA with \$3 million; wages were just over \$16 million; gaming taxes totaled \$10.5 million, and capital improvements, mostly new slot machines, totaled \$1.3 million. He advised gaming revenue was down approximately 2.8%. He stated they are looking forward to 2016 and hope to see an increase in gaming revenue.

Hearing no comments or questions concerning DRA's audit, Chair Lamberti called on Harvey's Iowa Management Company, Inc. d/b/a Harrah's Council Bluffs Casino and Hotel (Harrah's). Janae Sternberg, Vice President of Finance, advised 2015 was an eventful year due to the parent company filing bankruptcy in January, which has not significantly impacted operations or the financial performance. Changes in the way various items are reflected in the financial statement are required by the bankruptcy. Ms. Sternberg advised the Council Bluffs market was down in 2015, and Harrah's saw a decrease of approximately 4.5%; however, EBITDA was up significantly year over year. She noted they spent just over \$2 million in capital for new hotel corridors, new ticket redemption kiosks on the floor, slot machines, fitness center remodel, and an upgrade to the HVAC system. Ms. Sternberg stated they are excited for 2016.

Hearing no comments or questions concerning Harrah's audit, Chair Lamberti called on HGI-Lakeside, LLC (Lakeside). Bob Thursby, General Manager, advised they saw a slight increase in revenue for 2015; and payroll and benefits totaled \$10 million. He noted there was a significant impact to the bottom line through adjustments in marketing. Mr. Thursby stated they

replaced their slot monitoring system at a cost of over \$2 million, upgraded the hotel system and installed a new phone system in 2015. He advised 2016 is off to a good start and they are looking forward to a very good year.

Hearing no comments or questions concerning Lakeside's audit, Chair Lamberti called on SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City (Hard Rock). Todd Moyer, General Manager, and Kevin Sweet, Director of Finance, were present to address the audit. Mr. Moyer commenced his report by thanking the Commission for their support and guidance to the industry. He noted 2015 was a great year for Hard Rock; the hotel was awarded the AAA 4-Diamond Award; the property received an award from the Governor's Office of Tourism as an outstanding attraction in the State of Iowa, and has won a dozen or more awards from national gaming publications, one of which named them as having the best customer service.

Mr. Moyer advised salaries, wages and benefits totaled just over \$14.7 million to the 529 team members; charitable donations to the city and county were \$4.9 million; approximately \$50.5 million, or 86.3% of total expenditures, were with Iowa vendors; and gaming taxes totaled \$17.8 million. He stated the facility had over 2.1 million visitors, noting the facility is becoming known as an entertainment destination. He stated over 86,000 people attended the various shows; coming from 46 different states.

Hearing no comments or questions concerning Hard Rock's audit, Chair Lamberti called on Wild Rose Clinton, L.L.C. (WRC). Scott Ivers, Director of Finance for Wild Rose Entertainment, and Rick Gilson, Director of Regulatory Compliance and Internal Audit, were present to address the audit. Mr. Ivers stated he would be addressing all three Wild Rose properties.

Mr. Ivers advised gaming revenue increased, noting it had decreased in previous years due to the increase of VGTs in Illinois. He stated the market has stabilized, and marketing efforts and investments in the casino floor have paid off. Capital expenditures for 2015 included upgrading the gaming floor, which will continue in 2016.

Mr. Ivers advised all three properties are located in smaller communities, and is a significant employer. He advised finding and retaining staff is a challenge in all three communities due to the low unemployment rate.

Hearing no comments or questions concerning WRC's audit, Chair Lamberti moved to Wild Rose Emmetsburg, L.L.C. (WRE)

Mr. Ivers advised gaming revenues were flat between 2014-2015. Revenues at this facility tend to be influenced by the agricultural economy. Capital expenditures for 2015-2016 will be focused on upgrading the casino floor and surveillance system.

Hearing no comments or questions concerning the WRE audit, Chair Lamberti called on Wild Rose Jefferson, L.L.C. (WRJ). Mr. Ivers noted the property opened in July 2015. He stated the first few months were great, but revenue has now stabilized. He advised there were no capital expenditures since the property is new; they will enhance areas they feel are not meeting

expectations. Mr. Ivers stated 2016 started off better than expected, and the facility is seeing a gradual increase in revenue each month.

Hearing no comments or questions concerning WRJ's audit, Chair Lamberti called on Riverside Casino & Golf Resort, LLC (RCGR). Dan White, General Manager of Shared Services for Elite Casino Resorts (ECR), introduced Dan Franz and Sharon Hasselhoff, General Managers of RCGR and Grand Falls Casino Resort, LLC (GFCR) respectively. Mr. White advised the audit for ECR includes RCGR, GFCR, and Rhythm City Casino, LLC.

Mr. White advised the audit was clean, with no internal control comments. He noted ECR was created on June 8, 2015, so the audit is set forth in two periods – January 1 – June 7, 2015 which is a combined audit for the three properties. The second time period is June 8 – December 31, 2015, post Elite and is referred to as the successor company, and is submitted on a consolidated basis of all three properties and ECR. Mr. White stated there is not much for comparables due to the creation of ECR. He advised gross revenue for fiscal year 2015 was \$218 million compared to \$220 million in the prior year. Gaming revenue was \$184.6 million, compared to \$186.2 million in the prior year, a decrease of just under 1%.

Hearing no comments or questions concerning the audit for ECR, Chair Lamberti called on Horseshoe Casino. Ms. Sternberg advised her comments regarding Caesar's bankruptcy would also apply to Horseshoe. She noted there was minimal impact on the financial performance of the property related to the bankruptcy. Ms. Sternberg advised Horseshoe's market share was down year over year due to their pull back in marketing spend related to the cash flow needs for the bankruptcy; EBITDA was relatively flat year over year, and capital expenditures were down from 2014 as they did a complete floor refresh – slot machines, signage, carpet, etc. They did purchase some new slot machines and guest transportation vehicles, replaced all of the parking lot light poles, and upgraded the pylon signage at the entrance.

Commissioner Heinrich thanked the facilities for their efforts in utilizing Iowa vendors wherever possible; noting it is important to the state and Commission.

Chair Lamberti called on IWRA. Pete Tulipana, Executive Director, noted the audit reflected a significant decrease in salaries, wages and benefits due to employee restructuring and transition of long-term employees. He also advised there is a decrease in cash and cash equivalents due to the timing of distributions to the Iowa West Foundation and the receipt of casino revenues. Mr. Tulipana advised their revenue remained flat at approximately \$7 million annually.

Hearing no comments or questions concerning the IWRA audit, Chair Lamberti called on the Iowa Greyhound Association. Brian Carpenter, Director of Racing and General Manager, and Nick Mauro, legal counsel, were present to address the audit. Mr. Carpenter noted 2015 was their first year of operations. They started with an aggressive marketing campaign in Dubuque, lower Wisconsin and the Quad Cities. He indicated the combined handle on performances was up 17% in 2015 over 2014. Mr. Carpenter indicated they plan to continue the aggressive marketing campaign and hope to continue to bring in new patrons.

Hearing no comments or questions concerning the Iowa Greyhound Association's audit, Chair Lamberti called on Prairie Meadows Racetrack & Casino, Inc., d/b/a Prairie Meadows Racetrack & Casino. Brian Wessels, Director of Finance, advised 2015 exceeded their expectations. Charitable contributions and the lease payments to Polk County were \$31.1 million; gaming taxes and fees were \$45.2 million; salaries, wages and benefits were \$58.7 million for an average of 1,003 employees. Capital improvements were \$11 million, including the remodel of the Triple Crown and AJ's Restaurant.

Chair Lamberti stated several of the audits had minor deficiencies the Commission will want to track. He noted that in many cases the deficiencies have already been addressed and a response provided to Commission staff. He stated that if there are ongoing deficiencies, facility staff should keep in touch with Commission staff to insure the deficiencies are addressed.

Chair Lamberti noted revenue at several facilities was flat, with a few seeing an increase in revenue. He indicated the fact that it did not take much time to review the audits is a testament to how the facilities are being managed.

Chair Lamberti moved to the contract approval portion of the agenda and called on Hard Rock. Mr. Moyer presented the following contracts for Commission approval:

- Konami Gaming, Inc. – Slot Machine Purchases/Leases
- Sure Sound & Lighting – Lighting and Sound for Stage Equipment
- Prevail Marketing, LLC d/b/a Prevail Promotions – Marketing Promotions
- Walk on Tours, Inc. – Entertainment Act
- JRNEWO, Inc. – Entertainment Act

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by Hard Rock. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on WRE. Amy Rubel, General Manager, presented a contract with Bally Technologies for gaming equipment and leased machines for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contract as presented by WRE. Commissioner Kramer seconded the motion, which carried unanimously.

Ms. Rubel noted that WRE is also celebrating its 10-year anniversary, and invited everyone to attend a concert on May 28th.

Chair Lamberti called on DRA. Mr. Eichhorn presented a contract with Midwest Casino Supply for slot and table chairs for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the contract as submitted by DRA. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on GFCR. Ms. Hasselhoff presented the following contracts for Commission approval:

- Bally Technologies – Gaming Leases and Equipment
- Coca Cola Bottling – Beverage Contract
- Global Payment Systems – Check Guarantee Agreement
- Global Payment Systems – Credit/Debit Card Cash Advance Agreement

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by GFCR. Commissioner Kramer seconded the motion, which carried unanimously.

Commissioner Heinrich asked about the golf course. Ms. Hasselhoff stated the course opened the previous day, and noted there were over 70 on the books to play on Saturday. She indicated the facility would be ready for everyone in August.

Chair Lamberti called on Rhythm City. Joe Massa, Chief Operating Officer for ECR, submitted the following contracts for Commission approval:

- Bally Technologies – Corporate – Shuffler Lease for Table Games
- Best Buy – Electronics for New Property
- Cintas Corporation – Employee Uniforms
- Edward Don & Company – Disposables, Smallwares Purchases
- Egads Sign Shop – Interior Signage
- Greenwood Cleaning – Cleaning Equipment & Supplies
- Guest Supply, a Sysco Company – Hotel Room Supplies & Linens
- IGT – Slot Parts & Supplies
- Iowa Audio Visual – Sound Equipment
- Mills Chevrolet - Vehicles for New Property & Allowance for Future Marketing Promotions
- Neesvig's – Specialty Food Purchases
- Oracle Hospitality – Gaming – Hotel Property Management System
- Paragon Commercial Interiors – Office Furnishings (RP)
- Team Services – Construction – Settlement Monitor Plates & Special Testing
- US Foods – Food Purchases

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contracts as submitted by Rhythm City. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Isle of Capri Bettendorf, L.C. (IOCB). Nancy Ballenger, General Manager, presented the following contracts for Commission approval:

- Mediacom – Three-Year Contract for Cable Services
- 2nd Wind Exercise, Inc. – Five-Year Lease for Exercise Equipment

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contracts as submitted by IOCB. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti moved to the Fourth Amendment to the Real Estate Lease between Green Bridge Company and IOCB.

Hearing no comments or questions concerning the amendment to the lease, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the Fourth Amendment to the Real Estate Lease as submitted. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on Harrah's. Ms. Sternberg presented the following contracts for Commission approval:

- Burton Plumbing – Plumbing Contractor
- MCL Construction – Construction Vendor
- United States Playing Card Co. – Playing Cards and Dice Vendor

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the contracts as submitted by Harrah's. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on the Iowa Greyhound Association for an update on the live race meet. Mr. Carpenter noted they conducted simulcasting in January and February this year, March figures were double from March 2015, and April is looking good so far. He stated they have contracted with ten (10) kennels, and opened the compound on April 1st. Mr. Carpenter advised morning schooling started on April 4th, and over half of the kennels have brought in their puppies and started schooling them. More kennels will start arriving in two weeks when the Florida tracks start closing for the summer. Official schooling will commence on April 30th, and live racing starts on May 14th and runs through October 22nd. He noted the track will be following the same schedule as last year, but has added the holidays of Memorial Day, July 4th and Labor Day. Mr. Carpenter stated the stakes races will remain the same as last year, but purses for the season were increased by \$200,000.

Commissioner Mertz stated she was glad to hear they are doing well, and hope things continue to go well in 2016. Mr. Carpenter stated the aggressive marketing campaign seems to be helping.

Chair Lamberti called on PMR&C for an update on the thoroughbred meet. Gary Palmer and Derron Heldt, General Manager and Director of Racing respectively, were present to address the agenda items.

Mr. Heldt advised stall applications were due on March 22; they received over 1,700 applications which is about 150 more than last year. He noted the facility has 1,350 stalls; they have been in discussions with the trainers to get a better idea of how many horses they anticipate bringing to the facility. Mr. Heldt stated there are 365 horses on the backside currently with 36 trainers. He feels stall space will be at a premium this year and they will not be as light on horses as they have been in previous years. He advised the barn area opened on April 1st, and the training track opened on April 3rd; horses are allowed to train on that track for one week. The main track opened on April 10th. Mr. Heldt stated the track is fully operational on the backside. He stated the meet at Oaklawn Park in Hot Springs, Arkansas ends on Saturday; PMR&C will see a big influx of horses in the next two weeks. Mr. Heldt advised the season opens on April 28th. He noted there is a change in the post time; on Thursday and Friday the post time will be 5:30 PM; and Saturday's post time will be 1:00 PM as opposed to 6:30 PM last year. He advised the racing department has worked closely with Food and Beverage, Marketing and Special Events in an attempt to come up with events to hold on the apron once racing ends at 4:45 PM. Mr. Heldt indicated there will be some outdoor concerts that will go until 10:00 PM. He also said they are having some "corporate days" and have been working with various companies to bring their employees out for a day at the races on Saturdays.

Mr. Heldt noted the Kentucky Derby is the first weekend of May. He advised the Albaugh family from Ankeny owns a horse that won a \$1 million race in Kentucky, which is a prep race for the Kentucky Derby. Mr. Heldt indicated that should lead to increased interest in the Kentucky Derby and attract more people to the track in order to bet on the horse. The name of the horse is Brody's Cause, and it is considered one of the top five horses in the field.

Mr. Heldt stated some major improvements have been made during the off-season; the facility went high-definition throughout the casino and racing area; and has re-opened the track kitchen for the horsemen.

Commissioner Mertz stated she was glad to hear the track was taking steps to increase the love of horse racing in Des Moines and at PMR&C. She congratulated them on the things they are doing and wished them a banner year in 2016.

Mr. Palmer presented a contract with Trane Iowa Equipment for a street sweeper for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Mertz moved to approve the contract as submitted by PMR&C. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti moved to the hearings before the Commission and called on Mr. Ohorilko. Mr. Ohorilko advised Commission staff and GFCR had entered into a Stipulated Agreement

regarding a violation of Iowa Code 99F.4(22) (Self-Exclusion). He stated the individual signed the state-wide self-exclusion form at Hard Rock on December 13, 2015. The individual entered GFCR on December 18th, and due to some confusion on the part of GFCR's staff, was allowed to obtain a Player's Club Card and free play, which triggered the referral to the Commission. He noted GFCR caught the error on the same day; however, the individual had already left the facility. GFCR staff did catch the individual when they re-entered the facility the following day. Mr. Ohorilko stated this is the first violation of this nature for GFCR in the past 365 days. He requested approval of the proposed Stipulated Agreement.

Ms. Haselhoff apologized for the incident, noting the facility takes this issue very seriously. Their system provides alerts when a self-excluded person comes on property, and that has been in place since the facility opened; and employees are expected to pay attention to the numerous alerts. She stated the employees involved in the situation have been re-trained as well as all personnel in the Resort Club, Security, Surveillance and Cage to make sure they understand the importance of the alerts in the system and the proper procedures so these situations are handled properly. Ms. Haselhoff advised that during a review of the process from start to finish to insure that all procedures are correct staff found two additional self-banned individuals in the database that were from previous years; Commission staff was informed. As the records for those individuals did not contain social security numbers, GFCR was not 100% certain the individuals were self-banned. They have added additional steps within the process in order to better scrub their distribution lists; they are also comparing addresses and not just relying on social security numbers. She stated they will continue to educate employees on the importance of following the established Standard Operating Procedures and Internal Controls.

Hearing no comments or questions, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the proposed Stipulated Agreement as presented with an administrative penalty of \$3,000. Commissioner Mertz seconded the motion, which carried unanimously.

Mr. Ohorilko moved to the next hearing and advised Commission staff and RCGR management had entered into a proposed Stipulated Agreement for a violation of Iowa Code 99F.4(22) (Self-Exclusion). Mr. Ohorilko noted the individual signed the form on December 15, 2004 at Rhythm City in Davenport, and was added to RCGR's system on August 17, 2007. The individual entered RCGR on April 29, 2014 and was issued a Player's Club Card. Between April 29, 2014 and February 18, 2016, the individual gambled at least 24 times and received promotional mailings, which would trigger the referral. Mr. Ohorilko stated RCGF discovered the issue during an audit of their player's tracking system and self-reported to the Commission. He advised RCGR has agreed to pay an administrative penalty between \$3,000 and \$20,000; this is the second violation of this nature in the past 365 days. He requested approval of the proposed Stipulated Agreement.

Mr. Franz noted GFCR and RCGR share internal audit staff, and apologized for the extended time frame of the incident. He stated the facility is in the process of meeting with front-line employees to provide additional training. Mr. Franz stated the previous incident had to do with the procedures at the cage, and this incident occurred at the Resort Club desk. Mr. Franz stated management of both areas is meeting one-on-one with employees in those areas to emphasize the

importance of paying attention to the alerts that come up in the system and taking another look at the information being provided and comparing it to the entry in the system. He noted RCGR is also improving its audit process to look at more points of data during their review of their lists. They have added a partial social security number match, instead of just matching a full social security number. Mr. Franz apologized for the situation, and stated the facility would take the necessary steps to prevent this situation from occurring in the future.

Hearing no comments or questions, Chair Lamberti requested a motion. Hearing none, Chair Lamberti moved to approve the proposed Stipulated Agreement with an administrative penalty of \$5,000. Commissioner Kramer seconded the motion, which carried unanimously.

Mr. Ohorilko moved to the final hearing before the Commission, noting that Commission staff and IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo management have entered into a proposed Stipulated Agreement regarding a violation of Iowa Code Iowa Code § 99F.9(5) (Minor). On January 17, 2016, a 20-year old patron approached the turnstile, was able to access the gaming floor unchallenged, gambled and was on the floor for at least 30 minutes; these items would trigger the Commission referral. Approximately 45 minutes after the individual gained entry to the gaming floor, a table games supervisor contacted Security to perform an identification check on the individual. The individual was identified at that time and was asked to leave the floor. Mr. Ohorilko noted that Isle Waterloo has incorporated a number of other controls to prevent further incidents. He stated IOC Black Hawk County has agreed to an administrative penalty of \$20,000, and requested approval of the proposed Stipulated Agreement.

Todd Connelly, General Manager, stated he has been on property since January 6th, and pointed out he received a fine from last July at his first meeting, and then received a phone call 4 days later that a minor had gained access to the casino floor. He stated a party bus showed up; the next time that occurs, all individuals will be sequestered to insure security staff has the ability to check everyone's identification. Mr. Connelly stated an Iowa vendor with whom the facility has conducted business decided to help a minor gain access to the floor. The first person off the bus, who was believed to be intoxicated, engaged the security guard. He advised that in reviewing the situations when minors have gained access to the floor, they all occurred during off-times, not during a busy Friday or Saturday. Mr. Connelly stated two security guards will be in place during the time frames in which any incident for which the facility has been fined has occurred. He advised the facility has terminated its contract with the local vendor; the security guard was also terminated, and anyone who interacted with the individual was written up. They have added additional procedures to allow security to better scrutinize who is going onto the casino floor.

Mr. Connelly noted their proximity to UNI creates issues for them. He stated they have created a Fathead poster showing the individual being arrested and fined \$2,000, providing underage individuals an opportunity to determine if the risk is worth the outcome.

Hearing no comments or questions, Chair Lamberti moved to approve the proposed Stipulated Agreement and administrative penalty of \$20,000. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti moved to the Greyhound Cessation Hardship Claims, noting this is new territory for the Commission. They are part of the cessation of greyhound racing and the rules that were adopted. He noted the rules allowed individuals or entities to submit hardship claims based upon the cessation of racing in Council Bluffs. He stated Item 10D had been withdrawn for today's meeting. Chair Lamberti stated the Commission does not have any procedures in place, but each individual listed has filed their claim and Commission staff has investigated those claims. He stated the Commission would like each individual to present their claim and any other pertinent information, which will provide the Commission with an opportunity to ask questions.

Chair Lamberti called on Dr. George W. Darnell. Dr. Darnell thanked Commission staff for their help throughout the process. He stated he was applying under IAC §491-7.15(2)f, and would not receive funds under any other provision of the rules. Dr. Darnell stated he graduated from Iowa State University in 1978 and opened his practice in 1980. He advised he has been licensed by the Commission since February 1986; he started treating racing greyhounds three weeks before Bluffs Run opened, and was forced to stop due to the cessation of greyhound racing at Bluffs Run. Dr. Darnell stated his practice evolved into a specialized greyhound practice, making up 95% of his business. He stated he invested in a mobile vet clinic, supplies, medications, specialized orthopedic equipment, and advanced education in order to more effectively treat the racing greyhounds at the track. During Bluffs Run's peak time, he had several employees and earned considerably more than he has averaged over the last several years; and indicated the Commission should have his income average for the past 8 years. This income is now gone, and he does not plan to relocate at this stage of his life in order to continue his greyhound practice. Dr. Darnell stated he is requesting the maximum allowable distribution, which after taxes, would equal less than one year of income.

Chair Lamberti asked Dr. Darnell if he has other income and business interests outside of his practice at the track. Dr. Darnell advised he does have some regular clients who have been with him for several years, as well as some family and neighbors from which he derives no income. Chair Lamberti asked Dr. Darnell if he was going to continue his private practice. Dr. Darnell answered in the affirmative.

Chair Lamberti stated the rules grant a fair amount of discretion to the Commission to make the determinations and don't provide much direction other than the hardship needs to be related to the cessation of racing. He stated that based upon the claim submitted, and the work staff did, the Commission believes there has been a loss suffered as a result of the cessation of racing at Bluffs Run. He stated the Commission attempted to take into account the income that has been earned previously as well as other income and the ability to continue to generate income to make up for some of the loss. Chair Lamberti stated it is in the Commission's discretion to try to address the hardship. Based upon the aforementioned factors and the belief there is some opportunity to continue to practice and grow the practice, and generate income from other endeavors, Chair Lamberti moved to approve the hardship claim in the amount of \$50,000.00. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Lori Fortune. Ms. Fortune advised she had worked in the business for almost 20 years, and was a trainer for 13 years. She stated she lost her job and business when the

track closed. Her job was a split shift job, which allowed her to do the paper in between shifts. Ms. Fortune indicated it would be difficult to find a job that would come close to equaling her previous income. She stated most of the money she received from her trainer claim went to taxes and medical bills.

Chair Lamberti stated it was his understanding the claim before the Commission is related to the paper business. Ms. Fortune indicated that was correct. Chair Lamberti stated it appears the average net profit for the previous five years was approximately \$11,000 per year. Ms. Fortune answered in the affirmative. Chair Lamberti stated she had submitted a claim for \$56,500. Ms. Fortune indicated that was correct, that she determined the figure by reviewing her taxes.

Hearing no further comments or questions, Chair Lamberti stated he believes there is a hardship due to the loss of the business related directly to the cessation of racing at Bluffs Run. In determining an amount, Chair Lamberti stated he was taking into consideration the net income for the past five years, which is mentioned in some of the legislation with respect to other payments, and provides some guidance here. He stated that at some point Ms. Fortune would have to attempt to find another job; that the Commission is not tasked with making someone whole forever. Based on the aforementioned details, Chair Lamberti moved to find a hardship and approve the claim in the amount of \$30,000. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on Kennel Supply, LLC. Jon Stidham, owner, indicated he started the business in 2008 to fill a void in the supply of greyhound feed and supplies at Bluffs Run. He stated he made a substantial investment in real estate and facilities to provide the services needed, approximately \$250,000 for a building, freezer, and real estate. In 2014, he decided to cease operations at Bluffs Run in order to diversify the business and provide feed and supplies out-of-state. Mr. Stidham advised the hardship money will help offset lost income so far this year and enable Kennel Supply to survive and diversify further. He stated he has no intention of moving out-of-state, and plans to continue to operate Kennel Supply and supply meat and supplies at Iowa Greyhound Park. He noted the volume sold at Iowa Greyhound Park will be significantly less than at Bluffs Run. Mr. Stidham requested approval of his hardship claim.

Chair Lamberti stated it was his understanding the business continues to operate. Mr. Stidham answered in the affirmative. Chair Lamberti asked if he had operations in other states. Mr. Stidham stated he does provide supplies via UPS to out-of-state locations. He advised he had lost a contract with his meat supplier in Wisconsin due to the cessation of racing at Bluffs Run, but does still do business with them. The meat supplier is now able to sell their meat elsewhere without going through him.

Hearing no further comments or questions, Chair Lamberti agreed there had been some loss as a result of the cessation of racing at Bluffs Run, and was trying to balance the size of the entity to the other jurisdictions where he potentially has the ability to grow the business in the future to make up for the loss of the racing at Bluffs Run. Chair Lamberti, based on the totality of the situation, the size of the business and opportunities available, and the business risks that are

inherent with any business, moved to find there was no hardship and deny the claim. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Eric Pelto. Mr. Pelto stated he came to Council Bluffs in February 1986, and was involved in the installation of the television systems, public address system, and surveillance system when the facility was turned into a casino, and the day-to-day operations of the simulcasting. Mr. Pelto stated he was asking for the maximum. After 35 years with Sport View Technologies at Bluffs Run, he didn't think it would end like this. He indicated he is most concerned about the loss of insurance for his family, and the mortgage payment.

Chair Lamberti noted his former employer confirmed they did not have a position to move him into. Mr. Pelto answered in the affirmative. Chair Lamberti pointed out that Mr. Pelto indicated he had applied for various jobs, and inquired as to whether or not he had found employment. Mr. Pelto stated he had his first interview earlier in the week, and has a second interview scheduled; he is feeling optimistic.

Chair Lambert stated this is the type of hardship case the Commission was anticipating; one that is truly related to the cessation of racing; that there wasn't another position for him to move into as his position was specialized. Chair Lamberti stated the Commission has his income information beyond the five-year mark. Chair Lamberti found there was a hardship, and moved to approve the hardship claim in the amount of \$100,000. Commissioner Mertz seconded the motion, which carried unanimously.

Chair Lamberti called on Jeana Wilhite. Ms. Wilhite advised that part of her original letter to the Commission was incorrect; she stated her hardship is that she no longer has a feasible place to run her Iowa-bred dogs. She stated she has two win sheets – one from Florida and one from Bluffs Run. She advised that when a Grade D dog wins a race in Florida, she receives \$152.44; at Bluffs Run her check would total \$789.09. She noted Dubuque runs six months out of the year and she contacted all ten kennel owners. Most did not return her calls; those that did indicated they did not have room for her greyhounds. Ms. Wilhite stated she was able to place her dogs in one kennel. She stated that if she continues to raise Iowa-bred greyhounds, she would not have anywhere to run them due to the cessation of racing at Bluffs Run and the Dubuque kennel owners have previous obligations. Ms. Wilhite stated she will receive cessation funds next year but at this time, her expenses exceed her income. She stated she needs help now as she is no longer able to go out and get a job due to physical limitations. She stated the last 30 years of her life have been devoted to her greyhound business. She advised her husband has been disabled since 2004, and she is trying to care for him at home.

Chair Lamberti noted the original application referenced events that occurred in 2012. Ms. Wilhite again referenced medical issues for herself and husband during that time frame. She indicated that if she could have continued to raise dogs her average income would have been between \$30-40,000 per year. Ms. Wilhite stated she knew Bluffs Run was going to close. She indicated that if she would have continued to raise a lot of dogs she would have spent a lot of money and time, and they would have gone to Florida where she wouldn't have made as much

money as she made running her dogs at Bluffs Run. She was a non-paid assistant trainer in a kennel at Bluffs Run for two years so she could check her dogs for injuries.

Chair Lamberti asked if she would be eligible for the annual payments. Ms. Wilhite answered in the affirmative; that she just needs help paying her bills this year. She indicated it takes 1½ years to receive disability payments; that she probably has another 5-6 months to wait. Chair Lamberti stated he is struggling with is the delay of the payments from the other part of the fund until 2017, which is out of the Commission's control, and that her claim is not directly related to what the hardship claims are intended for. He stated the hardship claims are not intended to be a bridge loan between now and start of the annual payments. Chair Lamberti indicated that while he is sympathetic to the health issues, the hardship fund is for a loss of income directly related to the cessation of racing. In reviewing the income for the past five years, he stated he did not see a lot of income that was generated. Chair Lamberti reiterated the hardship payments were not designed to bridge the gap between now and the start of the disbursement of the annual payments.

Ms. Wilhite asked Chair Lamberti what he considered a hardship. Chair Lamberti stated the rules provide the Commission discretion to determine what constitutes a hardship, but it must be directly related to the cessation of racing. Ms. Wilhite pointed out that Bluffs Run is closed. Chair Lamberti concurred, but noted her business changed significantly starting in 2012, which had nothing to do with the cessation of racing. Ms. Wilhite advised that she still has dogs racing. Chair Lamberti indicated that fact was taken into consideration, noting that it was not as well-paying as racing at Bluffs Run.

Hearing no further comments or questions, Chair Lamberti stated the claim before the Commission did not fit into the intent of the hardship claims, and moved to deny the claim. Commissioner Mertz seconded the motion, which carried unanimously.

As there was no Public Comment, Chair Lamberti moved to Administrative Business and called on Mr. Ohorilko regarding the distribution of the Horse Racing Promotion Fund. Mr. Ohorilko advised there is \$1,270.57 available for distribution. He stated the Commission received applications from the Iowa Thoroughbred Breeders and Owners Association (ITBOA) and Iowa Harness Horsemen's Association (IHHA). He indicated both applications were sufficient and eligible to receive funds.

Chair Lamberti asked Mr. Ohorilko if he was proposing the monies be distributed equally. Mr. Ohorilko answered in the affirmative, which would be consistent with past practice.

Chair Lamberti moved to divide the Horse Racing Promotion Fund equally between the ITBOA and IHHA. Commissioner Mertz seconded the motion, which carried unanimously.

Hearing no further business to come before the Commission, Chair Lamberti requested a motion to adjourn. Commissioner Kramer so moved. Commissioner Arnold seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
JUNE 9, 2016**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, June 9, 2016 at Wild Rose Jefferson, LLC, Jefferson, Iowa. Commission members present were Jeff Lamberti, Chair; Carl Heinrich, Vice Chair; Richard Arnold and Kris Kramer. Dolores Mertz was absent.

Chair Lamberti called the meeting to order at 8:30 AM. He advised that Commissioner Mertz was absent due to health issues and is in the hospital. He expressed his hope that she is able to return soon.

Chair Lamberti called for a motion to approve the agenda. Commissioner Kramer moved to approve the agenda as presented. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti moved to the Welcome, and called on Tom Timmons, Vice President of Operations for Wild Rose Entertainment, who welcomed the Commission, staff and those in attendance to the Wild Rose Jefferson property. He noted it was almost two years to the day, June 12, 2014, since they were granted a license. Mr. Timmons expressed his hope that the facility met the Commission's expectations, and that the city and county were proud of the facility as well. He introduced Craig Marquardt, Vice President of Grow Greene County Gaming Corporation (GGCGC).

Mr. Marquardt noted the site visit occurred in May 2014; the location of the casino was a bean field at that time. He indicated the community continues to be grateful to the Commission for granting the license. Mr. Marquardt stated GGCGC has developed a productive and positive relationship with Wild Rose over the years, noting the staff is always professional, accessible, and easy to work with. He advised the spirit of cooperation continued as meetings were held to establish GGCGC as the designated non-profit license holder and set policies and procedures to distribute gaming proceeds toward worthy causes, projects and organizations.

Mr. Marquardt stated GGCGC is a committed group representing the entire county and all the towns located therein. He stated the group understands and accepts the challenges they have undertaken to provide funds to non-profit organizations located in Greene County and the surrounding region. They held their first grant awards banquet in March, and were able to grant in excess of \$900,000 to local groups in Greene County and the six contiguous counties: Webster, Calhoun, Carroll, Guthrie, Dallas, and Boone. He highlighted some of the projects for which funds were granted in the various communities and counties.

Chair Lamberti stated the Commission was happy to be back in Jefferson and looks forward to good things to come.

Chair Lamberti moved to the approval of the minutes from the April 14, 2016 Commission meeting. Hearing no comments or questions concerning the minutes, Chair Lamberti requested

a motion. Commissioner Arnold moved to approve the minutes as submitted. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti moved to Announcements and called on Brian Ohorilko, Administrator of IRGC. Mr. Ohorilko provided the following information regarding future Commission meetings:

- July 14, 2016 – Holiday Inn & Suites, W. Des Moines (Submissions due by June 29, 2016)
- August 18, 2016 – Grand Falls Casino & Resort, Larchwood (Submissions due by August 4, 2016)
- October 13, 2016 – Rhythm City Casino, Davenport (Submissions due by September 29, 2016)

Mr. Ohorilko introduced Betty Tschetter, the new Director of Licensing and Administration, and Dan Thurman, the Gaming Representative assigned to Wild Rose Jefferson.

Chair Lamberti called on Affinity Gaming regarding their refinancing transaction. Sean McGuinness, legal counsel, advised the refinancing transaction is precipitated by the positive results the company has experienced over the past couple of years. When the transaction is completed, it will save Affinity a significant amount of money in interest expense on an annual basis.

Hearing no comments or questions concerning the transaction, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the refinancing transaction as submitted by Affinity Gaming. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti moved to the contract approval portion of the agenda and called on Ameristar Casino Council Bluffs, LLC (Ameristar). Monty Terhune, General Manager, presented a contract with Woodhouse Ford for promotional items (car give-aways) for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contract as submitted by Ameristar. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on Diamond Jo Casino, LLC (DJ). Scott Smith, Assistant General Manager for Diamond Jo Worth, LLC, presented a contract with Agilysys NV, LLC for Point of Sale Hardware Replacement, annual maintenance, and Gateway Implement Freedom Pay for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contract as submitted by DJ. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on Diamond Jo Worth, LLC (DJW). Mr. Smith presented the following contracts for Commission approval:

- Agilysys – Maintenance Contracts, Software Upgrade, Hardware Upgrade
- Alpha Video – Maintenance Contracts, Software Upgrade, Hardware Upgrade

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contracts as submitted by DJW. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Isle of Capri Bettendorf, L.C. (IOCB). Todd Connelly, General Manager for IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo, presented the following contracts for Commission approval:

- Wilson Restaurant Supply – Equipment and Supplies for Restaurant Use
- Quad City Occupational Health, LLC – Operates On-Site Medical Clinic
- Tri-City Electric – Capital Project to Change Parking Garage and Hotel Parking Lot Lighting to LED
- Build to Suit – Various Building Projects Related to Land-based Casino Construction

On behalf of Nancy Ballenger, General Manager at IOCB, Mr. Connelly extended an invitation to the ribbon cutting ceremony for the new Bettendorf facility at 10:00 AM on June 24th.

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the contracts as submitted by IOCB. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Riverside Casino & Golf Resort, LLC (RCGR). Dan Franz, General Manager, presented the following contracts for Commission approval:

- Global Payments Gaming Services, Inc. – Processing Revenue Agreement
- Global Payments Gaming Services, Inc. – Check Guarantee Agreement
- GPS Technologies, Inc. – iPar7 Golf Cart Yardage Display Lease Agreement
- OneNeck IT Solutions, LLC – HP Data Storage and Backup
- WME IMG Holdings, LLC – Entertainment Booking Agent Expense
- U.S. Bank National Assoc. d/b/a Ultron Processing Services – ATM Revenue Agreement

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by RCGR. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Grand Falls Casino Resort, LLC (GFCR). Mr. Franz presented the following contracts for Commission approval:

- Chesterman Coca Cola – Beverage Vendor
- Farmer Brothers – Beverage Vendor

- Midwest Turf & Irrigation – Golf Equipment Purchase

Mr. Franz advised that Sharon Haselhoff, General Manager at GFCR, was busy with the five-year celebration for the property and an annual investors unit holder meeting.

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the contracts as submitted by GFCR. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on Rhythm City Casino, LLC (RCC). Mr. Franz presented the following contracts on behalf of Mo Hyder, General Manager at Rhythm City, who is busy preparing the new facility for the grand opening on June 16th:

- ASCAP – Music License Agreement
- CDW Direct – Computer Supplies
- Cunningham Group Architecture, Inc. – Architectural Design Services
- Evergreen Landscape Assoc. – Landscaping
- Farmer Brothers – Beverage Contract
- Global Payments Gaming Services, Inc. – Purchase of 5 Kiosk Redemption Machines
- Heritage Landscaping – Construction – Retaining Walls/Landscaping
- One Neck IT Solutions, LLC – Computer Network Upgrades
- Restaurant Technologies, Inc. – Fryer Oil Filtration System

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by RCC. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti called on SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City (HRHCSC). Todd Moyer, General Manager, presented the following contracts for Commission approval:

- AJR Equities, Inc. – Promotional Items
- CS Touring, Inc. – Entertainment Act
- Friedmutter Group – Architectural Services
- NRT Technology Corporation – Ticket Redemption Kiosks/ATM
- Stoney Creek Hotel & Conference Center – Hotel Rooms and Banquet Services
- W.A. Klinger – General Contractor for Construction Projects
- Wells Fargo, N.A. – Credit Agreement with SWAP Transaction

Chair Lamberti stated he had seen news articles indicating the facility is looking to expand. Mr. Moyer answered in the affirmative. Chair Lamberti stated the expansion proposal needs to come before the Commission. Mr. Moyer advised they would be making a presentation at the July Commission meeting.

Hearing no further comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contracts as submitted by HRHCSC. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on Harveys Iowa Management Co., Inc. d/b/a Harrah's Council Bluffs Casino and Hotel (Harrah's). Janae Sternberg, Vice President of Finance, presented a contract with Gitchi Gaming, Inc. for the purchase of new chairs for the gaming floor for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contract as submitted by Harrah's. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on Horseshoe Casino/Bluffs Run Greyhound Park (HS/BRGP). Ms. Sternberg presented a contract with Bizco Technologies for a sound system upgrade for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contract as submitted by HS/BRGP. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on Iowa Greyhound Association (IGA). Bob Hardison, President, presented a contract with Crawford & Mauro Law Firm and Quilty Law Firm for legal services and expenses related to the start-up and licensing for Iowa Greyhound Park and regulatory affairs.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the contract as submitted by the IGA. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti moved to the Greyhound Cessation Fund Hardship Claims, and called on John Filipelli. Mr. Filipelli asked permission to have his wife, Davina, read his statement as he is experiencing some visual issues. Chair Lamberti indicated that would be fine.

Ms. Filipelli read the following statement: Everyone who has ever had a business realizes that businesses come and go in any industry at different times. Unfortunately for us, the decisions that were made to have the cessation fund pay out on the basis of earnings earned in the past instead of what was being lost in the future affected our business drastically. This decision leaves John as a kennel owner making next to nothing in comparison to the other kennel owners and what they will receive. For example, based on the percentage that IRGC put together, eleven of thirteen kennels that were at Bluffs will be paid out \$100,000 plus dollars a year with nine of those kennels being paid upwards of \$1 million split over six years. Our kennel, John's split with his partner, will be \$16,000 per year for losing the same business, the same future earning potential.

Our personal hardships include a number of things. We have lost the complete income for three members of our family –John, our daughter and me. John has \$50,000 in unpaid medical bills that occurred in 2015 due to a health issue that was unexpected. Our daughter graduated high school, and was accepted into Iowa State University last week, and we have no way to help pay for her to go to college. We have to move from our home at the end of this month, with no current plans of where we will go. With both of us being unemployed, it will be hard to find a place to live. John was left with no business, no job, no education except for the dogs, which he has done in excess of 40 years. He has had some issues with becoming mentally and physically exhausted, and the doctor is currently treating him for anxiety and depression.

Due to the position John decided to take and standing up for what he believes is right, a number of things have transpired since that point. At this point, it has thus far made it impossible for him to pursue a continued career in the business. For example, comments have been made about his intentions and his integrity in this business by an actual IGA board member in an online greyhound forum, which most members of the greyhound industry are part of and have read. Last year, in the annual IGA meeting, it was pointed out that he was in litigation with the IRGC and that the litigation could hold up everyone's escrow money, which we all know not to be true. Needless to say, this upset many of the greyhound industry participants, and so, in fear of retaliation, we submitted a copy of the meeting that I recorded while in attendance to DCI. In the past, we have received messages and phone calls from industry participants that have expressed agreement with us and our stance, but have also stated they are unwilling to speak up on this matter so as to not upset those they are doing business with in the industry. For these reasons, he knew he could not get booked at Dubuque and the fact there were no new kennels booked out of Bluffs other than those already there from years past. As far as getting a kennel booking somewhere else, he called the general manager at Derby Lanes in Florida when he first learned of the Bluffs closing. This is a track that John had a kennel at on three different occasions and had a great repertoire with. The general manager told him that when Bluffs closed down, if he didn't have room, he would make room for John and his kennel operation. We submitted the applications and all the appropriate paperwork and never heard from them. We feel that is because of the things that have happened to our reputation in this business.

Ms. Filipelli indicated that was it for the speech as they have submitted so much to the Commission to support their claim.

Chair Lamberti called for any questions. He asked if they would be eligible for the annual payments. Ms. Filipelli indicated they would receive approximately \$16,000 per year based on the percentages calculate by the Commission.

Chair Lamberti asked if they received the trainer payment. Ms. Filipelli answered in the affirmative, stating they worked their own kennel while most people did not. Mr. Filipelli indicated that money was owed to them under a different circumstance. He indicated they basically lived on that money as it has been difficult to transition from an occupation he did for over 40 years. Mr. Filipelli stated he is 58 years old, has no education and the job market does not look promising.

Hearing no further comments or questions, Chair Lamberti stated that as the Commission looked at putting together a hardship provision, it was done within the scope of the bigger picture of the annual payments, the trainer payments, etc. and within the confines of the legislation that was passed. He concurred there is a lot of hardship that has been caused by the cessation of greyhound racing, but is not sure every hardship fits within the confines of what the Commission is looking at for the money set aside, particularly with respect to individuals who are eligible for the annual payments, the trainer payments, etc. Chair Lamberti stated that while the Commission understands the difficulties of having this business go away, but as he looks at the situation in the totality of what the Commission is trying to do with the hardship provisions as well as how it plays with the other rules and legislation that have been passed, he does not think it meets the guidelines of what the Commission was attempting to do with the hardship funds. Chair Lamberti moved to deny the claim. Commissioner Heinrich seconded the motion.

Ms. Filipelli requested permission to ask a question. Chair Lamberti answered in the affirmative. Ms. Filipelli asked if their claim was being denied because they were receiving money from the annual payments. Chair Lamberti stated that was part of the reason.

Ms. Filipelli asked permission to make a statement. She noted the Commission has already paid another woman hardship funds, as well as trainer money, and she is eligible for the annual payments. Chair Lamberti stated the Commission's decisions are being made on the totality of the circumstances of each case.

Mr. Filipelli stated that response does not fit with the prior statement of guidelines and deciding each case on an individual basis. He indicated that if the Commission wants to use the fact that the legislation has guided the payment plan and not the Commission, he reminded the Commission that there was one ray of hope for industry participants when the Commission decided to cap the money at \$1 million; however, due to the receipt of a few letters, the Commission reversed their decision which will allow some individuals to receive up to \$3 million in payments per tax identification. He indicated the cap provided some hope to those individuals receiving a very small fraction of the \$72 million settlement. Ms. Filipelli indicated the cap would have been helpful to a number of people, not just them.

Chair Lamberti stated the Commission is cognizant of the fact that a number of people have been affected by the cessation of greyhound racing, but the Commission was tasked with passing rules, implementing them and dealing with the hardship to the best of their ability.

Hearing no further discussion, Chair Lamberti called for the vote. The motion carried unanimously.

Chair Lamberti called on Ronald Mullen. Mr. Mullen stated that approximately eleven years ago the owner of River Bluff Kennel asked him to return to Bluffs Run to manage his kennel. He indicated he had a contract kennel for 27 years and raced at various racetracks around the country. In 2015, River Bluffs Kennel did not renew their contract to race dogs. Mr. Mullen stated he thought he would be eligible for \$16,000 for serving as an assistant trainer for River Bluff Kennel, but was denied as the kennel was not at the track as of December 18, 2015. He

stated he had 31 dogs in River Bluff Kennel, which then went to other kennels. He advised that he helped those four kennels on a volunteer basis and never received payment. Mr. Mullen stated he was relying on those funds, and stayed in the greyhound business to help the Iowa Department of Agriculture. He indicated he still has his farm, but it is struggling. He noted that he also boarded greyhounds.

Chair Lamberti called for any questions for Mr. Mullen. Chair Lamberti asked Mr. Mullen if he would be eligible for the annual payments. Mr. Mullen answered in the affirmative. Chair Lamberti clarified that Mr. Mullen served more as a volunteer trainer in 2015. Mr. Mullen again answered in the affirmative; noting he had 31 dogs in four different kennels. He stated he thought the letter from Bob Hardison would be sufficient to receive the trainer funds and did not request one from the owner of River Bluffs Kennel.

Chair Lamberti stated all of the hardship claims are difficult. He noted Mr. Mullen is eligible for the annual payments and the Commission is cognizant of the fact those funds will not be available until 2017. Chair Lamberti stated the hardship fund is not designed to serve as a bridge between current expenses and the receipt of the annual payments. He noted there were very specific provisions set forth in order to qualify for the assistant trainer funds and the Commission does not have the authority to circumvent them. Chair Lamberti made a motion to deny the hardship claim. Commissioner Kramer seconded the motion, which carried unanimously.

As there was no Public Comment, Chair Lamberti moved to Administrative Business. Mr. Ohorilko noted the regulatory fees for Fiscal Year 2017 for the Commission and Division of Criminal Investigation have been distributed to the industry. These fees would be effective on June 27th with the first payment due on July 7th. As in past years, the first payment would be for five weeks plus the current week. The last regulatory fee is scheduled for May 25, 2017. He indicated if there is any reversion at the end of the current fiscal year that would be applied and cause regulatory fee payments to cease earlier. Mr. Ohorilko stated staff has not received any concerns from the industry. He requested approval of the regulatory fees as submitted.

Hearing no comments or questions concerning the regulatory fees for Fiscal Year 2017, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the regulatory fees for Fiscal Year 2017 as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Mr. Ohorilko for an update on gaming-related legislation from the 2016 legislative session. Mr. Ohorilko noted there were a handful of bills considered; there were only two that passed. One was HF 2445 relating to promotional play receipts. This legislation redefines Adjusted Gross Receipts (AGR) so that promotional play receipts received after a taxable amount of \$25,820,000 has been reached by the industry would be disallowed as revenue for AGR. Mr. Ohorilko stated Commission staff has been working toward the implementation of this legislation, and looks forward to continuing to work with everyone in the hope of having some proposed rules before the Commission in July or August.

Mr. Ohorilko advised HF 2429 was a bill related to gambling game license fees. The bill indicates that if there is a new license issued, the fee would only apply if the new license increases the number of licensed facilities in the applicable county.

Mr. Ohorilko stated those were the only racing or gaming related bills that passed this year.

Hearing no comments or questions concerning the legislation, and no further business to come before the Commission, Chair Lamberti requested a motion to adjourn. Commissioner Kramer moved to adjourn the meeting. Commissioner Heinrich seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

IOWA RACING AND GAMING COMMISSION
MINUTES
JULY 14, 2016

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, July 14, 2016 at the Holiday Inn and Suites at Jordan Creek, West Des Moines, Iowa. Commission members present were Jeff Lamberti, Chair; Carl Heinrich, Vice Chair; and Rich Arnold and Kris Kramer. Dolores Mertz was absent.

Chair Lamberti called the meeting to order at 8:30 AM, and requested a motion to approve the agenda. Commissioner Kramer moved to approve the agenda as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti moved to the approval of the minutes from the June 9, 2016 meeting and requested a motion. Commissioner Arnold moved to approve the minutes as submitted. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti moved to announcements and called on Brian Ohorilko, Administrator of IRGC. Mr. Ohorilko provided the following information regarding future Commission meetings:

- August 18, 2016 – Grand Falls Casino & Resort, Larchwood (Submissions due by August 4, 2016)
- October 13, 2016 – Rhythm City Casino, Davenport (Submissions due by September 29, 2016)
- November 17, 2016 – Honey Creek Resort, Moravia (Submissions due by November 2, 2016)

Mr. Ohorilko introduced Brian Bappe, an intern from Drake University Law School. He has been working on some of the national racing initiatives.

Chair Lamberti moved to the proposed rules being submitted under Notice of Intended Action. Mr. Ohorilko advised the rule package before the Commission is the result of House File 2445, the legislation authorizing a tax credit for promotional play receipts once a set amount of promotional play credits have been redeemed. He stated the rules establish a method for how the threshold will be calculated and how the credit will be received. Mr. Ohorilko stated staff has worked with the industry on the rules, and believes there is a consensus. He requested approval of the Notice of Intended Action on the proposed rules.

Hearing no comments or questions concerning the proposed rules, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the Notice of Intended Action regarding the proposed rules. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti moved to the Shelf Application for Approval of Debt Transaction from Diamond Jo, LLC and Diamond Jo Worth, LLC. Tina Eick, legal counsel, was present to address any questions concerning the shelf applications.

Chair Lamberti noted the applications were straight-forward. Hearing no comments or questions, he requested a motion to approve the shelf applications. Commissioner Kramer moved to approve the shelf applications as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti moved to the presentation from SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City regarding their expansion project. Todd Moyer, General Manager, noted it was approximately two years ago that the facility opened, and now they are seeking approval to expand the property. The expansion will allow for the addition of gaming units plus a whole new experience. He went through the power point presentation, noting the boutique hotel was in the historic renovated Battery Building, and the gaming floor was added on. They plan to add 7,800 square feet of space to the east if the Commission approves the project. Mr. Moyer indicated approximately 20 parking spaces would be lost. They are adding some offices behind the radio broadcast center for the player's club and casino host. The existing casino will be expanded to the south which will house a high limit gaming area with black jack tables and 40 slot machines, a relaxation lounge, dining tables and a full-service kitchen. The wine bar will offer 125 different labels and have 600 bottles of wine available. Some wines will also be available by the glass.

Mr. Moyer advised the project is estimated at \$6.5 million; and they are utilizing a Sioux City contractor. He noted that past visitors to the property have mentioned a wine bar, and he feels the addition of the wine bar will create a destination bar area and unique experience at the facility. The east side addition will add to the curb appeal of the facility. Mr. Moyer requested the Commission's approval of the expansion project, noting it has received unanimous approval from the Planning & Zoning Commission in Sioux City and the City Council and Mayor.

Chair Lamberti stated the Commission is happy everything is going well at the property, and the market is growing, which confirms their belief when they selected the project. Hearing no further comments or questions concerning the expansion project, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the expansion project as submitted by SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti moved to the contract approval portion of the agenda, and called on SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City. Mr. Moyer presented the following contracts for Commission approval:

- Beyond Productions, Inc. – Entertainment Act
- Buzz Analytics Group, LLC – Marketing Consultation (RP)
- Buzz Entertainment Group, LLC – Talent Agent (RP)
- Penguins Entertainment Management – Talent Agent

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contracts as submitted by SCE Partners, LLC d/b/a

Hard Rock Hotel & Casino Sioux City. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on Grand Falls Casino Resort, LLC (GFCR). Joe Massa, Chief Operating Officer for Elite Casino Resorts, LLC, presented a contract with Wessels Oil Co. for propane gas for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Arnold moved to approve the contract as submitted by GFCR. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Diamond Jo Casino, LLC (DJ). Wendy Runde, General Manager, presented the following contracts for Commission approval:

- 7G Distributing – Beer Distributor
- Beecher Company Inc. – Beverage Distributor
- Coca-Cola Bottling Company – Beverage Purveyor
- Global Payments Gaming Services, Inc. – Check Guarantee Service
- Lamar Advertising – Billboard Advertising
- Matthews Distributing – Beverage Purveyor
- Penguins Entertainment Management – Entertainment
- Platinum Holdings LLC – Lodging at the Grand Harbor Resort & Waterpark
- Radio Dubuque – Radio Advertising
- Reinhart Foods – Food and Beverage Purveyor; Paper Products
- Rockford Charter – Motorcoach Transportation
- Sysco Foods – Food and Beverage Purveyor; Paper Products
- Telegraph Herald – Newspaper Advertising
- Straka Johnson Architects – Architects
- Doctor's Associates, Inc. – Contract to Operate a Subway Restaurant

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contracts as submitted by DJ. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Diamond Jo Worth, LLC (DJW). Kim Pang, General Manager, submitted the following contracts for Commission approval:

- A H Hemel – Cigarettes for Casino and Cigarettes and Grocery Items for Convenience Store
- Julseth Farm LLC – Exercising Option to Purchase Land Casino has been Leasing
- Kabrick Distributing – Beer Products
- Martin Bros. Distributing – Food, Paper Supplies, Smallwares, and Equipment
- Reinhart Food Service – Food, Non-Alcoholic Beverages, Paper Supplies, Smallwares, and Equipment

- Worth County Hospitality – Comped Hotel Rooms for Players and Hotel Rooms for Company Personnel Visiting the Property

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by DJW. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on Isle of Capri Marquette, Inc. d/b/a Lady Luck Casino (LLC). Don Ostert, General Manager, presented the following contracts for Commission approval:

- Coca Cola Bottling Enterprises, Mid-West Division – Provider of Coca Cola Beverages
- Farner-Bocken Company – Pre-Packaged Retail Convenience Store Items for Snack Bar
- Global Payments – Check Guarantee Service Provider
- Global Payments Gaming Services, Inc. – Processing Agreement Providing a Quasi-Cash Advance Service
- King Food Services, Inc. – Food Supplier
- Lithographic Communications, LLC – Direct Mail Vendor
- Wells Fargo – Company Credit Cards

Hearing no comments or questions concerning the contracts, Chair Lamberti requested a motion. Commissioner Kramer moved to approve the contracts as submitted by LLC. Commissioner Arnold seconded the motion, which carried unanimously.

Chair Lamberti called on Prairie Meadows Racetrack & Casino (PMR&C). Gary Palmer, General Manager, presented a contract with King Food Service for the purchase of meat and seafood for Commission approval.

Hearing no comments or questions concerning the contract, Chair Lamberti requested a motion. Commissioner Heinrich moved to approve the contract as submitted by PMR&C. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Lamberti moved to the review of the financial audits of the horsemen's organizations, and called on The Iowa HBPA, Inc. and The Iowa HBPA Benevolent Trust. Warren Bush, Vice President, advised the organization has two separate audits as the HBPA wears two hats – the HBPA itself to negotiate contracts on behalf of the horsemen and representing the horsemen in any matters arising from the Interstate Horseracing Act. The other hat is the benevolent side; funds are used to benefit the horsemen and for the help on the backside of the racetrack for medical, dental, etc. Mr. Bush advised both audits were clean.

Hearing no comments or questions concerning the audit, Chair Lamberti called on the Iowa Quarter Horse Racing Enterprises, Inc. d/b/a Iowa Quarter Horse Racing Association. Chris Hovey, Secretary, and Troi Mulford, Treasurer, were present to address the financial. Ms. Hovey stated that in 2015, in addition to sponsoring their regular race meet, they held the Stallion Service Auction, held a Youth Day to help youth learn about racing and horsemanship as well as awarding scholarship funds. They held an All American party for trainers, owners and

members and backside employees. A backside picnic is also held for trainers, employees and members. Ms. Hovey noted funds have been donated to the ITBOA for the promotion campaign established by that organization.

Hearing no comments or questions concerning the audit, Chair Lamberti called on the Iowa Harness Racing Association. Royal Roland was present to address the audit. Mr. Roland stated harness racing in Iowa was on solid footing. The number of foals has remained steady, and the number of horses racing has increased slightly. He noted the organization is seeing interest from individuals in other states wanting to purchase Iowa-registered horses and competing in Iowa. Mr. Roland stated the organization paid out approximately \$1.4 million in purses last year with 98% going to owners of Iowa-bred horses.

Hearing no comments or questions concerning the audit, Chair Lamberti moved to the Greyhound Cessation Hardship claims and called on Richard Barrett. Mr. Barrett advised he was employed by Sports View Technologies as an operator/technician at Bluffs Run Racetrack from February 7, 2006 to January 2, 2016. He was set to take over his boss' position when he left; however, the track closed and the company did not have another position available for him. He indicated he did not have a lot of debt. He has attempted to find a similar job without success; a shortage of jobs in the area is making it difficult to locate another position. He noted that most of the equipment he is familiar with through Sport View is no longer used. Mr. Barrett indicated he does not have a college degree. He has taken a retail position over the last few months at approximately 75% of his previous salary.

Chair Lamberti called for questions. Chair Lamberti clarified it was his understanding that Mr. Barrett has recently found a job. Mr. Barrett answered in the affirmative, but indicated he was still trying to find something in his field. He noted he utilized his savings account and unemployment benefits to pay his bills since the closure of the track.

Chair Lamberti noted Commission staff had confirmed through investigation that his position was eliminated as a result of the cessation of greyhound racing and that Sport View confirmed there were no other positions available within the company. Chair Lamberti advised there was not a significant amount of guidance as to how the Commission should determine if there is a hardship, and if so, what the appropriate payment should be. The Commission is making their decision on a case-by-case basis, and is doing the best they can.

Chair Lamberti stated he believes Mr. Barrett has suffered a hardship directly related to the cessation of greyhound racing at Bluffs Run and that it falls within the criteria the Commission was looking for on a hardship. Chair Lamberti made a motion to approve the hardship claim in the amount of \$30,000. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Lamberti called on Davyana Haverty. Ms. Haverty stated that due to the closing of the Bluffs Run racetrack she has lost the means to help pay for her college education; and funds set aside by her parents are now being utilized to cover daily expenses. She indicated she worked full-time in the family operation as a kennel helper. She noted that while a kennel helper has the

same duties as an assistant trainer; kennel helpers were not included as a classification for greyhound racing cessation funds. Ms. Haverty stated the closure of the racetrack has put a college education beyond her reach. She noted that her parents and others were told by the Iowa Greyhound Association that education funds would be set aside for those who wanted to go to college; however, the fund never materialized. Ms. Haverty stated she has been accepted at Iowa State as well as the University of Arizona.

Chair Lamberti called for any questions. Chair Lamberti asked Ms. Haverty if she has attempted to find other work since the closure of the racetrack. Ms. Haverty answered in the affirmative, indicating she applied at local grocery stores, Starbucks, etc., but stated jobs in Council Bluffs are really thin or have been filled by other teenagers.

Hearing no further comments or questions, Chair Lamberti stated everyone heard his previous comments regarding the determination of what is and is not a hardship within the scope of what has been presented. He indicated he was aware of discussions concerning college funding when the legislation was being discussed, but it ultimately was not included in the legislation. Chair Lamberti stated that as he reviewed her previous earnings, the opportunity to obtain other jobs that could replace the lost income, and the admirable goal of attending college debt-free, he does not feel that is within the contemplation of the hardship fund established. Chair Lamberti moved to deny Ms. Haverty's hardship claim. Commissioner Heinrich seconded the motion, which carried unanimously.

Davina Filipelli, Ms. Haverty's mother, stated she felt the Commission was biased in their decision due to the fact Ms. Haverty's family has litigation with the IRGC; that it was a sad decision to make. She questioned where else a 17-year old would find employment that would pay \$500 per week. Ms. Filipelli stated that if Ms. Haverty still had her job, and they still had their greyhound business, which provided a very good income, they would have been able to pay for her college. She stated the hardship fund was set up for hardships, and this is truly a hardship.

Chair Lamberti advised Ms. Filipelli her comments would be included in the record.

As there was no public comment, Chair Lamberti moved to Administrative Business. Mr. Ohorilko noted that Jeff Lamberti has served as Chair of the Commission from July 12, 2012 through the present; and has led the Commission through some of the most challenging circumstances in the Commission's recent history. There were disputes between for-profit and non-profit partners; applications for new gaming licenses; competing applications to conduct various studies on behalf of the Commission; bankruptcies; legislation that permitted the cessation of greyhound racing at racetracks and distribution of funds to stakeholders, and much more. Mr. Ohorilko stated there were meetings, such as this one; meetings with staff, mayors and other public officials, non-profit operators, casino executives, attorneys, horsemen, greyhound participants, and calls from the media and individuals from the general public interested in the racing and gaming industry in the State of Iowa. Mr. Ohorilko stated Chair Lamberti gave his best effort to talk to everyone that wanted his time, all while maintaining his full-time career and participating on other non-profit boards within the community. He called

Chair Lamberti a true public servant in the State of Iowa; and expressed his gratitude for having the opportunity to work closely with him during his time as the Administrator. Mr. Ohorilko presented Mr. Lamberti with a plaque which read: "In Appreciation of your Service as Chair of the Iowa Racing and Gaming Commission from July 12, 2012 through July 14, 2016.

Chair Lamberti stated it has been an interesting four years, and at times, he felt the time went slowly because of everything that was taking place, but indicated the time went quickly. He stated he was pleased with where the racing and gaming industry is at this time, and the various issues the Commission has dealt with and will move forward with better footing. Chair Lamberti stated everything was a result of the great members of the Commission that he has had the opportunity to work with. He noted everyone has had a lot on their plate at various times. He stated this is an opportunity that not many people get, and some would question why anyone would want to do it; but it is an opportunity to serve and he is appreciative of the opportunity to do so. Having said that, Chair Lamberti indicated he is ready to turn the gavel over to someone else.

Chair Lamberti moved to the election of the chair and vice chair for the upcoming fiscal year. Commissioner Heinrich moved to nominate Rich Arnold as Chair and Kris Kramer as Vice Chair. Chair Lamberti seconded the motion, which carried unanimously.

Hearing no further business to come before the Commission, Chair Lamberti called for a motion to adjourn. Commissioner Kramer so moved. Commissioner Arnold seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
AUGUST 18, 2016**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, August 18, 2016 at Grand Falls Casino Resort, LLC (GFCR) in Larchwood, Iowa. Commission members present were Rich Arnold, Chair; Kris Kramer, Vice Chair; and members Carl Heinrich and Jeff Lamberti. Commissioner Dolores Mertz was absent.

Chair Arnold called the meeting to order at 8:30 AM, and requested a motion to approve the agenda. Commissioner Heinrich moved to approve the agenda as presented. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold moved to the Welcome. Sharon Hasselhoff, General Manager of GFCR, welcomed the Commission to Larchwood. She noted the property opened five years ago, and besides the casino, has a hotel, indoor and outdoor pools, three restaurants, a spa, boutique shop, gift shop, an event center that is used for concerts, business meetings and social events, and a Rees Jones golf course that opened in 2015. She thanked the Commission for the privilege of having the gaming license. Ms. Hasselhoff advised that during the five years of operation, GFCR has contributed over \$72 million to the State of Iowa in taxes and fees, over \$8 million to Lyon County in gaming and property taxes, and over \$11 million to the Lyon County Riverboat Foundation (LCRF). She stated the casino has 500 employees; noting Lyon County has the lowest unemployment rate in the state. She advised Sioux Falls, South Dakota also has one of the lowest unemployment rates in the country at 2.1%; making it difficult to find and keep employees. Ms. Hasselhoff stated 130 employees have been with the facility since it opened. She advised employees receive great benefits and benefit from the family atmosphere of the property. She introduced Jeff Gallagher, President of LCRF.

Mr. Gallagher also welcomed the Commission to GFCR. He noted GFCR has been an excellent facility for the county, the people and the area as a whole. Mr. Gallagher stated that since the fall of 2011 when LCRG gave out its first grant, they have distributed over \$11 million to the people of Lyon County and the surrounding counties. The funds have helped bring to fruition day care centers, swimming pools, community centers, fire houses, as well as numerous grants for safety equipment for various fire departments. He noted during the last distribution, funds were given to a young man to help him complete a Veterans Memorial Wall in Rock Rapids, which helped him earn his Eagle Scout Badge. Mr. Gallagher thanked the Commission for their decision to grant a license to Lyon County.

Chair Arnold moved to the approval of the minutes. Commissioner Kramer moved to approve the minutes from the July 14, 2016 Commission meeting as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on Brian Ohorilko, Administrator of IRGC, for announcements. Mr. Ohorilko provided the following information regarding future Commission meetings:

- September – No Meeting
- October 13, 2016 – Rhythm City Casino, Davenport (Submissions due by September 29, 2016)
- November 17, 2016 – Honey Creek Resort, Moravia (Submissions due by November 2, 2016)
- December – No Meeting
- January 5, 2017 – Isle Casino Hotel Waterloo, Waterloo (Submissions due by December 21, 2016)

Mr. Ohorilko introduced Wayne Palmer, IRGC Gaming Representative assigned to GFCR and thanked him for his work.

Chair Arnold moved to the review of the financial audit for the three Isle of Capri properties – Isle of Capri Bettendorf, L.C., Isle of Capri Marquette, Inc. and IOC Black Hawk County, Inc. Laurie Fisher, Director of Finance at Marquette, Sally Rogers and Grant Gubbrud, Senior Director of Finance at Bettendorf and Waterloo respectively, were present to answer any questions. Ms. Fisher stated the combined Isle properties had a clean financial audit, and reinvested approximately \$45 million back into the three properties during FY 16. The largest project was the Bettendorf hotel renovation and new land-based facility.

Chair Arnold moved to contract approvals and called on Riverside Casino & Golf Resort, LLC (RCGR). Dan Franz, General Manager, presented the following contracts for Commission approval:

- Farmers Brothers Co. – Beverage Purchase Agreement
- Global Payments Gaming Services, Inc. – Cash Advance; Credit/Debit Card Processing Revenue Agreement
- Global Payments Gaming Services, Inc. – Check Guarantee Agreement
- US Bank d/b/a Ultron Processing Services – ATM Revenue Agreement

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the contracts as submitted by RCGR. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on GFCR. Ms. Hasselhoff presented the following contracts for Commission approval:

- Brockway Mechanical & Roofing – Multistack Repair (RP)
- Global Payments Gaming Services, Inc. – Cash Advance; Credit/Debit Card Processing Revenue Agreement
- Global Payments Gaming Services, Inc. – Check Guarantee Agreement
- US Bank d/b/a Ultron Processing Services – ATM Revenue Agreement

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Kramer moved to approve the contracts as submitted by GFCR. Commissioner Lamberti seconded the motion, which carried unanimously.

Chair Arnold called on Rhythm City Casino, LLC (RCC). Ms. Hasselhoff presented the following contracts on behalf of RCC for Commission approval:

- Global Payments Gaming Services, Inc. – Cash Advance/Debit Card Processing Revenue Agreement
- Global Payments Gaming Services, Inc. – Check Guarantee Agreement
- One Neck IT – Computer Network Upgrades
- US Bank d/b/a Ultron Processing Services – ATM Revenue Agreement

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by RCC. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on Dubuque Racing Association, Ltd (DRA). Jesús Avilés, President, introduced Brian Rakestraw and David Esau, Assistant General Manager and Director of Table Games, respectively, for Mystique Casino. Mr. Avilés presented the following contracts for Commission approval:

- Imagine This, Inc. – Promotional Gifts and Items
- Nu Concepts, Inc. – Entertainment Booking Agency
- O'Connor & Thomas, P.C. – Legal Fees
- The Lamar Companies – Outdoor Billboard Advertising
- The Printer, Inc. – Direct Mail and Printing Services

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Kramer moved to approve the contracts as submitted by DRA. Commissioner Lamberti seconded the motion, which carried unanimously.

Chair Arnold called on Diamond Jo Worth, LLC d/b/a Diamond Jo Worth (DJW). Kim Pang, General Manager, presented the following contracts for Commission approval:

- Eagle Promotions – Event Merchandise Giveaways/Marketing Promotions
- Global Payments Gaming Services, Inc. – Check Guarantee Service
- Reliable Technology, Inc. – Purchase of Computer Hardware and Networking Components
- Sysco Food Services of Iowa – Purchase of Food and Paper Supplies
- W.W. Grainger – Miscellaneous Hardware, Parts, Tools, and Supplies

Hearing no comments or questions concerning the contracts, Chair Arnold called for a motion. Commissioner Heinrich moved to approve the contracts as submitted by DJW. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City (HRHCSC). Todd Moyer, General Manager, presented the following contracts for Commission approval:

- Buzz Creative Group, LLC – Marketing Agency (RP)
- Game Changing Technologies, Inc. – Software License
- William Morris Endeavor Entertainment, LLC (WME) – Talent Agent

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Lamberti moved to approve contracts as submitted by HRHCSC. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on Catfish Bend Casinos II, LLC (CBC). Rob Higgins, General Manager, presented the following contracts for Commission approval:

- Global Payments, Inc. – Kiosk Maintenance Contract
- CS3 Technology – Purchase of Payroll and HR Software

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by CBC. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on Ameristar Casino Council Bluffs, LLC (Ameristar). Monty Terhune, General Manager, presented a contract with Marnell Architecture for the remodel design for the hotel, sports bar and 3rd deck casino bar for Commission approval.

Hearing no comments or questions concerning the contract, Chair Arnold requested a motion. Commissioner Kramer moved to approve the contract as submitted by Ameristar. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold noted a rule was recently passed requiring all contracts in place for five years to be re-evaluated and re-submitted for Commission approval. The intent of the rule was that the facilities would take the opportunity to determine if there were new vendors or Iowa vendors that could provide the services or products.

Chair Arnold called on Isle of Capri Marquette, Inc. d/b/a Lady Luck Casino Marquette (LLCM). Don Ostert, General Manager, presented the following contracts for Commission approval:

- Alpine Communications – Telephone Service
- Brenton Buildings – Remodel/Repair of Pavilion – Roof, Siding and Buffet

- Cummins-Allison Corporation – Cash/Ticket Counter
- Farmer Brothers Company – Beverage Service
- Franklin Street Floral & Gifts – Alcohol Beverage Supplier
- G&K Services Co. – Laundry Services
- IC&E Railroad – Land Rental Fees
- M&D Inc. – Painting Vessel; Electrical Inspection and General Maintenance
- Mediacom, LLC – TV and Wireless Services
- Microtel Inn & Suites – Guest Lodging
- NRT Technology Corp. – E-Ticket/Cash Redemption Machine Services
- Per Mar Security Research Corp. – Security System Services
- Plunkett's Pest Control, Inc. – Exterminator Services
- Randy Schneider Distributing – Food and Dairy Products
- Reinhart Food Service, LLC – Food Supplier
- Schilling Supply Company – Cleaning Supplies
- Schumacher Elevator Company – Elevator Service/Maintenance
- United Beverage, LLC – Beverage Supplier
- Verizon Wireless – Telephone Services

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the contracts as submitted by LLCM. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on Harveys Iowa Management Co., Inc. (Harrah's). The following contracts were considered for Commission approval:

- Absolutely Fresh Seafood – Purchase of Seafood
- American Airlines – Business Travel & Customer Travel
- Andersen Construction Co. – Construction Vendor
- Barking Dogs LTD (Concert Security Services) – Concert Production Services & Labor
- C3 Presents (d/b/a Charles Attal Presents) – Entertainment Programming Services
- Cintas Corporation – Uniforms
- Cummins-Allison Corp. – Currency Counting Equipment & Maintenance
- D & D Communications – Radio Equipment & Services
- D & B Construction, Inc. – Construction Vendor
- Doll Distributing – Beverage Products
- Ecolab Incorporated – Pest Control
- EGADS (Electronic Gizmos & Display Systems) – Slot Signage
- Global Surveillance Associates – Surveillance Equipment & Maintenance
- Grainger – Maintenance & Slot Tech Supplies
- Graphic Controls, LLC – Slot Machine Ticket Vendor
- Hockenbergs – Food & Beverage Equipment
- Iowa Wine & Beverage (Johnson Brothers) – Wine Purchases
- J & R Liquors – Liquor Purchases

- Liberty Fruit Company, Inc. – Food Supplier
- Loffredo Fresh Produce – Food Supplier
- NRT Technology Corp. – Maintenance of Self-Redemption Kiosks
- Olson Brothers Construction – Construction Vendor
- OS Sales/Omaha Steaks – Meat Supplier
- Otis Elevator Company – Elevator Maintenance & Repairs
- Pegler Sysco – Food Supplier
- Pepsi Bottling Group – Beverage Supplier
- Pinnacle Construction, Inc. – Construction Work
- Premier Midwest – Beverage Products
- Rotella's Italian Bakery – Breads & Other Baked Goods Supplier
- RR Donnelley – Printing of Direct Mail
- Standard Textiles – Blankets & Linens for Hotel Rooms
- Staples – Office Supplies
- Terracon Consultants, Inc. – Testing of Rubble Dump
- The Printer, Inc. – Printing of Direct Mail
- United Airlines – Business Travel & Customer Travel
- US Bank d/b/a Ultron Processing Services – Provides ATMs for Facility
- US Foodservice, Inc. – Food Supplier
- Waste Management – Waste Disposal
- Xerox Corp. – Copy & Print Services

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the contracts as submitted by Harrah's. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on Iowa West Racing Association d/b/a Horseshoe Casino/Bluffs Run (HC/BR). The following contracts were considered for Commission approval:

- Andersen Construction Co. – General Construction
- Arrow Stage Lines d/b/a Busco – Charter Service
- Burton Plumbing – Emergency Plumbing Services
- C3 Presents (Charles Attal Presents) – Entertainment Programming Services
- CB Lodging d/b/a Springhill Suites – Lodging for Patrons
- Cintas Corporation – Uniforms
- Country Inn & Suites – Hotel Accommodations for Guests
- Cummins-Allison Corp. – Equipment Repairs/Maintenance
- D & B Construction, Inc. – Construction Work
- D & D Communications – Radio Systems & Equipment
- Doll Distributing – Alcoholic Beverages Distributor
- Ecolab Incorporated – Pest Control
- EGADS (Electronic Gizmos & Display System) – Slot Signage
- Global Surveillance Associates – Surveillance Equipment & Maintenance

- Grainger – Maintenance & Slot Tech Supplies
- Graphic Controls, LLC – Slot Machine Ticket Vendor
- H. Olafsson – Int'l Specialty Foods – Specialty Items for Bakery
- Hockenbergs – Miscellaneous Kitchen Items
- J & R Liquors – Liquor Purchases
- Iowa Wine & Beverage (Johnson Brothers) – Wine/Beverage Vendor
- Kineth Hospitality Co. d/b/a 23rd Street Hotel – Hotel Accommodations
- Liberty Fruit Company, Inc. – Food Supplier
- Loffredo Fresh Produce – Fresh Produce & Seafood Supplier
- Nebraska Furniture Mart – Furniture Vendor
- NRT Technology Corp. – Self-Redemption Kiosk Repair & Maintenance
- Olson Brothers Construction – Construction Work
- Paramount Linen & Uniform – Linen & Uniform Cleaning Service
- Pegler Sysco – Food Distributor
- Pepsi Bottling Group – Beverage Supplier
- Pinnacle Construction, Inc. – Construction Work
- Road Show Logistics – Automobile Vendor used for Marketing Promotions
- Rotella's Italian Bakery – Breads & Other Baked Goods
- RR Donnelley – Printing of Marketing Material
- Sapp Brothers Truck Stop – Fuel for Vehicles
- Schindler Elevator Corporation – Elevator Maintenance
- Southern Glazer's of IA – Wine/Spirits Vendor
- Staples – Office Supplies
- The Printer, Inc. – Direct Mail Services
- US Bank d/b/a Ultron Processing Services – Provides ATMs for Facility
- US Foodservice, Inc. – Food Vendor
- Waste Management – Waste Disposal
- Xerox – Copy & Print Services

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the contracts as submitted by HC/BR. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on Prairie Meadows Racetrack & Casino, Inc. (PMR&C). Gary Palmer and Derron Heldt, General Manager and Director of Racing respectively, were present to address the agenda items.

Mr. Heldt advised the thoroughbred meet was a challenge this year due to an outbreak of equine herpes in Nebraska. Prior to the horses being diagnosed in Nebraska, 50 horses had shipped in and were on the backside along with some other horses. PMR&C ended up with 150 horses in restricted barns, which meant they could not train with the general population, and required additional security for the workers and caretakers of the horses. Owners and trainers that were to ship horses in from other parts of country were hesitant to do so even though PMR&C was not in

quarantine status and did not have any horses that had been diagnosed with equine herpes. Mr. Heldt stated when the thoroughbred meet started, instead of having close to 1,200 horses, there were 900. The quarantined horses were not available to run for the first 21 days of the meet. He stated there were approximately 10 race days when they did not run nine races per day. Mr. Heldt advised on-track and off-track handle was down approximately 15%. He noted the facility tried different post times this year, which also affected the handle, particularly on Saturdays. Mr. Heldt noted when the season ended on August 13th, the field size had gained some momentum as did the handle, but they were not able to make up the deficit from the first three weeks.

Mr. Heldt stated PMR&C averaged 2.7 races per day for Iowa-breds, which is an increase from previous years. He stated there were 93 Iowa-bred horses that were foaled and raised in the state and ran in open company, which is also an increase from previous years. Mr. Heldt noted this is an indicator of the quality of horses that are being bred and raised in the state.

Mr. Heldt stated the Festival of Racing was held the last week of June and the first weekend of July. Six horses were flown in from California, and two were trained by National Hall of Fame trainers. The horse, American Dream, won the Iowa Derby, then went back to the East Coast and ran in a \$1 million race and finished second to the Kentucky Derby winner, and the horse that won was the Preakness winner. He noted jockeys are coming from all over the country to ride at PRM&C.

PMR&C held the Hall of Fame induction on August 12th, and the 13th was Iowa Classic Day. There were 11 races for restricted Iowa-bred horses, and seven stakes races. Four of those races had purses of \$100,000, which was the first time Iowa-breds could run for a \$100,000 purse.

Mr. Heldt advised the quarter horse meet will commence on Saturday, August 20th, and entries are being taken today. He indicated the backside is working through the transition; there are approximately 500 thoroughbreds left on the backside, and approximately 200-300 quarter horses. They are expecting another 250-300 for a total of approximately 550 quarter horses. Races will be held on Friday, Saturday and Sunday.

Mr. Palmer presented the following contracts for Commission approval:

- Armstrong Systems and Consulting – Prairie Gold Club Cards and Printers
- Brick, Gentry, Bowers, Swartz & Levis, P.C. – Corporate Legal Counsel
- Deloitte Tax, LLP – Tax Preparation Services
- Global Payments Gaming Services, Inc. – Casino Guest Credit and Debit Card Services
- Global Payments Gaming Services, Inc. – Casino Guest Check Cashing/Guarantee Services
- Hasler, Inc. (Mail Finance) – Mailing Equipment Lease
- Horsemen's Track and Equipment, Inc. – Replace Inside Horse Track Rail
- Loeb and Loeb, LLP – Legal Counsel Specializing in IRS/Non-Profit Related Matters
- OMG/Midwest – Dirt, Sand and Paving Materials for Maintenance
- Sink Paper and Packaging – Food and Beverage; Paper Supplies

- Underground Company – Track Drainage Repair Contractor

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by PMR&C. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold moved to the hearing for DRA for a violation of Iowa Code 99F.4(22) (Self-Exclusion) and called on Mr. Ohorilko. Mr. Ohorilko advised DRA and Commission staff have entered into a proposed Stipulated Agreement. Mr. Ohorilko stated a patron signed up to participate in the program in February 2006. On June 11, 2016, the individual entered Mystique Casino, played a slot machine and hit a taxable jackpot. The facility paid the jackpot to the individual, who then left the facility, triggering the referral to the Commission. During the evening audit, Mystique staff caught the error and self-reported the incident to the Commission. The facility has agreed to an administrative penalty between \$3,000 and \$20,000. Mr. Ohorilko indicated this is the first offense in 365 days.

Mr. Avilés stated this case was the result of employee error; the employee checked the box indicating the self-excluded database had been checked. Upon review of the surveillance tapes, it was determined that he had not done so. Mr. Avilés advised that corrective measures have been put in place requiring the cashier and supervisor to verify documentation to help prevent this from occurring in the future.

Hearing no comments or questions concerning the proposed Stipulated Agreement, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty of \$3,000. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold moved to the hardship claims before the Commission as a result of the cessation of greyhound racing, and called on John Cummins. Randy Waagmeester, legal counsel, was present on behalf of Mr. Cummins, who lives near Boston, MA, and operates a business known as Equine K9 Supplies. He noted documentation provided to support Mr. Cummins' claim included a summary of sales made by the company since the inception of the business in 2011, and Schedule C income information for each year of business. Mr. Waagmeester stated Equine K9 Supplies is a one-person operation and sells supplies to dog kennels. A large portion of the company's sales were to kennels racing at Bluffs Run. Mr. Waagmeester stated Mr. Cummins told him that prior to starting this business he had experience as a dog trainer.

He indicated the business was growing at a steady pace, and the cessation of greyhound racing at Bluffs Run was a financial wallop to the business. Mr. Waagmeester stated Mr. Cummins had submitted his claim to help him through the loss of income and business. Mr. Waagmeester walked the Commissioners through a folder of additional financial information for Equine K9 Supplies. He stated that approximately 41% of the sales for the company were attributable to kennels at Bluffs Run, as well as about one-half of all sales in 2015. Mr. Waagmeester stated Equine K9 was requesting a one-time payment of \$100,000. He stated Mr. Cummins is not in a position to try and sell the business due to the decline in sales.

Commissioner Lamberti stated his review of the financial information provided by Commission staff shows that everything is consistent, but the net profit of the business over the four-year period has averaged approximately \$2,700 per year. Mr. Waagmeester indicated he could not answer; that the Commission had more information on that matter than he did.

Hearing no further comments or questions, Chair Arnold stated he concurred with Commissioner Lamberti's comments. He agreed there was a business loss; however, the hardship rule is not intended to make a business whole, and the profit shown by this business appears to be minimal, and even showed a loss one year. Chair Arnold noted Mr. Cummins is a career electrician, and the Commission feels he has ample opportunity to replace a good portion of this income. Chair Arnold stated the Commission does not feel there is a hardship, and moved to deny the claim. Commissioner Lamberti seconded the motion, which carried unanimously.

Chair Arnold called on Rory DeSantiago. Mr. DeSantiago thanked the Commission for allowing him to present his claim.

Commissioner Lamberti asked Mr. DeSantiago if the Commission were to find a hardship occurred if it would impact his ability to receive disability payments. Mr. DeSantiago indicated he did not know, and stated he has received some funds. Commissioner Lamberti noted Bluffs Run had offered him a position, and after working in the position for a short time, both parties determined it was not a good fit for him. Mr. DeSantiago concurred, noting he has now been offered another position in the Count Room at Harrah's and it is going well. He stated it is a new position for him, and pays considerably less than he was making as the Director of Racing at Bluffs Run, but has been happy with the position. Mr. DeSantiago stated his supervisor, the general manager and human resources staff feel everything is going well.

Commissioner Lamberti noted the Commission is dealing with a unique set of facts in trying to meet what the intent of the hardship fund was, noting the Commission has some discretion to determine when a hardship exists. He stated it is clear Mr. DeSantiago's brain injury is not related to the closing of the racetrack in terms of the loss; however, in looking at the totality of circumstances, everyone is in agreement that if that job was available, he would be able to perform the job despite the brain injury. Commissioner Lamberti stated Mr. DeSantiago attempted to find another position, one that didn't work out, but encouraged him to continue to seek another position. Commissioner Lamberti stated the situation is so unique, but for the closing of the facility, he would still have a job that he was capable of performing. He stated his belief that a hardship does exist, and made a motion to award Mr. DeSantiago \$80,000. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on James Hummel. Mr. Hummel stated he was employed by United Tote to provide totalizator services for the racetrack for 29 years. There were no other openings within the company when Bluffs Run closed, and he was terminated. He was rehired on a part-time, on-call basis in February of this year. He has worked two different meets for a total of ten days since being rehired.

Commissioner Lamberti asked Mr. Hummel if he received a severance package. Mr. Hummel answered in the affirmative. Commissioner Lamberti stated his five-year average salary was approximately \$50,000, and the severance package was approximately one-half that amount. Mr. Hummel answered in the affirmative. Commissioner Lamberti asked Mr. Hummel if he was currently employed. Mr. Hummel stated his work with United Tote is part-time; he just finished a job in Montana, and there are no other job opportunities with them for the remainder of the year.

Commissioner Lamberti stated that in looking at the totality of the situation, the job was eliminated when the racetrack ceased operations; and Commission staff confirmed there was no other position readily available within the company. Noting Mr. Hummel has the ability to seek other employment, and taking the severance package into account, Commissioner Lamberti stated he believes a hardship does exist and moved to award Mr. Hummel \$25,000. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on John and Gail Shook. Ms. Shook stated she had been in the greyhound business for 25 years. She stated in 2011 their greyhound farm in Council Bluffs was flooded, requiring them to move 180 dogs to various locations. When the water receded, the farm, which was within city limits, was destroyed. Due to changes in zoning regulations, they were denied permits to rebuild on the property. Due to this series of events, they quit breeding greyhounds for over a year as they did not know where they would end up. Ms. Shook stated the city bought their property, but for less than the appraised value. They eventually purchased a farm in Mills County. Ms. Shook stated since she was not breeding dogs, she did not have greyhounds racing at the track, which impacted their income, and will impact the amount of money they will receive from the cessation fund. The funds they receive from the fund will also be based on the number of greyhounds produced, and since they didn't breed for a year, those numbers will be down as well. Ms. Shook noted they had to make improvements to the property in Mills County so they could raise and breed greyhounds.

Chair Arnold advised the Commission had reviewed the provided information and believes there has been a hardship but does not feel it was caused by the cessation of greyhound racing, rather the flood. He noted Ms. Shook would receive funds from the cessation fund starting in 2017. Chair Arnold moved to deny the claim. Commissioner Lamberti seconded the motion, which carried unanimously.

Chair Arnold called on Sherry Standley. Ms. Standley stated she was employed as a mutuel teller from 2005 through closing day, but worked several positions at Bluffs Run beginning in 1995. She cares for a disabled husband. She advised she was offered a position, but the hours were not when someone would be available to care for her husband. She indicated she has been receiving unemployment. While she has been seeking employment, she has only had one interview and two phone interviews.

Commissioner Lamberti asked Ms. Standley what hours she worked prior to the closing. Ms. Standley stated she worked from 10:30 AM to 7:00 PM or 11:00 AM to 7:00 PM. He asked

what the hours were for the position she was offered. Ms. Standley stated she would have been working until 10:00 at night, or the graveyard shift.

Chair Arnold clarified that she had been offered a position, but declined it. Ms. Standley indicated that was correct as she could not find anyone to come in and care for her husband during those hours.

Chair Arnold stated the Commission has reviewed the submitted materials and found she had been offered a position which she elected not to take. Chair Arnold made a motion to deny Ms. Standley's hardship claim. Commissioner Kramer seconded the motion, which carried unanimously.

As there was no Public Comment or Administrative Business to come before the Commission, Chair Arnold requested a motion to adjourn. Commissioner Lamberti so moved. Commissioner Kramer seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
OCTOBER 13, 2016**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, October 13, 2016 at the Rhythm City Casino, LLC in Davenport, Iowa. Commission members present were Rich Arnold, Chair; Kris Kramer, Vice Chair; and members Carl Heinrich and Jeff Lamberti. Commissioner Dolores Mertz was absent.

Chair Arnold called the meeting to order at 8:30 AM. He thanked Mo Hyder, General Manager; Dan Kehl, President of Elite Casinos; and Ken Bonnet, CFO, for the tour of the facility. He requested a motion to approve the agenda, with the following amendments: Item 6 is withdrawn; and Isle of Capri Marquette, Inc. d/b/a/ Lady Luck Casino Marquette (LLCM) pulled the following contracts from the agenda: Bemiss Distributing Company Inc.; Kronos Incorporated; Micros Fidelio Worldwide, LLC; and Per Mar Security as they do not require Commission approval. Commissioner Heinrich moved to approve the agenda as amended. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold moved to the Welcome. Mr. Hyder welcomed the Commission to the Davenport/Quad Cities area. He introduced Mayor Frank Klipsch. Mayor Klipsch stated he is excited about the new facility as it serves the entire Quad City region, but is also bringing in visitors from outside the region. He noted the facility is serving as an economic engine as more and more entities are contacting the city about developing or moving businesses into the area surrounding the facility. Mayor Klipsch stated he previously served as the Chief Executive Officer (CEO) of the local YMCA, which was the beneficiary of proceeds from the Riverboat Development Authority (RDA). He advised the funds distributed by RDA have made a tremendous difference in the community.

Mr. Hyder introduced Frank Clark, Chairman and the interim CEO of RDA. Mr. Clark thanked everyone involved in the process of getting the new land-based facility as they have already seen an impact at the RDA and he expects better things in the future. He assured the Commission that business is proceeding as usual at RDA following the recent death of the CEO. Mr. Clark noted they are in the middle of a grant cycle, and will start their search for a new CEO soon.

Chair Arnold moved to the approval of the minutes. Commissioner Kramer moved to approve the minutes from the August 18, 2016 Commission meeting as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on Brian Ohorilko, Administrator of IRGC, for announcements. Mr. Ohorilko provided the following information regarding future Commission meetings:

- November 17, 2016 – Honey Creek Resort, Moravia (Submissions due by November 2, 2016)
- December – No Meeting

- January 5, 2017 – Isle Casino Hotel Waterloo, Waterloo (Submissions due by December 21, 2016)
- February – No Meeting
- March 7, 2017 – Prairie Meadows Racetrack & Casino, Altoona, IA (Submissions due by February 21, 2017)

Mr. Ohorilko recognized the following Commission staff members: Stan McClellan and Dan Martens, Gaming Representatives assigned to Rhythm City; Debbie Douglas, Licensing Assistant; and Stu Hoover, Gaming Representative assigned to IOC Bettendorf.

Chair Arnold moved to the rules submitted for review under Notice of Intended Action, and called on Mr. Ohorilko, who advised there were 18 items. These items are a result of staff's annual review of the rules. Items one and two will clean up antiquated language; item three clarifies a requirement for horse racetracks; item four clarifies the acceptance of all checks; item five allows for mobile pari-mutuel devices; item 6 updates old language; item 7 adds a specific circumstance to grounds for license suspension; item 8 updates old language; items 9-14 are the result of the Racing Task Force and clarify existing rules or circumstances; items 15 and 17 address the funding mechanism for Wide Area Progressive jackpots; and items 16 and 18 allow for pre-verified cards in gambling games. Mr. Ohorilko stated the rules were submitted to the stakeholders prior to coming before the Commission. He requested the Commission's approval of the rules submitted under Notice of Intended Action.

Hearing no comments or questions concerning the proposed rules, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the rules submitted under Notice of Intended Action. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold moved to the rules submitted under Final Adopt. Mr. Ohorilko stated these rules were the result of 2016 legislation and include procedures related to the promotional tax credit. He noted these rules were before the Commission at the August meeting. Since that time, there was a public hearing and staff presented to the Administrative Rules Review committee. No comments were received at either meeting. Mr. Ohorilko requested approval.

Hearing no comments or questions concerning the rules submitted for final adoption, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the final adoption of the rules. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on Catfish Bend Casinos II, LLC (CBC) regarding their application for debt financing. Gary Hoyer, CEO for Great River Entertainment (GRE), the parent company for CBC, advised he had distributed photos of what they hope to achieve with the restructure and refinance package. The restructure component includes adding a new holding company in the organizational chart, which would become effective upon closing. A new company will become the borrower in a Master Loan Agreement, which would house the debt for both The Pzazz operation and the Illinois operation. As part of the project, they are proposing to add a new Hampton Inn & Suites at the facility. This would be an 86-room, 6-story new hotel facility located at the current porte-cochere. The Hampton would be connected with the casino and other

spaces housed in The Pzazz funplex on the north end. The Hampton would then become the “front door”. The primary casino entrance would be moved to the south, and a second casino tower would be added. Mr. Hoyer advised they are also adding a Panera Bread and Cold Stone Creamery, and one other space that has not been announced along the Roosevelt Avenue corridor. They feel these options will add to their entertainment options and enhance the overall facility. The grassy area in front of the facility will be turned into approximately 160 parking spaces. Mr. Hoyer stated the Hampton will help attract the mid-week business traveler, a segment that has been missing from the property. They believe this will help the casino and restaurants.

Mr. Hoyer advised the debt restructuring will take the Illinois operation and blend the 80% ownership level into the new FundCo ownership structure, and will be buying out some of the current partners’ remaining interests. The loan package is syndicated by US Bank, and has been filled with funds from Capital One, Mutual of Omaha Bank, Bankers Trust, and a small southeast Iowa bank, Connection Bank. The refinancing is needed to do the aforementioned amenities, and the current loans at The Pzazz and in Illinois. By combining them into one loan facility, GRE was able to significantly improve the interest rates. The loan will be a \$100 million debt facility, 80/20 between term and a revolver and will have a variable interest rate starting at 300 points over LIBOR initially, and will change based on total leverage. Mr. Hoyer stated the loan would be cross-collateralized and the term loan will amortize at 7½% -7½%-10%-10%-10% over the term of the 5-year loan.

Hearing no comments or questions concerning the debt financing, Chair Arnold called for a motion. Commissioner Lamberti stated he was happy to see GRE investing in the facility, and moved to approve the debt financing. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on Ameristar Casino Council Bluffs, Inc. d/b/a Ameristar Casino Council Bluffs (Ameristar) regarding their request to remodel the facility. Monty Terhune, General Manager, stated they are requesting approval to remodel some space on the second level. The exterior wall would be moved out, which will add approximately 2,200 square feet allowing them to add about 77 slot machines. He stated the proposed expansion would cost approximately \$5 million and take just under six months to complete. Mr. Terhune stated guest impact would be minimal due to a construction wall, and they would only need to remove 4-8 slot machines during construction. He stated this project would help compensate for an aisle-widening project which resulted in about 100 slot machines being removed from the floor. He noted the facility is unable to meet patron demand during peak times with the loss of those machines.

Hearing no comments or questions regarding the remodeling project, Chair Arnold requested a motion. Commissioner Heinrich moved to approve the remodeling project as submitted by Ameristar. Commissioner Lamberti seconded the motion, which carried unanimously.

Chair Arnold moved to the contract portion of the agenda and called on Ameristar. Mr. Terhune presented the following contracts for Commission approval:

- Baltic Linen – Hotel Linens
- Alcoholic Beverage Division (ABD) – Alcoholic Beverages and Licensing
- Agilysys NV, LLC – IT Support and Software
- AJR Equities, Inc. – Marketing Promotional Items
- CCE MW – West (Coca Cola) – Soft Drinks, Equipment and Supplies
- Council Bluffs Hotel Association – Hotel Rooms for Overflow Guests
- Data Business Equipment – Cage and Count Room Equipment
- Day Electric Services Inc. – Electrical System Maintenance
- Doll Distributing – Beer Inventory and Services
- Edward Don & Company – Operating Supplies and Equipment
- Farner-Bocken Company – Food Service Supplies
- Gary Platt Manufacturing – Casino Chairs and Slot Stools
- Global Payments Gaming Services – Check Cashing Guaranty Services
- Global Surveillance – Digital Surveillance Equipment
- Haworth Marketing + Media – Media Agency
- Johnson Brothers Wine Co. – Wine
- Markel BMW – Promotional Items
- McMullen Ford – Vehicle Maintenance and Repair
- Nebraska Furniture Mart – Furniture
- Newt Marine Service – Harbor Maintenance and Slip Dredging
- Otis Elevator – Elevator Maintenance
- Prairie Mechanical Corporation – Kitchen and HVAC Maintenance
- Premier Midwest Beverage – Alcoholic Beverages
- VSR Industries Inc. – Gaming Supplies and Equipment
- Woodhouse Ford – Marketing Promotional Items (Car Give-Aways)

Chair Arnold noted they had submitted contracts with 9 out-of-state vendors. He pointed out the Commission has rules in place regarding the use of Iowa vendors and expressed concern over the high number of out-of-state vendors. Hearing no further comments or questions, he requested a motion. Commissioner Kramer moved to approve the contracts as submitted by Ameristar. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on LLCM. Nancy Ballenger, General Manager for Isle of Capri Bettendorf, presented the following contracts for Commission approval on behalf of LLCM:

- Mediacom, LLC – TV and Wireless Services
- Tech Art Incorporated – Card Peekers

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by LLCM. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on HGI-Lakeside, LLC d/b/a Lakeside Hotel Casino (Lakeside). Bob Thursby, General Manager, presented the following contracts for Commission approval:

- Core-Mark International, Inc. – Purchase Candy, Food, Tobacco, and Supplies
- Crawford Law Firm, PC – Legal Services
- Flynn Wright, Inc. – Marketing Services
- Loffredo Fresh Produce – Purchase of Produce
- Martin Brothers Distributing Co. – Purchase of Food Products and Supplies
- Metro Fish, LLC – Purchase of Seafood
- Pepsi Cola General Bottlers, Inc. – Purchase of Pepsi Products
- Principal Financial Group – 401K for Employees
- Reinhart Food Service, LLC – Purchase of Food and Supplies
- Sysco Iowa, Inc. – Purchase of Food and Supplies
- US Foodservice – Purchase of Food and Supplies

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by Lakeside. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on Harveys Iowa Management, Inc. d/b/a Harrah's Council Bluffs Casino and Hotel (Harrah's). Janae Sternberg, Director of Finance, presented the following contracts for Commission approval:

- Harrah's Operating Company, Inc. – Rental Agreement between Harrah's Casino & Harrah's Operating Company, Inc. (RP)
- Harrah's Iowa Arena Management, LLC – Management of Mid America Center (RP)
- Caesar's Entertainment Operating Company – Inter-Company Allocations and Benefit Expenses (RP)

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the contracts as submitted by Harrah's. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on Dubuque Racing Association, Ltd. (DRA). Jesús Avilés, President of DRA, presented a contract with American Trust & Savings Bank for the refinancing of an existing loan to obtain a better interest rate.

Hearing no comments or questions concerning the contract, Chair Arnold requested a motion. Commissioner Heinrich moved to approve the contract as submitted by DRA. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on SCE Partners, LLC d/b/a Hard Rock Hotel and Casino Sioux City (HRHCSC). Todd Moyer, General Manager, presented the following contracts for Commission approval:

- JLT Specialty Insurance Services, Inc. – Insurance Services
- Jones Family Farms, LLC d/b/a Claussen’s Nursery – Property Maintenance Agreement
- W. A. Klinger – General Contractor for Construction Project

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Kramer moved to approve the contracts as submitted by HRHCSC. Commissioner Heinrich seconded the motion, which carried unanimously.

Commissioner Heinrich asked about the recently approved expansion. Mr. Moyer advised that construction has started, and is on schedule to open in May 2017.

Chair Arnold called on Diamond Jo Worth, LLC d/b/a Diamond Jo Worth (DJW). Kim Pang, General Manager, presented the following contracts for Commission approval:

- AJR Equities – Event Merchandise Giveaways; Marketing Promotions
- Coca-Cola – Purchase of Beverage Products for Casino, Restaurants, and Convenience Store
- The Dimensional Group – Direct Mail Printing Services
- Fairway Outdoor Advertising – Billboard Advertising in Minnesota
- United Beverage, LLC – Purchase of Alcoholic Beverages for Casino and Convenience Store
- Wess, Inc. – Fuel Delivery for Convenience Store

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Kramer moved to approve the contracts as submitted by DJW. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on Wild Rose Clinton, L.L.C. d/b/a Wild Rose Clinton (WRC). Steve Nauman, General Manager, presented the following contracts for Commission approval:

- Accident Fund Insurance Co. – Workman’s Compensation via Holmes Murphy
- G. Baker Distributing – Beverages and Beverage Products
- Gander Group d/b/a Bangarang Enterprises – Purchase Promotional Gifts and Giveaways for Patrons
- Holmes Murphy – Insurance Provider and Broker
- Imagine This – Purchase Promotional Gifts and Giveaways for Patrons
- MetLife – Employee Life Insurance, Long & Short Term Disability and Dental Insurance and Premiums
- Pitney Bowes – Lease for Postage Meter System
- Reinhart Institutional Foods – Food Products
- Wellmark Blue Cross Blue Shield – Employee Medical Benefits and Related Insurance Premiums

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by WRC. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on Wild Rose Emmetsburg, L.L.C. d/b/a Wild Rose Emmetsburg (WRE). Amy Rubel, General Manager, presented the following contracts for Commission approval:

- Wellmark Blue Cross Blue Shield – Employee Medical Benefits and Related Premiums
- Reinhart Food Service – Food Products
- Pepsi Co. – Soda for Casino and Restaurants
- MetLife SBC – Employee Life, Long & Short Term Disability, & Dental Insurance and Premiums
- Johnson Brothers – Alcoholic Products for Casino and Restaurant
- Imagine This – Purchase of Promotional Gifts and Giveaways for Patrons
- Holmes Murphy – Insurance Provider and Broker
- Doll Distributing – Beverages and Beverage Products for Casino and Restaurant
- Accident Fund Insurance Co. – Workman’s Compensation via Holmes Murphy

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Kramer moved to approve the contracts as submitted by WRE. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on Riverside Casino and Golf Resort, LLC (RCGR). Dan Franz, General Manager, presented the following contracts for Commission approval:

- U.S. Foods – Food Purchases
- Wired Productions – 16th Ave Music – Entertainment Expenses
- Trane U.S. Inc. – Compressor Renewal Service

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the contracts as submitted by RCGR. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on Rhythm City Casino, LLC (Rhythm City). Mo Hyder, General Manager, presented the following contracts for Commission approval:

- Cintas Corporation – Employee Uniforms
- CSI, LLC (Computer Service Innovations) – Purchase of Low Voltage Cabling Products, Coax Products, Fiber Products and Accessories
- Dodd Construction – Construction Projects
- Grand Falls Casino & Resort – Support Services: Internal Audit; Regulatory Compliance; and Information Technology Services (RP)
- King Food Service – Food Purchases
- Loffredo Fresh Produce – Food and Produce Purchases

- Oracle Hospitality – Gaming – Hotel Property Management System
- Riverside Casino & Golf Resort, LLC – Support Services: Internal Audit; Regulatory Compliance; and Information Technology Services (RP)
- SupplyWorks – Environmental Services Supplies

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Kramer moved to approve the contracts as submitted by Rhythm City. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on Isle of Capri Bettendorf, L.C. d/b/a Isle Casino Hotel Bettendorf (IOCB). Ms. Ballenger presented the following contracts for Commission approval:

- Atlantic Coca-Cola Bottling Company – Coca-Cola Product Vendor
- CDW Direct – Purchase of Computer Equipment and Supplies
- Dell Marketing LP – Purchase Computers, Computer Equipment and Supplies
- Ecolab – Purchase Dishwashing Equipment and Supplies
- Edward Don – Purchase Restaurant Equipment and Supplies
- Global Payments VIP Preferred – Check Cashing Guarantee Service
- Greenwood Cleaning Systems – Purchase Cleaning Supplies
- iWireless Center – Purchase Event Tickets, Luxury Box and Sponsorships
- King Food Service – Food Vendor
- Kone Inc. – Purchase Elevator and Escalator Maintenance Contracts and Service/Parts
- Neesvig's Inc. – Purchase Certified Angus Beef
- Reinhart Institutional Foods – Purchase Food and Non-Food Restaurant Products
- Stanley Consultants – Design and Contracting Services for Build of Jetty Park
- Staples Contract and Commercial – Purchase Office Supplies
- Treiber Construction – Provides General Construction and Concrete Repairs
- Tri-City Electric – Capital Project to Enhance Cell Phone Coverage/Strength inside Casino
- Wells Fargo Bank – Provides Company Credit Cards

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the contracts as submitted by IOCB. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on IOC Black Hawk County, Inc. d/b/a Isle Casino & Hotel at Waterloo (IOCW). Todd Conley, General Manager, presented the following contracts for Commission approval:

- Standard Textile – Linens and Textile for Hotel and Casino
- Covenant Medical Center – Team Member Health Clinic
- Shywest, Inc. d/b/a Imagine This – Marketing Promotional Items
- Wells Fargo – WellsOne Commercial Card – Corporate Credit Card Service
- Reinhart Food Service – Food, Beverage, Food Service Equipment

- Myers-Cox Company – Cigarette Vendor
- Lamar Advertising Company – Outdoor Advertising Signs
- King Food Service – Seafood Supplier for Food Outlets
- Hy-Vee – Liquor, Flowers, Food, Etc.
- Fahr Beverage – Budweiser Dealer and Other Beverage Products
- Coca Cola Bottling Company – Beverage Vendor
- Bangarang Ent., LLC d/b/a Gander Group – Marketing Promotional Items
- Aramark Uniform Services – Laundering Service

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by IOCW. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on Diamond Jo, LLC d/b/a Diamond Jo Casino (DJ). Wendy Runde, General Manager, presented the following contracts for Commission approval:

- Landau, Inc. – Retail Sale of Jewelry, Handbags, Scarves
- Straka Johnson Architects, PC – Architectural Services

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the contracts as submitted by DJ. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on the Iowa Greyhound Association. Brian Carpenter, Director of Racing and General Manager of Iowa Greyhound Park, and Matt Kingdon, with Goldfinch Entertainment, requested the Commission's approval of the Simulcast Wagering Agreement between the Iowa Greyhound Association and Wild Rose Clinton, LLC.

Hearing no comments or questions concerning the agreement, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the agreement between the Iowa Greyhound Association and Wild Rose Clinton, LLC conditioned upon staff's approval of the operating plan, to include, but not limited to; the tote system, simulcast contracts, reporting capabilities, wagering area, and licensing of employees. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on the Iowa West Racing Association (IWRA) regarding their application to renew the pari-mutuel and racetrack enclosure gambling licenses for Horseshoe Casino/Bluffs Run Greyhound Park from January 1, 2017 through December 31, 2017. Pete Tulipana, Executive Director, stated the relationship between the two organizations remains strong. He noted there are frequent meetings and Horseshoe representatives are always candid and available to them. Mr. Tulipana stated the license fees provided to IWRA help fund grants throughout southwest Iowa. He indicated the impact of Horseshoe is critical to the area not only through the grants, but also as one of the area's largest employers. Mr. Tulipana stated IWRA and Horseshoe are excited about a \$39 million development project underway near Horseshoe that

will draw additional visitors to the area. Field House USA, an event and elite recreation facility that has generated more than \$15 million in annual revenue at some of their other locations, is set to open on December 1st. Another example of how the area benefits is the Blink free wi fi network in connection with the city of Council Bluffs and the Omaha Public School District. When the project is completed over the next five years, the Blink coverage area will cover more than 120 square miles providing wi fi access to more than 40,000 people. It would be the largest free outdoor network in the country. Mr. Tulipana requested approval of the licenses. He introduced Bo Guidry, General Manager of Horseshoe Casino/Bluffs Run Greyhound Park.

Mr. Guidry concurred with Mr. Tulipana's comments concerning the relationship between the two organizations, and sees it continuing for many years. He requested approval of the license renewal application.

Hearing no comments or questions concerning the license renewal application, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the application for a pari-mutuel license, simulcast dates and racetrack enclosure gambling license for the period of January 1, 2017 through December 31, 2017, contingent upon the following conditions being met:

- Once simulcasting begins, the import and export contracts should continue to have the review and approval by staff to insure regulatory compliance; and
- Staff approval of the simulcast operating plan prior to conducting simulcasting.

Commissioner Heinrich seconded the motion, which carried unanimously.

Mr. Guidry presented the following contracts for Commission approval:

- Harrah's Iowa Arena Management, LLC – Management of Mid America Center (RP)
- Caesar's Entertainment Operating Company – Inter-Company Allocations and Benefit Expenses (RP)

Hearing no comments or questions regarding the contracts, Chair Arnold requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by Horseshoe Casino/Bluffs Run Greyhound Park. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on the Iowa Greyhound Association regarding their application to renew the pari-mutuel license for Iowa Greyhound Park and request for race dates for the period of January 1, 2017 through December 31, 2017. Mr. Carpenter indicated this would be the third year of racing under the Iowa Greyhound Association, and handle has been going up.

Commissioner Lamberti asked if there were significant changes to the proposed races dates for 2017 or if they were the same as 2016. Mr. Carpenter advised the dates were the same as last year; but are different than when Mystique ran the racing operation. He indicated handle is \$1 million ahead of last year.

Commissioner Lamberti moved to approve the application for the pari-mutuel license and the granting of race dates from January 1, 2017 through December 31, 2017 with the following conditions:

- The import and export contracts should continue to have the review and approval by staff to insure regulatory compliance, and
- Continuous review of racetrack maintenance and monitoring of injuries in cooperation with IRGC representatives.

Commissioner Kramer seconded the motion, which carried unanimously.

Mr. Carpenter presented the following contracts for Commission approval:

- International Association of Machinists & Aerospace Workers (IAMAW) – 3-Year Mutuel Union Contract
- Earlham Savings Bank – Loan

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Kramer moved to approve the contracts as submitted by the Iowa Greyhound Association. Commissioner Lamberti seconded the motion, which carried unanimously.

Chair Arnold called on Prairie Meadows Racetrack & Casino, Inc. d/b/a Prairie Meadows Racetrack & Casino (PMR&C) regarding their application to renew the pari-mutuel license, request race dates, and renew the racetrack enclosure gambling license for the period of January 1, 2017 through December 31, 2017. Gary Palmer, General Manager, and Derron Heldt, Director of Racing, were present to address the matter. Mr. Heldt noted there was a change to the post time on Saturday, October 14th from 6:00 PM to 1:00 PM.

Hearing no comments or questions concerning the license renewal application, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the application for the renewal of the pari-mutuel license, granting of race dates with the amendment to the October 14th post time, and the renewal of the racetrack enclosure gambling license for the time period of January 1, 2017 through December 31, 2017, subject to the following conditions:

- The import and export contracts should continue to have the review and approval by staff to insure regulatory compliance;
- All marketing promotions that may affect live racing, particularly the racing schedule and post times, shall have **prior approval** from the IRGC; and
- Ongoing updates to staff on track surface safety measures and improvements.

Commissioner Kramer seconded the motion, which carried unanimously.

Mr. Palmer presented the following contracts for Commission approval:

- Agilysys – Accounting/Inventory Control/Recipe Building Software and Support

- Atlantic Bottling Company – Soft Drink Supply Agreement
- Bankers Trust Company – Line of Credit
- Grimes Asphalt and Paving – Asphalt Replacement and Construction (RP)
- Global Spectrum, L.P. – Advertising Agreement – Wells Fargo Arena
- Infomax Office Systems (Canon) – Printing Equipment and Service
- Metro Waste Authority – Waste Disposal
- NV Concepts Inc. (USA Entertainment) – Entertainment Booking Agency
- Poindexter Flooring – Tile and Carpet Flooring
- Protex Central, Inc. – Fire Alarm and Suppression System and Service
- Roberts Communication (Racetrack TV) – Streaming Audio-Video & Digital Archiving Services
- Roberts Communication (Racetrack TV) – Data Communication Services
- Rotellas Italian Bakery – Bread Products
- Saga Communications (Des Moines Radio Group) – Radio Promotions and Advertising
- Shye West (Imagine This) – Promotional Items
- Willis Auto Campus – Vehicles for Giveaway Promotions

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Lamberti moved to approve the contracts as submitted by PMR&C. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold moved to the hearings before the Commission and called on Mr. Ohorilko. Mr. Ohorilko advised that Commission staff and Wild Rose Clinton, LLC (WRC) have entered into a Stipulated Agreement for violation of Iowa Code §99F.4 (22) (Self-Exclusion). He stated the individual completed the Iowa Statewide and Lifetime Self-Exclusion form at Rhythm City on October 19, 2013. On or about March 4, 2016, the individual entered WRC and was provided a player's club account and received promotional mailings from the facility, both of which trigger the referral to the Commission. Mr. Ohorilko stated the facility did discover the incident and voluntarily reported it to staff. He advised that WRC acknowledges the above facts constitute a violation of Iowa Code §99F.4 (22) (Self-Exclusion) and have agreed to pay an administrative penalty in an amount between \$3,000 and \$20,000. Mr. Ohorilko stated this is the first violation of this nature in the past 365 days.

Mr. Nauman stated the facility takes this matter very seriously, noting the name of the individual was misspelled when it was originally entered into the system in 2013. The database analyst discovered the error on June 17th at which time the violation was reported to the Commission. The guest was advised of the self-exclusion on June 18th when they returned to the facility.

Commissioner Lamberti moved to approve the proposed Stipulated Agreement with an administrative penalty of \$3,000. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold moved to the hearing for HGI-Lakeside, LLC (Lakeside) for a violation of Iowa Code §99F.9(5) (Minor). Mr. Ohorilko noted Commission staff and Lakeside have entered into

a Stipulated Agreement. He advised that on June 10, 2016, an underage male entered the gaming floor unchallenged, gambled at multiple machines and was on the floor for over 30 minutes which would trigger the Commission referral. Mr. Ohorilko stated Lakeside management acknowledges the above facts constitute a violation of Iowa Code §99F.9(5) (Minor), and has agreed to pay an administrative penalty of \$20,000.

Mr. Thursby stated the facility has made several changes to the management staff, have increased staffing levels at the turnstiles during peak periods, and have invested a significant amount of money to make changes to the turnstile operations and purchase new equipment. They have also enlisted individuals that appear to be between the ages of 21-25 to come to the facility and do checks on the security staff unannounced. Mr. Thursby stated the security staff has been retrained and now have monthly refresher courses on IDs and turnstile procedures, and they have added quarterly training for the remainder of the staff on recognizing underage individuals. Mr. Thursby stated they are doing everything they can to prevent minors gaining access to the floor. He advised in the last three instances involving minors, the minors have been aided and abetted by their parents. One physically climbed over barriers to get onto the barge. Mr. Thursby assured the Commission the facility is doing everything possible to insure there is not a reoccurrence of minors on the boat.

Commissioner Lamberti noted the Commission and the industry have seen an increase in the number of incidents in which minors are being aided and abetted by adults. He stated facility staff cannot assume a child is of age just because they are coming with their parents. He suggested the facilities submit ideas that could be proposed to the Legislature to enhance enforcement in terms of the aiding and abetting as current regulations don't seem to be much of a deterrent to the adults.

Commissioner Lamberti moved to approve the proposed Stipulated Agreement with an administrative penalty of \$20,000. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold moved to the hearing for Prairie Meadows Racetrack & Casino, Inc. (PMR&C) for a violation of Iowa Code §99F.9(1) (Wagering on Gambling Games). Mr. Ohorilko advised Commission staff and PMR&C management have entered into a Stipulated Agreement. He stated that on March 20, 2016, staff received information that PMR&C had patrons in the poker room that were conducting gambling on events, contests, and other activities that are not allowed under the Commission's regulations. The investigation revealed this activity had been taking place for quite some time and that members of the staff and supervisors were aware it was taking place. Mr. Ohorilko stated PMR&C acknowledges the facts constitute a violation of Iowa Code §99F.9(1) (Wagering on Gambling Games), and has agreed to pay an administrative penalty in an amount up to \$20,000.

Mr. Palmer stated the facility is aware their license is a privilege and take the matter very seriously. He stated when upper management was made aware of the situation they took immediate action by retraining all of the dealers and requiring them to sign a document acknowledging they are aware of the laws regarding gambling in Iowa and what is allowed in a

poker room. They also added signage prohibiting the activity. Mr. Palmer stated the poker room is being moved from the 4th floor down to the 2nd floor, which is the main casino floor. They feel the observation and visibility will be better and help to prevent a similar situation in the future. Three of the top individuals in the table games area have been terminated. Mr. Palmer assured the Commission this situation will not happen again.

Chair Arnold stated the Commission appreciates the corrective actions taken by PMR&C, but does feel it should have been caught a little quicker by upper management. He moved to impose a fine of \$10,000. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold moved to the hearing for SCE Partners, LLC for a violation of Iowa Code §99F.9(5) (Minor). Mr. Ohorilko advised SCE Partners/Hard Rock and Commission staff have entered into a Stipulated Agreement. He stated that on May 8, 2016, an underage male entered the gaming floor unchallenged on two occasions, was on the floor in excess of 30 minutes and gambled, which would trigger the Commission referral. Mr. Ohorilko stated Hard Rock acknowledges the above facts constitute a violation of Iowa Code §99F.9(5) (Minor), and has agreed to an administrative penalty of \$20,000.

Mr. Moyer stated the facility has been open over two years and this is the first incident of this nature to occur on the property. He indicated the security team is professional, well-trained, loyal, and proud. He stated that since January 1st, security has turned away 3,083 individuals at the turnstiles. The officers involved have been disciplined and every officer has been retrained. Mr. Moyer stated all security staff goes through a rigorous three-week training period before being allowed on the gaming floor alone. He feels the security staff will emerge from this incident a better team.

Commissioner Lamberti moved to approve the proposed Stipulated Agreement and \$20,000 administrative penalty. Commissioner Kramer seconded the motion, which carried unanimously.

Mr. Ohorilko moved to the final hearing before the Commission - SCE Partners, LLC (Hard Rock) for a violation of Iowa Code §99F.4 (22) (Self-Exclusion). He advised Commission staff and Hard Rock management had entered into a Stipulated Agreement. The individual signed up for the program at Argosy Casino on April 27, 2013. The individual entered Hard Rock on July 23, 2016 and won a jackpot in the amount of \$1,261. The individual received payment, which triggered the Commission referral. Mr. Ohorilko stated Hard Rock employees did identify the error and self-reported the incident. He advised Hard Rock acknowledges the facts constitute a violation of Iowa Code §99F.4 (22) (Self-Exclusion), and has agreed to an administrative penalty between \$3,000 and \$20,000. He indicated this is the first offense of this nature in the past 365 days.

Mr. Moyer stated he is confident their control procedures are solid. In this instance, a first check should have prevented the payment, but the staff member involved bypassed that step. Mr. Moyer advised the staff member was retrained and received corrective counseling. He stated there is a secondary check that caught the error but not until after the guest had left the cage window. Staff did not wait for the second check to be completed in their zeal to pay out jackpots

quicker. He stated staff will wait for this procedure to be completed prior to paying out jackpots going forward.

Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty of \$3,000. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold moved to the Greyhound Cessation Hardship Claims and called on James Feller. Mr. Feller was represented by Jim Quilty, legal counsel. Mr. Quilty stated he was involved in the legislative process that created the cessation fund and hardship aspect of said fund. He said the goal of the legislation was to soften the pain or help mitigate losses due to the cessation of greyhound racing in Iowa. While the majority of the fund was directed to the breeders, trainers, assistant trainers, kennel owners and adoption agencies; it was also known there would be individuals who fell through the cracks, which lead to the creation of the hardship fund. Mr. Quilty stated Mr. Feller would be one of those individuals if the Commission does not grant him a hardship award. He noted that when the application was submitted in June, in follow-up interviews with staff, and the request for additional information, it appeared to him there was a struggle with the notion that Mr. Feller's loss was related to an investment. Mr. Quilty noted that every single individual compensated under the cessation fund regardless of which aspect is being compensated for an investment loss, either money, time or both. He feels the struggle relates to the fact that Mr. Feller's application involves real estate –a home and kennel compound that was purchased and dedicated for use by those operating at Bluffs Run. He questioned whether this was too passive of an investment to be considered under the hardship fund, but indicated it would be a poor arbitrary distinction for the Commission to draw. Mr. Quilty noted the largest sum will go to individuals who received purse dollars and breeding awards over a set number of years. The list distributed by the Commission contains approximately 430 individuals of which 50 represent Iowa farms and there were only 29 kennels during any given year; therefore, the bulk of the individuals on the list are being compensated for the most passive investment – their investment in dogs they didn't breed, whelp, train or actively raise. Mr. Quilty stated that under the Commission's formula, these passive investors are being compensated to help mitigate their loss at the end of greyhound racing. He stated there is no reason with the way the fund is structured to draw a distinction, particularly since Mr. Feller is both an active and passive investor; he invested money but also invested approximately 1,000 hours of his time over eight years to build up and maintain the property. He distributed a summary providing some of the specifics of Mr. Feller's claim.

Mr. Feller advised the Commission he had an opportunity to purchase a piece of property that was connected to the greyhound racing industry in Council Bluffs, and saw it as an opportunity to create an additional fund for his retirement. He stated any extra money he earned, he tried to invest in real estate. Mr. Feller indicated this particular property represented approximately one third of his retirement account, and had racing continued another eight years he would have realized his goal.

Mr. Quilty summarized the loss by noting that Mr. Feller is 64, and as a result of the closure of Bluffs Run, has lost about one-third of his retirement, which could be categorized a number of different ways. He tried to set out a few different scenarios using formulas used by the

Commission in determining previous awards. Mr. Quilty stated the property was clearly a dog-specific property which Mr. Feller purchased for just over \$180,000 in 2008; he put another \$10,000 into the property and another \$10,000-\$20,000 in sweat equity if he were to be compensated for his time at \$10-\$20 per hour. When Mr. Feller listed the property for sale, he received three offers with the highest offer being over \$28,000 less than what he had in the property and \$20,000 less than he originally paid. Due the greyhound-specific nature of the property went from an asset to an eyesore. Mr. Quilty stated the original request was for a little over \$92,000, but feels the actual loss is approaching \$200,000 depending on how one values the loss. He stated the fact that a loss occurred is not subject to debate.

Commissioner Lamberti asked Mr. Feller if he attempted to rent the property in the time frame after racing ceased and when he decided to sell the property. Mr. Quilty stated the property was rented until the last month of racing at Bluffs Run, or December 2015. Commissioner Lamberti asked if Mr. Feller immediately listed the property for sale or if there was an attempt to lease it to another user. Mr. Feller stated it would not have been for greyhound use, and individuals interested in purchasing the property lost interest due to the dog facilities on the property. The rent he received from greyhound interests was higher than normal rent. He stated he lives 5½ hours away and was not interested in keeping a property that far away that he would have to maintain. He advised he listed the property for sale in December 2015 knowing racing would be done.

Commissioner Lamberti stated that all hardship claims are determined on a case-by-case basis, and agrees to a certain extent that everything is investing – invest in a job, a business, in real estate, etc., but is not sure that is the defining issue as everyone could claim they made an investment. He feels the Commission needs to look deeper into the nature of the investment and the nature of the loss and the cost. Commissioner Lamberti noted that investing in investment real estate is a somewhat inherently risky business; that rental income could have been lost for a variety of reasons not related to the cessation of racing at Bluffs Run. He feels that is significantly different from a person who lost their business or employment as a direct consequence of the cessation of racing at Bluffs Run. Commissioner Lamberti stated there is a difference and that it is inherently a risky business that somewhat has to be assumed by the individual who chooses to make that investment. Commissioner Lamberti moved to deny the claim. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on Daniel Zenner. Mr. Zenner stated he owned and operated a greyhound farm in Dubuque, Iowa. He stated since racing ceased in Council Bluffs, his boarding business has disappeared. He is working toward owning a litter but does not foresee his boarding business making a comeback. He stated he has tried to find individuals interested in boarding their dogs, but has been unable to do so.

Commissioner Lamberti stated it was his understanding that Mr. Zenner received approximately \$5,000 per year in boarding fees. Mr. Zenner indicated that was correct. He noted his boarding business was growing with the exception of the last year. Mr. Zenner stated one of his boarders advised him that if Bluffs Run closed, he was done.

Hearing no further comments or questions for Mr. Zenner, Chair Arnold requested a motion. Commissioner Lamberti noted each case is decided on its own merits. He stated the claim referenced legal and zoning issues, but is not considering them as a part of the claim as he does not feel they were related to the cessation of racing. Commissioner Lamberti noted Mr. Zenner resides in Dubuque County, and some might question how he is impacted by the cessation of racing at Bluffs Run. Commissioner Lamberti stated Mr. Zenner was impacted due to the contraction of the industry, regardless of his location. He feels the loss of the boarding income was a direct result of the cessation of racing at Bluffs Run. After reviewing the income and the other cases, Commissioner Lamberti reiterated his belief that Mr. Zenner had been impacted by the cessation of racing at Bluffs Run, and moved to approve the hardship claim in the amount of \$15,000. Commissioner Heinrich seconded the motion, which carried unanimously.

As there was no Public Comment, Chair Arnold moved to Administrative Business. Mr. Ohorilko advised the proposed legislation before them is legislation that staff is proposing to submit for the 2017 legislative session. The first three sections are changes related to the national uniform medication program, and the last section provides for Advanced Deposit Wagering (ADW) companies to have access to the debt offset database as the current law does not permit them access to comply with that section. Mr. Ohorilko stated all four pieces have been discussed at length with the racing stakeholders and they support the proposed changes. He requested the Commission's approval or support to move forward with the process.

Hearing no comments or questions, Chair Arnold requested a motion. Commissioner Lamberti moved to approve and support the proposed legislation moving forward. Commissioner Kramer seconded the motion, which carried unanimously.

As there was no further business to come before the Commission, Chair Arnold requested a motion to adjourn. Commissioner Kramer so moved. Commissioner Lamberti seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
NOVEMBER 17, 2016**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, November 17, 2016 at the Honey Creek Resort in Moravia, Iowa. Commission members present were Richard Arnold, Chair; Kris Kramer, Vice Chair, and member Carl Heinrich. Commissioner Jeff Lamberti participated via telephone. Commissioner Dolores Mertz was absent.

Chair Arnold called the meeting to order at 8:30 AM and moved to the approval of the agenda, noting that Item 6B has been deferred. He requested a motion to approve the agenda as amended. Commissioner Kramer so moved. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold welcomed everyone to Honey Creek and stated it is Iowa's best kept secret and wanted everyone to see it. He called on John Glenn, CEO/Administrator of the Rathbun Regional Water District (RRWA), who welcomed the Commission to the facility and provided some background on the RRWA.

Mr. Glenn stated RRWA is the largest rural water district in Iowa, and one of the largest in the United States. The service territory goes west into Decatur and Clarke Counties and extends east to the Mississippi River. He stated Rathbun Lake is very important to southern Iowa as it provides water to approximately 80,000 people on a daily basis. Mr. Glenn advised that 80% of the water sold by RRWA comes from the lake; however, they do purchase water from Burlington, Fort Madison and Keokuk. RRWA sells water to over 20,000 individuals, 39 communities, and four rural water districts in Missouri. Noting that local communities were required to fund approximately \$4 million of the cost of the project, Mr. Glenn stated RRWA put the entire water infrastructure into the resort, including water for irrigation of the golf course, which was donated to the project and State of Iowa at a cost of approximately \$900,000.

Mr. Glenn stated another organization, Rathbun Land and Water Alliance, was organized and has put together an extensive watershed project to protect the lake and improve the water quality. There are 354,000 acres that drain into the lake. The alliance has a targeted approach, and over the last seven years, they have done over \$25 million worth of work in the watershed, with \$4.5 million coming from the landowners and partners located within the watershed.

Chair Arnold moved to the approval of the minutes from the October 13, 2016 Commission meeting, and requested a motion. Commissioner Heinrich moved to approve the minutes as submitted. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on Brian Ohorilko, Administrator of IRGC, for announcements. Mr. Ohorilko provided the following information regarding future Commission meetings:

- December – No Meeting

- January 5, 2017 – Isle Casino Hotel Waterloo, Waterloo (Submissions due by December 21, 2016)
- February – No Meeting
- March 7, 2017 – Prairie Meadows Racetrack & Casino, Altoona, IA (Submissions due by February 21, 2017)

Mr. Ohorilko reminded everyone the March meeting falls on a Tuesday. He also introduced Tina Eick, the new Director of Operations, who will be replacing Karyl Jones when she retires after the first of the year.

Chair Arnold moved to the contract approval portion of the agenda and called on Dubuque Racing Association, Ltd. (DRA). Brian Rakestraw, Assistant General Manager, presented the following contracts for Commission approval:

- Carver & Associates – Hilton Room Renovation
- Reliable Technologies – Microsoft Contracts and Hardware

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Kramer moved to approve the contracts as submitted by DRA. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on SCE Partners, LLC d/b/a Hard Rock Hotel and Casino Sioux City (HRHCSC). Mike Adams, Director of Marketing and Hotel Operations, presented a contract with United Health Care for group health insurance.

Hearing no comments or questions concerning the contract, Chair Arnold requested a motion. Commissioner Heinrich moved to approve the contract as submitted by HRHCSC. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on Grand Falls Casino and Golf Resort, LLC (GFCR). Dan Franz, General Manager at Riverside Casino & Golf Resort, presented the following contracts for Commission approval on behalf of GRCR:

- Billion Automotive – Marketing and Slot Promotions
- Brockway Mechanical & Roofing – Mechanical Maintenance Agreement (RP)
- Wells Fargo – 401(K) Plan Record Keeper/Custodian
- Wells Fargo Merchant Services – Credit Card Processing

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Kramer moved to approve the contracts as submitted by GFCR. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on Rhythm City Casino, LLC (RCC). Mr. Franz presented the following contracts for Commission approval on behalf of RCC:

- Atlantic Bottling Company Coca Cola – Coca Cola Beverage Agreement
- Legacy Corporation of Illinois – Construction: Site Utilities
- Wells Fargo – 401(K) Plan Record Keeper/Custodian

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Kramer moved to approve the contracts as submitted by RCC. Commissioner Lamberti seconded the motion, which carried unanimously.

Chair Arnold called on Riverside Casino and Golf Resort, LLC (RCGR). Mr. Franz presented the following contracts for Commission approval:

- Atlantic Bottling Company Coca Cola – Coca Cola Beverage Agreement
- Cardmember Services through Peoples Bank – Credit Card Purchases
- CIT Charters, Inc. – Bus Charter Transportation
- Kluesner Construction, Inc. – Asphalt Overlay and Repair
- Low Tide, LLC – Aircraft Rental Payments (RP)
- OneNeck IT Solutions, LLC – Pre-paid Block of Hours: Network & Systems
- University of Iowa Hospitals and Clinics – Medical Health Plan Costs
- Wells Fargo – 401(K) Plan Record Keeper/Custodian

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by RCGR. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold called on Catfish Bend Casinos II, LLC (CBC). Rob Higgins, General Manager, presented the following contracts for Commission approval:

- Cummins Allison – Purchase Count Room Equipment and Related Service Plans
- Atlantic Coca Cola – Purchase of Coca Cola Products
- Fleck Sales – Purchase of Beer
- Employee Benefit System – Purchase of Employee Health Insurance
- Nationwide Life Insurance/Kidder Benefits – Employee 401(K) Match
- Martini's – Purchase Complimentary Meals (RP)
- Golden Eagle – Purchase of Beer
- Spirit Hollow Golf Course – Complimentary Green Fees for Various Promotions (RP)
- W.R. Faeth Wholesale – Purchase of Cigarettes

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Kramer moved to approve the contracts as submitted by CBC. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on Wild Rose Jefferson, LLC (WRJ). Tom Timmons, Vice President of Operations, presented the following contracts for Commission approval:

- Cobblestone Hotel – Leasing of Hotel Rooms
- Goldfinch Entertainment – Parent Company – Management Fees (RP)
- Great West Trust – 401K Benefit Plan
- Reynolds & Reynolds – Broker for Property Insurance
- The Printer Inc. – Printing Company for Mailers
- US Postal Service – Postage for Mailers from The Printer Inc.
- Wild Rose Entertainment – Affiliated Company - Ownership Distributions & Misc. Expenses (RP)

Chair Arnold asked if the contracts with Goldfinch Entertainment and Wild Rose Entertainment were new fees, old fees, or if there had been changes. Mr. Timmons explained Goldfinch is the parent company of WRJ, while Wild Rose Entertainment is the parent company of the other two properties. These are continuations of previous fees.

Hearing no further comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Kramer moved to approve the contracts as submitted by WRJ. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Arnold called on Prairie Meadows Racetrack & Casino, Inc. d/b/a Prairie Meadows Racetrack & Casino (PMR&C). Gary Palmer and Derron Heldt, General Manager and Director of Racing respectively, were present to address the agenda items. Mr. Heldt advised on-track handle was down 9.5%, or \$61,000 less than last year. He noted the majority of the decline occurred on the last Saturday with the special post time for the Quarter Horse Championship. Off track handle was down approximately 29%. He attributed the decline to the change in post time to 5:30 on Friday. Mr. Heldt stated most of the major racetracks, particularly in California, are looking for tracks racing later in the day and do not take any daytime racetrack signals. Additionally, TVG usually carries a few of PMR&C's races, but did not carry any this past season due to the change in post time. Mr. Heldt stated the issue has been addressed for the upcoming 2017 season and they have made some post time changes in the 45-day plan. He stated they are sticking to the post times for Saturday and Sunday for another year to collect additional data. Field sizes this year were down slightly to 7.7 horses from 7.9 last year. Catastrophic injuries were flat; there were two this year. Mr. Heldt noted the industry standard is about one per one thousand horses that participate. He stated PMR&C continues to train the track superintendent and staff to insure the track surface is safe for both humans and horses.

Mr. Heldt stated they ran more Iowa-bred races for quarter horses this year than they have the previous three years. The Iowa breeders have stepped up and are breeding and racing better quality horses at PMR&C. He advised the Owner of the Year was Tom Scheckel from Bellevue, who became involved in racing on the quarter horse side approximately two years ago. In addition to being an owner, he is also breeding quarter horses which are racing at various tracks around the country.

Chair Arnold moved to the approval of the 45-day plan, noting he was going to ask about the changes in the post times. Mr. Heldt stated the post time has changed from 5:30 PM to 6:00 PM on the thoroughbred calendar as well. Post times for special races have also been changed from

1:00 PM to 4:00 PM. They have also changed the post time for the Iowa Classic Day and Championship races from 1:00 PM to 4:00 PM as he feels the atmosphere is better later in the day and will help increase handle.

Hearing no further comments or questions concerning the 45-day plan, Chair Arnold requested a motion. Commissioner Kramer moved to approve the 45-day plan.

Commissioner Lamberti asked if there were any staff contingencies or recommendations regarding the 45-day plan. Chair Arnold indicated there were, and read the following into the record:

- The immediate written notification of any change in racing official positions.
- The completion of necessary IRGC licensing and DCI background checks of officials.

Commissioner Heinrich seconded the motion, which carried unanimously.

Mr. Palmer presented the following contracts for Commission approval:

- Copy Systems (Bankers Leasing) – Printing Equipment
- Infomax Office Systems (Canon) – Printing Equipment
- Laser Resources (DeLage Landen) – Printing Equipment
- Networks, Inc. – Computer Equipment
- True North Companies – Insurance Brokerage Services
- US Foods – Food, Equipment and Supplies

Hearing no comments or questions concerning the contracts, Chair Arnold requested a motion. Commissioner Heinrich moved to approve the contracts as submitted by PMR&C. Commissioner Kramer seconded the motion, which carried unanimously.

Chair Arnold moved to the hearing before the Commission and called on Mr. Ohorilko. Mr. Ohorilko advised that Commission staff and RCGR management have entered into a Stipulated Agreement for a violation of Iowa Code 99F.4(22), the laws relating to the statewide self-exclusion program. He stated an individual completed the self-exclusion form at RCGR on November 16, 2013, and was added to the player database on November 17, 2013. The individual entered RCGR on August 17, 2016; approached the Resort Club desk and was allowed to open a new player's club account, which would trigger the referral to the Commission. Mr. Ohorilko advised the individual did not gamble. An internal audit by Riverside discovered the new player's club account on August 26th, and the matter was reported to the Commission. Mr. Ohorilko advised RCGR acknowledges the above constitutes a violation of Iowa Code 99F.4(22), and has agreed to an administrative penalty between \$3,000 and \$20,000. He stated this is the third offense in the last 365 days.

Mr. Franz stated he was troubled by the fact that this represents the third incident in the past 365 days as they take their responsibility with regard to problem gambling very seriously. He advised the facility feels they have good procedures in place that should prevent this situation.

He noted the individual wanted a \$3.00 discount off the buffet, and to get the discount, a player's club account is required. The employee entered the information into the system, which does a check against banned patrons; the box came up to indicate a potential banned patron. The employee failed to follow procedures, including getting a supervisor to review the information before moving forward. Mr. Franz stated the facility did some additional training following the second incident.

Commissioner Heinrich asked if a different employee was involved in each incident. Mr. Franz advised it was not, the same individual was involved in two of the incidents, and one incident involved a cage employee. This incident is the second offense for the same employee, noting he is on final written warning, and was following the first incident. Mr. Franz noted normal procedure would be to terminate the employee for this incident; however, he indicated there were some extenuating circumstances surrounding this incident.

Mr. Franz stated the only thing left to do besides having a supervisor check each player's card application is to determine if the system has the ability to lock up when a possible banned patron comes up and require the supervisor signature or approval. This step would require a review by Konami to determine if it is possible.

Chair Arnold stated he was happy to hear the facility is taking steps to prevent the situation from occurring again. He moved to approve the Stipulated Agreement with an administrative penalty of \$10,000. Commissioner Kramer seconded the motion, which carried unanimously.

As there was no Public Comment, Chair Arnold moved to Administrative Business and the discussion on the intent by Wild Rose Entertainment to file a new gaming application. Commissioner Kramer stated she personally has not changed her mind since the last time this discussion was held. She does not feel the revenues have changed in the state nor is there a great influx of people coming into the state. She feels nothing has changed, but will always listen and keep an open mind.

Commissioner Heinrich noted that anyone has a right to submit an application, but feels one of the Commission's main responsibilities is to insure that the existing operations are successful and not diluted unnecessarily. He stated his feelings are similar to Commissioner Kramer's but also believes it is the Commission's responsibility and obligation to listen, review any application, and obtain any necessary studies needed to make an informed decision.

Commissioner Lamberti stated his comments fall in line with what has already been stated, but noted the Commission does not control applications and people wanting to submit them. He also pointed out the Commission is not requesting them, but needs to deal with the situation in Linn County and also for the rest of the state. Commissioner Lamberti pointed out that anyone considering submitting an application for a license is doing so at their own risk, but the Commission will follow its normal procedures. He noted there is a rumor or discussion of possibly more than one application coming from Linn County which would require the Commission to consider now or in the near future, setting a deadline for applications so that a fair process is established, and what the timeline would be for the application process and

studies. He stated he liked what the Commission did the first time around when they requested two studies in an attempt to get the best information and would like to see the Commission take the same route this time as well. He asked Mr. Ohorilko if he had some thoughts regarding a timeline, procedures, deadlines, etc.

Mr. Ohorilko stated with regard to a Request for Proposal (RFP), the Commission would need to make a motion directing staff to prepare a proposal. In the past, the process has taken approximately 60-75 days to get something out. The Commission would hear presentations at a future meeting to select the vendor to perform the studies. He indicated the presentations could take place at the March 2017 Commission meeting. With regard to receiving applications, Mr. Ohorilko stated the Commission has historically established a time frame of 60-90 days to file an application meaning the applications would be due sometime in February if the Commission elects to make that decision today.

Mr. Ohorilko stated if the Commission follows past timelines, they would need to provide the vendors time to complete the requested studies, then hear applicant presentations and visit the sites, etc.; a decision would not be made until sometime in the fall of 2017.

Chair Arnold asked Commissioner Lamberti if he had further comments. Commissioner Lamberti stated it is up to the whole Commission to decide, but indicated he felt the first order of business would be a motion to direct staff to prepare an RFP. Chair Arnold concurred, stating that he is in agreement with the previous comments. He stated the process needs to be transparent and open. Chair Arnold stated he also questions whether there have been any changes in the last two and a half years. He stated if the process is opened up, there are no guarantees a new license would be approved. He reiterated Commissioner Lamberti's comment that those entities submitting an application are doing so at their own risk.

Chair Arnold requested a motion. Commissioner Lamberti asked for clarification on establishing a deadline for applications, noting that Mr. Ohorilko had mentioned February. He asked if there was a specific date.

Mr. Ohorilko advised he was thinking February 13, 2017, which would put the timeline on a similar schedule to previous application schedules. The date falls on a Monday, giving applicants an opportunity to finalize their application over the weekend.

Commissioner Lamberti moved to direct staff to prepare the RFP and established February 13, 2017 as the deadline for applications in Linn County. Commissioner Heinrich seconded the motion, which carried unanimously.

As there was no further Administrative Business, Chair Arnold thanked everyone for attending and requested a motion to adjourn. Commissioner Kramer so moved. Commissioner Heinrich seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK