

IOWA RACING COMMISSION
MINUTES
JANUARY 11, 1985

The Iowa Racing Commission met on Friday, January 11, 1985 at 1:00 p.m. in the auditorium of the Wallace Building. Attending were Chair Larry Scalise, Vice-Chair Bud Pike, Lavonne Mydland, Sally Prickett and Steve Sovern. The Chair called the meeting to order.

The Chair took up the first agenda item, the approval of the minutes of the previous meeting. Vice-Chair Pike moved to approve the minutes. Commissioner Mydland seconded the motion, which passed unanimously. (See Order 85-29).

The second item on the agenda involved a discussion of the selection of an official chemist for the Commission. Commissioner Prickett moved to have a sub-committee establish criteria by which a sub-committee could approve a chemist. Commissioner Sovern seconded the motion, which passed unanimously.

Next on the agenda was the discussion of three chapters of administrative rules. Chapters dealing with greyhound rules, mutuel rules and practice and procedure before the board of stewards and the Commission were discussed. It was determined that more input was desired and that further discussion was necessary before **any formal action** could be taken on those chapters. Commissioner Mydland moved to defer the discussion and submission of notice of intended action to the Administrative Rules Coordinator. Commissioner Pike seconded the motion, which was unanimously approved. (See Order 85-30).

The commissioners next considered whether to resolve to set aside a meeting annually at which to assign meeting dates and consider any new applications for track licenses. Commissioner Sovern moved to consider new applications for track licenses at the November meeting each year. It was determined that applications now pending before the Commission (the County fairs, Ultraistic Raceways, Cedar Rapids Horse Racing application and Davenport Greyhound Racing application) will be excluded from the resolution. Commissioner Prickett seconded the motion, which was unanimously approved.

The Commission heard updates from all of the **licensees** now working toward having racing meetings in 1985 and 1986. A synopsis follows:

- * Terry Harrmann, Dubuque Greyhound Park, told the Commission a concession agreement had been reached with ARA.

- * Dick Klingaman, National Cattle Congress, Waterloo, said their bonds have been sold and that the bankers wished to keep costs to \$5 million, which meant that the "gingerbread" would be taken out of the facility.
- * Stan Duysen, Iowa West Racing Association, Council Bluffs, said that with the management agreement with AIM signed, their financial arrangements were complete as of December 28, 1984. He said work was being done on the site and that the first annual meeting of the stockholders would be held the following day.
- * Bill Masterson, Racing Association of Central Iowa, Altoona, noted that their bonds had been sold on December 27, 1984 and that they still anticipated opening in the fall of 1986. In response to a question from Commissioner Pike, he said he felt that the relationship between the developer and the area residents had improved somewhat.

He also said that the Racing Association of Central Iowa would be working with the quarterhorse people, and that the stretch had been extended to provide a straightaway for quarterhorse races.

The Chair next moved to the agenda item dealing with administrative business. He appointed the following sub-committees:

Marketing: Bud and Lavonne
Laboratory: Larry and Sally
Budget: Steve and Bud
Rules: Larry and Sally
Annual Report: Steve and Sally

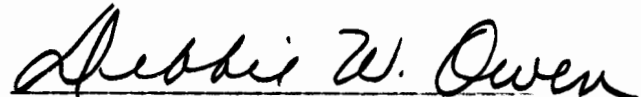
The Commission decided not to take any action on how and when licensee employees and contracts and applications for occupational licenses would be approved. They suggested the staff come in with a list of those items for them to look at before such a decision is made.

A discussion of future meeting dates ensued. It was decided to establish the fourth Thursday of March, April and May for meeting days and to look at the issue again at the May meeting.

The Chair then took comments and questions from the public.

The meeting was adjourned on a unanimous voice vote.

Minutes taken by:


Debbie White Owen

IOWA STATE RACING COMMISSION
MINUTES
FEBRUARY 4, 1985

The Iowa State Racing Commission met on February 4, 1985 at the Hotel Savery. Present were Chair Larry Scalise, Vice-Chair Bud Pike and members Sally Prickett and Steve Sovern. Commissioner Lavonne Mydland was absent. The Chair called the meeting to order at 9:00 a.m.

The Chair recognized Senator Berl Priebe who made a pitch for licensing county fairs.

The Chair recognized Jack Ketterer, Executive Secretary, to lead the discussion of Administrative Rules Chapters 4, 7 and 8 and the amendment of a section of Chapter 5.

The Commission considered amendments to the language in Chapter 7 (greyhound rules), also the addition of a new section regarding the requirements of licensees. Commissioner Sovern then moved to approve Chapter 7 as amended. Commissioner Prickett seconded the motion, which passed unanimously. (See Order 85-31).

The Commission took up the discussion of Chapter 8 governing mutuels departments. Representatives of some licensees expressed the desire to see trifecta wagering included in the rules, but the Commission expressed reluctance to include it, citing cases in horse racing where racefixing had occurred as a result of trifecta wagering. Commissioner Pike moved to approve Chapter 8 as written and Commissioner Sovern seconded the motion. It passed unanimously. (See Order 85-32).

The Commission next discussed an amendment to Section 5.7(4) regarding the Commission's definition of good repute and moral character. Commissioner Prickett moved to amend the section and Commissioner Pike seconded the motion. It passed unanimously. (See Order 85-33).

Commissioner Sovern moved to approve Chapter 4, Practice and Procedure before the Board of Stewards and the Commission. Commissioner Pike seconded the motion, which passed unanimously. (See Order 85-34).

The Chair moved to the next agenda item: presentations by laboratories wishing to provide the Commission's official chemical analyses. Presentations were made by the Laboratory of Clinical Medicine, Des Moines and Sioux Falls; Harris Laboratories of Lincoln, Nebraska; and Iowa State University Laboratories of Ames. The Commission decided to defer on making a final decision on the official chemist until later in the week.

Minutes
April 2, 1985
Page 2

The Chair next recognized Peggy Devine of LaVine Corporation, which is seeking a license to operate a greyhound track in Dallas County. The Commission had several concerns and questions for Ms. Devine, especially regarding feasibility, ownership, community support, and a number of others. Ms. Devine advised the Commission that she needed more time to supply answers to their questions and wanted to be placed on the agenda for their next meeting in order to provide a more complete proposal before a vote was taken. The Commission agreed to give her more time.

The Chair next recognized Jean Kleve, Humboldt, President of Iowa Horse Racing Association, Ltd., an organization applying for a license to run harness races during eleven county fairs around the state. During the course of his presentation to the Commission, Mr. Kleve asked the Commission to provide the mutuel steward, photo finish and video for the fairs.

Mr. Lloyd Shelhamer, United Tote, spoke to the Commission. He would be supplying the totalizator equipment to the fairs if they were licensed.

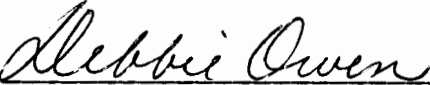
Mr. Jim Coulter, also with the Iowa Horse Racing Association, told the Commission they wanted to have at least the larger fairs licensed, and that they needed enough days of racing to provide continuity for the totalizator company.

The Commission directed the staff to look into the costs which would be involved in the administration of the fairs, and to let them know before they met via teleconference on the following Friday.

The Commissioners decided to hold a teleconference on Friday, February 8 to discuss the fairs and make their decision on an official chemist.

After taking comments from the public, the Commission adjourned on a voice vote.

Minutes taken by:



Debbie Owen

IOWA STATE RACING COMMISSION
TELEPHONE CONFERENCE CALL MINUTES
FEBRUARY 8, 1985

On February 8 the Iowa State Racing Commission held a telephone conference call pursuant to Iowa Code Section 28A.8. The meeting was conducted by telephonic means because of the brevity of the agenda and the urgent nature of the matters to be decided.

Participating in the conference call were Chair Larry Scalise, Vice Chair Bud Pike and members Lavonne Mydland, Sally Prickett and Steve Sovorn. Present in the office were Executive Secretary Jack Ketterer, Director of Administration Mick Lura and Commission Counsel, Gary Hayward.

The telephone meeting was called to order by Chair Larry Scalise at 10:00 a.m.

The first agenda item was the selection of a commission chemist under Iowa Code Section 99D.23.

There was some discussion about contracting with an experienced racing laboratory versus an Iowa-based firm. Commissioner Prickett recommended that the Commission award a one-year contract to an experienced firm with the hope of going with an Iowa laboratory at the end of one year. She also pointed out that the NASRC Quality Assurance Program would be less expensive to the Commission if it chose Harris Laboratories, a firm with many years experience in racing chemistry and already a participant in the Program.

Dr. Prickett moved that the Racing Commission award a contract with Harris Laboratories to conduct its official laboratory testing until January 1, 1986. Commissioner Pike seconded the motion, which passed unanimously.

The Commission moved to the next agenda item, that of establishing a date on which to make a decision regarding pari-mutuel wagering at county fairs.

The Chair indicated that he felt the fairs should race standardbreds at their best fairs, perhaps four or five. He mentioned Monticello, Humboldt, Cedar Rapids, and Des Moines as four that had been suggested by the applicant. He stated that the people associated with the fair application should come to the Commission with consecutive dates which would make it possible for a totalizator company to provide tote services for all the meets without being down for an appreciable length of time.

The Chair instructed the staff to start immediately on writing the rules and regulations of standardbred racing, and to insure the security and safety of the facilities for both patrons and animals.

He instructed that the facilities be inspected and neighborhood impact studies performed for each site. The Chair said that while he supported county fair racing, he would expect them to conform to the requirements of the Commission's rules with respect to their facilities and security matters.

The Commissioners all voiced their general support for the Chair's suggestion. They all agreed that ten or eleven fairs made the project unwieldy, and they understood from the fair promoters that they would be willing to work with the Commission in streamlining the proposal to include their best fairs.

The Commissioners also stated their opposition to the Commission subsidizing any of the costs involved in racing at the county fairs, and expressed doubt that it would be legal.

Commissioner Pike asked how the figure four had been arrived at, in terms of numbers of fairs to license.

The Chair stated that it was not his intention to limit the number at all, but that the fair people had mentioned those four fairs as their best. The Chair said that the condition of the facilities should be the deciding factor as to the number of fairs to include in the proposal. He reiterated his belief that it would be difficult to get ten or eleven fairs up and running.

Commissioner Prickett also stated it should be the applicant to specify which tracks and how many should be included.

In the interest of expediting the proposal, they felt that the staff should limit themselves to working with standardbreds only for the time being. Since only one of the fairs had requested thoroughbred and quarterhorse racing, it was their feeling that it would not represent a substantial change from the proposal if only standardbreds were considered, in terms of writing rules and setting standards for the 1985 season.

The Commissioners set a meeting date of March 15 with an alternate date of February 28 if it was deemed necessary, and if the staff could be ready by then.

The meeting was adjourned on a unanimous voice vote.

Minutes taken by:


Debbie White Owen

IOWA RACING COMMISSION
MINUTES
MARCH 15, 1985

The Iowa Racing Commission met on Friday, March 15, 1985 at 9:00 a.m. in the Auditorium of the Wallace State Office Building in Des Moines, Iowa. Present were Chairman Lawrence Scalise, Vice-Chairman "Bud" Pike, Lavonne Mydland, Dr. Sally Prickett and Steve Sovern. Chairman Scalise called the meeting to order, and read the items listed on the agenda.

The Chair asked the Commission staff if the Neighborhood Impact studies had been completed in regard to Fair Racing. Mick Lura, Director of Administration acknowledged that they had in fact been completed and a copy of that study was presented to the Commissioners. Mr. Lura pointed out that, except for some minor concerns in the Des Moines study, the overall study showed a favorable reaction to the proposed Fair Racing, and he recommended approval on that basis.

The Chair then recognized Jean Kleve, President of Iowa Horse Racing Association, Ltd. Commissioner Sovern inquired if Mr. Kleve had any concerns regarding the Harness Racing Rules that had been developed at the time of the meeting. Mr. Kleve advised that their main concern was over the matter of the hub-rail ruling. Mr. Kleve advised that Hillary Wilbur of United Tote had informed them other fairs used Patrol Judges in the far corners of the track, light tubing buried into the ground, or marks--such as chalk marks--on top of the track to show where the inside lines were with the patrol judges ruling. He emphasized that they want the fair racing to be strictly legal, and will do what is right.

Several of the commissioners asked Mr. Kleve if arrangements had been made for financial responsibility with the individual fairs; specifically, whether each fair would be responsible for their own backing, or if Iowa Horse Racing Association, Ltd. would be responsible for all the tracks. Mr. Kleve stated that he thought all the fairs had been looking into financial backing, and would uphold their own obligations.

The Chair then asked if it was agreeable with Iowa Horse Racing Association for the racing secretary, program wri-

ter and general manager to be the same at all the fair locations. This was agreeable with Mr. Kleve. The Chair wanted Mr. Kleve, the Association, and the tracks to be aware that the Commission was going to hold Iowa Horse Racing Association responsible for all seven tracks involved. Thereby, if one track "gets out of line", all the remaining tracks are subject to being closed up. Mr. Kleve stated that this was agreeable with him, but could not speak for the rest of the Association.

The Chair then asked if the Association would be willing to put up a letter of credit or a bond in the amount of ten or fifteen thousand dollars (\$10-\$15,000) to insure the payment of purses, and to show financial responsibility. Again Mr. Kleve stated that this was agreeable with him, subject to Association approval.

The Chair then asked if Iowa Horse Racing Association would be willing to accept a license for one year, with the understanding that it would be renewed at the end of this season--after the Commission had looked at problems incurred, and what the Commission could do to help correct any deficiencies in terms of security for horses, as well as people, in terms of hub-rails, and perhaps finding money some place to help them out. Mr. Kleve then asked if he could have a show of hands from the members of the Association in attendance. The Chair then recognized Allen Westhoff who asked if a new application would have to be submitted for the next year, if they accepted a one year license. Mick Lura, Director of Administration, then advised the Commission that by law they had to issue a three year license, but that they could issue just one year on the dates and location. The Chair then asked if this was agreeable to the Iowa Horse Racing Association. A question then arose from the floor as to whether the tracks would be able to get the same racing dates for the next year as they had for this racing season. The Chair advised this would be conditional up whether or not they had met and solved all problems that should arise, explaining that was the only way the Commission had of controlling the license. Mr. Kleve then asked for a show of hands on this proposal, and received a unanimous vote in favor of this from the representatives of the Association at the meeting.

The Chair then asked Mr. Kleve to submit to the Commission a comprehensive security plan, detailing exactly what they planned to do at each of the tracks during the season, by May 15.

The Chair then asked that a comprehensive agreement between the licensee, whoever would be physically managing each of the fairs, and for whatever financial arrangements had been made, be submitted to the Commission by May 15th as well. The Chair advised that he was looking specifically for any agreements between each fair and the Association--who the management people are, and what the financial agreements are.

The Chair then advised that the subject of the hub-rail was among his greatest concern, and asked if this could be addressed. Mr. Kleve stated that they are in agreement with Billy Hoffman, a member of the USTA, in that hub-rails are detrimental to the racing profession, but the association realizes they have to have something to eliminate potential problems after the race is over. The Chair agreed that he also wanted to avoid any questions concerning the integrity of the track that might arise after a meet, as well as maintaining the integrity of the licensee. He advised that he would not accept chalk lines, a person on the turns of the track, or tires on the turns. The Chair advised that he wanted to see some type of railing on the inside of the track, that this would be a condition of the license, and that he would vote against the issuing of a license if this condition was not met. He asked that the Association meet and submit, in writing, firm plans for a railing by May 15. A question from the floor asked if the Chair were speaking of the whole track or a railing only at the corners. The Chair advised that he was speaking of the whole track. The Chair further advised that this railing should be commensurate with what is common in the industry, but possibly non-permanent, so that it could be taken from track to track.

Commissioners Sovern and Prickett expressed concerns that a non-permanent track would pose a potential safety hazard to the horses and drivers, particularly if it were collapsible.

The Chair then recognized Bill Masterson, of the Racing Association of Central Iowa, formerly with Maywood, a harness track in

Illinois, and asked Mr. Masterson to speak on the subject of hub-rails. Mr. Masterson advised that the railings were necessary for the safety of the horses and drivers, and not necessarily for the integrity of the track. He condemned the use of low rails, and advised that most of the harness tracks throughout the country were doing away with the low hub rails and going to a movable type of rail that fit into pipes sunk into the ground. These rails are of a goose-neck type, and are high enough that the wheels of the sulky do not get caught.

Commissioner Pike then asked if Mr. Masterson was familiar with any tracks that had a partial rail, just on the turns and not on the straight-away. Mr. Masterson stated that he was not, advising that with a rail just on the turns, a driver crowded going into the turn would be in a very dangerous position.

The Chair then asked if the Association was willing to come back to the Commission by the 15th of May, bringing plans for an inside rail to be put up at each track they want to run pari-mutuel racing. An unknown Association member in the audience then asked the Chair if they would not be officially approved until May 15. The Chair then advised that he was willing to vote this date on the application--conditioned on the Association coming back and proving to the Commission that they would in fact have a rail; what it would look like; how it would protect the driver and the horse; and how it would ensure the integrity of the half mile track. The Chair then asked if everyone understood that if these conditions were not met by May 15, they would not race. An unknown member of the Association then asked if they could present the required data before May 15, preferably at the April meeting. The Chair explained that he was simply trying to give them as much time as possible. The Association director from Cedar Rapids explained that he would have problems with waiting until May 15, as they were due to start racing on June 22. The Chair responded that May 15 was an outside date. Unknown Association members then asked for specific details regarding the rails, to which the Chair responded that they would have to meet the industry standard.

Jean Kleve then asked if the Commission would go along with

well protected pipe just on the turns, to which the Commission replied negatively.

Commissioner Prickett then advised the Chair that she did not feel comfortable voting on the application this date, but would be willing to come back later after the conditions were met.

Commissioner Sovern then raised the question of security, and asked if Director Tom Ruxlow of the Division of Criminal Investigation had any observations relative to any particular problems they saw as far as their responsibility in enforcing that aspect of the law, or problems with the security of the tracks themselves. Mr. Ruxlow responded they were concerned with the background investigations. He advised that the DCI had not received any applications as yet and that time was of the essence. He advised that there are three agents assigned to parimutuel, and the more lead time these agents were given, the better job they could do. In respect to security, he advised that they did have concerns and the sooner they saw the proposed plans, the sooner they could start working with the individual agencies involved to make any modifications that might be required.

The Chair then asked Mr. Kleve what they wished to do regarding the subject of the railing, and Mr. Kleve advised that they would have a short meeting during the rest of the Commission's session, and report back to them by the end of the meeting. Mr. Kleve was then excused by the Chair.

The Chair then recognized Senator Murphy who presented a proposed bill to the Commission which would authorize the Commission to establish and operate satellite wagering facilities, including simultaneous telecasts of races on which wagers could be made.

The Chair then recognized Phyllis Pearson who presented a video tape concerning the use of live lures during the training of greyhounds.

The Chair then recognized Thomas Whitney, attorney for the Levine Corporation, who appeared in behalf of the applicant, Peggy Devine. Mr. Whitney advised the Commission that his

client was asking for a continuance of her application for license until the May meeting. He explained that they would by then have the feasibility study completed, and would also be able to meet with all other objections raised by the commission regarding the present application.

The Chair asked if there was a motion to continue the application of Peggy Devine. Commissioner Sovern so moved, the Chair seconded the motion. The Chair then asked for discussion, and Commissioner Sovern stated that since they had filed in a timely manner, he was willing to give them to May 15 to try and perfect the application. No other discussion followed. The Chair asked for the Commission to vote on the motion. In favor: Scalise, Pike, Mydland, Prickett, and Sovern. None opposed. (See Order 85-36)

The Chair then recognized Jean Kleve of the Iowa Horse Racing Association, Ltd. who advised that the representatives present at the meeting from the association had met and had all agreed to accept the Commission's wishes in regard to the stipulations asked for. He advised that they would submit the requested plans by the 15th of May.

The Chair then questioned Mr. Kleve regarding various matters involved in each of the racing sites, including security, number of horses available, and dates.

Commissioner Prickett then asked Mr. Kleve how many non-pari-mutuel racing dates would be held at the fair tracks, and was advised there would be thirty-two days, one more date than for pari-mutuel.

Commissioner Sovern questioned Mr. Kleve regarding preparation of individual tracks and their facilities for the pari-mutuel meets.

The Chair then read the dates requested by the Iowa Horse Racing Association, Ltd. for racing:

- Des Moines - June 13 through June 16 - four days
- Cedar Rapids - June 22 through June 27 - six days
- Humboldt - July 4 through July 7 - four days
- What Cheer - July 12 through July 14 - three days
- Denison - July 19 through July 21 - three days

Nashua - July 26 through July 28 - three days
Des Moines - August 1 through August 4 - four days
Monticello - August 6 through August 9 - four days,
for a total of thirty-one (31) days. Mr. Kleve advised that
this agreed with their dates.

The Chair then asked for further comments, with Commissioners
Pike, Mydland and Prickett responding. The Chair then asked
for a motion.

The Chair then moved that the Commission approve the license
request of Iowa Horse Racing Association, Ltd. subject to
these conditions:

1. Compliance with all the chapters of the
Commission rules, subject to specific
variations approved by the Commission.
2. The Racing Secretary, program writer and
general manager shall be the same at each
racing location unless otherwise approved by
the Commission.
3. All purses shall be established and paid
by the Iowa Horse Racing Association, Ltd.
However, added money can come from any
source.
4. Written agreements between Iowa Horse
Racing Association, Ltd. and the individual
fairs delineating financial and managerial
arrangements will be submitted to the
Commission for approval prior to May 15,
1985.
5. Either a bond or a letter of credit be
provided by the Iowa Horse Racing
Association, Ltd. in the amount of fifteen
thousand dollars (\$15,000) to insure payments
of all financial obligations.
6. That a safety railing or commission-
approved substitute be in place dividing the

track and the infield at each racing location.

7. That racing be conducted for no more than thirty-one (31) days between the period of June 12 to August 18, 1985 with no more than eight (8) racing days at any one location. The final schedule as submitted to the Commission and now read into the record. Racing may be conducted at the following locations:

Hawkeye Downs, Cedar Rapids
Iowa State Fair, Des Moines
Crawford County Fair, Denison
Big Four Fair, Nashua
Humboldt County Fair, Humboldt
Keokuk County Fair, What Cheer
Great Jones County Fair, Monticello

8. The dates and locations of this license shall be granted for one year only, although it shall be a three year license, and Commission rule 693-6.3 (99D) shall not apply to this license.

9. That a comprehensive security plan shall be submitted to the Commission by May 15, 1985, showing a secured area for horses, stables, public, and money sufficient to satisfy the Division of Criminal Investigation.

These are the conditions and the motion to granting the license subject to the association's compliance to the above conditions by the 15th of May. Commissioner Sovern seconded the motion.

The Chair then asked if there was any further discussion.

Commissioner Prickett asked if Iowa Horse Racing Association, Ltd. felt they could compete if tracks already licensed, or any proposed tracks, were also

granted dates for harness racing. Mick Lura, of the Racing Commission staff, then advised that he had met several times with all the fair representatives in regards to schedules, and that it was his assumption that if there was to be standardbred racing dates granted to the track in Des Moines, the state fair would have to look at the periods when that track would start, and fit their days in if they could. Jim Taylor advised that that was the feeling of the Fair Board. As regards the situation in Cedar Rapids, Mr. Lura had been advised by Pat Smith that Cedar Rapids fair would also have to "back of" if a track were opened in Cedar Rapids. Mr. Kleve advised that they definitely could not race at the same time if the big tracks were also granted harness racing dates.

The Chair then recognized Mr. Hess, of the Dubuque Racing Association, and representing the President of the Dubuque County Fair, who expressed a concern regarding the conflicting dates of their county fair and Monticello's racing dates, both being at the same time. The commissioners explained to Mr. Hess that while they sympathized with this problem, they did not feel it was a commission problem, but rather one to be worked out by the individual fair boards.

The Chair then asked if there was any further discussion on the motion before the commission. Commissioner Sovern stated that he shared the reluctance expressed by Commissioner Prickett regarding some aspects of the application, but while sharing this reluctance felt that the association would coordinate to eliminate these problems. Commissioner Prickett then stated that as Mr. Grandquist did not have his first stake in the ground, County Fair racing could very well be racing for Iowa.

At this point the Chair asked for a vote on the application. The motion passed 4-1, Scalise, Pike, Sovern, and Mydland for, Prickett opposed. The license was granted to Iowa Horse Racing Association, Ltd. subject to the above mentioned conditions.
(Order 85-37)

The Commission then held an administrative business meeting, setting the next meeting date as Thursday, April 24, at 9:30 a.m. in the Auditorium of the Wallace State Office Building. Kathy Berglund was introduced to the Commission as the new Confidential Secretary to the staff. Kathy takes the place of Debbie Owen, who has been promoted to the position of Administrative Assistant. A subcommittee was also appointed to assist the Executive Secretary in any future hirings consisting of LaVonne Mydland and Sally Prickett.

Commissioner Pike brought to the Commission's attention an invitation from South Dakota to attend some of their county fair racing, and requested permission to attend these either singly or as a group. The date of their meets were April 20 and 21, 27 and 28, May 4 and 5, 11 and 12, and May 18, 19, 25, 26, 27, 28. Mick Lura advised the commission to let him know who would be going and when, so that arrangements could be made with the Executive Commission.

The Chair then asked for an update from Stan Duysen, Executive Director for Iowa West Racing Association in Council Bluffs. Mr. Duysen advised plans have now been formalized, and they hope to have a groundbreaking ceremony within the next thirty days, extending an invitation to the Commission.

Mr. Bill Masterson, General Manager of Racing Association of Central Iowa then gave an update on the track proposed for Altoona, Iowa. The Chair asked if they had resolved which direction the facility would face, advising that the commission wanted that particular problem solved. Mr. Masterson replied that after careful study, the association still felt the facility would remain facing south, but possibly would incorporate a slight turn to the east.

Commissioner Sovern asked for an update on Waterloo, with Mick Lura responding.

The meeting was adjourned.

Minutes Taken By:


Kathleen Berglund

IOWA STATE RACING COMMISSION
APRIL 4, 1985

MINUTES

The Iowa State Racing Commission met on Thursday, April 4, 1985 at 9:30 a.m. in the Auditorium of the Wallace State Office Building, Des Moines, Iowa. Present were Chairman Lawrence Scalise, Vice-Chairman "Bud" Pike, Lavonne Mydland, Dr. Sally Prickett and Steve Govern. Chairman Scalise called the meeting to order.

The minutes from the February 4, 1985, February 8, 1985 teleconference and the March 15, 1985 meetings were read, and Commissioner Prickett made a motion that the minutes be approved, seconded by Commissioner Pike. The minutes were approved by unanimous vote. (See Order 85-38)

The Chair recognized Mr. Roy Berger, of the Dubuque Racing Association, who reported that the facility at Dubuque Greyhound Park was eighty-two percent (82%) completed. Mr. Berger advised the Commission that the Dubuque Racing Association was asking the Commission set the figure for their bond at one hundred thousand dollars (\$100,000). Further, that the takeout for exotic wagering be set at eighteen percent (18%)--with win/place/show betting left at sixteen percent (16%), and that the minimum purse be set at three percent (3%). Discussion followed. Executive Secretary, Jack Ketterer, commented that Dubuque Racing Association's requests met the statutory requirements. He further advised that these individual areas had been previously discussed with the Dubuque Racing Association, and the takeout and minimum purse figures were those used in Dubuque's license application. Mr. Ketterer recommended that the Commission approve Dubuque Racing Association's request.

The Chair then asked Mr. Paul Bryant of Alabama what figures the state of Alabama used for its takeouts and purses. Mr. Bryant stated that there was a movement among greyhound owners nationwide to set the purse at three percent (3%). He advised that currently Alabama's purse is set at two point seven percent (2.7%). Mr. Bryant advised that he felt two factors determining Alabama's lower purse were that they were able to have racing year-round, thus cutting expenses, and that the tracks had larger purses which represented a smaller percentage of the handle.

The Chair then called for a motion to set the Dubuque Racing Association's bond at one hundred thousand dollars (\$100,000); to set the takeout for win/place/show wagers at sixteen percent (16%), exotic wagering at eighteen percent (18%); and that the minimum

purse be set at three percent (3%). Commissioner Pike so moved, and Commissioner Prickett seconded the motion. The vote for approval was unanimous. (See Order 85-89)

The Chair then recognized Mrs. Judy Roland, secretary of Iowa Fair Horse Racing, Ltd., who gave the Commission an update on that association's progress. She advised that they were meeting with Commission staff members that afternoon to review the proposed harness rules; that they were in the process of hiring the Mutuel Manager, and had put out "feelers" for the position of Racing Secretary and Program writer. She advised that they had not as yet established the purses, and that the written agreement between the association and the individual fairs was being written. Further, that the association had obtained a bond from AID Insurance in the amount of fifteen thousand dollars (\$15,000). Mrs. Roland stated that a DCI agent had met with the association and had provided them with guidelines for their security programs, which had subsequently been taken to the individual law enforcement agencies at each track location. She also advised that the association directors had agreed with the three year/one year race dates license granted by the Commission, and had also adopted the racing dates approved by the Commission at the March Commission meeting.

Commissioner Pike questioned Mrs. Roland as to the availability of good horses for the racing meets, and Mrs. Roland responded that they felt there would be no problem in this area.

Executive Secretary Ketterer then asked Mrs. Roland what was being done in regards to the photo-finish equipment, and Mrs. Roland responded that the contractor for this equipment was to begin viewing the fairs April 5, 1985, starting with Des Moines.

Jim Coulter then showed the Commissioners a sample of the hub-rail the association proposed to use. The proposed railing, manufactured by Solar Fencing of Oskaloosa, consisted of posts made of round steel tubing which would be driven into the ground, with the railing itself being flat and constructed of a strong vinyl plastic. Mr. Coulter advised that the railing came in eight foot (8') sections, and could be taken from track to track.

Commissioner Sovern and Commissioner Pike then questioned Mr. Coulter as to the safety of the rail, and Mr. Coulter replied that it had met with the most stringent tests they had tried. The Chair then asked Bill Masterson, General Manager for the Racing Association of Central Iowa, if he felt the proposed railing would meet industry standards, and Mr. Masterson replied he felt it would.

Commissioner Mydland then asked what the approximate cost of the railing would be, and Mr. Coulter responded it would run

approximately six thousand dollars (\$6000), but that Solar Fencing would lease it to each fair for about six hundred dollars (\$600). The Chair then thanked Mrs. Roland and Mr. Coulter for keeping the Commission informed of their progress.

The Chair then recognized Gary Zumach, President of the Iowa Greyhound Association. Mr. Zumach presented a petition for rule making requesting direct payment of commissions to greyhound owners. The Chair advised Mr. Zumach that the Commission would begin the process for adopting the petition.

Mr. Zumach then introduced Mr. Herb "Dutch" Koerner of Hays, Kansas who spoke for the National Greyhound Association. Mr. Koerner advised the Commission he has raced all over the nation, as both an owner and a kennel operator. As such, he advised that both himself and the NGA were in favor of direct payments to greyhound owners, further stating that many kennel owners across the nation owed thousands of dollars to greyhound owners, most of which would never be paid.

At this time Executive Secretary Ketterer advised that Commission that he wished to clarify his position in regards to the petition presented by Mr. Zumach. Mr. Ketterer stated that he had spoken with Mr. Zumach in regard to direct payment to greyhound owners and had advised Mr. Zumach to open communications with track management in Dubuque. Mr. Ketterer advised the Commission that Mr. Zumach had not presented the petition at the Public Hearing held on March 28, 1985 regarding the rules. Mr. Ketterer stated it was his understanding that Mr. Zumach was simply going to present the IGA and NGA's position on the direct payment matter to the Commission at this meeting, and was not aware a petition would be presented. Mr. Zumach replied that the IGA had decided presenting the petition was the way to state their position. Mr. Ketterer then asked if there would be added costs for direct payments if the tracks were on computers, to which Mr. Koerner advised there would not be.

Commissioner Sovern then expressed the concern that direct payment to the owners might represent favor to one group of creditors over another, and wondered if the commission would be remiss in not requiring direct payments to all employees and suppliers of the kennels.

The Chair advised Mr. Zumach that the Commission was not holding a public hearing at this meeting, that voting on the petition for rule was not on the agenda, and hoped that IGA would consider a voluntary agreement with the track. The Chair then asked Mr. Roy Berger to respond to Mr. Zumach's petition. Mr. Berger advised that he would address this issue in a letter to the Commission, further advising

that he had thought the matter had been thoroughly discussed and settled with IGA. He advised they had adopted the policy that any kennel found in arrears with a dog's owner would be suspended from the track.

The Chair then asked for input concerning the matter from Mr. Paul Bryant, who advised that the Alabama commissions left the matter up to the individual tracks, but generally any kennel operator found in default would have their license revoked.

The Commission then took up the adoption of rules for Chapters 4, 7, and 8, and Chapter 5.7(4). The Chair asked if the public, licensees and the greyhound association had had a chance to review the rules, and to voice any opinions. Mr. Ketterer advised the Chair that the rules had been published three times in the Administrative Bulletin, and that there had been a public hearing--however, other than Gary Zumach, Gloria Sanders and Dr. Schoel of the Ag Department, no one else was present. Mr. Ketterer advised that there had been no substantive changes to the rules, but that the Legislative Rules Committee had made semantical changes for the sake of clarity, and that the rules were basically the same as when the Commission had reviewed them on February 4, 1985. The Chair then called for a motion to adopt the rules for Chapters 4, 7 and 8, and Chapter 5.7(4). Commissioner Mydland made the motion, and it was seconded by Commissioner Sovern. The vote to adopt said rules was unanimous. (See Order 85-40)

The Commission then held an administrative business meeting. Commissioner Pike highlighted the Marketing and Education sub-committee's meeting held the previous evening, April 3, 1985, which he felt was a success. Commissioner Pike advised that members of the Development Commission, licensees and staff of the Commission had attended to discuss the possibilities of the groups working together in an effort to educate the people of Iowa about the pari-mutuel industry, to promote pari-mutuel within the state and Iowa pari-mutuel in other states as a tourist attraction. It was discussed at the meeting, and reiterated by Commissioners Pike and Sovern, that Commission involvement would be more in the role of education and information, rather than in promotion.

Executive Secretary Ketterer then advised that Commissioners Sovern and Prickett had approved a rough draft of the annual report.

Mr. Ketterer advised the Commission that he would like to have a work session to discuss such items as purse supplements, distribution of breakage monies, budget planning, and the acquisition of staff prior to the next regular meeting. Commissioner Sovern stated he would appreciate discussion in a work

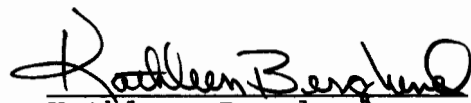
session, but the Chair was not sure of his availability for a work session. Mr. Ketterer then suggested that perhaps the sub-committees could meet in the interim to handle these matters. The Chair then suggested that the next meeting be held on Tuesday, April 30, at 9:30 a.m., which was agreed to by all the Commissioners. The Chair further suggested that the May meeting be held on May 30, 1985 at Dubuque, with everyone staying over to attend the opening day races.

The Chair then asked for any public comments, and Leo Reistroffer, of the Jackson County Humane Society, expressed humane concerns, wanting to know if the Dubuque Racing Association was going to keep its promise, which they had made prior to the referendum authorizing the city to build the track, of not allowing dogs to race that had been trained on live lures. The Chair advised Mr. Reistroffer that there was a bill pending in the House addressing these same concerns, that this issue had been presented to the Commission several times by Phyllis Pearson of Davenport, that this did not involve the Commission, and any questions Mr. Reistroffer had regarding Dubuque should be directed to Mr. Berger at the end of the meeting. Commissioner Sovern advised Mr. Reistroffer that the Commission was in deed open and sympathetic to his cause.

Mr. Bill Masterson then gave an update on the Racing Association of Central Iowa; and Mr. John Nelson advised that Iowa West Racing Association was holding their ground-breaking ceremonies on April 18, with a proposed opening date of March, 1986.

Commissioner Pike then made a motion to adjourn, with Commissioner Myland seconding, and the meeting was adjourned.

Minutes taken by:


Kathleen Berglund

corporation, as well as a copy of the requested bond in the amount of fifteen thousand dollars (\$15,000). Mr. Kleve further advised that six of the seven locations had submitted security plans.

The Commission was informed that the services of Lee Williams & Associates of Tipton, MO had been contracted to handle the photo finish. Mr. Kleve advised that Mr. Williams had toured all seven fair locations to ascertain the feasibility of installing a video system, along with the photo finish equipment, as an alternative to having patrol judges. This would also provide the State Steward an opportunity to view more closely any infractions occurring during the race. Mr. Kleve advised that as each fair would have to construct a specialized booth to house both the photo finish and video equipment, the Commission should help defray these costs, since the video's primary function was to assist the State Steward.

Mr. Kleve further advised the Commission that each of the fairs had received the Fire Marshall's report and were working to meet the requirements stipulated in that report. Further, that Mr. John Shelhamer of United Tote would present the Iowa Fair Horse Racing, Ltd. with a contract on May 5, 1985.

The Chair then asked Mr. Kleve to readdress the issue of the patrol judges and the video equipment, to which Mr. Kleve reiterated Mr. Ketterer's request for video equipment as opposed to patrol judges, necessitating the construction of a specialized booth and a dark room, a cost they did not feel the fairs should have to bear alone. Mr. Ketterer advised the Commissioners that the cost of the equipment would be roughly four hundred dollars (\$400), with the video equipment costing two hundred and seventy-five dollars (\$275) per day. The Chair then advised Mr. Kleve that the law does not permit the Commission to allocate funds for any such purpose.

Mr. Kleve then pointed out a letter to the Commissioners asking for two Daily Doubles on the first and last two races of each race program, with Quinella and Exacta betting on the rest of the program.

Judy Roland then asked the Commission to clarify conditions and qualifications for applying for the 5% tax credit stated in Iowa Code Section 99D(15). The Chair asked legal counsel for the Commission, Gary Hayward, if an opinion had been rendered by the Attorney General's Office on this. Mr. Hayward advised that he had rendered an opinion, and advised further that the Commission should write rules regarding tax credits.

The Chair then asked for reaffirmation that the fairs were meeting the requirements asked for by the State Fire Marshall's Office.

Mr. Roy Berger then gave an update on the Dubuque Greyhound Park, advising they were nearing completion, with the kennel compound to open the next Wednesday, the paddock being completed, and a large sign erected in front of the facilities. He advised that they were holding an open house on May 27 at which they would have racing using play money to orient the public in wagering procedures.

Commissioner Sovern then asked why, if the track was using Iowa labor and not going outside the state of Iowa, had the sign Mr. Berger mentioned come from the state of Illinois. Mr. Berger responded that the sign had been donated to the track in consideration for some free advertising on the sign itself. Commissioner Sovern asked if preference was being given to Iowa contracts, to which Mr. Berger advised they were, but not at the sacrifice of quality.

Chairman Scalise then asked how many, out of the three hundred (300) employees at the Dubuque track, were Iowans, to which Mr. Berger advised that approximately two hundred and fifty to two hundred and sixty-five (250-265) of the employees hired by the track were residents of Iowa.

The Commission next discussed future agendas, deciding to meet during the afternoon of June 1, 1985 in Dubuque in order to attend the opening races at Dubuque Greyhound Park that evening. The Commission was advised by the staff that the July meeting had to be held in Des Moines as per Section 99D of the Iowa Code. The Commission agreed, if possible, to meet in Cedar Rapids, Iowa on June 27 at 9:30 a.m. (No consensus was given by the Commission as to this particular meeting.)

Commissioner Sovern then asked if there had been any update from Des Moines and Waterloo, and the Chair advised that he knew only what he heard on the street. Commissioner Sovern then asked Mr. Mick Lura, Director of Administration, the status on the legislative bill providing tax credits to dog tracks. Mr. Lura advised that the bill was out of committee, but that formal action had not been taken by the full house.

The Commission then heard an update from Mr. Bill Masterson on the Altoona track.

Mr. Ketterer then asked if the Commission could now go to Item 5 of the agenda, background investigation reports by the DCI. The Chair advised the public that this involved going into a closed

meeting, or Executive Session, as per Iowa Code, Chapter 21.5(1)"a", to consider information confidential in nature. The Chair asked for a motion to go into Executive Session, with Commissioner Mydland so moving. The motion was seconded by Commissioner Prickett, and the vote was unanimous to go into closed meeting. (See Order 85-44.)

The Commissioners then went into Executive Session, which was taped. The tapes were then taken and sealed, pursuant to Iowa Code, Section 28A.5.

At the close of the Executive Session, the Commissioners reconvened the public meeting in the auditorium of the Wallace State Office Building.

The Chair opened by asking for a motion to approve the appointment of Dr. Merrill Vanderloo, of Vanderloo & White Veterinarian Clinic, P.C., Dubuque, Iowa, as the official track veterinarian for the facility at Dubuque, Iowa. Commissioner Pike then made such a motion. Mr. Ketterer clarified for the Commissioners that a contract had been made with Dr. Vanderloo in regard to this position. Commissioner Prickett then seconded the nomination. The Chair then asked for discussion, and Commissioner Sovern asked for a review of the selection process. Commissioner Prickett advised that they had had numerous applicants which had been reduced to two finalists, both clinics from Dubuque. These clinics then had submitted bids, and the clinic of Vanderloo & White had been selected. Mr. Ketterer advised that all applicants were interviewed from 45 minutes to an hour by himself and Dr. Prickett. Commissioner Sovern then asked for further details of the contract, which were provided by Mr. Ketterer and Commissioner Prickett. The Chair then called for a vote, which was unanimously in favor. (See Order 85-45.)

The Chair then recognized Mr. John "Jake" McIsaac, the candidate for State Racing Steward at the Dubuque track, asking Mr. Ketterer to explain Mr. McIsaac's selection. Mr. Ketterer advised that after placing various ads, and asking for recommendations from other tracks. Mr. McIsaac's name had been highly recommended by the Arizona Racing Commission where he was Chief State Racing Steward at Phoenix. Mr. McIsaac had been described as a man of good integrity, very knowledgeable in the racing industry and Mr. Ketterer felt they were very fortunate to have him as the candidate for the position of State Racing Steward. The Chair then asked for a motion to approve the appointment of John McIsaac. Commissioner Mydland made the motion which was seconded by the Chair, Commissioner Scalise. A short discussion then followed in regard to salary and whether this position involved not only the Dubuque track but any other track opening

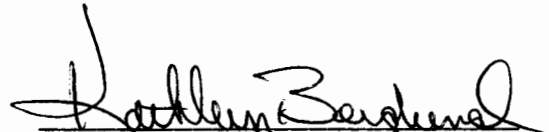
Minutes
April 30, 1985
Page 5

within the state. Mr. Ketterer advised that his permanent position was at Dubuque, but that his knowledge would be utilized in the training of other State Stewards. The Chair then called for a vote to appoint Mr. McIsaac to the position of State Racing Steward, the "aye" votes were unanimous. (See Order 85-46.)

The Chair then reiterated that the next meeting date was scheduled for June 1, 1985, and asked for sub-committee reports. Mr. Ketterer then handed out the text of the proposed informational brochure which will be put out through the Iowa Development Commission, the costs to be shared with the Development Commission.

The Chair then asked if there was any other business to be presented before the Commission. There being none, Commissioner Pike moved for adjournment, seconded by Commissioner Prickett.

Minutes taken by:


KATHLEEN F. BERGLUND

IOWA STATE RACING COMMISSION
MINUTES
JUNE 1, 1985

The Iowa State Racing Commission met on Saturday, June 1, 1985 at 1:00 p.m. in the Orpheum Room of the Dubuque Five Flags Center, Dubuque, Iowa. Present were Commission Chair Lawrence Scalise, Commission Vice-Chair Bud Pike, Commissioner Lavonne Mydland, and Commissioner Steve Sovern. The Chair called the meeting to order.

The Chair then recognized Tom Whitney, representing the LaVine Corporation. Mr. Whitney advised the Commission that the LaVine Corporation was seeking to submit an amended application for a license to construct and operate a greyhound racing park in Ankeny, Iowa. Various members associated either with the community of Ankeny or with the proposed track then spoke to the Commissioners concerning various aspects of the proposed track.

The Commissioners questioned these speakers concerning the total amount of acres involved, the seating capacity of the facility, whether a domed or heated facility was proposed, if the distance between the proposed track and those already licensed had been taken into consideration, and if projected attendance from May 15, 1985 (Peat/Marwick study) were still viable.

At the end of the presentation by the LaVine Corporation, the Chair asked Mr. Whitney if Mrs. Peggy Keat, who is sole director for the LaVine Corporation, was in attendance. Mr. Whitney stated that she was. He went on to advise, however, that the Articles of Incorporation for the LaVine Corporation had been amended to expand the Board of Directors for the Corporation to now include Tom Whitney, Jeff Segin and Frank Lint, as well as Mrs. Keat who is still President. Therefore Mrs. Keat was no longer the sole officer, or participant of the LaVine Corporation. The Chair then asked if Mr. Whitney was changing the application so that it was a new application. Mr. Whitney advised that they were not, that the applicant was still the LaVine Corporation. The Chair then asked, specifically regarding Section 3 of the application, if Mr. Whitney really wanted the Commission to act on the present application, or if they wished to come back later with a new application. Mr. Whitney advised that they were asking for a continuance of the present application in order to provide the Commission full disclosure in regards to the new board members of the corporation, as well as other new members to be added to the Board in the near future.

Commissioner Sovern then asked the Chair to set aside the application until November, as he felt that the applicant had essentially submitted a new application, thus falling under the resolution adopted by the Commission that all new applications should come before the Commission in November, and made a motion to that effect.

The Chair then asked Commissioner Sovern, for the purposes of clarification, if Commissioner Sovern had moved to deny the submitted application--with a right to come back with a new application, or was the motion to set aside "this very application itself" and come back with it again. Commissioner Sovern advised that he did not wish to deny the application, but felt the present application did not qualify for consideration. The Chair then called for a second, which was given by Commissioner Pike.

A lengthy discussion then followed as to whether the Commission should set aside the current application for the LaVine Corporation, and allow a continuance until November on the same application, give the applicant a chance to withdraw the application, or vote to deny the application.

Commissioners Pike, Mydland, and Chairman Scalise all expressed grave concerns with various sections of the application, specifically in regards to the financial backing of the track, the management agreement, and the specific dates asked for. The Chair urged Mr. Whitney to advise his client to withdraw the application, and to come back with a totally new application in November. The Chair then called for a vote on the motion before the Commission, with Commissioners Sovern and Pike voting Aye, and Chairman Scalise and Commissioner Mydland voting No. The vote was tied two-two, the motion failing for lack of a majority.

Mr. Whitney then asked for a thirty day continuance, instead of a six month continuance, and was informed by the Chair that the Commission wished a decision to be made during the present meeting. The Chair then excused Mr. Whitney to give those involved in the application time for discussion.

The Chair then recognized Mr. Dick Klingaman from the National Cattle Congress in Waterloo, who presented an update to the Commission on their proposed facility, informing the Commission of the problems encountered concerning their financing. Mr. Klingaman answered questions from the Commission and staff concerning the lowering of the costs of the project, and the changes in the facility itself. When asked by Commissioner Sovern the amount of time Waterloo felt they needed to have a definite settlement on their financing, Mr. Klingaman expressed that ninety days should be sufficient time. Commissioners Sovern and Pike both expressed a concern at leaving the license open without any tangible progress showing from the Waterloo site. Commissioner Pike stated that he felt ninety days was too long, but at the same time Commissioner Sovern's thirty days was not long enough, and he, personally, would like to have an answer in

sixty days. Mr. Klingaman advised that he appreciated this view, but that the bankers had been very slow in making decisions in this area.

Mr. Jack Ketterer, Executive Secretary of the Commission, questioned Mr. Klingaman regarding their feasibility study and how the loss of the dates of September 1 through June 1, 1985 as their first season, affected those financial projections. Mr. Klingaman stated that with the injection of Venture Capital, their second year was still showing slightly over \$500,000 net, with the conditions given to them at this time.

The Chair then asked that Mr. Klingaman present National Cattle Congress's latest projections to the Commission in writing. Mr. Klingaman advised that upon their completion they would be forwarded to the Commission.

Mr. Ketterer then asked Mr. Klingaman if he felt that they could keep within the estimated building cost of \$5.4 million with the revised facility reducing the accommodation to 2500. Mr. Klingaman advised that they were guaranteed by their general contractor not to exceed a cost of \$3.1 million. Mr. Ketterer asked if the startup costs were included, and Mr. Klingaman advised that they had a figure of \$183,000 for startup included in the building cost figure.

Commissioner Sovern then expressed his concern to the rest of the Commission in regards to the "dangling license situation" of both the Waterloo track and the Altoona track, and moved that the Commission, for purposes of discussion, go on record to rescind Waterloo's license within sixty days unless there is sufficient indication to the contrary that they are going to proceed, that there is concrete evidence that that exists, and that the Commission has approved the plans brought forth.

The Chair then asked for a second. Commissioner Pike stated that he agreed that these licenses must be brought to fruition, and asked if Waterloo could live with sixty days. At this point, Gary Hayward, legal counsel for the Racing Commission, advised that under the Iowa Administrative Procedure Act, a license could not be rescinded unless the licensee had been notified and given a chance to be heard. He suggested that a letter of notice be sent to the licensees to appear before the Commission, prepared to give specific information regarding their individual operations.

Commissioner Sovern then altered his motion to take this new information into consideration, and asked that notice be given for the July meeting, and the sixty days be beyond that date.

The Chair then advised that he believed it was the consensus of the Commission that within sixty days Waterloo "get off dead center," or they would be looking at a movement by the Commission to serve a notice to rescind Waterloo's license. At that point they would have an opportunity to appear before the Commission, that the Commission would have a hearing pursuant to Chapter 17A of the Iowa Code, and following the hearing, the full Commission would take whatever action was deemed to be appropriate. Following this, Waterloo would have the opportunity to ask for a review of this finding by the District Court and further, for review by the Supreme Court. The Chair advised that under these circumstances a time span of four to five months could be possible before final disposition was reached.

Mr. Klingaman advised the Commission that he appreciated the Commission's concern. Further, that he would now like to be put on the agenda for the following months, and that they would have a definite answer within the sixty days for the Commission.

The Chair then asked if this conformed with Commissioner Sovern's motion. Commissioner Sovern advised that it did not, and that the procedure should be started now, which would allow Waterloo at least that sixty days. But in order to assist Waterloo, as well as the Commission, the procedure should be set in motion to give Waterloo the opportunity and a focal point to address the problems they are having and at the same time, to give the Commission full opportunity to review those problems with them-- which could result in the Commission putting off any further action. The Chair seconded the motion, but stated an unsureness of conforming with the law by "doing all this at this point," further advising that the notice had to be in writing, and pursuant to Chapter 17A of the Code, and that administratively the notice may have to be sent out of the office. Commissioner Sovern stated that this would be part of his motion, with the Chair responding that he did not feel a motion was needed. Commissioner Sovern then stated that as long as there was a consensus of the Commission, that was all that was necessary to satisfy him. The Chair polled the other Commissioners, who both agreed with this action. At this time the Chair asked that Mr. Hayward and Mr. Ketterer take care of sending out the abovementioned Notice of Hearing.

The Chair then recognized Bill Masterson of The Central Iowa Horse Racing Association, who presented an update on the proposed facility at Altoona, Iowa. After informing the Commissioners as to their current situation, and advising that they fully intend to maintain a starting date of August 15, 1986, the Chair asked

Mr. Masterson if he understood correctly that they were proceeding with foundation plans before the Altoona City Council. Mr. Masterson advised that they were. Mr. Masterson advised that they had increased the cost of the track, including a \$32.5 million guaranteed construction cost, but reiterated that they had not lost any time while waiting on their financing. Commissioner Sovern then asked for further clarification on the "perpetual entity" being sought by the Association's financial backers. Mr. Masterson advised that they were really looking for a guarantee for the first five years. Commissioner Sovern asked if their breaking ground was contingent upon finding this "entity." Mr. Masterson stated that it was contingent upon securing a plan.

Commissioner Pike asked if the Association had come up with a new budget incorporating the income anticipated from other types of racing and the construction costs, and if so were they still showing profitability. Mr. Masterson advised they were. Commissioner Pike then asked when Mr. Masterson thought they would get their "credit enhancement" accomplished, advising that he felt the same restraints the Commission had just put Waterloo on should also apply to Altoona.

Commissioner Sovern then asked that the Commission take the same action towards Altoona as they had taken with Waterloo. The Chair advised Mr. Masterson that Altoona would "be getting a letter" from the Commission. Mr. Masterson stated that he fully understood the Commission's position, as well as the Association's responsibilities.

Mr. Hayward then reported to the Commission on the litigation between the Commission and the City of Altoona, in which the courts had found for the Commission.

The Chair then recognized Mr. Gary Zumach of the Iowa Greyhound Association, who withdrew the previously submitted Petition for Direct Payment to greyhound owners. Mr. Zumach then introduced Gary Guccione, Secretary Treasurer of the National Greyhound Association who spoke to the Commission concerning the problem of payment of direct commissions to greyhound owners.

At this point, Commissioner Sovern asked to be allowed to address the Commissioners regarding a possible breach of ethics on the part of Representative Jack Woods, House Floor Manager at the time the pari-mutuel act was passed. He advised that Representative Woods owned, and was racing greyhound dogs at the Dubuque Greyhound Park. Commissioner Sovern also noted that

Representative Woods, as an owner of Iowa whelped dogs was in a position to benefit from the breakage given in the Iowa Breeder's Award. Commissioner Sovern stated he felt this violated the letter of the Code, as well as eroding public confidence in the legislative process and in the industry. Commissioner Sovern did not wish any action from the rest of the Commission, but simply wanted to express his thoughts on how this would affect the Commission's integrity with the general public.

The Chair then recognized Mr. Thomas Whitney, who advised that on behalf of the LaVine Corporation he wished to withdraw the application now before the Commission.

The Chair then asked for a motion to go into Executive Session to consider the background investigations of the Dubuque Officials and the Iowa Fair Horse Racing Association. The motion was made by Commissioner Mydland and seconded by Commissioner Pike, with the vote 4-0 in favor. (See Order 85-47)

The Commission then went into closed session pursuant to Iowa Code, Chapter 21.5(1)"a", to consider information confidential in nature, offered by members of the staff of the Division of Criminal Investigation. The Executive Session was taped, and at the close of the meeting, these tapes were taken and sealed, pursuant to Iowa Code, Section 28A.5.

Upon the close of the Executive Session, the Commissioners took up the administrative business items on the agenda. Mr. Ketterer informed the Commissioners that contracts had been signed with Harris Laboratories and with Vanderloo and White Veterinarian Clinic, P.C. Mr. Gary Hayward then advised the Commission on the matter of the procedure of filing for Tax Credit with the Commission, stating that a form would be developed. The Chair advised that the 5% Tax Credit is viable only on new construction, and not on any remodeling. The Chair instructed Mr. Hayward to also establish guidelines on this matter. Mr. Ketterer then advised the Commissioners on the Dubuque Greyhound Park's schedule of payment for the Iowa Bred Supplemental Purses (see attached). Mr. Ketterer further advised that discussion with Dubuque Racing Association had been held concerning any breakage remaining at the end of the year, after all distribution had been made. It was suggested that that money could be placed in a trust fund, with interest accruing to the Breeder's Program. This money would then be distributed to the same track the following year, along with the interest.

The Chair advised the next meeting would be in Des Moines, on July 11, 1985, at 9:30 a.m., as required in Chapter 99D of the Code.

Minutes
June 1, 1985
Page 7

The Chair then asked the status of the Annual Report, and was advised that it had not been submitted to the Governor as of this date.

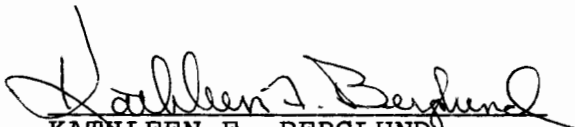
Mr. Ketter then asked if the Commission wished to formally approve Dubuque's Racing officials, and it was determined that the issuance of a license to each individual would be deemed approval.

Commissioner Pike stated he would like to see the Commission pass a resolution to congratulate the Dubuque racetrack for being the first pari-mutuel track to open in the state of Iowa, and to wish them success in the future. The motion was seconded by Commissioner Sovern. The motion carried unanimously, 4-0. (See Order 85-48)

Discussion was then held on the matter of the Notice of Hearing to be sent to Waterloo and Altoona regarding their licenses. It was decided that as this was the beginning of formal court proceedings a motion needed to be put before the Commission for a formal vote. Commissioner Sovern then moved that a Notice of Hearing be sent to both The National Cattle Congress of Waterloo, Iowa and to Racing Association of Central Iowa, Altoona proposed site, in respect to their licenses. The motion was seconded by Commissioner Pike, and the vote carried unanimously, 4-0. (See Order 85-49)

The meeting was then adjourned.

Minutes taken by:


KATHLEEN F. BERGLUND

IOWA STATE RACING COMMISSION
MINUTES
JULY 11, 1985

The Iowa State Racing Commission met on Thursday, July 11 at 9:30 a.m. in the Auditorium of the Wallace State Office Building, Des Moines, Iowa. Present were Chairman Lawrence Scalise, Vice-Chairman "Bud" Pike, Lavonne Mydland, Dr. Sally Prickett and Steve Sovern. Chairman Scalise called the meeting to order.

The Chair recognized The Des Moines River Basin Leather Guild for a presentation. Mr. Jim Holmes and Mr. Jim Ent presented the Commission with the 1st, 2nd and 3rd prize leather pictures from a contest held among members of their leather guild. Mr. Ent also donated a sulky picture made by him. Chairman Scalise advised them that the pictures would be hung prominently in the office of the Commission.

The Chair then recognized Mr. Von Elbert from Cedar Rapids Horse Racing, Inc. for a progress report on their racing application in Cedar Rapids.

The Chair asked if their figures had been updated in view of what Dubuque is experiencing as far as a daily handle. Mr. Elbert answered that Dubuque figures are approximately \$50 to \$60 per capita as opposed to the \$90 per capita Dubuque was anticipating and in Cedar Rapids feasibility studies they have approximately 1.6 million dollars for shortfall available the first year.

The Chair then asked if Cedar Rapids Horse Racing, Inc. would be satisfied with the dates of May through the middle of September rather than April through August as was stated in their application. Mr. Elbert agreed to the first week of May through September 15.

Chairman Scalise then asked for an update every 30 days, to which Mr. Elbert agreed.

Commissioner Sovern expressed concern that there is not a strong commitment on the part of Cedar Rapids to build a racing facility and raised several questions as to the financing and/or any commitments they might have and as to the location in regard to the Cedar Rapids Airport.

Commissioner Prickett expressed as her main concern the amount of competition for the leisure dollar in the state of Iowa. She also stated that harness racing was not overwhelmingly successful in Cedar Rapids and asked Mr. Elbert if they are considering harness racing. He responded that it is not a part of their present plan.

Minutes
July 11, 1985
Page 2

Chairman Scalise recognized Commissioner Pike who asked specific questions regarding the size of the land and questioned any acquisition costs involved. He then asked if it was a fair assumption that the approximate cost of the racing facility was in the neighborhood of \$30 million, to which Mr. Elbert agreed.

The Chair then asked if there was anyone present to speak in opposition to the granting of a license to Cedar Rapids Horse Racing, Inc.

The Chair recognized Mr. Lester Petron, a Cedar Rapids resident who spoke in opposition to the proposed location of the race track, in that, the land was to be used for airport expansion and not a race track. Mr. Terry Harmann, President of the Dubuque Racing Association, Mr. Bill Masterson, representing The Racing Association of Central Iowa and Mayor Jim Brady of Dubuque, all spoke in opposition to granting a license.

Chairman Scalise next recognized Commissioner Sovern, who moved to grant a conditional three-year license to Cedar Rapids Horse Racing, Inc. subject to their compliance with the law (Chapter 99D, Iowa Code) and Commission Administrative Rules 5 and 6, and include the concerns expressed by Mr. Petron, for the racing dates of the first week of May through September 15, and to require a monthly report on their progress. Commissioner Mydland seconded the motion. The Chair asked for discussion.

Chairman Scalise asked Executive Secretary, Jack Ketterer, if we were to grant a three year conditional license, can we designate when it would go into effect. The Executive Secretary responded that according to the statute the Commission can license up to three years.

Commission Counsel, Gary Hayward advised the statute does not designate when the license will begin or end.

The Chair then asked Commissioner Sovern the years which his motion would involve and he stated the years 1987 through 1989.

The Executive Secretary expressed his concern regarding the Cedar Rapids application and his concern for the number of licenses the Commission would be issuing. He further stated that Iowa could not support three tracks in Eastern Iowa especially considering there is already a track (Quad City Downs) racing in the Quad Cities market.

Minutes
July 11, 1985
Page 3

After further discussion, the chair called for a roll call vote on the granting of a license to Cedar Rapids. Commissioners Sovern, Mydland and Scalise voted aye. Commissioners Pike and Prickett voted nay. (See Order 85-50).

At 11:30 a.m. the Chair called for a 15 minute break.

The Commission reconvened at 12:05 p.m. and the Chair recognized Commissioner Pike for some comments.

Commissioner Pike asked to go on record as being opposed to a race track at the Iowa State Fairgrounds and asked the members of the Commission to support him in rejecting any considerations of licensing a track there.

(A Court Reporter transcribed the remainder of the meeting and the written transcript is available.)

The Chair then moved to the next agenda item: the National Cattle Congress license. The Chair recognized Mr. Richard Klingaman for an update on the progress of the Waterloo greyhound racing facility. Mr. Klingaman introduced several representatives from Waterloo including: State Representative, John McIntee, Mayor Dale Bowers, Jeffrey L. Shirley, President of the Convention & Visitors Bureau of the Chamber of Commerce, Geoffrey C. Grimes, architect, and Rick Young, Vice President of the Cedar Valley Economic Action Company who all spoke in support of continuing their efforts for a race track in Waterloo. Mr. Klingaman asked that they be granted additional time.

Chairman Scalise asked if they have permanent commitments for the money and Mr. Klingaman advised there is a commitment from local banks for approximately 3.6 million dollars plus venture capital of 600,000 dollars.

The Chair asked that all financial statements and commitments be turned in to the Commission within 7 days, to which Mr. Klingaman agreed.

At 1:00 p.m. the Chair called for a 45 minute lunch break.

The Commission reconvened at 2:00 p.m. and the Chair recognized Commissioner Pike who offered a resolution making it a policy that no greyhound track license be granted in Central Iowa, to be defined as within 100 miles of Des Moines, and moved its adoption. The motion was seconded by Commissioner Mydland and the resolution was adopted unanimously. (See Order 85-51).

Minutes
July 11, 1985
Page 4

The Chair recognized Commissioner Sovern who asked to clarify the decision that was made regarding the Waterloo license. The Commission Counsel advised that the record would be kept open for 7 days and a decision would be made at the next meeting.

The Chair next recognized representatives of the Racing Association of Central Iowa. Patricia Martin, Legal Counsel, Ken Grandquist, President, Bill Masterson, General Manager, Dave Mulcahy, accountant, and several others who gave testimony and presentation to show cause why their license should not be revoked or suspended.

The Chair then recognized the Executive Secretary who asked why they have been unable to enlist the financial support of the downtown business community, to which Mr. Mulcahy replied that they are working with the Chamber of Commerce to attempt to pull together a coalition of Des Moines business interests who will get involved and help with the development of this track.

Commissioner Sovern advised that a time needs to be determined and asked Mr. Mulcahy how much was needed. Mr. Mulcahy answered six months is a minimal amount of time. Commissioner Sovern reminded the Racing Association of Central Iowa that the final deadline is December 31, 1985 and that they should report back to the Commission if they are unable to meet that deadline.

The Chair recognized Commissioner Sovern who moved that due to the fact that there has been satisfactory interest and progress shown towards the accomplishment of the project the Commission concludes that it does not wish to take further action in respect to the license of the Racing Association of Central Iowa. Commissioner Pike seconded the motion and the motion was unanimously adopted. (See Order 85-52).

Chairman Scalise moved to the next agenda item: the Occupational License of Robert Benda and Robert Liles and the distribution of the purse in the second race on June 25.

The Chair recognized Commission Counsel, Gary Hayward who advised that he has received stipulation from Counsel for Mr. Benda and Mr. Liles and that they were not aware that phenylbutazone was an illegal drug in Iowa. Counsel also stated that Mr. Liles was incorrectly listed as trainer and had no involvement.

The Chair recognized the Executive Secretary who recommended that all charges against Mr. Liles be dismissed and that:

1. The horse Little Barb B Q did run with phenylbutazone in its system in violation of Iowa Racing Commission Rule 9.12 (1) (a & b) and should not be awarded any part of the purse for that race and the other horses should move up for purse distribution accordingly.

2. Robert Benda, owner/trainer of the horse Little Barb B Q be suspended for the balance of the 1985 fair racing season through August 10th for violation of Iowa Racing Commission Rule 9.12 (f).

Commissioner Prickett advised the Commission that phenylbutazone is simply a horse aspirin that just relieves pain, it does not cause a horse to run faster or slower.

After some discussion the Chair recognized Commissioner Mydland who moved for the suspension of the license of Robert Benda through the 1985 fair horse racing season. Commissioner Sovern seconded the motion. The motion was adopted unanimously. (See Order 85-53).

Commissioner Pike moved that the charges against Mr. Liles be dismissed and the purse be redistributed. Commissioner Prickett seconded the motion and the motion carried unanimously. (See Order 85-54).

The Commission ended the formal portion of the agenda and the Chair recognized the Executive Secretary who advised the next item of business is to elect a Chairperson and Vice-Chairperson. Commissioner Mydland made the motion that Lawrence Scalise be re-elected Chairman of the Iowa Racing Commission. Commissioner Prickett seconded the motion. The motion passed unanimously. (See Order 85-55).

Chairman Scalise made the motion that Bud Pike be re-elected Vice-Chairman of the Iowa Racing Commission. Commissioner Prickett seconded the motion. The motion passed unanimously. (See Order 85-56).

After some discussion the Commission decided the next meeting will be held in Monticello, on August 9 at 1:00 p.m.

The Commission adjourned at 4:51 p.m.

Minutes Taken By:



Jean Cook

IOWA STATE RACING COMMISSION
MINUTES
AUGUST 9, 1985

The Iowa State Racing Commission met on Friday, August 9, 1985, at 1:00 p.m. at the Monticello Golf and Country Club, Monticello, Iowa. Present were Chairman Lawrence Scalise, Vice-Chairman "Bud" Pike, Lavonne Mydland, Dr. Sally Prickett and Steve Sovern. Chairman Scalise called the meeting to order.

The Chair took up the first agenda item, the approval of the minutes of the April 30, June 1, and July 11, 1985, minutes. Vice-Chair Pike moved to approve the minutes. Commissioner Mydland seconded the motion, which passed unanimously. (See Order 85-57).

Chairman Scalise moved to the next agenda item: the Occupational License of Mark Bachmeier, and the possible redistribution of the purse in the fourth race on July 12, 1985.

The Chair recognized Commission Counsel, Gary Hayward who advised the Commission of the items contained in the file of Mr. Bachmeier including sample tag No. 2393, from Harris Laboratories, indicating the horse named Trevor Hogdon did run with phenylbutazone in its body in the fourth race on July 12, 1985, at What Cheer, Iowa. Mr. Hayward also read the reply from the owner, Caroll Bachmeier as to why she and Mark Bachmeier would be unable to appear at a hearing before the Board of Stewards on July 31, 1985.

Chairman Scalise next recognized Mr. Bachmeier and asked if he had any comments to make. Mr. Bachmeier advised the Commission that he was not aware that the drug was illegal in Iowa and that the horse had been administered phenylbutazone 48 hours prior to the race by a licensed veterinarian.

The Chair asked Mr. Bachmeier if he wished to be represented by counsel or if he wished a continuance of the hearing. Mr. Bachmeier replied that he did not.

After some discussion the Chair recognized Commissioner Pike who moved that the Commission find that the facts, as stated in the Board of Stewards Ruling No. 2, of the Iowa Fair Horse Racing, Ltd., Standardbred Fair Circuit, be adopted along with the statements of fact in the letter from the licensees to the Board of Stewards and that the Commission concludes that licensee Mark Bachmeier violated Iowa Racing Commission Rule 9.12 (a, b, c & f) and 99D.25 (3) (a & b) and (4) of the 1985 Iowa Code, and that Mr. Bachmeier be suspended for the month of August.

Commissioner Sovern asked for a recommendation from Jack Ketterer, the Executive Secretary of the Commission. Mr. Ketterer replied that he concurred with the motion.

Minutes
August 9, 1985
Page 2

The Chair then recognized Commissioner Prickett who seconded the motion to suspend Mr. Bachmeier's license for the month of August and the motion was unanimously adopted. (See Order 85-58).

Commissioner Sovern stated that it is of great concern, and the responsibility of the Commission, to make people aware that anyone who becomes involved in racing in Iowa understands that we are serious about the rules of racing, and that those rules must be followed.

The Chair asked the Executive Secretary to make the appropriate changes in the purse distribution, to which Mr. Ketterer agreed.

Chairman Scalise recognized Mr. Lyndal Graff of the National Cattle Congress for an update on the financing of their racing facility. Mr. Graff announced that the Cattle Congress had reached their goal and were in fact above that goal. With commitments totaling \$5,500,000, the National Cattle Congress will begin building in October of 1985 and racing in October of 1986.

Also present were Dale Bowers, Mayor of Waterloo, and Russell Lowe, Chairman of the Community Development Board in Waterloo who made comments as to their support of this facility.

Chairman Scalise recognized Commissioner Pike who moved to dismiss the contested hearing of the National Cattle Congress of Waterloo. Commissioner Sovern seconded the motion.

Commissioner Sovern asked the Executive Secretary if there were any other matters that should be discussed, Mr. Ketterer asked that the Commission be kept abreast of the progress of the architecture as far as the Commission's office space, since some changes have been incorporated in the original plans.

The Chair advised the National Cattle Congress that they are required by law to keep the Commission informed of any and all changes in architectural plans and also that a DCI investigation is required of their proposed general manager and should be done before that person is announced.

Chairman Scalise called the motion to a vote and the motion was adopted unanimously. (See Order 85-59).

The Chair next recognized William Masterson, General Manager of the Racing Association of Central Iowa for an update on their financial progress. Mr. Masterson advised the Commission that they are continuing their pursuit of financing and that twenty three meetings have been held in thirteen different cities in the

past twenty working days by members of their project team and at this point they are progressing forward and are encouraged that they will be able to put the project together.

Chairman Scalise asked if there was anyone present, representing Cedar Rapids Horse Racing, Ltd. for an update on their progress. No one was present.

The Chair then moved to the next agenda item, trifecta wagering at Dubuque Greyhound Park, and recognized Roy Berger, General Manager of Dubuque Greyhound Park. Mr. Berger advised the Commission that trifecta wagering is detrimental to the financial success of Dubuque Greyhound Park and that the Commission has a strong committment to their success. Mr. Berger stated that Iowa has the only greyhound track in the country that does not have trifecta wagering.

The Chair asked Mr. Berger if Dubuque Greyhound Park is operating under budget at this time and if they continue as they are, would they be in the red at the end of the racing season, to which Mr. Berger replied yes.

Mr. Paul Bryant, Jr. of Tuscaloosa, Alabama, made comments as to the success they have been experiencing with trifecta wagering.

Mr. Berger asked that Terry Harrmann, President of Dubuque Greyhound Park, comment on the figures necessary to break even. Mr. Harrmann advised the Commission that a \$235,000 daily average handle is necessary to be in the black at the end of their racing season and that they have been averaging \$185,000 daily average handle. Mr. Harrmann asked that the Commission let them test trifecta for the balance of the racing season.

The Chair recognized the Executive Secretary, who made a statement as to his objection to trifecta wagering in Iowa at this time and his concern that, "although there have been no publicized cases of race fixing involving the trifecta in greyhound racing, the horse racing industry suggests to us that this is not sufficient reason to leave the doors of the vault unlocked. The immediate need for the trifecta is greatly overstated. Iowa has very few racing fans right now, but is in the process of creating many. As the fan becomes more comfortable with racing, they will increase the amount they spend on wagering in time. To try to accelerate this process with a high takeout, high payout wager like the trifecta in every race, with its inherent risks to the integrity of the sport is wrong at this time".

Minutes
August 9, 1985
Page 4

Commissioners Pike and Mydland spoke in favor of allowing Dubuque Greyhound Park to test trifecta for the remainder of their racing season.

Chairman Scalise advised Commission Members that in order for the Commission to permit trifecta wagering it would require a rule change, therefore, the matter would be taken under advisement and put on the agenda for the next meeting.

The Commission decided to hold their next meeting on Tuesday, August 27, in Des Moines.

The Chair thanked the members of the Great Jones County Fair for their hospitality and the meeting was adjourned at 3:00 p.m.

Minutes Taken By:



Jean Cook

IOWA STATE RACING COMMISSION
MINUTES
AUGUST 27, 1985

The Iowa State Racing Commission met on Tuesday, August 27, 1985, at 9:30 a.m. in the Grand Ballroom of the Hotel Savery, Des Moines, Iowa. Present were Chairman Lawrence Scalise, Vice-Chairman "Bud" Pike, Lavonne Mydland, Dr. Sally Brown Prickett and Steve Sovern. Chairman Scalise called the meeting to order.

The Chair announced that the second agenda item, the hearing on the Occupational License of Robert Lockhart, was withdrawn, and therefore, the item deleted from the agenda.

Chairman Scalise recognized Commissioner Pike who presented State Comptroller, William Krahl with a check for one million dollars, the first million dollars of revenue earned by pari-mutuel wagering for the state of Iowa.

The Chair moved to the next agenda item: the proposed trifecta rules and asked if all interested persons had seen those rules, and called for any comments or suggestions. The Executive Secretary, Jack Ketterer advised the Commission that he had received only one letter, and that dealt with clarifying some language, but did not affect the proposed rule.

The Executive Secretary commented that there are different opinions regarding the number of greyhounds of completely different ownership that should be allowed in all races in which trifecta wagering is offered.

Chairman Scalise recognized Senator Joe Welsh from Dubuque, and members from Dubuque Greyhound Park, Roy Berger, General Manager, and Dan Luciano, Assistant General Manager, who spoke in favor of allowing trifecta wagering.

Rev. Otto Steele, Pastor of the First United Methodist Church of Fayette, Iowa, and Senator William Dieleman from Marion County, both spoke in opposition to trifecta wagering.

The Executive Secretary asked Rev. Steele and Senator Dieleman if they have had any communication with him relating to his opinion of trifecta wagering, to which they both replied no.

Commissioner Sovern asked Mr. Ketterer to summarize his objections to trifecta wagering. Mr. Ketterer replied that "the need for trifecta wagering is highly overstated, and I don't feel it is necessary at this time. Although there have not been any scandals with trifecta wagering in greyhound racing, there have been problems with trifecta wagering in horse racing. Since we don't know how horse racing will fare in this state, there would be a competitive factor in allowing trifecta in greyhound racing and not horse racing."

After further discussion, Commissioner Sovern moved to approve the rule change as presented to the Commission, and to initiate it under the normal rules procedures and not under emergency rule, and to require greyhounds of eight different ownerships in a race in which trifecta wagering is offered. Chairman Scalise seconded the motion.

Commissioner Pike offered an amendment to Commissioner Sovern's motion to adopt the emergency rules procedure to effect the rule change and to incorporate a sunset clause to expire at the end of the Dubuque Greyhound Park Season on November 15, 1985. Commissioner Prickett seconded the motion.

Mr. Ketterer suggested that the amendment reflect a notice of intended action, and that the sunset clause be dropped.

After some discussion, Commissioner Pike asked Commissioner Prickett's consent to withdraw the sunset clause portion of the amendment and changed his motion to adopt the rules as they are written on an emergency basis and file a notice of intended action. The Chair called for a roll call vote; Commissioner Sovern voted nay, Commissioners Prickett, Mydland, Pike and Scalise voted aye. (See Order 85-60).

Chairman Scalise offered an amendment to Commissioner Sovern's motion as amended, and that is to provide that all races in which trifecta wagering is offered, eight greyhounds entered shall be of completely different ownership, except that one double entry may be used in all grade A races and all races 3/8 mile or longer, provided the rules of the draw are observed.

The Commission stood at ease.

The Commission reconvened, and Chairman Scalise withdrew his amendment and offered the following amendment to Commissioner Sovern's motion, amend 7.6(16), of the rules governing greyhound racing as follows: In purse races there shall be at least eight greyhounds of completely different ownership drawn for each race except under the following conditions:

- (a) In all grade A 5/16 mile races and in all grade M 5/16 mile races there shall be at least seven greyhounds of completely different ownership.
- (b) In all races of 3/8 mile or longer, there shall be at least seven greyhounds of completely different ownership.
- (c) No double entries shall be allowed until all single interests are used and double entries shall be uncoupled for wagering purposes;
- (d) No trainer or owner shall have more than two greyhounds in any race excepting in stakes or sweepstakes race.

The Chair moved the adoption of the amendment. Commissioner Mydland seconded the motion and the motion was adopted unanimously. (See Order 85-61).

Commissioner Sovern advised the Commission that he would not be able to support his motion as amended.

The Chair called Commissioner Sovern's motion to allow trifecta wagering, as amended, to a vote. Commissioner Sovern voted nay. Commissioner Pike, Mydland, Prickett and Scalise voted aye. (See Order 85-62).

Chairman Scalise recognized Von Elbert of Cedar Rapids Horse Racing, Inc. who gave an update on the their progress.

The Chair called for the next agenda item, the proposed rules for tax credit and asked if this item could be taken up at the next meeting. The Executive Secretary advised the Commission that it is not necessary to take the rules up at this time, however, it may be necessary to adopt the rules on an emergency basis and a notice of intended action at the next Commission meeting.

The Chair advised the Commission of a motion by Julie Pottorff to strike a communication sent to the Commission on August 12, 1985, with respect to certain statements that were made in regard to substitutions made in overnight entries at Dubuque Greyhound Park, submitted by Mr. Nickerson, Racing Secretary and Dan Luciano, Assistant General Manager of Dubuque Greyhound Park. The Chair allowed the motion to strike with respect to the Hovick matter, and advised the Commission that the communication would not be considered, nor be a part of the record.

The Chair then asked for a motion to go into Executive Session to discuss the matter of the Occupational License of James Hovick. The motion was made by Commissioner Prickett and seconded by Commissioner Sovern, with the vote 5-0 in favor (See Order 85-63).

The Commission then went into closed session pursuant to Iowa Code, Chapter 21.5(1)"a".

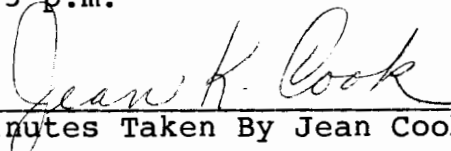
Upon the close of the Executive Session, Commissioner Pike moved to adopt the Findings of Fact and Conclusions of Law presented by Julie Pottorff, Assistant Attorney General, in that, James Hovick's license be revoked. Senator Prickett seconded the motion and the motion was adopted unanimously. (See Order 85-64).

The Chair recognized Commissioner Sovern who moved that trifecta wagering be granted to Dubuque Greyhound Park. Commissioner Mydland seconded the motion and the motion was adopted unanimously. (See Order 85-65).

Chairman Scalise addressed Mr. Masterson of the Racing Association of Central Iowa and asked that the Commission see their bonds. Mr. Masterson submitted a copy of their bonds.

The Commission agreed upon October 16, 1985, for their next meeting.

The meeting was adjourned at 12:35 p.m.


Minutes Taken By Jean Cook

IOWA STATE RACING COMMISSION
MINUTES
OCTOBER 15, 1985

The Iowa State Racing Commission met on Tuesday, October 15, 1985, at 1:00 p.m. in the Wallace State Office Building Auditorium. Present were Chairman Lawrence Scalise, Vice-Chairman, "Bud" Pike, Lavonne Mydland, Steve Sovern, and Dr. Sally Brown Prickett. Chairman Scalise called the meeting to order.

The Chair took up the first agenda item, the approval of the minutes of the August 9, and August 27, 1985, meetings. Vice-Chair Pike moved to approve the minutes. Commissioner Mydland seconded the motion. Commissioners Pike, Mydland, Scalise and Prickett voted aye, and Sovern abstained. (See Order 85-66).

The Chair moved to the next item: Chapter 10, proposed rules for the application for tax credit by existing horse racing licensees, and recognized the Executive Secretary, Jack Ketterer who then explained the proposed rule.

After some discussion, Mr. Ketterer recommended that section "C" (I) be deleted. The Chair then suggested that section "C" be changed to read "types of construction which qualify for the credit shall be defined to include construction that is ordinary, necessary, and customary at pari-mutuel facilities."

The Chair then recognized Roger Roland of the Iowa Fair Racing Association who encouraged the enactment of the proposed rule.

After further discussion, the Chair recognized Commissioner Mydland who moved to adopt the rule as presented by the Commission on an emergency basis and file a notice of intended action to go into affect upon publication. Commissioner Sovern seconded the motion, which passed unanimously. (See Order 85-67).

The Chair next recognized Dick Klingaman of the National Cattle Congress for a progress report. Mr. Klingaman stated that the Cattle Congress has scaled down the seating capacity of the grandstand, and have purchased some used equipment to help cut costs. The grandstand would now seat 2,200 upstairs and approximately 2,200 standing room on the lower level. Mr. Klingaman also stated that with these new adjustments a \$90 per capita wager would be necessary to break-even.

Chairman Scalise advised Mr. Klingaman that no one is doing a \$90 per capita, and that Dubuque is just now averaging about \$80 per day. The Chair stated that it would be necessary to have 3,500 in attendance some days to make up for the slow days.

Minutes
October 15, 1985
Page 2

Mr. Ketterer stated that the net income break-even figures are \$85 per capita for the first year, and \$72 for the second and third years, based upon actual projections of \$90 the first year, \$95 the second year, and \$100 the third year. The impact of the break-even figures upon pari-mutuel revenues however, showed significant losses rather than break-even. Mr. Ketterer expressed concern that the break-even could be much tougher than indicated.

Commissioner Sovern advised Mr. Klingaman that it is very important that the Cattle Congress understands that no additional dates will be granted in the future, and the Cattle Congress should proceed only on the basis of its schedule of dates granted. The dates of November 1st through March 1st, and May 1st through June 7th will stand. Mr. Klingaman replied that they understood.

Mr. Klingaman advised the Commission that this venture is going to be risky, however the community of Waterloo is behind the project, and the National Cattle Congress is willing to take the chance.

The Chair asked Mr. Klingaman to bring up-to-date figures to the November Commission meeting, to which he agreed.

Chairman Scalise then recognized Ken Grandquist of the Racing Association of Central Iowa for their progress report. Mr. Grandquist said he is very optimistic about the future of their project. Mr. Grandquist then introduced Bill Masterson, and Dave Mulcahy. Mr. Masterson told the Commission that some changes have been made to the original plans. The grandstand has been scaled down in size to seat approximately 4,500, rather than the 5,500, originally planned, but stated that the quality and other parts of the project had not been affected.

Mr. Grandquist also introduced Robert Few, and Carl Dunn of St. Johns Capital Investors Corporation of Jacksonville, Florida, employed by the Racing Association of Central Iowa to sell bonds. Mr. Dunn advised the Commission that the bonds would go to market in December, and that it would take only three or four days to sell the bonds, and three weeks to a month to close. Mr. Dunn also stated that the bonds will be sold nationwide but concentrated in Iowa and Florida.

Also present were Bob Houser, president of the Des Moines Development Corporation, Andy Mooney, president of the Greater Des Moines Chamber of Commerce, Fred Weitz, president of Weitz Company, and Dale Nelson, president of Building Maintenance Service, who were all there to express the support of the business community of Des Moines.

Minutes
October 15, 1985
Page 3

The Chair next recognized Jim Carley, representing Altoona residents opposed to the track site. Mr. Carley advised the Commission that Altoona residents are suffering due to declining property values, and home sales in their community, and that the residents are still concerned about corners being cut on the landscaping of the facility. Mr. Carley also suggested that in the future the Commission re-evaluate their licensing process and not grant a license until all funding and building plans are complete.

The Chair moved to the next agenda item: Cedar Rapids Horse Racing, Inc. and recognized the Executive Secretary for a progress report. Mr. Ketterer advised that he had talked with Von Elbert of Cedar Rapids Horse Racing, Inc. that morning. Mr. Elbert said the original site had been disapproved by the FAA on October 14, 1985, and that it would be necessary to go to the city for a new suitable site. Mr. Elbert stated that they would continue to visit racetracks in the sunbelt area in an attempt to arrange a Santa Anita/Canterbury Downs type relationship. Mr. Elbert gave no report as to their financing or the track itself.

Chairman Scalise recognized Stanley Duysen of Iowa West Racing, Inc. for their progress report. Mr. Duysen advised the Commission that construction was going on schedule and that they were still shooting for an opening date of March 1, 1986.

The Chair next recognized Bruce Wentworth of Dubuque Greyhound Park, for the purpose of taking up their request for two additional racing days of November 16 and 17, 1985.

After some discussion, Commissioner Pike moved to grant Dubuque Greyhound Park the two additional days requested. Commissioner Prickett seconded the motion, which passed unanimously. (See Order 85-68).

The Chair called up the next agenda item: the Bobby Franklin appeal for failure to be approved for an owner's license at Dubuque Greyhound Park.

The Chair recognized Mr. Ketterer who advised the Commission that Mr. Franklin had been notified by certified mail and his wife was informed by telephone that he was to appear before the Racing Commission in order to appeal the Steward's decision.

Chairman Scalise advised the Commission that since Mr. Franklin did not appear, the Steward's decision would stand.

Minutes
October 15, 1985
Page 4

The Chair then moved to the administrative business of the Commission and advised that a subcommittee would be appointed to study the tax credit. Also, a budget will be prepared sometime in December for the remainder of this fiscal year and the next, after the Dubuque racing season is over and sites and dates are issued to the fairs.

The Commission decided to hold their next meeting on November 22, 1985, at 10:00 a.m.

The meeting was adjourned at 3:08 p.m.

Minutes Taken By:



Jean Cook

IOWA STATE RACING COMMISSION
MINUTES
NOVEMBER 22, 1985

The Iowa State Racing Commission met on Friday, November 22, 1985, at 10:00 a.m. in the Wallace State Office Building Auditorium. Present were Chairman Lawrence Scalise, Vice-Chairman, "Bud" Pike, Lavonne Mydland, and Steve Sovern. Chairman Scalise called the meeting to order.

The Chair took up the first agenda item, the approval of the minutes of the October 15, 1985, meeting. Commissioner Sovern moved to approve the minutes. Commissioner Mydland seconded the motion and the minutes were adopted unanimously. See Order (85-69).

The Chair then recognized Von Elbert of Cedar Rapids Horse Racing, Inc. for a progress report. Mr. Elbert advised the Commission that, as reported at the October meeting, the Federal Aviation protested the location of the racetrack, therefore, they will continue looking for a suitable site and investors for their facility.

Mr. Elbert introduced David Hughes, former president of National Oats, who has been recruited by Cedar Rapids Horse Racing, Inc. for research purposes. Mr. Hughes spoke of his travel around the country talking with various racetrack officials, breeders, and people involved in horse racing in order to broaden their base of information about the industry.

Chairman Scalise next recognized Dick Klingaman of the National Cattle Congress. Mr. Klingaman advised the Commission that the new revised plans had been distributed, and that construction is going along on schedule.

Mr. Klingaman next advised the Commission that since they were given first year racing dates of September 1 through June 7, they feel that the same conditions that existed then will exist this next year. Therefore, they asked that, if the Racing Association of Central Iowa is not in operation, Waterloo Greyhound Park be granted the dates of March and April 1987, for one year only, giving them continuous racing dates of October 15, 1986 to June 7, 1987.

Commissioner Sovern asked that he be reminded of Dubuque's racing dates. Chairman Scalise stated that Dubuque will begin their season on April 1, 1987, therefore the overlapping dates will be the months of April, May and seven days in June.

The Chair asked Mr. Klingaman if the financing is complete. Mr. Klingaman said the money is in the bank, with the exception of the city loan of \$850,000, which needs only to go through the legal process and should be available by the end of December at the 4½% interest agreed to.

The Chair asked that the Commission not act on this request at this time and wait and see what happens with the Racing Association of Central Iowa.

The Chair next recognized Roger Roland of the Iowa Fair Horse Racing, Assn. for their request for dates for 1986 fair circuit harness racing and their request to increase the take-out for multiple wagering to 20% in 1986.

Mr. Roland asked that the following racing dates be approved, noting that both the Iowa State Fair and the All Iowa Fair, Cedar Rapids are interested in the dates of June 26 through June 29, and a decision will be made February 1, 1986, as to who will be allocated those dates.

Iowa State Fair Des Moines, Ia.	June	5 through 8 12 through 15 19 through 22
	July	31 thru Aug. 3
Undesignated Location	June	26 through 29
Humboldt County Fair Humboldt, Ia.	July	3 through 6
Keokuk County Fair What Cheer, Ia.	July	11 through 13
Crawford County Fair Denison, Ia.	July	18 through 20
Clay County Fair Spencer, Ia.	July	24 through 26
Jones County Fair Monticello, Ia.	August	13 through 15

Mick Lura, Director of Administration reported his favorable findings on the Neighborhood Impact Study conducted in Spencer the previous week.

Chairman Scalise addressed the request for the 20% take-out and asked if a decision was necessary at this time. Mr. Roland replied that the additional 2% would help pay expenses and purses to the horsemen. He also stated that additional information and projections would be submitted to the Commission and that they would like a decision in the near future.

After further discussion, the Chair recognized Commissioner Pike who moved that the dates requested be approved. Commissioner Sovern seconded the motion which passed unanimously. (See Order 85-70).

Minutes
November 22, 1985
Page 3

The Chair next recognized John Nelson of Iowa West Racing, Association. Mr. Nelson stated that a packet had been distributed to Commission Members containing a request to modify their racing season dates and asked for approval to open February 27, 1986, and close on December 1, 1986.

Included in the packet was an amendment to Iowa West's original management agreement asking for additional financing. Mr. Nelson explained that due to unexpected costs such as, fire code problems, soil condition, and items relating to the safety of the public, an additional \$4,000,000 was needed.

Mr. Nelson stated that sample copies of the kennel booking, leasing, and performance bond agreements were also included in the packet. The purse allowed in the documents is 2.7% of the handle, compared to the original 3% budgeted, and that fifteen contracts have been signed by top kennels in the United States on the basis of the 2.7% proposed, subject to the Commission's approval.

Commissioner Sovern stated that he has received some concerns related to the 2.7% proposed and asked if Iowa shouldn't show some consistency since Dubuque Greyhound Park pays 3%. Mr. Nelson replied that due to the projected handle expected, a dog running at the same distance would make double at Iowa West Greyhound Park at the 2.7%.

The Chair recognized Jack Ketterer, Executive Secretary, who then asked that the Commission not act on the booking, leasing and bond performance agreements at this time, due to the fact that it was not an agenda item, and suggested the agreements be held for review.

Commissioner Pike asked Mr. Nelson what the total cost of the project is with the additional \$4,000,000, to which Mr. Nelson replied, \$18,000,000, or approximately 20% higher than originally planned.

Commissioner Sovern asked for a staff recommendation. Mr. Ketterer advised the Commission that he felt it was in everyone's best interest to grant the additional dates, and that from a revenue standpoint, Iowa West Racing Association, Council Bluffs, Pottawattamie County, and the state of Iowa stand to benefit from the additional dates.

The Chair moved to adopt the requested dates of February 27, 1986, to December 1, 1986. Commissioner Mydland seconded the motion which was adopted unanimously. See Order (85-71).

Minutes

November 22, 1985

Page 4

Chairman Scalise recognized Commissioner Mydland who moved to adopt the management agreement allowing an additional \$4,000,000 in financing. Commissioner Pike seconded the motion, which was adopted unanimously. See Order (85-72).

The Chair next recognized Bill Masterson of the Racing Association of Central Iowa for a request for harness racing dates. Mr. Masterson requested an amendment to conduct an annual harness racing meet during their license period, between the dates of May 2 and August 14, 1987. A projected 22% revenue would come from harness racing which is detrimental to the success of the facility. Prior to taking the bonds to market, evidence is necessary to show that the Racing Association of Central Iowa has obtained a license to conduct harness racing.

Jim Coulter, Iowa standardbred owner and breeder, and Dennis Noland, United States Trotting Association, were there to lend their support.

Chairman Scalise recognized Commissioner Mydland who then moved to grant the Racing Association of Central Iowa the dates of May 2 through August 14, 1987, to conduct a harness racing meet. Commissioner Sovern seconded the motion.

The Chair recognized Mr. Klingaman who then made an objection to granting the dates since they overlap with Waterloo's dates.

After further discussion, Chairman Scalise called the motion to grant the harness racing dates to a vote, which was adopted unanimously. See Order (85-73).

The Chair next recognized Dave Mulcahy of the Racing Association of Central Iowa for their management, lease and licensing agreements. Mr. Mulcahy stated that copies of the agreements had been sent to Commission Members prior to the meeting. At a meeting in the Commission office with Mr. Ketterer and Gary Hayward, Commission Counsel, a letter was submitted containing the mechanics of the agreements. See attached letter.

Commissioner Scalise stated that Commission Members had not had a chance to look over the contracts.

Mr. Ketterer somewhat advised the Commission that he had looked over the agreements, but would feel more comfortable if a decision were not made until the members had more time to review them.

Minutes
November 22, 1985
Page 5

After further discussion, the Chair asked that a conference call meeting be held at 11:00 a.m. on Monday, November 25, 1985, in order to give all Commissioners a chance to look over the agreements.

Chairman Scalise moved to adopt all the provisions of the letter of November 22, 1985, in its entirety as statement of policy by the Commission. Commissioner Pike seconded the motion which was adopted unanimously. See Order (85-74).

After further discussion Chairman Scalise recognized Commissioner Sovern who moved that the management, lease, and licensing agreements be decided upon with a conference call meeting no later than December 7, 1985. Commissioner Mydland seconded the motion, which was adopted unanimously. See Order (85-75).

Mr. Masterson advised the Commission that two nominees for the projected nine member board of directors have been selected; Mary Hellweg, resident of Altoona, and Lona Wolfe of Marshalltown, subject to a DCI investigation.


Chairman Scalise recognized Terry Harrmann of Dubuque Greyhound Park for the final report of their 1985 season. Mr. Harrmann stated that their first season was very successful, with the track finishing in the black. Dubuque's total attendance reached 576,205, which made Dubuque Greyhound Park the number one tourist attraction in the state of Iowa.

Mr. Harrmann stated that the association vigorously oppose any additional granting of overlapping dates and asked that no extension be granted to the Cattle Congress of Waterloo. Harrmann said an over saturation of licenses and overlapping dates can have a tremendous impact on a racing facility.

Mr. Ketterer stated that a letter was on file in the Commission office from Mr. Harrmann stating that fact.

The Chairman Scalise recognized Commissioner Sovern for the final agenda item; the subcommittee report of the application for tax credit by Iowa Fair Horse Racing, Ltd. Commissioner Sovern stated that a decision was made at the meeting with Commissioner Pike and Roger and Judy Roland of Iowa Fair Horse Racing, Ltd., to recommend approval of the tax credit subject to an independent audit which has already been submitted. Therefore, the subcommittee recommends that the tax credit applied for be approved and so moved. Commissioner Pike seconded the motion which was adopted unanimously. See Order (85-76).

The Commission agreed to hold a conference call meeting on December 6, 1985, at 11:00 a.m. and the meeting was adjourned.


Minutes Taken By