

**Monthly Meeting of the
Prairie Meadows Racetrack and Casino
Board of Directors
February 24, 2010
2:00 p.m.**

The Monthly Meeting of the PMRC Board of Directors was called to order by Michael Galloway in the James Rasmussen Board Room at Prairie Meadows in Altoona, Iowa at 2:16 p.m.

Roll Call.

Butch Bain	Ron Morden	John Rowen
Bob Beattie	Gerard Neugent	Jodi Urich
Jack Bishop	Lynette Rasmussen	Tom Whitney
Michael Galloway	Sunnie Richer	Michael Helak
Andrea McGuire	Dan Riley	Randy Minear

Also in attendance were:

Ann Atkin, Vice President of Operations
Brian Wessels, Vice President/CFO
Tom Flynn, Legal Counsel
Nancy Winget, Its Recording Secretary
Members of the Press, Public, and Staff

Approval of the Minutes. Mr. Neugent would like to amend the January 27, 2010 Minutes in the Financial section – total expenses should read \$12.3 million below plan, not above plan and with that change, moves to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on January 27, 2010. The motion was seconded by Mr. Morden and passed on a voice vote.

Mr. Galloway reported that Don Brown resigned his position on the Board, effective immediately (the letter was dated February 17, 2010) and South Central Iowa Federation of Labor AFL-CIO has appointed Dan Riley; Mr. Riley won't vote on any issues until he has submitted his application for a license. Mr. Riley said he is the President of AFSCME, Local 1868 and has been involved in that organization for 20 years and is also involved with South Central.

Public Comment. None

Financials. Mr. Wessels reviewed the January 2010 financials: Net Revenue below budget 4.2%; Total Expenses above budget \$648,000; Net Income before Community Betterment is virtually flat.

January statistics:

Property	Revenue	Attendance	Slot Hold
PMRC	-\$1.3 million or -8.7%	-2,000	7.83%
Horseshoe/Harrah's	-\$667,000 or -3%	-2,000	10.11% / 9.5%
Ameristar	-\$475,000 or -3.6%	-20,000	9.22%
Terrible's	-\$523,000 or -13%	-27,000	9.1%

Ms. Richer noted attendance on the dashboard report is down a little, but is comparable to 2009 – the players are consistent and are coming out, but not playing or playing at a lesser amount and Mr. Wessels said the challenge in January was the weather, February is more normal. Mr. Morden noted hold is below normal and that may be why revenue is down and Mr. Wessels said that is a piece and the hold target is 8%. Ms. Urich said PM is \$630,000 under in expenses and asked where and Mr. Wessels said gaming taxes, labor, and all departments are watching expenses. Ms. Urich asked if any other casino was up; Mr. Wessels said he would research this; Ms. Urich requested the information be e-mailed to all Board members.

Introduce a Director – Ray Sears, Director of Logistics. Mr. Sears reported he has been with PM since 1995, starting as Project Construction Manager, then Assistant Director of Facilities, in 2000 was appointed Assistant Director of Accounting, and was appointed Director of Logistics in 2001; he had previously served as Administrator on the Board of Supervisors when PM was in the early planning stages; the Logistics Department has three divisions: Wardrobe, R&D, and Purchasing. Wardrobe has three full-time employees who dress 800 employees on a daily basis, each employee is issued four sets of uniforms that need to be repaired or replaced; PM changed to a new design in 2005 and received a national award. Receiving and Distribution employees handle all products that come through the dock; they inspect and check the delivery against purchase orders before items are released – this is everything from food to slot machines; R&D also includes the Mailroom, Commissary and Central Stores. Purchasing has five employees with 50 years of experience; they follow the Purchasing Policy and handle 2,000 purchase orders a year; review contracts and sales agreements; last year, they prepared 30 Requests for Proposals or Requests for Quotes; saved the company over \$400,000 in negative purchases and saved the company \$700,000 to the bottom line; buys food five days a week, along with liquor, beer, and soda amounting to \$5 million a year. Logistics had a tremendous year in 2009 - came in under budget and saved more than expected; provided great JACKPOT service – PM has 1,200 employees, 20 received this award, and four were Logistics employees; and is a support department for all departments.

Action Item – Hotel Contracts/Agreements. Mr. Galloway said the Board will not act on this item today; a joint committee meeting with the Finance and Facilities Committees was held yesterday; we're close to working out the agreements; the Board will receive a summary of the documents; a special meeting will be scheduled sometime next week – if you're not available to attend in person, we can set up a conference call, Mark Wandro will attend the meeting and review slides and an overview of the project. Mr. Neugent said the committee and staff have been working hard to bring closure on the terms and

are very close and have sent directives to Mr. Flynn and Mr. Wandro to finalize; Mr. Wandro will make a presentation at the special Board meeting – this may be a Closed Session due to budget items; the overview will be sent to the Board and copies of the draft agreements will be available. Ms. Urich asked if Kinseth would attend the meeting to answer questions and Mr. Neugent said he had not planned on asking them – the meeting will review the contracts and budget and the Facilities Committee, Tom Flynn, and Mark Wandro worked on the design, construction schedule, documents, and operation issues and should be able to answer questions. Mr. Galloway said the Facilities Committee worked diligently and spent a lot of time on this project.

Action Item – Horse Agreements. Mr. Galloway said the Executive Committee received an update and the contracts are being fine-tuned; no contracts were included in the information packet; there's no final conclusion on any of the agreements; the Thoroughbred contract is close to being finalized.

Mr. Flynn reported the draft of the Quarter Horse contract is out; staff has met with the Quarter Horse group and are close on terms; with both agreements, most items are the same except Quarter Horses would have a three year contract and Thoroughbreds would have a five year contract.

Mr. Whitney said the Thoroughbred group would like action today; there are a couple of small items to work out (i.e. role in legislative and lobbying efforts and PM's interests) and a meeting can be held after this one concludes; PM needs to hold a special meeting to act on this contract prior to the IRGC meeting next Thursday. Mr. Flynn said most items in the contracts are the same year to year; there are some changes due to a long term contract; legislative agreement is one point; we're close on all other issues; the Thoroughbred group agrees on the evaluation matrix.

Mr. Galloway asked about the Standardbred contract. Mr. Whitney said there is no contract and the state commission will write the contract; Standardbreds will run 10 days at PM in 2010; several proposals have been made and the SB declined to agree on matters – their last proposal included an eleven year contract and not run at PM, but be subsidized at the County Fairs – we declined the eleven year proposal; the proposal to the commission is 10 days at PM and supporting the County Fairs and the SB would help with a cap of \$300,000 for changing the track – this reduces County Fair money to \$750,000 with the rest going for the track change over.

Mr. Flynn said the Thoroughbred Board meets tomorrow; he and Mr. Whitney could visit with that group after this meeting to finalize the points; we'll redraft and send out to the Board; the Thoroughbred group could vote on this tomorrow and PM would vote on it at the special meeting. Mr. Whitney asked if Mr. Levis and Mr. Gessmann were agreeable to this and requested a five minute break to confer with them (2:45 p.m. – 2:50 p.m.). Mr. Whitney said Mr. Levis and Mr. Gessmann were in agreement and Mr. Galloway

said they will take the draft to their board to vote on and if in agreement, will return to PM to approve at the special meeting – this meeting will also include the hotel contracts.

Mr. Whitney noted, as part of the contracts, the Board also needs to approve the proposed matrix; the matrix will be e-mailed to the Board. Ms. Richer asked when the meeting would be held and Mr. Flynn said Tuesday or Wednesday as the commission meets on Thursday. Ms. Urich asked if the Board would be doing both horse groups or all; Mr. Galloway said two groups; Mr. Flynn said we do not have anything with the Standardbreds yet. Mr. Galloway said no action on Horse Agreements will be taken today

Other Business. None

Adjournment. Ms. Richer moved to adjourn the meeting, the motion was seconded by Mr. Neugent, and passed on a voice vote. There being no further business, the meeting adjourned at 2:50 p.m.

Respectfully submitted,

Gerard Neugent, Its Secretary

Mr. Galloway requested the Executive Committee remain.