

**Monthly Meeting of the  
Prairie Meadows Racetrack and Casino  
Board of Directors  
March 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 2:10 p.m.

Roll Call.

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

Also in attendance were:

Gary Palmer, President/CEO  
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

Mr. Galloway reported agenda item #11 would be removed and referred to the Facilities and Finance Committees for their review and items #12 and #13 will be combined.

Action Item - Approval of the Minutes. A motion was made by Mr. Neugent to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on February 24, 2010 and the Special Meeting of the PM Board of Directors held on March 3, 2010, as written. The motion was seconded by Mr. Bishop and passed on a voice vote.

Public Comment. None

Financials. Mr. Wessels reviewed the February 2010 YTD financials: Net Revenue \$30.2 million vs. the plan of \$30.7 million; Total Expenses \$21.2 million vs. the plan of \$22.1 million; Net Income before Community Betterment \$8.9 million vs. the plan of \$8.6 million; last January and February were the best months every, PM's decline happened in March 2009, other properties saw a decline earlier.

<b>Property</b>	<b>Net Win</b>	<b>Attendance</b>	<b>Slot Hold</b>
PMRC	-\$1.9 million	-4,000 or -6.1%	8.14%
Horseshoe/Harrah's	-\$1.5 million	-24,000 or -3.3%	10.2% / 9.9%
Ameristar	-\$1.1 million	-43,000 or -4.2%	9.3%
Terrible's	-\$1.1 million	-16,000 or -13.7%	9.0%

Ms. Urich noted PM was under plan \$650,000 in January and is now under plan \$827,000 – is this for the month or YTD and Mr. Wessels said YTD and that's the total expense line.

Action Item – Amend 2010 Budget. Mr. Wessels reviewed the information sheet, noting three items were changed: SUTA went up \$750,000 since the budget was approved, 18 days of racing were added, and depreciation was added in. Ms. Urich asked if wages and benefits were affected by SUTA and Mr. Wessels said yes. Mr. Urich asked if the rest of the change is Racing and Mr. Wessels said yes. Ms. Urich asked the dollar amount per day and Mr. Wessels said 10 Harness days and 11 Quarter Horses days were added and three Thoroughbred days were removed; it's \$19,000 a day in direct expenses related to Racing (this doesn't include other departments); there's \$350,000 in "other" for the track turnover; purses are a percentage of the revenue less Vision Iowa money. Mr. Neugent said the Finance Committee recommends the amended budget. Mr. Morden moved to adopt the 2010 amended budget. The motion was seconded by Mr. Beattie and passed on a voice vote.

Annual Report of Audit Committee Activities. Mr. Morden said the Audit Committee had several meetings; it serves as a contact for the Whistleblower Policy; reviews litigation and Internal Audit reports; reviews and gives advice on the Internal Audit work plan. Mr. Morden said in 2009, the committee did a RFP for the audit; Deloitte has been the auditor for the last three years; after several presentations, Deloitte was again selected to contract as PM's auditors; the next agenda item is a review of the audit report. Mr. Morden gave special thanks to Brian Wessels, Elaine Castelline and the Accounting staff – there was no significant audit adjustments; staff does an excellent job and the records are done in a professional manner and that makes things easier for Deloitte.

Annual Audit Report – Deloitte. Scott Wilgenbusch said he is an audit partner with Deloitte and Touche; he will not discuss the financials in detail; he met with the Audit Committee on March 22, 2010; pending Board approval, the audit is ready to be issued, along with an internal control letter; the audit evaluates the Internal Controls to see if there are any material weaknesses, none were found, and this is required by the IRGC; health and self insurance are the only subjectives; there are no corrected misstatements; management provided complete and accurate information; there are no outstanding changes in Accounting policies, there's no bias, and they're reasonable and consistent with other companies; no disagreements with management; Deloitte had full access to accounts and communications; thanks to Brian Wessels, Elaine Castelline, and staff – they are always forthcoming and helpful.

Mr. Morden added a point of clarification – the IRGC prefers to receive the audit prior to it being released to the public; the audit will be filed by March 31 and a copy will be sent to all the Board after that. Mr. Bishop thanked Mr. Wilgenbusch for the report and complimented staff for an excellent job.

Ms. Richer left the meeting at 2:30 p.m.

Introduce a Director – Kevin McDonald, Director of Special Events. Mr. McDonald said he was hired in August 2006; has 14 years experience in professional sports and restaurant management; has a very diverse background; Special Events has nine employees, including himself – an Events Manager and three Events Coordinators, one entertainment coordinator/talent buyer; two Sales Coordinators, one administrative assistant/box office manager – every employee at PM touches and works with Special Events. The Events Center’s grand opening was January 1, 2007; events include concerts, weddings, meetings; PM hosted events during construction; have held 3,866 banquet events, which is an average of 3.2 daily; the hotel will open up business for Special Events; has served 315,000 meals; have had 36 concerts plus four outside concerts. Upcoming concerts include: Lonestar on April 9; Huey Lewis and the News on April 22 – this concert is sold out; Smokey Robinson on June 3; Oakridge Boys and Ronnie Millsap on June 24. Mr. Galloway thanked Mr. McDonald for the report and said his staff is doing a great job.

Action Item – Quarter Horse Agreement. Mr. Galloway said we’re working through the agreement; there’s no executed copy at this time; one issue is the legislative language and lobbying efforts which was adopted by the Thoroughbreds; we’re asking the Board to adopt the contract as written with language consistent with the Thoroughbred contract and that it can be executed by Mr. Palmer. Mr. Morden moved to adopt the contract. The motion was seconded by Mr. Neugent and passed on a voice vote with Ms. Urich voting no.

Action Item - Snyder and Associates Contract (hiring them as the Owner’s Representative for the construction of the fishbowl and hotel conference space). Mr. Galloway said this item will be deferred today.

Action Item - Weitz Contract (hiring them as the General Contractor for the construction of the fishbowl) and Action Item - Guaranteed Maximum Price for the construction of the fishbowl from Weitz. Mr. Neugent said the Board approved Weitz as the General Contractor for the 2<sup>nd</sup> floor area and the connection at the March 3 Special Board Meeting; the budget was \$1.5 million; the guaranteed max price is \$1.1 million under the original contract; this was technically approved and this is just reaffirmation to authorize Mr. Palmer to executive the contract Mr. Neugent said this is his motion. The motion was seconded by Dr. McGuire.

Ms. Rasmussen said Mark Wandro is signed as the owner representative and one of his duties is to get competitive bids for line items – we don’t have a contract yet, but have a contract with a guaranteed max – do we have the ability to have the owner representative do this service for us? Mr. Wandro, Snyder and Associates, said he will shop and get quotes; PM has full access to the quotes and that’s how the \$1.1 million was arrived at; Weitz’s fee is 2.5%; specs will be sent to the trades and they will return a quote. Mr. Neugent asked if the question is who serves as PM’s representative until the contract is signed – we have a Facilities Department and an umbrella consultant agreement with

PMRC Board Meeting – March 24, 2010

Snyder and Associates until we hire an outside as the owners' representative – this will be administered like any capital improvement. Mr. Flynn noted Mr. Wandro has done a lot and is very aggressive on getting good numbers. Mr. Minear asked if the Board can see the bids and Mr. Wandro said yes. Mr. Minear asked about general condition costs and Mr. Wandro said we don't have at this time. The motion passed on a voice vote.

General Manager's Report. Mr. Palmer said staff is feeling good about the numbers and the hotel progress; Racing starts April 23 and there's a lot of excitement and new people coming in; horses started coming back on Monday and the Training Track is open; last year, PM received a national marketing award and we have received another one – an ADDY for the best outdoor campaign; Mr. Bishop will announce the Marketing Committee will meet soon.

Other Business

Marketing Committee. Mr. Bishop requested the Committee meet after this one adjourns to plan the next meeting and what the committee wants – Committee members are Jack Bishop, Tom Whitney, Bob Beattie, and Sunnie Richer.

Finance Committee. Mr. Neugent said the Committee authorized staff to send out a Bank RFP as the current one ends the last part of November; the RFP will be sent to all Polk County Banks that qualify.

Executive Committee. Mr. Galloway said the Committee discussed the Executive Committee Minutes – the Minutes are available in Administration for review; call to schedule an appointment; there will be no distribution of the Minutes due to the confidential nature of what's discussed.

Polk County. Mr. Galloway said he and Mr. Flynn met with the County yesterday and reviewed the hotel documents; a meeting with Polk County, PM Board and staff members is set for April 1; everything looks good and there are no concerns at this time.

Adjournment. Mr. Morden 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