

**Monthly Meeting of the
Prairie Meadows Racetrack and Casino
Board of Directors
April 22, 2009
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 2:05 p.m.

Roll Call.

Butch Bain	Michael Galloway	Sunnie Richer
Bob Beattie	Andrea McGuire	Jodi Urich
Jack Bishop	Ron Morden	Tom Whitney
Don Brown	Gerard Neugent	Randy Minear
Perry Chapin	Lynette Rasmussen	

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

Approval of the Minutes. A motion was made by Mr. Morden to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on March 25, 2009 as written. The motion was seconded by Dr. McGuire and passed on a voice vote.

Public Comment. None

Financials. Mr. Wessels reviewed the March 2009 YTD financials: Net Revenue above plan 1.5%; Total Expenses below plan 5.4%; Net Income before Community Betterment above plan 21.2% and said it was a record first quarter for revenue.

March YTD Statistics:

Property	Net Win	Attendance	Slot Hold
PMRC	+\$48,000	+4,000	7.96%
Horseshoe/Harrah's	-\$3.6 million	-39,000	Horseshoe 10.46% Harrah's 10.26%
Ameristar	-\$3.3 million	-75,000	9.31%
Terrible's	-\$700,000	-12,000	9.02%

Ms. Richer noted January and February were strong and March was down – what are the projections for April and May? Mr. Wessels said April will be a challenging month and

PM will probably miss budget revenue, PM is holding on expenses, and PM will be close to budget. Mr. Palmer agreed with Mr. Wessels' statements, noted the first quarter was the best one ever, and there are challenges ahead as the market is softening. Mr. Galloway said a report was given to the Finance and Executive Committee on the expenses and asked what went into that and Mr. Wessels said expense saving is coming from all departments and the Directors are doing a great job watching expenses – some expenses are just delays and some are cost savings. Mr. Morden said savings are from all departments and all show a better bottom line – all departments are buying into the plan and Mr. Palmer and his team are to be commended.

View New JACKPOT Service Film. Mr. Galloway said this will not be shown today.

Legislative Update. Mr. Galloway said Mr. Skinner gave an update to the Executive Committee and needed to get back to the Capitol – there's nothing important to report.

Introduce a Director – Derron Heldt, Director of Racing. Mr. Heldt said he's been in the Racing industry for most of his life; graduated with a degree in Agriculture; has worked at various racetracks and started at PM in the Fall of 1996; four departments (150-155 employees) report to him – TV, Mutuels, Racing Center, and Racing. Mr. Heldt said entries are being taken today for Friday's races; there are 78 entries which averages 8.8 horses per race; entries will be taken six out of the next seven days; we're short on horseflesh – 900 horses on property compared to the usual 1,100; anticipates 100 horses will ship in by mid-week next week; staff is working to fill the stalls and are calling trainers.

Mr. Minear asked the number of horses PM can handle and Mr. Heldt said 1,450 - 100 stalls are reserved for pony riders and the receiving barn. Ms. Urich asked the number of full time and seasonal employees and Mr. Heldt said 25-30 full time employees and the rest are seasonal employees. Mr. Whitney asked Mr. Heldt to explain simulcast and how it works. Mr. Heldt said the simulcast area is located on the 4th floor and is open year around except for two days; PM receives signals from other tracks (in-bound) and sends our races to other tracks (out-bound) which we sell for a certain percentage; we hope to send our signal to 500-600 outlets, beginning on Friday. Mr. Whitney asked what PM will make selling its signal and Mr. Heldt said 3% and noted PM pays a percentage to receive signals and this amount varies from track to track.

Ancillary Agreements. Mr. Palmer noted that at the last meeting, the Board approved signing the agreement; staff worked with Leroy Gessmann and Doug Vail on #19 (simulcast) and came to an agreement; Mr. Gessmann is out of town, but said he will sign the agreement this evening; the agreement with the Quarter Horses has been signed.

RFP for Hotel Partnership. Mr. Galloway said the Board was sent a draft of the RFP. Mr. Neugent said the Facilities Committee has been working on the development of the RFP; Mr. Flynn made a few editing comments; the process recommends finding a

developer for approval at the July Board meeting, then begin negotiations on the lease and operating agreements, with a final document after that; if the RFP is approved, it will be sent out on Friday, the due date is May 22, the RFPs will be reviewed and interviews scheduled.

Mr. Neugent said the Facilities Committee met with Mark Wandro from Snyder & Associates to begin the process for a study and to work on a design for the parking garage and a study of the traffic flow with the impact of the hotel; the committee gave Mr. Wandro the green light to focus on these two issues.

Ms. Richer asked the number of RFPs that will be sent out and Mr. Neugent said it will be sent to 11 prospects – seven are hotel operators (no RFPs will be sent to those who have a casino license) and 3-4 construction companies who would partner with a hospitality corporation – all are local or have local headquarters here. Mr. Neugent said if a Board member is contacted about receiving a RFP, please let staff know and one will be sent out.

Mr. Neugent moved approval of the hotel RFP to select a developer. The motion was seconded by Mr. Morden and passed on a voice vote.

General Manager's Report. Mr. Palmer said “The Golden Boys” concert on April 14 was sold out and was the largest concert to date; April 24 is the start of Live Racing and the Board is invited to join staff; May 2 – Road to the Triple Crown – Kentucky Derby; May 16 – Road to the Triple Crown - Preakness Stakes; May 29 – Clint Black Concert; June 6 – Road to the Triple Crown – Belmont Stakes; June 19 – Grand Funk Railroad Concert; June 26, 27 – Festival of Racing.

Mr. Palmer handed out an update on the Strategic Plan Goals and said he would update this every quarter, the report shows the savings through attrition, labor, purchasing, etc., and is a quick reference for the first quarter.

Mr. Palmer referenced the articles in the *Des Moines Register* the past several days; said the reporters did a fair job of describing where PM has been and where it's going; and thanked Dan Johnson for the articles.

Other Business.

Racing Committee. Mr. Whitney said the committee visited Oaklawn and Remington; the committee meet with representatives of each horse group prior to the Public Hearing on June 11, 150-200 people attended, 36 spoke, the floor was then opened to answer specific issues. Mr. Whitney said the committee schedule is: consultant report due May 1; consultants will meet with the committee on May 11; staff will give its recommendations to the committee on May 5; the committee will put together the final report on May 15; recommendations will be presented to the Board on May 27; the report and the Board's intentions will be presented to the IRGC on June 4.

Finance Committee. Mr. Neugent said the committee is continuing to review its charter; Ms. Rasmussen is the liaison with the HR Committee; a recommendation will be presented at the next Board meeting; the committee is reviewing the Investment Policy.

Facilities Committee. Mr. Neugent said the committee is working with Mark Wandro on preliminary plans for a parking garage and traffic flow to the hotel.

Audit Committee. Mr. Morden said the committee is working on a RFQ for Audit services for the next three years – there's no displeasure with the current audit firm, but it's prudent to do a RFQ.

Marketing Committee. Mr. Chapin said the committee met yesterday and Mr. Nelson, Director of Marketing, reviewed his department's responsibilities; there will be a \$2.50 hot dog and beer special on Mondays and Tuesdays from 3:00 p.m. – 5:00 p.m. to try to bring more people out.

Grants Committee. Mr. Whitney said the committee will meet following the conclusion of the Board meeting to select new members; members have term limits and five will be leaving the committee; there will be a recommendation on new members at the next Board meeting.

Human Resources Committee. Ms. Richer said the committee will meet on May 14 and will review the draft of its charter and joint items with the Finance Committee and the draft for Mr. Palmer's compensation will be finalized.

Ms. Richer handed out By-Law revisions and said she asked Mr. Flynn for clarification of the By-Laws pertaining to the vacancy and tenure of the non-voting member – it works the same as for regular members – the person can fill the term of the member who left and is then eligible for two, three year terms; the amended By-Laws should be voted on at the next meeting. Mr. Whitney asked when a new member from the Partnership would be appointed and Ms. Richer said she's had on-going conversations with Martha Willits and Steve Lacy and they want to recruit a CPA.

Adjournment. A motion was made by Mr. Neugent to adjourn the meeting. The motion was seconded by Ms. Rasmussen and passed on a voice vote. There being no further business, the meeting was adjourned at 2:35 p.m.

Respectfully submitted,

Gerard Neugent
Its Secretary