

**Monthly Meeting of the
Prairie Meadows Racetrack and Casino
Board of Directors
February 27, 2008
2:00 p.m.**

The Monthly Meeting of the PMRC Board of Directors was called to order by Jack Peters in the James Rasmussen Board Room at Prairie Meadows in Altoona, Iowa at 2:05 p.m.

Roll Call.

Bob Beattie - absent

Perry Chapin

Michael Galloway – arrived after Roll Call

Nolden Gentry

Ron Morden

Gerard Neugent

Jack Peters

Lynette Rasmussen

Sunnie Richer – via phone

Jodi Urich

Tom Whitney

Paul Hayes

Randy Minear – arrived after Roll Call

Jack Bishop – via phone

Also in attendance were:

Gary Palmer, President/CEO

Ann Long-Richards, Vice President/CFO

Ann Atkin, Vice President of Operations

Tom Flynn, Legal Counsel

Nancy Winget, Its Recording Secretary

Members of the Press, Public, and Staff

Approval of the Minutes. Mr. Chapin would like to make a correction to the December 19, 2007 Minutes, Legacy Grants – there was a misstatement in the Minutes, but the amount was correct in the Resolution signed by Mr. Galloway; the correction should be: The Civic Center will receive a total of \$424,371 (\$124,371 in 2007, \$150,000 in 2008 and \$150,000 in 2009). Mr. Neugent moved to accept the correction and was seconded by Mr. Morden.

Ms. Richer asked for clarification on the Bass Pro vote in the January 23, 2008 Minutes. Mr. Peters referred the question to Mr. Flynn who read the motion, “Mr. Galloway moved that the Board, subject to available funds, approve a floor of \$500,000 which may be increased up to \$1 million a year for eight years pursuant to discussion/negotiation between the City of Altoona and the Finance Committee to support the Bass Pro Shop development and the Finance Committee is directed to find alternative funding methods other than funding this using Grant funds. The motion was seconded by Mr. Whitney.” Ms. Richer asked if this was an intent or a commitment and Mr. Galloway said it is a \$500,000 commitment and may go up to \$1 million, subject to available funds. Ms. Richer asked if the Finance Committee would make a report to the Board and Mr. Galloway said the questions were collected and answered by the City of Altoona; the Finance Committee received the answers and this information will be distributed to the Board; a meeting will be scheduled with the City of Altoona and members of the Finance Committee next week.

The amendment to the Minutes of December 19, 2007 passed on a voice vote.

A motion was made by Ms. Rasmussen to approve the Minutes of the Special Meeting of the PMRC Board of Directors held on January 11, 2008 and the monthly meeting of the PMRC Board of Directors held on January 23, 2008 as written. The motion was seconded by Mr. Galloway and passed on a voice vote.

Public Comment. None.

Financials. Mr. Palmer reviewed the January 2008 financials: Net Revenue was below plan 3.5%; Total Expenses were below plan 7.4%; and Net Income before Community Betterment was above plan 11%. Mr. Palmer reviewed the Net Win Change vs. Attendance Change – January 2008 vs. January 2007 chart; this is a comparison of information from Prairie Meadows, Horseshoe/Harrah's, Ameristar, and Terrible's and shows PM was pretty even with 2007 numbers; Horseshoe/Harrah's lost approximately \$500,000; Ameristar and Terrible's lost approximately \$200,000. Mr. Palmer said PMRC's February numbers look good and we are above plan to date.

Internal Auditor. Mr. Palmer introduced Kent Shirley, the new Internal Auditor and noted Mr. Shirley came to us from Finger Lakes, NY. Mr. Shirley said he worked for four years at Finger Lakes and helped develop the Audit Department; his wife is from Newton, which helped make the decision to relocate; and he is happy to be here.

Legislative Update. Mr. Troy Skinner handed out and reviewed an information packet:

- Time table page - there are 100 calendar days in this session and our two bills are funnel-free at this time.
- There are two main bills of interest to PMRC. SF348 is the Referendum Bill and it passed the Senate last session, the bill passed the House yesterday with amendments (listed in the handout), the bill will be debated in the House in two weeks. The second bill of interest is HF2212, the Smoking Bill; it passed in the House and excludes Casinos; there is a Senate Committee amendment to remove the casino exclusion and it passed that committee on a 8-1 vote; the bill is in caucus today and will be debated tonight; there is a 50-50 chance; it will then go back to the House. There are no other gaming bills of concern.

New Board Member. Mr. Peters introduced Don Brown, the Labor representative. Mr. Brown said he is here to learn the process and contribute whatever he can; he looks forward to helping PM continue to be successful; his concern is the workers and he may have issues to bring up.

Vote on Revised Core Values and Vision and Mission Statement. Ms. Julie Stewart, Director of Community Relations, said we want to take guest service to the next level with a new program entitled "JACKPOT Service" and Mr. Palmer said this is the same Vision and Mission statement, but has a new format for easier training and it is easier to memorize – it will be incorporated in all employee guest service training. A motion was made by Mr. Galloway to approve the revised Core Values and Vision and Mission Statement and was seconded by Ms. Rasmussen.

Ms. Richer said there is nothing in the "Outcomes" section stating that PM is well-managed and profitable compared to its peers. Mr. Palmer said that was a good suggestion and is well noted; Ms. Rasmussen said it could fall in the first bullet – high standards of ethics, integrity, and financial responsibility; Mr. Neugent agreed with Ms. Rasmussen. Ms. Richer said the financial responsibility is secondary in that bullet and it isn't strong, but she is ok with the way it is.

The motion carried on a voice vote.

Vote on Ancillary Agreement with the Thoroughbreds. Mr. Peters said the Board hasn't had a chance to review the information and the vote will be deferred; a copy of the contract will be sent to the Board and a conference call and vote will be scheduled next week; it will then be forwarded to the IRGC for approval. Mr. Palmer said the agreement will be e-mailed tomorrow and a conference call will be scheduled next Monday or Tuesday; the agreement is similar to past agreements; and to please call with questions.

General Manager's Report. Mr. Palmer said he doesn't have anything to add to the information sent to the Board and is looking forward to an exciting and prosperous 2008.

Mr. Whitney asked when Racing starts and Mr. Palmer said April 18.

Ms. Urich noted the Financials show we are about the same as last year and we have an aggressive budget for 2008 and Mr. Palmer said we are ahead \$500,000 on the bottom line due to less expenses.

Ms. Urich asked if there will be a Marketing Plan to help with the additional \$5 million and Mr. Palmer said the Strategic Plan is finished and an Executive Summary was shown to the Finance Committee today; it will be sent out in the next few days; it is a confidential and proprietary document; there is an Executive Summary in the front of the notebook with detailed information tabs; call with questions; and please keep the information confidential due to the Marketing strategy.

Mr. Gentry said he came out on February 10 and the Valet lot was full at 4:00 p.m., several elderly people had to walk and were complaining, and he asked what can we do for more space? Mr. Palmer said there is a multi-purpose room parking lot at the North end; this was the B. B. King concert night and we were very busy; we have three shuttles constantly running that stop at the numerous shuttle stops to pick up and return guests to the stops; comparison studies show we have the best parking facilities anywhere in Iowa due to the shuttle service.

Other. None

Adjournment. A motion was made by Mr. Bishop 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,

Michael Galloway
Its Secretary