

**Monthly Meeting of the
Prairie Meadows Racetrack and Casino
Board of Directors
October 22 2008
2:00 p.m.**

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

Roll Call.

Bob Beattie	Jack Peters
Don Brown	Lynette Rasmussen
Perry Chapin	Sunnie Richer
Michael Galloway	Jodi Urich
Nolden Gentry	Tom Whitney
Ron Morden	Randy Minear
Gerard Neugent	Jack Bishop

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 September 24, 2008 as written. The motion was seconded by Ms. Rasmussen and passed on a voice vote.

Public Comment. None

Financials. Mr. Palmer introduced Brian Wessels, the new CFO. Mr. Wessels said he has been a public accountant, has thirteen years of gaming experience at Argosy in Sioux City, and looks forward to working with the team.

Mr. Palmer reviewed the September 2008 YTD financials: Net Revenue .1% above plan; Total Expenses 1.3% below plan; Net Income before Community Betterment above plan 6.6%. Mr. Palmer reviewed the first nine months of casino revenue 2005-2008; reviewed the net win change vs. attendance change YTD September 2008 vs. YTD August 2007 – PM revenue up \$6.3 million and attendance down 16,700, Ameristar’s revenue up \$2 million and attendance down 107,000, Horseshoe and Harrah’s revenue down \$1.1 million and attendance down 443,000, Terrible’s revenue down \$3.5 million and attendance down 172,000; reviewed Slot Hold YTD – PM 7.70%, Horseshoe 10.15%, Harrah’s 9.71%, Ameristar 9.30%, Terrible’s 9.07% - PM is still the loosest in the state of Iowa.

General Manager's Report. Mr. Palmer reported PM has received three awards – October 11 Corporate Vendor of the year presented by Make A Wish Foundation, October 23 Business of the Year presented by Easter Seals, and October 28 Economic Impact Award presented by the Greater Des Moines Partnership; staff continues to schedule meetings with the three horse groups - a meeting has been scheduled with the Quarter Horsemen on October 27 and we are moving forward with negotiations.

Vote on Resolution pertaining to Board Committees and Term Limits. Mr. Whitney moved to adopt the Resolution and the motion was seconded by Ms. Urich.

Mr. Beattie asked the motivation for the Resolution and why it was retroactive to 2006? Mr. Whitney said Board members are eligible for two three-year terms (six years) and he has been on the Board for four years and has been a Chairman of a committee for the entirety of his term; no term limits precludes others from having the opportunity to Chair a committee and this is also the same for the Executive Committee service; with just a six year window, Board members can't stand in line to wait their turn; this Resolution allows others to Chair a committee or serve on the Executive Committee. Mr. Beattie asked why it is retroactive to 2006 and Mr. Whitney said that would allow the present Chair positions to open up and all positions would be open if Chairs have already served for two years; the committees and Chairs of the committees are filled by the Chairman of the Board. Mr. Beattie asked if there had been problems in the past and Mr. Whitney said the previous Board who voted on the two three-year term limit might have thought so, he is not sure, but the problem is that others don't have the chance to chair a committee. Mr. Beattie said he thought this Resolution might have been a shot at Mr. Bishop and Mr. Whitney said the two most damaged by this are himself and Mr. Galloway, both have served as Chairs of committees and on the Executive Committee; this would also affect Mr. Bishop, but it is not all about Mr. Bishop.

Ms. Rasmussen said she is against the Resolution – it does harm; anyone can ask to be on the Executive Committee and this is a forced change that might not work out ten years from now; the election process should be open and honest with discussion between those interested in the position; it takes time to be a good Chair and a strong leader with staff and the outside community - not everyone can do this; if she wanted to be a Chair of a committee, she would talk to the Board Chair; she would like to see a status quo and if someone wants to run for the Board Chair position, they should express an interest. Mr. Neugent agreed with Ms. Rasmussen and noted the Board elects the Executive Committee every year; Committee Chairs are different, but people could approach the Board Chairman for a position.

Mr. Bishop noted that under the 2006 Resolution, committee Chairs have limits. Mr. Flynn said according to the Charters, the Finance Committee Chair has a two year term; Audit Committee Chair has at least a two year term; Grants Committee Chair terms are staggered. Mr. Whitney asked when the Finance Committee Charter was adopted and

Mr. Flynn said it was approved by the Board on 9-20-06. Mr. Whitney asked the vote for the Finance Committee Charter and Mr. Flynn said he would have to check on this.

Ms. Rasmussen said that all this discussion makes her point; the Board Chairman is the point guard on the set up of a committee and the committee is a team; she is hesitant to take that roll away from the Board Chairman.

Mr. Whitney said the Resolution provides opportunities for Board members – there needs to be more participation and involvement by individuals; he is prepared to give up his Chair of the Marketing Committee. Mr. Neugent asked if the Finance Committee is a term limit or can the Chair be reappointed and Mr. Flynn said the Chair serves a term of two years, the Grants Committee Chair serves a one year term with no more than two consecutive years, the Audit Committee Chair serves a term of at least two years – these are all the Charters on file. Mr. Gentry asked when the Grants Charter was adopted and Mr. Palmer said 12-20-06. Mr. Whitney said the Resolution only affects Chairs, Officers, and the Executive Committee – the committees can stay the same, just with a different leader.

The motion passed on a Roll Call Vote (8 yes, 5 no).

Motion to Change Date of Annual Officers Election. Mr. Morden said the purpose is to permit new members to vote on the officers, currently the Annual Meeting allows those leaving the Board to vote on officers even through they won't be here to serve under those officers.

Mr. Morden moved to amend the By-Laws to change paragraph 4.2 to move the election to the first regular meeting following the Annual Meeting, effective for the 2008 elections. The motion was seconded by Ms. Urich.

Ms. Richer noted the scenario in a few years is that 5-6 terms expire and new members wouldn't have knowledge about Prairie Meadows or its background and will vote without much knowledge or will vote as those who appoint them want. Mr. Morden said that would be 1/3 of the Board, at most, and the vast majority of the terms will carry-over and those people are familiar with the people running for office. Mr. Neugent said five people will term out and turn over in two years (5 of 13 leave) and his concern is the cluster, two people would not be a big deal. Mr. Morden said 5 of 13 is less than the majority.

The motion passed on a Roll Call Vote (10 yes, 3 no).

Other Business.

Legacy Grants – Mr. Chapin said there is a cover sheet and information at each seat; \$791,250 is available; please complete the form and return to staff by 11-17-08.

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Finance Committee – Mr. Galloway said the committee met last week for the first budget presentation; Mr. Wessels just came on board and will become more familiar with the process; the committee will meet again next week; the budget will be brought to the Board in November or December.

Audit Committee – Mr. Bishop said this committee will meet following the Board Meeting.

Horse Committee – Mr. Whitney said this committee was scheduled to meet after the Board Meeting, but will be cancelled for today; the committee will meet on Friday at 11:30 a.m. with Butch Hammer from the Quarter Horse group.

Adjournment. A motion was made by Mr. Neugent to adjourn the meeting. The motion was seconded by Mr. Morden and passed on a voice vote. There being no further business, the meeting was adjourned at 2:40 p.m.

Respectfully submitted,

Michael Galloway
Its Secretary