



## **MEETING ANNOUNCEMENT**

**DATE: OCTOBER 9, 2008**  
**TIME: 8:30 AM – OPEN SESSION**  
**LOCATION: EVENT CENTER**  
**CATFISH BEND CASINO**  
**3001 WINEGARD DRIVE**  
**BURLINGTON, IA 52601**  
**PHONE: 319-372-1000**

### **PROPOSED AGENDA**

- 1. APPROVE AGENDA**
- 2. WELCOME** – Larry Smith, Chair, Southeast Iowa Regional Riverboat Commission, and Dick Canella, Former Chair and Commission Member
- 3. APPROVE MINUTES** – From August 28, 2008 Commission Meeting
- 4. ANNOUNCEMENTS**
  - A. November 13, 2008 Commission Meeting – Stoney Creek Inn, Johnston, IA (Submissions due by October 30, 2008)
  - B. December – No Meeting
  - C. January 15, 2009 – Stoney Creek Inn, Johnston, IA (Submissions due by December 31, 2008)
  - D. February – No Meeting
  - E. March 5, 2009 – Terrible’s Lakeside Casino, Osceola, IA (Submissions due by February 19, 2009)
- 5. RULES** – Final Adopt (See Attached)
- 6. ISLE OF CAPRI CASINO** – Follow-up on IOC Financial Statement – Dale Black, Chief Financial Officer

**7. CONTRACT APPROVALS**

**(RP = Related Party)**

- A. Harrah's – Bucky's Express – Purchase of Gift Cards used in the Total Rewards Program
- B. Diamond Jo – PAETEC – Telecommunications
- C. Diamond Jo Worth
  - 1. Dean Snyder Construction – Construction of a Steel Storage Building
  - 2. Shuffle Master, Inc. – Monthly Lease Payments, Specialty Games
  - 3. Young Plumbing & Heating – Maintenance Agreement for Building Environment Systems
- D. Riverside Casino & Golf Resort
  - 1. Carousel Motors – Car Giveaway Promotion
  - 2. Southeastern Golf, Inc. – Blue Top Ridge Golf Course Flood Damage Repair
  - 3. Vital Support Systems – Support Agreement/Computer Supplies & Equipment
- E. Ameristar Casino
  - 1. Hawkins Construction Company – Construction Projects
  - 2. Hartford Specialty Company – Insurance Provider
- F. IOC Bettendorf
  - 1. Neesvig's, Inc. – Provides Certified Angus Beef
  - 2. Verizon – Provides Cell Phone Service and Equipment
- G. Rhythm City
  - 1. Ainsworth Game Technology – Provides Slot Machines and Equipment
  - 2. Sam's Club – Provides Supplies, Food and Liquor
- H. IOC Marquette
  - 1. Ryan Companies US, Inc. – General Contractor for Rebranding to Lady Luck
  - 2. Lawrence Fabric Structures – Replacement of Skywalk Roof
  - 3. Global Cash Access – Credit Card Advance Terminal
  - 4. Ultron Processing Service – ATM Terminals
- I. Prairie Meadows Racetrack & Casino
  - 1. A to Z Enterprises – Concert Sound & Lighting Services
  - 2. Keck, Inc. – Gasoline & Diesel Fuel Purchases
  - 3. Slot Tickets – Slot Game Tickets
  - 4. Wood Roofing and Sheet Metal – Roofing Contractor

**8. RENEWAL OF RACETRACK LICENSE AND GRANTING OF RACE DATES AND RACETRACK ENCLOSURE GAMBLING LICENSE**

- A. Iowa West Racing Association/Bluffs Run Greyhound Park and Horseshoe Casino (BRGP/HC)

1. Application for renewal of racetrack license and for race dates at BRGP January 1, 2009 through December 31, 2009 with six (6) performances per week for a total of 302 performances. Matinee performances are requested for Tuesday through Sunday at 4:00 PM with 15 races per performance. No racing will occur on April 12, May 2, May 16, June 4-7, November 26 and December 23–25, 2009. BRGP has requested the continuation of year-round simulcasting.
  2. Application for Renewal of Racetrack Enclosure Gambling License for 2009 and Approval of Contracts contained in the Submission
  3. Additional Contract – IKON Financial Services – Maintenance Agreement for Fax and Copy Machines
- B. Dubuque Racing Association/Dubuque Greyhound Park & Casino (DGP&C)
1. Application for renewal of racetrack license and for race dates at DGP&C April 25, 2009 through October 25, 2009 with six (6) performances per week for a total of 161 performances. Evening performances and post times requested are Thursday, Friday and Saturday at 7:00 PM. Matinee performances and post times requested are Wednesday, Saturday and Sunday at 1:00 PM. Additional performances on holidays and post times requested are: Monday, May 25 at 1:00 PM; Friday, July 3 at 1:00 PM, and Monday, September 7 at 1:00 PM. No races will be held the evening of July 3. DGP&C has requested the continuation of year-round simulcasting.
  2. Application for Renewal of Racetrack Enclosure Gambling License for 2009 and Approval of Contracts contained in Submission
  3. Additional Contract – Cruzen and Associates – Executive Search Consulting Firm

## **9. HEARINGS**

- A. Diamond Jo Worth – For Violation of Iowa Code §99F.4(22) (Self Exclusion Policy)
- B. Diamond Jo Worth – For Violation of Iowa Code §99F.4(22) (Self Exclusion Policy)
- C. Rhythm City Casino – For Violation of Iowa Code §99F.4(22) (Self Exclusion Policy)
- D. Horseshoe Casino/Bluffs Run Greyhound Park – For Violation of Iowa Code §99F.4(22) (Self Exclusion Policy)
- E. Harrah’s – For Violation of Iowa Code §99F.9(6) (Credit)
- F. Prairie Meadows Racetrack & Casino – Prairie Meadows Racetrack & Casino - For Violation of Iowa Code § 99F.9(5) (Wagering – age restriction)
- G. Prairie Meadows Racetrack & Casino - For Violation of Iowa Code § 99F.9(5) (Wagering – age restriction)

**10. ADMINISTRATIVE BUSINESS** – Committee Report – Status of RFP Process –  
Study to Identify Any Underserved Gaming Markets in Iowa

**11. PUBLIC COMMENT**

**12. ADJOURN**

## **MEETING ANNOUNCEMENT**

The Iowa Racing and Gaming Commission and staff will be meeting for dinner on Wednesday, October 8, 2008 at 6:30 PM at Martini's Grille, 610 N. 4<sup>th</sup>, Burlington, IA (319/752-6262). Racing and gaming matters may be discussed, but no official action will be taken.

## **PUBLIC PARTICIPATION**

1. Persons wishing to make a statement at a commission meeting may sign a sheet at the entrance to the meeting room and will appear during the final agenda item titled "Public Comment". This segment is intended for an individual to make a brief statement to the Commissioners supported by fact, on current issues, which are within the jurisdiction of the Iowa Racing & Gaming Commission. It is not intended to be a debatable item, which is addressed below in Number 2.

In the past, some people have used the Commission meetings as a forum for making unsupported claims and maligning individuals. The Commission will no longer permit this use of the "Public Comment" portion of the agenda. Therefore, all statements and submissions of materials, whether under No. 1 or No. 2, should be factually supported and free of rancor.

2. Anyone who wishes to appear during a specific agenda item and/or distribute material should submit a written request to the Commission office not later than ten business days before the scheduled meeting in accordance with rule 491-1.2(3). Information or material submitted must be in completed form or it will be considered non-responsive. This policy is intended to provide the Commissioners and staff adequate time to study the submitted material and appropriately prepare for presentations.

ITEM 1. Rescind subrule 5.4(7) and adopt the following **new** subrule in lieu thereof:

**5.4(7) Video recording.** Licensees shall conduct continuous surveillance with the capability of video recording all gambling activities under Iowa administrative rules 661—Chapter 141, promulgated by the department of public safety.

a. “Gambling activities” means participating in or wagering on gambling games on the gaming floor; the movement, storage, and handling of uncounted gambling revenues; manual exchange of moneys for forms of wagering credit on the gaming floor; entrance of the public onto the gaming floor; and any other activity as determined by the commission administrator or administrator’s designee.

b. Commission and DCI representatives shall have unrestricted access to and use of, including independent access capabilities, both live and recorded views and images of the surveillance system.

c. A commission representative may allow a gambling game to be placed in operation pending approval under 661—Chapter 141.

ITEM 2. Amend paragraph **5.4(8)“a”** as follows:

a. *Qualifying agreements.*

(1) All contracts and business arrangements entered into by a facility are subject to commission jurisdiction. Written and verbal contracts and business arrangements involving a related party or in which the term exceeds three years or the total value in a calendar year exceeds \$100,000 are agreements that qualify for submission to and approval by the commission. For the purpose of this subrule, a qualifying agreement shall be limited to:

(1) 1.Any obligation that expends, encumbers, or loans facility assets to anyone other than a not-for-profit entity or a unit of government for the payment of taxes or utilities.

(2) 2.Any disposal of facility assets or provision of goods and services at less than market value to anyone other than a not-for-profit entity or a unit of government.

(3) 3.A previously approved qualifying agreement, if consideration exceeds the approved amount in a calendar year by the greater of \$100,000 or 25 percent.

~~A qualifying agreement must be submitted within 30 days of execution. Commission approval must be obtained prior to implementation, unless the qualifying agreement contains a written clause stating that the agreement is subject to commission approval. Qualifying agreements that are ongoing or open ended need only be submitted on initiation, unless there is a material change in terms or noncompliance with 5.4(8)“b”(4).~~

(4) 4.Any type of contract, regardless of value or term, where a third party provides electronic or mechanical access to cash or credit for a patron of the facility. The contract must contain a clause that provides for immediate notification and implementation when technology becomes available to allow a person to voluntarily bar the person’s access to receive cash or credit from such devices located on the licensed premises.

(2) A qualifying agreement must be submitted within 30 days of execution. Commission approval must be obtained prior to implementation, unless the qualifying agreement contains a written clause stating that the agreement is subject to commission approval. Qualifying agreements that are ongoing or open-ended need only be submitted on initiation, unless there is a material change in terms or noncompliance with 5.4(8)“b”(4).

ITEM 3. Rescind and reserve subrule **6.16(5)**.

ITEM 4. Adopt the following **new** rule 491—6.28(99D):

**491—6.28(99D) Time by which owner and trainer must be licensed.** The owner (includes stable names, partnerships, and corporations) and the trainer of a horse entered to race must both be licensed by the first post time of the race card for the day in which the horse is entered.

ITEM 5. Adopt the following **new** paragraph **10.6(2)“f”**:

*f.* Consecutive days. No horse shall be run on two consecutive calendar days.

ITEM 6. Adopt the following **new** definitions in rule **491—11.1(99F)**:

“*Discount rate*” means either the current prime rate as published in the Wall Street Journal or a blended rate computed by obtaining quotes for the purchase of qualified investments at least three times per month.

“*Present value*” means the current value of a future payment or series of payments, discounted using the discount rate.

“*Reserve*” means an account with an independent financial institution or brokerage firm consisting of cash and qualified investments used to satisfy periodic payments of prizes.

ITEM 7. Amend paragraphs **11.12(8)“i”** and **“j”** as follows:

*i.* When a system jackpot is won, a person authorized to provide the multilink ~~and the trustee(s) provided for in paragraph “n,” subparagraph (1)~~, shall have the opportunity to inspect the machine, EPROM, the error events received by the central system, and any other data which could reasonably be used to ascertain the validity of the jackpot.

(1) to (3) No change.

*j.* Any person authorized to provide a multilink must supply to the commission ~~and the trustee(s)~~, as requested, reports which support and verify the economic activity of the system.

(1) Any person authorized to provide a multilink must supply to the commission ~~and the trustee(s)~~, as requested, reports and information indicating the amount of, and basis for, the current system jackpot. Such reports may include an aggregate report and a detail report. The aggregate report may show only the balancing of the system with regard to systemwide totals. The detail report shall be in such form as to indicate for each machine, summarized by location, the coin-in totals as such terms are commonly understood in the industry.

(2) No change.

ITEM 8. Rescind paragraphs **11.12(8)“m”** to **“o”** and adopt the following **new** paragraphs in lieu thereof:

*m.* A facility, or an entity that is licensed as a manufacturer or distributor, shall provide the multilink, in accordance with a written agreement which shall be reviewed and approved by the commission prior to offering the jackpots.

*n.* The payment of any system jackpot offered on a multilink shall be administered by the person authorized to provide the multilink, and such person shall have primary liability for payment of any system jackpot the person administers. In addition, any facility shall have secondary liability for the payment of system jackpots won on a multilink in which the licensee is or was a participant if and to the extent that the person authorized to provide the multilink fails to make payment when due.

*o.* A person who is authorized to provide the multilink shall comply with the following:

(1) A reserve shall be established and maintained by the provider of the multilink in an amount of not less than the sum of the following amounts:

1. The present value of the aggregate remaining balances owed on all jackpots previously won by patrons on the multilink.

2. The present value of the amount currently reflected on the jackpot meters of the multilink.

3. The present value of one additional reset (start amount) of the multilink.

(2) The reserve shall continue to be maintained until all payments owed to winners of the system jackpots have been made.

(3) For system jackpots disbursed in periodic payments, any qualified investment shall be purchased within 90 days following notice of the win of the system jackpot, and a copy of such qualified investment will be provided to the commission office within 30 days of purchase. Any qualified investment shall have a surrender value at maturity, excluding any interest paid before the maturity date, equal to or greater than the value of the corresponding periodic jackpot payment, and shall have a maturity date prior to the date the periodic jackpot payment is required to be made.

(4) The person authorized to provide the multilink shall not be permitted to sell, trade, or otherwise dispose of any qualified investments prior to their maturity unless approval to do so is first obtained from the commission.

(5) Upon becoming aware of an event of noncompliance with the terms of the reserve requirement mandated by subparagraph (1) above, the person authorized to provide the multilink must immediately notify the commission of such event. An event of noncompliance includes a nonpayment of a jackpot periodic payment or a circumstance which may cause the person authorized to provide the multilink to be unable to fulfill, or which may otherwise impair the person's ability to satisfy, the person's jackpot payment obligations.

(6) On a quarterly basis, the person authorized to provide the multilink must deliver to the commission office a calculation of system reserves required under subparagraph (1) above. The calculation shall come with a certification of financial compliance signed by a duly authorized financial officer of the person authorized to provide the multilink, on a form prescribed by the commission, validating the calculation.

(7) The reserve required under subparagraph (1) must be examined by an independent certified public accountant according to procedures approved by the commission. Two copies of the report must be submitted to the commission office within 90 days after the conclusion of the fiscal year of the person authorized to provide the multilink.

ITEM 9. Adopt the following **new** paragraph **11.12(8)“p”**:

*p.* For system jackpots disbursed in periodic payments, subsequent to the date of the win, a winner may be offered the option to receive, in lieu of periodic payments, a discounted single cash payment in the form of a “qualified prize option,” as that term is defined in Section 451(h) of the Internal Revenue Code. The person authorized to provide the multilink shall calculate the single cash payment based on the discount rate. Until the new discount rate becomes effective, the discount rate selected by the person authorized to provide the multilink shall be used to calculate the single cash payment for all qualified prizes that occur subsequent to the date of the selected discount rate.

ITEM 10. Adopt the following **new** paragraph **12.3(1)“e”**:

*e.* Surveillance control governing the administration of the network for the purpose of utilizing and transmitting live or recorded views or images of a video surveillance system for asset protection, loss prevention, investigation of tort/liability claims, game protection, employee oversight, resolution of patron disputes, corporate governance, management analysis, or other use consistent with a licensee’s statutory responsibilities as approved by the administrator. Capabilities within the surveillance system for video recording of other areas of a facility and grounds may be included provided that commission and DCI access is unrestricted.

ITEM 11. Adopt the following **new** subrule 12.15(5):

**12.15(5)** The licensee shall maintain a current log, accessible to commission representatives, of all changes and updates made to the computer system. All changes and

updates shall be approved as required by 491—subrule 11.4(1).