

**Monthly Meeting of the  
Prairie Meadows Board of Directors  
October 23, 2024  
2:00 p.m.**

The Monthly Meeting of the Prairie Meadows Board of Directors was called to order by Mr. Sagar in the James Rasmussen Board Room at Prairie Meadows in Altoona, Iowa at 2:00 p.m.

Roll Call.

Chris Costa  
Linda Grandquist  
Deb Leech  
Dr. Ian Lin  
Marty Martin - absent  
John Mauro - absent  
Andrea Morse  
Dr. Steven Neville

Bob O’Hollearn  
Ken Sagar  
Susan Voss  
Jeff Wangsness  
Rowena Crosbie - phone  
Tiffany Tauscheck

Also in attendance were:

Gary Palmer, President/CEO  
Michele Wilkie, Executive Vice President  
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. O’Hollearn to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on September 25, 2024 as written. The motion was seconded by Mr. Costa and passed on a voice vote.

Public Comment. None

Financials. Troy Sigwarth, Director of Finance, reviewed the September YTD financials:

	<b>Actual</b>	<b>Plan</b>
Casino Revenue	\$175.9 m	\$182.4 m
Total Revenue	\$203.0 m	\$209.0 m
Net Revenue	\$190.9 m	\$197.8 m
Payroll Expenses	\$43.3 m	\$43.0 m
Operating Expenses	\$59.5 m	\$59.3 m
Net Income before Community Benefit	\$45.2 m	\$50.1 m

Total Revenue, \$203 million, September YTD: Casino \$175.9 million; Hotel and Events \$7.3 million; Sportsbook \$4.7 million; Food and Beverage \$5.8 million, Other \$6.6 million; Pari-Mutuel \$2.7 million.

Top Performing Areas – Most Recent 4 Years with an all-time record: Hotel, Café at the Meadows, Photo Finish Lounge, Prairie Coffee company, Home Stretch.

2024 September YTD Casino Revenue:

<b>Iowa Market Comparison by size or 60-mile radius</b>	
Prairie Meadows	\$175.9 m
Horseshoe	\$139.3 m
Ameristar II	\$138.3 m
Riverside	\$96.4 m
Isle – Waterloo	\$68.7 m
Harrah's	\$52.5 m
Lakeside	\$36.6 m
Wild Rose Jefferson	\$27.3 m
State of Iowa	-2.8%

Lobbyist Report. Kellie Paschke reported:

- Election Day is 13 days away; early voting has started; voting early eliminates call and mail.
- We expect a competitive race for the candidates in the PM district: Nate Boulton and Mike Pike, and Bill Gustoff and Heather Sievers.
- By the next meeting, we'll have the election results and should know the Committee Chairs, Leadership, and the Lt. Government.

Racing Update. Derron Heldt, Vice President of Racing, recapped the Mixed Meet:

- 80 days of Racing plus one make-up day.
- Thoroughbred Handle up, both on and off track: off-track +\$2.6 million, on-track +\$50,000.
- Quarter Horse Handle: off-track +\$234,000, on-track +\$8,000.
- Combined Handle – Thoroughbred and Quarter Horses up \$2.9 million. Some of the increase was due to running 10 additional Thoroughbred races, one less Quarter Horse race, TVG ran approximately 20 races on its network, we had great weather, and Marketing had games and fun activities on the Apron between races.
- Thoroughbred field size was down 2024 vs. 2023 - 6.2 vs. 6.33; Quarter Horses field size was up 7.08 vs. 7.01.
- We had some great horse performances. The Iowa Classic had 13 races featuring all Iowa-bred horses; 4 Quarter Horse races and 9 Thoroughbred Races (8 were Stakes races); we had a great 2-year-old crop that could run in Open Company Races next year.
- We had some great human performances.
  - Thoroughbreds: top owner, D and L Farms; top trainer, Jon Arnett; top jockey, Alex Birzer.
  - Quarter Horses: top owner, Tom Maher; top jockey, Jason Olmstead; top trainer, Romiro Hiro Garcia.
- Backside Projects.
  - October 7, we started to re-shingle four barns – two are done, the third will be done this week, the fourth will be done by November 1.
  - Resurfaced some of the roads between the barns and along the horse path.
  - Work has started on lowering the windows in three barns for better ventilation.
  - Paddock – there were issues with heat so we added fans to each stall and added bird netting due to the mess from the barn swallows.

- We started negotiations with the horsemen. The first meeting was September 27 - PM discussed a 67-day calendar and some recommendations from the Racing Study, and there was some consensus to have a Meet similar to 2024 or with four less days – it would be a one-year deal. Met on October 14 – the horsemen presented a contract with 83 days, 16 Quarter Horse days, Quarter Horses we were not in favor. The next meeting is tomorrow at 9:00 a.m. – we'll work on the calendar and race days; the deadline is November 21 when the Commission meets to review PM's license application. We have scheduled monthly meetings through next year to look at 2026 and beyond and the Racing Study recommendations.

Mr. O'Hollearn asked the depth of the track and Mr. Heldt said 6"; 2.5" of track surface and 2"-3" firm pad (sands, silk, and clay). Mr. Costa asked about the proposed 67 days – we support the idea, how do we convince the horsemen? Mr. Heldt said this is an on-going discussion – there are too many days and attendance wanes when college and high school football starts; running Memorial Day – Labor Day would be ideal - horses could run here and then go elsewhere, or start somewhere else and come here; we reduced the Meet several years ago; the Racing Study has recommendations to work on. Mr. Costa asked if we'd get more horses per race with a shorter season and Mr. Heldt said yes, but there's a lot to consider and discuss.

Ms. Grandquist thanked Deb Leech for taking Board members on a tour of the Backside to see and hear what's going on (i.e. barn windows). Ms. Leech said the current law, having 67 days for Thoroughbreds and 26 days for Quarter Horses may be too many to cut and would need a change to the law or everyone be in agreement; the question of more horses if less days – maybe or maybe not – people like to stay and not move around; there are some good ideas in the Racing Study. Mr. Wangness said there also needs to be enough days off between races.

Staff Report. Dawn Brandt, Vice President of Compliance reported:

- She was recruited by a former CFO while working at a bank and has been with PM for 23 years.
- Achievements: graduate of the Greater DM Leadership Institute, Prairie Meadows University; Certificate in Gaming Management from University of Nevada, Reno; a Graduate of the Management Associates Program; Vice President – Orchard Place Foundation Board of Directors; Simpson College Senior, inducted into the Alpha Sigma Lambda Honor Society.
- Responsibilities:
  - Cash Operations. Jared Avelar is the Manager, and the department includes the Cage and Main Bank. The Cage has 49 employees with a total of 354.5 years of service, and is responsible for JACKPOT Service to our guests by managing an assigned drawer and completing guest transactions; this is a front-of-the-house department. The Main Bank maintains the accountability for all cash, chips, coin, Marketing promotional items, and cash equivalents; this is a back-of-the-house department. Cash Operations error rate was 0.0004% in 2023 and she's very proud of the team.
  - Gaming Revenue. Alan Bowles is the Manager; the department has seven employees with a total of 117 years of service; its responsibilities include: audit and record gaming revenue, audits and records gaming expenses and liabilities, reports statistical information, and ensures Title 31 compliance.

- Count Team. Robbie Baetsle is the Manager; the department has 22 employees with a total of 131.5 years of service; its responsibilities include maintaining the Ticket In Ticket Out kiosk redemption machines, pulls containers from slot machines, and counts funds from tables, poker, kiosks, and slots.
- Information Technology. Tony Guzman is the Director; the department has 21 employees with a total of 247 years of service; its responsibilities include governance and security of the technological systems, maintenance of the infrastructure, functionality of the system; blocks Cyber-attacks. The Print Center reports to IT; this department completed 7,000 Work Orders and averages 247,000 impressions per day.
- The IRCG audited the Cage, Main Bank, Count Team, and Gaming Revenue this month and had no findings, but made four suggestions regarding additional documentation.

Mr. O’Hollearn asked the life of the machine in the Count Room and Ms. Brandt said the current machine was purchased in 2017 and usually has a life of 7-8 years based on usage; in 2026, we started looking at options; we have preventative maintenance done weekly. Dr. Neville asked the cost of the machine and Ms. Brandt said \$800,000 - \$1 million per machine, and that’s why maintenance is important. Mr. O’Hollearn asked about Cyber-attacks – the team needs to be razor sharp, do we need to do something more? Mr. Palmer said this is constantly watched and we do audits, the IT Department does a wonderful job, we have one full-time person monitoring cyber-attacks, and we also hold classes and send “tests” to employees with computers; 15 years ago, there were very few attacks – today, it is an everyday occurrence and it’s challenging. Mr. O’Hollearn asked if the seven-year-old machine in the Count Room invites hackers and Ms. Brandt said there is no internet access in the Count Room – it is a very protected area, Security has to allow entrance to the room, and the room is monitored by Surveillance.

President’s Report. Mr. Palmer reported:

- It is hard to follow such an outstanding Staff Report – Ms. Brandt not only works here, but goes to school and has a family.
- Thanked the Board who went to Las Vegas.
- October 12 – 900 attended the ALS Walk that was held at PM.
- The Sales team has 48 Holidays booked and 22 active leads; in 2021, revenue was \$1.3 million, 2024 revenue \$5.3 million; we have a great team working together to make this happen – Sales, Housekeeping, Food and Beverage, Banquets, etc.
- November 11 – Veteran’s Day Celebration and lunch at 11:00 a.m. in the Finish Line Show Lounge.
- The Board Holiday Dinner is December 18.

Committee Reports

- Finance/Audit. Dr. Neville said the committee met on Monday; it was a two-hour meeting and the majority of time was spent on the 2025 Proposed Budget; the committee will meet again on November 18 at 3:00 p.m. for one final review of the budget.
- Facilities. Mr. O’Hollearn said the committee did not meet.
- Human Resources. Ms. Voss said the committee met on Monday, and discussed two Action Items:
  - Front-Line Employee Bonus (Secret Santa). This is a bonus for the elective bargaining unit, outside of the contract; the 2024 recommendation is \$1,000 for full-time and \$500 for part-time. Ms. Voss moved the recommendation from the

- committee, the motion was seconded by Mr. O’Hollearn, and unanimously passed on a voice vote. Ms. Morse asked when this would be paid and Mr. Palmer said December 6.
- Compensation Study. Ms. Voss said a study is done every five years to ensure salaries are reasonable as required by the IRS; PM hired Compensation Advisory Partners (CAP); CAP looked at for-profits and non-profits and found that compensation for our top eight is reasonable and is in the 25<sup>th</sup>-50<sup>th</sup> percentile; the HR Committee recommends and she moves approval of the Study. The motion unanimously passed on a voice vote. Ms. Voss said we run a terrific operation and should not be embarrassed by the salaries of the senior staff; they work hard and we should continue to review and pay them appropriately; the 25<sup>th</sup> percentile is low; she urges future Boards to reconsider salaries.
  - Grants. Dr. Lin said the committee did not meet.

Other.

- Mr. Sagar said the next meeting is November 20.
- Mr. Sagar reported that Todd Copley has resigned as he has a conflict with his workload and couldn’t fully commit to PM; he was appointed by South Central Federation, and Mr. Sagar will be in contact with its President, Paula Martinez.

Adjournment. Mr. O’Hollearn moved to adjourn the meeting, the motion was seconded by Mr. Wangsness, and passed on a voice vote. There being no further business, the meeting adjourned at 2:55 p.m.

Respectfully submitted,

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Linda Grandquist, Its Secretary