

**Annual Meeting of the
Prairie Meadows Board of Directors
November 20, 2024
2:00 p.m.**

The Annual 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.

Mr. Sagar reported that Joe Nehring has been appointed by South Central Federation of Labor to replace Todd Copley; Mr. Nehring has his IRGC license; he was unable to attend today's meeting.

Roll Call.

Chris Costa
Linda Grandquist
Deb Leech - phone
Dr. Ian Lin
Marty Martin - phone
John Mauro
Andrea Morse
Joe Nehring - absent

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
Tom Flynn, Legal Counsel

Nancy Winget, Its Recording Secretary
Members of the Press, Public, and Staff

Approval of the Minutes. Ms. Leech would like to amend the Minutes: page 2. – Combined Handle, she believes it should read, TVG ran approximately 20 more races on its network, and Human Performances: Jason Olmstead is the trainer and Romiro Hiro Garcia is the jockey. A motion was made by Mr. O'Hollearn to approve the Minutes, as amended, of the monthly meeting of the Prairie Meadows Board of Directors held on October 23, 2024. The motion was seconded by Dr. Lin and passed on a voice vote.

Public Comment. None

Lobbyist Report. Kellie Paschke reported:

- The election is over, so the political phone calls and mail have stopped.
- The Republicans are the majority with 35 of 50 seats in the Senate, and 67 of 100 seats in the House. There is a recount for Nate Boulton, but she believes it will stand that he lost.
- Leadership – there are no significant changes in the House or Senate.
- House Committees will be released this week; two new committees were created – Higher Education and Block Grants; the Senate will probably follow suit.
- Her team will continue to meet with legislators on gaming issues.
- The legislature will probably tackle property tax, reform of the work force, housing, and daycare. The Governor would like to address early childhood education and reading.

Mr. O’Hollearn asked how many are starting their first term and Ms. Paschke said 38 of 150 – we have a lot of educating to do.

Action Item – Lobbyist Contract for 2025. Mr. Palmer said every year in November, the Board reviews the contract; this year the lobbyists propose a 2% increase – from \$98,593 to \$100,564; they do a great job and he recommends approval of the 2025 contract. Mr. O’Hollearn moved the 2025 Contract of \$100,564, the motion was seconded by Ms. Grandquist, and unanimously passed on a voice vote. Ms. Voss asked if there’s ever a multi-year contract and Mr. Palmer said no, we haven’t done that.

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

| | Actual | Plan |
|-------------------------------------|---------------|-------------|
| Casino Revenue | \$194.7 m | \$202.4 m |
| Total Revenue | \$224.5 m | \$231.8 m |
| Net Revenue | \$211.3 m | \$219.5 m |
| Payroll Expenses | \$47.8 m | \$47.9 m |
| Operating Expenses | \$63.6 m | \$63.4 m |
| Net Income before Community Benefit | \$52.3 m | \$47.7 m |

Total Revenue, \$224.5 YTD: Casino \$194.7 million; Hotel and Events \$8.1 million; Sportsbook \$5.2 million; Food and Beverage \$.3 million; Other \$7.5 million; Pari-Mutuel \$2.7 million

Top Performing Areas – Most Recent 4 Years. Prairie Coffee Company and Café at the Meadows had an all-time record for October; other top performing areas: Photo Finish Lounge, Banquets, and the Hotel.

2024 YTD October Casino Revenue:

| Iowa Market Comparison by size or 60-mile radius | |
|---|-----------|
| Prairie Meadows | \$194.7 m |
| Horseshoe | \$150.0 m |
| Ameristar II | \$152.8 m |
| Riverside | \$106.8 m |
| Isle – Waterloo | \$76.0 m |
| Harrah’s | \$57.4 m |
| Lakeside | \$40.4 m |
| Wild Rose Jefferson | \$30.3 m |
| State of Iowa Casino Revenue is down 2.8% YTD, year-over-year. | |

Mr. Mauro has a few questions he’d liked answered, either today or later; he needs the information as soon as possible and would like it in writing:

- The amount in reserves for things like paying wages.
- If there’s a disaster, does PM have business interruption insurance. Mr. Sigwarth said yes.

- The amount in reserves for nine months. Mr. Sigwarth said this was discussed with the Finance Committee.
- There are five committees and information is relayed to the Board – there shouldn't be five committees – everything should be discussed at the Board Meeting with an opportunity to ask questions, or committee meetings should be open like the Board Meeting.
- Do we have reserves for maintenance of the property? Mr. Sigwarth said yes, the amount is approved through the Capital Budget. Mr. Mauro asked if this has been discussed and Mr. O'Hollearn said this is done in the Facilities Committee, and Minutes were distributed to the Board with the projects and costs, and the Committee gives updates at Board Meetings and the full Board can discuss. Mr. Wangsness said there are 7.25 months of operating costs in reserve and the Board has talked about this.

Mr. Sagar requested Mr. Mauro share his questions and he will ensure Mr. Mauro gets answers.

Ms. Morse said she is on the Finance Committee, and finance is her background; it's a benefit to sit down and ask questions; the Finance Committee allows members to dive deeper than would be done in a larger forum; committees allow conversations, no one is hiding things; it's the same with the HR Committee and Facilities Committee – the members have the skill set to have deep conversations.

Mr. Mauro said openness is not here. Mr. Sagar noted public elected officials have to comply with the Open Records law; committees are less than a quorum to be able to have conversations; it's important to have the opportunity to have minutes and committee reports and then ask questions at that point in time. Mr. Mauro asked why it's not open – why don't committees discuss things here (Board Meeting)? Ms. Voss said it's the governance structure that includes committees, similar to a sidebar conversation. Ms. Morse said all businesses have committees that report to a Board, along with making recommendations; we'd spend hours in a Board Meeting if we didn't have committees.

Mr. Sagar asked if there were other questions to share and get answers, and noted it's the Board's fiduciary responsibility to this organization that everything is high definition and open to the public. Mr. Flynn said, under the statutes, Prairie Meadows is subject to the Open Meetings Laws, but not the Open Records Law; the Board gets more knowledge through committees; the insinuation is that the Board is not informed, but is asked to vote. Ms. Voss said there are no backroom discussions; others are welcome to come to committee meetings where things are discussed and recommendations are made to the Board for discussion before a vote. Dr. Neville said Mr. Mauro was invited to attend a committee meeting today, and he didn't show up.

Mr. Costa has a problem with transparency; he is on the Finance Committee and pushed for cash information - the Board hadn't received that until he made that push – it is valuable information; he understands Mr. Mauro's concerns. Mr. Sagar said information is in the minutes. Mr. Costa said the Finance Committee reviewed 10 slides at the Budget meeting and he requested the information which Mr. Sigwarth handed to him, but the information wasn't e-mailed to the committee - he would like to share that document, but there's no forum to do that, and not at the Board Meeting; he'd like committee minutes e-mailed to the Board instead of waiting to be included in the Board packet.

Staff Report. PMU Capstone Presentation by Brian Ohorilko, Tressa Vedder, Joshua Riddle, and Alex Everett. Mr. Palmer requested Mr. Flynn hand out a copy of the presentation; the PMU graduates made the presentation to Directors and Vice Presidents, and he thought the Board would like to hear the presentation on “Responsible Gaming”. The graduates thanked the Board for its support of PMU, noting it is a unique and beneficial program that includes job shadowing and mentoring, then reviewed the PowerPoint presentation (handout) – Executive Summary, Introduction, Industry View, Responsible Gaming Programs, Pitfalls, Recommendations, and Conclusion. Mr. O’Hollearn asked if staff has information for the lobbyists (i.e. internet sports wagering, I-Gaming, etc.) and Mr. Ohorilko said we have data, research, and information to support our views, and Ms. Paschke said she has the information and is in constant communication with Mr. Palmer.

President’s Report. Mr. Palmer reported:

- November 11th – Saluting our Veterans – it was well attended and a huge success.
- November 12th – Celebrated PMU graduating class (Brian Ohorilko, Tresa Vedder, Alex Everett, Joshua Riddle) at a dinner; Scott Raecker, the trainer, also attended.
- Friday, December 6th – we’ll partner with the Salvation Army for “Christmas Red Kettle Night”.
- We also make a fairly large donation to Toys for Tots.
- We have been one of the main sponsors for Wreaths Across America – decorating graves at the Iowa Veterans’ Cemetery in Van Meter.
- Handout – the AJ’s Menu Guide that we provide to our servers for information.
- Congratulations to Bob O’Hollearn; while many of us were in Las Vegas for the Gaming Expo, he was at Prairie Meadows receiving the Insurance Hall of Fame Award.

Committee Reports.

- Finance/Audit. Action Item – 2025 Budget. Dr. Neville said the committee recommends approval of the 2025 Proposed Budget, the motion was seconded by Ms. Voss, and unanimously passed on a voice vote.
- Facilities. Mr. O’Hollearn said the committee did not meet.
- Human Resources. Ms. Voss said the committee did not meet.
- Grants. Dr. Lin said the committee did not meet.

Action Item – Recommendations from the At-Large Committee for two positions. Dr. Lin said the committee met and interviewed three candidates (Dr. Neville and two others) and recommends reappointing Dr. Neville and adding Dennis Linderbaum, the motion was seconded by Ms. Grandquist, and unanimously passed on a voice vote.

Announce appointments to the Board. Mr. Sagar announced the appointments, noting no vote is needed as they are appointed by an organization:

- Polk County has appointed Jim Gorsche. Mr. Palmer said Mr. Gorsche is an attorney at Corteva and has been out to visit with us.
- Union replacement for Todd Copley. Labor has appointed Joe Nehring, an attorney in Polk County.

Action Item – Election of Executive Committee. Mr. Sagar said there are five names on the ballot now. Mr. Flynn said anyone can add their name now and it will be put on the ballot; Mr.

Costa withdrew his name; the motion would be for a slate of the current Executive Committee members. Ms. Voss moved the slate of current members for another year, the motion was seconded by Ms. Leech, and unanimously passed on a voice vote.

Action Item – Election of Executive Committee Officers (Chair, Vice Chair, Secretary). Mr. Wangsness recommended a slate of the same Officers – Ken Sagar, Chair, Dr. Neville, Vice Chair, and Linda Grandquist, Secretary, and the motion was seconded by Dr. Lin. Ms. Voss moved to close the slate and vote. The motion unanimously passed on a voice vote.

2025 Executive Committee

Ken Sagar – Chair

Dr. Neville – Vice Chair

Secretary – Linda Grandquist

Bob O’Hollearn

Jeff Wangsness

Recognition of Retiring Board Members: Susan Voss and Marty Martin. Mr. Palmer presented a token of appreciation to Ms. Voss and said staff will get Mr. Martin’s gift to him. Ms. Voss said it’s been a great six years, she thanked PM for what it does for the community, and noted PM has a great staff.

Other Business.

- Mr. Sagar:
 - Executive Committee Meeting, December 18 - 1:30 p.m.
 - Next Board Meeting: December 18, 2024 – 3:00 p.m.
 - Board Dinner - December 18, 2024. Social hour 5:00 p.m., Dinner at 6:00 p.m. - AJ’s Party Room.
- Ms. Grandquist:
 - Thanked F&B for the AJ’s Menu Guide – AJ’s is wonderful.
 - She is excited about the new Board Member, Denny Linderbaum; he is fabulous and loves PM, and was the President of the Foundation at Unity Point.

Adjournment. Mr. O’Hollearn moved to adjourn the meeting, the motion was seconded by Ms. Voss, and passed on a voice vote. There being no further business, the meeting adjourned at 3:00 p.m.

Respectfully submitted,

Linda Grandquist, Its Secretary