

**Monthly Meeting of the  
Prairie Meadows Board of Directors  
June 26, 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.

Todd Copley	Dr. Steven Neville
Chris Costa	Bob O’Hollearn
Linda Grandquist	Ken Sagar
Deb Leech	Susan Voss
Dr. Ian Lin	Jeff Wangsness
Marty Martin - phone	Rowena Crosbie
John Mauro	Tiffany Tauscheck
Andrea Morse	

Also in attendance were:

Gary Palmer, President/CEO	Nancy Winget, Its Recording Secretary
Michele Wilkie, Executive Vice President	Members of the Press, Public, and Staff
Tom Flynn, Legal Counsel	

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 March 27, 2024 as written. The motion was seconded by Ms. Grandquist and passed on a voice vote.

Public Comment. None

Lobbyist Report. Kellie Paschke handed out and reviewed the Legislative Update, June 2024:

- The session ended in April, and there is not a lot to report from the gaming perspective.
- I-Gaming Impact – several articles have been written and I-Gaming is having a negative impact on brick and mortar casinos – internet gaming is up.
- June Primary Results – all statehouse and US representatives won their primary contests.
- Senator Jack Whitver announced he has brain cancer and is receiving treatments.
- Iowa Supreme Court is expected to release its Opinion on Iowa’s fetal heartbeat law this week.

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

<b>Item</b>	<b>May YTD Actual</b>	<b>May YTD Budget</b>
Casino Net Revenue	\$98.7 m	\$101 m
Revenue less COGS	\$112.2 m	\$115.0 m
Sales Incentives & Discounts	\$6.1 m	\$6.2 m
Total Net Revenue	\$106.1 m	\$108.8 m
Total Expenses	\$71.0 m	\$72.2 m
Net Operations Income Before Community Benefit	\$35.3 m	\$36.6 m

Mr. Sigwarth said we had extreme cold weather/snow on multiple weekends in January and an aggressive budget – we are making strides and continue to manage costs; May was the best May ever.

Total Revenue, \$112.2 million YTD: Casino \$98.6 million; Hotel and Events \$3.6 million; Sportsbook \$2.8 million; Food and Beverage \$3.0 million, Other \$3.5 million; Pari-Mutuel \$700,000.

Top Performing Areas – Most Recent 4 Years: Casino Attendance and Casino Bars, and areas with an all-time record for May are: Daily Double Deli, Café at the Meadows, Paddock, and Prairie Coffee Company.

2024 YTD May Casino Revenue:

<b>Iowa Market Comparison by size or 60-mile radius</b>	
Prairie Meadows	\$98.5 m
Horseshoe	\$77.9 m
Ameristar II	\$78.4 m
Riverside	\$52.8 m
Isle – Waterloo	\$39.7 m
Harrah’s	\$29.9 m
Lakeside	\$20.5 m
Wild Rose Jefferson	\$15.4 m
The State is down \$19.2 million, year-over-year	

Racing Update/Staff Report. Derron Heldt, Vice President of Racing:

- Staff Report.
  - Racing Department works with all horse groups to establish purse and supplement structure, allocates and assigns barn/stall space, monitors horses shipping in/out and workouts, maintains and operates an 8-hour horse exerciser, takes entries for future race cards, works to find horses for races that need entries, proofs eligibility, weight assignment, and verifies owner/trainer information, conducts the draw for post positions and the naming of jockeys, procures the Condition Book.
  - TV Department has three full-time, four part-time, and six seasonal employees; it has a fully functional HD TV production studio capable of producing live broadcasts and streaming, Photo Finish and timing, video post-production (commercials, social media, training videos, etc.), and oversees the cable system and television inventory; we purchased a drone this year and two employees are certified to fly it – the first project will be the fireworks on July 3, and then they’ll do live racing, etc.
  - Pari-Mutuels and Simulcast Department has four full-time, seven part-time, and six seasonal employees; staff maintains 64 betting terminals; manages ordering and the sales of live and simulcast programs; accepts bets on PM’s live races and simulcast races from over 80 tracks worldwide; executes contract to allow PM’s races to be seen in over 900 locations worldwide; ensures correct order of finish and payouts for live racing.

- Sportsbook. PM partnered with William Hill in 2019 and then Caesars bought out William Hill in 2021; over \$141 million was wagered in 2023; the Hold was 6.3% in 2023; approximately 93% of wagering is done online.
- Track Maintenance has seven full-time and six seasonal employees; they start preparing the tracks at 3:00 a.m. and work the tracks during training breaks; after training is over, they water, harrow and float the tracks to maintain moisture in preparation for live racing, and after racing, this process is repeated; in the off-season, they do repair work in the barns, add dirt to the stalls, and do snow removal; the track surface consists of roughly 90% sand, 3.8% clay, and 6.2% silt – it is checked daily and information is put in a portal for HISA to review.

Mr. Costa asked if purses were set by the legislature and Mr. Heldt said yes.

- Racing Update:
  - Racing started May 10; the first 20 days were all Thoroughbred races, and the Mixed Meet started June 16 with 10 races a day – 7 Thoroughbred and 3 Quarter Horse.
  - For the first 20 days, Thoroughbred Handle off-track 2024 - \$9 million; 2023 -\$6.3 million and Thoroughbred Handle on- track: +\$91,000 over 2023.
  - For the first 26 days, Total Handle: 2024 - \$13.3 million; 2023 - \$10.8 million. Mixed Meet Handle on-track: +\$80,000 over 2023. Mixed Meet Handle off track: \$2.4 million over 2023.
  - Field Size: Thoroughbred flat to 2023; Quarter Horses up slightly the first six days. Mr. Costa noted Field Size last year was under 7, similar to this year, and asked if staff was happy with that number, and Mr. Heldt said we'd like to see the number grow; inventory is strong and some horses are working toward their first start.
  - In May and June, we had great weather and crowds, larger pools, and more races were televised on TVG. Mr. Wangness asked if we promoted races on TVG and Mr. Heldt said we have a contract with TVG and they broadcast our Live Races.
  - Backside. We have 940 stalls for Thoroughbreds and 910 horses; 420 stalls for Quarter Horses and 354 horses.
  - Last Fall, the IRGC commissioned Racing, Gaming and Entertainment to do a Horse Racing Study; the representative was here a few weeks ago and talked to various people; the study is to be completed by the IRGC Meeting in mid-August.

President's Report. Mr. Palmer reported:

- The year is going pretty well compared to 2023, the best year ever; we're optimistic to make the aggressive 2024 budget.
- Reviewed the information sheet that was in the packets: May and June Highlights, Upcoming Events and Tribute Bands, Sponsorships, and Awards; September 9 - Customer Appreciation Week; the next Board meeting is September 25, 2024.

Committee Reports

- Finance/Audit. Dr. Neville said the committee met on Monday; January was a rough month due to the weather, but was still the second-best January ever, and March and May were the best months ever; Mr. Palmer reported the average monthly expenses are \$17 million and Mr. Sigwarth said we're closely monitoring expenses, but some are beyond our control; Mr. Flynn gave an update on the Property Tax appeal – a ruling is expected in 45-60 days; Dr. Neville would like to

acknowledge Mr. Sigwarth – this was his first meeting and he did a great job and answered questions well. Ms. Tauscheck noted there was an updated Finance and Audit Committee Charter in the packet; Mr. Costa said most corrections were title changes and grammar; Dr. Neville said Mr. Sigwarth’s title was added.

- Facilities. Mr. O’Hollearn said the committee did not meet, but a meeting is scheduled for July 9.
- Human Resources. Ms. Voss said the committee met on Monday and received a PMU Update from Ms. Wilkie, and the main item was the Compensation Study Consultant – PM is unique, we sent eight RFPs and had four responses (Aethos, Compensation Advisory Partners (CAP), Korn Ferry, and Willis Towers Watson); the recommendation is Compensation Advisory Partners; the committee had a good discussion; CAP has good references and understands the non-profit and for-profit world. Ms. Voss said the committee recommends, and she moves, CAP as the compensation study consultant. The motion was seconded by Mr. O’Hollearn and unanimously passed on a voice vote.
- Grants. Dr. Lin said it’s been an interesting year, with a record number of grants; he thanked the committee (Board members: Andrea Morse, Todd Copley, Tiffany Tauscheck, John Mauro, and staff members: Cade Johnson, Matt Kiernan, Chantel Olsen); it is a hefty project to read all the applications; a special thank you to Julie Stewart for making the books and keeping the budget.

Dr. Lin said the recommendation is: Legacy – 40 applications and 26 were funded in the amount of \$7.2 million; Community Betterment – 436 applications and 336 were funded in the amount of \$6,917,382; Youth Sports – 74 applications and 42 were funded in the amount of \$882,618; the total of all grants = \$15 million.

Ms. Morse said the committee had lots of discussion on how to distribute the funds fairly, and noted who receives a grant is confidential until the Resolutions are approved by the Board. Dr. Neville reminded the Board about the Impact Luncheon on September 16 – it’s a fantastic event to attend; the Board was invited to the DM Arts Center Gallery Event funded by a 2023 grant; tickets are available for Yankee Doodle Pops, Indy car races, and the Arts Festival. Ms. Grandquist thanked the committee for its time and effort.

Dr. Lin moved to approve the Grant Resolutions for Legacy \$7.2 million, Community Betterment \$6,917,382, and Youth Sports \$882,618 for a total of \$15 million. The motion was seconded by Ms. Morse and unanimously passed on a voice vote.

Mr. Sagar thanked the committee and said the committee did an overwhelming amount of work with funding grants to make the community better.

Other Business. Mr. Sagar said the next meeting is September 25, 2024.

Adjournment. Ms. Voss moved to adjourn the meeting, the motion was seconded by Mr. Wangness, and passed on a voice vote. There being no further business, the meeting adjourned at 2:50 p.m.

Respectfully submitted,

---

Linda Grandquist, Its Secretary