

**Annual Meeting of the  
Prairie Meadows Board of Directors  
November 18, 2020  
2:00 p.m.**

The Annual Meeting of the Prairie Meadows Board of Directors was called to order by Mr. Neugent in the Skinner Ballroom at Prairie Meadows in Altoona, Iowa at 2:00 p.m.

Roll Call.

Dennis Albaugh - phone  
Bob Chittenden  
Mark Cooper  
Michael Gartner - phone  
Frank Marasco  
Marty Martin - phone  
Gerry Neugent  
Bob O'Hollearn

Suku Radia  
Kurt Rasmussen - absent  
Ken Sagar - phone  
Mary Simon  
Susan VOSS - phone  
Marta Codina - absent  
John Irving

Also in attendance were:

Gary Palmer, President/CEO  
Ann Atkin, Senior Vice President/COO  
Brad Rhines, 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. Cooper to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on October 28, 2020 as written. The motion was seconded by Mr. O'Hollearn and passed on a voice vote.

Public Comment. None

Lobbyist Report. Troy Skinner reviewed the Legislative Update, November 2020; Republicans have the advantage in the Iowa Senate 32-18 and they also have the advantage in the Iowa House 54-41; Nebraska has voted to legalize casino games at racetracks; some potential legislation for 2021: a five-year phase-out of promotional play tax – casinos are double taxed on promo play, once when the mailer is sent out and again when it's played, E-Sports, and I-Gaming. Mr. Skinner announced that Logan Murray has joined the Skinner-Paschke team – Logan was on the Republican legislative staff.

Action Item – Lobbyist Contract for 2021. Mr. Neugent said it's time to renew the lobbyist contract; the Executive Committee and staff recommend a 1.5% increase – from \$90,207 to \$91,560. Mr. Cooper moved to approve the recommendation, the motion was seconded by Mr. O'Hollearn, and unanimously passed on a voice vote.

Financials. Mr. Rhines said October was a fantastic month, and the top and bottom lines are the best in our history; October ended at approximately \$20 million and \$6.5 million went to the bottom line.

October 2020 Year-to-Date:

- Performance Goals. Net Revenue \$131 million; Operating Expenses \$52 million; Net Income before Community Betterment \$11.9 million - \$6.5 million from October; we had three record bottom line months – January, February, and October, and two top revenue months – February and October.
- Total Net Revenue. Casino \$119 million; Sports Book \$7.1 million; F&B \$4.6 million; Other \$2.7 million; Pari-Mutuel \$2.6 million; Hospitality \$2.3 million.
- October Slot Win. October was an all-time high at \$15.9 million with 75% attendance and 65% of machines available; guests are coming less frequently, but spending more – before COVID, guests spent an average of \$55 per visit and now they're spending \$92 per visit.
- Casino Revenue – Iowa Major Competitors year-over-year. Iowa Casino average -26%; Competitors' Casino average -26.9%; PM was -31.2%, but if you factor in PM opened two weeks later and the average week is \$4 million, PM would be closer to -26%.
- Casino Revenue – Surrounding Markets year-over-year. PM -31.2%; St. Louis -35.3%; Kansas City -29.7%; Omaha/Council Bluffs -29.7%; Quad Cities -29.6%
- Sports Book Handle. PM generates the most Handle and that represents 30.30% of the Market Share; this is PM's second October for Sports Book; Sports Book helped offset the non-gaming revenue loss.

The Board congratulated PM on a great October.

President's Report. Mr. Palmer reported:

- COVID. We've made changes to our protocols, effective November 16:
  - Temporary, 30-day suspension of all forms of smoking on property for both guests and employees to ensure masks are worn properly for longer periods of time, optimizing personal safety.
  - Walk-up bar service will no longer be available. For beverage service, guests must be seated and order drinks with a cocktail server.
  - Food may only be eaten in designated areas. AJ's Steakhouse, tables in the Finish Line Show Lounge, at the Paddock Grill & Deli, as well as tiered seating near the Paddock are areas where guests may eat.
  - Prairie Meadows' continued safety measures include:
    - Face masks are required to be worn at all times and entry points have been reduced so staff can monitor guests to ensure everyone has a proper face covering upon entering.
    - 100% of the air is exchanged every 15 minutes through a two-stage filtration process that includes an anti-microbial treatment.
    - High-grade disinfectants and electrostatic sprayers are used on a rigorous cleaning schedule to sanitize the property.
  - His quote in the Press Release was, "We continue to monitor and navigate a time where we know one thing for sure – we each have a personal responsibility to care for one another. These initiatives are our way of continuing to support the wellbeing of the community." Mr. Palmer noted that PM initiates leadership of casinos and the state to be a good corporate citizen, and we've had mostly compliments on the changes.
- As Mr. Rhines noted in the Financials, it's significant how well we've done, and that's due to staff; most of our competition has debt – PM has no debt.
- Because of COVID, there will be no Staff and Board Holiday Dinner this year – it's too dangerous.

Committee Reports.

- Finance and Audit. Mr. Radia said the committee did not meet, but he would like to explain the following item – 2021 Financial Projections – there are three ranges in the projections, and because of COVID, the budget will probably be submitted for approval in the Spring of next year. Mr. Neugent noted the projections have been sent to the Board.
- Facilities. Mr. Cooper said the committee did not meet.
- Human Resources. Action Item – Recommendation and Resolution for the Discretionary Bonus Distribution to the non-bargaining employees. Mr. O’Hollearn said the Board approved a bonus (Secret Santa) for the front-line employees last month, and today’s item is a discretionary bonus for the 206 professional staff; the Finance/Audit Committee recommends a pool of \$900,000 (that’s 26% of the original \$3.5 million) to be paid to eligible employees on or before January 31, 2021; a portion of the pool will be allocated to Mr. Palmer and the amount will be determined by the Executive Committee. Mr. O’Hollearn, on behalf of the Human Resources Committee, moved to approve a discretionary bonus for the non-bargaining employees, the motion was seconded by Mr. Cooper, and unanimously passed on a voice vote.
- Grants. Ms. Simon said the committee did not meet.

Action Item – 2021 Financial Projections. Mr. Radia said this item was discussed in the Finance and Audit Committee report and said no motion is needed at this time. Mr. Neugent said the vote will take place, likely in the 1<sup>st</sup> Quarter 2021.

Action Item – Discretionary 401k Contribution for the non-bargaining employees. Mr. Neugent said this is for the non-bargaining employees and the proposed recommendation is 2.5% to all eligible employees to be added to their accounts on or before March 15, 2021 - this is the same percent as what is in the Union contract. Mr. Chittenden moved approval of a 2.5% discretionary contribution for the non-bargaining employees, the motion was seconded by Mr. Radia, and unanimously passed on a voice vote.

Announce Appointments to the Board. Mr. Neugent reported that Polk County has not yet appointed someone to replace Mr. Gartner, and Labor has appointed Danny Homan to replace Mr. Cooper.

Action Item – Recommendations from the At-Large Committee. Mr. Neugent said the five at-large members (Kurt Rasmussen, Bob Chittenden, Mary Simon, Marty Martin and Gerry Neugent) recommend to appoint Mary Simon as the At-Large member for a second term – no one else applied for the position and it was a unanimous vote. Mr. Neugent said the five at-large members also recommend, on a unanimous vote, to reappoint Dennis Albaugh to a second term as the Horsemen’s Representative. Mr. Neugent said this is an Action Item, and per the By-Laws, the Board can reject the recommendations. Mr. Sagar moved to approve Ms. Simon and Mr. Albaugh to second terms, the motion was seconded by Mr. Cooper, and unanimously passed on a voice vote.

Action Item – Election of Executive Committee (Chair, Vice Chair, Secretary) and one other member. Kurt Rasmussen remains on the committee as Past Chair. Mr. Gartner moved a slate of: Gerry Neugent – Chair, Suku Radia – Vice Chair, Mary Simon – Secretary, and Dennis Albaugh – at-large member and the motion was seconded by Mr. Cooper. There were no other nominations, and the motion unanimously passed on a voice vote.

Recognition of Retiring Board Members. Mr. Neugent said there are two members retiring from the Board - Mark Cooper and Michael Gartner; requested Mr. Palmer present a token of appreciation to Mr. Cooper; and noted that Mr. Gartner was unable to attend the meeting in person and will be presented his gift in a private recognition. Mr. Palmer said we all appreciate Mr. Cooper's leadership and he will be missed, and thanked him for a job well done. Mr. Neugent thanked Mr. Gartner for his four years of leadership and service on the Board. Mr. Gartner said he enjoyed his time on the Board. Mr. Palmer said staff really appreciated Mr. Gartner's leadership and his humor, and that PM wouldn't be successful if not for members like Mr. Gartner and Mr. Cooper; thank you both.

Other Business.

- Next Meeting. Mr. Neugent said the next meeting is December 16; the Executive Committee Meeting starts at 12:30 p.m. in Bishop, and the Board Meeting starts at 2:00 p.m. in the Skinner Ballroom.
- Bonus Resolution and 401k Resolution for the non-bargaining employees. Mr. Palmer thanked the Board for its consideration of these two items; the team has done a yeoman's job this year and we really appreciate the recognition.

Adjournment. Mr. Cooper moved to adjourn the meeting. There being no further business, the meeting adjourned at 2:33 p.m.

Respectfully submitted,

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Michael Gartner, Its Secretary