

**Special Meeting of the
Prairie Meadows Board of Directors
April 7, 2025
4:00 p.m.**

A Special Meeting of the Prairie Meadows Board of Directors was called to order by Dr. Neville in the James Rasmussen Board Room at Prairie Meadows in Altoona, Iowa at 4:00 p.m.

Roll Call.

Chris Costa
Jim Gorsche - phone
Linda Grandquist
Deb Leech - phone
Dr. Ian Lin
Denny Linderbaum
John Mauro - absent
Andrea Morse

Joe Nehring
Dr. Steven Neville
Bob O'Hollearn
Ken Sagar - phone
Jeff Wangsness - phone
Rowena Crosbie - absent
Tiffany Tauscheck - phone

Also in attendance were:

Gary Palmer, President/CEO
Brian Ohorilko, General Manager
Michele Wilkie, Executive Vice President

Tom Flynn, Legal Counsel
Nancy Winget, Its Recording Secretary
Members of the Press, Public, and Staff

Discuss Polk County's Notification, re: Polk County Representatives on PM's Board. Dr. Neville requested Mr. Flynn discuss Polk County's Notification. Mr. Flynn said that notice of this action came at the end of last week - the Supervisors intend to take action at its meeting tomorrow to remove their four representatives from the PM Board, and thus it was thought that the PM Board should take action as two of the four existing County appointees are on the Executive Committee, and that would leave only three on the Committee. The Board does not have its next meeting until June. The belief is that PM needs five Executive Committee members, so he drafted a motion after notification that Chris Costa and Deb Leech requested to serve on the Executive Committee. The Board can do a silent written vote, voice vote or roll call vote; the proposed motion is: *"Subject to and conditioned upon the Polk County Supervisors voting to remove Ken Sagar and Linda Grandquist from the Prairie Meadows Board, I move that the following take place today:*

1. *The Board accepts the resignations of Ken and Linda from the Executive Committee.*
2. *Chris Costa and Deb Leech be appointed to the Executive Committee; and*
3. *That the Officers of the Executive committee be: Steven Neville, Chairperson; Jeff Wangsness, Vice Chair; Bob O'Hollearn, Secretary.*

In the event the Polk County Supervisors do not remove Ken and Linda from the Prairie Meadows Board, (i) their resignations from the Executive Committee shall not be accepted, (ii) Chris and Deb shall not be appointed to the Executive Committee; and (iii) the Officers of the Executive Committee shall remain as they were prior to today's meeting".

Mr. Flynn said one thing about which he's been asked many times, can Polk County arbitrarily remove its representatives with or without cause, and the answer is, yes it can – any entity has the right to remove its representative with or without cause. PM has not been given a reason, but

there doesn't have to be one. Mr. Flynn asked if anyone else would like to be considered for the Executive Committee, or is the Board ready to adopt his suggested motion, after discussion? There were no other requests to be on the Executive Committee.

Action Items: Election of Executive Committee and Election of Executive Committee Officers (Chair, Vice Chair, Secretary). Mr. Flynn read the motion; Mr. O'Hollearn moved to adopt the motion, and it was seconded by Ms. Morse.

Discussion.

Mr. O'Hollearn asked if Chris Costa and Deb Leech were willing to serve on the Executive Committee and they both said yes. Mr. Flynn noted Ken Sagar and Linda Grandquist would have to say they are willing to resign under the conditions in the motion – it is unfortunate and a unique unicorn situation, and is anticipatory to Polk County's action. Ms. Morse asked if it likely would not happen and Mr. Flynn said he doesn't know, but it was circulated with the idea it will pass. All four Polk County representatives currently on the PM Board were contacted and advised that they were being removed. Ms. Grandquist said she received a two-minute recorded message. Mr. Sagar said he is willing to resign. Ms. Morse hates that this happened and said she has enjoyed working with the four. Ms. Grandquist said for the County to take off all four off - she doesn't understand why. She did call Matt McCoy, who is a friend, but he never called back.

Mr. Gorsche said he personally sent a note to all five Supervisors asking why he was being withdrawn without a reason given. He highlighted the strength of the PM Board and Board members, the fact that all four would move off the Board at different times, the time and cost it took to become a PM Board member, the professionalism of the current Board and the leadership of management, the Supervisors unanimously approved his appointment to the Board five months ago. Someone told him the Supervisors are thinking of another position for him. No one called, not even the Supervisor from his district. He asked a couple of people to speak on his behalf. The call he received on Saturday was from an assistant to the assistant. It's inappropriate the way this was handled.

Mr. Wangsness said he's blunt and a construction guy and doesn't have the professionalism to express himself like Mr. Gorsche did in his letter. Is there something we can do - a unified effort at the meeting tomorrow, write an editorial or do a follow-up story as this is just wrong, the Supervisors should let the existing terms expire. Mr. Sagar and Ms. Grandquist have shown their leadership. He's in agreement with Mr. Gorsche. The process to be on the PM Board is not fun, and for Mr. Gorsche, it was done for nothing.

Mr. O'Hollearn asked the status of the DCI and the four nominees – has the background been completed? Mr. Palmer said that process has not started yet. Mr. O'Hollearn noted it will take at least a month or more to be able to get through the process for the meeting in June – it's mid-April now. Mr. Palmer said the process is to get licensed first – Board members need to be licensed to be able to come to meetings and to vote, then the background check is done. If the background check is not ok, then that person is not eligible to be licensed. The background check could take four-five months. Mr. O'Hollearn said the new members may not even be eligible until mid-Summer. Mr. Palmer said the new members can get their license and attend Board Meetings, but will have to go through the investigation. Mr. Ohorilko said the assumption, when

the paperwork is filed, is the application is truthful, and a person is licensed immediately. The DCI background check can take six-nine months, and a license issued is temporary until the background check is done, but they can participate and vote. Mr. Flynn noted, of the four, he believes only one is licensed at this time – Tom Timmons, the former president of Wild Rose Casinos. Tony Bisignano is a State Senator, and he is not sure about the other two. Mr. Costa noted Tim Goodwin works for the Governor, and he's not sure what Jeremy Hamp does.

Mr. O'Hollearn asked if being the former president of a competing casino is a conflict of interest and Mr. Wangness said he had the same question. Mr. Flynn said PM has a Conflict of Interest Policy and a Code of Ethics, as well as the provisions in the Code of Iowa – any Board member must first and foremost look out for the best interest of PM, not the entity that appointed him or her, must exercise his or her duties in good faith and be loyal to PM, and that those are the rules by which all Board members are bound. For a former Wild Rose employee, does he still have Wild Rose ownership interests or connections or are they in the past – we don't know. They will fill out the required forms, and if it's in the past, there are no grounds for a conflict. A Board member found sharing confidential information without authorization is subject to a vote for removal. Mr. O'Hollearn asked if being a former president and possibly having an ownership interest be a conflict and Mr. Flynn said he didn't know, but it could result in divided loyalty. If the Board becomes aware confidential information is being shared with competitors or others, PM could vote to remove a Board member, but we would need specifics. Mr. O'Hollearn noted this is "muddy".

Dr. Lin noted Mr. Gorsche asked to be represented at the Supervisors meeting and asked if PM will show up or do anything? Mr. Gorsche said he sent a letter by e-mail to all five Supervisors. He's in Washington, DC and won't be present at the Tuesday meeting. Ms. Leech asked if Mr. Gorsche has heard from any of the Supervisors – did he get a response, and Mr. Gorsche said no. Ms. Leech has a question regarding Mr. Bisignano. Rick Olsen was in the legislature and was a horseman years ago, and we wondered if that was a conflict. The question is the same for Mr. Bisignano – is it a conflict being in the legislature and a PM Board member? Mr. Flynn said that was a fair concern, but there's nothing that says a legislator can't serve on a non-profit Board, but if conflicting issues come up, he will have to abstain from voting.

Mr. Linderbaum thanked Linda Grandquist and Ken Sagar for their service, He and Jim Gorsche came on the Board at the same time, and he knows John Mauro has served here for a while. He is shocked that Mr. Gorsche was being summarily dismissed. It is outrageous with no cause or reason except they want to do that. He has been acquainted with Matt McCoy for years. This is very unfortunate. Good questions were asked about confidentiality.

Mr. Flynn said one other reminder is, if the four are appointed to the Board, to look at the PM By-Laws 12.1. There is a long standing policy that states no Board member can vote on a matter regarding the entity that appointed him/her (i.e. Polk County representatives can't vote on the Lease or other County matters, the Labor representative can't vote on matters that benefit labor, the Partnership representative can't vote on Partnership matters), and this provision could come into play if the four are appointed. Someone asked if the Supervisors know and understand this and Mr. Flynn said that he does not know. They might be misguided in their understanding. Mr. Nehring asked if it would take a unanimous decision of the Supervisors or a majority and Mr. Flynn said it would take three of the five. Dr. Lin asked which three and the consensus of

various Board members was it would be the two new Supervisors and Matt McCoy voting to change representatives.

Mr. O'Hollearn said it's unfortunate, and thanked Linda Grandquist, Ken Sagar, John Mauro, and Jim Gorsche. Ms. Morse said the four should feel good that no Board Member is happy with what happened. Mr. O'Hollearn said we have to move forward. The assumption is the Supervisors will vote three to two. We need to move past this. Ms. Morse said it's important to realize why we're here and keep the goal of PM as great as it has been. Whatever Polk County's agenda, we need to trust leadership and stay strong. Mr. O'Hollearn concurred and said don't introduce the new members with a veil. Welcome them with a filter as that's in the best interest of PM. This is the last year of his term. The Board needs to be very vigilant on voting and if they have to abstain, it is recognized upfront. Mr. Wangsness said to be vigilant on the selection of future Board members.

Dr. Lin has a huge problem with this (change in the Board). He is very upset as it's Grants season and the Supervisors took no consideration of that. The purpose of PM is to help distribute money and help the community. The new Board members won't see the Legacy grants or vote on them. This should have been done the right way and show they care and respect what PM has done - not do it like this. Ms. Morse agreed and Ms. Leech said the action is not acceptable, the timing is pathetic and for no reason. If the four current members did the Grants and submitted them, we should accept and get the Grants done.

Mr. Wangsness asked if Dr. Lin would show his passion at the Polk County meeting. Dr. Lin said he'd enjoy that, but he won't do it, and asked if we'd have representation there to bring up things to the new members – can't vote, Grants, this hasn't been done before, Jim Gorsche was just appointed, etc.? Ms. Leech said if the news media picks up on this to make sure those points are in there – with Grants, the community will probably be outraged. Ms. Morse asked if we need someone at the meeting and Mr. Palmer said he doesn't recommend it. Mr. Costa said it would draw attention to the PM Board, not necessarily in a positive way. It would be the height of pettiness and that's what the County wants to accomplish. His take is to take the bigger stance, be the better person. Mr. Linderbaum said all four new members need to understand they have responsibilities and be prepared and know they can't vote on some things.

Mr. Flynn noted Mr. Palmer asked him, before all this happened, to do a report at the last Board Meeting – present a reminder of what the By-Laws, the Code of Ethics, the Conflict of Interest, and the Iowa Code, say as to who can vote for what, etc., but there was too much on the agenda. Maybe it's timely to do this at the next meeting.

Mr. Costa suggested, in lieu of showing up at the meeting, someone ask Angela Connolly to read Mr. Gorsche's letter into record so the media has access to it. Mr. Flynn said Mr. Gorsche's letter took some time to put together and was well presented. Ms. Morse asked if Mr. Gorsche could share the letter with the Board and Mr. Gorsche said he will send it and you can do with it what you wish, but he's not political and has no expectations, and will not ask 500 people to write in his support. Good luck if that's the way they want to run the County. His letter included how strong the Board's management and leadership is, with robust debates. Please don't make it just about him. It makes sense not to fight for the group. Don't make waves – think of PM first. He regrets he'll not be a part of the PM Board.

Mr. O’Hollearn suggested moving on and don’t pick a fight. Look at this without any lenses. Welcome and accept the new members. Polk County had the right to do this, but be vigilant, drop the filters, and be cautious and not set a bad tone, unintended consequences can come back to bite us.

The motion passed on a Roll Call Vote (12 yes, 0 no, Mauro absent).

Other.

Dr. Neville seconded previous comments – he appreciates the time and thoughts of the four leaving the Board – it a reflection of leadership, but we have to move on. Thank you.

Adjournment. Mr. O’Hollearn moved to adjourn the meeting and the motion was seconded by Mr. Linderbaum. There being no further business, the meeting adjourned at 4:45 p.m.

Ms. Grandquist thanked everyone for the support and Mr. Sagar thanked the Board for the opportunity to serve the community and the PM Board – it is greatly appreciated.

Respectfully submitted,

Bob O’Hollearn, Its Secretary