

**Monthly Meeting of the
Prairie Meadows Board of Directors
September 24, 2025
2:00 p.m.**

The Monthly 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 2:00 p.m.

Roll Call.

Senator Tony Bisignano
Chris Costa
Tim Goodwin
Jeremy Hamp
Deb Leech
Denny Linderbaum
Andrea Morse

Joe Nehring
Dr. Steven Neville
Bob O'Hollearn
Tom Timmons
Jeff Wangsness
Rowena Crosbie
Tiffany Tauscheck

Absent: Dr. Ian Lin

Also in attendance were:

Gary Palmer, President/CEO
Brian Ohorilko, General Manager
Julie Stewart, COO
Tom Flynn, Legal Counsel

Erin Clanton, Legal Counsel
Audrey Higgins, Its Recording Secretary
Members of the Press, Public, and Staff

Approval of the Minutes. A motion was made by Senator Bisignano to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on June 25, 2025, as written. The motion was seconded by Mr. Hamp and passed on a voice vote.

Public Comment. None

Lobbyist Report. Kellie Paschke reported the following:

- HF706 became effective July 1, 2025. The law requires training for all elected and appointed officials of government body to get training on the Iowa open meetings and open records law to complete at least 1 hour and not more than 2 hours of training. This applies to any officials who were appointed or elected after July 1, 2025. Officials who are reelected or reappointed do not need to complete the training again. The training covers service on subcommittees as well. The course is free online, provided by the Iowa Public Information Board. A certificate is provided after the training, and the Board is responsible for keeping record of the certificates. It must be completed within 90 days of taking the oath of office, assuming the responsibilities of the office or being elected to the office. Non-compliance can result in a fine of \$500-12,500.
- Updates on Political Leaders. There have been multiple changes in the Iowa House of Representatives and Senate. Leader Matthew Windschitl has been replaced by Rep. Bobby Kaufmann. Senator Michael Sexton has stepped down to take a position with the USDA. A special election will be held on December 9, 2026 to fill his seat. Senate Majority Leader Jack

Whitver is stepping down from his position and not seeking reelection. There will be a caucus to select his replacement. Following the death of Senator Rocky DeWitt (R), a special election was held. Senator Catelin Drey (D) was elected which changes the power balance of the Senate. Senator Claire Celsi has entered hospice. Representative Rick Olson has announced he will not seek reelection. Nate Boulton announced he will run for that seat.

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

	Actual	Plan
Casino Revenue	\$159 m	\$150.9 m
Total Revenue	\$184.2 m	\$173.3 m
Net Revenue	\$174.1 m	\$162.3 m
Payroll Expenses	\$38.8 m	\$40 m
Operating Expenses	\$50.1 m	\$50.3 m
Net Income before Community Benefit	\$46.6 m	\$34.8 m

Total Revenue, \$174.1 million YTD:

Top Performing Areas – Casino Revenue, Slot Revenue, Hotel Revenue, Café, A.J.’s Steakhouse, The Homestretch and the Prairie Coffee Company all had a record setting month in August.

There continues to be a target marketing campaign which has increased foot traffic and has led to strong hotel occupancy. It has been a pretty incredible August.

2025 YTD August Casino Revenue: \$159 million, 86% of the total property revenue

Iowa Market Comparison by size or 60-mile radius	
Prairie Meadows	\$159.2 m
Horseshoe	\$117.8 m
Ameristar II	\$110.5 m
Riverside	\$94 m
Isle – Waterloo	\$67.1 m
Harrah’s	\$46 m
Lakeside	\$34.6 m
Wild Rose Jefferson	\$24.5 m

Racing Update. Derron Heldt, Vice President of Racing reported the following:

- The facts and figures shared are through 79 days of racing. There were originally 80 days scheduled, but there were weather cancellations during the Thoroughbred racing. With the make up day, the schedule is now 81 days of racing this year.

- Handle for Thoroughbreds off track are down about \$2.3 million or 6.8%. On track we are down \$74 thousand or 3.5%. Handle for Quarter Horses are down off track about \$485 thousand or 7.4%. On track are up \$27 thousand or 5.25% over the prior year. Both breeds total handle, on and off track, are down about \$2.8 million going into the last two days. The field size for Thoroughbreds was about 6.11. This is down from last year, which was 6.28 horses per race, down about 2.5% from last year. The Quarter Horses are up 7.2 horses per race versus 6.97 last year. The national trends for the total handle through August are down 1.73%. National average field size for Thoroughbreds is about 7.4 horses per race. The significant factor on this number is the increase in scratches this year. There was an uptick last year and another uptick this year. The average horses per race before the scratches are typically 6.8. The total number of scratches this year was 383, up about 59 more horses than last year.
- There are two days of racing left, Friday and Saturday. Friday features the Quarter Horse championship, The Valley Junction. The purse is estimated to be about \$303 thousand, the largest purse on the Quarter Horse side at Prairie Meadows. Saturday is the Iowa Classic, 4 Quarter Horse races and 10 Thoroughbreds, all the horses are Iowa bred. It showcases Iowa breeders, owners, farm managers and trainers throughout the industry in Iowa.
- July highlights include the Festival of Racing on July 3 and 4. On Friday the 4th, horses came from all over the nation for the major stake races. All of the races were won by Iowa horses with Iowa trainers. On August 28, the Iowa owners and breeders had their annual Thoroughbred sale. The sales topper was a horse that sold for \$92 thousand. 3 horses sold for \$40-50 thousand and 3 additional horses sold for \$30-40 thousand. There were 65-70 horses that went through the sale, it shows the quality, confirmation and pedigree of the horses coming out of Iowa. At the Kentucky sale, there was an uptick in the number of horses that have sold for over \$1 million. That is partially due to the tax incentives that were passed last year. Horsemen can now depreciate up to 100 percent of upfront costs the first year they buy a horse. That is a real incentive to the industry in Iowa and around the country.
- After the season ends this weekend, the track maintenance crew will begin maintenance on the main track, the training track and the horse track that leads to the tracks. Over the next 3 weeks those tracks will be winterized so they are ready for training to start in April. The facility crew will also be working on asphalt on the backside, fire sprinklers in the barns and window replacements in C1, C2, C3 and C4. There are also 1,400 stalls that require maintenance, adding dirt and fixing boards over the winter.
- Prairie Meadows has been in negotiations with IHBPA and IQHA to produce a racing calendar for 2026. There has been no consensus. Next Thursday, the IRGC will most likely make a recommendation, if there is still no agreement, to the industry for the calendar.
- Derron asked for any questions. Mr. O'Hollearn asked if there is a record kept with the reasons for scratches. Derron replied that during practice times the trainers and their vets observe the horses to make sure they are race ready. The final say is from the State vets, they examine the horse the morning of the race, they watch the horse jog and can make the determination to scratch. During warmups before the race, they can watch the horses and

scratch the horse if necessary. There are at least 3 check points for the safety and welfare of the horse and the human that rides them. Ms. Leech said the majority are vet scratches. Derron agreed and said it could be an unrelated issue to the race, like a stomach issue. Ms. Leech said a lot of horsemen blame the scratches on HISA because their requirements are high. She stated that she is concerned about how it goes back to the number of horses in the race, if you start with 6.8 and end with 6.1, that impacts the betting. It impacts the on and off track revenue, that is a concern. Ms. Leech referenced a sheet she had from the jockey club that contains the frequency that horses run. It shows every 21.3 days in Iowa which what Ms. Leech said is about right. 29 days in Oklahoma, Indiana 39, 65 in Ohio, New Mexico is 28 days. Iowa is not as good as Minnesota and Colorado, but we are running them when we can. She said those are pretty good numbers. Ms. Leech said the only way to get the numbers of entries up is to add a couple barns, that allows for the vet scratches. She said she doesn't want injured horses running and want the horses to be safe. Mr. O'Hollearn said there has been publicity out there. Ms. Leech asked Derron if he had the numbers for catastrophic injuries per breed with him. Derron responded that he could give an approximate number. Approximately, 3 on the Thoroughbred side during racing. The rule of thumb is 1 catastrophic for every 1,000 starters. Last year the number of catastrophic injuries nationally was about 1.2/1000. We are about 3,500-3,800 horses starting here and we are about at the national average here. Ms. Leech said that is pretty good. Mr. Timmons said earlier in the season that Derron gave the statistic of about 1 horse per race scratching. He asked if that stayed consistent throughout the whole meet. Derron answered that it may have ticked up a little. Mr. Timmons asked what that is attributed to, is it HISA. Derron answered that he would not point fingers. Prairie Meadows wants happy, healthy horses to be participating in the races. There are a lot of variables; the track condition, the weather, heat is a big one. Ms. Leech said wear and tear, there can be more issues later in the season. Ms. Leech asked Derron if the tote boards in the paddock will be functional during the races this weekend. Derron answered he will follow up, but probably not. Ms. Leech said that could contribute to why the on-track handle is down, the monitors have been down since mid-August. She asked if some sort of monitor could be put up in the paddock so people can see the odds. Derron said there is a tv in the breezeway. Ms. Leech said that cannot be seen by the betters. Derron will look into it.

- Dr. Neville asked if Derron could inform the Board about the racing calendar if there is no agreement with the parties. He asked how many days, if it is a mixed meet. Derron responded that the Statute reads that if an agreement is not made between all parties that it reverts back to a 67-day straight Thoroughbred meet and a 26-day straight Quarter Horse meet. Dr. Neville asked if that is 93 racing days. Derron said yes. Senator Bisignano asked for an explanation on the stalemate, what is the issue. Derron said Prairie Meadows proposed at 74-day calendar. He said he believes the Quarter Horses will agree. The Thoroughbred discussions are between 80 and 74 days. The Thoroughbred Board has a meeting on Friday to decide on their position. Senator Bisignano asked if it is advantageous to settle or better to let the IRGC tell the parties what to do. Derron said he does not know what the Commission will do. He said the Commission has told the parties all along, even after the study was conducted, that they do not want the status quo, 80 days. They want improvement. Derron said he believes they will have a decision on Thursday.

President's Report. Gary Palmer:

- August 26, Co-Chair with Dolph Pulliam for the 4th year at All for Golf Tournament at Blank Golf Course, benefiting College Scholarships for Inner-city students. It is a wonderful benefit for the kids.
- September 5, we hosted at Terrace Hills Golf Course our 9th annual GIVE Golf Tournament for disabled Veterans. GIVE stands for golf for injured veterans everywhere. It was a success.
- September 8, Prairie Meadows hosted are 3rd annual First Responder's Dinner. Many of you attended. We honored the Altoona Fire Department, Police Department, the Polk County Deputies and the rapid response team here at Prairie Meadows.
- September 12, the annual Community Improvement lunch was held here at Prairie Meadows. That was a big success, with about 700 people here that day.
- Gary introduced a short film with the recent Prairie Meadows highlights. He thanked the Marketing and TV department.
- Gary directed the Board to the list of upcoming meetings and events at the back of the packet.

Brian Ohorilko:

- The horsemen and Prairie Meadows have met a number of times for contract negotiations. The meetings have been productive, and the group could be very close to coming to a resolution. The IHBPA is scheduled to meet and discuss the most recent proposal. We hope to hear back from them shortly thereafter, with optimism that there will be an agreement we can finalize before the October IRGC meeting. If not, the Commission may extend the deadline for negotiations another month or the parties may be asked to provide a calendar that is consistent with the Statute. The Commission has been very clear that they want something different so the hope is that what the parties propose will be something the Commission is happy with.
- Derron shared earlier this is the final weekend of racing season. Friday and Saturday will be very exciting with all of the stake races. Friday for the Quarter Horses is their championship. Saturday, there will be over \$1 million in purses given away. Those will be two fantastic nights to come out to the races.
- Troy shared the August financial report. It is something to be really excited about. Our teams continue to work very hard to drive revenue and carefully manage expenses. We are positioned extremely well headed into Q4 when the weather can become unpredictable.
- There is some recent federal tax legislation that may create some tax changes for our players. Specifically, the federal IRS withholding requirements may change for the jackpot thresholds. Next year, the State of Iowa may need to make some changes to reciprocate some of the federal

changes. The federal legislation changes the withholding from \$1,200 to \$2,000, which we think our players will appreciate.

- We have been working with our department directors to determine budgets and capital projects. The goal is to have all those numbers ready for the Board to review and consider at the next meeting.

Brian thanked the Board for their help and guidance. He asked for questions from the Board.

Mr. Costa said that as he understands it the purses for the horse races are determined by a percentage of the previous year's adjusted gross revenues. If the race days change does that calculation change. Brian stated it is set by Statute, but what changes is the number of days the purse is spread out over. For example, instead of spreading the purses of 80 days, it will be spread over 67 days – resulting in higher purses. If it is the stand alone meet the horses would run more races. Instead of 4-6 races a day, it would be 8 or 9, which then could mitigate those increases.

Mr. Costa said as it relates to the tax legislation, it is his understanding that the gambler must claim 100% of their winnings and can only deduct against that 90% of their losses. Brian said that is correct and that is not a positive change. The jackpot threshold changes from \$1,200 to \$2,000. The majority of our jackpots are at the \$3,000 threshold, so we would capture a larger percentage of those. The players could continue to play on those machines. The other piece of the legislation, however, does limit the amount you of losses a person can deduct from winning reported on taxes. Mr. Costa said the change could impact the industry.

Committee Reports

- Finance/Audit. Ms. Morse said the committee met on September 22 and went over the financials in a little more detail and had a report from internal audit. There was discussion about the proposal requests sent out to the financial advisors, those were sent out on Monday. We sent those to 6 local firms and gave them 3 weeks to provide their proposals. All 6 indicated they will send proposals. We have a good mix that we will get good responses. We will have 2-3 companies come in for interviews. The goal is to have a recommendation for the Board at the November meeting.
- Facilities. Mr. Costa said the committee has not met since last meeting. They will meet before the next Board meeting with the focus of discussing the proposed 2026 projects and the budget the staff is working on putting together. This will give us a good idea of what we need to have in reserves for 2026 and beyond.
- Human Resources. Mr. Nehring said the committee has not met since the last Board meeting. October 16 is the next meeting primarily to discuss the collective bargaining program and how much to give employees to recommendation at the next Board meeting for that.
- Grants. Dr. Neville said this committee has not met. Dr. Lin is not here to give a report. Dr. Neville would like to give Dr. Lin a shout out, he gave an amazing speech, the luncheon was an amazing experience. Dr. Lin spoke from the heart and you don't get that very often. Shout out to the committee and the staff for their hard work.

- Executive. Dr. Neville said there is an action item on the agenda for the World Food Prize. The committee has decided to table this item. Dr. Neville said the big picture overview is that the Executive Committee has decided to send the World Food Prize request for money back to the Grants Committee. The decision is made because the request for money is outside of the grants process. It would be a mis-step to have the Board vote on a large amount of money without having the actual ask presented. This will be tabled. The Grants Committee will discuss this further and report back to the Board. Mr. Nehring asked if there is a timeline on the request for the donation. Dr. Neville responded that Governor Vilsack pitched the request to the Executive Committee about a month ago, Dr. Lin was there representing the Grants Committee. It is not the timeline of the request that is a concern, it is the amount. Governor Vilsack mentioned at the meeting that there is a venture capital component and they would like to get that component going by the end of the year. Ms. Leech said the real issue is that this request is outside of the grant process. She said the Grants Committee needs to determine the process going forward on these types of requests that are outside of the regular grants process. This is not an opinion on this particular request, just on the process. Ms. Morse asked if there will be a Grants Committee meeting on the calendar. Dr. Neville said Dr. Lin will get that scheduled. Ms. Leech asked if it seems reasonable for this to go back to the Grants Committee. Ms. Morse responded absolutely. Ms. Leech said we will continue to get these requests that are outside the process, if they are a critical need, we need to have a process outside of the regular process. Ms. Morse agreed. Mr. Nehring asked the amount they are requesting. Dr. Neville replied \$5 million. Senator Bisignano said he hasn't had an opportunity to look at the packet from the World Food Prize, but he has had some general conversations with people. He said this is Iowa and this is the World Food Prize, what countries, what states, who pitches in to the World Food Prize before Prairie Meadows. This is too easy of a stop. This is something that we host but this should be passed around internationally. It shouldn't be our responsibility to keep the World Food Prize going or their facility. The facility was given to the World Food Prize by the City of Des Moines. The State has a major responsibility here. He would like to see who all is in, there should be other contributors. He said Prairie Meadows is too easy of a mark.

Other Business. Dr. Neville said the upcoming meetings are listed there. Please check your schedule.

Mr. Goodwin asked Kellie Paschke how to access the training schedule and who needs to attend. Ms. Paschke said she could provide the information. Mr. Flynn said Ms. Clanton will provide an opinion letter and it will be circulated out to determine who needs the training. Ms. Crosbie said the 1-hour training could be useful and it seems like we shouldn't try to get out of it.

Adjournment. Mr. Linderbaum moved to adjourn the meeting, the motion was seconded by Ms. Leech and passed on a voice vote. There being no further business, the meeting adjourned at 3:35p.m.

Respectfully submitted,

Bob O'Hollearn, Its Secretary