Meeting of the
Prairie Meadows Board of Directors
October 21, 2026
2:00 p.m.

The 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 2:04 p.m.

Roll Call.

Senator Tony Bisignano
Chris Costa
Rowena Crosbie
Tim Goodwin, Via Phone
Jeremy Hamp
Deb Leech
Dr. Ian Lin
Denny Linderbaum
Andrea Morse
Joe Nehring
Dr. Steven Neville
Tiffany Tauscheck
Tom Timmons
Jeff Wangsness
Art Wittmack, Via Zoom

Also in attendance were:
Brian Ohorilko, President & CEO
Julie Stewart, COO
Mo Hyder, CFO
Tom Flynn, Legal Counsel
Audrey Higgins, Its Recording Secretary
Members of the Press, Public and Staff

Approval of the Minutes. A motion was made by Mr. Wangsness to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on September 23, 2026 as written. The motion was seconded by Mr. Costa and passed on a voice vote.

Public Comment. Mr. Jon Moss, Executive Director of the Iowa HBPA, requested to make a comment. Mr. Moss said he represents the Thoroughbred Horsemen at Prairie Meadows. He passed out a copy of the Horsemen's Journal, a national publication sent out to roughly 30,000 owners and trainers. Mr. Moss said he also serves as the Chairman of the Horsemen's Journal. He said Tom Law and Jenny Reese started a new section in the journal called American Shedrow. Mr. Moss said the reason he is bringing this to the Board's attention is that this new venture was started by Les Rhodes, an Iowan. He said the article is called "Roads Less Traveled" and it is a great article. Mr. Moss said the article highlights horsemen around the world and specifically in the U.S. He said the article talks about Mr. Rhodes, who is the type of horsemen that are here in the state of Iowa. He is hardworking and productive with a love and admiration for the horses. Mr. Moss said these types of horsemen helped Prairie Meadows to have a successful racing season this year. He said it was a very good racing season in 2026. Mr. Moss said the horsemen like working with Brian Ohorilko and Dr. Neville. He said he looks forward to continuing this great relationship into 2027 and 2028. Mr. Moss said the journal has a little section on the Iowa HBPA affiliate updates. He would, in the future, like to request Mr. Ohorilko or a Prairie Meadows representative, talk about the economic impact study. Mr. Moss said the horsemen are very pleased with the results of the study. He said the economic impact increased from $196 million to $265 million in the state. Mr. Moss said thank you for continuing to work in cooperation with us.

Dr. Neville thanked Mr. Moss for his comments.

Lobbyist Report – Ms. Paschke said there was not much to report. She said there are 13 days until the election. Early voting has started in Iowa a couple of weeks ago. She said those of you who requested an absentee ballot, those are due on election day by 8 p.m. Ms. Paschke said that lawmakers are not interested in talking about policy during the election year. She said lawmakers are really only interested in talking to lobbyists if they have money to give them. Ms. Paschke said the REC, the Revenue Estimating Conference, met last week. They adjusted revenues slightly upward, which is good. She said the bad news is for the current fiscal year and upcoming fiscal year they are still estimating that Iowa's expenditures will exceed revenues by about a billion dollars each year. She said that money is typically made up by taking money from the taxpayer relief fund. Ms. Paschke said the fund currently has about $3 billion left in it. Iowa also has some rainy day funds, an economic emergency fund and a cash reserve fund that total about $1.7 billion. Ms. Paschke said this is brought up in REC meeting because we are mindful of the shortfalls and gaps in the budget. She said lawmakers may consider raising gaming taxes or other fees to make up for the shortfalls. She said they have not heard any conversations about revenue enhancements in the gaming industry. Ms. Paschke said she will keep following that. She said she is continuing to work with the executive team to bring forward the 2027 legislative agenda. Ms. Paschke said the goal is to have it ready for review at the next Board meeting.

Racing Updates – Mr. Heldt said he will provide a recap of the recently completed 76-day meet. He said there was an additional day added as a make-up day for a weather related date we lost in September. He said it was a successful season. Mr. Heldt said he will share the final numbers year over year. He said we are comparing 77 days this year versus 81 days last year. He said the on-track handle for Thoroughbreds was down slightly, $70k or approximately 3.2%. Off-track handle was up $6.6 million or up 20%. The on-track handle for Quarter Horses was down $65k or 11%. Off-track handle for Quarter Horses was up about $2 million or 33% over the prior year. Mr. Heldt said the handle for both breeds was up over $8.5 million or 20.5% over the prior year. He said the field size on the Thoroughbred side was 6.64 horses per race versus 6.18 last year. Quarter Horse field size 7.28 versus 7.27 last year. Mr. Heldt said he would like to provide a few highlights. The last 3 days we ran a total of 38 races. The final day was our Iowa Classics Day. Mr. Heldt said the horses had some great performances, but he would like to recognize a little of the human side. He said the leading owner for Thoroughbreds was D & L Farms, they had 29 wins this year. The leading trainer was Kelly Martinez. The leading Thoroughbred jockey was Walter Dela Cruz with 74 wins. Tom Sheckel was the Quarter Horse leading owner with 17 wins. He said Tom is an owner who resides in Iowa and raises a lot of good Iowa bred and open horses. Mr. Heldt said Jason Olmstead was the leading Quarter Horse trainer with 45 wins. Jason also hit his 1,000th win here during the Prairie Meadows season. Leading Quarter Horse jockey was Christian Escada with 33 wins. Mr. Heldt said Margaret's Cowboy raced with us this year and won the Challenge Championship Qualifying Race and the Altoona Derby. He competed in the Derby Challenge championship race last weekend at the Downs of Albuquerque in New Mexico and won that major race. Mr. Heldt said the horse represented the Central Region and his trainer has been a supporter of our program for the last 15 years. Mr. Heldt said that the Thoroughbred Breeders' Cup Championship will be held at Keeneland in Lexington.

Mr. Heldt said following the end of the season, we allowed approximately 16 trainers with 150 horses to stay in our barns through today. They weren't able to use the tracks, but were stabled here between seasons. There are now no horses on the backside, no grooms or hot walkers in the dorms.

Mr. Heldt said during the off season our track maintenance is working on the main track. They are putting down new track material. He said we are working on drainage on the inside rail. We are replacing boards and dirt in the stalls. Waste management started removal this morning of the special waste that the horses left behind. Mr. Heldt said we are finishing up the window replacement project. There are 3 barns left to complete. He said we are working on site prep for the new exerciser and the new barn.

Mr. Heldt said one of the department's goals is to have the condition book sent out to the horsemen by the first week of December. He said it typically doesn't go out until February.

Ms. Crosbie asked Mr. Heldt for any details on the catastrophic Quarter Horse.

Mr. Heldt said we did not have any catastrophic injuries on the Thoroughbred side for HISA. He said he found out this past week that HISA is now utilizing a subcategory where a sudden death or skeletal issue that occurred within 72 hours of a horse's race is considered catastrophic, although we did not have any catastrophic injuries during live racing. He said HISA sent letters informing us that there was one horse that had a sudden death within 72 hours and one that had a musculoskeletal issue that had to be put down. He said he would like to add that we had one catastrophic death during training on the Thoroughbred side.

Ms. Crosbie asked how Prairie Meadows is doing in terms of non-catastrophic injuries year over year.

Mr. Heldt said we are waiting on vet reports from the state. HISA is taking their investigations a step further. He said they are investigating how the horses do at future racetracks in regard to lameness.

Ms. Crosbie asked if the weather had any effect on the track surface.

Mr. Heldt said we do pack the track and pop-up thunderstorms are a concern. Heavy rains can wash away our track material. He said we take every precaution and prepare for all weather conditions – heat, rain, or downpours. It was a pretty good year in that area.

Mr. Costa asked if the starter is planning to return next season.

Mr. Heldt said he has had a conversation with him and he plans to return.

Mr. Wangsness said he would like to thank Mr. Heldt for taking the time to give him a tour of the behind the scenes. He also thanked Ms. Leech for coordinating the trophy presentations.

Dr. Neville said he was here when the load of sand came in and was looking at the tractors and the other equipment. One of the employees took the time to show him the equipment they use. He said that team doesn't get much recognition, but they are the ones out there keeping the track surface in good shape. He said he would like to recognize those employees, it is a hard job with long hours and they have to deal with all the weather conditions. He said thank you to that crew. Dr. Neville said his question for Mr. Heldt is about the equipment the tractors pull. He said the tractors look really nice, but some of the other equipment looks questionable. He asked what the status of the equipment is that they use on race days.

Mr. Heldt said the tractors have replacement plans. They are replaced after a certain number of hours. He said the track maintenance crew starts about 2:30 in the morning preparing both tracks. Mr. Heldt said the conditioners and harrows that are pulled behind the tractors get a lot of use. He said they are in the capital plan for next year, they do have some age on them. Some of the equipment has been repaired but is now to the point that replacement is necessary.

Ms. Leech said she has been told the sand looks great. It is much better material than they have gotten in the past. She said she would like to add to the discussion on the track maintenance crew. Ms. Leech said Mr. Ohorilko had done an amazing job. He has met with the crew and meets with different groups of horsemen that have never been communicated with in the past. She said these people have expressed appreciation to her and she would like to thank Mr. Ohorilko. Ms. Leech said she also is very happy to have the track kitchen operational this year.

Financials – Mr. Hyder said he will start with the balance sheet, it is the foundation of our business. He said the balance sheet is strong and continues to grow. The total assets are $353 million, it has grown $16 million. Unrestricted assets are $291 million, up $15.1 million. Cash and investments are $318 million and make up about 90% of our assets. He said it is up about $20 million and $15 million of the growth was operations and $5 million was from the Principal investments. Mr. Hyder said there was about a $3 million loss in September driven by non-cash items like unrealized losses on Principal securities. He said the Federal Reserve Bank increased rates which caused the decline.

Mr. Hyder said we are holding a commanding lead on the market share, 72.8%. That is the same as last year. Lakeside gained about .2%, which was a trade from Wild Rose. Mr. Hyder said at the IRGC meeting he learned that Lakeside is planning to go land-based. He said the market tends to grow when these types of moves are made and that is a good thing. Mr. Hyder said Cedar Crossing informed the IRGC that they are planning a soft opening on November 14 and grand opening in December.

Mr. Hyder said gaming revenue is 13.4 million, ahead of budget and $8 million ahead of last year. He said the casino revenues are 5% ahead of last year and 8% ahead of the budgeted amount. He said we have set records 5 out of 9 months of this year. September was the second best month on record. Mr. Hyder said Mr. Heldt did a fantastic job summarizing the live and pari-mutuel results. That area is 7% ahead of budget and 6% ahead of last year. Mr. Hyder said sportsbook continues to be a soft spot, which is the case across the industry.

Mr. Hyder said in non-gaming revenue, food and beverage are leading the way. It is driven mostly by AJ's, the casino bars and the track kitchen. He said in September, AJ's was up 49% year over year. He said there has been some wonderful marketing and the culinary team is putting together great specials. Mr. Hyder said cost of goods is noteworthy. It is 33.5% down from 34.1% last year. This reflects the team working hard to control costs in the economy we are experiencing. Mr. Hyder said banquets mid-week business is down and hotel occupancy is light. He said other revenue areas are mostly flat.

Mr. Hyder said operating expenses are about $113.7 million. That is $1.3 million over budget. The primary driver here is statutory taxes. He said as gaming revenue increases, the taxes also move up. Mr. Hyder said the costs that management controls, specifically salaries and benefits, are lower than last year by about $1 million. He said as we discussed last month, health insurance costs have increased. Mr. Hyder said we are also accruing for incentive programs and discretionary items. He said that is consistent with last year. Mr. Hyder said departmental

expenses are under budget, but are $2.4 million ahead of the prior year. He said this is primarily driven by increases in utilities, tweaks in contract services, property taxes and other lease products. Mr. Hyder said we have repositioned some of the products on the gaming product and that is helping.

Mr. Hyder said net income before community benefit is $54.1 million, 32% ahead of budget and 9% ahead of last year. He said one number that is not on the handout is the net income to gross revenue margin, which shows efficiency of flow through. He said it is 25.2% of the total revenue versus 23.8% last year. He said that is remarkable in terms of the effort that has been put forth by the team.

Mr. Hyder said the winner's circle slide recaps everything. We had 5 out of 9 record setting months, we are $14.5 million ahead of budget, and net income before community betterment is ahead of budget at $54.1 million. He said the most important achievement is tied to our mission, we have returned $30.9 million back to the community, including the $17 million in grants.

Ms. Crosbie asked what is behind the variance to budget on depreciation and amortization.

Mr. Hyder said based upon the lease term ending December, 2026, any leasehold improvements we have made are targeted to be fully depreciated by the end of the lease term. That means anything that was just put in new is being accelerated. It is just timing.

President's Report – Mr. Ohorilko said the team is in full force preparing for the holidays. We are executing plans made in Q1/Q2 and are fine tuning that execution. The sales team is working hard and F & B are fine tuning holiday menus. This is a critical time in our business. He said we will have a lot of activities occurring and will keep everyone in the loop. We would love to have the Board participate.

Mr. Ohorilko said at the IRGC meeting last week we had a very smooth license renewal. He said he has attended these meeting for 25 years and cannot remember a time that Prairie Meadows had their license renewed at the October meeting. He said he credits that to the great relationship with Mr. Moss with the Thoroughbreds and Tom Lepic with the Quarter Horses. Mr. Ohorilko said 2026 has been a period of change at Prairie Meadows. We shared initiatives we put in place and their success for Prairie Meadows and the community. Mr. Ohorilko said he is very proud of the work our team has done. He said at the same meeting the lease with Polk County was approved. Lastly, he said, we did incur a $10,000 fine that stemmed from an incident in 2025 when slot machines had improper settings. Mr. Ohorilko said that is the minimum fine we could have received. The Commission was complimentary of the corrective action we took and the steps we have taken to prevent this from happening again.

Mr. Ohorilko said we are working with Ms. Paschke on the legislative priorities. We would like to bring those to the Board at the November meeting. He said the Iowa Gaming Association, which we are a part of, will help put together some priorities as well. Those priorities require 90% acceptance from their members. He said he suspects the industry will focus on prediction markets and sweepstakes. He said that may have an impact on our ability to do certain promotions or contests. Mr. Ohorilko said he would like to push for limits on gaming expansion in Iowa. Some members have expressed a desire to not move forward with a moratorium, but instead maybe other limits. He said we would like to continue to look at bingo. Mr. Ohorilko said he will be putting together a formal packet after more discussions with Ms. Paschke.

Mr. Ohorilko said we will be moving forward with some construction in the parking lots. This is work that was already identified as needed in the semi lot and that we will need for staging for the expansion project, if that is approved. He said we have already set capital money aside for this work and won't need any additional approvals to complete it.

Mr. Ohorilko said the Board portal has not been working as intended. He said we would like to launch a program called OnBoard, which some of you are familiar with already. He said a number of other boards use this system. We will be sending out additional information. He said he realizes that not everyone will want to utilize this system, so we will continue to send out the packets via email. He said we will try to launch for the November meeting.

Committee Reports.

Capital Committee – Senator Bisignano said he would like to thank the committee members for their hard work. There has been a lot of meetings. He said he realized on Monday that in February at the Facilities Committee meeting, we talked about a vision to expand the building. Here we are in October, we have signed a contract with an architect, an RFP is out for the construction manager at risk. We have hired Formation Group as our owner's representative. Senator Bisignano said we are getting close to the completion of the drawings. He said we have come a long way very fast due to everyone's cooperation and hard work. Senator Bisignano said he is looking forward to the 3D renderings. He said this will be a magnificent property that will be great for the community and for Iowa. He said all the changes are being thoroughly considered and designed to raise revenue.

Mr. Wittmack said Steelman is looking toward the future and has challenged us to think about each decision. He is excited for this opportunity.

Dr. Neville asked if the contract has been executed with Steelman.

Mr. Flynn said there have been a number of iterations before we reached the final form. He said there were a couple of key items that were changed to benefit Prairie Meadows. We will retain ownership of the design, even if the agreement is terminated. The termination period was lowered from 15 days to 7. The fees were negotiated such that if the project is below $300 million their fee would decrease. Mr. Flynn said any disputes will be governed by Iowa law in Polk County instead of Nevada law. He said Steelman's liability and insurance was increased from $5 million to $10 million. If they are exposed for negligence there is indemnity coverage for the Board and Prairie Meadows Employees, as well as Polk County. Their exposure liability will be twice their fee. Mr. Flynn said he believes it is a good contract. It has been executed by Brian and Steelman.

Mr. Wittmack said he would like to compliment Mr. Flynn on the contract negotiations, those are significant changes.

Dr. Neville asked if the projected timeline of presentation of the project to the full Board is still in December.

Mr. Ohorilko said that is the target.

Executive – Dr. Neville said he does not have much to add. He thanked Denny for attending the meeting as the guest. Dr. Neville said we are coming up on Executive Committee elections in

December. He said we will be working on the Board calendar for 2027. He said the Board will have some upcoming discussions on the CEO compensation.

Facilities – Senator Bisignano said the committee focused on discussion of the capital expansion project. He said he will yield to Mr. Ohorilko on the existing facility.

Mr. Ohorilko said he updated the Facilities Committee on our 2026 capital projects. We have used about $6.5 million of the $12.6 million that was approved. Many of these projects are ongoing that will be completed this year. He said one of the big projects, working with MidAm to rebuild our master switch is on hold. He said we will need to evaluate the scope of the expansion project, it may need to be different than anticipated. Mr. Ohorilko said the team is starting on the new barn, it is a $2.2 million project. He said we also have another $1 million set aside for slots. Those were purchased at G2E and will be installed. Mr. Ohorilko said we talked about the poker room project. He said there is a new count room machine that is helping our team. Mr. Ohorilko said the count room is a highly secured area. During the counts the team is locked in this room until the funds are counted and verified. If equipment breaks down the employees must remain in the count room until service arrives and the machine can be repaired. The employees are appreciative of the new machine. Mr. Ohorilko said he would like to talk about a smaller project that was brought to our attention by our F & B team. During live racing and Fourth of July the track apron is very busy. The employees would have to travel in the freight elevator on the other side of the building to bring additional drinks to the apron. It was suggested that we utilize an unused room for a walk-in cooler. Now, the employees can provide better service to our guests and increase their efficiency. He said those are the highlights of the Facilities Committee meeting.

Mr. Wangsness asked what happens to the old slot machines.

Mr. Ohorilko said there is a statutory provision for antique slot machines. If they are over 25 years old they can be sold to the general public. Machines we own, we use them for parts that could be obsolete. Leased machines are returned.

Finance/Audit – Ms. Morse said the Finance and Audit Committee met on Monday. She said the information Mr. Hyder is providing is really good information and a little more detailed than what he shared today. She said one of the items presented was the 401k audit, which is required annually. Deloitte currently completes those audits for us. She said everything went well, it was a clean audit. Ms. Morse said there are about $100 million in assets in the program right now.

Ms. Morse said right now if Prairie Meadows would like to open a bank account, they would have to have approval by the Finance and Audit Committee. She said the officers have requested that they be allowed to open bank accounts on their own. She said it is pretty standard for an organization's officers to have that authority. This does not allow them to take out loans against Prairie Meadows. She said each year the committee receives a list of accounts and the approved signers. The signers should be the 3 officers. She said in order to facilitate this request she would like to make a motion for them to be able to open up bank accounts on the company's behalf.

Dr. Neville said the action item is Approval of Banking Authorization for Use with Selected Banks. He said that is a recommendation from the Finance Committee. He asked for any discussion.

Mr. Nehring asked if there is a particular need for this or is it just planning for future bank accounts.

Ms. Morse said we have had some changes with relationships, especially with Bankers Trust, and we are working on the capital expansion campaign. It would be beneficial for the officers to be able to open a bank account without having to go before the committee for approval. It is a part of allowing them to run the business.

Mr. Flynn said the resolution requires two of the three officers to sign checks and to open an account.

Ms. Morse said she moves that the Company be authorized to utilize the form of Corporate Resolution attached hereto, or a form substantially similar thereto, for the purpose of opening and operating bank accounts on behalf of the Company with banks selected from time to time by the President & CEO, Chief Operating Officer and Chief Financial Officer.

Dr. Neville called for a voice vote. The vote was unanimous and motion was approved.

Ms. Morse said we currently have a line of credit with Bankers Trust for $10.1 million. It is required by our workers' compensation insurance company. She said Bankers Trust charged us 1.5% for this line of credit. She said Mo and his team have worked hard to find out why we need this large amount of credit. She said he worked with Community State Bank and has gotten the amount down to $670,000. Community State Bank will allow us to deposit that money in a money market which will earn 4%. In the future, this number may change depending on salary and payroll amounts. She said this resolution will allow the officers to manage these changes without coming before the Board for authorization.

Mr. Wangsness asked if notification of changes will be provided to the Board.

Mr. Hyder said we have already received a notification that this amount will increase to $1.08 million in 2027. The resolution will allow us to fund the account and Community State Bank will provide a letter of credit to our insurance provider. He said Bankers Trust was charging us 1.5% and Community State Bank will charge us 0.5%.

Ms. Morse said it is a money market account, so we can make money. It will be a restricted asset on the balance sheet.

Mr. Hyder said Bankers Trust will release the lien they have on our assets that they hold for our $10 million line of credit. He said this is the right thing to do.

Ms. Morse said she moves (i) that the Company be authorized to obtain a line of credit from Community State Bank in the initial amount of $670,000 for the purpose of supporting a letter of credit for the same amount issued by Community State Bank to EMC Insurance Company, and that such line of credit be secured by a money market account in the amount of $670,000 deposited by the Company with Community State Bank, (ii) that in the event EMC Insurance Company subsequently increases the required amount of the letter of credit, the Company be authorized to increase the line of credit and the collateralizing money market account for the same amount, and (iii) that in connection therewith, any two of the following officers, President & CEO, Chief Operating Officer and/or Chief Financial Officer, are authorized , empowered and directed to do the actions described in the attached Corporate Resolution To Borrow/Grant

Collateral required by Community State Bank, and to execute all documents related thereto as requested by Community State Bank.

Dr. Neville said this is a recommendation from the Finance Committee so we don't require a second. He asked for any discussion.

Dr. Lin asked if this has to be for Community State Bank in particular.

Mr. Flynn said for this particular resolution it does need to be specific. The other resolution was for opening generic bank accounts.

Dr. Lin asked what would be needed if there was a change in banks.

Mr. Flynn said there would need to be another specific resolution if Prairie Meadows was borrowing money.

Ms. Morse said this is a letter of credit, so it is something that is technically borrowing. The officers would need to come to the Finance Committee to receive proper authorization. That is what we are approving here today.

Dr. Neville asked for any additional discussion. Hearing none, he called for a voice vote. The vote was unanimous and the motion was approved.

Grants – Dr. Lin said the committee has not had a meeting. He said he attended the dedications of the pickleball court at Wesley Acres and Wave Point Resources in Waukee. He said Sleepy Hollow is tomorrow. The Italian American Culture Center is Saturday at 5:30 p.m. He said the grants are being appreciated.

Human Resources – Mr. Nehring said there are no updates from HR. The decision was made to cancel the October meeting because there were no additional discussions needed.

Other – Dr. Neville asked for any other business. There was none. Dr. Neville said the next meeting is November 18 at 2:00 p.m.

Adjournment – Mr. Nehring moved to adjourn the meeting.

Dr. Neville adjourned the meeting at 3:14 p.m.

Respectfully submitted,

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Deb Leech, Its Secretary

Deb Leech
2026-11-16 17:55 UTC