Monthly Meeting of the
Prairie Meadows Board of Directors
October 22, 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	Joe Nehring
Chris Costa	Dr. Steven Neville, Chair
Tim Goodwin	Bob O'Hollearn
Jeremy Hamp	Tom Timmons
Deb Leech	Jeff Wangsness
Dr. Ian Lin	Rowena Crosbie
Denny Linderbaum	Tiffany Tauscheck
Andrea Morse	

Also in attendance were:

Gary Palmer, President/CEO	Tom Flynn, Legal Counsel
Brian Ohorilko, General Manager	Audrey Higgins, Its Recording Secretary
Julie Stewart, COO	Members of the Press, Public, and Staff

Approval of the Minutes. A motion was made by Chris Costa to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on September 24, 2025, as written. The motion was seconded by Bob O'Hollearn and passed on a voice vote.

Public Comment. None

Lobbyist Report. Kellie Paschke reported:

- Last month it was reported there would be some changes in the House and Senate. Senator Klemish was selected to be the Majority Leader for the Senate for the Republicans. The House side has some new chairmen due to some people stepping aside to pursue other things. Representative Carter Nordman is the new Ways and Means Chair, the committee affects taxes. Representative David Young is the new Commerce Chair, the group handles the smoking ban.
- The Revenue Estimating Conference met. The 3-member panel oversees setting revenues which affect the budget amounts. They are predicting a 9-10% decrease in State revenues. It could be a difficult year next year for budgeting. Thankfully, Iowa has significant money in its reserves.
- The Governor's DOGE committee released its 150-page report. There are many government efficiency recommendations in it. Examples are streamlining government permitting and tax paying, consolidation of some government at the State and Local levels and other changes.

Senator Bisignano asked Kellie to equate the 9-10% of the budget. Kellie answered it is over $1 billion short. Senator Bisignano said this fiscal year started July 1 and we are short by $1 billion. Kellie said yes, fiscal year 2026, there will need to be cuts to the existing budget and the future budgets to come.

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

	Actual	Plan
Casino Revenue	$177.3m	$168.7m
Total Revenue	$206.5m	$193.9m
Net Revenue	$195.2m	$181.6m
Payroll Expenses	$44m	$45m
Operating Expenses	$58.6m	$59.1m
Net Income before Community Benefit	$49.4m	$35.7m

Total Revenue YTD - September: Casino Operation $177.3 million; Hotel and Events $8.3 million; Food and Beverage $5.9 million; Sportsbook $5.1 million; Pari-Mutuel $2.5 million; Other $7.1 million.

Top Performing Areas: Banquet, Hotel, Café at the Meadows, and Prairie Coffee Company had record setting revenues for the month of September.

2025 YTD September Casino Revenue:

Iowa Market Comparison by size or 60-mile radius	
Prairie Meadows	$177.7m
Horseshoe	$131.4m
Ameristar II	$122.7m
Riverside	$93.5m
Isle – Waterloo	$74.3m
Harrah’s	$50.9m
Lakeside	$38.9m
Wild Rose Jefferson	$27.4m

Prairie Meadows leads the state. We are preparing to finish the year strong.

Mr. O’Hollearn asked about the staffing levels and open positions right now. The payroll numbers are down. He asked if there are more vacancies compared to last year. Ms. Vitiritto said there are less vacancies, about 31 open positions which are both full and part-time. That is less than last year. Senator Bisignano said $900k is a lot of money, that seems like it must be a lot of employees. He asked if we are short in recruiting employees or short on retention. Ms. Vitiritto said we are not short but are shifting staff to becoming more efficient. There has also been a focus on decreasing unnecessary overtime. Ms. Vitiritto said that is where a lot of the savings come from.

Racing Update. Derron Heldt, Vice President of Racing

- The recap on the recently completed racing season shows mixed results on both handle and field size.
- Thoroughbreds off track handle was down. This year handle was $33 million down from $34.7 million from 2024. That is down about 5%.
- Thoroughbred on track handle was down. This year was $2.148 million compared to last year at $2.188 million. That is down about 1.8%
- Quarter Horses off track handled $6.1 million versus $6.6 million the prior year. Down about 7.2%.
- Quarter Horses on track handle was up. Handle was $594k versus $557k the prior year. That is an increase of about 6.5%.
- Total handle for both breeds on and off track were about $41.8 million versus $44 million last year. A decrease of about 5%.
- Field size for Thoroughbreds was down at about 6.18 versus 6.28 last year. The national average for Thoroughbred field size was 7.38 through September.
- The Quarter Horse field size was up 7.27 horses per race versus last year, which was 7.07.
- The Iowa Classic was our last day of live racing for this season. We had 14 races with all Iowa bred horses. There were 10 Thoroughbred races and 4 Quarter Horse races. 8 of the races were stake races.
- There were a couple of promising horses that had a very good season, Jack's Time and Kanojo. Both horses could go out and do well in open and stakes races.
- The leading owner on the Thoroughbred side was D & L Farms with 32 wins over the season. Kelly Martinez was the lead trainer with 54 wins. The leading jock was Tyler Bacon with 96 wins, this is Tyler's second year of riding. On the Quarter Horse side, owner Tom Maher had the most wins at 11. Jason Olmstead was the leading trainer with 32 wins. Jockey Angel Ramirez had 45 wins.
- An update on track maintenance and barn maintenance. Mason sand is being added to the main track. Soil samples will be taken to be sure our sand, silt and clay mixtures are at the standard and we will be ready for April. In the barns, boards are being replaced, stalls are being repaired. 6 barns are completed with their board replacement. Delivery of clay will be tomorrow or the next day, we will be working on placing that in the barns until Spring.

Staff Report. Gina Vitiritto, Director of Human Resources

- Ms. Vitiritto said she oversees Human Resources and Wardrobe.
- The purpose of the Human Resources Department is to provide talent management, oversee employee relations and engagement and to be a strategic business partner by aligning initiative with the organizational goals to help drive performance and growth.
- There are seven members on the team which handles: benefits administration, compensation, employee relations, litigation, medical/worker's compensation, payroll, recruitment and training.
- The members of the HR team are Debbie Hopkins, Mary Alice Reinken, Kendra Lowe, Cali Cain, Brian Coy, Theresa Pinkerton and Gina Vitiritto.
- The Wardrobe Team consists of Thess Melton and Sayaka Forest.

- Currently, Prairie Meadows has 948 active employees. The average tenure is 8 years; the industry standard is 4 years. An additional 100 employees are hired seasonally. That hiring beings in Mid-March.
- Prairie Meadows health, dental and vision insurance benefits are self-funded. There has been no increase in health insurance premiums in 3 years. This is remarkable because the industry standard increases are 10-12%. We educate our employees to be smart consumers, it has helped us to keep the premiums low.
- Guest service is evaluated by 3 different sources at Prairie Meadows. Guests are given a hotel survey after their stay. A survey is mailed out to Prairie Gold Club members. The final source is a mystery shopper program. The mystery shopper is an objective third party that is contracted to provide an evaluation of their experience of our employees' guest service. This is done 4 times per year Prairie Meadows has earned 4.52 out of 5 from the 3 sources.
- One of the best events at Prairie Meadows is our Employee Service Awards Dinner. For 2025, 89 employees were recognized for their years of service. Over half of these employees have more than 20 years of service.
- Prairie Meadows offers a leadership course called Prairie Meadows University. PMU was established in 2017. It is a 9-month programs designed develop effective leaders within the company. Part of the program is a partnership with Drake University which offers participants 4 leadership classes. The participants complete 48-hours of job shadowing in 4 departments on various shifts at Prairie Meadows. The company provides 4 professional development classes and 2 mentors that the participants meet with monthly. Participants are required to complete a capstone project. This year there are 2 projects – an evaluation of the JACKPOT guest service program and an identification of the response to potential competition and the impact on Central Iowa.
- The 10 PMU participants for 2026 were introduced: Tim Brown, Tom Dekruyff, Nadir Fellake, Shanna Greve, Kelsey Kaufman, Matt Kiernan, Samantha Kingery, Brandon Noggle, Joe Rhodd and Laurie Boggs (who was unable to attend today).

Ms. Crosbie asked for interpretation of the color coding and data on the guest service survey results. Ms. Vitiritto said Troy Sigwarth prepares this data from the 3 different sources. The hotel surveys are weighted at 25%, the Prairie Gold Club member surveys are weighted at 25%, more emphasis is on the mystery shopper program, it is 50% of the score. Ms. Crosbie asked if the Board should be made aware of something going on in the casino bars. Ms. Vitiritto said typically, this is a reflection on the cocktail servers. In the slot area, the casino floor is huge. One of the evaluation criteria is that they are served within 30 minutes. The issue is not that they are not working, it is that they were busy and didn't get there within 30 minutes. Ms. Crosbie asked how this year compares with past years. Mr. Sigwarth said we are up a little bit this year. The score is usually at 4 or 4.5. This is the highest score we have had. Mr. Sigwarth said the objective third-party is helpful, very thorough. Ms. Vitiritto said the third-party opinion is not based upon whether they are winning or losing. Ms. Crosbie said it is great to see a perfect score on Security. Mr. Hamp said the PCG members have given lower scores than the other two groups. Has there been any feedback or follow-up on their surveys. Have there been any changes, modifications, or new procedures to address those lower scores. Ms. Vitiritto said as the surveys are received, the employees are given their feedback, it is a teachable moment. The goal is to equip them to elevate their service, that is what Prairie Meadows is all about.

<u>President's Report</u>. Gary Palmer and Brian Ohorilko

Mr. Palmer

- Thank you to everyone who attended the Las Vegas trip. It is appreciated that everyone took time to learn about our industry.
- Friday, October 31 and Saturday, November 1 come watch and bet on the Breeder's Cup. It will be simulcast from Del Mar this year. It will be an exciting event at Prairie Meadows.
- Friday, October 31, will be Nancy's last day. Her retirement party will be from 2-4 in the AJ's party room. Nancy has been with us 29 ½ years. She has done an excellent job for us. We ask that everyone come out to celebrate her. Congratulations and thank you Nancy.
- Tuesday, November 11, is the Veteran's Day event here at Prairie Meadows. We will have speakers, military displays, free lunch and music. Please come out if you can.
- The next Board meeting with be November 19, at 2:00p.m.
- The September highlights video was shared. The last 3 quarters have very good and we are most likely going to make our goal of the second-best year ever.

Mr. Ohorilko

- According to the IRGC statistics, Prairie Meadows is trending up year over year 1.1% while other casinos in Iowa are down 6%. We are proud to be going against the statewide trend. This a reflection of the commitment and effort of our entire team.
- We are positioned well heading into Q4 to manage any factors or challenges it may bring.
- On October 13th, we celebrated with 89 individuals at our Service Awards Ceremony. 13 of our team members marked 30 years of service. We are deeply grateful for their loyalty and commitment; they are truly the foundation of our organization.
- The Battle of the Bands competition has drawn good crowds and strong feedback. That is held in the Finish Line Show Lounge on Thursdays. The finale is October 30. There is a $10,000 grand prize. This really emphasizes our commitment to engage our community and support our local entertainers.
- We are making progress on the 2026 budget. The full budget recommendation will be presented at our November meeting.
- On October 2nd at the IRGC meeting the 2026 annual gaming license was approved for Prairie Meadows. We have expressed our appreciation on behalf of our Board, our community and our employees. We want the IRGC to know we view operating in Iowa as a privilege and not a right.
- At the same meeting, the IRGC set the racing calendar for the 2026 season. They established at 67-day Thoroughbred meet from May 15-September 12 and a 55-day Quarter Horse meet from June 7-September 12. Both breeds will run Friday through Monday. While Prairie Meadows, Thoroughbreds and Quarter Horses were unable to come to an agreement before that calendar was set, discussions remain active. We are still optimistic and are working with the HBPA and the Quarter Horse Association to come to an agreement for a 3-year mixed meet contract. The HBPA Board is meeting this Friday, we may learn more at that time. If an agreement is made, it will be presented to the IRGC at their meeting on November 20th, it is uncertain whether the Commission will consider any changes to the current schedule.
- September was recognized as the Iowa Responsible Gaming Education month, which coincides with the start of football season. This initiative gives the industry an opportunity to highlight our responsible gaming efforts. We showcase consumer awareness and education programs and reinforce our employee training commitment to

recognize potential problem gambling. Prairie Meadows continues to be very active and takes a leadership role in this area.

- The final Iowa Gaming Association meeting of the year will be held next month. We will continue to work hard with our industry partners to prepare for any legislative initiatives that may occur in 2026. We will keep our Board updated on any of those developments.
- Kellie Paschke shared with us last month about HF706. This legislation requires new elected or appointed board members to attend training regarding Iowa's open meeting laws. This training is not mandated for any of our current Board members. However, in the near future, I will be sharing some online training dates for any of our members who would like to attend voluntarily. In addition, our attorney Erin Clanton will be completing her training and will be a certified trainer for these classes soon. We could arrange a time for her to present the training to any interested Board members before or after a future meeting.
- The annual G2E Global Gaming Expo was held October 6-9, in Las Vegas. There were some exciting gaming developments shared, pay to play and rethemed classic games. There were discussions about AI and personalized marketing to enhance our players experiences. We will continue to monitor these trends as we look at the future of our gaming floor.
- We continue to do well financially. The employees are the cornerstone of our success. Our regulatory relationships are strong. We are positioned well for the coming year. Thank you all for your continued support.

<u>Discuss Form 990</u>. Troy Sigwarth, Director of Finance

The IRS calls our annual non-profit tax return Form 990. This is a required filing every year for all tax exempt non-profit organizations. Even though we do not pay income tax, the government requires us to file this return. It verifies that we are operating within our mission and vision. It is a public document that anyone can access online. It shows revenues, community programs we support and essentially our balance sheet. It also outlines Board structure and executive compensation. The document ensures that we are held accountable, that we are good stewards of the community, that we operate with integrity. This was just a brief overview, there is no new news. It will be completed and filed by the deadline of November 15.

<u>Committee Reports</u>:

- Executive

  Dr. Neville said the Executive Committee met today. There was a discussion about the contract between Prairie Meadows, Polk County and the City of Des Moines, which is effective from 2019 through 2026. The agreement states 5.1% of net revenue is paid to the City of Des Moines. Prairie Meadows pays two-thirds and Polk County is responsible for one-third. The original terms of the contract has a cap of $48 million. This cap will be met in November. The question is does Prairie Meadows continue to pay through 2026. There are multiple options for us; pay nothing, continue to pay our two-thirds, or pay our portion and Polk County's third. This is open to discussion. Rough figures are Prairie Meadows' portion is about $5 million, Polk County's is about $2 - 2.5 million. Mr. Wangsness asked Mr. Palmer to explain about the contract's cap. Mr. Palmer said the contract was negotiated and agreed upon the between the 3 parties; Polk County, the City of Des Moines and Prairie Meadows. We have had these contracts for many years. This contract had a cap of $48 million. Over the course of the previous contract Prairie Meadows paid $32 million. The current contract was an increase of $16 million. At the time of the negotiations, we did not know what the economy would do over the next 8 years. The cap was agreed upon to protect Prairie Meadows from having to pay more than what we were able to afford. We did better than the plan and now the cap will be met in mid-November. Under the contract terms, Des Moines would receive a short payment for November, no payment in December and nothing for 2026. Des Moines has been a good partner with Prairie Meadows. We have many citizens of Des Moines that participate in gaming and utilize the events center. Staff recommended to the Executive Committee and recommends to the Board that we pay the remainder of the contract through 2026. Ms. Morse asked if Prairie Meadows would pay the same 5.1% percentage. Mr. Palmer said yes, 5.1% of the gaming revenues. Prairie Meadows pays two-thirds of the 5.1% and Polk County pays one-third. Mr. Costa said in addition to being a great partner, the City of Des Moines agrees as a part of the contract not to support any other gaming opportunities in Des Moines. Ms. Morse said it is her understanding that the City of Des Moines came asking for this money. Mr. Palmer said yes, he and Mr. Ohorilko met with the Mayor and Des Moines City Manager. They were very professional in their request. They have a good partnership with us. They way they have spent this money and the way they have communicated with the public regarding our funding has been outstanding. They are helping to keep gaming competition and other casinos out of Des Moines and Polk County. Mr. Goodwin asked if meeting the cap had ever been an issue prior to this contract. Mr. Palmer said there was never a cap before, it was always the 5.1%. Mr. Wangsness said Prairie Meadows planned to pay $16 million more than the previous contracted amount. They bumped it up and have met the cap. Mr. O'Hollearn said this is an act of goodwill, we have a very good partnership. We are being forthcoming due to our success. This is what Prairie Meadows is in business to do, lessen the burden of government. Mr. O'Hollearn said he is strongly in support of paying the $5 million, it is the right thing to do. Mr. Wangsness said he would like to discuss that we not only pay the 5.1% for 2026, but also pay the full amounts for November and December of 2025 – that could be a little more than the $5 million total. Ms. Leech said another thing to look at is the financial shortage in the City of Des Moines. Ms. Tauscheck said the City of Des Moines has been public sharing that they have had to make a $17 million budget cut. Mr. Nehring asked when the current contract ends. Mr. Palmer said the end of 2026. Dr. Neville said there will be an action item on November's agenda to vote on this item. The other piece of the vote will be whether Prairie Meadows will also make up the remaining portion of Polk County's piece. Mr. Wangsness said Polk County had said they are not interested in making the contract whole for the City of Des Moines. Ms. Crosbie said Polk County also had a cap. Mr. Wangsness answered their third is included in the cap. They were not interested in continuing payment outside of the contract terms. Mr. Nehring asked if this would have to been addressed each month for the entire year of 2026. Mr. Palmer said no it is paid per each month's gaming revenue. We will be negotiating a new contract to begin after 2026. Ms. Morse said we are waiting to hear what Polk County will do. Mr. Costa said yes, it is strategic to wait until next month and come up with a recommendation dependent upon Polk County's decision. Mr. Palmer said the staff will recommend we fulfill our obligation. We would like to have an action item in November, Des Moines does their budget in January. Mr. Palmer asked everyone to think about it and if it is okay, it can be put on as an action item in November or December at the very latest.

- Finance and Audit

Ms. Morse said the Finance and Audit Committee met this past Monday. There were many things discussed. There was a preliminary view of the 2026 Budget. Prairie Meadows staff will go back through and see if there are any changes to be made. The proposed City of Des Moines payments will certainly affect the proposed budget. We hope to have a recommendation for approval of the final budget at the November Board meeting. Mr. Palmer said the budget is typically voted on at the November Board meeting. Our staff will be available in this room an hour before the meeting for any questions. Meanwhile, if you have any questions please contact our staff.

Ms. Morse said Mr. Sigwarth presented the 401k Audit, it was completed by Deloitte. It was a nice clean audit. Prairie Meadows have nearly $100 million dollars in their plan, which is fantastic. The next committee meeting will be in November.

- Facilities

Mr. Costa said at the Facilities Committee meeting there was discussion about a lot of projects that are going on. There are several small projects; such as carpet repair and painting. There are bigger items such as the building automation project. It is a really large project that encompasses the entire HVAC system. It is a tad under $5 million over the next few years. $1.2 million will be spent in 2026, and the project will be completed in 2027. A big part of the project is to update old equipment that can no longer be repaired. Some equipment is outdated to the point that no replacement parts are available. Another large project is the phone system. It is currently an analog system. The upgrade will be to the voice over IP. It will be completed in 2026 and will cost about $1 million. The MEP study will be completed and presented to the Board in 2026. It is a very comprehensive study of the mechanical, electrical and plumbing systems, as well as the entire facility. It gives timelines, priorities and estimated costs for current maintenance and upgrades of the facility over approximately a 20-year period. It is very important information. We can expect the report toward the end of the first quarter of 2026.

- Human Resources

Mr. Nehring said the Committee met earlier this week to discuss the Secret Santa program. It is a bonus given to front-line employees outside of the collective bargaining agreement. It is given to the employees to help out around the holidays. There was a recommendation from Mr. Palmer for $1,150 for full-time employees and half that amount for part-time employees. The Committee decided that we could do a little better than that and came to a consensus of $1,250 for full-time employees and $625 for part-time employees. We came to that conclusion because it is expected that this will be the second-best year for Prairie Meadows. At the last couple of Board Meetings, Troy has shared we are doing better than budget in many areas. With the recent increase in inflation, we thought it was the right thing to do. Dr. Neville said there is a recommendation from the Human Resources Committee to approve the front-line bonus. Mr. Costa said he would like to have more discussion on the bonus and propose an amendment to the recommendation. At the Finance Committee meeting it was suggested that we make it even a little more fruitful for the employees by taking care of their FICA and Social Security taxes. This would be an additional 7.6%, but the Committee came to the conclusion that 10% might be a better recommendation to be sure to cover those taxes. Mr. Nehring said that sounds great. The employees deserve it, they have worked hard all year and this is a service industry – they could use this bonus. The could increase morale and bring more people in the door. Mr. Nehring made a motion for the Board to approve a bonus of $1,250 for full-time employees and $625 for part-time employees, plus an increase of 10%. Dr. Neville asked for any discussion. Mr. Timmons said he would like to clarify the 10%. He asked if the amount is 10% on top of the FICA or 10% total. Mr. Costa said it is 10% total, paying the FICA creates a little more tax and this will just smooth it out. It takes away the worry if anyone has hit the FICA base. Mr. Linderbaum said he has been impressed with Prairie Meadows retention of employees. These types of bonuses are huge for retention. That is not the only reason we do them, but it shows our employees we appreciate them and they have done a good job. Mr. Linderbaum said he really supports this. Dr. Neville said for clarity the recommendation is $1,250 plus 10% and $625 plus 10%. Mr. Timmons asked for an estimated total. Mr. Palmer said $602,840, plus a little bit due to the amendment. Mr. Timmons said it is clear from Ms. Vitiritto's presentation, Gary said it and Brian said it - the employees are the backbone of Prairie Meadows. Without them none of this is possible.

- Action Item – Front-Line Employee Bonus.

Dr. Neville called for a voice vote. The recommendation was approved unanimously that the Front-Line Employee Bonus will be $1,250 plus 10% for full-time employees and $625 plus 10% for part-time employees.

- Grants

Dr. Lin apologized for missing last month's meeting. He would like to continue the discussion from last month about the request for money outside of the normal grant cycle. The grant cycle starts in January. The Grants Committee was tasked with preparing a guideline or process for out of cycle grant requests. Everyone should have received an email with the proposed policy. Dr. Lin said he doesn't like to go outside of a process and making decisions based upon emotion can get out of hand quickly. A guideline to assess out of cycle grant requests is needed and we need to stay in line with the grant principle. The proposed guideline will help us focus on qualifying circumstances like emergency responses (natural disasters, public safety emergencies and urgent human needs) and needs that are critical to operations of an organization. It will also help identify unique strategic opportunities that align with Prairie Meadows' charitable mission that have a narrow window. Those are the qualifiers for approval of these out of cycle grants. If we act with an emotional response to an out of cycle request and we don't have a process, we could get in trouble. The next item is funding parameters. We said the request must stay within the Legacy Grant amount, which is currently $1 million. We put that instead of saying $1 million because in the future the amount of Legacy Grants may change and we didn't want to have to update the policy. We also talked about having a nice even number for how often an organization can request these grants. We decided on 5 years. The organizations still have to apply, provide a grant proposal and explain why the request cannot wait. Mr. Wangsness said he agrees, by having this process, you are opening to the door to out of cycle grant requests. That is his concern. Dr. Lin said there should be concern. He said he doesn't know that there should be out of cycle grants but appreciates the opportunity to look at an out of cycle grant for these emergent or urgent needs. The process would be that the Grant Committee looks at out of cycle grants and it is approved, it is brought to the Board. If the request does not prove that it is urgent, we suggest the request go to the Executive Committee for their opinion. More eyes looking at it is a good thing. If Exec looks at it and approves it, the request could be brought to the Board. It is a way to have more than just the Grant Committee's opinion. Dr. Lin said the process isn't super simple but it is fair. Mr. Wangsness said if the Grants Committee plans to recommend an out of cycle request, it will probably be a big one, will only the Grants Committee see the presentation or will the Board be presented with the information as well, similar to a Legacy Grant. Dr. Lin said if the Grants Committee thinks it is an appropriate request, it should be presented to the Board. Ms. Leech said the process is a little bulky for a request that is urgent or an emergency. She said she doesn't yet have an opinion on the process, but if it came to the Grants Committee, they discuss it then it had to be presented to the Board it could be two months before the next meeting. Dr. Lin said the Grants process is from January until June or July. So, there is about 6 months that could be outside of the cycle. The application process for the Grants cycle is only January and February, it could be argued that March through December is out of cycle. Ms. Leech said organizations could be late for the application process and try to slip it in as an emergency. Dr. Lin said this policy is amendable. It is a new process with tough requirements. Dr. Lin said his gut feeling isn't we won't get too many out of cycle requests. Mr. O'Hollearn said he isn't too concerned about the $1 million limit. He said let the request speak for itself, for example the airport project. The Board can decide whether the request is necessary. Mr. Palmer said $5 million was given to the airport. Dr. Lin said the airport was a little different, it was kind of part of the grants. It was included in the $13 million spent that year. Therefore, only $8 million was given to other grants. This year we gave out 406 grants, if there are more requests for larger grants, we are limited on smaller grants we can give out. The idea of having a cap makes it cleaner. Mr. Hamp said he thinks people will try even if they read the criteria, they may make us tell them no. He said a limit makes sense. He said there is not much information and a short period of time to make decisions on Board action items. These out of cycle asks are going to be large. Senator Bisignano said he thinks that included in the policy should be a two-thirds majority vote requirement. Ms. Morse said that was the thought behind beginning the process in the Grants Committee. Then if the committee decides it looks good, it would be brought to the entire Board, just like a Legacy Grant to see the presentation. Senator Bisignano said since it is out of cycle, anything that is done needs two-thirds of this Board's approval, to prove that the Board really supports the emergency or the capital infrastructure. Simple majority is not acceptable to the public for this type of request. If a disaster hits, we should have the authority to call an emergency session, as Ms. Leech said, if any emergency happens we can't react fast enough. Ms. Leech said, for those on the Board that are new, in the grants process the requests are pushed out for everyone to see. Then each member scores them and submits their suggestion for funding. Dr. Lin said he didn't think it would be the same process. He said there could be an emergent meeting. Ms. Leech asked whether there would be discussions about whether it would be funded at 100% or less. Dr. Lin said there will be discussions. Dr. Neville asked Julie Stewart to provide more background information. Ms. Stewart said it would be implemented similar to the Legacy Grants. We would react quickly, the information would be sent out, each member would give their score and their opinion on how much would be funded. If there was time, they would come in to present, but in a true emergency that wouldn't be possible. Last meeting, we had a request come in out of cycle and we identified we need to have some guidelines. We need to provide concise and consistent messaging and the process needs to be clear. The policy needs to be transparent and fair. This process would be used more internally for clear communication. If an organization calls to request funding, they will be told about our 3 grant programs. Only if there was a specific request for an out of cycle grant, then the Community Relations department would have the information to give them about the policy and process information. The Grants Committee receives the information through the policy process and decides it meets the guidelines. Then it would be forwarded to the Board. The full Board would receive the application and all the financials through the Blackbaud system. They could review that, go on the system, vote and enter the amount they would like to grant. Then that information would go back to the full Board for a vote. The addition of the two-thirds vote is an easy change to make on the policy if that is what everyone wants. Mr. Goodwin said are we doing this because we have an out of cycle request or because we need the process. Are we having the discussion because of who made the ask and why they made it. The Grants Committee has a process. Is there a real need for a process to go outside of the process or is this just a one off. Are we creating a problem that we don't need. Dr. Neville said there have been a few, not many. He said he understands Mr. Goodwin's opinion. Mr. Hamp asked if we have had them in the past, what is the catalyst for this discussion. Why did this one ask prompt a new process. Mr. Palmer said there has been about 6 or 7 of them. In the past, if there has been an emergency, the Board votes. If it gets 7 or more votes, it passes – it is an exception, they have the right to do that. Past examples are the Ruan airplane, the Grand Prix, the Altoona Economic Development – that was $8 million. It doesn't come up very often. Mr. Wangsness said those seem like sponsorships rather than grants. Mr. Palmer said they were community asks and the Board discussed them and voted upon them. Mr. O'Hollearn said at the beginning of COVID we voted for the Food Bank of Iowa through the United Way to address the need for food. Unexpected things happen. It is good to have a better process and it gives the Board and Grants more structure. When this current ask came to us, many were uncomfortable with it. This will be a better Board with a process than without it. There is still flexibility to react in the moment. Julie's team will still be the first point of contact to explain this is what the policy is and misunderstandings can be clarified at the beginning of the process. Mr. O'Hollearn said he believes it is appropriate. Mr. Costa said to add to this, the current request does not qualify under this document. Mr. Hamp said if we did not have this request in our minds while discussing this process, it may have been a different conversation. To Dr. Lin's point, establishing the process is good. It is critical to separate the process from opinions on the current request that sparked the conversation. Dr. Lin said this should not be an advertisement for out of cycle grants. Mr. Costa said he believes another layer needs to be added to the process. There needs to be funds available for the out of cycle request. The Board may decide the request cannot be afforded in certain circumstances. Dr. Neville asked Dr. Lin as Chair of the Grants Committee how he would like to proceed. Dr. Lin said the amendments of the two-thirds majority and the availability of funds can be added. He would like to know in general if the policy is acceptable to the Board. His point is that if this process had been in place ahead of the current out of cycle request, there wouldn't be all these discussions. It would not have fit the criteria and that could have been the end of the discussion. If the Board doesn't want a process, the Board will need to vote every time there is a one off like this. Mr. Palmer said the times we have had an exception, it has been a 15-0 vote from the Board. There has never been a controversary. It has been very seldom we have received these exceptions. Dr. Neville asked for Dr. Lin's recommendation. Dr. Lin said his recommendation is to approve the guidelines with the subsequent amendments of super majority and availability of funds. Mr. Costa seconded the motion.

- Action Item – Adoption of Policy for Out of Cycle Grant Request

Dr. Neville called for a voice vote. The recommendation was approved unanimously that the Out of Cycle Grant Request Policy be adopted with the subsequent amendments.

Other Business.

Dr. Neville said the upcoming meetings are listed on the agenda.

Dr. Neville said he recognizes the value of the discussion today and transparency in processes. Predictability is prevention. He appreciates everyone's participation and for staying a little late today.

Adjournment. Ms. Leech moved to adjourn the meeting, the motion was seconded by Mr. Hamp. There being no further business, the meeting adjourned at 3:33p.m.

Respectfully submitted,

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Bob O'Hollearn, Its Secretary