

**Monthly Meeting of the
Prairie Meadows Board of Directors
March 26, 2025
2:00 p.m.**

The Monthly Meeting of the Prairie Meadows Board of Directors was called to order by Mr. Sagar in the James Rasmussen Board Room at Prairie Meadows in Altoona, Iowa at 2:00 p.m.

Roll Call.

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

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

Also in attendance were:

Gary Palmer, President/CEO
Michele Wilkie, Executive Vice President
Tom Flynn, Legal Counsel

Nancy Winget, Its Recording Secretary
Members of the Press, Public, and Staff

Approval of the Minutes. A motion was made by Mr. Linderbaum to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on February 12, 2025, as written. The motion was seconded by Dr. Lin and passed on a voice vote.

Public Comment. None

Lobbyist Report. Kellie Paschke reported:

- There are six weeks left in the session.
- Friday is the end of the second funnel and bills must be out of the committees and chambers to be considered.
- After the funnel, the legislators will then work on tax and budget issues; revenue is not coming in as expected and they may have to dip into the reserve; property tax overhaul is at the front and center.
- Gaming Bills. There are a number of gaming bills still floating around. In the Senate, there is a bill to restructure how DCI agents are paid by casinos; in the House, the smoking ban is about to die in the funnel; I-Gaming is sitting in a House Subcommittee and probably won't move; some business bills are about to die in the funnel. Mr. O'Hollearn asked who is pushing I-Gaming and Ms. Paschke said a couple of casinos and platforms.

Financials. Troy Sigwarth, Director of Finance, reviewed the February 2025 YTD financials:

	Actual	Plan
Casino Revenue	\$36.1 m	\$34.5 m
Total Revenue	\$42.1 m	\$39.3 m
Net Revenue	\$39.8 m	\$36.8 m
Payroll Expenses	\$9.6 m	\$9.5 m
Operating Expenses	\$7.4 m	\$7.6 m
Net Income before Community Benefit	\$13.9 m	\$11.7 m

Total Revenue, \$42.1 million YTD: Casino \$36.1 million; Hotel and Events \$1.7 million; Sportsbook \$1.5 m; Food and Beverage \$1.1 million; Other \$1.5 million; Pari-Mutuel \$100,000.

Top Performing Areas February – Most Recent 4 Years: Photo Finish Lounge and Gift Shop. All-time record: Hotel, Café at the Meadows, Prairie Coffee Company.

2025 YTD February Casino Revenue:

Iowa Market Comparison by size or 60-mile radius	
Prairie Meadows	\$36.3 m
Horseshoe	\$26.7 m
Ameristar II	\$25.6 m
Riverside	\$19.8 m
Isle – Waterloo	\$14.9 m
Harrah's	\$10.5 m
Lakeside	\$7.3 m
Wild Rose Jefferson	\$5.8 m

Staff Report. David Fast, Director of Sales and Events, said he has been here since November 2022 and has 19 years of experience in the industry, and reported:

- The department reports to Julie Stewart, Vice President of Business Development. Introduced staff: Matt Kiernan, Senior Sales Manager; Shanna Greve, Sales Manager; Savannah Colley, Event Sales Manager; Kara Wenzel, Event Coordinator; Jenn Anderson, Event Coordinator.
- The Meadows Event Center since 2021. Revenue has increased 311%; Group Hosted Covers have increased 92%; New Contracts signed have increased 23%.
- Hotel since 2022. Group Room revenue has increased 85%; Group Room nights have increased 71%. The focus is multi-day groups that generate revenue for other departments.
- Highlights. AJ's Steakhouse groups had an 115% increase YOY, 2023-2024. We hold an Annual Client Appreciation Event "Mingle at the Meadows" in September to thank past groups and try to get new business, and sample the new holiday menu. Holiday Parties have increased from 20 in 2022 to 50 in 2024. The department represents PM on several Boards and Committees in the DM area.
- Growth Initiatives focus: AJ's Steakhouse Private Dining, Hotel Corporate Travel, Photo Finish Lounge, and Race Day Groups.

Mr. Costa asked if the closure of the Adventureland Hotel will have an impact and Mr. Fast said we're not seeing anything at this time as it just happened; a few moved here last year; we're seeing growth on the transient side; Hotel revenue has jumped – that is his background. Mr. O'Hollearn asked the capacity to take on more groups – is it 100%, 50% or something else? Mr. Fast said the hotel is not quite at capacity; we have the knowledge to maximize space by shifting dates to maximize space; there are two weeks in 2025 that nothing has been booked – Thanksgiving and July 4, and we anticipate no weeks with no bookings.

President's Report. Mr. Palmer said the list of upcoming events is in the packet:

- April 15 – United Way Luncheon; call Julie Stewart to reserve a seat.
- April 22 – Facilities Committee Meeting.
- May 9 – First Day of Racing
- June 20 – Board Night at the Races. Tour at 5:00 p.m.; Dinner at 6:30 p.m. Please RSVP to Nancy by April 18.
- June 25 – Next Board Meeting.
- October 5-9 – Global Gaming Expo (G2E) in Las Vegas. Please RSVP to Nancy by April 18.

Committee Reports

- Finance/Audit. Dr. Neville reported that the committee met on Monday and reviewed an update on the Internal Audit Department: Risk Assessment for 2025, the Committee's Duties and Responsibilities, Internal Audit Work Plan, and Audit Rating System; the committee fulfilled its 2024 obligations. The committee also received an external audit report from Deloitte & Touche; his takeaway from the external audit is: Complete, Consistent, Clean, Clear, and Correct; the acceptance of the audit report is an Action Item. Mr. Sigwarth said the audit went well, it was a clean report; PM is an open book; an interim audit of the first ten months was done in December, and the auditors were on property at the end of February – first part of March for three weeks; it was a great audit; the Finance Committee reviewed the audit; Thad Erickson and Kristine Schmidt from Deloitte had nice things to say – they have been doing our audit for about nine years.
 - Dr. Neville recommends acceptance of the Deloitte Audit Report. Mr. Sagar said this is a committee recommendation and no second is needed. The motion unanimously passed on a voice vote.
- Facilities. Ms. Grandquist said the committee did not meet.
- Human Resources. Ms. Morse said the committee met on Monday and again prior to this meeting; it was the first meeting of the year and there are new members; there are two Action Items today:
 - Action Item – 2025 Incentive Plan. Ms. Morse moved approval of the 2025 Incentive Plan (approved budget plan) for non-bargaining employees, the motion was seconded by Mr. Linderbaum, and unanimously passed on a voice vote.
 - Action Item – Employment Contract for Brian Ohorilko. Ms. Morse moved to extend the offer to Mr. Ohorilko with a base pay of \$450,000 and the standard Incentive Plan. Ms. Morse said the committee considered many points using the 2024 Compensation Study, comparing CEO's of non-profit and for-profit organizations; she met with Mr. Ohorilko and he is happy with the contract – it is a strong, competitive package and she'd like the Board to authorize and execute finalization of the three-year contract on behalf of the organization, put together by Mr. Flynn. Mr.

- O'Hollearn asked if the date is December 1 and Ms. Morse said it's January 1, 2026. Mr. Costa asked about the analysis and offer of \$450,000 – what is the pay range? Ms. Morse said the committee took into consideration a range (25%, 50%, 75%); 75% would be a seasoned, long-time employee like Mr. Palmer; 25% is someone new to the role and who's possibly not done that position, but we know he's capable; 50% is someone who's been doing the position a while, is good at the job, and has been in the position for 5-10 years; this base pay puts Mr. Ohorilko in the 30-35% range, plus the Incentive Plan; the committee looked at two components and mixed the components; the compensation study has credible information and is current, and it looked at the Des Moines area and Iowa; a new CEO would be at a lower base. Mr. Costa noted it is a three-year contract and asked if it included an annual increase and Mr. Flynn said it's a three-year term, the Board determines compensation every year. Mr. Costa believes this is a step-down and Ms. Morse said that's a normal reaction, but for someone new to a role compared to someone who has done it for a long time, the number does seem low, he has three years to grow and prove the Board made the right decision.; it's hard to compare someone new to Mr. Palmer who's been doing this for 20+ years. Ms. Morse said she met with Mr. Ohorilko and we want him to have fair compensation – he said he's ready to go; she has a lot of spreadsheets and data to share if anyone is interested. Ms. Morse said the committee was engaged, had opinions, and had something to say and put a lot of thought into this recommendation. Mr. O'Hollearn commended and thanked the committee for the time it spent making this recommendation. Dr. Neville asked, with the bonus and salary, what percentage (range) is this and Ms. Morse said new would be 25%-50% and he is in the 30%-35% range – it's \$450,000 plus 100% bonus. Dr. Neville asked if that's assuming a full bonus and Ms. Morse said yes – the incentive is a “carrot”, and the committee feels we're in a good spot. Ms. Leech noted the committee was in full agreement. Mr. Costa said he will vote no, not because he doesn't want Mr. Ohorilko, but because he feels the salary should be higher. The motion passed on a Roll Call Vote (11 yes, 2 no - Costa, Mauro).
- Grants. Dr. Lin said everyone just received a copy of the Legacy Grant Book. It's a testament to the success the grant program has become with giving of \$4 million in 2021, \$15 million in 2024 and \$13.5 million in 2025; 350 grant requests in 2022, 674 in 2025; Community Betterment requests 436 in 2022 and 564 this year. The first committee meeting will be April 9. The full Board votes on Legacy Grants – please read and rate the grants, and return the scores by April 18; we'll have presentations on the highest rated Legacy Grants on April 30, May 1, and May 2. Requests totaled \$20 million in 2021 and close to \$47 million in 2025 – it's a lot of work for the committee. This year there is \$13.5 million with requests of \$47 million; historically it's been a 50-50 split between Legacy and the other two programs; we received 674 Community Betterment and Youth Sports requests, but not all have been confirmed, so there is no allocation yet and there is no Action Item yet as to the percentages; information will be sent out or we can wait until the next meeting. Ms. Morse suggested reviewing 30 or so grants every night – it is a lot of work. Dr. Lin said this is his third year on the committee and he reads each grant first before putting the score into the portal – it's heartbreaking and rewarding at the same time. Ms. Morse said it would be nice to get a better system. Mr. Wangsness gave a shout-out to Dr. Lin for being the Chair for two years and thanked the committee for reviewing all the Community Betterment requests. Ms. Grandquist is thankful to everyone on the committee – it is hard work, and a thank you to Julie Stewart for putting everything together. Dr. Lin said the celebration of grants luncheon

is amazing. Ms. Morse said last year, Legacy requests all deserved money. Dr. Lin also thanked staff – Chantel Olsen, Cade Johnson, and Matt Kiernan, for being on the committee. Mr. Costa asked what constitutes a conflict of interest, when should he recuse himself – if he makes a contribution? Mr. Flynn said no, it's if an immediate relative is an employee or if you or your relative is on that organization's board. Mr. Sagar thanked Mr. Lin and the committee for the work it takes to make contributions to the community of \$13.5 million, and to Julie Stewart who makes the process as easy as possible.

Other. Mr. Sagar said the next meeting is June 25, 2025.

Adjournment. Mr. Costa moved to adjourn the meeting and the motion was seconded by Dr. Lin. There being no further business, the meeting adjourned at 2:50 p.m.

Respectfully submitted,

Linda Grandquist, Its Secretary