

**Monthly Meeting of the
Prairie Meadows Board of Directors
June 28, 2023
2:00 p.m.**

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

Roll Call.

Dennis Albaugh
Chris Costa
Linda Grandquist
Danny Homan
Dr. Ian Lin
Marty Martin - phone
John Mauro
Dr. Steven Neville

Bob O’Hollearn
Ken Sagar
Mary Simon
Susan Voss
Jeff Wangsness
Rowena Crosbie – arrived during Financials
Tiffany Tauscheck - phone

Also in attendance were:

Gary Palmer, President/CEO
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. Homan to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on March 22, 2023 and the Special Board Meeting held on May 15, 2023, as written. The motion was seconded by Mr. Sagar and passed on a voice vote.

Public Comment. None

Lobbyist Report. Mr. Skinner was unable to attend.

Financials. Elaine Castelline, Vice President of Finance/CFO, reviewed the May YTD financials:

	May Actual	May Plan
Casino Revenue	\$102 m	\$94.9 m
Total Revenue	\$115.3 m	\$108.3 m
Net Revenue	\$109.6 m	\$102.2 m
Payroll Expenses	\$21.9 m	\$22.6 m
Operating Expenses	\$21.6 m	\$22.8 m
Net Income before Community Benefit	\$40.5 m	\$32.7 m

Total May YTD Revenue \$115.3 million: Casino \$102.0 m; Sportsbook \$3.4m; Hotel and Events \$3.0 m; F&B \$3.0 m; Other \$3.0 m; Pari-Mutuel \$800,000 – this will grow with Live Racing; 88¢ of every \$1.00 comes from the gaming floor.

Top Performing Areas – Most Recent 4 Years and All-time Record for May: Café at the Meadows Revenue, Paddock Revenue, Prairie Coffee Company Revenue, and Champions and the Gift Shop were Top May Performing Areas in the Most Recent 4 Years.

Iowa Market Comparison by size or 60-mile radius	
Prairie Meadows	\$102.0 m
Horseshoe	\$84.7 m
Ameristar II	\$76.5 m
Riverside	\$55.0 m
Isle – Waterloo	\$38.7 m
Harrah’s	\$29.3 m
Lakeside	\$21.6 m
Wild Rose Jefferson	\$16.1 m
Iowa Casino average vs. 2022	-1.9%
Iowa Casino average vs. 2022 without PM	-2.9%
Competitors’ average vs. 2022	-4.75

Surrounding Markets vs. 2022	
Prairie Meadows	+5.1%
St. Louis	+2.3%
Kansas City	+1.4%
Omaha/Council Bluffs	-5.8%
Quad Cities	+2.0%

Ms. Castelline said PM is doing well and she believes it’s due to the great Guest Service, and PM is clean and safe. Mr. Albaugh congratulated staff on a good job, PM had five months ahead of plan, and it was an aggressive budget. Mr. O’Hollearn asked if the Quad Cities could be included in the Iowa Market Comparison and Ms. Castelline said we show the Eastern and Western sides of the state as we don’t see a lot of people coming from the Quad Cities area. Mr. Palmer said only one casino compares to PM, and that’s Horseshoe – we used to do about \$1 million better, but last month it was \$5 million better; the new Nebraska casinos are taking away from Horseshoe.

New Member. Mr. Albaugh welcomed Rowena (Ro) Crosbie to the Board, noting she was appointed by the DM Partnership to replace Jeff Russell who is taking a job out of state. Ms. Crosbie said she’s happy to be part of the Board and she runs Tero International, Inc. – a skills research and corporate training company.

Racing Update. Mr. Heldt, Vice President of Racing, reported on the 2023 Racing Season:

- May 12 – the Meet started with Thoroughbred Races for 20 days, ending on June 17.
- June 18 – the Mixed Meet started (Thoroughbred and Quarter horses); 7 Thoroughbred and 3 Quarter Horse races a day.
- There are 846 Thoroughbreds and 378 Quarter Horses on the Backside, with stall space for 1,350.

- Handle On-Track is up; Handle Off-Track - Thoroughbreds down, Quarter Horses up. We have good crowds on the Apron, the weather has been good, and there's good participation in games between Races, coordinated by the Marketing Department.
- Field Size: Thoroughbred flat; Quarter Horse slightly up.
- New Federal Regulations started July 1, 2022 regarding the safety and welfare of the horses and the track, and we're doing different policies and reports; starting May 22, 2023, medication regulations came in; the IRGC, horsemen, and PM have meetings to discuss what's working and what's not working.
- July Highlights:
 - July 3 – fireworks at dusk; Post Time 4:00 p.m. with 10-11 races.
 - July 7 – the IRGC Meeting will be held at PM at 2:30 p.m., followed by a tour of the Backside (Racing operations, test barns, Administration Building, a barn) and then a tour of the front-side operations (Racing Office and its duties, Jockeys' Quarters, etc.).
 - July 7 – Hall of Fame; Mr. Albaugh is the inductee.
 - July 7-8 – Festival of Racing with major Stakes Races.

Action item – By-Laws. Mr. Flynn said the revisions were driven by the clause on Page 3 - the IRGC used to require non-voting Board members to be licensed, and has changed and they no longer need to be licensed; Page 6, Section 5.7, The Secretary provision was revised; there are a couple of other minor revisions. Ms. Voss moved to approve the amended By-Laws, the motion was seconded by Mr. Homan, and unanimously passed on a voice vote.

President's Report. Mr. Palmer:

- Welcomed Ro Crosbie to the Board.
- July 3- fireworks.
- July 7 – Mr. Albaugh will be inducted into the Hall of Fame.
- July 21- Board Night at the Races. Tour the Backside and dinner.
- Property Taxes will be protested.
- Hotel remodel will be completely done within three weeks.
- July 22, 23 – PM is a sponsor for the Hy-Vee Indy Car Races; call Julie Stewart for tickets.

Committee Reports

- Finance/Audit. Ms. Simon said the committee met on Monday, and the property tax increase was the main discussion; PM's taxes went up \$75 million or 75% and PM would have to pay \$1.5 million (Polk County pays taxes up to \$4.5 million); we had a hearing before the Board of Review with no satisfaction; we have 20 days after June 30 to file with the Polk County District Court – our protest is that Polk County owns the building and PM is a non-profit; PM will hire two independent appraisers. Ms. Simon said that Mr. Shirley, Internal Auditor, reported on the audits – they are going well.
- Facilities. Mr. O'Hollearn said the committee didn't meet.
- Human Resources. Mr. Martin said the committee didn't meet.

- Grants. Ms. Voss thanked Julie Stewart and her team – the committee couldn't have done its work without them; PM had a record year and there was \$13 million to give out; there are three buckets:
 - Community Betterment – \$3,697,000. We received 410 applications and 234 received funding.
 - Youth Sports - \$303,000. We received 53 applications and 23 received funding.
 - Legacy - \$4 million. We received 38 applications and 19 received funding. The Board also approved a \$5 million grant to the DM Airport.

Ms. Voss noted that after the Board votes, we'll reach out to the recipients; the Grants Luncheon will be held on September 1, 2023; the three Resolutions are in the packet; thanks to everyone for the hard work – it was a good committee and team. Mr. Albaugh thanked the committee and the Board for reading all the applications.

Action Items – Distribution of Legacy Grants, Community Betterment Grants, and Youth Sports Grants. Ms. Voss said the committee recommends and she moves the Resolutions as submitted in the packet; the motion was seconded by Mr. Homan, and unanimously passed on a voice vote.

Other Business.

- Next Meeting – July 26.
- Board Night at the Races – July 21.
- Fireworks – July 3.
- Mr. Palmer said we beat budget for the first five months of the year, and will do in June.

Adjournment. Mr. Homan moved to adjourn the meeting, the motion was seconded by Ms. Simon, and passed on a voice vote. There being no further business, the meeting adjourned at 2:30 p.m.

Respectfully submitted,

Dr. Steven Neville, Its Secretary