

**Monthly Meeting of the  
Prairie Meadows Board of Directors  
September 27, 2023  
2:00 p.m.**

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

Roll Call.

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

Bob O'Hollearn - phone  
Ken Sagar  
Mary Simon  
Susan Voss  
Jeff Wangsness  
Rowena Crosbie  
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 Ms. Grandquist to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on July 26, 2023, as written. The motion was seconded by Mr. Sagar and passed on a voice vote.

Public Comment.

- Richard Nelson, a Table Game Dealer at Prairie Meadows, expressed his concerns about the CEO's statement at the March 2023 Board Meeting that Table Game Dealers can make \$100,000 a year at Prairie Meadows. Mr. Costa asked Mr. Nelson's base pay and he said \$8.50 - \$9.00 and he's been here for four years. Mr. Mauro asked his salary last year and he said \$52,000. Dr. Neville said he appreciates Mr. Nelson's concerns, and what is it he wants the Board to do? Mr. Nelson said the Board needs to address the statement made that Table Game Dealers make \$100,000/year and should raise Dealers wages to \$16.50/hour due to inflation. Mr. Wangsness asked why Dealers make less – fewer hours, fewer gamblers, fewer tips? Mr. Nelson said it's tips, fewer games, fewer Dealers – his concern is \$7.60 is unacceptable. Dr. Neville said if wages went to \$16.50, would all be forgiven and Mr. Nelson said no, the CEO made a false statement to the Board that must be addressed. Mr. Mauro appreciates the comments; wages need to be addressed if employees are not getting a good wage; he's concerned that Mr. Nelson believes the CEO is worried about the end-of-the-year results, and not employees; he's known Mr. Palmer since the beginning of PM, and Mr. Flynn since PM came out of bankruptcy. Ms. Voss noted there are two issues – wages and a personnel matter; the Board can discuss wages, but the personnel matter should be done in an executive session. Mr. Homan agreed with Ms. Voss and said the Board has no authority to separate out wages – that is a union issue not for the Board – that violates a lot of laws. Mr. Wangsness remembers the meeting and vaguely remembers the comments – his

interpretation was “can make up to \$100,000”. Mr. Palmer said the discussion started when Mr. Mauro brought up minimum wages and Mr. Palmer said our Dealers are so good that they can make up to \$100,000/year; he apologizes if his comment was taken in a different way, as some Dealers do make \$100,000.

- Jon Moss, Executive Director IHBPA, representing the thoroughbreds, noted the Board is aware that in 2020, a federal bill was introduced for HISA and that has caused an upheaval in the industry; PM lost a trainer due to the new regulations; horsemen across the country are concerned; there are a lot of litigation lawsuits against HISA; yesterday, US House of Representatives Higgins from Louisiana introduced new legislation supporting the horsemen – getting rid of the HISA assessment; he’d like a discussion if PM would support the new legislation, as the current situation is unconstitutional; there is no money involved; he will continue to work on this. Mr. Wangsness asked if Mr. Moss needs a Board pledge or something from Mr. Palmer, and Mr. Moss said he’d like the racetrack to put its name on a support letter.

Lobbyist Report. Kellie Paschke reviewed the Legislative Update, September 2023:

- Proposed Administrative Rules related to sports wagering and fantasy sports.
- Board and Commissions Review Committee Recommendations. The commission will review 250+ board and commissions; there will be no change to the Iowa Racing and Gaming Commission; recommends changing the name of the Iowa Lottery Board of Directors to Iowa Lottery Commission; recommends eliminating gender balance requirements.
- Governor Reynolds reduced the State Corporate Income Tax from 8.4 to 7.1.
- The fiscal report just came out and the state has an excess of \$1.83 billion.
- Troy Skinner is still practicing law, but has stepped back from lobbying; he will make the legislative report next month.

Financials. Cheryl Tuttle, Director of Finance, reviewed the August YTD financials:

<b>August YTD</b>	<b>Actual</b>	<b>Plan</b>
Casino Revenue	\$163.5 m	\$152.4 m
Total Revenue	\$186.6 m	\$174.6 m
Net Revenue	\$177.2 m	\$164.7 m
Payroll Expenses	\$35.9 m	\$36.8 m
Operating Expenses	\$47.3 m	\$48.4 m
Net Income before Community Benefit	\$53.6 m	\$41.5 m

Total Revenue, \$186.6 million YTD: Casino \$163.5 million; Sportsbook \$4.8 million; Hotel and Events \$5.1 million; Food and Beverage \$5.1 million; other \$5.8 million; pari-Mutuel \$2.3 million.

Top Performing Areas – Most Recent 4 Years. Slots, Table Games, Poker, Hotel, Café at the Meadows, Paddock, Prairie Coffee. Slots and Cafe at the Meadows had an all-time record for August.

<b>Iowa Market Comparison by size or 60-mile radius</b>	
Prairie Meadows	\$163.5 m
Horseshoe	\$133.4 m
Ameristar II	\$122.0 m
Riverside	\$88.8 m
Isle – Waterloo	\$56.0 m
Harrah’s	\$46.9 m
Lakeside	\$34.1 m
Wild Rose Jefferson	\$25.2 m
Iowa Casino average vs. 2022	-1.8%
Competitors’ average vs. 2022	-2.75

Racing Update. Derron Heldt, Vice President of Racing, reported on the 2023 Race Meet:

- 2 days of Racing left. In 2022, we had 84 days of Racing, and in 2023, we have 80 days of Racing. Through 78 days:
  - Handle – Thoroughbreds, down \$4,800,000 off-track and down \$195,000 on-track.
  - Handle – Quarter Horses, up \$400,000 off-track and up \$4,200 on-track.
- Field Size:
  - Thoroughbreds. 6.3 in 2023 vs. 6.6 in 2022.
  - Quarter Horses. 6.9 in 2023 vs. 6.6 in 2022.
- The agreement for 2024 is 80 days of Racing.
- Friday – 11 races with 4 Quarter Horse stakes races.
- Saturday is Iowa Classic with all Iowa-bred horses; 14 races; post time is 4:00 p.m.; 4 Quarter Horse stakes races and 10 Thoroughbred races (7 stakes races); winners are usually voted Divisional Champions.
- The ITBOA held its Annual Sale in August; sale prices are increasing year over year; two horses were sale toppers at \$50,000 each.
- At the Keeneland Yearly Sale, there were 4,500-5,000 horses, one Iowa-bred sold for over \$80,000.
- After Saturday, staff will start working on next year:
  - Work the track to get ready for April of 2024; a clay/sand mixture will be added to the track in October.
  - Shingle 4 barn roofs and repair shingles on one roof.
  - Re-asphalt a road between barns.

Ms. Grandquist asked if the quality of the track is why there are less accidents and Mr. Heldt said yes, along with the scrutiny from HISA; we had two catastrophic injuries this year; we’re proud of the surface; we have a new Track Superintendent; track measurements are taken twice a day; HISA will inspect the track next Spring. Ms. Grandquist congratulated staff on having a safe track. Mr. Wangness asked if staff is anticipating numbers to be similar next year and Mr.

Heldt said we'll start conversations – compared to other tracks, we're ok, but improvements need to be made, along with HISA regulations and HBPA issues.

Staff Report. Michele Wilkie, Executive Vice President, reported:

- Union Contract Negotiations. PM has three unions – the largest is AFSCME representing approximately 540 employees and shares a joint agreement with the Operating Engineers who represents approximately 20 employees; the third union is the Machinists representing approximately 45 employees. Negotiations with AFSCME and the Operating Engineers started June 16 and wrapped up on July 12; the tentative agreement was ratified July 28. Although four meetings were scheduled, there has been no opportunity to meet with the Machinists; we entered an agreement to operate under the current contract as the contract expires 10-1. If anyone has questions, please see her after the meeting.
- Prairie Meadows University (PMU). This is a leadership development program with Drake University; the 2023 class is winding down – the last class was 9-13 and job shadowing is due 10-1; the Capstone projects will be presented at the Directors' Meeting on October 19; the class was split into two groups and the Capstone topics are: trends in casino operations and trends in live racing; the presentation and each individual will be evaluated; all this is in addition to their normal hours of work; we'll host a celebration dinner in November.

Mr. Wangness asked how the students were selected and Ms. Wilkie said the three years prior to COVID, we had a application process with score sheets; this last group of seven are Directors new to the organization or newly promoted to that position – this class was “hand-picked”.

#### Committee Reports

- Finance/Audit. Ms. Simon said the committee did not meet.
- Facilities. Mr. O'Hollearn said the committee did not meet.
- Human Resources. The committee did not meet.
- Grants. Ms. Voss said the committee met last week; PM had a very successful year, and every year is more successful; PM's name is out there; being on the committee is a labor of love; the committee looked at the Legacy Grants Application and thought with the out of the area requests and the number of other casinos who should be giving, for the sake of the application and committee time, the committee would like to add language that PM Legacy grants are primarily for Central Iowa, with the option if something comes up (i.e. request from U of I Hospitals, etc.), it can be considered. The committee recommends the language be added to the Legacy Grant Application. Ms. Simon read the proposed language, “Prairie Meadows Legacy Grants are for projects primarily located in the following counties: Polk, Warren, Story, Jasper, Marion, Boone, Dallas, Madison, Marshall”. Mr. Sagar moved to approve the additional language, the motion was seconded by Mr. Wangness, and unanimously passed on a voice vote.

President's Report. Mr. Palmer reported:

- The Finance/Audit Committee will meet on October 23 to review the budget and hold its regular meeting.

PM Board Meeting – September 27, 2023

- The next Board Meeting is October 25 at 2:00 p.m.
- November 10 – Veteran’s Day will be observed at PM at 2:00 p.m.
- November 18 – Bee Gees Tribute Band.
- November 15 – Board Meeting at 2:00 p.m.
- December 3 – Commodores Tribute Band.
- We have cooler bags for each Board member along the wall left over from a giveaway.

Other.

Ms. Simon said the next meeting is October 25 at 2:00 p.m.

Adjournment. Mr. Sagar moved to adjourn the meeting and the motion was seconded by Ms. Grandquist. There being no further business, the meeting adjourned at 2:54 p.m.

Respectfully submitted,

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Dennis Albaugh, Its Chair