

**Annual Meeting of the  
Prairie Meadows Board of Directors  
November 15, 2023  
2:00 p.m.**

The Annual 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 - phone  
Dr. Ian Lin  
Marty Martin - absent  
John Mauro  
Dr. Steven Neville

Bob O’Hollearn - absent  
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 Dr. Neville to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on October 25, 2023 as written. The motion was seconded by Ms. Grandquist and passed on a voice vote.

Public Comment. None

Lobbyist Report. Troy Skinner said there is not a lot to report:

- Hard Rock in Sioux City was purchased by Churchill Downs, and will discontinue the sports betting app on November 28, but will continue sports betting in the casino; it reported a \$30,000 loss in September.
- The NCAA has relaxed some penalties on student athletes betting on sports.

Action Item – Lobbyist Contract for 2023. Mr. Palmer said Skinner-Paschke has done an excellent job for PM; the recommendation is a 3.5% increase from \$95,259.02 to \$98,593.09. Ms. Simon moved to approve the 3.5% increase, the motion was seconded by Ms. Grandquist, and unanimously passed on a voice vote.

Action Item – I-Gaming Resolution. Mr. Sagar moved that PM take affirmative action to educate the members of the Iowa Legislature, along with the general public, the charitable organizations, the governmental bodies and all other persons and organizations that benefit from PM’s business, of the harmful results perceived by this Board if I-Gaming is adopted in Iowa, and instruct Gary Palmer and his staff to take all appropriate action to resist and defeat the passage of I-Gaming in Iowa. The motion was seconded by Dr. Neville. Ms. Voss asked about other states and Mr. Palmer said six states have on-line gaming, and it’s slowly growing;

I-Gaming allows people to stay home and gamble, and that’s not good; PM has been against this since the start; half of the Iowa casinos are against this; the Iowa casinos owned by Las Vegas companies are for it, but Las Vegas doesn’t want it there; it’s best for people to come to a place where gaming is regulated (brick and mortar); staff thinks PM should be active in fighting I-Gaming. Mr. Wangsness asked if there’s a campaign to lobby against this and Mr. Palmer said it would start with the Iowa Gaming Association which meets today – if there’s a majority, go for one platform, but that’s not going to happen. Mr. Skinner said this is not eminent, but it’s not going away; I-Gaming will take a chunk from brick and mortar; when his firm meets with the legislative leaders, we tell them we’re seeing this as bad for the industry; it’s never gotten past the sub-committee process yet; there needs to be a lot of conversations and educating friends, labor, charities, and we hope the horsemen will be with us. Ms. Voss asked who lobbies for out-of-state casino owners and Mr. Skinner said Penn Gaming, Harrah’s, Caesars, Draft Kings, Fan Duel, etc. – there are about 20 lobbyists. Mr. Palmer said he met with Brian Ohorilko, IRGC, yesterday and discussed trends – this is the first year in a long time that gaming in Iowa is down 7% as an aggregate – some may be due to the Nebraska casinos; PM is not down; staff thinks it’s a good idea to get a moratorium on gaming – Iowa has 19 casinos and four Native American casinos, and that’s enough; Nebraska, Wisconsin, and Illinois are getting casinos.

Mr. Albaugh said there is a motion and second for Mr. Palmer and the team to take on the I-Gaming challenge and requested the Board vote – the motion unanimously passed on a voice vote.

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

<b>October</b>	<b>Actual</b>	<b>Plan</b>
Casino Revenue	\$203.1 m	\$190.1 m
Total Revenue	232.6 m	218.7 m
Net Revenue	220.9 m	206.4 m
Payroll Expenses	45.9 m	46.0 m
Operating Expenses	59.7 m	61.1 m
Net Income before Community Benefit	65.0 m	51.6 m

Total Revenue, \$232.7 million YTD: Casino \$203.1 million; Hotel & Events \$6.7 million; Food 7 Beverage \$6.3 million; Other \$7.0 million; Sportsbook \$6.8 million; Pari-Mutuel \$2.8 million.

Top Performing Areas – Most Recent 4 Years -Slots coin-in, Poker, Events Center/Banquets, hotel, Gift Shop, Café, Paddock, Photo Finish Lounge, Prairie Coffee Company. Slots coin-in and the Paddock had an all-time record for October.

<b>Iowa Market Comparison by size or 60-mile radius</b>	
Prairie Meadows	\$203 m
Horseshoe	\$163.0 m
Ameristar II	\$152.0 m
Riverside	\$109 m
Isle – Waterloo	\$78.3 m
Harrah’s	\$59.4 m
Lakeside	\$41.8 m
Wild Rose Jefferson	\$31.1 m
Iowa Casino average vs. 2022	-3.1%
Competitors’ average vs. 2022	-4.5%

Mr. Costa noted salaries and wages are on point – what is the variance in October and Ms. Castelline said in negotiations with the Union, employees with 10+ years were given a 3% increase that wasn’t in the plan, and insurance went up – a new year and new prices.

President’s Report. Mr. Palmer reported:

- Veteran’s Day. PM held a celebration last Friday; it was a great day with great speakers and great attendance.
- Saturday, November 18 – Bee Gee’s Tribute Band in the Finish Line Show Lounge; the show is sold out – tribute bands are doing well.
- Thanksgiving. AJ’s will be open 11:00 a.m. – 8:00 p.m. with a great menu; \$60 for adults, \$19 for children.
- Sunday, December 3 – The Commodores in the Events Center starting at 7:30 p.m.; tickets are still available.
- Handed PM’s check for DM Partnership dues to Ms. Tauscheck.

Committee Reports

- Finance/Audit. Ms. Simon said the committee did not meet in November, but did review the 2024 budget at the October meeting; Ms. Castelline was available today from 1:00 p.m. – 2:00 p.m. to answer any budget questions. Ms. Castelline said the team worked hard on the budget; we met with every department and it took two months to complete the budget; we have 1,500 lines and 52 departments. Ms. Simon said there is a lot of due diligence; staff uses historical data; projects for 2024 include carpet in the casino and escalator replacement, and the downtimes affect guests – staff made adjustments to reflect the construction.  
Action Item – 2024 Budget. Ms. Simon moved to approve the 2024 Budget, the motion was seconded by Mr. Sagar, and unanimously passed on a voice vote.
- Facilities. No meeting in November.
- Human Resources. No meeting in November.
- Grants. Ms. Voss said there’s nothing to report.

Action Item – Recommendations from the At-Large Committee for two positions: one At-Large position and one Horsemen’s position. Ms. Simon said she, Dr. Lin, and Jeff Wangsness interviewed two applicants for the At-Large position and two applicants for the horsemen’s position and the recommendation is: Andrea Morse for the At-Large position and Deb Leech for the Horsemen’s position. Ms. Simon moved the positions be filled by Ms. Morse and Ms. Leech and the motion was seconded by Ms. Grandquist. Mr. Mauro asked for some background information on the two recommendations. Ms. Simon said Andrea Morse is a CPA, lives in Altoona, worked for the Rasmussen Group years ago, is on several boards, is close to retirement, and wants to give back to the community. Ms. Leech lives in Ankeny, is very enthusiastic about PM and horse racing, is very knowledgeable, owns horses, supports PM, and wants to give back to the community. Mr. Albaugh said Ms. Leech and her husband are at every race he’s attended and is well liked by the horse groups. The motion unanimously passed on a voice vote.

Announce Appointments to the Board. Mr. Albaugh noted these are appointments and no motion or vote is needed:

- Polk County has reappointed Linda Grandquist for a second three-year term.
- Labor has appointed Todd Copley for his first three-year term.

Action Item – Election of Executive Committee. Mr. Flynn said there are six people so far for five positions, and asked if anybody would like to add their name to the ballot (no one responded) and noted anyone can write in a name/names; he passed out ballots and said to vote for no more than five people; he and Ms. Wilkie will count the votes and report back to the Board; after we get five members, the Board will vote for a Chair, Vice Chair, and Secretary. The Executive Committee for 2024 is: Dr. Neville, Ms. Grandquist, Mr. Sagar, Mr. Wangsness, and Mr. O’Hollearn.

Action Item – Election of Executive Committee Officers (Chair, Vice Chair, Secretary).

- Chair. Ms. Simon nominated Mr. Sagar and the motion was seconded by Ms. Grandquist. Mr. Costa nominated Dr. Neville, who requested his name be withdrawn. The motion for Mr. Sagar unanimously passed on a voice vote.
- Vice Chair. Mr. Mauro nominated Dr. Neville and the motion was seconded by Ms. Grandquist. There were no other nominations and the motion for Dr. Neville unanimously passed on a voice vote.
- Secretary. Ms. Simon nominated Ms. Grandquist and the motion was seconded by Mr. Mauro. There were no other nominations and the motion for Ms. Grandquist unanimously passed on a voice vote.

2024 Executive Committee:

Ken Sagar – Chair  
Dr. Neville – Vice Chair  
Ms. Grandquist – Secretary  
Mr. Wangsness  
Mr. O’Hollearn

Recognition of Retiring Board Members: Dennis Albaugh, Mary Simon, and Danny Homan. Mr. Palmer and Ms. Wilkie presented a token of appreciation to Mr. Albaugh and Ms. Simon and thanked them for their service. Mr. Palmer said we'll deliver the gift to Mr. Homan since he was unable to attend the meeting. Mr. Albaugh said the six year went fast, he loves PM and will always be a supporter.

Recognition of Retiring Chair: Dennis Albaugh. Mr. Palmer presented a plaque to Mr. Albaugh in appreciation for being the Board Chair in 2023.

Other Business. Mr. Albaugh noted:

- Next Board Meeting: December 20, 2023 – 3:00 p.m.
- Executive Committee Meeting, December 20 at 1:30 p.m. – Polk County Room
- Board Dinner- December 20, 2023. Social hour 5:00 p.m., Dinner at 6:00 p.m. - AJ's Party Room

Adjournment. Ms. Simon moved to adjourn the meeting, the motion was seconded by Ms. Grandquist, and passed on a voice vote. There being no further business, the meeting adjourned at 2:45 p.m.

Respectfully submitted,

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Linda Grandquist, Its Secretary