

**Monthly Meeting of the  
Prairie Meadows Board of Directors  
April 28, 2021  
2:00 p.m.**

The Monthly Meeting of the Prairie Meadows Board of Directors was called to order by Mr. Neugent in the Skinner Ballroom at Prairie Meadows in Altoona, Iowa at 2:05 p.m.

Roll Call.

Dennis Albaugh  
Bob Chittenden  
Linda Grandquist  
Danny Homan  
Frank Marasco - phone  
Marty Martin - phone  
Gerry Neugent  
Bob O'Hollearn - phone

Suku Radia  
Kurt Rasmussen  
Ken Sagar  
Mary Simon  
Susan Voss  
Marta Codina - absent  
John Irving

Also in attendance were:

Gary Palmer, President/CEO  
Ann Atkin, Senior Vice President/COO  
Brad Rhines, 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. Sagar to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on March 24, 2021 as written. The motion was seconded by Mr. Rasmussen and passed on a voice vote.

Public Comment. Jon Moss, Executive Director of IHBPA (Thoroughbreds), said he is looking forward to the Racing season and to Mr. Heldt's update today; everyone is excited about the 85 day Meet; he has a couple of issues that he'd like to work with PM on:

- Lack of a Track Kitchen for the Backside workers and those living in the dorms; this has been discussed with upper management and was deferred due to COVID.
- Lack of a sidewalk on Prairie Meadows Drive. Mr. Pursley, Vice President of Security, received a complaint on Monday from the neighbors about Backside workers cutting through their yards to get to local businesses, which we do not condone; Mr. Heldt will have announcements made on the Backside, along with a note on the Overnights; the IHBPA provides cab service on Wednesdays to help alleviate walking to businesses; he has discussed a Walkway Feasibility Study with Bob Chittenden and Mark Cooper – there are a lot of walkers and traffic on Prairie Meadows Drive.

Mr. Albaugh asked where the workers were going and Mr. Moss said Walmart and Target, and there's a Dart drop-off at Walmart.

Mr. Palmer said these items have been discussed, and issues should go through the chain of command (Gary, Ann Atkin or Derron Heldt) instead of going to Board members:

- Track Kitchen. In 2019, before COVID, we had a mini Track Kitchen that worked out well, and we decided not to have a Kitchen until after COVID is over; there are vending machines on the Backside and we can request other food items; PM has 1,000 employees who eat from vending machines.

- Sidewalks. We’ve had the problem with people cutting through yards for 32 years, even with a full Kitchen on the Backside; it’s not practical to put in a sidewalk – we just need to educate people; the Chaplain does provide a taxi service for Backside workers.

Mr. Moss said he only talked to Mr. Albaugh about this today - a sidewalk is an on-going issue; it seems that Prairie Meadows doesn’t want to participate in helping Altoona with a sidewalk and doesn’t want to address it. Mr. Palmer said there is no “walk up” business from Prairie Meadows Drive; Mr. Moss noted a lot of people walk on Prairie Meadows Drive and the shoulder area is uneven and it’s not safe with all the traffic. Mr. Palmer said management has said we’d look at both items after COVID; we won’t do a sidewalk right now and he’d like the issue not to be continually brought up at meetings. Mr. Moss believes this is an area to work on together. Mr. Palmer said it’s in the Minutes – these issues are on hold until COVID is over, and the Board is interested in looking at, but the issues are not a top priority right now.

Lobbyist Report. Troy Skinner reviewed the Legislative Update dated April 2021:

- Friday is the last scheduled day of the Session, and the per diem runs out; the budget hasn’t been discussed; it’ll probably be another two weeks.
- HF 513 / SF 415 – Simulcast Foreign Jurisdictions. The House passed the Bill and it’s on the Senate calendar.
- HF 755 – E-Sports. There’s a large market out there for this; the IGA pulled the Bill and it’s dead for the Session.
- SF 169 – Promo Play Tax Phase-out. This Bill will not stand on its own and needs to be in the Tax Bill.
- Revenue Estimating Conference. The trigger for the tax bills is close at 3.9%; the Promo Bill will probably be part of this with a five year phase-out.
- I-Gaming (i.e. playing Black Jack on-line). He hasn’t heard anything this year; it’s an expansion of gaming; he doesn’t see this going anywhere this year.

Financials. Elaine Castelline, Vice President of Finance/CFO, and Brad Rhines, Executive Vice President, reviewed YTD March 2021 financials.

Ms. Castelline. **Performance Goals - March 2021 YTD**

|                                     | <b>2021</b>   | <b>2020</b>   | <b>2019</b>    |
|-------------------------------------|---|---|----------------|
| Net Revenue                         | \$55.6 million<br>Without the SportsBook = \$51.3 million | \$47.5 million<br>PM closed mid-March                   | \$53 million   |
| Gaming/Wagering Taxes               | \$13.1 million  | \$10.9 million  | \$12.5 million |
| Payroll Expenses                    | \$10.7 million  | \$15.5 million<br>PM paid employees while it was closed | \$15.2 million |
| Operating Expenses                  | \$11.1 million<br>PM has a \$3 million SportsBook expense | \$9.5 million   | \$9.1 million  |
| Net Income before Community Benefit | \$20.66 million   | \$11.6 million  | \$15.8 million |

Mr. Rhines. Casino Revenue was \$50.7 million; 91¢ of every \$1.00 is from Slot machines; 2021 Slot Net Win of \$20.4 million set a record; we had a \$50 million quarter, and we haven’t done that since Quarter 4 2019; we’re cautiously optimistic that things will turn around; this was our best March ever.

Ms. Castelline – Total Revenue: Casino (Slots, Table Games, Poker) \$50.7 million; SportsBook \$4.8 million; F&B \$1.2 million; pari-Mutuel \$0.3 million; Other \$0.9 million; Hotel \$0.6 million.

Mr. Rhines.

| <b>Iowa Market</b>  |                |
|---------------------|----------------|
| Prairie Meadows     | \$50.6 million |
| Horseshoe           | \$46.5 million |
| Ameristar II        | \$42.6 million |
| Riverside           | \$29.4 million |
| Isle – Waterloo     | \$24.0 million |
| Harrah’s            | \$16.0 million |
| Lakeside            | \$12.1 million |
| Wild Rose Jefferson | \$8.2 million  |

Ms. Castelline.

| <b>Surrounding Markets</b> |                      |                      |
|----------------------------|----------------------|----------------------|
|                            | <b>2021 vs. 2020</b> | <b>2021 vs. 2019</b> |
| Prairie Meadows            | 19.0%                | 0.6%                 |
| St. Louis                  | 10.8%                | -7.9% *              |
| Kansas City                | 22.0%                | 4.0%                 |
| Omaha/Council Bluffs       | 21.3%                | 8.7%                 |
| Quad Cities                | 38.0%                | 12.8%                |

\* Illinois gaming terminals took money from the St. Louis market.

Staff Report - Derron Heldt, Vice President of Racing noted there are four departments within the Racing Department:

- Racing Office employs 50 Seasonal employees; produces the Condition Book; takes entries one week in advance of a race day; works with the horsemen and jockeys; draws for race positions; allocates barn assignments. Stall applications were due in March and we received 2,400 stall applications for 1,350 stalls (940 allotted for Thoroughbreds and 416 allotted for Quarter Horses); we currently have 590 horses on the Backside, and more should be arriving as Oaklawn, Fonner, and Tampa Bay Meets end this Saturday.
- TV Department employs three full-time, five part-time, and six seasonal employees; responsibilities of the department include the live broadcast, concert audio/visual; produces training videos; digital signage; assists Marketing in producing commercials, social media content, and digital signage. A new feature we’re trying this year is one unmanned tower camera operated by a joystick in the building rather than having one employee man a 40 ft. tower by the Quarter Pole.
- Pari-Mutuel Department employs 17 employees – five full-time, four part-time, and eight seasonal; the department is responsible for the simulcast signal, SportsBook, contracts for Live Racing, and is closed except on Christmas Eve and Christmas Day. A new feature on the Apron this year is tabletop signage - decals on how to wager and the different wagers, and guests can take a picture of the QR Code and it will take them to our website for more information; the Paddock Pari-Mutuel line has been remodeled and has a wrap with wagering information; Finish Line Show Lounge now has five

portable self-wagering machines instead of live Tellers, with a phone available to call Tote with questions or issues.

- Track Maintenance employs 15 employees – nine full-time, one part-time, and five seasonal, who take care of the Main Track and the Training Track; half start at 3:00 a.m. to ready the track for training at 6:00 a.m., and half work at night for Live Racing; the full-time employees stay all year round and fix the barns and help with snow removal. The track surface base consists of 2 ft. Limestone, two inches of crushed Limestone, and six inches of sand, clay, silt; we want to keep the track “lively”; and we will start looking at data on moisture content and track depth as we move forward next year.

Race Meet. Mr. Heldt said Racing starts Friday, April 30; it’s an 84 day meet; Friday and Saturday post time is 6:00 p.m. and Sunday and Monday post time is 4:00 p.m. – the exceptions are May 1, at 6:30 p.m. and July 3, at 4:00 p.m. The first 26 days are all Thoroughbred races, and then we’ll go with the Mixed Meet – Thoroughbred and Quarter horses; the Mixed Meet will consist of 10 races a day – 3 Quarter Horse and 7 Thoroughbred; the meet ends September 25.

Upcoming Events:

- Kentucky Derby. Mr. Heldt said we’re all looking forward to the Kentucky Derby this weekend, the weather looks to be good, and Mr. Albaugh has three horses running on the undercard – another one of his horses just missed the Derby by one number.
- Wiener Dog Races on Father’s Day.
- Bulldog Races on Memorial Day.
- Marketing has done a great job putting together approximately two promotions per month.

Mr. Rasmussen and Ms. Grandquist commented on the nice presentation.

President’s Report. Mr. Palmer reported:

- We have a big weekend coming up: Racing starts and there are 1,000 new people on the Backside, an economic boost for the community; we’ve eased up on some COVID protocols.
- It’s been hard to get help this year, but we’re optimistic that we’ll have a good season for Racing and for Prairie Meadows.
- We’ll plan a “Board Night at the Races”.
- Vaccines. PM partnered with the Altoona Medicap and held a vaccine clinic at PM on April 20; it was the J&J vaccine, and when J&J was suspended, Medicap was able to get Moderna; we had 200 sign up and after the change in vaccine, we had 140-145 participate; the second vaccine clinic will be May 20.
- Employees. We have 900 back and 108 on lay-off (some areas like the Buffet, Banquets, Valet, and some food outlets haven’t reopened); some employees don’t want to come back; Human Resources has worked hard on staffing; for big days and this weekend, when help is needed, we ask for volunteers, and we get them.
- The property looks great – inside, outside, and the Backside; Facilities does a great job.
- New CDC Requirements – if someone is fully vaccinated and outside, no mask is required, but PM will continue to require masks inside and outside; we’ll continue with sanitizing protocols and having guards (barriers) at some Table Games and Slot machines.
- Legacy Presentation Schedule will be discussed by Ms. Simon.
- G2E, the Gaming show in Las Vegas, is October 3-7, and the Board is invited to go to see the scope of the gaming industry; spouses are welcome, but will have to pay for their airfare; if you want to go, please RSVP to Nancy by June 1.

Committee Reports

- Finance/Audit. Mr. Radia said the committee did not meet.
- Facilities. Mr. Chittenden said the committee did not meet.
- Human Resources. Mr. O’Hollearn said the committee did not meet.
- Grants. Ms. Simon said the committee did not meet, but there are some updates to report:
  - Legacy presentations will be held on Monday 9:00 a.m. – 11:00 a.m.; Tuesday 9:00 a.m. – 2:30 p.m.; Thursday 10:30 a.m. – 3:00 p.m.; you can learn about the entities and their requests; please RSVP to Julie Stewart.
  - At each seat, please find:
    - A Conflict of Interest; please fill out today, if possible, and return to Ms. Stewart.
    - A booklet with the 20 Legacy Grants requests; there are \$7 million in requests and \$2.5 million to allocate. When the presentations are done, the Board will score the applications by June 1; there will be more communications from Ms. Stewart; please call Ms. Stewart or Ms. Simon with questions.

Other. Mr. Neugent said that every month, he is impressed with the results that Mr. Palmer and the team have been able to attain; PM was able to give \$2 million last year; Ms. Castelline and Mr. Rhines just reported on a great 1<sup>st</sup> Quarter; kudos to staff and kudos to the Board for its support of management and staff.

Adjournment. Mr. Rasmussen moved to adjourn the meeting. There being no further business, the meeting adjourned at 3:00 p.m.

September Meeting. Mr. Palmer said the Executive Committee approved moving the September 22 meeting to September 29 at 2:00 p.m.

Respectfully submitted,

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Mary Simon, Its Secretary