

**Monthly Meeting of the
Prairie Meadows Board of Directors
September 26, 2018
2:00 p.m.**

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

Roll Call.

Dennis Albaugh - absent
Mark Cooper
Michael Gartner
E. J. Giovannetti
Lisa Moody-Tunks
Gerry Neugent - absent
Suku Radia
Kurt Rasmussen

Bob Chittenden
Paul Rogness
Mary Simon
Karen Novak Swalwell
Martha Willits
John Irving
Gene Meyer

Also in attendance were:

Gary Palmer, President/CEO
Ann Atkin, Senior Vice President/COO
Brad Rhines, Senior Vice President/CSO

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. Chittenden to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on July 25, 2018 as written. The motion was seconded by Ms. Willits and passed on a voice vote.

Public Comment. None.

Financials. Elaine Castelline, Vice President of Finance/CFO and Brad Rhines, Senior Vice President/CSO.

Ms. Castelline:

Performance Goals August 2018 Year-to-Date	
	Exceeds/Below Plan
Casino Revenue	+4.1%
Total Revenue	+4.4%
Net Revenue	+4.4%
Operating Expenses	Under plan 2.7%

Mr. Rhines reviewed the Total Revenue YTD August 2018 Pie Chart: Revenue up \$6.6 million to YTD budget and up \$10.4 million to Prior YTD. Revenue: Casino \$138.2 million; F&B \$6.1 million; Pari-Mutuel \$3.0 million; Hospitality \$5.8 million; Other \$2.7 million. Six of the eight 2018 months were record months.

Mr. Rhines reviewed the YTD August 2018 Revenue: Slot Win up 105.0% to prior YTD and Tables Games and Poker up 129.0% to prior YTD.

Ms. Castelline reported on Hotel Occupancy:

	August 2018	August YTD
Prairie Meadows	90%	80%
Des Moines area	73%	67%
Competitive set	72%	62%
Altoona	83%	70%

Mr. Rhines – 2018 YTD State Casino Revenue statistics, year over year; we have a procedure process and strategy in place to drive business:

Iowa Properties	
Prairie Meadows	+7.3%
Horseshoe	+1.9%
Ameristar	-1.35
Riverside	-3.1%
Isle - Waterloo	-4.2%
Harrah's	-2.6%
Lakeside	-2.2%
Wild Rose Jefferson	+2.1%
State without Prairie Meadows	-0.7%

Ms. Castelline said the following areas had an all-time record August for revenue: Coin-in, Casino, Table Game, Food and Beverage, Triple Crown, AJ's, Café, Casino Bars, and Prairie Coffee.

Mr. Rasmussen said Net Operations before Community Betterment, the budget plan was \$22.4 million and it's \$29.7 million – this is an amazing statistic and affects the Community Betterment side.

Racing Update. Ann Atkin, Senior Vice President/COO gave an update on the Quarter Horse Meet:

- October 13 is the last day of the meet; there are nine days left; races are held on Friday, Saturday, and Sunday, and we added a Thursday to the last week.
- Field Size: 6.7 in 2018 and 7.4 in 2017; we have 490 horses on the Backside.
- Off-Track Handle is up ¾ of a percent; On-Track Handle is down 24%.
- The leading owners for the Thoroughbred and Quarter Horse Meets are both Iowa residents.
- Derron Heldt will make the end of the meet report next month.

Staff Report – Polly Loneman, Director of Marketing, said she's been with PM for 12 years; was raised in Eastern Iowa; attended UNI and received a BA in Human Services - Non-Profit side; worked for several YMCA's; she saw an opening at PM for a Marketing Coordinator and was hired; through PM's tuition assistance program, she attended Drake and earned her Master's Degree in Public Administration; she's a wife and mother and lives in Altoona. She has held numerous positions at PM and has front-line knowledge; knows the 24/7, 365 business responsibility, knows about Guest Service and relationship building; knows the day-to-day operation of multiple areas, and is learning Strategy and Collaboration with the assistance of her fellow team mates.

The following departments report to Marketing:

- **Prairie Gold Rewards.** This team is the main communication hub; there are 12 full-time and 6 part-time employees in two locations; they complete over 190,000 transactions annually; checks 70,000 coats/personal items annually; completes over 17,000 sales in the Gift Shop; are on pace to sign-up 30,000 new members in 2018; have over 70,000 active PGR accounts; the Prairie Gold Rewards program was launched in the Fall of 2016 with new benefits and added rewards.
- **Host Team.** This team has four employees with coverage 24/7, 365 days a year; has a 53,000 player transactions annually; 1,563 host coded players reviewed bi-annually; over 700 leads issued bi-annually; they are responsible for driving brand loyalty and spreading appreciation and sharing overall knowledge of the property and its amenities.
- **Marketing is a back-of-the-house department and its goal is to assist each department head; PM sees 8,000-9,000 guests each day.**
 - Entertainment – we hosted 9 ticketed events and sold over 10,000 tickets.
 - Creative – creates, writes, and designs over 1,800 internal projects per year.
 - Advertising – Oversees over 389,894 visitors to the website and approximately two million page views; oversees external media buys, the e-mail campaign, and public relations efforts; assists Community Relations with over 185,000 social media followers.
 - Promotions – creates, plans, and implements over 600 promotions annually, ensuring they meet IRGC and legal compliance.
 - Casino Marketing – has over 1,550 data lists pulled annually; is responsible for the monthly *Player* magazine; collaborates with IT to create efficiencies and reports for internal use; analyzes promotions and events to enhance strategy, tracks internal projects.

Why we do what we do? We want to further the mission of PM by encompassing an all-inclusive guest experience throughout the property; execute the Vision as the Midwest's best entertainment experience; communicates Respect, Integrity, Teamwork and Excellence to both internal and external guests; PM is the best in the state and will remain – we look forward to welcoming future opportunities such as the Sports Book, hotel expansion, and adding new amenities. Proverb: Nobody has ever bet enough on a winning horse.....

President's Report. Mr. Palmer reported:

- October 13 is the last day of the Quarter Horse Meet and is Championship Day.
- Introduced Tim Marleau, Director of Hotel Operations. Mr. Marleau said he grew up in California; first went to Culinary School and then decided to attend Hospitality and Restaurant Management School; he worked at several hotels in California and Nevada, holding different positions, and then came to Muscatine, Iowa a year ago; when he saw the opening at PM, he decided he'd like to get back to the casino hotel business; he appreciates the job and the PM team.
- Requested Eddie Llambias, Vice President of Casino Operations, to discuss the Dealers Championship. Mr. Llambias wanted to create the "craft" of dealing like Europe; we held the first competition in 2017 with 35-40 entrants and we had 75 entrants this year; we had visitors from Horseshoe, Meskwaki, Diamond Jo Worth, Isle-Waterloo, and Lakeside attend; the final round with 12-13 participants was held yesterday and the winners were posted; this is really training and development in disguise to help dealers sharpen their skills; we get feedback on how to get people interested in being a dealer – dealing is a career and a craft; we want to be the leader and pioneer; the Iowa Gaming Association is excited about the competition and the goal is to have a statewide dealer competition.

- PBS. The Board viewed the PBS video that tells the story of PM; filming took place on July 7, and Governor Reynolds, Supervisor Angela Connolly, and he participated; the video is ready to circulate next month to over 60 million households and will be narrated by Rob Lowe as part of the Success Files series; a lot of the photography in the video was taken by PM staff, using our drone.

Committee Reports

- Finance. Ms. Willits said the committee met on Monday and the Board saw the results today; on behalf of the committee, she thanked leadership and staff for another great month; the results are due to great management and production. Budget - it's budget time and everything is on track; the committee will receive the budget in October and it will be an agenda item for the November Board Meeting.
- Facilities. Mr. Giovannetti said the committee did not meet, but he has an update: The Events Center's final phase was September 16 and the first event in Bishop Ballroom was held on September 17; there are a few minor punch list items to do; artwork is being hung today; the project was on schedule and under budget \$30,000. The West side of the Clubhouse remodel will start on November 5, and this will include the Sports Book. The landscape at the main entrance will be done the first week of November – it will include a fountain and a snow-melt sidewalk.
- Audit. Mr. Radia said the committee met today; was introduced to the new Senior Internal Auditor, Adam McCleish; there is nothing earth-shattering to report; the Code of Conduct was reviewed; we had several Executive Sessions within the meeting.
- Human Resources. Ms. Moody-Tunks said the committee will meet in October.
- Grants. Mr. Cooper said the committee did not meet.

Other Business. None

Adjournment. Mr. Cooper moved to adjourn the meeting, the motion was seconded by Mr. Gartner, and passed on a voice vote. There being no further business, the meeting adjourned at 2:50 p.m.

Respectfully submitted,

Martha Willits, Its Secretary