

**Monthly Meeting of the
Prairie Meadows Board of Directors
October 27, 2021
2:00 p.m.**

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

Roll Call.

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

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
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. Simon to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on September 29, 2021 as written. The motion was seconded by Mr. Rasmussen and passed on a voice vote.

Public Comment. None

Financials. Elaine Castelline, Vice President of Finance/CFO, reviewed the September financials, noting the comparison to 2019 which was our best year:

Performance Goals		
September 2021 YTD vs. September 2019 YTD		
	2021	2019
Net Revenue*	\$183.9 m	\$166.1 m
Gaming/Wagering Taxes	\$42.5 m	\$38.5 m
Payroll Expenses	\$36.1 m	\$46.5 m
Operating Expenses*	\$45.9 m	\$48.7 m
Net Income before Community Betterment	\$59.4 m	\$32.3 m

*Notes:

Net Revenue. 2021 - all departments exceeded revenue; 2019 – 90 days of Sportsbook.

Payroll Expenses. 2021 – we had trouble finding staff and not all venues were open.

Net Income before Community Betterment. 2021 - \$17.2 million will be distributed to the stakeholders.

Total Revenue, September YTD. Casino \$169.8 million; Sports Book \$8.6 million; F&B \$4.9 million; Pari-Mutuel \$3.1 million; Other \$3.3 million; Hotel and Conference Center \$3.6 million; each area exceeded the upside revenue budget.

Casino Net Win Comparison, last four years. We had seven consecutive best months ever (March – September); YTD September exceeded the best September ever; we’re on track to beat 2018 and 2019 – our two best years; in 2020, PM was closed for 90 days and when it reopened, we didn’t open at full capacity; this information can be found on the IRGC website. Ms. Voss asked the reason PM is doing so well – more people coming out or they’re spending more? Mr. Palmer said people are gambling more and Ms. Castelline said people received stimulus money, and there was nothing to buy and no entertainment competition – we probably won’t see another year like this one.

Top September Revenue Performing Areas – Most Recent 4 years, and all-time record September for the following areas: Slots, Coin-In, AJ’s Steakhouse, Prairie Coffee Company.

Iowa Market	
Prairie Meadows	\$170.1 m
Horseshoe	\$151.9 m
Ameristar II	\$134.9 m
Riverside	\$95.4 m
Isle – Waterloo	\$69.6 m
Harrah’s	\$54.6 m
Lakeside	\$39.7 m
Wild Rose Jefferson	\$27.0 m
Iowa casino average vs. 2019	+19.5%
Competitors’ average vs. 2019	+16.8%

Surrounding Markets vs. 2019	
Prairie Meadows	+9.4%
St. Louis	-0.6%
Kansas City	+8.0%
Omaha/Council Bluffs	+13.6%
Quad Cities	+18.5%

Sportsbook – September YTD. Iowa Casino average Hold 6.1%; Prairie Meadows average Hold 5.3%

Ms. Castelline also reported:

- The tag-line was changed back to the original one – “Your Favorite Place to Play”.
- The 2022 budget was reviewed by the Finance Committee and will be sent to the Board shortly; she will be available one hour prior to the November Board Meeting to answer questions.

- She sent the tax return to the Board for review; please call with questions by Friday, October 29; the tax return will be filed on Monday – the deadline is November 15.

Lobbyist Update. Troy Skinner reviewed the handout dated October 2021:

- Two special elections were held:
 - Ankeny House District 37 - Michael Bousselot (R) beat Andrea Phillips (D).
 - Newton House District 29 – John Dunwell ® beat Steve Mullen (D).
 - House – Republicans 60; House 40.
 - Senate – Republicans 32; House 18.
- Redistricting is done every ten years by the non-partisan Legislative Services Agency; the first map was rejected and the new map will be voted on tomorrow; the redistricting will create several open seats.

President’s Report. Mr. Palmer reported:

- We plan to host the biggest and best Veteran’s Day celebration on November 11; the program starts at 11:00 a.m., followed by lunch at noon; we’ll have fly-overs and several US and State Congressmen and Representatives will attend; you are all welcome to attend.
- The next meeting is November 17 at 2:00 p.m.
- The December meeting is December 15 at 3:00 p.m., followed by the Board Dinner.

Committee Reports.

- Finance and Audit. Mr. Radia said the committee met on Monday and reviewed: the financials; 2022 budget (there were a couple of minor adjustments, it will be sent out shortly, Ms. Castelline will be available one hour prior to the November meeting to answer questions); Mr. Shirley reported on the Internal Audit Department – everything is going according to plan; Form 990 – please call Ms. Castelline with questions or comments: 401k Discretionary Distribution.
 - Action Item - 401k Discretionary Distribution. Mr. Radia said that under the union contracts, the bargaining employees receive 2.5%, and the recommendation is to give 2.5% to the non-bargaining employees, plus 4% to all employees, that’s a total of 6.5% and the total cost is \$2 million. Mr. Radia moved the recommendation, the motion was seconded by Mr. Sagar, and unanimously passed on a voice vote. Mr. Neugent said this is a great thing to be able to do for our employees, especially due to the last year.
- Facilities. Mr. Chittenden said the committee did not meet.
- Human Resources. Mr. Chittenden said the committee met on Monday and discussed the Front-Line employee Bonus (Secret Santa); the recommendation is \$600 for full-time employees and \$300 for part-time employees, for a total cost of \$297,000; it is well deserved and we’re having our best year. Mr. Palmer said it was \$400 last year due to COVID, and \$600 is the highest we’ve every given.
 - Action Item - Front-Line Employee Bonus. Mr. Chittenden moved a Secret Santa of \$600 for full-time employees and \$300 for part-time employees. Mr. Marasco noted Payroll is down, and suggested spreading it out in addition to the \$600. Mr. Radia said between the 401k and Secret Santa, it translates to \$2.4 million – that is generous and higher than recent history; the money has been accrued. Mr. Marasco asked if the front-line gets the 401k and Mr. Radia said yes. Mr. Neugent asked for a second and Ms. Voss said it isn’t needed for a committee motion. The motion unanimously

passed on a voice vote. Mr. Neugent said this is terrific and it is a great tradition to have a discretionary bonus, that's why PM has longevity and retention.

- Grants. Ms. Simon said the committee did not meet.

Other Business.

Mr. Neugent said the November meeting is very important – it is the Annual Meeting and the Board will vote on the 2022 budget.

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

Respectfully submitted,

Mary Simon, Its Secretary