

**Annual Meeting of the
Prairie Meadows Board of Directors
November 17, 2021
2:00 p.m.**

The Annual 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 - phone
Frank Marasco
Marty Martin - absent
Gerry Neugent
Bob O'Hollearn

Suku Radia - absent
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
Michele Wilkie, Senior 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. Chittenden to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on October 27, 2021 as written. The motion was seconded by Ms. Grandquist and passed on a voice vote.

Public Comment. Jay Byers, President/CEO, and Tiffany Tauscheck, COO, from the DM Partnership.

Mr. Byers thanked the Board for the opportunity to give an update on what the Partnership is doing and for a great success story, being a part of the Partnership, and for the regional success. The group started as the DM Chamber and the Partnership was created in 1999, with 10 counties, 24 affiliates, 6,500+ members, and 365+ investors; its charge was to recruit companies to central Iowa, help companies expand, and recruit and retain talent. Des Moines is the fastest growth metro over the past two decades with employment growth and product growth. Project Success/Activities 1999-2021: \$109.8 billion capital investment, 667 business projects, 34,496 new or retained jobs, 212 new business locations, 455 business expansions. Pandemic Efforts: keep businesses in business, keep people working, keep the community safe. Pandemic response: COVID Rapids Response Hub, DSM Forward Playbooks, small business grants to over 290 recipients for a total of \$1.7 million, digital marketing and webinar offerings, Tutor Connection and DSM Employment Ready, broadband connectivity support, created downtown activations, DSM local and DSM Local Challenge, #DSMstrong community rally, heightened emphasis on communications, resources, and storytelling.

Ms. Tauscheck discussed Phase 2 COVID and the Strategic Plan for 18 months: The Partnership reached out to investors for input and the priority items were: broadband expansion, business recovery, retention, and expansion, be a welcoming community, place making community (skate park, soccer field), talent and economic development marketing, build a talent pipeline.

Mr. Byers said, according to numerous newspaper and magazine articles, our region has top rankings and is well positioned for the future and for success.

Ms. Tauscheck reviewed the 2022 Plan on what the Partnership wants to accomplish: economic development, talent development, downtown development, public policy, business resources and community development, communication and marketing.

Mr. Byers again thanked the Board for the opportunity to speak about what the Partnership is doing as a region and what the future looks like, and for its continued support.

Ms. Voss asked what the Partnership is doing about women leaving the workforce and education and childcare plans? Mr. Byers said childcare was a top priority with the legislators last year and it is a priority again; the Partnership is working on returnships, flex scheduling, etc. Ms. Tauscheck noted the pandemic impacted women more; the Partnership is working on returnships which is similar to internships and Wells Fargo has implemented returnships, educating men and women on women’s needs, and flexibility.

Lobbyist Report. Troy Skinner reviewed the Legislative Update November 2021 – redistricting and legislative retirements and changes. Mr. Skinner noted there is not a lot happening right now, the legislature did pass the redistricting map, and six Representatives announced retirement plans and seven Representatives will run for the Senate – there will be a lot of new faces!

Lobbyist Contract for 2022. Mr. Palmer said the contract is renewed every year; for the last 4-5 years, the lobbyists have received the same increase as PM staff; the recommendation for 2022 is a 1.75% increase; 2021 = \$91,560 and 2021, with the 1.75% increase = \$93,162. Ms. Voss moved to approve the 1.75% increase and the motion was seconded by Mr. Rasmussen. Mr. Neugent said the Executive Committee approved the recommendation. The motion unanimously passed on a voice vote.

Financials. Elaine Castelline, Vice President of Finance/CFO, reviewed the October 2021 YTD financials:

October 2021 Year-to-Date	
Net Revenue	\$203.3 m
Gaming/Wagering Taxes	\$47.3 m
Payroll Expenses	\$40 m
Operating Expenses	\$49.6 m
Net Income before Community Benefit (\$17 m will be distributed to the stakeholders – Polk County, City of Des Moines, schools).	\$66.4 m

Total Revenue, October YTD: Casino \$189.2 m; Sportsbook \$8.4 m; F&B \$5.3 m; Pari-Mutuel \$3.2 m; Other \$3.8 m; Hotel & Conference Center \$3.8 m.

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

Iowa Market	
Prairie Meadows	\$189.3 m
Horseshoe	\$169.8 m
Ameristar II	\$151.1 m
Riverside	\$106.4 m
Isle – Waterloo	\$75.9 m
Harrah’s	\$60.9 m
Lakeside	\$44.4 m
Wild Rose Jefferson	\$30.1 m
Iowa Casino average vs. 2019	20.2%
Competitors’ average vs. 2019	15.5%

Surrounding Markets vs. 2019	
Prairie Meadows	+10.0%
St. Louis	Flat
Kansas City	+8.3%
Omaha/Council Bluffs	+14.3%
Quad Cities	+20.5%

Note: Nebraska will charge \$1 million for a 20-year license and the casino(s) will be non-smoking.

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

President’s Report. Mr. Palmer reported:

- Action item – Request from United Way of Central Iowa. PM gave UW \$1 million last year to help with COVID; this year, PM’s goal for employee giving was \$275,000 and we fell short; UW is asking if we would consider a \$115,000 discretionary contribution to meet the goal; the Executive Committee recommends the \$115,000. Mr. Chittenden moved to give UW an additional \$115,000 and the motion was seconded by Mr. Marasco. Mr. Sagar and Mr. Neugent abstained from voting due to a conflict of interest. The motion unanimously passed on a voice vote.
- Congratulated Mr. Albaugh on two wins at the Breeders’ Cup.
- Requested Michele Wilkie, give a report on the success of the vaccination initiative; it was an aggressive agenda and it turned out well; people came together; we had outstanding success. Ms. Wilkie reported that of 847 employees, 90% are vaccinated and 10% that requested an exemption were approved; of the 16 left, 12 gave a two-week notice and four were terminated. The Board commented on the great results and that that says a lot about the quality of the work place.

Committee Reports

- Finance/Audit. Action Item – 2022 Budget. Mr. Neugent said the committee did not meet, but recommends approval of the 2022 budget; Mr. Radia sent an e-mail commenting that this is a stretch budget, hopes there is no COVID shutdown, and PM had a quarter totaling \$60 million+ in revenue and that’s not likely to happen again; Mr. Radia worked closely with staff and he agrees with Mr. Radia – this is a stretch budget and he hopes there is no economic downturn. Mr. Palmer noted that Ms. Castelline was available one hour prior to this meeting to answer any questions about the 2022 budget; staff would appreciate approval of the budget, along with prayers that’ll we’ll make it; we’ve had eight consecutive record months, and he believes November will be another record month. Mr. Marasco moved approval of the 2022 budget and capitals, there were multiple seconds, and the motion unanimously passed on a voice vote.
- Facilities. Mr. Chittenden said the committee did not meet. Mr. Palmer said he hasn’t had a chance to discuss with Mr. Chittenden as this just happened yesterday – staff met with Weitz and Shive on the Hotel remodel, and would like to start the remodel October 2022 rather than November 2022, if it’s ok with the Board. Mr. Chittenden said this is a good move and moved to approve the start date of October 2022, the motion was seconded by Ms. Grandquist, and unanimously passed on a voice vote.
- Human Resources. Mr. O’Hollearn said the committee did not meet.
- Grants. Ms. Simon said the committee did not meet.

Action Item – Recommendations from the At-Large Committee for two positions. Mr. Neugent said there are five At-Large members: Mary Simon, Bob Chittenden, Marty Martin, Kurt Rasmussen, and Gerry Neugent; Mr. Rasmussen’s second term is up and Mr. Martin requested to be reappointed. Ms. Simon said the committee met on Monday and interviewed two good candidates; the recommendation and her motion to the Board is to appoint Dr. Steven Neville to fill the open spot and to reappoint Marty Martin to a second term. Ms. Simon said Dr. Neville is a dentist who grew up in the Bondurant area, he opened his own practice there and its expanded, he is involved in the community; we had two great candidates and Dr. Neville will a great addition to the Board. The motion was seconded by Mr. Rasmussen and unanimously passed on a voice vote.

Announce appointment to the Board by Polk County. Mr. Neugent reported that Ms. Voss has been appointed for a second term.

Action Item – Election of Executive Committee (Chair, Vice Chair, Secretary) and one other member. Gerry Neugent remains on the committee as Past Chair. Mr. Neugent said there are four positions to fill, and he will remain on the committee as Past Chair; an information memo was sent to the Board on November 5 noting that the following were interested: Suku Radia – Chair, Dennis Albaugh – Vice Chair, Gerry Neugent – Past Chair, Mary Simon – Secretary, Bob Chittenden – At-Large member; the deadline was November 9, and no one else responded.

Mr. Neugent entertained a “slate” motion (Suku Radia – Chair, Dennis Albaugh – Vice Chair, Gerry Neugent – Past Chair, Mary Simon – Secretary, Bob Chittenden – At-Large member). Mr. Sagar moved the “slate” motion and the motion was seconded by Ms. Grandquist. Mr. Neugent asked if anyone else wanted to be considered for a position on the Executive Committee and there was no response. The motion unanimously passed on a voice vote.

Recognition of Retiring Board Member, Kurt Rasmussen. Mr. Neugent noted this is Mr. Rasmussen's last Board meeting, he is a Past Chair and a wonderful member of the Board, and thanked him for his service. Mr. Palmer presented a token of appreciation to Mr. Rasmussen and thanked him and the Rasmussen's for their involvement in Prairie Meadows.

Recognition of Board Chair, Gerry Neugent. Mr. Neugent noted this is his final year as Chair, and he has one more year on the Board as Past Chair. Mr. Palmer presented a token of appreciation to Mr. Neugent and thanked him for his service.

Other Business. Mr. Neugent noted:

- Next Meeting: December 15
 - Executive Committee Meeting at 1:30 p.m. – Board Room
 - Board Meeting at 3:00 p.m. – Board Room
 - Board Dinner. Social hour 5:00 p.m., Dinner at 6:00 p.m. - AJ's Party Room

Adjournment. Mr. Albaugh moved to adjourn the meeting and the motion was seconded by Mr. Rasmussen. There being no further business, the meeting adjourned at 2:50 p.m.

Respectfully submitted,

Mary Simon, Its Secretary