

**Annual Meeting of the  
Prairie Meadows Board of Directors  
November 28, 2018  
2:00 p.m.**

The Annual 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 - phone  
Mark Cooper  
Michael Gartner - phone  
E. J. Giovannetti  
Lisa Moody-Tunks  
Gerry Neugent  
Suku Radia - absent  
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. Neugent to approve the Minutes of the monthly meeting of the Prairie Meadows Board of Directors held on October 24, 2018 as written. The motion was seconded by Mr. Cooper and passed on a voice vote.

Soccer Field Signage. Jim Cownie said his request is for money for signage; eleven years ago, he asked for help of \$500,000 for the soccer/baseball fields, which are named for his dad, and it was a success; it's a gem of a facility, but it is hard to find as the signage is inferior; the plan is to get \$850,000 for signage on SE 14<sup>th</sup> Street, Hartford, and at the fields; other contributors are the City of DM (\$100,000), Polk County may give \$100,000, MidAmerican Energy (\$200,000) and he and his wife will make up the difference; Hartford would be renamed "PM Championship Parkway"; his request is \$200,000, which will be submitted in a grant. Mr. Cownie introduced Ben Page, the City of Des Moines Parks and Recreation Manager, who said this complex is like no other - it has 12 soccer fields and 8 baseball fields; it is an economic driver like no other and fills the hotels in the area, along with providing revenue for area restaurants, etc.; the fields are hard to find; "Catch DM" said the fields bring in an average of \$15 million and 250,000 visitors annually; everyone from school age children to college students get to use the fields; the signage will have LED lighting.

Introduction of the Prairie Meadows University Students. Michele Wilkie, Vice President of Human Resources, introduced the 2018 graduates, noting the students put in a lot of hard work and time - congratulations to everyone:

<b>Name</b>	<b>Title/Position</b>	<b>Years of employment</b>
Jared Avelar	Main Bank/Kiosk Manager	9
Jim Brown	Assistant Chief of Security	18
Kayla DeBruin	Promotions Manager	5
Ryan Dunn	TV Manager	18
Mark Dylo	Sales and Special Events Supervisor	5
Mary Erickson	Advertising and Digital Media Manager	5
Matt Fell	Casino Operations Analyst	15
Jace Foley	Table Games Assistant Shift Manager	12
Zach Hitchcock	AJ's Manager	12
Kim Kasal	IT Systems Specialist	12
Krystal Kruse	Group and Corporate Sales Coordinator	4
Bob Mathis	Assistant Maintenance Manager	11
Pam Nash	Assistant Director of Facilities	29
Vladimir Stare	IT Network and Systems Security Manager	1
Shannon Steele	Table Games Lead Supervisor	14
Tony Stork	Assistant Director of IT	19
Kieran Sweeney	Triple Crown Buffet and Champions Manager	9
Angie Vandelaar	Assistant Director of Slot Operations	19

Public Comment. None

Lobbyist Report. Troy Skinner reviewed the handout, “Legislative Update, November 2018”: Governor Kim Reynolds was elected to her first full term as Governor; the Republicans will control both chambers; the Senate is Republican 32-18 and the House is Democrat 54-46; reviewed the Leadership and Committee Chair Assignments. Mr. Skinner said there is a lot of educating to do as there are new legislators; the focus will be on Sports Betting – eight states have passed legislation; he is meeting with new legislators now and Sports Betting is a constant conversation; the Iowa Gaming Association’s membership is unified on what it wants in the Sports Betting bill.

Action Item – Lobbyist Contract for 2019. Mr. Rasmussen said the proposal is a 3.25% increase from \$84,414 to \$87,157. Mr. Chittenden moved approval of the Lobbyist Contract for 2019, the motion was seconded by Ms. Moody-Tunks, and unanimously passed on a voice vote.

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

Ms. Castelline:

<b>Performance Goals October 2018 Year-to-Date</b>	
	<b>Exceeds/Below Plan</b>
<b>Casino Revenue</b>	+4.9%
<b>Total Revenue</b>	+5.1%
<b>Net Revenue</b>	+5.2%
<b>Operating Expenses</b>	Under plan 3.4%

Mr. Rhines reviewed the 5 Year Casino Net Win Comparison: in the last twelve months, ten months were all-time record months; Net Win is +5% to budget and +6.7% to prior year; 2018 to date, has had eight all-time record months.

Ms. Castelline reviewed the Total Revenue Pie Chart: Casino \$171.6 million; F&B \$7.5 million; Pari-Mutuel \$3.5 million; Hospitality \$7.3 million; Other \$3.3 million; we're +5.1% to budget and up \$11.9 million to 2017. Mr. Rhines noted the casino makes up 89% of the revenue and we expect to see growth in non-gaming revenue in 2019 – the goal is to have casino revenue at 88.1%.

Mr. Rhines discussed Slot and Table Games Revenue – YTD: Slots +4.5% and Table Games +25.6%.

Ms. Castelline:

<b>Hotel Occupancy Rates</b>	<b>October 2018</b>	<b>YTD</b>
Prairie Meadows	77.5%	80.2%
Des Moines area	62.5%	61.6%
Competitive set	73.7%	63.6%
Altoona and Ankeny	72.2%	70.3%

Mr. Rhines:

<b>Iowa</b>	<b>YTD</b>
Prairie Meadows	+6.7%
State	+.03%
State without Prairie Meadows	-.07%
Horseshoe	+.06%
Wild Rose Jefferson	+2.7%

<b>Region</b>	<b>YTD</b>
St. Louis	+1%
Kansas City	+.02%
Omaha/Council Bluffs	-.05%
Quad Cities	-2%

Ms. Castelline reviewed the Top Performing Areas; it was an all-time record October in revenue for the following departments: Casino, Table Games, Hotel, Banquet, Food and Beverage, Triple Crown Buffet, AJ's, Paddock, Casino Bars, and Prairie Coffee.

Mr. Cooper asked if attendance could be part of the presentation every month and Mr. Rhines said yes, and noted we're tracking for an all-time record, the previous record was 3.2 million visitors. Mr. Meyer noted Omaha/Council Bluffs is down and PM is up – what happened? Mr. Rhines said two of the properties are Caesar's properties, they just came out of bankruptcy and have a different philosophy now, and will be more aggressive; Ameristar gained Caesar's loss; PM's competition is within one hour; the Council Bluffs' properties have nearby amenities. Mr. Chittenden said the numbers show that when someone comes in for another casino, it would just be taking money from one casino to another casino. Mr. Rhines said that's cannibalization; relationships with guests are very important; we have a product and gaming options that guests want, and much of our growth is attributable to play consolidation here.

Action Item – Code of Ethics. Gary Palmer said a copy of the Code was included in the Board packets; there were a couple of minor changes – added CSO and Vice Presidents and changed Directors to Department Heads; the Code needs approval by the Board. Mr. Neugent moved to approve the revised Code of Ethics, the motion was seconded by Ms. Simon, and unanimously passed on a voice vote.

President's Report. Mr. Palmer reported:

- PM had a wonderful Thanksgiving buffet and the holiday buffets are coming up.
- Sunday, December 9 at 7:30 p.m. is The Blenders concert.

#### Committee Reports

- Finance. Ms. Willits said the committee met on Monday and reviewed the financials – the Board is proud of the accomplishments from those in this room; vetted the 2019 budget; reviewed the Finance Committee Charter and made no changes this year; Ms. Castelline and Mr. Rhines reported on the ATM RFP – we received four responses, four people reviewed and scored the responses, and the decision was to continue with the current provider, Bankers Trust. The committee took action on property reassessment; Mr. Neugent said we need to focus on the evaluation of the property and the committee requested management to address that to ensure the assessment is in accordance with the rules and laws of the State; now is the time to engage an appropriate appraiser and communicate with the County Assessor; a committee was established to keep the process moving.

Mr. Cooper asked about the Action Item – Finance Committee Charter; Ms. Willits said she just reported on this – it's a duty of every committee to review its Charter; Mr. Palmer said the item was placed on the agenda by mistake.

- Facilities. Mr. Giovannetti said the committee did not meet, but everything is on-time and on-budget.

- Audit. Mr. Rasmussen said the committee did not meet.
- Human Resources. Mr. Rasmussen said the committee did not meet.
- Grants. Mr. Rasmussen said the committee did not meet

Action Item - Closed Session – Iowa Code 21.5(1)(a) and 22.7(27) - Marketing and Advertising Strategy and Budget. Mr. Rasmussen said no one has asked to discuss the Marketing and Advertising Budget, so we will pass on this item.

Action Item – 2019 Budget. Ms. Willits moved to approve the 2019 budget, noting the Finance Committee vetted it several times and the Executive Committee has reviewed it; the Board received a copy; we've seen the 2018 results; the 2019 budget is a responsible one and was built on the 2018 numbers. Mr. Neugent seconded the motion and the motion unanimously passed on a voice vote.

Announce Appointments to the Board (Polk County and Taxpayers Association). Mr. Rasmussen said that Polk County has not appointed anyone to-date and the Taxpayers Association has appointed Robert O'Hollearn. Mr. Giovannetti said Mr. O'Hollearn is a retired Vice President of Nationwide, was the Mayor of Johnston, and will be an excellent Board member.

Action Item – Recommendations from the At-large Committee for 2 At-Large Positions. Mr. Neugent said the five At-Large members (Kurt Rasmussen, Gerry Neugent, Mary Simon, Paul Rogness, Bob Chittenden) met with four applicants, and the recommendations are to reappoint Kurt Rasmussen and to appoint Marty Martin – he is the president of Drake University and while in college, worked at various tracks in Kentucky. Mr. Neugent moved to approve the appointments of Mr. Rasmussen and Mr. Martin, the motion was seconded by Ms. Moody-Tunks, and unanimously passed on a voice vote.

Action Item – Election of Executive Committee (Chair, Vice Chair, Secretary) and two other members.

- Chair. Mr. Neugent moved to elect Kurt Rasmussen and the motion was seconded by Mr. Giovannetti. There being no other nominations, Mr. Giovannetti moved to close nominations and the motion was seconded by Mr. Cooper. The motion to appoint Mr. Rasmussen as Chair unanimously passed on a voice vote.
- Vice Chair. Mr. Rasmussen nominated Mr. Neugent and the motion was seconded by Ms. Willits. There being no other nominations, Mr. Giovannetti moved to close nominations and the motion was seconded by Mr. Chittenden. The motion to appoint Mr. Neugent as Vice Chair unanimously passed on a voice vote.
- Secretary. Mr. Giovannetti moved to elect Suku Radia and the motion was seconded by Mr. Neugent. There being no other nominations, Mr. Cooper moved to close nominations and the motion was seconded by Mr. Chittenden. The motion to appoint Mr. Radia as Secretary unanimously passed on a voice vote.

Elect two other members to the Executive Committee. Mr. Rasmussen said Michael Gartner and Mary Simon expressed interest in being on the committee. Mr. Neugent moved to appoint Mr. Gartner and Ms. Simon to the Executive Committee and the motion was seconded by Ms. Willits. There being no other nominations, Mr. Cooper moved to close nominations and the motion was seconded by Mr. Neugent. The motion to appoint Mr. Gartner and Ms. Simon to the Executive Committee unanimously passed on a voice vote.

Recognition of Retiring Board Members. Mr. Rasmussen and Mr. Palmer presented a token of appreciation to Martha Willits, E. J. Giovannetti, and Paul Rogness and thanked them for volunteering to serve on the Board. Mr. Palmer said Ms. Willits has been a part of Prairie Meadows, in one form or another, since 1984, Mr. Giovannetti was on the Polk County Board of Supervisors, and Mr. Rogness was the Chair of the last referendum committee.

Other Business. Mr. Rasmussen reminded the Board about the December meetings and holiday dinner:

- Executive Committee Meeting starts at 1:30 p.m. – Board Room
- Board Meeting starts at 3:00 p.m.
- Board Dinner – Skinner Ballroom. Social Hour 5:00 p.m., Dinner 6:00 p.m.

Adjournment. Mr. Cooper moved to adjourn the meeting, the motion was seconded by Ms. Moody-Tunks, and unanimously passed on a voice vote. There being no further business, the meeting adjourned at 2:55 p.m.

Respectfully submitted,

---

Kurt Rasmussen, Its Chair