

**IOWA RACING AND GAMING COMMISSION
MINUTES
JANUARY 4, 2019**

The Iowa Racing and Gaming Commission (IRGC) met at the Meskwaki Bingo Casino Hotel in Tama, Iowa. Commission members present were Kris Kramer, Chair; Carl Heinrich, Vice Chair; Richard Arnold, Pennie Gonseth Cheers and Jeff Lamberti.

APPROVE AGENDA: Chair Kramer called the meeting to order at 8:30 AM and requested a motion to approve the agenda. Commissioner Heinrich moved to approve the agenda as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

WELCOME: Chair Kramer moved to the Welcome. Jon Papakee, General Manager of Gaming, welcomed the Commission and Iowa gaming industry representatives to the facility. He indicated the Meskwaki fully support the gaming industry in Iowa, noting it has grown substantially since the IRGC's inception. Mr. Papakee stated the Meskwaki appreciate the opportunities received from Iowa gaming; they have developed their infrastructure, diversified into other businesses, enhanced educational opportunities and made health care to the members a priority. He noted Iowa gaming enhances tourism and local economies, which allows for reinvestment in Iowa gaming properties. He stated gaming in Iowa has regulatory requirements that maintain gaming integrity; it is integrity that moves a casino forward and allows each casino to offer opportunities within their region. He noted that while there may be jurisdictional boundaries between Iowa and Meskwaki, they comply with all the rules and regulations to insure integrity. Mr. Papakee expressed the Meskwaki's appreciation for the Commission allowing gaming to move forward in a scrupulous, honorable manner. He stated integrity is an Iowa value, and promotes Iowa as a destination for visitors. Mr. Papakee stated the Meskwaki support the goals of the IRGC and the properties they regulate. They are also a supporter of the opportunities gaming affords all Iowa citizens.

APPROVE MINUTES: Chair Kramer moved to the approval of the minutes from the November 15, 2018 meeting. Commissioner Gonseth Cheers moved to approve the minutes as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Chair Kramer called on Brian Ohorilko, Administrator of IRGC, for announcements. Mr. Ohorilko noted there is no meeting in February, and the next meeting will be held at Prairie Meadows Racetrack & Casino on Tuesday, March 5th. Submissions for the meeting are due in the Commission office by February 19th. The Commission will meet on April 18th at the Mid-America Center in Council Bluffs.

ELITE CASINO RESOIRTS, LLC: Dan Kehl, CEO, presented a 5-year \$215 million credit facility to refinance their existing credit arrangement. The new credit facility will consist of a \$135 million term loan and \$80 million revolver loan, which replaces their current debt of \$175 million. This new arrangement allows them to draw approximately \$40 million from the revolver to use for capital improvements across all three properties over the next five years. Mr. Kehl noted the credit facility contains several clauses, one of which is an ICE clause. He advised

that should a casino license be granted within a fifty mile radius of Cedar Rapids, the banks would draw down all of the notes and take all the excess cash, preventing Elite from doing any expansion or reinvestment in the facilities.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Amended and Restated Credit Agreement by and among the Borrowers: Elite Casino Resorts, LLC, Riverside Casino & Golf Resort, LLC, Grand Falls Casino Resort, LLC and Rhythm City Casino, LLC; and the Guarantors: Washington County Resort, LLC, Lyon County Resort & Casino, LLC and Scott County Resort, LLC; and Wells Fargo Bank, National Association, and other lenders whereby the Borrowers will borrow up to \$215,000,000 to refinance existing indebtedness and for other general company purposes. Commissioner Heinrich seconded the motion, which carried unanimously.

CONTRACT APPROVALS:

Casino Queen Marquette, Inc.: Don Ostert, General Manager, presented a contract with Canadian Pacific Railroad for an increase in the land lease payment for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contract as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

SCE Partners, LLC: Mike Adams, Director of Marketing, introduced Monty Terhune as the new Director of Finance for Hard Rock. Mr. Adams presented a contract with Wells Fargo Bank, N.A. for an amendment to the Credit Agreement for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Arnold moved to approve the contract as submitted. Commissioner Lamberti seconded the motion, which carried unanimously.

Wild Rose Emmetsburg, L.L.C.: Steve Cody, General Manager, presented a contract with USA Security for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contract as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Riverside Casino and Golf Resort, LLC: Dan Franz, General Manager, presented a contract with Video Security Specialists for surveillance equipment and software for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Sharon Haselhoff, General Manager, presented a contract with Video Security Specialists for surveillance equipment and software for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Arnold moved to approve the contract as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Rhythm City Casino, LLC: Mr. Franz presented the following contracts for Commission approval on behalf of Rhythm City Casino:

- Brockway Mechanical & Roofing – Trane HVAC Equipment (RP)
- US Postmaster – Postage

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

HGI-Lakeside, LLC d/b/a Lakeside Hotel & Casino: David Monroe, General Manager, presented the following contracts for Commission approval:

- Brewer Meats, Inc. – Food and Kitchen Supplies
- Central Credit, LLC – Check Cashing Service (OSV)
- CSS Audio, Inc. – Sound and Lighting for Entertainment
- Bangarang Enterprises, LLC d/b/a Gander Group – Various Promotional Marketing Giveaway Items (OSV)
- Golden Eagle Distributing Co. – Beer Beverage Provider
- Installation Services, Inc. – Installation of Kitchen Floor and Ceiling

Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Arnold seconded the motion.

Chair Kramer stated the Commission understands about corporate contracts; however, she requested that Mr. Monroe advise corporate the Commission would appreciate it if they would provide an opportunity for Iowa vendors to bid on those contracts.

The motion carried unanimously.

IOC Black Hawk County, Inc.: Todd Connelly, General Manager, presented a contract with NRT Technologies, Inc. for an ATM and Ticket Kiosk Agreement for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Arnold moved to approve the contract as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

IOC Bettendorf, L.C.: Nancy Ballenger, General Manager, presented the following contracts for Commission approval:

- Ryan & Associates – Capital Project to Replace all HVAC Units over the Isle Center Building
- NRT Technologies, Inc. – ATM Commission Revenue Agreement (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Harveys Iowa Management Company, LLC: Samir Mowad, General Manager, presented a contract with Hytera for radio communication equipment for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Iowa West Racing Association d/b/a Horseshoe Casino: Mr. Mowad presented the following contracts for Commission approval:

- Hytera – Radio Communication Equipment (OSV)
- Burton Plumbing – Plumbing Services
- Carberry Construction – General Contractor

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

IOWA GREYHOUND ASSOCIATION D/B/A IOWA GREYHOUND PARK (IGP):

Recap of Live Meet: Brian Carpenter, General Manager and Director of Racing, advised the live racing season commenced on May 19 and concluded on November 4 for 25 weeks of live racing and 100 performances. They ran with 15 race cards on Wednesday, Thursday, Saturday and Sunday; live racing on Friday was changed to Thursday evenings to help the draw. Evening post time was changed from 6:30 PM to 5:30 PM to compete with fewer tracks across the country, and to generate more live and simulcast money. Attendance at the track was a little over 247,000. Handle comparison: 2017 on-track live racing handle was down \$74,000 or 6%; live racing export handle was \$2.1 million, an increase of 64%; horse and greyhound import combined decreased \$305,000 or 12%; overall, IGP saw an increase of just over \$1.7 million from 2017. Mr. Carpenter advised IGP is a long way from being financially sound, but is heading in the right direction. He noted they have \$1.4 million in reserve for 2019, but have a large settlement fee they will be paying on this year. The two off-track betting sites also saw an increase in handle: Wild Rose Clinton was up \$654,000 or 53%; and William Hill in Council Bluffs was up approximately \$2.8 million over 2017, or 54%. There were 9 kennels for the 2018

meet, eight from Iowa and one from out-of-state. IGP paid out just over \$2.1 million in purse supplements. Mr. Carpenter advised there was a nine-way tie for first with all nine kennels. The average purse payout to each kennel was higher than what was paid out to the 14 kennels the last year they ran under the casino. IGP ran four major stakes races with over 80 entries between them. Superior Kennel won a spot to be in the National 550 Championship to represent IGP. The top kennel in number of wins and money was Superior Kennel owned by Alan Hill; purse payments totaled \$404,000. Superior Kennel had 1,311 starts with 228 wins. Trainer of the Year was Jerry Cole with Superior Kennel. The top greyhound was also from Superior Kennel. The biggest handle days were the Kentucky Derby, Fourth of July and Father's Day. IGP is preparing to refurbish the kennels and track lights.

Contracts: Mr. Carpenter presented the following contracts for Commission approval:

- Sportview Television Corp. – TV Control Center, Monitor System, Cameras & Technical Support for Live and Simulcast Racing (OSV)
- United Healthcare – Renewal of Health Insurance for Full-Time Employees

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

PRAIRIE MEADOWS RACETRACK & CASINO, INC. D/B/A PRAIRIE MEADOWS RACETRACK & CASINO: Gary Palmer and Derron Heldt, General Manager and Director of Racing respectively, were present to address the agenda items.

2019 Season Approvals: Mr. Heldt submitted the 45-Day Plan for the 2019 Thoroughbred and Quarter Horse live racing season.

Mr. Ohorilko stated he had been informed PMR&C was going to withdraw the request for a 6:00 PM post time on July 4th and change it to "To Be Determined" at this time. He asked if that was correct. Mr. Heldt answered in the affirmative. He noted PMR&C would request approval of the post times for the Festival of Racing, Iowa Classic and Challenge Races and will include it at that time. Mr. Ohorilko stated any motion would need to address the change in post time for July 4th.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Arnold moved approve the 45-Day Plan for the 2019 Thoroughbred and Quarter Horse Season with the July 4th post time changed to "To Be Determined" and the following contingencies:

- The immediate written notification of any change in racing official positions.
- The completion of necessary IRGC licensing and DCI background checks of officials.

Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Polk County Lease: Mr. Palmer requested approval of the new 8-year lease with Polk County.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the lease with Polk County. Commissioner Heinrich seconded the motion, which carried unanimously.

William Hill Sports Book/American Wagering Operating Lease: Mr. Palmer requested approval of a contract with William Hill Sports Book for the next five years. He stated PMR&C is optimistic sports betting will be approved in Iowa and have selected William Hill as their provider, dependent upon passage of legislation. The lease includes a 5-year renewal clause.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the William Hill Sports Book/American Wagering Operating Lease as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Contracts: Mr. Palmer presented the following contracts for Commission approval:

- Cameron Mitchell, Inc. - Concrete Replacement and Construction
- Commercial Service Innovation, Inc. – Kitchen Equipment, Parts and Repair
- Conference Technologies, Inc. – Audio/Visual Equipment and Service
- Liberty Ready Mix/Liberty Holdings – Cement and Concrete
- Protex Central, Inc. – Fire Alarm and Suppression System and Service

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

HEARING: Mr. Ohorilko advised Commission staff and PMR&C have entered into a Stipulated Agreement for a violation of Iowa Code §99F.9(4) (Minor). On July 15, 2018, an underage female entered PMR&C's south entrance with an adult companion, and entered the gaming floor unchallenged. She was on the floor for three hours, gambled at a craps table and consumed an alcoholic beverage provided to her. These circumstances triggered the Commission referral. Mr. Ohorilko stated PMR&C did self-report the violation. He advised PMR&C has agreed to an administrative penalty of \$20,000, which is consistent with past practice.

Mr. Palmer introduced Clint Pursley, Director of Security, who assured the Commissioners that all of the deficiencies that allowed this situation to occur have been addressed, and the employees have been re-trained.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty of \$20,000.00. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: There was no public comment. Chair Kramer called on Mr. Ohorilko for Administrative Business. He stated there was an

amendment to the Iowa Statewide and Lifetime Self-Exclusion Resolution. He noted the resolution outlines the expectations of the licensees and potential penalties if the expectations are not followed. With the Legislation enacted last year which went into effect January 1st, making the Commission the custodian of the statewide self-exclusion database, Commission staff felt there were some amendments that needed to be made. Mr. Ohorilko indicated staff feels these changes are minor in nature. The proposed changes have been sent to the industry, and no comments have been received. He requested approval of the amendments.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the amendments to the Resolution for Iowa Statewide and Lifetime Self-Excluded Program. Commissioner Arnold seconded the motion, which carried unanimously.

ADJOURN: As there was no further business to come before the Commission, Chair Kramer requested a motion. Commissioner Lamberti moved to adjourn. Commissioner Heinrich seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
MARCH 5, 2019**

The Iowa Racing and Gaming Commission (IRGC) met at Prairie Meadows Racetrack & Casino in Altoona, Iowa. Commission members present were Carl Heinrich, Vice Chair; and members Richard Arnold, Pennie Gonseth Cheers, and Jeff Lamberti. Chair Kris Kramer was absent.

APPROVE AGENDA: Vice Chair Heinrich called the meeting to order at 8:30 AM and requested a motion to approve the agenda. Commissioner Gonseth Cheers moved to approve the agenda as presented. Commissioner Arnold seconded the motion, which carried unanimously.

APPROVE MINUTES: Vice Chair Heinrich moved to the approval of the minutes from the January 4, 2019 Commission meeting. Commissioner Lamberti moved to approve the minutes as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Vice Chair Heinrich called on Brian Ohorilko, Administrator of IRGC, for announcements. Mr. Ohorilko advised the next meeting will be held in Council Bluffs at the Mid-America Center hosted by Horseshoe Casino. Submissions for the meeting are due by April 4, 2019. The following meeting will be on June 13th at Diamond Jo Worth in Northwood. He advised that meeting dates for FY20 would be announced at the April meeting.

Mr. Ohorilko introduced Michael Poundstone from the Des Moines office. Mr. Poundstone oversees the State-wide Self-Exclusion program, which was transferred to the Commission effective January 1st during the 2018 Legislative session.

RULES: Vice Chair Heinrich called on Mr. Ohorilko to address the rules before the Commission for final adopt. Mr. Ohorilko advised these rules were Noticed at the October meeting. Commission staff has been working with the industry on concerns regarding Item Nos. 4 and 22, related to consolidated audits and linked progressives, respectively. He advised there have been some changes to Item No. 4; however, the industry was not able to reach a consensus on the rule. There have been no other concerns expressed by stakeholders. No comments concerning the rules were received when they were presented to the Rules Review Committee. Mr. Ohorilko requested approval of the final adoption of the rules.

Hearing no comments or questions concerning the rules, Vice Chair Heinrich requested a motion. Commissioner Lamberti moved to approve the final adoption of the rules. Commissioner Arnold seconded the motion, which carried unanimously.

NATIONAL PROBLEM GAMING AWARENESS MONTH: Eric Preuss, Program Manager of the Iowa Gambling Treatment and Prevention Program, stated the goals of the program are to increase public awareness of problem gambling and the availability of prevention, treatment and recovery services and to encourage healthcare providers to screen clients for problem gambling through local, regional and state-wide efforts. Signs of problem gambling include increased preoccupation with gambling, a need to bet more and more frequently, argumentative and

defensive about gambling behavior, unexplained absences for long periods of time, lies to loved ones about gambling behavior, going without basic needs in order to gamble, and borrowing money to gamble. Mr. Preuss advised that anyone can develop a gambling problem, but the following groups have a higher risk: seniors, adolescents, college students, athletes, veterans and those being treated for mental health and substance abuse disorders. He noted less than 1 in 100 who could benefit from problem gambling treatment actually seek and receive help compared to just over 1 in 10 seeking treatment for a substance abuse disorder. Mr. Preuss stressed that treatment does work and recovery is possible.

Mr. Preuss stated that in a 2015 survey of adult gambling attitudes and behaviors conducted by the Center of Social and Behavioral Research at the University of Northern Iowa, nearly 9 out of 10 adult Iowans have gambled in their lifetime; 7 in 10 Iowans have gambled in the last month, and about 4 of 10 Iowans have gambled in the past 30 days; or approximately 294,000 who are at risk of problem gambling in Iowa and about 29,000 who meet the criteria for a gambling disorder. Additionally, about 23% of Iowans know a person where gambling may be causing problems for themselves, and about 15% indicate they have been negatively affected by someone's gambling behaviors. The results of the 2018 adult gambling attitudes and behaviors survey will be available in June, and will include a trend analysis since 2011. The study will also include some baseline data specific to sports wagering activity in the State of Iowa. Results of a study on youth attitudes and behaviors conducted in 2016 related to gambling remain unchanged since 2012: 25% of all students report gambling at least once in their lifetime; the percentage, approximately 5%, who lost or won more than \$25 was about the same for the counties with and without a casino; and those who gambled reported a higher incident of feelings of worthlessness, depression and thoughts of suicide. The 2018 study was just completed and will be available later this spring.

Mr. Preuss advised that as of January 1, 2019, the Department of Public Health (IDPH) has contracts with 19 local agencies to provide problem gambling prevention and treatment recovery services that encompass all 99 counties. Problem gambling treatment programs must be licensed by IDPH and are selected for contracting through a competitive Request for Proposal process. These services include outpatient counseling, which includes access to transportation services, medical assistance and recovery coaching, and financial counseling for those experiencing problems related to their gambling, as well as offering services for concerned persons or family members of the individual struggling with their gambling. Problem gambling education and prevention services inform Iowans about the risks and responsibilities of gambling. This approach incorporates a balance of outreach and education prevention, treatment and recovery support efforts that work together to minimize the potential negative impacts of gambling on individuals, families and communities and recognizes the availability of gambling, its cultural and social acceptance, as well as its monetary appeal.

Mr. Preuss stated IDPH and the Gambling Treatment Program collaborate with the Iowa Lottery and the Iowa Gaming Association during Problem Gambling Awareness Month during March, and during the holiday season for the responsible gifting campaign. They also provide education to employers about the costs of problem gambling to their businesses and provide a Gambling in the Workplace toolkit. They also work with the state-regulated casinos to train employees and

educate patrons regarding self-exclusion and created a self-exclusion toolkit. There are also school-based prevention efforts in place.

During the past 10 years, approximately 80,000 hours of education and prevention services have been provided in all 99 counties. The effectiveness of those efforts can be seen in the 2015 survey, which indicates a significant number of Iowans are aware of the 1-800-Bets Off helpline and the importance of public funding to educate adults about the risks of gambling. Mr. Preuss stated Iowa continues to strive to increase the access to treatment. When looking at the numbers across the United States in 2016, about one-quarter of 1% of all individuals who needed treatment received care, or approximately 14,000 individuals. It is estimated approximately 29,000 adult Iowans meet the criteria for a gambling disorder; however, services were provided to 3% of them. This number is greater than the national average of .25%; it suggests a gap between those needing the services and those actually receiving them. When reviewing the treatment services provided over the last 10 years, over 9,000 Iowans have received treatment.

Mr. Preuss advised the IDPH launched the integrated provider network in January 2019. The provider network has grown from 11 to 19 providing better access to treatment and prevention services. IDPH also launched the integrated Your Life Iowa helpline and website in October 2017 as a resource for prevention and treatment services related to drugs, alcohol, gambling and suicide. Help and information is available 24/7 365 days via phone, text and on-line chat. In FY18, the helpline had almost 8,000 contacts; 5,000 specifically related to problem gambling. When looking at problem gambling services in the United States in general, substance abuse disorders are about 3.8% more common than gambling disorders; public funding is approximately 334 times greater than public funding for problem gambling services; or about \$24.4 billion for substance use disorders versus \$73 million for problem gambling prevention treatment. Funding for the gambling treatment prevention program through IDPH is set by the legislature and is approximately \$2.7 million. Mr. Preuss stated Iowa remains in the top 10 in per capita spending for problem gambling prevention and treatment services, but the per capita spending has fallen from just under 90 cents in SFY 2016 to around 70 cents in SFY 2018. The national average is 23 cents; and of the forty states that currently fund gambling treatment programs the per capita average is only 37 cents.

IOWA GAMING ASSOCIATION: Wes Ehrecke, President, stated it is important for the industry to have a robust problem gambling and awareness program. The week of March 18-22 has been designated as Problem Gambling Awareness Week. There will be an increased focus with the treatment providers at the facilities to provide staff training and interact with patrons.

Mr. Ehrecke distributed copies of the 2017-2018 report on Building Iowa's Communities through Philanthropy, which highlights the grant contributions in the non-casino counties. These counties have community foundations which received approximately \$135,000 during the past year. He advised that 25% has to remain in a permanent endowment; some counties are now able to utilize the interest from that endowment to provide more grants. Since this program was instituted during the 2004 legislative session, 26,734 grants totaling \$97.7 million have been made.

EXCURSION GAMBLING BOAT AND GAMBLING STRUCTURE LICENSE RENEWALS (OSV – Out of State Vendor; RP – Related Party): Vice Chair Heinrich moved to the license renewals and advised the contracts submitted for approval would be approved separately from the licenses.

Iowa West Racing Association/Ameristar Casino Council Bluffs, LLC (IWRA/Ameristar): Nicole Lindquist, Director of Communications for IWRA, expressed regrets on behalf of Pete Tulipana, President. She read a statement from Mr. Tulipana which stated the relationship and partnership between IWRA and Ameristar remains strong, and provided the following highlights:

- IWRA will surpass \$500 million in giving during 2019. Grants require a 50% match; therefore, \$1 billion has been leveraged into the communities around southwest Iowa.
- The Iowa West Sports Plex, which is in the planning stages, will be an indoor turf facility that will serve soccer, baseball and softball athletes from several counties in southwest Iowa with many of them coming from disadvantaged backgrounds. IWRA is providing the lead gift of \$4.5 million toward this project and believes it will have a similar economic impact as the field house, which is adjacent to the new facility.
- Pottawattamie Promise, which helps prepare high school students for post-secondary education by eliminating financial and other barriers by providing full-ride scholarships, housing and support services; and provides support and counseling to help students pursue a college degree or complete a certificate program. In April, IWRA will be honoring 135 students from five different high schools in southwest Iowa that will be graduating and attending Iowa Western. IWRA is preparing to expand the program to another school district this year; and hope to expand it to every student who qualifies by 2020.

Mr. Tulipana's statement requested approval of the license renewal.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Arnold moved to renew the license to conduct gambling games to Iowa West Racing Association, renew the license the operate Ameristar Casino Council Bluffs, LLC as an excursion boat that will not cruise and approve the facility's revised security plan included in the application. Commissioner Lamberti seconded the motion, which carried unanimously.

Paul Czak, General Manager, expressed his appreciation for the approval of the license renewal and advised Ameristar considers it a privilege and are honored to partner with IWRA.

He presented the following contracts for Commission approval:

- Hiland Dairy Food Company, LLC – Dairy Products
- CMET – Dredging of Vessel Slip

Hearing no comments or questions concerning the contracts, Vice Chair Heinrich requested a motion. Commissioner Arnold moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Iowa West Racing Association/Harveys Iowa Management Company LLC(IWRA/Harrah's): Ms. Lindquist read a statement from Mr. Tulipana advising IWRA and Harrah's have an excellent relationship. They hold quarterly meetings and have discussions regarding the challenges and opportunities in the gaming industry and the community. He stated IWRA's vision is to help create communities where families want to live and where businesses want to locate due to the quality of life. Mr. Tulipana's statement provided the following highlights:

- Advised IWRA provided the lead gift of \$9 million toward the \$27 million PACE Arts & Culture Center, which will feature a performing arts theater and include a multi-use facility with studio space for aspiring artists, exhibit areas, classrooms and more. It is scheduled to open in spring 2020.
- In the Healthy Families portfolio, they work to build systems to serve the most vulnerable populations; they have created a multi-year funding commitment to seven human services organizations to help build their capacity.
- IWRA is also studying and implementing programs and services in the areas of homelessness and food insecurity and are committed to making a significant impact in both of those areas. Ms. Lindquist requested approval of the license renewal.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Gonseth Cheers moved to renew the license to conduct gambling games to Iowa West Racing Association, renew the license to operate Harveys Iowa Management Company, LLC as a gambling structure and approve the facility's revised security plan included in the application. Commissioner Lamberti seconded the motion, which carried unanimously.

Janae Sternberg, Director of Finance, extended Harrah's appreciation for the renewal of their license. She expressed appreciation for IWRA's visionary look at the Council Bluffs community and others in southwest Iowa.

Ms. Sternberg presented the following contracts for Commission approval:

- Waldinger Corporation – Mechanical Products and Services
- Gritton & Associates – Mechanical Products and Services (OSV)

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Washington County Riverboat Foundation, Inc./Riverside Casino & Golf Resort, LLC (WCRF/Riverside): Dan Franz, General Manager, stated their company values integrity, responsibility, positivity, respect, passion, excellence and care, and will continue to embrace and display those values as long as they continue to operate. He thanked the Commission for their faith and entrusting them with a license to not only serve the southeastern Iowa corridor but also patrons across the state and region as a gaming destination resort for the last 13 years. Mr. Franz stated their non-profit partner, WCRF, has done and continues to do great work with the local

communities where the employees and patrons reside. He indicated the two entities have a great relationship. He introduced Dave Mitchell, Secretary of WCRF.

Mr. Mitchell stated 2018 was another excellent year for WCRF, and 2019 will be a year of transition as the Executive Director retired. The new Executive Director is Patty Koller, who was one of the founding board members. Mr. Mitchell stated WCRF provides grants to not-for-profits that fall in the categories of community development, beautification, economic development, education and arts, and human and social needs. He noted that in 2018, WCRF granted approximately \$5.5 million to 90 competitive grants and another \$100,000 through mini-grants. Since its inception, WCRF has granted \$34.5 million in competitive grants with over 25% of the grants being given out of Washington County; another 25% is granted to nine municipalities in Washington County. Mr. Mitchell provided some highlights regarding the grants awarded in 2018, which included new rigging for the Washington County Theater; Prospect Field is installing a Miracle Field Playing Surface; WACO Community Schools are building a STEAM Lab; and the Washington County YMCA is building a new \$9.5 million facility in Washington with a \$3.5 million grant. Mr. Mitchell advised the WCRF Board changes every 2-3 years, and none of the original board members are on the board at this time.

Mr. Franz advised 2018 was marked by renovations; they spent \$11 million on an impactful, visible transformation of the property. They experienced some temporary revenue decline during the renovations, but saw a rebound post-renovation. He noted 2019 is off to a rough start due to the winter weather, and they are looking forward to spring. Mr. Franz indicated they are looking forward to the potential addition of sports betting. He requested approval of the license renewal application on behalf of WCRF and Riverside.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Lamberti moved to renew the license to conduct gambling games to Washington County Riverboat Foundation, Inc., renew the license to operate Riverside Casino & Golf Resort, LLC as a gambling structure and approve the facility's revised security plan included in the application. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Mr. Franz presented the following contracts for Commission approval:

- Baxter Construction Company, LLC – Renovation Project – Construction Manager
- Builders Sales & Service Company – Renovation Project – Interior Framing & Drywall (OSV)
- Carrier Access IT, LC – Hardware/Software Products and Support Block of Hours
- Mohrfeld Electric, Inc. – Renovation Project – Electrical
- North American Home Centers, Inc. – Randy's – Renovation Project - Tile Work
- The Printer, Inc. – Marketing Mailers and Postage

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Arnold moved to approve the contracts as submitted. Commissioner Lamberti seconded the motion, which carried unanimously.

Black Hawk County Gaming Association/IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo (BHCGA/IOC Waterloo): Todd Connelly, General Manager, introduced Beth Knipp, and Betsy Ratchford, Executive Director and President of BHCGA respectively.

Ms. Ratchford advised BHCGA and IOC Waterloo have a great partnership. She stated IOC Waterloo has lived up to all of their commitments and is a great asset to the community. Ms. Ratchford stated BHCGA distributed just under \$5.7 million to 59 projects located in seven different municipalities in Black Hawk and surrounding counties. She provided the following highlights: \$600,000 to renovate Lincoln Park; \$1.25 million for streetscape enhancements in downtown Waterloo; \$250,000 to the Cedar Falls Historical Society Education and Curator Center; and \$150,000 to the Iowa Heartland Habitat for Humanity. Ms. Ratchford stated BHCGA has emphasized investing in quality of life projects that benefit the entire Cedar Valley. She noted the organization also supports public safety initiatives and emergency equipment investments to a variety of emergency and law enforcement agencies. They also provide funds to human services agencies such as food banks, Boys Scouts, the YMCA and others, as well as entities providing services in the arts sector such as museums and libraries. Ms. Ratchford advised that over the last 11½ years, BHCGA has awarded just over \$46 million to 515 projects in the following counties: Black Hawk, Bremer, Buchanan, Butler, Tama, Chickasaw and Grundy. As the grants awarded by BHCGA represent just under one-third of a project's cost, BHCGA's \$46 million has leveraged another \$92 million in partnership investments. She noted the Cedar Valley Sports Plex, their largest project to date, is celebrating five years of operations. Ms. Ratchford requested approval of the license renewal application.

Mr. Ohorilko reminded the Commissioners that IOC Waterloo had withdrawn their revised security plan at this time.

Vice Chair Heinrich moved to renew the license to conduct gambling games to Black Hawk County Gaming Association and renew the license to operate IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo as a gambling structure. Commissioner Lamberti seconded the motion, which carried unanimously.

Mr. Connelly submitted a contract with CDW Direct, LLC for Computer Equipment for approval. He thanked BHCGA for their hard work to improve the Cedar Valley.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Gonseth Cheers moved to approve the contract as submitted. Vice Chair Heinrich seconded the motion, which carried unanimously.

Worth County Development Authority/Diamond Jo Worth, LLC d/b/a Diamond Jo Worth (WCDA/DJW): Scott Smith, General Manager, introduced Deb Hanson and Ken Abrams, Chief Financial Officer and President respectively, from WCDA. He noted the license was granted approximately 13 years, and has been very successful. Mr. Smith advised that in 2018 revenue was just over \$85 million, which was down 1% from the previous year due to weather. Admissions were just over one million; DJW is the premier destination for northern Iowa and southern Minnesota. The total economic impact for the property was \$49 million, with \$46.5

million being spent with Iowa vendors. Mr. Smith stated the facility has 403 employees; for those in supervisory positions or above, 49.6% are female and 50.4% are male. He stated they are proud to partner with WCDA, and provide 5.67% of adjusted gross revenue to them; providing approximately \$4.9 million in 2018 and just over \$57 million since inception. The state received \$16 million and the city and county received \$424,000.

Ms. Hanson stated the packets provide an overview of 2018. She noted education is very important to WCDA, and they continue to provide support through their scholarship fund. In 2018, 101 students qualified for a \$7,435 scholarship each. She noted many would not be able to continue their education without these funds. She advised 67-68% continue their education at the local community college, and many others end up at an Iowa university. Ms. Hanson requested approval of the license renewal application.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Arnold moved to renew the license to conduct gambling games to Worth County Development Authority, renew the license to operate Diamond Jo Worth, LLC d/b/a Diamond Jo Worth as a gambling structure, and approve the facility's revised security plan included in the application. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Mr. Smith presented a contract with ACS to replace the existing production VMware Virtualization Stack Hardware. Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Arnold moved to approve the contract as submitted. Vice Chair Heinrich seconded the motion, which carried unanimously.

Missouri River Historical Development, Inc./SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City (MRHD/HRHC): Dakin Schultz, President of MRHD, stated they have increased their spring grant program by approximately \$50,000, and fall grants increased by \$200,000. In February, they awarded \$300,000 in scholarships, bringing the total scholarship program to \$450,000. In December 2018, the last of the long-term board members terms expired. Mr. Schultz stated they will be starting the process to look for a new executive director as the current executive director is retiring at the end of the year. He advised total contributions and pledges are in excess of \$35 million. He stated HRHC is a great community partner and is one of the largest employers in the area. Mr. Schultz advised HRHC has served as a catalyst for the rejuvenation of the downtown area, with a number of the older buildings downtown undergoing renovation. He requested approval of the license renewal application.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Gonseth Cheers moved to renew the license to conduct gambling games to Missouri River Historical Development, Inc., renew the license to operate SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City as a gambling structure, and approve the facility's revised security plan included in the application. Commissioner Arnold seconded the motion, which carried unanimously.

Jim Franke, General Manager, concurred with Mr. Schultz's remarks concerning the relationship between the two entities, and expressed appreciation for MRHD's efforts to improve the lives of

the individuals who live and work in Sioux City. He stated HRHC continues to invest in the property and the community. They have reconfigured the layout and added new product; replaced the carpet throughout the casino; rebranded the Players' Club, and continued the summer concert series, which drew in excess of 40,000 attendees. In October, HRHC received the Amphitheater of the Year Award from the Global Gaming Expo. The hotel received the Triple A 4-Diamond rating for the fifth year in a row. Work on the new parking garage commenced in September last year with completion expected in October of this year. Mr. Franke stated they are looking forward to developing the space within the property to take advantage of the sports betting legislation should it pass.

Mr. Franke presented a contract with Civil Engineers & Constructors, LLC for construction services for approval. Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Arnold moved to approve the contract as submitted. Commissioner Lamberti seconded the motion, which carried unanimously.

Scott County Regional Authority/Isle of Capri Bettendorf, L.C. (SCRA/IOCB): John Nagle, President of SCRA, advised they have a wonderful relationship with IOCB; and expressed appreciation for Nancy Ballenger, General Manager of IOCB. He stated the SCRA board nominated Ms. Ballenger for the Athena Award in Bettendorf, and she will be one of the recipients at the April ceremony. Mr. Nagle stated SCRA granted 145 grants totaling just over \$3 million; he indicated this touched approximately 70% of the grant applications received. Since SCRA's inception, they have distributed over \$84 million into the community. Mr. Nagle stated SCRA emphasizes education and the youth in the area. They gave \$40,000 to the Pleasant Valley High School for a virtual reality integrated welder simulator to help develop interest in the trade skills; the North Scott Schools also received a \$40,000 grant to replace equipment in their building trades' classrooms. SCRA also provided a grant to the Vera French Foundation Mental Health Center for therapy to help underprivileged youth find a different path.

Ms. Ballenger thanked Mr. Nagle, the SCRA board, and all the volunteers that help them; and stated IOCB is happy to partner with them. She stated the property is still seeing some residual growth from their \$60 million land-based investment in June 2016, but noted the market has cooled off but 2018 was still a good year. She advised IOCB invested \$1.6 million and partnered with the City of Bettendorf on the Jetty Riverfront Park located where the former riverboat was located; the skywalk has been removed. The area now has a park with benches and 2 fishing piers. IOCB also spent \$2.1 million on capital investments to upgrade some spaces and do property maintenance. She indicated they will spend approximately \$2.3 million on infrastructure for the property. Ms. Ballenger noted the I-74 construction project, which started in 2017, is occurring right next to them and should be completed in 2020 or early 2021. She said it appears there will be some lane restrictions taking place in 2019, which could impact their revenues for the year. Ms. Ballenger stated IOCB has the largest hotel in Iowa with 509 rooms and 40,000 square feet of meeting space. She requested approval of the license renewal application.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Lamberti moved to renew the license to conduct gambling games to Scott County Regional

Authority and renew the license to operate Isle of Capri Bettendorf, L.C. as a gambling structure. Commissioner Arnold seconded the motion, which carried unanimously.

Regional Development Authority/Rhythm City Casino, LLC (RDA/Rhythm City): Mo Hyder, General Manager, introduced A. J. Loss and Matt Mendenhall, an RDA board member and President and CEO of RDA respectively. He stated RDA and Rhythm City have an excellent working relationship. June will mark the third anniversary at their land-based facility; Mr. Hyder advised the facility continues to grow and contribute to the economic progress of the Quad Cities. Rhythm City's economic impact on the region during the past year was approximately \$54 million. The move to the land-based facility has increased the contributions to the RDA, State of Iowa, Scott County and City of Davenport.

Mr. Loss advised RDA has been in existence for 28 years, and after the spring awards, they will have granted in excess of \$70 million to enhance the Quad Cities area. He stated Rhythm City funded \$2.6 million of awards to 122 separate projects in the Quad Cities region. Mr. Loss advised one-third of the revenues received goes toward economic development, arts, culture and education, and human services. Mr. Loss stated RDA has found they can have a bigger impact by making larger grant awards that happen over multiple cycles, and are currently in various stages of making payments to support 15 larger projects totaling more than \$2.5 million in grants that are helping to generate approximately \$70 million in community development. These projects include Eastern Iowa Community College Urban Campus, Scott County Family YMCA, Davenport library renovations, St. Ambrose's new student wellness center, a wetlands restoration project, and a new broadcasting tower for the local public television station. Mr. Loss stated many projects receive their first piece of community support from RDA, which leads to significant amounts of additional funding. Mr. Loss expressed appreciation for the RDA's flexible funding which allows them to support a wide range of causes that create a stronger community.

Mr. Mendenhall thanked Mr. Hyder and the team at Rhythm City for going above and beyond in their support of RDA. He noted Rhythm City makes additional grants to causes like hunger, and provides many in-kind contributions. Mr. Mendenhall stated the RDA board has spent a significant amount of time over the last year in a strategic planning process to review revenue trends and how they can best meet the community's needs. The board is developing a leadership agenda in order to better leverage the dollars they manage, such as exploring partnerships with other local funders to strengthen the non-profit sector and finding ways to support non-profits in applying for national foundation grants.

Mr. Hyder requested approval of the license renewal application.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Arnold moved to renew the license to conduct gambling games to Regional Development Authority and renew the license to operate Rhythm City Casino, LLC as a gambling structure. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Mr. Hyder presented the following contracts for Commission approval:

- 7G Distributing – Beverage Purchases
- Grand Falls Casino Resort – Support Services: Internal Audit; Regulatory Compliance & IT Services (RP)
- King Food Service – Food Purchases
- Marsh USA, Inc. – Property and Liability Insurance; Bond Premium
- MedOne Healthcare Systems – Prescription Drug Benefit Plan
- Myers-Cox – Cigarettes, Sundries & Candies
- One Neck IT – Computer Network Support
- Reinhart – Food Purchases
- Riverside Casino & Golf Resort – Support Services: Internal Audit; Regulatory Compliance & IT Services (RP)
- Sysco Food Services of Iowa – Food Purchases
- UMR, A United Healthcare Company – Medical & Flexible Spending Plan
- Zurich – Insurance Services

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

Dubuque Racing Association, LTD/Diamond Jo, LLC d/b/a Diamond Jo Casino (DRA/DJ): Wendy Runde, General Manager of DJ, and Brian Rakestraw, General Manager of Q Casino and representing DRA, were present to address the license renewal. Ms. Runde stated 2018 was a solid year for gaming in the Dubuque market; gross gaming revenue was up approximately 2.8%. Diamond Jo's share of the increased revenue was just under \$68.5 million, which translated to about \$3.1 million in contributions to the DRA. She stated both organizations celebrated the execution of a new operating agreement; the previous agreement expired in December 2018. The new agreement has them partnering for an additional 12 years, or through the end of 2030.

Mr. Rakestraw expressed support for the gaming license for Diamond Jo on behalf of the DRA. He thanked the employees of DJ and Boyd Gaming for partnering with DRA. He advised the two entities have an excellent relationship. Mr. Rakestraw stated DRA's impact on the community is very visible. He stated DJ contributed \$3.1 million to DRA; some funding is provided to the schools to help children with dyslexia. Mr. Rakestraw read comments from Jesús Avilés, President of DRA, which indicated DJ also finances multiple community organizations through their Diamond Jo Cares endeavors. Team members have a strong presence in the community, and provide time and resources to many boards promoting economic development, Chamber of Commerce initiatives and many others. Mr. Rakestraw requested approval of the license renewal application.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Gonseth Cheers moved to renew the license to conduct gambling games to Dubuque Racing Association, LTD, renew the license to operate Diamond Jo, LLC d/b/a Diamond Jo Casino as a

gambling structure, and approve the facility's revised security plan included in the application. Commissioner Lamberti seconded the motion, which carried unanimously.

Ms. Runde thanked the Commission for the opportunity to do business in Iowa. She presented the following contracts for Commission approval:

- ACS LTD – Replace Existing Product VMWare Virtualization Stack Hardware
- Conlon Construction – Miscellaneous Maintenance Projects

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

Dubuque Racing Association, LTD (DRA): Mr. Rakestraw advised 2018 started off slow as the property had two renovation projects underway; the opening of the Farmhouse Restaurant, which focuses on Iowa produce, and in April all of the hotel rooms were renovated from ceiling to floor. Revenues rebounded following the conclusion of the renovation projects and 2018 was very successful. He noted the weather has impacted operations over the winter, and they are also looking forward to the possibility of adding sports betting.

Mr. Rakestraw then read a letter from Mr. Avilés concerning operations at Q Casino. Mr. Avilés noted the DRA has the distinction of being both a qualified sponsoring organization and an operator. He stated that while DRA sponsors the Diamond Jo Casino, they also compete with them in operational and marketing activities. The two properties co-exist in a relatively small market and are less than 2 miles apart. The collective contributions to charities, the City of Dubuque and other local organizations surpassed DRA's projections and theirs. DRA has been a multi-year contributor to the Greater Dubuque Development Corporation and surpassed \$1.2 million. Additionally, in 2018, the DRA committed to finance a world class Veteran's Memorial on Chaplain Schmitt Island costing approximately \$3 million. The Dubuque School District received in excess of \$250,000, and the city received over \$7.5 million. DRA's economic impact in the community exceeded \$46.5 million. He requested approval of the license renewal application.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Arnold moved to renew the license to conduct gambling games to Dubuque Racing Association, Ltd, and renew the license to operate Dubuque Racing Association, Ltd. as a gambling structure. Vice Chair Heinrich seconded the motion, which carried unanimously.

Mr. Rakestraw presented a contract with TownSquare Media Dubuque for Radio and Digital/Online Advertising. Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Arnold moved to approve the contract as submitted. Commissioner Lamberti seconded the motion, which carried unanimously.

Lyon County Riverboat Foundation, Inc./Grand Falls Casino Resort, LLC (LCRF/GFCR): Sharon Haselhoff, General Manager, and Jerry Keizer, President of LCRF, were present to

request approval of the license renewal application. Ms. Haselhoff stated 2018 was a good year, except for the first two months due to weather. Gaming revenue was over \$58.9 million, an increase of 6.1% over 2017 as a result of changes in the marketing programs and adding tiers to the Resort Club program. Coin in was up 7.1% for the year; table drop was up 8.7%, hold and revenue were both up, as were costs for promotional allowances. Ms. Haselhoff advised they completed renovation work in the hotel, and over \$1.3 million is planned in capital expenditures for 2019. She stated she is most proud of the work the facility does with the veterans in the area. The program, Golf for Injured Veterans Everywhere or GIVE, started at Riverside Casino & Golf Resort, and expanded to the Des Moines area with the help of Prairie Meadows, and to Grand Falls when their golf course opened. The program is done in partnership with the Veteran's Affairs Office in Sioux Falls and the PGA. The program allows injured veterans to learn how to play golf with the assistance of a family member or friend. Ms. Haselhoff stated over 200 veterans in the tri-state area have gone through the program. She stated WCRF is an excellent partner.

Mr. Keizer stated LCRF is honored and pleased to partner with GFCR; and feel they have a great working relationship. He advised LCRF received \$2.2 million from GFCR, their second best payment since 2011. He noted a new marketing program in 2017 increased the distribution by \$130,000. Mr. Keizer stated since its inception in 2011, LCRF has distributed \$16.2 million, the three school districts have each received \$1,235,000; and Lyon County and the eight cities have each received between \$376,000 and \$522,000 through non-competitive grants. The remaining 50% of funds received goes toward competitive grants; this year LCRF funded 10 out of 33 grants, or approximately \$206,000. Mr. Keizer advised LCRF also has a mini-grant program; they funded 27 out of 74 grants for a total of \$54,000. Remaining funds are being utilized to pay off long-term grants previously funded. Mr. Keizer requested approval of the license renewal application.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Lamberti moved to renew the license to conduct gambling games to Lyon County Riverboat Foundation, Inc., renew the license to operate Grand Falls Casino Resort, LLC as a gambling structure, and approve the facility's revised security plan included in the application. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Ms. Haselhoff presented a contract with Wallace Caswell, Inc. for the wastewater plant rehabilitation project. Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Gonseth Cheers moved to approve the contract as submitted. Vice Chair Heinrich seconded the motion, which carried unanimously.

Clarke County Development Corporation/HGI-Lakeside, LLC (CCDC/Lakeside): Sue Wilder, President of CCDC, stated the parties have had a good relationship for the past few years. Some of the highlights from the grant distributions last year include: developing biking/walking trails to connect the town; helping to build a new cattle barn at the fairgrounds; providing funds to Cross Ministries, which aids individuals/families facing hardships, to purchase a new truck; the Osceola Fire Department to purchase and refurbish the original firetruck for the town from 1928; and funds to the Clarke and Murray School Districts to purchase Chromebooks, among others.

Ms. Wilder noted Osceola received 16” of snow in November, which closed the interstate. Lakeside opened the hotel/convention center to stranded travelers. She thanked Lakeside for helping CCDC make Clarke County a better county.

David Monroe, General Manager, thanked CCDC for partnering with them. He noted he attends the monthly meetings and is impressed by the improvements provided to the lives of the residents of Clarke County. He stated 2018 was a year of transition for the property; leadership positions in gaming, hotel, food and beverage, security, and information technology were all replaced. The goal was to select leaders that were technically strong in guiding and developing the employee and guest culture, community support and growing the business overall. Mr. Monroe stated visitation increased during the third and fourth quarters, which had not occurred in the previous 15 quarters. Hotel occupancy was up 10%; they experienced increased revenues in other areas of the operation as well. Service scores were at or near an all-time high. While it has been a rough start in 2019 due to weather; Mr. Monroe believes this year will be a turning point for the property. He requested approval of the license renewal application.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Gonseth Cheers moved to renew the license to conduct gambling games to Clarke County Development Corporation, renew the license to operate HGI-Lakeside, LLC as a moored barge and approve the facility’s revised security plan included in the application. Commissioner Lamberti seconded the motion, which carried unanimously.

Southeast Iowa Regional Riverboat Commission/Catfish Bend Casinos II, LLC (SIRRC/Catfish Bend): Rob Higgins, General Manager, stated the facility was thrilled to build their new hotel, a Hampton Inn & Suites, and their new entrance. He noted the weather had also provided challenges to them like many of his counterparts. Mr. Higgins stated they have a strong relationship with SIRRC, and continue to build that relationship.

Steve Staebell, President of SIRRC, advised revenues received from Catfish Bend are equally divided between the Keokuk Convention and Tourism Bureau, the Fort Madison SIRRC, and Grow Greater Burlington. This year the organizations are sharing approximately \$1.2 million. The Keokuk Convention and Tourism Bureau use their funds for programs and enhancements to their tourism effort, improvements to Victory Park and provide public safety equipment. The Fort Madison SIRRC grants helped complete Phase 2 of the Port Trails project, and the third and final phase will be completed this year. Funds were also directed to the sports complex and continued improvements at Rodeo Park. Mr. Staebell stated Grow Greater Burlington awarded a sizeable grant for the completion of an 8,000 square foot dome for an indoor soccer facility; additional funds were awarded to the Healthy Neighborhoods Program and to construct new classrooms at Southeastern Community College. Mr. Staebell advised the two entities have a great relationship, and Catfish is a great community citizen. He noted Catfish reaches out to local businesses to include them in many of their promotions. He requested approval of the license renewal application.

Mr. Higgins advised Burlington opened an indoor turf complex earlier this year. The first event was held in February; every weekend has been booked to date.

Hearing no further comments or questions, Vice Chair Heinrich requested a motion. Commissioner Arnold moved to renew the license to conduct gambling games to Southeast Iowa Regional Riverboat Commission and renew the license to operate Catfish Bend Casinos II, LLC as a gambling structure. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Clinton County Development Association/Wild Rose Clinton, L.L.C. (CCDA/WR Clinton): Steve Nauman, General Manager, advised Les Shields, Vice President of CCDA, was unable to make the trip but did provide a letter from the CCDA, which he read. Mr. Shields' letter provided the following highlights:

- Clinton was one of the initial riverboat licenses in Iowa, and CCDA has a 28-year history in casino gaming in Clinton.
- The CCDA estimates it has awarded over \$30 million in grants for projects in Clinton County that have the potential to significantly increase economic development and employment within the county. Some of the grants awarded are:
 - \$2 million grant for the development of the Lincolnway Railport for future industrial development.
 - Another \$2 million for a Vision Iowa project that resulted in a new riverfront restaurant, new and expanded boat docks and remodeling of the band shell in Riverfront Park.
 - Over 300 non-profit organizations and governmental units have received funds from the CCDA: \$6.4 million for local school district projects; \$3.2 million for public safety projects to the 13 paid and volunteer fire departments in Clinton County; \$7.7 million for specific projects from 130 non-profit organizations.
 - \$225,000 for upgrades to the Clinton County Law Enforcement Agencies for record management and communications software; and \$150,000 to the library in DeWitt for an expansion project.
 - Committed \$500,000 to the new cancer treatment linear accelerator to be built in Clinton to allow patients to receive treatment closer to home.

Mr. Shields' statement advised CCDA is actively pursuing a complete redesign of its website and an entirely new online grant application process, which result in a reduction of paper filing and time to process the applications. They hope to have both improvements available by July. The CCDA is proud of their history and looks forward to continuing to work with the Wild Rose organization. Mr. Shields requested approval of the license renewal application.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Lamberti moved to renew the license to conduct gambling games to Clinton County Development Association, renew the license to operate Wild Rose Clinton, L.L.C. as a gambling structure, and approve the facility's revised security plan included in the application. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Palo Alto County Gaming Development Corporation/Wild Rose Emmetsburg, L.L.C. (PACGDC/WR Emmetsburg): Steve Cody, General Manager, introduced Brian Bormann, President of PACGDC.

Mr. Bormann advised PACGDC held their annual awards banquet the previous week at WR Emmetsburg. PACGDC received \$1.6 million from WR Emmetsburg; \$606,000 was given to the various cities within the county, the five schools districts received a total of \$200,000 plus an additional \$50,000 to be divided equally to be used for technology, fine arts, and literacy improvement. Competitive grants totaled \$446,000, which all involved matching grants. Mr. Bormann stated PACGDC has been funding some projects with their reserve funds: \$300,000 for first time home buyers with a \$5,000 maximum; another \$300,000 was used for grants to demolish old buildings and create space to build new houses; and some funds were used to help with new home construction. They just started a water quality fund where they will help replace septic systems. Mr. Bormann stated PACGDC is trying to help keep the tax base stable, and therefore, provide some stability to the school districts. Mr. Bormann requested approval of the license renewal application.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Gonseth Cheers moved to renew the license to conduct gambling games to Palo Alto County Gaming Development Corporation and renew the license to operate Wild Rose Emmetsburg, L.L.C. as a gambling structure. Commissioner Arnold seconded the motion, which carried unanimously.

Grow Greene County Gaming Corporation/Wild Rose Jefferson, L.L.C. (GGCGC/WR Jefferson): Rick Morain, Board Member of GGCGC, advised the agreement between GGCGC and Wild Rose Entertainment (WRE) has made a significant impact on Greene County and the surrounding counties since its inception. He stated GGCGC will hold its grant awards night where they will distribute \$1.4 million to non-profits and municipalities, school districts and the Greene County Community Foundation. Their agreement with WRE requires 18% of the total receipts are to go to the Community Foundations of the six contiguous counties to Greene County, which boosts their granting abilities by approximately 50%. Mr. Morain noted the voters in Greene County approved a bond issue in the amount of \$21.5 million to improve the school facilities, but the entire project is projected to cost \$35 million for a new high school, new regional career tech center to be operated by Iowa Central Community College and remodeling of the current high school as a new home for the middle school. He stated the project would not have come to pass without a \$4.5 million grant from GGCGC over the next thirteen years for a performing arts center and gym facilities at the new high school. Greene County Supervisors are also investing \$5 million to build the regional tech center. The entire project is a result of the decision by Pilar Technology of Des Moines to open its first rural American production facility in Jefferson. They will spend \$1.7 million to remodel a building located in the downtown district, which is currently underway. Software development employees, many of whom will come from the new tech center, will see starting salaries of approximately \$60,000 or more. Mr. Morain stated Pilar's decision to locate in Jefferson was a direct result of the local school improvements and career tech project, which would not have happened without GGCGC funds.

Travis Dvorak, General Manager, stated WRJ is honored and grateful to partner with GGCGC as they make positive and long-lasting impacts in Greene County and the six contiguous counties. He advised WRJ has donated an additional \$165,000 in funds and donations to the local schools, hospital, law enforcement and many other non-profit and charitable organizations in Greene

County and the surrounding counties. He noted many employees are also involved with many community organizations, some in leadership positions. He stated Jefferson received the “Best Downtown and Best Entertainment” vote from RAGBRAI participants last year. Mr. Dvorak requested approval of the license renewal application.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Arnold moved to renew the license to conduct gambling games to Grow Greene County Gaming Corporation and renew the license to operate Wild Rose Jefferson, L.L.C. as a gambling structure. Commissioner Lamberti seconded the motion, which carried unanimously.

Mr. Dvorak presented the following contracts for Commission approval:

- Sysco Iowa, Inc. – Food Distributor
- Reynolds & Reynolds, Inc. – Broker for Property Insurance
- Liebl Marketing Group – Marketing/Advertising Buyer

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

Upper Mississippi Gaming Corporation/Casino Queen Marquette, Inc. (UMGC/CQM): Don Ostert, General Manager, advised Sindee Gohde, Executive Director of UMGC, was unable to attend. Mr. Ostert stated CQM has approximately 150 employee owners with 15% of the employees celebrating 25 years of employment in December, and another 39% who have been employed in excess of 15 years. He stated CQM paid approximately \$6.3 million in state and local taxes and fees in 2018; the City of Marquette received \$484,000, Clayton County received \$251,000, and UMGC received \$200,000. Mr. Dvorak stated the new contract with UMGC goes into effect in July, which will significantly increase the funds they receive. He noted CQM spent approximately \$800,000 for new slot machines, surveillance system, and a new vault system. Mr. Ostert requested approval of the license renewal application.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Lamberti moved to renew the license to conduct gambling games to Upper Mississippi Gaming Corporation, renew the license to operate Casino Queen Marquette, Inc. as an excursion boat that will not cruise and approve the facility’s revised security plan included in the application. Commissioner Arnold seconded the motion, which carried unanimously.

Vice Chair Heinrich commended the licensees for their hard work, enthusiasm and pride in their communities.

IOWA GREYHOUND ASSOCIATION D/B/A IOWA GREYHOUND PARK (IGA d/b/a IGP): Brian Carpenter, General Manager and Director of Racing, requested approval of the 45-day plan for the upcoming live race meet. He advised 2019 would be the 36th season of live greyhound racing in Dubuque, and the 5th year under the IGA. He stated the performances and

post times are the same as 2018, but they are now requesting to add an additional week to the season, which means they will be running 104 performances.

Commissioner Lamberti moved to approve the revised race dates and simulcast proposal subject to Commission staff finding qualified veterinarian coverage for the additional race dates. Commissioner Arnold seconded the motion, which carried unanimously.

Commissioner Gonseth Cheers moved to approve the request for season approvals subject to the following conditions:

- The immediate written notification of any change in racing official positions.
- The completion of necessary IRGC licensing and DCI background checks of racing officials.
- The export contracts should continue to have the review and approval by the state to ensure regulatory compliance.
- Continuous review of racetrack maintenance issues and monitoring of injuries in cooperation with IRGC representatives.
- Walk through by IRGC staff to ensure all equipment is in working order and the facility is ready to accept the greyhounds.
- Review and coordination of security plan by staff.

Commissioner Lamberti seconded the motion, which carried unanimously.

CONTRACT APPROVALS (OSV – OUT OF STATE VENDOR; RP – RELATED PARTY):

Iowa West Racing Association d/b/a Horseshoe Casino: Ms. Sternberg presented a contract with 23rd Street Hotel Associates, LLC for the acquisition of the Hilton Garden Inn Council Bluffs. She advised the 153-room Hilton Garden Inn is attached to the Horseshoe facility, which is available to them through a ground lease agreement. Under the agreement, Caesar's has the ability to purchase the property, and has decided to do so. Purchasing the hotel will allow Horseshoe to have a hotel under their operation as they do at Harrah's, and provide them with a high demand offering for guests. Ms. Sternberg estimated the transaction would close within 90-120 days. Ms. Sternberg stated they would be increasing their capital investment in the hotel over the next 18-24 months.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Arnold moved to approve the contract as presented. Commissioner Lamberti seconded the motion, which carried unanimously.

Prairie Meadows Racetrack & Casino, Inc. (PMR&C): Gary Palmer, General Manager, presented an Agreement for Sharing of Gaming Revenue between Polk County, PMR&C, and the City of Des Moines.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Lamberti moved to approve the Sharing of Gaming Revenue agreement as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Mr. Palmer presented the following contracts for Commission approval:

- American Society of Composers (ASCAP) – Music Performance License Fees (OSV)
- American Teletimer – Photo Finish/Timing/Replay Service and System Maintenance (OSV)
- Bankers Trust Company – ATM Services; Revenue Agreement
- Iowa Cubs/Greater Des Moines Baseball – Advertising and Sky Box Rental
- Murphy Tractor and Equipment – Track and Grounds Maintenance Equipment

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

HEARINGS:

SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City (SCE): Mr. Ohorilko advised Commission staff and SCE Partners, LLC have entered into a Stipulated Agreement for a violation of Iowa Code 99F.4(18) related to surveillance recordings. Mr. Ohorilko stated that between December 2017 and August 2018, there were numerous camera outages that resulted in gaps in the required surveillance areas. IRGC and DCI staff became aware of the camera malfunctions independently, and it was later determined there were numerous notifications that had not been made pursuant to the Commission's Administrative Rules. Mr. Ohorilko stated SCE, LLC acknowledges the facts constitute a violation of the Iowa Code and multiple administrative rules and have agreed to a penalty in an amount up to \$25,000 to be established by the Commission.

Mr. Franke stated the company takes great pride in the training of their staff to ensure compliance with the rules set forth by IRGC and to fully cooperate with the IRGC and DCI personnel. Actions that diminish or otherwise negatively impact compliance are not and will not be tolerated. Both managers that violated at least 13 policies, procedures, directives or regulations on multiple occasions documented their acknowledgement and understanding of the Internal Controls and company policies to maintain the highest standards of conduct. During the same period of time when cables were causing the camera failures, the facility experiences three other equipment failures that were all reported and addressed appropriately. The facility does not have any indication of why these issues were not disclosed in the same manner. Mr. Franke advised the facility has established measures to insure adequate training of all surveillance personnel, diligent documentation, and transparent communication both internally and with the IRGC and DCI. They have hired a Surveillance manager with 22 years of experience, with over 16 years in a leadership role with the State of Iowa. He is respected and has a good working relationship with IRGC and DCI personnel. He has re-established a culture of compliance

through retraining of the Administrative Code, IRGC rules and regulations, internal controls and standard operating procedures. Facility personnel have also been advised to utilize Human Resources, the Compliance Department and the anonymous whistleblower's hotline in any case of non-compliance.

Commissioner Lamberti stated he appreciated the steps the facility has taken to address the serious issues set forth in the Stipulated Agreement. He moved to approve the Stipulated Agreement with an administrative penalty of \$20,000. Commissioner Arnold seconded the motion, which carried unanimously.

Wild Rose Jefferson, L.L.C. (WRJ): Mr. Ohorilko advised Commission staff and Wild Rose Jefferson, L.L.C. had entered into a Stipulated Agreement for a violation of Iowa Code 99F.9(4) related to underage gambling. He stated on November 10, 2018, WRJ allowed an underage individual onto the gaming floor unchallenged, was on the gaming floor for approximately 40 minutes and gambled, which meet the criteria for a Commission referral. Mr. Ohorilko advised WRJ did identify the individual when she approached the turnstile a second time. The incident was reported to Commission staff by WRJ. He stated that as a result of the violation, WRJ has agreed to an administrative penalty of \$20,000 consistent with the Commission's schedule.

Mr. Dvorak stated WRJ takes responsible gambling and underage gambling very seriously. He noted during the 3½ years they have been open, WRJ has had approximately 1.6 million admissions, and this is their first violation of this nature. He advised they have taken this opportunity to retrain and re-emphasize the importance of the issue with staff. Additionally, WRJ increased the training time for security officers, and re-emphasizing the importance of checking patron's identification prior to allowing them on the gaming floor. They are also emphasizing that all employees need to be diligent in identifying potential underage patrons. Mr. Dvorak stated WRJ accepts responsibility for the violation and has taken a proactive approach to prevent future violations.

Hearing no comments or questions, Vice Chair Heinrich requested a motion. Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty of \$20,000. Vice Chair Heinrich seconded the motion, which carried unanimously.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Vice Chair Heinrich called on Mr. Ohorilko for Administrative Business.

Review of Year-to-Date Economic Impact Reports: Mr. Ohorilko advised these reports are a collection of voluntary statements provided by each licensee demonstrating the types of expenditures made and whether they are in-state or out-of-state. He noted these reports are not audited by the Commission, but do provide an overview of the overall impact of the industry on the State of Iowa. During 2018, the overall economic impact in the area of payroll, equipment, statutory payments and charitable contributions was in excess of \$1,036,000,000; with 90% of that being spent with Iowa vendors. If required out-of-state purchases such as gaming equipment and some types of advertising are excluded, the overall spend with Iowa vendors exceeded 96%.

Mr. Ehrecke noted these numbers show the gaming industry is stable and strong. He noted when the Legislature enacted the gambling legislation, they wanted it to be a catalyst for economic development, generate tourism dollars and create jobs. He pointed out when comparing the current numbers to 2017, wages are up approximately \$10 million; the Buy Iowa First program is up about \$6 million, gaming taxes are up about \$4.7 million and charitable contributions are up approximately \$400,000.

Notice of Horse Racing Promotion Fund: Mr. Ohorilko advised there is approximately \$3,200 available in the FY 2019 Horse Racing Promotion Fund. Applications for the funds are due in the Commission office by 3:30 PM on April 3rd. The information will also be available on the Commission's website.

2019 Purse Amounts: Mr. Ohorilko advised the purse amounts reported by PMR&C based on the minimum percentage of 11% will be as follows:

- Thoroughbreds - \$16,152,648.67
- Quarter Horses - \$ 3,241,156.48
- Standardbreds - \$ 1,859,679.95
\$21,253,485.09

Hearing no further business to come before the Commission, Vice Chair Heinrich called for a motion to adjourn. Commissioner Lamberti so moved. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
APRIL 18, 2019**

The Iowa Racing and Gaming Commission (IRGC) met at the Mid-America Center in Council Bluffs, Iowa. Commission members present were Kris Kramer, Chair; Carl Heinrich, Vice Chair; and members Richard Arnold, Pennie Gonseth Cheers, and Jeff Lamberti.

APPROVE AGENDA: Chair Kramer called the meeting to order at 8:30 AM and requested a motion to approve the agenda. Commissioner Heinrich moved to approve the agenda as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

WELCOME: Samir Mowad, General Manager for Harrah's and Horseshoe Casino, welcomed the Commission and staff to Council Bluffs. He indicated Caesar's is appreciative of the opportunity provided to operate in Iowa and proud of their investment and commitment to the community. Mr. Mowad stated the properties partner well with the Iowa West Foundation; the organizations work together to make sure they are giving back to the community and surrounding counties to the best of their ability. He indicated the first show at Stir Cove this year would be a fund raiser for farmers in the western region of the state. Horseshoe Casino is partnering with a local radio station to book the talent, and all of the proceeds will be donated. Mr. Mowad advised there would be 27 shows held at Stir Cove this year.

APPROVE MINUTES: Chair Kramer requested a motion to approve the minutes. Commissioner Arnold moved to approve the minutes as presented. Commissioner Heinrich seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised there is no meeting scheduled for May at this time. The next meeting will be on June 13th at Diamond Jo Worth in Northwood, Iowa. Submissions are due in the Commission office by May 30th.

Mr. Ohorilko announced the following meeting dates and locations for Fiscal Year 2020:

- July 11, 2019 – Prairie Meadows Racetrack & Casino; Altoona
- August 22, 2019 – Riverside Casino & Golf Resort; Riverside
- October 3, 2019 – Isle Casino Hotel Waterloo; Waterloo
- November 21, 2019 – Q Casino; Dubuque
- January 9, 2020 – Prairie Meadows Racetrack & Casino; Altoona
- March 10, 2020 – Prairie Meadows Racetrack & Casino, Altoona
- April 16, 2020 – Ameristar Casino; Council Bluffs
- June 4, 2020 – Grand Falls Casino Resort; Larchwood

Mr. Ohorilko recognized the following Commission staff at the Council Bluffs facilities: Jeff Rethmeier and Julie Petersen, Gaming Representatives at Harrah's; Cory Ostermeyer and Steven Vang, Gaming Representatives at Horseshoe Casino; Lynette Masker and Bryan Crowdy, Gaming Representatives at Ameristar; and Deb Kissel, Licensing Assistant.

REVIEW OF FACILITIES' FINANCIAL AUDITS

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, advised the audit had been submitted for review. Chair Kramer asked Mr. Czak about the decline in capital expenditures for 2018 from previous years. Mr. Czak stated capital expenditure budgets typically dry up during mergers or acquisitions; Ameristar was purchased by Penn National Gaming last year. He advised they have already received \$1.4 million for capital expenditures this year as of April 16th, and expect to double that during the remainder of the year.

Casino Queen Marquette, Inc.: Laurie Fisher, Director of Finance, stated Casino Queen's economic impact for 2018 was approximately \$17 million; the Iowa percentage was over 97%. She advised the 2018 audited financial statement has been submitted for review.

Catfish Bend Casinos II, LLC: Rob Higgins, General Manager, and Donald Spears, Chief Financial Officer (CFO), were present to address the financial statement. Mr. Higgins advised revenues were down in October due to some renovation work at the facility. He stated 2018 was similar to 2017; revenues were flat and expenses stayed about the same.

Diamond Jo, LLC d/b/a Diamond Jo Casino: Wendy Runde, General Manager, stated gross gaming revenue in the Dubuque market was up 2.7%, or \$3.2 million; the Diamond Jo's gross revenue was up 1.1% or just over \$800,000. Admissions dropped by 7,000. Their total economic impact was \$46.9 million with \$44.6 million being controllable spend. Of the controllable spend, 99%, or \$44.2 million, was spent with Iowa vendors. Average employment is 464; payroll and benefits total \$13.3 million; capital expenditures were just over \$2.1 million with a large portion going to slot product, but they also renovated a restaurant, did \$225,000 in surveillance upgrades and many small projects. Ms. Runde stated Diamond Jo paid their qualified sponsoring organization, Dubuque Racing Association, just over \$3.1 million. She advised 2019 looks similar to 2018 with regard to capital investments.

Diamond Jo Worth, LLC d/b/a Diamond Jo Worth: Scott Smith, General Manager, advised gaming revenues for 2018 were down 1%, or \$85 million; admissions were flat. He noted the facility had a \$49 million economic impact with \$45.5 million spent with Iowa vendors. The facility averages 403 employees, an increase of 17 employees year over year. Diamond Jo Worth gives 5.67% to the Worth County Development Authority (WCDA); last year they received just under \$4.9 million. WCDA has received approximately \$57 million since inception.

Dubuque Racing Association, LTD: Bill Eichhorn, CFO, stated the property saw a 5.1% increase in revenues over 2017, and spent \$2.5 million in capital expenditures. He advised they are spending \$3.4 million on the Veteran's Memorial on Schmitt Island; spent over \$2 million on the renovation of the Hilton Garden Inn, as well as some renovations to the restaurant areas. The facility has 344 employees with a payroll of \$15.1 million. The facility has paid over \$275 million to the State; the City of Dubuque has received over \$200 million, and payroll since inception is in excess of \$300 million.

Harveys Iowa Management Company LLC/Horseshoe Casino: Janae Sternberg, Vice President of Finance, advised they had steady results year over year. They paid over \$40 million in salaries, wages and benefits; \$60 million in gaming taxes; over \$2 million to the Iowa West Racing Association, and had combined capital expenditures of approximately \$5 million for 2018.

Iowa West Racing Association: Pete Tulipana, President, advised the audit showed an increase in cash due to the timing of distributions to IWRA; the license fees also showed an increase for the same reason. He advised the Iowa West Foundation relocated its headquarters; however, the IWRA office remains at 25 Main Place.

HGI-Lakeside, LLC: Lisa Ryan, Controller, advised their economic impact for 2018 was over \$38 million, with \$26.7 million being spent with Iowa vendors.

IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo/Isle of Capri Bettendorf, L.C.: Grant Gubbrud, Director Finance at IOC Waterloo, presented the combined audit for both of the Eldorado properties. He stated the two properties had a combined payroll in excess of \$30 million and capital expenditures of \$8 million. He noted this was the first full year under Eldorado's ownership.

SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City: Monty Terhune, Director of Finance, reported the facility had another solid year in 2018. Payroll and benefits were just over \$15 million with approximately 75% being paid to Iowa residents; taxes and charitable contributions were just under \$22 million; capital expenditures exceeded \$700,000 and they anticipate spending three times that amount in 2019. During 2018, Hard Rock paid approximately \$1.7 million in expansion capital costs in conjunction with their partnership with the City of Sioux City to build a 4-level parking garage, which they anticipate will open in late September or October. Mr. Terhune advised net revenue increased year over year by approximately 1.2%; and they were able to eliminate some operating inefficiencies, which also increased revenue. He noted there was a significant increase in their cash position year over year due to refinancing debt during the first week of January, and reduced their long term debt by a significant amount as well. Mr. Terhune advised debt levels may increase somewhat due to the parking garage costs, but should not reach 2017 levels.

Wild Rose Clinton, L.L.C.; Wild Rose Emmetsburg, L.L.C., and Wild Rose Jefferson, L.L.C.: Tom Timmons and Scott Ivers, President and CFO respectively, were present to address the financial audits. Mr. Timmons asked to report on all three properties together. He advised the company refinanced all of the debt into one entity, and placed all three casinos under Wild Rose Entertainment. Gaming revenues for 2018 were approximately the same as 2017.

Riverside Casino & Golf Resort, LLC; Grand Falls Casino Resort, LLC; and Rhythm City Casino, LLC: Dan White, CFO for Elite Casino Resorts, presented the 2018 consolidated audit. He advised the audit was clean with no internal control comments. Gross revenue for 2018 was up \$6.5 million, or 2.5%; Riverside's revenue was down due to a major renovation of the facility. Gaming revenue was up 2.8%; non-gaming revenue was up 1.6%, and operating expenses

increased by \$6.9 million or 3.4%. Payroll expenses were approximately \$60 million, an increase of \$4.5 million or 8.3%; non-profit fees were \$8.5 million, an increase of approximately \$25 million or 2.7%. The average employee count for 2018 was 1,550, or about the same as 2017. The economic impact for Iowa was just under 97%; capital expenditures were \$4.8 million across the three properties in addition to finishing the \$11 million renovation at Riverside.

Iowa Greyhound Association d/b/a Iowa Greyhound Park: Brian Carpenter, Director of Racing and General Manager, and Vince Wilson, accountant, were present to address the audit. Mr. Carpenter advised handle was up \$1.7 million from 2017. They carried over \$1.4 million in cash reserves for 2019; and they settled all of their legal fees. He stated the auditors were happy with the new accountant; the audit did not show any weaknesses.

Prairie Meadows Racetrack & Casino, Inc.: Gary Palmer, General Manager, advised their Buy Iowa economic impact was \$183.6 million, or 98.1%; casino revenue was \$206 million; non-casino revenue exceeded \$51 million; and ten of the last twelve months set revenue records. Capital expenditures in 2018 were \$15.95 million; \$8 million in maintenance, \$5 million to remodel the Event Center, and \$2.5 million in the Club House. The facility currently has approximately 1,300 employees.

Mr. Ohorilko advised rules relating to the financial audits have been modified, and indicated facility staff should review to insure compliance when the 2019 audit is being performed. He stated staff would send out additional guidelines in late summer or early fall.

WILD ROSE EMMETSBURG, L.L.C.: Steve Cody, General Manager, presented a remodeling project for Commission approval. They want to put an eating venue on the first floor, as all of them are currently on the second level. The restaurant, which would be located on the east side of the stairway and escalator, would have a sports theme, and serve appetizers, burgers, and pizza. The plan calls for opening up the area so patrons can see the pond area. Mr. Cody advised they are moving the Iowa Store from its current location on the west side of the escalator and making that into a non-smoking gaming area; the Iowa Store would move into the lobby area of the hotel, which has some unused space. With the proposed changes on the first floor, they are displacing some employees so will be adding some offices on the second level by the buffet. Mr. Cody requested approval of the proposed remodel project so they may proceed with obtaining bids, noting they would submit the required Request for Transaction Approvals. He stated the facility has been in operation for 13 years, and while they have done some minor remodeling, it is time for a larger project.

Chair Kramer commended Wild Rose Emmetsburg on upgrading the property. Hearing no further comments or questions, she requested a motion. Commissioner Heinrich moved to approve the remodeling request as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

CATFISH BEND CASINOS II, LLC: Mr. Higgins stated this project takes into consideration the possible passage of sports betting legislation. The proposed remodeling project will proceed

only if the legislation passes. Mr. Higgins stated the project before the Commission is an opportunity to expand the company and facility, and create additional synergy in the facility.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the remodeling project. Commissioner Arnold seconded the motion, which carried unanimously.

CONTRACT APPROVALS (OSV – OUT OF STATE VENDOR; RP – RELATED PARTY):

Catfish Bend Casinos II, LLC: Mr. Higgins presented the following contracts for Commission approval:

- Connection Bank and Insurance – ATM Lease (RP)
- Design Wise – Sportsbook Construction (OSV)
- PointsBet Iowa LLC – Sportsbook Operating Agreement (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Ameristar Casino Council Bluffs, LLC: Mr. Czak presented a contract with JCM American Corporation (OSV) for bill validators for the slot machines.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

Wild Rose Emmetsburg, L.L.C.: Mr. Cody presented a contract with the Waldinger Corporation for repairs and maintenance on the HVAC and other general repairs.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contract as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Diamond Jo, LLC d/b/a Diamond Jo Casino: Ms. Runde submitted a contract with Lot A Spirits as a beverage distributor.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

Dubuque Racing Association, LTD.: Mr. Eichhorn presented the following contracts for Commission approval:

- Gander Group/Bangarang – Promotional Gifts (OSV)
- United Talent Agency – Entertainment-Artist Booking Agency (OSV)
- William Morris Endeavor Entertainment, LLC – Entertainment-Artist Booking Agency (OSV)
- Wired Production Group – Entertainment Production Company

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Thomas Roberts, Director of Operations, presented the following contracts for Commission approval:

- Aramark Uniform Services – Laundry Services
- Sonifi – In-Room Television System

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Arnold moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Sharon Haselhoff, General Manager, presented the following contracts for Commission approval:

- AJR Equities, Inc. – Marketing and Promotional Goods
- Hy-Vee – Marketing Gift Card Promotions
- NRT Technologies Corp. – ATM Revenue Agreement (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Commissioner Heinrich inquired about the opening of the golf course. Ms. Haselhoff advised it would open on Friday; she estimated there were 40 reservations on the books.

Rhythm City Casino, LLC: Mo Hyder, General Manager, presented a contract with NRT Technologies Corp. for an ATM Revenue Agreement (OSV).

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contract as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Riverside Casino and Golf Resort, LLC: Dan Franz, General Manager, presented the following contracts for Commission approval:

- Acushnet Company – Golf Retail and Special Orders for Blue Top Ridge (OSV)

- KK&B Real Estate, LLC – Lease Agreement (RP)
- NRT Technologies Corp. – ATM Revenue Agreement (OSV)
- Sonifi Solutions, Inc. – FTG Programming and/or iTV Programming and Services (OSV)
- UMR, a United Healthcare Company – Medical & Flexible Spending Plan
- University of Iowa Center for Advancement – Gift Pledge Agreement – Kinnick Stadium Club Seats and Suite

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Arnold moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Commissioner Heinrich asked when the golf course opened. Mr. Franz advised it opened on March 29th, and this April has been better for golfing than last April.

Harveys Iowa Management Company, LLC: Ms. Sternberg presented the following contracts for Commission approval:

- Sysco – Food Supplier
- HMW Construction – Snow Removal (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Iowa West Racing Association d/b/a Horseshoe Casino: Ms. Sternberg presented the following contracts for Commission approval:

- Sysco – Food Supplier
- HMW Construction – Snow Removal (OSV)
- Hilton – Franchise, Royalty & Marketing Fees for Hilton Naming Rights on Hotel

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

IOWA GREYHOUND ASSOCIATION D/B/A IOWA GREYHOUND PARK: Mr. Carpenter stated simulcast revenues were hit hard during January and February due to the snow; March finished ahead of last year, and April started out good; he feels simulcast revenues will be ahead of last year by the end of April. The kennel compound opened on April 8th, and unofficial morning schooling started on April 10th. There are three kennels in the compound now, but they should have five by the end of week. Official schooling begins on May 4th; live racing begins on May 18th at 5:30 pm, which is also the Preakness Race. Mr. Carpenter stated this would be the 35th year of live racing at Dubuque. He noted they added an extra week to the live racing season, which runs from May 18th through November 10th; performances and post times remain the same as last year. There will be four performances per week, Wednesday, Thursday, and Saturday

with a post time of 5:30 pm with 15 races; and Sunday at 1:00 pm with 15 races. Races on the following holidays were added: May 27th with 12 races at 1:00 pm; and September 2nd with 12 races at 1:00 pm. Eight of the nine kennels from last year were invited back. The out-of-state kennel from last year was replaced with an Iowa kennel, Plum Creek-Oxbow-Trow Kennel. These were kennels from the past that joined together. Mr. Carpenter advised \$500,000 had been added to the purse amount; purses for the kennels will be close to \$2.5 million. They kept the purses for the stakes races at \$100,000; the three main stakes races will have purses of \$30,000 each. The other \$10,000 will be spread out amongst smaller stakes races. The Breeders' Stakes Race will have a purse of approximately \$200,000. Mr. Carpenter stated there are 200 sites that will be offering wagering on the live races, up 25 sites from last year.

Mr. Carpenter presented a contract with TrackData Systems Corporation, which provides software to download dog and horse programs (OSV).

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

PRAIRIE MEADOWS RACETRACK & CASINO, INC. D/B/A PRAIRIE MEADOWS

RACETRACK & CASINO: Derron Heldt, Director of Racing, stated live racing will commence on Friday, May 3rd. He noted stall application were due on March 25th; they received 1,475 applications for stall space. Last year they received 1,700 applications. Mr. Heldt stated PMR&C only has room for 1,350 thoroughbred horses. He advised staff has been contacting trainers to determine how many stalls they really needed; they are currently over-subscribed by about 50 stalls. Mr. Heldt feels they will be OK; noting they are usually about 150-200 stalls light. The barn area opened on March 31st, and training started on April 2nd. Most of the horses at the track are Iowa horses; there are approximately 208 horses on the backside at this time. This is slightly lower than in previous years. Mr. Heldt noted the live season was moved back one week due to Oaklawn Park and Sunland Park moving their end date back to coincide with the Kentucky Derby. He stated approximately 61% of the horses that race at PMR&C come from those two tracks and Fonner Park in Nebraska. Mr. Heldt stated PMR&C is comfortable, but also a little uncomfortable, with the situation. They have been having conversations with the trainers to make sure they are bringing the horses; the trainers have indicated they are coming but only bringing the horses that will fit with the opening week program. They have also been talking to the jockey agents to insure they will have sufficient jockeys. Mr. Heldt indicated the horses may not be on property when entries are drawn on April 28th for the first races as they may be shipping up from Arkansas.

Mr. Heldt also touched on track racing surfaces due to a number of catastrophic injuries at the Santa Anita track in March, causing them to lose 16 days of racing. He stated PMR&C reviewed their protocols and have made some adjustments. They have been working with the track superintendent, and collecting more data that can be utilized to know if the track is hard or soft; provide the composition of the sand, silt and clay; humidity readings, etc. to insure the racing surface is safe for the horses and jockeys. They also reviewed the morning training protocols. Previously, the track would be open for training even if the area received a substantial rainfall

overnight. They may decide not to open the track for training in order to have a better racing surface for the races that afternoon or evening in an effort to help eliminate catastrophic injuries at the track.

HEARINGS:

Grand Falls Casino Resort, LLC: Mr. Ohorilko advised Commission staff and Grand Falls Casino Resort, LLC (Grand Falls) had entered into a Stipulated Agreement for a violation of Iowa Code §99F.9(4) (Minor). On December 4, 2018, an individual entered with two adult companions unchallenged, was on the gaming floor five hours, and had gambled. He noted the individual left the gaming floor and tried to re-enter later in the evening and was stopped by security, at which point the minor was identified. Security was notified, and an investigation revealed the previously mentioned circumstances. Mr. Ohorilko stated Grand Falls acknowledges the facts constitute a violation of Iowa Code §99F.9(4) and has agreed to an administrative penalty of \$20,000 consistent with the Commission's resolution.

Ms. Haselhoff stated Grand Falls takes the license bestowed on them very seriously, and the last thing they want is a minor gambling; but an employee did not follow the established policies and procedures by requesting identification. Their policy is if an individual looks under the age of 30, they are to be asked for identification. Ms. Haselhoff advised the incident occurred on a Tuesday afternoon; the individual entered with her parents. She stated they did not have any intent of doing anything illegal; they are from Minnesota where the legal age to gamble is 18. Ms. Haselhoff noted the individual did not come into contact with any other Grand Falls employees during the time she was on the gaming floor. When the individual attempted to re-enter the gaming floor, the security officer request identification. The individual was honest and did not realize they weren't allowed to gamble in Iowa. Ms. Haselhoff advised all of the established policies and procedures were followed at this time. She stated all employees have been re-trained in this area, noting they have a very good training program. She stated it has been four years since the facility has been fined for a minor on the gaming floor.

Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty in the amount of \$20,000. Commissioner Heinrich seconded the motion, which carried unanimously.

Diamond Jo, LLC: Mr. Ohorilko advised Commission staff and Diamond Jo, LLC (Diamond Jo) have entered into a Stipulated Agreement for a violation of Iowa Code §99F.4(22) (Self-Exclusion). On September 14, 2018, Diamond Jo compliance staff conducted an audit and recognized that an individual who had signed up for the program previously had gambled and received a Players' Club card. A few weeks later, Diamond Jo was contacted by another Iowa casino inquiring about another patron; Diamond Jo staff investigated and realized there were some inconsistencies with the information they had and information entered into the self-exclusion database. That triggered a full audit by Diamond Jo on or about November 13th. As a result of that audit, it was recognized there were 24 individuals that had previously signed up for the self-exclusion program but were not entered into the Iowa Gaming Association database. The timeframe for those individuals in terms of when they signed up ranged from 35 days to 12

years. It was determined that of those patrons, many had received jackpots and promotional winnings, not only from Diamond Jo but other Iowa casinos. Mr. Ohorilko stated Diamond Jo acknowledges the circumstances constitute a violation of Iowa Code §99F.4(22). He advised Diamond Jo has paid \$75,045.00 to the State's General Fund for the jackpots and promotional winnings paid to the individuals. Mr. Ohorilko stated Diamond Jo has agreed to an administrative penalty between \$5,000 and \$20,000.00.

Ms. Runde advised she had been the general manager at Diamond Jo with Boyd Gaming for almost 6 years, and this is the first time she has been before the Commission with a regulatory concern for the property. She stated they take their regulatory responsibilities very seriously; integrity is a core value at Boyd Gaming. Ms. Runde stated ordinarily they take great pride in doing things right and doing them well. She stated she learned a lot about people, processes and trust throughout this journey. Upon learning about the failure with their process, within 24 hours the regional director of compliance was on property working closely with her and the Director of Security to quickly implement a new process, inserting checks and balances that were not in place previously. Ms. Runde stated she stayed in close contact with Mr. Ohorilko and IRGC staff and expressed appreciation for their patience and cooperation throughout the process. She advised responsibilities within the Security Department have been expanded, and they have involved four additional departments in the process so there are double checks through every step of the self-exclusion process. Ms. Runde assured the Commission that with the help of the Director of Security, the Compliance Manager, Corporate Compliance, and a team of many others, they would work diligently on process improvements to prevent a similar situation from occurring in the future.

Commissioner Lamberti stated the Commission struggled with the circumstances and the length of time over which the violation occurred; and whether they should go outside of what has been done in the past. He stated he could not recall a similar incident. He expressed the Commission's appreciation for the facility's response, noting staff had provided a synopsis of the situation, which matched her statement. Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty of \$20,000.00. Commissioner Arnold seconded the motion, which carried unanimously.

PUBLIC COMMENT: Mr. Timmons stated he wanted to talk about security officers. He noted they can do 1,000 things right, but when they mess up one time, they face suspensions or fines. Mr. Timmons advised that on the morning of March 13th, an employee arrived at work in Emmetsburg and went to his computer in the kitchen area; shortly after 8:00 AM, he slumped over and fell on the floor. A few minutes later, another kitchen employee arrived and saw him on the floor. He immediately contacted the Security Department; the officers on duty went to the kitchen immediately and started performing CPR and used the AED. Mr. Timmons advised the employee's heart had stopped; the officers were able to revive him and kept up their efforts until the paramedics arrived on scene to transport him to the hospital. He was eventually transported to another regional hospital before being transferred to Minnesota. Mr. Timmons read a letter sent to the Director of Security at Wild Rose Emmetsburg by a registered nurse at the local hospital involved in the situation praising the security officers for their quick response and

assistance to the paramedics once they were on scene. She stated their quick actions saved a life that day.

Chair Kramer stated it was good to hear a good news story, asked Mr. Timmons to wish the employee a speedy recovery.

ADMINISTRATIVE BUSINESS:

Horse Racing Promotion Fund: Mr. Ohorilko advised there is \$3,264.99 available for distribution. He noted the Commission received one application from the Iowa Thoroughbred Breeders and Owners Association (ITBOA) for the funds. He stated staff would recommend approval of the ITBOA to receive the funds.

Commissioner Arnold moved to distribute the Horse Promotion Fund in the amount of \$3,264.99 to the ITBOA. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Purse Amounts for 2019: Mr. Ohorilko noted these amounts were announced at the March meeting; however, it was determined some of the receipts from Advanced Deposit Wagering were not included. The revised purse amounts for 2019 are as follows: Thoroughbreds - \$16,160,279.67; Quarter Horses - \$3,242,687.70; and Standardbreds - \$1,860,558.51.

Mr. Ohorilko stated this was Commissioner Arnold's last meeting. He stated Commissioner Arnold is a true public servant having served on the Commission for six years, serving in the Legislature from 1995 to 2013; and before that, on the Lucas County Board of Supervisors from 1987 to 1994. He will be moving on to another highly regarded Iowa Commission, which demonstrates tremendous respect and faith by the leaders and constituents in Iowa in his judgement and decision making. He stated Commissioner Arnold is dedicated to serving the interests of Iowans. While serving on the Racing & Gaming Commission, he has worked through many difficult issues including, but not limited to, consideration of new gaming facilities four different times; greyhound cessation legislation; other legislation; selection of vendors for various studies; stock purchases; bankruptcies, and a number of other policy matters. Mr. Ohorilko noted that Commissioner Arnold made himself available to any person who wanted to share their view on issues; has a thorough understanding of the racing and gaming industry; and has taken a thoughtful and deliberate approach in making every decision. He stated Commissioner Arnold has a wonderful personality, is extremely generous and has a kind heart. He stated he has gained a lot of knowledge from him. Mr. Ohorilko presented Commissioner Arnold with a plaque, which read: Richard Arnold – In Appreciation of your service to the Iowa Racing and Gaming Commission from May 1, 2013 through April 30, 2019.

Wes Ehrecke, President of the Iowa Gaming Association, echoed Mr. Ohorilko's comments. He stated the industry members appreciated how seriously he took his role as a Commissioner, and his dedication for all he has done while serving on the Commission. Mr. Ehrecke wished him continued success in his future endeavors.

Commissioner Arnold thanked Mr. Ohorilko and Mr. Ehrecke for their kind words. He thanked Mr. Ohorilko and Commission staff for their work and support during his time on the Commission; and Jeff Peterzalek from the Attorney General's Office for keeping the Commission on the straight and narrow path. He stated he enjoyed working with the other Commissioners.

Chair Kramer stated it has been an honor and pleasure to get to know him and work with him. She wished him and his family the best going forward.

Commissioner Arnold stated he was moving to the Transportation Commission. He noted he served on the Transportation Committee while he was in the legislature, and is looking forward to his new assignment.

ADJOURN: As there was no further business to come before the Commission, Chair Kramer requested a motion to adjourn. Commissioner Lamberti so moved. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
JUNE 13, 2019**

The Iowa Racing and Gaming Commission (IRGC) met at Diamond Jo Worth (DJW) in Northwood, Iowa. Commission members present were Kris Kramer, Chair; Carl Heinrich, Vice Chair; and members Julie Andres, Pennie Gonseth Cheers and Jeff Lamberti.

APPROVE AGENDA: Chair Kramer called the meeting to order at 8:30 AM. She advised that Iowa West Racing Association d/b/a Horseshoe Casino had requested to withdraw Agenda Item 6(I)4 – the William Hill US contract. Chair Kramer requested a motion to approve the agenda as amended. Commissioner Gonseth Cheers moved to approve the agenda as amended. Commissioner Lamberti seconded the motion, which carried unanimously.

WELCOME: Scott Smith, General Manager at Diamond Jo Worth, welcomed the Commission and staff to the coldest and snowiest property they regulate in Iowa. He noted the licenses were awarded just over 13 years ago, and that DJW and Worth County Development Authority (WCDA) have a great working relationship. They have a common goal of growing north Iowa and the communities in the area. Mr. Smith advised the DJW team accomplishes this by virtue of the Boyd Gaming core values of valuing relationships, maintaining integrity in everything they do, exceeding expectations, and working smart.

Shanan Redinger, President of WCDA, introduced the Board members and Chief Financial Officer, Deb Hanson. She advised the WCDA awards general and special grants in multiple categories: culture, arts and recreation; community development; emergency services; health and human services; and tourism. They also provide multiple educational opportunities. She noted the WCDA takes the safety and protection of community members seriously. WCDA has granted each fire department in all seven towns in the county new fire trucks, protective gear and equipment. They have also provided funds for police cars, generators, drug dogs, city sirens, EMT vehicles and upgraded the county emergency communication network. Ms. Redinger stated 46.5% of their distributions is spent on education. They provide funding for pre-school and a yearly gift card to every student in kindergarten through twelfth grade to pay for school supplies. Since the inception of the program, WCDA has distributed over \$2.1 million for these expenses. Since 2007, WCDA has provided each qualifying high school senior a scholarship to help support their education. In 2019, the Board awarded over \$773,000 to graduating seniors from Worth County; each graduate received \$9,315.75 as a one-time scholarship paid directly to the college, trade school or institution of higher learning of their choice. Over the last 12 years, WCDA has awarded nearly \$7.5 million in scholarships. WCDA has also distributed approximately \$17 million to the five school districts that serve the majority of the Worth County students, which have allowed the school districts to enhance student safety, science and technology offerings, fine art programs, and other educational opportunities.

Chair Kramer introduced Julie Andres, the new commissioner.

MINUTES: Chair Kramer requested a motion to approve the minutes from the April Commission meeting. Commissioner Lamberti moved to approve the minutes as presented. Commissioner Heinrich seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Chair Kramer called on Brian Ohorilko, Administrator of IRGC, for announcements. Mr. Ohorilko provided the following information on upcoming meetings:

- July 11, 2019 – Prairie Meadows Racetrack & Casino, Altoona. Submissions are due in the Commission office by June 26, 2019;
- August 22, 2019 – Riverside Casino & Golf Resort, Riverside.

He advised the Commission would be holding a special meeting on Tuesday, July 30th related to sports wagering. He stated additional details would be forthcoming.

Mr. Ohorilko recognized former Commissioner Dolores Mertz, who was in attendance. He also recognized Commission gaming representatives Kathy DeBower and Jessica Schipper, who are located on property at DJW.

REQUEST FOR APPROVAL OF REMODELING PURSUANT TO IAC 491-5.4(15):

SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City: Jim Franke, General Manager, stated the remodel request is to convert approximately 400 square feet of the Wine Bar/High Limit area to provide space for the sports wagering area. The balance of the space will be converted to office space. He advised the project budget is \$895,000, with the remodel budget accounting for approximately \$150,000. Mr. Franke advised they have contracted with a local contractor to perform the work, which should take about eight weeks to complete. Mr. Franke stated the sportsbook would consist of four betting windows and kiosks.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the remodel request as presented. Commissioner Heinrich seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Sharon Haselhoff, General Manager, requested approval to remodel public space on the casino floor, and submitted plans for a new hotel addition. She noted the Commission had approved a refinance package for Elite Casinos earlier this year, which allows the company to reinvest in its properties. With the approval of sports betting, Grand Falls is planning to renovate the Show Lounge into the new Sportsbook. Currently, this space is used two nights per week, and will now will be utilized seven days a week. They will also serve food and spirits in this location, allowing them to create a menu that will cater to the sports enthusiast. Grand Falls will remove the stage in the Show Lounge and install new televisions, as well as other necessary equipment.

Ms. Haselhoff stated they will continue to cater to the music scene they have created since opening by expanding the center bar to create a new entertainment destination for their music followers to continue to enhance the casino floor. The only change they will make is they will no longer have the heavy sound of drums coming from the band, but hope to have more acoustical and dueling

piano-type bands. The acts previously hosted in the Show Lounge will be moved to the Event Center. She stated the Sportsbook and Show Lounge projects will cost approximately \$1.5 million and be completed in August.

Additionally, Grand Falls plans to add 63 hotel rooms with an elevated corridor overlooking the outdoor pool and pool deck to accommodate the increased demand for rooms on the weekends, and help increase group sales business on weekdays. The plan also includes a 25-space RV park. The anticipated cost for these projects is approximately \$8.5 million; they hope to have it completed by next summer. This will bring the number of hotel rooms to 160.

Ms. Haselhoff advised the total investment would be approximately \$10 million. She advised the projects are consistent with Elite properties' long-term commitment to the State of Iowa and business philosophy of reinvesting their properties to provide world-class facilities. Ms. Haselhoff requested approval of the projects.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the remodel request as presented. Commissioner Andres seconded the motion, which carried unanimously.

HGI-Lakeside, LLC: David Monroe, General Manager, requested permission to remodel approximately 1,100 square feet of casino space located on the lower level into a sports book. The project would include the installation of a sports betting counter that would hold three betting terminals along the south wall. He indicated there would be approximately 15 large televisions and monitors displaying the odds for the bettors. Seating and tables will be added to provide a comfort lounge environment. The estimated cost is \$150,000.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the remodeling project as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Thomas Roberts, General Manager, requested permission to turn the former fitness center area into an arcade, which requires the purchase of arcade games, an intercard system to load the arcade cards, an electronic ticket redemption system and the installation of a new pool swing gate system. He indicated the facility has been looking for ways to make the property more than just a gambling stop, and turn it into a multiple night stay and make it more of a family environment. He noted staff sees a number of children in the lobby area waiting for stuff to happen. They are trying to create a safe environment for them to enjoy. The project will cost approximately \$160,000.

Mr. Roberts stated the area was not public space previously, so they will be installing a gate to separate the arcade and pool. This will also require the installation of additional surveillance cameras to ensure the safety of the guests and to ensure children are not gaining access to the arcade or pool without supervision.

Mr. Roberts advised vendors for the arcade games and other equipment have not yet been identified, but hopes to submit those requests in July.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the project as presented. Commissioner Andres seconded the motion, which carried unanimously.

CONTRACT APPROVALS (OSV = OUT OF STATE VENDOR; RP = RELATED PARTY):

Wild Rose Clinton, L.L.C.: Rick Gilson, Wild Rose Entertainment, presented a contract with Midwest Business Products for the lease of two Sharp printers with Maintenance Agreement for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Wild Rose Emmetsburg, L.L.C.: Steve Cody, General Manager, presented a contract with Waldinger Corporation for repairs and maintenance for the HVAC and other general repairs for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contract as submitted. Commissioner Andres seconded the motion, which carried unanimously.

HGI-Lakeside, LLC: Mr. Monroe presented a contract with Des Moines Asphalt and Paving for paving/overlay/repair and marking of the parking lot for Commission approval.

Chair Kramer commended Mr. Monroe for upgrading the property. Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the contract as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Dubuque Racing Association, LTD: Brian Rakestraw, General Manager, presented the following contracts for Commission approval:

- American Trust & Savings/Midwest One – Refinance Loan for Hotel and Restaurant
- Cummins-Allison – Currency Counting Equipment and Maintenance Agreement
- Data Business Equipment, Inc. – Kiosk Ticket Redemption Machines
- Lot A Spirit Distribution – Alcoholic Beverages

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, presented the following contracts for Commission approval:

- Sysco Lincoln – Food Supplier
- Siemens Industry, Inc. – Fire Alarm System Replacement
- Otis Elevator Company – Elevator Maintenance

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Catfish Bend Casinos II, LLC: Rob Higgins, General Manager, presented the following contracts for Commission approval:

- Keokuk Spirits – Purchase of Liquor/Wine/Beer
- Glazer Distributing – Purchase of Liquor/Wine/Beer
- KCMS – Monthly Charge for Casino Management System/Purchase of Equipment/ Slot Machines
- American Teletimer Corp. – Purchase of Audio Visual Equipment for Sports Book (OSV)
- Huckleberry Entertainment, LLC – Purchase of Complimentaries at Restaurants, Arcades, and Hotels (RP)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the contracts as submitted. Commissioner Lamberti seconded the motion, which carried unanimously.

SCE Partners, LLC: Mr. Franke presented the following contracts for Commission approval:

- Advance Weapon Technologies, Inc. – Entertainment Act (OSV)
- CDW – Hypervisor, database and Backup Servers; Networking and Firewalls; and OS/SQL Licensing (OSV)
- Cintas Corporation – Uniform Supplier and Floor Mat Supplier
- Electronic Communications, Inc. – Surveillance Cameras and Digital Recording Systems
- Everybody Eats, Inc. – Entertainment Act (OSV)
- Gill Hauling, Inc. – Waste Management
- MRS Mobile Stage Rentals, LLC – Mobile Stage Rentals (OSV)
- State of Iowa – Alcohol Beverage Division – Alcoholic Beverages
- Zamination.com, LLC – Online Training (OSV) (RP)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Harveys Iowa Management Company, LLC: Samir Mowad, General Manager, presented the following contracts for Commission approval:

- Scientific Games/Bally Gaming, Inc. – Sports Betting Infrastructure and Ongoing Revenue Share Agreement
- Insight – Hardware Equipment needed for Sports Betting (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Iowa West Racing Association d/b/a Horseshoe Casino: Mr. Mowad presented the following contracts for Commission approval:

- Scientific Games/Bally Gaming, Inc. – Sports Betting Infrastructure and Ongoing Revenue Share Agreement
- Insight – Hardware Equipment needed for Sports Betting (OSV)
- Cozen O'Connor – Legal Firm Assisting with Hilton Garden Inn Purchase (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Riverside Casino and Golf Resort, LLC: Dan Franz, General Manager, requested that Karlyn Ollendick, Chief Operating Officer of Elite Casino Resorts LLC, address the contract with BetWorks (US) LLC for the Advanced Deposit Sports Wagering Operator Agreement, which will also be in place at Rhythm City Casino, LLC and Grand Falls Casino Resort, LLC.

Chair Kramer advised the Commission will act on them separately.

Ms. Ollendick stated BetWorks would provide the properties with both a retail and global advanced deposit wagering sportsbook at all three properties. BetWorks will provide an exciting opportunity for guests and customers to bet both on premise and mobile. The agreement will provide the three properties with the ability to conduct and operate the sports book within their facility. BetWorks will provide an interesting technology piece for the customers, as well as a true US sports book.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the agreement as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Mr. Franz presented a contract with Kluesner Construction, Inc. for asphalt repair and overlay on the driveway and parking area for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contract as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Rhythm City Casino, LLC: Mr. Franz presented the Advanced Deposit Sports Wagering Operator Agreement with BetWorks (US) LLC for Commission approval.

Chair Kramer requested a motion. Commissioner Lamberti moved to approve the agreement as presented. Commissioner Andres seconded the motion, which carried unanimously.

Mr. Franz presented the following contracts for Commission approval:

- SVM, Inc. – BP Gas Station Gift Cards
- TPI (The Printer, Inc.) – Marketing Mailers
- Wells Fargo Business Elite Card – Credit Card Purchases

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Ms. Haselhoff presented the Advanced Deposit Sports Wagering Operator Agreement with BetWorks (US) LLC for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the agreement as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Ms. Haselhoff presented the following contracts for Commission approval:

- Barkley Asphalt, Inc. – Parking Lot Renovations
- DLR Group – Architectural Design Services – Hotel Addition and Sports Book

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

HEARINGS:

Grand Falls Casino Resort, LLC: Mr. Ohorilko advised Commission staff and Grand Falls Casino Resort have entered into a Stipulated Agreement for a violation of Iowa Code §99F.9(4) related to underage gambling. Mr. Ohorilko advised that on February 26th at approximately 9:51AM an underage male attempted to enter Grand Falls. The security officer posted at the entrance requested identification and determined the individual was underage. The individual indicated he was previously on the gaming floor. A review of surveillance coverage by Grand Falls revealed the individual had entered the gaming floor very early in the morning; was on the floor for 70 minutes;

had gambled, and entered the floor unchallenged. Mr. Ohorilko advised that Grand Falls has agreed to an administrative penalty in the amount of \$20,000.

Ms. Haselhoff apologized for the incident, stating posted staff did not follow required procedures. She advised staff members have been re-trained on proper procedures.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty in the amount of \$20,000. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

HGI-Lakeside, LLC: Mr. Ohorilko advised Commission staff and Lakeside have entered into a Stipulated Agreement for a violation of Iowa Code §99F.4(22) relating to the Iowa Statewide Self-Exclusion program. He advised that on or about January 25th, an individual left a voice mail message with the Lakeside Marketing Department indicating she was continuing to receive promotional mailings even though she had signed up to participate in the self-exclusion program. An investigation by Lakeside revealed that over 1,000 promotional mailings were sent to 36 separate individuals after the 90-day grace period pursuant to the Commission Resolution. The violation was self-reported by Lakeside. Mr. Ohorilko stated the individuals' e-mail addresses were immediately removed from the marketing database. Consistent with the Resolution, Lakeside has agreed to an administrative penalty in an amount between \$5,000 and \$20,000. He stated this is the first offense for Lakeside in the past 365 days.

Mr. Monroe stated they are disappointed and embarrassed by the violation. He advised they had two independent methods to insure this didn't happen. E-mail addresses for those in the program were deleted at the property level; however, a vendor maintained a list of the people they were prohibited from sending promotional mailings. Processes have been reviewed to insure this situation does not happen again.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty of \$5,000. Commissioner Heinrich seconded the motion, which carried unanimously.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: There was no public comment.

Approval of Regulatory Fees for Fiscal Year 2020: Mr. Ohorilko advised the Commission's budget is set by the Legislature with the fees paid by the licensees. He noted the budget did increase by \$275,000 for the purpose of regulating sports wagering. The anticipated costs for regulating gaming, racing and sports betting, including fantasy sports, have been included in the meeting packets and sent to the current licensees. Mr. Ohorilko advised Commission staff has not received any comments concerning the proposed Commission regulatory fees; and requested approval of the fees as submitted.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the regulatory fees as proposed for Fiscal Year 2020. Commissioner Andres seconded the motion, which carried unanimously.

Update on Racing and Gaming Legislation: Mr. Ohorilko noted that Senate File 617 passed and was signed by the Governor, and authorizes sports wagering and fantasy sports. He stated Commission staff is working on implementation of Senate File 617. He advised rules have been developed; and license applications have been published. At the July 11th Commission meeting, a public hearing will be held on the proposed rules. On July 30th, the Commission will hold a special meeting to deal with other sports related business. He stated the industry is requesting an aggressive timeline to try to have things implemented by August. He stated the Commission is doing everything possible to do that, but making sure everything is being done the right way.

Mr. Ohorilko noted that House File 289 pertaining to distributions by qualified sponsoring organizations was also enacted. He stated that Wes Ehrecke, President of the Iowa Gaming Association, is working with those organizations to ensure they are aware of the new law.

ADJOURN: As there was no further business to come before the Commission, Chair Kramer requested a motion to adjourn. Commissioner Lamberti so moved. Commissioner Heinrich seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
JULY 11, 2019**

The Iowa Racing and Gaming Commission (IRGC) met at Prairie Meadows Racetrack & Casino (PMR&C) in Altoona, Iowa. Commission members present were Kris Kramer, Chair; Carl Heinrich, Vice Chair; and members Julie Andres, Pennie Gonseth Cheers and Jeff Lamberti.

APPROVE AGENDA: Chair Kramer called the meeting to order at 8:30 AM and requested a motion to approve the agenda. Commissioner Heinrich moved to approve the agenda as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

MINUTES: Chair Kramer requested a motion regarding the minutes from the June 13 Commission meeting. Commissioner Andres moved to approve the minutes as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Chair Kramer called on Brian Ohorilko, Administrator of IRGC, for announcements. Mr. Ohorilko advised the Commission will be having a special meeting on July 30th for all business related to sports wagering. The meeting will be held at the Drury Inn in West Des Moines. Submissions are due in the Commission office by July 16th. Additional upcoming meetings are as follows:

- August 22, 2019 – Riverside Casino & Golf Resort, Riverside (Submissions are due by August 8, 2019)
- September – No Meeting
- October 3, 2019 – Isle Casino Hotel Waterloo, Waterloo

Mr. Ohorilko reminded those entities working on sports applications and internal controls that July 30th could potentially be the last Commission meeting before facilities begin taking wagers. If a facility still needs to submit their sports wagering application and pay the licensing fee, submit a remodel, an Advanced Deposit Sports Wagering Operator Agreement or a Service Provider Agreement; those documents are due in the Commission office by July 16th.

For those individuals responsible for submitting internal controls, Mr. Ohorilko noted Commission staff had sent out a list of controls that staff is starting to review. To date, the Commission has received internal controls from four companies. The Commission will start scheduling meetings on or about July 30th with all folks wanting to do business. Those meetings will be directed at reviewing the internal controls. The entities that have submitted their controls will go first. Mr. Ohorilko stated it is in everyone's best interest to be closer to July 30th than mid-August in the event modifications are needed.

BOYD GAMING CORPORATION: Ross Curnow, legal counsel for Diamond Jo, LLC and Diamond Jo Worth, LLC in conjunction with their parent company, requested approval of the shelf application for debt financing. He advised this is an additional application for \$8 billion in financing. The proceeds will be used for capital expenditures, general corporate purposes, working capital, and repayment of outstanding debt.

Hearing no further comments or questions, Chair Kramer advised the requests would be handled as one item. Commissioner Heinrich moved to approve the Shelf Application for Approval of Debt Financing as submitted by Boyd Gaming Corporation. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

CASINO QUEEN HOLDING COMPANY, INC. d/b/a CASINO QUEEN MARQUETTE: Don Ostert, General Manager, introduced Ed Winkofsky, General Counsel for Standard General. Mr. Winkofsky requested approval of the change in the administrative agent of the current credit facility from Citizens Bank to Cantor Fitzgerald Securities.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the requested change in the administrative agent. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

GEOCOMPLY: John Pappas appeared via teleconference and thanked the Commission for inviting them to explain geolocation technology and how it works to support the mobile sports betting industry that is emerging in Iowa. He advised they have long-standing relationships with many of the companies who will be operating in Iowa. Mr. Pappas advised Geocomply supports regulated online casinos, sports betting, lottery, advanced deposit wagering, and fantasy sports in 43 states. He advised the company is actively working to prevent illegal wagers from being placed in Iowa. The company is licensed as a geolocation provider in New Jersey, Nevada, Delaware, Mississippi, and West Virginia. Their software is validated by the government and independent testing laboratories. They process approximately 10 million geolocations daily. Mr. Pappas stated the company was founded for this exact purpose - to support the geolocation system that could enable intrastate internet gaming and internet sports betting in the United States. They are able to meet all of the regulatory demands set forth by the states, as well as federal laws, the Wire Act, and the sovereignty of neighboring states who opt out or that don't have sports wagering.

Mr. Pappas noted the location of a smart phone, i-Pad or other devices are easy to manipulate; they do not just rely on the IP address of the device. Geocomply utilizes a combination of data sources to verify the location of the individual, and employs a full-time team that keeps up-to-date with all the latest technology available. Their system is regularly adjusted to prevent anyone from playing who should not be. He stated by the time someone is approved or denied a transaction via a geolocation check; they will have gone through over 350 analytical checks. He showed a map of New Jersey with real-time wagers taking place. He noted there was a considerable amount of activity even though it was one of the lightest betting days of the year with only one baseball game, no NBA, football, etc. The various colored "pins" represented different types of devices; the red pins represented someone who was being denied. If someone within the border is being denied, it could be due to a process running on their device. Geocomply would provide that information to the operator, who could notify the player of the issue. He stated Geocomply's role is not only to keep people from not being able to play outside of the state, but to make sure individuals located within the state up to the borders can play in New Jersey. They want their technology so pinpointed they can identify the lawful players to maximize the revenue for the state and the operators. He noted Iowa has a number of cities that are located closed to Nebraska or Illinois. Mr. Pappas stated the company is also checking periodically throughout someone's session to insure they are

still within the state's borders; geolocation does not just happen once. Depending on the device being utilized to place a wager and original location, the location of the device could be rechecked within 30 seconds or 5 minutes. He stated all of the information collected is anonymous; they share reports regularly with the operators and regulators, particularly suspicious reports so operators or regulators can determine if they want to ban or block players seeking to place wagers not in accordance with the rules and regulations of the state. Mr. Pappas stated they are looking forward to working with everyone in the community here and insuring the residents of Iowa can enjoy sports betting in a responsible way.

REQUEST FOR APPROVAL OF REMODELING PURSUANT TO IAC 491-5.4(15):

Dubuque Racing Association, LTD: Jesús Avilés, President, presented the remodeling plans for the sportsbook at Q Casino. He advised they will be taking approximately 1,150 square feet from the Q Sports Bar in order to segregate an area for the retail sports betting location. There will be a customer counter with four transaction windows with eight larger display TVs behind the counter to display the betting lines, and additional TVs for viewing purposes.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the remodeling request as presented. Commissioner Andres seconded the motion, which carried unanimously.

Diamond Jo Casino, LLC: Wendy Runde, General Manager, advised the remodel is a transformation of space. It will be approximately 2,100 square feet on the existing casino floor, which will require the removal of 77 slot machines. Many of the slot machines will be relocated to other areas of the casino floor. The sports book area will be a traditional sports book lounge with TVs, stat boards, tellers, kiosks and lounge seating.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the remodel request as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Harveys Iowa Management Company, LLC and Iowa West Racing Association d/b/a Horseshoe Casino: Samir Mowad, General Manager for Harrah's and Horseshoe, presented the plans for the sportsbook remodel at both properties. He advised there would be no changes to the shell of either facility, but they would be remodeling and enhancing some of the current amenities.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the remodeling requests as presented by Harveys Iowa Management Company, LLC and Iowa West Racing Association d/b/a Horseshoe Casino. Commissioner Andres seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Thomas Roberts, General Manager, advised the sports book remodel entails converting approximately 1,800 square feet of the current casino floor by relocating some slot machines and table games, and a self-serve beverage station. The sports book will have a back counter/desk area, kiosks, seating area and televisions with an odds monitor wall. Construction is slated to commence on July 15th and be completed by August 7nd.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the remodel request as presented. Commissioner Heinrich seconded the motion, which carried unanimously.

IOC Bettendorf, L.C.: Nancy Ballenger, General Manager, advised the sports book would be integrated into the existing casino floor. They are partnering with William Hill, and believe the space will function well for the market size.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the remodel request as presented. Commissioner Andres seconded the motion, which carried unanimously.

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, advised the budget for the sports book remodel is approximately \$750,000; one-half for FFE and the other half for construction. He noted all of the Amerisports Bar area will become the designated sports wagering area and will be restricted to individuals 21 and over. He stated the area is mostly utilized on the weekends, and they are excited to enhance this area of the facility.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the remodel request as presented. Commissioner Lamberti seconded the motion, which carried unanimously.

Diamond Jo Worth, LLC: Scott Smith, General Manager, requested approval of the transformation of the casino floor in order to add the sports book area. This will require the removal of 35 slot machines, some of which will be moved to other locations on the casino floor. The area between the Big Wheel Bar and the Cashiers Cage will be transformed into a sports book lounge with teller windows, TVs, kiosks, stat boards and lounge seating. The Big Wheel TV options will also be upgraded to create a synergy between The Big Wheel bar and the sports book.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the remodel request as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

CONTRACT APPROVALS (OSV – OUT OF STATE VENDOR; RP RELATED PARTY):

Diamond Jo, LLC: Ms. Runde presented a contract with Conlon Construction to transform casino space into the sports book lounge.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Dubuque Racing Association, LTD: Mr. Avilés presented the following contracts for Commission approval:

- Great Sounds Audio – TVs for Sports Bar Renovation/Repair & Replacements in Casino
- Iowa Greyhound Association, LLC – Sublease Agreement

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City: Jim Franke, General Manager, presented the following contracts for Commission approval:

- Siouxland ATM, LLC – ATM Services
- Cody Jinks, LLC – Entertainment Act (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Mr. Roberts presented an Advanced Deposit Sports Wagering Operator Agreement with American Wagering, Inc. d/b/a William Hill Sports Book (William Hill). He advised Eldorado Resorts, Inc. has a corporate agreement with William Hill to operate the sports books at all Eldorado properties.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Advanced Deposit Sports Wagering Operator Agreement as presented. Commissioner Heinrich seconded the motion, which carried unanimously.

Mr. Roberts presented a contract with Betson to purchase games for the arcade.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

IOC Bettendorf, L.C.: Ms. Ballenger presented an Advanced Deposit Sports Wagering Operator Agreement with William Hill.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the Advanced Deposit Sports Wagering Operator Agreement as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Sharon Haselhoff, General Manager, presented an Advanced Deposit Sports Wagering Operator Agreement with Betfred Sports (Iowa) LLC (Betfred). She advised Betfred would be applying for an Advanced Deposit Sports Wagering Operator license. The company will provide the mobile betting and turnkey retail technology to operate the retail sports wagering at the facility. Upon licensure, Betfred will also provide the technology, as well as the training and risk related to sports wagering, including the operation services. Ms. Haselhoff

advised the company was selected based on their sports wagering technology; the services they provide; capabilities and terms. She noted Betfred has received their GLI certification. She stated Betfred would be taking the bets and operating the sports wagering; Grand Falls will provide and manage the on-site staff for the sports wagering for the sportsbook. Betfred will hire the sports book manager to manage their advanced deposit wagering and retail operations.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Advanced Deposit Sports Wagering Operator Agreement as presented. Commissioner Andres seconded the motion, which carried unanimously.

Ms. Haselhoff presented a contract with Baxter Construction Company, LLC to serve as the construction manager for the construction of the sports book and hotel addition.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contract as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Catfish Bend Casinos II, LLC: Rob Higgins, General Manager, presented a First Amendment to the Advanced Deposit Sports Wagering Operator Agreement with PointsBet Iowa LLC. He indicated the amendment reflects language changes to insure the agreement is in line with the legislation as enacted.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the First Amendment to the Advanced Deposit Sports Wagering Operator Agreement as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Mr. Higgins presented a contract with Huckleberry Holdings, LLC for an amendment to the facility lease.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Ameristar Casino Council Bluffs, LLC: Mr. Czak presented a contract with Marketing Performance Group for digital media services.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the contract as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

HGI-Lakeside, LLC: David Monroe, General Manager, presented an Advanced Deposit Sports Wagering Operator Agreement with William Hill. He advised the agreement is for 10 years with a five year renewal to operate/lease space for the project previously approved. William Hill will handle both the on-site and mobile wagering.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Advanced Deposit Sports Wagering Operator Agreement as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Diamond Jo Worth, LLC: Mr. Smith presented the following contracts for Commission approval:

- Henkel Construction – Transformation of Casino Space to Sports Book; Subway Refresh
- Doctor's Associates LLC – 20-Year Lease Agreement to Operate a Subway Store (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Iowa West Racing Association d/b/a Horseshoe Casino: Mr. Mowad presented the following contracts for Commission approval:

- Waldinger Corporation – Mechanical, Electrical and Service Contractor
- William Hill US – Amendment of Simulcast Agreement/Monthly Payments for Contract Services

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Prairie Meadows Racetrack & Casino, Inc.: Gary Palmer, General Manager, presented the following contracts for Commission approval:

- Canteen (Compass Group USA) – Unattended Vending Services (Revenue Sharing)
- NRT Technology – Purchase of Visual Limits Signs and Support (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

IOWA WEST RACING ASSOCIATION d/b/a HORSESHOE CASINO: Mr. Mowad presented an amendment to the 2019 License Renewal Application, which reflects a change in the casino/simulcast operations. With the commencement of sports betting, Harveys BR Management Company, Inc. will replace William Hill as the on-site manager/operator of the simulcast facility. William Hill will continue to provide the tote system, signal and bookkeeping arrangements.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve Iowa West Racing Association's Amended Application for Pari-Mutuel License and Racetrack Enclosure License for January 1, 2019 through December 31, 2019 effective on the date of the Amendment to the Service Agreement with American Wagering, Inc. d/b/a William

Hill Race & Sports Book. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

ECONOMIC IMPACT OF THE IOWA HORSE RACING INDUSTRY: Jon Moss, Executive Director of the Iowa Horsemen's Benevolent & Protective Association, introduced Dr. Alison Davis, Professor of Agricultural Economics at the University of Kentucky and the Executive Director of the Community and Economic Development Initiative of Kentucky (CEDIK). CEDIK is an integrated engagement/research center within the College of Agriculture, Food and Environment at the University of Kentucky. Dr. Davis and her research team at CEDIK prepared the economic impact for the various horsemen's associations and Prairie Meadows Racetrack & Casino, and presented her findings to the Commission.

Dr. Davis stated the economic impact of the race horse industry in Iowa can be measured in direct, indirect, and induced effects. Direct effects are expenses by the industry itself, such as horse operations, including horse owners, trainers, and breeders and Iowa's racetrack operation. The indirect and induced effects were determined using the input-output modelling through IMPLAN. The results illustrate that the total economic impact is \$197 million in output and 2,961 FTE jobs.

REVIEW OF HORSEMEN'S ORGANIZATIONS FINANCIAL AUDITS:

The Iowa HBPA, Inc. and The Iowa HBPA Benevolent Trust: Mr. Moss advised the Iowa HPBA is a 501c trade organization representing approximately 1,100 individuals, while the national organization represents over 30,000 individuals. In 2018, the Iowa HBPA worked with the Iowa Thoroughbred Breeders and Owners Association (ITBOA) to market the industry via industry-wide trade publications, and conducted an educational program for grooms to help them learn as much as possible about the horses they will be working with. They are now contributing \$10 per start to the HART Direct Donation; this is in addition to what the horsemen are contributing. Mr. Moss stated the HBPA Benevolent Trust helps individuals on the backside with medical, dental, vision, funeral and hardship costs. In 2018, the Trust assisted 126 individuals. They instituted a 25% increase across the board to the funds available to help with these expenses in 2019.

Iowa Quarter Horse Racing Enterprises, Inc. d/b/a Iowa Quarter Horse Racing Association: Tom Lopic and Troy Mulford, President and Treasurer respectively, were present to address the audit. Mr. Lopic noted the organization has a tremendous youth program at Prairie Meadows. The last two years the Iowa representative went to Los Alamitos and was named the national winner of the youth program. They received a \$10,000 scholarship for college. The Iowa program has 6-8 youths; each leaves with a college scholarship between \$500 and \$3,000. They have received 18 applications for the program for this year.

Mr. Lopic noted Prairie Meadows will be the first racetrack in the history of quarter horse racing to conduct hair testing after a race is over. He stated it is a bold step on the part of the Commission and Iowa's racing industry. Mr. Lopic stated he has been visiting various racetracks to meet with individuals to ensure they understand the changes to Iowa's testing procedures. He stated Iowa is setting an example in the horse racing industry that we will not tolerate illegal drugs. Hair testing will be conducted in about one-third of the races after the horses have done the trials. The top ten horses that make the finals will undergo hair testing prior to being allowed to participate in the

finals. If the results reflect any illegal drugs, the horse will not be allowed to run in the finals, will lose all purse money from the trials, and be placed on the vet's list. The horse will not be able to run another race until it tests clean via a hair test. Mr. Lepic stated Iowa is being applauded by the entire horse racing industry across the country.

Mr. Lepic stated they are excited for quarter horse racing at Prairie Meadows, and already have over 300 horses entered for the stakes races. The meet will commence on August 17th. He noted their contract with Prairie Meadows is up this year, but the parties have been meeting monthly to work on a new contract.

Iowa Harness Racing Association: Royal Roland, President, advised harness racing occurs at county fairs. In 2018, ten county fairs conducted 34 days of racing from May through September. Approximately \$1.4 million was paid in purses, with around 98% going to horses that were foaled in Iowa. He expressed appreciation for the financial support received from Prairie Meadows.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: None

ELECTION OF CHAIR AND VICE CHAIR: Commissioner Lamberti moved to re-appoint Kris Kramer as Chair and Carl Heinrich as Vice Chair. Commissioner Gonseth Cheers seconded the motion, which carried unanimously. Chair Kramer and Commissioner Heinrich abstained from voting.

ADJOURN: Commissioner Lamberti moved to adjourn the meeting. Commissioner Andres seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
JULY 30, 2019**

The Iowa Racing and Gaming Commission (IRGC) met at the Drury Inn in West Des Moines, Iowa. Commission members present were Kris Kramer, Chair; Carl Heinrich, Vice Chair; and members Julie Andres, Pennie Gonseth Cheers and Jeff Lamberti.

APPROVE AGENDA: Chair Kramer called the meeting to order at 10:00 AM. She advised Commission staff had received a request to withdraw Agenda Item 3E, and requested a motion to approve the agenda as amended. Commissioner Heinrich moved to approve the agenda as amended. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Chair Kramer called on Brian Ohorilko, Administrator of IRGC, for announcements. Mr. Ohorilko provided the following information regarding future Commission meetings:

- August 22, 2019 – Riverside Casino & Golf Resort, Riverside (Submissions due by August 8, 2019)
- No Meeting in September
- October 3, 2019 – Isle Casino Hotel Waterloo, Waterloo

Mr. Ohorilko advised Commission staff would be sending out a meeting schedule for all applicants of casino sports licenses, on-site vendors, advanced deposit sports wagering operators and fantasy sports contest providers. The meetings are intended to go through each application, controls submitted and any outstanding issues from the Division of Criminal Investigation. The intent is to provide the applicants with items that still need to be addressed prior to the commencement of sports wagering. The meetings will be held in the order in which the applications were received.

CONTRACT APPROVALS (OSV – OUT OF STATE VENDOR; RP – RELATED PARTY):

Dubuque Racing Association, Ltd.: Brian Rakestraw, General Manager, presented a contract with IGT for equipment, software and services for both retail and mobile sports betting.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, presented the Advanced Deposit Sports Wagering Operator Agreement with Penn Sports Interactive, LLC to run mobile sports betting.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the Advanced Deposit Sports Wagering Operator Agreement as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Diamond Jo, LLC: Wendy Runde, General Manager, presented an Advanced Deposit Sports Wagering Operator Agreement with Betfair Interactive/FanDuel. She advised Boyd Gaming has a national contract with Betfair Interactive, more commonly known as FanDuel. Ms. Runde stated FanDuel made its splash as a fantasy sports operator in 2009, but have emerged as one of the leading sports betting providers in the United States. FanDuel operates the sportsbook at The Meadowlands in New Jersey, which has consistently been the number one sportsbook in the state since sports betting was legalized in 2018. They currently operate one sportsbook in Pennsylvania and two in Indiana, with more states to follow.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Advanced Deposit Sports Wagering Operator Agreement as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Ms. Runde presented a contract with Betfair Interactive/FanDuel for a retail sportsbook services agreement.

Hearing no comment or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the contract as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Diamond Jo Worth, LLC: Scott Smith, General Manager, presented an Advanced Deposit Sports Wagering Operator Agreement with Betfair Interactive/FanDuel.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the Advanced Deposit Sports Wagering Operator Agreement as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Mr. Smith presented a contract with Betfair Interactive/FanDuel for a retail sportsbook services agreement.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contract as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Harveys Iowa Management Company, LLC: Samir Mowad, General Manager, presented an Advanced Deposit Sports Wagering Operator Agreement with Caesars Interactive Entertainment, LLC, a subsidiary of Caesars Entertainment, to be the advanced deposit sports wagering provider for their online offering and sports betting.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the Advanced Deposit Sports Wagering Operator Agreement as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Iowa West Racing Association d/b/a Horseshoe Casino: Mr. Mowad presented an Advanced Deposit Sports Wagering Operator Agreement with Caesars Interactive Entertainment, LLC.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Advanced Deposit Sports Wagering Operator Agreement as presented. Commissioner Andres seconded the motion, which carried unanimously.

Mr. Mowad presented a contract with PSX-Inc. for A/V Equipment for the Sportsbook remodel.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

RULES: Mr. Ohorilko advised the rule package before the Commission is filed for Emergency Adoption, and is intended to enact Senate File 617, which authorized sports wagering and fantasy sports contests in Iowa. The rule making is intended to provide a framework and guidance to all industry participants and protect the public and assure the integrity of licensed facilities and participants. The emergency amendments reconcile existing rules with the new legislation and also provide two new chapters of rules, chapters 13 and 14. Mr. Ohorilko stated that if the rules are adopted today they would become effective on or about July 30, 2019 with wagering and contests to begin no earlier than August 15th at 12:00 PM. He requested approval of the emergency rule package.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the emergency rules as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

SELF-EXCLUSION RESOLUTION: Mr. Ohorilko stated this resolution goes hand-in-hand with the rules just adopted. It is intended to update the Iowa Voluntary Self-Exclusion Program expectations and requirements for the facilities, the advanced deposit sports wagering companies and the fantasy sports providers. He advised the resolution has been submitted to the industry. Staff did receive a few comments, and some issues have been addressed. Mr. Ohorilko requested approval of the amended resolution.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the Resolution for the Iowa Voluntary Self-Exclusion Program as amended. Commissioner Andres seconded the motion, which carried unanimously.

SPORTS WAGERING LICENSE: Chair Kramer stated the Commission has accepted the applications and has received updates from Commission staff on the applications.

Ameristar Casino Council Bluffs, LLC: Mr. Czak requested approval of their sports wagering license application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to grant the license to conduct sports wagering to Ameristar Casino Council Bluffs, LLC conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator

or designee to accept wagers. Commissioner Lamberti seconded the motion, which carried unanimously.

Catfish Bend Casinos II, LLC: Rob Higgins, General Manager, requested approval of their sports wagering license application. Representatives from PointsBet were also in attendance to answer any questions.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to grant the license to conduct sports wagering to Catfish Bend Casinos II, LLC conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Lamberti seconded the motion, which carried unanimously.

Diamond Jo, LLC: Ms. Runde requested approval of their sports wagering license application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to grant the license to conduct sports wagering to Diamond Jo, LLC conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Diamond Jo Worth, LLC: Mr. Smith requested approval of their sports wagering license application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to grant the license to conduct sports wagering to Diamond Jo Worth, LLC conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Andres seconded the motion, which carried unanimously.

Dubuque Racing Association, Ltd.: Mr. Rakestraw requested approval of their sports wagering license application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to grant the license to conduct sports wagering to Dubuque Racing Association, Ltd. conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Lamberti seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Dan Franz, General Manager at Riverside Casino & Golf Resort, LLC, requested approval of the sports wagering license application on behalf of Grand Falls Casino Resort, LLC.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to grant the license to conduct sports wagering to Grand Falls Casino Resort, LLC conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Andres seconded the motion, which carried unanimously.

HGI-Lakeside, LLC: Dave Monroe, General Manager, requested approval of their sports wagering license application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to grant the license to conduct sports wagering to HGI-Lakeside, LLC conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Lamberti seconded the motion, which carried unanimously.

Harveys Iowa Management Company LLC: Mr. Mowad requested approval of their sports wagering license application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to grant the license to conduct sports wagering to Harveys Iowa Management Company LLC conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Heinrich seconded the motion, which carried unanimously.

Iowa West Racing Association: Mr. Mowad requested approval of their sports wagering license application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to grant the license to conduct sports wagering to Iowa West Racing Association conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Andres seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Thomas Roberts, General Manager, requested approval of their sports wagering license application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to grant the license to conduct sports wagering to IOC Black Hawk County, Inc. conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Isle of Capri Bettendorf, L.C.: Nancy Ballenger, General Manager, requested approval of their sports wagering license application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to grant the license to conduct sports wagering to Isle of Capri Bettendorf, L.C. conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Lamberti seconded the motion, which carried unanimously.

Prairie Meadows Racetrack and Casino, Inc.: Gary Palmer, General Manager, requested approval of their sports wagering license application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to grant the license to conduct sports wagering to Prairie Meadows Racetrack and Casino, Inc. conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Andres seconded the motion, which carried unanimously.

Rhythm City Casino, LLC: Mo Hyder, General Manager, requested approval of their sports wagering license application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to grant the license to conduct sports wagering to Rhythm City Casino, LLC conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Lamberti seconded the motion, which carried unanimously.

Riverside Casino & Golf Resort, LLC: Mr. Franz requested approval of their sports wagering license application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to grant the license to conduct sports wagering to Riverside Casino & Golf Resort, LLC conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Andres seconded the motion, which carried unanimously.

SCE Partners, LLC: Jim Franke, General Manager, requested approval of their sports wagering license.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to grant the license to conduct sports wagering to SCE Partners, LLC conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter

491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Lamberti seconded the motion, which carried unanimously.

Wild Rose Clinton, L.L.C.: Tom Timmons, President and Chief Operating Officer for Wild Rose Entertainment, L.L.L.P., requested approval of the sports wagering license application for Wild Rose Clinton, L.L.C.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to grant the license to conduct sports wagering to Wild Rose Clinton, L.L.C. conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Wild Rose Emmetsburg, L.L.C.: Mr. Timmons requested approval of the sports wagering application on behalf of Wild Rose Emmetsburg, L.L.C.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to grant the license to conduct sports wagering to Wild Rose Emmetsburg, L.L.C. conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Lamberti seconded the motion, which carried unanimously.

Wild Rose Jefferson, L.L.C.: Mr. Timmons requested approval of the sports wagering license application on behalf of Wild Rose Jefferson, L.L.C.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to grant the license to conduct sports wagering to Wild Rose Jefferson, L.L.C. conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Andres seconded the motion, which carried unanimously.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: None.

ADJOURN: As there was no further business to come before the Commission, Chair Kramer requested a motion to adjourn. Commissioner Lamberti so moved. Commissioner Heinrich seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
AUGUST 22, 2019**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, August 22, 2019 at Riverside Casino and Golf Resort, LLC in Riverside, Iowa. Commission members present were Kris Kramer, Chair; Carl Heinrich, Vice Chair; and members Julie Andres, Pennie Gonseth Cheers and Jeff Lamberti.

APPROVE AGENDA: Chair Kramer called the meeting to order at 8:30 AM and requested a motion to approve the agenda. Commissioner Heinrich moved to approve the agenda as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

WELCOME: Dan Kehl, CEO of Elite Casinos Resorts, LLC, welcomed the Commission, staff and industry representatives to the facility, noting it has been 13 years since the facility opened. He introduced Tom Basten, President of Washington County Riverboat Foundation, Inc. (WCRF).

Mr. Basten stated Riverside Casino and Golf Resort, LLC (RCGR) is the largest employer in Washington County. He advised WCRF has awarded over \$44 million since its inception in 2006; 26% of the grants have gone to ten other counties other than Washington: Louisa, Iowa, Johnson, Linn, Henry, Jefferson, Keokuk, Muscatine, Polk and Wapello. They also distributed 14 mini-grants and 13 spring grants, which helped to improve the quality of life in these areas. Larger grants this year went to the Ainsworth Fire Department for \$330,000 to help build a new fire station; Prospect Meadows in Marion to help with the construction of a Field of Dreams, a baseball field for children with disabilities; and the Ottumwa Fire Department received \$10,000 for a new river rescue boat. Fifty-one non-profit organizations received \$2,000 mini-grants to help with quality of life issues. He stated the funds distributed over the years have helped many projects come to fruition and have benefited thousands of individuals.

GAMING LABORATORIES INTERNATIONAL, INC. (GLI): Kevin Mullally, Vice President of Government Relations and General Counsel, stated the company works for over 475 regulatory agencies worldwide and employs approximately 1,200 globally. He advised the staff has the ability to deal with a wide array of technology and regulatory issues. GLI has served as the testing lab for Iowa since 1992 when riverboat gambling started. Mr. Mullally talked about the differences in regulating riverboat and pari-mutuel gambling versus sports betting, and the different tools available to regulators. Sports betting regulation requires more of a change management system rather than a lock down system at land-based facilities. Mr. Mullally stated mobile devices will also provide more tools to help prevent problem gambling and assist individuals in managing their gambling. The ability to manage self-exclusion is more robust; individuals can utilize self-limitation to limit their time and amount gambled; and allows for the collection of more data to study problem gambling. He advised there is no guaranteed profit in sports wagering, making it highly competitive and responsive to consumer demands.

Mr. Mullally stated GLI receives requests from their regulatory clients to assist them with emerging technology; changes in consumer behavior; different criminal activities; and help in

acquiring new skills and tools to perform their job better. He indicated this is an important part of their business. GLI sees the following issues emerging: network security due to the amount of state revenue at risk; privacy issues; payment technology; converging technology; new products outside of the regulatory reach; eSports; handling consumer complaints in a digital gaming environment; and performance measurements.

ARISTOTLE INTEGRITY: Michael Bolcerek, Senior Vice President, advised the company has been active in the political sector for approximately forty years. Approximately ten years ago, the company started working with the tobacco industry to determine how best to keep children away from tobacco's harmful substance and restrict the access of advertisements for tobacco products to children. The company was able to layer collected data to create a more robust barrier to adult activities. They eventually started working with online casinos, and currently support 80% of the operators in Europe. They are regulated in New Jersey, Nevada, West Virginia and Pennsylvania. Mr. Bolcerek advised that 100% of the entities that have launched in Pennsylvania are utilizing their technology to keep children off their websites. He stated the company utilizes a wide variety of identity data to create a robust methodology to identify individuals. When an individual creates an account, Aristotle Integrity is able to verify the details of that individual and can respond to the casino that the individual is who they are representing to be. They also check all of the major anti-money laundering lists and terrorist lists to ensure individuals are not on them. There are four major attributes to identifying an individual: name, address, date of birth, and last four of the Social Security number. An account can be approved or denied within three seconds.

Mr. Bolcerek stated the data may be the primary methodology, but when an individual utilizes a mobile device, Aristotle Integrity is able to leverage data from a driver's license or passport against other lists and facial bio-metrics. They call this process auto-doc; the information off the driver's license or passport is verified against the player's information that was input. The facial bio-metric is compared to the picture on the driver's license. They also compare the information contained in the bar code on the driver's license, and insure that it is a valid license. Mr. Bolcerek advised the auto-doc process mimics what individuals would do to verify an account being established at a casino in person. He stated they have four different methodologies: Integrity ID; Integrity Quiz; Integrity Document; and Integrity Face to Face.

APPROVE MINUTES: Chair Kramer moved to the approval of the minutes from the July 11th and July 30th Commission meetings. Commissioner Gonseth Cheers moved to approve the minutes as submitted. Commissioner Andres seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, IRGC Administrator, advised the next Commission meeting will be held on October 3rd at the Isle Casino Hotel in Waterloo; submissions are due in the Commission office by September 19th. The November meeting will be on the 21st at Q Casino in Dubuque. There is no meeting in December.

Mr. Ohorilko recognized Sue Hansen and Scott Ditch, IRGC Gaming Representatives, assigned to the Riverside facility.

CONTRACTS (OSV = OUT-OF-STATE VENDOR; RP = RELATED PARTY):

Riverside Casino & Golf Resort, LLC: Dan Franz, General Manager, presented an Advance Deposit Sports Wagering Operators Agreement with Elite Hospitality Group, LLC d/b/a Elite Sportsbook. He stated Riverside selected Elite Hospitality Group as one of their sports wagering operating service providers. Elite Hospitality will be operating the physical and online site for the Elite Sportsbook.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Advance Deposit Sports Wagering Operators Agreement with Elite Hospitality Group, LLC. Commissioner Heinrich seconded the motion, which carried unanimously.

Mr. Franz presented the following contracts for Commission approval:

- Genesis Health System – Medical Expenses
- Iowa Beverage Company – Beverage Purchases
- Sightline Payments, LLC – Payments for Cashless Gaming System (OSV)
- William Morris Endeavor Entertainment, LLC – Entertainment Booking Agent Expense (OSV)

Hearing no comments or questions concerning the contracts, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Sharon Haselhoff, General Manager, presented an Advance Deposit Sports Wagering Operators Agreement with Elite Hospitality Group, LLC d/b/a Elite Sportsbook.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Advance Deposit Sports Wagering Operators Agreement with Elite Hospitality Group, LLC. Commissioner Andres seconded the motion, which carried unanimously.

Ms. Haselhoff presented the following contracts for Commission approval:

- Sightline Payments, LLC – Payments to Cashless Gaming System (OSV)
- SMG – Denny Sanford Premier Center Private Suite Use Addendum (OSV)

Hearing no comments or questions concerning the contracts, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Rhythm City Casino, LLC: Mo Hyder, General Manager, presented an Advance Deposit Sports Wagering Operators Agreement with Elite Hospitality Group, LLC d/b/a Elite Sportsbook.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Advance Deposit Sports Wagering Operators Agreement with Elite Hospitality Group, LLC. Commissioner Andres seconded the motion, which carried unanimously.

Mr. Hyder presented a contract with Sightline Payments, LLC for payment to a cashless gaming system (OSV) for Commission approval.

Hearing no comments or questions concerning the contract, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Dubuque Racing Association, LTD: Jesús Avilés, CEO, presented the following contracts for Commission approval:

- Performance Foodservice – Food Purchases
- Sightline Payments, Inc. – Play+Participation Agreement (Mobile App for Sports Betting) (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Diamond Jo, LLC: Wendy Runde, General Manager, presented the following contracts for Commission approval:

- NRT Technology – Cash Advance services and TITO Kiosk Equipment Provider (OSV)
- AJR Equities, Inc. – Merchandise for Promotional Gift Giveaways

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Diamond Jo Worth, LLC: Scott Smith, General Manager, presented a contract with NRT Technology for cash advance and kiosk services (OSV) for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contract as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

IOC Bettendorf, L.C.: Nancy Ballenger, General Manager, presented the following contracts for Commission approval:

- CDW Direct – Purchase Computer Equipment and Supplies (OSV)
- Genesis Health Systems – On-site Medical Clinic Staffing and Supplies

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

SCE Partners, LLC: Jim Franke, General Manager, presented an Advance Deposit Sports Wagering Agreement with Hard Rock IA Gaming, LLC, a subsidiary of Hard Rock International. The agreement is for an initial term of ten years, with an additional five years. They will operate the online and retail sportsbook.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Advance Deposit Sports Wagering Operators Agreement with Hard Rock IA Gaming, LLC. Commissioner Andres seconded the motion, which carried unanimously.

Mr. Franke presented the following contracts for Commission approval:

- Buzz Creative Group, LLC – Marketing Agency (RP)
- Global Payments Gaming Services, Inc. – Cash Advance Processing & Check Guarantee Services (OSV)
- Solutions II – IT Managed Services and Hardware Resellers (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Wild Rose Clinton, L.L.C.: Tom Timmons, President of Wild Rose Entertainment, L.L.L.P., presented an Advance Deposit Sports Wagering Operator Agreement with Crown IA Gaming, LLC d/b/a Draft Kings.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the Advance Deposit Sports Wagering Operator Agreement with Crown IA Gaming, LLC d/b/a Draft Kings. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Mr. Timmons presented an Advance Deposit Sports Wagering Operator Agreement with Rush Street Interactive d/b/a BETRIVERS.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the Advance Deposit Sports Wagering Operator Agreement with Rush Street Interactive d/b/a BETRIVERS as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Mr. Timmons presented a contract with Liebl Marketing Group as the marketing agency for advertisement for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the contract as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Wild Rose Emmetsburg, L.L.C.: Mr. Timmons presented an Advance Deposit Sports Wagering Operator Agreement with Crown IA Gaming, LLC d/b/a Draft Kings.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Advance Deposit Sports Wagering Operator Agreement with Crown IA Gaming, LLC d/b/a Draft Kings. Commissioner Heinrich seconded the motion, which carried unanimously.

Mr. Timmons presented an Advance Deposit Sports Wagering Operator Agreement with Rush Street Interactive d/b/a BETRIVERS.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Advance Deposit Sports Wagering Operator Agreement with Rush Street Interactive d/b/a BETRIVERS as presented. Commissioner Andres seconded the motion, which carried unanimously.

Mr. Timmons presented the following contracts for Commission approval:

- Cannon Moss Brygger & Associates, P.C. – Architectural Fees
- Martin Bros. Distributing Co., Inc. – Food Distributor
- USA Security – Surveillance Equipment Upgrades and Yearly Maintenance Fees
- US Postal Service – Postage for Mailers from The Printer, Inc.
- Waldinger Corporation – Repairs and Maintenance for HVAC and Other General Repairs

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Wild Rose Jefferson, L.L.C.: Mr. Timmons presented an Advance Deposit Sports Wagering Operator Agreement with Crown IA Gaming, LLC d/b/a Draft Kings.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Advance Deposit Sports Wagering Operator Agreement with Crown IA Gaming, LLC d/b/a Draft Kings. Commissioner Andres seconded the motion, which carried unanimously.

Mr. Timmons presented an Advance Deposit Sports Wagering Operator Agreement with Rush Street Interactive d/b/a BETRIVERS.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Advance Deposit Sports Wagering Operator Agreement with Rush Street

Interactive d/b/a BETRIVERS as presented. Commissioner Andres seconded the motion, which carried unanimously.

Prairie Meadows Racetrack & Casino, Inc.: Gary Palmer and Derron Heldt, General Manager and Vice President of Racing respectively, were present to address the agenda items. Mr. Heldt noted the thoroughbreds and quarter horses are both racing at this time; there are 6 more days of racing on Mondays and Tuesdays for the thoroughbred program. He stated handle and field size are down, which attributed to several 6-7 horse fields dropping to 5-6 horses after scratches. Additionally, there are a couple of advantage players that are currently not playing with them.

Mr. Heldt stated PMR&C inducted three thoroughbred jockeys into their Hall of Fame on August 10th – Glenn Corbett, leading jockey by wins; Terry Thompson, and Alex Birzer. He advised the three jockeys have been part of the colony for 18-20 years; many of the new jockeys look to these gentlemen for guidance. One quarter horse was also inducted into the Hall of Fame – AJ's High, owned by Mike Teel and trained by Charles and Charlton Hunt. The horse has won major races at PMR&C as well as across the country, including the American Quarter Horse Challenge Championship.

Mr. Heldt advised staff has been working hard on the transition, moving thoroughbreds out and quarter horses in. Most of the thoroughbreds are moving to Remington Park, creating stall space for the quarter horses. There are currently 480 quarter horses on property; they are expecting between 500-525 horses. The quarter horse meet commenced on August 17th and had a great crowd. Mr. Heldt stated on and off-track handle is up 7%.

Mr. Heldt stated PMR&C has been meeting with Commission staff and the Racing Task Force to discuss areas that may need to be tweaked or improved upon and indicated progress has been made. He noted this is the last year of PMR&C's contract with the thoroughbreds and quarter horses. A committee has been meeting monthly since April to work on new contracts. He is hopeful new contracts can be submitted within the next couple of months.

Mr. Ohorilko thanked Mr. Heldt and PMR&C for starting the conversations with the horsemen early to work on the new five-year agreements.

Mr. Palmer thanked the Commission and staff for their hard work on getting sports wagering in place. He presented the following contracts for Commission approval:

- CSC ServiceWorks – Laundry Equipment Services (Revenue Sharing)
- James Oil Company – Fuel Purchases
- King Food Service – Meat and Seafood Supplier
- McAninch Corporation – Dirt, Sand and Paving Materials
- Modern Designs & Interiors LLC/Tessa Rhines – Interior Design Services for Three Remodel Projects (RP)
- Principal Financial Group – 401K Plans for Employees
- Reinhart Food Service – Food, Equipment and Supplies

- William Hill Sportsbook/American Wagering – Banking Support

Hearing no comments or questions concerning the contracts, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

HEARINGS:

American Wagering d/b/a William Hill Race Book: Mr. Ohorilko advised Commission staff and American Wagering, Inc. d/b/a William Hill Race Book, former manager of the simulcast location at Iowa West Racing Association d/b/a Horseshoe Casino, have entered into a Stipulated Agreement for a violation of Iowa Code Section 99F.4(22), relating to self-exclusion policies. He stated Commission staff has identified two instances where the self-exclusion database was not downloaded within the 7 calendar days as required by the Commission office. Discussions have been held and policies are in place to prevent a reoccurrence. As a result of the violation, American Wagering, Inc. d/b/a William Hill Race Book has agreed to an administrative penalty in an amount between \$5,000 - \$20,000. Mr. Ohorilko advised this is the first offense within the past 365 days.

Joe Asher, CEO of William Hill, advised the person assigned to perform these duties did not do so, and there was no supervisory check to ensure the process was being done as required. Another individual has been assigned to double check that the list has been downloaded as required. Mr. Asher stated there is no indication that anyone on the self-exclusion list placed a bet during the times in question. He stated the organization does take the self-exclusion process very seriously.

Hearing no comments or questions, Chair Kramer requested motion. Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty of \$5,000. Commissioner Andres seconded the motion, which carried unanimously.

Prairie Meadows Racetrack & Casino, Inc.: Mr. Ohorilko stated Commission staff and PMR&C have entered into a Stipulated Agreement for a violation of Iowa Code Section 99F.9(4) relating to underage gambling. On April 6th an individual entered the gaming floor unchallenged, was on the gaming floor in excess of an hour, gambled and consumed alcohol. Mr. Ohorilko advised the underage individual was identified by a security officer later that day; PMR&C did self-report the incident to the Commission. As a result of the violation, PMR&C has agreed to pay an administrative penalty in the amount of \$20,000.

Mr. Palmer and Clint Pursley, Vice President of Security, were present to address the matter. Mr. Pursley stated the security officer located at the turnstile where the individual entered the gaming floor failed to follow procedure; he has been disciplined and retrained. He noted the alcohol consumption was not the result of the underage individual purchasing it himself; an adult in his group purchased and provided the alcohol to him.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty of \$20,000. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

PUBLIC COMMENT: Wes Ehrecke, President of the Iowa Gaming Association, distributed copies of the American Gaming Association's State of the States 2019 report and two pieces of information relating to the facilities in Iowa; one being a comprehensive listing of the state-regulated casinos in Iowa and the other showing how gaming revenues benefit Iowa. He noted Fiscal Year 2019 appropriations and outlay totaled approximately \$323.3 million.

ADMINISTRATIVE BUSINESS/ADJOURN: As there was no Administrative Business, Chair Kramer requested a motion to adjourn. Commissioner Lamberti so moved. Commissioner Heinrich seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
OCTOBER 3, 2019**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, October 3, 2019 at The Isle Casino Hotel Waterloo (IOCW), Waterloo, Iowa. Commission members present were Kris Kramer, Chair; Carl Heinrich, Vice Chair; and members Pennie Gonseth Cheers and Jeff Lamberti. Commissioner Julie Andres was absent.

APPROVE AGENDA: Chair Kramer called the meeting to order at 8:30 AM, and requested a motion to approve the agenda. Commissioner Heinrich moved to approve the agenda as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

WELCOME: Chair Kramer called on Thomas Roberts, General Manager, who welcomed the Commission and staff to the facility. He noted there have been a number of changes since the Commission's last visit: addition of the Brew Bros. restaurant and Simply Yummy, a new VIP area, the arcade in the pool area, and the sportsbook located on the casino floor. Mr. Roberts advised the facility has spent approximately \$1.5 million on gaming products to keep quality gaming products on the floor. A new \$100 million theme park is being built across the road, and should open in 2022. He introduced Beth Knipp, Executive Director of the Black Hawk County Gaming Association (BHC GA).

Ms. Knipp welcomed the Commission and staff to Waterloo. She recognized several BHC GA board members in attendance. Since inception, BHC GA has awarded over \$48 million to 581 different projects in 51 different communities located in the seven counties they serve. Ninety percent of the funds are dedicated to Black Hawk County, up to 10% is provided to worthy projects in Bremer, Buchanan, Butler, Chickasaw, Grundy and Tama County. The funds awarded represent just under half of any project, the \$48 million from BHC GA has leveraged another \$100 million in partnering funds for new facilities, programs, equipment, services, and new hope and pride in the communities receiving funds. Ms. Knipp stated BHC GA seeks to be part of projects that are impactful, sustainable and improve the quality of life in the greater Cedar Valley.

To celebrate BHC GA's 10th Anniversary, the board developed a discretionary board-directed fund for the sole purpose of awarding funds to 501c(3) non-profit organizations making a difference in the area. The board also recognized a need for a process to quickly fund emergency community needs. An example of this was when the roof of an elementary school collapsed last winter due to the weight of snow. The board provided an award to offset the numerous expenses incurred to get replacement classrooms up and running in a temporary location. Additional funds have been awarded to fund an Iowa Heartland Habitat for Humanity house, arts and cultural non-profits, projects serving children in need, and projects for individuals with disabilities. Discretionary fund disbursements total \$350,000 to 26 different non-profits this year.

Ms. Knipp stated BHC GA has an excellent relationship with IOCW, and are proud to hold the Iowa gaming license for them. Another important relationship is with the Waterloo Development Corporation; 25% of BHC GA's revenue stream is for the re-development of downtown Waterloo.

She named several projects that have been possible due to BHCGA funds, as well as numerous projects undertaken by developers due to the re-development of downtown Waterloo.

APPROVE MINUTES: Chair Kramer requested a motion regarding the minutes from the August 22, 2019 Commission meeting. Commissioner Gonseth Cheers moved to approve the minutes as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised the next Commission meeting would be on November 21st at the Q Casino in Dubuque; submissions are due in the Commission office by November 6th. There will be no meeting in December. Due to scheduling conflicts, the January meeting has been moved to February 4, 2020, and will be held at Prairie Meadows Racetrack & Casino in Altoona.

Mr. Ohorilko recognized Shelly Sturch and Barry Hoover, IRGC Gaming Representatives assigned to the IOCW facility.

HARVEYS IOWA MANAGEMENT COMPANY LLC.: Sean McGuinness, legal counsel, presented a request from Caesars Entertainment Corporation to renew the 3-year shelf approval for debt financing originally granted in January 2017. They are requesting approval for \$25,000,000,000, the same amount originally approved. He noted it was recommended by Commission staff that the shelf debt financing be re-submitted for approval as it would expire prior to the Caesars/Eldorado transaction closing.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the application for shelf approval of debt financing. Commissioner Heinrich seconded the motion, which carried unanimously.

SIGHTLINE PAYMENTS: Omar Sattar, Executive Vice President, explained the company is a financial technology provider based in Las Vegas, Nevada. He indicated he would be talking about payments in general, where the industry is going, how the modernization process is going, and how sports betting is helping drive the change. Mr. Sattar stated the payment process is the fundamental issue in the regulated gaming industry in the United States they are trying to address. He stated the last great payment innovation in the casino industry happened in 2001, which was the advent of the Ticket In/Ticket Out system. It was deployed to approximately 95% of the slot devices and electronic games within seven years. There has not been anything new since then; however, the rest of world has changed. The vast majority of individuals operate in a digital environment, using cash for approximately 14% of payment transactions; however, in casinos cash is utilized in 95% of transactions. Casino operations are heavily reliant on cash while transactions related to lodging, entertainment, food and beverage, and retail operations are partially digitalized. Mr. Sattar stated the gaming industry is moving forward on payment modernization; the American Gaming Association has established some principles to help with the process. He stated Sightline's mission is to empower the integrated resort operators and platform providers with the next generation of cashless, mobile, and omni-channel commerce solutions. Sightline is currently serving ten of the top casinos and online sports operators; has over 300,000 Play+ account holders, is the #1 wallet share for digital sports and gaming, and has over 100 system integrations. The

company receives regulatory oversight from the Federal Reserve System, Federal Deposit of Insurance, FinCen, and gaming regulations in the various states, as well as other regulatory bodies. They are registered as a Money Services Business in all 50 states, maintain and demonstrate Anti-Money Laundering practices, and have risk-based procedures for verifying patron identities. Sightline promotes responsible gaming by requiring accountholders to be 21, provide account holders with self-exclusion or budget options, educates employees on resources to obtain help, provides gambling treatment information on their websites, promotions, and mobile apps, and contribute to responsible gaming research. Mr. Sattar concluded his remarks by noting their system provides the customer with a process that is convenient, cashless, flexible and safe. For the operators, the system provides guest satisfaction, data on guest spending and reduces the reliance on cash.

INDUSTRIAL LABORATORIES CO.: Petra Hartmann, Director of Drug Testing Services, stated the company has been providing drug testing services for the Commission since 2018, and tests both greyhounds and horses. She advised the company has been testing animal athletes in Illinois since 1953. They perform similar services for several United States jurisdictions, and Chile, Peru, and Puerto Rico. Ms. Hartmann stated they provide drug testing services for other events such as horse pulls, livestock shows, sled dog races and pigeon racing. The laboratory is accredited by the American Association for Laboratory Accreditation, the International Standards Organization, the Racing Medication Testing Consortium, and are a member of the Association of Racing Chemists. Ms. Hartmann stated the accreditation guarantees the client a basic quality standard; that the lab is being audited for documentation on hand, and properly validated the testing used. It does not provide a guarantee as to the scope of testing. All labs design and validate their own testing procedures. She stated it is very difficult to know what labs are testing for; there are over 50,000 compounds commercially available, but advised there are well over 150,000 on the internet, which has opened up a vast market where the chemicals can be purchased without any kind of authorization. She stated there are between 30-36 drugs that are regulated by thresholds in the United States and are on the RCI classification system. Ms. Hartmann advised there are some drugs listed on this list that can't be tested for due to various technical reasons. There are also minimum performance standards that are provided by the Thoroughbred Breeders and Owners Association and the American Graded Stakes for stakes races. She noted Iowa has adopted those standards so the Commission is guaranteed that all of the tests will meet or exceed those standards for every race. Zero tolerance testing is the name associated with testing for drugs that do not have a threshold associated with the drug. This concept opens up some potential differences between laboratories due to different capabilities regarding the various compounds. What may be called a positive in one state may not be called positive in another state. Ms. Hartmann stated they rely on rumors and whistleblowers to provide information about what is being used at the racetracks; trainers or anyone has the option of sending those substances anonymously. This is an informational tool for potentially new substances.

Ms. Hartmann stated samples are transported to the lab on a weekly or sometimes twice weekly basis. A courier picks them up at the track, and they are delivered to the lab within 24 hours so testing can commence. Samples arrive on Monday, and an initial report is sent out by Thursday. If a sample is suspicious, additional testing is performed. She advised there is no one test that can test for everything. She noted that cobalt, arsenic and milk shaking require a different testing

approach than standard drugs. Labs are required to invest significant sums of money to acquire the necessary instruments, and testing takes 3-4 days. As part of their contract with Iowa, the lab provides all the supplies necessary for collecting the samples for convenience. It also allows them to control the collection equipment, which can make a big difference in the quality of the sample. She stated the testing process begins in the test barns with the collection of the sample. Ms. Hartmann advised the test barns for both the greyhounds and horses in Iowa are well run, and the lab is appreciative of the level of expertise here.

Ms. Hartmann advised that so far in 2019, the lab has tested almost 60,000 samples from all jurisdictions, and have had approximately 500 positive cases with the top findings being clenbuterol, dexamethasone and betamethasone, zilpaterol, albuterol and lidocaine. She noted routine testing is not always able to pick up the growth hormones as they disappear very quickly. Ms. Hartmann stated issues of contention in drug testing in general involve performance enhancement arguments, environmental contamination, public perception and the image of the sport. She noted people make assumptions about the testing process, which continues to be a process of technical discovery. Drug testing is a tool that needs to be used correctly, and is only as good as its purpose. She reminded the Commission that drug testing is only one tool at their disposal to enforce the rules to ensure that horse and dog races are conducted fairly. She feels more video surveillance will be put in place in the future.

CONTRACTS (OSV = OUT-OF-STATE VENDOR; RP = RELATED PARTY):

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, presented a contract with Liberty Fruit Co. for fruit.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Diamond Jo Worth, LLC: Scott Smith, General Manager, presented a contract with Young Plumbing & Heating for HVAC repair and maintenance.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contract as submitted. Commissioner Lamberti seconded the motion, which carried unanimously.

SCE Partners, LLC: Jim Franke, General Manager, presented the following contracts for Commission approval:

- DirecTV – Satellite TV for the Casino
- Jones Family Farms, Inc. d/b/a Claussen’s Nursery – Property Maintenance Agreement
- Latham & Watkins – Professional Legal Services (OSV)
- PCM Technologies, LLC – Background Music Service for Video, including music copyright licensing (OSV)
- S & S Healthcare Strategies – Third Party Claims Administrator (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Casino Queen Marquette, Inc.: Don Ostert, General Manager, presented the following contracts for Commission approval:

- M&D Inc. – Vessel Maintenance, Welding, Electrical Repairs, and Painting (OSV)
- VGM Group, Inc. d/b/a Strategic Imaging – Direct Mail – Marketing
- Windstar Lines – Line Run Transportation to Property

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Wild Rose Emmetsburg, L.L.C.: Rick Gilson, Director of Regulatory Compliance for Wild Rose Entertainment, L.L.P., presented the following contracts for Commission approval:

- Holmes Murphy – Insurance Broker
- Midstates Builders – Construction Project Phase 1 (First Floor Remodel)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Sharon Haselhoff, General Manager, presented the following contracts for Commission approval:

- DGR Engineering – Surveying and Engineering Agreement
- Hoogendoorn Construction, Inc. – Renovation Project – Concrete and Damproofing (OSV)
- Hoogendoorn Construction, Inc. – Renovation Project – Site Demo and Grading (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Ms. Haselhoff stated an official groundbreaking ceremony was held on September 24th, and work has started on getting the ground ready for the hotel addition. Work has also commenced on the Center Bar to create the new music venue, Grand Falls Center Stage. They are also working to finalize the details for the sportsbook. Work on the RV Park is slated to start in November.

IOWA WEST RACING ASSOCIATION d/b/a HORSESHOE CASINO-BLUFFS RUN GREYHOUND PARK: Samir Mowad, General Manager, requested renewal of the pari-mutuel

and racetrack enclosure licenses. He advised Caesar's has continued to invest in the property over the last year. In addition to the sportsbook, the Whiskey Roadhouse was upgraded, all restrooms are being renovated, a small buffet project in the casino was done, and over \$1 million was spent upgrading and replacing the roof. He requested approval of the license renewal application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve Iowa West Racing Association's Application for Pari-Mutuel License and Racetrack Enclosure License for January 1, 2020 through December 31, 2020 and approve the revised security plan included in the application with the following conditions:

- Staff be provided with an accurate and updated list of all signals being taken by the simulcast venue on an ongoing basis.
- Import contracts are available on demand to staff.

Commissioner Lamberti seconded the motion, which carried unanimously.

Mr. Mowad submitted a contract with CRH Properties, LLC for leased warehouse space.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contract as submitted. Commissioner Lamberti seconded the motion, which carried unanimously.

IOWA GREYHOUND ASSOCIATION d/b/a THE IOWA GREYHOUND PARK: Brian Carpenter, General Manager/Director of Racing, requested approval for the 2020 racing application. He noted this would be the 36th season of live greyhound racing in Dubuque, and the 6th season under the Iowa Greyhound Association.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the Iowa Greyhound Association's Application for Pari-Mutuel License for January 1, 2020 through December 31, 2020, grant race dates as submitted in the application, and approve the revised security plan included in the application with the following conditions:

- Export contracts have review and approval by staff.
- Import contracts are available on demand to staff.

Commissioner Lamberti seconded the motion, which carried unanimously.

Mr. Carpenter presented the following contracts for Commission approval:

- Dubuque Racing Association – 5-Year Lease for Grandstand Area
- Sportview Television Corp. – TV Control Center, Monitor System, Camera & Technical Support for Live and Simulcast Racing (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

PRAIRIE MEADOWS RACETRACK AND CASINO, INC. d/b/a PRAIRIE MEADOWS RACETRACK AND CASINO: Gary Palmer and Derron Heldt, General Manager and Director of Racing respectively, were present to request approval of their Pari-Mutuel and Racetrack Enclosure licenses for January 1, 2020 through December 31, 2020.

Chair Kramer stated the Commission's preference would be to handle the license renewal at the same time as the Commission approves the race dates; therefore, any action regarding the license renewals will be deferred until November.

Commissioner Lamberti asked how negotiations were progressing with regard to race dates. Mr. Palmer advised PMR&C was in the middle of negotiations with the horsemen for the next contract. He indicated the meetings have been very professional and enlightening. Mr. Palmer stated the parties are looking at different matrixes, and hope to be able to present something at the November meeting. Commissioner Lamberti state that would be preferable to the Commission setting the race dates.

Commissioner Lamberti moved to defer any action regarding the license renewal for Prairie Meadows Racetrack & Casino. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

HEARINGS:

Harveys Iowa Management Company LLC: Mr. Ohorilko stated Commission staff and Harrah's have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(4) related to underage gambling. A minor entered the gaming floor on April 8th with an adult companion, and was unchallenged. Upon entering the gaming floor, the minor was on the floor in excess of 30 minutes and did gamble. Security staff was notified the female and her companion were asking guests for money. Security approached them and correctly identified the individual as underage. She was removed from the floor. Harveys has agreed to pay an administrative penalty of \$20,000.

Mr. Mowad advised the facility stresses to security staff that customer service is a big part of their job, but the first priority is to follow procedures and policies in ensuring that everyone under the age of 30 or appears to be under the age of 30 is carded. He indicated those policies and procedures were not followed in this case. The VeriDocs system was recently upgraded, and changes were made to the way the entrances and exits are controlled; however, all the technology will not make a difference if the patron is not challenged at the entrance to the gaming floor. The facility used this incident as a training moment for staff. Mr. Mowad stated the facility will work to regain the Commission's trust in this area.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty of \$20,000.00. Commissioner Heinrich seconded the motion, which carried unanimously.

Iowa West Racing Association: Mr. Ohorilko advised this matter was resolved by a Stipulated Agreement between Commission staff and the Iowa West Racing Association (IWRA) operating as Horseshoe Casino. He stated the facility has agreed to the facts regarding a violation of Iowa

Code § 99F.9(4). This incident involved an underage male who entered the floor on May 21st. The individual was challenged at the entrance, but was allowed to enter the floor where he consumed alcohol and gambled. The minor exited and re-entered the floor unchallenged and again purchased alcohol and gambled. The minor exited the floor a second time and re-entered unchallenged by a different officer. He again gambled and consumed alcohol. The three incidents meet the Commission referral criteria. Mr. Ohorilko stated the individual was caught after engaging in inappropriate contact with a female patron. Security appropriately handled the incident and determined the individual was underage and reported it to the Commission. The proposed Stipulated Agreement is in the amount of \$20,000.00. He indicated that may be something the Commission would like to discuss.

Mr. Mowad accepted responsibility for the facility's failures in this incident, but stated the lead officer did an excellent job of challenging the underage patron before allowing him to enter the floor. The individual looked similar to the picture on the fake ID. The officer asked him three questions regarding information on the ID; however, she did not question him about the height, which was significantly different. Mr. Mowad stated that while the individual was on his phone when exiting and re-entering the floor, it does not mean that he should not have been challenged by the officer at the entrance.

Commissioner Lamberti thanked Mr. Mowad for the explanation surrounding the incident. He stated the Commission understands what happens in the real world. He advised that as the Commission reviewed this incident, the results were significant. Commissioner Lamberti moved to approve the proposed Stipulated Agreement and amend the administrative penalty to \$30,000.00. Commissioner Heinrich seconded the motion, which carried unanimously. Mr. Mowad accepted the Stipulated Agreement.

Karl Broberg v. IRGC: Chair Kramer advised this matter is an appeal of a Proposed Administrative Law Judge Decision. She stated the Commission will review the Decision but is not re-hearing the evidence. Chair Kramer stated the Commission will hear a ten-minute argument from each side, with the appellant going first. After the arguments, each side will receive an additional five minutes for rebuttal.

John Mac Hayes, legal counsel for Mr. Broberg, stated that a horse that was not eligible for a race but was entered and competed in the race can't be claimed, which is why the Stewards voided the claim. The horse's Coggins test had expired a few days prior; however, Mr. Broberg entered the horse in the race. Mr. Hayes stated it is the trainer's responsibility to ensure the horse is eligible; however, it is the Racing Office's responsibility to verify the eligibility of horses entered to race. Had this procedure been followed, the horse would have been scratched prior to the race, and Mr. Broberg would have been fined for entering an ineligible horse. The facts are the Racing Office missed the expired Coggins, the horse raced and won the race. The next morning the Racing Office informed the Stewards the horse was not eligible due to the expired Coggins. Mr. Broberg declined a hearing as it was obvious the horse was ineligible for the race. Subsequently, the horse was deemed a "non-starter" as it was not eligible for the race, which led to the claim being voided in order to be consistent with the claiming rules. The individual which claimed the horse, Ron Stolich, appealed that decision. Mr. Hayes noted that when the Commission reviews a decision of

the Board of Stewards, the standard of review is “abuse of discretion”. He stated he is asking that the original decision of the Board of Stewards be affirmed.

Mr. Hayes referenced an Iowa case from 1972 which indicates an abuse of discretion will be found “only where there is no support for the decision in the . . . evidence.” He stated there is support in this record for the decision from the Stewards. The Stewards voided the claim because the horse was never eligible to be entered in the race. Mr. Broberg did not appeal the decision to re-distribute the purse money as the horse was not eligible for the race. The rules indicate that if a horse is subsequently disqualified, he is still eligible to be claimed. Mr. Hayes stated this rule contemplates a medication violation. The horse will lose any purse money, but was still eligible to be entered in the race. He reiterated the horse in question was never eligible to be entered in the race. He expressed his belief that Mr. Stolich is the owner of the horse in question, but the horse was returned to Mr. Broberg based on the claim being voided.

Mr. Hayes stated the Commission has to determine if the decision of the Stewards was an “abuse of discretion”. He stated the only equitable way to resolve this matter is to affirm the order of the Stewards’ and void the claim. Based on the Administrative Law Judge’s (ALJ) determination, the horse ran in Oklahoma City and won. He stated, in fairness, the horse should not have transferred ownership. Mr. Hayes stated the ALJ’s decision was inaccurate. He requested a prompt ruling on the appeal. The Stewards felt they had to void the claim because the horse was ineligible to be entered in the race. He noted the rules are very clear that a medication violation does not void a claim. Mr. Hayes stated that due to the way the ALJ structured his decision, it was necessary to appeal the proposed decision. He stated it is very important that the rules be interpreted correctly. Mr. Hayes noted the ALJ stated since the horse broke at the gate and ran, it was a starter. He stated since the horse was ineligible to be in the race, the fact that he broke at the gate doesn’t matter. He again requested the Commission reaffirm the Steward’s decision.

David Ranscht, Assistant Attorney General representing the Stewards, advised the Stewards did not appeal the decision. He stated the issue is with the Racing Office and its oversight, not an oversight by the Stewards, which put the Stewards in an untenable position. The Stewards’ did what they thought was reasonable, which was to return all parties to the position they were in before the race started and the claiming process started. Mr. Ranscht concurred the claiming rules presume a horse was eligible to start in the race in the first place. He stated what the Commission should keep in mind while reviewing this case and the rules is that the Stewards were put in an untenable position due to an oversight by the Racing Office; they interpreted the rules as they are allowed to do and made a ruling based on that interpretation.

Mr. Hayes waived his opportunity to present rebuttal remarks.

Commissioner Gonseth Cheers moved to go into Executive Session pursuant to Iowa Code Section 21.5(1)f for the purpose of discussing the decision to be rendered in a contested case conducted according to the provisions of chapter 17A. She stated Assistant Attorney General William Hill would be acting as Conflict Counsel for the Commission. Commissioner Lamberti seconded the motion, which carried unanimously on a roll call vote.

Following a motion to return to open session, Commissioner Lamberti moved to affirm the ALJ's Decision for the reasons set forth in the Proposed Decision. He stated the decision is effective immediately and directed staff to draft a final decision in accordance with the decision.

Commissioner Heinrich seconded the motion, which carried unanimously.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Chair Kramer called on Mr. Ohorilko for any administrative business. Mr. Ohorilko advised the Commission would be returning approximately \$450,000 to the facilities in the form of a credit on their regulatory fees at the end of the current fiscal year. He advised a schedule has been sent to the industry. The reversion to each facility is different due to the different regulatory fees assessed.

ADJOURN: As there was no further business to come before the Commission, Chair Kramer requested a motion to adjourn. Commissioner Gonseth Cheers so moved. Commissioner Lamberti seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
NOVEMBER 21, 2019**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, November 21, 2019 at the Q Casino in Dubuque, Iowa. Commission members present were Kris Kramer, Chair; Carl Heinrich, Vice Chair; and members Julie Andres, Pennie Gonseth Cheers, and Jeff Lamberti.

APPROVE AGENDA: Chair Kramer called the meeting to order at 8:30 AM, and requested a motion to approve the agenda. Commissioner Heinrich moved to approve the agenda as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

WELCOME: Jesús Avilés, President and CEO of the Dubuque Racing Association (DRA), the operator for Q Casino and the qualified sponsoring organization for Diamond Jo Casino, welcomed the Commission and industry representatives to Dubuque. He acknowledged Brian Rakestraw, Vice President/General Manager at Q Casino and Wendy Runde, Vice President/General Manager at the Diamond Jo. The two facilities employ 700 team members. Mr. Avilés welcomed the Commission to Dubuque on behalf all team members. He noted Dubuque shares borders with Wisconsin and Illinois, and their grant distributions cross these borders, and DRA is proud to do so. Dubuque was named a 2019 All American City, an award which recognizes communities that leverage collaboration, inclusiveness, innovation, and successfully addresses local issues. He noted this is the fifth time Dubuque has received this award since 2007. Dubuque was one of five cities selected for this award in the United States. Mr. Avilés introduced Gary Dolphin, Chairman of the DRA Board of Directors.

Mr. Dolphin thanked the Commission for coming to Dubuque, and the work they do. He noted Dubuque has reinvented itself in large part due to gaming. He noted he served on the original committee supporting the Dubuque Greyhound Park.

APPROVE MINUTES: Chair Kramer requested a motion regarding the minutes from the October 3, 2019 Commission meeting. Commissioner Lamberti moved to approve the minutes as submitted. Commissioner Andres seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised there would be no meeting in December or January 2020. The next Commission meeting will be held on February 4, 2020 at Prairie Meadows Racetrack & Casino (PMR&C). Submissions for that meeting are due in the Des Moines office by January 21, 2020.

Mr. Ohorilko recognized the following Commission staff located at the Dubuque facilities: Scott Franke, Gaming Representative at the Diamond Jo Casino; Tracy Potter and Joe Gau, Gaming Representative for Q Casino and Racing Stewards for the Iowa Greyhound Park; Cheryl Vetsch and Cathy Dillon, Licensing Assistants. He thanked them for all they do for the Commission.

RULES: Mr. Ohorilko advised the first package before the Commission is a Notice of Intended Action. This rule package is a result of staff's annual rule review, as well as a series of Racing Task Force meetings that were held throughout the summer. He provided the following summary:

- Item 1 updates the method of notification for incident reports;
- Items 2 and 16 clear up redundancies in the rules regarding surveillance;
- Item 3 removes a prohibition on double entries in certain types of wagers;
- Item 4 requires a backup method of communication;
- Item 5 allows for all stewards' decisions to be appealed;
- Items 6, 7, 10, 11 and 12 deal with digital tattooing and microchipping; these are new requirements of The Jockey Club and staff will be working with the racing industry on these over the next year;
- Item 8 makes Clerk of Scale requirements align with the ARCI Model Rules;
- Item 9 deals with Coggins tests and making it available electronically.
- Item 13 clarifies when a horse can enter a race after being claimed;
- Item 14 clarifies racing silk requirements;
- Item 15 allows for certain types of coin pusher machines and adds some clarification.

Mr. Ohorilko advised the rule package had been submitted to all stakeholders. He noted Commission staff has not received any comments on the proposed rules and requested approval of the Notice of Intended Action.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti made a motion to approve the Notice of Intended Action. Commissioner Heinrich seconded the motion, which carried unanimously.

Mr. Ohorilko stated the second set of rules is an Amended Notice of the Sports Wagering rules, which are currently in effect under Emergency Adoption. He advised the rules must go through both steps. If these rules are approved today, they would not go into effect until after Final Adoption. The changes from the first package to this package for the sports wagering industry and the Daily Fantasy Sports (DFS) industry provides some clarification on the timing of when the tax return transmittals are due; and both provide for a fee-free method to deposit and withdraw money into online accounts. For sports, the rules clarify for the ADSWs that wagers made are to be displayed to the player; made some changes to the DFS requirements by clarifying "highly experienced players", clarification as to what scrips are permitted, and changes with respect to which contests need to be pre-authorized or submitted to the Commission. Mr. Ohorilko stated the revised package has been submitted to the stakeholders; staff has received comments which have been shared with the Commission and are available to the public. He advised some of the comments have been incorporated into the rules while others have not. He stated Commission staff has received additional comments this week and will reach out to those stakeholders to determine if any of those concerns can be addressed prior to the rules coming back before the Commission. Mr. Ohorilko requested approval of the Amended Notice.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the Amended Notice. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

RHYTHM CITY CASINO, LLC: Mo Hyder, General Manager, requested approval of a capital reinvestment, which allows the facility to modify part of its gaming floor, reposition gaming product in that specific area, and improve the experience of the customers.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the remodel request. Commissioner Andres seconded the motion, which carried unanimously.

SPORTS WAGERING LICENSE: Don Ostert, General Manager, stated the facility is excited to take this first step to offer sports wagering. They are still in the process of choosing a partner. He requested approval of their sports wagering license application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to grant the license to conduct sports wagering to Casino Queen Marquette, Inc. conditioned upon the satisfactory completion and approval of controls pursuant to Iowa Administrative Rules Chapter 491 and written authorization from the Commission Administrator or designee to accept wagers. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

CONTRACTS (OSV = OUT-OF-STATE VENDOR; RP = RELATED PARTY:
Casino Queen Marquette, Inc.: Mr. Ostert presented a contract with King Food Services, Inc. as a Food Supplier.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contract as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Dubuque Racing Association, Ltd.: Mr. Rakestraw presented the following contracts for Commission approval:

- Aramark AUCA Chicago – Linen and Uniform Supply Company (OSV)
- Comp Trading – Promotional Gifts (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Diamond Jo, LLC: Ms. Runde presented the following contracts for Commission approval:

- Mid-Iowa Refrigeration, Inc. d/b/a Goodwin Tucker – Preventative Maintenance, Repairs and Maintenance on F&B Equipment

- Innowave Marketing Group, LLC – Boyd B-Connected Gift Program (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Diamond Jo Worth, LLC: Scott Smith, General Manager, presented the following contracts for Commission approval:

- Innowave Marketing Group, LLC – Boyd B-Connected Gift Program – Iowa (OSV)
- Global Payment Gaming Services, Inc. – Check Guarantee Service (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, presented the following contracts for Commission approval:

- Cintas – Uniforms for Casino Staff
- Everi Payments, Inc. – Purchase of Ticket Redemption Kiosks (OSV)
- I & O International, LLC – Management Company for J-1 International Student Housing (OSV)
- Lamar Texas LLP/The Lamar Company – Billboards
- Rich Energy Solutions Company – LED Lighting Retrofit Project (OSV)

Chair Kramer advised the Commission would like him to encourage corporate to get bids from Iowa vendors next time with regard to the contract with Rich Energy Solutions. Mr. Czak agreed, but went on to explain the company is doing a retrofit of the LED lighting management system for all 41 casinos in the country. Mr. Czak advised he has already submitted comments to corporate.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Riverside Casino and Golf Resort, LLC: Dan Franz, General Manager, presented the following contracts for Commission approval:

- Brockway Mechanical & Roofing – Hotel Repair Project
- Cardmember Services through Peoples Bank – Credit Card Purchases
- Carrier Access IT, LC – Hardware/Software Products and Support
- Ceridian HCM, Inc. – Payroll Services (OSV)
- D & K Products – Turf Management Supplies
- Imagine This – Continuity and Promotion Agreements (OSV)

- North American Home Centers, Inc./Randy's – Hotel Carpet Replacement
- Paul/Molly Advertising - Digital TV & Radio Advertising
- The Printer, Inc. – Marketing Mailers and Postage

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Mo Hyder, General Manager for Rhythm City Casino, LLC, presented the following contracts for Commission approval:

- 4G Steel Fabrication – Renovation Project: Structural and Miscellaneous Steel (OSV)
- Ceridian HCM, Inc. – Payroll Services (OSV)
- Hander Inc. Plumbing and Heating – Renovation Project: Site Utility Work (OSV)
- Imagine This – Continuity and Promotion Agreements (OSV)
- Muth Electric, Inc. – Renovation Project: Electrical Services (OSV)
- Peterson Contractors, Inc. – Renovation Project: Ground Improvement Work
- Riverside Casino & Golf Resort, LLC – Shared Services: Internal Audit, Regulatory Compliance, and Information Technology Services (RP)
- Schumacher Elevator Company – Renovation Project: Elevator Equipment and Install
- The Printer, Inc. – Direct Mail Marketing; Printing and Postage

Mr. Hyder advised five of contracts relate to the reinvestment in the property for approximately \$3 million. He stated the project is progressing well; the foundations have been poured, and the relocation of the Center Bar is coming along and should be ready by Thanksgiving. The property is also in the process of converting the old Show Lounge into a sports betting area, pending the Commission's approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Rhythm City Casino, LLC: Mr. Hyder presented the following contracts for Commission approval:

- Ceridian HCM, Inc. – Payroll Services (OSV)
- USA Entertainment – Booking Agency for Entertainers
- Zurich – Insurance Services

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

SCE Partners, LLC: Jim Franke, General Manager, presented the following contracts for Commission approval:

- Camarota, LLC – Consultant in Food and Beverage Design and Development Services (OSV)
- Pepsi-Cola of Siouxland, Inc. – Beverage Supplier
- Power Promotions, LLC – Promotional Items (OSV)
- Risk Management Consultants, LLC – Risk Management Consultant and Insurance Coordinator (OSV)
- S & S Healthcare Strategies – Third Party Claims Administrator (OSV)
- WG Systems, LLC – Software Services Agreement (OSV) (RP)

Chair Kramer stated the Camarota contract is with an out-of-state vendor, and that no additional bids or an explanation had been submitted. Mr. Franke advised Camarota Group is a food and beverage consultant that is familiar with the Hard Rock brand and what they are trying to accomplish with the Hard Rock Shop. They have had a relationship with Warner Hospitality for several years, which is why the company was selected to help the facility design the right vibe.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Wild Rose Clinton, L.L.C.: Rick Gilson, Director of Regulatory Compliance for Wild Rose Entertainment, L.L.L.P., presented the following contracts for Commission approval:

- Hy-Vee – Purchase of Promotional Gift Cards and Liquor Purchases
- United Healthcare – Employee Medical & Dental Benefits and Related Insurance Premiums

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Wild Rose Emmetsburg, L.L.C.: Steve Cody, General Manager, presented a contract with United Healthcare for Employee Medical Benefits for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contract as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Wild Rose Jefferson, L.L.C.: Travis Dvorak, General Manager, presented the following contracts for Commission approval:

- Farner Bocken – Food Distributor
- United Healthcare – Employee Medical Benefits

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Harveys Iowa Management Company LLC: Samir Mowad, General Manager, presented the following contracts for Commission approval:

- D&D Construction – Construction Vendor
- Forsyth Consulting, Inc. – Music for Hotel and Casino (OSV)
- Hospitality Network, Inc. – Wireless Network Equipment
- Nebraska Furniture Mart – Furniture and Carpet Vendor
- SS Kemp & Co. Trimark – Kitchen Equipment (OSV)
- Scavuzzos – Food Supplier

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Andres seconded the motion, which carried unanimously.

Iowa West Racing Association d/b/a Horseshoe Casino: Mr. Mowad presented the following contracts for Commission approval:

- Forsyth Consulting, Inc. – Music for Casino (OSV)
- Hilton Supply Management – Hotel Room Furnishings (OSV)
- Hospitality Network, Inc. – Wireless Network Equipment
- Insight Direct USA – Networking Equipment Purchases (OSV)
- LK Architects, Inc. – Design Fees (OSV)
- SS Kemp & Co. Trimark – Kitchen Equipment (OSV)
- Scavuzzos – Food Supplier

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Iowa Greyhound Association d/b/a Iowa Greyhound Park: Brian Carpenter, General Manager/Director of Racing, presented the following contracts for Commission approval:

- Dubuque Racing Association – Services Contract for Track and Facility Maintenance, Utilities, Police, Etc.
- Sportech Racing, LLC – Tote System (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

PRAIRIE MEADOWS RACETRACK AND CASINO, INC. D/B/A PRAIRIE MEADOWS RACETRACK AND CASINO:

Application for Pari-Mutuel License and Granting Race Dates and Racetrack Enclosure Gambling License for January 1, 2020 through December 31, 2020: Derron Heldt, Vice President of Racing, submitted the pari-mutuel license, granting of race dates and racetrack enclosure license renewal application, which was deferred at the October Commission meeting. He stated the racing calendar was now accurate; and PMR&C has entered into agreements with the Iowa HBPA, Inc. and Iowa Quarter Horse Racing Enterprise, Inc.

Mr. Heldt provided the following information regarding the racing calendar for 2020. There will be an 84-day mixed meet, with thoroughbreds racing every day from May 1st through September 26th. The quarter horses will start racing on June 12th and will also race until the end of the meet. From June 12th to August 17th, there will be eight thoroughbred races per day and three quarter horse races. Starting on August 21st through September 26th, there will be six thoroughbred races per day and four quarter horse races. Mr. Heldt stated there were negotiations and meetings with the horsemen over the summer. He noted there was a lot of give and take, compromise and discussion and data that was shared with both the quarter horse and thoroughbred groups. He stated the calendar as submitted plays to the strengths of both breeds. Most of the quarter horses are coming from a racetrack whose season is ending. He feels the calendar will also help with field size. Mr. Heldt advised goals and expectations were set with the thoroughbreds and quarters horses, which they hope to achieve over the next couple of years.

Mr. Ohorilko advised the race calendar submitted was creative and the result of a number of meetings. He stated both sides did a great job in compromising in order to establish this race calendar. He stated Jon Moss, Executive Director of the Iowa HBPA, sent him an e-mail and requested that it be read into the record. Mr. Ohorilko read as follows:

Dear IRGC Commissioners:

Please excuse our absence as we have a few pressing matters this morning, but we wish to express our sincerest appreciation to Prairie Meadows and the Iowa Quarter Horse Racing Association for working with us on the 2020 racing calendar and contract before you. Over the course of 6-7 months, the horsemen and Prairie Meadows have been meeting to try and come up with a better path forward for all. We believe we now have that possibility before you and will be returning to our roots in renewal of the mixed meet beginning with the calendar year. With the calendar and contract, thoroughbred horsemen will see an increase in the number of racing days and opportunities and hope to revitalize the breeding of horses here within our home state. With appreciation, we recommend the Commission approve both the Iowa HBPA contract with Prairie Meadows and the 2020 racing season calendar.

Commissioner Heinrich commended the parties for reaching an agreement.

Gary Palmer, General Manager, stated there has been a slight change from the last 30 years, and thanked Mr. Ohorilko for going along with it. He stated that he asked Mr. Ohorilko to join in the negotiations so all parties involved would be in the same room at the same time. Mr. Palmer noted

that had not been done in the 30 years of racing, and it proved to be a very good combination. He thanked everyone for their time in this matter.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve Prairie Meadows Racetrack and Casino, Inc.'s Application for Pari-Mutuel License and Racetrack Enclosure License for January 1, 2020 through December 31, 2020, grant race dates as submitted, and approve the revised security plan included in the application with the following conditions:

- Export contracts have review and approval by Commission staff;
- Import contracts are available on demand to Commission staff;
- All marketing promotions that may affect live racing, particularly the racing schedule and post times, shall have prior approval from the Commission.

Commissioner Gonseth-Cheers seconded the motion, which carried unanimously.

Approval of Agreement Pertaining to Racing with the Iowa HBPA, Inc.: As there were no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the agreement as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Approval of Agreement Pertaining to Racing with Iowa Quarter Horse Racing Enterprise, Inc.: As there were no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the agreement as submitted. Commissioner Lamberti seconded the motion, which carried unanimously.

Approval of the 45-Day Plan for the 2020 Mixed Thoroughbred and Quarter Horse Meet: Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the 45-Day Plan for the 2020 Thoroughbred and Quarter Horse Season with the following conditions:

- The immediate written notification of any change in racing official positions.
- The completion of necessary IRGC licensing and DCI background checks of officials.

Commissioner Heinrich seconded the motion, which carried unanimously.

Update on Quarter Horse Meet: Mr. Heldt advised the quarter horse meet ended on Saturday, October 12th. Handle in August and September for off-track was strong; however, after the first part of October, handle tapered off due to wet weather and cooler temperatures. He stated off-track handle ended up about one-half percent higher year over year, and on-track handle was down about 1½% from the prior year. The last day of racing was the championships for the quarter horses, and they had a strong program. The leading owner for the quarter horse meet was Kirk Wessels, an Iowa resident. The family has been involved in racing since its inception in Iowa.

Contracts: Mr. Palmer presented the following contracts for Commission approval:

- Acres 4.0 – Kai Software (OSV)
- Asset Management (USA Security) – Surveillance Products and Services
- Baker Electric – Electrical Contractor
- Best Buy Stores – Electronic Items
- Brewer Meats – Meat Supplier
- Capital Sanitary Supply – Housekeeping Supplies and Equipment
- Chesnut Sign – Sign Manufacture and Installation
- Core Mark (Farmer Bocken) – Food Supplier
- Dell Marketing – Computer Equipment (OSV)
- Deloitte & Touche, LLP – Audit and Consulting Services
- Delta Dental of Iowa – Employee Dental Insurance
- Des Moines Hearst Properties (KCCI TV) – Television Advertising
- Doll Distributing – Beer Distributor
- DRF Holdings LLC (Daily Racing Form) – Racing Form Publication (OSV)
- EMC Risk Services, LLC – Worker’s Compensation Insurance
- High Plains Technology – Specialized Computer Equipment, Service and Support (OSV)
- Iowa Beverage Systems – Beer Distributor
- Iowa Des Moines Supply – Food, Beverage and Housekeeping Supplies
- Iowa Gaming Association – Gaming Trade Association Membership
- Johnson Brothers – Wine Distributor
- Kone, Inc. – Elevator and Escalator Maintenance
- Loffredo Fresh Produce – Food Products
- Lowes Companies – Building Supplies
- Micros Fidelio Worldwide (Oracle) – Oracle Property Management Software and Support (OSV)
- Microsoft Licensing – Volume Licensing of Microsoft Software (OSV)
- Mino Corp. (Great Midwest Seafood) – Food Products
- Nalco Company – Water Treatment Chemicals and Equipment
- Neumann Brothers – General Contractor
- North Country Business Products – Software Licensing and Support
- Renewable Energy Group (Keck Fuels) – Fuel Purchases
- Roberts Communications Network – Simulcast Communications and Audio/Visual/Data and Archiving (OSV)
- RSM US LLP (McGladrey) – GP Dynamics Accounting Software and Support
- Schumacher Elevator Company – Elevator Maintenance
- SHI International – Various Specialized Computer Software and Backup Support (OSV)
- Skinner & Paschke, PLLC – Lobbyist Related Activities
- State of Iowa/Alcoholic Beverages Division – Liquor Products
- Storey Kenworthy – Office Furniture
- Summit Fire Protection Company – Fire Protection System Contractor
- Sysco Guest Supply – Hotel Supplies
- The Lamar Advertising Company – Outdoor Advertising

- The Paper Corporation (First Choice) – Paper and Housekeeping Supplies and Equipment
- The Printer, Inc. – Printing Services
- Trane US (Des Moines Trane) – HVAC Equipment and Service
- Tri Mark Hockenbergs Equipment – Food Service Equipment and Supplies
- Triplett Office Solutions – Office Supplies
- Van Wall Equipment (Farmers Supply) – Track and Grounds Equipment, Parts and Service
- Wellmark Blue Cross Blue Shield of Iowa – Employee Medical Insurance
- Wisconsin Label (Slot Tickets) – Slot Game Tickets (OSV)
- Nyemaster Goode, PC – Legal Expense

HEARING: Mr. Ohorilko stated IRGC staff and Harveys Iowa Management Company had entered into a Stipulated Agreement regarding a violation of Iowa Code § 99F.4(22), relating to the self-exclusion process. On August 15, 2019, it was determined that on two occasions in June, two different individuals had signed up to participate in the self-exclusion program. The paperwork was submitted outside the 7-day requirement. On October 24th, Commission staff performed a separate audit, and later determined there was another individual from September 23rd that was not timely uploaded into the state-wide self-exclusion program. As a result of the first two occurrences, Harrah's had been in the process of adding additional procedures. When the third incident occurred, Harrah's determined additional safeguards and procedures were necessary and has since updated and implemented a new Standard Operating Procedure. As a result of the violation, Harveys has agreed to pay an administrative penalty in an amount between \$5,000 and \$20,000, which would be consistent with the resolution passed by the Commission.

Mr. Mowad stated this is something they don't want to happen as it is a compliance issue. What they discovered was they were over-relying on certain individuals. The delays occurred due to issues as simple as vacation days, etc. Harveys has since implemented a rigorous process with multiple redundancies to insure this situation does not occur going forward.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the Stipulated Agreement as submitted with an administrative penalty of \$10,000.00. Commissioner Heinrich seconded the motion, which carried unanimously.

PUBLIC COMMENT: None

ADMINISTRATIVE BUSINESS: Mr. Ohorilko stated there is an amendment to the Resolution for the Iowa Voluntary Self-Exclusion Program. The Resolution was updated and approved by the Commission on July 30, 2019 to incorporate various aspects of sports wagering and fantasy sports contests. He stated the Daily Fantasy Sports (DFS) industry requested that the Commission separate or clarify the differences between 99E and 99F licensees. Mr. Ohorilko stated the amendment before the Commission removes references to the DFS industry and creates a separate section for DFS in the resolution. He advised there have been no material changes with respect to the expectations or penalties. It just clears up how the exclusion program reads for the different types of industries the Commission is regulating. Mr. Ohorilko advised the revisions have been

sent to all stakeholders, and no comments have been received. He requested approval of the revision to the Resolution for the Iowa Voluntary Self-Exclusion Program.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the revised Resolution for the Iowa Voluntary Self-Exclusion Program. Commissioner Andres seconded the motion, which carried unanimously.

ADJOURN: As there was no further business to come before the Commission, Chair Kramer requested a motion to adjourn. Commissioner Lamberti so moved. Commissioner Andres seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

JULIE D. HERRICK