

**IOWA RACING AND GAMING COMMISSION
MINUTES
FEBRUARY 3-4 2020**

The Iowa Racing and Gaming Commission (IRGC) met at Prairie Meadows Racetrack & Casino, Inc. on February 3-4, 2020. 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 5:30 PM, and requested a motion to approve the agenda. Commissioner Gonseth Cheers moved to approve the agenda as submitted. Commissioner Andres seconded the motion, which carried unanimously.

EXECUTIVE SESSION: Commissioner Heinrich moved to go into Executive Session pursuant to Iowa Code Sections 21.5(1)a, d, and g for the purpose of receiving backgrounds of entities related to the transaction by Eldorado Resorts, Inc. Commissioner Lamberti seconded the motion, which carried unanimously on a roll call vote.

Following the conclusion of Executive Session, Commissioner Lamberti moved to return to open session. Commissioner Andres seconded the motion, which carried unanimously.

Chair Kramer recessed the meeting until 8:30 AM on Tuesday, February 4, 2020.

Chair Kramer reconvened the meeting at 8:30 AM, and advised the agenda had been approved as submitted.

APPROVE MINUTES: Chair Kramer requested a motion regarding the minutes from the November 21, 2019 Commission meeting. Commissioner Gonseth Cheers 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 provided the following information for future meetings:

- March 10, 2020 – Prairie Meadows Racetrack & Casino, Altoona (Submissions are due by February 25, 2020)
- April 16, 2020 – Ameristar Casino, Council Bluffs
- May 2020 – No Meeting

RULES: Mr. Ohorilko stated the rules before the Commission is the same package that was before them in November. He advised that Commission staff has held a public meeting and appeared before the Legislative Rules Review Committee. No concerns or comments were raised during those meetings. Mr. Ohorilko stated a summary of the rules is contained in the November meeting minutes, which are in the meeting packets. He requested approval of the Final Adoption of these rules.

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

IOWA GAMING ASSOCIATION: Wes Ehrecke, President, noted the Iowa Legislature passed legislation ensuring all non-casino counties would receive gaming funds by creating the County Endowment Fund. He presented the annual report for 2018 – 2019 setting forth grants from the county foundations as well as grants from the Qualified Sponsoring Organizations for the licensed casinos. To date, the county foundations have distributed 28,581 grants totaling \$107 million. Last year each foundation received approximately \$135,000; 25% goes into a permanent endowment. The qualified sponsoring organizations for the licensed facilities distributed over 1,628 grants totaling approximately \$95 million.

ELDORADO RESORTS, INC.: Doug Gross, outside legal counsel, thanked the Commission staff and Commissioners for their time in reviewing this transaction, and stated the Division of Criminal Investigation was good to work with throughout the process. Mr. Gross advised Eldorado Resorts was before the Commission to request the approval of a transaction involving two current Iowa licensees – Eldorado Resorts, Inc. and Caesars Entertainment. The companies will merge and Eldorado Resorts will be the successor entity. They are also requesting approval of a Regional Lease as part of the transaction, and a Shelf Application for Debt Financing.

Mr. Gross introduced the following corporate officers from Eldorado Resorts: Tom Reeg, Chief Executive Officer; Ed Quatmann, Chief Legal Officer; and Jeff Hendricks, Vice President – Regulatory and Compliance.

Mr. Reeg stated Eldorado will acquire all outstanding shares of Caesars for \$12.75 per common share, consisting of \$8.40 in cash and 0.0899 shares of Eldorado common stock for each share of Caesars share of common stock. Caesars Entertainment Corporation will merge with and into an Eldorado-owned subsidiary, allowing the existing operating companies to maintain their current licenses. Eldorado shareholders will own approximately 51% of the outstanding pro forma shares. Mr. Reeg advised committed financing is in place to fund the transaction.

Mr. Reeg stated the leadership team would be the existing Eldorado leadership team; he will be the CEO, Anthony Carano will serve as Chief Operating Officer; and Ed Quatmann will continue as the Chief Legal Officer. The board will be split; six members will come from the Eldorado side and five from Caesars. Following the closure of the transaction, Eldorado will change its name to Caesars Entertainment, Inc. and will assume the Caesars trading ticker at Eldorado's stock price. He advised shareholders of both entities approved the transaction on November 15, 2019. Eldorado is in the process of obtaining gaming regulatory and FTC approvals with the intent of closing in spring 2020.

Mr. Reeg advised financing for the transaction is fully committed, led by JP Morgan and Credit Suisse, and syndicated to others. Most of the existing debt structure will remain in place. The only change in Caesars' debt structure is the consolidation of the debt of Caesar Resort Collection and Caesar Entertainment Operating Corporation so that cash can move freely within the whole

enterprise. Eldorado will have a new \$1 billion revolver, a new Term Loan B, Senior Secured Notes and Senior Unsecured Notes. A Bridge loan is in place to backstop asset sales proceeds. The existing \$1 billion Caesars' revolver loan will also remain in place. Additionally, subsequent asset sales announced by each side were not included in the deal; therefore, reducing the amount of debt that had to be borrowed for the transaction.

Mr. Reeg stated VICI will exercise its call options to acquire real estate at Harrah's New Orleans, Harrah's Atlantic City and Harrah's Laughlin, which represents approximately \$1.8 billion of the \$3.2 billion in proceeds. Those properties will go into the existing Caesars Regional Lease. He indicated there is a corporate guarantee that backs all of the leases at these entities. Mr. Reeg advised they will pay approximately \$100 million more in rent under the Caesars Palace and Harrah's Las Vegas lease, which represents the balance of the \$1.4 billion of the \$3.2 billion in proceeds.

With regard to asset sales, Mr. Reeg noted Eldorado recently closed an asset sale to Century Casinos for \$385 million in cash, and have announced an asset sale to Twin Rivers for \$230 million cash, which is expected to close in the first half of 2020. Caesars completed the sale of the Rio in Las Vegas for over \$500 million in December. Eldorado recently announced the sale of Eldorado Shreveport for \$230 million.

Mr. Reeg stated the combined company will be the largest United States gaming operator post-transaction with approximately 60 properties, over 50,000 rooms, over 70,000 slots, and coverage across the country. He stated Eldorado is excited to gain access to the Caesars Rewards Players program, which they feel will benefit the existing Eldorado Iowa properties.

With respect to the Iowa properties, Mr. Reeg stated they expect to continue investing in the properties, will focus on the Buy Iowa program, and empower and maintain the local leadership teams.

Mr. Reeg closed his presentation by stating the most difficult time is the time between signing and closing when everyone is in limbo so they are trying to make that time as short as possible. They are cognizant of the fact there are important steps each regulatory jurisdiction has to take. He thanked the Commission for working with them.

Hearing no comments or questions, Chair Kramer requested a motion regarding the acquisition. Commissioner Andres moved to approve the acquisition of the stock of the ultimate parent company of the licensed operator, Harveys Iowa Management Company LLC, and of the management company, Harveys BR Management Company Inc. by Eldorado Resorts, Inc. Such approval also serves as approval of the Regional Lease that will be executed in connection with the merger and all other transaction documents that will be executed in order to effect the merger. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Kramer requested a motion regarding the request for approval of a Shelf Application for Debt Financing. Commissioner Gonseth Cheers moved to approve the shelf application for debt financing submitted by Eldorado Resorts, Inc. in connection with the merger of Caesars

Entertainment Corporation with and into Eldorado Resorts, Inc. and for general corporate purposes. Commissioner Heinrich seconded the motion, which carried unanimously.

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

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

- Communications Engineering Co. (CEC) – Update Audio/Video Display System
- Guest Supply – In-Room Guest Supplies per Hilton Specs (OSV)
- Lincoln Financial Group – Employee Life, AD&D and STD Insurance
- Weber Paper Company – Janitorial and Paper Supplies

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

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

- The Printer, Inc. – Direct Mail Printing
- Adams Outdoor Advertising of Madison, WI – Billboard Advertising (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.

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

- AJB Enterprises – Snow Removal and Construction
- CoreMark – Convenience Store and Food Service Distributor
- King Food Service – Purchase Seafood and other Grocery Items
- USA Security – Maintenance Contracts, Software, and Hardware Upgrades for Surveillance Equipment
- Midwest Liquid Systems, Inc. – Maintenance of Gasoline Equipment and Operating System at Convenience Store, Jo Stop

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.

Isle of Capri Bettendorf, L.C.: Nancy Ballenger, General Manager, presented a contract for a Shared Service Agreement with Eldorado Resorts, Inc. (OSV). She stated they are aware of how important the Buy Iowa program is, and do focus on that.

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.

IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo: Thomas Roberts, General Manager, presented a contract for a Shared Service Agreement with Eldorado Resorts, Inc. (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 & Golf Resort, LLC: Dan Franz, General Manager, presented a contract with CDW for a Software/Microsoft Office Standard License 2019 (OSV).

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.

Rhythm City Casino, LLC: Sharon Haselhoff, General Manager at Grand Falls Casino Resort, LLC, presented a contract with Video Security Specialists for Surveillance Equipment and Software (OSV).

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.

Grand Falls Casino Resort, LLC: Ms. Haselhoff, General Manager, presented the First Amendment to the Advanced Deposit Sports Wagering Operator Agreement with Betfred Sports (Iowa) LLC.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the First Amendment to the Advanced Deposit Sports Wagering Operator Agreement with Betfred Sports (Iowa) LLC. as presented. Commissioner Heinrich seconded the motion, which carried unanimously.

Ms. Haselhoff presented a License Agreement with Betfred Sports (Iowa) LLC for Commission approval.

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

Ms. Haselhoff presented the following contracts for Commission approval:

- Brockway Mechanical & Roofing Co. – Renovation Project: Mechanical, Plumbing & HVAC
- Central Roofing Company – Renovation Project: Roofing and Roof Accessories (OSV)
- Cummins Allison – Count Room Equipment Purchase and Maintenance Agreement
- Lite Window & Door – Renovation Project: Aluminum Windows and Sliding Doors
- Midwestern Mechanical, Inc. – Renovation Project: Design & Build Fire Suppression (OSV)
- Murphy Company Insulation & Construction – Renovation Project: Insulation & Air Barrier (OSV)
- Muth Electric – Renovation Project: Building Electric & Fire Alarm (OSV)
- NBG Framing, LLC – Renovation Project: Wood Framing & Carpentry Labor (OSV)
- OneNeck IT Solutions, LLC – Technology Solutions: Hardware, Software, and Support Services
- Peska Construction, Inc. – Renovation Project: Steel Erection (OSV)
- Structural Component Systems, Inc. – Renovation Project: Wood Framing & Carpentry Materials

She noted a majority of the contracts deal with the hotel construction project, which she hopes to have finished by the June 4th Commission meeting. The construction project represents an approximate investment of \$8.5 million. Additionally, the sportsbook opened the Thursday before the Super Bowl.

Chair Kramer pointed out there were several out-of-state contracts. She asked if Iowa bids were sought, and what their process was. Ms. Haselhoff advised the construction contractor contacted numerous companies for bids, and they review the returned bids. Due to the location of the facility, it is just not feasible for some companies to bid.

Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

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

- Bargreen Ellison – Purchase of Smallwares, China, Glass, F&B Equipment and Supplies (OSV)
- Central Credit, LLC – Third Party Check Cashing Guarantor (OSV)
- Core BTS, Inc. – Computer Technology; Network Switches (OSV)
- Evotek – Computer Hardware and Software (OSV)
- Konica Minolta – 5-Year Lease Agreement for Copiers
- Marketing Refrigeration – Replacement of BERG (liquor control) System (OSV)

Commissioner Heinrich stated it is important to give Iowa vendors an opportunity to bid. He stated he has been contacted by some vendors who feel they have not been contacted or provided an opportunity to submit a bid. Mr. Czak stated Ameristar periodically holds open houses to reach out to vendors in the Council Bluffs and Pottawattamie County area to familiarize them with the needs of the property for the upcoming year, and the bidding and contracting process. He advised the next open house is scheduled for the middle of April.

Commissioner Heinrich 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:

- Cunningham Group Architecture, Inc. – Design of the Parking Garage Retail Space (OSV)
- Harmon Gaming Co. – Transfer of Truck (RP) (OSV)
- Jim Franke – Transfer of Truck (RP)

Chair Kramer advised the submissions for Harmon Gaming Co. and Jim Franke appear to relate to employee compensation, which the Commission cannot approve. Commissioner Lamberti expressed the Commission's appreciation for the disclosure, but concurred the contracts did not require approval.

Commissioner Lamberti moved to approve the remaining contract as submitted. Commissioner Andres seconded the motion, which carried unanimously.

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

- Micro Gaming Technologies - Kiosk Purchase and Software License (OSV)
- Design Wise – Construction of Casino's Sportsbook (OSV)
- Video Security Specialists – Purchase Upgraded Surveillance System (OSV)
- The Printer, Inc. – Marketing/Printing Services

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.

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

- Aramark Uniform – Table Linen Services
- Agilysys – Accounting/Inventory Control/Recipe Building Software and Support (OSV)
- Bankers Trust Company – Banking Services and Credit Cards
- DirecTV (Rockstar Satellite) – Television Programming in Casino and Hotel

- EMC Risk Services, LLC – Workers’ Compensation Insurance
- Graphic Controls – Slot Game Tickets (OSV)
- Iowa Cubs/Greater Des Moines Baseball – Advertising and Sky Box Rental Agreements (RP)
- Liberty Fruit Company – Fruits, Vegetables and Other Produce
- ODS Technologies dba TVG Network – Televising Horse Races and Marketing Ventures (OSV)
- Professional Solutions (NCMIC) – Merchant Processing Fees for Various Credit Cards
- Rockstar Satellite (DirecTV) – Video Equipment Installation in Casino and Hotel
- The Printer Inc. – Printing Services
- Van Wall Equipment (Farmers Supply) – Track and Grounds Equipment, Parts and Service
- William Hill Sports Book/American Wagering – Banking Support

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: Brian Carpenter, General Manager and Director of Racing, requested approval of the Amended License Renewal Application to add two off-track betting sites, Wild Rose Emmetsburg and Wild Rose Jefferson. He noted the Simulcast Wagering Agreements for each site were also submitted for Commission approval.

Chair Kramer advised the approval of the amended license renewal would be handled separately. Hearing no comments or questions, she requested a motion. Commissioner Andres moved to approve the Amended License Renewal Application and Granting of Race Dates for January 1, 2020 through December 31, 2020. Commissioner Heinrich seconded the motion, which carried unanimously.

Chair Kramer stated the Simulcast Wagering Agreements with Wild Rose Emmetsburg, L.L.C. and Wild Rose Jefferson, L.L.C. would be handled simultaneously. Commissioner Lamberti moved to approve the Simulcast Wagering Agreements as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

HEARINGS:

Isle of Capri Bettendorf, L.C.: Mr. Ohorilko stated Commission staff and Isle of Capri Bettendorf, L.C. (IOC Bettendorf) had entered into a Stipulated Agreement for a violation of Iowa Code Section 99F.9(4) and (5)a, which relate to a minor gaining access to the gaming floor. Mr. Ohorilko noted that on September 14th, in an attempt to gain something of value from IOC Bettendorf, a female patron informed the facility that her underage son had been on the gaming floor. Upon investigation and review of surveillance, it was determined the minor did enter the floor unchallenged, and was on the floor for over 30 minutes. There were photos provided by the mother which showed the minor with credits on a slot machine and standing next to a kiosk with money. Mr. Ohorilko noted the individual entered the floor unchallenged and was on the floor for

over thirty minutes, and may have participated in gambling. The mother was charged with contributing to the delinquency of a minor. As a result of these facts, Commission staff and IOC Bettendorf have agreed to an administrative penalty in the amount of \$10,000.

Ms. Ballenger stated the last time she was before the Commission for a violation of this nature was almost nine years ago. The property is proud of their program and training offered to the employees to prevent these types of incidents. She noted the minor had been turned away twice, and it was only when the mother distracted the security staff that the minor was able to gain access to the floor. The mother then tried to extort the staff. Ms. Ballenger noted the mother was charged and convicted of contributing to the delinquency of a minor. She thanked the Commission for taking the extenuating circumstances into consideration.

Commissioner Lamberti stated the Commission has seen several instances over the years where people are engaging in intentional misconduct, and is appreciative of the fact the mother was charged. He indicated he would prefer to see some stiffer penalties at the legislative level for those individuals as it seems to be a regular occurrence.

Chair Kramer requested a motion. Commissioner Andres moved to approve the Stipulated Agreement with an administrative penalty of \$10,000. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

HGI Lakeside, LLC: Mr. Ohorilko advised Commission staff and HGI-Lakeside, LLC (Lakeside) have entered into a Stipulated Agreement for a violation of Iowa Code Section 99F.9(4) related to underage gambling. On August 20th, at approximately 10:56 am an underage male entered the gaming floor with an adult companion. The minor entered the floor unchallenged, was on the floor and subsequently exited, and then re-entered. The minor again exited the gaming floor and re-entered the casino. At that time while on the floor, the minor was approached by the slot supervisor who requested identification. Security subsequently removed the minor from the gaming floor. The minor exited the gaming floor and attempted to regain entry a few hours later but was denied entry by the security officer posted at that time. Mr. Ohorilko stated the minor entered the gaming floor unchallenged, was on the gaming floor collectively in excess of 30 minutes, and did gamble. He stated Commission staff and Lakeside have agreed to an administrative penalty of \$20,000.

David Monroe, General Manager, stated the facility takes the responsibility to keep minors off the gaming floor very seriously, and have instituted some of the toughest controls. They card everyone under the age of 40. If an individual does not have a valid ID, they are not allowed to enter the floor. If an individual leaves the gaming floor, their ID will be checked again if they want to re-enter the gaming floor. In this situation, the first security officer, who had been employed for 12 years, failed to follow the protocols. Mr. Monroe stated the employees have been re-trained, and feels confident the correct protocols are in place to prevent further breakdowns.

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

Prairie Meadows Racetrack and Casino, Inc.: Mr. Ohorilko advised Commission staff and Prairie Meadows Racetrack and Casino, Inc. (PMR&C) have entered into a Stipulated Agreement for a violation of Administrative Rule 491-10.4(5)“a” related to the acceptance of entries in the Racing Office and Administrative Rules 491-10.4(5)“k” and 10.6(1)“b”(5) related to the Coggins test, which is required as part of the racing industry. Mr. Ohorilko advised the first incident occurred on August 2nd, and involved a horse that won a race at PMR&C. The horse was claimed in the race; however, the next day PMR&C staff noticed the horse, which had raced, had an expired Coggins test. The Board of Stewards was notified, and they subsequently voided the claim and determined the horse was ineligible to receive the winner’s purse share. The Board of Stewards’ actions triggered an appeal to an Administrative Law Judge (ALJ). The ALJ’s decision was then appealed to the Commission and was heard at the October 3rd Commission meeting. That error took a significant amount of time and funds expended by all parties trying to figure out the situation, which could have been avoided.

Mr. Ohorilko stated the second incident occurred on August 29th when the trainer of a horse contacted the racing staff by phone to enter his horse in a race; however, racing staff failed to properly enter the horse in the race. The race was a stakes race, which could be a once in a lifetime opportunity for a horse to participate. Racing staff notified the Board of Stewards of the error. The Board of Stewards determined the horse could not be entered in the race, nor could the race be re-drawn as entries were closed and the official overnight sheet had been disseminated. This action resulted in a Request for a Stay. Commission staff subsequently ordered the horse into the race but the race would not be redrawn. The horse had to settle for the outside post position. He stated the Commission and Prairie Meadows were lucky nothing further happened as a result of this situation.

Mr. Ohorilko stated PMR&C has agreed to pay an administrative penalty up to \$20,000 as determined by the Commission. He stated Derron Heldt, Director of Racing, has provided a letter describing the incidents and some of the actions and corrective steps taken to prevent these types of incidents from happening again.

Mr. Heldt stated PMR&C takes these violations very seriously. During this process, the horse identifier was suspended and eventually terminated. Three new procedures have been put in place in the Racing Office for the horse identifier to follow, and additional help has been provided to the racing office. With regard to the second violation, the entry into the Stakes race was a human error. The individual took an entry over the phone from the trainer, and instead of following protocol and writing it on an entry card and entering it in the computer system, they wrote the information on a piece of paper. The individual then took another phone call or was called away from the desk so the entry was not entered into the system for the race. Mr. Heldt stated he believes the correct procedures are in place; they will do re-training at the start of the new season.

Commissioner Lamberti thanked Mr. Heldt for addressing the issues. He feels the issues were the result of human errors; that there was nothing intentional. Commissioner Lamberti noted the two situations consumed a lot Commission staff time, and one situation could have been much worse than it was.

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

Board of Stewards v Jose Amaya Rocha: Chair Kramer advised this is an appellate type review – a de novo review, however, the Commission 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 Appellee argues, the Appellant receives an additional five minutes for rebuttal. At their discretion, the Commission may allow an additional five minutes for the Appellee.

Jeff Peterzalek, Assistant Attorney General, is representing the Board of Stewards in this matter. The Board of Stewards suspended Mr. Amaya Rocha's license for a year.

Mr. Peterzalek noted the Commission is in charge of enforcing the rules and statutes relating to racing and gaming. In order to do that across the State of Iowa, the Commission hires individuals to help enforce the rules and regulations. On the gaming side, there are gaming representatives; on the racing side, it is stewards. He stated the stewards are in charge of the entire spectrum of issues that come about because of racing, including monitoring entries, monitoring who is on the backside of the track, watching every race that is run, etc. When a rule violation comes to their attention, they hold a hearing. During the hearing, the Board of Stewards will hear evidence from the person accused of the violation, and then make a decision. The Board of Stewards is made up of three individuals with a combined experience of just over 100 years between them. Once the decision has been issued, the party at issue has an opportunity to appeal the decision to the Commission; however the Commission is not in a position to hear every appeal. Appeals are transferred to the Department of Inspections and Appeals where an Administrative Law Judge (ALJ) will issue a Proposed Decision to the Commission. Mr. Peterzalek stated most of the time Commission staff, in this case the Stewards, get it right. If the Stewards' ruling is appealed, it goes to the ALJ, who issues a Proposed Decision affirming the Stewards' ruling. Sometimes, the Stewards' don't get it right and the issue gets straightened out during the same administrative process. Sometimes the ALJ gets it wrong, which is what happened in this case.

In this case, Mr. Amaya Rocha was putting a trainer's name down on entry forms identifying a trainer to people on the backside at PMR&C who knew this trainer was not in the State of Iowa, was not training horses in the State of Iowa, and was not participating in racing in the State of Iowa. This aspect of the case is undisputed. Mr. Amaya Rocha acknowledges that, and the ALJ acknowledged the fact in his findings. The ALJ also pointed out a number of other pieces of evidence that would support the affirmance of the Board of Stewards' decision. The ALJ pointed out that Mr. Amaya Rocha acknowledged he put Trainer Jose Ibarra's name on entry forms, referenced a statement from David Kerrigan, a jockey agent at PMR&C, who acknowledged taking the entry from Mr. Amaya Rocha, and the actual entry form itself identifying the trainer as Jose Ibarra. Rick Evans, testifying on behalf of the Board of Stewards, presented testimony to the ALJ and Mr. Amaya Rocha through each and every step of the process.

Mr. Peterzalek stated the puzzle in this case is that the ALJ identified each piece of evidence, went through the pieces of evidence, and then disregarded all of them and said the Board of Stewards' decision was not supported by any evidence; that they did not meet the burden of proof. This the issue before the Commission today. It's not so much whether a rule violation occurred or didn't occur; it clearly occurred. Mr. Peterzalek noted that Mr. Amaya Rocha testified during the hearing that he had permission to put the trainer's name on the entry form. The Stewards' didn't find that statement to be credible; and even if the ALJ or Commission found the statement to be credible, it does not mitigate the fact there was a rule violation and may lessen the penalty involved.

Mr. Peterzalek stated his role today is to ask the Commission, based on the evidence presented at the hearing and disregarded by the ALJ, to reverse the Proposed Decision issued by the ALJ and affirm the Board of Stewards' Decision. If during this process it is determined that Mr. Amaya Rocha should have a lesser penalty, the Commission has the authority to do that. He stated the main purpose of the appeal is two-fold. The first is that there was substantial evidence to support the Board of Stewards' Decision, and, most importantly, there is no dispute a rule violation occurred and the finding by the ALJ to the contrary was clearly in error and should be reversed by the Commission.

Mr. Amaya Rocha, through interpreter Suzanne Wedeking, stated he was in agreement with what Mr. Peterzalek said; that what they are accusing me of is true. He stated the trainer, Jose Ibarra, gave him permission to do what he did. He stated that if his license is returned, all he does is exercise the horses and do what they tell me to do. We were putting the horse in the name of Jose Ibarra because he was supposed to come here. Mr. Amaya Rocha stated Mr. Ibarra was in agreement with everything that was done.

Mr. Peterzalek stated Mr. Amaya Rocha's statements were very much the same today as they were at the hearing. He reiterated the dispute is not whether or not there was a rule violation but whether he had permission to do what he did and if that should be considered a mitigating factor. Mr. Peterzalek stated it is an unusual situation where the accused and the Board of Stewards are in agreement and the only entity not in agreement is the ALJ.

Mr. Amaya Rocha, through the interpreter, asked whether or not the Commission would consider reinstating his license, or set a lesser penalty as this is his line of work and it is what he knows how best to do.

Commissioner Lamberti indicated that is all part of the Commission's consideration as they deliberate on their decision.

Hearing no further comments or questions, Chair Kramer requested a motion to go into Executive Session. Commissioner Heinrich moved to go into Executive Session pursuant to Iowa Code Section 21.5(1) for the purpose of discussing the decision to be rendered in a contested case conducted according to the provisions of chapter 17A. Assistant Attorney General William Hill will be acting as conflict counsel for the Commission. Commissioner Lamberti seconded the motion, which carried unanimously on a roll call vote.

Following the conclusion of Executive Session, Chair Kramer reconvened the meeting in open session, and requested a motion.

Commissioner Lamberti advised there was substantial evidence presented in the matter to support the Board of Stewards' decision. Commissioner Lamberti moved to reinstate the decision of the Stewards, but to modify the penalty to reduce the suspension to a period of nine months as opposed to twelve. The motion further directed Commission staff to draft an order consistent with this motion. Commissioner Heinrich seconded the motion, which carried unanimously.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: None

ADJOURN: Hearing no further business to come before the Commission, Chair Kramer requested a motion to adjourn. Commissioner Gonseth Cheers 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
MARCH 10, 2020**

The Iowa Racing and Gaming Commission (IRGC) met at Prairie Meadows Racetrack & Casino 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 presented. Commissioner Andres seconded the motion, which carried unanimously.

APPROVE MINUTES: Chair Kramer requested a motion to approve the minutes from the February 3-4, 2020 Commission meeting. Commissioner Gonseth Cheers moved to approve the minutes as submitted. Commissioner Andres seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Chair Kramer called on Brian Ohorilko, Administrator of IRGC, for announcements. Mr. Ohorilko advised the next meeting will be held on April 16th at Ameristar Casino in Council Bluffs. Submissions for the meeting are due in the Des Moines office by April 2, 2020. There will be no meeting in May. The following meeting will be on June 4th at Grand Falls Casino Resort in Larchwood.

RULES: Chair Kramer called on Mr. Ohorilko to address the rules before the Commission. Mr. Ohorilko advised there are two rule packages before the Commission, the first is a Notice for Intended Action. This package brings the Commission in compliance with legislation that was passed for agencies that issue occupational licenses. Specifically, it rescinds a requirement to deny an occupational license for a receipt of a Certificate of Non-Compliance from the College Student Aid Commission. These changes should bring the Commission in compliance with that legislation. Mr. Ohorilko requested approval of the rules submitted under Notice of Intended Action.

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

Mr. Ohorilko reported the second package is for Final Adoption. These rules are related to sports wagering and fantasy sports contests. The process for these rules began last July. This is the same package that was before the Commission at the November meeting. At that meeting, Mr. Ohorilko noted Commission staff had received questions and comments from DraftKings. Commission staff responded to them in November, and have not had additional conversations with them. No additional comments or questions have been received from stakeholders or the Administrative Rules Committee. Mr. Ohorilko requested approval of the Final Adoption of the rules.

Hearing no comments or questions concerning the rule, Chair Kramer requested a motion to approve the rule. Commissioner Andres moved to approve the rules for final adoption, Commissioner Lamberti seconded the motion, which carried unanimously.

SPORTRADAR – Zach Schloss, Integrity Strategy Manager at Sportradar, stated they are a sports betting technology company operating at the intersection of sports media and betting. Mr. Schloss is a member of Sportradar Specialized Integrity Services Unit, which partners with sports leagues, regulators, and law enforcement around the world to protect and safeguard sports from various types of corruption with particular focus on betting-related corruption.

Mr. Schloss focused on three primary areas: introduction to Sportradar; Advanced Technology Monitoring Betting; and Integrity Education on Best Practices.

The Specialized Integrity Services Unit, which has been in existence for 15 years, got their start in 2004/2005 as a result of some match fixing cases in European soccer. They continued to expand their support to different sports in several countries; and expanded into the United States in 2015-2016 for the first time.

Mr. Schloss stated he works closely with the Minneapolis bet monitoring hub, which has several integrity analysts monitoring betting activity in real time. They are focused primarily on United States sports, but are supported by four other bet monitoring hubs around the world.

Sportradar partners with more than 85 different sporting bodies around the world across more than 20 sports. If there is betting activity or interest of any kind, Sportradar is providing support in some manner. Particularly in the United States, Sportradar is working with all of the most prominent sports bodies.

Mr. Schloss stated that wherever possible, and when it's not in conflict with their integrity relationship with the sports leagues and regulators, Sportradar supports law enforcement officials. Over the years, Sportradar has worked with more than 30 different law enforcement agencies around the world. In some cases, they try to establish a more formal relationship with a Memorandum of Understanding (MOU) in place to facilitate and enable information sharing.

Mr. Schloss moved to the monitoring and detection piece of Sportradar's support. This area of the business provides support to the investigative side of sports betting when suspicious activities are identified; anti-doping programs or consultation services to help draft integrity policies or procedures. He stated Integrity Education has been very popular in the past couple of years in the United States. Mr. Schloss reported Sportradar has an Intelligence Investigation Team made up of former law enforcement officials and military police with investigative backgrounds.

At Sportradar's core is the Fraud Detection System (FDS), which operates on a two tier approach. Stage 1 is the automated system which scans odds and lines from more than 600 betting operators around the world and identifies unusual betting preferences, strong odds movements or other anomalies. Stage 2 is the human element consisting of a global team of 50 integrity analysts worldwide looking at every instance flagged by the system to determine if there was a reasonable explanation.

Since 2008, Sportradar has identified over 4,700 games across all sports as being very likely to have been fixed for sports betting purposes. These numbers are going up over time as more games and sports are monitored. Mr. Scholl noted Sportradar wants to hold people accountable, and their

work has played a role in hundreds of individuals being sanctioned by their sport and, in some cases, individuals being held criminally accountable.

NATIONAL PROBLEM GAMBLING AWARENESS MONTH: Eric Preuss, Program Manager of the Iowa Gambling Treatment and Prevention Program (IGTPP) in the Iowa Department of Public Health (IDPH), thanked the Commission for the opportunity to talk about problem gambling, noting this is the 16th year for National Problem Gambling Awareness Month. Groups are holding conferences, airing public service announcements, providing counselor training, hosting screening days, running social media campaigns, and many other activities to increase public awareness of problem gambling and the availability of prevention, treatment and recovery services across the country.

Mr. Preuss stated commercials have been airing on TV and radio this month to raise awareness of problem gambling and the help that is available in Iowa. He noted Iowa has many gambling forms to choose from, including 24 casinos, over 2,400 lottery vendors, over 2,700 annually licensed social and charitable gambling events and over 5,600 amusement games. Iowans also have access to a broad range of social media and smart phone gambling-like games and applications, as well as an expanding number of internet-based and other illegal gaming. With the legalization of sports wagering and internet fantasy sports contests in Iowa, Iowans have even more legal choices. As a serious public health issue, problem gambling requires the IGTPP to continue to work toward a comprehensive solution which involves working with various federal programs, local and state programs, the gambling industry, the non-profit sector, many professional sectors and other organizations. All play a critical role in successfully addressing problem gambling, including adherence to the responsible gaming standards established by the NCPG in partnerships with problem gambling organizations and assisting with the funding and support of problem gambling related programs across the country.

Mr. Preuss stated it is important to continue to raise awareness and take the necessary steps to reduce the harmful effects of problem gambling. Many Iowans impacted by problem gambling continue gambling because they don't know they have a problem, don't know what problem gambling is or where to get help. Gambling-related behaviors can compromise, disrupt, or damage family or vocational pursuits. Although no substance is ingested, the individual experiencing problem gambling gets the same effects from gambling someone else might get from taking a tranquilizer or having a drink. Just as tolerance develops to drugs or alcohol, a gambler finds that it takes more and more of that same gambling experience to achieve the same emotional effect, creating an increased craving for the activity.

Mr. Preuss stated the signs and symptoms of problem gambling include a preoccupation with gambling, looking forward to the weekend, needing to bet more and more money, increasing restlessness or irritability, attempting to stop or cut back, becoming argumentative or defensive about their gambling, or asking for loans. In some extreme cases, problem gambling can result in financial ruin, legal problems, loss of career and family, even suicide. Anyone who gambles can develop a problem if they are not aware of the risks and do not gamble responsibly. Groups that are at a higher risk for problem gambling include senior citizens, adolescents, college students, athletes, veterans, and those with mental health or substance use disorders.

A study conducted in Iowa in 2018 showed nearly 9 out of 10 adults have gambled in their lifetime; a little more than 7 out of 10 adults have gambled in the past twelve months and 50% of adult Iowans have gambled in the last 30 days. From a global aspect as to how many Iowans might be showing signs or symptoms of problem gambling, it's about 315,000 adults or about 14% of the adult population. Approximately 1%, or 19,000 Iowans meet the full criteria for a gambling disorder. This study also showed that one in 20 adults had bet on sport in the previous 12 months, prior to sports betting being legal in the state. He noted 99% of individuals participating in sports betting also participate in other forms of gambling, and are twice as likely to develop problem gambling issues.

In the past 10 years, over 78,000 hours of prevention services have been provided, reaching every county in Iowa. Over 9,000 Iowans have sought treatment over the last 10 years. In any given year, about 5% percent are concerned persons, about 40% are employed full time, 90% have completed high school, about 55% started gambling before the age of 21 and about 45% have received treatment for a substance use disorder. As of 2019, slots, at 70%, remain the number one primary wagering method reported for individuals seeking treatment. Other gambling methods reported are: Iowa Lottery tickets - 14.1%, table games at about 12.9%, and sports wagering at 4.1%

Many Iowans are aware of 1-800-Bets-Off, which is now part of Your Life Iowa. This program allows Iowans to seek help for themselves, their families, or family members who may not be willing to seek help or come in for services. Your Life Iowa is the resource stop for prevention and treatment information for problems related to alcohol, drugs, gambling and suicide. Help and information is available 24/7 - 365 days a year via phone, text and online chat. The centerpiece of Your Life Iowa is the Your Life Iowa.org website. As of SFY 2019 there have been approximately 9,000 contacts specific to all three subjects, with 4,600 of them directly related to problem gambling. The website itself had 147,000 visits in SFY 2019; over 33,000 were specific to problem gambling. Help for problems with alcohol, drugs, gambling and suicide are just a call or click away and, if desired, individuals are put in contact with a provider at the time they call, increasing the likelihood that the caller will take the next step to accessing help.

Last year over 475 referrals were made for gambling help in the state of Iowa; over 700 referrals were made for non-Iowans to get help in the state in which they reside. Approximately 1,700 Iowans contacted Your Life Iowa and 1-800-Bets-Off, and over 66,000 Iowans visited Your Life Iowa last year.

Mr. Preuss reported a survey conducted in 2016 showed substance use disorders are about 3.8 times more common than gambling disorders, but public funding for substance use treatment is about 334 times greater than all public funding for problem gambling in the United States. There is approximately \$24.4 billion provided for substance use disorders, but only \$73 million is allocated for the treatment and prevention of problem gambling.

Funding for problem gambling and treatment services in Iowa comes to IDPH as part of the general fund allocation for addiction services. IDPH receives about \$2.99 million; they also received \$300,000 from sports tax fund as part of the legalization of sports wagering in Iowa.

While Iowa remains in the top 10 per capita spending for problem gambling prevention and treatment services, per capita expenses have fallen from just under 90 cents in SFY 2016 to 20

cents in SFY 2020. The national average is 23 cents; in the forty states that fund problem gambling, the per capita average is 37 cents.

IGTPP has trained over 30 prevention professionals on how to implement the stacked deck curriculum, which is an evidence-based curriculum specifically for students in grades 9 – 12. This program helps them understand and raise awareness of problem gambling and assists in developing peer support strategies to reduce the harms associated with gambling.

The IGTPP completed research with Iowans at risk for problem gambling as well as a focus group of youth and concerned family members to better understand what message needs to be heard to help reduce the stigma and barriers associated with seeking help. In conjunction with these efforts, a new responsible gaming booklet will be used to provide uniform training on responsible gaming across the state. Treatment providers are also ratcheting up their efforts to identify Iowans experiencing problems related to their gambling. Providers are providing early intervention and other treatment services to allow individuals to get their lives back on track.

In closing, Mr. Preuss expressed his hope the information presented will help raise awareness of problem gambling as a serious public health issue in Iowa, and the availability of help. He stated the IGTPP and its stakeholders are committed to reducing the harm caused by problem gambling; being aware of problem gambling and how to help is important. Help is available 24/7 365 days at 1-800-Bets-Off or YourLifeIowa.org.

REMODELING

Dubuque Racing Association, Ltd.: Jesús Avilés, President and CEO of the Dubuque Racing Association (DRA), provided background information about the island on which the Q Casino is located. Mr. Aviles stated the DRA provided funding to assist in building a sports hockey ice arena on the island, which has been a great success. Mr. Aviles advised the DRA purchased the hotel five year ago; that is going well and has the highest occupancy rate for Dubuque. He stated he had presented a project, to be funded by the DRA, regarding improvements to the Chaplain Schmitt Veterans Memorial site. Work has started on the improvements, and is expected to be completed next year.

Mr. Aviles stated they are here to announce another construction project on Schmitt Island. Brian Rakestraw, General Manager of Q Casino, advised the proposal is to develop a new hotel tower with an event center adjacent to the existing Q Casino building and Hilton Garden Inn. The new hotel's site location provides a much-needed improved connection between the existing Hilton Garden Inn and casino. The new hotel will provide additional options for entertainment, community, or private events with a banquet hall on the first floor and additional meeting space on the mezzanine above the second floor. Floors three through eight will be a mix of 76 to 83 hospitality suites and conventional rooms, which will provide views of downtown Dubuque, the Mississippi River and the bluffs. A roof-top restaurant and bar is also planned that will offer spectacular views. The project will be about 90,000 square feet and has a projected budget of \$22 million. Ground breaking is planned for spring 2020 with a completion date of Spring/Summer 2021.

Mr. Rakestraw introduced Matt Cohen, RDG Planning & Design architect. Mr. Cohen, represent the entire design and project management team, advised he project manager is Gronen, located in

Dubuque, IIW has provided civil & instructional services, and RDG is the design lead on the architecture. Mr. Cohen reviewed the details of the project plans for the Commissioners.

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

Prairie Meadows Racetrack & Casino, Inc. (PMR&C): Gary Palmer, General Manager for PMR&C, stated the hotel was opened in 2012, and have had a significant amount of traffic utilizing the hotel services, so it is time for some updates and remodeling. The schedule shows 168 guest rooms, 39 suites, hallways, lobby, and lounge will be remodeled. Currently, a couple of model rooms are being constructed. Remodeling is slated to begin in the third quarter of this year, with completion in the first quarter of 2021. There is a total of \$8 million budget. They have contracted with The Weitz Co. and will use local union sub-contractors. Mr. Palmer advised they are not building anything new, but remodeling existing space.

EXCURSION GAMBLING BOAT AND GAMBLING STRUCTURE LICENSE RENEWALS (OSV – OUT OF STATE VENDOR; RP = RELATED PARTY): Chair Kramer 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): Pete Tulipana, Executive Director of the IWRA, stated Ameristar and IWRA continue to have a healthy partnership, and IWRA is grateful for their commitment to the community. In December 2019, IWRA reached the milestone of distributing \$500 million in grants and initiatives in their 23-year history. Most of IWRA's grants require a 50% match; therefore, approximately \$1 billion has been invested in southwest Iowa.

Mr. Tulipana highlighted many projects which have received funding and transformed the community, one of which is the Pottawattamie Arts Culture and Entertainment (PACE). IWRA made the lead grant of \$9 million, and then took the lead in raising an additional \$18 million. A historic home was renovated, and is now home to four arts organizations. Because of gaming and their valued relationship with Ameristar, IWRA is able to have a significant impact on the region. Mr. Tulipana requested approval of their license.

Paul Czak, General Manager, concurred with Mr. Tulipana's remarks regarding the relationship between Ameristar and IWRA. He stated the facility was impacted by flooding from March through November; but continued to invest in their property and community. Capital spending increased just over \$1 million from the previous year, including projects like The Book at Amerisports, which has been very successful. They remodeled their employee dining area to provide a healthier atmosphere and better choices for team members. Last year they employed over 700 team members from 26 different Iowa cities and eight counties. Members of their senior team serve on various boards throughout the area, including Heartland Family Services and the Southwest Iowa Women's Fund. Mr. Czak advised they have established new partnerships with Mercy Hospital and Food Bank of the Heartland. He stated Ameristar understands that having a gaming license in Iowa is a privilege and they work hard every day to reflect that not just for them but across the state. Mr. Czak requested the approval of their license renewal application.

Hearing no comments or questions, Chair Kramer 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 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 Heinrich seconded the motion, which carried unanimously.

Iowa West Racing Association/Harveys Iowa Management Company LLC (IWRA/Harrah's): Mr. Tulipana talked about their partnership with Harrah's and the help they have provided to assist with the transgressional changes in the community. Mr. Tulipana stated the relationship between IWRA and Harrah's has remained strong during the transition. He stated IWRA is strengthening their Healthy Families program, which helps the most vulnerable populations via a multi-year funding program. IWRA also has a scholarship program aimed at PELL-eligible individuals in Pottawattamie County who would not consider a post-secondary education. Mr. Tulipana requested approval of the license renewal application.

Samir Mowad, General Manager, stated they have a great relationship with IWRA. The parties meet regularly, and partner on activities in the community. Harrah's continues to re-invest in the community and property. In addition to the capital projects listed in the application, there are some pending projects that were put off last year due to flooding. Executive team members serve on several boards in the community. Mr. Mowad requested approval of their license renewal application.

Hearing no comments or questions, Chair Kramer requested a motion to approve the renewal. Commissioner Heinrich 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.

Washington County Riverboat Foundation, Inc./Riverside Casino & Golf Resort, LLC WCRF/RCGR): Dan Franz, General Manager, noted operations were significantly disrupted due to the property renovations and 2019 started off with a couple of tough weather months. By March of 2019 they were able to make progress, which lasted through the first couple months of 2020. Mr. Franz reported they set monthly revenue records for 12 straight months. Mr. Franz believes this is contributed to many things, including the \$11 million renovation in 2018. The legalization of sports wagering by the state, and the great work by Commission staff to get that in place by mid-August prior to the start of football season, provided a very nice addition to what we can offer as a gaming and destination resort. Mr. Franz thanked the local IRGC gaming representatives for ensuring regulation is seamless and efficient at their property.

Mr. Franz stated during these challenging times they are focused on their patrons with the idea of being good stewards of the privilege to operate as a gaming company in the state of Iowa. There are some great things planned for 2020; they will be renovating event center space, which was not done in 2018. Additional details will be forthcoming.

Mr. Franz is pleased to have the WCRF as the non-profit partner, and indicated the parties have a great relationship. Tom Basten, President of the WCRF, reported 2019 was another excellent year for the WCRF. They awarded \$2.7 million in grants, \$1,762,289 during the spring and fall grant

cycle and \$98,000 through 48 mini-grants over the summer. Nine municipalities in Washington County received \$870,000 this year; and have received over \$10 million to date. Since inception, WCRF has granted \$46.8 million in total grants. Washington County provides grants that fall into the category of community development and beautification; economic development; education and arts; and human and social needs. WCRF strives to fund great projects that improve lives and strengthens communities.

Highlights from 2019 include \$330,000 for the construction of the new fire station Ainsworth; \$10,000 for a river rescue boat in Ottumwa; \$82,000 for new windows for the Lincoln Elementary School in Washington; \$147,000 for a new MRI machine at Washington County Hospital; and our signature funding project in 2019 was \$650,000 for the wellness park in Washington. Mr. Basten stated WCRF has an excellent relationship with RCGR; they are grateful to have them as a partner.

Mr. Franz requested approval of Riverside's license renewal application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres 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.

Worth County Development Authority/Diamond Jo Worth, LLC d/b/a Diamond Jo Worth WCDA/DJW): Scott Smith, General Manager, stated the facility has been a conduit for growth in northern Iowa and southern Minnesota, well beyond Worth County. Team members participate on various boards and volunteer with various organizations with the encouragement Boyd Gaming and Diamond Jo Worth management. He stated the facility has been an economic driver in northern Iowa and have distributed over \$16 million to the WCDA for projects around north Iowa and southern Minnesota. A Subway restaurant and FanDuel Sportsbook were added to the facility this past year, along with the completion of smaller projects. North Iowa has one of the lowest unemployment rates, which creates challenges in finding employees. Mr. Smith stated DJW has maintained a great relationship with WCDA over the years. Mr. Smith requested approval of their license renewal application.

Mr. Smith introduced Deb Hanson and Ken Abrams from the WCDA. Mr. Abrams stated Worth County is going to spend \$1.8 million on development just south of the casino. One of his goals is to bring a Cracker Barrel to that area. Ms. Hanson said their education awards to the local school districts, including scholarship funds, are very important. Ms. Hanson requested approval of the license renewal application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti 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 Heinrich seconded the motion, which carried unanimously.

Black Hawk County Gaming Association/IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo BHCGA/IOCW): Thomas Roberts, General Manager, to thank the Commission for the

opportunity for Eldorado Resorts to operate in Iowa. We truly understand it is a privilege. Since their last license approval, they have invested nearly \$1 million in property improvements to improve the gaming experience with the addition of Sportsbook, an arcade, and new wall coverings all over the casino in non-gaming areas. We are proud of the gaming product we put out and we are excited about what the future will hold, especially with the new waterpark/theme park that is going in across the street and the future development that may bring especially over the next two years.

Mr. Roberts introduced Betsy Ratchford, President of the BHCGA, to discuss their economic impact in Black Hawk County and the seven surrounding counties. Ms. Ratchford stated the entities have a great partnership. She stated the IOCW has lived up to all of their commitments and are truly an asset to the community. Last year BHCGA received \$4.7 million from the IOCW. During the past 12 months, just over \$3.5 million was awarded to 64 projects in 17 different municipalities in Black Hawk County and the surrounding counties. Some examples of the funding commitments last year include support for needed park improvements in Evansdale, a new skate park in Waterloo, main street development in LaPorte City and a new partnership with Iowa Heartland Habitat for Humanity to provide a three year \$1.6 million commitment to the Walnut Neighborhood on the east side of Waterloo. The discretionary fund expanded this year; 27 organizations received just over \$340,000.

Since inception, BHCGA has emphasized investing in quality of life projects that benefit the entire Cedar Valley. Whether it is engaging in physical fitness activities, exploring the outdoors, purchasing capital equipment or park & trail improvements, funding from BHCGA has supported and enriched parks, recreation, and sports-related projects across our service area. Keeping residents safe and having access to life saving equipment is costly; BHCGA has supported public safety initiatives and emergency equipment to communities and organizations to ensure emergency personnel have up-to-date equipment to serve and protect their residents. Funding and support for human service agencies and education are critical to maintaining a commitment to improving overall quality of life in our service area. Grants in this category include investing in IJ which assists at-risk students in completing high school. We have collaborated with Hawkeye Community College to provide free and confidential violence prevention education. Public libraries, museums and arts organizations also received grants last year. Since July of 2007, BHCGA has awarded \$48.6 million to 581 projects.

While 90% of their funding remains in Black Hawk County, the board reserves up to 10% of the funding for projects in the counties of Bremer, Buchanan, Butler, Chickasaw, Grundy and Tama. Awards represent just under one-third of a project's cost; which means their \$48 million investment has leveraged an additional \$100 million in investments for new facilities, programs, and equipment. Most importantly, new hope and community pride has been restored in the dozens of Iowa towns and cities with whom BHCGA has been fortunate to work with. BHCGA's goal is to help Cedar Valley prosper, which is what drives their funding decisions. Thousands of individuals have benefited from the funds provided by their partnership with the IOCW. Ms. Ratchford said the promises made to this Commission over 12 years ago are being fulfilled; BHCGA is changing the face of Cedar Valley one project at a time. Ms. Ratchford requested approval of the license renewal application.

Mr. Roberts requested approval of their license renewal application.

Hearing no comments or questions Chair Kramer requested a motion. Commissioner Gonseth Cheers 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. Roberts presented the following contracts for Commission approval:

- Sealy Corporation – Manufacturer of Mattresses/Bedsprings
- Home Depot – Maintenance and Housekeeping Supplies
- Witham Auto Center – Car Dealership for Marketing Promotional Items

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.

Missouri River Historical Development, Inc./SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City (MRHD/HRHCSC): Mike Adams, Vice-President of Operations, introduced Doug Fisher, the new General Manager; Stacy Harmelink, the incoming President of MRHD, and Katie Colling, MRHD's new Executive Director. Mr. Adams stated HRHCSC and MRHD have a very collaborative effort. Mr. Adams stated HRHCSC goes to MRHD's monthly meetings to provide updates. In 5 ½ years, MRHD has received just under \$19 million to give out in grants and long term commitments. Mr. Adams requested approval of the license renewal application.

Ms. Harmelink stated MRHD has received \$18.8 million, which has allowed them to increase their college scholarship grants at the four colleges from a total of \$250,000 to \$300,000. These funds helped more than 100 college students from Woodbury County achieve their education goals this year. Including the scholarships, MRHD annually distribute \$2 million through four different grant cycles. MRHD grants have been among the first funds available for flood relief in stricken county communities.

MRHD has granted almost \$5 million to quality of life projects to help entice residents and workers to stay in our communities. Last summer, the MRHD board of directors pledged \$1 million over 5 years to Sioux City's River front enhancement project that will begin this summer. Other projects include trails, a tubing hill, Ag & Expo Center, and War Eagle Park just to name a few. MRHD continues to assist the Lewis & Clark Interpretive Center and Betty Strong Encounter Center at \$550,000 per year. The center is an icon of the city and jewel on the riverfront. The Board of Directors has implemented by-laws that ensure we maintain gender equity and develop leadership opportunities by encouraging turn over in all committees, including the executive committee. Board members represent a cross section of Woodbury County's population. Last year, we asked both the Woodbury County Board of Supervisors and the Sioux City City Council to select their representative on our board so MRHD is in compliance with that requirement of the qualified sponsoring organizations.

Ms. Harmelink stated HRHCSC continues to set high expectations for the culture of Siouxland. The entertainment provided by HRHCSC has drawn people from all over the nation and world.

The award winning restaurants and hotel have challenged other businesses to step up and everyone is benefiting from the boom in construction and the tourism industry. She stated MRHD has a close working relationship with the management team at HRHCSC. MHRD has met with J & B Gaming representatives and believe they will remain available and be willing to work with them. MRHD has observed the onset of sports betting and looks forward to the potential growth over time. Ms. Harmelink stated the Siouxland area is growing and exciting things are happening. She expressed MRHD's belief that HRHCSC is the catalyst for getting things moving and the two entities have big plans for the county's future. Ms. Harmelink requested approval of the license renewal application on behalf of MRHD and HRHCSC.

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

Regional Development Authority/Rhythm City Casino, LLC (RDA/RCC): Mo Hyder, General Manager, introduced Marie Ziegler, RDA Board Chair and Matt Mendenhall, President and CEO of the RDA. Mr. Hyder reported they have a fantastic relationship with the RDA and it is a pleasure to work with them. He stated RDA and RCC have collaborated on many projects which have contributed to the economic growth of the region. Mr. Hyder stated RCC continues to reinvest in the property to enhance the experience of their customers.

Mr. Mendenhall reported they are working hard to create better awareness of the RDA and RCC relationship in their community. The first is a placard that will be posted at the John Deere Golf Classic and the second is an image on a pull out banner that is used at sponsored events or presentations. We are learning to better leverage our dollars; partnering with Scott County Regional Authority is an example of creating a local matching fund pool. Many national grants have a local match requirement, this funding partnership is meant to be helpful to non-profits to bring in more money from outside of the region. A second example is a new partnership with United Way to create a non-profit institute in order to help non-profits create better capacities and leadership to better serve the communities. Mr. Mendenhall stated RDA appreciates the new revenue from sports betting; they received just over \$5,000 in revenue during the first six months. He feels it is important the QSOs are in the equation so the communities will continue to benefit as the gaming industry evolves.

Mr. Hyder requested approval of their license renewal application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to renew the license to conduct gambling games to Regional Development Authority, renew the license to operate Rhythm City Casino, 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.

Scott County Regional Authority/Isle of Capri Bettendorf, L.C (SCRA/IOCB): Nancy Ballenger, General Manager, introduced Ann Kappeler, President of the SCRA, and expressed how much they enjoy their relationship with them. Ms. Kappeler stated SCRA divides their funds into three categories; government, education and non-profit. The SCRA received 204 requests and awarded

119 grants. The total amount requested last year was \$6,687,000; SCRA was able to distribute \$2,800,011. Ms. Kappeler highlighted a few of the projects which they funded:

- The City of Bettendorf is building a new regional park & Pleasant Valley School District building a new elementary school. The entities joined together to build pickle ball & tennis courts and parking in between these two properties. SCRA contributed \$450,000 to this project.
- Worked with the Scott County Housing Council to rehab single and multi-family affordable housing; SCRA provided \$130,000 last year.
- Davenport School District who has a project, Lead the Way, which places equipment resources in middle schools to promote staff education. The SCRA provided \$100,000 in funding to implement additional new up-to-date technology in their middle school classrooms.
- Collaborative project – First Tee of the Quad Cities teaches children about golf and the attributes they can learn from the game. First Tee partners with three other agencies to bring underserved youth in to participate in the program. First Tee and the other three partner agencies collaborated to request funding for the purchase a van for transportation to be used by all the agencies throughout the year.

Ms. Kappeler reported the SCRA liked the idea and has communicated the benefits of collaborating to other agencies and non-profits to encourage them to look for ways to collaborate. She noted SCRA has increased the communication and dialogue with the RDA. As a result of that partnership, they are looking for ways to fund projects that will bring in matching dollars. Ms. Kappeler stated SCRA values their relationship with the RDA and especially their relationship with the IOCB.

Ms. Ballenger reported the facility faced some issues the past year with the construction of the new I-74 bridge, which has impacted traffic coming from Illinois. She stated over \$2 million was invested in the property through some upgrades to the HVAC system, the banquet center, and upgraded their Wi-Fi, which is important to the property guests. She indicated capital expenditures will remain at about that same level for the coming year; upgrades are planned in other areas.

Ms. Ballenger thanked the Commissioners for the opportunity to have a license in Iowa as they know it is a privilege and they very much appreciate it. Ms. Ballenger requested the approval of their license renewal application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to renew the license to conduct gambling games to Scott County Regional Authority, renew the license to operate Isle of Capri Bettendorf, L.C. as a gambling structure and approve the facility's revised security plan included in the application. Commissioner Heinrich 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, was joined by Jesús Avilés, President and CEO of the DRA and Q Casino. Ms. Runde stated DJ has a great relationship with DRA; their partnership is going on 26 years strong in May. Since DJ moved to a land-based casino in 2008, their annual contributions

to DRA are about \$3 million; they have paid over \$44 million to the DRA. In addition to their contributions to the DRA, DJ has a property donation program, Diamond Jo Cares. Diamond Jo Cares affords the facility the opportunity to touch 80 to 100 organizations annually on a much smaller scale. From in-kind gifts to cash, DJ has an outreach in the tri-state area, as well as in the neighboring counties of Jackson, Jones and Linn. From an operations perspective, 2019 got off to a very rough start due to weather in January and February. In March, DJ turned a corner, gained a stride and finished with a record gross gaming revenue year for their property. With the addition of sports betting, Ms. Runde said DJ is seeing new guests walk through the door. Ms. Runde stated DJ continues to reinvest in their property. In 2019, in addition to the mini-style Vegas sportsbook, the loyalty program was converted to Be Connected, Boyd's one card program; upgrades were made to the surveillance system, slot system and many other small projects.

Mr. Aviles requested approval of DJ's license, indicating Ms. Runde has done an excellent job as a General Manager. DRA renewed their contract with Boyd Gaming Corporation; however, DRA is not only a qualified sponsoring organization, but also a competitor and operator. Mr. Avilés advised both he and Ms. Runde have served as board members for various organizations, especially those pertaining to economic development. Dubuque's unemployment rate is less than 2%; looking for talent is a challenge even with four universities in the community. Besides giving DRA \$3 million a year, the organizations participate in community activities such as the Day of Giving and the Day of Revitalizing the Community. Mr. Avilés stated DRA could surpass the \$1 billion milestone in grant distributions next year. Mr. Aviles requested the approval of their license renewal application.

Ms. Runde requested the approval of their license renewal application.

Hearing no comments or questions, Chair Kramer 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 Andres seconded the motion, which carried unanimously.

Ms. Runde presented two contracts for Commission approval:

- Conlon Construction – Miscellaneous Maintenance Projects
- Conference Technologies, Inc. (CTI) – Digital Signage Project

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.

Dubuque Racing Association, LTD: Brian Rakestraw, General Manager of Q Casino, concurred with Mr. Avilés' earlier comments regarding the relationship with DJ. He indicated it an honor to work for an organization that gives so much back to the community. Mr. Rakestraw reported Q Casino had a great year; they invested over \$2 million into the property and will continue to invest in the property with the project presented earlier. Mr. Rakestraw requested the approval of the license renewal application on behalf of DRA and Q Casino.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to renew the license to conduct gambling games to Dubuque Racing Association, Ltd, renew the license to operate Dubuque Racing Association, Ltd. 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.

Lyon County Riverboat Foundation, Inc./Grand Falls Casino Resort, LLC (LCRF/GFCR): Sharon Haselhoff, General Manager, and Jerry Keizer, President of LCRF, requested approval and renewal of the gaming license. Ms. Haselhoff reported 2019 gaming revenue was \$63.7 million, an 8.2% increase over 2018. She attributed the increase to continued marketing program changes, but most importantly, the continued investment in their employees and property. In 2019, they completed the conversion of the existing Show Lounge into their sportsbook; expanded the Center Bar to add an entertainment area called The Center Stage where guests continue to have access to complementary music on Friday and Saturday. Ms. Haselhoff announced they broke ground last year on the new hotel, which they expect to have that completed by the end of summer. Between construction of the sportsbook and the hotel, over \$11 million will have been invested in the property. Ms. Haselhoff reported GFCR has an excellent partnership with the LCRF; she advised the parties have extended their agreement for another 10 years.

Mr. Keizer stated LCRF is honored and pleased to partner with GFCR, and the entities have a great working relationship. The facility has shown a great commitment to Lyon County and neighboring areas with the \$11 million investment in the property. In 2019, the LCRF received \$2,368,000 from the casino; the highest amount since the facility opened in 2011. Last year, a councilman from Larchwood and a supervisor for Lyon County joined the LCRF board. Mr. Keizer noted sports betting commenced in August of 2019 and seems to be going very well. The LCRF continues to give the three public schools, eight cities and the county 50% of its revenue through non-competitive grants. The other 50% is distributed through competitive and mini-grants. In 2019, the LCRF awarded 26 mini-grants totaling \$52,436; competitive grants totaling \$648,344 were awarded to 26 of the 34 applicants. Last year was an exciting year for the foundation and the casino. Mr. Keizer stated it is rewarding to see the improvements and completed projects in Lyon County due to the funds LCRF receives and distributes from GFCR.

Mr. Keizer requested approval of the license renewal application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres 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 the following contracts for Commission approval:

- Atmosphere Commercial Interiors – Renovation Project: Hotel FF&E (OSV)
- Guest Supply by Sysco – Renovation Project: Hotel Soft Goods
- Henrickson – Renovation Project: Floor Coverings (OSV)
- Tim Dally Drywall, Inc. – Renovation Project: Drywall Materials & Labor (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.

Clarke County Development Corporation/HGI-Lakeside, LLC (CCDC/Lakeside): David Monroe, General Manager, stated the first couple of months of 2019 were disastrously bad due to the weather. The facility saw an 8% attendance growth which had not occurred since 2014. Many, if not all, departments set revenue records, or near records; all operating departments did have revenue growth. Capital spending was mainly focused on maintenance except for the construction of the sportsbook at approximately \$2 million, including gaming products. Mr. Monroe stated 2020, their 20th year, is off to an amazing start with near records in all metrics. He stated capital spending of \$ 1 million will be focused on guest-based renovations, and represents the first phase of many phases. Renovations will start late in the second quarter or early third quarter. They will be seeking Commission approval in the near future. Mr. Monroe stated they have an amazing partnership and relationship with CCDC, who does amazing work. He stated it is a privilege to work with them and be a part of everything they do.

Mr. Monroe introduced Sue Wilder, President of CCDC. Ms. Wilder stated CCDC is pleased to be standing alongside Lakeside as a partner. Recent years have been good, which is good for CCDC. In 2019, CCDC distributed \$1.2 million in the community. CCDC supported efforts to attract doctors to the community, and the community was successful in attracting two last year. A new community health center just opened up for southern Iowa; they appreciated CCDC's assistance. The city recently purchased the golf course/country club; CCDC provided funding for some needed updates. Attendance is doing very well as people are into fitness; it is a good program to sponsor. The CCDC finished up five miles of trails; they are six feet wide and run from one end of town to the other. The trails encompass the school grounds providing a safe path for children to walk to school. Ms. Wilder stated CCDC provided funding to Village Early Learning Child Care Center for new playground equipment and updates to their building, and the school district for new computers. In the public safety spectrum, CCDC funded an EMS pictometry, which is shared with surrounding counties. This program assists EMS, fire and law enforcement agencies. The Murray Fire Department received funding for a new fire truck. Ms. Wilder stated none of these projects would be possible without the partnership with Lakeside. Ms. Wilder requested approval of the license renewal application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to renew the license to conduct gambling games to Clarke County Development Corporation, and renew the license to operate HGI-Lakeside, LLC as a moored barge. Commissioner Andres seconded the motion, which carried unanimously.

Southeast Iowa Regional Riverboat Commission/Catfish Bend Casinos II, LLC (SIRRC/CBC): Rob Higgins, General Manager, noted they are involved not only with Burlington in Des Moines County, but also Ft. Madison and Keokuk in Lee County. When CBC moved to Burlington, they continued to support those communities and are proud to do so. Mr. Higgins reported they have a fabulous relationship with SIRRC and continue to grow together. He introduced Justin Pieper, Vice-President of SIRRC. Mr. Higgins stated CBC continues to invest in their facility. This coming year they plan on doing a couple of upgrades on their gaming floor. A vacant area of the facility was converted to the sportsbook. This year the facility is hosting the Iowa State Men's

Bowling Championships, with events every Saturday and Sunday beginning the first week of February until the last weekend in May. Mr. Higgins advised this event has increased foot traffic at the facility every weekend; and sports wagering has also drawn a number of new patrons to the facility for sports wagering. Both scenarios have had a positive effect on the property.

Mr. Pieper corroborated Mr. Higgin's assertion of the positive relationship between CBC and SIRRC. He stated SIRRC funded \$1.2 million in projects in the communities of Burlington, Ft. Madison and Keokuk. In Burlington, recreational grants were funded: upgrades to the community football stadium and an indoor recreational facility called The Turf, which would not have been possible without the relationship they have with Catfish Bend Casino. In Ft. Madison, it was a cultural year: grants funded enhancements to the restored Sheaffer Pen Museum, and completely renovated the bandstand in Central Park, where the summer city band concerts are held. In Keokuk, grant funds were used to enhance the riverfront in anticipation of the many guests coming to town with RAGRAI last summer, as well as safety training for their fire and police personnel. Mr. Pieper stated CBC also supports various non-profit organizations outside of the funds paid to SIRRC. He noted the sportsbook was built almost exclusively with local contractors.

Mr. Higgins requested approval of their license renewal application.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to renew the license to conduct gambling games to Southeast Iowa Regional Riverboat Commission, renew the license to operate Catfish Bend Casinos II, LLC as a gambling structure, and approve the facility's revised security plan included in the application. Commissioner Heinrich seconded the motion, which carried unanimously.

Clinton County Development Association/Wild Rose Clinton, L.L.C. (CCDA/WRC): Steve Nauman, General Manager, and Les Shields, Vice President of the CCDA, were present to address the license renewal. Mr. Nauman stated Wild Rose has a long and soon to be 30 year relationship with the CCDA, a group of highly dedicated individuals who strive to enhance the community with projects full of economic development and quality of life. He advised they are a tremendous partner.

Mr. Shields reported the CCDA is close to surpassing \$30 million in grants in the county since the start of riverboat gambling in 1991. The Iowa Gaming Association requested a summary of grants awarded to emergency service organizations in recent years due to a request from the legislature. Mr. Shields admitted he was shocked by the report that was sent to the IGA; in the last five years CCDA has awarded over \$1 billion just to emergency services in Clinton County for vehicles, turn-out gear, personal protection equipment, defibrillators, and air packs. In 2019, CCDA created a new website and a new online grant application and management system. This spring the local hospital will see a brand new state of the art linear accelerator for cancer radiation treatment; CCDA contributed \$500,000 over 4 years. Mr. Shields stated CCDC continues to see a broad spectrum of grant applications including local government application for public safety and fire department equipment recreational projects, social welfare projects, arts, education and economic development. Since 2006, the CCDA has enjoyed a mutually beneficial and respectful relationship with Wild Rose Clinton. Mr. Shields requested approval of the license renewal application.

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

Mr. Nauman presented a contract with Mediacom Business Solutions for High Speed Internet Service for Commission approval.

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

Grow Greene County Gaming Corporation/Wild Rose Jefferson, L.L.C. (GGCGC/WRJ): Travis Dvorak, General Manager, introduced Norm Fandel, President of Grow Greene County Gaming Corporation. Mr. Dvorak stated GGCGC has had a significant impact, especially for being in rural Iowa and one of the smallest communities. Mr. Fandel stated one of the largest projects has been the new high school and career academy. The GGCGC and the County Supervisors committed \$9.5 million toward the \$35 million facility. The passage of the bond referendum led to Pillar 4, a software development group located in Des Moines and five other locations throughout the United States, including Silicon Valley. The organization has committed \$1.8 million to the renovation of a downtown building. Currently there are 40 children waiting for the school to open in the fall of 2021 for software, coding and development classes. The school district is now contemplating renovation of the middle school; and discussions are being held about building an apartment complex within the community. Mr. Fandel stated GGCGC and Wild Rose Casino have made a 5-year commitment toward the \$20 million expansion of the medical center.

Mr. Fandel stated GGCGC has awarded \$1.2 million to the six contiguous counties, and continue to support the community foundation as well. The community foundation was established prior to GGCGC and Wild Rose Jefferson receiving their license; Greene County kept the foundation intact as they want the smaller projects the community foundation works with to receive funding; it also allows the community foundation to award the funds where they feel it will be the most beneficial. Every June GGCGC takes a tour as a board to view the projects that received funding. In 2021, they hope to secure a few buses so some community members can also participate and see some of the projects which GGCGC has supported and the impact they have had within their communities. Mr. Fandel stated GGCGC their award ceremony will be held in April and feels the fire departments will be satisfied with the funding decisions. He stated it is a pleasure to partner with Wild Rose, and requested approval of the license renewal application.

Mr. Dvorak noted he drives by the hospital, Career Academy and new high school every day on the way to work and is proud of Wild Rose's contribution to those projects. He state Wild Rose is going to be a part of the Career Academy going forward, and is working with Iowa Central College and Greene County high school to provide internships, externships and on the job training. Some of their employees will be teaching some courses, providing continuity between Wild Rose, the college and career academy. Mr. Dvorak reported they have contributed over \$6.5 million to GGCGC; another \$150,000 in local donations, have added \$120 million to the total economic impact to the state, and paid \$125 million in payroll. He stated Wild Rose has become part of the community; Wild Rose team members are currently serving as president of the chamber, president of the rotary, past president of the Kiwanis, and serve on the various boards or belong to community organizations.

Mr. Dvorak requested approval of their license renewal application.

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

Palo Alto County Gaming Development Corporation/Wild Rose Emmetsburg, L.L.C PACGDC/WRE). Steve Cody, General Manager, was accompanied by Abby Burns, representing the PACGD. Ms. Burns stated as a newer member of the board she has been able to see the impact the funding from the casino has had on the communities. She noted many of the grant requests throughout the community would go unfulfilled without the support of the casino. Ms. Burns stated PACGDC received \$1.69 million for distribution last year. Before making any other distributions, PACGDC distributes one-sixth of the proceeds to the cities and the county based on population. The cities of Emmetsburg, Graettinger, Ruthven, West Bend, Mallard, Ayrshire, Cylinder, Rodman and Curlew receive funds upon receipt of a signed grant agreement. Ms. Burns reviewed a few projects funded in the last year. First, Five Island Trail Corporation continued work on a combined trail for biking, walking, and other outdoor activities, which will go around Five Island Lake. Other grants receiving funding were: the Cylinder Fire Department received funding for self-contained breathing apparatus; West Bend-Mallard received funds for an oxygen refill station, Emmetsburg received \$75,000 for a new ambulance, which serves Emmetsburg and the surrounding cities. Ms. Burns stated PACGDC partners with other organizations to provide funds for safety, renovations, fairgrounds, freedom rock, and schools. In rural communities, it is important to fill the gaps and needs in the area and the WRE has done that.

Mr. Cody requested approval of their license renewal application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to renew the license to conduct gambling games to Palo Alto County Gaming Development Corporation, renew the license to operate Wild Rose Emmetsburg, 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.

Upper Mississippi Gaming Corporation/Casino Queen Marquette, Inc. (UMGC/CQM): Donald Ostert, General Manager, noted 2019 started off with some harsh winter weather. With prolonged high river levels, tourism in Marquette suffered throughout the year, but 2020 has started out much better. Thru February, attendance is up 15% and they are looking forward to introducing sports wagering in 2020. The Marquette property paid \$6.2 million in state and local taxes and fees in 2019. Mr. Ostert reported CQM started their new contract with UMGC in mid-2019 and with the City of Marquette; the City of Marquette received over \$400,000 and UMGC received over \$600,000, totaling over \$1 million. Mr. Ostert stated CQM has a great working relationship with UMGC and are proud of the money invested in Clayton County. Sindee Gohde, Executive Director of UMGC, stated that while UMGC will never be able to compete with the larger facilities, they can make a difference in Clayton County. In the last 25 years, they have made a difference for the fire departments, the EMS, the rescues, the hospitals, the ambulances, the libraries, the museums and all the community projects. Ms. Gohde is looking to get the communities and organizations involved marketing the county to bring more businesses and

visitors to Clayton County and possibly the riverboat. She feels the increased revenue will be helpful in renewing interest in the area. Ms. Gohde is very thankful for what the Commission does. Ms. Gohde reported they have a great working relationship with Mr. Ostert and they are the greatest people to work alongside. Ms. Gohde requested approval of the license renewal application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers 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 Andres 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: Mr. Mowad presented the following contracts for Commission approval:

- Bry-Lex – Promotional Items (OSV)
- Philcor TV and Electronic d/b/a Nedco Supply – TV and Electrical Equipment Vendor (OSV)
- Pinnacle Construction, Inc. – Construction Vendor

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

Prairie Meadows Racetrack & Casino, Inc. d/b/a Prairie Meadows Racetrack & Casino: Mr. Palmer presented the following contracts for Commission approval:

- OGN Racing – Potential Supplier for Kiosks that Sell Racing Forms (Profit Sharing Agreement) (OSV)
- Vest Racing USA Inc. -Potential Supplier for Kiosks that Sell Racing Forms (Profit Sharing Agreement) (OSV)

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

IOWA GREYHOUND ASSOCIATION D/B/A IOWA GREYHOUND PARK: Brian Carpenter, Director of Racing and General Manager, requested approval of their season approvals. Mr. Carpenter reported this is the 36th season of live greyhound racing in Dubuque and the 6th season for the Iowa Greyhound Association. He advised the 2019 season was very successful. They were close to \$1 million ahead of 2018. In January and February of this year they are already ahead of last year.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the season approvals as submitted 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 racing officials.
- The export contracts will continue to have the review and approval of IRGC staff to ensure regulatory compliance.
- Continuous review of race track maintenance issues and monitoring of injuries, cooperation with the IRGC representatives,
- Review and testing of the Sportstech software upgrades submitted by IRGC racing stewards prior to the beginning of racing, with approval being subject to the successful testing and approval of that upgrade system by the stewards, and
- A walk through by IRGC staff to ensure all equipment is in working order and the facility is ready to accept the greyhounds.

Commissioner Andres seconded the motion, which carried unanimously.

Mr. Carpenter presented a contract with United Healthcare for the Renewal of Health Insurance for Full-time Employees.

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

HEARINGS:

Diamond Jo Worth, LLC: Mr. Ohorilko advised the Commission staff and Diamond Jo Worth (DJW) have entered into a Stipulated Agreement for a violation of Iowa Code 99F.4(22) related to the state-wide self-exclusion program. Mr. Ohorilko stated an individual had signed up to participate in the program in September of 2014. The individual came in to the casino and won a jackpot in July of 2019. The casino did correctly identify the individual as someone on the statewide self-exclusion list and withheld the winnings. The individual's mother contacted DJW in October of 2019 and indicated her son had received some promotional mailings. After a facility investigation, it was determined that a duplicate player's club account had been created that enabled the mailing to be sent. Mr. Ohorilko noted DJW self-reported the incident and have agreed to an administrative penalty in an amount between \$5,000 and \$20,000 consistent with the resolution. Mr. Ohorilko stated this is the first offense for Diamond Jo Worth in the last 365 days with respect to this type of violation.

Mr. Smith stated this is territory the facility is not in normally and deeply regret the incident. Mr. Smith said they take this situation very seriously. Due to this incident, DJW found a flaw within their system itself; property compliance and the team were able to quickly correct the issue. Mr. Smith advised the casino management system has been upgraded so that this situation does not require a duplicate account to be created, which allowed for human error. Mr. Smith indicated it's

very unfortunate and they took action right away with that one mailing. Mr. Smith looks forward to not being before the Commission outside of normal reporting.

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

SCE Partners, LLC: Mr. Ohorilko advised Commission staff and SCE Partners d/b/a Hard Rock have entered into a Stipulated Agreement for a violation Iowa Code 99F.4(22) related to the state-wide self-exclusion program. Mr. Ohorilko reported it was discovered the facility had not uploaded individuals who had signed up to participate in the program within the 7 days as required on two separate occasions; it was 8 days when both were uploaded. Mr. Ohorilko stated Commission staff discovered the inconsistency and notified IRGC management and the facility that the timeline in the state-wide resolution had not been met. He advised SCE Partners has agreed to an administrative penalty in the amount between \$5,000- \$20,000. Mr. Ohorilko noted this is the first offense for Hard Rock in the last 365 days with respect to this type of violation.

Mr. Fisher stated it was very unfortunate they are before the Commission today for this type of penalty. Mr. Fisher said this violation was the result of a procedure not being followed. Upon notification, Mr. Fisher indicated the facility immediately revamped their procedures and are now uploading every 2 to 3 days to avoid this type of infraction going forward. Mr. Fisher said this is the first time they have had this type of offense at their property.

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

Prairie Meadows Racetrack & Casino, Inc.: Mr. Ohorilko advised Commission staff and PMR&C have entered into a Stipulated Agreement for two counts of a violation Iowa Code 99F.4(22) related to the state-wide self-exclusion program. Mr. Ohorilko advised the first count includes three individuals who had signed up to participate in the program on October 7th or 8th. The forms were not uploaded within the 7 days. Commission staff conducted an audit and noticed the late entries; PMR&C was notified. The second count involves a situation which occurred, and has a history dating back to 2012, for an individual who had signed up to participate in the state-wide self-exclusion program. The individual had recently asked to be removed from the list. Commission staff indicated it had been 5 years, but the individual was not showing up on the list. The individual gambled at another facility in 2019, and contacted PMR&C about returning to the property to gamble. PMR&C referred them back to the Commission, indicating the individual should have been on the state-wide self-exclusion list and to complete a revocation if they wanted to gamble at PMR&C consistent with the 5-year revocation statute.

Commission staff investigated the matter further with PMR&C; it was determined that the individual was never enrolled in the program back in 2012. There are some factors PMR&C wanted on the record and that information is included in the packet. PMR&C has agreed to pay an administrative penalty in an amount between \$5,000 and \$20,000 for these two counts. Mr. Ohorilko noted it is a first offense for PMR&C regarding self-exclusions in the past 365 days.

Mr. Palmer introduced Jake Hedgecock, Director of Security at PMR&C. Mr. Hedgecock stated, with regard to count one, PMR&C takes responsible gaming very seriously. The employee has been disciplined and retrained accordingly. He advised PMR&C has incorporated a new policy where each shift manager will do a new upload and download each day to assure they will never need to come before the Commission again for this type of violation. With respect to count two, Mr. Hedgecock requested this count be dismissed as the database that would house the information for September 3, 2012 when this incident happened no longer exists. When PMR&C went to review their information from this timeframe, it reflects PMR&C did everything correct, but truly don't know since the database is no longer available. Mr. Hedgecock noted PMR&C was one of the first establishments to implement the self-exclusion platform in 1996 and they have never had a violation of this nature.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti stated he does not think it is appropriate to just dismiss Count 2, but conceded there are some extenuating circumstances and has taken them into account. Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty in the amount of \$10,000. Commission Andres seconded the motion, which carried unanimously.

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

Review of Year-to-Date Economic Impact Reports: Mr. Ohorilko noted these reports are unaudited, however, he believes they provide a true picture of the overall economic impact in the State of Iowa. What has been reported is astounding when you factor in payroll, equipment, supplies, services, statutorily required payments and charitable contributions, Iowa's casinos spent over \$1.1 billion for the calendar year 2019. Mr. Ohorilko stated that over 90% of the \$1.1 billion was spent with Iowa vendors. If you were to factor out gaming equipment and specialized sources that essentially have to be purchased outside of the state of Iowa, 96% of that revenue was spent in state. Mr. Ohorilko stated the industry should be proud of that statistic and wanted to make sure it was noted.

Mr. Ehrecke noted Mr. Ohorilko used the word astounding. He noted the first riverboat started cruising 29 years ago on April 1st. Mr. Ehrecke stated it is impressive to see where the gaming industry is at today in terms of charitable contributions, Buy Iowa First program, and the number of employees. He stated the industry plays an integral part in the tourism industry, and hopes to remain stable and strong going forward.

Notice of Horse Racing Promotion Fund: Mr. Ohorilko advised there is \$2,507.90 in the Horse Racing Promotion Fund for FY 2020. Applications need to be submitted to the Commission office by 3:30 PM on April 1st. The funds will be awarded at the April meeting.

2020 Purse Amounts: Mr. Ohorilko advised the purse amounts for PMR&C supplement for 2020 is a factor that is based on the percentage of overall gaming receipts will be as follows:

- Thoroughbreds - \$16,484,426.55
- Quarter Horses - 3,307,730.33
- Standardbreds - 1,897,878.06
\$21,690,034.94

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

MINUTES TAKEN BY:


LINDA M. SAMPLE

**IOWA RACING AND GAMING COMMISSION
MINUTES
MARCH 24, 2020**

The Iowa Racing and Gaming Commission (IRGC) conducted a Zoom Online meeting on March 24, 2020. 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 stated Commission staff had posted a copy of the meeting agenda with instructions on how to join the meeting. She requested a motion to approve the agenda. Commissioner Andres moved to approve the agenda as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

APPROVAL OF REVISED REGULATORY FEES FOR FY 2020: Brian Ohorilko, Administrator of IRGC, advised that due to the closure of the casinos IRGC and the Division of Criminal Investigation are deferring payment of the regulatory fees for the weeks of March 22nd and March 29th in order to provide some relief to the operators. Regulatory fees will resume starting on April 5th. The collection of regulatory fees were set to end on May 3rd or May 10th, but will now end on May 17th or May 24th. Mr. Ohorilko requested approval of the revised regulatory fees for FY 2020.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the revised regulatory fee schedule for FY 2020 as presented. Commissioner Andres seconded the motion, which carried unanimously.

PRAIRIE MEADOWS REACETRACK & CASINO AND ODS TECHNOLOGIES, L.P. D/B/A TVG NETWORK: Jon Moss, Executive Director of the Iowa HBPA, advised the first advanced deposit wagering prior to sports wagering was horse racing. He noted Prairie Meadows Racetrack Casino and his organization worked diligently in 2012 to bring advanced deposit wagering to Iowa. The parties did extensive research to determine the best partner for both. TVG was chosen at that time. The contract before you is the second renewal of the original contract. Mr. Moss stated the horsemen are appreciative of TVG and what they have done; TVG works well with Prairie Meadows and the horse racing industry as a whole across the country. Mr. Moss advised the Iowa HBPA is on board with continuing the relationship with TVG.

No one from Prairie Meadows was available to address this item. Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the amendment to the advance deposit wagering agreement between Prairie Meadows Racetrack & Casino and ODS Technologies, L.P. d/b/a TVG Network. Commissioner Andres seconded the motion, which carried unanimously.

Commissioner Heinrich asked about the format for the April 16th Commission meeting. Chair Kramer indicated it is too early to know.

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ADJOURN: 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
MINUTE
APRIL 7, 2020**

The Iowa Racing and Gaming Commission (IRGC) conducted a Zoom Online meeting on April 7, 2020. 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 and requested a motion to approve the agenda. Commissioner Gonseth Cheers moved to approve the agenda. Commissioner Heinrich seconded the motion, which carried unanimously.

APPROVAL OF REVISED REGULATORY FEES FOR FY 2020: Brian Ohorilko, Administrator of IRGC, advised Division of Criminal Investigation and IRGC staff are recommending an additional two week deferral of regulatory fee payments for the weeks beginning April 5th and April 12th. Additionally, the proposal includes a one-half share to be charged in each of the last two weeks of April. The three weeks of deferment consisting of two additional shares plus a half-share plus a half share covering the four weeks in April will be collected toward the end of the fiscal year. Staff believes at this time this is the most that can be deferred from the IRGC Gaming Regulatory Revolving Fund without depleting the fund; therefore, he stated he is not confident any additional adjustments can be made. Mr. Ohorilko advised that IRGC has cut all non-essential spending, and believes these cuts will result in a higher than normal reversion in FY 2021. He requested approval of the revised fees.

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

COMMENTS: Chair Kramer advised the Commission would be holding a virtual meeting on April 16th for the regularly scheduled meeting and staff will be posting the agenda at the end of this week. She thanked all facilities for helping their employees during this time, which is tough for everyone. She expressed her hope that the facilities will be able to re-open soon.

ADJOURN: As there were no further comments, Chair Kramer requested a motion to adjourn. Commissioner Heinrich so moved. Commissioner Andres seconded the motion, which carried unanimously.

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
APRIL 16, 2020**

The Iowa Racing and Gaming Commission (IRGC) conducted a Zoom Online meeting on April 16, 2020 from the IRGC Office located in 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 8:30 AM, and requested a motion to approve the agenda. Commissioner Heinrich moved to approve the agenda. Commissioner Andres seconded the motion, which carried unanimously.

APPROVE MINUTES: Chair Kramer requested a motion on the minutes from the special Commission meetings held on March 24, 2020 and April 7, 2020. Commissioner Gonseth Cheers moved to approve the minutes as submitted. Commissioner Andres seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Chair Kramer called on Brian Ohorilko, IRGC Administrator. Mr. Ohorilko advised there would be no meeting in May. The next Commission meeting will be held June 4th at Grand Falls Casino Resort in Larchwood; submissions for the agenda are due in the Commission office by May 20th.

Mr. Ohorilko read the list of meeting dates and locations for FY 2021, which are:

| | |
|-------------------|---|
| July 9, 2020 | Prairie Meadows Racetrack & Casino, Altoona |
| August 27, 2020 | Riverside Casino & Golf Resort, Riverside |
| October 15, 2020 | Hard Rock Hotel & Casino, Sioux City |
| November 19, 2020 | Isle of Capri Bettendorf, Bettendorf |
| January 21, 2021 | Prairie Meadows Racetrack & Casino, Altoona |
| March 4, 2021 | Prairie Meadows Racetrack & Casino, Altoona |
| April 15, 2021 | Harrah's, Council Bluffs |
| June 3, 2021 | Catfish Bend Casino, Burlington |

ELDORADO RESORTS, INC.: Brett Yunker, Chief Financial Officer, stated Eldorado is taking prudent steps to preserve their liquidity during this time, but is well situated to work through the impact of the virus and is not concerned about the long-term impact to their business. Mr. Yunker stated the transaction with Caesars is progressing; they are working through the FTC approval process and remaining state regulatory approvals. Mr. Yunker requested approval of the Shelf Application for Debt Financing.

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

IOC BLACK HAWK COUNTY, INC.: Thomas Roberts, General Manager, requested approval of the revised security plan as submitted.

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

DRAFTKINGS, INC.: Chris Cipolla, requested the Commission approve electronic sports (esports) as a permissible sport on which fantasy sports contests may be offered. He stated esports are individual or team competitions in which participants exhibit elite physical talent and skill. Esports athletes undergo intensive training and practice regimens, practicing as a team 6-12 hours per day with coaches and physical trainers, and consult with nutritionists to insure peak competitive performance. Mr. Cipolla state professional esports teams and organizations exist across the globe; professional players receive lucrative salaries, endorsements and prize money and teams are sponsored by Fortune 500 companies. He noted the most popular esports events have massive followings. It is estimated more than 350 million individuals around the world watched esports both online and in person in 2018. Based on these facts, DraftKings believes esports are no different than any other sport that has been approved by the Commission and is a permissible sport on which fantasy sports contests may be offered. He advised that of the states where fantasy sports contests are offered, Iowa is the only state in the nation that does not allow any form of paid esports fantasy sports contests. It is DraftKing's goal to offer their customers innovative contests that allow them to apply their knowledge and skills in new and engaging ways and feel esports will provide the opportunity in Iowa as is the case in every other regulated state in which DraftKings operates.

Chair Kramer asked Jeff Peterzalek, Assistant Attorney General, if there were any legal issues related to this matter. Mr. Peterzalek advised esports does fit within the definition of fantasy sports contests and could be allowed. He stated that just because something can be allowed, it does not mean it must be allowed. He recommended that if the Commission allows esports, they should consider each esport application individually on a case-by-case basis to determine if it meets staff approval.

Wes Ehrecke, President of the Iowa Gaming Association, concurred that esports are a sanctioned sporting event with professional, collegiate, and international teams, and would fit within the definition of Iowa Code Section 99F.1. He requested that should the Commission approve esports for the fantasy sports operators that they would also allow the casino sportsbooks to allow wagers on the esport teams. He noted fantasy wagers are typically on the players that form the teams, however, 99F states an authorized sporting event means a professional sporting event, collegiate sporting event, or an international sporting event.

Mr. Cipolla stated DraftKing's request, and the agenda item, is specifically limited to daily fantasy sports. He noted DraftKings submitted a legal analysis and policy justification as to why esports daily fantasy sports contests should be approved. He requested the agenda item be entertained on its own merits without any ancillary issues being rolled into the matter.

Mr. Ehrecke expressed his understanding that some of the casino sportsbooks had submitted requests to include esports. He requested the Commission include the approval for the casino sportsbooks in any motion.

Chair Kramer thanked both individuals for providing information concerning esports. She noted the Commission had only learned the day before that there might be a problem. Due to the pandemic and the short time the Commission has had to review information, Chair Kramer stated the Commission would like the ability to review this matter in more detail.

IOWA GAMING ASSOCIATION: Mr. Ehrecke requested the Commission grant Administrator Ohorilko temporary authority to approve Requests for Transactions that come forward with regard to financial transactions in response to Covid-19 matters and the shut-down of the facilities. He stated the facilities would need the ability to react quickly and would not have the ability to wait until the June Commission meeting for approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to allow the administrator or administrator's designee to approve 491-5.4(8)a(2) qualifying agreements for certain types of debt transactions until June 3, 2020. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

CONTRACT APPROVALS: Chair Kramer advised the Commission would consider all of the contracts submitted by the facilities as set forth below:

- A. SCE Partners, LLC
 - 1. Avery Outdoor – Billboard Advertising
 - 2. Leroy Hanson Co., Inc. d/b/a Creative Embroidery – Apparel with Hard Rock Logo
 - 3. Loffredo Fresh Produce Co., Inc.
 - 4. S & S Healthcare Strategies – Third Party Claims Administrator (OSV)
 - 5. Shift4 Payments, LLC – Credit Card Processing (OSV)
 - 6. US Foods, Inc. – Food Supplier

- B. Wild Rose Emmetsburg, L.L.C.
 - 1. Mediacom Business Solutions – High Speed Internet Services
 - 2. Midstates Builders – Construction Project Phase 1
 - 3. Liebl Marketing Group – Marketing Agency for Advertisement

- C. HGI-Lakeside, LLC
 - 1. Brooner & Associates – Construction for Sports Book and Other Areas (OSV)
 - 2. King Food Service – Food and Supplies

3. Liberty Fruit Co., Inc. – Fresh Produce (OSV)
 4. Loffredo Fresh Produce Co., Inc. – Fresh Produce
 5. Sierra Health & Life Insurance – Health Insurance for Employees (OSV)
 6. Sysco Iowa, Inc. – Food and Supplies
 7. The Waldinger Corporation – Repairs and Maintenance Work on Property
- D. IOC Black Hawk County, Inc. – Altofer – Scheduled Maintenance Plan for Power Generation System
- E. Grand Falls Casino Resort, LLC
1. American Direct – Hotel Addition: Doors and Hardware
 2. Bonilla Masonry – Hotel Addition: Masonry Material and Labor (OSV)
 3. Centurion Stone of Iowa – Hotel Addition: Masonry Material and Labor
 4. Harris Golf Cars – Golf Cart Fleet Replacement
 5. JC Toland Painting – Hotel Addition: Painting and Wallcoverings
 6. Lange Sign Group – Main Entrance Pylon Display Repair and Pool Display Purchase
 7. Peska Construction, Inc. – Hotel Addition: Countertops and Sills (OSV)
 8. Sands Drywall, Inc. – Renovation Project: Sportsbook Drywall and Framing (OSV)
- F. Riverside Casino & Golf Resort, LLC
1. BetWorks (US), LLC – Sports Betting Technology and Services Agreement (OSV)
 2. Disabled American Veterans (DAV) – National Veterans TEE Tournament Revenue Agreement (OSV)
 3. Kluesner Construction, Inc. – Asphalt Repair and Overlay on Parking Area and Driveway
- G. Harveys Iowa Management Co., Inc. - NYX Digital Gaming, LLC – Revenue Sharing Agreement for Sportsbook Equipment (OSV)
- H. Iowa West Racing Association d/b/a Horseshoe Casino
1. All Star Premium Products – Promotional Items (OSV)
 2. DirecTV d/b/a Sports Direct LLC – Sports Programming
 3. Eagle Promotions – Promotional Items (OSV)
 4. Milner Marketing Corporation – Promotional Items (OSV)
 5. NYX Digital Gaming, LLC – Revenue Sharing Agreement for Sportsbook Equipment (OSV)
 6. Road Show Logistics – Promotional Items
 7. The Aaron Group – Promotional Items
- I. Prairie Meadows Racetrack & Casino, Inc.
1. Global Payments – Casino Guest Check Cashing/Guarantee Service (OSV)

2. ODS Technologies d/b/a TVG Network – Horse Race Advance Deposit Wagering Service and Televising Horse Races and Marketing Ventures (OSV)
3. United Tote Company – Pari-Mutuel Wagering Totalisator Services (OSV)

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

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Chair Kramer called on Mr. Ohorilko for Administrative Business. Mr. Ohorilko advised there is \$2,507.90 available for distribution in the Horse Racing Promotion Fund. He stated the Iowa Thoroughbred Owners and Breeders Association (ITBOA) has submitted the necessary information to receive the funds. He recommended approval of the distribution of the funds to the ITBOA.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve distribution of the Horse Racing Promotion Fund to the ITBOA. Commissioner Andres seconded the motion, which carried unanimously.

Chair Kramer noted this is the last meeting for Commissioners Jeff Lamberti and Carl Heinrich. She stated the loss of the knowledge and experience of these two will be a great loss to the Commission. She indicated she has enjoyed the ability to meet different people and creating lifetime friendships. She thanked them for their friendship.

Mr. Ohorilko stated both individuals have had a positive impact on the gaming industry, having served on the Commission for nine years guiding the agency and gaming industry through a number of challenging issues including, but not limited to: implementation of sports wagering and fantasy sports contests – both retail and online; significant disputes between non-profit and operator partners; three different license application periods for eight separate proposals filed by potential applicants; the facilitation of the greyhound cessation program; implementation of advanced deposit wagering for pari-mutuel racing; casino stock purchases; casino bankruptcies; Commission studies created in-house for internet poker and internet exchange wagering and Request for Proposals for Commission studies for the casino markets, greyhound cessation fund, and socio-economic impact of gambling. Mr. Ohorilko stated their patience, vision, integrity, perspective, fairness and impeccable judgement have resulted in sound, thoughtful, consistent decisions, which have generated universal respect regardless of the outcome. He stated he recalls working through many of these decisions with the Commission members, and knows how difficult it must have been for them. After observing Commissioners Heinrich and Lamberti, Mr. Ohorilko noted that the answers to the most difficult questions can be found not by yielding to the most vocal individual or group but by applying the leadership traits previously mentioned when working and spending time with stakeholders and studying the issues at hand. He stated Commissioners Heinrich and Lamberti put in countless hours in meetings, meeting prep, deliberating, meeting with media, operators, non-profit license holders, other current and potential stakeholders, and the general public all while serving on other local boards in their respective communities in addition to careers. Mr. Ohorilko stated both are true examples of public servants, and he is honored to

have worked for both of them. He expressed his gratitude for them taking a chance on him when they hired him to become the Administrator in 2012 upon the retirement of Jack Ketterer. He thanked them for their friendship and leadership on behalf of the Commission staff. He noted the Commission has a small token of appreciation, which hopefully will be presented at the July 9th Commission meeting.

Mr. Ehrecke, on behalf of all of the casinos, thanked Commissioners Heinrich and Lamberti for upholding the integrity of gaming every day, and their efforts in all the ways set forth by Mr. Ohorilko. He stated the Iowa Gaming Association has a recognition piece for each of them, and hope to be able to present that at the July meeting.

Dan Kehl, Chief Executive Officer of Elite Casinos, noted he has been attending meetings for 30 years, and the last nine with Commissioners Heinrich and Lamberti have been very interesting and the industry is very appreciative of their leadership and how they have helped the industry move forward with stability and foresight. He stated he has enjoyed conversations with both individuals and getting to know them on a personally, and has learned a lot from them.

Commissioner Lamberti stated it is difficult to have the last meeting be a telephonic meeting, but is appreciative of everyone's comments. He stated he made the comment a month or so ago that as he looks back on his nine years on the Commission that he felt he had seen everything, but then the coronavirus hit and the casinos were shut down. He is now confident in saying he has seen everything in the world. He stated he had enjoyed his time on the Commission and the friendships.

Commissioner Heinrich thanked everyone for their comments. He stated it has been an extreme pleasure to serve on the Commission; but admitted he was apprehensive when he was first appointed as he didn't have much knowledge of the industry. He expressed appreciation for the experience, but has also enjoyed meeting new people and creating new friendships.

Chair Kramer stated she feels bad this is their last meeting, but is hopeful the Commission will be able to meet in person in July.

Commissioner Gonseth Cheers expressed her gratitude to Commissioners Heinrich and Lamberti for their guidance when she joined the Commission.

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 Heinrich seconded the motion, which carried unanimously.

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
JUNE 4, 2020**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, June 4, 2020 at Grand Falls Casino Resort (GFCR) in Larchwood, Iowa. Commission members present were Kris Kramer, Chair; and members Julie Andres, Pennie Gonseth Cheers, Lance Horbach and Daryl Olsen.

APPROVE AGENDA: Chair Kramer called the meeting to order at 8:30 AM, and introduced the new Commission members, Lance Horbach and Daryl Olsen. She requested a motion to approve the agenda. Commissioner Andres moved to approve the agenda as presented. Commissioner Olsen seconded the motion, which carried unanimously.

WELCOME: Dan Kehl, Chief Executive Officer of Elite Casino Resorts, provided background information on the company from its origin to its current status. He stated the first riverboat casino license was issued to his parents, Bob and Ruth Kehl, in 1990 for the Dubuque Casino Belle. This riverboat began operations in 1991, as well as the Mississippi Belle II in Clinton. They also opened the Catfish Bend Casino riverboat, which operated out of Burlington, Fort Madison and Keokuk. Mr. Kehl noted the family has operated almost one-third of the nineteen licenses issued in Iowa. The company no longer operates the riverboats, but does operate three land-based facilities. Riverside Casino and Golf Resort was granted a license in 2004 and opened in 2006; Grand Falls Casino Resort opened on June 8, 2011; and they purchased Rhythm City from the Isle of Capri in 2014 and opened the land-based facility in 2016. There were three separate operating companies owned by different groups of investors; the three companies were merged in 2016 to form Elite Casinos Resorts, which is owned by 1,200 Iowa investors, with the Kehl family owning approximately 53%. The company is run by his brother and him; and employs 1,800 employees. Mr. Kehl stated they understand the importance of what gaming can do for a community, and are proud of that fact. They try to build nice resorts and maintain them accordingly; the Riverside facility underwent a \$12 million renovation in 2018, all of the hotel rooms at Grand Falls have been renovated and they are adding a second hotel, bringing the number of hotel rooms on property to 164.

Mr. Kehl stated that on Monday, March 16th, the Elite Casino Resorts Board decided to voluntarily close the casinos. Due to conservative management practices, Elite was able to keep all team members on the payroll through April, and provided them with a profit-sharing check ahead of schedule. Compensation for employees ended on April 30th; however, insurance benefits were paid through the month of June. Non-exempt employees were furloughed, and salaried employees were kept on the payroll. Elite Resorts received PPE loans at Rhythm City and Grand Falls, and employees were called back upon receipt of those funds. Mr. Kehl stated the Elite Resorts properties opened on Monday, June 1st with a new set of protocols and social distancing and maintaining the spirit of the Governor's Proclamation to keep everyone safe. The facilities opened at 12:01 AM to invited guests only. He noted Rhythm City had to close at 2:00 AM due to civil unrest situations that occurred in Davenport in close proximity to the facility. Rhythm City reopened on Tuesday, June 2nd. The goal is to get all employees back to work in the next six months and hopefully return to the business level prior to the advent of the Covid-19 pandemic.

Mr. Kehl introduced Jerry Keizer, President of the Lyon County Riverboat Foundation (LCRF), who welcomed the Commission to Grand Falls and northwest Iowa. He stated it almost seemed like a Grand Opening on June 1st after being closed for almost three months. They are excited to be open and are looking forward to celebrating the ninth anniversary this coming weekend. He noted the new sportsbook, Betfred, had a rough start with the cancellation of all sporting events due to Covid-19. Mr. Keizer stated LCRF is excited to partner with GFCR due to the employment opportunities for the area, and the projects they have been able to fund through their grant distribution program.

Chair Kramer thanked Ms. Haselhoff and Mr. Kehl for the tour of the construction project on Wednesday. She stated Elite Casino Resorts does what the Commission wants, which is to expand and refresh their properties.

APPROVE MINUTES: Chair Kramer requested a motion regarding the minutes from the March 10, 2020 and April 16, 2020 Commission meetings. Commissioner Andres moved to approve the minutes from March 10, 2020 and April 16, 2020 as submitted. Commissioner Olsen seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Chair Kramer called on Brian Ohorilko, IRGC Administrator. Mr. Ohorilko advised the next Commission meeting would be held on July 9th at Prairie Meadows Racetrack & Casino (PMR&C); submissions are due in the Commission office by June 24, 2020. The August meeting will be held at Riverside Casino & Golf Resort on August 27th.

Mr. Ohorilko recognized Wayne Palmer, the IRGC Gaming Representative for the Grand Falls Casino Resort property, and thanked him for his work on behalf of the Commission.

RULES – FINAL ADOPT: Mr. Ohorilko stated the rule package before the Commission is needed to bring the Commission into compliance with legislation passed in 2019 prohibiting licensing sanctions against individuals who are delinquent in repaying student loan debt. This is the package that was before the Commission in January; no comments were received during the public hearing or during the appearance at the Administrative Rules Review Committee. Mr. Ohorilko requested approval of the final adoption of the rules.

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

APPROVAL OF REVISED REGULATORY FEES FOR FY 2020: Mr. Ohorilko advised the revised regulatory fee schedule for FY20 was included in their meeting packets. The intent of the revised schedule was to provide additional relief to the industry by not collecting the full appropriation. The Commission was able to do this due to a number of Commission employees voluntarily working for the Iowa Workforce Development and the elimination of non-essential spending. There is also a revised schedule from the Division of Criminal Investigation, which also provides some relief by not collecting their full appropriation. Mr. Ohorilko advised both revised

fee schedules have been provided to the industry; no comments were received. He requested approval of the revised regulatory fee schedules for FY20.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the revised regulatory fee schedules for FY 20 as presented. Commissioner Horbach seconded the motion, which carried unanimously.

APPROVAL OF REGULATORY FEES FOR FY 2021: Mr. Ohorilko stated the Commission approves regulatory fees for the following fiscal year in June. Due to the suspension of the legislative session, the Commission's appropriation is not set at this time. The Commission has proposed fees based on the appropriated amount from last year, and may need to come back at a later meeting if there are differences in the appropriation. Different from past years, in an attempt to provide additional relief, the Commission typically asks for five weeks plus current to seed the revolving fund. In this schedule, the Commission staff is asking for three weeks plus the current week, and then will request an additional two weeks plus current on October 1st. Mr. Ohorilko advised the schedules have been distributed to the industry and no comments or concerns have been received. He requested approval of the regulatory fee schedules for FY21.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the regulatory fee schedules for FY 2021 as presented. Commissioner Olsen seconded the motion, which carried unanimously.

DIAMOND JO WORTH, LLC: Scott Smith, General Manager, advised the re-opening of the property on Monday was successful; staff and guests have been energized. He presented an Advanced Deposit Sports Wagering Agreement with Roar Digital, LLC for an Online Access Agreement that will take effect January 1, 2021. He also requested approval for remodeling pursuant to IAC 491-5.4(15). Mr. Smith noted Diamond Jo Worth opened their retail sportsbook last August with FanDuel; the name brand recognition has made the Diamond Jo Worth property a leader in the retail sportsbook platform. They quickly realized the retail product being offered was not sufficient so they are looking to expand that area, which will double in size and integrate its own dedicated bar, offer lounge seating, and more televisions. This project will create a more sportsbook-like setting. He requested approval of both items.

Chair Kramer advised the Commission would consider each item separately, and requested a motion for Item A. Commissioner Gonseth Cheers moved to approve the Advance Deposit Sports Wagering Operating Agreement between Roar Digital, LLC and Diamond Jo Worth, LLC conditioned on Diamond Jo Worth, LLC having no more than two individually branded internet sites unless the Commission subsequently authorizes an additional individually branded internet site. Commissioner Andres seconded the motion, which carried unanimously.

Chair Kramer requested a motion regarding the Request for Approval of Remodeling. Commissioner Andres moved to approve the remodeling request as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

DRAFTKINGS, INC.: Chris Cipolla, Senior Manager of Government Affairs, advised DraftKings is a licensed internet fantasy sports contests service provider in Iowa. As discussed at the April 16th Commission meeting, DraftKings is requesting the Commission approve electronic sports, more commonly known as eSports, as a permissible sport on which fantasy sports contests may be offered. He stated eSports are organized, multi-player video game competitions in which competitors from different teams compete against each other in tournaments and leagues; participants exhibit elite physical talent and skill. Professional players receive lucrative salaries, endorsements, and prize money; teams are sponsored by Fortune 500 companies. ESports competitions fill the world's largest sporting arenas and are widely viewed internationally via popular streaming mediums. Mr. Cipolla advised eSports have proven to be popular in America, and Americans are consuming eSports in the same manner they are other sports as evidenced by ESPN's televising twelve consecutive hours of eSports in early April. Based on these facts, DraftKings believes eSports are no different than any other sport that has been approved by the Commission as a permissible sport on which fantasy sports contests may be offered. Mr. Cipolla stated that of the states where fantasy sports contests are offered, Iowa is the currently the only state in the nation that does not allow any form of paid eSports fantasy sports contests. He provided an example of a popular esport contest offered by DraftKings in other states. Mr. Cipolla concluded his remarks by noting the Commission's approval of eSports as a permissible sport on which fantasy sports contests may offered by internet fantasy sports contest providers is permitted in accordance with both the relevant statute and regulations as acknowledged at the April 16, 2020 Commission meeting. He stated that approving eSports as a permissible sport on which fantasy sport contests may be offered would be the first step in the process which would allow fantasy sports contest service providers to work with Commission staff towards approving individual eSports offerings. He requested the Commission approve eSports as a permissible sport on which fantasy sports contests may be offered.

Chair Kramer asked Jeff Peterzalek, Assistant Attorney General, if DraftKings' request was permissible under Iowa law. Mr. Peterzalek advised the simple answer is "Yes"; but the Commission needs to be clear on what words are used. Chapter 99E expressly allows that simulated games or contests fit within the definition of fantasy sports contests, and this would be a simulated game or contest, which would be allowed. Mr. Peterzalek advised that just because something is expressly allowed under Iowa statutes doesn't mean the Commission has to do it. The Commission has the discretion to allow it, disallow it or have it operate under conditions they deem appropriate. He reiterated the definition of fantasy sports contests does include such a simulated game such as eSports.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve eSports as an authorized contest subject to individual contest submissions consistent with the requirements contained in 491-14.9(1). Commissioner Horbach seconded the motion, which carried unanimously.

IOWA GAMING ASSOCIATION (IGA): Wes Ehrecke, President and CEO, requested the Commission consider authorizing eSports under Iowa Code 99F, similar to what was just authorized for DraftKings under Iowa Code 99E. He stated the IRGC and Legislature established that an authorized sporting event is a professional sporting event, a collegiate sporting event, or an

international sporting event. The IGA believes eSports fits in this category for casino sportsbooks to offer wagering options on these events as they have a sanctioned governing body established at both the professional/international and collegiate levels. Mr. Ehrecke stated the IGA is not opposed to what the Commission authorized for daily fantasy, but feels eSports fits clearly in what was authorized by the Legislature and IRGC to offer wagering on collegiate and professional events. He indicated it is a fairness issue to participate with a sanctioned, well regulated industry. Mr. Ehrecke requested the Commission approve eSports under Iowa Code 99F under 491-13.3(1) sports wagering rule.

Chair Kramer called on Mr. Cipolla for any comments. Mr. Cipolla stated that in addition to their fantasy sports business, DraftKings is also an authorized advanced deposit sports wagering operator in Iowa. He stated DraftKings supports the Iowa Gaming Association's request and requested approval of eSports as a permissible sporting event on which sports wagers may be offered. Mr. Cipolla advised DraftKings views eSports as athletic events; the athletes participating in the competition exhibit elite physical talent and skills similar to the specialized ability necessary to participate in sports such as baseball, golf, soccer, tennis, etc., all of which are categories the Commission has pre-approved as permissible sporting events and on which wagers may be offered. He stated the athletes undergo intensive training and practice regimens, commonly practicing as a team 6-12 hours per day with coaches and physical trainers, and employing consultants such as nutritionists to insure peak performance. Mr. Cipolla advised the federal government recognizes eSports participants as athletes, and grants a P1 Athlete Visa when an international sports athlete enters the country for a competition. He stated DraftKings believes these are events that fit within the statutory definition given the popularity, athleticism required, level of compensation received by eSports athletes and the existence of governing bodies that insure the integrity of eSports competitions. Mr. Cipolla noted eSports are not expressly prohibited in 99F, but the Legislature did choose to exclude other wagering categories. He further noted the Commission's approval of eSports as a permissible event on which sports wagering may be offered does not open a Pandora's Box, but will allow advanced deposit sports wagering operators to work with Commission staff toward approving individual eSports events for wagering. He indicated the Commission would not be entering uncharted waters should they approve eSports, noting that several states have voted to allow wagering on eSports, which has proven to be a popular offering.

Chair Kramer asked Mr. Peterzalek if this request could be allowed under Iowa law. Mr. Peterzalek stated his legal opinion is this request would not be allowed under Chapter 99F for sports wagering for multiple reasons. First, as with any statute, words matter. The words in Chapter 99E are substantially different than the words in Chapter 99F. It is important to remember what was approved in the previous agenda item wasn't because eSports were a sport or an authorized sporting event, but because they were a simulated game or contest, which is expressly allowed under Chapter 99E. There is no such language in Chapter 99F. Mr. Peterzalek stated that Iowa's statutory scheme as a whole, which states all gambling in Iowa is illegal unless it is expressly authorized by law, is the reason for Chapter 99E for internet fantasy sports contests. It also allows the lottery, social and charitable gaming and things of that nature. This scheme is not expressly authorized under Chapter 99F; it does not meet the definition of authorized sporting event, which expressly excludes fantasy sports as defined in Chapter 99E, nor does it meet the other definitions of a professional sporting event, international sporting event, or any of the other

definitions that would be needed to fit within Chapter 99F. Mr. Peterzalek stated if the Legislature had intended for Chapter 99F to include the same thing as Chapter 99E, they easily could have done so but did not. That would be interpreted as a conscious choice by the Legislature. Mr. Peterzalek reiterated his opinion on behalf of the State that sportsbooks would not be allowed to offer wagers on eSports under Chapter 99F without a statutory change to the chapter.

Mr. Ehrecke concurred that words do matter, but noted that when putting together a piece of legislation as comprehensive as the sports wagering bill, and working with the fantasy sports and advanced deposit sports wagering industries to get them legalized; it was difficult to put in any contests. He reiterated his belief that eSports are collegiate and professional sporting events. Mr. Ehrecke noted the evolution of eSports in the last two years; the growth at the professional and collegiate level, and the governing bodies that oversee the leagues. He stated these would be a good fit and clearly fit within what has been authorized by the IRGC and Legislature. He again requested the Commission's approval.

Mr. Cipolla stated that while he respects Mr. Peterzalek's opinion, it is based upon the opinion that eSports are not sports, which he believes is a question for each individual Commissioner to answer. He reiterated that DraftKings firmly believes, based on the information provided, that eSports and the individual eSports contests are sporting events. He asked that the Commissioners use their judgement to decide whether eSports are sporting events; and if they are, DraftKings believes they fall within the parameters of the statute.

Commissioner Horbach noted that in reviewing Chapter 99F and the language that serves as the basis for Mr. Peterzalek's opinion, the Commission does not have the authority to authorize eSports under Chapter 99F. The second line is where the Legislature took the time to say what was not considered an authorized sporting event. He feels the language is ambiguous as the second part of section three does set forth what is not allowed. Commissioner Horbach stated he is confused as to whether or not the Commission is truly authorized to allow eSports, but would like to get some finality as to the legality of both sides of the argument. He asked if the Commission could get a written legal opinion on the matter, or what the process would be to clarify this matter.

Mr. Peterzalek stated if the parties want the equivalent of a legal opinion from the Commission, the participants can file a Petition for Declaratory Order setting out what they want the Commission to do in the future. The Commission would establish a schedule, then accept briefs from the parties, review the legal issues and then issue a Declaratory Order indicating whether the matter is approved or not. The statute being referenced specifically excludes fantasy sports contests as an authorized sporting event, which is something just approved in the previous agenda item. Additionally, there are a number of sports or things that could be identified as sports, or may be considered sports in some countries but not others, that are not authorized as authorized sporting events for wagering. The list in Chapter 99F.1(3) is not exhaustive, and the Legislature did not intend it to be so under the language of the section.

Mr. Cipolla noted that when it comes to the Legislature authorizing a form of gaming, the Legislature authorizes sports wagering itself. The Legislature does not authorize the specific sports contests, which is why the list of approved sports wagering contests that is in place currently

is left to the Commission staff to ultimately determine which sports are allowed to be wagered on as long as they are not explicitly prohibited in the statute. He reiterated DraftKings' belief that eSports is a sport and again requested that it be approved for sports wagering.

Hearing no further comments or questions, Chair Kramer requested a motion. As there was no motion, the matter failed.

IOWA GAMING ASSOCIATION (IGA): Mr. Ehrecke advised this agenda item was related to the Debt Offset Program, noting situations have evolved in recent months where a casino would have to pay the debt owed by a patron if an error was made by an employee in checking the State's database. He noted the program has been in existence for ten years, which the Legislature initiated for deadbeat dads, and an attempt to collect other debt owed. For any taxable jackpot of \$1,200 or more, the casinos know they are expected to check the database. Mr. Ehrecke stated the Department of Administrative Services has indicated that if the database is down, the facilities don't need to worry about it and should go ahead and pay the jackpot; or if the amount owed is less than \$50 they don't need to withhold the winnings. He advised the casinos have collected over \$38 million for the program. Mr. Ehrecke advised there have been a couple of examples that have come forward in the last few months that are scheduled for a hearing before an Administrative Law Judge (ALJ). The question is whether the casino should be required to pay the patron's debt under any circumstances; he stated the statute does not require or mandate that. Mr. Ehrecke stated the IGA disagrees with that and believes it would set an outrageous precedence. He stated the IGA recognizes the IRGC's authority to regulate the industry, and believes procedures could be put in place by IRGC via a Stipulated Agreement if there is human error not unlike other kinds of administrative penalties the Commission issues. He suggested a \$1,000 fine for the first offense; if more than one per year, a fine between \$3,000 - \$5,000; and if the situation is really egregious, \$20,000. Mr. Ehrecke stated there are procedures already in place for these types of situations and he is trying to get ahead of the situation. He noted the casinos self-report if an error is made by an employee, and would expect to be fined, but do not feel they should be expected to pay the patron's debt. Mr. Ehrecke noted there are some savvy bettors who change their ID with someone else, or know someone else's Social Security number. The IGA feels requiring the casino to pay the patron's debt when fraud has occurred is going too far. He asked to work with the Commission and Commissioners to establish a fine procedure that would not require the casino to pay the patron's debt.

Mr. Ohorilko advised there is one case pending which has already been assigned to an ALJ, and there are two other related matters on the agenda today. He stated that even though an ALJ is reviewing the matter independently; the ALJ simply renders a Proposed Decision to the Commission. The Commission is still the judge of these matters. Mr. Ohorilko advised that by commenting at this time, as individual Commission members, there is a possibility they would be waiving their deliberative privilege. Mr. Ohorilko indicated his advice would be to not comment at the present time. He noted the Commission has a long standing history of working with the industry, and advised that was attempted with some of these cases prior to moving forward. He stated the timing of the request is not good in this particular situation. He indicated if the Commission has a desire to establish a schedule or set up additional meetings, it would make more sense to do so at a later time when the Commission does not have any pending issues.

Chair Kramer thanked Mr. Ehrecke for his request, but advised the Commission was not going to take any action at this time based on Mr. Ohorilko's comments.

CONTRACT APPROVALS:

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

- Aksarben Roofing – Hotel Addition: Metal Wall Panels (OSV)
- Cart Construction – Hotel Addition: Tile Installation
- DDJ Hospitality – Hotel Addition: Drywall
- Heartland Glass Company, LLC – Hotel Addition: Framed Glass & Glazing (OSV)
- Turfwerks – Golf Course and Turf Equipment

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.

Riverside Casino and Golf Resort, LLC: Ms. Haselhoff presented a contract with Wells Fargo Commercial Card for Credit Card Purchases.

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

Diamond Jo Worth, LLC: Mr. Smith presented a contract with Henkel Construction for the Transformation of Casino Space (Poker Space) to New Sportsbook.

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

Wild Rose Clinton, L.L.C.: Steve Cody, General Manager at Wild Rose Emmetsburg, presented a contract with Pepsi Cola Bottling of Davenport for Beverage and Beverage Products,

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

Wild Rose Emmetsburg, L.L.C.: Mr. Cody presented the following contracts for Commission approval:

- Pepsi Cola Bottling of Davenport – Beverage and Beverage Products
- Empower Retirement – Record Keeping and Website Coordinator for Northwest, 401K coordinator (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.

IOWA GREYHOUND ASSOCIATION d/b/a IOWA GREYHOUND PARK (IGP): Brian Carpenter, General Manager and Director of Racing, stated the year started on track; January and February were ahead of last year on simulcast handle. March started off good, and then COVID-19 hit, and they shut down along with Q Casino on March 16th. The compound was opened on April 6th so the kennels coming from various parts of the country could move in. He met with IRGC staff to establish some policies and guidelines; and the opening of the compound went well. Additional policies were established to allow morning schooling to keep the greyhounds in shape, which was accomplished with limited staff. Due to the uncertainty surrounding whether or not Governor Reynolds would allow them to open, IGP decided to proceed with official schooling after establishing more policies related to COVID-19, and brought back most of the staff. He noted the facility was allowed to open and conduct races without patrons. Mr. Carpenter noted the facility has done exceptionally well with their signal being taken around the country; most of the handles have exceeded \$150,000 per card, and one day hit \$209,000, which they have not seen since the late 1980's or early 1990's. He stated with only a few tracks across the country; the handle has been doing so well, they have surpassed the 2019 handle and are up through the month of May by \$316,000. Mr. Carpenter advised the facility keeps a higher commission on on-track handle versus off-track handle and are down slightly from last year on their commission, but feel they will catch up and surpass that soon. As of June 3rd, additional policies and procedures were established to open the grandstand at 50% capacity. They had 40 patrons the first day, but handled over \$215,000; their best day since racing started. Mr. Carpenter stated everything has been going well so far.

PRAIRIE MEADOWS RACETRACK & CASINO, INC.: Derron Heldt, Vice President of Racing, presented a revised racing schedule for the 2020 racing season. He indicated they are proposing a 67-day meet, commencing on June 19th and ending on October 10th. The meet starts with four days of thoroughbred racing, and on June 26th, the quarter horses will start racing for a 55-day meet, which will run through September 27th. During those 55 days, there is one odd day of Thursday racing with a post time of 6:00 PM. The season will conclude with seven days of all thoroughbred racing. Races will be held on Friday-Saturday and Sunday-Monday; post time for Friday-Saturday is 6:00 PM while post time for Sunday-Monday will be 4:00 PM. Mr. Heldt advised the racing calendar had been approved by the Iowa Quarter Horse Racing Association (IQHRA) and the Iowa Horsemen's Benevolent and Protective Association (IHBPA). It has been reduced from the original 84-day calendar proposed in November 2019 as the facility has been closed due to COVID-19.

Jon Moss, Executive Director of the IHBPA, indicated the Association is very much in agreement, and expressed their appreciation in being able to work with PMR&C and the IQHRA to alleviate the situation due to COVID-19 and find a solution that worked for all parties.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the revised racing calendar for the 2020 live race meet as presented. Commissioner Olsen seconded the motion, which carried unanimously.

EXECUTIVE SESSION: Chair Kramer requested a motion to go into Executive Session. Commissioner Olsen moved to go into Executive Session for reasons including, but not limited to, Iowa Code Section 21.5(1)f. The Commission would include conflict counsel, Michelle Rabe, assigned by the Attorney General's Office. Commissioner Andres seconded the motion, which carried unanimously on a voice roll call.

Upon reconvening the open meeting, Chair Kramer requested a motion. Commissioner Olsen moved that the Commission finds probable cause exists that violations of the law and administrative rules occurred and moved to approve the Statement of Charges in Case No. 20-02 and Case No. 20-03. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: None

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

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
JULY 9, 2020**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, July 9, 2020 at Prairie Meadows Racetrack and Casino in Altoona, Iowa. Commission members present were Kris Kramer, Chair; and members Julie Andres, Pennie Gonseth Cheers, Lance Horbach and Daryl Olsen.

APPROVE AGENDA: Chair Kramer called the meeting to order at 8:30 AM, and welcomed former Commission members Carl Heinrich and Jeff Lamberti. She requested a motion to approve the agenda. Commissioner Horbach moved to approve the agenda as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

APPROVE MINUTES: Chair Kramer requested a motion regarding the minutes from the June 4, 2020 Commission meeting. Commissioner Olsen moved to approve the minutes as submitted. Commissioner Horbach seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Chair Kramer called on Brian Ohorilko, IRGC Administrator. Mr. Ohorilko advised the next Commission meeting would be on August 27th at Riverside Casino & Golf Resort; submissions for that meeting are due in the Commission's office by August 13th. There is no meeting in September. The next scheduled Commission meeting will be October 15th at the Hard Rock Hotel & Casino in Sioux City.

HARVEYS IOWA MANAGEMENT COMPANY, LLC: Samir Mowad, General Manager, presented an Advanced Deposit Sports Wagering Operator Agreement with Unibet Interactive, Inc.

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

Mr. Mowad presented an Advanced Deposit Sports Wagering Operators Agreement with American Wagering, Inc. d/b/a William Hill Sports Book, which will cover the operation of the sports book following the merger of Eldorado Resorts, Inc. and Caesars Entertainment.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the advanced deposit sports wagering operator agreement submitted by Harveys Iowa Management Company, LLC with American Wagering, Inc. d/b/a William Hill Sports Book conditioned upon no material changes being made on the executed agreement and the executed agreement being promptly provided. Commissioner Horbach seconded the motion, which carried unanimously.

IOWA WEST RACING ASSOCIATION through its management company, Harveys BR Management Company, Inc.: Mr. Mowad presented an Advanced Deposit Sports Wagering Operators Agreement with American Wagering, Inc. d/b/a William Hill Sports Book, which will

cover the operation of the sports book following the merger of Eldorado Resorts, Inc. and Caesars Entertainment.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the advanced deposit sports wagering operator agreement submitted by Iowa West Racing Association through its management company, Harveys BR Management Company, Inc. with American Wagering, Inc. d/b/a William Hill Sports Book conditioned upon no material changes being made on the executed agreement and the executed agreement being promptly provided. Commissioner Olsen seconded the motion, which carried unanimously.

CONTRACT APPROVALS:

Wild Rose Clinton, L.L.C.: Steve Cody, General Manager at Wild Rose Emmetsburg, L.L.C., submitted the following contracts for Commission approval on behalf of Wild Rose Clinton:

- Reynolds & Reynolds, Inc. – Insurance Provider and Broker
- Empower Retirement – Record Keeping and Website Coordinator for Northwest Bank, 401K Administrator (OSV)
- Northwest Bank – Employer/Employee Annual Contributions to 401K Plan

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.

Wild Rose Emmetsburg, L.L.C.: Mr. Cody presented the following contracts for Commission approval:

- Reynolds & Reynolds, Inc. – Insurance Provider and Broker
- Northwest Bank – 401K Benefit Provider

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

SCE Partners, LLC: Doug Fisher, General Manager, presented the following contracts for Commission approval:

- Bell Uniform Design – Uniforms (OSV)
- Calanna Design, Inc. – Gaming Partitions Spacers (OSV)
- Dougherty, Clifford & Wadsworth d/b/a DCW Media – Advertising and Media Buyer
- Jones Family Farms, Inc. d/b/a Claussen's Nursery – Property Maintenance Agreement
- RSM US, LLP – Financial Audit and Reporting

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 Co., Inc.: Mr. Mowad presented the following contracts for Commission approval:

- Agilysis – Point of Sale Vendor (OSV)
- Engineered Controls – HVAC Vendor
- Southwest Airlines – Guest and Employee Travel

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen 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:

- Agilysis – Point of Sale Vendor (OSV)
- Southwest Airlines – Guest and Employee Travel

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. d/b/a PRAIRIE MEADOWS RACETRACK & CASINO (PMR&C): Gary Palmer, General Manager, and Derron Heldt, Vice President of Racing, were present to address the agenda items.

Update on Racing: Mr. Heldt advised that prior to opening the backside on June 1st, PMR&C held a series of meetings with The Iowa Horsemen's Benevolent Protective Association (IHBPA) and the Iowa Quarter Horse Racing Association (IQHRA) to determine what the racing calendar, purses and structure should look like this year. Based on the meetings, it was decided to hold a 67-day mixed meet; thoroughbreds started racing on June 19th and will run through October 10th and quarter horses started on June 26th and will end on September 27th. There were also conversations regarding the race meet for 2021 and that framework is in place already as PMR&C will have to submit a proposed racing calendar for next year with their license renewal.

The backside was opened for quarter horses and thoroughbreds on June 1st; trainers started moving their feed and supplies in and horses from both breeds started arriving the following day. The training track and main track opened for training in the following days. Opening day on June 19th went well. The racing program started with four days of thoroughbred racing; the following Friday, the quarter horses joined the meet. Currently; there are eleven races per day – three quarter horse races start the program followed by eight thoroughbreds, which will continue through September 27th. Mr. Heldt noted handle on track has been soft. They had a good crowd opening

weekend; however, the crowds have not been as large the last couple of weeks. Off-track handle has increased three times, which he attributed to the lack of sports betting around the country. He stated they saw this trend in February, March and April when other tracks around the country opened without spectators, and now some with spectators like PMR&C.

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

- DarPro Solutions (Darling) – Disposal of Used Cooking Oil
- Excel Mechanical Company – HVAC Contractor

Mr. Palmer noted there was a significant amount of controversy at the start of the horse racing meet; however, the parties have been able to work out a plan that works well for everyone while still providing for the safety of everyone involved. He stated they are in contact daily with Unity Point and Mercy One to stay current on the evolving Covid-19 situation.

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

REVIEW OF HORSEMEN'S ORGANIZATIONS FINANCIAL AUDITS:

The Iowa HBPA, Inc. and The Iowa HBPA Benevolent Trust: Jon Moss, Executive Director, noted the audit includes the benevolent trust, which forms relationships with healthcare professionals to enter into agreements to provide services to the horsemen at a discounted rate and covers the cost of those services. He stated the Iowa organization is associated with the national organization, which includes 30 states and 28 affiliate members. Mr. Moss advised horse racing is being conducted successfully across the United States, many times without spectators, but off-track handle is up significantly at all tracks, including Iowa. He noted the Iowa Greyhound Park in Dubuque is also seeing increased off-track handle. Mr. Moss stated the horsemen organizations completed an economic impact study last year, which showed the industry has a \$200 million impact for the state, and employs approximately 2,900 individuals across the state. He noted the horse industry is one of the largest employers as many of the functions within the industry cannot be automated.

Iowa Quarter Horse Racing Enterprises, Inc. d/b/a Iowa Quarter Horse Racing Association (IQHRA): Tom Lopic, President, indicated the biggest concern over the years about a mixed meet was how well the thoroughbreds and quarter horses would get along. He stated it has been a tremendous year working with the thoroughbred organization, and the IQHRA is thankful for the partnership with them and the mixed meet. Mr. Lopic noted the year-end report for last year showed just under seven horses per race; currently they are averaging just under eight horses per race and still have trainers coming to PMR&C. He stated the quarter horse meet over the last several years has averaged about nine weeks, which doesn't provide many opportunities to race if the horses are allowed sufficient time between races. This year the meet went from sixteen weeks to fourteen weeks, but some horses will have an opportunity to race four or five times, even with three weeks between races. Mr. Lopic indicated these are the types of things that will enhance the breeding program in Iowa in future years. He stated the biggest support of the industry came with

the addition of hair testing, and Iowa has gone to the extreme limit of hair testing more than any other track in the United States. No stake races or trials for any stake race are run that is not hair tested; the top ten horses from timed trials are hair tested. Two also eligible are hair tested in the event a positive result comes back in order to have a full field for the final. Hair testing results will show anything that has been put into the horse for the past six months. To date, there have been no tests that have come back positive. One overnight race per day is also being tested unless trials are scheduled, but no one knows if they will be tested or not. Mr. Lepic stated that horsemen know and understand that when they come to Iowa to race, they will get the best opportunity for the best horse to win the race. He stated those individuals coming to PMR&C appreciate what IRGC has done. Mr. Lepic noted the American Quarter Horse Association gives an award to a group that has done the most for horse racing that year; IRGC received the second most votes from the racing council in last year's vote.

Iowa Harness Racing Association (IHRA): Royal Roland, representing the IHRA, noted they had 35 racing days scheduled for the year; however, three county fairs decided to cancel their fairs removing those race dates from the schedule. They will be racing at seven different locations, and have raced at What Cheer, Humboldt, Bedford, Oskaloosa, and West Liberty so far. Mr. Roland stated there is racing every weekend from the end of May through the end of September.

HEARINGS: Mr. Ohorilko stated there are five hearings before the Commission, all of which were originally scheduled for earlier Commission meetings but were deferred due to the Covid-19 pandemic.

SCE Partners, LLC: Mr. Ohorilko advised SCE Partners, LLC (Hard Rock) and Commission staff have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(4) (Minor). He stated that on January 2nd an underage male entered the gaming floor with an adult companion, was not challenged and was on the floor for one hour and fifty-four minutes, consumed an alcoholic beverage and gambled, all of which trigger a Commission referral. The incident was discovered the next day when another patron contacted Hard Rock to advise that a minor had been on the floor. Hard Rock's investigation revealed the incident as set forth and other instances where the minor had gained access to the floor after being challenged. Mr. Ohorilko stated SCE Partners, LLC acknowledges the facts and has agreed to an administrative penalty in the amount of \$20,000.

Mr. Fisher stated the facility takes responsible gaming very seriously and expressed regret for the incident. He advised the security team is well-trained, and new security team members go through a three-week training program before being allowed on the gaming floor by themselves. The officer who allowed the minor on the floor was certified by IPAC and had completed the necessary training. Mr. Fisher stated that when the minor approached the turnstile, he made a motion as to retrieve his wallet from his pocket and the officer just waved him through; the officer's employment has been terminated. Quarterly retraining is being conducted, including checking of ID procedures. All security officers are required to take an ID training every 90 days. Mr. Fisher advised the facility changed to the Veridocs ID checking system in late November and recently installed a webcam so that security officers who turn away a minor can take a picture and electronically share it with the other turnstiles and officers.

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

Wild Rose Emmetsburg, L.L.C.: Mr. Ohorilko advised Wild Rose Emmetsburg and Commission staff have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion). He noted this Stipulated Agreement contains two counts. The first count involves a self-excluded individual who entered the facility on October 6, 2019, and was issued a Players Club Card. The individual subsequently received promotional mailings, which was the trigger for the Commission referral. The individual was discovered on November 15th when they attempted to redeem some of the promotional play received. The facility identified the individual as being self-excluded and escorted them off property.

Mr. Ohorilko stated the second count occurred on or about October 30th and involves the download of the state-wide self-exclusion information into the Players Club account. He stated Wild Rose Emmetsburg missed the 7-day deadline as required by the resolution. They were a few days past the deadline. The property has implemented additional backup procedures to insure the download is completed in a timely manner in the future.

Mr. Ohorilko stated Wild Rose Emmetsburg has agreed to an administrative penalty in an amount between \$5,000 and \$20,000 as a result of these violations.

Mr. Cody agreed mistakes were made and procedures were not followed, and apologized for them. He stated there is a significant number of people involved in the industry and mistakes will happen. Mr. Cody stated they worked with the local gaming representative to improve their procedures.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the Stipulated Agreement with an administrative penalty of \$10,000. Commissioner Olsen seconded the motion, which carried unanimously.

Wild Rose Jefferson, L.L.C.: Mr. Ohorilko advised Wild Rose Jefferson and Commission staff have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion). This violation dealt with timely downloads. In December it was discovered that Wild Rose Jefferson missed the 7-day deadline as required by the resolution. Wild Rose Jefferson has implemented additional procedures to insure the process is completed timely in the future. As a result of the violation, Wild Rose Jefferson has agreed to an administrative penalty between \$5,000 and \$20,000.

Travis Dvorak, General Manager, accepted responsibility for the violation and advised the company takes responsible gaming seriously. He advised the violation occurred due to a miscommunication with their vendor when they were transferring the casino management services. He noted the download was completed timely, but the upload was not completed timely. The facility conducted an audit for the time frame in question and found no mailings were sent to anyone in the program or recorded activity by anyone in the program. Mr. Dvorak stated they are downloading the system three times per week to maintain diligence in this area.

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

ODS Technologies, L.P. d/b/a TVG Network: Mr. Ohorilko advised TVG Network and Commission staff have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion). He noted that TVG Network is a licensed Advanced Deposit Wagering company that accepts online pari-mutuel wagering. In this situation, TVG did not timely download the Players Club information into their system. As a result of the violation, TVG Network has agreed to an administrative penalty between \$5,000 and \$20,000.

Mr. Ohorilko advised representatives were unable to travel to Des Moines for the meeting due to travel restrictions. He noted the company has sent a letter indicating agreement with the Stipulated Agreement, and requested approval of the Stipulated Agreement.

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

FanDuel, Inc.: Mr. Ohorilko advised FanDuel, Inc. and Commission staff have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion). FanDuel is a licensed fantasy sports contest service provider. The company did not timely download the information from the state-wide self-exclusion database. Mr. Ohorilko advised they have implemented additional policies and procedures to make sure the situation does not occur again. Mr. Ohorilko stated FanDuel has agreed to an administrative penalty between \$5,000 and \$20,000. He noted he received a letter from the company confirming their agreement to the language contained in the Stipulated Agreement and penalty range.

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

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Chair Kramer called on Mr. Ohorilko for Administrative Business. Mr. Ohorilko provided the following update on legislation impacting the Commission:

- HF 2623 was passed by the Legislature and signed by the Governor. There are three parts to the legislation. Commission staff has been communicating with the industry. The first part clarifies instances when patrons are screened against the debt offset list. The threshold goes from a set amount of \$1,200 to any reportable IRS event, which will be helpful to the industry as there are different dollar amounts for taxable events on various gambling games. Checks against the debt offset list will now occur whenever there is a reportable IRS event.
- The second part clarifies requirements for the qualified sponsoring organizations that are partnering with the casino operators.

- The third part of the legislation addresses credit card usage, and specifically prohibits the use of credit cards for sports wagering and fantasy sports contests.
- HF 2625, also signed by the Governor, deals with the administration of the offset program. The program is transferred from the Department of Administrative Services to the Department of Revenue and is effective on January 1, 2021.

Mr. Ohorilko recognized former Commissioners Carl Heinrich and Jeff Lamberti, whose terms ended on April 30th following nine years on the Commission. Those were very active years; some of those experiences were shared via Zoom at the April Commission meeting, but that didn't seem like an appropriate way to say good bye. Mr. Ohorilko stated it was a pleasure and honor to work with them. He presented a plaque to Mr. Heinrich which read "Carl Heinrich – In Appreciation of Your Service to the Iowa Racing and Gaming Commission – May 1, 2011 through April 30, 2020".

Mr. Heinrich thanked everyone, and expressed appreciation for the plaque. He noted the industry is made up of quality people with integrity, which is very important. He stated Iowa has an outstanding administrator in Mr. Ohorilko, noting he and Mr. Lamberti had the opportunity to hire him to serve as the administrator when Jack Ketterer retired. He complimented Mr. Ohorilko on his ability to work with people, and noted he is well respected within the industry. Mr. Heinrich thanked Commission staff for their work on behalf of the Commission.

Mr. Ohorilko presented a plaque to Mr. Lamberti which read "Jeff Lamberti – In Appreciation of your Service to the Iowa Racing and Gaming Commission – May 1, 2011 through April 30, 2020". Mr. Lamberti stated the Commission staff makes the job easier for the Commission members as they are well prepared and do their work which made the time on the Commission enjoyable. He noted that he thought he had seen everything during his tenure on the Commission, but truly believes that is the case now with the industry being shut down amidst the pandemic. Mr. Lamberti noted there were difficult decisions made during his tenure, but hopes everyone feels they were treated fairly. When he traveled and people learned he served on the Commission, he would tell them Iowa has the best run industry in the country from the Commission to the operators. The number one job of the Commission is to insure the integrity, which is easy when you have the kind of operators we have. Mr. Lamberti indicated he was going to miss the Commissioners he served with over the nine years and the friendships established.

ELECTION OF CHAIR AND VICE CHAIR: Chair Kramer requested a motion. Commissioner Andres moved to re-elect Kris Kramer to serve as Chair and elect Pennie Gonseth Cheers to serve as Vice Chair. Commissioner Olsen seconded the motion, which carried unanimously.

ADJOURN: Commissioner Horbach moved to adjourn the meeting. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
AUGUST 27, 2020**

The Iowa Racing and Gaming Commission (IRGC) met at Riverside Casino and Golf Resort in Riverside, Iowa on August 27, 2020. Commission members present were Kris Kramer, Chair; Pennie Gonseth Cheers, Vice Chair; and members Lance Horbach and Daryl Olsen. 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 Horbach moved to approve the agenda as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

WELCOME: Chair Kramer called on Dan Kehl, Chief Executive Officer of Elite Casino Resorts, LLC, who thanked the Commission for meeting at Riverside.

Mr. Kehl introduced Tom Basten, President of the Washington County Riverboat Foundation (WCRF). Mr. Basten advised WCRF has distributed almost \$47 million in grants since 2006 with 25% of the grants distributed to organizations outside Washington County. He stated some WCRF board members recently traveled the area to view some of the projects made possible by grants. Mr. Basten stated WCRF matched funds with Elite Casino Resorts and the Kehl Family Foundation to provide \$500,000 to help with derecho relief. The funds will be given to the American Red Cross of Eastern Iowa, United Way East Central Iowa, Salvation Army, Eastern Iowa; and Hawkeye Area Community Action Program, Inc.

APPROVE MINUTES: Chair Kramer moved to the approval of the minutes from the July 9, 2020 Commission meeting. Commissioner Olsen moved to approve the minutes as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Chair Kramer called on Brian Ohorilko, Administrator of IRGC, for announcements. Mr. Ohorilko advised there would be no Commission meeting in September. The next Commission meeting will be at Hard Rock Hotel & Casino in Sioux City on October 15th. Submissions are due in the Commission office by October 1, 2020.

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

IOC BLACK HAWK COUNTY, INC. d/b/a ISLE CASINO HOTEL WATERLOO: Chad Moine, General Manager, presented an Advanced Deposit Sports Wagering Operator Agreement with TSG Interactive US Services Limited (TSG).

Chair Kramer asked when the facility anticipated TSG being launched. Mr. Moine advised it is tentatively scheduled for January 2021. The company is currently working on getting licensed and meeting the technology requirements.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the Advanced Deposit Sports Wagering Operator Agreement with TSG Interactive Services Limited as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

**IOWA WEST RACING ASSOCIATION d/b/a HORSESHOE CASINO-BLUFFS RUN
GREYHOUND PARK:**

Second Amendment to Pari-Mutuel Management Contract/Service Agreement: Nancy Ballenger, General Manager at IOC Bettendorf, advised American Wagering, Inc. d/b/a William Hill Race & Sports Book will run the simulcast operation and the sportsbook at Horseshoe Casino.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the Second Amendment to Pari-Mutuel Management Contract/Service Agreement as submitted. Commissioner Olsen seconded the motion, which carried unanimously.

Amended Application for a Pari-Mutuel License and Racetrack Enclosure Gambling License for January 1, 2020 through December 31, 2020: Ms. Ballenger submitted an Amended License Renewal Application for calendar year 2020. She stated the only change from the original application was the replacement of Harveys BR Management Company, Inc. as the onsite manager/operator of the simulcast facility with American Wagering, Inc. d/b/a William Hill Race Book.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the Amended Application for a Pari-Mutuel License and Racetrack Enclosure Gambling License as submitted by Horseshoe Casino. Commissioner Olsen seconded the motion, which carried unanimously.

REQUEST FOR APPROVAL OF REVISED SECURITY PLANS:

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, presented an amended security plan eliminating additional certified peace officer coverage due to significant operational changes and decreased business volumes due to the pandemic. He noted the facility has one or two calls per week, and the Council Bluffs Police Department response time is less than five minutes. Mr. Czak stated should the need arise for the additional coverage in the future, a revised security plan would be submitted for Commission approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the revised security plan for Ameristar Casino Council Bluffs, LLC. Commissioner Olsen seconded the motion, which carried unanimously.

Catfish Bend Casinos II, LLC: Rob Higgins, General Manager, presented the revised security plan, noting the requested change is due to a change in operating hours due to the pandemic.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the revised security plan for Catfish Bend Casinos II, LLC. Commissioner Horbach seconded the motion, which carried unanimously.

Diamond Jo, LLC: Ross Curnow, Legal Counsel, presented the revised security plan. He advised the changes were made due to decreased patronage due to the COVID-19 pandemic. Staffing levels are adequate to meet security needs.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the revised security plan for Diamond Jo, LLC. Commissioner Olsen seconded the motion, which carried unanimously.

Diamond Jo Worth, LLC: Mr. Curnow presented the revised security plan, advising the changes were made due to decreased patronage due to the COVID-19 pandemic and a reduction in open turnstile entrances onto the casino floor.

Commissioner Horbach noted the facilities were making changes to the security plans for what is hopefully a short term problem and feels the Commission should monitor the situation at the properties.

Chair Kramer noted the Commission had concerns with the Diamond Jo Worth staffing changes, and didn't want the levels to always be at the lower end.

Hearing no further comments or questions, Commissioner Horbach moved to approve the revised security plan for Diamond Jo Worth, LLC. Commissioner Olsen seconded the motion, which carried unanimously.

Dubuque Racing Association, Ltd (DRA): Jesús Avilés, President of DRA, noted Q Casino has a longstanding relationship with the city of Dubuque police department. Policies and procedures are regularly reviewed and data gathered to ensure they are adapting to the needs of the business and the need for certified peace officers on property. During the most recent review of the security plan, based on historical data and response times, Q Casino is requesting that regular scheduling of peace officers be eliminated. Response time should a peace officer be required is approximately five minutes.

Chair Kramer stated the Commission was aware a change was made in June. She reminded him that changes needed to be submitted to Commission staff and the Division of Criminal Investigation (DCI) office for review prior to implementation.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the revised security plan for the Dubuque Racing Association, Ltd. Commissioner Horbach seconded the motion, which carried unanimously.

Isle of Capri Bettendorf, L.C.: Ms. Ballenger stated the revised security plan is being submitted after reviewing the business impact of the Covid-19 pandemic and reduced casino occupancy and

reduced operating hours for the casino. Additionally, operating hours and capacity for the restaurant have also been reduced. Reductions in security staff have been made to off-peak hours.

Commissioner Horbach noted the Off-Site Law Enforcement Responses to Property for CY19 table on Page 14 shows 19 responses for "Information" and asked for additional clarification. Ms. Ballenger stated she would have to get the answer, which she would provide to Mr. Ohorilko for distribution to the Commission members.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the amended security plan for Isle of Capri Bettendorf, L.C. Commissioner Olsen seconded the motion, which carried unanimously.

Wild Rose Jefferson, L.L.C.: Travis Dvorak, General Manager, noted Jefferson is a smaller community and the Greene County Sheriff's Department has a good response time. Additionally, the facility has reduced its operating hours and experienced a reduction in attendance due to the pandemic. He noted adjustments were made to the security plan to address concerns expressed by the DCI and IRGC Gaming Representative.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the amended security plan as submitted by Wild Rose Jefferson, L.L.C. Commissioner Olsen seconded the motion, which carried unanimously.

Prairie Meadows Racetrack & Casino, Inc. (PMR&C): Gary Palmer, General Manager, stated the facility has had two armed police officers on property since opening. Following the incident in Las Vegas a few years ago, Prairie Meadows developed a Rapid Response Team and hired fifteen officers who are trained and armed. Due to reduced attendance and operating hours related to the pandemic, the facility is requesting to scale back the use of officers from the Polk County Sheriff's Office and Altoona Police Department.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the revised security plan as submitted by PMR&C. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

CLINTON COUNTY DEVELOPMENT ASSOCIATION (CCDA): Les Shields, Vice President, noted the Commission sent a memo to all Qualified Sponsoring Organizations (QSO) in April 2015 identifying areas IRGC would like considered as part of the QSO governance in the future. One of the areas to be considered was term limits. Mr. Shields stated why term limits was an issue was never explained, noting the CCDA has never been sanctioned by IRGC. They are now faced with having to replace two long-term, committed volunteers. Mr. Shields stated they are not aware of any term limits in state government, or for those individuals appointed to various State boards and commissions. He noted those appointments are for a specific time, but are eligible for reappointment at the pleasure of the Governor with no restrictions on the number of such terms. He noted if there were term limits, several elected officials would have changed. Mr. Shields stated the only term limits in Iowa government are in a "request to consider" from the IRGC on all Internal Revenue Service recognized not-for-profit QSO license holders. He noted CCDA has

had a 34% change in the make-up of the board. Mr. Shields asked if the CCDA was still expected to remove board members from their volunteer service when there are no term limits in state government and no allegations of wrongdoing. He advised CCDA would have to reduce their financial contributions to disaster relief recovery efforts in order to spend thousands of dollars to pay for DCI background investigations.

David Sivright, Jr., Treasurer of CCDA, requested further guidance regarding "elected officials" on the QSO board, noting the two ex-officio members required in the 2019 legislation are not counted in the maximum 20% of elected officials on the board. He stated CCDA believes the 2019 legislation was aimed at paid elected officials, not unpaid publicly elected officials. Mr. Sivright asked if all "publicly elected" positions fall under the intent of IRGC guidance requesting that the QSO boards consist of no more than 20% of elected officials, or if it only excludes those individuals serving in a publicly elected position receiving more than a token salary.

Commissioner Horbach advised this is a new issue for him, but wanted to correct some statements made by Mr. Shields. He concurred there have been no allegations of wrongdoing and no issues with integrity. The matter is strictly a governance issue related to Best Practices. He noted CCDA's reluctance to actually adhere or even consider what was deemed in Iowa for non-profits.

With regard to non-profits, Commissioner Horbach stated he is unaware of any non-profit other than CCDA that does not have a two, four or six year term limit on board members. The main concern of everyone on the Commission is the integrity of the industry, and perception can be an issue. There have been instances in other jurisdictions where longevity has come into play with funding trends. He stated the Commission was asking CCDA to consider a Best Practices in Governance. He noted elected officials have term limits and face re-election every two years. The majority of examples presented were elected officials; however, this issue relates to non-profit governance.

Mr. Shields thanked Commissioner Horbach for his comments but noted there is no limit on the number of times an elected official can be re-elected. Commissioner Horbach stated the conversation is not about political positions but non-profit disbursements of funds. He noted high integrity is required and must be maintained. He stated elected officials are in a different category than individuals serving on a non-profit board. He asked Mr. Shields why CCDA is refusing to comply with the Best Practices standards. Mr. Shields stated they are not refusing to do so as they are in the process of seeking new members, but were asking if it was still required as they will be losing two committed volunteers this round, and three more in the next round. He stated he has served on other non-profit boards, none of which had term limits.

Commissioner Olsen stated he has served on many non-profit boards, all of which did have term limits. He feels they are a positive as they bring in new thoughts and ideas, and a different point of view. He also stated that he did not see the comparison between elected officials and non-profit boards. Elected officials have to earn the right to be re-elected to their position whereas members of the community do not have the opportunity to vote on the members of the non-profit board. He asked if CCDA was asking if the 20% limitation on elected officials could be reduced, possibly making it easier to attract new members. Commissioner Olsen asked if CCDA was having a

problem attracting new members or if it was just that current members would like to remain on the board.

Mr. Shields stated they announced in July they were faced with possibly having to replace two members. As of this date, they have not received any applications. He stated that a number of people who might serve on the board have been elected to serve on other unpaid volunteer boards. He asked for further clarification of the intent of the 2019 legislation regarding elected officials.

Chair Kramer thanked them for their comments and stated the Commission will take the matter under advisement.

CONTRACT APPROVALS (OSV - Out of State Vendor; RP = Related Party)
Riverside Casino & Golf Resort, LLC: Dan Franz, General Manager, presented the following contracts for Commission approval:

- Delphia Consulting, LLC - Upgrade to Current Payroll/Benefits System (OSV)
- Elite Casino Resorts, LLC - Goods and Services Cost Allocations (RP)
- Mayo Clinic Rochester - Medical Health Plan Costs (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach 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 the following contracts for Commission approval:

- Elite Casino Resorts, LLC - Goods and Services Cost Allocations (RP)
- Lamar – Billboard Advertising

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

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

- Cosand Construction Company, LLC - Hotel Addition: Finish Carpentry (OSV)
- Elite Casino Resorts, LLC - Goods and Services Cost Allocations (RP)
- Marcus Lumber - Hotel Addition: Decking, Millwork, Mirrors, Countertops ad Sills
- Symetra Life Insurance Company- Insurance Premiums (OSV)

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

IOC Black Hawk County, Inc.: Mr. Moine presented a contract with Stich Inc. d/b/a D & W Floor Covering for Carpet and installation.

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

Dubuque Racing Association, Ltd.: Brian Rakestraw, General Manager, presented a contract with Crawford Company for the installation of new grease interceptors and Showroom AC.

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

IOC Bettendorf, L.C.: Ms. Ballenger presented the following contracts for Commission approval:

- Iowa Beverage Systems, Inc. - Beer Vendor
- Cintas - Rental of Floor Mats, Hotel Linens, and Table Linens

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

SCE Partners, LLC: Doug Fisher, General Manager, presented the following contracts for Commission approval:

- CSI LLC - Replacement of Networking Server and Firewall Hardware
- Buzz Creative Group, LLC - Marketing Agency (RP)

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

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

- OnMedia - Purchase of Advertising
- Cintas Corporation - Purchase of Employee Uniforms
- US Bank - Amendment to Credit Agreement

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

Harveys Iowa Management Company, LLC: Ms. Ballenger presented a contract with Royal Buying Group (RBG) as a promotional vendor (OSV).

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

Iowa West Racing Association d/b/a Horseshoe Casino: Ms. Ballenger presented a contract with Royal Buying Group (RBG) as a promotional vendor (OSV).

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

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

- AJR Equities – Promotional Items and Personal Protective Equipment
- Armstrong Systems & Consulting – Prairie Gold Club Cards and Printers
- Bankers Trust Company – Line of Credit
- Central Iowa Mechanical – Plumbing and HVAC Contractor
- Competitive Edge – Promotional and Advertising Items
- Gitchi Gaming – Gaming Equipment (OSV)
- Global Payments – Casino Guest Check Cashing/Guarantee Service (OSV)
- Global Spectrum – Advertising Agreement – Wells Fargo Arena
- NU Concepts (USA Entertainment) – Entertainment Booking Agency
- REG Marketing (Keck Fuels) – Fuel Purchases
- Rotellas Italian Bakery – Bread Products
- Saga Communications (Des Moines Radio Group) – Radio Promotions and Advertising
- Wood Roofing – Roofing Contractor
- Ziegler, Inc. – Maintenance Equipment

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

HEARINGS

IOC Black Hawk County, Inc.: Mr. Ohorilko advised Commission staff and IOC Black Hawk County, Inc. have entered into a Stipulated Agreement for a violation of Iowa Code §99F.9(5). He stated an underage individual entered the gaming floor unchallenged twice on February 25th, was on the floor more than thirty minutes and gambled, which triggered the Commission referral. Mr. Ohorilko noted the individual attempted to gain access to the casino floor a third time; however, the security officer requested identification and correctly identified the individual as being underage and access to the gaming floor was denied. Additionally, IOC Black Hawk

County, Inc. failed to notify the DCI of the incident until the following day even though DCI agents were on property at the time the individual was turned away. Mr. Ohorilko advised IOC Black Hawk County has agreed to an administrative penalty of \$20,000.00.

Mr. Moine apologized for the incident and stated the security officer in charge had been terminated. A new security manager with a law enforcement background was hired, the security manual has been updated and all security staff has been retrained.

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

Wild Rose Clinton, L.L.C.: Mr. Ohorilko advised Commission staff and Wild Rose Clinton, L.L.C. had entered into a Stipulated Agreement for a violation of Iowa Code §99F.4(22) related to the self-exclusion process. On January 7, 2020, Wild Rose conducted an audit and discovered a form that had not been uploaded to the self-exclusion database within the seven day time frame. They did self-report the issue to the Commission. Mr. Ohorilko stated Wild Rose Clinton has agreed to an administrative penalty in an amount between \$5,000 and \$20,000. He noted this is the first incident in the last 365 days.

Steve Nauman, General Manager, stated the facility had changed their gaming system. The individual came in in 2017, however, they are unable to prove the email was sent to the Iowa Gaming Association to upload the self-exclusion form.

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

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Chair Kramer called on Mr. Ohorilko for Administrative Business. He noted the regulatory fees approved at the June meeting were based on FY20 budgets as the Commission and DCI had not received their appropriations for FY21, which are set by the Legislature. Mr. Ohorilko advised both sets of regulatory fees were adjusted slightly to align with the respective appropriations, and have been provided to the industry. He requested approval of the revised regulatory fees for the Commission and DCI.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the revised regulatory fees as submitted by the Commission and DCI. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

ADJOURN: Commissioner Horbach moved to adjourn the meeting. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
OCTOBER 14-15, 2020**

The Iowa Racing and Gaming Commission (IRGC) met at Hard Rock Hotel & Casino Sioux City in Sioux City, Iowa on October 14-15, 2020. Commission members present were Kris Kramer, Chair; Pennie Gonseth Cheers, Vice Chair; and members Julie Andres, Lance Horbach and Daryl Olsen.

APPROVE AGENDA: Chair Kramer called the meeting to order at 5:00 PM, and requested a motion to approve the agenda. Commissioner Olsen moved to approve the agenda as presented. Commissioner Horbach seconded the motion, which carried unanimously.

EXECUTIVE SESSION: Chair Kramer requested a motion to go into Executive Session. Commissioner Gonseth Cheers moved to go into Executive Session pursuant to Iowa Code Sections 21.5(1)a, d, and g for the purpose of receiving Division of Criminal Investigation background reports on entities related to Peninsula Pacific Entertainment, LLC and SG CQ Gaming, LLC. Commissioner Andres seconded the motion. The motion carried unanimously on a roll call vote.

Following the conclusion of the Executive Session, Chair Kramer recessed the meeting until 8:30 AM on Thursday, October 15, 2020.

WELCOME: Chair Kramer reconvened the meeting at 8:30 AM, and called on Doug Fisher, General Manager of Hard Rock Hotel & Casino Sioux City. Mr. Fisher noted it had been three years since the Commission met at the facility. He noted the memorabilia on display has been changed, the facility has added new slot product, and is in the process of replacing all of the IT infrastructure. He also advised the adjacent parking garage was a joint venture between the facility and the city. Mr. Fisher stated he arrived at the property three weeks prior to the shutdown, but the team has made him feel welcome from day one. He introduced Bob Scott, Mayor of Sioux City, and Stacy Harmelink, President of Missouri River Historical Development (MRHD).

Mayor Scott thanked the Commission for putting the casino in downtown Sioux City. He indicated the downtown area is doing well, and feels it is linked to the casino being downtown.

Ms. Harmelink noted the restaurants and hotel at the property re-opened with cleanliness and safe distancing practices without sacrificing quality and entertainment. Since opening in 2014, Hard Rock has paid \$19,887,666 to MRHD, and will surpass \$20 million with this month's activities. MRHD was able to distribute \$385,000 in spring grants, and established an emergency Siouland recovery fund of \$150,000 to help address the impact of Covid-19. Ms. Harmelink stated they have been able to release funds for several grants which were being held by MRHD due to circumstances beyond their control. She recognized MRHD Board Member Colonel Krage, who was instrumental in the site selection process for Hard Rock, and will be leaving the board at the end of the year. She thanked him for all of his contributions to the board.

Chair Kramer stated the Hard Rock Hotel & Casino has exceeded the Commission's expectations.

APPROVE MINUTES: Chair Kramer moved to the approval of the minutes and requested a motion. Commissioner Horbach moved to approve the minutes for the August 27, 2020 Commission meeting as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised the November meeting will be held at the Isle of Capri Bettendorf on November 19th; submissions for the meeting are due in the Commission office by November 4th. There will not be a meeting in December; the January meeting will be held on January 21st at Prairie Meadows Racetrack and Casino in Altoona.

Mr. Ohorilko recognized Gaming Representatives Janet Schroeder and Kirk Nielsen, for their work on behalf of the Commission at the facility.

RULES: Mr. Ohorilko advised the rules before the Commission are being submitted as a Notice of Intended Action. He provided a brief summary of the proposed changes:

- Items 1 and 2: Implement legislation passed in the 2020 session;
- Item 3: Clarifies how sports wagering net receipts are reported;
- Items 4, 5, 7, 9, 10 and 11: Authorize electronic wagering accounts;
- Item 6: Updates terminology to use the proper term for persons under the age of 21;
- Item 8: Implements new requirements for promotional gambling games, specifically changing the approval process;
- Item 12: Clarifies that notifications need to be in writing;
- Item 13: Removes unnecessary language;
- Item 14: Clarifies that a vendor of retail sports wagering operations shall complete an audit;
- Items 15 and 23: Clarify revenue reporting requirements for sports wagering and fantasy sports respectively;
- Item 16: Requires sports wagering advertisements to include a link to the rules for customers;
- Items 17 and 19: Address how revenue is allocated when in-person registration is no longer required for online sports wagering;
- Item 18: Clarifies the segregation of funds for player accounts and operational funds;
- Item 20: Clarifies requirements for audits;
- Item 21: Authorizes a third individually branded website for online sports wagering accounts consistent with legislation;
- Item 22: Clarifies when a fantasy sports contest is determined to be promotional in nature.

Mr. Ohorilko stated the proposed rules had been sent to the stakeholders. Any questions or concerns have been addressed or staff is committed to continue to work on items that have not been resolved prior to the rules coming back before the Commission for final adoption. At this time, staff and stakeholders are continuing to work on how revenue is allocated when in-person registration is no longer required. He requested approval of the rules as presented under Notice of Intended Action.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the rules as submitted under Notice of Intended Action. Commissioner Andres seconded the motion, which carried unanimously.

IOC BLACK HAWK COUNTY, INC.: Chad Moine, General Manager, requested Commission approval to renovate the seating area of the existing buffet to convert it to non-smoking gaming floor space. They will move approximately 48 existing slot machines from the current gaming floor and move them into the new non-smoking area. The renovation will be completed by the facility staff.

Chair Kramer asked if the project would entail all of the buffet area. Mr. Moine answered in the negative, advising the line, kitchen equipment and another seating section of the dining room would remain. Chair Kramer asked if the area could be re-opened as a buffet if demand returned. Mr. Moine indicated that would be the case. Chair Kramer stated it is important for all the properties to maintain their amenities as that is what makes the Iowa properties unique.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the construction project pursuant to Iowa Administrative Rule 491-5.4(15). Commissioner Horbach seconded the motion, which carried unanimously.

ISLE OF CAPRI BETTENDORF, L.C. and IOC BLACK HAWK COUNTY, INC.: Doug Gross, legal counsel, stated the properties had a qualifying agreement before the Commission. This transaction relates to the merger between Caesars Entertainment, Inc. and Eldorado Resorts, Inc. As part of the merger, Caesars was required to divest of a property in Indiana. This lease exchanges the property in Indiana for the Iowa properties; there are also rent concessions. The lease itself is a lease with Tropicana; however, Tropicana is not a licensed entity in Iowa. Mr. Gross stated Tropicana will not have any control over the Iowa properties, which will be set forth in the final Master Lease.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the exchange between Isle of Capri Bettendorf, L.C., IOC Black Hawk County, Inc. and GLPI Capital, L.P. Such approval also serves as Commission approval of the Second Amended and Restated Master Lease that will be executed in connection with the exchange transaction and all other transaction documents that will be executed in order to effect the transaction between the parties. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

PENINSULA PACIFIC ENTERTAINMENT, LLC: Brent Stevens, Chairman and Chief Executive Officer (CEO), noted he was before the Commission twenty-one years ago regarding the acquisition of Greater Dubuque Riverboat Entertainment Company (GDREC), the owner of the Diamond Jo. He stated the company currently operates in five states: New York, Virginia, Kansas, and Louisiana. Mr. Stevens stated the corporate office for the company is located in Iowa. Natalie Schramm, the CFO, and Jonathan Swain, a partner since 2004, reside in Dubuque.

Mr. Stevens stated they have developed eleven properties from the ground up. The company was built on a value system of quality, service and community. They feel Sioux City is the cornerstone of their operation in Iowa. He thanked the Commission for the privilege given to them in 2012 and to partner with Bill Warner and Warner Gaming. Mr. Stevens stated Peninsula Entertainment intends to take Hard Rock Sioux City to greater places. He recognized that everyone is operating in a difficult environment at this time, but stated the property will return to where it was pre-Covid and be a home for entertainment and economic development.

Hearing no comments or questions, Chair Kramer advised the agenda items would be handled individually. She requested a motion regarding the Request for Acquisition of the Stock of SCE Partners, LLC.

Commissioner Andres moved to approve the Request for Acquisition of the Stock of SCE Partners, LLC. Commissioner Horbach seconded the motion, which carried unanimously.

Chair Kramer then requested a motion regarding the financing. Commissioner Olsen moved to approve the financing as submitted. Commissioner Horbach seconded the motion, which carried unanimously. Due to the normal training avenues being canceled this year, Brian and Tina will be doing small group training. They will tour partners/licensee locations as well as see how the bigger sportsbooks in Las Vegas operate. The Commission has two new members who have not received any outside training and others that have received limited training. This will provide an opportunity for them to ask questions of our partners and see new technology that could be coming to Iowa.

SG CQ GAMING LLC: Ed Winkofsky, Regulatory Counsel, noted SG CQ Gaming, LLC entered into a purchase agreement on February 26, 2020, to acquire the equity holdings of CQ Holding, the parent company of Casino Queen Marquette. He introduced Terry Downey, President of Casino Queen Holding Company, and Don Ostert, General Manager of the Marquette property. Mr. Winkofsky advised Mr. Soohyung Kim, owner of SG CQ Gaming, would be present today except for travel restrictions imposed due to Covid-19.

Mr. Downey stated the company is excited to be coming to Iowa, and looking to greatly improve the situation they find themselves in. He indicated the team at the property is great and they do not expect any changes.

Mr. Ostert stated he feels the situation at the facility will improve quickly with the approval of the change in ownership.

Commissioner Olsen expressed concern about the situation in Marquette, indicating he is not extremely comfortable with the reports. He noted it is the Commission's responsibility to maintain a healthy gaming industry in the State of Iowa for the benefit of the State, the stakeholders, community and employees. He indicated the Commission would be keeping an eye on the operations as they do all operations. Mr. Wikowski advised the comments were heard. The situation in Marquette will be a challenge, and the best for them as a company is to prove they will do what they say. They look forward to doing so.

to a land-based facility down the road where they can offer more amenities. He noted it is a tough region population—wise.

Commissioner Horbach read a portion of the Commission’s Mission Statement which states “... to ensure the integrity of licensed participants and operations for the state ...”, which is why SG CQ is getting these questions. The Commission wants to learn from what happened at Marquette, and the impact on the state. When he uses the word “state”, he means the gaming industry, employees and community. The questions stem from wanting to know how we got here so the Commission can create a checklist to monitor all gaming operations so this doesn’t occur, and how is it going to be fixed. He stated integrity is a big deal to the Commission, and it is their responsibility to maintain it.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve SG CQ Gaming, LLC’s request to acquire a parent company involving an Iowa licensee. Commissioner Horbach seconded the motion, which carried unanimously.

DIAMOND JO, LLC: Scott Smith, General Manager at Diamond Jo Worth, LLC, presented an Advance Deposit Sports Wagering Operator Agreement between Diamond Jo, LLC and Digital Gaming Corporation. He indicated the company is new to the US online market but has a very strong brand presence with Betway in the UK. They are excited to enter the Iowa market upon completion of the necessary licensing requirements.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the Advanced Deposit Sports Wagering Operator Agreement between Diamond Jo, LLC and Digital Gaming Corporation as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

AMERISTAR CASINO COUNCIL BLUFFS, LLC: Paul. Czak, General Manager, presented an Advance Deposit Sports Wagering Operator Agreement between Ameristar Casino Council Bluffs, LLC and Score Digital Sports Ventures, Inc. (theScore Bet).

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the Advanced Deposit Sports Wagering Operator Agreement between Ameristar Casino Council Bluffs, LLC and Score Digital Sports Ventures, Inc. as presented. Commissioner Andres seconded the motion, which carried unanimously.

HARVEYS IOWA MANAGEMENT COMPANY, LLC: Thomas Roberts, General Manager, presented an Advanced Deposit Sports Wagering Operator Agreement with American Wagering, Inc. d/b/a William Hill Sports Book.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the Advanced Deposit Sports Wagering Operator Agreement between Harveys Iowa Management Company, LLC and American Wagering, Inc. d/b/a William Hill Sports Book as presented. Commissioner Andres seconded the motion, which carried unanimously.

IOWA WEST RACING ASSOCIATION through its management company, Harveys BR Management Company, Inc.: Mr. Roberts presented an Advanced Deposit Sports Wagering Operator Agreement with American Wagering, Inc. d/b/a William Hill Sports Book.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the Advanced Deposit Sports Wagering Operator Agreement between Iowa West Racing Association through its management company Harveys BR Management Company, Inc. and American Wagering, Inc. d/b/a American Wagering, Inc. d/b/a William Hill Sports Book as presented. Commissioner Horbach seconded the motion, which carried unanimously.

REQUEST FOR APPROVAL OF REVISED SECURITY PLANS:

SCE Partners, LLC: Mr. Fisher stated the facility is moving toward last year's staffing levels based on the number of turnstiles that are open and keeping the same security levels.

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

Dubuque Racing Association, Ltd: Brian Rakestraw, General Manager, advised the facility is closed between 3:00 and 7:00 AM for cleaning. He noted they will have a minimum of two personnel at the facility while they are closed.

Chair Kramer asked what the plans were moving forward. Mr. Rakestraw stated the revision only applies to the time frame the facility is closed. There were no other changes to the security plan.

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

CONTRACTS APPROVALS (OSV = Out of State Vendor; RP = Related Party):

Diamond Jo, LLC: Mr. Smith, presented a contract with Giese Sheet Metal Co., Inc. for HVAC equipment.

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

Casino Queen Marquette, Inc.: Don Ostert, General Manager, presented a contract with Lime Rock Springs Co. as a supplier of Pepsi products.

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

SCE Partners, LLC: Mr. Fisher presented a contract with Marsh USA, Inc. for insurance services.

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

Wild Rose Clinton, L.L.C.: Steve Cody, General Manager at Wild Rose Emmetsburg, L.L.C, presented a contract with 1 IT Source for IT equipment and installation.

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

Wild Rose Emmetsburg, L.L.C.: Mr. Cody presented the following contracts for Commission approval:

- 1 IT Source – IT Equipment and Installation
- Data Business Equipment – Soft Count Equipment, Installation and Annual Maintenance

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.

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

- Pepsi Cola Bottling of Davenport – Beverage Distribution and Related Vending Products
- Empower Retirement – Administrative and Technology Services Vendor (OSV)
- Northwest Bank – Retirement Plan Services
- 1 IT Source – Updating and Replacing Computer Hardware

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

Ameristar Casino Council Bluffs, LLC: Mr. Czak presented the following contracts for Commission approval:

- Farner-Bocken Company – Cigarettes/Marketplace Groceries
- Gander Group Louisiana, LLC d/b/a Bangarang – Marketing Promotional Items (OSV)
- Global Infrastructure Special – Diver Dredging under Vessel (OSV)
- JBW & Associates, LLC – Marketing Promotional Items
- Premier Glazers' Beer & Beverage, LLC – Beer Distributor
- Scavuzzo's, Inc. – Beef and Pork Provider (OSV)
- The Printer, Inc. – Direct Mail Production
- WM of Iowa, Inc. – Removal of Waste and Recycling

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

Riverside Casino and Golf Resort, LLC: Dan Franz, General Manager, presented a contract with Sonifi Solutions, Inc. for public viewing and NFL Sunday Ticket (OSV).

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

Rhythm City, LLC: Mo Hyder, General Manager, presented a contract with Sonifi Solutions, Inc. for public viewing and NFL Sunday Ticket (OSV).

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

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

- Riverside Casino and Golf Resort, LLC – Shared Services: Internal Audit, Regulatory Compliance, and Information Technology Services (RP)
- Sonifi Solutions, Inc. – Public Viewing and NFL Sunday Ticket (OSV)
- Wellmark Blue Cross & Blue Shield – Benefit Plan: Administrator and Plan Costs
- Sands Drywall, Inc. – Renovation Project: Sportsbook Drywall and Framing (OSV)
- Thornton Flooring – Renovation Project: Flooring (OSV)

Chair Kramer asked how the remodeling was going. Ms. Haselhoff indicated it was going slower than she would like, but hopes it is finished before snow flies.

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

IOWA WEST RACING ASSOCIATION d/b/a HORSESHOE CASINO-BLUFFS RUN GREYHOUND PARK: Mr. Roberts stated the facility is proud of their relationship with the Iowa West Foundation, and requested approval of the license renewal on behalf of the team members. He introduced Brenda Mainwaring, the new President of the Iowa West Foundation.

Ms. Mainwaring provided a brief biography noting that during her travels when she was with the Union Pacific she saw how the qualified sponsoring organizations around the state were able to transform their communities through the partnerships with their gaming partners, which is very apparent in Council Bluffs. In 2019, the Iowa West Foundation surpassed the half billion mark in

grant distributions. She noted their typical grant requires a 50% match; therefore, the funds distributed to the community exceed \$1 billion. The funding this year was even more critical for communities dealing with the effects of Covid-19. Ms. Mainwaring stated IWRA created another fund to provide \$1 million in immediate support for first responders, schools, medical professionals, homeless shelters and food pantries. She advised IWRA is working with the schools to rapidly expand the reach of free community Wi-Fi so the school districts will be able to reach all of the students; noting only three families from the Council Bluffs school district reached out for assistance when school started this fall. She requested approval of the license renewal for Horseshoe Casino.

Commissioner Horbach expressed appreciation for Ms. Mainwaring's comments and the reminder of the value provided to the State of Iowa.

Chair Kramer noted the grandstand has been closed for six years, and inquired as to any plans for the space. Mr. Roberts advised the track surface has been removed, and the grandstand area is currently be utilized for storage. He stated they are looking for ways to utilize the land that would enhance the property. There is nothing planned for the immediate future.

Chair Kramer noted there is a gambling initiative on the ballot in Nebraska. She stated there is a good chance it will pass and provide competition. She stated the properties need to keep investing in their facilities to keep them fresh to draw customers to the properties.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve Iowa West Racing's Application for Pari-Mutuel License, Racetrack Enclosure License and Sports Wagering License for January 1, 2021 through December 31, 2021 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 to ensure regulatory compliance.

Commissioner Olsen seconded the motion, which carried unanimously.

IOWA GREYHOUND ASSOCIATION d/b/a THE IOWA GREYHOUND PARK: Brian Carpenter, General Manager, requested approval of the pari-mutuel license renewal application for 2021, noting it would be the 37th year of live greyhound racing in Dubuque and the seventh year under the Iowa Greyhound Association. He noted the live export signal was almost double from previous years, even with Covid-19. The total handle through September has surpassed the handle from last year by \$4.6 million. The last time handle reached that amount was in 1993.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the Iowa Greyhound Association's Application for Pari-Mutuel License for January 1, 2021 through December 31, 2021, 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 to ensure regulatory compliance;
- Import contracts are available on demand to staff to ensure regulatory compliance;
- Vet fees and drug testing associated with the extra days of racing will be taken out of any reversion amount for IGA or a check written at that time if needed to cover these expenses.

Commissioner Andres seconded the motion, which carried unanimously.

PRAIRIE MEADOWS RACETRACK AND CASINO, INC. d/b/a PRAIRIE MEADOWS RACETRACK AND CASINO (PMR&C):

License Renewal: Derron Heldt, Director of Racing, presented the application for the renewal of the pari-mutuel license and granting of race dates; Racetrack Enclosure Gambling License, and Sports Wagering License for January 1, 2021 through December 31, 2021. PMR&C requested year-round simulcasting. He noted they included race dates in the application, but are still working with the horsemen's associations regarding post times for next year. Post times should be available at the January meeting when they submit their 45-day plan for approval.

Mr. Ohorilko advised he had received an email from Jon Moss, Executive Director of the Iowa Horsemen's Benevolent and Protective Association, supporting PMR&C's license renewal application, and stating the parties are continuing to work toward finalizing the racing calendar for 2021 with regard to post times and the number of racing opportunities. Mr. Moss stated PMR&C did a wonderful job of dealing with the complexities of Covid-19. He applauded them for a successful 2020 season. He requested the Commission approve PMR&C's license renewal application.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve Prairie Meadows Racetrack & Casino's Application for Pari-Mutuel License, Racetrack Enclosure Gambling License, and Sports Wagering License for January 1, 2021 through December 31, 2021, 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 to ensure regulatory compliance;
- Import contracts are available on demand to staff to ensure regulatory compliance;
- Marketing promotions that may affect the live racing schedule and post times shall have **prior approval** from Commission staff.

Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Contract: Mr. Heldt submitted a contract with IN Marketing Group (OSV) for promotional items.

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.

Recap of Race Meet: Mr. Heldt stated PMR&C held a 67-day mixed meet, which concluded the previous Saturday (October 10th). The handle was mixed; on track handle was down 45%, while

off track handle was up 21% or \$7.2 million. The season was delayed and did not commence until June 19th. The fourth floor area saw light crowds as people did not want to be inside; the apron experienced decent crowds. In 2019, the post time on Saturday was changed to 6:00 PM, and the Sunday post time was changed to 4:00 PM. Individuals attending other tracks around the country watched the races due to the change in post times. The field size for the thoroughbreds was up slightly from 2019 – 6.5 to 6.7 this year. Quarter horse field sizes were also up slightly – 6.7 in 2019 to 7.2 per race this year.

Mr. Heldt stated PMR&C is looking at holding an 84-day mixed meet next year. They were able to save money on purses and the supplement this year and will apply those savings to next year. He indicated the purses and supplement could be slightly higher than what was offered this year. The Iowa Classic was held on September 26th, which consisted of four quarter horse races and eight thoroughbred races. All entries were Iowa-bred horses. Mr. Heldt provided some highlights of the races.

Mr. Heldt advised the thoroughbred industry held their annual sale at the Iowa State Fairgrounds on October 8th. There were 75 horses for sale, with the top horses selling for around \$60,000. He noted the average sale price was down slightly, but it was a strong sale. There were some first time owners. This was the first year the sale was offered online; approximately \$95,000 was bid online.

Mr. Heldt stated they have started working on the racing surface for next year to address some drainage issues.

Mr. Heldt stated the Breeders Cup will be held in three weeks in Lexington, Kentucky on November 6-7. He noted a local owner will have two horses in the races.

HEARINGS:

Crown DFS Inc. d/b/a DraftKings: Mr. Ohorilko advised Commission staff and Crown DFS Inc., who operates DraftKings as a fantasy sports application, have entered into a Stipulated Agreement for a violation of Iowa Code §99F.4(22) relating to the voluntary self-exclusion program. On December 26, 2019, Crown DFS downloaded the Commission self-exclusion database into their system. The next download should have occurred on or before January 2nd. An audit conducted by Commission staff revealed the Crown DFS system was not timely updated. Mr. Ohorilko stated the licensee acknowledges the above-mentioned facts constitute a violation of the process promulgated by the Commission, and have agreed to an administrative penalty between \$5,000 and \$20,000. He noted this is the first offense for Crown DFS for this activity within the past 365 days. He advised Crown DFS has implemented additional procedures to ensure their list will be updated every seven days pursuant to the Commission's Resolution for the Iowa Voluntary Self-Exclusion Program. As Crown DFS was not able to attend, they asked Mr. Ohorilko to read an email indicating they agreed to the terms of the settlement as set forth in the Stipulated Agreement. He requested approval of the Stipulated Agreement.

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

Rhythm City Casino, LLC: Mr. Ohorilko advised Commission staff and Rhythm City Casino, LLC had entered into a Stipulated Agreement regarding a violation of Iowa Code §99F.4(18) and Iowa Code Chapter 141 related to surveillance recordings. Starting in November 2018, Rhythm City began experiencing surveillance issues. On January 1, 2019, the facility had a complete loss of surveillance camera coverage for critical areas of the facility. On February 4, 2019, the facility experienced an unexpected loss of surveillance coverage for critical areas for approximately 4.5 hours. The facility failed to notify the Iowa Division of Criminal Investigation Office or Commission staff. During the investigation, it was discovered there were additional updates that should have occurred. It was also learned the facility did not have a surveillance network administrator as required in the facility's internal controls and onsite employees did not have a sufficient understanding of the network hardware and software to maintain the system or handle malfunctions.

Mr. Ohorilko noted the facility relied on vendor Pelco to provide system support, training, and information on updates and it does not appear the support received from Pelco was as expected, which was attributable to the incident. Rhythm City has since installed redundant system hardware.

Mr. Hyder stated the facility takes compliance very seriously, and have had a good track record to this point. He noted the issue was a combination of issues with the software and communication missteps. He advised the property has invested over \$400,000 in a new system and vendor due to a lack of support from the previous vendor. Mr. Hyder advised they have also strengthened their policies and procedures.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the Stipulated Agreement between Commission staff and Rhythm City Casino, LLC with an administrative penalty of \$7,500. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Diamond Jo Worth, LLC: Mr. Ohorilko stated Commission staff and Diamond Jo Worth, LLC have entered into a Stipulated Agreement for a violation of Iowa Code §99F.4(18) and Iowa Code Chapter 141 related to surveillance records. On November 13, 2019 while performing some upgrades to the system, outages occurred on all cameras in the surveillance network varying in length from two minutes to two hours. He indicated the facility was not aware of these outages; and therefore the outages were not reported. The outages did include some of the dedicated coverage areas as set forth in the rules. Commission staff was informed by several facility staff that the surveillance system had outlived its service life and was not intended to run at the current capacity. Evidence suggests some facility-employed techs lacked proper training and education to work on the system; therefore, updates and other related work was not done correctly. Mr. Ohorilko noted Boyd Gaming has committed to improve the surveillance system and has

committed the necessary funding to provide one of the best surveillance systems in the state. He noted Diamond Jo Worth, LLC has agreed to an administrative penalty up to \$10,000.

Mr. Smith took full responsibility for the loss of surveillance coverage that occurred. He noted the facility has spent just over \$400,000 in the past for improvements, but there is additional work to be completed to insure a fully updated viable surveillance system. They are committed to having the work completed by mid-2021. Mr. Smith noted the Commission talked about integrity earlier, and he is giving the Commission his word that the work will be completed. All analog and first generation digital cameras will be updated to current standards; they will have a virtual matrix and digital structure which will insure the needed structure to operate the system. He reiterated their commitment to have the work completed by mid-2021 at an additional expense of \$750,000. Mr. Smith stated that once all bids have been received, the RTAs will be submitted to the Commission for approval.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to accept the Stipulated Agreement with Diamond Jo Worth, LLC with an administrative penalty of \$7,500. Commissioner Olsen 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 noted this is the time of year when the Commission announces the reversion for the previous fiscal year. He stated the industry will be receiving approximately \$380,000. He noted a large part of that is due to Commission staff members agreeing to work for another state agency so their salaries were offset for that time period. He indicated a schedule would be sent to the facilities once the final amount has been determined.

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

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
NOVEMBER 19, 2020**

The Iowa Racing and Gaming Commission (IRGC) met at the Isle of Capri Bettendorf in Bettendorf, Iowa on November 19, 2020. Commission members present were Kris Kramer, Chair; Pennie Gonseth Cheers, Vice Chair; and members Julie Andres, Lance Horbach and Daryl Olsen.

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

WELCOME: Mayor Bob Gallagher stated the facility has been a great partner since riverboat gaming came to Bettendorf. Each operator has worked to develop private/public partnerships, and continue to work on issues that face the casinos in the area. Mayor Gallagher introduced Ann Kappeler, President of the Scott County Regional Authority (SCRA).

Ms. Kappeler welcomed the Commission to Bettendorf and the Quad Cities Convention Center, noting the SCRA was proud to contribute to the building of the facility. She thanked the Commission for their oversight of the industry. Ms. Kappeler stated SCRA divides their funds into three sections: non-profit, government, and education. Since SCRA's inception in 1991, they have provided \$89,111,216 to the community. Ms. Kaeppler stated SCRA recently funded a partnership between the City of Bettendorf and the Pleasant Valley School District to build tennis courts, pickle ball courts and parking in a unique area where the school district is building a new school. The city is developing a new park. She noted they have partnered with the River Bend Food Bank since 2013, and have provided \$588,000 to support food issues within the community. SCRA will also be providing them an additional \$50,000 to improve their refrigeration units so perishable foods can be part of the food service provided to the community. Ms. Kappeler advised SCRA is very appreciative of the partnership they have with the Isle.

Commissioner Horbach stated the information provided is a great example of a partnership between a gaming licensee and the community. He noted the Convention Center is a great strategy for all of Iowa. He noted the Isle has over 500 hotel rooms for any convention opportunity. Commissioner Horbach stated this is what the Legislature intended when they passed the gaming legislation.

Chair Kramer thanked Nancy Ballenger, General Manager, for the facility tour.

APPROVE MINUTES: Chair Kramer moved to the approval of the minutes and requested a motion. Commissioner Horbach moved to approve the minutes from October 14-15, 2020 as submitted. Commissioner Olsen seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised there will be no meeting in December. The January meeting will be held on January 21, 2021 at Prairie Meadows Racetrack

& Casino in Altoona. Submissions for the meeting are due in the Commission office by January 7th.

Mr. Ohorilko recognized the following staff members assigned to the Bettendorf and Davenport facilities: Debbie Douglas, Licensing Assistant; and Gaming Representative Stu Hoover-Bettendorf; and Gaming Representative Stan McClellan-Davenport, who also serves as a lead Gaming Representative for eastern Iowa.

RULES: Mr. Ohorilko advised the rule package before the Commission is a Notice of Intended Action, which is part of the annual Racing Task Force meetings. The meetings are conducted in the summer and fall. He provided a brief summary of the proposed changes:

- Item 1: Rescinds unnecessary definitions;
- Item 2: Adds helmet and vest safety specifications consistent with national uniform rules;
- Items 3 and 4: Adds additional reporting requirements for helmet and vest safety;
- Item 5: Clarifies jockey age representation;
- Item 6: Adds additional circumstances in which a horse would be ineligible to race;
- Item 7: Clarifies a circumstance when a horse is ineligible to start;
- Item 8: Clarifies what consecutive days are for entries;
- Items 9, 10 and 11: Result of some renumbering due to rule changes;
- Items 12 and 13: Clarifies requirements for thoroughbred and quarter horse workouts;
- Items 14, 15, and 16: Pertain to claiming of race horses, specifically when claims are allowed and not allowed, and what happens when there is a voided claim
- Item 17: Relates to Fantasy Sports, and changes the reporting requirement for certain types of potential violations.

Mr. Ohorilko requested approval of the rules presented under Notice of Intended Action.

Commissioner Horbach asked if staff was aware of any concerns from the industry on any of the proposed changes. Mr. Ohorilko advised there are no concerns regarding any of the racing rules; he noted they have unanimous support from the stakeholder group. He noted the proposed fantasy sport rule has been vetted with that industry and staff has not received any feedback. Commissioner Horbach requested information as to what happened nationally to initiate the rule changes regarding the vests and helmets.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the rules as submitted under Notice of Intended Action. Commissioner Horbach seconded the motion, which carried unanimously.

ADVANCED DEPOSIT SPORTS WAGERING OPERATOR AGREEMENTS:
Casino Queen Marquette, Inc.: Don Ostert, General Manager, requested approval of the Advanced Deposit Sports Wagering Operator Agreement with Vigtory, Inc.

Chair Kramer requested a summary of the terms of the agreement. Mr. Ostert advised the terms of the contract are confidential, but indicated the facility would be receiving a fee up front and a guaranteed monthly percentage.

Chair Kramer requested some information on the partner as this is a new company. Mr. Ostert indicated Vigtory is a start-up company out of Chicago. He indicated they are very aggressive. There are two CEOs: one was one of the top officers for MGM for sports betting.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the Advanced Deposit Sports Wagering Operator Agreement between Casino Queen Marquette, Inc. and Vigtory, Inc. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Rhythm City Casino, LLC: Mo Hyder, General Manager, requested approval of the Advanced Deposit Sports Wagering Operator Agreement with Rushmore Gaming, LLC. He advised the agreement is fairly standard; they have a Market Access agreement with them and a revenue share component. The agreement also contains provisions for a renewal after a certain period of time. Mr. Hyder advised the company is looking to expand. Rhythm City feels the company brings a lot to the table.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the Advanced Deposit Sports Wagering Operator Agreement between Rhythm City Casino, LLC and Rushmore Gaming, LLC. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Rhythm City Casino, LLC: Mr. Hyder requested approval of the Advanced Deposit Sports Wagering Operator Agreement with BettHouse, Inc. He advised the terms of this agreement are also fairly standard. This company is also looking to expand.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the Advanced Deposit Sports Wagering Operator Agreement between Rhythm City Casino, LLC and BettHouse, Inc. Commissioner Olsen seconded the motion, which carried unanimously.

Grand Falls Casino, LLC: Sharon Haselhoff, General Manager, requested approval of the Advanced Deposit Sports Wagering Operator Agreement with Twin Rivers Management Group, Inc., a Delaware corporation. She noted this would be a second skin for them as they also have an agreement with Betfred, which will continue. Ms. Haselhoff stated pending Commission approval, operations are expected to commence during the first quarter of 2021. At that time, the Elite Sportsbook operation will cease.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the Advanced Deposit Sports Wagering Operator Agreement between Grand Falls Casino, LLC and Twin Rivers Management Group, Inc. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Riverside Casino & Golf Resort, LLC: Dan Franz, General Manager, requested approval of the Advanced Deposit Sports Wagering Operator Agreement with WSI US, LLC. He noted the terms are very similar to other agreements at Elite Casino properties with a market access fee and revenue sharing. The agreement also includes some marketing requirements. This would be their second skin. He noted the company has been active in other jurisdictions.

Hearing no comment or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the Advanced Deposit Sports Wagering Operator Agreement between Riverside Casino & Golf Resort, LLC and WSI US, LLC. Commissioner Andres seconded the motion, which carried unanimously.

HARVEYS IOWA MANAGEMENT COMPANY LLC: Janae Sternberg, Vice President of Finance, requested permission to remodel the buffet space. It will be a multi-phase remodel with the first phase being a small non-smoking slot section that will house approximately 35 slot machines and add 1,472 square feet to the gaming space. The second phase will add a pizza oven and pizza counter to provide a more viable long-term option for a restaurant as Harrah's is lacking in food offerings. She noted the concept would be new to the market and goes with their current offerings. The third phase would remove the back wall of the buffet to expand seating for the café. The first phase of construction would commence in mid-December, with phase two commencing in February or March, and phase three in April.

Chair Kramer asked about completion of the project. Ms. Sternberg advised they have not requested bids from contractors and are somewhat at the mercy of their availability and any necessary equipment, but are hoping to be done by the first part of June.

Commissioner Olsen commended them on the project based on the passage of gaming in Nebraska, but feels it is small in comparison to what potentially needs to be done. Ms. Sternberg noted the property has recently come out of the merger with Eldorado. She stated the company has more funding available for capital projects than they have had in recent years and advised there are several projects in the works. She stated they are working on the skylights, lobby and some different lighting and safety options outside. She advised the remodel of the Hilton Garden Inn at Horseshoe is on the agenda for the coming year. They are also contemplating remodeling the Whiskey Row Roadhouse into a larger food option. Ms. Sternberg said the two Caesars properties will do everything they can to continue to bring patrons across the river to Council Bluffs.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve Harveys Iowa Management Company, LLC's remodel request. Commissioner Andres seconded the motion, which carried unanimously.

RIVERSIDE CASINO & GOLF RESORT, LLC: Mr. Franz requested approval of a revised security plan. The facility has three entrances to the casino floor – the main entrance, the hotel entrance, and the Event Center entrance. They usually have the main and hotel entrance open and the Event Center entrance closed, which is only open if there is an event scheduled. They are requesting permission to close the hotel entrance if they feel it is necessary. The plan is close the hotel entrance overnight when traffic is low in order to save on resources.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the revised security plan as submitted by Riverside Casino & Golf Resort, LLC. Commissioner Horbach seconded the motion, which carried unanimously.

CLINTON COUNTY DEVELOPMENT ASSOCIATION (CCDA): Chair Kramer advised the Qualified Sponsoring Organization Good Governance Measures was brought before the Commission at the August meeting and was taken under advisement by the Commission. She opened the agenda item up for comments from Commission members.

Commissioner Olsen stated the Commission discussed the issue at length and believes it is important to have term limits in place for individuals serving on the non-profit boards per good governance practices established by the Internal Revenue Service. With regard to the restriction on elected officials serving on the board, he stated he is not concerned. He noted there are individuals in his community that serve as Supervisors or Commissioners that would also be disqualified. He stated he is comfortable with easing the restriction on elected officials but term limits need to remain.

Commissioner Horbach concurred with Commissioner Olsen's comments. He stated the Commission's goal is to maintain integrity and indicated term limits are a best practice for non-profit boards across the state. Commissioner Horbach stated CCDA made a legitimate point about being able to broaden the pool of prospective board members and feels this is a good compromise.

Chair Kramer stated she concurred with the comments made by Commissioners Olsen and Horbach.

Commissioner Gonseth Cheers also stated her agreement with the previous comments.

Commissioner Horbach asked to hear from CCDA. Matt Stammeyer, President of CCDA, expressed his appreciation for the Commission's guidance and comments. He stated CCDA understands what the Commission is saying and will move forward. He advised two current board members will be leaving at the end of the year, but they did have three applicants. Two were chosen and the licensing process has commenced.

Chair Kramer directed staff to issue a letter to CCDA consistent with the discussions

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

IOC Bettendorf, L.C.: Ms. Ballenger presented the following contracts for Commission approval:

- Metronet, Inc. – Fiber Internet
- Sonifi Solutions, Inc. – Hotel In-Room TV Guide and Cable Services

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted by IOC Bettendorf, L.C. Commissioner Olsen seconded the motion, which carried unanimously.

Wild Rose Clinton, L.L.C.: Steve Nauman, General Manager, presented a contract with USA Security to upgrade surveillance equipment.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the contract as submitted by Wild Rose Clinton, L.L.C. Commissioner Andres seconded the motion, which carried unanimously.

HGI-Lakeside, LLC: Kirk Pfister, Director of Hospitality, presented a contract with Cummins Allison for a count machine and maintenance agreement.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the contract as submitted by HGI-Lakeside, LLC. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

SCE Partners, LLC: Doug Fisher, General Manager, presented the following contracts for Commission approval:

- Sioux Laundry, Inc. – Laundry Services
- The Printer, Inc. – Printing Services

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

Riverside Casino & Golf Resort, LLC: Mr. Franz presented the following contracts for Commission approval:

- Biometrica Systems Inc. – Surveillance Information Network License Agreement (OSV)
- CDW, LLC – Hardware/Software Upgrades and Licenses (OSV)
- Global Payments Gaming Services, Inc. – Cash Advance Credit/Debit Card Processing Revenue Agreement (OSV)
- Lamar Companies – Outdoor Advertising Billboards
- MedOne Healthcare Systems – Prescription Drug Benefit Plan
- PaulMolly Advertising – Digital, TV & Radio Advertising
- USPS – Postage Expense

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the contracts as submitted by Riverside Casino & Golf Resort, LLC. Commissioner Horbach seconded the motion, which carried unanimously.

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

- Performance Food Service – Food Purchases
- TJX Companies – TJ Maxx/Home Goods/Marshalls Gift Cards

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the contracts as submitted by Rhythm City Casino, LLC. Commissioner Andres seconded the motion, which carried unanimously.

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

- Document Imaging Systems – PPE Supplier (OSV)
- Premier Glazer’s Beer & Beverage, LLC – Alcohol Vendor
- Ticketmaster/Live Nation – Ticket Sales

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the contracts as presented by Harveys Iowa Management Company LLC. Commissioner Horbach seconded the motion, which carried unanimously.

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

- Document Imaging Systems – PPE Supplier (OSV)
- Premier Glazer’s Beer & Beverage, LLC – Alcohol Vendor

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the contracts as submitted by Iowa West Racing Association d/b/a Horseshoe Casino. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

HEARINGS:

Points Bet Iowa, LLC: Mr. Ohorilko advised Commission staff and Points Bet Iowa, LLC have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion). On December 17, 2019 Points Bet downloaded information from the state-wide self-exclusion database into their system. The next download should have occurred on or before December 24, 2019; however, it was not completed until December 26, 2019. The error was discovered based on an audit completed by Commission staff. Mr. Ohorilko stated no individuals on the self-exclusion list opened an account. Points Bet has advised, and Commission staff has verified, they implemented additional procedures to insure this does not occur again. This is the first offense in the past 365 days. As a result of the violation, Points Bet has agreed to pay an administrative penalty in the range of \$5,000 to \$20,000.

Rob Higgins, General Manager at Catfish Bend Casino II, LLC, stated the facility’s relationship with Points Bet has been spectacular; they are a top notch company and are very professional. He

stated he did discuss the situation with Points Bet. Mr. Higgins advised Points Bet representatives were not able to be in attendance.

Commissioner Horbach questioned why this could not be set up automatically with the technology and software available. Mr. Higgins stated that in his discussions with Points Bet they advised they tried to get more individuals involved to create more checks and balances to prevent this situation from occurring again.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Olson moved to approve the Stipulated Agreement with Points Bet Iowa, LLC for a violation of Iowa Code § 99F.4(22) with an administrative penalty of \$5,000. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Betfred Sports (Iowa) LLC: Mr. Ohorilko advised Commission Staff and Betfred Sports (Iowa) LLC have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion). On August 6, 2020, Betfred Sports downloaded the updated information from the state-wide self-exclusion database. The next download should have occurred on August 13th; however, it did not occur until August 14th. The error was discovered by Commission staff during an audit. Mr. Ohorilko stated Betfred Sports has updated their procedures by adding an additional download during any week in which the regularly scheduled download occurs earlier than Friday to avoid this situation going forward. He noted this is Betfred Sport's first offense in the last 365 days.

Mr. Ohorilko advised Cynthia Hayes, Vice President of Compliance, was not able to be in attendance but did provide a statement which Mr. Ohorilko read:

“Good morning, Chair Kramer, Commission member and Staff: On behalf of Betfred Sports, upon review of the circumstances and in discussion with IRGC staff, I agree to the terms of the agreement before you today as set forth in the agreement Betfred failed to download the Iowa self-exclusion list within seven days the week of August 10th. Our process was designed so that the download of the list would occur every Friday to maintain the seven day interval as required. Due to a change in work schedule, the list was downloaded on Thursday, August 6th as opposed to Friday, August 7th to ensure it was updated within the seven-day time frame; however, in doing so the information was not updated until eight days when the standard Friday process was resumed. Betfred takes responsible gaming and all of its regulatory and legal obligations seriously. We regret this mistake occurred and have changed our process in relation to the self-exclusion list accordingly. If there is ever a need to deviate from the Friday schedule, an additional download of the list will occur on Monday or Tuesday of the following week as well as the regularly scheduled download on Friday. This will ensure that we stay within the seven-day time frame. I'm sorry I could not be there in person. If you have any questions, please do not hesitate to contact me.”

Mr. Ohorilko requested approval of the Stipulated Agreement.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the Stipulated Agreement with Betfred Sports (Iowa) LLC with an administrative penalty of \$5,000. Commissioner Horbach 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 Andres moved to adjourn. Commissioner Horbach seconded the motion, which carried unanimously.

MINUTES TRANSCRIBED BY:

JULIE D. HERRICK