

**IOWA RACING AND GAMING COMMISSION
MINUTES
JANUARY 21, 2021**

The Iowa Racing and Gaming Commission (IRGC) met at Prairie Meadows Racetrack & Casino in Altoona, Iowa on January 21, 2021. 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 advised staff had received a request from Diamond Jo to remove Agenda Item 8(D)4, a contract with Gitchi Gaming, Inc. Chair Kramer requested a motion to approve the agenda as amended. Commissioner Olsen moved to approve the agenda as amended. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

APPROVE MINUTES: Chair Kramer moved to the approval of the minutes and requested a motion. Commissioner Horbach moved to approve the minutes for November 19, 2020 as presented. Commissioner Andres seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised there would be no meeting in February. The March meeting will be held on March 4, 2021 at Prairie Meadows Racetrack & Casino in Altoona. Submissions are due in the Commission office by February 18, 2021.

RULES: Mr. Ohorilko advised the rule packages before the Commission were presented at the October and November meetings under a Notice of Intended Action. Since that time, Commission staff has held public hearings and appeared before the Legislative Rules Review Committee. No concerns or comments were raised during either of those for the racing rules package. Mr. Ohorilko noted Commission staff did receive some feedback on the casino sports wagering package pertaining to Item 11, the electronic wagering accounts. Mr. Ohorilko stated changes were made to the rules to reflect comments, which have been circulated to the stakeholders. Regarding Item 18, the account registration, there were questions raised during the Legislative Rules Review Committee meeting. Staff worked with the representative raising those questions, and believe the issues have been resolved. Mr. Ohorilko advised he was not aware of any other outstanding issues or questions regarding either rule package, and requested approval of the rule packages under final adoption.

Hearing no comments or questions, Chair Kramer requested a motion to approve both rule packages. Commissioner Olsen moved to approve the final adoption of rules as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

REQUEST FOR APPROVAL OF FINANCING PURSUANT TO IOWA ADMIN. CODE 491-5.4(8)(a)(2): Ross Curnow, legal counsel representing Affinity Gaming and its subsidiary HGI-Lakeside, LLC, presented a request for approval of refinancing.

Commissioner Olsen asked how many states would need to approve the refinancing. Mr. Curnow advised Affinity Gaming has subsidiaries in three states: Nevada, Missouri and Iowa. Commissioner Olsen asked if Nevada or Missouri had approved the financing. Mr. Curnow stated Nevada has approved the financing.

Commissioner Olsen stated he felt the bond rates were extremely high. He asked if the rates presented were standard in the gaming industry. Mr. Curnow indicated the bond rates were consistent with the market rates for the gaming industry.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the financing of Affinity Gaming and HIG-Lakeside, LLC pursuant to Iowa Admin. Code 491-5.4(8)(a)(2) together with the documents inherent therein specifically including the Credit Agreement, Guarantee and Collateral Agreement, Mortgages, Intercompany Subordination Agreement, Indenture, Collateral Agreement, and First Lien Intercreditor Agreement. Commissioner Andres seconded the motion, which carried unanimously.

REQUEST FOR APPROVAL OF REVISED SECURITY PLANS:

Grand Falls Casino Resort, LLC: Sharon Haselhoff, General Manager, stated the plan does not change the minimum security staffing levels, but changes the typical officer schedule by reducing the need for Podium 2, which reduces the need for four officers but increases the supervisor level by one during this time. She noted the property has three podiums, but with Podiums 1 and 2 being so close to each other the staffing of Podium 2 is no longer needed. She noted Podium 3 is not seeing as much early morning traffic as it used to so having it closed in the early morning provides staffing flexibility. She requested approval of the revised security plan.

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

Rhythm City Casino, LLC: Ms. Haselhoff stated the revisions reallocate the existing security officers to the busier times. She requested approval of the revised security plan on behalf of Rhythm City Casino, LLC.

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

ADVANCED DEPOSIT SPORTS WAGERING OPERATOR AGREEMENTS:

Casino Queen Marquette, Inc.: Don Ostert, General Manager, requested approval of the sports wagering amended agreement between Casino Queen Marquette, Inc. and Vigtory, Inc. He advised FuboTV has announced they are in the process of acquiring Vigtory.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the Amended and Restated Advanced Deposit Sports Wagering Operator

Agreement between Casino Queen Marquette, Inc. and Vigtory, Inc. Commissioner Horbach seconded the motion, which carried unanimously.

HGI-Lakeside, LLC: David Monroe, General Manager, requested approval of the First Amendment to the Advanced Deposit Sports Wagering Operator Agreement with American Wagering, Inc. d/b/a William Hill Sports Book.

Chair Kramer requested an explanation of the changes to the agreement. Mr. Monroe advised the agreement now includes a clause which provides Lakeside an opportunity to terminate the agreement by December 31, 2021 with 90 days written notice, and changes the "Digital Performance Rent" from 25% to 50% for any mobile/online sports betting accounts tracked to Lakeside. He indicated this change was driven by their interest in wanting to advertise and promote sign-ups.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the First Amendment to the Advanced Deposit Sports Wagering Operator Agreement between HGI-Lakeside, LLC and American Wagering, Inc. d/b/a William Hill Sports Book. Commissioner Andres seconded the motion, which carried unanimously.

Catfish Bend Casinos II, LLC: Rob Higgins, General Manager, presented a contract with VHL Iowa, LLC, better known as 888, as their second skin.

Chair Kramer asked for additional information on the company. Mr. Higgins advised VHL is better known as an igaming company. He stated this is their first endeavor with sports wagering; they are more of an online gaming operation. Mr. Higgins stated VHL was brought to Catfish by PointsBet as the two entities currently have a relationship.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the Advanced Deposit Sports Wagering Operator Agreement between Catfish Bend Casinos II, LLC and VHL Iowa, LLC as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

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

Wild Rose Clinton, L.L.C.: Steve Nauman, General Manager, presented a contract with Tietjens Painting and Carpentry as the general contractor for hotel repairs from the derecho.

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

Dubuque Racing Association, Ltd.: Brian Rakestraw, General Manager, presented a contract with RDG Planning & Design to design the hotel expansion.

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

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

- Buzz Creative Group, LLC – Marketing Agency (RP)
- Buzz Entertainment Group, LLC – Talent Agent (RP)
- Deloitte – Financial Audit and Reporting
- Friedmutter Group – Architectural Services (OSV)
- Glazer’s Distribution of Iowa – Beverage Distributor
- L & L Distributing Co., Inc. – Beverage Supplier
- Lee Enterprises d/b/a Sioux City Journal – Advertising
- Nu Concepts, Inc. d/b/a USA Entertainment – Talent Agent
- Reinhart Foodservice, LLC – Food Supplier
- Stoney Creek Hotel & Conference Center – Hotel Room Night Stays and Banquet Services
- The Home Depot – Cleaning Supplies
- United Healthcare – Group Health Insurance
- USPS – Postage for US Mail

Commissioner Olsen asked if additional bids were solicited with regard to the Buzz Entertainment Group contract. Mr. Fisher noted they did not, and advised that it is no longer a related party contract. He stated owners of SCE Partners previously owned the company, but have sold it. Commissioner Olsen asked if there was any related party connection. Mr. Fisher advised there was not. Commissioner Olsen then asked if the contract with Buzz Creative Group was still a related party. Mr. Fisher answered in the affirmative.

Commissioner Andres asked if the fees reflected on the Request for Transaction Approval were management fees or if they included the entertainment as well. Mr. Fisher advised the fees for Buzz Entertainment were for management.

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

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

- 7G Distributing – Beer Distributor
- Blue Moon, Inc. d/b/a Holiday Inn – Hotel Rooms for Casino Guests

- Conference Technologies, Inc. (CTI) – Audio/Video Infrastructure Replacement of Outdated Equipment
- King Food Service, Inc. – Seafood Purchases
- Lamar Advertising – Billboard Advertising
- Matthews Distributing – Beverage Purveyor
- Nu Concepts, Inc. d/b/a Penguin's – Entertainment Booking
- Platinum Holdings, LLC – Lodging at the Grand Harbor Resort and Waterpark
- Radio Dubuque – Radio Advertising
- Reinhart Foods – Food and Beverage Purveyor; Paper Products
- Telegraph Herald – Newspaper Advertising
- NRT Technologies, Inc. – Guaranteed Check Cashing Services (OSV)

Ms. Runde advised ten of the contracts are ordinary recurring contracts, one is for audio/video infrastructure upgrades, and the last is for guaranteed check cashing services.

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

Diamond Jo Worth, LLC: Scott Smith, General Manager, presented a contract with NRT Technologies, Inc. for guaranteed check cashing services (OSV).

Commissioner Horbach asked if the contract was for \$3 million. Mr. Smith advised that is what the facility expects in guaranteed check cashing when they review past history. Commissioner Horbach advised he raised the question as the Request for Transaction Approval form reflects \$300,000 instead of \$3 million. He asked if the \$300,000 was part of the \$3 million. Mr. Smith answered in the affirmative.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contract as presented by Diamond Jo Worth, LLC. Commissioner Olsen seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Ms. Haselhoff presented the following contracts for Commission approval:

- Carrier Access IT, LLC – Technology Solutions: Hardware, Software and Support Services
- Lange Sign Group – Main Entrance Pylon Display Repair and Pool Display Purchase
- United States Postal Service – Direct Mail Marketing Postage

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

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

- Sysco Foodservices of Iowa – Food Vendor
- Wilson Restaurant Supply, Inc. – Restaurant Supplies and Equipment

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.

Harveys Iowa Management Company, LLC: Rob Brown, Vice President of Operations, presented the following contracts for Commission approval:

- Burton Plumbing – Plumbing Contractor
- Johnson Controls/JC Fire Prevention – Fire Control Systems
- MCL Construction – Construction Vendor

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

Iowa West Racing Association d/b/a Horseshoe Casino: Mr. Brown presented a contract with Johnson Controls/JC Fire Prevention for fire control systems.

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

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

Request for Approval of the 45-Day Plan for the 2021 Mixed Meet: Mr. Heldt stated PMR&C will have an 84-day race meet, which will commence on April 30 with 26 days of thoroughbred only racing and end on June 14th. On June 18th, the blended mixed meet will commence for 58 days of racing with the last day of racing being Saturday, September 25th.

Commissioners Horbach and Olsen commended Mr. Heldt on the 45-Day Plan submission noting that it was well put together and provided a significant amount of information.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the 45-Day Plan as submitted with the following contingencies:

- The immediate notification of any change in racing official positions.

- The completion of necessary IRGC licensing and DCI background checks of officials.

Commissioner Andres seconded the motion, which carried unanimously.

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

- Agilysys – Accounting/Inventory Control/Recipe Building Software and Support (OSV)
- Gander Group – Promotional Items (OSV)

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

HEARINGS:

Wild Rose Clinton, L.L.C.: Mr. Ohorilko advised Commission staff and Wild Rose Clinton have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(5) related to underage gambling. On June 9th, an underage male entered the gaming floor unchallenged, was on the floor for 95 minutes and did gamble. The underage male entered the gaming floor on June 13th, unchallenged, was on the floor 44 minutes and gambled. The male was identified by a housekeeper on the staff, who saw the individual and recognized him. The housekeeper notified security and an investigation into the matter revealed the male had been on the gaming floor 40 times, 27 of them the underage male gained entrance by using identification with a photo with similarities to the individual. Mr. Ohorilko advised Wild Rose Clinton has agreed to revise their policies and procedures with regard to identification requirements, and scheduled staff training. Mr. Ohorilko stated Wild Rose Clinton has agreed to pay an administrative penalty up to \$20,000.

Tom Timmons, President of Wild Rose Entertainment, LLC, noted the situation sounds bad when you read the report, but stated that when he analyzed the situation he doesn't know what could be changed other than the fact that security officers did not request identification. He stated he tries to use situations where the facility is cited as a teaching situation but was not sure what that would be in this situation. The individual was using his cousin's identification and they were almost identical twins. Mr. Timmons stated the individual was caught because the facility was having hotel housekeeping come in to wipe off the machines and his aunt recognized him and reported him to Security the next day, who started reviewing tapes. He acknowledged the error in judgement made in not requesting identification each time; but from a customer service standpoint, if the same person is at the podium that just checked the identification earlier, he asked what would change. Mr. Timmons advised they contacted the Division of Criminal Investigation (DCI) to determine what other actions could be taken in a similar situation. He stated DCI came up with the idea of handwriting analysis, and provided a 6-hour training course to all security staff. Security staff has implemented this procedure.

Commissioner Andres asked about adjustments or changes to policies, and asked for more detail regarding the handwriting analysis. Mr. Nauman stated if the security personnel have any doubt about the individual and the identification presented, they ask the individual to sign the log book.

They have found simply making the request scares the individual; they have had approximately six people leave because they didn't want to sign the log book.

Commissioner Horbach asked what triggers the request for a signature. Mr. Nauman stated any doubt the officer may have regarding the individual and the identification being presented such as hair color, glasses, etc. Requesting a signature is the last resort if the security officer has any doubt.

Commissioner Horbach noted the Commissioners had a lengthy discussion on this matter. In addition to being a regulatory body, they are also interested in protecting the experience of the consumer. He stated he would find multiple requests for identification insulting, but it is still part of their requirements. He stated he goes back to the thirteen times when no identification was checked. Mr. Nauman stated most of those times the individual was going to the lobby, to his car, or getting food and re-entering the gaming floor. Most of the time it was the same security officer who saw him leave that was still at the podium when he returned.

Commissioner Olsen noted that while the individual looked almost identical to the picture on the identification, it is the Commission's job to protect the integrity of gaming in Iowa. On paper, this situation looks really bad. He expressed his appreciation for all of the comments received and the changes made, they don't change how the Commission approaches the matter.

Commissioner Andres stated the situation provides an opportunity for everyone to learn.

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

Riverside Casino and Golf Resort, LLC: Mr. Ohorilko advised Commission staff and Riverside Casino and Golf Resort, LLC have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(5) related to underage gambling. The individual entered the gaming floor on September 19th unchallenged, was on the gambling floor over two hours and did gamble, and consumed an alcoholic beverage. The individual left the gaming floor and was discovered when he attempted to re-enter the gaming floor. The security officer requested identification and discovered the individual was underage and was not permitted on the floor. As a result of the violation, Riverside Casino and Golf Resort, LLC has agreed to pay an administrative penalty in the amount of \$20,000.

Ms. Haselhoff advised she had read through the information available on this incident, and advised it would have been avoided if the security officer at the turnstile had done his job like the second officer did, which is to ask for the proper identification and for the mask to be lowered to allow for proper identification prior to entry onto the gaming floor. Security personnel are trained to request identification from individuals that look 30 or younger. Ms. Haselhoff stated a mistake was made that should not have occurred. Proper identification procedures have been reinforced with all security personnel and team members on the floor. She noted that beverage servers also

have a responsibility to request identification if they feel someone is underage. Ms. Haselhoff advised when identification is requested, and the individual does not have the proper id, personnel is to wait for a supervisor to come and insure the proper identification and documentation occur. She noted the documentation for this individual is questionable.

Commissioner Horbach asked what the protocol is for any casino when there is an identified underage gambler or identified underage drinker; are they allowed to walk out. Ms. Haselhoff stated facility personnel should get the supervisor as soon as possible, who would contact DCI if they are on property. If DCI is not available, they reach out to local law enforcement if they are available. If neither is available, documentation is provided to DCI when they are on property next.

Hearing no further 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.

PUBLIC COMMENT: Jon Moss, Executive Director of the Iowa Horsemen's Benevolent and Protective Association, advised the Horse Racing Integrity and Safety Act was tacked on to the end of the overall Omnibus bill that was passed by Congress within the last month. He stated this Act is one of the biggest changes to the horse racing industry since the Interstate Horse Racing Act of 1978. In the Interstate Horse Racing Act of 1978, the federal government decided how the states were going to interact with each other on items such as simulcast, how horsemen and tracks were going to interact with each other and create contracts; the government created the framework and stepped aside. The Horse Racing Integrity and Safety Act takes away the state's rights; and they must turn over everything to the new organization that will dictate medication procedures and safety procedures. He stated that any of rules the Commission just approved under Final Adoption will be removed from their jurisdiction. The new organization will have the ability to dictate to the states. Mr. Moss stated this is a major issue for the horsemen, who have been fighting this piece of legislation for the last seven or eight years. The only reason this legislation passed is because it was tacked on to the Omnibus bill, thus effectively causing any representative opposed to the bill to vote for it in order to pass the Omnibus bill, which contained funding to help with corona virus issues. Mr. Moss stated there are three reasons the horsemen oppose this legislation: 1) Abdication of states' rights; 2) New organization is unchecked in how much they can charge the horsemen, racetracks or the states in order to regulate the racing industry; 3) No oversight; the new organization decides who sits on the board. No one currently associated with the horse racing industry is allowed to sit on the board. He advised the new legislation is to go into effect in July 2022.

The bill also eliminates the use of Lasix/furosemide, which is utilized as a preventative measure to stop the horses from bleeding. This will result in more horses bleeding/hemorrhaging and being unable to race. This issue affects the horse's lungs and could cause them to die on the track due to bleeding/hemorrhaging.

The biggest issue is no control over how much this is going to cost the states, tracks and horsemen for oversight, administration, testing, etc. He stated the IHBPA and other horse organizations may

reach out and ask for the Commission's assistance in trying to stop this piece of legislation from being implemented. Mr. Moss noted there are major issues facing the horse racing industry, but the industry is trying to address those issues and improve the industry. He stated this piece of federal legislation does not help the horse racing industry.

Commissioner Horbach thanked Mr. Moss for his comments. He asked what steps the IHBPA has taken to express their opinion or to amend the law. Mr. Moss advised the IHBPA is part of a larger national organization; different groups have reached out to local representatives to try to mitigate the impact the best they can. There have been discussions about possibly filing a federal lawsuit. Mr. Moss stated some feel the legislation could be deemed unconstitutional as it takes away state's rights and gives them to a non-regulated group. He stated they are still trying to figure out what the next move.

Commissioner Horbach noted staff had brought the Commission members up-to-date. He stated the Commission has not formed an opinion; it's too early.

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

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
MARCH 4, 2021**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, March 4, 2021 at Prairie Meadows Racetrack & Casino in Altoona, Iowa. 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 advised agenda items 13D(8) and the contract listed for 13N were being pulled from the agenda. She requested a motion to approve the agenda. Commissioner Gonseth Cheers moved to approve the agenda as amended. Commissioner Horbach seconded the motion, which carried unanimously.

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

ANNOUNCEMENTS: Brian Ohorilko, Administrator, advised the next meeting would be on April 15th at the MidAmerican Center in Council Bluffs and is hosted by Harrah's. Submissions for that meeting are due in the Des Moines office by April 1st. He noted there is no meeting in May. The Commission will meet on June 3rd at Catfish Bend Casino in Burlington.

DRAFTKINGS, INC.: John Cacciatore, representing DraftKings, requested the approval of pools wagering (pools) as an approved sports wagering offering. Pools wagering differs from wagers that are made by a player against an advanced deposit sports wagering operator where either the operator or player are the eventual winner of the wager. Pools wagering involves combining player wagers into a pool, and the number of player wagers determines the size of the eventual payout. Familiar forms of pools wagering include football "pick 'em" contests and NCAA bracket pools. As in other forms of wagering, players wager on the outcomes of one or more sporting events or propositions. With pools, the sums that players wager are pooled and distributed to the player or players who win, after deducting a fee for the advanced deposit sports wagering operator.

Mr. Cacciatore noted DraftKings currently offers its Pools products in Colorado, New Hampshire, New Jersey, Virginia and West Virginia, and believes it would be a popular offering in Iowa should it be deemed a permitted wager type. For tax purposes, pools are conducted in a manner where a fixed rake percentage is taken from each entry fee and the rest is added to the prize pool. DraftKings would then pay any tax due based upon the realized rake.

Mr. Cacciatore stated pools are not expressly prohibited in the statute despite other wagering restrictions being identified. While Chapter 99F does not explicitly authorize any specific type of sports wagers, the Commission is responsible for identifying wager types that are permissible for advanced deposit sports wagering operators to offer.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve pools wagering as an authorized sports wager offering subject to

individual wager submissions consistent with the requirements contained in 491-13.3(2). Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

CATFISH BEND CASINOS II, LLC: Gary Hoyer, Chief Executive Officer, presented a request for approval to amend the loan agreement, which will change the way the financing covenants are determined by removing the period of time the facility was closed and establishing a different formula for how the ratios are calculated. The change is in response to the shutdown due to the Governor's Proclamation. The amendment also provides for an alternative interest rate benchmark in the event the LIBOR market crashes.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the request from Catfish Bend Casinos II, LLC to amend their financing. Commissioner Horbach seconded the motion, which carried unanimously.

SCE PARTNERS, LLC: Dustin Manternach, Chief Operating Officer, representing Peninsula Pacific Entertainment, LLC/SCE Partners, LLC, requested approval of their tack-on financing. The tack-on financing will provide incremental liquidity to protect the company in the event of another shutdown; provide cash to fund future investment in company properties; solidify the company's debt currency in the capital markets to ensure access to capital if needed in the future; and allow the company to obtain funds at 7% cost (considering the issue premium) which is more favorable than the company's initial borrowing rate.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the tack-on financing as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

IOC BLACK HAWK COUNTY, INC.; ISLE OF CAPRI BETTENDORF, L.C.; HARVEYS IOWA MANAGEMENT COMPANY LLC AND HARVEYS BR MANAGEMENT COMPANY, INC.: Doug Gross, outside legal counsel for Caesars Entertainment, Inc., requested permission to address Agenda Items 7-10 as the Shared Services Agreement for each property is very similar but cover four different properties. He advised there are Shared Services Agreements in place where corporate provides combined services to achieve an economy of scale to multiple properties. Caesars owns these four properties, and is substituting this new agreement that provides for fees specifically related to the use of the Caesars brand and technology. Mr. Gross stated these are for one year, and renew automatically. The agreement also provides for a Shared Services fee, but it has not been incorporated at this time. If that fee is added, Caesars will seek Commission approval. Mr. Gross stated staff has been provided with an example of the costs for each individual property based on what they were in 2019.

Hearing no further comments or questions, Chair Kramer requested a motion for Agenda Items 7 through 10. Commissioner Olsen moved to approve the Service Agreements between Caesars Entertainment, Inc., Caesars Enterprise Services, LLC, Caesars Interactive Entertainment, LLC, and Caesars License Company, LLC with IOC Black Hawk County, Inc., Isle of Capri Bettendorf, L.C., Harveys Iowa Management Company LLC and Harveys BR Management Company, Inc. Commissioner Horbach seconded the motion, which carried unanimously.

Commissioner Horbach requested staff monitor the fees being paid to the corporate owners to insure they are fairly stable. He noted some properties are struggling to make cap ex improvements.

NATIONAL PROBLEM GAMBLING AWARENESS MONTH: Eric Preuss, Program Manager for the Iowa Problem Gambling Services Program, noted March is designated as Problem Gambling Awareness Month each year. This designation is used to increase public awareness of problem gambling and the availability of prevention, treatment and recovery services, and to encourage healthcare providers to screen clients for problem gambling. He noted the national NCAA basketball tournament sees over \$8 billion wagered on the games. Mr. Preuss stated that 20 states plus the District of Columbia expanded their gambling offerings in 2018; however, services to mitigate the inevitable increase in the harm associated with gambling have not kept pace.

Mr. Preuss stated there are many opportunities to gamble in Iowa: 24 casinos, 2,400 lottery outlets, 2,700 social and charitable licenses are distributed each year and 5,600 amusement games, plus multiple sports wagering and fantasy sports applications and opportunities. As a serious public health issue, problem gambling requires a comprehensive solution involving not only federal programs, but also efforts on the part of states, counties, cities, communities, families, civic groups, the gambling industry, the non-profit sector, various professions, finance, and other organizations. He stated help is a phone call, text or chat away at Your Life Iowa and 1-800-Bets Off 24/7 and 365 days a year. A 2018 survey of adult Iowans conducted by the Social and Behavioral Research Department at the University of Northern Iowa found approximately 1.7 million adults gamble each year, 1 million adults gamble every 30 days, just over 315,000 adults can be classified as at-risk for problem gambling, and 19,000 adults meet the full criteria of a gambling disorder in any given year. Mr. Preuss stated that prevention efforts in Iowa and across the country show prevention is effective and recovery is possible. He stated the Iowa Department of Public Health contracts with 20 local agencies to provide problem gambling prevention treatment and recovery support services.

Mr. Preuss stated the Your Life Iowa website is the resource hub for prevention and treatment information, resources and referral for problems related to alcohol, drugs, gambling and thoughts of suicide. For the State Fiscal Year 2020, Your Life Iowa handled almost 14,000 contacts with 2,000 being specifically related to problem gambling; the website had approximately 209,000 visits with 60,000 going to the gambling page. The new campaign for reaching those experiencing issues with problem gambling is "Be #1 at Getting Help" with the goal of reducing stigma and promoting empathy; increase online promotions and greater awareness during sporting events; fund treatment/access to grants/clarify financial costs; better balance statewide between gambling promotion and promotion of support for those seeking services; increase awareness of the anonymous options to seek help; and improve support messaging.

Commissioner Horbach stated the Commission would like to know sooner rather than later if the Problem Gambling Program sees a trend of something going in the wrong direction as it is easier to reverse earlier than later. He asked if the communication link between Commission staff and Problem Gambling staff is strong so the Commission would be made aware of an adverse trend.

Mr. Preuss answered in the affirmative. He noted there are discussions about conducting another behavior survey to determine the effects of sports wagering.

IOWA GAMING ASSOCIATION: Wes Ehrecke, President, presented the annual report of the Qualified Community County Foundation, which is prepared with the Iowa Council of Foundations. The report is a summary of projects funded in non-casino counties, which receive eight-tenths of one percent from gaming revenue. This year each non-casino county received approximately \$108,000 for their county foundation. The county foundations funded 1,923 grants totaling approximately \$9.6 million. Each county foundation has their own Board of Directors, and places 25% of the funds into a permanent endowment that is used to fund the grants.

Mr. Ehrecke stated that virtually every citizen of Iowa benefits in some manner from gaming.

EXCURSION GAMBLING BOAT AND GAMBLING STRUCTURE LICENSE RENEWALS (OSV – OUT OF STATE VENDOR; RP = RELATED PARTY):

Iowa West Racing Association/Ameristar Casino Council Bluffs, LLC (IWRA/Ameristar): Paul Czak, General Manager, introduced Brenda Mainwaring, Executive Director of Iowa West Racing Association. Ms. Mainwaring referenced the report from Mr. Ehrecke, and noted the projects funded by the community foundations and the qualified sponsoring organizations would not be possible without the support of the casino partners. She noted the last 18 months have been challenging, and have been exacerbated by the DOT work at the Council Bluffs interchange. Ms. Mainwaring noted Ameristar has continued their direct contribution to IWRA's efforts. For the 20th year, IWRA contributed turkeys so that 800 families could have Thanksgiving dinner. In January, Ameristar celebrated its 25th anniversary and recognized several employees who have been there since day one, which says a lot about the facility and is indicative of IWRA's experience and partnership with Ameristar as well. Ms. Mainwaring stated they have an impressive sports wagering facility. The support from Ameristar allows IWRA to support the community with broadband access, scholarships, and support for human service operations. While 2020 was challenging, and 2021 will present its own challenges, IWRA will continue to work with Ameristar's management and team as they make difficult business decisions and Ameristar will continue to work with IWRA so that both continue to thrive. Ms. Mainwaring requested approval of Ameristar's license renewal.

Mr. Czak noted that 2020 was extremely challenging, not only for the casino industry, and was proud how team members focused on being flexible and adapted to changing operating guidelines to focus on the safety of employees and patrons. From March 17th through August 31st, Ameristar paid health insurance premiums, both the employer and employee portion, for all team members. The company established a relief fund to assist team members, approximately \$2 million has been distributed property-wide; and executive team members took significant pay cuts and gave up their annual performance bonuses, allowing the company to distribute over \$13 million to assist front-line team members. The focus in 2021 is returning to more normal operations; the team member count has increased by almost 20% since reopening, and four of the five dining operations are open in some capacity. The hotel is operating at near capacity, and the associated amenities are open. They plan to remodel the sportsbook area in the fall and add Barstool sports. Mr. Czak stated they look forward to continuing operations in 2021 and addressing any challenges that arise.

Commissioner Horbach commended the facilities that have employees who have been with them since they opened, as it speaks highly of the operation.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Horbach 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, renew the license to conduct sports wagering to Ameristar Casino Council Bluffs, LLC, and approve the facility's revised security plan included in the application. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Iowa West Racing Association/Harveys Iowa Management Company LLC: Thomas Roberts, General Manager, introduced Ms. Mainwaring. Ms. Mainwaring expressed support for the license renewal for Harrah's Casino. She noted their work has been critical for communities dealing with the consequences of Covid-19. In partnership with other partners, the Iowa West Foundation dedicated nearly \$1 million in rapid support in southwest Iowa to first responders, hospitals, homeless shelters, food pantries, schools, mental health providers, and continues to maintain that fund, which has seen a shift toward mental health, and the recovery of small foundations and museums who have expended all of their resources. Ms. Mainwaring noted Covid has had a tremendous impact not only on the community, but on the business community as well. She noted the casinos were closed for weeks; and reopened with limited facilities and social distancing requirements limiting the ability to fully utilize the facility. Harrah's has also been impacted by the DOT's work on the interstate interchange. She noted they are planning exciting things for the future, but are currently faced with some difficult business decisions. She advised IWRA receives quarterly updates, which provides a window into the challenges driving those decisions. Ms. Mainwaring stated their success is IWRA's success as well as the community's. She noted the parties are working together to help each other find a secure future. The River's Edge project is about to commence construction, and the expansion of the interstate interchange will make the project available to all of Iowa and Council Bluffs. Ms. Mainwaring requested approval of the license renewal for Harveys Iowa Management Company.

Mr. Roberts noted he moved to the Harrahs property at the end of July after serving as the General Manager at the Isle Waterloo property. He stated it has been a challenge to get the property back to its previous operational levels, but feels they are on the right road. He noted when the property reopened, admissions were down 65%. In January, admissions were down 31%. Gaming revenues were down 56% last July; in January, they were down 16%. Mr. Roberts stated their business draws on food covers, 55 and over players, and hotel rooms. He noted Caesars paid their employees while they were out on furlough, and to help insure staff was ready to come back when they could reopen. Mr. Roberts stated they feel they have a good plan in place to get the facility back to where it needs to be from an operational standpoint. He acknowledged there have been questions regarding capital expenditures from the Commission. He advised they spent \$735,000 with the concentration being on life, safety and emergency issues. They received authorization to repair the chiller system for approximately \$300,000. Mr. Roberts acknowledged one of the reasons for their revenue shortfall is a lack of food offerings. He feels the property is on track in developing a restaurant that will draw customers to the facility.

Commissioner Horbach noted Council Bluffs is the front line of the Iowa gaming experience with Nebraska recently approving gambling. He noted it is an added burden and opportunity, and is interested in seeing their plan.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Olsen 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 renew the license to conduct sports wagering to Harveys Iowa Management Company LLC. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Washington County Riverboat Foundation, Inc./Riverside Casino & Golf Resort, LLC (WCRF/RCGR): Dan Kehl, Chief Executive Officer of Elite Casino Resorts, introduced Dave Irwin, Vice President of WCRF. Mr. Kehl stated they are aware the license is a privilege, which is only granted after careful consideration. He noted the operators owe a duty, not only to the Racing & Gaming Commission, but to the residents of Iowa. In 2004, the Commission challenged the industry to make big improvements to the customer experience and make Iowa casinos a destination for travelers from out-of-state. When the plans for RCGR were drawn up in 2005, they proposed amenities never before contemplated in Iowa – a Rees Jones golf course, a high-end hotel and luxurious spa and multiple food outlets. Today, those amenities are considered standard operating features. In 2011, Elite Casinos went to northwest Iowa, and Grand Falls Casino in Lyon County has all of the amenities that you see at RCGR. In 2016, Elite Casinos converted the Rhythm City Casino riverboat to a full service resort that is now the top revenue producer in the market. The facility is doing well because it has become the premier destination for meetings and events in the Quad Cities. In 2018, Elite reinvested \$12 million into RCGR; the project revitalized the 375,000 square foot gaming floor, restaurants and hotel rooms. New technology and new amenities played a big role in the remodel; modernizing the gaming experience for new and returning guests. The final piece of the remodel included the \$3 million renovation of the Events Center to be completed this year plus another \$1 million to upgrade slot products. After adding a \$12 million hotel expansion at Grand Falls in 2020, they plan to invest another \$8 million in the property over the next 18 months to refresh the property to enhance the experience of their guests. The project will complement the new hotel rooms with an outdoor dining experience complete with a giant LED screen and covered seating by the resort pool. Grand Falls will invest another \$1 million to upgrade slot product. Mr. Kehl stated they will be investing \$2 million in resort upgrades and slot product at Rhythm City in the year ahead. In total, Elite Casinos has planned investments of \$15 million in the next 18 months to supplement the \$30 million spent the last two years to keep the properties in immaculate condition. Mr. Kehl stated the Commission's careful regulation of the industry's operations and markets allows them to think big and plan for the long haul. He noted the company is owned by 1,200 investors and employs 1,600.

Mr. Irwin advised there have been 37 different board members since WCRF's inception. While 2020 was challenging, WCRF feels they met their goals and came through the challenging times successfully. After the casino closed on March 16th, the Board cancelled the spring grants in order to conserve the funds available for some long-term grants. They currently have a four-year commitment to the Washington County YMCA for \$2 million, and a two-year \$650,000 commitment to the City of Washington for a sports complex. As Covid progressed and the derecho

hit the Cedar Rapids and Iowa City areas, WCRF, the Kehl Family and Elite Casino awarded \$500,000 for immediate relief to the Cedar Rapids Red Cross, United Way, Salvation Army, and Hawkeye Area Community Action Program (HACAP). After the casino reopened, they had a scaled back grant cycle and awarded \$244,315 in grants, including \$113,000 to Cedar Rapids and Linn County groups. In looking forward to a positive 2021, WCRF is planning on two grant cycles, and are excited for what the future holds, but will be cautious and good stewards of the funds. Mr. Irwin stated WCRF and RCGR have an excellent relationship.

Commissioner Olsen asked if WCRF routinely awards grants for extended periods of time. Mr. Irwin indicated it was for very large grants, but try not to get committed too far out. He indicated they will be more cautious of those types of grants in the future.

Commissioner Horbach complimented WCRF and the various casinos around the state that stepped up and provided funding to help with COVID-19 and the derecho, noting they were meeting or exceeding the Commission's expectations.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers 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 renew the license to conduct sports wagering to Riverside Casino & Golf Resort, LLC. Commissioner Olsen 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 this time of year is exciting as the properties and non-profits get to talk about what they have done to continue to grow their communities and surrounding areas. While Worth County doesn't have a large population, the Northwood property is one that continues to attract guests. The property gives 5.76% of gross gaming revenue to WCDA to support non-profit entities in Worth County and the surrounding area. Mr. Smith introduced Harlan Helgeson, President of WCDA.

Mr. Helgeson thanked Mr. Smith and the DJW team for their work at the property. He advised WCDA continues to strongly support education in the form of scholarships at five local school districts, along with grants to other organizations. He requested renewal of the license.

Mr. Smith presented the following contracts for Commission approval:

- A H Hermel Co. – Cigarettes for Casino; Cigarettes and Grocery Items for Convenience Store
- AJR Equities – Event Merchandise Giveaways/Marketing Promotions
- Fairway Outdoor Advertising – Billboard Advertising in Minnesota (OSV)
- The Dimensional Group – Direct Mail Printing Services
- United Beverage, LLC – Purchase of Alcoholic Beverages for Casino and Convenience Store
- Wess, Inc. – Fuel Delivery for Convenience Store

- Worth County Hospitality – Comped Hotel Rooms for Players; Hotel Rooms for Company Personnel Visiting Property
- Technical Security Integration, Inc. – Surveillance System Upgrade (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach 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, renew the license to conduct sports wagering to Diamond Jo Worth, LLC d/b/a Diamond Jo Worth, approve the facility's revised security plan included in the application, and the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Black Hawk County Gaming Association/IOC Black Hawk County, Inc. (BHC GA/IOCW): Chad Moine, General Manager, introduced Betsy Ratchford, President of BHC GA. Ms. Ratchford advised BHC GA and IOCW have an exceptional partnership. Last year, WCDA celebrated 13 years of awarding grants to worthy projects in the area; however, 2020 will be known as a year of adaptation to the pandemic and the tremendous challenges it presented. Following the closure of the casino, the Board decided to pause grant awards until the impact on revenue was determined. This provided the Board an opportunity to reflect and review their funding categories, and provided BHC GA staff and Board more time to complete an in depth analysis of their funding strategies and priorities. In June when the casino reopened and the revenue stream restarted, the Board decided to fund the fall grant cycle. Ms. Ratchford advised that on January 25th of this year, the Board approved and funded approximately \$1.7 million to twelve projects. They also opened their spring funding grant cycle and look forward to granting additional awards in May. Since July of 2007, BHC GA has awarded over \$50.3 million to 609 projects. She noted 90% of the funds remain in Black Hawk County, but the Board reserves up to 10% for worthy projects in Bremer, Buchanan, Butler, Chickasaw, Grundy, and Tama counties. She noted their \$50.3 million in awards has leveraged an additional \$100 million in partnering investments. Ms. Ratchford stated the promises made to the Commission 13 years ago are being fulfilled, and requested approval of the license renewal.

Mr. Moine stated that like the other facilities, IOCW faced challenging times during 2020, but did spend \$800,000 to assist employees while they were furloughed, and \$120,000 on PPE to reopen and still provide free masks to guests. He advised the property has extended their non-smoking footprint during this time and moved it closer to the entrance. Mr. Moine stated this has increased the number of 55+ patrons visiting the facility. While the number of patrons allowed was restricted early on, Mr. Moine stated they are starting to see the numbers come back and will be reopening three of their four restaurant options this coming weekend. He advised BHC GA receives 5.75% of the gaming revenue. Mr. Moine requested approval of the license renewal and presented the following contracts for Commission approval:

- Bangarang Ent., LLC d/b/a Gander Group – Marketing Promotional Items (OSV)
- Covenant Medical Center (Mercy One) – Team Member Health Clinic
- Fahr Beverage – Budweiser Dealer and Other Beverage Products
- Hy-Vee – Liquor, Flowers, Food, etc.

- JCM Global – Bill Validating Technology in Slot Machines (OSV)
- Myers-Cox Company – Cigarette Vendor
- Reinhart Food Service – Food, Beverage and Food Service Equipment
- Sysco Food Services of Iowa, Inc. – Primary Food Vendor
- Wells Fargo – Corporate Credit Card Service

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to renew the license to conduct gambling games to Black Hawk County Gaming Association, renew the license to operate IOC Black Hawk County Gaming, Inc. as a gambling structure, renew the license to conduct sports wagering to IOC Black Hawk County, Inc., approve the facility's revised security plan included in the application, and the contracts as submitted. Commissioner Horbach seconded the motion, which carried unanimously.

Missouri River Historical Development, Inc./SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City (MRHD/HRHC): Doug Fisher, General Manager, introduced Stacy Harmelink, President of MRHD. Ms. Harmelink stated that from the time HRHC opened in August 2014 through January 2021, the total fees paid to MRHD totals just over \$21 million. She advised the close relationship between the entities allows MRHD to distribute \$2.35 million per year to Woodbury County and the surrounding counties. Once HRHC reopened, MRHD created a COVID-19 emergency relief grant cycle and distributed over \$150,000 to agencies to help their communities weather the pandemic. As gaming income has rebounded under the disciplined mitigation system, MRHD has resumed its \$300,000 scholarship grants to the four local colleges; these grants help more than 100 college students from Woodbury County achieve their education goals each year. Additionally, MRHD put two additional grant cycles back on the calendar for this fiscal year, making for a compressed but rewarding six months. Ms. Ratchford advised MRHD has a positive outlook since revenue projections remain stable. She stated MRHD has fulfilled its \$1.25 million economic development pledge to the City of Sioux City to help complete miles of connected bike trails, and recently contributed \$50,000 to the Municipal Airport. Last summer, MRHD paid its first five-year installment of \$200,000 on its \$1 million pledge to Sioux City's riverfront enhancement project. Ms. Ratchford noted MRHD also has an ongoing commitment to the Lewis & Clark Interpretive Center and Betty Strong Encounter Center at \$550,000 per year. She noted the Board recently established a Governance Committee to ensure compliance with their By-Laws and oversee their annual Conflict of Interest disclosure statements. Ms. Ratchford requested renewal of the gaming license.

Mr. Fisher thanked Ms. Ratchford for her comments and reiterated the common goal of MRHD and HRHC, which is to serve the community they live in. He noted the entities meet on a regular basis to keep MRHD up-to-date, and ensure they are on the same page. He requested approval of the license renewal.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to renew the license to conduct gambling games to Missouri River Historical Development, Inc., renew the license to operate SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City as a gambling structure, renew the license to conduct sports wagering to SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City, and approve the facility's

revised security plan included in the application. Commissioner Horbach seconded the motion, which carried unanimously.

Regional Development Authority/Rhythm City Casino, LLC (RDA/RCC): Mo Hyder, General Manager, introduced Matt Mendenhall, President of RDA. Mr. Hyder stated RDA and RCC have an incredible working relationship, and work closely in selecting projects and collaborate on different opportunities that benefit the community and the Quad Cities area as a whole. Over the past year, Mr. Hyder stated the facility experienced good revenue increases, and as a result, have been able to contribute to the RDA, and the State of Iowa, Scott County and the City of Davenport. He noted approximately 96% of expenditures were with Iowa vendors, consistent with the mandate to buy Iowa First. Mr. Hyder stated the facility sits in a location that allows it to attract business from neighboring and surrounding states.

Mr. Mendenhall thanked Mr. Hyder and the RCC team as they go above and beyond in the community. He stated their success in these difficult times is a testament to their leadership and community commitment. Mr. Mendenhall advised RDA, similar to other nonprofits, partnered with other lenders in the community to align resources to make sure food, shelter and health needs would be met immediately. He stated RDA contributed \$300,000 immediately, and another \$2.5 million of relief aid was provided to the community. Upon reviewing RDA's records, Mr. Mendenhall advised the nonprofit has granted over \$10 million to support amenities and infrastructure in the downtown area. He indicated this would continue to be a big priority for them. Mr. Mendenhall stated RDA has played a big part in addressing housing challenges, and have granted over \$3.5 million to various housing networks. He estimated their grants have conservatively leveraged another \$6 million in funds for the housing networks. In January, RDA opened a non-endowed donor-advised fund at the Quad Cities Community Foundation. The RDA Board recognizes the importance to both the granting role and the community leadership role RDA plays in the community. Mr. Mendenhall stated the Community Fund was possible due to the revenue sharing formula approved for RDA, and Rhythm City has been successful in increasing revenues. He stated RDA looks forward to the coming year, and plans to strengthen their relationship with RCC.

Mr. Hyder requested approval of the license renewal.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach 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 renew the license to conduct sports wagering to Rhythm City Casino, LLC. Commissioner Olsen seconded the motion, which carried unanimously.

Scott County Regional Authority/Isle of Capri Bettendorf, L.C. (SCRA/IOCB): Sally Rogers, Director of Finance, expressed regrets on behalf of Nancy Ballenger, General Manager, who was unable to attend, and introduced Mary Mahoney, representing SCRA. Ms. Rogers stated IOCB continues to have a great relationship with the SCRA and appreciate everything they do to distribute funds in the greater Quad Cities region. She noted IOCB was also impacted by the pandemic over the last year, and is hopeful the situation is improving and moving toward some

form of normalcy. The property continues to foster a great relationship with the City of Bettendorf. She noted the Event Center is hosting a record number of weddings as Illinois is still under stricter pandemic restrictions than Iowa; and conventions for the remainder of the year look promising. Ms. Rogers noted travel to the facility over the last several years has been hampered by the reconstruction of the bridge over the river, but are hopeful it will be completed as planned.

Ms. Mahoney advised the SCRA Board of Directors made a decision to suspend the spring 2020 grant cycle and provide a new grant opportunity to assist organizations with needs related to the Covid-19 pandemic. These funds were disbursed without the usual reimbursement documentation requirements. The funding criteria was changed to include general operating expenses and defined two funding priorities for the spring cycle. The first was for organizations or projects that served populations already vulnerable or were disproportionately affected by the Covid-19 pandemic, and secondly, organizations who lost revenue or saw increased demand for services as a result of the pandemic. Due to these changes, the majority of requests the SCRA saw were for operating expenses, salaries and other day-to-day expenses that fell under the adjusted criteria. All spring and fall 2019 grant reimbursement deadlines were automatically extended six months. Ms. Mahoney stated SCRA continued funding five on-going multi-cycle grants in 2020 totaling \$235,500 for the Scott County Family Y, the City of Bettendorf and Pleasant Valley community school districts, the Davenport Public Library and St. Ambrose University. She noted SCRA received 144 grant requests for 2020; they funded 111, or 80% which is higher than they would normally do. Grant requests received totaled \$3,108,000 and they distributed \$1,931,000. Since 1991, SCRA has distributed \$89,111,000. Ms. Mahoney stated IOCB is responsive to the needs of SCRA, and are a great community partner.

Ms. Rogers requested approval of the license renewal and the following contracts:

- Myers-Cox Company – Tobacco Vendor
- JKR LLC d/b/a Another Round Liquors – Liquor Vendor
- Cintas Corporation – Linen Vendor

Chair Kramer noted the cap ex expenditures at all of the Caesars properties for the coming year are much lower than at the other facilities around the state. She stated the Commission would like to see more investment in the Iowa market from the Caesars properties.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Olsen 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, renew the license to conduct sports wagering to Isle of Capri Bettendorf, L.C. and the contracts as submitted. Commissioner Horbach seconded the motion, which carried unanimously.

Dubuque Racing Association, LTD/Diamond Jo, LLC d/b/a Diamond Jo Casino (DRA/DDJ): Wendy Runde, General Manager, stated 2020 was a year to learn with the incomparable; over two months of lights out on the casino floor is an eerie and uncomfortable position; but reopening the casino with plexi barriers, masks, social distancing measures, and a bottle of Rapiocide and towel in the other were also uncomfortable. She stated it was clearer than ever that it is an honor and

privilege to hold a license to operate a casino in the State of Iowa; and to be back in business today. She noted their core customer is a 55-year old female and older; that demographic is more skeptical and is more hesitant to return to the casino; however, over the last year in the absence of other entertainment options, DDJ has seen a new customer frequent the casino and that is a younger demographic. She stated DDJ has a great opportunity ahead in getting the core customer back to the facility but keeping the new guest as well. Ms. Runde introduced Jesús Avilés, President and CEO of the Dubuque Racing Association and Q Casino, and Kevin Lynch, Board Chair for DRA.

Mr. Avilés advised Q Casino and DDJ were the first two competitors in the same market, but noted they are also partners. He stated DRA/Q Casino admires what DDJ has been able to do with very little. He advised DRA is a nonprofit organization that happens to run a casino. DRA has contributed close to \$1 million since beginning operations.

Mr. Lynch requested approval of the license renewals for Diamond Jo, LLC d/b/a Diamond Jo Casino and the Dubuque Racing Association. He noted that while they compete for market share on a daily basis, their partnership is real. Mr. Lynch stated back in 1980 Dubuque was in dire straits; however, one the sparks that brought the community back to life was the advent of gaming in Dubuque. He indicated the amount of money distributed to schools, nonprofits and volunteer groups over the last 40+ years is staggering. Mr. Lynch noted the Q Casino sits on an island about a mile upriver from the DDJ. The island's namesake is Aloysius Schmitt or Chaplain Schmitt. The island is home to several war and veterans memorials; DRA took on the project of moving them to a central location on the island at a cost of \$3.2 million. There will be a memorial to Chaplain Schmitt called Skyward Memorial, which will include a spiraling walkway over the water to a 20 foot stainless steel sculpture with lights that will illuminate the night sky, representing the last moments of Chaplain Schmitt's life.

Commissioner Gonseth Cheers expressed her appreciation for the background information on the project. Mr. Lynch noted the Skyward sculpture was fabricated in Des Moines and had to be shipped to Dubuque on an over-sized semi. He stated that when the trucking company learned of the story and intended use of the sculpture, they refused payment for the trucking and the drivers, Viet Nam veterans, also refused payment.

Hearing no further 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, renew the license to conduct sports wagering to Diamond Jo, LLC d/b/a Diamond Jo Casino, and approve the facility's revised security plan included in the application. Commissioner Olsen seconded the motion, which carried unanimously.

Dubuque Racing Association, LTD (DRA): Brian Rakestraw, General Manager of Q Casino, introduced Steve McCarron, the new Chief Financial Officer. Mr. McCarron replaced Bill Eichhorn who retired after 35 years with the organization. Like all of the other casinos, Q Casino closed on March 16 and remained closed until June 1, 2020. During the closure, the facility was able to keep all of the employees whole and paid their insurance. They brought a majority of the employees back when the facility reopened, and are almost back to full staff at this time. Prior to

the pandemic, in addition to the gaming and sports wagering, Q Casino had three restaurants, live entertainment, a live outdoors concert series, and a hotel that was operating at close to full occupancy. Mr. Rakestraw advised the facility is still struggling with attendance, which is affecting the non-gaming operations, one restaurant has fully reopened, and Houlihan's is open part-time. The hours of operation will expand as hotel occupancy increases. Houlihan's will also be renovated this summer and add outdoor seating. Mr. Rakestraw noted the facility had received Commission approval to expand the hotel with a new tower, hotel restaurant and convention space prior to the pandemic. The project has been put on hold until the end of the year at which time they will re-evaluate their needs to determine how to proceed. Mr. Rakestraw stated Q Casino and the DRA Board hope to be in a position in the future to move forward with this project or one similar. They are optimistic and are hopeful they will recover from the pandemic soon. Mr. Rakestraw requested approval of the license renewal and the following contracts:

- Aimbridge Hospitality, LLC – Hotel Management Company (OSV)
- Community Foundation of Dubuque – Donor Advised Endowment Fund
- Midwest One Bank (f/k/a American Trust & Savings Bank) – Extend Date of Existing Loan Agreement

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach 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, renew the license to conduct sports wagering to Dubuque Racing Association, Ltd., and the contracts as submitted. Commissioner Olsen seconded the motion, which carried unanimously.

Lyon County Riverboat Foundation, Inc./Grand Falls Casino Resort, LLC (LCRF/GFCR): Sharon Haselhoff, General Manager, introduced Jerry Keizer, President of LCRF. She stated they were seeking approval of the license renewal and the following contracts:

- Baxter Construction Company, LLC – Sports Wagering and Hotel Addition – Construction Manager (RP)
- Cosand Construction Company, LLC – Hotel Addition: Finish Carpentry & CO's (OSV)
- Forward Sioux Falls – Economic Investment Agreement (OSV)
- Heartland Glass Company, LLC – Hotel Addition: Framed Glass & Glazing (OSV)
- Hoogendoorn Construction, Inc. – Hotel Addition: Demo, Grading, Concrete & RV Park (OSV)
- Sands Drywall, Inc. – Renovation Project: Drywall, Framing & Hotel Finish CO's (OSV)

Ms. Haselhoff stated the facility added 66 hotel rooms in 2020, and were able to open them to the public by the end of 2020. The additional rooms are proving to be a very nice addition; they are still finishing up the outside and should be done by April. For 2021, GFCR is planning a refresh of the gaming floor starting in Quarter 4 and going into 2022. They are planning to spend \$2 million in 2021 to refresh the gaming floor with gaming chairs and slot bases, and other \$5 million in 2022 for a total of \$7 million for the casino refresh. They hope to have plans for the Commission's review in Quarter 3. Additionally, \$1 million has been budgeted for slot machine

purchases over that time period. Ms. Haselhoff noted they have a great partner in LCRF, and that the casino had extended their agreement with them in 2020 for another ten years. She expressed her appreciation for how Elite Casino Resorts empowers its employees to be engaged in their respective communities with the Winning Hands volunteer program.

Mr. Keizer stated LCRF is proud to partner with GFCR; they continue to show great support to the county and neighboring counties. Even with the facility being closed, LCRF was still able to receive over \$2.8 million in revenue. Mr. Keizer noted LCRF has some multi-year grants, but the current board has worked to pay them down, and they had sufficient funds to cover the necessary payments for 2020. He stated LCRF still gives 50% of the revenue to non-competitive grants to the three public schools in Lyon County, the eight cities within the county, and the county itself. Mr. Keizer stated LCRF did a mini-grant distribution on November 5, and gave out \$50,000. Two nights ago, the LCRF Board distributed \$649,595 to Lyon County and the surrounding counties. He advised they have kept the sports betting revenue separate. In 2020, LCRF gave the three public schools \$3,000 each to help with Covid-19 expenses. They put in cameras so parents and grandparents could watch sporting and musical events, purchased some PPE for weight rooms, and one purchased a water tank with mini-dispensers for the football team. For 2021, LCRF is working with the cities and the American Legion and Auxiliary as they are struggling to find money to purchase flags. Mr. Keizer requested approval of the license renewal for GFCR.

Commissioner Olsen expressed the Commission's appreciation for the funds expended to keep the facility in mint condition.

Hearing no further comments, Chair Kramer requested a motion. Commissioner Olsen 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, renew the license to conduct sports wagering to Grand Falls Casino Resort, LLC, and approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Clarke County Development Corporation/HGI-Lakeside, LLC (CCDC/Lakeside): Dave Monroe, General Manager, stated the facility has a great relationship with CCDC. He introduced Bill Trickey, Executive Director of CCDC.

Mr. Trickey stated Lakeside has provided Clarke County the opportunity to dream big for the last 28 years. They have been able to build walking trails and provide computers to all of the students in the schools, as well as many other projects. He complimented Mr. Monroe and the staff at Lakeside for their hard work during 2020. He requested approval of the license renewal.

Mr. Monroe stated that in March 2020, he was full of optimism as Lakeside had just completed their sixth quarter of growing admissions and revenues, seeing double digit growth in both areas in January and February. He advised at the Commission meeting they would be starting to invest capital in the public space, and then everything came to a stop. Mr. Monroe stated Lakeside saw a 40% decline in visits for most of 2020; he advised approximately 35% of players have returned. Many employees chose not to return as they weren't comfortable in the environment. He stated

that to the best of their knowledge, they did not have a single instance of someone contracting the virus on the property.

Mr. Monroe stated 2021 is starting with optimism; in January a guest that did not return in 2020 came to the property. They hope to return to operating 24/7 over the next few weeks. He indicated they will be bringing designs to the Commission in the next couple of months for exterior and interior projects. Mr. Monroe acknowledged the license is a privilege, and requested approval of the license renewal.

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

Southeast Iowa Regional Riverboat Commission/Catfish Bend Casinos II, LLC (SIRRC/CBC): Rob Higgins, General Manager, introduced Justin Pieper, Vice Chairman of SIRRC. Mr. Pieper stated the entities have a very good relationship, and have quarterly meetings to stay abreast of developments at the casino. He stated CBC continues to do wonderful things in the communities of Burlington, Keokuk and Fort Madison. He noted Keokuk utilized some of their funding to purchase equipment for the fire and police personnel; Burlington funded career programming at the school; and Burlington and Fort Madison provided funding to their respective art centers. Fort Madison also utilized funds to rebuild the historic gazebo in the community central park. Mr. Pieper expressed appreciation for the support from the casino, not only in the formal agreement, but also for funds provided to non-profit organizations outside of the formal agreement. He requested approval of the license renewal.

Mr. Higgins concurred with Mr. Pieper's statement regarding the great relationship between the two entities. He noted that when the pandemic hit and the casinos had to close, CBC was in the process of making a large investment into the gaming floor, which was then put on hold. The project was completed once the casino reopened. He advised they are also taking this opportunity to invest in and remodel the Pzazz Resort Hotel located on the entertainment side. It will be reopened in the fall, giving the property three hotels on the property. Mr. Higgins requested approval of the license renewal

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach 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, renew the license to conduct sports wagering to Catfish Bend Casinos II, LLC, and approve the facility's revised security plan included in the application. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Clinton County Development Association/Wild Rose Clinton, L.L.C. (CCDA/WRC): Steve Nauman, General Manager, noted Clinton County is approaching the 30-year anniversary of

gaming in the county, and stated the relationship between the CCDA and WRC has never been stronger. He stated the Board is made up of dedicated, hard-working individuals; their service to the community sets a positive example for everyone. Funds distributed by CCDA have reached every corner of the county – classrooms, arts, fire trucks, and the medical center. Mr. Nauman stated Clinton County is a better place to live, work and play because of the work of the CCDA. He introduced Jerome Burken, CCDA Board member.

Mr. Burken stated he has been on the board for twenty plus years, and now term limits have been established. He indicated it has been a privilege to serve on the CCDA. They have distributed funds for scholarships, fire departments, community and school playground equipment, and made a 5-year commitment to provide funds toward a new linear accelerator for the hospital for cancer radiation treatments. He advised they just paid the final installment. They have recently made a commitment to help fund an assisted living facility in Clinton County. Mr. Burken stated since CCDA did not award grants last spring, the funds were donated to help with Covid-19 expenses in the county. Mr. Burken requested approval of the license renewal.

Mr. Nauman requested approval of the license renewal.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen 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, renew the license to conduct sports wagering to Wild Rose Clinton, L.L.C., and approve the facility's revised security plan included in the application. 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, thanked the Commission for their license. He indicated that as a member of the community, WRJ feels their contribution and involvement in the community should extend past the 5% of gaming revenue guaranteed to GGCGC. Since opening in 2015, WRJ has provided almost a quarter million of additional funds in donations to the local schools, hospitals, law enforcement, local food banks and many non-profit and charitable organizations in Jefferson and throughout the county. Team members are encouraged to be active in organizations within their communities, as WRJ believes the financial and active involvement are crucial for the success of WRJ and Greene County. Mr. Dvorak requested approval of the license renewal.

Mr. Dvorak introduced Peg Raney, representing GGCGC. She stated they held their 2020 awards via Facebook Live on April 7th. She advised each of the contiguous counties received \$42,810 through their county community foundations, which then make their own decisions on what projects to fund, and report back to GGCGC. Ms. Raney stated the funds have been utilized for restrooms along the bike trails; an accessible baseball field, a public library and many other worthwhile projects. She stated GGCGC has a great relationship with the counties and volunteers on the community foundation boards. Additionally, GGCGC funds the Greene County Community Foundation, which was in existence prior to the casino coming to Jefferson; they received \$150,000 in 2020 to distribute to local grant projects under \$35,000. A total of 36 grants throughout Greene County were awarded in 2020 through the Greene County Foundation for

libraries, parks, schools and other organizations. Each of the seven municipalities in Greene County continued to receive funds per capita toward projects decided on by their own city councils. She highlighted some the projects within those communities. Ms. Raney noted GGCGC has made several long-term commitments. She stated they paid the last \$20,000 of a \$100,000 commitment to the Greene County Medical Center for the expansion project; another \$67,000 was awarded for the second year of a three-year pledge for the new Greene County Animal Shelter. Plans will move forward this spring with additional funding from the City of Jefferson and some private fund raising. The brand new Greene County Community High School opened last fall just off Highway 30 across from WRJ. In 2018, GGCGC worked with the school bond committee and pledged \$4.5 million toward the gymnasium and performing arts auditorium. The Board of Supervisors pledged \$5 million for the Iowa Central College Career Academy, which is connected to the new high school. These pledges were key to the successful passage of the school bond. Ms. Raney stated WRJ partnered with GGCGC to get a state-of-the-art scoreboard in the gymnasium this past fall. She advised the Paton-Churdan School District received another annual \$30,000 toward their school improvement projects. The 2020 grants awarded last April from GGCGC are those over \$35,000; they included \$125,000 of a 4-year \$500,000 pledge for the early learning center. This is a non-profit organization working to update their childcare facility to a \$1.8 million center near downtown Jefferson. The funding was leverage for a Future Iowa Ready Childcare Challenge Grant, which they hope to hear about soon, and other opportunities to fund the project. Additional funds were provided to the Scranton Fire Department, Greene County Medical Center, Greene County Development Corporation, and Give Back Awards of \$5,000 were given at the Board's discretion before Christmas. Ms. Raney stated support for Covid became the Board's focus after the annual funding was allocated. They supported the following areas with grants of \$35,000: Education/Families; Food and Essentials; Public Health and Greene County Small Businesses. GGCGC also hosted a fundraising workshop for interested organizations this past fall. Ms. Raney stated partnerships have been the key to the success of GGCGC. Grant requests for 2021 have been accepted; the awards ceremony will be held in April. She advised GGCGC is making a big difference in Greene County and the six contiguous counties. Ms. Raney stated they are looking forward to a "Yes" vote in 2021 to continue the progress being made in Greene County and the surrounding area.

Commissioner Gonseth Cheers expressed her appreciation for the partnership between the entities and all that is being accomplished.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to renew the license to conduct gambling games to Grow Greene County Gaming Corporation, renew the license to operate Wild Rose Jefferson, L.L.C. as a gambling structure, and renew the license to conduct sports wagering to Wild Rose Jefferson, L.L.C. Commissioner Horbach seconded the motion, which carried unanimously.

Palo Alto County Gaming Development Corporation/Wild Rose Emmetsburg, L.L.C. (PACGDC/WRE): Steve Cody, General Manager, introduced Abby Burns, representing PACGDC. Ms. Burns stated Mr. Cody and the employees have been great to work with over the last year; they held meetings via Skype or Zoom, as well as in person. She indicated the entities have a great relationship. Ms. Burns stated Coaches Corner is open and has delicious food, which

draws guests to the casino. DraftKings has also been a wonderful success. She highlighted some of the grants awarded last year: a self-contained breathing apparatus for the Emmetsburg Fire Department; the Sheriff's Department received thermal binoculars; and additional smaller grants throughout the county. Ms. Burns advised there is a school award that is shared; last year it was \$50,000, the five schools in the county each received \$10,000 in addition to the actual school award specific to technology or other projects. Ms. Burns requested approval of the license renewal for PACGDC and WRE.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach 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, renew the license to conduct sports wagering to Wild Rose Emmetsburg, L.L.C., and approve the facility's revised security plan included in the application. Commissioner Olsen seconded the motion, which carried unanimously.

Upper Mississippi Gaming Corporation/Casino Queen Marquette, Inc. (UMGC/CQM): Don Ostert, General Manager, advised that Sindee Gohde, Executive Director of UMGC, was not able to be in attendance. Mr. Ostert stated that even with the casino closure and other restrictions due to the pandemic, CQM paid over \$4 million in state and local taxes and fees in calendar year 2020; of that amount, \$207,000 went to Clayton County, \$235,000 to the City of Marquette, and \$442,000 to UMGC. They donated over \$884,000 to the local community and area, which has a significant impact on the county of less than 18,000 residents. Mr. Ostert advised UMGC provided funds to the Dollars for Scholars program, the Clayton County Food Bank, and several area police departments, the Edgewood Board of Economic Development for a trail project and many other projects.

Mr. Ostert stated CQM understands it is a privilege to operate in the State of Iowa. He advised the Commission should see an increase in capital spend in 2021 for items such as marketing kiosks, ticket redemption machines, preparation for a new slot accounting system, and several smaller projects listed in the application to improve the customer experience. He requested approval of the license renewal on behalf of UMGC and CQM.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen 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 renew the license to conduct sports wagering to Casino Queen Marquette, Inc. Commissioner Horbach seconded the motion, which carried unanimously.

Commissioner Olsen noted the common theme throughout the license renewal process was that 2020 was the year everyone wants to forget; however, he noted that businesses that continued to reinvest in their company and stay ahead of concerns tended to weather the pandemic or other catastrophic issues with very little concern. The ones that don't invest back into the company dig the smallest hole possible to dig out of. He stated as a Commissioner he is willing to give a pass for 2020-2021, but doesn't feel the pass can last very long. It is imperative the casinos reinvest in

their properties. He indicated the expectations of what the casinos need to do will be higher in the future to maintain the privilege of operating in Iowa.

IOWA GREYHOUND ASSOCIATION D/B/A IOWA GREYHOUND PARK: Brian Carpenter, General Manager and Director of Racing, requested approval of the 45-day plan for the 2021 racing season, which will be the 37th year of racing in Dubuque, and the 7th year under the Iowa Greyhound Association. He noted Iowa Greyhound Park had a good year in 2020. In 2019, the live export handle, on-track handle and import handle was \$8 million for the year. In 2020, they had almost \$16 million dollars for the year. Mr. Carpenter noted Iowa Greyhound Park is one of four greyhound tracks left in the country; they hope to have another good year.

Chair Kramer noted there is an increase in purses this year. She inquired as to the plans regarding purses for next year. Mr. Carpenter stated the Board is discussing the issue. He advised there will be a shortage of greyhounds as several individuals stopped breeding with the Florida tracks closing at the end of 2020. Oaklawn in Arkansas, which races year-round, has announced they are closing at the end of 2022. He stated it is questionable as to whether there will be a sufficient number of greyhounds to race a full season in 2022. He feels there will be a sufficient number for this year, but it could be tight at the end of the season. Mr. Carpenter stated the kennel compound is opening a month early to allow some of the dogs from Florida and Arkansas to be moved. The Board felt it would be better to offer better purses this year since the races would be full, and with the possibility they would not be able to have a full season next year they wouldn't need as much money for purses next year. Mr. Carpenter noted they have been able to reduce several expenses, which is also helping with the purse situation.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers 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 by IRGC staff to insure regulatory compliance.
- Continuous review of racetrack maintenance issues and monitoring of injuries in cooperation with IRGC representatives.
- Review and testing of the Sportech software upgrade submitted to IRGC racing stewards prior to the beginning of racing; with approval being subject to the successful testing and approval of that upgraded system by the stewards.
- Walk through by IRGC staff to ensure all equipment is in working order and the facility is ready to accept the greyhounds.

Commissioner Horbach seconded the motion, which carried unanimously.

Mr. Carpenter submitted the following contracts for Commission approval:

- United Healthcare – Health Insurance for Full-time Employees
- City of Dubuque Police Officers – Security
- Sportview Television Corp. – TV Control Center, Monitor System, Camera and Technical Support for Live and Simulcast Racing (OSV)

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

PRAIRIE MEADOWS RACETRACK & CASINO, INC. (PMRC): Gary Palmer, General Manager, presented the following contracts for Commission approval:

- Daktronics, Inc. – Tote Board Replacement (OSV)
- Fortune Wisconsin – Meat and Seafood (OSV)
- Midwest Ambulance Service of Iowa – Ambulance and Emergency Services
- Waste Management – Waste Removal Services
- Willis Auto Campus – Vehicles for Giveaway Promotions

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

PUBLIC COMMENT: Chair Kramer called on Preston Moore, Iowa State Director for The Humane Society of the United States. He noted he is a lifelong Iowa resident and attended Maquoketa High School. He indicated he has fond memories of his grandparents stating they were going down to the boats in the Quad Cities. After he became an adult, he chose to responsibly visit the casinos, and even now makes it a point to stay at the casinos as he travels the state.

Mr. Moore stated he is appearing before the Commission on behalf of the Humane Society, and also on behalf of the Stray Dog Policy and Grey2K. He advised there are two pieces of legislation, SF 415 and HF 513, which are moving through the Iowa legislature quickly. These bills will legalize simulcasting and wagering on international greyhound races. He stated the referenced organizations have some concerns about simulcasting some of the international greyhound races, specifically those taking place in Mexico and Vietnam. He stated these countries have very little or no documented animal welfare standards. Mr. Moore stated they asked the legislature to consider an amendment to the proposed legislation; however, the legislature declined, stating they preferred the Commission use its existing authority to not permit simulcasting and wagering on those tracks. Mr. Moore indicated the organizations are requesting the Commission to adopt the following policy: “The Commission shall only authorize telecasts of dog races from foreign jurisdictions that have established animal welfare programs, including a government regulatory scheme and drug testing program, a prohibition on the use of small animals as live lures in training,

and public reporting of greyhound injuries or deaths.” He stated the policy, if enacted, would solve the majority of their concerns and essentially prohibit simulcasting races from Agua Caliente in Tijuana, Mexico, or Lam Son Stadium in Vietnam. Mr. Moore stated the policy is in line with the strongly held opinions of the vast majority of Iowans that animals deserve protections, and the currently held policy of the Iowa Greyhound Association, which prohibits the sale and export of greyhounds by IGA members to any country except Australia, Ireland, the United Kingdom and New Zealand.

Jon Moss, Executive Director of the Iowa Horsemen’s Benevolent and Protective Association, stated that when these types of issues are discussed with regard to the United States versus other countries, these are countries that typically have various views on animal husbandry. There are some countries where cows are considered sacred or horse meat is a delicacy. He stated if the United States/Commission is going to have to morally judge whether or not another nation or organization of society is not up to our standards we will not be able to sell our signal, even for horse racing, much longer. Mr. Moss stated there are international treaties regarding the wagering that the US has entered into and the IRGC and US risk being fined by the World Trade Organization if the IRGC starts setting its own standards. He suggested the Humane Society of the United States reach out to federal legislators or other organizations involved in international matters. He noted there are various issues occurring all around the world that we cannot control. He reiterated that if we start making moral judgements, we would not be able to do business with any number of individuals and/or businesses. Mr. Moss stated he found it ironic that The Humane Society of the United States and the local chapter are worried about dog racing in Mexico and Vietnam when they were one of the major supporters of the recent Horse Racing and Integrity Act which took away an efficacious drug, commonly known as Lasix, that is the only known treatment to reduce or prevent exercise induced pulmonary hemorrhaging in horses.

Mr. Carpenter stated he signed up in the event Commission members had any questions. He stated he understands the arguments on both sides, but hopes the parties are able to find a middle ground which will allow individuals to bet on races in other countries as he estimates there will be no greyhound racing in the United States within five years.

ADMINISTRATIVE BUSINESS:

Review of Year-to-Date Economic Impact Reports: Mr. Ohorilko stated Commission staff requests a review of the economic impact related to the casino industry in Iowa. Information requested relates to payroll and related expenses; equipment, supplies and services; statutory required payments; and charitable contributions and donations. He advised the information received is unaudited, but feels it provides a true picture of the overall economic impact in the state of Iowa. This year the information shows the economic impact in the four categories was over \$888 million, which is down from past years. Mr. Ohorilko stated that is still an astounding amount, and even more astounding is the amount spent with Iowa vendors, which is approximately 92% of the \$888 million. When items that cannot be purchased anywhere in Iowa such as gaming equipment or advertising in markets close to the border are excluded, the percentage spent with Iowa vendors increases to 96%.

Notice of Horse Racing Promotion Fund: Mr. Ohorilko advised there is \$1,601.72 in the fund available for FY 2021. Applications are due in the Commission's Des Moines office by April 1st. Notice of Purse Amounts pursuant to Iowa Code § 99F.6(4a(3)): Mr. Ohorilko stated these are the purse supplements as a result of the 11% of adjusted gross receipts at Prairie Meadows; 50% of the advanced deposit wagering revenue and 4% of the net sports wagering receipts for calendar year 2020. For the current calendar year, the dollar amount is \$11,461,788.72 for the thoroughbreds; \$2,299,898.42 for the quarter horses and \$1,319,613.84 for the Standardbreds.

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) related to underage gambling. On September 27, 2020, an underage patron approached a turnstile at the facility with two adult companions. The security officers posted at the turnstile failed to request identification allowing the individual to enter the gaming floor unchallenged. The underage individual did gamble, and was on the gaming floor for one hour and thirteen minutes. Those three factors combined trigger the referral to the Commission consistent with the resolution. Mr. Ohorilko advised IOC Waterloo has stated they completed monthly remedial training for the security staff. They acknowledge the facts as set forth in the Stipulated Agreement are accurate, and have agreed to an administrative penalty in the amount of \$20,000.

Mr. Moine concurred the incident occurred as set forth. After the incident, management interviewed the security officer on duty. Mr. Moine noted the security officer has had several instances prior to this one where he did challenge individuals that appeared to be underage and has successfully stopped several minors from entering the gaming floor. They were interested in knowing what happened in this instance. Mr. Moine stated the security officer did not have a good reason; he admitted all three looked young and knew he should have requested identification. They asked the security officer if there was anything the facility could have done to better prepare him to prevent this situation. The security officer stated the training received was adequate, he just didn't follow through on procedures. Mr. Moine advised the security officer's employment has been terminated. He also stated the facility has increased security wages across the board; the starting wage is now \$13 per hour. They hope it will help the individuals in these positions take their job more seriously.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the Stipulated Agreement between IRGC and IOC Black Hawk County, Inc. with an administrative penalty of \$20,000. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Prairie Meadows Racetrack and Casino, Inc.: Mr. Ohorilko advised Commission staff and PMR&C have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(5) related to underage gambling. On October 24, 2020, two underage males attempted to enter the facility with four adult companions. The security officer at the entrance requested identification from one but not the other. The underage patrons were on the gambling floor for two hours and forty-five minutes. Both gambled and came into contact with other facility employees. Those three factors

combined trigger the referral to the Commission consistent with the Resolution. Mr. Ohorilko advised PMR&C has agreed to an administrative penalty in the amount of \$20,000.

Mr. Palmer introduced Jake Hitchcock, Director of Security, who spoke to the violation. Mr. Hitchcock stated PMR&C takes responsible gambling seriously. He noted the security officer has been employed by the facility for 26 years, and is still employed. Mr. Hitchcock has provided extended training with regard Iowa licenses and identification cards to out-of-state identification cards. Mr. Hitchcock stated the security officer thought two of the individuals were twins and did not request identification from both of them. The security officer has been disciplined for this infraction.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the Stipulated Agreement with PMR&C for a violation of Iowa Code § 99F.9(5) with an administrative penalty of \$20,000. Commissioner Horbach seconded the motion, which carried unanimously.

Robert Roe – Appeal of Administrative Law Judge’s Proposed Ruling: Chair Kramer stated the next item on the agenda is a contested case decision issued by an Administrative Law Judge (ALJ) in Case No. 21IRGC0002 - Robert Roe vs. IRGC. Chair Kramer advised the Commission will review the Decision, but this is not a rehearing of evidence. She stated the Commission will hear a ten minute argument from each side with the Appellant going first. After the arguments, each side will receive an additional five minutes for rebuttal, which may be waived. Chair Kramer stated the Commission would conduct the second appeal after concluding arguments on the first appeal and go into Executive Session one time to deliberate both appeals.

Mr. Roe stated he is a licensed trainer in Iowa, and a resident of Polk County. He stated the issue is whether the Board of Stewards’ decision to suspend his license for 365 days for a horse in his care testing positive for a Class I drug on September 20, 2020 was correct and legal.

Mr. Roe stated the Commission conducts drug testing on all horses that finish first or second in a race. On October 7, 2020, the Board of Stewards received two reports that the Appellant’s horse had a positive test during competition testing. The first report stated Sample #E398797 from “Candy My Boy” who finished second in the ninth race on September 20, 2020 tested positive for Mitragynine and 7-Hydroxymitragynine in the blood and urine. The second sample, #E398707, from the same horse who finished second in the first race on September 28, 2020, tested positive for the same two substances. Kratom, the marketed name for the drug, is listed as a Class 1 drug, with a Class A penalty by the Association of Racing Commissioners International (ARCI), which is a non-regulatory not-for-profit organization that sets model rules and guidelines and makes recommendations for drug violations. Mr. Roe stated Iowa has not adopted the ARCI Model Rules, and that the ARCI has no authority to impose any of their penalty recommendations or guidelines.

Mr. Roe advised Kratom is legally sold as a natural botanical supplement that is readily available over the counter. The DEA, FDA, World Anti-Doping Agency and United States Anti-Doping Agency do not list Kratom as an illegal or prohibited substance, and there is no known scientific

study in the United States supporting the theory that Kratom possesses the highest potential to affect performance. Mr. Roe stated he contacted industry leaders in equine research and medicine to determine if there was any scientific study supporting Kratom as a performance enhancing substance. He stated he provided two studies, including two separate controlled substance act 8-factor analysis from two independent organizations; both confirmed the effects of Kratom are closer to caffeine and produce a mild stimulant effect with a low potential for abuse and risk to public health.

Mr. Roe stated a hearing was held at the Board of Stewards Office located at PMR&C on October 22, 2020. The decision of the Stewards was published in Ruling No. 46165. A telephonic hearing before an Administrative Law Judge was held on January 13, 2021; the ALJ affirmed the Stewards' ruling suspending his license.

Mr. Roe cited the rules utilized by the Board of Stewards in issuing their ruling, as well as a section of the 2020 condition book issued by Prairie Meadows. He also submitted documentation which he felt called the integrity of the stewards into question, and showed bias against him stemming from an incident that occurred in 2019. Mr. Roe stated many of the drugs ARCI classifies as Class I are Schedule II substances per the Drug Enforcement Agency. He reiterated that Kratom does not qualify as a Class 1 drug under the ARCI classification. Mr. Roe also noted the ALJ indicated in the proposed ruling that the Stewards considered mitigating circumstances when assessing a smaller fine, which he feels was incorrect.

Mr. Roe stated his suspension in Iowa is recognized by all racing jurisdictions; therefore, he is currently serving the suspension. He has not raced a horse since September 28, 2020, and will have served 125 days of the suspension through February 24, 2021. He has paid the \$1,000 fine. He stated there are multiple instances across the country where racing authorities have stayed a portion of a trainer's suspension provided there were no medication violations during the stay. Mr. Roe requested a stay of the final six months of his suspension provided there were no further medication violations.

David Ranscht, Assistant Attorney General representing the Board of Stewards, stated they had heard allegations of conflict of interest, perjury and bias stemming from a different horse not at issue in this case. He stated Mr. Roe's case is very simple: Mr. Roe's horse tested positive for two substances, commonly known as Kratom, after two separate races. Mr. Roe has acknowledged he is the reason the horse had Kratom in his system; he had bought the substance for himself and accidentally spilled it in the horse's joint supplement while mixing his own tea. That is the foundation for this case, and shows a violation of the rules occurred. Mr. Ranscht stated the rule Mr. Roe violated is Administrative Rule 491-10.7(A) which states that horses cannot race with any medication, drug, foreign substance or metabolic derivative in a horse's body when the substance is a narcotic, could serve as a local anesthetic or tranquilizer, or could act as a stimulant or depressant. Mr. Ranscht reiterated the horse raced with Kratom in its body, and Mr. Roe is responsible for the substance being in the horse. In determining the sanction, the Board of Stewards considered several factors, and ultimately suspended his trainer's license for a year and imposed a \$1,000 fine. The ALJ upheld the penalty, and the appeal before you questions whether the penalty was appropriate or authorized under the circumstances. Mr. Ranscht stated the license suspension

and penalty were appropriate, and indicated the Commission should uphold the Board of Stewards' Ruling. He stated the assertions set forth by Mr. Roe are not reasons to alter the penalty. Mr. Ranscht noted Mr. Roe argued that Kratom does not affect the horse's speed; however, the rule prohibits substances that could act as a stimulant or depressant. Mr. Roe stated Kratom produces effects similar to caffeine, which is a stimulant. The regulatory framework for medications and other substances is that a substance is prohibited unless the Commission says it should be allowed. Iowa Code Section 99D.25(3)b allows the Commission to establish permissible trace levels for substances they determine to be innocuous. While the Commission has established permissible levels for some substances, Kratom is not one of them and is therefore, presumably unlawful. Under Mr. Roe's argument, all substances would be presumed to be allowable unless specifically identified, which is not how the framework operates. Mr. Ranscht stated there is a source of identifying Kratom as a prohibited substance, and that is ARCI's Model Rules. He noted there has been a question raised as to whether the rules ARCI puts out are binding. Without a document stating otherwise, Mr. Ranscht agrees they are not; however, that does not mean they are worthless. They can, and should be, considered as a source of information as a part of the Stewards' exercising their own considerable discretion to craft an appropriate penalty for violations. Mr. Ranscht noted Mr. Roe argued Kratom has been misclassified by the ARCI as there is no known study showing it to be performance enhancing. He stated it is not necessary for the substance to effect performance to be prohibited, and secondly, there is no known study supporting Kratom as being safe and legal for use in racehorses. He stated there are communications on record indicating the substance should not be in a horse. To the extent there is a contention the medication rule is vague and ambiguous because environmental conditions could affect the horse's speed, those are not medications or foreign substances. Mr. Ranscht stated the Commission could affirm the suspension and fine without even looking at the rules. Rule 10.7 and the trainer responsibility rule are enough on their own as they prohibit a substance that could be a stimulant or a depressant and puts that responsibility on the trainer. Accepting that at face value, the substance is prohibited and a violation occurred. In consulting the ARCI rules in an advisory, but not mandatory sense, only confirms the ARCI and other racing jurisdictions would treat the substance similarly. Mr. Ranscht stated the ALJ's Proposed Decision recognized all of the above. He noted the ALJ did not surmise the ARCI rules are binding; the Proposed Decision takes notice of the model rules while understanding them to be guidelines and notes the Commission has broad authority to take action against any licensee upon finding a rule violation.

Mr. Ranscht took time to address the bias allegation, stating it is not reasonable to say the stewards punish you for admittedly causing your horse to test positive. Secondly, violating the rules is supposed to hurt a little bit as it serves as a deterrent for future violations not only for the individual trainer, but all other trainers as well. Additionally, a clean record can be, and was, considered a mitigating factor. With respect to the recusal issue, there is a case that went before the Iowa Supreme Court which states being a member of two related agencies does not necessarily create a conflict of interest, which would be applicable here. Mr. Ranscht stated Mr. Roe is asking for a reduction in the suspension from one year to six months. He stated the Commission has the discretion to do so; however, the crux of the case is Mr. Roe, the trainer, admits the horse tested positive for Kratom due to his actions and knowingly allowed the horse to ingest the substance. Mr. Ranscht stated the facts as presented support the original penalty imposed, and the Commission should affirm the Proposed Decision.

Mr. Moss, on rebuttal for Mr. Roe, stated the IHBPA does not necessarily disagree with any of Mr. Ranscht's points, but clarified a couple of points. He stated that while there is a discussion and deliberations regarding a punishment for what occurred, the IHBPA does not have an issue with the fact that there is a penalty that is being administered; it is the fact there are multiple facets. Mr. Roe didn't just receive a one-year suspension; part of the penalty process is that the horse is disqualified and lost the purse from winning. He pointed out that Mr. Roe is not asking for an expungement; he is asking for a reduction in the length of the suspension. Mr. Moss stated Mr. Roe has already paid a pretty high price for the infraction. He stated the IHBPA wants a high price to be paid when individuals cheat. Mr. Moss concurred the ARCI guidelines are not completely worthless; however, Kratom is 100% misclassified as a Class 1 drug with a Class A penalty. He noted there are approximately 1100 drugs or substances on the list. When the ARCI receives information about a new substance or drug, they immediately try to classify it at the highest level and penalty until further information is available. The ARCI guidelines are a 72-page document, which sets forth multiple classes of substances and penalties. Mr. Moss stated the disparities and misclassifications in the ARCI drug classifications need to be dealt with immediately. A caffeine positive is a Class 2 drug and Class B penalty. From the information provided by Mr. Roe, it appears that would be the most appropriate penalty, which would still disqualify the horse and result in the loss of the purse money. The penalty is only a 15 or 30 day suspension of the license. Mr. Moss stated from the information provided, the stewards didn't try to evaluate the classification that the drug should be since ARCI did not follow up. He stated he has started the process with the ARCI model rules committee to reclassify Kratom. He feels the biggest issue is the misclassification of Kratom by the ARCI. Mr. Moss stated his belief that Mr. Roe has served his punishment, and there are other penalties that are ongoing.

Commissioner Horbach asked Mr. Moss his opinion as to the maximum fine and suspension available to the stewards and ALJ at the time. Mr. Moss stated the maximum fine that can be assessed by the stewards is \$1,000, and the maximum suspension is five years.

Mr. Ranscht waived his rebuttal, unless the Commission had questions. As there were none, Chair Kramer moved to the next hearing.

Steven Asmussen – Appeal of Administrative Law Judge's Proposed Decision: Chair Kramer stated the next matter on the agenda is a contested case decision issued by an Administrative Law Judge (ALJ) in Case No. 20IRGC0011 – Steve Asmussen vs. IRGC. She stated the Commission would review the decision, but will not rehear the evidence. The Commission will hear a ten minute argument from each side with the Appellant going first. After the arguments, each side will receive an additional five minutes for rebuttal, which may be waived.

Clark Brewster, legal counsel for Mr. Asmussen, thanked the Commission for allowing the proceedings to occur telephonically. He stated he is a longtime horseman, and has owned horses in various racing jurisdictions since 1989, and has had over 3,000 starters since 2000.

Mr. Brewster stated the situation in this case is one of the most patently unfair circumstances that he has seen in connection with a called positive on a trainer. He stated the parties agree on almost

all of the facts by virtue of ALJ Lindgren's ruling. Mr. Brewster noted the race occurred on July 5, 2019; a horse named Shang finished second in the stakes race at PMR&C. The horse was one of six horses shipped to PMR&C by Mr. Asmussen to race in various stakes or allowance races over seven or eight days and were stabled in the stakes barn. After the race, the horse was taken to the testing barn for blood and urine samples to be drawn, which were shipped to Industrial Laboratories, the primary lab for IRGC. The lab results showed the horse had Atenolol in its system at 1.99 ng/mL. A split sample showed contamination at 1.2 ng/mL. Mr. Brewster pointed out that Atenolol is a beta blocker commonly used, and is one of the top 100 prescribed medications worldwide, for hypertension in humans. All parties concur the amount detected is extremely low, and ALJ Lindgren stated it would not have given the horse any competitive edge. Mr. Brewster stated the stewards did not know what Atenolol was, and had to research the drug. Mr. Brewster stated no one with contact with the horse in Mr. Asmussen's employment that they were able to interview was taking the drug nor heard of it. Upon further investigation, it was determined Atenolol is a common environmental contaminant and can remain at stable levels for an extended period of time. They questioned how the drug came to be in the horse, and found numerous studies in Iowa showing it is in the water, and has been reported by the Iowa Water Board. He noted tests have been conducted on Altoona's water supply, which comes from the Des Moines River, and Atenolol was present. Mr. Brewster summarized the facts of Mr. Asmussen's case: Atenolol was in the Iowa water, and the amount found was extremely low, which would not affect the performance of the horse. The issue is how to deal with the contaminant. Mr. Brewster stated the ARCI recently published an article urging screening levels for human recreational substances. The article stated inadvertent exposure of horses in the environment dictates that trace amounts can be transferred to horses by means beyond the trainers' control such as soil contamination, trace contact with foods or touching the lips of the horse. It further states no impact on the physiology of the horse must be dealt with in the light of day using common sense. He noted with the extremely sensitive testing equipment being utilized, trace positives are becoming common place. These positives affect all the stakeholders in the industry – trainers who are penalized with purse redistributions, fans are disenfranchised because the horse is disqualified creating an illusion that the drug positive was a result of an illegal substance, and taxpayers who are forced to spend tax dollars enforcing unenforceable regulations. Mr. Brewster reiterated there has to be a common sense solution. Part of that is recognizing that inadvertent environmental exposure occurs that results in no physiological effect on the animal, which must be accounted for by regulatory agencies such as the Commission to protect the integrity of the sport and preserve its reputation. This would prevent unfairly penalizing trainers and owners for inadvertent environmental exposure and negatively impacting the perception of the sport when trace positives have no adverse impact on the integrity of racing. Mr. Brewster stated in the case before the Commission the trainer absolutely did not administer the medication, which was the finding of the stewards and the ALJ; it is a chemical that is environmentally present as it has been found to be in the water source and did not impact the race.

Mr. Brewster stated the reasoning of the stewards was based on no evidence at all and is also contained in the ALJ's proposed decision. The position was that since no other horse tested positive for Atenolol, then Mr. Asmussen must have done something wrong. He noted there is no evidence no other horse had Atenolol in its system; this is the only horse that was reported. He stated testing labs routinely engage in screening tests to screen out, on their own judgement, these

types of environmental contaminants. There is no way to know why the horse was slightly above the screening limit; no one was able to obtain the screening limit from the lab or talk to the lab about it. Mr. Brewster closed his comments by reading a quote from an article written by Steward Tanya Boulemetis, which was published in September 2016: "With today's sophisticated testing methods, incontestable trace levels from inadvertent environmental exposure that no trainer, regardless of how careful, can possibly avoid can result in career ending penalties." She also stated other substances similarly identified in other jurisdictions and found to be of no threat to the integrity of racing and deemed likely to result from inadvertent environmental contamination, the mandatory penalty for trainers for trace environmental exposure positive test is a very dangerous precedent. Racing commissioners that have foresight and are concerned with the actual integrity of racing recognize that calling trace levels of environmental substances as positives only darken the reputation of the entire racing industry and does nothing to identify and deter the real threats to racing or protect the racehorse. Such focus on inadvertent environmental exposure diverts resources and time from the necessary goal of identifying actual cheating." Mr. Brewster stated the ruling is based on the absolute insurer rule – the trainer is absolutely responsible. The other rules cited in this case are not applicable to the facts that were found; stewards found that Mr. Asmussen did not administer the medication and that it was an environmental contaminant; that the amount found was incontestable and did not affect the race. Mr. Brewster pointed out that ALJ Lindgren struggled with the idea of an absolute insurer rule, which means the trainer is held responsible for any kind of environmental contaminant that appears in a horse's blood post-race; the trainer is fined, the purse is taken away, and based on a point system, could be barred from the sport. He stated this is adverse to any common and fair principle, and must stop.

Mr. Ranscht stated Mr. Asmussen received a \$1,000 fine and did not receive any suspension from the stewards or the ALJ. He stated that is not a career-ending penalty. The trainer responsibility rule under which the fine was imposed has long been recognized as an essential tool in the racing regulators' toolbox. It does not operate illegally or unconstitutionally, and didn't do so in this case. Mr. Ranscht stated the Commission should uphold the fine. He noted trainers are responsible for preventing the administration of drugs and other substances, but are also separately responsible for the presence of any medications or substance regardless of administration or what third parties do. These rules are different and a separate basis for disciplinary action, including fines, against a trainer. He stated that even if Mr. Asmussen did not administer the substance to the horse or authorize someone else to do so, he is responsible for the positive test. This is a common condition of licensure in racing jurisdictions, and has been upheld as legal and constitutional in several different states. Mr. Ranscht stated the trainer responsibility rule says trainers are responsible for the condition of their horses, and in the absence of evidence to the contrary, for the presence of the drug. The absence of substantial evidence to the contrary doesn't modify the presence or whether a violation occurred. The way to present the substantial evidence is to show the drug wasn't actually present; that perhaps a false positive occurred that is being called into question when you send a split sample and it comes back clean; or there was an inadvertent label swap. Second, if administration was a necessary condition to a violation of the trainer responsibility rule, Rules 10.5(1)(a)(1) and 10.5(1)(a)(2) would duplicate one another. He stated the Commission, like any court, has to presume the entire rule and all language matters and there is no surplus. Third, there is no similar substantial evidence carve out in the prohibited substance rule which says no horse shall carry prohibited substances. The environmental contamination argument does not matter for

that rule because even though it is an environmental contamination, the horse still carried the substance in its body. The distinction between affirmative administration and responsibility is really important. The trainer responsibility rule already anticipates that there may be times when there is no direct evidence of how a drug got into a horse's system; but it places responsibility on the trainer regardless of the acts of third parties. Mr. Ranscht stated the allocation of responsibility makes sense because trainers are in the best position to prevent a horse from racing with illegal drugs or other prohibited substances in its system. The stewards recognized there was at least a question of environmental contamination and gave Mr. Asmussen the benefit of the doubt, which is why they only imposed a fine without a correlating suspension. In contrast to the first appeal before the Commission today, there was no direct admission or acknowledgement that the reason the horse tested positive was the trainer's own acts. These facts represent a part of the balancing act the stewards must do on a daily basis when they are deciding whether to impose penalties. In this case, they decided to levy a fine with no suspension. Mr. Ranscht stated that was a reasonable balance as was the application of the trainer responsibility rule. Mr. Ranscht stated the Commission should uphold the \$1,000 fine.

Mr. Brewster stated this case could be very damaging to Mr. Asmussen as Iowa also subscribes to the mandatory penalty for trainers; therefore, the multiple medication violation provision of the Racing Medication and Testing Consortium (RMTC) is applicable. This is a points violation which could result in a lengthy suspension should Mr. Asmussen be fined for a slight overage on some other therapeutic medication. He takes issue with the idea that Mr. Asmussen should accept the fine. Secondly, Mr. Asmussen lost a purse of \$15,000, which Mr. Brewster called a substantial penalty for a medication substance that has no bearing on the outcome of the race. Mr. Brewster pointed out that the rules cited by the stewards were the ones that directly involve the trainer administering the medication; however, the substance was not administered, it was an environmental contamination. He states those rules were not violated. The issue then becomes whether the trainer is responsible. In this instance, the question is whether there is substantial evidence to the contrary with regard to running a horse that has some medication subsequently found in its system. Right now the industry is dealing with many reviews and changes in environmental contaminants by the ARCI and other jurisdictions. They are finding out that many of these medications are either watersheds or reside as a stable chemical in stalls. These are changing the dynamics in regulatory law and in recommendations by the ARCI. Mr. Brewster called this situation form over substance; it does not do anyone any good to hold a trainer responsible per the responsibility rule when the only way to avoid the violation was to not water the horse. He noted there is a rule which states the racing authority has a responsibility to provide water, which is the source of the contamination in this case. Mr. Brewster referenced an article in the Altoona paper discussing major contaminants in the water supply in Altoona and the evidence that this was clearly environmental contamination. He asked what principle could be advanced by fining Mr. Asmussen and taking away the purse. He stated it would be unfair for an individual to test positive to Atenolol and be terminated from their job because of it just because they drank the water.

Mr. Ranscht referenced Mr. Brewster's comments regarding the screening limits. He stated that accepting the screening limits as an important factor and Atenolol allegedly in the water of Altoona, you would still think that more than one horse in the entire race meet would have tested

positive above the screening limits. He stated that is an important fact that needs to be acknowledged and addressed. Mr. Ranscht waived the rest of his rebuttal time.

Chair Kramer requested a motion to go into Executive Session. Commissioner Gonseth Cheers moved to go into Executive Session pursuant to Iowa Code Section 21.5(1)f for the purpose of discussing the decision to be rendered in a contested case conducted according to the provisions of Iowa Code Chapter 17A. Assistant Attorney General William Hill will be acting as counsel for the Commission. Commissioner Horbach seconded the motion, which carried unanimously on a roll call vote.

Upon returning to the open meeting, Chair Kramer requested a motion regarding the appeal hearing for Robert Roe vs. IRGC. Commissioner Olsen moved to affirm the Administrative Law Judge's Proposed Decision for the reasons set forth in the Proposed Decision. A written ruling will be distributed consistent with this determination. Commissioner Horbach seconded the motion, which carried unanimously.

Chair Kramer requested a motion regarding the appeal hearing for Steve Asmussen vs. IRGC. Commissioner Horbach moved to affirm the Administrative Law Judge's Proposed Decision for the reasons set forth in the Proposed Decision. A written ruling will be distributed consistent with this determination. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

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

MINUTES TRANSCRIBED BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
APRIL 15, 2021**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, April 15, 2021 at the Mid-America Center in Council Bluffs, Iowa. 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: Thomas Roberts, General Manager of Harrah's and Horseshoe Casino, welcomed everyone to Council Bluffs, and stated team members are proud to work in Iowa and be a part of the Council Bluffs community. He introduced Mayor Matt Walsh and Brenda Mainwaring, Executive Director of the Iowa West Racing Association.

Mayor Walsh noted he was first elected to the City Council at the end of 1993. His first official role was to ride the Ameristar Casino riverboat up the river from the Mills/Pottawattamie County line to its dock. It was the first riverboat to arrive in Council Bluffs. He stated the contributions from the gaming industry to Council Bluffs over the past 25+ years have been phenomenal. He thanked IRGC for their oversight of the industry, which has been run professionally; the employees are contributors to the community, and the Iowa West Foundation has been a significant partner in developing Council Bluffs.

Ms. Mainwaring noted the Iowa West Racing Association receives the gaming funds and allocates them to the Iowa West Foundation (IWF). She stated the vision of the IWF is "A community where families choose to live and businesses choose to locate because of the quality of life and standard of living." Community is broadly defined as southwest Iowa. The average annual charitable funding has been \$16,000,000; however, they anticipate approximately \$13,000,00 going forward as they are not sure what the recovery period from Covid will be, nor the impact the advent of gambling in Nebraska will have on revenue. To date, IWF has donated over \$500 million in charitable gifts, most of which require a 1-1 match. IWF's funding priorities are Pottawattamie County first, but they also provide funds to 13 surrounding counties for regional amenities and providers serving southwest Iowa. Some regional amenities are located in Nebraska, but are attractions that would not be replicated in Council Bluffs, such as the zoo. An example of a regional service provider is Boys Town located in Omaha, but provides services to Iowans. Ms. Mainwaring highlighted charitable contributions to rural communities and counties; education, healthy families, place-making, and economic development.

Ms. Mainwaring highlighted IWF's support of BLink Wi-Fi, which provides internet service free to the community. She stated when distance learning was required due to Covid, there were less than a dozen families who experienced difficulties in connecting to the service. Additionally, IWF has provided scholarships to over 500 students to continue their education. They have provided funds to homeless shelters, food banks, and recently hosted a diversity, equity and inclusion training to approximately 100 elected officials, law enforcement and non-profit leaders via a web-

based platform. Ms. Mainwaring noted IWF's funding of several sports facilities to support the community's efforts to provide quality of life amenities for its residents. With regard to economic development, she advised Council Bluffs has taken ownership of a previous railroad corridor and is turning it into a transportation corridor which includes an entertainment district and housing. This project could extend to the riverfront, and would connect downtown Omaha with Council Bluffs. She also mentioned the Rivers Edge project.

Chair Kramer noted the Commission toured all three properties on Wednesday evening, and thanked everyone for their time.

APPROVE MINUTES: Chair Kramer requested a motion regarding the minutes. Commissioner Olsen moved to approve the minutes from March 4, 2021 as submitted. Commissioner Andres seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator, advised there would be no meeting in May. The next Commission meeting will be held on June 3rd at Catfish Bend Casino in Burlington. Submissions are due in the Commission office by May 19th.

Mr. Ohorilko announced the proposed meeting dates and locations for the Commission meetings for Fiscal Year 2022. They are as follows:

- July 15, 2021 – Prairie Meadows Racetrack & Casino, Altoona
- August 26, 2021 – Riverside Casino & Golf Resort, Riverside
- October 21, 2021 – Casino Queen Marquette, Marquette
- November 18, 2021 – Diamond Jo, Dubuque
- January 13, 2022 – Prairie Meadows Racetrack & Casino, Altoona
- March 3, 2022 – TBD
- April 14, 2022 – Horseshoe Casino, Council Bluffs
- June 2, 2022 – Wild Rose Emmetsburg, Emmetsburg

Mr. Ohorilko recognized the following staff members assigned to the facilities in Council Bluffs: Jeff Rethmeier and Julie Petersen, Gaming Representatives at Harrahs; Steven Vang, Gaming Representative at Horseshoe Casino, and Deb Kissel, Licensing Assistant for all three facilities. He thanked them for their work on behalf of IRGC.

REQUEST FOR APPROVAL OF FINANCING PURSUANT TO 491 IAC 5.4(8)“a”(2):
Affinity Gaming (Owner of HGI-Lakeside, LLC): Lorraine May, legal counsel, requested approval of tack-on financing to increase the bonds the Commission approved in January by \$70 million. The tack-on bonds will be secured by the same security package described in the December 2020 letter, and trade under the same CUSIP number.

Commissioner Horbach noted the intended use for the additional capital is to “fund growth and development and make strategic acquisitions as this is a dynamic time in the gaming industry, with many positive trends emerging.” He asked for clarification as to the intended use of the funds. Ms.

May stated Affinity intends to use the funds for a variety of things; but could be used for additional growth in sports betting or digital access for igaming.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the financing request submitted by Affinity Gaming. Commissioner Horbach seconded the motion, which carried unanimously.

Wild Rose Entertainment, LLLP: Tom Timmons and Scott Ivers, President and Chief Financial Officer (CFO) respectively, were present to address the agenda item. Mr. Timmons submitted a refinancing package for all three of the Wild Rose casinos. He indicated the main reason for the refinancing is the significantly lower interest rates.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the refinancing agreement submitted by Wild Rose Entertainment, LLLP. Commissioner Andres seconded the motion, which carried unanimously.

SCE Partners, LLC: Dustin Manternach, CFO, noted Peninsula Pacific Entertainment, LLC (P2E) was before the Commission previously and received approval for funding of their acquisition of the Hard Rock Hotel & Casino. Today, they are seeking approval for \$300 million of tack-on financing to their existing senior notes.

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

ADVANCE DEPOSIT SPORTS WAGERING OPERATOR AGREEMENTS:

Dubuque Racing Association, Ltd.: Brian Rakestraw, General Manager, presented an advance deposit sports wagering operator agreement with Bookmakers Company US LLC d/b/a US Bookmaking. He advised US Bookmaking is a sports betting entity launched in 2016. Mr. Rakestraw provided a brief history of the company and its management team.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the Advance Deposit Sports Wagering Operator Agreement between Dubuque Racing Association, Ltd. and Bookmakers Company US, LLC d/b/a US Bookmaking. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Wild Rose Jefferson, L.L.C.: Rick Gilson and Travis Dvorak, Corporate Internal Auditor and General Manager respectively, were present to address the agenda item. Mr. Gilson presented an advance deposit sports wagering operator agreement with Circa Sports Iowa, LLC. He advised Circa currently operates the largest sportsbook in the world at their new casino in downtown Las Vegas.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the Advance Deposit Sports Wagering Operator Agreement between Wild Rose

Jefferson, L.L.C. and Circa Sports Iowa, LLC. Commissioner Andres seconded the motion, which carried unanimously.

Harveys BR Management Company, Inc.: Mr. Roberts presented an advance deposit sports wagering operator agreement with PlayUp Interactive Inc. He advised the company is currently operating in Australia, New Zealand, India and Colorado. PlayUp has agreements with Caesar's in Colorado and New Jersey. PlayUp has multiple platforms available, including sportsbooks, pari-mutuel and fantasy sports. This would be Horseshoe's second skin.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the Advance Deposit Sports Wagering Operator Agreement between Harveys BR Management Company, Inc. and PlayUp Interactive Inc. Commissioner Andres seconded the motion, which carried unanimously.

HARVEYS IOWA MANAGEMENT COMPANY LLC: Mr. Roberts presented a request to relocate the security dispatch office to a location that would provide better visibility and accessibility to guests and employees. The current location will remain as security offices. Mr. Roberts advised this change would not cause a decrease in security. He stated if the request is approved they would be submitting an updated security plan for Commission approval due to the change in location when the project is completed.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve Harveys Iowa Management Company LLC's remodeling request pursuant to 491 IAC 5.4(15) for the purpose of relocating the security office. Commissioner Andres seconded the motion, which carried unanimously.

IOWA GREYHOUND ASSOCIATION: Brian Carpenter, General Manager/Director of Racing, presented a request to add a simulcast satellite facility at Rhythm City Casino, LLC and Riverside Casino & Golf Resort, LLC, which would allow the facilities to conduct simulcast wagering. He advised the facilities would manage their own satellite facility and offer simulcast wagering Monday through Sunday.

Hearing no comments or questions, Chair Kramer requested a motion regarding both agreements. Commissioner Gonseth Cheers moved to approve the Simulcast Wagering Agreements between the Iowa Greyhound Association and Rhythm City Casino, LLC and Riverside Casino & Golf Resort, LLC. Commissioner Olsen seconded the motion, which carried unanimously.

IOWA HORSEMANS BENEVOLENT AND PROTECTIVE ASSOCIATION (IHBPA): Jon Moss and Joe Kelly, Executive Director and Vice President, respectively, were present to address this agenda item. Mr. Moss presented a request for the IRGC to consider submitting an Amicus Brief in support of a recently filed suit in the United States District Court for the Northern District of Texas, Lubbock Division regarding the Horseracing Integrity and Safety Act (HISA), federal legislation which would regulate horseracing nationwide via a Board that would have no governmental oversight regarding members of the Board or how it would regulate the industry. This Board would have the authority to assess fees to racing commissions, racetracks or horse

owners and trainers to cover operational costs. Mr. Moss stated HISA would take away IRGC's authority in many matters pertaining to racing at Prairie Meadows Racetrack & Casino. He noted Iowa was the first state to have a racino.

Commissioner Horbach inquired if Mr. Moss was asking the Commission to vote on a commitment to file a brief. Mr. Moss stated he was asking the Commission to vote to consider moving forward on this issue. Commissioner Horbach asked for clarification on "moving forward". Mr. Moss replied it would be filing an Amicus Brief. Commissioner Horbach stated he had read the Texas filing, and supports almost every word, but feels it is a political issue, and the Commission is a regulatory body. He inquired if Mr. Moss had asked the Legislature to take action. Mr. Moss stated he had not contacted the Legislature. He stated they have contacted individual legislators but none have indicated that the Legislature would be willing to pursue action in this matter. Commissioner Horbach also suggested reaching out to Iowa's Congressional members on this matter. Mr. Moss advised various states are actively working with Congress to try to change parts of the bill. He advised there are multiple things happening in the background on multiple levels. Mr. Moss stated HISA is to be in place on July 1, 2022. Commissioner Horbach stated he is very supportive, but is not comfortable entering the political environment. He feels the Commission is expected to be non-political. He stated if there is another way for the Commission to be supportive, he would be willing to consider it.

Commissioner Olsen stated he is not aware of any other state Commission that has submitted an Amicus Brief. Mr. Moss indicated he was not either, but noted Amicus Briefs must be filed by May 28th. Commissioner Olsen stated the Commission's role is regulatory and questioned if that is why other states have not filed. Mr. Moss stated he did not know, but was aware of some discussions with the States Attorney General Association on this issue. Commissioner Olsen stated that if the Commission decides not to take action, it is not because they are not supportive of the horsemen. Mr. Moss stated nothing about the processes regarding this legislation has been normal; there were no committee meetings or floor debate.

Commissioner Andres encouraged Mr. Moss to keep the Commission and Mr. Ohorilko informed on this issue; she stated the Commission is just not sure of its role at this time.

Chair Kramer thanked Mr. Moss for his comments, and also encouraged him to keep the Commission informed on this matter.

REVIEW OF FACILITIES' FINANCIAL AUDITS:

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, noted it was a difficult year due to Covid and hurricanes impacting the Louisiana properties. He stated there were no material weaknesses in the internal controls, and no material findings. He noted the company just finished its fifth quarter of increased growth.

Casino Queen Marquette, Inc.: Robin Corbeil, Director of Finance (DOF), introduced Cheryl Ash and Don Ostert, CFO and General Manager respectively. She stated they are looking forward to the coming year. The Iowa spend was in excess of \$10 million, or just over 96% of their purchases.

Catfish Bend Casinos II, LLC: Rob Higgins, General Manager, introduced Donald Spears and Gary Hoyer, CFO and Chief Executive Officer (CEO) respectively. Mr. Higgins noted 2020 was going well prior to Covid, and ended strong. Mr. Higgins stated the facility paid the insurance premiums for employees during the closure, and were able to keep some employees on board during the closure to perform various maintenance duties in preparation for re-opening.

Commissioner Olsen asked for an update on the financing. Mr. Hoyer stated they have solicited Requests for Term Sheets from five or six different banks. They have received two responses and are expecting a third. He indicated the terms are better than what he expected. They anticipate closing in early July, so the financing arrangements should be on the June agenda.

Diamond Jo, LLC d/b/a Diamond Jo Casino: Wendy Runde, General Manager, stated gross gaming revenue for the first two months of 2020 was \$14.1 million compared to \$12.6 million in 2019. During the closure the property lost \$15.9 million in revenue. For the last seven month of the year, gross gaming revenue declined 14.1%. Visitation was good at the beginning of 2020; however, once the property reopened, the visitation numbers were slow to rebound, especially in the 55+ segment. Ms. Runde stated their total economic impact for the year was \$34.4 million; \$1.3 million was specialized purchases and \$31.9 million stayed in Iowa with local vendors or tax payments to the State, county and city. Payroll and benefits for the year totaled just under \$10,275,000; they had 208 team members as of December 31st. She stated contributions to the qualified sponsoring organization totaled just under \$2.3 million. Boyd Gaming donated \$50,000 to the American Red Cross for the Cedar Rapids area after the derecho. The Diamond Jo Cares program paid out approximately \$50,000.

Diamond Jo Worth, LLC d/b/a Diamond Jo Worth: Scott Smith, General Manager, indicated revenue was down 18% due to the closure; however, in comparing the months after reopening to 2019, revenue was flat compared to 2019. For the fourth quarter, revenue was up \$1 million. The first quarter of 2020 compared to the first quarter of 2019 was up 55%. He noted the largest community within 15 miles of their property has 600 residents; the largest community within 30 miles is 36,000. Larger communities of 50,000 or more are more than 90 miles away. Mr. Smith stated the facility is very successful in generating revenue for the State, communities and the qualified sponsoring organization; but doing so means keeping the property fresh so patrons will keep coming back and providing good customer service. Total economic impact was \$37 million; over 97% was spent with Iowa vendors. There were approximately 301 employees at the end of 2020; there are currently 312. Team members volunteer within their communities. Mr. Smith stated work has commenced on the surveillance project recently approved by the Commission.

Dubuque Racing Association, Ltd. (DRA): Steve McCarron, CFO, stated the audit was performed by Honkamp Krueger. For 2020, DRA had just over \$42 million in revenue, down approximately 26.5% from the prior year. Operating expenses were kept in check. In 2020, the DRA distributed over \$8.2 million to the City of Dubuque, as well as local charities. Of that, \$1 million went through the grant process, \$5.6 million to the City of Dubuque, and an additional \$1.6 million to other charities. DRA paid over \$12.9 million in salaries; and \$2.3 million in benefits to the 300+ employees. Mr. McCarron stated DRA paid over \$8.5 million in gaming taxes and other fees in 2020.

Harveys Iowa Management Company LLC/Horseshoe Casino (A Facility under License to Iowa West Racing Association): Janae Sternberg, DOF, requested permission to address both properties as they are included in the same audit. For Harrah's, she stated they are pleased with how things are going in Quarter 1 of 2021. For 2020, Harrah's paid approximately \$12 million in payroll and benefits. Ms. Sternberg noted Harrah's paid benefits during the closure, and continued to pay the benefits for furloughed employees through September. They paid \$11.2 million in gaming taxes, and capital expenditure was \$735,000. She stated there are some exciting capital expenditure projects that will be taking place in 2021, which include the security move, a new slot system, they are seeking a new food vendor prior to the start of the concert series, and they are opening a new non-smoking area.

For Horseshoe, payroll and benefits totaled \$20.2 million and they provided the same benefit payments as at Harrah's. Gaming taxes totaled \$36 million and capital spend was \$1.8 million for water work on behalf of the city, a new HVAC at the Hilton Garden Inn, new slot product, and products for safety protocols due to Covid. In 2021, they will install the new slot system similar to Harrah's. Additionally, there will be approximately \$8 million in capital expenditures to bring the Hilton Garden Inn up to current standards.

Iowa West Racing Association: Ms. Mainwaring advised they had a clean audit.

HGI-Lakeside, LLC: Lisa Ryan, Controller, was present to answer any questions concerning the audit.

IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo: Meagan Miller, Controller, noted the facility was acquired by Caesars in July, 2020. She advised they had a clean audit with no material weaknesses.

Isle of Capri Bettendorf, L.C.: Sally Rogers, DOF, stated 2020 was an interesting year; 2021 is off to a good start. She stated the facility had a clean opinion.

SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City: Doug Fisher, General Manager, and Andrew Limoges, DOF, were present to address the financial audit. Mr. Fisher stated revenue was down 15% in 2020 versus 2019; however, if the 11 week closure is excluded, revenue was up about 10%. He advised they spent \$3.7 million for capital expenditures in 2021 for a new interactive system for the hotel, and new kiosks and ATMs for the players. In 2019, they spent \$11 million on a parking garage, which was done in conjunction with the city. Mr. Fisher stated the facility purchased \$10,000 worth of gift cards from local businesses and restaurants which were then given away to guests.

Wild Rose Clinton, L.L.C.; Wild Rose Emmetsburg, L.L.C and Wild Rose Jefferson, L.L.C.: Mr. Timmons and Mr. Ivers were present to address the financial audit. Mr. Timmons stated the audit showed no material weaknesses, nor were there any unusual findings.

Riverside Casino & Golf Resort, LLC; Grand Falls Casino Resort, LLC and Rhythm City Casino, LLC: Dan White, CFO for Elite Casino Resorts, LLC, advised the audit contained a clean opinion

with no internal control comments or issues. He noted 2020 started off great, then came the closure. He advised the facilities had a strong finish to 2020. He stated gaming revenue was down slightly year over year. They continued to pay the employees and covered benefits for those not furloughed; payroll expenses totaled just under \$57 million for the year. Mr. White stated the non-profit received approximately \$10 million. Approximately 96% of expenditures were with Iowa vendors. He stated the Grand Falls facility continued to build the new hotel during the closure; capital expenditures for 2020 were \$14.3 million for the company. They currently have 1,430 employees.

Iowa Greyhound Association: Mr. Carpenter advised they received a clean audit. He stated 2020 was great. The handle was \$9 million in 2019, but increased to \$16 million in 2020. Purse amounts were increased. He advised pari-mutuel department employees received their salary and health insurance benefits during the closure. Mr. Carpenter stated 2021 is off to a good start.

Prairie Meadows Racetrack & Casino, Inc.: Gary Palmer, General Manager, stated revenue was down 23% from 2019. They distributed approximately \$13 million in charitable distributions. The facility is debt free. They are looking forward to 2021, and are optimistic about the year.

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

Dubuque Racing Association, Ltd: Brian Rakestraw, General Manager, presented a contract with Iowa Beverage for beer purchases.

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.

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

- Gitchi Gaming, Inc. – Gaming Chairs (OSV)
- Iowa Beverage – Beverage Purveyor

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: Mr. Fisher presented the following contracts for Commission approval:

- Everi Payments, Inc. – Cash Advance Processing, Check Guarantee Services & ATM Services (OSV)
- Sysco Corporation – Food Supplier

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

- Pay Lynxs – Title 31 Program Compliance (OSV)
- Irvin & Lorna Lange – Buyer for Warehouse Building
- Tri-State Building Corp. – General Contractor for New Warehouse Building

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.

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

- Pay Lynxs – Title 31 Compliance Program (OSV)
- Everi/Central Credit – Contract for Check Cashing Services, Credit Card and ATMs (OSV)

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

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

- Pay Lynxs – Title 31 Software Compliance Program (OSV)
- Everi/Central Credit – Check Cashing Services, Credit Card and ATMs (OSV)
- Cobblestone Hotel & Suites – Leasing of Hotel Rooms
- Doll Distributing – Beverage Distributor
- Reinhart Food Services – Food Distributor
- Simplex-Grinnell – Fire Alarm, Sprinkler and Extinguisher Testing
- Payroll Resources of Iowa – Payroll Services Processing
- The Printer, Inc. – Printing Mailers
- U.S. Postal Service – Postage for Mailers from The Printer, Inc.
- The Waldinger Corporation – Electrical and HVAC Maintenance
- Ziegler Cat – Preventative Maintenance Service Agreement

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.

Harveys Iowa Management Company LLC: Mr. Roberts presented the following contracts for Commission approval:

- HMW Construction – Snow Removal (OSV)
- Absolutely Fresh Seafood – Seafood Vendor (OSV)

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

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

- HMW Construction – Snow Removal (OSV)
- H. Olafsson – Specialty Items for Bakery (OSV)

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.

PRAIRIE MEADOWS RACETRACK & CASINO, INC.:

Update on Horse Racing Meet: Derron Heldt, Vice President of Racing, advised the facility started preparations last fall. At the conclusion of live racing in 2020, they started working on the track in front of the grandstand by replacing some of the racing surface with material in stock. They also did a significant amount of work on the underground drainage, which is checked every year to insure there are no leaks or sand in the system. Mr. Heldt noted there are a number of springs under the infield, and they don't want the ground water seeping up to the racing surface. Additionally, work was done on the track to correct the slope so that rainwater would drain off correctly, and on the infield to remove track surface material, which had run off due to rains. Improvements were made to the apron area and in the paddock area. Mr. Heldt stated that on the second floor of the grandstand they removed the teller line and installed five self-betting machines.

On the racing side, Mr. Heldt advised stall applications were due March 24th; they received approximately 2,300 applications for 1,350 stalls. Of the stall application received, 681 applications were for quarter horses; however, PMR&C only has 416 stalls allocated for them. They received 1,700 applications for thoroughbreds, but only have 940 stalls available. Racing staff has been contacting the trainers to determine the actual number of stalls needed. Mr. Heldt stated all of the stalls have been allocated on paper and it is now up to the trainers to bring the horses to the track. There are currently 288 horses on the backside, most of which are thoroughbreds. He stated he feels good about the upcoming meet. There will be 84 days of racing; Friday, Saturday, Sunday and Monday. The first 26 days will be thoroughbred only; the quarter horses will start racing on June 18th, for 58 days of mixed races. The system check will occur on April 27th to insure all systems are operational.

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

- Brewer Meats (Midwest Quality Wholesale) – Meat Supplier
- Everi Payments – Enrollment Kiosks (OSV)
- Setpoint Mechanical – HVAC Equipment

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

HEARINGS:

Diamond Jo Worth, LLC: Mr. Ohorilko advised Commission staff and Diamond Jo Worth had entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) related to the state-wide self-exclusion program. He advised on July 13th, a customer identified as TH was gambling at the facility and created a Players Club account and was subsequently enrolled in the state-wide self-exclusion program based on that account information. On January 5, 2021, Diamond Jo Worth discovered, and disclosed to IRGC, that there was a name that was similar to the name that was enrolled. It was discovered that the name had been transposed in the original information. There was a period of time, approximately 5 months, where the individual that is currently enrolled in the state-wide self-exclusion program received six mailings that occurred 90 days after the enrollment in the program. Mr. Ohorilko stated Diamond Jo Worth has agreed to an administrative penalty between \$5,000 and \$20,000.

Mr. Smith stated this was an unfortunate incident; team members failed to follow established protocols. He advised when the individual originally signed up, the ID system that populates the information was utilized correctly, and everything worked as expected. When the individual went to the table games area later on, the system was not used. Mr. Smith stated the individual's first and last name are both common first names and the team member misread the name on the driver's license and created a new card. He pointed out that not all driver's licenses display the name in the same order. Mr. Smith advised all staff that have access to creating player accounts have been retrained on how to read driver's licenses, and have reviewed the formats from various states. Staff was also retrained on the proper procedures.

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

Diamond Jo Worth, LLC: Mr. Ohorilko advised Commission staff and Diamond Jo Worth had entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(5) related to underage gambling. Mr. Ohorilko advised on February 3rd, an underage male and companions approached the turnstile. The security officer failed to request identification, allowing the minor to enter the gaming floor unchallenged. The minor was on the floor for approximately 50 minutes, and did gamble at two slot machines before exiting the floor. Upon attempting to re-enter the floor, he was stopped. It was discovered at that time that he had been on the gaming floor earlier in the day. Mr. Ohorilko stated Diamond Jo Worth acknowledges the facts, and has agreed to an administrative penalty of \$20,000.

Mr. Smith stated this incident also occurred due to staff not following established protocols, which state anyone appearing under 35 years of age is to be asked for identification. He noted masks make it difficult; however, masks are to be lowered to help with this process. The original security

officer failed to do so. Mr. Smith stated he is thankful the protocols were followed when the individual attempted to re-enter.

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. Commissioner Andres seconded the motion, which carried unanimously.

FanDuel, Inc.: Mr. Ohorilko advised Commission staff and FanDuel have entered into a Stipulated Agreement for a violation of Iowa Code § 99E.9 related to the filing of an annual audit. Mr. Ohorilko advised an annual audit is to be filed with the Commission at the end of each fiscal year. Daily Fantasy sports companies are required to file their audit no later than 180 days after the end of the fiscal year; FanDuel's audit would have been due on June 29, 2020. On September 10th, Commission staff again inquired as to the status of the audit; the audit was received 74 days after the due date. Staff requested additional information on October 28th; FanDuel failed to respond in a timely manner. Commission staff eventually received the information on December 3rd. Mr. Ohorilko stated he had worked with FanDuel on the Stipulated Agreement, and they acknowledge the facts are accurate. FanDuel has agreed to an administrative penalty up to \$20,000. He advised no one from FanDuel was in attendance, nor did they provide a statement for the record. Mr. Ohorilko stated FanDuel has indicated their desire to proceed with the stipulation at this meeting. Mr. Ohorilko respectfully asked the Commission to review the Stipulation and move forward if possible.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the Stipulated Agreement with an administrative penalty of \$20,000. Commissioner Horbach 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.

Socioeconomic Impact Study: Mr. Ohorilko advised Iowa Code § 99F.4(24) requires that a study be completed every eight years regarding the socioeconomic impact of gambling in Iowa. He advised staff is prepared to initiate an RFP should the Commission desire to move forward with the study. This year marks eight years since the last study.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to direct staff to prepare an RFP, in cooperation with the Commission, for the purpose of selecting a vendor to conduct a socioeconomic impact market study of gambling in Iowa. Commissioner Olsen seconded the motion, which carried unanimously.

Approval of Horse Racing Promotion Fund: Mr. Ohorilko advised there is \$1,601.72 available for distribution. He stated the Commission received one application from the Iowa Thoroughbred Breeders and Owners Association (ITBOA). They have provided all of the necessary documentation required by statute. He requested approval to distribute the funds to the ITBOA.

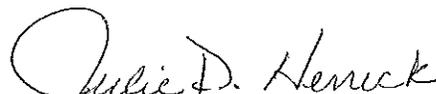
Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the distribution of the Horse Racing Promotion Fund to the ITBOA. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Chair Kramer stated this was Commissioner Gonseth Cheers last Commission meeting. She stated it has been a pleasure and honor to get to know her and work with her for the past three years. Commissioner Gonseth Cheers stated she would miss serving on the Commission.

Mr. Ohorilko presented a plaque to Commissioner Gonseth Cheers which read "Pennie Gonseth Cheers – In Appreciation of Your Service on the Iowa Racing & Gaming Commission – May 1, 2018 – April 30, 2021 and as Vice Chair July 9, 2020 – April 30, 2021." Mr. Ohorilko stated Commissioner Gonseth Cheers has demonstrated passion for the industry and exhibited strong leadership while regulating during one of the most difficult times in gaming ranging from the highs of launching sports wagering to the lows of the pandemic and holding virtual Commission meetings, which the Commission had not experienced previously. He stated her optimism and ability to always see the good in people is one of her strengths that he appreciates very much.

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
JUNE 3, 2021**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, June 3, 2021 at Catfish Bend Casino II in Burlington, Iowa. Commission members present were Julie Andres, Lance Horbach, Daryl Olsen and Mark Campbell.

ELECTION OF CHAIR AND VICE CHAIR: Commissioner Horbach called the meeting to order at 8:30 AM. He requested a nomination for Chair. Commissioner Olsen nominated Commissioner Andres to serve as Chair. Commissioner Campbell seconded the motion. Hearing no further nominations, Commissioner Horbach called for the vote, which carried unanimously.

Commissioner Horbach called for a nomination for the Vice Chair. Chair Andres nominated Commissioner Olsen to serve as Vice Chair. Commissioner Campbell seconded the motion. Hearing no further nominations, Commissioner Horbach called for the vote, which carried unanimously.

APPROVE AGENDA: Chair Andres advised Commission staff had received a request to withdraw agenda item 9F(6), a contract for Neesvig's submitted by Isle of Capri Bettendorf, L.C. She requested a motion to approve the agenda as amended. Commissioner Horbach so moved. Commissioner Campbell seconded the motion, which carried unanimously.

WELCOME: Gary Hoyer, President and Chief Executive Officer of Great River Entertainment, LLC, welcomed everyone to Burlington. He noted there were several employees, as well as several board members representing the 500+ Iowa shareholders, in attendance. Mr. Hoyer advised the property provides the community with numerous entertainment options: the casino, ample meeting and convention space, multiple bars and restaurants, bowling, the waterpark and arcade. The company operates five hotels, and a sixth hotel is undergoing an extensive remodel. He stated the crown jewel of the operations is the sportsbook, which was developed in partnership with PointsBet. Mr. Hoyer introduced Rob Higgins, General Manager.

Mr. Higgins welcomed everyone to the property. He showed a short Power Point presentation highlighting various aspects of the property. Mr. Higgins advised the property hosted the 2021 State Bowling tournament. He also noted they are the franchise holder for the Cold Stone ice cream shop.

Chair Andres thanked Mr. Higgins for the video and the tour of the property on Wednesday evening.

APPROVE MINUTES: Chair Andres requested a motion regarding the minutes. Commissioner Horbach moved to approve the minutes from the April 15, 2021 Commission meeting as submitted. Commissioner Olsen seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised the next meeting would be held on July 15th at Prairie Meadows Racetrack & Casino in Altoona. Submissions for the meeting are due in the Commission office by June 30th. The August meeting will be at Riverside Casino & Golf Resort on August 26th.

Mr. Ohorilko recognized Gaming Representative Erica Worrall, who is assigned to the Catfish Bend facility. He thanked her for her work on behalf of the IRGC.

ADVANCE DEPOSIT SPORTS WAGEING OPERATOR AGREEMENTS:
Casino Queen Marquette, Inc.: Don Ostert, General Manager, presented a First Amendment to the Amended and Restated Agreement with Fubo Gaming Inc., which provides for a delay of Casino Queen's termination rights in limited circumstances and provides for liquidated damages in the event of such a termination.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the First Amendment to the Amended and Restated Agreement as presented. Commissioner Campbell seconded the motion, which carried unanimously.

Isle of Capri Bettendorf, L.C.: Nancy Ballenger, General Manager, presented a 10-year agreement with CG Iowa LLC (Carousel). The company currently operates in Colorado and is looking to expand into New Jersey, Indiana, and Iowa.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Advance Deposit Sports Wagering Operator Agreement between CG Iowa LLC and Isle of Capri Bettendorf, L.C. as presented. Commissioner Horbach seconded the motion, which carried unanimously.

Wild Rose Emmetsburg, L.L.C.: Rick Gilson, Corporate Internal Auditor, presented an agreement with Golden Nugget Online Gaming, LLC. He noted the company has been successful in New Jersey and Pennsylvania, and feel it will be well received by Iowans.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the Advance Deposit Sports Wagering Operator Agreement between Golden Nugget Online Gaming, LLC and Wild Rose Emmetsburg, L.L.C. Commissioner Horbach seconded the motion, which carried unanimously.

HGI-Lakeside, LLC: Lorraine May, legal counsel, presented a 10-year agreement with Sports Information Group, LLC d/b/a Daily Racing Form. The agreement includes a 50-50 revenue split.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the Advance Deposit Sports Wagering Operator Agreement between Sports Information Group, LLC d/b/a Daily Racing Form and HGI-Lakeside, LLC. Commissioner Campbell seconded the motion, which carried unanimously.

HGI-LAKESIDE, LLC: David Monroe, General Manager, requested approval for Phase One of a remodeling project which includes conversion of the gift shop into a coffee shop, remodel of the restaurant bar area, renovation of the public restrooms adjacent to the restaurant, finishes and lighting modernization of the public access ways from the entrance to the Casino around to the entrance to the hotel tower and finishes/lighting modernization of the Convention Center pre-function areas. The gift shop will be moved to the arcade area. The project is anticipated to take approximately six months and will be completed in two phases in order to facilitate ongoing operations and allow continuous guest access to various operating components. The restaurant will remain in operation during the project with the convention room being utilized as the dining room during the restaurant renovation.

Bill Trickey, Executive Director of Clarke County Development Corp., stated the board is extremely excited about the renovation, and requested the Commission's approval. He stated that the infusion of capital into the Osceola property shows Affinity Gaming's support and faith in the facility.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the renovation project as submitted by HGI-Lakeside, LLC. Commissioner Olsen seconded the motion, which carried unanimously.

CATFISH BEND CASINOS II, LLC: Mr. Hoyer presented a refinancing package with Great Western Bank for approximately \$38 million to consolidate existing long-term debt and revolver funds. The interest rate is a combination of fixed and variable rates.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the financing package as submitted by Catfish Bend Casinos II, LLC. Commissioner Olsen seconded the motion, which carried unanimously.

CONTRACT APPROVALS (OSV - OUT OF STATE VENDOR; RP – RELATED PARTY):
Catfish Bend Casinos II, LLC: Mr. Higgins presented a contract with Video Security Specialists for the installation of surveillance cameras/system upgrade (OSV).

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the contract as submitted by Catfish Bend Casinos II, LLC. Commissioner Campbell seconded the motion, which carried unanimously.

Wild Rose Clinton, L.L.C.: Steve Nauman, General Manager, presented the following contracts for Commission approval:

- Wild Rose Leasing – Lease Company for Vehicles (RP)
- Another Round – Purchase of Liquor and Beer

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

Wild Rose Emmetsburg, L.L.C.: Steve Cody, General Manager, presented a contract with Wild Rose Leasing as the lease company for vehicles (RP).

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

Wild Rose Jefferson, L.L.C.: Travis Dvorak, General Manager, presented a contract with Wild Rose Leasing as the lease company for vehicles (RP).

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

Casino Queen Marquette, Inc.: Mr. Ostert presented the following contracts for Commission approval:

- Reinhart Food Service – Food Distributor
- Everi – Marketing Kiosks, All-in-One Kiosks, Check Warranty/Cash Access/ATM Service Schedule (OSV)

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the contracts as submitted by Casino Queen Marquette, Inc. Commissioner Olsen seconded the motion, which carried unanimously.

Isle of Capri Bettendorf, L.C.: Sally Rogers, Director of Finance, presented the following contracts for Commission approval:

- Atlantic Coca-Cola Bottling Company – Coca-Cola Product Vendor
- Ecolab – Provides Dishwashing Equipment and Supplies
- Edward Don – Purchase Restaurant Equipment and Supplies
- King Food Service – Food Vendor – Provides Steaks, Poultry and Seafood
- Kone, Inc. – Purchase Elevator and Escalator Maintenance Contracts and Service/Parts
- Reinhart Institutional Foods – Purchase Food and Non-Food Products
- Taxslayer Center – Purchase Event Tickets, Luxury Box and Sponsorships (OSV)
- Treiber Construction – General Construction and Concrete Repairs
- Wells Fargo Bank – Company Credit Card Provider

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the contracts as submitted by Isle of Capri Bettendorf, L.C. Commissioner Olsen seconded the motion, which carried unanimously.

HGI-Lakeside, LLC: Mr. Monroe presented the following contracts for Commission approval:

- Edge Commercial, LLC – Lakeside Casino Phase 1 Renovation
- MMC Contractors Iowa, Inc. – Repairs and Maintenance of Property
- Nyemaster Goode PC – Legal Services
- King Food Service – Proteins to include Seafood & Poultry Purchases for Restaurant
- Surveillance Systems Integration – Surveillance System Equipment & Software Upgrade (OSV)

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the contracts as submitted by HGI-Lakeside, LLC. Commissioner Campbell seconded the motion, which carried unanimously.

Riverside Casino and Golf Resort, LLC: Damon John, Director of Marketing, presented the following contracts for Commission approval:

- DLR Group – Event Center Remodel – Professional Services
- Kluesner Construction, Inc. – Parking Area Asphalt Repair
- Milliken & Company – Event Center Remodel – Carpet (OSV)
- Modern Fold d/b/a Folding Partition Services – Event Center Remodel – Vinyl to Recover Partitions
- MTS Seating – Event Center Remodel – Banquet Stacking Chair (OSV)
- Scheel's Sporting Goods – Marketing Promotion – Gift Cards
- Sitler's Supplies, Inc. – Event Center Remodel – Lighting
- USPS – Postage Expense

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

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

- Barkley Asphalt, Inc. – Parking Lot Repairs
- Brintons – Gaming Floor Carpet (OSV)
- Imagine This – Continuity and Promotion Agreements (OSV)
- Wessels Oil Co. – Propane Gas Supplier

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

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

- Banana's Entertainment, LLC – Talent Agency (OSV)
- Beyond 10 Productions, Inc. f/s/o Shinedown – Entertainment Act (OSV)
- Day After Day Productions, Inc. – Talent Agency (OSV)
- Day of the Dog, Inc. f/s/o Brantley Gilbert – Entertainment Act (OSV)
- OTR Touring, Inc. f/s/o Staind – Entertainment Act (OSV)
- Siouxland ATM – ATM Services
- Toucan Productions, Inc. – Stage Production (OSV)

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

Prairie Meadows Racetrack and Casino, Inc.: A representative from Prairie Meadows was not in attendance. The following contracts were before the Commission for approval:

- Nestle USA (Starbucks) – Starbucks Coffee
- Quadient Leasing – Mailing Equipment Lease (OSV)
- Wells Enterprises – Promotional Freezer Equipment Leasing

Commissioner Olsen advised he did not see any issues with the above contracts, and moved to approve them as submitted by Prairie Meadows Racetrack and Casino, Inc. Commissioner Campbell seconded the motion, which carried unanimously.

REQUEST FOR PROPOSAL VENDOR PRESENTATIONS FOR SOCIOECONOMIC MARKET STUDY: Chair Andres advised four companies had responded to the Request for Proposal with regard to the Socioeconomic Market Study. The presentation order was determined by a lottery drawing. The Commission heard presentations from the following:

- Spectrum Gaming Group – Michael Pollock, Managing Director
- Global Market Advisors – Brendan Bussmann, Director of Government Affairs; and Kit Szybala, Executive Director of Operations
- Bâton Global – Jeffrey Kappen, Managing Partner
- The Innovation Group – Michael Vanaskie, Vice President, International Department

Each company presented information with regard to their experience in preparing this type of comprehensive study and the methodology, strategy and approach to be utilized. Each advised they would provide the Commission a hard copy of their completed report and would be available to present their findings in person.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Chair Andres called on Mr. Ohorilko for any Administrative Business to come before the Commission.

Approval of Regulatory Fees for FY 2022: Mr. Ohorilko stated the Commission is tasked with approving the regulatory fees for both IRGC and the Division of Criminal Investigation (DCI), which are based on legislative appropriations. The licensees will pay six weeks of regulatory fees to IRGC at the start of the fiscal year to fund the agency, and will stop paying the fees six weeks early. Mr. Ohorilko noted the regulatory fees before the Commission are not final at this time. If necessary, they will be brought back at a subsequent meeting to request changes; however, any changes should be immaterial.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the regulatory fees for IRGC and DCI as presented. Commissioner Horbach seconded the motion, which carried unanimously.

Legislative Update: Mr. Ohorilko provided the following information on legislation passed this Legislative session which impacted IRGC:

- HF 513: Allows for simulcast signals from international jurisdictions. Licensees would submit contracts through the normal process.
- SF 615: Sets the minimum wage
- HG 861: Reduces fees for the DCI
- SF 619: Removes promo play. Staff is working with the vendor to modify the Revenue Collection System.

Mr. Ohorilko noted some of the above legislation is awaiting the Governor's signature.

Mr. Ohorilko advised he had received a letter from Hard Rock International advising that Mike Adams, Assistant General Manager at Hard Rock Hotel & Casino in Sioux City received the Hard Rock International Award for Leader of the Year for demonstrating a record of success, ability to drive profit, form strategic business partnerships and inspire team members. The letter stated Mr. Adams has been instrumental in the success of the property.

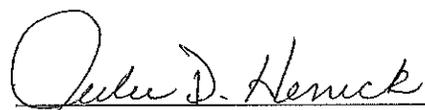
Chair Andres introduced Mark Campbell, the new Commission member, and welcomed him to the Commission.

Commissioner Horbach noted the Commission is required to complete the market study per Iowa statute. He asked Mr. Ohorilko to recap the process going forward and next month's deliberations.

Mr. Ohorilko advised Commission members would be reviewing the individual proposals submitted by the four companies. The Commissioners will compile an individual scoring sheet. Cost proposals will be opened at the July meeting and will be incorporated into the scoring. Following discussion at the July meeting, and based on the results of the technical and cost scoring, the Commission will select one or two vendors to perform the socioeconomic market study.

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

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
JULY 15, 2021**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, July 15, 2021 at Prairie Meadows Racetrack and Casino in Altoona, Iowa. Commission members present were Julie Andres, Chair, and members Mark Campbell, Lance Horbach and Daryl Olsen.

APPROVE AGENDA: Chair Andres called the meeting to order at 8:30 AM and thanked the industry members for taking the time to meet with the Commission on an individual basis on Wednesday, stating that it was beneficial for all. The Commission's goal was to create an open dialogue with industry representatives to learn about any challenges they are facing and help the Commission to become better regulators.

Commissioner Olsen noted many referenced the licensing of non-gaming positions. He stated Mr. Ohorilko and staff have been directed to look into the issue and report back to the Commission. He noted all businesses are having a difficult time finding employees at this time, not just the gaming industry.

Chair Andres requested a motion to approve the agenda. Commissioner Horbach so moved. Commissioner Campbell seconded the motion, which carried unanimously.

APPROVE MINUTES: Chair Andres requested a motion regarding the minutes. Commissioner Campbell moved to approve the minutes from the June 3, 2021 Commission meeting as submitted. Commissioner Olsen seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, stated the next meeting would be held at Riverside Casino & Golf Resort on August 26th. Submissions for the meeting are due in the Commission office by August 12, 2021. There will be no meeting in September. The October meeting will be held at Casino Queen Marquette on October 21st.

ADVANCE DEPOSIT SPORTS WAGERING OPERATOR AGREEMENTS:
Casino Queen Marquette, Inc.: Don Ostert, General Manager, presented an agreement with Hillside (Iowa), LLC, better known as Bet365. He stated they have been in operation for 21 years and was founded in the United Kingdom. They have operations in several other countries, and are currently operating in the state of New Jersey. The agreement is a multi-year contract; Bet365 will pay Casino Queen a royalty fee equal to the greater of a certain percentage of net gaming revenue or an annual fixed amount. This will be the second skin for the facility.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the Advance Deposit Sports Wagering Operator Agreement between Casino Queen Marquette, Inc. and Hillside (Iowa), LLC. Commissioner Olsen seconded the motion, which carried unanimously.

Catfish Bend Casinos II, LLC: Gary Hoyer, Chief Executive Officer, presented an amendment to their agreement with VHL Iowa, LLC (888), which is limited to adding additional names under which the sportsbook and/or iGaming platforms could operate, specifically to include Sports Illustrated and similar names.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the amendment to the Advance Deposit Sports Wagering Operator Agreement between Catfish Bend Casinos II, LLC and VHL Iowa, LLC. Commissioner Horbach seconded the motion, which carried unanimously.

REQUEST FOR APPROVAL OF SHELF FINANCING PURSUANT TO 491 IAC 5.4(20):
Caesars Entertainment, Inc. (Parent Company of Harveys Iowa Management Company, LLC, IOC Bettendorf, L.C., and IOC Black Hawk County, Inc.): Doug Gross, legal counsel, noted publicly traded entities can request approval of shelf financing for a three-year period to maximize the amount of debt allowed. Caesars is requesting an increase from \$22 Billion to \$27 Billion. Mr. Gross advised Caesars is looking at a program to reduce the amount of debt over time.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve Caesars Entertainment, Inc.'s shelf financing request. Commissioner Horbach seconded the motion, which carried unanimously.

Penn National Gaming, Inc. (Parent Company of Ameristar Casino Council Bluffs, LLC): Mr. Gross advised Penn National Gaming currently has shelf financing in place, which will expire in August. The request before the Commission today is for \$7 Billion. Mr. Gross stated due to the size of the company and the stock price of the company, the numbers are very favorable. He advised Penn National's debt level is the lowest it has been for some time.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve Penn National Gaming, Inc.'s shelf financing request. Commissioner Campbell seconded the motion, which carried unanimously.

GRAND FALLS CASINO RESORT, LLC: Sharon Haselhoff, General Manager, noted the facility finished the addition of an additional 66 hotel rooms and additional RV spaces. She stated those have been well received; the hotel has been full on the weekends, and has been experiencing a good occupancy rate during the week. The RV Park has been full during the week and weekends.

Ms. Haselhoff requested approval for the remodel and refresh of the casino floor. The estimated cost is \$2 million, and is the first phase of a \$7 million project for the facility. Next year they anticipate seeking approval for renovations of the restaurants and front of house. The current project entails changing out the carpet, slot bases, chairs, signage, additional space for VIP offices, electrical, demolition for drywall, adding drywall, public fixtures, lighting, decorative metal and some new piece work, and enclose the poker room. She stated the work will be completed by outside vendors. The anticipated start date is September with completion by the end of the year, contingent upon the availability of materials.

Commissioner Horbach noted this is a significant refresh for the gaming floor and entrance. He asked how they will manage the work and still be able to have the gaming floor open. She advised a lot of the construction would be done Monday through Thursday during the slower times, and done in sections to keep a majority of the floor available to the patrons.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Olsen thanked Ms. Haselhoff for the capital infusion; that the Elite properties are always nice. Commissioner Olsen moved to approve the remodel request as submitted by Grand Falls Casino Resort, LLC. Commissioner Campbell seconded the motion, which carried unanimously.

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

Grand Falls Casino Resort, LLC: Ms. Haselhoff presented the following contracts for Commission approval:

- American Engineered Product, LLC – Remodel Project: Slot Bases (OSV)
- DLR Group – Remodel Project: Architectural and Design Services
- Gasser Chair Co., Inc. – Remodel Project: Slot Chairs and Fabric (OSV)
- Gitchi Gaming Inc. – Remodel Project: Slot Chairs and Fabric (OSV)

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

HGI-Lakeside Casino, LLC:

Sports Information Group, LLC dba Daily Racing Form: Robin Maxon, legal counsel, presented a Retail Sportsbook Lease Agreement between the entities. She advised the agreement is for 10 years, and HGI-Lakeside will receive “Performance Rent” payments in the amount of 50% of the net profits generated by the retail sportsbook.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Retail Sportsbook Lease Agreement between HGI-Lakeside Casino, LLC and Sports Information Group, LLC d/b/a Daily Racing Form as submitted. Commissioner Horbach seconded the motion, which carried unanimously.

Contracts: David Monroe, General Manger, presented the following contracts for Commission approval:

- Brooner Construction & Crane – Repair Exterior Facility Damage (Original Contractor) (OSV)
- Everi Payments Inc. – Players Kiosk Machines & Software, plus Maintenance and Lease (OSV)
- Schindler Elevator Corporation – Repairs and Maintenance of Elevators and Escalator

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the contracts as submitted by HGI-Lakeside Casino, LLC. Commissioner Horbach seconded the motion, which carried unanimously.

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

- Alcoholic Beverage Division – Alcoholic Beverages and Licensing
- Chesterman Co./Coca-Cola – Soft Drinks, Equipment, Supplies
- Council Bluffs Hotel Association – Hotel Rooms for Overflow Guests
- Day Electric Services, Inc. – Electrical System Maintenance (OSV)
- Doll Distributing, Inc. – Beer Inventory and Services
- Dubuque Barge & Fleeting – Harbor Maintenance & Slip Dredging
- Farner Bocken Company – Cigarettes & Groceries
- Global Surveillance – Digital Surveillance Equipment (OSV)
- Innowave Marketing Group, LLC – Infrastructure for Loyalty Program Mail (OSV)
- Johnson Brothers Wine Company – Wine
- M & D McCullick, Inc.- Vessel Rubberized Decking (OSV)
- Nebraska Furniture Mart – Furniture
- OMG Midwest d/b/a Omni Engineering – Parking Lot Resurface
- Otis Elevator Company – Elevator Maintenance
- Prairie Mechanical Corporation – Kitchen & HVAC Maintenance (OSV)
- Trane Company – Land-side Chiller Maintenance
- Woodhouse Ford Chrysler – Promotional Items

Commissioner Horbach noted the costs associated with the Dubuque Barge & Fleeting contract, that it is an expensive venture to keep the boat operational. Mr. Czak stated when he started at the facility, the cost was between \$300,000 and \$400,000 to dredge under the boat. He noted the river levels are never normal anymore; they are either really high or really low. Mr. Czak indicated the cost is just part of doing business on the river.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the contracts as submitted by Ameristar Casino Council Bluffs, LLC. Commissioner Campbell seconded the motion, which carried unanimously.

Dubuque Racing Association, Ltd.: Brian Rakestraw, General Manager, presented a contract with Day After Day Productions, Inc., an Entertainment-Artist Booking Agency (OSV).

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the contract as presented by Dubuque Racing Association, Ltd. Commissioner Horbach seconded the motion, which carried unanimously.

Diamond Jo, LLC: Wendy Runde, General Manager, presented a contract with Brintons USA for Carpeting for Casino Floor and Ancillary Areas (OSV).

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

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

- Young Plumbing & Heating – Preventative Maintenance – Replacement Units
- Seneca Companies – C-Store Equipment and Services

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the contracts as submitted by Diamond Jo Worth, LLC. Commissioner Horbach seconded the motion, which carried unanimously.

Riverside Casino and Golf Resort, LLC: Damon John, Director of Marketing, presented the following contracts for Commission approval:

- Brockway Mechanical & Roofing – Event Center Remodel – HVAC/Plumbing Design and Installation
- Builders Sales & Service Company – Event Center Remodel – Demo-Framing-Painting-Acoustical-Carpentry (OSV)
- Hawkeye Sports Properties, LLC – Marketing and Sponsorship Agreement
- Imagine This – Promotional Items (OSV)
- Low Tide, LLC – Aircraft Rental Payment (RP)
- Mohrfeld Electric – Event Center Remodel – Electrical Design Build
- Randy’s Flooring – Event Center Remodel – Carpet and Tile Demo and Installation

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

Wild Rose Emmetsburg, L.L.C.: Steve Cody, General Manager, presented a contract with Blacktop Service Company for Asphalt Overlay and Patchwork for Parking Lot Project. He indicated this is the first part of a bigger project related to the parking lot.

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

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

- Best Buy – TVs and Installation Services for an Upcoming Hotel Capital Project

- Neesvig's/Fortune Wisconsin LLC – Premium Beef Products (OSV)

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

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

- American Airlines – Travel
- Andersen Construction Co. – General Construction
- C3 (CAP) d/b/a Charles Attal Presents – Entertainment Programming Services (OSV)
- Caesars Entertainment Operating Company – Inter-Company Allocations and Benefit Expenses (RP)
- Cintas Corporation – Uniforms
- Cummins-Allison Corp. – Currency Machines and Maintenance
- D&B Construction Inc. – General Construction
- Doll Distributing – Beverage Vendor
- Ecolab Incorporated – Pest Control
- Electronic Gizmos & Display Systems (EGADS) – Slot Signage (OSV)
- Global Surveillance Associates – Surveillance Equipment and Maintenance (OSV)
- Grainger – Maintenance Supplies
- Graphic Controls, LLC – Slot Machine Ticket Vendor (OSV)
- Harrah's Iowa Arena Management LLC – Management of Mid America Center (RP)
- Harrah's Operating Company, Inc. – Rental Agreement between Harrah's Casino and Harrah's Operating Company, Inc. (RP)
- HMW Construction – Snow Removal (OSV)
- Hockenberg's – Kitchen Equipment
- J & R Liquors – Beverage Vendor
- Johnson Brothers/Iowa Wine & Beverage – Beverage Vendor
- Liberty Fruit Company, Inc. – Food Supplier
- NRT Technology Corp. – Self-Redemption Kiosks and Repair/Maintenance (OSV)
- Olson Brothers Construction – General Construction
- OS Sales/Omaha Steaks – Food Supplier
- Otis Elevator Company – Elevator Maintenance and Repair
- Pepsi Bottling Group – Beverage Vendor
- Pinnacle Construction, Inc. – General Construction
- Premier Midwest – Beverage Vendor
- Rotella's Italian Bakery – Food Supplier
- RR Donnelley – Printer
- Staples – Office Supplies
- The Printer, Inc. – Printer
- United Airlines – Travel

- Resolute Transactions, Inc. – ATM Contract (OSV)

He advised most were renewals of existing contracts due to the five-year rule.

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

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

- American Lift – Electronic Sign Vendor (OSV)
- Andersen Construction Co. – General Construction
- Burton Plumbing – Plumbing Vendor
- Caesar’s Entertainment Operating Company – Inter-Company Allocations and Benefit Expenses (RP)
- Cintas Corporation – Uniforms
- Country Inn & Suites – Hotel Accommodations
- Cummins-Allison Corp. – Repairs/Maintenance of Equipment
- D&B Construction, Inc. – General Construction
- Doll Distributing – Alcoholic Beverage Distributor
- Ecolab Incorporated - Pest Control
- Electronic Gizmos & Display Systems (EGADS) – Slot Signage (OSV)
- Energyefficient – Lighting Efficiency Vendor
- Global Surveillance Associates – Surveillance Equipment and Maintenance (OSV)
- Grainger – Maintenance Supplies
- Graphic Controls, LLC – Slot Machine Ticket Vendor (OSV)
- Harrah’s Iowa Arena Management LLC – Management of Mid America Center (RP)
- Hockenberg’s – Kitchen Equipment
- HMW Construction – Snow Removal (OSV)
- Iowa Wine & Beverage (Johnson Brothers) – Beverage Vendor
- Liberty Fruit Company Inc. – Food Supplier
- Nebraska Furniture Mart – Furniture Vendor
- NRT Technology Corp. – Self-Redemption Kiosks and Repair/Maintenance (OSV)
- Olson Brothers Construction – General Construction
- Pepsi Bottling Group – Beverage Vendor
- Pinnacle Construction Inc. – General Construction
- Road Show Logistics – Promotional Vendor
- Rotella’s Italian Bakery – Food Supplier
- RR Donnelley – Printer
- Sapp Brothers Truck Stop – Fuel Vendor
- Schindler Elevator Corporation – Elevator Maintenance
- Southern Glazer’s of Iowa – Beverage Vendor

- Staples – Office Supplies
- The Printer, Inc. – Printer

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

PRAIRIE MEADOWS RACETRACK & CASINO, INC.:

Advance Deposit Wagering Operator Agreement: Gary Palmer, General Manager, presented an Advance Deposit Wagering Operator Agreement with XpressBet for Commission approval.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Advance Deposit Wagering Operator Agreement submitted by Prairie Meadows conditioned upon XpressBet receiving an Advance Deposit Wagering Operator license from the Commission. Commissioner Horbach seconded the motion, which carried unanimously.

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

- Comp Trading (MTM Sales) – Promotional Items (OSV)
- Gander Group (Bangarang Enterprises) – Promotional Items (OSV)
- J F Ahern Company – Fire Sprinkler Servicing
- Shift4 Payments, Inc. – Credit Card Gateway and Processor (OSV)

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the contracts as submitted by Prairie Meadows. Commissioner Campbell 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, advised they received a clean audit. He noted last year was a difficult year, and the amount of revenue generated was not as much as they had hoped. Purse generation is predicated on the previous year’s figures, and the next half of the year is subsidized. They also receive 2% as set forth in legislation. Mr. Moss stated the trust funds were used to provide Covid assistance for all of the trainers at the track by helping to cover some of the expenses of getting the horses to the track; those costs were between \$80,000 and \$90,000. Benevolence funds are used to help cover medical, dental and health screening costs for individuals on the backside of the track. Mr. Moss stated the organization has a great relationship with the medical clinic located across the street from the racetrack.

Iowa Quarter Horse Racing Enterprises, Inc. d/b/a Iowa Quarter Horse Racing Association: Tom Lepic, President, thanked the IRGC for making hair testing possible in the state, noting Iowa is the leader in hair testing in the country. He stated more and more trainers are coming to Iowa for the stakes program; stakes entries are up 20%. Mr. Lepic stated he felt the contract for next year was close to completion.

Iowa Harness Racing Association: Royal Roland, President, advised harness racing is on solid footing for 2021. He advised funding for purses is down approximately 30% based on Prairie Meadows' revenue for 2020; however, they were able to maintain the purse levels. Mr. Roland stated there are 35 days of harness racing scheduled at 10 different locations and county fairs. There were over 300 Iowa registered horses nominated; the number of Iowa registered Standardbred foals was over 250. He noted there are more individuals from out-of-state interested in purchasing Iowa-bred horses and racing here.

HEARINGS:

Wild Rose Jefferson, L.L.C.: Mr. Ohorilko advised Commission staff and Wild Rose Jefferson, L.L.C. have entered into a Stipulated Agreement for a violation of Iowa Code 99F.9(5) (Minor). He stated an underage individual entered the gaming floor on February 1st. The individual was not challenged, was on the gaming floor for over 30 minutes and gambled; therefore, meeting the criteria for a Commission referral of the incident. The individual was discovered when it was determined that the cage was short \$300. During a review to track down the individual that was overpaid, it was determined the individual was underage.

Travis Dvorak, General Manager, accepted responsibility for the violation, advising the facility takes underage gambling seriously. He stated the facility has been open six years, and admissions have totaled approximately 2.7 million; this is only the second violation of this nature. Mr. Dvorak stated this was a father-daughter combination; the daughter was 20 and the father was helping her gain entrance. The father would approach the turnstiles and distract the security officer and block his view of the entrance. Mr. Dvorak advised the DCI charged the father, and the county attorney prosecuted the father. He stated the same father-daughter combination tried the same tactic 8 days later; however, they were unsuccessful on that attempt. The father tried to say the daughter was 22, not realizing the facility already had a copy of her driver's license. Mr. Dvorak stated this situation occurred during the mask mandate. Since the conclusion of the mask mandate, they have met with DCI to discuss how to assess underage patrons. Changes were made to procedures, and all employees were trained on the revised policies and procedures.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Stipulated Agreement with Wild Rose Jefferson, L.L.C. with an administrative penalty of \$20,000. Commissioner Olsen seconded the motion, which carried unanimously.

American Wagering, Inc. d/b/a William Hill Race Book: Mr. Ohorilko advised Commission staff and American Wagering, Inc. d/b/a William Hill Race Book have entered into a Stipulated Agreement for a violation of Iowa Code 99F.9(4) "a"(1). Mr. Ohorilko advised there are three counts associated with this stipulation; all three are related to moving forward with business prior to authorization. The first count is for a self-bet terminal that was left on at Horseshoe Casino. The second count was related to the mobile operations for sports betting at Council Bluffs' facilities. The third count was related to the in-person registration requirement, which sunset on January 1, 2021. Mr. Ohorilko advised the parties have agreed to an administrative penalty of an amount up to \$30,000 for the three counts.

David Grolman stated he was present to answer any questions the Commission may have regarding the Stipulated Agreement. He indicated the first two counts occurred in September; two pieces of equipment were left on, and once they were aware of the matter, the equipment was turned off. Prior to the equipment being turned off, a patron was able to place a pari-mutuel wager, and four individuals were able to sign up for a mobile account – all occurring prior to receiving authorization to conduct business from the Commission. Mr. Grolman stated William Hill used a registration platform which did not allow for remote registration; however, they changed to a different platform in anticipation of the mobile registration. This change would have required staff had to authorize the account. Mr. Grolman stated agents did not follow protocols, which led to the errors.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the Stipulated Agreement with American Wagering, Inc. d/b/a William Hill Race Book with a combined penalty for all three violations of \$20,000. Commissioner Campbell seconded the motion, which carried unanimously.

PointsBet Iowa LLC: Mr. Ohorilko advised Commission staff and PointsBet Iowa LLC had entered into a Stipulated Agreement for a violation of Iowa Code 99F.4(22) (Self Exclusion). Mr. Ohorilko advised there was a software update that was pushed out to the system; however, there were errors in the deployment. PointsBet did self-report the incident. An investigation revealed there were 367 registrations impacted and were not checked against the statewide self-exclusion list due to the error in deployment. One customer that was on the state-wide self-exclusion list had created an account, and was sent nine promotional emails. Mr. Ohorilko advised corrections have been made to the system. He stated PointsBet has acknowledged the violation and has agreed to an administrative penalty between \$5,000 and \$20,000, which is consistent with the Statewide Exclusion Resolution. He advised this is the second offense within the last 365 days for this type of violation.

Andrew Walter, Senior Director of Regulatory Compliance, advised they take responsible gaming seriously, and view themselves as a responsible operator. He indicated the situation was due to a unique tech issue that was difficult to discover; once it was, they instituted a manual check of the system as well as a tech check. Mr. Walter stated they value their relationship with the IRGC and Catfish Bend.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the Stipulated Agreement with PointsBet Iowa LLC with an administrative penalty of \$7,500. Commissioner Campbell seconded the motion, which carried unanimously.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Chair Andres called on Mr. Ohorilko for administrative business. Mr. Ohorilko presented revised regulatory fees which were contemplated at the June meeting due to the delay in the adjournment of the Legislature; both IRGC and the Division of Criminal Investigation (DCI) were waiting on some budget numbers. For the IRGC fees, there were salary adjustment dollars that increased the overall budget by \$43,000, which would be divided between the 19 facilities in their weekly payments. Mr. Ohorilko stated the fees had been sent to the industry. The second set is the revised

DCI fees; there was a decrease due to the elimination of fees for seven facilities in Iowa, and a slight increase due to salary adjustment dollars.

Commissioner Horbach asked if any comments were received from the facilities regarding the revised fee schedules. Mr. Ohorilko advised none were received on the IRGC fees; however, the DCI fees were just sent a few days ago, so there may not have been time to receive feedback, but did not feel there would be any.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the revised regulatory fees for IRGC and DCI. Commissioner Olsen seconded the motion, which carried unanimously.

SOCIOECONOMIC MARKET STUDY: Chair Andres stated Iowa law requires a socioeconomic impact study be conducted every eight years. A Request for Proposals was published in May, which outlined various standards and questions that should be answered as part of the study. Four vendors submitted proposals in June – Bâton Global, Spectrum Gaming Group, Global Market Advisors and The Innovation Group. Each vendor gave a presentation as to their work, qualifications and approach they would utilize to complete the study at the June Commission meeting. The Commission then consulted with Kathy Harper from the Department of Administrative Services (DAS) with regard to the rules and process to be followed in making this selection. Chair Andres called on Ms. Harper to present the results.

Ms. Harper advised the Notice of Intent to Award for RFP 0620429086 show The Innovation Group and Spectrum Gaming were the two top scoring vendors.

Chair Andres called for any comments. Commissioner Olsen stated he felt the process was very thorough, and all four proposals were excellent. He stated the Commission felt good about the ability to be able to select two vendors. This will provide the Commission with two different views when they evaluate the results.

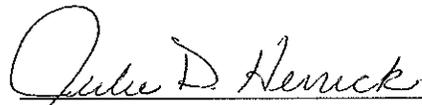
Chair Andres requested a motion to select the vendor for the socioeconomic study. Commissioner Olsen moved to select Spectrum Gaming Group and The Innovation Group to perform the socioeconomic market study. Commissioner Campbell seconded the motion, which carried unanimously.

ELECTION OF CHAIR AND VICE CHAIR: Commissioner Olsen nominated Commissioner Andres as Chair. Commissioner Horbach seconded the motion, which carried unanimously.

Commissioner Campbell nominated Commissioner Olsen to serve as Vice Chair. Commissioner Horbach seconded the motion, which carried unanimously.

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

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
AUGUST 26, 2021**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, August 26, 2021 at Riverside Casino & Golf Resort in Riverside, Iowa. Commission members present were Julie Andres, Chair; Daryl Olsen, Vice Chair; and members Mark Campbell and Lance Horbach.

APPROVE AGENDA: Chair Andres 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 submitted. Commissioner Campbell seconded the motion, which carried unanimously.

WELCOME: Dan Kehl welcomed everyone to the property, and introduced Shawn Ellingson, President of the Washington County Riverboat Foundation (WCRF). Mr. Ellingson welcomed everyone to Riverside. He noted 2020 was a difficult year with the pandemic, the casino being closed for a period of time, and the derecho in Linn County. Mr. Ellingson stated WCRF created a special Covid relief grant with a special grant cycle; funds were distributed to 17 different organizations. Additionally, WCRF partnered with Elite Casino Resorts and the Kehl family to donate \$100,000 each to United Way, Salvation Army, Red Cross, and the Hawkeye Area community Action Program for distribution, and another \$100,000 to be distributed by WCRF.

Mr. Ellingson stated WCRF had many multi-year grants for which funds were earmarked; however, with the events of 2020, they are rethinking those and are focusing on getting them paid off. With those grants paid off, WCRF will have a better understanding of how much money is available in the future. He stated Riverside is looking at a record year, and WCRF is looking forward to funding several projects during the grant cycle.

Commissioner Horbach congratulated WCRF for being able to meet some of the unfunded areas of concern in the smaller communities, who are very appreciative of the funds.

APPROVE MINUTES: Chair Andres moved to the approval of the minutes from the July 15, 2021 meeting. Commissioner Olsen moved to approve the minutes as submitted. Commissioner Campbell seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator, stated there would be no meeting in September. The next Commission meeting will be held at Casino Queen Marquette on October 21st, with submissions due in the Des Moines office by October 7th. The last meeting for the year will be held at the Diamond Jo in Dubuque on November 18th.

Mr. Ohorilko introduced Scott Ditch and Tori Aplara, IRGC Gaming Representatives assigned to the Riverside facility. He also introduced Larry Johnson, Director of the Iowa Department of Inspections and Appeals.

ADVANCE DEPOSIT SPORTS WAGERING OPERATOR AGREEMENT:
Prairie Meadows Racetrack & Casino, Inc. (PMR&C): Gary Palmer, General Manager, noted

American Wagering, Inc. d/b/a William Hill was purchased by Caesars Entertainment. The agreement was amended to allow changing the name of the sportsbook to Caesars instead of William Hill, Caesars will provide some new furniture for the area, removed the requirement for PMR&C to pay half of the original investment if they terminated the agreement after the initial term and the approval of additional skins.

Commissioner Horbach asked each facility presenting in this area to provide the Commission with a brief description of what they are looking for when they partner with an Advance Deposit Sports Wagering Operator.

Mr. Palmer stated they wanted someone with national recognition that would be a good partner. As sports wagering was an unknown, PMR&C wanted someone that did a lot of advertising. Now, they realize just about everything is done on a mobile device, and requires an app. He stated PMR&C is probably not making as much as they would like. They sought a partner that would do a good job and have integrity.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the amended agreement between Prairie Meadows Racetrack & Casino, Inc. and American Wagering, Inc. d/b/a William Hill Sports Book as presented. Commissioner Olsen seconded the motion, which carried unanimously.

Catfish Bend Casino II, LLC (CBC): Rob Higgins, General Manager, presented an Amended and Restated Sports Book and Online Casino Gaming Agreement with PointsBet USA Inc., which would establish PointsBet as CBC's exclusive "second skin" operator and enabling them to offer online gaming products should online gaming become legal in Iowa. PointsBet would provide the necessary personnel; hardware, software and technology, marketing and customer service to permit the Online Casino to be available to authorized persons located within Iowa's borders; and maintain and operate customer wager balances, payment services, verification services, and other services required to operate the Online Sportsbook in accordance with Iowa law.

Mr. Higgins noted CBC recently had an agreement with 888, now owned by Sports Illustrated, approved. With the approval of the amended and restated sports book and online casino gaming agreement, PointsBet would be the first skin for sports betting and Sports Illustrated would be the second skin, Should online gaming become legal, Sports Illustrated would be the first skin, and PointsBet would be the second skin.

Mr. Higgins stated PointsBet reached out to them. As a smaller facility, CBC was looking for a company that was similar and had the same thought process they did. PointsBet's presentation resonated with CBC management and they have been able to establish a personal relationship. He noted PointsBet has expanded their operations and are now in eleven jurisdictions. Mr. Higgins stated they are happy with their relationship with PointsBet.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the Amended and Restated Sports Book and Online Casino Gaming Agreement

as presented by Catfish Bend Casino II, LLC. Commissioner Campbell seconded the motion, which carried unanimously.

Dubuque Racing Association, Ltd.: Brian Rakestraw, General Manager, introduced Alex Dixon, the new President and CEO for the Dubuque Racing Association. Mr. Dixon provided the Commission with his background in the gaming industry.

Mr. Rakestraw presented a Sportsbook Services and License Agreement with BlueBet Iowa LLC. He advised BlueBet is an Australian sports wagering operator that has been in operation since 2015. They are looking to expand to the United States, and in addition to Iowa, BlueBet is currently looking at opportunities in Colorado, Maryland, Tennessee, and Virginia.

Mr. Rakestraw stated Dubuque Racing Association/Q Casino is one small operator in Iowa. When they looked for partners for sports wagering, they sought out operators that were in multiple jurisdictions, not necessarily a market leader.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Sportsbook Services and License Agreement between the Dubuque Racing Association, Ltd. and BlueBet Iowa LLC as presented. Commissioner Horbach seconded the motion, which carried unanimously.

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, presented a Branded Online Sportsbook Shared Services Agreement with Penn Sports Interactive, LLC (PSI), which currently offers retail sports betting in 17 casinos across eight states. Mr. Czak stated Penn Gaming chose to develop their own Barstool app, and recently purchased The Score. Penn will own all of the skins, technology, etc.

Chair Andres asked if the sportsbook would be branded as Barstool. Mr. Czak advised the app would be Barstool, but the sports bar name will not change until sometime in 2022.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the Branded Online Sportsbook Shared Services Agreement between Penn Sports Interactive, LLC and Ameristar Casino Council Bluffs, LLC as presented. Commissioner Campbell seconded the motion, which carried unanimously.

Wild Rose Clinton, L.L.C.; Wild Rose Emmetsburg, L.L.C.; Wild Rose Jefferson, L.L.C.: Rick Gilson, Internal Auditor, presented two amendments to their agreement with Crown IA Gaming LLC (DraftKings). The first amendment changes the definition of gross gaming revenue. The second amendment defines a potential online gaming relationship should it become legal and eliminates the "opt out" clause in the agreement.

Mr. Gilson stated their strategy in selecting a partner was to identify about eight potential vendors and then through talking with them, they selected those they felt they could develop a relationship/partnership with and were comfortable working with.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the two amendments to the Crown IA Gaming LLC (DraftKings) agreement as submitted by Wild Rose Clinton, L.L.C., Wild Rose Emmetsburg, L.L.C. and Wild Rose Jefferson, L.L.C. Commissioner Campbell seconded the motion.

AMERISTAR CASINO COUNCIL BLUFFS, LLC: Mr. Czak introduced Brenda Mainwaring, CEO of the Iowa West Racing Association (IWRA). She advised IWRA has had an Operating Agreement in place since 1994 with Ameristar which has been restated, extended and amended. The document before the Commission today memorializes the current process between Ameristar and IWRA. Specifically, the amendment removes language requiring a Joint Public Relations Committee; and confirms Ameristar's existing payment rate to IWRA on sports wagering revenue. Ms. Mainwaring stated Mr. Czak has stated Ameristar's understanding of the legislation is that the community should get 3% of adjusted gross revenue regardless of the source of that revenue. Since the onset of sports wagering, Ameristar has paid IWRA 3% of adjusted gross revenue on any wagering under their control. With regard to the skins, that is still a pass through, and the State mandated three-quarters of 1%. Ameristar will continue to pay 3% on everything they own. Ms. Mainwaring stated the parties are in the middle of the current operating agreement, which has an additional three year extension. She stated Ameristar has set a very high standard with regard to their sports wagering in connection with the community.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Third Amendment to Second Amended and Restated Excursion Boar Sponsorship and Operations Agreement between Ameristar Casino Council Bluffs, LLC and IWRA as presented. Commissioner Olsen seconded the motion, which carried unanimously.

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

Riverside Casino & Golf Resort, LLC: Damon John, Director of Marketing, presented a contract with Embark IT, Inc. for the video and audio system related to the remodel of the event center.

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

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

- Carrier Access IT, LLC – Technology Solutions: Hardware, Software and Support Services
- Edward Don – Disposables and Smallwares Purchases
- Fortune Wisconsin – Specialty Food Purchases (OSV)
- Loffredo Fresh Produce – Food and Produce Purchases
- Myers-Cox – Cigarettes, Sundries and Candies
- Performance Food Service – Food Purchases
- The Home Depot – Environmental Services Supplies

- US Foods – Food Purchases

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

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

- Bluworld of Water, LLC – Remodel Project: Waterfall Feature (OSV)
- Sonifi Solutions – Public Viewing and NFL Sunday Ticket (OSV)

Commissioner Horbach inquired as to the status of the construction project underway last year. Ms. Haselhoff indicated it was complete, and the hotel and RV Park were operational. She indicated the hotel rooms and RV Park have been close to full throughout the summer.

Commissioner Olsen noted the waterfall at the facility was amazing, and asked what the plans were. She advised the bubblers in the facility will be removed and replaced with the water feature from Bluworld, which will be contained and require less maintenance on the part of the facility team.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the contracts as submitted by Grand Falls Casino Resort, LLC. Commissioner Campbell seconded the motion, which carried unanimously.

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

- Dubuque Networking Services – Service and Office 365
- Gronen Restoration, Inc. – Refurbish and Addition of Outdoor Seating Area for Houlihan's Restaurant
- O'Connor & Thomas, P.C. – Legal Fees
- Reliable Technology Inc. – Services and Microsoft Contracts

Mr. Rakestraw advised Houlihan's is being totally refurbished; they are adding an outdoor patio which will be accessed via folding glass doors. The patio will be covered and have heat lamps, ceiling fans and a fire pit. They hope to have the outdoor patio ready for use in early September.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the contracts as submitted by Dubuque Racing Association, Ltd. Commissioner Campbell seconded the motion, which carried unanimously.

Diamond Jo, LLC: Wendy Runde, General Manager, presented a contract with Mastercraft Floor Covering, LLC for the installation of casino carpet.

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

Catfish Bend Casinos II, LLC: Mr. Higgins presented a contract with Mohrfeld Electric for the installation of surveillance camera wiring.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the contract as submitted by Catfish Bend Casinos II, LLC. Commissioner Campbell seconded the motion, which carried unanimously.

HGI-Lakeside, LLC: David Monroe, General Manager, presented the following contracts for Commission approval:

- American State Bank – ATM Services/Electronic Services to Patron’s Bank Accounts
- Everi Payments Inc. – Third Party Access to Cash and/or Credit for Patrons (OSV)

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the contracts as submitted by HGI-Lakeside, LLC. Commissioner Olsen 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 Reynolds & Reynolds, an insurance broker and provider.

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

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

- Reynolds & Reynolds – Insurance Broker and Provider
- Premier Mechanical – Repairs and Maintenance for HVAC
- Blacktop Service Company – Asphalt Overlay and Patchwork for Parking Lot Project
- DeLoss Construction – Concrete and Paving for Parking Lot Project

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

Wild Rose Jefferson, L.L.C.: Mr. Cody presented a contract with Reynolds & Reynolds, an insurance broker and provider.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the contract as presented. Commissioner Olsen seconded the motion, which

carried unanimously.

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

- Siouxland Expo Center – Sponsorship Agreement
- The Fish Guys – Food Supplier (OSV)

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

Iowa West Racing Association d/b/a Horseshoe Casino: Sally Rogers, Director of Finance for IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo, presented a contract with C3 (CAP) d/b/a Charles Attal Presents for Entertainment Programming Services (OSV).

Hearing no comments or questions, Chair Andres 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 a contract with Sys-Kool, LLC for water cooling tower service.

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

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Chair Andres moved to Administrative Business. Mr. Ohorilko asked Wes Ehrecke, President of the Iowa Gaming Association (IGA), to address the request to waive licensing requirements. Mr. Ehrecke stated the IGA, on behalf of the licensed casinos, was requesting that the licensing requirements for all non-gaming positions be waived so the facilities could be on a more competitive hiring playing field for the same positions found at nearby restaurants, hotels, golf courses, etc. He noted the facilities are competitive with wages and benefits.

Commissioner Olsen stated it was his understanding those individuals could be hired today and start without licensing. Mr. Ehrecke stated he did not believe they could, but asked for clarification. He indicated it was his understanding that once an individual is hired, they have to complete the IRGC application, which has to be approved by the IRGC Gaming Representative, which could take up to a week or two weeks.

Mr. Ohorilko advised the rules permit employees to work on an interim identification badge until the next time the IRGC licensing office is open. If someone were to apply after licensing hours, the facility could offer that individual a job; they could start work that night with the expectation that they come in and get licensed. Mr. Ohorilko noted this sometimes creates a hardship for those

employees that have other daytime jobs or a student with classes. He stated the interim identification badge only allows the individual to work until the next day the licensing office is open. He noted that at the smaller or more remote locations, if the licensing office is closed due to vacation or a short illness, the interim badge would be allowed until the next time the licensing office is open.

Mr. Ehrecke clarified these positions would not be working on the gaming floor or handling money. He noted the Commission wanted the casinos to be destinations with amenities other than the gaming floor. This request would cover those employees working in the hotel, on the golf course, in the spa and restaurants.

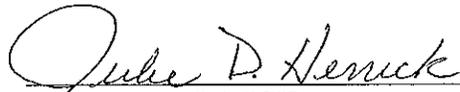
Chair Andres stated the impetus to bring this matter to the table was the discussions held recently with all of the operators. She stated the Commission understands the tight labor market, and is sympathetic to the need to staff the facilities. She advised the Commission was contacted by the Division of Criminal Investigation (DCI), who urged caution in moving forward. Chair Andres stated the Commission has come up with a possible solution.

Commissioner Horbach expressed his frustration at not getting good information, and was not aware there was a provisional opportunity or that it was so short. He stated he has asked Commission staff and the DCI to provide a detailed licensing timeline. Commissioner Horbach stated the Commission has heard about the hardships and delays. He voiced his support to try and come to a resolution to put the facilities on the same competitive playing field with other restaurants, golf courses, hotels, etc.

Commissioner Campbell thanked everyone for the conversations and information. He stated the Commission learned a lot and will learn more going forward. Commissioner Campbell moved to direct Commission staff to promptly work with the Iowa Gaming Association on a potential filing of a petition to waive sections of 491-6.2(6) in an effort to assist the industry with hiring challenges related to 491-6.2(6). Commissioner Olsen seconded the motion, which carried unanimously.

ADJOURN: Chair Andres requested a motion to adjourn. Commissioner Horbach so moved. Commissioner Olsen seconded the motion, which carried unanimously.

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
OCTOBER 21, 2021**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, October 21, 2021 at Casino Queen Marquette in Marquette, Iowa. Commission members present were Julie Andres, Chair; Daryl Olsen, Vice Chair; and members Mark Campbell and Lance Horbach.

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

WELCOME: Don Ostert, General Manager, welcomed everyone to northeast Iowa and highlighted some of the attractions in the area. He noted the facility opened in 1994 under the name of Miss Marquette. They currently have 107 employees; 13 have been with the property since opening day and 41 have been employed for 15 or more years. Mr. Ostert advised the property is in the process of changing out the slot system, installing new slot machines, token machines and marketing kiosks, representing an investment of \$2.5 million. He stated Fubo Gaming recently started operating their online and retail sports betting facility.

Steve Weipert, Mayor and an Upper Mississippi Gaming Corporation board member, stated there are negative and positive sides to having a casino in the community. The negative is that other communities wish they had their own casino, but he reminds them they do benefit from the casino. The non-profit operator has distributed over \$2 million to 150 non-profits in the area. He also feels there has been a slight decline in community unity. Prior to the casino, if there was a need in the community, the citizens would band together to raise the necessary funds; now it is let the casino pay for it. Due to the funds received from the casino, the City of Marquette has been able to complete upgrades to the sewers, water and sanitary systems, add an addition on to the museum, build a new parking lot with electric charging stations, and more. The city worked with Cobblestone to build the new hotel, with space for a new City Hall and community meeting room. They have also installed solar panels on city buildings, which saves the citizens \$3,000 per month in utility bills.

Commissioner Horbach thanked Mr. Weipert for his comments regarding the infrastructure. He stated he came because of the casino and meeting, but was leaving with a Marquette experience.

APPROVE MINUTES: Chair Andres moved to the approval of the minutes from the August 26, 2021 Commission meeting. Commissioner Olsen moved to approve the minutes as submitted. Commissioner Horbach seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator, stated the next meeting would be November 18th at the Diamond Jo in Dubuque. There will be no meeting in December. The first meeting of 2022 will be held on January 13th at Prairie Meadows Racetrack & Casino in Altoona.

Mr. Ohorilko stated Gaming Representative Cory Kozelka was not able to attend the meeting as his presence was needed on the gaming floor.

RULES: Mr. Ohorilko advised there are 26 items being presented under Notice of Intended Action. This is the first step in the process. The rules being presented are the result of staff and industry meetings, legislative changes in the last session, and racing task force meetings. The rules were sent to the industry and staff did receive some comments regarding a few sports wagering items. Staff has worked with the industry to resolve the issues.

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

ADVANCE DEPOSIT SPORTS WAGERING OPERATOR AGREEMENT: Thomas Roberts, General Manager for Harrah's and Horseshoe Casino, presented an Online Market Access Agreement between Isle of Capri Bettendorf, L.C. (IOCB) and Tipico Iowa, LLC. He stated the company was founded in 2004 in Europe, and currently operates in Colorado and New Jersey.

Commissioner Horbach asked how IOCB was able to get a company from Europe to come to Iowa. Mr. Roberts stated they worked with the corporate office, which looks for reputable companies operating in the United States. He indicated the second skin under consideration at this meeting is a market share leader in Germany, which had sports wagering before the United States.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the Advance Deposit Sports Wagering Operator Agreement between Isle of Capri Bettendorf, L.C. and Tipico Iowa, LLC. Commissioner Campbell seconded the motion, which carried unanimously.

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

Isle of Capri Bettendorf, L.C.: Mr. Roberts presented a contract with Northwest Mechanical for HVAC Maintenance and Supplies.

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

IOC Black Hawk County, Inc.: Chad Moine, General Manager, presented the following contracts for Commission approval:

- CentiMark Corporation – Roof Replacement
- Compass Group – Employee Dining Food Vendor
- Lithographic Communication – Marketing Direct Mail Service (OSV)

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the contracts as submitted by IOC Black Hawk County, Inc. Commissioner Campbell seconded the motion, which carried unanimously.

Riverside Casino and Golf Resort, LLC: Damon John, Director of Marketing, presented the following contracts for Commission approval:

- Atlantic Bottling Company – Beverage Agreement
- Builders Sales & Services Company – Event Center Remodel – Chandelier Support (OSV)
- Global Payments Gaming Services, Inc. – Cash Advance Credit/Debit Card Processing (OSV)
- Global Payments Gaming Services, Inc. – Check Guarantee Agreement (OSV)
- Mid-State Poker Tour, LLC – MSPT Events (OSV)

Commissioner Olsen noted that four of the contracts were with out-of-state vendors. Mr. John advised the contract with Builder Sales & Services was with a previously approved vendor; the chandelier selected for the event center required extra support due to its weight, Mid-State Poker Tour is located in Minnesota, does not have an Iowa location nor is there a similar vendor in Iowa.

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

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

- Atlantic Bottling Company Coca Cola – Coca Cola Beverage Agreement
- Global Payments Gaming Services, Inc. – Cash Advance Credit/Debit Card Processing Revenue Agreement (OSV)
- Global Payments Gaming Services, Inc. – Check Guarantee Agreement (OSV)
- Imagine This – Continuity and Promotion Agreements (OSV)

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

Grand Falls Casino, LLC: Mr. John presented the following contracts on behalf of Grand Falls Casino:

- A-1 Concrete Grinding & Mudjacking – Sun Shade Project: Concrete & Fittings (OSV)
- Chesterman Bottling – Beverage Agreement
- Global Payments Gaming Services, Inc. – Cash Advance Credit/Debit Card Processing Revenue Agreement (OSV)
- Global Payments Gaming Services, Inc. – Check Guarantee Agreement (OSV)

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

Harveys Iowa Management Company, LLC: Mr. Roberts presented the following contracts for Commission approval:

- Aria Group Architects, Inc. + Design – Design Fees for Property Improvements (OSV)
- Century Asphalt – Construction Vendor
- Mulhall’s – Landscaping Vendor (OSV)
- Omaha Neon – Sign Vendor
- EMC – General Contractor (OSV)

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

SCE Partners, LLC: Doug Fisher, General Manager, presented a contract with Mark-It-Smart (OSV) for promotional items.

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

IOWA WEST RACING ASSOCIATION d/b/a HORSESHOE CASINO-BLUFFS RUN GREYHOUND PARK: Mr. Roberts and Brenda Mainwaring, President of Iowa West Racing Association (IWRA) were present to address the agenda items.

Application for a Pari-Mutuel License, Racetrack Enclosure Gambling License, and Sports Wagering License for January 1, 2022 through December 31, 2022: Ms. Mainwaring requested renewal of the license for 2022 and stated that Horseshoe Casino is an important partner with the City of Council Bluffs. They have provided more than \$1 million in tax revenue, and bring tourism dollars to the community as 75% of their guests are from out-of-state. The facility has 600 employees; 50% are Iowa residents.

Mr. Roberts stated IWRA’s involvement in projects with the city improves the quality of life for local residents and visitors to the community and brings in tourism dollars. He advised the management team has served in 98 community events, wages have been increased in excess of \$500,000, and the property has paid \$1.1 million in property taxes. They will be renovating the Hilton Hotel at a cost of approximately \$8 million, and hope to have it completed by the end of September 2022. As they are currently working on another hotel project, this particular project will not commence until May 2022. Delays are due to Hilton and supply chain issues.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve Iowa West Racing Association’s Application for Pari-Mutuel License,

Racetrack Enclosure License and Sports Wagering License for January 1, 2022 through December 31, 2022 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; and
- Import contracts are available on demand to staff to ensure regulatory compliance.

Commissioner Olsen seconded the motion, which carried unanimously.

Contract: Mr. Roberts submitted a contract with Century Asphalt as a construction vendor for Commission approval.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the contract as submitted by IWRA d/b/a Horseshoe Casino-Bluffs Run Greyhound Park. Commissioner Campbell seconded the motion, which carried unanimously.

IOWA GREYHOUND ASSOCIATION d/b/a THE IOWA GREYHOUND PARK:

Application for Pari-Mutuel License. Granting of Race Dates for April 16, 2022 through May 15, 2022. Brian Carpenter, Director of Racing, advised next year would be a very short season, as well as the last season of greyhound racing in Dubuque. The race meet next year will consist of 18 racing dates with 10 races per card.

He also believes there will be a shortage of greyhounds as a number of breeders have ceased operations as greyhound tracks have closed the past two years. This year Dubuque was one of four greyhound tracks that held races; there will be two left after Dubuque ceases operations next year. He feels greyhound racing will be gone in the United States in five years.

Mr. Carpenter stated the dogs from the south were able to come to Dubuque in March of this year, enabling them to add two weeks to this year's racing season. Handle to date this year is \$20 million; and the highest stakes race in the history of racing at Dubuque with a purse of \$412,242.38 was run on October 24th.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the Iowa Greyhound Association's Application for Pari-Mutuel License for January 1, 2022 through December 31, 2022 and grant race dates as submitted in the application in conjunction with the ratification of the Lease Agreement between the City of Dubuque and the Iowa Greyhound Association 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; and
- Racing purses must be held until test samples are cleared by the state chemist.

Commissioner Campbell seconded the motion, which carried unanimously.

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

- Second Amendment to Sublease Agreement between the City of Dubuque and Iowa Greyhound Association
- Second Amendment to Sublease Agreement between Dubuque Racing Association, Ltd. as Sublessor, Iowa Greyhound Association, as Sublessee

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

PRAIRIE MEADOWS RACETRACK AND CASINO, INC. d/b/a PRAIRIE MEADOWS RACETRACK AND CASINO (PMRC): Gary Palmer and Derron Heldt, General Manager and Director of Racing respectively, were present to address the agenda items.

Commissioner Olsen stated that with greyhound racing coming to an end, he is concerned about the health of horse racing in Iowa. He asked Mr. Ohorilko if the Commission itself, or if PMRC or the Iowa Horsemen's Benevolent Protection Association (IHBPA), have been asked to look at the health of the industry. He questioned if there is something the Commission should be proactively doing versus doing nothing.

Mr. Palmer stated it is clear where the future is, and the industry has time to do something about it. He stated PMRC wants to continue horse racing but some changes are going to have to be made nationwide. With handle declining, Mr. Palmer feels there is going to have to be an alternative; he believes the race days are going to have to change. He feels the industry is going the wrong way, which is concerning for PMRC, the horsemen and the Commission. Mr. Palmer stated there is concern as to what steps to take for the future, and what the future should look like if the industry is going to survive in Iowa.

Commissioner Olsen asked Mr. Ohorilko if there are steps the Commission could take to initiate a study or something to be proactive in this area. Mr. Ohorilko stated the Commission has the authority to request a strategic plan for horse racing or the health of the industry. He noted there have been instances when PMRC or the IHBPA have conducted studies. He stated that instead of a study, it could be a general assessment of the industry. Mr. Ohorilko stated the last time a study was done was approximately eight or nine years ago, but he was not sure if it addressed a long term plan for the industry. He felt it was focused on the industry at that time; however, there have been significant changes to the industry since then. Mr. Ohorilko stated the timing would be appropriate if it is something the Commission would like to entertain.

Mr. Palmer stated PMRC asked Mr. Ohorilko several years ago to sit in on the negotiations with the horsemen so everyone heard the same thing at the same time; minutes are kept as well. He noted most of the studies PMRC has requested in the past have been economic impact studies for the state of Iowa. Those studies tend to leave out inventory and what other tracks across America are doing to survive or minimize expenses versus maximizing their expenses. Mr. Palmer stated PMRC believes there is a solution that can be found before it comes down to having racing or not having racing.

Commissioner Horbach stated he is not a big advocate of studies or of having someone else do so. He suggested PMRC continue the same format with the meetings with the horsemen but allow some of the Commissioners to sit in. This would provide an opportunity for PMRC and the horsemen to inform the Commission as to what they see as the challenges facing the industry, and allow the Commission as a representative of the State to voice their wants, needs and what they see as challenges facing the industry. If a study is appropriate after those discussions, it could be limited to those items that are the top priorities of the parties.

Mr. Palmer concurred with Commissioner Horbach's comments.

Mr. Ohorilko stated the timing would typically be when PMRC is negotiating an additional three-to-five year contract with the horsemen; the current contract has one more year. He suggested a stakeholder meeting with the horse racing industry similar to what they did with the casino industry.

Commissioner Olsen noted the January 2022 meeting is at PMRC. He asked the staff to look at the options available, and be proactive. He would like to get some answers before it is too late to save the horse racing industry.

Application for Pari-Mutuel License and Granting of Race Dates; Racetrack Enclosure Gambling License and Sports Wagering License for January 1, 2022 through December 31, 2022; Chair Andres asked Mr. Heldt to discuss the race dates before the Commission.

Mr. Heldt stated there had been a modification to the race date calendar submitted with the license renewal application. The original calendar indicated there would be racing on Thursday, July 14th, but they normally run Friday, Saturday, Sunday and Monday. The horsemen felt five days of racing was too much in July. The calendar was modified to move that race day to Sunday, October 2nd; therefore, the race meet will end on October 2nd instead of October 1st.

Mr. Palmer stated PMRC will be commencing a hotel renovation in 2022 costing approximately \$12.5 million. They will be asking the Board to approve capital expenditures of approximately \$10 million next week.

Hearing no further comments or questions, Chair Andres 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, 2022 through December 31, 2022, grant race dates as submitted in the application with the exception of moving race day July 14 to October 2, 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 Horbach seconded the motion, which carried unanimously.

Recap of Race Meet: Mr. Heldt advised there were mixed results for both the on and off-track handle and field sizes. Thoroughbred handle was up over \$780,000 on track and off-track was up about \$5.8 million year over year. Quarter horse handle was up on track about \$67,000, but off-track handle was down about \$729,000. Mr. Heldt stated the main factor leading to the increased handle was the increase in the number of racing days, 67 in 2020 versus 84 this year. He stated there were two days with mandatory payout on the Jackpot Pick 5, which totaled \$4.7 million for the season and also helped increase the handle.

Mr. Heldt advised the field size for the thoroughbreds was down from 6.79 in 2020 to 6.4 this year; quarter horses were down from 7.3 last year to an average of 7 horses this year. He stated there are a number of variables that affect field size – the number of horses trainers bring, the number of races, categories, and distances to name a few. He indicated he and his staff would be evaluating those in the off season to determine how to improve the field size. He stated the betting public nor PMRC like short field sizes.

Mr. Heldt stated there were some great races this season as well. Racing concluded on Saturday, September 25th with an All Iowa-bred day consisting of 12 races - 8 thoroughbred and 4 quarter horse. Alex Wessel, an Iowa trainer, won three of the four races. Mr. Heldt stated the family has been involved in racing for many years. On the thoroughbred side, the leading trainer, Lynn Chleborad, won two of the races. Kelly Von Hemel, PRMC's Hall of Fame Trainer, won three races. A thoroughbred jockey won four races. Mr. Heldt stated there were great performances on both sides.

The Festival of Racing was held in early July. A horse by the name of Knicks Go, one of the top horses in the county, came and raced. Since that time, he has won two \$500,000 races and one \$1 million race. He will be participating in the Breeders' Cup races on November 5th and 6th; this race is the championship of all horse races across the country. The race includes the Classic Race, which has a \$6 million purse.

Mr. Heldt stated the Iowa Thoroughbred Breeders and Owners Association (ITBOA) had their annual sale in September. The top purchase price this year was \$34,000, but has been as high as \$60,000 in prior years. The strength of the market in Iowa is in the mid-market range, or horses that sell in the \$10,000 - \$40,000 range. He advised that other sales across the country have also seen strength in the mid-market range, so what occurred here is representative of what is happening across the country.

Mr. Heldt stated PMRC takes the condition of the racing surface very seriously. He noted Dr. Sweeney, the state veterinarian, provides a report showing all injuries, including catastrophic, that occur on the backside or racetrack. Mr. Heldt reported there were three catastrophic injuries during the 84 racing days that occurred on the racing surface; two thoroughbreds and one quarter horse. The national measurement for catastrophic injuries is per 1,000 starts; PMRC's ratio is .58 per 1,000 starts. The national average is 1.41 per 1,000 starts. Mr. Heldt stated PMRC did a couple of things differently this year. If a storm was forecast to move in prior to the start of training at

6:00 AM, the main track was shut down. He stated the state veterinarians also took a harder look during the pre-race exams.

Commissioner Horbach asked about the make-up of Iowa horses versus out-of-state horses in the races. He also asked if the field sizes were due to Iowa breeders not choosing PMRC and Iowa, or something that is occurring nationwide.

Mr. Heldt advised that foal crops have been declining across the country, and Iowa is no different. The number of thoroughbred foals declined from 240 to 167 this year.

Commissioner Horbach asked about race inventory generically; are the races heavy on out-of-state horses. Mr. Heldt stated during the recent mixed meet, there were 940 thoroughbred horses, which left 420 stalls for quarter horses. In June, 90% of the 940 thoroughbreds were on the backside; however the percentage dropped to 80% in July and by August the percentage was down to 50%. Mr. Heldt stated 28-35% were Iowa-bred horses.

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

- Canteen (Compass Group USA) – Face Masks packed for Vending Machine
- Global Payments – Credit and Debit Card Services – Revenue Agreement (OSV)
- Global Payments – Casino Guest Check Cashing/Kiosk Purchase & Maintenance (OSV)

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

Chair Andres reiterated the importance of utilizing Iowa vendors, noting the Commission usually receives good explanations when the facilities are unable to do so. She noted there were a couple instances this month where the Commission would have liked to see a better explanation. She stated the Commission would continue to monitor the use of out-of-state vendors. She noted the absence of some individuals who were not available to address the use of out-of-state vendors.

HEARINGS:

Catfish Bend Casino II, L.L.C. (CBC): Mr. Ohorilko advised Commission staff and CBC have entered into a Stipulated Agreement for a violation of Iowa Code 99F.9(5), related to underage gambling. This incident occurred on December 18, 2020. A 15-year old entered the gaming floor unchallenged, and was on the floor 47 minutes. Due to the lack of clarity in the surveillance coverage, it was not discernible if the individual gambled; however, Commission staff was able to verify the individual did pull a ticket out of a machine. Based on the preponderance of evidence, Commission staff believes the individual did gamble. The individual left the gaming floor and attempted to re-enter; at that point the minor asked the security officer on duty to page his friends. The security officer verified the age of the individual and contacted the Burlington Police Department. Mr. Ohorilko stated CBC has agreed to an administrative penalty up to \$30,000 due to potential aggravating circumstances, the age of the minor and the lack of surveillance coverage.

Rob Higgins, General Manager, stated the facility takes underage gambling very seriously. He stated the two gentlemen the individual was with had been there earlier in the evening and he just followed them onto the floor. The individual had a hoodie covering his head and had a mask on so only the eyes were visible. Upon reviewing surveillance footage, the security officer was distracted. Immediately following this incident, staff was retrained, and the surveillance system was upgraded.

Commissioner Horbach noted before a violation makes it to the Commission, it has to meet three criteria: enter the floor unchallenged, be on the floor over 30 minutes and gamble, or consume alcohol. He noted some of the criteria is out of the facility's control, but they do have control over whether the individual enters the floor unchallenged. He stated he stops at the licensed facilities when traveling for his job. At one recent stop, he was able to walk onto the casino floor without being seen by anyone, so he walked out and walked back in – again without being acknowledged by any security personnel. He walked back out and stood a short distance from the security podium for a few minutes before being acknowledged by the security officer on duty. He stated he has the highest respect for the security officers who stand at the entrances for the length of time required. He stated the operators do not have to reach this point if they execute the policies and procedures for entering the gaming floor; how that is accomplished is up to them. Commissioner Horbach stated they don't like seeing these Stipulated Agreements, and feels he has seen too many in his short tenure on the Commission due to management failures and events that are within the control of the facility.

Mr. Higgins stated that Commissioner Horbach's comments were correct. He advised the majority of the facilities have the same policies and procedures in place. He stated CBC purchased a face recognition system, and individuals are required to lower their mask to aid in proper identification. Mr. Higgins stated he has a good relationship with the DCI and Burlington Police, and when these incidents occur, the facility does press charges against the individual.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Stipulated Agreement with an administrative penalty of \$30,000. Commissioner Olsen seconded the motion, which carried unanimously.

Diamond Jo Worth, LLC (DJW): Mr. Ohorilko stated Commission staff and DJW have entered into a Stipulated Agreement for a violation of Iowa Code 99F.9(5), related to underage gambling. He advised an underage female entered the gaming floor on February 10th, was on the floor for two hours and twenty minutes, and gambled on three machines. He stated a security officer did approach the individual while she was on the floor to request identification, which is how the individual was identified as a minor and should not be on the floor. Mr. Ohorilko stated DJW acknowledges the facts and has agreed to an administrative penalty of \$20,000.

Scott Smith, General Manager, stated this is an unfortunate incident and is taken seriously by the facility. He indicated the facility did have the proper policies and procedures in place; the guard at the podium did ask the three guests that passed through the turnstile to lower their masks, but chose not to actually request identification. The policy states the guest is asked to lower their mask, the guard is to engage with the guest and request identification, especially if the guest

appears to be under 35 years old. He noted the policies and procedures were followed on the gaming floor when the individual was identified. Mr. Smith stated staff is trained to never assume that just because an individual made it through the turnstile they are twenty-one. These types of incidents are used to reinforce the policies and procedures, and make adjustments when necessary. He pointed out the legal gambling age in Minnesota is 18; it is not unusual for the guards to turn away 25-30 individuals on the weekend.

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

Iowa West Racing Association (IWRA) d/b/a Horseshoe Casino Council Bluffs: Mr. Ohorilko stated Commission staff and IWRA operating Horseshoe Casino have entered into a Stipulated Agreement for a two-count violation of Iowa Code 99F.9(5), related to underage gambling. He stated the first count occurred on January 14th when a 16-year old female entered with an adult male companion. The individual entered the gaming floor unchallenged, was on the gaming floor for an hour and fifteen minutes, gambled and walked around the gaming floor for a period of time. A Horseshoe security officer was notified by a relative that they knew this individual and believed the individual was on the gaming floor. The individual was later identified due to another call that was made the next day at which time it was determined the individual was underage and they left the property.

The second count occurred on April 7th, and involved a 17-year old female who entered with an adult companion unchallenged, was on the floor five hours, and did walk throughout the gaming floor. The individual was identified when she went to Security Dispatch to claim a lost wallet. At that time, identification was requested and it was determined she was underage.

Mr. Ohorilko stated that as a result of both counts, IWRA d/b/a Horseshoe Casino has agreed to an administrative penalty up to \$60,000, which will need to be set by the Commission. He advised the fines were elevated due to the potential aggravated circumstances, the age of the minors and the conduct of the minors while on the gaming floor.

Mr. Roberts stated Horseshoe did not dispute the facts set forth in the Stipulated Agreement. He stated two employees failed to perform their job duties; one minor getting past security is bad, but two in such a short period of time is negligence. Mr. Roberts advised that in addressing these two violations, the two guests that brought the minors in have been barred from all Caesars' properties; one security officer was terminated, and the other has received a final written warning. Mr. Roberts advised the starting wage for security personnel has been increased to help draw better qualified individuals. The policies and procedures for entry onto the gaming floor have been updated; all guests are required to lower their mask, and a Veridocs system was added. They have caught minors attempting to use someone else's ID to beat the system. For those individuals born between 1990 and 2000, security officers are requesting a second form of identification. A security station was added to the north entrance, and they have increased staff to help with identification procedures during the weekends when they are busier. Mr. Roberts advised no additional minors have made it past the turnstiles since these incidents. He also stated that from January 1st of this

year, Horseshoe has had 1.3 million guests, and have verified 47,000 IDs, and have turned away over 5,000 individuals with minors. He stated they have good processes in place and have added staff to keep the front door secure, but did acknowledge errors were made.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the Stipulated Agreement with an administrative penalty of \$60,000. Commissioner Horbach seconded the motion, which carried unanimously.

Prairie Meadows Racetrack & Casino, Inc. (PMRC): Mr. Ohorilko stated Commission staff and PMRC have entered into a Stipulated Agreement for a violation of Iowa Code 99F.9(5), related to underage gambling. On July 6, 2021, an underage male approached the turnstile; the security officer failed to request identification. The minor entered the gaming floor unchallenged, was on the floor 64 minutes and did gamble. A security officer walking the floor recognized the individual as someone they had turned away on a previous occasion. They stopped the individual, requested identification and removed them from the gaming floor. As a result of the violation, Mr. Ohorilko stated PMRC has agreed to pay an administrative penalty of \$20,000.

Clint Pursley, Vice President of Security, stated he is not aware of any other industry in the State of Iowa, or on a national level, that puts as much effort into the prevention of underage activity as the casino industry. He stated they have a tremendous amount of infrastructure in place to aid the security officers at the door. In this case, the individual was not just someone who had been on property previously, but had been there the day before. The security officer that found him on the floor turned this individual and his group away as he recognized them from the day before. Mr. Pursley noted that while PMRC is not located near the border of a state that allows gambling at 18, there are states that allow pari-mutuel wagering at 18. He stated they ID over 150,000 people per year, or between 5.5 and 7% of the individuals that come through the door. He feels the facility has sent a message to the community regarding underage gambling, but noted it may not be heard very loudly by some individuals. Mr. Pursley noted three individuals entered at the same time in this instance. The security officer requested identification from two, but not the third. When asked why she didn't request identification from the third individual, she didn't have an answer.

Commissioner Olsen expressed appreciation for all of the comments from the facilities; however, the Commission is tasked with upholding the integrity of the gaming industry. They don't have any choice but to levy a fine.

Commissioner Campbell concurred with Commissioner Olsen's comments. He feels the Commission needs to start a conversation with the Division of Criminal Investigation that they enforce the law on the other side as some individuals look at this as a game in which they don't have anything to lose. The facility is the one being fined, and the minor is just escorted off the property. He stated he is not aware of any fines being issued to the minors or adults bringing the minors onto the floor. Commissioner Campbell expressed his appreciation for Caesars banning the adults in that situation; however, until those attempting to get on the floor have something to lose, they will persist. He stated the fake IDs are getting better all the time.

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

IOWA GAMING ASSOCIATION: Wes Ehrecke, President, presented a Petition for Waiver requesting a waiver on the licensing of non-gaming positions to allow a new or prospective employee be provided an interim badge for up to 60 days rather than “the next day of business” as stated in 491 IAC 6.2(6)“a”. He requested the waiver remain in place for one year, beginning on the date of implementation.

Commissioner Horbach thanked all the members of the Iowa Gaming Association for participating in the industry meetings earlier this year. During those meetings, the Commission identified a common issue that was fixable; licensing was a restriction on hiring staff in competitive situations. He provided a brief history of how gaming came to Iowa, and one of the issues was that everyone involved in gaming had to be licensed. Commissioner Horbach stated the Commission respects the IGA members and that they are disadvantaged by this particular rule and, while it is the Commission’s responsibility to uphold the integrity of the industry, they feel this is an area where the parties can come together to come closer to putting the facilities on the same level as other industries in today’s competitive staffing market. Commissioner Horbach expressed his support, and thanked the industry for educating the Commission on this matter. He expressed his hope that the industry would use the waiver productively and correctly.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to grant a waiver of the duration for holding an interim badge as required in 491 IAC 6.2(6)“a” for non-gaming positions for up to 60 days. The waiver shall be in effect for one year. The Commission hereby directs legal counsel to draft an order consistent with this motion for the Chair’s signature. Commissioner Campbell seconded the motion, which carried unanimously.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Chair Andres called on Mr. Ohorilko for Administrative Business. He advised the reversion for Fiscal Year 21 is \$153,336.09. He noted House File 867 allows the reversion to be used for the cost of the socioeconomic impact study. Mr. Ohorilko noted the cost of the study is actually higher than that so there will be no reversion to the facilities this year; however, he felt it was important to advise the industry of the reversion amount.

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

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
NOVEMBER 18, 2021**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, November 18, 2021 at Diamond Jo Casino in Dubuque, Iowa. Commission members present were Julie Andres, Chair; Daryl Olsen, Vice Chair; and members Mark Campbell and Lance Horbach.

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

WELCOME: Wendy Runde, General Manager, welcomed the Commission to Dubuque and the property. She introduced Roy Buol, the Mayor of Dubuque. She stated he has been the mayor for 16 years, and will be retiring on December 31st. Mr. Buol welcomed the Commission to Dubuque. When reflecting on the past 16 years, and the ten previous years when he served on the City Council, he is grateful for the collaborative way the Dubuque Racing Association (DRA), Diamond Jo Casino and the Q Casino have contributed to the transformation of Dubuque. He noted that as a Dubuque native, he is keenly aware of the challenges the community has faced and the partnerships that were formed to address them. Mr. Buol stated the gaming industry has played a key role in Dubuque's transformation into becoming a masterpiece on the Mississippi. The most obvious recognition is in the two facilities that welcome visitors and residents; the Diamond Jo and Q Casino are regional and community assets. He stated the Diamond Jo riverboat was an iconic pioneer; however, he feels everyone can agree the current facility is a unique facility. The economic, employment and recreational impacts of both facilities have been extraordinary; generations of Dubuque residents and regional residents have been employed in the gaming industry and the impact of the associated payroll on the regional economy continues to be significant. From inception, these two facilities have played a role in the diversification of Dubuque's economy and the mutually beneficial relationship between the two properties with many associated businesses is important and essential. Mr. Buol stated the Diamond Jo and Q Casino have prioritized community engagement through financial support of countless events and organizations; and most importantly, support volunteerism and city involvement among their employees. He stated gaming revenues received by the city have been critical to efforts to make strategic investments in critical infrastructure while keeping the city's portion of property taxes at the second lowest within Iowa's eleven largest cities. Further, the DRA, with the financial support of the Diamond Jo and Q Casino, has been a major player assisting those most impacted by the Covid-19 pandemic by contributing to the Community Foundation of Greater Dubuque and United Way Covid Impact Fund. Mr. Buol stated DRA financed the \$3 million plus renovation of the Veteran's Memorial. He advised new gaming options such as sports wagering have brought new visitors to Dubuque who are interested in the Diamond Jo's FanDuel and Q's sportsbook. Innovations such as these are important as the city prepares for the conclusion of greyhound racing. He expressed the city's gratitude for the workers and support of the sport since its inception.

Mr. Buol stated public and private partnerships are the hallmark of Dubuque's transformation and is grateful for the partnerships with the Diamond Jo and Q Casino, as well as the support of the IRGC. He requested their continued support to protect important investments that have contributed

to the quality of life in the community, and particularly as gaming expansion happened around Dubuque. He noted a temporary casino will soon open in Rockford, IL and operate while the permanent structure is built. Furthermore, Ho-Chunk is expanding in Wisconsin, and Cedar Rapids just passed a gaming referendum, and are pressing hard for a new license. He thanked the Commission for their exemplary service, and stated it has been an honor and privilege to partner with them.

Alex Dixon, President of the DRA, stated they are excited to speak on behalf of the Diamond Jo. He noted Diamond Jo and Q Casino are competitors within the industry, but collaborate to make an impact within the community. He stated Diamond Jo has been led by Wendy Runde, who has been a phenomenal advocate for the community and gaming, and expressed his gratitude for both her personal contributions, and those of the Diamond Jo. Mr. Dixon stated Boyd Corporation, and the Diamond Jo, do much above and beyond what is required and in addition to their contributions to the DRA as the qualified sponsoring organization. He provided a few highlights of those contributions.

APPROVE MINUTES: Chair Andres moved to the approval of the minutes from the October 21, 2021 Commission meeting. Commissioner Horbach moved to approve the minutes as submitted. Commissioner Campbell seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator, advised there would be no meeting in December. The next Commission meeting will be held on January 13, 2022 at Prairie Meadows Racetrack and Casino in Altoona. Submissions for that meeting are due in the Des Moines office two weeks prior to the meeting. There will be no meeting in February.

Mr. Ohorilko recognized the following IRGC staff: Scott Franke, Gaming Representative for the Diamond Jo Casino; Joe Gau and Tracy Potter, Gaming Representatives at Q Casino, and Cathy Dillon, the licensing assistant for both facilities. He thanked them for their work on behalf of the Commission.

CQ HOLDING COMPANY, INC.: Bradley McAllister, legal counsel representing CQ Holding Company, Inc., requested approval of debt financing. The credit agreement would be for \$34 million in senior secured notes consisting of a \$29 million term loan and \$5 million revolving credit facility. Funds will be used for the acquisition of two gaming boats in Baton Rouge, Louisiana, and the revolving credit will be used to pay down existing debt to Standard General. He stated the interest rate would be between 3–4 % depending on the total net leverage position of the company.

Commissioner Olsen noted the loan was to cover the purchase of two boats. He asked if one would then be coming to Iowa. Mr. McAllister answered in the affirmative. Commissioner Olsen inquired what would happen with the current boat. Mr. McAllister stated he did not know.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the request for approval of debt financing as presented by CQ Holding Company, Inc. Commissioner Horbach seconded the motion, which carried unanimously.

ADVANCE DEPOSIT SPORTS WAGERING OPERATOR AGREEMENT: Damon John, Director of Marketing, requested approval of the First Amendment to Online Access Agreement between Riverside Casino & Golf Resort, LLC and WSI US, LLC (Wynn).

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the First Amendment to Online Access Agreement between Riverside Casino & Golf Resort, LLC and WSI US, LLC as presented. Commissioner Horbach seconded the motion, which carried unanimously.

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

Commissioner Horbach noted that approval of contracts during the meeting is uneventful as the staff performs extensive verification prior to the meeting as the Commission wants to ensure the owners and managers are utilizing Iowa vendors when possible. While there are no problems with the contracts submitted for approval today, there is the possibility that some contracts may not be approved in the future. He noted the properties have the discretion whether to use an Iowa vendor or not, but the Commission has the option to decline to approve an out-of-state vendor if they feel an Iowa vendor is available.

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

- Bristol & Associates – Recruitment Fees for New President and CEO (OSV)
- Iowa Greyhound Association, LLC – Second Amendment to Sublease Agreement
- The Printer, Inc. – Direct Mail and Printing Services
- The Lamar Companies – Outdoor Billboard Advertising

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

HGI-Lakeside, LLC d/b/a Lakeside Hotel & Casino: Kirk Pfister, Director of Hospitality, presented the following contracts for Commission approval:

- AJR Equities, Inc. – Marketing Promotional Giveaway Items
- Bud Jones Construction, Inc. – Repairs & Maintenance for Property
- Jay Edward Group, LLC – Lighting & Lights for the Remodel (OSV)
- K2J Marketing – Marketing Promotional Giveaway Items (OSV)
- KCCI – Advertising
- Kohl's Wholesale – Food Produce & Supplies for Restaurant (OSV)
- Principal Financial Group – 401K for Employees
- Sysco Iowa, Inc. – Purchase Food & Supplies

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

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

- Carrier Access IT, LLC – Pure Storage Flash Array 44TB Hardware/Software
- Mark-it-Smart – Continuity and Promotion Agreements (OSV)
- MedOne Healthcare Systems – Prescription Drug Benefit Plan
- Mercy Iowa City – Medical Health Plan Costs
- Performance Food Service – Specialty Food Purchases
- Principal Financial Group – 401K Plan Record Keeper/Custodian
- Sonifi Solutions, Inc. – Public Viewing and NFL Sunday Ticket (OSV)
- USPS – Postage

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

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

- Guest Supply (A Sysco Company) – Hotel Room Supplies & Linens
- Hy-Vee – Alcoholic Beverages, Gift Cards & Lottery Tickets
- Kwik Trip, Inc. – Kwik Trip Gift Cards
- Luxottica of America – Oakley Sunglasses/Clothes for Gift Shop Resale (OSV)
- OnMedia Quad Cities, IA/IL – Digital Advertising (OSV)
- Performance Food Service – Food Purchases
- Principal Financial Group – 401K Plan Record Keeper/Custodian
- SVS (Stored Value Solutions) – BP Gas Station Gift Cards
- Sysco Food Services of Iowa – Food Purchases
- Video Security Specialists – Surveillance Equipment & Software (OSV)
- Unum Life Insurance Company – Employee Supplemental Life Insurance (OSV)

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

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

- Billion Automotive – Marketing & Slot Promotions
- Iowa Alcoholic Beverages Division – Alcoholic Beverage Purchases
- Principal Financial Group – 401K Plan Record Keeper/Custodian

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the contracts as submitted by Grand Falls Casino Resort. Commissioner Campbell seconded the motion, which carried unanimously.

Ms. Haselhoff advised new carpet has been installed throughout facility. The install was completed in two weeks, and looks great. She also noted the facility had an employee recognized at the Iowa Restaurant Association's Iowa Hospitality Showcase. Katie Lovstad, former Food & Beverage Director, and currently a bartender and part-time Beverage Supervisor, was recognized as one of the 2021 40 Women to Watch in the Hospitality Industry.

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

- CDW Direct, LLC – Slot Switches – (OSV)
- Metropolitan Entertainment & Convention Authority (MECA) – 5-Year TD Ameritrade Park Omaha Club Seat License Agreement (OSV)

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

SCE Partners, LLC: Doug Fisher, General Manager, presented a contract with Goat Rodeo Productions for Commercial Shoot and Still Shots (OSV).

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

Diamond Jo Worth, LLC (DJW): Scott Smith, General Manager, presented a contract with Coremark as a Convenience Store and Food Service Distributor.

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

Wild Rose Clinton, L.L.C.: Steve Nauman, General Manager, presented the following contracts for Commission approval:

- ShiveHattery Architecture + Engineering – Architect for Sportsbook Remodeling
- Table Trac, Inc. – Casino Management Systems (OSV)
- DraftKings – Sports Partner (OSV)

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

Wild Rose Emmetsburg, L.L.C. (WRE): Steve Cody, General Manager, presented the following contracts for Commission approval:

- Premier Mechanical Services, Inc. – Replace HVAC Unit #1 & Other General Repairs and Maintenance
- Table Trac, Inc. – Annual Payment & Monthly Maintenance Fees for Casino Tracking System (OSV)
- DraftKings, Inc. – Revenue Sharing for Retail Sports Wagering (OSV)
- Reinhart Food Service – Food Service for All Venues

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

Wild Rose Jefferson, L.L.C. (WRJ): Mr. Cody presented the following contracts for Commission approval:

- Liebl Marketing Group – Marketing/Advertising Buyer
- Table Trac, Inc. – Annual Payment & Monthly Maintenance Fees for Casino Tracking System (OSV)
- DraftKings, Inc. – Revenue Sharing for Retail Sports Wagering (OSV)

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

IOC Bettendorf, L.C. (IOCB): Nancy Ballenger, General Manager, presented a contract with Data Business Equipment, Inc. to purchase count room equipment.

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

Ms. Ballenger advised that Matt Meadows, Director of Food & Beverage, was named Mentor of the Year for overseeing ProStart, a program that works with high schools to help youth understand the opportunities available to them in the culinary industry. She stated the property hosted four high school teams for a cook-off competition.

Commissioner Horbach thanked the facilities for all of the decisions made that were pro-Iowa. He stated the facilities are making the right decisions, and the Commission would like to see that trend continue.

HEARING: Mr. Ohorilko advised that Commission staff and Wild Rose Clinton, L.L.C. had entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion). On March 22nd, a self-excluded individual contacted Wild Rose and indicated they had received promotional mailings. Upon investigation into the matter, it was determined that there twelve

individuals that had received the promotional mailing, and four had received a second promotional mailing after the grace period that is provided to remove names from the internal Players Club database. In reviewing those twelve instances, there were mailings that went out in December 2019 to October 2020. Mr. Ohorilko advised there was a prior violation of the self-exclusion resolution related to timely downloads of the database in January 2020. As a result of this violation, Mr. Ohorilko advised Wild Rose Clinton has agreed to an administrative penalty between the amounts of \$5,000 - \$20,000.

Mr. Nauman advised the facility takes responsible gaming and the self-exclusion program very seriously. He stated the individual responsible for pulling the mailing list missed the step that would exclude banned players, and the backup process also failed. He stated staff has been retrained, and they added another step to tighten the process. Two individuals now review the list to ensure banned individuals are excluded. The individual pulling the list also has a flag on the computer as a reminder to exclude the banned individuals.

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

PUBLIC COMMENT: Emily Hanson, Executive Director of the Black Hawk County Gaming Association (BHCGA), which is the qualified sponsoring organization (qso) affiliated with Isle Casino Hotel Waterloo, invited the Commissioners to a reception on January 12th from 5:00 to 6:30 PM at Prairie Meadows. This will be an informal get-together to share some of the great work the various qsos are doing with the Commissioners and staff. She stated the BHCGA has allocated \$60 million to projects in 51 cities across northeast Iowa over the last 14 years. Ms. Hanson stated five other qsos have committed to joining the reception and all are looking forward to sharing their impact and appreciation with the IRGC.

Wes Ehrecke, President of the Iowa Gaming Association, distributed copies of the annual Iowa Gaming Association collaborative pieces prepared for the legislators, media and other organizations which shows the distribution of the gaming tax revenue. The other handout highlights the state-licensed facilities and the restaurants and other amenities offered at the respective properties.

Commissioner Campbell thanked Mr. Ehrecke for the information as it tells a story that is not told. He stated he believes the gaming industry is the single largest revenue generator for the state other than income taxes.

ADMINISTRATIVE BUSINESS: Commissioner Olsen stated the term of the Administrator is for four years, and Mr. Ohorilko's current term will expire in the near future. He stated the Commission is very fortunate to have Mr. Ohorilko as the Administrator. He has an excellent working relationship with the casinos and the Commission, and handles difficult situations very well. Commissioner Olsen moved to reappoint Brian Ohorilko as Administrator of the Iowa Racing & Gaming Commission for another four year term. Commissioner Horbach seconded the motion, which carried unanimously.

Mr. Ohorilko thanked the Commissioners, stating it is a pleasure to serve.

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

MINUTES TAKEN BY:



JULIE D. HERRICK