

**IOWA RACING AND GAMING COMMISSION
MINUTES
JANUARY 13, 2022**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, January 13, 2022 at Prairie Meadows Racetrack & Casino (PMR&C) in Altoona, Iowa. Commission members present were Vice Chair Daryl Olsen, and members Amy Burkhart and Mark Campbell. Chair Julie Andres and member Lance Horbach participated by telephone.

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

Vice Chair Olsen welcomed Commissioner Burkhart to the Commission.

Vice Chair Olsen stated the Commissioners always enjoy coming to PMR&C. He acknowledged the work to keep the property maintained and updated.

WELCOME: Michelle Wilkie, Senior Vice President of Administration, welcomed everyone to the facility on behalf of Gary Palmer, General Manager, and all of the employees. She noted PMR&C was born out of the farm crisis in the 1980's and was designed to provide good paying jobs, serve as an economic engine for the agricultural economy, and promote tourism and economic development in the state. Ms. Wilkie stated that with the addition of slot machines in 1995 that concept has come to fruition. PMR&C has helped lessen the burden of government by infusing over \$2 billion into the State of Iowa through taxes and charitable contributions. In 2022, PMR&C plans to invest \$12 million to remodel the hotel and will distribute more charitable contributions than in any other single previous year. Ms. Wilkie stated PMR&C considers it a privilege and honor to operate a non-profit casino in the State of Iowa, and thanked the Commission for their guidance and continued support.

APPROVE MINUTES: Vice Chair Olsen moved to the approval of the minutes from the November 18, 2021 Commission meeting. Commissioner Campbell moved to approve the minutes as submitted. Commissioner Burkhart seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator, advised there would be no meeting in February. The next Commission meeting will be held on March 3rd at HGI-Lakeside Casino in Osceola. Submissions for that meeting are due in the Des Moines office by February 18th. Mr. Ohorilko stated this is the meeting where the Commission considers the license renewals. He noted the Commissioners like hearing from the operators and the qualified sponsoring organization licensees. He indicated their attendance at the meeting would be appreciated.

SOCIOECONOMIC MARKET STUDY PRESENTATIONS

Spectrum Gaming Corporation: Mike Pollock, Managing Director for Spectrum, Mike Lipsman with Strategic Economic Group, and Mike Diamond and Matt Roe from Spectrum, presented the findings of their study to the Commission. The full report can be found on the Commission's website: <https://irgc.iowa.gov/publications/studies>.

Commissioner Campbell thanked Spectrum for their presentation. With regard to the potential impact of a casino in Linn County for the other markets, or a 76% overlap within 45 minutes, he asked about the cannibalization rates for Waterloo and Riverside.

Mr. Roe stated Spectrum did not have data for the individual zip codes to show where people are coming from; they cannot say that a specific number of people are coming from a specific area to any specific market. He stated they looked at a map to see where people are coming from, and where are they going to go.

Commissioner Burkhart noted there are significant differences between the two studies being presented today in terms of the projections for 2024 gaming revenue. She noted Spectrum's report shows a smaller decline in the revenue; but their report also references a ramp-up period in Nebraska. She asked if Spectrum expected to see an additional decline in revenues beyond 2024 or if they feel those projections are where the Iowa market will settle.

Mr. Roe stated Spectrum feels there will continue to be ramp-up after 2024 as the Nebraska casinos are likely to open in late 2022 or early 2023. They feel the ramp-up period will last approximately 18 months.

Commissioner Burkhart asked if they would expect an additional decline or a leveling off if they were projecting out to 2028. Mr. Roe answered in the affirmative, noting at some point the market becomes fixed.

Commissioner Horbach stated he was a big fan of the data provided and the report was well done. He noted that when looking at the social impact of a casino, the data provided was based on the location of a building, and not the location of the participants. He presented the following example: The study shows Cedar Rapids is well-served as far as gaming, but on the social side because a building is not located there, Linn County is measured as a non-casino county versus a casino county.

He referenced a participation illustration that measures population by 30 minutes to show the impact on the metro areas outside of the state but the Commission wanted to know the impact to Linn County as well as Riverside, Waterloo and Dubuque. If the 30-minute circle is drawn around Riverside and Waterloo, neither would reach Linn County. He asked why they chose 30 minutes versus 50-minutes.

Mr. Roe stated they chose 30 minute drive time from outside the state or border to see who is crossing the border and if visitors are driving further to visit Iowa casino from other states.

Commissioner Horbach again noted the study referenced the location of a building, but in considering those locations, Spectrum refused to cross a county line. As an example, Omaha would be considered a non-gaming community, but the social impacts should have been assigned to the Council Bluffs casinos. Following that thought process, the social impacts for Linn County would have been assigned to Riverside and Waterloo. He stated he was impressed with the report, but was frustrated in how some of the data was measured for social impacts.

Mr. Roe stated the studies require careful analysis as many of the problems identified by Commissioner Horbach, and Spectrum has endeavored to identify, in comparing casino counties to non-casino counties is that social impacts do not stop at county or state lines. He used the example of problem gambling and Iowa had more of a regional monopoly, people who lived in other states were gambling in Iowa but the social impacts didn't have to be addressed here as they didn't live in Iowa. Those are some of the issues which require that all of the data and charts be looked at with extreme care.

Mr. Ohorilko presented the following question from Chair Andres: The numbers for the social or economic impact are not as dramatic as she had expected. She questioned if that is true in other states or if Iowa is different than other states with regard to some of the social and economic impacts of gambling.

Mr. Pollock stated it is beyond the scope of the study to try to answer some of the questions raised; Spectrum would have to spend time in each jurisdiction conducting interviews and surveys. He stated they included county level data when possible, and went down to the municipal level when necessary. Mr. Pollock stated the findings in Iowa are similar to studies in other jurisdictions with regard to higher crime rates, particularly the pick pocket thefts. He noted casinos usually are located in metro areas, which experience higher crime rates.

Mr. Diamond stated it is not unusual to see the same kind of results, but it's not as clear as state versus state versus state. Sometimes, it is better to look at casinos in urban markets across state lines, casinos in suburban markets and compare them to each other, and rural markets. He stated there is nothing particularly unique about Iowa in terms of social impacts that would be dramatically different than what they would see in other markets.

The Innovation Group: Thomas Zitt, Executive Vice President, presented the findings of their study to the Commission. The full report can be found on the Commission's website: <https://irgc.iowa.gov/publications/studies>.

Commissioner Campbell noted the report seems to indicate a 21% cannibalization rate for the east central market, which includes both Riverside and Waterloo, if Linn County were to get a license. He noted the same question has been asked in previous studies, and the rates seem to be higher than what actually occurred. He asked Mr. Zitt to expand on what the company is seeing in their research regarding cannibalization rates.

Mr. Zitt stated they have looked at this issue across the country. He noted when they performed a market study at Riverside prior to the facility opening, the cannibalization rate was within two points of what they projected. Mr. Zitt stated they have a good track record in that area. In looking at what is happening across the country and actual impacts, it has been rare to see anything higher than 30%. The one exception to that would be the casino in Lawrenceburg, IN that is located 45 minutes to an hour outside of Cincinnati. Ohio legalized casinos, and now there are three casinos in the Cincinnati area. Mr. Zitt stated that would not happen in the Council Bluffs market as the drive time distance is not that great. When casinos opened in the St. Louis market, other markets experienced around 15-20% impact.

Commissioner Burkhart asked if there were any challenges they encountered during the acquisition of data that would have a material impact on the findings. If so, she asked Mr. Zitt to explain how the findings might vary in any of the categories.

Mr. Zitt stated they did not have access to the player data bases for every property, so there could be a couple of properties where the numbers are off a little bit, but stated he is comfortable with the data they did have.

Commissioner Campbell noted the Spectrum study discussed online sports wagering and the social and economic impacts. He asked if this study isolated that information.

Mr. Zitt indicated they did not isolate sports betting versus general betting, but stated he felt it was something that needs to be tracked in Iowa. He noted sports wagering is fairly new to Iowa, and he is not aware of what other studies have shown in this area. Mr. Zitt noted the University of Northern Iowa has a program and recommended that information continue to be provided to them to show what additional mitigation resources might be needed.

Mr. Ohorilko presented the following questions from Chair Andres: Chair Andres noted the social and economic impacts are not as dramatic as expected. She asked if the research in Iowa is similar to what you are seeing in other states.

Mr. Zitt answered in the affirmative. He noted Omaha is experiencing the social impacts of gaming, but they don't have any funding to help address the issues. Social and economic impacts don't stop at the border. He stated it is very important to keep funding the problem gambling program. The latest data available from 2016 shows Iowa is 4th in the nation for spending on problem gambling issues.

Chair Andres also wanted to know if there is any particular research or results in the socioeconomic studies that Mr. Zitt feels stand out or warrant more study in Iowa; was there anything that was alarming or the Commission should take a closer look at.

Mr. Zitt advised nothing really stood out. He noted Iowa does have a high level of saturation with nineteen casinos, and some in Illinois. He stated the saturation level provides a higher possibility for problem gambling to develop. Mr. Zitt noted there are some states with a similar number of casinos, but they don't have funding to help those dealing with problem gambling issues. He stated keeping most of the economic impacts local with the non-profit structure helps to minimize the social impacts. The social impacts are counteracted by the positive job creation.

Chair Andres also asked about the impact of the casino in a smaller community – is it having a negative or positive impact, and how is that different than a casino in a larger community. Are certain areas impacted more heavily than others?

Mr. Zitt stated there are more opportunities for co-morbidities and other social factors in a more dense population than in rural areas. He stated it is hard to determine causation versus correlation.

Mr. Zitt stated the one area they did look at was whether the rural counties were able to maintain population. The study did not show that a casino helped a county or area maintain population.

Commissioner Horbach stated both reports stated the days of building a casino is no longer viable, and addressed what gamers want and the age group changes. He stated the reports explicitly talk about the horizontal growth of the revenue stream, the need for amenities, and putting capital back into the building. Commissioner Horbach noted the Commission has been talking about the need for the facilities to reinvest in their properties, and wanted to point out that the reports emphasize that fact as well.

Mr. Zitt emphasized that it is very important to reinvest in the properties. With regard to the Covid situation, he noted that people still want to go to the brick and mortar property, even with the advent of online gaming options. He stated the demise of the brick and mortar facility is exaggerated.

Commissioner Horbach left the meeting following the conclusion of the socioeconomic market study presentations.

RULES: Mr. Ohorilko advised the rules before the Commission are for final adoption, and is the same package that was before them at the November meeting. Since that time, IRGC staff has held a public hearing and appeared before the Legislative Rules Review Committee. He noted there are no changes to the rules. He advised staff did receive some questions from DraftKings, FanDuel and BetMGM with regard to Item 16. Mr. Ohorilko stated he met with representatives and feels their concerns have been resolved. DraftKings also commented on Item 26 specific to the fantasy sports platform with regard to the timing of the rule. Following discussions, their concerns were resolved.

Mr. Ohorilko requested approval of the rules for final adoption.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to approve the rules for final adoption as presented. Commissioner Burkhart seconded the motion, which carried unanimously.

ADVANCE DEPOSIT SPORTS WAGERING OPERATOR AGREEMENTS:

Ameristar Casino Council Bluffs, LLC (Ameristar): Paul Czak, General Manager, requested approval of an Updated Intercompany Agreement between Ameristar and theScore Bet. He advised theScore Bet is now wholly owned by Penn National Gaming.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart moved to approve the Updated Intercompany Agreement between Ameristar and theScore Bet as presented. Commissioner Campbell seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc. (IOCW): Chad Moine, General Manager, requested approval of an Online Market Access Agreement with SBopco, LLC (SuperBook). He advised IOCW is adding another skin to their sportsbook. SuperBook was established in 1993 in at the Westgate Casino in Las Vegas, and is known as the world's largest sportsbook. They have an online presence and are

currently operational in Arizona, Nevada, New Jersey and Colorado. Mr. Moine stated the company is well-known for their integrity and world-class offerings at their retail and online locations.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to approve the Online Market Access Agreement between IOC Black Hawk County, Inc. and SBOpco, LLC (SuperBook). Commissioner Burkhart seconded the motion, which carried unanimously.

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

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

- AJR Equities, Inc. – Marketing Giveaway Items
- Pilot Travel Centers, LLC – Marketing Giveaway Items
- Technology by Design – LED Video Wall

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

Dubuque Racing Association, Ltd (DRA): Alex Dixon, President of DRA, was accompanied by DRA Board President Kevin Lynch, Mayor Brad Cavanagh, and City Manager Michael Van Milligen. Mr. Dixon presented an Amended Lease between the City of Dubuque and DRA. Mr. Dixon advised the Second Amended and Restated Lease Agreement extends the current lease term by 15 years, allows DRA to take over the greyhound racing area and reinvest capital into the facility. The new lease also changes the distribution formula for net receipts. Under the old lease, 50% went to the City and 50% to non-profits. Under the new lease, the net receipts will be distributed with one-third going to the City, one-third to non-profits, and one-third to a segregated fund to advance and promote the development of the Schmitt Island Master Plan.

Vice Chair Olsen stated his understanding of the changes were the difference in how the funds are split moving forward and the term of the agreement. Mr. Dixon stated the rent would also be increasing from 1.0% of coin-in to 1.5% of coin-in commencing with the January 2022 rent payment. The facility will also be able to retain one-half percent of coin-in to increase their debt capacity to allow for reinvestment within the gaming facility.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to approve the Amended Lease with the City of Dubuque. Commissioner Burkhart seconded the motion, which carried unanimously.

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

- Agilysys NV, LLC – Point of Sales System (OSV)

- City of Dubuque – Staffing Service Management Agreement (RP)

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

Wild Rose Clinton, L.L.C. (WRC): Steve Nauman, General Manager, presented a contract with McComas-Lacina Construction to be the General Contractor for the Coaches Corner Remodel.

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

Ameristar Casino Council Bluffs, LLC (Ameristar): Paul Czak, General Manager, presented a contract with Mark it Smart for Marketing Promotional Items (OSV).

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

Riverside Casino & Golf Resort, LLC (RCGR): Damon John, General Manager, presented a contract with Shreveport Communications for Radio System Upgrade Hardware and Software (OSV).

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

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

- Tri-City Electric Co. – Ongoing Electrical Enhancements and Data Needs
- Lithographic Communications – Corporate-selected Marketing, Printing, Direct Mail, and Postage Vendor (OSV)
- Valley Forge Fabrics, Inc. Material, Fabrication, and Installation of Hotel Room Sheers (OSV)

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

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

- Anderson Brothers Printing – Print Marketing Material

- Bananas Entertainment, LLC – Talent Agency (OSV)
- The Buzz Creative Group – Marketing Agency (RP)
- Charles Schwab – Employee Benefit 401K Plan
- Chatterkick, LLC – Social Media Services
- HyVee - Catering, Food Supplier
- Marsh USA – Insurance Provider
- Lee Enterprises d/b/a Sioux City Journal – Advertising
- Sioux Laundry – Laundry Services (OSV)
- The Fish Guys – Food Supplier (OSV)
- Deloitte & Touche, LLP – Financial Auditing and Reporting Services

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

PRAIRIE MEADOWS RACETRACK & CASINO, INC.

Request for Approval of the 45-Day Plan for the 2022 Mixed Meet: Derron Heldt, Director of Racing, stated the 2022 Mixed Meet will consist for 84 days of racing with races being held on Friday and Saturday with a post time of 6:00 PM and Sunday and Monday with a post time of 4:00 PM. Thoroughbred racing will commence on May 13; quarter horses will start racing on June 19th. The last week of racing will have four days of racing, but two will be thoroughbreds only. Mr. Heldt advised the balance of the submission includes lists, schedules and documentation for the various areas requested.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart moved to approve the 45-Day Plan as submitted by PMR&C with the following contingencies:

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

Commissioner Campbell seconded the motion, which carried unanimously.

Contracts: Ann Atkin, Chief Operating Officer, presented the following contracts for Commission approval:

- ADP (Automatic Data Processing) – Payroll and Human Resources Software
- Associated Computer Services (ACS) – Cisco Wireless Equipment
- Atlantic Bottling Company – Soft Drink Supply Agreement
- Blackbaud, Inc. – Grants Software Subscription and Training (OSV)
- Brick, Gentry P.C. – Corporate Legal Counsel
- CenturyLink – Internet Service
- Data Business Equipment – Cash Handling Equipment
- Insurance Office of America – Jockey’s Accident Insurance (OSV)
- Shive-Hattery, Inc. – Engineering Services

- The Underground Company – Track Drainage Repair Contractor
- The Weitz Company – General Contractor
- True North Companies – Insurance Brokerage Services
- United Tote Company – Pari-Mutuel Totalizator (OSV)
- US Foods – Food, Equipment and Supplies
- Van Wall Equipment (Farmers Supply) – Track and Grounds Equipment, Parts and Service

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

HEARING: Mr. Ohorilko advised that Commission staff and Riverside Casino & Golf Resort, LLC have entered into a Stipulated Agreement for a violation of Iowa Code §99F.9(5) (Minor). On August 7th at approximately 10:40 AM an individual approached the turnstile and was stopped by security. After reviewing the identification produced, the facility, suspecting the individual was underage, contacted local law enforcement. Follow-up by Riverside confirmed the individual had been on the gaming floor earlier that morning, and was allowed on the gaming floor after showing security a picture on his cell phone. The individual was on the gaming floor in excess of 30 minutes, and did gamble, thus meeting the criteria to come before the Commission. Mr. Ohorilko stated the Division of Criminal Investigation interviewed the minor, who indicated he had been on the gaming floor on two other occasions. Charges were filed. Mr. Ohorilko provided the following summary: The minor entered the gaming floor unchallenged at least one time, was on the gaming floor for 66 minutes, and gambled at various slot machines. He stated Riverside has agreed to an administrative penalty of \$20,000.

Mr. John stated this situation is unacceptable, and Riverside takes the situation very seriously. The employee in question was immediately and concisely retrained to insure the guest is asked for proper identification in accordance with Standard Operating Procedures. He noted after the situation was uncovered, the facility followed up with local law enforcement to ensure the minor was charged. He further advised the minor and their adult companion have been banned from the property.

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

PUBLIC COMMENT: Jon Moss, Executive Director of the Iowa Horsemen's Benevolent & Protective Association, noted July 1st is rapidly approaching, which is when the Horseracing Integrity and Safety Act (HISA) is to go into effect and take over a dramatic amount of regulation, specifically health and safety aspects. He noted the Federal Trade Commission has released rules, and provided a 15-day window to comment. He noted the National HBPA and Association of Racing Commissioners International (ARCI) will submit comments. He suggested the Commission look at the rules in light of the short window to comment. Mr. Moss stated there are several items that have caught his eye. All medication aspects have been tabled as the parties have

not been able to agree on the requirements. Mr. Moss stated some of the proposed drug testing rules were carbon copies of what is being done on human athletes. He stated IRGC will still be conducting testing for the upcoming racing season, but expressed concern that there will be two sets of standards and two sets of rules for the upcoming meet. Mr. Moss stated another state will be entering the lawsuit as to the constitutionality of HISA. Additionally, he advised a federal judge in Texas has agreed to a hearing on the initial request in mid-February. It is not clear when a decision will be issued.

Mr. Ohorilko confirmed Mr. Moss' comments regarding the HISA rules. He noted staff is trying to triage specific areas that are important and will impact the Commission. He noted staff is working with ARCI to file any comments directly on behalf of the Commission; they will be including our comments in their documentation. Mr. Ohorilko advised staff is doing what they can to stay on top of the issue, and have 2-3 meeting per week on this topic. He stated staff is working to be able to implement HISA on July 1st if need be.

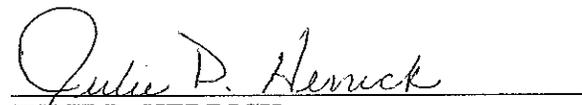
Vice Chair Olsen requested that Mr. Ohorilko and staff continue to monitor the situation and keep Commission members in the loop.

Mr. Moss stated his organization has reached out to Iowa's representatives in Washington, D.C.

ADMINISTRATIVE BUSINESS: None

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

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
MARCH 3, 2022**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, March 3, 2022 at Lakeside Casino Hotel (Lakeside) in Osceola, Iowa. Commission members present were Julie Andres, Chair; Daryl Olsen, Vice Chair; and members Amy Burkhart, 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 Burkhart moved to approve the agenda as presented. Commissioner Campbell seconded the motion, which carried unanimously.

WELCOME: David Monroe, General Manger, welcomed the Commission to Osceola, and thanked them for the opportunity to host the meeting.

APPROVE MINUTES: Commissioner Campbell moved to approve the minutes from the January 13, 2022 Commission meeting as submitted. Commissioner Horbach seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator, advised the next Commission meeting would be held at the Mid America Center in Council Bluffs; the host is Horseshoe Casino. Submissions for that meeting are due in the Des Moines office by March 31, 2022. There will be no meeting in May. The June 3rd meeting will be held at Wild Rose Emmetsburg.

Mr. Ohorilko introduced Gaming Representative Hilary Brown, who is assigned to Lakeside, and thanked her for her work on behalf of IRGC.

NATIONAL PROBLEM GAMBLING AWARENESS MONTH: Katrina Bee, CPS, Program Lead for the Office of Problem Gambling in the Iowa Department of Public Health (IDPH), presented a brief PowerPoint covering the prevention and treatment services available through the program and Your Life Iowa; the different materials available to various organizations to help reach those who may be experiencing problem gambling issues, and television ads highlighting problem gambling and where to seek help. She noted the various gambling opportunities available to Iowans. Ms. Bee advised the National Council on Problem Gambling estimates the national cost of problem gambling at \$7 billion annually. She noted IDPH has established 19 service areas covering all 99 counties. Service providers are selected through a Request for Proposal process and licensed by IDPH. The website is <https://yourlifeiowa.org/gambling>.

REQUEST FOR APPROVAL OF REMODELING PURSUANT TO 491 IAC 5.4(15): Isle of Capri Bettendorf, L.C.: Nancy Ballenger, General Manager, requested permission to repurpose a portion of the buffet space, which was closed in March 2020, and has remained closed. The area, which is located near the main entrance, would allow for the addition of non-smoking gaming space and include approximately 46 slot machines. This space will utilize the separate air-handling units in the buffet space. She advised the facility is getting requests for a non-smoking area, and receiving positive feedback on the possibility of that happening. Ms. Ballenger

anticipates the non-smoking area will allow the facility to capture some revenue from the Illinois markets.

The project would also allow for the relocation of the existing Caesars Sports Book. This move would create a more comfortable space and possibly allow for the broadcasting of PPV events and other events, which could benefit handle and food & beverage revenues.

The estimated cost for the entire project is \$100,000, and will occur in April. She advised they are looking at another area within the property to potentially add another food and beverage area.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Burkhart moved to approve the remodeling request of Isle of Capri Bettendorf as submitted. Commissioner Campbell seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Chad Moine, General Manager, submitted a request to expand the existing arcade into an office space and the non-smoking slot area of the gaming floor to the north. Along with the remodeling of the space and removal of slot machines, the facility intends to purchase additional arcade games and add a party room. The estimated cost for the project is \$400,000.

Mr. Moine advised an amusement park is being built across from the property and is slated to open this summer, which they hope will draw more families to the property. They feel this project will make the facility more family friendly, and provide an option for some of the younger guests.

Commissioner Horbach asked if the facility is redefining their identity as family-oriented. He noted their proximity to the Lost Island Water Park. Mr. Moine answered in the affirmative; they are looking to become more of a family resort destination. He noted they have added a pizza restaurant.

Commissioner Horbach asked if the amusement park is on track to open this summer. Mr. Moine stated that it is from what they have been hearing.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the remodeling request of IOC Black Hawk County, Inc. as presented. Commissioner Burkhart seconded the motion, which carried unanimously.

Wild Rose Clinton, L.L.C.: Rick Gilson, Director of Operations for Wild Rose Entertainment, submitted a request to remodel the Coaches Corner Sports Bar. The project includes moving the sports wagering area and sportsbook into the adjacent existing buffet area, which will expand Coaches Corner by approximately 12 feet. This is phase one of the project. The second phase will include interior upgrades to the existing remaining buffet space to create a cohesive restaurant space. The estimated budget for Phase 1 is \$716,437, while Phase 2 is estimated at \$331,180.

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

ADVANCE DEPOSIT SPORTS WAGERING OPERATOR AGREEMENT: Erin Barnett, legal counsel for Affinity Gaming, presented the Online Sports Wagering Access Agreement between Smarkets Holdings (USA) and HGI-Lakeside, LLC d/b/a Lakeside Hotel Casino.. Ms. Barnett stated Lakeside is excited about the product offerings provided by Smarkets. The company is currently operating in Colorado, and is looking to expand to other markets.

Commissioner Horbach noted Lakeside is hosting a Grand Opening of the Daily Racing Form sportsbook immediately following the meeting and invited everyone to visit the sportsbook. He indicated it was impressive.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the Advance Deposit Sports Wagering Operator Agreement between Smarkets Holdings (USA) and HGI-Lakeside, LLC d/b/a Lakeside Hotel Casino as presented. Commissioner Campbell seconded the motion, which carried unanimously.

IOWA GAMING ASSOCIATION: Mr. Ohorilko advised the Iowa Gaming Association, in collaboration with the Iowa Council of Foundations, has prepared the "*Building Communities Through Philanthropy*" annual report, which highlights the grants provided to the qualified community foundations in the 94 non-casino counties. Page 7 of the report shows that 1,692 grants totaling \$8.92 million were distributed by the non-casino county foundations. The grants are in addition to the qualified sponsoring organization grants distributed through the gaming counties. He advised that additional copies of the report were available at the back of the meeting room for those interested in a copy.

LINN COUNTY DISCUSSION: Chair Andres noted a referendum passed in Linn County, which has created some discussion among the Commissioners. She advised the Commission will be directing staff to prepare an application and will be releasing a time frame for anyone wishing to submit applications at a later date.

Commissioner Olsen stated it is the Commission's responsibility since Linn County passed the referendum to look at a timeline to open up the application process and review any submitted applications.

Commissioner Horbach requested that the directive to staff be that the application is for eligible applications with the process involving the passing of a referendum within the county.

Chair Andres stated the impetus for the directive to prepare an application is the passage of the referendum in Linn County.

RACING DISCUSSION: Chair Andres stated the Commission had an opportunity to meet individually with Prairie Meadows, the Iowa Horsemen's Benevolent and Protective Association,

and the Iowa Quarter Horse Racing Association. The purpose was to provide an opportunity for open dialogue to learn about the challenges facing the industry. She advised the Commissioners found the meetings to be very informational, and they have provided some feedback to Mr. Ohorilko.

Mr. Ohorilko stated he had summarized the recommendations from the Commissioners, which they would appreciate the parties considering for the upcoming race meet:

- Prairie Meadows – The Marketing Team, IHBPA and IQHRA meet to discuss marketing strategies for the meet.
- Prairie Meadows work to enhance the race day experience for the patrons, including evaluating the logistical factors such as the placement of additional food and beverage outlets, mutuel tellers on the track apron during peak times, and the entertainment value factor such as the implementation of special events and entertainment between races.
- Continuing the discussion with all parties to how best enhance the field size in races, and
- Fully support the Commission's enforcement of intentional improper scratchers that occur during the races.

He noted the Commission is also directing staff to gather some information for a study outlining the long-term strategic plan for racing in the State of Iowa. The study would include the evaluation of the current state of the industry in the Midwest and provide recommendations on purses, race dates, timing of the meet, and marketing strategies in an effort to sustain, and hopefully strengthen, the racing and breeding industry in Iowa.

Chair Andres thanked everyone for attending the industry discussions. Commissioner Burkhart advised the Commission has decided to attend the races one day in July.

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

Chair Andres advised the Commission is interested in hearing about the hours of operations, if the facility is back to full-strength, and if all amenities open pre-Covid have re-opened. They will also be looking at cap ex; some facilities are doing great while others are not. She advised they will also be looking at qualified sponsoring organization (QSO) distributions.

Iowa West Racing Association/Ameristar Casino Council Bluffs, LLC (IWRA/Ameristar): Paul Czak, General Manager, and Brenda Mainwaring, President and Chief Executive Officer for IWRA, were present to address the license renewal. Ms. Mainwaring thanked everyone for attending the QSO gathering in January. The function allowed the attendees to talk about the various best practices utilized in making their grant distributions. Ms. Mainwaring stated she was amazed to learn about how the QSOs have impacted Iowa.

Ms. Mainwaring requested approval of the license renewal. She advised the Iowa West Foundation has distributed \$1 million per year for scholarships for non-traditional high school students, and another million for preschool students. Funds were provided to Pottawattamie County to purchase additional land to be added to the Loess Hills area. IWRA also distributes

funds to the rural communities to help fund their development projects, along with federal funds, that would not be possible without these funds.

Mr. Czak stated 2021 was a good year for Council Bluffs as a whole as the facilities were able to operate without restrictions for the first time in quite some time, and are returning operations to the pre-Covid stage. He advised they have added 87 new jobs, awarded over \$50,000 in bonuses to front-line team members, and provided \$20,000 in scholarships to children of team members. He noted 27 team members have been there since Day 1. Ameristar's Iowa spend increased to 92%. Mr. Czak stated the hotel is operating 24/7 and is at full capacity. The sports bar, sports book and Club 38 never closed. He advised the only dining option not open is Bella's; the gift shop is also not open, but Iowa products are available elsewhere on the property. Capital spend was between \$600,000 and \$700,000. Mr. Czak stated there are several projects started that have not been completed at this time; they will close throughout the year as equipment becomes available.

Commissioner Olsen noted those are repairs versus improvements. He noted there were previous discussions about refurbishing the hotel. He noted there will be changes across the river when gaming commences. Commissioner Olsen stated that \$1 million is a lot of money, but it was spent on repairs versus guest-facing improvements.

Mr. Czak stated the age of the vessel requires a lot of maintenance. He advised guest-facing capital improvements are slated for this year, most of which are technology-based. Some bathrooms will be remodeled. Mr. Czak stated the hotel is still a priority; however, 2021 was a difficult year for Penn's southern properties, and the company has prioritized projects at those facilities.

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

Washington County Riverboat Foundation/Riverside Casino & Golf Resort, LLC (WCRF/Riverside): Shawn Ellingson, President of WCRF, advised the eight municipalities in Washington County received 25% of the revenue that came in, or \$1.88 million. WCRF also distributed several smaller grants totaling \$123,000. He advised WCRF distributed \$1.35 million during the large grant process, for a total distribution in 2021 of \$2,661,000. He provided some highlights regarding the larger grants. Mr. Ellingson stated since its inception WCRF has awarded \$51 million to non-profits in southeast Iowa, has had 30 different board members, and has an excellent working relationship with Riverside. He advised WCRF partnered with the Kehl Family and Elite Casinos to give \$500,000 to Linn County to help with derecho expenses/repairs. He requested renewal of the licenses.

Damon John, General Manager, advised the facility has been in operation for fifteen years, and looks as good as or better than when the facility opened on August 31, 2006. They completed an

almost \$3 million remodel of the event center. He stated the next big undertaking will be the remodeling and refresh of the hotel rooms; they hope to bring those plans before the Commission later this year. Mr. John stated 81 employees have been with the facility since it opened. With regard to hours of operation, Mr. John advised they are nearly at pre-Covid operations; the valet department is still closed. The buffet is open Thursday through Sunday. He advised everything else at the property is back to pre-Covid operations.

Commissioner Horbach asked Mr. John to meet with him after the meeting to discuss the security plan. Commissioner Burkhardt noted the calls to local law enforcement more than doubled, and asked what that was attributable to.

Mr. John stated he had thought about that. He stated his response is speculation, but guessed it could be attributed to Covid-19 stress. He stated the number of calls have declined in January and February of this year. He feels time will ease some of those concerns.

Chair Andres commended Mr. John and the facility on the cap ex. Riverside does a great job and it is reflected in the appearance of the facility.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Campbell 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 Burkhardt seconded the motion, which carried unanimously.

Mr. Damon presented the following contracts for Commission approval:

- Brockway Mechanical & Roofing -- Event Center Remodel
- Per Mar Security Services – Security Officer Services
- Sitler’s Supplies, Inc. – Event Center Remodel

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

Regional Development Authority/Rhythm City Casino, LLC (RDA/Rhythm City): Mo Hyder, General Manager, introduced Matt Mendenhall, President and CEO of RDA, and Steve Geifman, Vice Chair of RDA. He advised Rhythm City and RDA have a great working relationship, and work together to find opportunities to help improve the quality of life in the Quad Cities area. Mr. Hyder stated their operations have been at pre-Covid levels for quite some time, and attributed that to the fact that when the facility had to shut, they continued to pay their employees which kept them on board. When the facility was able to reopen, the long-term tenured employees played a huge role in that success. Mr. Hyder stated 2021 was a record year, which was evident in the contributions to the State of Iowa, Scott County, City of Davenport, and RDA. He advised the economic impact on the State of Iowa was 79.4%, and spend with Iowa vendors was approximately 96%.

With regard to cap ex, Mr. Hyder stated Elite Casinos Resorts places a high priority on maintaining their properties. He noted the license renewal included an annual \$1 million cap ex, and they plan to spend approximately \$2 million renovating the hotel in 2024. In 2023 and 2024, Elite plans to spend approximately \$50 million to add another hotel tower and expand the convention center. Mr. Hyder stated approximately \$57 million would be spent on the Rhythm City property over the next five years.

Mr. Mendenhall thanked the Commission members for their support in maintaining the unique funding mechanism in Iowa. He stated RDA started a charitable fund through the Community Foundation to fund legacy grants. Mr. Mendenhall stated RDA values their partnership with Rhythm City, who goes beyond what is required by their agreement. After the spring grant cycle, RDA will have distributed over \$80 million in grants since 1981. Board members have reviewed over 7,500 grants and provided funds to 4,500 entities. Mr. Mendenhall stated their top priority at this time is affordable housing, and started an educational series on local affordable strategies. He stated RDA funded \$600,000 in grants for affordable housing. Mr. Mendenhall requested approval of the license renewal application.

Mr. Geifman stated RDA is excited to be a partner with IRGC and RDA. He stated the impact of the RDA on the community is easy to see.

Mr. Hyder requested approval of the license renewal.

Commissioner Horbach complimented Elite Casino Resorts on the cleanliness of their properties. He noted cap ex for 2021 was projected at \$736,000, but only \$486,000 was completed, and \$710,000 is projected for 2022. He noted the cap ex numbers are consistent, but it appears something fell behind.

Mr. Hyder advised some of the issues on the projects are two or three-fold and relate to the timing of labor availability and supply chain issues. Two projects were delayed as Elite is exploring the opportunity to make a larger capital investment at the property and it makes more sense for those to be included in that project. The marquee board got held up by the Zoning Board; they are going to try to accomplish that this year as part of a \$57 million cap ex project.

Commissioner Horbach stated his understanding is that \$710,000 in cap ex is projected for 2022 with \$600,000 already in place, and another \$110,000 is being added. Mr. Hyder answered in the affirmative.

Hearing no further comments or questions, Chair Andres 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, renew the license to conduct sports wagering to Rhythm City Casino, LLC, and approve the facility's revised security plan included in the application. Commissioner Burkhardt 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, advised WCDA receives 5.76% from DJW, and since 2006, WCDA has received over \$77 million. He introduced Deb Hanson, Chief Financial Officer, for WCDA.

Ms. Hanson stated WCDA has a great relationship with DJW, and they are a great partner. She noted education is still a main priority for WCDA. In 2021, 84 Worth County students qualified to receive a \$7,600 scholarship. WCDA committed over \$1,354,000 to the five school districts, Educational funds are also used to provide every student in Pre-K through 12th grade with a \$75.00 gift card through the "Back to School" program. Ms. Hanson advised WCDA supported the restoration of a vacant building in Northwood which was turned into an event center, which has been a big success. She requested renewal of the licenses.

Mr. Smith advised the facility was open 24/7 pre-Covid, but is currently open from 8:00 AM to 3:00 AM Monday through Thursday, and 24/7 on the weekend. He attributed the shorter hours during the week to staffing issues. He noted the property is located in a rural area; current team members are dedicated and do a great job. They have raised the minimum starting wage to \$15.00/hour for non-tip positions, with the average being \$16.64. He indicated the wage is a market-leader in the area, and they continue to look at benefits and other ways to amplify what benefits are provided to team members. Wages paid last year were just over \$10 million, and they paid out two rounds of significant bonuses to team members. Mr. Smith stated the company continued to pay the employees and their insurance during the shutdown. With regard to amenities located on property, the buffet area is utilized as an ala carte restaurant Thursday through Sunday, Wood Fire Grille is open Tuesday through Saturday, and Subway is open seven days a week. He advised Burger King left the property due to staffing issues, and they are looking to rebrand that area as a Burger Joint. Mr. Smith advised they are doing a cage remodel in order to create a better flow pattern for guests. They are working on plans to turn the buffet space into a gastro pub, and hope to share those plans in the near future.

Commissioner Burkhart noted the distributions from WCDA were 2.6%, below the statutorily required 3%. She noted they received over \$6 million from DJW. Ms. Hanson noted all funds are committed/granted, but have not paid out yet. One area that has not paid out is the scholarships; she advised a local community college has been providing first year students with tuition so is not sure how to address that issue. Ms. Hanson advised they did not receive as many grant requests for the spring round but did receive more in the fall; however due to supply chain issues many projects are taking longer to complete.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Burkhart moved to renew the license to conduct gambling games to Worth County Development Authority, renew the license to operate Diamond Jo Worth, LLC as a gambling structure, renew the license to conduct sports wagering to Diamond Jo Worth, LLC, and approve the facility's revised security plan included in the application. Commissioner Horbach seconded the motion.

Mr. Smith presented the following contracts for Commission approval:

- Innowave Marketing Group, LLC – Boyd B Connected Gift Program-Iowa (OSV)
- Martin Bros. Distributing – Food, Paper Supplies, Smallwares, and Equipment
- Cummins-Allison Corp – Purchase of Equipment and Maintenance Contracts for Equipment in Cage and Soft Count

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

Black Hawk County Gaming Association/IOC Black Hawk County, Inc. (BHCGA/IOCW): Mr. Moine advised 2020 was a challenging year, but the property bounced back in 2021 and saw increased revenues. He noted the facility also experienced supply chain issues causing delays in the completion of projects, and faced labor shortages, particularly in the hospitality area. Mr. Moine stated the facility is open 24 hours on the weekend, but closes at 3:00 AM Monday through Thursday due to staffing shortages in skilled gaming positions. He stated the facility has done three rounds of wage increases, offered sign-on bonuses, and hosted hiring fairs. With regard to the future, Mr. Moine stated it is uncertain due to the high inflation, and the possibility of a casino in Linn County. He reiterated the property is making changes to make it more of a family destination resort due to the addition of the amusement park across the street. They are looking at expanding the Brew Brothers area and remodeling the hotel. Mr. Moine stated the property hopes to return to 24/7 operation eventually. He noted the property will be celebrating their fifteen year anniversary this year. He introduced Emily Hansen, Executive Director, of BHCGA.

Ms. Hansen stated they have an exceptional partnership with IOCW. She stated BHCGA's mission is to help the Cedar Valley area prosper, and is what drives their funding decisions. In the last fiscal year, BHCGA distributed \$3,781,300 to 24 different projects. She highlighted some of the different projects. Since July 2007, BHCGA has awarded \$60 million to 616 projects. Ms. Hansen stated that while 90% of their funds remain in Black Hawk County, the Board uses the other 10% to cover projects in the counties of Bremer, Buchanan, Butler, Chickasaw, Grundy and Tama. As grants fund one-third of a project, BHCGA's \$60 million has leveraged up to another \$120 million in investment for a total investment of \$180 million in the area. Ms. Hansen requested approval of the license renewal.

Commissioner Burkhart noted the distribution percentage for BHCGA fell short of the statutorily required 3% on paper by one-half of a percent, or \$500,000. She noted some of that could be timing oriented, and reiterated that Ms. Hansen indicated \$3 million was committed. Ms. Hansen stated BHCGA has \$7 million committed to projects; the shortfall is due to the reimbursement process. Projects are not getting completed due to supply chain issues. She advised funds are currently paid out based on a reimbursement request, but the board is looking at changing to a funding process rather than a reimbursement request.

Commissioner Olsen asked if the hotel remodel is scheduled for this year, and if so, when it was anticipated to be complete. Mr. Moine stated they hope to bring the project before the Commission at the April meeting and have it completed this year.

Commissioner Olsen asked why the facility is not calling the local police in various situations, but particularly those involving minors. He urged them to start doing so; if there are no consequences, they will keep trying to gain access to the casino floor. Mr. Moine stated they do call the local police; however, they either do not respond or do nothing when they do respond. Commissioner Olsen stated the Commission will have to look into the matter to see if there is anything they can do to help.

Hearing no further comments or questions, Chair Andres 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, Inc. as a gambling structure, renew the license to conduct sports wagering to IOC Black Hawk County, Inc. and approve the facility's revised security plan included in the application. Commissioner Campbell 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): Mike Adams, Assistant General Manager, expressed regrets on behalf of Doug Fisher, General Manager, who was unable to attend. He introduced Steve Huisenga and Katie Colling, President and Executive Director of MHRD respectively.

Mr. Huisenga advised the parties have a great partnership. He stated MRHD distributed over \$5 million in 2021, and has distributed over \$32 million since 2014. He stated the facility is beautiful and unique. Mr. Huisenga stated HRHC is very active in the community and is a good corporate organization. He noted MRHD committed \$1 million to the Sioux City Riverfront project, which was payable over several years; however, they have decided to pay that off early. He stated they are still committed to funding the Lewis & Clark Museum. Mr. Huisenga stated the Governance Committee revised the By-Laws to strengthen them. He requested approval of the license renewal.

Mr. Adams stated the property is pretty much back to pre-Covid operations except for the buffet, which has remained closed. The space is being utilized for VIP events, sales events, and will be used for a St. Patrick's Day event. He stated the return of entertainment has been robust and continues to ramp up. The facility is currently open from 7:00 AM to 4:00 AM Monday through Thursday; the down time is utilized to deep clean the property. They are open 24 hours on the weekend. Mr. Adams advised the property is still struggling with staffing, but feels they are doing ok. They take tremendous pride in the presentation of the property. He noted a significant amount of cap ex has been spent on the property since opening, and they don't anticipate that to stop.

Commissioner Campbell asked if the proposed acquisition by Churchill Downs would affect the amount of cap ex. Mr. Adams stated it was too early to say, and above his pay grade. He did indicate there have been discussions, and feels business will continue as usual.

Commissioner Burkhart noted non-profit distributions exceeded the statutory requirement, and commended them for their effort.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to renew the license to conduct gambling games to Missouri River Historical

Development, Inc., renew the license operate SCE Partners, LLC as a gambling structure, renew the license to conduct sports wagering to SCE Partners, LLC, and approve the facility's revised security plan included in the application. Commissioner Burkhart seconded the motion, which carried unanimously.

Lyon County Riverboat Foundation, Inc./Grand Falls Casino Resort, LLC (LCRF/GFCR): Sharon Haselhoff, General Manager, and Randy Waagmeester, President of LCRF, were present to address the license renewal and requested approval of same. Ms. Haselhoff stated 2021 was a record year for GFCR in gaming and non-gaming revenue; gaming revenue was approximately \$90 million with \$1.3 million coming from the sportsbook. Revenue increased 63% over 2020. Total revenue was almost \$105 million, representing an increase of 64% over 2020. Ms. Haselhoff indicated the property saw record setting revenues in gaming, hotel, food and beverage, spa and golf course. The addition of the 66-room hotel in 2020 proved to be an exceptional investment to the bottom line. They started the refresh of the gaming floor in 2021 with new carpet, gaming chairs, a slot machine move and cosmetic changes. Capital expenses in 2021 were in excess of \$2.1 million; \$1.2 million is budgeted for 2022 plus the additional \$1.5 million budgeted for operational expenses. Renovations for 2022 include the restaurants, restrooms throughout the facility and finishing up the casino floor. Ms. Haselhoff advised LCRF is an excellent partner to work with; WCRF received a record \$3.3 million, which was a 65% increase over 2020. She stated the property is open 24/7. The only outlet with a significant operational change is the buffet, which is open Friday and Saturday nights, and Sunday breakfast and brunch. She stated the area is utilized for group sales during the week. She noted the facility is short on employees like everyone else, but do the best they can with the employees they have. Ms. Haselhoff stated the employees are excited to receive their quarterly profit sharing checks.

Mr. Waagmeester advised LCRF consists of 13 members, 8 women and 5 men, representing each town and city in Lyon County, as well as the rural areas. He stated the record amount received from GFCR allowed them to fund many worthwhile and beneficial projects. He advised it is LCRF's policy to distribute 50% of the funds received through non-competitive grants to the municipalities, the schools and Lyon County. In 2021, Lyon County received approximately \$112,000, the three school districts each received in excess of \$265,000, and the eight cities and towns in Lyon County received between \$80,000 and \$100,000. They also do a mini-grant program in which they accept applications from the tri-state area where GFCR is located. Mr. Waagmeester advised over \$100,000 was paid out in 52 mini-grants. LCRF conducts one competitive grant cycle annually for larger projects and activities; they awarded over \$600,000 last fall. Previously, they funded a multi-year \$2 million grant to the Lyon County Conservation for an education/event center, which has been completed and is where the fall grant award program was held. Day care facilities were funded in Rock Rapids and George, a new pool in Inwood, and they recently approved an application to remodel a building at the Lyon County Fairgrounds for use by all of the 4-H groups in the county. Mr. Waagmeester requested approval of the license renewal application.

Chair Andres congratulated the facility on their cap ex spending, noting the Commission does notice.

Commissioner Horbach noted \$2.6 million was projected for 2021, but \$2.1 million was spent. He noted the application indicates cap ex of \$1.2 million for 2022. The only rollover from 2021 was approximately \$150,000. Ms. Haselhoff advised items from 2021 rolling over to 2022 include \$155,000 for the LED lighting for the waterfall. Commissioner Horbach noted projections show \$500,000 for renovations. He asked if that \$155,000 was included in that number, or if it was in addition to the \$1.2 million. Ms. Haselhoff advised there is a cap ex budget and an additional \$1.5 million in the operational budget for items that don't meet the cap ex budget line.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach 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 facility's revised security plan included in the application. Commissioner Burkhart seconded the motion, which carried unanimously.

Ms. Haselhoff presented the following contracts for Commission approval:

- Kustom Epoxy Floors – Kitchen Flooring Resurfacing Project (OSV)
- Mark-It-Smart – Continuity and Promotion Agreements (OSV)

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

Dubuque Racing Association, LTD/Diamond Jo, LLC d/b/a Diamond Jo Casino (DRA/DJ):
Wendy Runde, General Manager, advised 2021 was a banner year for the Dubuque gaming market overall, as well as the DJ property specifically. She stated sports wagering exploded with the return of sporting events. At the DJ, sports wagering is driven by online wagering; however, sports wagering on site compliments their core amenities. She stated the property continues to see new customers and a new demographic coming to the property. Ms. Runde advised staffing is a challenge in Dubuque. Hours of operation and amenities are curtailed compared to pre-Covid operations. The buffet is closed with no intent to reopen; the space is used for special events. Some conceptual work will be done this year on transforming the space, but the actual work will not commence until next year. The Mississippi Moon Bar is averaging 2-3 shows per month. She advised a number of acts cancelled with the uptick of Covid cases in January, but they are seeing a shift in this area and are excited to have the venue open. Ms. Runde advised the Woodfire Grill is open Tuesday through Saturday, The Filament and Subway are both open daily; however, The Game Sports Bar remains closed at this time. She stated they are using some of the same initiatives as DJW to retain current staff and attract additional staff. The facility is open 24/7 for gaming. She reported Cherry Lanes is open and all leagues have returned to normal. With regard to cap ex, she noted the facility was 13 years old in December, and it is important to keep the property looking fresh and in good condition. Projects for 2021 were mostly back-of-house: a new humidifier, new kitchen floors, surveillance upgrades, new carpet, and new gaming chairs on the floor. For 2022, projects will be more visible to the guests, but also include a kitchen expansion, some work at Tree Bar, which is the main casino floor bar, major LED lighting upgrades, and

changing the surveillance system to digital. Ms. Runde introduced Kevin Lynch, Board Chair of DRA, and Alex Dixon, President/CEO of DRA. She advised DJ pays 4.5% of revenue to DRA, which amounted to \$3.6 million in 2021.

Mr. Lynch requested approval of the gaming licenses. He expressed appreciation for the work the Commissioners do, noting many people are affected by the Commission's actions. He stated DRA contributed \$3.5 million to enhance the Veteran's Memorial on Chaplain Schmitt Island; the ribbon cutting was held on Memorial Day 2021. Mr. Lynch also talked about the Dream Center, which works with underprivileged youth. DRA funding has allowed the center to purchase desks, books and computers, and install an elevator to allow access to the different floors. He also referenced a park at a local hospital, which was partially funded by DRA.

Mr. Dixon requested approval of the gaming licenses.

Commissioner Campbell noted anticipated cap ex was \$1.3 million in 2019 and \$1.5 million in 2020, but actual expenditures were much lower. For 2021, cap ex was projected at \$1.4 million with \$1.3 million completed. He noted \$3 million is projected for 2022; he asked if that is finishing projects or catching up.

Ms. Runde advised it is both, but more moving forward than catching up. She stated 2021 was a year of catch up; moving forward LED conversions and technology are high on the list.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Burkhart moved to renew the license to conduct gambling games to Dubuque Racing Association, Ltd., renew the license to operate Diamond Jo, LLC as a gambling structure, renew the license to conduct sports wagering to Diamond Jo, LLC, and approve the facility's revised security plan included in the application. Commissioner Campbell seconded the motion, which carried unanimously.

Ms. Runde presented a contract with Innowave Marketing Group, LLC for the Boyd B Connected Gift Program (OSV).

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

Scott County Regional Authority/Isle of Capri Bettendorf, L.C. (SCRA/IOCB): Ms. Ballenger introduced Kirk Anderson, President of SCRA. She stated 2021 was a great year; it was their first full year under Caesars leadership. She stated they moved from the riverboat to the land-based facility in 2015, and continue to benefit from that move. Ms. Ballenger noted IOCB benefited from people coming to Iowa from Illinois to gamble as the casinos were closed in January, and some mitigations continued past that. Another plus was the opening of I-74 Bridge, which had been closed for a number of years for reconstruction, in December 2021. Ms. Ballenger stated the IOCB has the largest hotel in Iowa with 509 rooms, and 40,000 square feet of convention space. She advised the Sales and Marketing team have booked 50 weddings as well as many other events.

Ms. Ballenger stated the property is open 24/7, except valet which is still closed. She acknowledged the importance of cap ex and advised \$636,000 was spent in 2021 and some projects have been completed since the license renewal was submitted. For 2022, \$1.5 million is projected, and will be focused on the hotel. She stated larger projects are being considered for 2023 and beyond.

Mr. Anderson advised SCRA received 162 grant applications, and was able to fulfill 131 for a total just over \$3.2 million. Since 1991, SCRA has distributed \$92.9 million, and hopes to surpass \$100 million in the next 2-3 years. He stated there were five key grants in 2021: \$250,000 to the River Bend Food Bank; \$150,000 over three cycle periods to support the capital campaign of Gilda's Club Quad Cities to support cancer survivors; \$250,000 over four cycles to the Putnam Museum and Science Center for new facilities; and \$165,000 to the Vera French Foundation over four cycles and \$250,000 over four cycles to Humility Homes and Services. Both organizations address affordable housing in the Quad Cities. Ms. Ballenger stated IOCB has a great partnership with SCRA and requested approval of the license renewal.

Commissioner Olsen asked about staffing numbers, noting it is an issue for all properties. Ms. Ballenger advised there are pockets; two areas are more challenging. She stated they have increased the wages in those areas, but indicated they are in an OK position.

Hearing no further comments or questions, Chair Andres 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 approve the facility's revised security plan included in the application. Commissioner Campbell seconded the motion, which carried unanimously.

Ms. Ballenger presented the following contracts for Commission approval:

- Loffredo – Produce Vendor
- Sam's Club – Supplier for Miscellaneous Goods for Resale
- Schebler – Metal Fabrication and Equipment Installation Services
- Standard Textile – Purchase of Hotel Linens (OSV)
- Tri-City Electric Company – General Property Electrical Repairs
- Aramark – Rental of Floor Mats and Kitchen Towels
- Crescent Laundry – Laundry Services for Hotel Linen and Towels

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

Iowa West Racing Association/Harveys Iowa Management Company LLC (IWRA/Harrahs): Ms. Mainwaring thanked Eldorado and Caesars for their commitment to address maintenance issues, and feels the Commission will be happy with the progress when they return to Council Bluffs in April. Ms. Mainwaring noted a pizza venue was recently opened at the facility. She requested

approval of the license renewal and stated IWRA and Harrahs look forward to re-establishing Harrahs as a destination attraction.

Thomas Roberts, General Manager, advised over \$4.8 million in projects have or will be started in 2022; \$2.2 million in projects were started in 2021. He indicated these projects are inclusive or part of the \$20 million cap ex project. Mr. Roberts stated Harrahs paid approximately \$12 million to employees in wages and benefits, and all full-time employees received a \$600 bonus in December. The facility spent almost \$2 million with Iowa vendors. Mr. Roberts advised Harrahs is open 24/7, but they did reopen later than most of the Iowa properties. He noted it has been a struggle to get everything open; the buffet reopened as a pizzeria, valet services are not available, and the hotel is 24/7. Stir Cove had nine shows last year; there are currently 24 committed for 2022, and they are hoping get 30. They are looking at space and concepts for a new restaurant space. Mr. Roberts requested approval of the license renewal.

Commissioner Campbell asked about the agreement with IWRA. Mr. Roberts stated the parties are trying to get something done for another 15 years, but want to make sure it works for both parties. He noted there are still two years left on the current agreement.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Campbell 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, renew the license to conduct sports wagering to Harveys Iowa Management Company LLC, and approve the facility's revised security plan included in the application. Commissioner Horbach seconded the motion, which carried unanimously.

Mr. Roberts presented the following contracts for Commission approval:

- Leick Construction – Construction Vendor
- Johnson Controls – Fire Protection
- Black Hawk Roof Company – Construction Vendor
- Midwest Glass and Glazing – Construction Vendor

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

Dubuque Racing Association, LTD: Mr. Lynch noted DRA held their monthly meeting at the DJ facility. He advised DRA received \$12 million from the two casino properties located in Dubuque; and were able to present a check for \$4 million to the Mayor of Dubuque. Mr. Lynch stated the properties are going to work together to promote Dubuque as a gaming destination.

Mr. Dixon stated 2021 was a record year. He advised the property is open 24/7 on the weekends and is closed from 3:00 AM to 7:00 AM during the week. He indicated the Farm House remains closed, but the space is utilized for special events. Mr. Dixon reiterated the goal of the two Dubuque properties and the city to transform the city into a regional destination in order to compete

with Wisconsin, Illinois and within Iowa. He stated the City of Dubuque, Schmitt Island and local charities each received \$4 million from DRA. Mr. Dixon advised the pay for frontline cooks was increased from \$13/hour to \$20/hour. Additionally, they have initiated a \$100 longevity service bonus per month; a 20-year employee would receive a \$2,000 payment to thank them for their service. Mr. Dixon stated the outdoor patio was completed in 2021.

Commissioner Campbell asked for an update on the hotel. Mr. Dixon stated the proposed hotel addition was put on hold due to Covid. He indicated it was included in the master plan approved in 2014, which also included a pool, spa, bungalows, and gaming amenities. He noted they will be taking over more space on the island, and are contemplating adding new amenities to the core gaming facility. He stated he hopes to bring a plan before the Commission later this year. They are looking at the financing structure and the actual plans.

Hearing no further comments or questions, Chair Andres 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 approve the facility's revised security plan included in the application. Commissioner Burkhart seconded the motion, which carried unanimously.

Clarke County Development Corporation/HGI-Lakeside, LLC (CCDC/Lakeside): Mr. Monroe stated 2021 was a very good year for the facility; they started Phase 1 of a multi-year renovation. Public spaces in the hotel and casino were renovated along with four restrooms, and a full remodel of the Lakeside Express and West Lake Bar & Grill. They spent just under \$4.7 million for cap ex, repairs and maintenance in 2021. For 2022, they will focus on the casino and some additional public spaces, and 2023 will focus on the hotel. Mr. Monroe stated they are happy with the progress to date, and the planned remodel will keep the property competitive for years to come. Operationally, Mr. Monroe advised admissions were up 34%. He noted the property was open 24/7 pre-Covid; currently they are open 10:00 AM to 2:00 AM during the week and 24/7 on the weekend. They have instituted wage increases in most departments.

Sue Wilder, President of CCDC, stated they have distributed over \$13 million to the community. She highlighted many projects funded over the years. Ms. Wilder stated there is now 10 miles of walking trails around the community and schools; they are contemplating adding restroom facilities and drinking fountains to the trail. Ms. Wilder requested approval of the license renewal for Lakeside.

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

Mr. Monroe presented the following contracts for Commission approval:

- Comp Trading, LLC – Marketing Giveaway Items
- Nagle Signs, Inc. – Major Signage

Commissioner Horbach asked about the signage contract for \$750,000. From this description, it is his understanding that is only for one-half of the sign. Mr. Monroe advised the sign is being redone in two phases; this contract is for the south-facing side of the sign.

Hearing no additional comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the contract as presented. 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 Gary Hoyer and Justin Pieper, Chief Executive Officer of Great River Entertainment, LLC and Vice Chair of SIRRC respectively. Mr. Higgins advised CBC is open from 10:00 AM to 2:00 AM seven days a week due to staffing issues. He stated the pit is divided in half with the feature bar in the middle. They moved some games around and staff one pit at opening and the other is opened at 3:00 PM. He stated the various hotels located on property are doing well. Mr. Higgins stated the Edgewater Grill is not open, nor do they intend to open it; however, they are in the planning and design stages for a different venue. There are four other eating venues open on the property, and plan to renovate the Boogaloo Restaurant. CBC is currently in the process of designing a new court project on the back side of the Fun City Resort hotel, which was recently upgraded at a cost of \$3 million. A new pool for the resort will back up to the courts, and they are adding a Ninja course. Mr. Higgins also hopes to replace the casino carpeting. They are also in the process of taking bids to upgrade the Event Center audio and video.

Mr. Pieper stated SIRRC has a very transparent and open relationship with CBC. He noted the SIRRC Board is made up of representatives from Burlington, Ft. Madison and Keokuk, with each community determining how the funds they receive are distributed. In 2021, the theme was recreation amenities. Burlington used their funds to help with courts at the turf complex for youth sports; Fort Madison used their funds to help expand the amenities at the Tri-State Rodeo Arena complex and the marina redevelopment. Keokuk funded enhancements at the aquatic center. Mr. Pieper requested approval of the license renewal.

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

Mr. Higgins presented the Fourth Amendment to the Second Amended and Substituted Commercial Lease between Huckleberry Holdings, LLC and Catfish Bend Casinos II, LLC. Mr. Hoyer stated Great River Entertainment (GRE) is the overlying parent company for CBC. Huckleberry Holdings is another wholly owned subsidiary that owns the real estate. When the sportsbook was added, a Third Amendment to the Lease was done to increase the size of the casino

facility, which increased the rent. The facility continued to pay rent, but recently realized they had not paid the increased rent. Rather than redoing rent payments, the parties agreed to the fourth amendment which calls for the increased rent to commence January 1, 2022, and waives the previous unpaid amount.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Fourth Amendment to the Second Amended and Substituted Commercial Lease as presented by CBC. Commissioner Olsen seconded the motion, which carried unanimously.

Grow Greene County Gaming Corporation/Wild Rose Jefferson, L.L.C. (GGCGC/WRJ): Travis Dvorak, General Manager introduced Craig Marquardt, Vice President of GGCGC. Mr. Dvorak advised 2021 was a record year. He stated cap ex for this year will be around \$800,000; there will be no major remodels as the facility is less than six years old. There has been some remodeling in the café and sports bar, and they added another building for storage. The focus this year will be on various equipment. Mr. Dvorak advised there will more than likely be some remodeling projects in 2023-2024. . The facility is open 10:00 AM to midnight Sunday through Thursday, and 10:00 AM to 2:00 AM Friday and Saturday. He advised there is no customer demand to open earlier. Mr. Dvorak stated the food and beverage area is a struggle for them. The restaurant was open every day pre-Covid, but is now open Thursday-Sunday. The café supplements the restaurant on Wednesday and Thursday; there is no food outlet open on Monday and Tuesday. Mr. Dvorak advised the entertainment area is starting to return; there are two concerts scheduled for this month, and they are looking at acts for this summer and fall. Mr. Dvorak stated current staffing levels remain below pre-Covid levels. They currently have approximately 135 employees and are seeing a gradual increase. Over the past year, WRJ has instituted several wage adjustments and given multiple bonuses to reward current employees and entice new employees. They continue to make wage adjustments to stay competitive. Mr. Dvorak advised staffing shortages are an area-wide issue, not just at WRJ. He stated WRJ has adopted a three tier approach to recruiting employees: sign on and referral bonuses; hiring an outside Recruitment and Marketing firm; and actively working with local businesses and Greene County Development Corporation on a long term program to increase population and employment in the area. This last approach could take 5-10 years to reach full fruition.

Mr. Marquardt noted in 2013 Greene County passed the initial gaming referendum by 75%; in 2021, the second referendum passed with an 88.76% positive vote. He stated GGCGC will be hosting its 7th Annual Award Banquet in April, and will award approximately \$1.7 million in grants, which includes \$53,700 to each of the six contiguous counties around Greene County. Including this year's funds, each of those counties will have received over \$277,000 or \$1.65 million over the past seven cycles. Major grants include \$4.5 million to Greene County schools to assist in the construction of a state-of-the-art auditorium and gymnasium to help with the school bond issue; \$500,000 toward the construction of an early learning center, which is a non-profit child care center; \$200,000 toward the new Greene County animal shelter; \$100,000 to the Greene County medical center for a remodeling project. He stated they just received notice that the ambulance they helped fund last year will arrive today. Mr. Marquardt stated the minimum grant request for GGCGC is \$35,000; grants less than that are submitted to the Greene County

Community Foundation. At the end of the year, GGCGC made special grants, or give back awards, to local non-profit groups that have an impact on the entire county. Last year, GGCGC gave \$5,000 to the local VFW for building repairs; Adopt-A-Family for Christmas gifts and food, The Ark – a local food pantry; and the Greene County 4-H Foundation. Mr. Marquardt stated GGCGC has a positive working relationship with WRJ and Wild Rose Entertainment. He requested approval of the license renewal.

Commissioner Campbell asked for clarification on the hours of operation. Mr. Dvorak stated the facility closes at midnight during the week, and 2:00 AM on Friday and Saturday.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Campbell 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 Olsen seconded the motion, which carried unanimously.

Mr. Dvorak presented the following contracts for Commission approval:

- Performance Food Group, Inc. – Food Distributor
- Wellmark – Employee Health Insurance Premium

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

Clinton County Development Association/Wild Rose Clinton, L.L.C. (CCDA/WRC): Mr. Gilson and Leah Garcia, Assistant General Manager were present to address the license renewal. Mr. Gilson read a letter from Les Shields, President of CCDA, as a representative could not be in attendance. In the letter, Mr. Shields stated 2021 was a challenging year for the CCDA as the lingering effects of the pandemic cast a caution across many sectors of the community. He noted that as the economy recovered, WRC performed above expectations for much of the year, which allowed CCDA to hold two grant cycles and award over \$1 million for projects, plus \$25,000 in scholarships to graduating high school seniors across Clinton County. Mr. Shields noted CCDA had committed \$500,000 to MercyOne Clinton for the addition of a cancer treatment linear accelerator payable over five years; however, due to careful stewardship of funds during the pandemic, CCDA was able to pay off the commitment in December 2021. Mr. Shields stated CCDA has been made aware of a major industrial project to be built in Clinton, which should become public in a matter of days. He indicated this would be the largest private sector investment and construction project in the State of Iowa for the last several decades. The project will involve some significant investment in public infrastructure. He stated that while it appears CCDA has a large cash reserve, as a grant-making organization, they stand ready to be a significant partner in bringing this proposed project to fruition. Mr. Shields stated CCDA has a great working relationship with WRC and would like to continue the relationship in the future. He thanked the Commission for their work in keeping casino-style gaming a clean and honest entertainment option

for Iowa residents and visitors to the state. He requested approval of the license renewal for CCDA.

Ms. Garcia stated WRC has slightly altered their hours of operation; they are open 8:00 AM to midnight Monday through Thursday, and 8:00 AM to 3:00 AM on Friday and Saturday. She stated WRC has increased wages twice and provided bonuses. The valet and buffet are not open due to staffing. Coaches Corner Sports Bar is being remodeled. Ms. Garcia stated there are nine long-term employees; two have been employed at WRC for 30 years. They are working on the warehouse that will be located on property and on the parking lot. Ms. Garcia requested approval of the license renewal.

Commissioner Campbell noted CCDA distributions in 2021 were at 2.2%, which is below the statutory requirement of 3%. He requested that CCDA be made aware of the Commission's concerns. Mr. Gilson advised he would be traveling to Clinton following the meeting, and would pass on the message.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach 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 Olsen seconded the motion, which carried unanimously.

Ms. Garcia presented the following contracts for Commission approval:

- 7G Distributing LLC – Beer Distributor
- Carpetland – Carpeting Hotel Rooms; Hotel Hallway, and Promenade
- Owen Meyer Construction – Concrete Repairs to the Parking Lot
- Pigott – Furniture for Coaches Corner Remodel
- Wellmark – Employee Health Insurance Premiums

Commissioner Horbach thanked Ms. Garcia for the pictures of the remodeling project in the Coaches Corner Bar.

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

Palo Alto County Gaming Development Corporation/Wild Rose Emmetsburg, L.L.C. (PACGDC/WRE); Steve Cody, General Manager, advised hours of operation have been adjusted; WRE is open from 10:00 AM to midnight Sunday through Thursday, and 10:00 AM to 2:00 AM Friday and Saturday. He advised the hotel is completely open; Coaches Corner is open except for Tuesday and Wednesday due to staffing issues; and the sportsbook is up in the air. The valet is operated by retired individuals; they currently provide a shuttle service. The valet manager is in discussion with those individuals to determine if they are ready to come back to full valet service.

With regard to cap ex, Mr. Cody stated WRE is in the process of completing some larger projects started last year such as resurfacing the parking lot and a new parking area closer to the building. They will be starting an HVAC project in the spring that will continue through the fall. WRE is also looking at replacing the carpet, and some other projects by the end of the year.

Mr. Cody introduced Marilyn Noonan, a PACGDC board member. Ms. Noonan stated during Covid, the Board decided to do mini-grants up to \$5,000 in order to award more grants and have a bigger impact on the community. They awarded 43 mini-grants to organizations in the eight small communities within the county. Ms. Noonan thanked Mr. Cody for attending the Board's monthly meetings to provide an update on casino operations, which makes their job easier. She advised the Board took a county-wide tour to the communities to view the various projects funded. She gave a brief description of some of the grants awarded, and noted that since 2006, PACGDC has awarded \$1.9 million to fire departments. Each school received \$200,000 last year, plus an additional \$50,000. Ms. Noonan stated they have awarded nearly \$24 million since 2006. The annual banquet is on March 4th, and they will be distributing \$1,000,872. Ms. Noonan requested approval of the license renewal.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Burkhart moved to renew the license to conduct gambling games to Palo Alto County Gaming Development Corporation, renew the license to operate Wild Rose Emmetsburg, L.L.C. as a gambling structure, and renew the license to conduct sports wagering to Wild Rose Emmetsburg, L.L.C. Commissioner Campbell seconded the motion, which carried unanimously.

Mr. Cody presented the following contracts for Commission approval:

- Wellmark – Employee Health Insurance Premiums
- Performance Food Service – Food Service for All Venues

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

Upper Mississippi Gaming Corporation/Casino Queen Marquette, Inc. (UMGC/COM): Sean Bateman, General Manager, advised the facility spent between \$400,000 and \$500,000 in cap ex last year, which was much better than the last two years. They installed ticketing kiosks, updated the valet floor that connects to the buffet, and some HVAC system work. He noted the vessel is 27-years old, which requires more maintenance and upkeep. They upgraded the slot product on the casino floor and installed a new slot system. Mr. Bateman advised the buffet has been open since January 2021, and is open Wednesday through Sunday. The buffet mostly attracts local residents. The casino is open 9:00 AM to midnight Sunday through Thursday, and 9:00 AM to 2:00 AM Friday and Saturday. He indicated there is not a lot of traffic after hours. With regard to staffing, Mr. Bateman stated there is not a pool of applicants to pull from, noting they are lucky to get two applications per week. They have instituted wages increases, provided bonuses through the year, and are holding a job fair this month. They also offer sign on bonuses. He expressed appreciation for the staff they do have.

Mr. Bateman introduced Randy Lenth, a UMGC board member. Mr. Lenth advised UMGC distributed approximately \$700,000 in grants last fall, which sounds small compared amounts distributed by some of the other qualified sponsoring organizations. He stated the funds they provide to the non-profit organizations is an impetus to do better things for their communities. Mr. Lenth stated they spend time looking for partners, especially in the tourism area; noting the four county area in northeast Iowa is growing as a tourism area. Mr. Lenth requested approval of the license renewal.

Commissioner Horbach asked about the new boat. Mr. Bateman advised the new boat has been delayed due to construction and supply chain issues. He estimated the new vessel could be two years out, but noted there is a desire to do something different with the current vessel. He stated the corporate team is coming to the property in April. Commissioner Horbach stated he was anticipating, and is looking forward to a refresh of the property. He stated he thoroughly enjoyed the Commission's visit to the area last fall. Mr. Bateman stated he feels something new will attract more visitors to the property and increase revenue.

Hearing no further comments or questions, Chair Andres 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, renew the license to conduct sports wagering to Casino Queen Marquette, Inc., and approve the facility's revised security plan included in the application. Commissioner Burkhardt seconded the motion, which carried unanimously.

IOWA GREYHOUND ASSOCIATION D/B/A IOWA GREYHOUND PARK (IGA/IGP):
Request for Approval of the 45-Day Plan for the 2022 Meet: Brian Carpenter, General Manager, advised this would be the 38th and final season of live racing in Dubuque; however, this season will be shortened. He noted 2021 was a very good year. In 2020, total handle was \$16 million, and in 2021, total handle was between \$22 million and \$23 million. He stated handle has been up every year for the last six years. Last year's handle was close to the handle from the early 1990's. Mr. Carpenter stated he started working at the greyhound park when he was 16, and is proud of live greyhound racing in Iowa.

Commissioner Campbell asked Mr. Ohorilko about the purse payments. Mr. Ohorilko stated the staff's recommendation regarding purse payments, with this being the last year, is to modify them so that drug testing results are received prior to the purse payments being distributed. Staff felt this change was important for this season. Mr. Ohorilko stated he would work with Mr. Carpenter on this issue. He recommended the purse payments be held until the drug testing results are received. He stated the Des Moines office will work with the lab to ensure they make the test results a priority so the purse payments can be made.

Commissioner Campbell moved to approve the season approvals 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.
- Review and testing of the SportView Technologies software upgrade submitted to IRGC racing stewards prior to the beginning of racing.
- Purse payments shall not be made until drug testing results are received from the Commission testing lab.

Commissioner Olsen seconded the motion, which carried unanimously.

Mr. Carpenter presented a contract with United Healthcare for the renewal of health insurance for full-time employees.

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

Commissioner Olsen stated he felt the Commission needed to put some pressure on the testing lab to return the test results as fast as possible to create the least amount of problems possible.

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

Iowa West Racing Association d/b/a Horseshoe Casino Council Bluffs (IWRA/Horseshoe Casino): Thomas Roberts, General Manager, presented a contract with Johnson Controls for fire protection.

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

Prairie Meadows Racetrack and Casino, Inc. (PMRC): Ann Atkin, Sr. Vice President and Chief Operating Officer, presented the following contracts for Commission approval:

- ADP (Automatic Data Processing) – Payroll and Human Resources Software
- Carlson Group – Consulting Services
- Dell Marketing – Computer Equipment
- Mid Country Machinery – Track Equipment

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.

PUBLIC COMMENT: Mr. Dixon stated the DRA wanted to publicly acknowledge Mr. Carpenter and the Iowa Greyhound Association for everything they have done for Q Casino, and

more specifically, for the community of Dubuque, which was on its last legs when live greyhound racing came to the community. He stated DRA is going to celebrate the last season; there will be a party on April 16th to usher live greyhound racing out in style.

Mr. Ohorilko stated when the greyhound cessation legislation passed approximately 8 years ago, the IGA was fortunate to have Mr. Carpenter stay on board to lead the group, address concerns with animal rights and keep the doors open. He stated Mr. Carpenter has done a good job in keeping the animals safe and keeping the track fully staffed during the meets.

ADMINISTRATIVE BUSINESS: Chair Andres called on Mr. Ohorilko to address the following:

Review of Year-to-Date Economic Impact Reports: These reports are prepared by the industry, and is unaudited but feels they are a fair representation of the overall economic impact of the casino industry. He noted information is provided for the amount of payroll dollars; equipment, supplies and services; statutorily required payments; and charitable contributions. In 2021, the overall amount for the State of Iowa was \$1.143 billion. The amount spent with Iowa vendors was \$1.048 billion. When items that have to be purchased from out-of-state vendors are taken out of the equation, almost 97% stayed within the state.

Horse Racing Promotion Fund: Mr. Ohorilko advised there is \$2,212.24 available in the Horse Racing Promotion Fund. Those parties that are eligible can apply to the IRGC Des Moines office by 3:30 PM on March 31st. Funds will be distributed at the April Commission meeting.

Notice of Purse Amounts Pursuant to Iowa Code § 99F.6(4)a(3): Mr. Ohorilko stated purse amounts are based on 11% of the first \$200 million of gross receipts at PMRC, 6% of the remainder of gross receipts, 50% of the Advance Deposit Wagering receipts, and 4% of the sports wagering receipts. For 2022, the purse amounts will be:

- Thoroughbreds - \$17,737,869
- Quarter Horses - \$3,558,881
- Harness Racing - \$2,041,981 (For use at county fairs)

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

**IOWA RACING AND GAMING COMMISSION
MINUTES
APRIL 14, 2022**

The Iowa Racing and Gaming Commission (IRGC) met at the Mid-America Center in Council Bluffs, Iowa. Commission members present were Julie Andres, Chair; Daryl Olsen, Vice Chair and members Amy Burkhart, Mark Campbell and Lance Horbach.

APPROVE AGENDA: Chair Andres called the meeting to order at 8:30 AM. She advised staff had received a request to withdraw items 4, 5, and 6 under Agenda Item 8H. Chair Andres requested a motion to approve the agenda as amended. Commissioner Burkhart so moved. Commissioner Campbell seconded the motion, which carried unanimously.

WELCOME: Thomas Roberts, General Manager, welcomed the Commission to Council Bluffs, and expressed Horseshoe Casino's appreciation for the opportunity to host the meeting. He introduced Brenda Mainwaring, President and CEO of the Iowa West Racing Association (IWRA) and Iowa West Foundation (IWF).

Ms. Mainwaring talked about what the gaming revenue received from the Council Bluffs properties has done for the city. She stated the Mid-America Center represents IWF's largest investment on behalf of the community. This facility, hotels, sports facility, the soccer complex, and retail center represent what IWF has been able to do for the community because of the participation, foresight of the Legislature and the Commission's help. She presented a power point presentation showing what is coming to the riverfront and will represent their second largest investment in the community. She noted the forthcoming development is a collaboration between private and public funds; \$80 million is coming from private donations with the bulk of it coming from IWF. Construction on the park is ready to begin, the Council Bluffs Pavilion is already built, and Belle's Play Garden and Toddler Garden will open in June. This fall construction will commence on the Tree Top Walk, which will come off the Bob Kerry Bridge and will be above the flood zone. The walk will include an Adventure Tower, an Olympic-qualifying Climbing Wall, a two-story caving feature, and a Tandem Roller Glide, which is a cross between a tree top roller and roller coaster. There will be a multi-feature trail located between the I-480 bridge and Harrah's. Ms. Mainwaring stated Omaha, Council Bluffs and the Chamber have been working on the "Urban Core"; noting Council Bluffs is a significant part of the success of the Omaha metro Urban Core. The Dodge Park golf course will be tied to Omaha with a transit and pedestrian bridge.

APPROVE MINUTES: Chair Andres moved to the approval of the minutes from the March 3, 2022 Commission meeting. Commissioner Horbach moved to approve the minutes as submitted. Commissioner Olsen seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised there would be no meeting in May. The next Commission meeting would be held on June 2nd at Wild Rose Emmetsburg.

Mr. Ohorilko announced the following meeting dates for Fiscal Year 2023:

- July 8, 2022 – Prairie Meadows Racetrack & Casino, Altoona, IA
- August 25, 2022 – Riverside Casino & Golf Resort, Riverside, IA
- September 29, 2022 – Diamond Jo Worth, Northwood, IA
- November 17, 2022 – Rhythm City Casino, Davenport, IA
- January 26, 2023 – TBD
- March 2, 2023 – Prairie Meadows Racetrack & Casino, Altoona, IA
- April 20, 2023 – Ameristar Casino, Council Bluffs, IA
- June 15, 2023 – IOC Black Hawk County, Waterloo, IA

Mr. Ohorilko noted the July 8th meeting is on a Friday. The meeting will be held in the afternoon, and the Commission members will attend the races that evening.

Mr. Ohorilko introduced the following IRGC staff assigned to the Council Bluffs properties: Cory Ostermeyer, Gaming Representative at Horseshoe Casino; Lori Cap and Bryan Crowdy, Gaming Representatives at Ameristar Casino; Jeff Rethmeier, Gaming Representative at Harrah's, and Deb Kissel, Licensing Assistant for all three properties, with her office located at Horseshoe Casino. He thanked them for their work on behalf of IRGC.

Mr. Ohorilko stated that the Commission will announce the due date for any Cedar Rapids applications.

ADVANCE DEPOSIT SPORTS WAGERING OPERATOR AGREEMENT: Rick Gilson, Director of Operations for Wild Rose Entertainment, presented an agreement with Gambit Sportsbook Corporation. He advised Gambit is a start-up company and Iowa is probably the first state in which they are seeking licensure. They are based out of Ohio; Justin Perez, CEO and founder, worked in the sports arena for some of the largest collegiate football teams in the United States. Based on an idea, he started Gambit, which has a different spin on what they intend to do and how they intend to operate. Mr. Gilson stated Gambit utilizes a lot of different social influencers and people who like to beat the books. These individuals are incorporated into his portfolio; bettors are able to select some of those individuals to help them pick their games. Mr. Gilson stated the person would have to log on to their own app in order to place the bet.

Mr. Ohorilko advised staff had concerns upon performing their initial due diligence as the website indicates that individuals would browse available funds, choose a fund and buy shares of the fund. Staff was not certain those activities were permitted under Iowa law; however, through conversations with Mr. Perez, staff learned the process is exactly as set forth by Mr. Gilson. Gambit is bringing the expert handicappers together with the public. Mr. Perez stated they were keeping the language similar to Wall Street; a fund expert is an expert in the industry or handicapper, they are not technically advising which funds to buy.. Mr. Ohorilko stated he would recommend approval as staff would have an opportunity for further review during the licensing process.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Market Access Agreement between Wild Rose Emmetsburg, L.L.C. and

Gambit Sportsbook Corporation. Commissioner Horbach seconded the motion, which carried unanimously.

REQUEST FOR APPROVAL OF REVISED SECURITY PLAN:
Harveys Iowa Management Company, LLC and Harveys BR Management Company, Inc. d/b/a Horseshoe Casino: Thomas Roberts, General Manager, stated the request before the Commission is to adjust the security plans approved with the license renewal applications. He stated the properties are trying to allow 18-year old individuals to become security officers. Mr. Roberts stated they need to figure out how to get more people on staff or will need to look at limiting hours of operation.

Commissioner Burkhart asked what the training plan would be for these individuals. Mr. Roberts stated the training would be no different than for other individuals. He advised after two minors gained entrance to the casino floor, they initiated a comprehensive training plan and added a facial recognition system. They are doing monthly and quarterly updates on training with the current team. Mr. Roberts stated there is always an opportunity for someone to miss something at the front door; they just need to insure staff follows the procedures/processes in place.

Chair Andres asked why they felt lowering the age would increase their pool of applicants. Mr. Roberts stated they have applicants attending the junior college that are in the criminal justice program. He advised they currently hire 18-year olds for positions in food service and housekeeping; however, they have to turn away that age group when they inquire about positions in security.

Commissioner Campbell asked Mr. Ohorilko how many other security plans allow 18-year olds. Mr. Ohorilko stated he did not have an answer. Mr. Roberts stated that Isle Casino Hotel Waterloo and Ameristar allow 18-year olds on their security staff; this is not something new to the industry.

Commissioner Horbach stated he could agree to the proposal as long as the properties understand that it puts more pressure on the facilities should a mishap occur. He stated any mitigation the facilities take to eliminate incidental errors where age is an issue will be to their benefit.

Commissioner Burkhart noted that just because the facilities could hire 18-year olds for security positions doesn't mean they should. She suggested they look at other means for attracting employees. Mr. Roberts stated they have added sign-on bonuses and increased wages.

Commissioner Olsen stated this proposal causes him heartburn and advised them to be very careful. He indicated his support of the request.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the request from Harveys Iowa Management Company, LLC and Harveys BR Management Company, Inc. d/b/a Horseshoe Casino to utilize 18-year old individuals on the security team. Commissioner Olsen seconded the motion, which carried unanimously.

REVIEW OF FACILITIES' FINANCIAL AUDITS:

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, advised there were no significant audit findings for Penn National Gaming, and none for Council Bluffs.

Commissioner Burkhart asked for the number of employees and payroll currently as it appears they are about 71% under payroll from 2019 and around 60% of the number of employees for 2019, and the reasons behind those figures.

Mr. Czak stated Ameristar had around 700 employees in 2019 and currently has about 520. He stated there are some services that are not open; valet and the buffet are not open, and both take a large number of employees.

Commissioner Horbach noted revenues have bounced back with fewer employees. He asked Mr. Czak about his strategy and whether those services would reopen.

Mr. Czak stated last year was a very good year, and the half year for 2020 was very good. Net revenues are higher than they have ever been. He noted they do not have a breakfast option available in the restaurant; he indicated if he could hire nine individuals, he would open the restaurant for breakfast.

Commissioner Olsen noted the financial referenced Hurricane Laura and business interruption insurance. He asked if Ameristar Council Bluffs carries business interruption insurance.

Mr. Czak answered in the affirmative, stating every property in their brand does. He stated Hurricane Laura hit the Lake Charles property, which is one of the largest casinos in the industry, and also impacted Baton Rouge. He noted most of the hotel rooms at Lake Charles have not reopened.

Commissioner Olsen stated the financial referenced foreign currency. Mr. Czak stated Penn National Gaming owns TheScoreBet, a Canadian company. He indicated he could not specifically say what that was referencing.

Casino Queen Marquette, Inc.: Robin Corbeil, Director of Finance, advised the audit contained one material concern, which was removed; otherwise, they had a clean audit.

Commissioner Olsen stated it was a very straight forward financial, and was easy to understand; the company had a profitable year. He encouraged them to make some improvements to the Iowa property.

Catfish Bend Casinos II, L.C.: Rob Higgins and Donald Spears, General Manager and Chief Financial Officer respectively, were present to address the audit. Mr. Higgins stated he prefers to compare 2021 and 2019. Mr. Higgins stated the revenue to the bottom line was up. He noted they spent \$3 million renovating the family entertainment hotel, and are in the planning stages of renovating the Catfish Bend Casino Inn & Spa. Mr. Higgins stated they are in the planning and design stage to renovate the gaming floor. He noted they make sure the gaming floor is fresh even

though they are one of the smaller casino operations in the state. Mr. Higgins anticipates these renovations will occur in 2022-2023.

Commissioner Horbach noted that about six years ago it appears the facility had a downward trend early on, and then was fairly stable. He asked what caused the increase.

Mr. Higgins advised that for most of 2015, 2016 and a small portion of 2017, a new \$1 billion fertilizer plant was built just south of Burlington, which brought in about 2,500 construction workers. Several of the workers spent a lot of time in Burlington and at the casino. Mr. Higgins estimated revenue increased approximately 12% in 2015 from 2014.

Commissioner Olsen noted the audit stated there is a requirement by Iowa Racing and Gaming to have an operating note capable of paying gaming taxes on file. He asked Mr. Ohorilko if that was consistent for all of the casinos.

Mr. Ohorilko answered in the affirmative, advising that every facility has a bond, note or Letter of Credit on file that guarantees two weeks of gaming taxes. The amount of the bond, note or Letter of Credit is based on the two highest consecutive weeks of gaming revenue from the previous year.

Commissioner Olsen asked if staff was checking as not every audit mentioned this item. Mr. Ohorilko advised it is something Commission staff verifies prior to the license renewals.

Commissioner Campbell noted wages paid in 2019 and 2021 were approximately \$1 million different. He asked if that was due to a change. Mr. Higgins stated the answer is a combination of things. They have become more efficient with the staff they have; wages have increased; and the buffet is not open, but are in the planning stages to renovate the space for another restaurant. He stated the property is getting ready to start serving breakfast in the Boogaloo Café. Valet services are also not open. They have also changed their hours of operation.

Commissioner Horbach stated he receives more questions from the public as to when the buffets will reopen at the casinos. Mr. Higgins stated it is an operational thing; buffets are expensive to operate.

Diamond Jo, LLC d/b/a Diamond Jo Casino: Jennifer Cox, Director of Finance, expressed regrets on behalf of Wendy Runde, General Manager, who was unable to attend the meeting. She advised 2021 was a record-breaking year for the Diamond Jo: Gross Gaming Revenue (GGR) - \$99 million, which exceeded the previous record set in 2019 by 39% or \$27.5 million; and exceeded 2020 GGR by \$46 million, or 87%. The property saw 677,000 visitors in 2021, up 14,000 or 2% over 2020, but down 250,000 or 27% from 2019. Ms. Cox stated the banquet rooms and live event center are seeing an increase in bookings for weddings and concert goers, but advised numbers have not returned to pre-pandemic levels. Total economic impact for 2021 was \$46 million; \$842,000 was for specialized purchases. Of the remaining \$45.2 million, 99.43% or \$41.7 million was spent with Iowa vendors or paid in taxes. Total taxes paid include property and payroll taxes in excess of \$22.5 million, with just over \$19 million being paid in gaming taxes to the State of Iowa, City of Dubuque and Dubuque County. Ms. Cox advised total payroll and benefits was just over \$10 million, and the property had 304 team members as of December 31st, down from 472 at the end of 2019. The facility currently has 53 open positions. Ms. Cox stated Boyd Gaming, in addition to referral and sign-on bonuses introduced in 2021, has increased the minimum starting wage to

\$15.00/hour effective March 2022. Holiday bonuses and an additional all team member bonus was announced in December 2021 and paid out in February 2022. Contributions to Dubuque Racing Association totaled just over \$3.6 million. Diamond Jo also paid out miscellaneous donations throughout the year in excess of \$60,000. In 2021, Boyd Gaming rolled out the "Giving the Boyd Way" program, which encourages team members to give back to and be involved in their local communities. Ms. Cox stated Diamond Jo lead the region in team member participation. In recognition of Diamond Jo and its team members, Boyd Gaming donated \$10,000 to be given to a non-profit of their choice; they selected Veterans' Freedom Center located in Dubuque. The organization will receive the funds on Veteran's Day 2022 at the Veteran's Memorial Park.

Ms. Cox stated 2021 capital expenditures, including slot purchases, exceeded \$2.8 million. In November 2021, new carpet was installed on the casino floor and banquet rooms. New slot chairs were purchased, and the audio system and gaming software system were upgraded. Capital expenditures in excess of \$2.3 million for 2022 include a redesign of the buffet space, a facelift for the main bar on the casino floor, a new Point of Sale system, and the final stage to convert the surveillance system from analog to digital.

Diamond Jo Worth, LLC d/b/a Diamond Jo Worth: Scott Smith, General Manager, stated the property continues to attract guests; gross gaming revenue for 2021 was just over \$109 million, or an increase of \$39 million year-over-year, and \$24 million more than 2019. He noted staffing is a challenge; in 2019 the facility had 331 team members, finished 2020 at 301, and ended 2021 with 270 team members. Mr. Smith stated the employee numbers are not about efficiency and finding labor cuts; they are unable to find staff. He stated in that area other venues and restaurants are starting to close early much like what occurred during the heat of the pandemic. In November, DJW was the first Boyd Gaming facility to make a commitment to raise all non-tipped hourly wages to \$15.00 or above; the average starting rate at this time is \$17.23 for team members. They continue to offer sign on bonuses up to \$2,500 and referral bonuses up to \$1,000. Team members are trying to do whatever they can to serve the patrons. Mr. Smith stated the property has achieved some of the highest guest service scores they have ever had during the first quarter of this year. He acknowledged the dedication and loyalty of the team members, and the support Boyd Gaming provides to the property and employees. Mr. Smith stated they partner with area schools and Workforce Development in Iowa and Minnesota to attract employees. He stated the sportsbook has been a huge success; DJW is one of the leaders on the retail side with \$55.8 million in handle last year and revenue of \$5.7 million. Mr. Smith noted the original location of the sportsbook was expanded one year later to accommodate the volume, and continues to be one of the nicest sportsbooks in the state. Mr. Smith stated the Worth County Development Authority received \$6.1 million for distribution, and has received over \$77 million since inception.

Commissioner Horbach asked how many positions were open at the facility. Mr. Smith stated if he had the ability to hire 100 individuals, he would do so. Commissioner Horbach noted the facility is down to 254 employees and asked how many he wants to get back. Mr. Smith stated he would feel comfortable with 75 positions. He stated that if someone in Security calls off, it has a domino effect and causes additional pressure and stress on the existing staff. He stated the facility tries to do things to show their appreciation to help alleviate that. Mr. Smith stated that through the pandemic, it has become evident that people don't want to work nights or weekends, however, that is not an option in the casino industry.

Dubuque Racing Association (DRA): Alex Dixon, President and CEO, advised they will be rolling out a new brand later this month. He noted the final season of live greyhound racing in Dubuque starts this weekend, and DRA will be honoring them at the end of the season for all of their contributions to the City of Dubuque. He stated DRA is working with various partners to take advantage of their status as a 501c(4) non-profit and their new status as a 501c(3) non-profit. They are working with the City of Dubuque to market Dubuque as a gaming destination. He noted the Cincinnati Reds baseball team will be playing at the Field of Dreams location in Dyersville; Q Casino will host the team and all of the season ticket holders prior to the game. They will also be sponsoring a golf tournament in Galena to promote travel to Dubuque as a destination. Mr. Dixon stated the audit was straightforward and would be happy to answer any questions.

Commissioner Burkhart stated DRA has some of the strongest return-to-work numbers with 86% of the workforce they had in 2019 and equal payroll. She commended them on their numbers, and asked their secret to success.

Mr. Dixon stated they benefited from a stable work force. He stated when he arrived on property front line cooks were receiving \$13.00/hour, they are now paying them \$20.00. Employees also received a bonus of \$100 for every year of service. He noted money can not solve all of the problems, and DRA has the same concerns as all of the other facilities. Mr. Dixon advised DRA is offering job opportunities to, and have absorbed, some employees from the racetrack. He advised there are a number of outlets that are not open on the property; they would do so if they had the employees. He stated valet is open as they don't have a parking garage.

Harveys Iowa Management Company, LLC: Janae Sternberg, Vice President of Finance for Harrah's and Horseshoe, stated they received a clean audit with no material weaknesses. She advised payroll spend is up over 2020 by \$13.4 million compared to just over \$9 million the prior year. Ms. Sternberg stated they have implemented increases for nearly all of the front-line staff and are near \$15.00 for all employees at Harrah's, as well as paying a bonus to all employees. She stated the facilities currently have 354 employees, but have 135 openings between Harrah's and Horseshoe. She advised the buffet is not open at either location, but noted they have opened Slice Pizzeria in the buffet space at Harrah's. Valet operations are not open at either facility. Ms. Sternberg advised there was a significant increase in the marketing spend year-over-year. The Stir Cove concert series did not take place in 2020, and had a limited number of concerts in 2021, however, the drive is back and they expect to have a full concert series this year.

Ms. Sternberg advised regulatory taxes and fees were \$16.2 million, up from \$9.8 million the prior year; and capital spend for 2021 was just over \$1 million. She noted there are several large projects that have been shared with the Commission that will be occurring in 2022 due to supply chain issues and availability of companies to perform the work. She stated they did complete the Slice Pizzeria, landscaping, new signage at Harrah's, new HVAC equipment and the front entrance. In 2022, the skylights will be replaced, a restaurant remodel pending Commission approval, and additional items yet to be announced.

Commissioner Horbach stated that based on the numbers, Harrah's and Horseshoe took a huge hit in 2020, but noted Ms. Sternberg had provided the answer in her comments. Ms. Sternberg stated the lack of the concert series was a large piece, but noted Harrah's did not reopen until July 1st whereas most properties opened the end of May/first part of June.

Commissioner Olsen noted Caesar's Entertainment owns 52 domestic properties in 16 states with four of those properties in Iowa so Iowa is important to Caesar's. In reviewing revenue numbers, he noted that Harrah's revenue has not changed while other properties have experienced large increases. Ms. Sternberg attributed that to the stability of the Council Bluffs market, and the fact that Harrah's is much smaller than some of the properties. She stated the market isn't growing; and has declined about 1% every year since early 2000.

IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo: Meagan Miller, Director of Finance, stated the facility had a substantial economic impact in Iowa in 2021 with over \$10 million in payroll and benefits, and a total spend with Iowa vendors in excess of \$3 million. She stated 2021 was a record year, despite many challenges as previously noted by other properties. Ms. Miller stated they are looking forward to the upcoming capital reinvestment in the property which includes the arcade expansion, complete hotel remodel and other enhancements. She stated they received a clean financial audit with no material weaknesses.

Commissioner Campbell asked about staffing issues the property may be experiencing, and what steps they have taken. Ms. Miller stated they have increased wages in every area of operation, and have instituted sign on and referral bonuses in order to recruit employees and retain them. She advised they have seen an uptick in applications since instituting the bonuses.

Isle of Capri Bettendorf, L.C.: Nancy Ballenger, General Manager, stated the property benefited from Illinois closing their casinos and the video gaming terminals. There are two sister properties in close proximity, Joliet and Victoria/Elgin, so their VIP players were directed to Bettendorf. The Iowa economic impact was \$46 million with \$11 million going to payroll and benefits. Ms. Ballenger stated they were able to pay bonuses to the employees, which were based on performance. From a staffing standpoint, she noted the buffet is not open, and their biggest staffing issue is in their banquet area. The property has 40,000 square feet of meeting space; the bookings for conventions and weddings are strong for 2022. Ms. Ballenger noted they had a clean audit.

Horseshoe Casino (A Facility under License to Iowa West Racing Association: Ms. Sternberg advised payroll spend was up approximately \$2.5 million; regulatory taxes and fees were \$49.3 million. Capital spend was \$1.4 million, which included some new plumbing, HVAC units, new key boxes, concrete replacement, a security vehicle and other safety enhancements. She stated the Commission would see some improvements in capital spending for 2022 as the Hilton Garden Inn remodel is scheduled to start at the end of the year. There are plans to do some back-of-house improvements for the employees, refresh the hallways and employee dining room, and some landscaping around the building. She stated Horseshoe currently has 584 employees and reiterated there are 135 positions open between Horseshoe and Harrah's. Ms. Sternberg advised they had a clean audit.

Chair Andres asked Ms. Sternberg if she is confident the Hilton Garden Inn remodel will happen, noting that it has been planned for some time. Ms. Sternberg stated the design construction team has been in to do the pre-requisites, and they expect the construction vendor to be named by the end of the month. The intent is to start the remodel in late summer/early fall, and it should take about four months.

Commissioner Olsen stated the property had capitalized the repairs that were done last year, but he feels those were more repairs than true capital improvements. He asked how the property looks

at it from their standpoint and how is it reflected on the financial. Ms. Sternberg concurred that it does look like repairs, but the plumbing issue was a complete replacement of all of the plumbing lines so it was capitalized; it was an emergency capital expenditure that was not planned for. When the budget is prepared, the capital budget is the first portion and starts in July of the prior year. The plumbing line replacement was approximately \$600,000. She stated the key boxes and HVAC units were replacement capital.

Iowa West Racing Association (IWRA): Ms. Mainwaring and Jackie Dix, Controller, were present to address the audit. Ms. Mainwaring introduced some IWRA Board members in attendance. She stated they had a clean audit, and advised staff had been provided a letter with regard to distributions. Ms. Mainwaring stated in 1995 the IWRA created the Iowa West Foundation, a private non-profit which allows them to accumulate assets. For many years, IWRA has allocated the entire annual license fees less appropriate expenses for charitable distribution throughout the region. Since 2000, the Iowa West Foundation has expended approximately \$20 million annually, which includes the IWRA fees and returns on the investments the Iowa West Foundation has. Ms. Mainwaring advised both foundations are jointly governed by a council of members which are assigned to one or the other board based on statutes and regulations, and their own by-laws. All council members, as well as representatives from the three casinos, serve on the grant review committee.

HGI-Lakeside, LLC: David Monroe and Mike Ziemer, General Manager and Director of Finance respectively, were present to address the financial audit. Mr. Monroe stated 2021 was an amazing year with all kinds of records being set. He advised some services were eliminated in order to focus on guest safety and code compliance; any spare labor was utilized to focus on the guest experience. Mr. Monroe stated the property is down approximately 50 full-time employees. He advised the facility has increased wages across the board, is utilizing recruiters, and has instituted referral and sign on bonuses. Mr. Monroe noted they are located in a small community with a low unemployment rate. In spite of all that, Mr. Monroe stated it was a successful year, and is optimistic they will be able to increase the number of events booked.. He stated due to the labor shortage and construction, they did not have any convention business last year, but hope to ramp that back up in 2022 and get back into the entertainment business in the second half of this year. Mr. Monroe stated no material weaknesses were identified in the audit.

Commissioner Horbach concurred with Mr. Monroe's comment that they are located in a tough market. He noted the facility recently opened their sportsbook and asked if it was well received and if it would continue to serve as a draw for them going forward.

Mr. Monroe stated the feedback has been very favorable, not only to the sportsbook but also to the physical changes to the facility. He stated due to their proximity to the Missouri border, the property sees visitors from Kansas and Missouri who come to spend the weekend and utilize the sportsbook.

SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City: Doug Fisher, General Manager, introduced Todd Moyer, Chief Marketing Officer from P2E, and Andrew Limoges, Director of Finance. Mr. Fisher stated the property has 355 team members, and 50 open positions. In 2021, \$2 million was allocated for capital expenditures, and \$3 million is budgeted for 2022, including refurbishing the hotel rooms. He advised the buffet and valet services are not open.

Commissioner Burkhart asked if there are plans to reopen the buffet and valet services. Mr. Fisher stated they do not intend to reopen the buffet; however, the space is utilized for VIP events, Christmas parties, and other events.

Wild Rose Clinton, L.L.C, Wild Rose Emmetsburg, L.L.C.; Wild Rose Jefferson, L.L.C.: Tom Timmons, President of Wild Rose Entertainment, LLC, requested permissions to handle all three Wild Rose property financials at the same time. Chair Andres answered in the affirmative.

Mr. Timmons stated 2021 was a good year; Clinton had their eighth best year ever in gaming revenue; Emmetsburg had their fourth best year, and Jefferson had their best year ever in revenue. He stated they spent a significant amount on capital as they redid the parking lot in Emmetsburg and are replacing rooftop HVAC units at Emmetsburg. Mr. Timmons stated Wild Rose spent more on cap ex last year than the two previous years. He concurred with comments from other properties with regard to staffing issues, adding that they may hire 2-3, and lose 3-4.

Commissioner Olsen asked if the hotel at the Jefferson location was owned by another entity. Mr. Timmons answered in the affirmative; Wild Rose owns the ground and the hotel leases the ground. He noted that when Wild Rose was granted the license in Jefferson, Cobblestone had already been working with local residents to put up a 35-room hotel. Rather than Wild Rose building a separate hotel, Cobblestone agreed to double the size of the proposed hotel. Mr. Timmons stated Wild Rose reserves a specific number of rooms per day as part of the lease. Commissioner Olsen asked if Wild Rose has any control over the hotel as repairs were slow after the storm. Mr. Timmons stated Wild Rose has no control, but advised Cobblestone did some remodeling of the facility while it was closed.

Riverside Casino & Golf Resort, LLC; Grand Falls Casino Resort, LLC; Rhythm City Casino, LLC: Dan White and Damon John, Chief Financial Officer and General Manager respectively at Riverside, and Sharon Haselhoff, General Manager at Grand Falls, were present to address the consolidated financial audit.

Mr. White stated the consolidate report for Elite Casino Resorts, LLC includes the three casino properties and Elite Hospitality Group. He stated the audit had a clean opinion and no internal control comments. Mr. White stated revenues were good last year, but expenses continued to increase and there were supply chain issues. Payroll for 2021 increased over 2020 and 2019; like other properties, they continue to adjust wages to entice individuals to apply for jobs and retain current staff. At the end of 2021, they had 1,473 employees, which was flat compared to the previous year. Mr. White advised there are 100+ openings between the three properties. Capital expenditures for 2021: finished the hotel addition at Grand Falls and the sportsbook, and started a major renovation of the interior of the property with the casino floor; Riverside completed a \$3 million renovation of the Event Center and refreshed the slot product on the floor. Mr. White stated total cap ex was just under \$14 million for 2021, with approximately 96% spent with Iowa vendors.

Commissioner Campbell commended the three properties on their cap ex and the appearance of their facilities. Mr. White stated they take pride in the appearance of their facilities.

Commissioner Olsen stated their financial audit was the easiest to read and interpret, very transparent and provided a lot of information. He stated the company is in a very solid position.

Commissioner Burkhart noted Mr. White had indicated there are approximately 100 job openings between the three properties, and in reviewing information provided, it appears the majority are at Riverside. She asked if that was correct. Mr. White stated Riverside has the highest number of employees so believes they would also have the highest number of openings.

Commissioner Horbach commented on the growth of the net revenues from 2019, and thought expenses were being cut. He complimented Elite Casino Resorts and the other properties on being able to capture the net revenue growth in the face of staffing issues. He stated the Commission understands the environment and the challenges the industry is facing.

Mr. White stated they recently paid out the first quarter profit-sharing to the employees, and it was one of the highest payouts. He advised they adjusted the percentage the employees receive.

Iowa Greyhound Association: Brian Carpenter, General Manager/Director of Racing, stated they received a clean audit with no material weaknesses noted. He stated they are where they expected to be financially.

Prairie Meadows Racetrack & Casino, Inc.: Gary Palmer, General Manager, stated the adjusted gross revenues for last year were the best Prairie Meadows has had since opening in 1989. Revenues were \$225 million, taxes paid to the community and State exceeded \$57 million, which included racing, sportsbook and gaming. Wages, salaries and benefits exceeded \$48 million, and operating expenses were \$57 million. Charitable contributions for 2021 and going into 2022, which includes contractual obligations to the City of Des Moines, Polk County, schools, and legacy community grants, were the highest ever and totaled \$31 million. Mr. Palmer stated since 1996, Prairie Meadows has contributed over \$2 billion in charitable contributions. Scheduled cap ex for this year is \$10 million in addition to a \$12 million hotel renovation. For 2023, they plan to renovate the casino floor and all restrooms.

Mr. Palmer stated Prairie Meadows distributes between 15% - 18% of adjusted gross revenues to charitable organizations. He advised they had a clean audit. Their economic impact on the State of Iowa was \$162,749,000; 98% of their spend for goods and services is with Iowa vendors. They currently have 900 employees, down from 1,218 in 2020 when they closed due to Covid. They currently have 125 openings. They are in the process of hiring 60 seasonal employees for the live race meet. Mr. Palmer stated they have exceeded their revenue budgets in all areas for the first quarter of this year, and are hoping 2022 will be a great year as well. He stated purses for the horsemen for this year will be almost \$25 million.

Commissioner Olsen noted the financial audit showed no debt, and \$787 million paid to Polk County since inception. Commissioner Olsen noted Mr. Palmer indicated 1,200 employees pre-pandemic with current employee numbers at 900. He asked how Prairie Meadows is reaching those efficiency levels or what services are not being provided. Mr. Palmer noted the buffet is closed; valet is currently closed but plan to reopen it on October 1st. He stated the convention business is really picking up and they are trying to fill positions in the banquet area. He advised they are working smarter, have increased the span of control in some areas and are adjusting to the market.

Commissioner Olsen stated he just wanted to be sure services were being provided to insure everyone has a good experience.

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

Harvey's Iowa Management Company LLC: Mr. Roberts presented the following contracts for Commission approval:

- Centimark – Construction Vendor
- TK Elevators – Vertical Transportation Vendor

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

Horseshoe Casino Council Bluffs: Mr. Roberts presented the following contracts for Commission approval:

- HQ Asphalt – Construction Vendor
- Omaha Neon -- Signage Vendor
- TK Elevator – Vertical Transportation Vendor

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

IOC Black Hawk County, LLC: Chad Moine, General Manager, presented a contract with Atlantic Bottling Company as a vendor for Coca-Cola and other beverage products.

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.

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

- Everi Cash Access – Check Cashing Services, Credit Card and ATMs (OSV)
- Altofer, Inc. – Maintenance Plan for Power Generation System
- Liebl Marketing Group – Marketing Agency for Advertisement
- Myers-Cox – Purchase Cigarette & Tobacco Products for Resale

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the contracts 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 a contract with Premier Mechanical for the replacement of HVAC units.

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 Burkhart seconded the motion, which carried unanimously.

Riverside Casino and Golf Resort, LLC: Mr. John presented a contract with Trane US Inc. for a 5-Year Chiller Select Service Agreement.

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

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

- Barkley Asphalt, Inc. – Parking Lot Repairs
- Cart Construction – Remodel Project: Tile Demo & Install
- Rhythm City Casino – Shared Services: Goods and Services Allocation (RP)
- USA Entertainment Agency – Entertainment Booking Agency

Ms. Haselhoff advised the golf course is not open yet.

Commissioner Burkhart asked for an explanation regarding the shared services with Rhythm City. Ms. Haselhoff advised there are a number of positions shared between the properties and are located at each of the properties as well as some of the programs. Commissioner Burkhart asked if these costs represent labor costs. Ms. Haselhoff stated the expenditure is for labor and services.

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 Olsen seconded the motion, which carried unanimously.

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

- Loffler – Printer/Copier Lease
- AJR Equities, Inc. – Promotional Items
- Johnson Brothers of Iowa, Inc. – Wine/Beverages
- Lago Resort & Casino LLC d/b/a Lago Resort – Purchase 4 Used NRT Kiosks (OSV)

Commissioner Horbach inquired as to why the three contracts were pulled from the agenda. Mr. Fisher advised there was language that needed to be corrected in the contracts.

Commissioner Horbach moved to approve the contracts submitted by SCE Partners, LLC with the amendments noted. Commissioner Campbell seconded the motion, which carried unanimously.

Diamond Jo, LLC: Ms. Cox presented a contract with Johnson Controls, Inc. for a service agreement for the facility's HVAC systems.

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

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

- Determan Electric – Service Relocation for Generators
- Ziegler, Inc. – Switchgear and Control Panel Upgrade for Generators

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

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

- Another Round Liquor – Liquor Purchases
- Wired Production Group – Staging, Equipment & Staff for Concerts

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

IOWA GREYHOUND ASSOCIATION d/b/a IOWA GREYHOUND PARK: Mr. Carpenter addressed the following agenda items:

Update on 2022 Meet: The compound opened on March 1st. Eight of the nine kennels from last year returned. When the compound opened, they were short on dogs, but when the Iowa Greyhound Association Board started talking about more money, more dogs showed up. Mr. Carpenter stated today was the last day for official pre-season schooling. Races have been drawn for opening weekend, April 16-17. He noted their attorney, Jerry Crawford, has a horse that will be running in the Kentucky Derby. With regard to staffing for the race meet, Mr. Carpenter advised all of the racing officials from last year returned, but was concerned about lead outs. He stated some of the lead outs from the last three years are returning part-time to help out and finish out the season. Mr. Carpenter thanked Mr. Dixon and his staff for their help getting things finished up, and advertising the final season and making sure everything is taken care of.

Request to Adjust Purse Amounts for 2022 Live Race Meet: Mr. Carpenter stated they are requesting an increase in the purses for the 2022 meet to get more dogs to the track. The accountant has assured him there is plenty of money to do so.

Commissioner Horbach noted his company shut down a company, and two years later they are still seeing expenses. He wanted to be sure Mr. Carpenter and the Iowa Greyhound Association were on guard for that possibility. Mr. Carpenter stated he and his assistant will remain on staff until August 31st to make sure that everything is taken care of.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the change in purse amounts as requested by the Iowa Greyhound Association d/b/a Iowa Greyhound Park. Commissioner Campbell seconded the motion, which carried unanimously.

PRAIRIE MEADOWS RACETRACK & CASINO, INC. d/b/a PRAIRIE MEADOWS RACETRACK & CASINO: Mr. Palmer and Derron Heldt, Vice President of Racing, were present to address the following agenda items:

Update on 2022 Meet: Mr. Heldt advised the 84-day mixed meet will commence on May 13th and run through October 2nd. He stated they had to hire the track superintendent, and were able to hire Robert Blackburn from Remington Park. He has 14 years of experience at Remington Park, which also runs a mixed meet. He has also worked at other racetracks in the southwest. Mr. Heldt stated he has been on board about 60 days and has already made some tweaks to the surface that Mr. Heldt felt would be favorable. Mr. Heldt stated the other hire was a new Racing Secretary, Stuart Slagle, who also has an extensive racing background. He worked the Kentucky racetrack circuit, as well as in Mexico, New Orleans, and about four years at Woodbine in Canada. Woodbine conducts races from April to October, and has 40+ graded stakes races.

Mr. Heldt stated stall applications were due April 6th for both thoroughbreds and quarter horses. He stated they received 1,451 thoroughbred applications for 936 stalls; and 511 quarter horse applications to fill 416 stalls. He stated there are ample horses to fill the stalls; staff is talking with the trainers to determine the actual number of horses they are bringing. He stated trainers can start moving horses onto the backside on April 15th.

Mr. Heldt stated the Prairie Meadows Marketing Department will be meeting on April 29th at 9:30 in the Board Room with the Iowa Quarter Horse Racing Association and the Iowa Horsemen's Benevolent and Protective Association. The Marketing Department will present the promotions and advertising plans for the season. On Friday, May 6th, they will draw the race card for the first day of racing on Friday, May 13th. On May 10th, there will be a system check; all staff will be in place and all necessary equipment will be checked to insure it is working properly prior to live racing commencing.

Mr. Heldt briefly touched on HISA, noting that Prairie Meadows has been working diligently to try to provide a safe racetrack and ensure the welfare of the horses. He stated they completed an accreditation application with the NTRA, and have received confirmation representatives will be at the track on May 22nd and 23rd to do an inspection.

Commissioner Burkhart thanked Prairie Meadows for scheduling the meeting between the Marketing Department and the horsemen's groups as that was one of the suggestions from the meeting in February.

Commissioner Olsen asked the name of the group performing the accreditation, and if Prairie Meadows had been accredited previously. Mr. Heldt advised the organization is the National Thoroughbred Racing Association, and stated they have not been accredited previously. He indicated they have worked with an individual who has performed the inspections in the past, and feel comfortable they will receive accreditation. He stated there may be some areas that need to be tweaked. Commissioner Olsen asked if they are seeking accreditation because of the new requirements. Mr. Heldt answered in the affirmative. Commissioner Olsen stated it was probably a good step and clears up one point of contention. Mr. Heldt concurred, noting it will also provide staff with a lot of knowledge. He stated the accreditation is good for three years.

Advance Deposit Wagering Operator Agreement: Mr. Heldt presented an agreement with Premier Turf Club. He indicated the company is out of Florida, and is seeking permission to operate legally in Iowa.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the Advance Deposit Wagering Operator Agreement between Prairie Meadows Racetrack & Casino, Inc. and Premier Turf Club, LLC. Commissioner Campbell seconded the motion, which carried unanimously.

Contract: Mr. Heldt presented a contract with Wolf Construction Services to make some roof repairs on some of the barns on the backside.

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

HEARINGS:

Betfair Interactive US LLC: Mr. Ohorilko advised Commission staff and Betfair Interactive, a licensed Advance Deposit Sports Wagering Operator, have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion) and 491 IAC 13.2(7) "e", which is an administrative rule covering notification and reporting. Mr. Ohorilko advised Betfair reported to the Commission that there was a processing error that occurred during an upgrade by FanDuel in their internal system, which reformatted some date of births for individuals downloaded into their list from the Statewide Self Exclusion program. This caused five accounts to be created by individuals that were on the Statewide Self-Exclusion program. Approximately 600 promotional mailings were sent to those individuals over a six-month period. Mr. Ohorilko advised the issue was resolved via an improvement in the FanDuel system, and Betfair implemented some additional controls which require a 4-digit identifier for birth dates. He stated the incident was reported 14 days after the issue was discovered; however, administrative rules require the Commission be notified within 72 hours. Mr. Ohorilko advised this is the first incident within the past 365 days

for Betfair. He stated the parties have agreed to an administrative penalty between \$5,000 - \$20,000.

Commissioner Horbach noted an error had been found in Section 7, the last sentence indicates the account was suspended on July 29, 2001; the motion should correct the date to read July 29, 2021.

Alex Wolf, State Regulatory Compliance Senior Counsel, stated Iowa is an important state to the company, and that problem gambling and self-exclusion are important issues to them as well. He stated they have invested a tremendous amount of human resources and money to signal identifiers to try to insure nothing slips through the cracks similar to what occurred in the Stipulated Agreement before the Commission today.

Commissioner Horbach asked about the delay in reporting the incident to the Commission. Mr. Smith stated it was his understanding there was a breakdown in terms of understanding whether to submit a preliminary report or submitting a final report. The two-week timeline was the result of their thorough investigation so the report included the root cause and final mitigation steps taken. Mr. Smith stated they now understand they should submit a preliminary report and follow up with a full report.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the Stipulated Agreement, with the correction to the date in Section 7, with Betfair Interactive with an administrative penalty of \$10,000. Commissioner Campbell seconded the motion, which carried unanimously.

FanDuel, Inc.: Mr. Ohorilko stated Commission staff and FanDuel, Inc., which operates as a Fantasy Sports Contest provider, have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion). He advised one individual was able to create an account, and received 281 promotional contacts. Mr. Ohorilko stated the root cause of this violation is similar to what was explained in the previous hearing. He stated FanDuel has agreed to an administrative penalty in an amount between \$5,000 and \$20,000.

Mr. Wolf advised the cause of this violation was the same issue as he set forth in the Betfair Interactive hearing.

Commissioner Burkhart asked if this was the first violation in the last 365 days. Mr. Ohorilko answered in the affirmative.

Commissioner Burkhart moved to approve the Stipulated Agreement with FanDuel, Inc. with an administrative penalty of \$10,000. Commissioner Olsen seconded the motion, which carried unanimously.

Prairie Meadows Racetrack and Casino, Inc.: Mr. Ohorilko stated Commission staff and Prairie Meadows have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion). Mr. Ohorilko advised an individual used a self-service kiosk in June 2020 to obtain a Player's Club card. The individual received direct mail pieces after the 90-day grace period for

individuals that sign up for the self-exclusion program, and also received dining credit and player rewards. Mr. Ohorilko stated Prairie Meadows did identify the issue upon scanning the individual's identification upon entry and noticed they were self-excluded. The security team was notified and discovered the mailings. Prairie Meadows has agreed to an administrative penalty in an amount between \$5,000 and \$20,000. Mr. Ohorilko noted this is the first violation for self-exclusion in the past 365 days.

Mr. Palmer introduced Clint Pursley, Vice President of Security, who stated the issue originated with a software update by a vendor which caused some of the safety issues in place to break. They worked with the vendor and were able to repair the problem and have had no further issues. Additionally, they pulled the data from the State's self-exclusion list and compared it to their list to make sure there were no other issues; none were found.

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

Prairie Meadows Racetrack and Casino, Inc.: Mr. Ohorilko advised Commission staff and Prairie Meadows representatives have agreed to a Stipulated Agreement for a violation of Iowa Code § 99F.9(5) (Minor). A minor entered the gaming floor on December 3, 2021 with two adults; the individual did gamble and was on the floor for 30 minutes. Mr. Ohorilko stated there were some circumstances surrounding how Prairie Meadows handled this incident. The individual attempted to enter the casino two days later, but was asked for identification. The individual was identified as a minor and was not allowed on the floor. Surveillance showed the individual sitting in a car in the parking lot after he was denied entrance. Surveillance ran a check on the plates and found the vehicle had been on property on December 3rd and that the individual had been in the casino. Mr. Ohorilko stated Prairie Meadows has agreed to an administrative penalty of \$20,000 for this violation.

Commissioner Olsen expressed his appreciation for Prairie Meadows' digging into the circumstances surrounding this violation. Mr. Pursley stated the Surveillance Department follows individuals that are turned away to make sure they do leave the property.

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

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Chair Andres moved to Administrative Business.

Approval of Horse Racing Promotion Fund: Mr. Ohorilko stated the Iowa Thoroughbred Breeders and Owners Association was the only applicant for the Horse Racing Promotion Fund, which is \$2,212.24.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the distribution of the Horse Racing Promotion Fund to the Iowa Thoroughbred

Breeders and Owners Association. Commissioner Horbach seconded the motion, which carried unanimously.

HISA Update: Mr. Ohorilko stated there has been a significant amount of activity the last few weeks with regard to implementation. He stated the Commission has been notified that areas involving track safety will be enforced commencing July 1st and drug testing will be implemented on January 1st. With regard to the racetrack safety issue, Mr. Ohorilko advised Commission staff has met twice with representatives from the horse industry, trade associations, and Prairie Meadows over the last six weeks to discuss implementation. He noted Commission staff has met with HISA officials multiple times over the last month, and has had discussions with other regulators. About two weeks ago, HISA approached Commission staff and asked the Commission to pay an assessment of \$215,000 to cover implementation and startup costs from 2021, which includes legal costs. Mr. Ohorilko advised the Commission is allowed to collect fees from covered person under the federal act; covered persons is defined as those individuals participating in the horse racing industry. Commission staff has looked into the request and determined IRGC does not have a mechanism to collect monies above and beyond the state appropriation. Mr. Ohorilko advised staff reached out to the Iowa HBPA to see if they would support legislation that might provide for the use of purse money to help with some of the costs of HISA; however, the Iowa HBPA has indicated they could not support such legislation at this time. Mr. Ohorilko stated the assessment was much larger than what was anticipated as IRGC really has no authority to collect in excess of the appropriation. Mr. Ohorilko stated his recommendation would be that the Commission not pay the assessment. The federal act then contemplates that Prairie Meadows would pay the assessment; PMRC would have the authority to recoup payments from the covered persons through a method approved by HISA.

HISA has also requested that the Commission sign a Voluntary Implementation Agreement. He stated there are a series of requirements in the safety act which requires a medical director to oversee various safety protocols for the riders, and someone else assigned to other safety tasks. Mr. Ohorilko stated he feels the Commission is best equipped to perform these functions, but noted staff has concerns surrounding the implementation as it has been last minute and difficult for regulators. He noted there are still material concerns and lawsuits filed by the horse industry which have not been resolved. Mr. Ohorilko stated it was hard for him to recommend the Commission voluntarily agree to sign anything without support from all parties involved in the Iowa industry. He stated he is not sure what would happen if the Commission does not sign the agreement; however, he believes HISA will bring in individuals to conduct some of the tasks but the Commission may be expected to follow certain federal rules anyhow.

Mr. Ohorilko stated his intention with the update was to inform the Commission as to what was occurring and the intent to notify HISA of the Commission's answers to the above requests. He stated this has been difficult for all stakeholders, and noted there is a series of meetings occurring this week with the Association of Racing Commissioners (ARCI). He stated Ed Martin, President of ARCI, noted at the ARCI national meeting just days ago that HISA is a fact unless a judge says differently, and the industry has to make it work as it will be a reality and the industry has a responsibility to the general public, industry and wonderful animals that are the cornerstone of the sport. Mr. Ohorilko stated Commission staff will continue to make sure the Commission is in a

position to implement the safety aspects on July 1st; but would comply with any court orders that might be issued. He encouraged everyone to prepare to implement HISA on July 1st.

Commissioner Olsen stated he felt the Commission was making the right moves, and concurred that HISA is going to happen and everyone needs to make the best of the situation and move forward. He stated there are a lot of positives in the act, but implementation is going to be a problem. Commissioner Olsen asked for another update at the June Commission meeting.

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

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
JUNE 2, 2022**

The Iowa Racing and Gaming Commission (IRGC) met at Wild Rose Emmetsburg in Emmetsburg, Iowa. Commission members present were Julie Andres, Chair; Daryl Olsen, Vice Chair; and members Amy Burkhart, 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 presented. Commissioner Campbell seconded the motion, which carried unanimously.

WELCOME: Steve Cody, General Manager, welcomed everyone to the property. He introduced Pat Degen, Mayor of Emmetsburg, and Brian Borman, President of the Palo Alto County Gaming Development Corporation (PACGDC).

Mayor Degen stated he is a long-time resident of Emmetsburg; and that it is a wonderful community with a lot to offer. He noted Emmetsburg welcomed Wild Rose to the community 15 years ago, and he was proud to be a part of that process as a member of the city council. Mayor Degen stated Wild Rose has paid approximately \$2.3 million in property taxes, and contributed over \$5 million in grants to entities financed solely by city tax dollars this year. He advised they have awarded millions in grants to private entities throughout Palo Alto County and Emmetsburg. Wages paid to employees are pumped back into the local economy. He stated Wild Rose is a valuable member of the community and Palo Alto County.

Mr. Borman introduced PACGDC members in attendance, and advised the board has nine voting members and two non-voting members. He stated Emmetsburg has everything a resident needs, but not necessarily everything they want. He stated PACGDC has a great relationship with Wild Rose Emmetsburg; both organizations are working to improve the lives of the residents in northwest Iowa. Mr. Borman stated Mr. Cody or a member of the senior management team attends the monthly meetings to discuss the various activities occurring in both organizations. During the last grant cycle, PACGDC awarded 42 competitive grants totaling \$542,000; \$626,000 was awarded to the nine cities in the county; and the five schools in the county received \$250,000. Additional funds were placed in the reserve account, which is used to fund various programs offered throughout the county. Examples are a demolition grant which is available for the demolition of commercial or residential buildings that are no longer habitable, 65 of these grants have been awarded to date. Funds awarded cover about half of the cost of the demolition. There is also a grant for new home construction; ten of these have been awarded. Another program helps replace non-compliant septic systems in the rural areas of the county; 42 of these grants have been funded. These grants also cover approximately one-half of the cost of the project. Some of the funds in the reserve fund also go to the Palo Alto County Community Fund. Mr. Borman stated a former Board member, Skip Wallace, always told the Board "It's easy to give money away, but it's hard to give it away responsibly."

APPROVE MINUTES: Chair Andres moved to the approval of the minutes from the April 14, 2022 Commission meeting. Commissioner Burkhart moved to approve the minutes as submitted. Commissioner Campbell seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, stated the next Commission meeting would be on Friday, July 8th at Prairie Meadows Racetrack & Casino. Submissions for the meeting are due in the Des Moines office by June 23, 2022. The meeting will start at 3:30 PM. The Commissioners will be attending the races that evening, as well as observing activities on the backside. The August meeting will be on August 25th at Riverside Casino and Golf Resort.

Mr. Ohorilko noted there had been some changes to the meeting schedule announced at the April meeting. The September 29th meeting will now be held in Des Moines; the location will be announced at a later date. The meeting on January 26, 2023 will be held at Diamond Jo Worth in Northwood, Iowa. The dates remain the same, but the locations for those meetings have changed.

Mr. Ohorilko recognized Gaming Representative Keith Espe, and thanked him for his work on behalf of IRGC.

LINN COUNTY APPLICATION DISCUSSION: Mr. Ohorilko stated HF 2497 passed the Legislature last week, which contains a provision limiting the number of licenses issued by the Commission to conduct gambling games to not exceed 19. The legislation does provide some limited exceptions – if a license is moved within an existing county, sold in an existing county or otherwise does not have a license renewed in that particular county. The limit is in effect until June 30, 2024. Mr. Ohorilko stated the number of licenses issued in Iowa is 19; therefore, the legislation effectively, if it becomes law, would prevent any additional licenses being granted until June 30, 2024.

Chair Andres stated the Commission is going to wait to see how this situation plays out and then determine what the next steps will be.

Commissioner Horbach stated there a few things to be aware of. There is a lot of insight in how things are managed in Iowa, and that is a commission process. He stated previous lawmakers thought it was important that the Legislature not be responsible for picking judges so the process was moved out of the political world to a commission; locations for highways follows the same principle. Mr. Horbach noted most of the legislators come from metro areas; if those decisions were left to the Legislature, the urban areas would thrive and rural areas would struggle. The same principle applies to gaming. The Legislature wanted to keep politics, money and influence out of the process so legislation created the Iowa gaming commission. Commissioner Horbach stated his concern is that if the legislation is signed, politics would then be in Iowa's gaming industry. He stated he could wait two years, noting the Commissioners work on behalf of the Governor and Legislature. He stated that from his experience a moratorium of two years is actually indicating the Legislature wants to stay involved as another decision will have to be made in two years. Commissioner Horbach stated he does have some concerns about the impact on the Commission process in the State of Iowa.

Commissioner Campbell stated he felt all of the Commissioners were surprised by the decision. As Commissioners involved in the process, they value the integrity of the process and will work extremely hard to maintain the integrity of gaming in licensing, regulating and how they move forward.

Commissioner Olsen stated he concurred with the comments made by Commissioners Horbach and Campbell. He stated he was surprised and disappointed with the decision as he truly believes the decision should stay with the Commission; however, the Commission's job is to regulate, not legislate. Commissioner Olsen stated the Commission will continue to regulate. He stated the Commission works hard to gather the most information they possibly can and research issues to make sure they understand every topic in order to make sound decisions. He stated the Commission's decision will be transparent.

Commissioner Burkhart stated that many of her sentiments have already been shared. She noted that as a marketing and public relations professional, what has been shared is feelings, which are developed by good communication. She stated this opportunity highlights an opportunity for improved communication by all parties. In order to maintain the integrity and transparency issues set forth by the other Commission members, communication is imperative. She stated the Commission welcomes any and all conversations from legislators, the gaming industry and the public as that is in the best interest of gaming in Iowa.

HARVEYS BR MANAGEMENT COMPANY, INC. d/b/a HORSESHOE CASINO COUNCIL BLUFFS: Janae Sternberg, Vice President of Finance, presented a request to convert the underutilized buffet space to a multi-purpose space for banquets, entertainment, and VIP functions which are currently held in the Whiskey Roadhouse space. Utilizing Whiskey Roadhouse for those events creates conflicts as it is a restaurant on a nightly basis.

Commissioner Burkhart asked how often the space would be utilized for those types of events. Ms. Sternberg stated Horseshoe does a large VIP event at least one weekend per month, Whiskey Roadhouse currently has free entertainment on Friday night. During the winter months, Horseshoe has ticketed shows, and Stir Cove takes place at Harrah's during the summer months. Ms. Sternberg stated the space would be used for those types of events a couple of times per month, and for banquet events as they are booked.

Commissioner Olsen asked how many restaurants would continue to be open at Horseshoe and their hours. Ms. Sternberg provided the following information:

- JB's Café – all day breakfast/burger – open 11:00 AM to 10:00 PM; opens earlier on the weekends;
- Hilton Garden Inn – Has a breakfast offering available every day of the week, and a dinner offering from 5:00 – 9:00 PM;
- Whiskey Roadhouse – dinner offering; closed 2 days per week; and
- Jack Binion's Steakhouse – Open in the evening 5 days per week.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the remodeling request as presented by Harveys BR Management

Company, Inc. d/b/a Horseshoe Casino Council Bluffs. Commissioner Olsen seconded the motion, which carried unanimously.

BOYD GAMING CORPORATION: Uri Clinton, General Counsel for Boyd Gaming Corporation (Boyd), presented a shelf application for debt financing on behalf of Boyd, the parent company of Diamond Jo, LLC and Diamond Jo Worth, LLC. Mr. Clinton stated the application is similar to shelf financing approved by the Commission in 2019, The funds will be used for general corporate purposes; Boyd feels it is prudent to have funds available to them for capital projects, working capital and general operations as necessary. Mr. Clinton requested approval of the shelf application for debt financing.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the shelf application for debt financing as submitted by Boyd Gaming Corporation. Commissioner Burkhardt seconded the motion, which carried unanimously.

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

Wild Rose Clinton, L.L.C.: Rick Gilson, Director of Operations, presented the following contracts for Commission approval:

- Mark-It-Smart – Purchase Promotional Gifts & Giveaway for Patrons
- DC Bolt Productions – Purchase of a LED Video Wall (OSV)
- Wild Rose Emmetsburg, L.L.C. – Miscellaneous Transactions between Sister Property (RP)
- Wild Rose Jefferson, L.L.C. – Miscellaneous Transactions between Sister Property (RP)
- Performance Foodservice – Food Products
- Aramark – Rental of Linens

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

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

- The Printer, Inc. – Printing Company for Mailers
- Ideal Floors, Inc. – Replacement/Installation of New Flooring on Gaming Floor, Sportsbook, Upper Atrium
- Wild Rose Clinton, L.L.C. – Miscellaneous Transactions between Sister Property (RP)
- Wild Rose Jefferson, L.L.C. – Miscellaneous Transactions between Sister Property (RP)
- Great Sound Audio Video – Updating/Adding TVs across the Property
- Custom Design Coatings, LLC – Wallpaper Removal/Paint on Gaming Floor, Re-Paint Upper and Lower Atrium

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Burkhart moved to approve the contracts as submitted by Wild Rose Emmetsburg, L.L.C. 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:

- Cobblestone Hotel & Suites – Leasing of Hotel Rooms
- Wild Rose Clinton, L.L.C. – Miscellaneous Transactions between Sister Property (RP)
- Wild Rose Emmetsburg, L.L.C. – Miscellaneous Transactions between Sister Property (RP)

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

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

- American Specialty Insurance – General Liability, Auto & Excess Insurance
- Bristol & Associates – Recruitment Service (OSV)
- Delta Dental of Iowa – Dental and Vision Insurance for Entire Employee Group
- Encova Insurance – Worker’s Compensation Insurance
- Friedman Insurance – Insurance (Officers & Directors, Property, and Cyber)
- Greater Dubuque Development Corp. (GDDC) – Area Economic Development Efforts (RP)
- US Foods – Proprietary Food Distributor for Franchise Restaurant (OSV)

Chair Andres asked for further clarification on the contract with Bristol & Associates. Mr. Rakestraw stated it is for headhunting. He stated they did search for a company in Iowa; however, this is for a specialty key employee, a Chief Commercial Officer, to oversee marketing, sales and IT. They wanted a company that specialized in the hospitality industry; the Iowa companies did not.

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

IOC Bettendorf, L.C.: Chad Moine, General Manager for IOC Black Hawk County, Inc., presented a contract with TK Elevator for elevator/escalator maintenance.

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

IOC Black Hawk County, Inc.: Mr. Moine presented a contract with Aramark for laundry service.

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

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

- Executive Services Company LLC – Goods and Services Cost Allocations (RP)
- Ziegler Power Systems – Generator Customer Support Agreement

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

Riverside Casino and Golf Resort, LLC: Ms. Haselhoff presented a contract with Executive Services Company, LLC for Goods and Services Costs Allocations (RP).

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

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

- Sarepta, Inc. – Trace Adkins – Battery Park Performance 2022 (OSV)
- Doover Productions, LLC – Little Big Town – Battery Park Performance 2022 (OSV)
- Micros Fidelio Worldwide, LLC – Replacement of Point of Sale (OSV)
- Sonifi Solutions, Inc. – In-room Entertainment and Wi-Fi Replacement (OSV)
- Vertiv – UPS Battery Backup and Fan Replacement (OSV)

Chair Andres asked if the contracts with the out-of-state vendors for the performances were with an agency representing the performers, and if the services are available with an Iowa vendor. Mr. Fisher stated the contracts are with the specific agent representing the performer, but noted they utilize an Iowa vendor to help book the performances.

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

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

- Reldom Corporation – Cage Cabinetry and Carts for Count Room (OSV)

- Another Round, LLC – Liquor Distributor
- NRT Technology – Cash Advance and Kiosk Services (OSV)

Commissioner Burkhart inquired about the contract with NRT Technology for the Cash Advance and Kiosk Services. She asked if the services were available through an Iowa vendor. Ms. Runde stated they were not to her knowledge. The company provides check cashing and credit card advances. She also noted this is a corporate contract that services all Boyd Gaming properties.

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

Diamond Jo Worth, LLC: Scott Smith, General Manager, presented a contract with NRT Technology for Cash Advance and Kiosk Services (OSV).

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

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

- Alcohol Beverage Division – Alcohol and Licensing
- ASI, LLC d/b/a Ameritrex Services – Laundry Services (OSV)
- Direct TV – Direct Broadcast Satellite Television Provider (OSV)
- Cummins Allison Corp. – Count Room Equipment/Maintenance
- Everi Payments, Inc. – Various Kiosks, Services and Maintenance (OSV)
- Majestic Franchising, Inc. – Kitchen Cleaning (OSV)
- Wells Fargo Bank – Employee Credit Cards (OSV)

Hearing no 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.

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

- Exela – Copy/Print Vendor (OSV)
- Sigmar Solutions – Marketing and Promotional Vendor (OSV)

She stated Exela is a copier/print vendor for the company. Request for Bid information was sent to several vendors; however, Exela was the low-cost vendor. Exela provides them with “white glove service” which means there is a technician on property and available to address problems seven days a week.

With regard to the Sigmar Solutions contract, Ms. Sternberg advised the company is one of many the facility uses for promotional items. Their main vendor is Aaron Group, which is an Iowa vendor; however, there are instances when they can't provide what the property is looking for. Harrah's likes to have some backup options available.

Commissioner Horbach thanked Ms. Sternberg for her explanation as the Commission was unaware of the "white glove service" provided by Exela. He noted the Commission is focusing on out-of-state vendors as the Iowa Code requires the use of Iowa vendors when possible. He stated the summary provided indicated the service was cheaper and agreed that was important, but not as important as utilizing an Iowa vendor.

Commissioner Olsen asked what rate the facilities find acceptable when choosing an out-of-state vendor over an Iowa vendor. Ms. Sternberg stated Caesars has some buying power and vendors are sometimes less expensive by 5-10%. She stated the properties have the ability to override a national contract if the product or service is better. She stated she looks for a 5-25% difference when deciding whether to use an Iowa or out-of-state vendor. She stated they utilize Iowa first and their percentages on the Economic Impact report reflect that.

Chair Andres asked for additional information on the Exela contract. Ms. Sternberg stated Exela has an employee who works in their IT office, but wears an Exela polo and services all of the copiers and printers. He is on property Monday through Friday.

Chair Andres asked what kinds of items Harrah's purchases through Sigmar that are not available in Iowa. Ms. Sternberg stated they "theme" the monthly giveaways or they may want a certain type of bag/cooler, but supply chain issues or pricing could also come into play. She reiterated this is a backup option and does not feel they have spent \$100,000 with them in any given year. Ms. Sternberg advised they have contracts with approximately six different entities in order to have options available to them.

Commissioner Burkhart expressed concern about the length of the contract and possibly not allowing an Iowa vendor to provide some of the items, particularly if supply chain issues are rectified. She indicated she could support approving the contract but for a shorter term.

Chair Andres noted Sigmar Solutions was also being submitted as a vendor for Horseshoe Casino. Commissioner Olsen requested additional information be submitted regarding Sigmar Solutions at the July Commission meeting.

Commissioner Horbach noted the date on the contract submission for Sigmar Solutions is June 2nd, and wondered how that impacts the contract. Ms. Sternberg advised the submission was really about the spend as there is no actual contract with Sigmar. She stated the submission before the Commission was to provide them with the ability to do. Sigmar is a vendor they issue purchase orders to throughout the year. Commissioner Horbach stated that information made a difference to him. He clarified his understanding that the Request for Transaction before the Commission is to give Harrah's the authority to spend funds with the company, and the authority has a sunset date

of five years. Ms. Sternberg stated the request is about having the option to utilize another vendor if necessary.

Commissioner Burkhart asked Mr. Ohorilko if anything would come back before the Commission should the property choose to utilize Sigmar or if this is a blanket approval of the spend. Mr. Ohorilko advised licensees have a couple of different options. If the Request for Transaction does not include an end date, it is classified as an ongoing contract, and by rule, it does not come back before the Commission for five years. If the Sigmar submission is approved as is, it is an approval to spend up to \$500,000 at Harveys each year for up to five years. The licensee could come back, after taking the Commission's comments into consideration, and include an end date of December 31, 2022 which would give them the authority to spend funds with the vendor through the end of the calendar year. Mr. Ohorilko stated if the Commission does not act, the licensee has the ability to resubmit with a different end date at the next meeting.

Chair Andres stated she would prefer deferring action on the Sigmar Solutions submission until the July meeting to see if Harveys can find an in-state vendor and possibly reduce the exposure. She requested a motion on the remaining contract.

Commissioner Campbell moved to approve the contract with Exela with the "white glove service". Commissioner Olsen seconded the motion, which carried unanimously.

Harveys BR Management Company, Inc. d/b/a Horseshoe Casino Council Bluffs: Ms. Sternberg presented the following contracts for Commission approval:

- Exela Enterprise Solutions – Copy and Print Services (OSV)
- MCL Construction – Construction Vendor
- Sigmar Solutions – Marketing and Promotional Items (OSV)

She advised two of the vendors were the same as submitted for Harrah's; the third is the contractor for the remodel of the buffet space.

Chair Andres requested a motion. Commissioner Burkhart moved to approve the contracts with Exela Enterprise Solutions and MCL Construction as presented by Harveys BR Management Company, Inc. d/b/a Horseshoe Casino Council Bluffs. Commissioner Olsen seconded the motion, which carried unanimously.

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

Advance Deposit Wagering Operator Agreement: Ann Atkin, Chief Operating Officer, requested approval for an Advance Deposit Wagering Operator Agreement with Churchill Downs Technology Initiatives Company. The contract is for licensure for TwinSpires to provide Advance Deposit Wagering on horseracing for Iowa residents. The contract contains the same terms used for Xpressbet and Premier Turf Club which have been approved previously.

Commissioner Olsen stated it was his understanding that this contract cleans up a situation that has been ongoing. Ms. Atkin stated Churchill has been good to work with, noting Prairie Meadows has tried in the past to enter into an agreement with them, but could not agree on the terms. One of Churchill's oppositions in the past was they wanted the same deal as Xpressbet. As that matter has been resolved, Churchill was happy to agree to the same contract.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the Advance Deposit Wagering Operator Agreement between Churchill Downs Technology Initiatives Company and Prairie Meadows Racetrack & Casino, Inc. as submitted. Commissioner Campbell seconded the motion, which carried unanimously.

Contracts: Ms. Atkin presented the following contracts for Commission approval:

- Agilysys – Accounting/Inventory Control/Recipe Building Software & Support (OSV)
- American Express – Corporate Credit Cards and Payment Service (OSV)
- American Teletimer – Photo Finish/Replay Service and System Maintenance (OSV)
- Anderson Erickson Dairy – Dairy Products
- Baker Group/Baker Mechanical – HVAC Contractor
- Bankers Trust Company – Banking Services and Credit Cards
- Cash-Wa Distributing – Food and Beverages
- City of Altoona – Economic Development, Terrace Hills Sponsorship w/Naming Rights
- Conference Technologies – Audio/Visual Equipment and Service
- Consolidated Electrical Distributors, Inc. – Electrical Equipment, Parts, Supplies and Service
- Control Installations of Iowa – Surveillance Equipment
- HyVee, Inc. – Sponsorship of Races at Iowa Speedway
- Martin Brothers Distributing – Food, Equipment and Supplies
- Midwest Quality Wholesale – Meat Supplier
- Networks, Inc. – Computer Equipment
- ODS Technologies d/b/a TVG Network – Horse Race Advance Deposit Account Wagering and Televising Horse Races and Marketing Venues (OSV)
- OMG Midwest – Dirt, Sand and Paving Material for Maintenance
- Perficut Lawn and Landscape – Lawn Care Services
- Performance Foods Group – Food, Equipment and Supplies
- Poindexter Flooring – Tile and Carpet Flooring
- Principal Financial Group – 401K Plans for Employees
- Professional Solutions (NCMIC) – Merchant Processing Fees for Various Credit Cards
- Protex Central – Fire Alarm and Suppression Systems and Service
- Sink Paper and Packaging – Paper Supplies
- The Weitz Company – General Contractor
- Trilix Marketing Group – Marketing Creative Services and Production; HR Recruitment Media Placement
- Waldinger Corporation – Mechanical and Electrical Contractor

Ms. Atkin stated all of the contracts submitted have reached the five-year renewal time frame.

Commissioner Campbell noted the majority are Iowa-based with the exception of specialty items that are out-of-state.

Commissioner Burkhart asked how the contract with American Express was a specialty item, and why it could not be obtained through an Iowa bank or a corporate office in Iowa. Ms. Atkin stated Prairie Meadows does have credit cards through Bankers Trust located in Iowa, but they pay a significant number of their bills with American Express. She stated there are three corporate cards through American Express mostly for travel expenses; the Bankers Trust cards have a lower credit limit.

Chair Andres asked if there was an advantage to the American Express cards other than the credit limit. Ms. Atkin indicated she thought there was, but didn't know from the accounting side what that benefit would be. She stated the accounting department asked the vendors several years ago if Prairie Meadows could pay their invoices using American Express.

Commissioner Burkhart stated she felt the same about the American Express contract with regard to the length of the contract and feels an Iowa bank could possibly provide the same services. She recommended the contract be deferred until July in order to obtain additional information or a resubmission with an end date. Ms. Atkin stated she would have the Chief Financial Officer at the next meeting to address the concerns surrounding this contract.

Chair Andres requested a motion excluding the American Express contract. Commissioner Olsen moved to approve all of the contracts submitted by Prairie Meadows Racetrack & Casino, Inc. except for the American Express contract. Commissioner Burkhart seconded the motion, which carried unanimously.

HEARINGS:

Ameristar Casino Council Bluffs, Inc.: Mr. Ohorilko advised Commission staff has agreed to a Stipulated Agreement with Ameristar Casino Council Bluffs, Inc. for a violation of Iowa Code § 99F.9(7), which covers accepting credit cards to purchase coins, tokens or other forms of gambling credit. In this situation there were two consecutive days where a customer purchased an alcoholic beverage from a concession worker, paid with a credit card and entered a larger tip, anywhere from \$100 to \$290. Either after or during the shift, the concession worker returned that money to the customer who in turn used the funds to gamble. Mr. Ohorilko advised Ameristar discovered the incident through their audit procedures and reported the incident. Ameristar has acknowledged the facts as set forth in the Stipulated Agreement, and has agreed to an administrative penalty up to \$10,000. Mr. Ohorilko stated this is the first offense, and past precedence calls for a \$10,000 administrative penalty.

Mr. Czak stated he has been representing Ameristar since 2010 and this is the first time he has had to appear before the Commission for this type of violation. He stated this was an usual and disappointing incident for the property. There was a team member who worked her first day, accepted tips and returned them to a guest; the violation was caught during the audit on the

employee's second day of work. The employee committed the same violation that day and then never reported for work again. Mr. Czak stated he didn't have any additional information to share or an explanation as to how it happened. He stated there was a lack of a paper trail; the team knows the employee was trained, however, there is no signed document acknowledging the training by said employee. Mr. Czak stated since that incident they have rewritten their entire cash handling policy. The Vice President of Hospitality has met one-on-one off the floor with all team members to review the whole policy.

Commissioner Burkhart thanked Mr. Czak for the steps taken since the incident to make sure that it does not reoccur. She moved to approve to the Stipulated Agreement with a \$10,000 administrative penalty. Commissioner Olsen seconded the motion, which carried unanimously.

Ameristar Casino Council Bluffs, Inc.: Mr. Ohorilko advised Commission staff has entered into a Stipulated Agreement with Ameristar Casino Council Bluffs, Inc. for a violation of Iowa Code § 99F.9(5) (Minor). He advised an underage female entered the gaming floor unchallenged on October 12, 2021. The individual was on the gaming floor for 50 minutes and did gamble. Mr. Ohorilko stated the underage patron was identified when she attempted to cash a check. The cage employee notified security. Security had the individual's identification, which had been held and determined the individual was underage; however, the individual had left the gaming floor at that time. Mr. Ohorilko stated Ameristar has acknowledged the facts of the Stipulated Agreement and has agreed to an administrative penalty of \$20,000. He noted this is the first incident of this nature in the past 365 days for Ameristar.

Mr. Czak advised the facility designates casino entrance training and a casino entrance training officer at the property. Before a security officer can work at a turnstile, they have to go through 90 days of regular security officer training. Once they have done so and if they are willing, they are sent to a specific CEP training, which is about 8-10 days of training. The officer involved in this incident had received 52 specific hours of training on recognizing IDs, facial recognition, behavioral clues; and had worked for Ameristar for six months prior to entering this specialized training. At this time, Ameristar had approximately \$8,000 - \$10,000 in training expenses for this officer. The officer started working the turnstiles in April 2021, and between that time and the time of the incident, received numerous recognitions for stopping fake ids. In June he was designated as a coaching partner and was involved in training new employees. Mr. Czak stated the security officer involved has been terminated.

Commissioner Horbach noted the Stipulated Agreement states Ameristar was in possession of the identification at the time the underage person left the property. Mr. Czak stated the individual and her partner were from Indiana and had outstanding warrants. Her credit card had been returned to her when they left the property. Mr. Czak stated their policy is to card anyone that appears to be under 35.

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

Catfish Bend Casinos II, L.C.: Mr. Ohorilko advised Commission staff had entered into a Stipulated Agreement with Catfish Bend Casinos II, L.C. for a violation of Iowa Code § 99F.9(5) (Minor). He stated this is a two-count violation. The first count occurred on February 18, 2021 when an underage female entered the gaming floor unchallenged and gambled at several slot machines. She left the gambling floor after 36 minutes and attempted to re-enter the gaming floor at which time she was identified as being underage. Security reported the incident to Commission staff.

Mr. Ohorilko advised Count Two is an unusual situation. On October 13, 2021, a grandmother brought her 4-year old grandchild to the facility, and entered the casino sportsbook area. She entered unchallenged, and put the 4-year old on her lap who then began hitting buttons. They were on the floor approximately 11 minutes. A PointsBet employee recognized the issue and brought it to the attention of a security guard, who escorted them off the floor. Mr. Ohorilko stated this would be the third incident in the past 365 days. Of the two counts, the first incident meets the Commission criteria for the resolution; the second one is outside the box. Mr. Ohorilko stated Catfish Bend has agreed to an administrative penalty up to \$40,000.

Rob Higgins, General Manager, stated he took full responsibility for the situation, and concurred the four-year old was an unusual situation. He stated that particular incident occurred on the PointsBet casino floor. The PointBet employee was previously on the Count Team for Catfish and recognized immediately there was an issue and took action. Mr. Higgins stated the security guard at the turnstile had made comments a couple days earlier that he didn't want to continue working there and was looking for a reason to be fired. When this group of patrons approached the turnstile, he didn't look up from his post, and Mr. Higgins feels the individuals intentionally entered the casino gaming floor with the child. Right after the incident, Mr. Higgins contacted the IRGC Gaming Representative, DCI representative, Surveillance and Director of Security to review the surveillance tapes and discuss the matter. He noted DCI went to the home of the individual involved and interviewed her. The security guard was terminated; the security guard stated he didn't think people going to the sportsbook had to present identification. Following that comment by the guard, Mr. Higgins went to the Security Director and reviewed the VeriDocs system; they found 53 instances where that security officer was at the counter by himself and requested identification. Mr. Higgins stated he feels they have a great training program, but it only takes one person failing to follow procedures.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Stipulated Agreement with Catfish Bend Casinos II, L.C. with an administrative penalty of \$40,000. Commissioner Horbach 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.

HISA Update: Mr. Ohorilko stated the rules pertaining to the racetrack safety component go into effect on July 1st. He advised Commission staff and the industry continue to meet and discuss implementation. Prairie Meadows had HISA officials out to complete the racetrack safety accreditation to insure the racetrack is doing everything necessary to comply with the proposed

rules. They feel the inspection went well but the results have not been received at this time. Mr. Ohorilko advised the industry is still very unhappy with HISA; however, the HBPA is moving ahead with various educational classes and training for all horse industry participants that work on the backside. There is a requirement to get them registered, and obtain CEUs depending on the type of position and responsibilities on the backside. Mr. Ohorilko noted there were two deadlines from HISA that he addressed at the April meeting; one was to pay the first assessment of \$215,000. Prairie Meadows and the IHBPA have agreed to use some old purse money in the amount of \$55,000 to pay part of the assessment and the remaining amount will be split between them. The proposal has been submitted to HISA but they have not yet accepted the proposal. There will be continued discussions into the fall as assessment for next year will include drug testing and could be higher. With regard to rule compliance, Mr. Ohorilko advised the Commission and Prairie Meadows have worked together. He stated the Commission did not execute a Voluntary Implementation Agreement with HISA, which is consistent with many jurisdictions across the country but did provide a letter informing HISA that compliance will occur in the state and that the Commission and Prairie Meadows will cooperate. The letter further detailed what the Commission's responsibilities will be in order to comply with the various components of the rule. Mr. Ohorilko stated he has not received an official response from HISA, but has been informed by HISA they appreciate the acknowledgement and that it satisfied any concerns they had.

Approval of Regulatory Fees for FY 2023: Mr. Ohorilko noted the Legislature had just adjourned, and the Commission has not received the complete budget at this time. He advised that consistent with past years when there has been a delay in getting the budget, the Commission staff is seeking approval of regulatory fees as assigned for Fiscal Year 2022 through the month of July. An updated regulatory fee schedule will be submitted for approval at the July Commission meeting. Mr. Ohorilko advised the regulatory fees have been shared with the industry and he has not received any comments from the industry. He requested approval of the regulatory fee schedules.

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

Legislative Update: Mr. Ohorilko advised there were three bills that were passed by the Legislature. House File 803 relates to the duties performed by a physician's assistant. This will not impact how the Commission does things, but there were some rules and laws that were changed in areas where physicians were permitted or required to perform duties that could be performed by physician's assistants. In practice, people were accepting certifications from the physician's assistants. The Commission will update the rules to be consistent with the law.

House File 2378, an act relating to pari-mutuel wagering, has two components. The first part increases the purse monies designated to the HBPA for administration from 2% to 4%. The increased money will come from the purse allocation to the thoroughbreds. This will change in 2023; the HPBA will receive the increased funds for administration purposes but the change does not increase the overall purse money paid by Prairie Meadows.

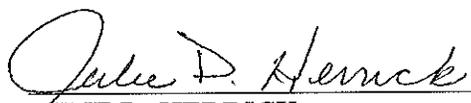
This same act creates a Horse Race After Care fund, which will be funded by the Commission from monies collected from penalties associated with 99D activities. All penalties collected will be deposited into the fund, which will be distributed in the spring each year. Organizations would have to apply to the Commission to receive the funds.

House File 2497 contains many pieces of unrelated items. One section provides for cashless wagering on the gaming floor, which became popular during the pandemic. Another section makes it a criminal offense for someone to pass themselves off as someone else when claiming a jackpot that is subject to an offset or self-exclusion. This section also prohibits the Commission from initiating any administrative action or imposing penalties on a licensee who voluntarily reports the incident. From a sports wagering standpoint, some additional markets have been permitted such as sports charity events, draft markets, and player of the year markets. Another section stated occupational licensing will be limited to the administration, control, and conduct of gambling games and sports wagering. This relates to the Class O license issue so that class will go away. There has already been a discussion concerning the two-year moratorium on gambling licenses. The bill also includes a component to transfer the off-track betting or simulcasting from the Iowa Greyhound Association to the Iowa HBPA, who will need to get licensed in order to step into that role.

Mr. Ohorilko stated these are awaiting the Governor's signature, and if signed, will go into effect July 1st. Should that occur, the Commission will be sending out guidelines and work on updated rules. The rules will not be in effect, but the law will pre-empt any existing rules. He assured the Commissioners staff would be ready to implement the changes on July 1st.

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
JULY 8, 2022**

The Iowa Racing and Gaming Commission (IRGC) met at Prairie Meadows Racetrack and Casino in Altoona, Iowa. Commission members present were Julie Andres, Chair; Daryl Olsen, Vice Chair; and members Amy Burkhart, Mark Campbell and Lance Horbach.

APPROVE AGENDA: Chair Andres called the meeting to order at 3:30 PM, 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: Gary Palmer, General Manager, stated Prairie Meadows is excited to have the Commission attend the races this evening. He stated the facility is celebrating their 33rd year of having a gaming license, and are appreciative of the honor. Mr. Palmer advised they will be starting a complete remodel of the hotel in early October, which will cost approximately \$14 million. They are also replacing the escalators at a cost of \$1.5 million and painting the outside of the building with an approximate cost of \$800,000. He stated since 1996 Prairie Meadows has given approximately \$2 billion in profits to central Iowa and the State of Iowa.

APPROVE MINUTES: Chair Andres requested a motion regarding the minutes from the June 2, 2022 Commission meeting. Commissioner Burkhart moved to approve the minutes as submitted. Commissioner Olsen seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised the next Commission meeting will be on August 25th at Riverside Casino and Golf Resort. Submissions are due by August 11th. The following meeting will be held at The Rewind Hotel in West Des Moines on September 29th.

Mr. Ohorilko introduced Danny Lawhon and Cody Edwards who are part of the Sports Wagering team in the Des Moines office, and Joe Gau who is filling in as a Safety Steward at Prairie Meadows. He is a Gaming Representative in Dubuque.

CASINO QUEEN MARQUETTE, INC.: Sean Bateman, General Manager, introduced Mark Nelson, Vice President of Sports Wagering, and Ken Frasier, Legal Counsel, at the corporate office. Mr. Bateman addressed the agenda items.

Second Amendment to Amended and Restated Online Sports Wagering Access Agreement with Fubo Gaming: Mr. Bateman stated Casino Queen Marquette is requesting to amend the agreement with Fubo Gaming, which would continue to provide online sports wagering only.

Online Sports Wagering Access Agreement: Mr. Bateman stated Casino Queen is also seeking approval of Bet CQ Iowa LLC to provide retail and online sports wagering. Mr. Bateman advised Bet CQ is affiliated with Casino Queen, and will be the third skin for the property.

Commissioner Olsen asked the name of the other entities approved to provide sports wagering at Casino Queen. Mr. Bateman stated they are Fubo Gaming, Bet CQ Iowa, and the other entity is Bet 365, which was approved at the beginning, but has not started operations yet. He stated they hope to go live in September. Mr. Bateman stated Casino Queen is waiting on the company to meet the necessary requirements to commence operations.

Commissioner Campbell asked about plans regarding the boat. Mr. Bateman stated it is still in the plans; they recently looked at a different casino boat but it did not meet their needs. The boat in Baton Rouge is still on the table, but is a year to 1½ years out. They continue to look for options that might be closer. Mr. Bateman stated he would like to see something new and on a much larger scale at the Marquette location.

Commissioner Horbach noted the agreement referenced kiosks. He asked what is available for sports betting space on the current facility. Mr. Bateman stated Casino Queen currently has three kiosks and television screens located near the kiosks, but there is no specific sports book area like at the other facilities. With the Bet CQ agreement, the number of kiosks will increase to six to provide increased opportunities for guests who want to bet on retail games. When individuals utilizing the kiosks want to cash out, they will go to the Cashier's cage.

Hearing no further comments, Chair Andres requested a motion regarding Agenda Item 5A. Commissioner Campbell moved to approve Agenda Item 5A, Second Amendment to Amended and Restated Online Sports Wagering Access Agreement with Fubo Gaming, Inc., as submitted by Casino Queen Marquette, Inc. Commissioner Horbach seconded the motion, which carried unanimously.

Commissioner Amy Burkhart moved to approve Agenda Item 5B, Online Sports Wagering Access Agreement with Bet CQ Iowa LLC, as submitted by Casino Queen Marquette, Inc. Commissioner Campbell seconded the motion, which carried unanimously.

SCE PARTNERS, INC.: Doug Gross, Legal Counsel, addressed the following agenda items.
Request for Approval of Transfer of Real Property between SCE Partners, LLC and SCE Propco, LLC: Mr. Gross advised there would be no change in control or operations.

Request for Approval of Lease Agreement between SCE Partners, LLC and SCE Propco, LLC: Mr. Gross stated if the first item is approved, this item is part of a tax planning effort on behalf of SCE Partners in anticipation of future transactions. It does not presume the result of that transaction. He advised that Missouri River Historical Development has provided a letter advising they do not object to these transactions but does reserve their right to discuss future transactions.

Commissioner Horbach asked if SCE Partners would have no ownership once the sale is complete. Mr. Gross advised that Commissioner Horbach was inquiring about another transaction that the Commission would have to review and approve.

Hearing no further comments, Chair Andres requested a motion. Commissioner Burkhart moved to approve SCE Partners, LLC's transfer of real property and related real property agreements

associated with the Hard Rock Hotel & Casino Sioux City facility to SCE Propco, LLC or another wholly owned subsidiary of SCE, LLC established for the same or substantially similar purpose as SCE Propco, LLC; and to also approve the entry of the Internal Lease Agreement between SCE Partners, LLC and SCE Propco, LLC or another wholly owned subsidiary of SCE, LLC established for the same or substantially similar purpose as SCE Propco, LLC. Commissioner Olsen seconded the motion, which carried unanimously.

HARVEYS BR MANAGEMENT COMPANY, INC. d/b/a HORSESHOE CASINO

COUNCIL BLUFFS: Thomas Roberts, General Manager, requested approval for the remodel of the Hilton Garden Inn, noting Horseshoe had been talking about this for about a year. Don Ostert, Director of Operations, distributed a presentation showing what various areas of the hotel would look like following the remodel. Mr. Roberts estimated the cost would be between \$10 - \$12 million. If the Commission approves this request, Mr. Roberts stated they hope to have the remodel completed in February.

Commissioner Olsen asked if the Commission approves this request whether they would have an opportunity to review contracts with vendors associated with the project. Mr. Roberts advised the contract with the general contractor was the next item on the agenda.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the request for remodeling the Hilton Garden Inn as presented. Commissioner Horbach seconded the motion, which carried unanimously.

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

Horseshoe Casino Council Bluffs: Mr. Roberts presented a contract with Pinnacle Construction, Inc. as a construction vendor for Commission approval.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the contract with Pinnacle Construction, Inc. as submitted by Horseshoe Casino Council Bluffs. Commissioner Burkhardt seconded the motion, which carried unanimously.

Harveys Iowa Management Company, Inc.: Mr. Roberts presented a contract with Honeywell International, Inc. as a building material supplier for Commission approval. He advised this was for maintenance items.

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

Wild Rose Emmetsburg, L.L.C.: Steve Cody, General Manager, presented a contract with Denison Drywall Contracting, Inc. for drywall repair for Commission approval.

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 Olsen seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Chad Moine, General Manager, presented a contract with Premier Amusement (OSV) for arcade games for Commission approval.

Commissioner Burkhardt questioned if the other vendors listed on the request form were Iowa or out-of-state vendors. Mr. Moine noted Betson had been previously approved; however, due to supply issues they were unable to meet the time frame, which is why the arcade games are being rebid. He stated Fischels is an Iowa vendor. They were not able to meet the quantities being requested, and specialize in pool tables and dart boards, which is not what the facility is looking for.

Chair Andres asked for a description of the arcade games being requested. Mr. Moine stated they are traditional arcade games like crane games and video games.

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

Dubuque Racing Association, Ltd.: Brian Rakestraw, Chief Operating Officer, presented the following contracts for Commission approval:

- Creative Artist Agency – Deposit to Artist Agency (OSV)
- Dude Inc. – Payment to Artist (Back Waters Stage) (OSV)
- Out in it Touring LLC – Payment to Artist (Back Waters Stage) (OSV)

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

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

- Harris Golf Cars – Golf Car Fleet, Utility Cars, Range Car, 6-Passenger Cars
- North Country Business Products – Symphony Micros POS Hardware and Software Upgrade

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

- Cummins Allison – Count Room Equipment and Maintenance
- North Country Business Products - Symphony Micros POS Hardware and Software Upgrade

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 Burkhardt seconded the motion, which carried unanimously.

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

- Edward Don – Disposables and Smallwares Purchases
- Executive Services Company LLC – Goods and Services Allocations (RP)
- Hy-Vee – Alcoholic Beverages, Gift Cards and Lottery Tickets
- Iowa Beverage Systems – Beverage Purchases
- North Country Business Products – Symphony Micros POS Hardware and Software Upgrade
- Performance Food Service – Food Purchases
- Prairie Farms Dairy – Dairy and Food Purchases
- Sysco Food Services of Iowa – Food Purchases
- Taxslayer Center – Arena Suite License Agreement (OSV)
- US Postmaster – Postage for Mailers
- USA Entertainment – Booking Agency for Entertainers
- William Morris Endeavor Entertainment, LLC – Booking Agency for Entertainers (OSV)

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 Olsen 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 financial audit. He stated their former financial auditing firm was acquired by UHY International. Mr. Moss stated the benevolence provided to the individuals on the backside includes medical, dental, chiropractic, and prescription reimbursement. This year they are working with Dental Connection, a mobile dental clinic, which comes to the backside of the track to provide dental care. He stated they continue to have a strong partnership with Unity Point, which is located directly across the street from the track. Funds are also provided to help workers on the backside get between tracks.

Mr. Moss stated the law also states they are to promote the industry. They work with the ITBOA to promote the horse industry, which is a \$200 million per year industry. The economic impact is provided by trainers, breeders, owners, and those individuals providing support services to the industry. Mr. Moss noted the ITBOA does a monthly newsletter promoting the industry. He advised the fall sale will be coming up. With donations received this year, Mr. Moss stated they

continued to support a research project, which is conducted on site. A motion sensor is placed on the horse, which creates a baseline for the horse. It is hoped this technology will help increase the safety and welfare of the horse.

Going forward, one of the new laws increases the fees received from Prairie Meadows from 2% to 4% for the IAHBPA, which will be used to increase the funds available for benevolence; there are a couple of specific areas they want to focus on. Another area of the new law created the Racehorse Aftercare Fund, which will be funded by all fines from 99D licensees. A new simulcasting law was passed, and the IAHBPA is in the process of forming a new non-profit entity. Once that is in place, they will submit a license application.

With regard to racing dates, the current meet is 84 days of racing. Mr. Moss stated Prairie Meadows and the horsemen's organizations are trying to reach an agreement regarding race dates for next year. He stated they are trying to balance the number of racing days with what they are seeing in the foal crop, which has stabilized in Iowa. He noted that is not the case across the country. He stated they are happy with the number of race dates at this time.

Mr. Moss touched on the implementation of HISA (Horseracing Safety and Integrity Act). He noted there were multiple issues and problems with implementation that are ongoing. He gave credit to the Commission for continuing to hold meetings for all stakeholders to try and work through issues. He stated there are a number of rules that don't fit the situation. He stated the Commission and Stewards have done a great job in helping to get issues resolved. Mr. Moss stated Senators Grassley and Ernst had sent a letter to the FTC and HISA regarding implementation issues. They are hoping to have a response yet this month. Mr. Moss noted HISA only impacts the Thoroughbreds, not the Quarter Horses so there are two separate sets of rules.

Commissioner Olsen noted the Horsemen's Assistance was quite large in 2020 and asked for clarification. Mr. Moss stated in 2020 when the pandemic hit, there was no funding for purses; the trainers might have received their day rate, but were not receiving additional funds to help cover day-to-day expenses. The HBPA allocated funds to trainers with horses on the backside at Prairie Meadows. It was a one-time outlay to help out.

Commissioner Burkhart noted the expense report showed a larger number for promotions in 2021 than in 2020. She noted there have been discussions about advertising and the responsibility of promoting race days. She wondered if the promotion money was geared toward attracting crowds. Mr. Moss stated historically racetracks are responsible for drawing patrons to the racetrack and horsemen are responsible for getting horses to the racetrack. He stated the parties have not crossed over those lines, but are having discussions on the matter with the increase in funding. Mr. Moss stated the IHBPA does try to draw individuals to the track they feel may be interested in investing in horses.

Commissioner Campbell noted part of the discussion in meetings earlier this year was keeping the races full as field size had dropped, and inquired if they had improved this year. Mr. Moss advised the field size has dropped slightly but not as much as last year. He noted the drop in field size is part of an overall trend across the country as there is less racing and fewer horses. Mr. Moss stated

the IHBPA is trying to keep racing vibrant and alive in Iowa by running more Iowa-bred races. He noted the Symposium on Racing had a panel on this topic 3-4 years ago which showed that more tracks were relying on state-bred races than on open races that require horses to be shipped in to race at a racetrack. Mr. Moss stated the number of horses has dropped from approximately 50,000 horses bred in a year to 18,500 last year. He stated the IHBPA is trying to stabilize the local population and incentivize individuals to invest in Iowa-bred horses, which will get the racing industry through these tumultuous times. He stated they are in discussions with Prairie Meadows regarding race dates for next year. Mr. Moss noted the thoroughbreds are limited to the same number of stalls at the beginning of the meet that they have the last two months of the meet, which makes it difficult to fill field sizes and have a robust racing product.

Iowa Quarter Horse Racing Association: Troi Mulford, Treasurer, in response to a previous question from Commissioner Horbach about the audit only reflecting numbers for 2021 versus a comparison between 2020 and 2021, stated she would prefer to see a comparison and didn't understand why the auditing company did not do so. She stated she would speak to them and have them prepare an additional report if the Commission would like.

Commissioner Horbach asked how they are doing compared to last year. Ms. Mulford stated they are doing very well considering their development fees were drastically reduced last year. She noted the IQHRA is very low budget compared to the IAHBPA. The fees are back up this year, and with some funds set aside, they were able to maintain programs. With the fees increasing again, they are trying to help the quarter horse workers on the backside during the Festival of Racing by providing a meal following the quarter horse races. Ms. Mulford advised they do some traveling to promote the Iowa stakes races.

Iowa Harness Racing Association: Mr. Ohorilko advised Chair Andres he had been informed the individual who was to attend was unable to do so, and an attempt to locate a replacement was unsuccessful. Mr. Ohorilko stated he would inform the IQHRA to attend the August meeting.

HEARINGS: Chair Andres called on Mr. Ohorilko to address the hearings before the Commission.

Betfair Interactive US LLC, Inc.: Mr. Ohorilko advised that Betfair Interactive, which does business as FanDuel, and Commission staff have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(7) relating to the use of credit cards. He stated this is a two-count violation. The two counts are related but occurred at different times. The first count is related to FanDuel's technology provider, Sightline, allowing deposits in the system via a credit card. Sightline failed to properly restrict credit transactions due to incorrect coding in their system. Commission staff contacted FanDuel after being made aware of a potential issue. FanDuel conducted an audit and determined they had accepted 2,551 credit card transactions amounting to approximately \$459,000 over a one-year time frame. In the second count, FanDuel self-reported another failure in the coding of credit card transactions, and another transaction occurred in the amount of \$46.00. Mr. Ohorilko stated FanDuel has agreed to an administrative penalty up to \$75,000.

Alex Wolf, State Regulatory Compliance Senior Counsel, stated the company always adheres to the letter and spirit of the law, even when it involves third-party providers. He stated the error by

a third-party provider is upsetting to them. Mr. Wolf stated Betfair Interactive took the extreme step of cutting ties with Sightline as a payment option in the State of Iowa. Secondly, they have confirmed with their other payment partners that they will not accept credit card payments. He stated they are conducting independent auditing of the payment processors to ensure that what they are being told is what is actually occurring. Mr. Wolf stated a fine is appropriate under the circumstances, but requested the fine be reduced to \$45,000 due to the remedial steps taken by the company. He noted that Sightline has taken corrective measure as well.

Commissioner Burkhardt asked if the fine amount of up to \$75,000 was broken down based on the two counts. Mr. Ohorilko stated the thought process was that Count 1 would be up to \$60,000, and Count 2 up to \$15,000. He noted there are three additional companies that have been offered fines up to \$60,000 for situations similar to Count 1.

Commissioner Olsen asked if it was correct that Commission staff notified Betfair of the potential risk. Mr. Wolf stated, to the best of his recollection, that Commission staff asked them to look at the situation. He indicated Sightline reported the situation to the Commission prior to alerting Betfair.

Mr. Ohorilko stated he did not believe this situation would have been discovered if Commission staff had not notified all of the licensees and Sightline; he is not sure which occurred first. He stated the situation was found due to audits conducted with other operators in the State of Iowa. Mr. Wolf advised they could review their records, but does not believe they were warned in advance that Sightline had allowed the transactions. Mr. Ohorilko stated that was correct.

Commissioner Burkhardt asked if Iowa law differs from other states as it applies to accepting credit card transactions. Mr. Ohorilko advised that Iowa law is more restrictive than many other states. Iowa law prohibits the use of credit cards. In 2019, the law did not prohibit the use of credit cards; however, that was changed by the Legislature in 2020.

Commissioner Campbell asked if all vendors were notified when the change was made by the Legislature. Mr. Ohorilko answered in the affirmative, noting there were two or three pieces of correspondence that was sent to all licensees. He stated all licensees were aware of the change, and noted a number of the companies in the Tier 1 category actively lobbied against the legislation.

Mr. Wolf stated that everything set forth in the Stipulation was the result of an error on the part of Sightline. It was Betfair's understanding from Sightline's representations to them that they were not allowing credit cards to be processed. He reiterated that Betfair had severed their ties with Sightline.

Commissioner Campbell moved to approve the Stipulated Agreement with an administrative penalty of \$75,000. Commissioner Olsen seconded the motion, which carried unanimously.

PointsBet Iowa LLC: Mr. Ohorilko stated Commission staff and PointsBet Iowa LLC have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(4)“b” and 99F.13 (Audit) and Iowa Code § 99F.1(28) (Unauthorized Wager), and advised it is a three-count violation. He noted

these are unrelated issues. Count 1 involves an event held on July 25th during the Olympics. PointsBet offered markets for individual events that included athletes under the age of 18, which is prohibited by Iowa Code. There were approximately 25 wagers totaling \$666. He noted PointsBet discovered the violations and reported them to the Commission. PointsBet had received a prior warning for a similar unauthorized event not specifically prohibited by statute. Mr. Ohorilko stated Counts 2 and 3 involve the external audit that is required under Iowa law. Count 2 deals with the audit the Commission received, which was incomplete. Count 3 is for a late audit, which was provided 49 days late as set forth in Count 2. PointsBet took an additional 165 days to provide the remaining information. Mr. Ohorilko noted PointsBet has undertaken certain remedial actions to correct the situation which are outlined in the Stipulated Agreement. Mr. Ohorilko stated PointsBet has agreed to pay the following administrative penalties: Count 1 - up to \$5,000; Count 2 - up to \$10,000 and up to \$10,000 for Count 3.

Commissioner Campbell asked what caused the delay in filing the audit. Andrew Moreno, Senior Director of Regulatory Operations, stated this matter preceded his arrival at PointsBet, but advised it appeared to be a lack of communication with the auditor. He does not feel this will be an issue going forward.

Chair Andres asked Mr. Moreno to discuss some of the other steps taken by PointsBet to prevent similar situations from occurring. With regard to the unauthorized wagering, Mr. Moreno stated they made a severe commitment to training the traders in Australia, Ireland and the United States to make sure they are aware of all of the restrictions across all jurisdictions. They have stepped up their education and are holding people accountable.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the Stipulated Agreement with the following administrative penalties: Count 1 - \$5,000; Count 2 - \$10,000 and Count 3 - \$10,000 for a total of \$25,000. Commissioner Burkhart seconded the motion, which carried unanimously.

Diamond Jo, LLC: Mr. Ohorilko stated Commission staff and Diamond Jo, LLC have entered into a Stipulated Agreement for a violation of Iowa Code §99F.9(5), which is related to underage gambling. On December 16, 2021, an underage female entered the facility with three companions. She entered the facility unchallenged, left the gaming floor and regained access. The facility discovered the individual later that evening inside the sportsbook, where she appeared to have fallen asleep. Security officers approached her, and contacted the Dubuque Police Department when they were unable to awaken her. The police officers determined she was underage. The underage patron was on the gaming floor unchallenged for approximately 5 hours and did gamble, which triggered the Commission's Resolution. Mr. Ohorilko stated Diamond Jo, LLC has agreed to an administrative penalty of \$20,000.

Wendy Runde, General Manager, advised the facility recognizes that it is a privilege to do business in the State of Iowa, and takes the commitment very seriously. She stated security personnel are constantly receiving training. The most rigorous training occurs during the onboarding process, and every security team member receives additional training on a quarterly basis and one-on-one

refresher training with the security manager. Additionally, as incidents or situations occur that present a learning opportunity, those are shared with the security team to help empower the security team to make the best decision at any given time.

Ms. Runde stated they became aware of the minor on the floor on December 17th through an internal investigation, and discovered the individual had been on the floor three out of four days leading up to that incident. On December 14th, the individual presented a fake ID; however, it scanned as valid. The individual was allowed on the gaming floor. They were on the floor for approximately 20 minutes and did not gamble or consume alcohol. On December 16th, the individual returned with three companions. The security officer on duty requested an ID from one of the four, but not this individual. When the team member was interviewed, the team member remembered who they were talking about and mistakenly thought the individual was a known patron of a legal age. The guest was allowed on the floor, and eventually made their way to the Tree Bar. The cocktail waitress did request to see an ID; the same fake ID was presented and scanned as valid. The individual was served an alcoholic beverage and did gamble. The individual returned on December 17th, a different security officer at the turnstiles did not request an ID. When this team member was interviewed; they also thought the individual was someone else and of age; and allowed the individual on the floor. She again made her way to the Tree Bar where the same cocktail server was on duty and did not request an ID as she remembered the guest from the previous day. At that time, the guest proceeded to the sportsbook where she fell asleep. Ms. Runde noted the above is far from a perfect execution of policies, but noted that through the investigation process, from the glass half full perspective, she was pleased there was not complete disregard of policies and procedures. There were some steps taken to comply with policies and procedures, but some decisions were not so sound. Ms. Runde stated the incident has been utilized as an opportunity to provide additional training to the security team.

Commissioner Campbell noted the individual used a fake ID that did scan as valid. He asked if the DCI pressed charges. Ms. Runde advised they did not in this case. She noted the ID presented was for an individual 20 years older than her. She stated the person on the ID has aged gracefully, and the individual using the ID does not appear to be as young as she is. Ms. Runde stated she is not sure why they did not push for charges to be filed. In a different incident, where parents knowingly assist an underage person in getting on the gaming floor, charges are being filed.

Commissioner Campbell noted the Commission has discussed this issue at past meetings, and doesn't like handing out the administrative penalties when the individual behind the situation is not being held accountable.

Commissioner Horbach noted the Division of Criminal Investigation (DCI) did not press charges, but thought he heard the local police department did come to the facility. Ms. Runde stated there was a new supervisor on duty that day, and when they were unsuccessful in awakening the customer, the security supervisor contacted the police department. She is not sure if they pressed charges, but were the ones to discover the individual was not who she was representing herself to be.

Commissioner Horbach reiterated that the police officers were the ones to determine the individual was a minor, and questioned if they were aware she had consumed alcohol. Ms. Runde stated she

was not sure that information had been shared with them. She felt it was a quick interaction. Commissioner Horbach stated the Commission is frustrated by individuals knowingly trying to get the licensees in trouble and the lack of action or filing of charges against those individuals. Ms. Runde stated she failed to follow through on this incident with regard to charges being filed as she was focused on the areas where staff should have done a better job.

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 Olsen seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Mr. Ohorilko advised Commission staff and IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo have entered into a Stipulated Agreement for a violation of Iowa Code §99F.9(5), which pertains to underage gambling. On February 13, 2022, a 20-year old male patron entered the gaming floor with a companion unchallenged. The individual was on the gaming floor for 3 hours and 28 minutes, and gambled at multiple machines. Mr. Ohorilko stated IOC Black Hawk County, Inc. acknowledges the facts as set forth and has agreed to an administrative penalty of \$20,000.

Mr. Moine stated the minor was accompanied by two individuals of age, and was able to make his way through the turnstile. He stated they interviewed the security officer, who had been with the facility for some time and had previously caught minors, stationed at the turnstile when this incident occurred. The security officer was nonchalant and stated "It is what it is." When the security officer was asked if the training was adequate or there was anything different the facility could have done to help him prevent the incident, the security officer stated the training was adequate and there was nothing the facility could have done differently to help him in this situation. Mr. Moine stated the minor left the gaming floor and attempted to re-enter later that evening. He was stopped by a different security officer and was caught at that time.

Commissioner Burkhart asked if there is a baseline age set out in the training which would trigger an individual being asked for identification. Mr. Moine answered in the affirmative, advising that anyone appearing to be 35 and under is to be asked to present identification. If the individual is 25 or younger, they are asked for two forms of identification.

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

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Chair Andres moved to Administrative Business. Mr. Ohorilko requested approval of the revised regulatory fees for Fiscal Year 2023 for IRGC and the DCI. He noted staff received final numbers from the Department of Management, which included the salary adjustment of \$100,175. That amount is distributed equally between the licensees.

Commissioner Horbach inquired if the revised fee schedules had been shared with the industry and if any comments had been received. Mr. Ohorilko advised the fees were sent out the previous

week, and Commission staff had not received any comments. He noted the DCI fees were just shared with the industry the previous day, but he had not received any comments regarding those fees.

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

ELECTION OF CHAIR AND VICE CHAIR: Chair Andres noted Iowa Code requires the Commission to elect a Chair and Vice Chair in July each year. She requested nominations for Chair. Commissioner Olsen nominated Julie Andres to serve as Chair. Commissioner Campbell seconded the nomination, which carried unanimously.

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

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

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
AUGUST 24-25, 2022**

The Iowa Racing and Gaming Commission (IRGC) met on August 24-25, 2022 at Riverside Casino and Golf Resort in Riverside Iowa. Commission members present were Julie Andres, Chair; Daryl Olsen, Vice Chair; and members Amy Burkhart, Mark Campbell and Lance Horbach.

APPROVE AGENDA: Chair Andres called the meeting to order at 8:00 PM on August 24th, and requested a motion to approve the agenda. Commissioner Horbach moved to approve the agenda as submitted. Commissioner Olsen seconded the motion, which carried unanimously.

EXECUTIVE SESSION: Chair Andres requested a motion to go into Executive Session. Commissioner Campbell moved to go into Executive Session pursuant to Iowa Code Sections 21.5(1)a, d, and g for the purpose of receiving Division of Criminal Investigation background reports on entities related to the transaction by Churchill Downs, Inc. The motion carried unanimously on a roll call vote. In addition to Commission members and staff, the following individuals were in the meeting: Attorney General Jeff Peterzalek; Dave Jobes, Division of Criminal Investigation (DCI) Assistant Director, and DCI agents Steve Van Otterloo, Troy Nelson, Jason Halvorsen, Dave Dales, Wayne McLaughlin, Greg Cunningham, Wade Motsinger.

Following the conclusion of Executive Session, Commissioner Burkhart moved to leave Executive Session. Commissioner Olsen seconded the motion, which carried unanimously.

Chair Andres recessed the Commission meeting until 8:30 AM on Thursday, August 25th.

WELCOME: Damon John, General Manager, noted the property opened on August 31, 2006, and has had the privilege of being a licensed operator in the State of Iowa for 16 years, along with the non-profit licensed operator, Washington County Riverboat Foundation (WCRF). He stated it has been the company's mission since opening to provide the best in guest service, food and entertainment, and to have the cleanest and most well-maintained property. Mr. John noted none of the success over the years would be possible without the dedication of the 650 employees, who care about the mission, one another, and want to give back to the community. The Riverside staff recently won the Give Back to Iowa volunteer challenge for the large business category for the sixth time in the last eight years. During April and May, the Riverside employees logged over 2,300 volunteer hours across various activities. In September, Riverside employees will help with the National Disabled Veteran's Golf Day as veterans from across the country will be onsite for the event put on by the US Department of Veteran's Affairs and Disabled American Veterans.

Mr. John noted the Event Center remodel had recently been completed. Next year, discussions will commence regarding a full interior remodel of the 201 hotel rooms. The hallways were completed during the 2019 remodel project.

Mr. John thanked everyone for coming, and invited those who might be around for the weekend to attend the 16th Anniversary party being held. He introduced Shawn Ellingson, President of WCRF.

Mr. Ellingson thanked the Commission for giving them the ability to do things for southeast Iowa that would not be possible otherwise. He stated WCRF has been able to provide equipment to various first responder units throughout the county. Mr. Ellingson advised they recently donated \$100,000 to the Disaster First Response Unit for the American Red Cross located in Cedar Rapids. WCRF has also funded an Iowa State Research Farm located in Washington County. This farm trains current and future farmers.

APPROVE MINUTES: Chair Andres requested a motion regarding the minutes from the July 8, 2022 Commission meeting. Commissioner Burkhart moved to approve the minutes as submitted. Commissioner Horbach seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, stated the next Commission meeting will be held on September 29, 2022 at The Rewind Hotel located in West Des Moines. Submissions for that meeting are due in the Commission's Des Moines office by September 15th. There will be no Commission meeting in October. The last Commission meeting for the year will be on November 17th at Rhythm City Casino in Davenport.

Mr. Ohorilko introduced Gaming Representatives Scott Ditch and Victoria Aplara, who are assigned to Riverside and thanked them for their hard work on behalf of the Commission.

RULES: Chair Andres moved to the rules before the Commission under Notice of Intended Action.

Commissioner Horbach asked Mr. Ohorilko if there were any comments from stakeholders or any conflicts. Mr. Ohorilko advised the rule packet before the Commission were the result of recent Code changes from the Legislative session. He advised they have been shared with the industry and no comments were received. Mr. Ohorilko stated the rules regarding cashless wagering are not included in this packet, but will be brought forward in September. There are some existing rules the industry had proposed some changes to, and staff had initial concerns that they may be in conflict with statute.

Commissioner Horbach moved to approve the rule package as presented under Notice of Intended Action. Commissioner Campbell seconded the motion, which carried unanimously.

IOWA HARNESS RACING ASSOCIATION: Royal Roland, President, inquired if there were any questions regarding the financial statement. Commissioner Campbell asked for an update on the season. Mr. Roland stated 2021 was a challenge for the organization as their funding is based on revenue from the previous year's revenue at Prairie Meadows. As the facility was closed due to Covid, the group received approximately 35% less in funding than the previous year. In 2021, they reduced the number of racing days, reduced purse amounts, and used some of their reserve funds to have a successful 2021. In 2021, there were 36 racing days at 10 different locations for

approximately 350 races. Mr. Roland expressed appreciation for the support received from the Commission and Prairie Meadows. He advised harness racing is a multi-generational activity.

Mr. Roland stated they are looking forward to 2022 and having funding restored to previous levels, which will allow them to invest in infrastructure with their county fair partners. He noted Iowa horses are doing well nationally, and talked about an Iowa-bred horse, Jimmy Freight, which is ranked as a top horse in North America. He has won 11 races out of 18 starts in 2022, earned \$283,000 in purse money, and has lifetime earnings of \$1,568,000. The horse was born in Iowa and raised in Sigourney, and was sold in 2007.

CHURCHILL DOWNS, INC.: Lorraine May, legal counsel, requested the Commission's approval of the purchase by Churchill Downs, Inc. of the parent company of SCE Partners, LLC, the operator of Hard Rock Hotel and Casino. She introduced Doug Fisher, General Manager at Hard Rock Hotel and Casino Sioux City; Lou Frascogna, formerly with the Mississippi Attorney General Office, and is currently Senior Counsel and Corporate Compliance Officer for Churchill Downs; and Tim Bryant, Vice President of Gaming Operations for Churchill Downs.

Mr. Bryant stated Churchill Downs is excited about the opportunity to own and operate Hard Rock Sioux City. He advised Churchill Downs is committed to the team members, and plan on keeping the 350+ team members. They have been impressed during their visits to the property and look forward to working with them. He stated Churchill Downs is committed to developing careers and promoting from within. Mr. Bryant advised they are also committed to maintaining the property and the Hard Rock brand. In conversations with the Hard Rock Sioux City team and Missouri River Historical Development (MRHD), Mr. Bryant stated it is very evident there is a lot of pride that Hard Rock Sioux City exists in the community. He advised Churchill Downs is committed to working with MRHD, and MRHD has provided a letter to the Commission in support of the application.

Mr. Bryant advised his first job in the gaming industry was with Argosy Gaming and he was at the Sioux City facility on a regular basis. He stated the difference between the facility from the mid-1980s to today is quite impressive.

Mr. Fisher stated MRHD is excited to work with Churchill Downs, and continuing to work with Hard Rock Sioux City.

In closing, Mr. Bryant stated they would be happy to answer any questions, and are cognizant of that fact that it is a privilege to have a license to operate a casino in Iowa, and take that privilege very seriously.

Hearing no questions or comments, Chair Andres requested a motion. Commissioner Campbell moved to approve Churchill Downs, Inc.'s acquisition of a parent company involving and Iowa licensee. Commissioner Burkhardt seconded the motion, which carried unanimously.

ELITE CASINO RESORTS, LLC: Dan Kehl, CEO, requested approval of the Second Amended and Restated Credit Agreement for Elite Casino Resorts and its subsidiaries which include

Riverside Casino and Golf Resort, Grand Falls Casino Resort, and Rhythm City Casino with Wells Fargo Bank. He stated the agreement has the same terms as the original agreement from 2015 and the 2019 Amended and Restated Credit Agreement previously approved by the Commission. Mr. Kehl stated the credit agreement is tentatively scheduled to close on or around September 1st. The funds will be used to refinance the existing indebtedness, finance development and property refresh projects and general company purposes. Mr. Kehl stated that in working with Wells Fargo, an effort was made to ensure that Iowa related banks were included in the bank group for this financing. As a result of that, approximately 19% is held by Iowa-headquartered banks and 52% by banks with branches in Iowa.

Commissioner Olsen stated the financing packages shows the strength of the company and the ability to utilize Iowa banks. He noted there was some restrictive language contained in the credit agreement. Commissioner Olsen asked Mr. Kehl if he was comfortable with the Commission moving forward with the approval contingent upon the restrictive language being removed from the document. Mr. Kehl answered in the affirmative.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the financing conditioned upon the restrictive language being removed from the final documents and the final documents being reviewed and approved by the Commission Administrator. Commissioner Burkhardt seconded the motion, which carried unanimously.

RIVERSIDE CASINO AND GOLF RESORT, LLC: Mr. John requested approval of a Payment Agreement in Lieu of Admission Fees with the City of Riverside. He advised the terms in the agreement before the Commission are the same as in the 2014 agreement, which expires at the end of the month.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Burkhardt moved to approve the Payment Agreement in Lieu of Admission Fees between Riverside Casino and Golf Resort, LLC and the City of Riverside as presented. Commissioner Campbell seconded the motion, which carried unanimously.

REQUEST FOR APPROVAL OF FINANCING PURSUANT TO 491-5.4(8): Kieron Frazier, from GreenbergTraurig and representing CQ Holding Company, Inc. requested the withdrawal of the financing at this time.

WILD ROSE CLINTON, L.L.C./WILD ROSE JEFFERSON, L.L.C.: Rick Gilson, Director of Operations, stated the Wild Rose facilities have partnered with Rush Street Interactive for quite some time, and the partnership is working very well. He stated the Wild Rose Clinton contract has been amended to include iGaming should it become legal in Iowa. Rush Street Interactive would have the first skin at Clinton. Rush Street will not have any skin related to iGaming at Wild Rose Jefferson. The only other change in the contracts was the company type – Rush Street Interactive changed from an LLC to an LP, and both entities had a change in attorneys. Mr. Gilson advised that while verbiage is different from the previous contacts, there are only minor changes.

Hearing no comments or questions, Chair Andres requested a motion to approve the agreement for Wild Rose Clinton, L.L.C. Commissioner Olsen moved to approve the Amended and Restated Sports Wagering Agreement and Interactive Gaming Agreement and Novation with Rush Street Interactive LP as presented. Commissioner Horbach seconded the motion, which carried unanimously.

Chair Andres requested a motion regarding the Wild Rose Jefferson, L.L.C. agenda item. Commissioner Burkhart moved to approve the Amended and Restated Sports Wagering Agreement and Interactive Gaming Agreement and Novation with Rush Street Interactive, LP as presented. Commissioner Campbell seconded the motion, which carried unanimously.

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

Dubuque Racing Association, Ltd.: Alex Dixon, President, presented a contract with OneNeck IT Solutions for Microsoft licensing for Windows Server, Microsoft QSL and Microsoft Visio.

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

Catfish Bend Casinos II, LLC: Rob Higgins, General Manager, presented a contract with Video Security Specialists for the additional installation of surveillance cameras/system upgrade (OSV).

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

Diamond Jo Worth, LLC: Jennifer Cox, Director of Finance, presented the following contracts for Commission approval:

- Henkel Construction – General Contracting
- Larson Contracting – General Contracting

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

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

- Tri-City Electric – Upgrade Hotel Lobby and Skywalk Lighting to LED
- Dormakaba USA Inc. – Replace Hotel Key System (OSV)
- Premier Amusements – Revenue Share Agreement for Arcade (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 Campbell seconded the motion, which carried unanimously.

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

- Data Business Equipment, Inc. – Purchase Currency Counter
- Mr. David's Flooring International Ltd. – Hotel Carpet Replacement (OSV)
- Quality Telecommunications (TriView) – Support for New Phone System
- Veterans Procurement Group – Hotel Room Furniture Replacement (OSV)

Commissioner Burkhardt asked about the contract for the hotel carpet replacement as it was with an out-of-state vendor. She asked Mr. Fisher to explain the bidding process and how Iowa vendors were included.

Mr. Fisher advised they reached out to Knovas Carpets and Creative Carpets located in Sioux City; both declined to bid the project. Mr. David's Flooring did the casino floor, and did a great job. They were the low bid.

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

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

- Coralville Hy-Vee – Gift Card Purchases for Marketing Promotion
- Cummins Allison – Count Room Equipment
- Farner-Bocken Core-Mark – Purchase of Cigarettes, Sundries, Candy and Chips
- Skywalk Group – Recruiting Expense

Commissioner Burkhardt asked Mr. John what Riverside is recruiting for. Mr. John stated Riverside has been utilizing Skywalk Group out of Cedar Rapids to recruit for various managerial positions.

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

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

- Comp Trading (MTM Sales) – Promotional Items
- Heartland Finishes – Exterior Painting
- Hoglund Bus – Passenger Buses

- Kone Inc. – Elevator and Escalator Maintenance
- Laser Tech (Office Express) – Office and Housekeeping Supplies

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

HEARING: Mr. Ohorilko advised Commission staff has entered into a Stipulated Agreement with American Wagering, Inc. d/b/a Caesars Sportsbook/William Hill for a violation of Iowa Code 99F.9(7) relating to credit card transactions. In July 2021 two different Iowa sports wagering operators reported one of their payment providers, Sightline, had allowed some deposits into their system via a credit card. During discussions with Worldpay, Sightline's acquirer who controls the credit restrictions, it was determined there were some transactions that were conducted just by credit card. Following an extensive review on or after October 9th by Caesar's Sportsbook, it was determined there were at least 485 credit card transactions totaling approximately \$212,000. Mr. Ohorilko stated American Wagering, Inc. acknowledges the facts constitute a violation of Iowa Code Section 99F.9(7) and have agreed to an administrative penalty up to \$60,000.

Ken Fuchs and Trent Striplin, Sr. Vice President of Sports and Vice President of Payments and Fraud respectively, were present to address the Stipulated Agreement. Mr. Striplin advised there are several controls that have been put in place via technology and operating procedures. The system has also been set to automatically reject any card payments that are not a debit card. Additionally, Sightline has changed their audit controls to check for credit card payments, and American Wagering will be doing their own random sampling on a regular basis to make sure there are no further issues of this nature.

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

Commissioner Burkhart asked if Commission members and staff could review the tiers used in these types of penalties as these situations are becoming more common. Mr. Ohorilko answered in the affirmative.

PUBLIC COMMENT: Wes Ehrecke, President of the Iowa Gaming Association, advised the Iowa casinos are collaborating with several organizations to close the loop on human trafficking. He noted earlier in the year all of the employees of the casinos and hotels had to complete training to get certified in order to be able to host meetings for State agencies or state employees to stay at the hotels. On September 22nd, they are hosting a virtual webinar to get more individuals involved in the effort.

Jon Moss, Executive Director of the Iowa Horsemen's Benevolent & Protective Association, stated the rules approved earlier this morning allow for an alternative simulcast license. He announced a start-up organization, Horsemen of Iowa Simulcast Organization. Mr. Moss introduced Matt Kingdon as the Director of Pari-Mutuel Operations. The organization will begin working on the

license application process, which will allow them to conduct simulcast operations in 99F facilities.

Mr. Moss noted the Travers Stakes, a Grade 1 thoroughbred race, would be run this coming Saturday at the Saratoga Race Course. An Iowa-bred, Ain't Life Grand, born and raised near Johnston, is entered in the race. The owners are Ray and Peggy Shattuck, and is trained by Kelly Von Hemel. The purse for the Travers Stakes is \$1,250,000. The race will be run at 4:45 PM and will air on Fox television.

ADMINISTRATIVE BUSINESS: Mr. Ohorilko stated the item before the Commission for consideration is a horseracing study as a result of discussions and stakeholder meetings held earlier this year. The study would provide an opportunity for the Commission to take a deeper look at some of the questions that have been raised. He advised there is room in the budget to have a study done if this is something the Commission would like to move forward on. Mr. Ohorilko stated it would require the Department of Administrative Services to initiate the Request for Proposal process.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Burkhart moved to direct staff to initiate a Request for Proposal, as required by the Department of Administrative Services, to select a vendor to conduct a study to provide information regarding a long-term strategic plan for racing in the State of Iowa. Commissioner Campbell seconded the motion, which carried unanimously.

ADJOURN: As there was 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
SEPTEMBER 29, 2022**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, September 29, 2022 at The Rewind Hotel, 6075 Mills Civic Parkway, W. Des Moines, IA. Commission members present were Julie Andres, Chair; Daryl Olsen, Vice Chair; and members Amy Burkhart, 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 submitted. Commissioner Horbach seconded the motion, which carried unanimously.

APPROVE MINUTES: Chair Andres requested a motion regarding the minutes from the August 24-25, 2022 Commission meeting. Commissioner Olsen moved to approve the minutes as submitted. Commissioner Burkhart seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of the IRGC, advised there would be no October meeting. The next Commission meeting will be held on November 17, 2022 at the Rhythm City Casino in Davenport. Mr. Ohorilko noted there will be no meeting in December, the next Commission meeting will be on January 26, 2023 at Diamond Jo Worth in Northwood, Iowa.

DIAMOND JO, LLC: Robin Maxon, legal counsel, requested approval of the Amended and Restated Online Market Access Agreement with Betfair Interactive US LLC on behalf of Diamond Jo, LLC. She advised the economic terms and operational responsibilities under the original agreement remain unchanged in the new agreement. The amendment allows Betfair the right, subject to the enactment of any future applicable law, to operate an online casino or online poker in a first skin position at the Diamond Jo Casino, and omits Diamond Jo Worth, which was a party to the original agreement and opens up space for an additional skin at that casino. Further, the agreement modifies Diamond Jo's right to terminate the agreement in the event of a sale. Additionally, there were some modifications to the parties' marketing limitations and obligations. The parties also made general clean-up edits.

Commissioner Campbell asked Mr. Ohorilko to address the addition of the terms relating to online gaming. Mr. Ohorilko stated the agreement contains a provision for Betfair to have priority to operate an online casino or online poker should online gaming become authorized in the state. Online gambling is not permitted in Iowa at this time. He stated if the Commission should move forward on this agenda item, it is not a presumption that it will become legal on the Commission's part.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Amended and Restated Online Market Access Agreement between Diamond Jo, LLC and Betfair Interactive US LLC as submitted. Commissioner Olsen seconded the motion, which carried unanimously.

IOC BLACK HAWK COUNTY, INC.: Chad Moine, General Manager, requested approval of a remodeling project to add an outdoor patio, which would provide additional seating for the Brew Brothers restaurant. The patio would provide an outdoor dining experience for patrons.

Commissioner Horbach asked for clarification as to the location of the patio. Mr. Moine stated the patio would provide a westward view and be located to the right of the front entrance to the casino.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Burkhart moved to approve the remodeling request as presented by IOC Black Hawk County, Inc. Commissioner Olsen seconded the motion, which carried unanimously.

HARVEYS IOWA MANAGEMENT COMPANY, LLC: Thomas Roberts, General Manager, requested approval to renovate the banquet room and the Backstage Diner at Harrah's into a celebrity chef restaurant concept by Guy Fieri. The casual restaurant is meant to bring a feeling of unexpected discovery and energy. He stated this will be a \$4 million investment. The restaurant will have 233 seats; the Backstage Diner will still have seating, just a different concept. Once you enter the restaurant, the seats will extend back to the bar and patio overlooking Stir Cove. The concept will center around music, rough finishes, and reclaimed items. Mr. Thomas stated construction is slated to start in November, and will take 5-6 months to complete. They hope to have construction completed in time for the 2023 Stir Cove season. He stated they have submitted a contract with Pinnacle Construction, an Iowa vendor, for the project.

Chair Andres asked if Mr. Fieri would attend the opening of the restaurant. Mr. Roberts stated he usually attends the openings and ribbon cutting.

Commissioner Olsen stated it looks like a fantastic project, and moved to approve the remodeling request as submitted by Harveys Iowa Management Company, LLC. Commissioner Burkhart seconded the motion, which carried unanimously.

HARVEYS IOWA MANAGEMENT COMPANY, LLC: Mr. Roberts requested to withdraw the Approval of Second Amended and Restated Sponsorship and Operations Agreement with the Iowa West Racing Association from the agenda.

IOWA WEST RACING ASSOCIATION (IWRA): Brenda Mainwaring, Chief Executive Officer, advised the agreement for IWRA's management of Horseshoe Casino is over two decades old; is unique, complicated and outdated. Following lengthy discussions between the parties, they have agreed to address specific areas of the agreement and determined a Settlement Agreement was the appropriate manner to do so. She stated none of the changes would be visible to the community, with the exception of the additional commitment of \$75,000 on an annual basis from Horseshoe management to address non-profit needs within the community. Ms. Mainwaring requested approval of the Settlement Agreement.

Mr. Roberts stated Horseshoe Casino is excited to continue their long-standing relationship with IWRA.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Settlement Agreement between IWRA and Harveys BR Management Company as submitted. Commissioner Burkhart seconded the motion, which carried unanimously.

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

Harveys Iowa Management Company, LLC: Mr. Roberts presented a contract with Pinnacle Construction as a construction vendor.

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

IOC Bettendorf, L.C.: Nancy Ballenger, General Manager, presented a contract with Business Radio Sales & Service to upgrade/replace all radios and radio equipment property-wide.

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

Diamond Jo, LLC: Wendy Runde, General Manager, presented a contract with Zuvid Surveillance, an out-of-state vendor, to upgrade the surveillance system on property. She noted her cover letter indicates a Request for Transaction Approval would be submitted at a later date for the equipment; however, the contract before the Commission includes labor, discovery and equipment. She advised approximately \$153,000 of the total contract is related to the installation, and the rest is an estimated cost for the equipment. Ms. Runde stated they contacted the current surveillance company, who supplied the names of three Iowa integrators who were provided an opportunity to bid. Two submitted bids, and one passed. The Iowa bid closest to Zuvid was more than double the price, nor did the company have any experience in installing casino surveillance systems.

Commissioner Olsen commented on the discrepancy in labor costs between the bids. He asked Ms. Runde if she was confident the company with the low bid can get the work done for the stated bid. Ms. Runde stated she was confident because the corporation has done business at other Boyd properties. She advised the Request for Proposal was very detailed; there was not much left to the imagination with regard to the scope of the project. The other out-of-state vendor was 75% higher. She is not sure why Zuvid's bid is at the dollar amount it is, but they received the same RFP as all of the vendors contacted. Ms. Runde stated the questions coming back to the property from some of the vendors with regard to the RFP were concerning as it didn't appear they had done their homework.

Commissioner Olsen noted that while the Commission prefers the facilities use Iowa vendors when possible, it wasn't possible in this situation.

Commissioner Campbell thanked Ms. Runde for the effort put forth in attempting to utilize an Iowa vendor.

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

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

- HR IA Gaming LLC – Hard Rock Sports Book License Agreement
- Scientific Games d/b/a Light & Wonder – Sports Book Platform Fees (OSV)
- Mohawk Carpet Distributions LLC – Purchase Carpet for Hotel Carpet Replacement (OSV)

Mr. Fisher stated he personally reached out to the Iowa vendors to solicit bids for the carpet. The bid from Mozaks came in 60% higher than the bid from Mohawk.

Commissioner Burkhart noted SCE Partners is trying to match an existing pattern, which also presented some limitations.

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

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

- Made Simple – Continuity and Promotion Gifts (OSV)
- Performance Food Service – Specialty Food Purchases
- Quest Software, Inc. – Kace Systems Management Software (OSV)

Commissioner Burkhart asked Mr. John to explain how Made Simple was selected to provide promotion gifts. Mr. John stated Made Simple is a casino continuity vendor, which is a specialized business model in the casino industry. Made Simple provides month-long gift programs, direct mail marketing production and design, does pre- and post-analysis and provides buyback programs and free return shipping on unused products. He advised there are no casino continuity vendors located in Iowa; the majority are located in New York, Los Angeles, and other parts of California. Mr. John stated the facility takes a lot of pride in their Marketing Department in sourcing Iowa gifts; they utilize Scheel's, HyVee, Hawkeye Harley Davidson, and are working with Leisure Zone in Coralville for the October promotion. Casino continuity vendors offer different types of services. The previous two vendors utilized by the facility are Mark-It Smart and Imagine This. He noted the vendors utilize similar products and the sample promotion items received have some recurring product. Mr. John stated Made Simple had some different products packaged together.

He noted the continuity companies also have licensing agreements with various celebrities for the products being offered.

Commissioner Burkhart stated the information was very helpful. She encouraged Mr. John to include more information when submitting out-of-state contracts for Commission approval. The information provided shows bids from three out-of-state vendors, which goes against the Commission rules of trying to use a product made in Iowa or sourced from Iowa.

Commissioner Burkhart also noted the contract being submitted for approval is for \$500,000, but the products being purchased total \$155,900.00. She asked for an explanation of the discrepancy. Mr. John stated the Marketing team liked some of the other products they saw, but had not heard back from the vendor when the RTA was submitted if the number of products necessary would be available in the preferred months. The \$500,000 value was submitted in the hope they would be able to utilize the vendor in future months should the products be available.

Chair Andres stated she was interested in the analytics portion as she didn't understand the concept of the continuity vendor. Mr. John advised continuity companies were started by individuals who were previously involved in casino operations and understood the analytics the casino industry utilizes to evaluate player worth and reinvestment strategies. The continuity vendors have several years of analytics due to the years of operation in various markets, including Iowa. The pre-analysis will show what kind of lift the facility can expect to receive from certain gift programs, and the post-analysis will help determine if the program was successful.

Chair Andres asked if there was some kind of "magic" to the gift rather than something that could be purchased from an Iowa vendor. Mr. John stated the continuity program gift is typically 4-5 pieces in a set; the goal is to get the guest to return each week in order to complete the set.

Commissioner Burkhart noted history would show that a significant amount of Riverside's purchases is with Iowa-based vendors. She expressed concern about the blanket approval for \$500,000.

Commissioner Burkhart made a motion to approve the contract with Made Simple in the amount necessary for the first continuity program in February 2023, and for any additional purchases to come back before the Commission. Commissioner Campbell seconded the motion, which carried unanimously.

Commissioner Burkhart moved to approve the contracts with Performance Food Service and Quest Software, Inc. as presented. Commissioner Campbell seconded the motion, which carried unanimously.

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

- Doll Distributing – Beverage Purchases
- Johnson Brothers – Beverage Purchases

- MedOne Healthcare Systems – Health Plan Costs

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

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

- Aspro – Asphalt Production and Paving Service
- Woodruff Construction – General Contractor
- Criterion Manufacturing – Warehouse Lease Agreement

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

IOWA WEST RACING ASSOCIATION (IWRA) D/B/A HORSESHOE CASINO COUNCIL BLUFFS:

Application for a Pari-Mutuel License, Racetrack Enclosure Gambling License and Sports Wagering License for January 1, 2023 through December 31, 2023: Ms. Mainwaring requested renewal of the license for Horseshoe Casino Council Bluffs, noting they are an important employer and tourist destination. She advised IWRA has invested heavily in the area of the MidAmerica Center, noting it is gaming revenue that has allowed them to do so. She stated Horseshoe Casino is an important anchor for continued success at the MidAmerica Center.

Mr. Roberts stated Horseshoe Casino is excited to continue to work with IWRA and providing an additional \$75,000 investment in the community. When Eldorado purchased Caesars in 2021, they made a commitment to develop and bring in new product. Since the purchase, approximately \$13.5 million has been invested in the hotel, casino floor and property infrastructure. The property has also focused on improving the racing experience in the last two years, noting there is approximately \$5 million in handle that comes from Nebraska. The video wall for the daily races was replaced, they added seven additional kiosks on the floor, and are in the process of moving the sports wagering area in to the Whiskey Roadhouse space. This will allow them to give the current sports wagering area more of a race book feel and just have the monitors for the horsemen to enhance that business. They offer a robust thoroughbred racing wagering menu with 70 tracks currently approved for simulcast and will offer additional tracks as dates are announced. Caesars employs a corporate Director of Racing, who personally reaches out to VIP players. Mr. Roberts stated they market separately for horse racing for the Preakness and Belmont Stakes, and have an agreement with Prairie Meadows to simulcast their races as well.

Commissioner Olsen noted the greyhound track has to be dealt with at some point, and inquired if there are any thoughts or plans for that area of the property. Mr. Roberts stated they are continuing to look for people from an investment standpoint that would come in and develop the area. He stated they don't want to duplicate entertainment options that are already available in the area.

Ms. Mainwaring advised the property is leased back to IWRA, and they have the right to approve whatever would go in the space. She stated there have been multiple discussions regarding the development of the racetrack area. She stated IWRA is excited to do something different with that area of the property.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve Iowa West Racing Association's Application for a Pari-Mutuel License, Racetrack Enclosure License and Sports Wagering License for January 1, 2023 through December 31, 2023 with the following conditions:

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

Commissioner Campbell seconded the motion, which carried unanimously.

Contracts: Mr. Roberts presented the following contracts for Commission approval and gave a brief description of each:

- AJR Equities – Promotional Products
- AT&T – Wi-Fi Provider
- J & R Liquors – Liquor Purchases
- Sun Country Airlines – Airline
- Wojo Tours and Travel (Thomas Wojnowiak) – Tour Operator (OSV)

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 Horbach seconded the motion, which carried unanimously.

PRAIRIE MEADOWS RACETRACK AND CASINO, INC. d/b/a PRAIRIE MEADOWS RACETRACK AND CASINO:

Application for Pari-Mutuel License and Granting of Race Dates; Racetrack Enclosure Gambling License, and Sport Wagering License for January 1, 2023 through December 31, 2023: Gary Palmer and Derron Heldt, General Manager and Vice President of Racing, were present to address the agenda item. Mr. Palmer requested approval of the license renewal application for the pari-mutuel, gaming and sports wagering licenses. He stated things are going well, noting 2021 was the best year the facility had ever had and 2022 is going better than last year. He stated they have started a \$13 million remodel on the hotel, will spend another \$1 million to paint the outside of the facility, and are working to replace all of the escalators in the facility at an approximate cost of \$2 million. Mr. Palmer stated PMRC is able to continue to invest in the community with grants, and reinvest in the facility and their employees.

Mr. Heldt stated the horsemen and PMRC have agreed on the race date calendar before the Commission. He advised the parties have also agreed to make up race dates if a date has to be cancelled. There are a couple of Thursdays in the months of June, August and September on which races could be held to make up cancelled race dates.

Commissioner Olsen asked if there is a signed agreement in place with the horsemen. Mr. Heldt stated the parties have an agreement on the race calendar, but there is no signed contractual agreement with the horsemen. He stated the parties are still engaged in negotiations; they pretty much agree on everything within the contract except the length of the contract. PMRC is looking for a one-year contract, and the horsemen want a 3-5-year contract. Mr. Heldt noted the Commission is looking at having a study done on racing in Iowa and PMRC feels it would be prudent to have a one-year agreement to be able to take any results of the study into consideration.

Commissioner Olsen asked Mr. Ohorilko if it was appropriate for the Commission to approve the license renewal without a signed agreement between the horsemen and PMRC. Mr. Ohorilko stated it is the Commission's administrative responsibility to approve the licenses and race dates; therefore, it is not necessary for a signed contract to be in place if the Commission does not have an issue with the race dates. He noted the race dates are typically a component of the contract; and suggested it would be prudent to hear from the horsemen representative regarding the race dates.

Commissioner Campbell inquired as to the typical length of the contract. Mr. Heldt advised the current contract was for one year, but would continue on a year-to-year basis for three consecutive years provided all parties agreed by June 30th for the next racing season, which did not occur this year. Meetings were held with the President of the Iowa HBPA and Iowa Quarter Horse Racing Association in July and August. Mr. Heldt reiterated the parties agree on everything in the contract except the length.

Chair Andres called on Jon Moss, Executive Director of the Iowa Horsemen's Benevolent Protective Association (IHBPA). Mr. Moss stated the parties have agreed to 80 days of racing, and concurred with Mr. Ohorilko's statement that the dates are a component of the overall contract. He stated the parties are very close to reaching an agreement.

Commissioner Horbach asked if the IHBPA was supportive of the study. Mr. Moss answered in the affirmative. Commissioner Horbach asked if it would be prudent to use the data obtained from the study to base future strategies on. He stated he was trying to determine the value of a 5-year contract against the importance of the study. He wondered why the IHBPA would want to commit to a 5-year agreement if they feel the study is important. Commissioner Horbach wondered if they questioned how realistic the data received from the study would be.

Mr. Moss stated the industry is looking at a couple of different issues, one being to bring stability to the breeders in Iowa. He stated the 80-84 days of racing has broadened the opportunities for the Iowa breeders, and the ITBOA sale almost doubled this year. The long-term stability allows the horsemen to invest in product due to the number of race days. Mr. Moss stated the length of the contract does not have anything to do with the results of the study.

Commissioner Horbach stated he supported Mr. Moss' statements, and understands the necessity of stability for the breeders. He stated his comments were to give everyone something to think about as he feels there are more issues than just the length of the contract related to business strategies and stability for the breeders.

Chair Andres called on Tom Lopic, Executive Director of the Iowa Quarter Horse Racing Association (IQHRA), who reiterated the importance of the length of the contract for breeding purposes. In terms of what happened five years ago, six new quarter horse stallions have come to Iowa, and the IQHRA believes they will have the largest crop of weanlings born in Iowa this year. The Iowa-bred program is not only based on Iowa-bred horses, but also on Iowa stallion foals. Mr. Lopic stated there are a number of horses that come to Iowa from around the country to breed here. This new crop will not only be Iowa-bred but Iowa stallion-bred. The stallions stayed in Iowa as the owners knew there was going to be an extension of racing for the long-term. Mr. Lopic expressed his appreciation to the Commission for looking to see how the program can be improved, and that the industry calls held earlier this year were very important. He stated he feels the results of the study will be extremely important for the contract.

Mr. Lopic stated he just returned from a trip to Oklahoma where he talked with trainers. He noted the quarter horses were allotted 416 stalls at PMRC this year and did not come close to filling them. Mr. Lopic advised the field size for this year will average 6.7 horses per race, which is not acceptable. Increased field sizes was one of the reasons given to the Commission when the idea of a mixed meet was first brought forward. The IQHRA felt the mixed meet would help them bring in more horses and trainers which would increase the field size. Mr. Lopic reiterated the term of the contract is important so that the horsemen know that racing is here for the long term. He stated everyone is working together to resolve the issues.

Commissioner Olsen asked how many race days were in the just completed race meet. Mr. Heldt advised there were 84. Commissioner Olsen noted there are only 80 days of racing next year.

Commissioner Burkhart stated she had concerns about approving the race dates without a contract, but feels everyone is in agreement on the race days for 2023. She asked Mr. Ohorilko if that was his understanding. Mr. Ohorilko answered in the affirmative based on the previous comments.

Commissioner Olsen noted racing fatigue sets in for the horsemen and PMRC racing staff by the end of the race meet, but felt the parties should make coming to an agreement on a contract a priority.

Mr. Moss noted the implementation of HISA created a number of issues during the race meet. He stated he took Commissioner Olsen's comments to heart.

Commissioner Olsen expressed his hope that the contract would not be an issue during the license renewal process next year.

Chair Andres noted part of the Commission's concerns also centered around marketing.

Commissioner Burkhart noted that during the industry meetings earlier this year, everyone stated it was difficult to move forward with some of the marketing initiatives due to a lack of lead time, and the horsemen were asking for more marketing on the part of PMRC. She stated if the Commission defers the license renewal due to the lack of a signed contract, it only makes the problem worse as the Commission does not meet again until November.

Commissioner Burkhart moved to approve Prairie Meadows Racetrack & Casino, Inc.'s Application for Pari-Mutuel License, Racetrack Enclosure License and Sports Wagering License for January 1, 2023 through December 31, 2023, grant race dates as submitted in the application, and approve the revised security plan included in the application with the following conditions:

- The exports contracts must continue to have the review and approval by staff to ensure regulatory compliance.
- The import contracts must continue to be available on demand to staff to ensure regulatory compliance.
- All marketing promotions that may affect live racing, particularly the racing schedule and post times, shall have **prior approval** from the IRGC.

Commissioner Campbell seconded the motion, which carried unanimously.

Recap of Race Meet: Mr. Heldt stated races were held on Thursday, Friday, Saturday and Sunday; they raced 80 days out of the 84 scheduled for the racing season. Thoroughbred handle on track was flat, while off-track handle is approximately \$7.6 million to date with \$4.7 million due to a mandatory carryover on the Pick 5 bet. Mr. Heldt advised 33 fewer races have been run on the thoroughbred side so handle is down approximately \$800,000 off-track. With regard to field size, Mr. Heldt stated thoroughbreds field size is up slightly to 6.5 horses from 6.44; for quarter horses, the field size is down from 6.9 horses per race last year to 6.5 this year.

Mr. Heldt stated some race days were cancelled. There were two consecutive Saturdays where the thoroughbred race program was cancelled, however, the quarter horses ran. Races on the first Saturday were cancelled due to track conditions as the jockeys did not feel the racetrack was safe to ride on, and the following Saturday, there were thunderstorms with lightning. They waited about 1.5 hours to see if the weather would clear before calling off the races.

Accomplishments: Mr. Heldt stated HISA was implemented on July 1st. He noted PMRC started working with HISA about a year ago to put together an application; an inspection team came to the racetrack in May and reviewed multiple aspects of the track's operations and policies to make sure everything complied with HISA regulations. The inspection team approved PMRC's plan. He stated there have been various issues and extra considerations with the implementation of HISA.

Highlights of the thoroughbred season: PMRC holds the Festival of Racing in July of each year, which includes stakes races where horses from around the country come to race at PMRC. This year there were two Iowa-bred horses. The Iowa Derby was won by a horse named "Ain't Life

Grand”, who is owned by local Iowans and trained by Kelly Von Hemel. This horse went on to race in the Travers Stakes, which is considered a mid-summer derby. Additional horses in the race included horses that ran in the Kentucky Derby and Preakness. This horse will be returning to Iowa to race in the Iowa Classic races to held this coming Saturday. Additionally, Tyler’s Tribe, owned by Mr. Lepic, has raced four times at PMRC and is undefeated; Tyler’s Tribe is considered one of the top 2-year old quarter horses in the country. If Tyler’s Tribe wins the race and is in good condition, Mr. Heldt stated he thought the plan was to enter him into the Breeder’s Cup, which is run in November, and includes some of the best horses in the country. Mr. Heldt advised the quarter horse Challenge Races will be held at Horseshoe in Indianapolis on October 22nd.

Mr. Heldt touched briefly on the ITBOA Sale, noting the gross receipts were approximately \$810,000. This was the best sale they have ever had. One horse sold for \$60,000 and two others hit the set sale price, and a couple of others brought between \$30,000 and \$40,000. The breeders are breeding good horses with good pedigrees and conformation.

He reiterated the jockeys declined to ride one evening as they felt the surface was uneven along the inside rail. Since that occurrence, Mr. Heldt advised he has met with the thoroughbred horsemen and jockeys on the racetrack so he could see the areas of concern. Following the meeting, a plan has been put in place to make changes/corrections along the inside rail this fall so the track is ready for racing next spring.

Commissioner Burkhart asked what the crowd was like on the two stormy Saturdays that racing was canceled. Mr. Heldt advised the crowd was light as storms were anticipated; one was a soaking rain for most of the day, and the other the forecasters predicted the storms would move through, but the storms kept rebuilding and there were numerous lightning strikes.

Commissioner Burkhart asked how many of the 33 races cancelled were due to the two Saturdays. Mr. Heldt stated there were six or seven race programs cancelled; they tried to make up races this past Sunday; there were 14 races instead of the normal 10. They are also running an additional race on Saturday to make 13, running 7 races today and 11 races tomorrow.

Commissioner Burkhart asked about the cause behind the other cancelled races. Mr. Heldt advised it was due to field size.

Commissioner Horbach, noting the jockeys refused to ride previously as they didn’t feel the track was safe, asked if that created a liability issue for the races on Saturday. Mr. Heldt advised the track was fine on the Sunday immediately following the Saturday when races were cancelled. There was sun and some wind, and the track was harrowed several times, which allowed it to dry. Commissioner Horbach noted there is no rain in the next few days. Mr. Heldt stated this was one of the reasons additional racing days were being built into the race schedule. Commissioner Horbach thanked Mr. Heldt and the racing staff for meeting with the jockeys.

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

- Control Installations of Iowa (Basepoint) – Surveillance and HVAC Equipment

- Harms Oil – Fuel Purchases
- Nestle USA (Starbucks) – Starbucks Coffee

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

HEARINGS:

BetMGM LLC: Mr. Ohorilko advised Commission staff and BetMGM LLC have entered into a Stipulated Agreement regarding a violation of Iowa Code § 99F.9(7) related to the use of a credit card to wager. This incident involves prepaid debit cards and is the same type of incident from previous stipulations that have come before the Commission in July and August. It involves the use of prepaid debit cards purchased with a credit card. In this situation, the timeframe is January 5, 2021 through July 22, 2022; the provider for BetMGM allowed 911 credit card transactions totaling \$266,878. Mr. Ohorilko stated BetMGM has acknowledged this constitutes a violation of Iowa Code § 99F.9(7) and has agreed to pay an administrative penalty up to \$60,000.

Sarah Brennan, Senior Director of Compliance for BetMGM, thanked the Commission for providing the opportunity to explain what steps BetMGM has taken internally, operationally and in coordination with Sightline to prevent a reoccurrence of this violation. She advised she has been with the company since they launched in Iowa, and has seen a tremendous growth in the Compliance Department, which shows their dedication to regulatory compliance not only in Iowa but all jurisdictions. Ms. Brennan stated BetMGM is dedicated to regulatory compliance and adherence to rules, statutes, laws, their partnership with Diamond Jo Worth, and the protection of patrons both from the responsible gambling perspective and consumer protection. She stated it is their obligation as a licensee to uphold the regulatory requirements of operating in Iowa and they take responsibility for what occurred even though it was the result of an issue with their payment provider and vendor. Ms. Brennan stated BetMGM took significant action after being notified of the situation in July to correct internal operational risks that could potentially lead to another violation; they did a wholesale audit of their operations across multiple teams. The approved controls as of January 4th when BetMGM launched prohibited the use of credit; the wording was changed to expressly prohibit the use of credit cards and prepaid debit cards and clarifying debit card only. Additional specific language was added to the cashiers' page to indicate that credit cards are prohibited in Iowa and an overlay specifying debit cards only so there is no misunderstanding by patrons on the payment resources available to make a deposit. Ms. Brennan stated the User Account Testing team has enhanced their process with the cashier team to conduct ongoing audits of the cashiers against deposit methods to ensure that credit cards are blocked. She stated they have communicated directly with Sightline regarding their contractual obligation to adhere to the regulatory prohibition against credit card use. She advised she was aware Sightline had enhanced their processes as well to ensure credit card transactions were declined. Ms. Brennan advised representatives from Sightline were present. Ms. Brennan noted there was a subsequent inquiry from IRGC to conduct another audit; she confirmed there have been no further credit card transactions from July 2021 through today in Iowa.

Andrew Crowe and Jennifer Carleton, Sr. Vice President of Business Development and Legal Counsel respectively for Sightline, were present to address this issue. Mr. Crowe stated they wanted to attend in person to support their partner and ensure the Commission knows Sightline understands the importance of this issue and took it seriously. He stated their product is not a card that can be purchased with a credit card; they are linked to a PayPal account where a registered player confirms their identity and age. Once an account is opened, it can be funded with a debit card, PayPal, bank transfers, etc. and this is where the controls from Sightline come into play. Mr. Crowe stated Sightline relies on the first six digits on the card, known as a Bank Identification Number (BIN), which identify the network as a Visa, Mastercard, or Discover, the bank that issued the card, and the type of card. Sightline relies on some of the filters on their bank processor's platform, WorldPay, to go through and review each BIN for every card that is processed and block the credit card transactions. In this instance, it was a failure on the WorldPay platform; Mr. Crowe acknowledged Sightline is accountable for that oversight. Once the issue was discovered, Sightline immediately cut off all credit card funding, and identified the specific issue on the WorldPay platform within three days and had the code changed so that credit card payments were no longer accepted. Mr. Crowe advised there was a process and audit being performed on a monthly basis with WorldPay that is now being done on a daily basis to ensure that credit cards are no longer being processed. He stated Sightline put in a secondary control, and have incorporated the BIN table into their system and have a record of what each BIN represents allowing them to review every card presented as a form of payment. Mr. Crowe acknowledged it will take time for Sightline to restore their trust with the Commission, but noted their decades of payment experience in the gaming space.

Commissioner Horbach expressed his appreciation for the explanation as it helped explain the real issue. He asked if the Commission's licensee has a hold harmless agreement with Sightline for the negligence of WorldPay.

Ms. Carleton advised Sightline has an agreement with the licensees to absorb all fees related to this incident. She stated they have a secondary agreement with WorldPay related to this situation as well given their culpability in this matter. She stated Sightline would be taking full responsibility financially for any administrative penalties assessed. Ms. Carleton noted one of the questions from staff was why WorldPay, as a direct acquirer for other types of funding methods, didn't have the same issue. She advised it was because Sightline has a two-step coding process, and the second step was the result of human error as WorldPay miscoded all of Sightline's MCC codes creating a problem for them but not any of the other entities for which they perform acquiring functions. She reiterated that Sightline no longer relies solely on reports from WorldPay.

Commissioner Olsen asked if a representative from WorldPay was in attendance. Mr. Crowe advised WorldPay was not in attendance. He stated Sightline came down hard on WorldPay and is looking at alternatives to WorldPay.

Commissioner Burkhart noted there are three hearings dealing with the same issue today and two previously, all stemming from the same timeframe. Mr. Ohorilko indicated that was correct, and advised there are two more pending. Commissioner Burkhart stated she felt it was important point of clarification for the public and industry to understand that this is not an ongoing situation; the

timing and availability of individuals is why these are still coming before the Commission. Mr. Ohorilko indicated that was correct, and confirmed that all licensees working with Sightline addressed the Commission's concerns promptly. Staff has been satisfied with the results of the audits. He feels this was an isolated situation and the first time the Commission has dealt with the use of a credit card in sports wagering since 2019. He does not think it is a systemic issue within the state.

Ms. Carleton indicated it was one incident and they self-reported to the Commission and identified all of the operators that were affected. She agreed that it has been a long process in finalizing the agreements and fines, but concurred all are related to the same incident and timeframe.

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

SCE Partners, LLC: Mr. Ohorilko advised Commission staff and SCE Partners, LLC, which operates the Hard Rock Sportsbook, have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(7), relating to the use of credit to wager. He stated the main difference between this violation and the previous one is the volume of transactions that occurred. Hard Rock Sportsbook accepted 73 credit card transactions amounting to \$15,044. Mr. Ohorilko advised the proposed administrative penalty is up to \$20,000.

Mr. Fisher stated they did have an agreement that both parties were responsible for their subcontractors to follow regulations. He stated they have requested and implemented double checks from Sightline to ensure no credit transactions have been accepted. With IRGC's guidance, Hard Rock Sportsbook has required Sightline to no longer accept prepaid debit cards as a form of payment.

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

Elite Hospitality Group, LLC: Mr. Ohorilko advised Commission staff and Elite Hospitality Group, LLC, which operates ELITE Sportsbook, have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(7) relating to the use of credit to place a wager. He noted this violation is related to the same incident that occurred from February to July 2021. ELITE Sportsbook accepted 991 credit card transactions totaling \$192,930. As a result of the violation, Elite Hospitality Group, LLC has agreed to an administrative penalty up to \$60,000.

Mr. John advised Elite Hospitality Group, LLC has been doing business as ELITE Sportsbook since August 2019, and are aware it is a privilege to conduct sportsbook wagering in Iowa, and take the matter seriously. He stated they have worked closely with Sightline, their third-party payment provider, and were explicit that gambling on credit in the State of Iowa is not allowed and that all credit card transactions must be blocked. Prior to offering their first wagers, they tested credit card deposits and found the system to be in compliance. They were not aware that credit

cards had been used to make wagers on their platform until the matter was brought to their attention by the Commission in early February 2020. In addition to the mitigation measures described by Mr. Crowe from Sightline, ELITE Sportsbook has been performing their own independent testing by attempting to place deposits with various credit card providers to ensure that credit cards fail as intended.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the Stipulated Agreement with Elite Hospitality Group, LLC for a violation of Iowa Code § 99F.9(7) with an administrative penalty of \$60,000. Commissioner Campbell seconded the motion, which carried unanimously.

Fubo Gaming, Inc.: Mr. Ohorilko advised Commission staff and Fubo Gaming, Inc. have entered into a Stipulated Agreement as a result of a two-count violation of Iowa Code § 99F.4(22) relating to the statewide self-exclusion program, and Administrative Rule 491 IAC 13.3(1) related to authorized sporting events. With regard to Count I, two individuals on the statewide self-exclusion program were allowed to open an account. One individual did place wagers but the triggering element with regard to the Resolution is that promotional mailings were sent to both individuals. Mr. Ohorilko advised this is Fubo's first incident in the last 365 days. He stated Fubo has agreed to an administrative penalty between \$5,000 and \$20,000 for Count 1 consistent with the Resolution.

For Count II, Mr. Ohorilko stated Fubo Gaming, Inc. accepted three wagers between January 13 and February 5, 2022 for "Super Bowl 56 – MVP", which is not authorized under Iowa law. The wagers were subsequently settled. He stated Fubo Gaming, Inc. has agreed to an administrative penalty up to \$5,000 for this count.

Steve Brody, Assistant General Counsel, stated Fubo takes this matter very seriously. They conducted a comprehensive investigation and have implemented remedial measures to prevent future violations. He noted Fubo has a robust compliance program, which includes routine and substantive compliance meetings, trainings for all employees, internal and external audits, weekly meetings across all gaming departments with their internal compliance professionals, and an internal compliance team. Mr. Brody stated Fubo understands the importance of the statewide self-exclusion program, and in addition to remedying the underlying cause, they have implemented redundant measures designed to fortify their platform's ability to prevent individuals on the statewide self-exclusion list from wagering on Fubo. Mr. Brody stated an automated email is sent on a daily basis from the sportsbook platform to notify the compliance team members and legal team if a relevant self-exclusion form has been found and processed. Fubo performs an automated scrub of the statewide self-exclusion list on a daily basis as a secondary measure. He stated they are working with the Conner Group, an outside auditor, to conduct a review of Fubo's internal audit functions to ensure that the daily review from the automated system is working as it should.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Stipulated Agreement with an administrative penalty of \$5,000 for Count 1 and \$5,000 for Count II. Commissioner Olsen seconded the motion, which carried unanimously.

Unibet Iowa LLC: Mr. Ohorilko advised that Commission staff and Unibet Iowa, LLC have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) related to the statewide self-exclusion program. From September 1, 2021 until January 20, 2022, Unibet failed to download self-exclusions from the statewide self-exclusion database every seven days as required. There were individuals that signed up for accounts and were able to make deposits and wagers. Mr. Ohorilko stated this is the first violation of this nature in the last 365 days. They have agreed to an administrative penalty between \$5,000 and \$20,000 consistent with the Resolution for these types of violations.

Liv Biesemans, Deputy General Counsel for Unibet Iowa, stated they take full responsibility and accountability for the incident and have put a mitigation plan in action. She advised staff has received training from IRGC staff, which they found extremely helpful. They have also hired a Responsible Gaming Manager who is dedicated to managing and scrubbing their database in addition to the Operations Manager to ensure their database is fully checked and scrubbed going forward. Ms. Busemans indicated this was an isolated incident and the first time it has occurred in any jurisdiction.

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

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Chair Andres moved to Administrative Business. Mr. Ohorilko advised he would take the two items under Administrative Business together. These items pertain to a discussion and potential action regarding recent violations of credit card statutes and regulations and the Resolution involving the statewide self-exclusion program. He noted the Resolutions were included in their meeting packets as well as the Public Viewing packet. He stated the Resolutions have been in place in Iowa since 2006 and 2008 respectively with some changes to the self-exclusion Resolution in 2017. There has been an uptick in violations in the past couple of years, and wanted to provide the Commissioners an opportunity for a discussion to see if the current Resolutions for these areas are satisfactory in serving as a deterrent for any violations that may be occurring.

Commissioner Burkhart noted the Commissioners had requested staff to look at the penalties handed out in surrounding states for similar violations and some information was provided in their meeting packets but was wondering if that work was still ongoing. She stated it was difficult to ascertain how Iowa compared to some of the other states. Mr. Ohorilko indicated that was correct. He stated staff does not have a comprehensive list from other states, but feels he will have that information soon from jurisdictions that are of like size and regulatory philosophy.

Commissioner Olsen stated this was an area the Commission was interested in pursuing as there has been no change for a considerable amount of time, and requested staff continue to gather information so the Commission could take action at the next meeting.

RULES: Mr. Ohorilko stated the rule package before the Commission was being submitted under Notice of Intended Action. The 24 items include various modifications of rules that are not related

to the legislative package that was presented in August. Items included are the result of meetings of the Racing Task Force, recommendations from staff, and recommendations from the industry throughout the year. There have been some clarifications as a result of questions received from the industry. Mr. Ohorilko advised the package was sent to the industry earlier this month, and staff did receive some comments back from the sports companies that arrived after the agenda had been published. He stated there may be some minute changes in the package when it comes back before the Commission, but he would highlight those changes. Additional comments were received related to Item 11, the rule relating to cashless gaming. Mr. Ohorilko stated the rule before the Commission is not the one that was sent to the industry. He stated staff has tried to simplify the language based on those comments by striking the requirement for cashless wagering accounts to occur away from the gaming floor. The law now provides for a mechanism to use cashless wagering. Prior to the law being in place, there were rules that allowed cashless wagering but off the gaming floor. Staff felt some of the comments received from the industry made changes to policies, and some were inconsistent with the statute. Mr. Ohorilko stated he has not received any comments since the rules were published. He stated he had received a letter regarding the rule raising the administrative penalty level for the Gaming Board. The maximum fine would increase from \$1,000 to \$3,000. The rule would allow the Gaming Board to issue administrative penalties up to that amount; however, not every fine issued would be at that amount. Mr. Ohorilko noted the letter received from the Iowa Gaming Association (IGA) has been shared with the Commissioners. He advised there is an alternative proposal the industry is asking the Commission to consider.

Wes Ehrecke, Executive Director of the IGA, stated members expressed concern with the language that the Gaming Board may impose fines up to \$3,000 as the current rule states they may impose fines up to \$1,000 and that the majority of fines being issued by the Gaming Board are for \$1,000. He asked for some transparency and structure as to what factors would determine the amount of the fine should the amount of the fines issued by the Gaming Board be increased to \$3,000. He pointed out that the casinos have extensive protocols and training in place; however, human error does occur and they understand the need for a fine. They do question the need to triple the fine from \$1,000 to \$3,000 and questioned what the Commission is hoping to accomplish with the increase. Mr. Ehrecke stated the members would have appreciated having a discussion on this issue prior to the rule being submitted for consideration. He reiterated his statement that a majority of the fines handed out by the Gaming Board are for \$1,000 and wondered what is going to change if the same infractions are fined at \$3,000. Mr. Ehrecke noted that in reviewing the infractions from the last year with Mr. Ohorilko, there were 162 fines levied and 50% were for underage violations. He suggested the following compromise for this particular category: Up to \$1,000 for the first reported minor infraction; Up to \$2,000 for the second, and up to \$3,000 for the third in a calendar year. Mr. Ehrecke stated he believes the ceiling will become the floor if the minimum fine is raised as that is what is occurring currently. He stated the ideal solution would be to remove the proposed rule entirely, but if that isn't an option, then the parties should look at a compromise instead of tripling the fine in every category.

Commissioner Olsen asked Mr. Ohorilko the last time the level of fine the Gaming Board could issue was changed. Mr. Ohorilko advised it was in 1990. Commissioner Olsen stated the Commission had to do something based on the length of time and inflation. He stated the industry

is fortunate there has not been a change since 1990; however, with the uptick in violations, the Commission feels the issue needs to be addressed.

Mr. Ehrecke reiterated that human error does happen, and the members will now be fined more for the same infraction. He noted the current rule states the Gaming Board can issue an administrative penalty up to \$1,000, but feels all rulings are being issued with a \$1,000 administrative penalty. He stated some of the infractions are minor and should be assessed a lower administrative penalty. He asked where the IGA could obtain the information to discuss the levels of fines assessed for the various infractions. He reiterated his belief that all Gaming Board rulings would be issued with the maximum penalty allowed.

Chair Andres stated the \$1,000 amount does not leave much room to decrease the assessed penalty. Commissioner Campbell asked Mr. Ohorilko to explain what is the lowest level of infraction reviewed by the Gaming Board, and whether those could come before the Commission.

Mr. Ohorilko stated the proposed increase is not an increase in the Commission's ability to fine more. The Commission has deferred the responsibility for certain types of administrative infractions to the Gaming Board. If the Gaming Board feels the situation is egregious or they are not seeing compliance, they could refer the matter to the Commission for review and action. He stated the Gaming Board still has oversight by the Commission; the industry does not have to agree to anything. The industry has the ability to appeal the decision to an Administrative Law Judge, which would then come back to the Commission.

Commissioner Burkhart stated the reasoning behind the tripling is the level of infractions that are coming before the Commission. She asked Mr. Ehrecke why the IGA members are seeing more infractions and the reasoning behind that.

Mr. Ehrecke stated it is human error, which will always exist. There is no guarantee a larger fine would accomplish anything. He stated they don't dispute the need for a fine, they just question the need to triple the maximum amount. He again requested consideration of the compromise set forth earlier.

Commissioner Horbach stated he has experienced where the "up to" becomes the cap for everything. He asked Mr. Ehrecke if he felt it was appropriate for the Gaming Board to only be able to assess a \$1,000 administrative penalty for the most egregious infractions.

Mr. Ehrecke stated he did not know what was appropriate, but is trying to find a way to have a discussion on the issue to get various questions answered before the rule is approved.

Commissioner Horbach noted that Mr. Ehrecke has been a lobbyist at the Capitol for a long time, and knows that language starts one way, and then swings the opposite way. He stated the discussion does not end with the proposed rule. Commissioner Horbach stated he is willing to consider the compromise offered by Mr. Ehrecke as long as there is some latitude for the most egregious infractions. He expressed his surprise that this proposal was being put forward when the penalty amount has not been increased since 1990 and there is no purpose other than making

the dollar amount consistent with inflation over the years. Commissioner Horbach commented on the resources being utilized over a \$1,000 penalty when the Commission just handed out \$60,000 penalties. He stated he was willing to continue to have a discussion on this matter, but feels the dollar amount is appropriate based on inflation and intent. He stated there should be a cap at the bottom as well as the top. He suggested “unless deemed egregious by the Gaming Board or Commission” could be added to the rule language.

Mr. Ehrecke stated he always believed that was a given; that the Commission has the latitude in any situation to assess a higher administrative penalty. He again expressed concern about the ceiling becoming the floor.

Chair Andres noted the wording has always been “up to”, but if it stays there for 30 years, the “up to” amount becomes ridiculous. She stated the lower levels are still in play as the wording is “up to \$3,000.”

Commissioner Olsen noted the Commission had the ability during the hearings today to go up to \$20,000 on several of the situations and did not do so when it is was the first violation. He asked if the Commission could ask staff to establish some type of protocol.

Mr. Ohorilko answered in the affirmative. He advised there are some draft schedules in place, but did not want to be presumptuous as to what would happen. He stated staff is prepared to have discussions with the industry, not just on underage gambling but all violations. He stated there are informal schedules for any type of violation. Mr. Ohorilko stated that Jeff Peterzalek, legal counsel to the Commission, always reminds them that lack of discretion is not abuse of discretion. He stated it is important to have the dialogue, but is not sure if it is something that is appropriate to be incorporated in the rule. If the parties want something more formal, it could be in the form of a Resolution that the Commission would adopt with the understanding that the rule language would be similar to what is before the Commission at this time.

Commissioner Horbach asked if the Commission could issue a directive to the Gaming Board that they want the administrative penalty used as a discretionary tool, and it is not the Commission’s intent to make the \$3,000 the cap. Mr. Ohorilko stated that would be a good idea. He indicated staff would get some draft schedules prepared and work with Mr. Ehrecke as the rules go through the process.

Commissioner Horbach stated there is one area where everyone agrees, and that is no one wants the \$3,000 to be the floor. He asked if there is some way for the Commission to express their intent in a motion.

Mr. Ohorilko stated he felt it would be appropriate to approve the rules under Notice of Intended Action, and direct staff to have conversations with the Iowa Gaming Association regarding a schedule that is consistent with this discussion.

Commissioner Campbell moved to approve the rules as submitted under Notice of Intended Action, and direct staff to work on a schedule so that the \$3,000 administrative penalty does not

become the floor and to work with the Iowa Gaming Association to develop a matrix for staff to address compliance issues. Commissioner Olsen seconded the motion, which carried unanimously.

ADDITIONAL ANNOUNCEMENTS: Mr. Ohorilko advised the budget has been closed for FY 22; the reversion amount to the industry is \$322,192.27. He stated a schedule would be sent to the industry setting out the specific dollar amount that will be credited to each facility.

Mr. Ohorilko stated there was some financing approved for Riverside Casino and Golf Resort, Inc. at the August Commission meeting contingent upon restrictive language being removed from the financing document. He advised the language has been removed and there were no adverse effects to the licensee due to the removal of the restrictive language.

ADJOURN: Hearing no further business to come before the Commission, Chair Andres adjourned the meeting.

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
NOVEMBER 17, 2022**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, November 17, 2022 at Rhythm City Casio, 7077 Elmore Avenue, Davenport, IA. Commission members present were Julie Andres, Chair; Daryl Olsen, Vice Chair, and members Amy Burkhart, 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 Burkhart seconded the motion, which carried unanimously.

WELCOME: Mo Hyder, General Manager, welcomed the Commission to Davenport and the Rhythm City property. He introduced Marion Meginnis, Mayor Pro-Tempore, and Matt Mendenhall, President of the Regional Development Authority (RDA).

Ms. Meginnis stated Rhythm City representatives are involved in all aspects of making Davenport a better place for the residents. She noted gambling came to Iowa when the state was struggling to recover from the farm crisis. Ms. Meginnis stated Rhythm City's economic benefit is visible in the jobs created, entertainment options, and revenues returned to Davenport and the communities within the county. She provided some highlights of grants distributed by the RDA and Scott County Regional Authority.

Mr. Mendenhall advised RDA and Rhythm City have a great working relationship, and communicate regularly concerning the partnership and the community. He noted RDA held their grant award ceremony the previous week; they distributed \$3.2 million to 82 recipients. He highlighted some of the grants awarded. Mr. Mendenhall stated RDA will distribute over \$5 million in grants in 2022. He advised RDA recently partnered with Rhythm City in setting up a Community Technology Center in an underserved neighborhood; RDA provided the grant funding and Rhythm City provided the in-kind technology support. They are working together to increase awareness of where the money for these grants come from and becoming more visible at community events.

Chair Andres complimented Mr. Hyder on the facility and staff.

APPROVE MINUTES: Chair Andres requested a motion regarding the minutes from the September 29, 2022 Commission meeting. Commissioner Olsen moved to approve the minutes as submitted. Commissioner Horbach seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of the IRGC, stated there would be no meeting in December. The next Commission meeting will be held on January 26, 2023 at Diamond Jo Worth in Northwood, Iowa. Submissions for that meeting are due in the Des Moines Commission office by January 11th. He noted there will be no meeting in February 2023; the next meeting will be at Prairie Meadows Racetrack and Casino in Altoona on March 2, 2023. This is

the license renewal meeting. He requested the operators contact their qualified sponsoring organization to request their attendance at that meeting.

Mr. Ohorilko recognized the following staff members for their work on behalf of the Commission: Gaming Representatives at Rhythm City – Dan Marten and Stan McClellan; and Stu Hoover, Gaming Representative at the Isle of Capri Bettendorf.

REQUEST FOR PROPOSAL VENDOR PRESENTATIONS FOR HORSE RACING

STUDY: Chair Andres advised there were two respondents to the Request for Proposal. The order of the presentations was determined by a drawing. She advised the presentations are to be approximately 10-15 minutes in length. She stated Commission members are not allowed to ask questions directly to the presenters.

John Hernandez/Dale Engelken: Mr. Engelken advised Mr. Hernandez was unable to be present, but indicated he is the expert in this field, and he will serve as the research part of the team. He stated Mr. Hernandez has 40 years of racing experience in various states. His expertise is in marketing, media and communications.

Mr., Engelken stated he runs a company called Genesis Insights, and he has worked as an independent researcher for 30 years, but also has experience in direct marketing sales and conducting surveys. He stated he is an expert in qualitative and quantitative analysis. He advised he and Mr. Hernandez are recent partners.

He stated that upon reading the RFP, he had several questions as he felt the RFP was pretty broad so they tried to group the requested information into categories: The Ideal Race Meet; Race Days: What is the Right Mix of Breeds; Purses, and Number of Races. The goal is to determine what it would take to make Prairie Meadows more successful. They would also look at the marketing strategy to make the racetrack more appealing to a broader audience.

From a research standpoint, Mr. Engelken stated he would interview horsemen (breeders, owners, trainers, agents and officials), bettors (both local and online) and regional competitors. He indicated this is their proposed approach, but it could change after talking with Commission representatives should they be selected to conduct the study.

Mr. Engelken stated they are the right choice as they are an Iowa-based team, have expertise in racing and research, have industry connections and a working knowledge of Midwest racing. He stated they would focus on the scope of the work, conduct qualitative interviews to assess best practices, survey individuals to perform qualitative analysis, and will deliver relevant and actionable information.

Spectrum Gaming: Paul Ryneveld stated Spectrum Gaming is a full-service firm and has the ability to complete the study in a timely manner and deliver a final report that will be useful in determining the future of horse racing in the state. He advised there are four main individuals who will be working on this project: Doug Reed, Senior Pari-Mutuel Associate; himself; Dustin Dix, a racing consultant; and Charles Vickery, a racing statistician. Mr. Ryneveld provided some background

information on each individual. He highlighted some recent projects Spectrum Gaming has completed.

Mr. Ryneveld noted this is a vast RFP, and their focus would be on the current situation in Iowa and the Midwest. They will be looking at trends and how that relates to the future; and will deliver tools that can be used in the future as the racing industry evolves. The final report will also include marketing and strategies focused on fan engagement, recruiting new fans, the gambler whether at the track or online, individual participants, and the horsemen. Spectrum Gaming will also determine if there is a need for a statewide program similar to the dairy or meat industry where the racing industry can advertise or mainstream to the general public. Mr. Ryneveld stated Spectrum will review the enabling legislation to determine if there is anything that needs to be added or deleted; will have meetings with IRGC and the stakeholders, will develop a strategic plan and benchmark Iowa and national markets based on various metrics. They will conduct a SWOT analysis for the Iowa racing and breeding industry, which will include the new market in Nebraska; and individual stakeholder interviews. He noted the New York study found that 20% of the individuals take home 80% of the money, showing that the majority are not making a very good living. He advised Spectrum will provide a draft report as well as a final report. They will also deliver marketing strategies and initiatives, the SWOT analysis, and other data collected.

CAESARS ENTERTAINMENT, INC.: Doug Gross, legal counsel, advised Caesars currently has a shelf financing approval in place, which was approved in 2021. He stated Caesars is not asking to change any of the caps associated with the shelf financing; however, with the dynamic interest rate and market rapidly escalating, they are seeking more flexibility in their ability to convert some of their debt and take advantage interest rate opportunities. The shelf application before the Commission today cleans up certain items under the existing Shelf and provides the additional flexibility to manage corporate debt transactions and capital costs.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Burkhardt moved to approve the changes to the Shelf financing application as presented. Commissioner Campbell seconded the motion, which carried unanimously.

REQUEST FOR APPROVAL OF FINANCING PURSUANT TO 491-5.4(8): Cheryl Ash, Chief Financial Officer, for CQ Holding Company, presented their request for financing.

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

SOUTHEAST IOWA REGIONAL RIVERBOAT COMMISSION/CATFISH BEND CASINOS, II, LLC: Gary Hoyer, Chief Executive Officer, requested approval of the Substituted License Operations Agreement with Southeast Iowa Regional Riverboat Commission (SIRRC). Mr. Hoyer stated this was an opportunity to clean up some of the language from predecessor agreements.

Commissioner Campbell stated the Commission had received an email regarding the distribution of the funds between the counties and requested clarification. Mr. Hoyer stated that process goes back to 1989 or 1990 when the first southeast Iowa riverboat commenced operations. The communities in southeast Iowa felt that in order to be a viable application they needed to join together. The cities of Keokuk, Burlington and Fort Madison, and Lee and Des Moines counties joined together to submit the application. Keokuk appointed the Convention and Tourism Bureau as their partner on SIRRC, Fort Madison created Fort Madison SIRRC, which is more of a grant writing entity, and Burlington opted to direct their funds to Grow Greater Burlington, which is part of the Greater Burlington Partnership, which includes Convention and Tourism, Economic Development, Downtown Partners and the Chamber. That group takes a segment of the funds that goes to the grant writing application, and the rest goes to promote economic development projects. Mr. Hoyer stated that has stayed as a consistent group with the funds split as 30% to Keokuk Convention and Tourism Bureau; 30% to Fort Madison SIRRC, 30% to Grow Greater Burlington, and 5% to both Lee and Des Moines Counties. This funding process was created when the riverboat was docking in all of the communities, and when Catfish went land-based, they entered into an agreement prior to this one where they continued to pay Fort Madison at an accelerated amount. Mr. Hoyer stated he was not aware that anyone within the SIRRC organization sent a letter, but that it may have been someone within the Des Moines County Community Foundation, which is affiliated with SIRRC.

Commissioner Campbell confirmed the email came from the Community Foundation of Des Moines County and they were questioning why the majority of the funds were going to a non-casino-based county.

Commissioner Horbach noted the casino is located in Des Moines County.

Mr. Hoyer stated the distribution of SIRRC funds through the non-profit has not changed since inception. The agreement before the Commission includes provisions that Catfish has an exclusive arrangement with both Lee and Des Moines County. He felt the email from the Community Foundation of Des Moines County is referring to the fact that Catfish Bend is not operating in Lee County officially and that Lee County would qualify for the non-casino county funding of the Community Foundation where as Des Moines County would not, and it is rubbing the organization the wrong way. Mr. Hoyer stated the City of Burlington and Des Moines County also see an added benefit from admission fees and gaming taxes.

Commissioner Campbell stated he would like to table this agenda item to be able to have a discussion to get a better understanding of the process. Mr. Hoyer stated Catfish Bend did exercise their ten-year option under the current agreement, which is set to expire. He stated he did not believe there was any urgency to get this item approved.

Commissioner Campbell moved to table this agenda item. Commissioner Horbach seconded the motion. The motion carried, with Commissioner Burkhart abstaining from the vote.

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

Catfish Bend Casinos II, LLC: Mr. Hoyer presented a contract with GRE Burlington Holding Company, LLC for a Business Lease Agreement. This agreement shifts the company within the group of subsidiaries of the parent company to change who holds the liquor license. The lease is between GRE Burlington Holding Company, LLC and Huckleberry Holdings, which owns the real estate.

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

IOC Bettendorf, L.C.: Nancy Ballenger, General Manager, presented a contract with Trane to upgrade the hotel building management control system.

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

Wild Rose Clinton, L.L.C.: Steve Nauman, General Manager, presented a contract with Kwik Trip, Inc. for the purchase of promotional gift cards.

Commissioner Burkhardt asked if the cards were used in a promotion the facility was running. Mr. Nauman answered in the affirmative, and advised they are also utilized for employee sign-ups.

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

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

- Rasmussen Mechanical Services, Inc. – HVAC and Boiler Maintenance
- Backlight Production Services – Entertainment Concert Production Services
- Counter Productions, Inc. f/s/o Foreigner – Foreigner – Battery Park (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 Campbell seconded the motion, which carried unanimously.

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

- Cummins Allison -New Currency Counter for Soft Count
- Associated Computer Systems LTD – Cisco Switches

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

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

- 7G Distributing – Beverage Purchases
- Edward Don – Disposables and Smallwares Purchases

- Hy-Vee – Alcoholic Beverages, Gift Cards & Lottery Tickets
- Iowa Beverage Systems – Beverages Purchases
- Loffredo Fresh Produce – Food Purchases
- Myers-Cox – Cigarettes, Sundries and Candies
- Performance Food Group – Food Purchases
- Republic Services – Trash/Recycling Services
- Sysco Food Services – Food Purchases
- TJX Companies – TJ Maxx/HomeGoods/Marshall's Gift Cards
- Total Maintenance, Inc. – Parts/Repairs for HVAC System
- Wired Production Group – Lights and Sound for Concerts
- Zurich – Insurance Services

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 Olsen seconded the motion, which carried unanimously.

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

- Altorfer – Generator Extended Service Coverage
- Mixed Media Group, Inc. – Billboard Advertising (OSV)

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

Grand Falls Casino Resort, LLC: Mr. John presented the following contracts for Commission approval:

- AFLAC – Employee Supplemental Insurance
- Core-Mark – Retail and Tobacco Purchases
- Outsound Productions – Entertainment and Event Production – Lights, Sound and Backline (OSV)
- Performance Foodservice – Food and Beverage Purchases
- Popkes, Inc. – Bulk Fuel Purchases
- Rapids Foodservice Contract and Design – Kitchen Equipment and Parts Purchases
- Sonifi Solutions, Inc. – Guest Room TV Programming Agreement (OSV)
- USA Entertainment Agency – Entertainment Booking Agency
- Wells Fargo Business Elite Card – Credit Card Purchases
- Zurich Insurance – Insurance Services

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 Horbach seconded the motion, which carried unanimously.

Dubuque Racing Association, Ltd.: Alex Dixon, President, presented the following contracts for Commission approval:

- DLR Group Inc. – Professional Design Services
- Everi Payments Inc. – Loyalty and Enrollment Kiosks, Software and Maintenance (OSV)
- Origin Design – Pre-design for Q Casino Remodel
- RDG Planning & Design – Schmitt Island Planning and Design

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

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

- B & J Properties – Off-Site Warehouse Lease
- HGM Associates – IPL Membership/Surveys
- Pinnacle Construction – General Contractor

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

Harveys Iowa Management Company, Inc.: Janae Sternberg, Vice President of Finance, presented a contract with US Foodservice, Inc. as a food vendor.

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

Horseshoe Casino Council Bluffs: Ms. Sternberg presented the following contracts for Commission approval:

- Comdata, Inc. – Electronic Gift Card Vendor (OSV)
- US Foodservice, Inc. – Food Vendor

Commissioner Burkhardt asked what type of gift cards Comdata was providing. Ms. Sternberg advised they provide email value gift cards for a number of national retailers instead of an actual gift card, which they use for promotions throughout the year.

Commissioner Burkhardt asked what range they use in determining whether to use an Iowa vendor versus a non- Iowa vendor. Ms. Sternberg stated it is usually 5-10%. Commissioner Burkhardt asked if the difference between Comdata and an Iowa vendor was outside that range. Ms. Sternberg answered in the affirmative.

Commissioner Olsen noted the quote from the Iowa vendor was higher, and wondered if they were submitting a higher quote just because they were an Iowa vendor. Ms. Sternberg stated the Iowa vendor was charging a premium versus the actual cost of the gift card. She stated they would have preferred to use AJR Equities, but the cost difference was significant.

Commissioner Olsen asked Mr. Ohorilko to follow up with AJR Equities on this matter. Mr. Ohorilko stated he would do so, but as the company is not a licensee he didn't know if they would respond.

Based upon the clarification, Commissioner Burkhart moved to approve the contracts as submitted by Horseshoe Casino Council Bluffs. Commissioner Campbell seconded the motion, which carried unanimously.

Prairie Meadows Racetrack and Casino, Inc.: Derron Heldt, Vice President of Racing, presented the following contracts for Commission approval:

- Jack Coady Photography – Photography Services
- Trane US – HVAC Equipment and Service

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the contracts as submitted by Prairie Meadows Racetrack and Casino, Inc. Commissioner Horbach seconded the motion, which carried unanimously.

HEARINGS

Dubuque Racing Association, Ltd.: Mr. Ohorilko stated Commission staff and the Dubuque Racing Association, Ltd. (DRA) had entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(7), relating to the use of a credit card to purchase coins, tokens, or other forms of credit to be wagered on gambling games. DRA operates Q Sportsbook, a licensed advance deposit sports wagering operator. Mr. Ohorilko advised the violation stems from the incident in July where deposits were made via credit cards to a number of sportsbook operators in the State. In this situation, Q Casino was one of two companies that identified the deficiency and worked with Commission staff, who later recognized there were other operators within the state that had the same issue due to using the same payment processor, Sightline. He stated Q Sportsbook accepted two credit card payments amounting to \$600.00. He advised DRA has agreed to an administrative penalty in an amount up to \$10,000.

Mr. Dixon thanked Mr. Ohorilko for working with them on this matter. He noted Q Sportsbook immediately contacted Commission staff upon discovering the issue and requested leniency as it relates to the fine. He stated they are building a culture of compliance, and took immediate action to address and correct the situation once they became aware of the issue.

Commissioner Burkhart asked Mr. Ohorilko if this situation is what lead to the discovery of the issues in previous Stipulated Agreements the Commission has dealt with on this matter. Mr. Ohorilko answered in the affirmative, and advised Q Casino and Bally Bet were two entities Commission staff was working with on compliance exercises in this area. Through work

performed by Q and Bally Bet, it was determined there was an issue, and additional investigation found that it could be traced back to Sightline.

Commissioner Olsen stated the situation was unfortunate and was not Q's fault; however, the Commission does have to take action. He stated the Commission is appreciative of how Q handled the matter.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the Stipulated Agreement, and taking mitigation steps taken by the facility into consideration, recommended an administrative penalty of \$5,000. Commissioner Olsen seconded the motion, which carried unanimously.

Twin River Management Group, Inc.: Mr. Ohorilko advised this Stipulated Agreement is for a similar situation. Commission staff has entered into a Stipulated Agreement with Twin River Management Group, which operates Bally Bet, for a violation of Iowa Code § 99F.9(7) relating to the use of credit cards to purchase coins, tokens, or other forms of credit to be wagered on gambling games. This situation stems from the July incident where deposits were made via credit cards at a number of sports wagering companies. Mr. Ohorilko stated Bally Bet notified the Commission on July 2, 2021 that there was a potential issue. After further investigation, it was determined that Bally Bet had accepted eight credit card transactions totaling \$1,100. As a result, Twin River Management Group, Inc. has agreed to an administrative penalty up to \$10,000.

Philip Sicuso, legal counsel for Twin River Management Group, Inc., stated the company appreciates the privilege to do business in Iowa, and takes its regulatory responsibility very seriously. He stated the company immediately shut down all debit card transactions processed through the third-party provider until they could determine what took place. He stated they have put checks and balances in place that are performed on a monthly basis to ensure there are no further errors.

Commissioner Campbell asked if there have been any challenges since this incident. Mr. Sicuso indicated there had not. Mr. Ohorilko concurred with the response.

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

PUBLIC COMMENT: Wes Ehrecke, Executive Director of the Iowa Gaming Association (IGA), distributed copies of two collateral pieces the IGA provides to legislators. The pie chart shows how the Legislature allocates gaming tax revenues, which was approximately \$275 million for FY 2022. The other piece highlights the amenities at the 19 casinos across the state and touts the \$1 billion impact on the state from the Buy Iowa First program, wages and benefits, charitable distributions, and the tax revenue.

Commissioner Horbach complimented Mr. Ehrecke on the quality of the information, and asked why \$2.3 million goes to the General Fund. Mr. Ehrecke advised it used to be about \$60 million,

but the Legislature now earmarks the funds for these other areas. He noted the funds and the amounts they receive have changed over the years. Commissioner Horbach stated he likes the revenues going to dedicated funds as it allows individuals to see what the funds are being used for.

Jon Moss, Executive Director of the Iowa Horsemen's Benevolent and Protective Association (IHBPA), stated his comments were related to the horse racing study. He noted the Commission has awarded studies to two different vendors when looking for economic impact studies on the casino industry. He stated the two vendors who made presentations today bring unique perspectives, and suggested the Commission award the study to both vendors as the end reports could provide a unique perspective. Mr. Moss stated he has known John Hernandez for many years, and has also known Doug Reed, as he was one of his instructors when he attended the University of Arizona.

Mr. Moss stated he feels the amount of time to complete the study is too short and suggested if at all possible that the length of time to complete the study be extended. He noted the extensive in-depth study for the New York Racing Commission took over a year to complete.

ADMINISTRATIVE BUSINESS:

Approval of Revised Division of Criminal Investigation Regulatory Fees for FY 2023: Mr. Ohorilko stated the revised schedule is due to reversions to the industry and to some changes as a result of the end of greyhound racing. He stated the revised fees have been sent to the industry, but he has not received any feedback. He requested approval of the revised fee schedule.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell so moved. Commissioner Burkhart seconded the motion, which carried unanimously.

Horseracing Integrity and Safety Authority Voluntary Implementation Agreement (HISA): Mr. Ohorilko stated all state racing commissions have been given a specific period of time to decide if they will participate by opting in. HISA has assessed the Iowa racing industry \$1,040,576 if the state opts in. If state racing commissions opt in, the commissions would make the payment, and then collect the fee from the stakeholders as permitted under the federal law. If states do not opt in, the racetrack has to make the payment and has the authority to collect the fees from covered persons participating in racing. Mr. Ohorilko stated he does not believe the Commission has the authority to collect fees under current State laws as our budget is appropriated by the Legislature and the Commission does not have those kinds of funds available under the current budget. He stated there are other policy considerations as well. He recommended the Commission opt out of participating in HISA, but use our resources to conduct all of the duties and responsibilities that were outlined in the Voluntary Implementation Agreement by HISA. HISA is asking state racing commissions to perform a number of services under their direction, and Mr. Ohorilko believes the Commission is best equipped to do so in the state as we have been performing those duties and responsibilities for a number of years and feels the industry would like the Commission to continue to perform those tasks. Should the commission continue to perform the duties and responsibilities included in the Voluntary Implementation Agreement, the state would be eligible for a credit; the maximum amount Iowa is eligible for is \$400,000 plus a negotiated fee for additional investigations the Commission could conduct. Mr. Ohorilko noted the Commission's budget is

paid by the industry so Prairie Meadows, through regulatory fees, is giving the Commission the money to employ the staff that would conduct the duties and responsibilities outlined in the Voluntary Implementation Agreement. Mr. Ohorilko requested approval to opt out of the financial assessment agreement by HISA but attempt to work with HISA to utilize our resources to obtain the maximum amount of credit for the Iowa racing industry.

Commissioner Olsen noted that he, Commissioner Horbach and Mr. Ohorilko attended a meeting with Senator Grassley and Lisa Lazarus from HISA at Prairie Meadows. He felt Ms. Lazarus had indicated the fee would be a reduced amount, that they could operate for less money than that. He asked if the fee would be \$1 million and then there could be a refund.

Mr. Ohorilko concurred, noting that Ms. Lazarus indicated the assessment may be high, but it doesn't sound like HISA is willing to give the states a discount from the \$1,040,000 figure this year. It sounds like those additional expenses or costs will be less and could come in the form of a smaller assessment in future years. He noted there was some discussion about possibly negotiating a higher credit, and he advised he would still try to do as he feels the work the Commission does specific to drug testing during thoroughbred racing is actually more expensive than the credit received. He stated he still needs to have those discussions. He expressed concern that the work the Commission does is more than what is agreed upon in the Voluntary Implementation Agreement and could be the reason for the difference. He stated he will be seeking clarification on those matters. Mr. Ohorilko stated if the Commission follows through with this approach, he would sign the formal agreement and work with the Attorney General's Office to ensure the credits are specifically included in the agreement.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Burkhart moved to opt out of the financial assessment from HISA for 2023; but directed staff to attempt to enter into an agreement with HISA to utilize Commission resources in an effort to obtain the maximum credit available for Iowa stakeholders to cover the 2023 assessment. Commissioner Horbach seconded the motion, which carried unanimously.

ADJOURN: Hearing no further business to come before the Commission, Chair Andres adjourned the meeting.

MINUTES TAKEN BY:



JULIE D. HERRICK