

**IOWA RACING AND GAMING COMMISSION
MINUTES
JANUARY 26, 2023**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, January 26, 2023 at Diamond Jo Worth, 777 Diamond Jo Lane, Northwood, 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 advised that Prairie Meadows had requested to withdraw agenda item 13B(9). She requested a motion to approve the agenda as amended. Commissioner Campbell so moved. Commissioner Horbach seconded the motion, which carried unanimously.

WELCOME: Scott Smith, General Manager, welcomed everyone to the facility. He stated the property will celebrate it's 17th anniversary in April. He noted there have been many changes since that time, as well as since 2019 – the last time the Commission met at Diamond Jo Worth. Mr. Smith stated the team members' commitment to guests and the communities in which they live has not changed. He advised that would not happen without the team members, Boyd Gaming and Worth County Development Authority (WCDA). Mr. Smith introduced Becky Martinson from WCDA.

Ms. Martinson, past President of WCDA, thanked the Commission for coming to Northwood. She stated WCDA distributes grants in Worth County and the surrounding counties in multiple categories, which include culture, arts and recreation, community development, emergency services, health and human services, and tourism. Ms. Martinson advised WCDA has a unique focus on education, which sets them apart from other gaming non-profits in Iowa. WCDA's early dream was to have an impact on the education of the youth of Worth County. She stated that 46.5% of the funds distributed go toward education in various forms. WCDA provides funds for pre-school as well as a \$75 Back-to-School gift card for every K-12 student. Since 2007, WCDA has provided each qualifying high school senior with a scholarship to help cover the costs of higher education; in 2021, \$932,000 was distributed to 90 graduating seniors, \$10,363.21 was paid directly to the college, trade school or institution of learning of the student's choice. Funds were sent to Iowa State, University of Iowa, University of Northern Iowa, Kirkwood, North Iowa Community College, Iowa Central, Luther, Central College and Hawkeye Community College. Additionally, funds are distributed to the five school districts serving the majority of Worth County residents; three of the school districts are located outside of Worth County. Funds provided to those schools benefit all students attending those schools. Funds distributed to the schools are broken down into the following categories: physical plant and maintenance, staff development, equipment and technology, organizational fees and teacher funds so teachers do not have to pay for classroom supplies out of their own funds. Ms. Martinson stated none of the above would be possible without the success of Mr. Smith and the team members of Diamond Jo Worth, and the Commission's support by continuing to renew the license.

APPROVE MINUTES: Chair Andres requested a motion regarding the minutes from the November 17, 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 IRGC, advised there would be no meeting in February consistent with past years. The next Commission meeting will be on March 2nd at Prairie Meadows Racetrack & Casino (PMRC). Submissions for that meeting are due in the Des Moines Commission office by February 16th. He reminded the licensees that is the license renewal meeting, and asked that they notify their qualified sponsoring organizations to have a representative in attendance. Mr. Ohorilko stated the Commission would be meeting at Ameristar Casino in Council Bluffs on April 20th.

Mr. Ohorilko recognized the following staff members: Cory Kozelka, Gaming Representative at Casino Queen Marquette; and Jessica Grotewold and Kathy DeBower, Gaming Representatives at Diamond Jo Worth.

RULES: Mr. Ohorilko advised the first package before the Commission for final adopt, ARC 6542C, is the result of legislative changes. He advised since the September Commission meeting, IRGC has held a public hearing and appeared in front of the Rules Review Committee. Mr. Ohorilko stated there were no comments or concerns noted regarding this rule package.

The other rules package, ARC 6610C, is a mixed bag of policy changes and rules coming from the Racing Rules Task Force and statutory changes. A public hearing was held, and staff has appeared before the Rules Review Committee. Staff received comments from three stakeholders, and those changes which were considered non-substantive have been made; the word "immediate" was changed to "prompt". Mr. Ohorilko advised meetings were held with Wes Ehrecke from the Iowa Gaming Association to discuss the penalty guidelines and address concerns noted by the industry. Mr. Ehrecke was assured the Commission is not changing the floor. While the industry would prefer the changes not go forward, they do understand the need for the change.

Mr. Ohorilko requested approval of both rule packages.

Chair Andres stated the Commission would vote on each rule package individually, and requested a motion regarding the final adoption of ARC 6542C. Commissioner Campbell moved to approve the final adoption of ARC 6542C. Commissioner Horbach seconded the motion, which carried unanimously.

Chair Andres requested a motion regarding the final adoption of ARC 6610C. Commissioner Burkhart moved to approve the final adoption of ARC6610C. Commissioner Olsen seconded the motion, which carried unanimously.

CASINO QUEEN MARQUETTE, INC.: Sean Bateman, General Manager, and Andrew Anderson, Legal Counsel, were present to address the agenda items: Request for Approval of Remodeling Pursuant to 491 IAC 5.4(15) and Request to Convert the License to a Gambling Structure upon completion of the land-based facility.

Chair Andres noted the Commissioners had received a description of the project and pictures depicting the finished project.

Commissioner Horbach asked for a description of the transition from the existing casino to the land-based facility. Mr. Bateman stated that process has not been determined at this time, but they want to keep the existing facility operating while the transition takes place. Commissioner Horbach stated the Commission is proud of what Casino Queen is doing, and that it builds on the ambiance of the destination in Marquette and will help Iowa tourism. He thanked them for their effort on this project.

Hearing no further comments or questions, Chair Andres requested a motion regarding the remodeling request, and a second motion to convert the license to a gambling structure upon completion of the land-based facility.

Commissioner Horbach moved to approve the Request to Remodel pursuant to 491 IAC 5.4(15). Commissioner Olsen seconded the motion, which carried unanimously.

Commissioner Campbell moved to approve the Request to Convert the License to a Gambling Structure upon Completion of Project pursuant to Iowa Code § 99F.4D(2). Commissioner Olsen seconded the motion, which carried unanimously.

HARVEYS IOWA MANAGEMENT COMPANY, LLC: Thomas Roberts, General Manager, stated they were seeking approval of the Second Amended and Restated Sponsorship and Operations Agreement and a remodeling project, which is contained within the Sponsorship and Operations Agreement. He introduced Brenda Mainwaring, Chief Executive Officer of the Iowa West Racing Association (IWRA).

Ms. Mainwaring advised that PRMC and IWRA will be hosting a reception for all licensees, the Commissioners and staff, and QSO Board members on March 1st at AJ's Steakhouse at 5:00 PM. She stated this reception provides an opportunity for the QSOs to share their success stories and how they serve their communities.

Ms. Mainwaring requested the Commission's approval of the Second Amended and Restated Sponsorship and Operations Agreement between Harveys Iowa Management Company, LLC and IWRA. She noted the two have been partners since the 1990's and is one of the oldest partnerships in the state. She stated this renewal gave the parties the opportunity to thoroughly examine the myriad of previous agreements and amendments to determine how they apply to all of the changes that have occurred within the industry and community and to restate the relationship in one simplified document. She stated IWRA appreciates the conversations and negotiations that went into reaching this agreement. Ms. Mainwaring stated Harrah's is an important partner in Council Bluffs and the region as a whole. She stated the new agreement ensures that Harrah's and the community have the opportunity to succeed in the coming years. Ms. Mainwaring stated IWRA appreciates the investment that Harrah's has made and will continue to make in order to ensure the property and the community are a success in the region.

Mr. Roberts called on Jeff Hendrix, Sr. Vice President and General Counsel for Regulatory Compliance for Caesars Entertainment. Mr. Hendrix stated they are pleased to show their commitment to all of the stakeholders in Iowa. He noted since Caesars acquired the property in July 2020, the company has invested substantial capital to improve the property, and the plan before the Commission today will bring the property up to the level Caesars expects at all of its properties and provide great amenities for the customers. Meetings with Commissioners and staff in July 2021 and November 2022 resulted in \$9 million in capital investments in the property. The project being presented today will cost approximately \$22 million in additional capital spend for additional guest amenities. Mr. Hendrix showed several slides showing how Caesars has improved several “first impression” items for guests arriving on property; they have added a Slice Pizzeria and are in the process of adding a Guy Fieri restaurant. A plan to refresh the 251 hotel rooms slated to commence in 2024 has been moved up to 2023 subject to receiving the necessary regulatory approvals and will be completed in 2024, which will exceed the timeline contained in the new agreement with the IWRA. This will cost approximately \$12 million. Additionally, they are going to expand the gaming floor to allow for an additional 200 slot machines, representing a 40% increase in gaming capacity at Harrah’s. The new gaming space will add approximately 4,000 square feet of gaming space and include a new Sports Book area. Mr. Hendrix stated they continue to invest in the Stir Cove venue, which brings entertainment acts to the Council Bluffs market. He indicated they have a great slate of acts scheduled for 2023. Mr. Hendrix stated the project before the Commission is a strategic reimagination of the property. He thanked everyone that worked on the project and is pleased to present the project on behalf of Caesars Entertainment to show their commitment to Iowa and the property.

Commissioner Olsen expressed the Commission’s appreciation for the presentation and commitment; the project represents what the has been asked of Caesars.

Commissioner Campbell thanked everyone for their effort on bringing this to fruition.

Chair Andres requested a motion to approve the remodeling request. Commissioner Olsen moved to approve the remodeling project as submitted by Harveys Iowa Management Company, LLC. Commissioner Burkhart seconded the motion, which carried unanimously.

Chair Andres requested a motion regarding the Second Amended and Restated Sponsorship and Operations Agreement with IWRA. Commissioner Burkhart moved to approve the Second Amended and Restated Sponsorship and Operations Agreement as presented. Commissioner Campbell seconded the motion, which carried unanimously.

DUBUQUE RACING ASSOCIATION, LTD. (DRA) D/B/A Q CASINO: Alex Dixon, Chief Executive Officer of DRA, requested approval of a remodel project. He noted he moved to Dubuque a little over a year ago, and is excited about the potential on Schmitt Island and Dubuque. He expressed appreciation for their partnership with the Diamond Jo and Boyd Gaming. He stated even though the two facilities compete for customers, they collaborate to make an impact on the community. Mr. Dixon advised DRA received a Department of Transportation RAISE grant to help improve accessibility to the island, and are hopeful they will receive a Destination Iowa grant to help with the racetrack connected to the casino. He stated they are doing everything they can

to put their best foot forward. He recognized Brian Rakestraw, Chief Operating and Financial Officer. Mr. Dixon advised it has been approximately 15 years since any large scale remodeling to the property, and Mr. Rakestraw has been instrumental in the process.

Mr. Rakestraw advised the DRA Board recently approved a \$75 million expansion/remodel at the property which will be done in five phases; they are seeking approval for Phase 1 today. Phase 1 will create a temporary casino by remodeling and connecting the upper casino and old racing grandstand area. Upon completion, the entire casino floor will be transitioned to the temporary casino area and the lower casino area will be closed to the public. Phase 2 will consist of remodeling the existing lower casino and the entertainment area. Once that is done, all of the gaming equipment will be moved back to the newly remodeled casino from the temporary casino. Phase 3 will be the remodeling of the temporary casino into a family entertainment zone for all ages with restaurants, arcade games, and banquet facilities for parties and corporate events. Phase 4 is the construction of a new hotel tower with a roof-top restaurant that will overlook the Mississippi River and downtown Dubuque. Phase 5 will include remodeling the facility façade, landscaping, parking and outdoor signage. Mr. Rakestraw stated the entire project would be completed by the summer of 2025.

Mr. Rakestraw stated part of the Destination Iowa grant, if received, would be utilized to demolish the kennel compounds and racetrack and make it one big grass field and create an amphitheater overlooking the Mississippi River.

Mr. Rakestraw requested approval to commence Phase 1 of the remodel project.

Commissioner Campbell asked if the plan is to complete all five phases by 2025. Mr. Rakestraw answered in the affirmative.

Chair Andres asked if there would be any shut down period with the temporary casino. Mr. Dixon advised there would not; if they receive Commission approval today, construction will commence on February 7th and last for a couple months. He stressed the importance of minimal disruption due to the revenues generated, along with the contributions from the Diamond Jo, for the city's operating budget.

Commissioner Campbell expressed his appreciation for DRA leveraging the RAISE grant as he is aware of how difficult they are to apply for and the process is highly competitive. He stated the fact they received the grant is a big compliment to the project.

Mr. Dixon reiterated they will submit the necessary RTA requests, but stated they will be back before the Commission every year with Lease amendments to insure funds are being distributed appropriately.

Commissioner Horbach moved to approve the remodeling plan referred to as Phase 1 as submitted by the Dubuque Racing Association, Ltd. Commissioner Campbell seconded the motion, which carried unanimously.

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

IOC Bettendorf, L.C.: Nancy Ballenger, General Manager, presented a contract with C3 d/b/a Charles Attal Presents for Entertainment Programming Services (OSV). She stated the property takes a 2-prong approach to entertainment. She noted they book local artists and Iowa vendors at the property level. The contract before the Commission is for national acts. They have a large venue capable of seating around 1,500 people. This vendor is able to book the national acts and the facility has had success with them in the past.

Commissioner Burkhardt thanked Ms. Ballenger for the explanation on utilizing an out-of-state vendor. Commissioner Burkhardt moved to approve the contract as presented by IOC Bettendorf, L.C. Commissioner Olsen seconded the motion, which carried unanimously.

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

- Insight Direct – Computer Networking Equipment and Hardware
- Interior Image Group – Interior Design Fees for Hotel Remodel (OSV)

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

SCE Partners, LLC: Doug Fisher, General Manager, presented a contract with Blankenship Paint + Glass for a sliding door replacement (OSV).

Chair Andres congratulated Hard Rock Hotel & Casino Sioux City on receiving some awards from Midwest Gaming Readers' Choice Awards. They received seven first place awards in several areas, third place overall, and second in hotel rooms. Mr. Fisher stated it was great their team members received recognition for their hard work and dedication.

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

HGI-Lakeside, LLC: Marc Estrada, Director of Finance, presented a contract with Couristan, Inc. for the purchase of Foundation Pads and Carpet/Freight.

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

Catfish Bend Casinos II, LLC: Rob Higgins, General Manager, presented a contract with BI US, LLC (VizExplorer) for Software Services & Support related to Slot Analysis, Player Development & Market Analysis (OSV).

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

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

- Sysco Iowa, Inc. – Primary Food Vendor
- PepsiCo – Property Soft Drink Vendor
- Kabrick Distributing – Beer Products
- Lake Liquor Wine & Spirits – Primary Provider of Beer/Wine/Liquor
- NU Concepts – Casino Entertainment Booking Agency, including Bands and Specialty Entertainment
- Henkel Construction – General Contracting

Mr. Smith stated he didn't want to be left out of the conversations regarding capital spend, and advised the RTA with Henkel Construction out of Mason City is for the construction of a new restaurant that will have 146 seats and will be located in what was the buffet area, which was closed during Covid. He stated they are looking at starting construction in early April. Mr. Smith stated this is just one phase of items that Boyd Gaming and Diamond Jo Worth are committed to in capital spend. He noted a new burger restaurant was opened in the former Burger King space, and will continue to develop eating spaces that patrons and community members will want to visit. There will also be upgrades to the property as well.

Commissioner Campbell asked if there were timelines for the future updates referenced by Mr. Smith. Mr. Smith stated the Woodfire Grille would be refreshed in the next 2-3 years. There will be some work to enhance the outside of the building, new carpeting, and the Big Wheel Bar. He stated Boyd Gaming is committed to keeping the property fresh.

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

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

- Sysco Iowa – Food and Beverage Purveyor
- Lime Rock Springs – Pepsi Products Provider

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

Dubuque Racing Association, LTD d/b/a Q Casino: Mr. Rakestraw presented the following contracts for Commission approval:

- Blue Cross Blue Shield – Employee Health Insurance
- City of Dubuque – First Amendment to Second Amended and Restated Lease Agreement
- Conlon Construction Co. – Contractor for Phase 1 of the Casino Remodel
- DLR Group Inc. – Professional Design Services
- Encova Insurance – Worker’s Compensation Insurance

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

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

- Davis Equipment Corp./Turfwerks – Jacobsen SLF530 Ride on Mowers
- Global Payments Gaming Services, Inc. – ATM Processing Service Agreement (OSV)
- Global Payments Gaming Services, Inc. – Cash Advance Credit and Debit Card Processing Agreement (OSV)
- Global Payments Gaming Services, Inc. – Check Guarantee Agreement (OSV)
- Global Payments Gaming Service, Inc. – Kiosk & ATM Equipment Purchase and Software License Agreement
- Global Payments Gaming Services, Inc. – Kiosk & ATM Hardware and Software Maintenance & Support Agreement (OSV)
- Nu Concepts, Inc. – Entertainment Booking Agency

Chair Andres noted the language in the Iowa Code states that when “technologically available, the licensee shall ensure that a person has the ability to restrict their access to cash.” She stated the Commission believes the Global Payment system does not have that capability, and asked if the Elite properties have talked with them on the issue. She asked what kind of assurances the properties have received concerning the issue.

Mr. John stated the contract with the current vendor expires at the end of May. He stated they have two solutions in place: the Global Payment kiosks will do the cash advance transactions and the NRT ATMs will provide those services. After that, they will move to the Global Payments solution. He stated they are working very closely with them on the implementation of a self-excluding process for the ATM machines. He stated they have not been provided a timeline at this time, but Global Payments is aware the Elite properties need that process as soon as possible. Global Payments is keeping them apprised of the process, and once they are made aware of a timeline, the Gaming Representatives at the facility as well as Commission staff will be provided the information.

Chair Andres asked if he felt that would be accomplished within the year or 12 months. Mr. John reiterated they have not been provided a timeline but the properties are in constant communication with Global Payments and anticipates having an update during the first quarter to share.

Commissioner Burkhardt noted the contracts are for a long duration – going through 2032. She asked if the facilities have a way out of the contract if Global Payments does not fulfill their promises to the Elite properties to make the self-exclusion technology available.

Mr. John stated if there is no out for that reason contained in the contract they would not have a way to get out of the contract. He advised Global Payments has been a great partner for many years, has great integrity as a company, and provides guest service expertise expected at the Elite properties. They don't feel this will be an issue. Mr. John noted they have the technology for cash advance and check cashing which is currently in place. He stated Global Payments is familiar with the Code and the requirements in Iowa.

Commissioner Campbell asked what mechanism the Elite properties would utilize to implement the self-exclusion process since it won't be available on the Global Payments machines.

Mr. John stated it is currently provided on the NRT kiosks which will be in place through May. They hope to receive some updates from Global Payments in the near future, but the self-exclusion process is not currently technologically available for the ATM portion of the Global Payment kiosks in place.

Chair Andres stated the Commission could table these contracts until additional information is available. She stated it is apparent Riverside is confident Global Payments will get the self-exclusion technology in place before the deadline. She asked if Mr. John thought they could get an update if they circled back with Global Payments. Mr. John stated Global Payments is aware this is a high priority for the Elite properties. Chair Andres stated the Commission doesn't want to interrupt implementation.

Commissioner Burkhardt asked Mr. Ohorilko if the Commission is upholding the statute if the Commission is aware the technology is available but not currently available with this particular vendor. Mr. Ohorilko noted the technology is available in this market, and there are other operators that provide it; however, it is not available for the ATM machines from Global Payments. It would depend on how the Commission interprets the statute. He noted it is a concern for Commission staff that Global Payments is behind other vendors in the industry. Elite has been made aware of those concerns.

Chair Andres noted the Commission had had some discussions on conditioning their approval on these contracts, but are unable to do so because of the signed contract. The length of the contract is also causing some concern for Commission members. Mr. John stated the Elite properties take the Iowa Code and Administrative Rules very seriously, and Global Payments knows that. They have been in conversation with them almost every week since this summer.

Commissioner Olsen asked if there have been any issues or instances with this technology in the past where there has been a problem. Mr. Ohorilko stated it is difficult to say because if the technology isn't available, someone wouldn't have the ability to restrict or exclude themselves from accessing cash. He noted there are different mechanisms other than the statewide self-

exclusion process where people have the ability to limit their ability to gamble and that would be one of their options.

Commissioner Horbach stated the issue is complicated and is not where the Commission likes to be with contracts. He stated the Commission is reviewing the contract after it has been signed and they have some issues with it. He stated he would be comfortable if Mr. John, on behalf of the Elite properties and whether or not the Commission approves the contract today or not, would give the Commission a commitment that he will go back to Global Payments and convey the Commission's concerns. Mr. John gave his commitment that he would convey the Commission's concerns to Global Payment and provide their response.

Sharon Haselhoff, General Manager at Grand Falls Casino Resort, LLC, asked if Elite asked Global Payments to add an addendum with a 12-month commitment to get the technology in place if that would be acceptable. Commissioners Horbach and Olsen answered in the affirmative. Ms. Haselhoff stated they would get an addendum from Global Payments and forward to Mr. Ohorilko.

Commissioner Campbell stated he would move to approve the contracts as submitted by Riverside Casino and Golf Resort, LLC with an addendum from Global Payments with regard to the self-exclusion technology. Commissioner Olsen seconded the motion, which carried unanimously.

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

- Global Payments Gaming Services, Inc. – Check Guarantee Agreement (OSV)
- Global Payments Gaming Services, Inc. – Cash Advance Credit and Debit Card Processing Agreement (OSV)
- Global Payments Gaming Services, Inc. – ATM Processing Service Agreement (OSV)
- Global Payments Gaming Services, Inc. Kiosk & ATM Equipment Purchase and Software License Agreement (OSV)
- Global Payments Gaming Services, Inc. – Kiosk & ATM Hardware and Software Maintenance & Support Agreement (OSV)

Mr. John noted these are the same five contracts just discussed for Riverside.

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

Grand Falls Casino Resort, LLC: Sharon Haselhoff, General Manager, presented the following contracts for Commission approval, and stated they are the same as presented by Riverside and Rhythm City:

- Global Payments Gaming Services, Inc. – ATM Processing Service Agreement (OSV)
- Global Payments Gaming Services, Inc. – Cash Advance Credit and Debit Card Processing Agreement (OSV)

- Global Payments Gaming Services, Inc. – Check Guarantee Agreement (OSV)
- Global Payments Gaming Services, Inc. Kiosk & ATM Equipment Purchase and Software License Agreement (OSV)
- Global Payments Gaming Services, Inc. – Kiosk & ATM Hardware and Software Maintenance & Support Agreement (OSV)

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

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

- Continental Fire Sprinkler Company – Fire Pump, Fuel Pump and Control Panel Replacement
- HGM Associates, Inc. – Gaming Floor Expansion Design
- Interior Image Group – Interior Design Fees for Hotel Remodel (OSV)

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

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

- Omaha Neon – Sign Vendor
- Western Engineering Co. – Asphalt and Road Replacement/Repair

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

WILD ROSE CLINTON, L.L.C.: Steve Cody, General Manager at Wild Rose Emmetsburg, L.L.C., presented a Simulcast Wagering Agreement with the Horsemen of Iowa Simulcasting Association.

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

WILD ROSE EMMETSBURG, L.L.C.: Mr. Cody presented a Simulcast Wagering Agreement with the Horsemen of Iowa Simulcasting Association.

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

WILD ROSE JEFFERSON, L.L.C.: Travis Dvorak, General Manager, presented a Simulcast Wagering Agreement with the Horsemen of Iowa Simulcasting Association.

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

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

Request for Approval of the 45-Day Plan for the 2023 Mixed Meet: Mr. Heldt advised the 45-day Plan is for the upcoming race meet which starts on May 12th and ends on September 30, 2023. The first twenty days are thoroughbred-only races, with quarter horses starting on June 18th.

Commissioner Campbell asked for an update regarding the track superintendent position. Mr. Heldt stated they have been in discussions with one individual since last November, and he has a conference call later today to determine whether that individual is accepting the position. He noted there are a couple of other individuals which are possibilities, but they are working with one individual specifically at this time for the position. Commissioner Campbell requested PMRC keep Commission staff updated.

Chair Andres asked when PMRC needed that individual to start. Mr. Heldt advised the position should be filled and able to start between the middle and end of March as the barns open and training begins in early April. He noted they did a lot of work with the Racing Safety Testing Lab in Kentucky in the fall regarding the material for the racetrack. Chair Andres asked if the individual would be on staff by the next meeting. Mr. Heldt stated he is hopeful.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the application for season approval and the contents contained within contingent upon:

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

Commissioner Burkhart seconded the motion, which carried unanimously.

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

- American Express – Corporate Credit Cards for Travel Purposes Only (OSV)
- Aristocrat Technologies – Oasis Software for Slot Database Management (OSV)

- City Supply – Plumbing Supplies
- ConvergeOne – Communications Equipment and Service
- Des Moines Steel Fence – Fence Installation and Repair
- DirecTV – Satellite Television Programming Fees
- Global Payments – Casino Guest Check Cashing /Kiosk Purchase/Maintenance (Extend term from 2025 to 2026) (OSV)
- Global Payments – Credit & Debit Card Services – Revenue Agreement (Extending term by 1 year from 2025 to 2026) (OSV)
- Networks Inc. – Computer Equipment
- Sportech/Global Tote US – Pari-Mutuel Wagering Totalisator Services (OSV)
- The Printer Inc. – Printing Services
- United Tote Company – Pari-Mutuel Wagering Totalisator Service (OSV)
- Wolf Construction Services – Roof Repair

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

Commissioner Campbell asked for an update regarding the contract between PMRC and the Horsemen's groups. Mr. Palmer stated PMRC sent a letter back to the Iowa Horsemen's Benevolent and Protective Association (IHBPA) advising PMRC agrees with everything except one item, which is giving 50% of the simulcast money to the horsemen. Mr. Palmer stated that is not on the table from their perspective. Commissioner Campbell asked if the conversations would be coming to a head soon. Mr. Palmer stated they hope so. Commissioner Campbell asked if consideration had been given to bringing in an outside arbitrator. Mr. Palmer answered in the negative, stating his belief that the parties can reach an agreement. He stated PMRC has never given 50% of the simulcast money to the horsemen, and have no intention of doing so as it is an unreasonable request.

Commissioner Burkhart asked how the letter affects conversations regarding purse amounts and the payments that are related to HISA. Mr. Palmer stated it is a matter of waiting to see what HISA does. He advised PMRC had a discussion with HISA on the previous day and feels HISA has some decisions to make as far as distribution regarding pro-rata share as to who gets what. Mr. Palmer stated they have also talked with the IHBPA and the two groups will discuss how to pay for any assessments when they arrive.

HEARINGS:

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.4(22) (Self-Exclusion). The Self-Exclusion Resolution requires an upload and download of information from the licensee's system to the Racing and Gaming Commission system once every seven days. Mr. Ohorilko advised there was an incident on May 27, 2022 where an individual signed up to enroll in the program at Diamond Jo but the information was not provided to the Commission until June 4th, one day after the grace period. Mr. Ohorilko stated Diamond Jo, LLC has acknowledged the violation and

agreed to an administrative penalty between \$5,000 and \$20,000. He noted Diamond Jo, LCC has not had any previous incidents of self-exclusion violations in the last 365 days and longer than that.

Ms. Runde assured the Commission the property takes their regulatory responsibilities very seriously, and it is extremely important to everyone. She stated there were some things surrounding this incident the Diamond Jo team did extremely well. She noted that on Friday, May 27th at 5:31 PM, a guest requested to be self-excluded. At 6:01 PM on the same evening, there was an Internal Contact Report, which is used by the Security Department to report tracking, in her in box from the Security Supervisor indicating a self-exclusion had been administered and that the Security Manager had attempted to upload the information into the state-wide system; however, since this person was self-excluding for the second time, the form had to be sent to Commission staff to be entered into the system. She noted there is nothing difficult or confusing about that; it was just what the system limitations were at that time. Ms. Runde noted the team had attempted to upload the information; the report further noted that it had been forwarded to the appropriate contact at IRGC so it appeared everything was under control. She advised their internal policy is that they download the system twice a week. On Tuesday, May 31st, the Marketing Director ran his download and found the individual had self-excluded at the property but was not in the database. The Marketing Director contacted the Security Manager letting them know that form had not been processed, and was informed that it had been sent to Commission staff. On Saturday, the Marketing Director did the second download for the week, and still didn't see the individual on the list. He again talked to the Security Manager, who then sent a follow-up email to IRGC staff to request an update. On Monday, June 6th, IRGC staff advised the Security Manager they did not have a record of receiving the email. At that time, it was discovered the original email was never sent. Ms. Runde noted the team attempted to get the individual into the system in a timely manner, and their process caught the issue twice internally, but staff didn't verify before trusting. She also noted the email was being sent to one person instead of a group. Today, the self-exclusion system has been updated so the property is able to enter a reinstatement so this situation should not happen again.

Commissioner Olsen thanked Ms. Runde for her thorough explanation of what occurred.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the Stipulated Agreement with Diamond Jo, LLC with an administrative penalty of \$5,000.00. Commissioner Burkhart seconded the motion, which carried unanimously.

Wild Rose Emmetsburg, L.L.C.: Mr. Ohorilko stated Commission staff and Wild Rose Emmetsburg, L.L.C. had entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion). He noted the program requires an upload and download to the IRGC statewide self-exclusion system once every seven calendar days. An individual completed the Voluntary Self-Exclusion Facility Enrollment form at Wild Rose Emmetsburg on February 5, 2022. The information was provided to the Commission on February 16, 2022, which was approximately four days late. Mr. Ohorilko stated Wild Rose Emmetsburg, LLC has agreed to an

administrative penalty between \$5,000 and \$20,000. He advised Wild Rose Emmetsburg has not had any prior incidents in the past 365 days and longer than that.

Mr. Cody stated the management team and staff take regulatory items very seriously. He noted the facility would not be in this situation if a phone call had been made. Mr. Cody stated the individual signed up to be self-excluded, but failed to include a phone number. The individual responsible for doing the upload/download took the form back to Security to attempt to get the phone number. He stated other situations came up and the matter got pushed back and by the time the 7-day time limit came up, staff made a phone call to IRGC and found there was a way to upload/download the form without a phone number.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Burkhart moved to approve the Stipulated Agreement with Wild Rose Emmetsburg, L.L.C. with an administrative penalty of \$5,000.00. Commissioner Campbell seconded the motion, which carried unanimously.

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

Horseracing Integrity and Safety Authority: Mr. Ohorilko stated pursuant to the Horseracing Integrity and Safety Authority (HISA), state racing commissions may submit a request to HISA for an exemption from the prohibition in the regulations against the use of Lasix in covered horse races other than two-year old covered horses and stakes races. He stated the exemption may be requested for some or all of the three-year period. Mr. Ohorilko recommended that the Commission request an exemption from HISA for the use of Lasix for 2023, and revisit the issue in subsequent years for possible future requests. Mr. Ohorilko requested approval to start the process.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen noted the implementation of HISA has been a difficult process for everyone, and feels this is a good step for the Commission to take.

Commissioner Olsen moved to direct staff to request an exemption with HISA from the prohibition in section 3055(d) of HISA regulations against the use of furosemide in covered horseraces as permitted in the Act for 2023. Commissioner Burkhart seconded the motion, which carried unanimously.

Notice of Iowa Race Horse Aftercare Fund: Mr. Ohorilko stated this is the newly created fund under Legislation passed in 2022. He noted there is approximately \$13,677 available for distribution this year. Interested and eligible parties should submit their application to the Des Moines Commission office by 3:30 PM on February 20th. The proposals will be considered at the March Commission meeting and funds distributed at that time.

Mr. Ohorilko stated the Request for Proposal related to a study on Horseracing with regard to the overall status of racing, which the Commission felt was important based on conversations with

stakeholders last spring, has been cancelled due to some concerns with a conflict and lack of a competitive process. He noted Commission staff will be meeting with the Department of Administrative Services to restart the process and attempt to get the process moving. He stated he would have additional information at the March meeting.

Commissioner Burkhart, noting that Mr. Ohorilko had referenced previous stakeholder meetings and the cancellation of the RFP and study, asked if it would be in the Commission's best interests to have those meetings with the industry this year as well and inquired if they could be added to the March or April meeting. She requested that he speak with industry representatives to see if there is any interest and get the meetings scheduled. Mr. Ohorilko stated he would make the necessary contacts to have those conversations.

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

MINUTES TAKEN BY:



JULIE D. HERRICK