

IOWA RACING AND GAMING COMMISSION

MINUTES

JUNE 15, 2023

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, June 15, 2023 at Isle Casino Hotel Waterloo in Waterloo, Iowa. Commission members present were Julie Andres, Chair; Daryl Olsen, Vice Chair; and members Amy Burkhart, Mark Campbell and Alan Ostergren.

Chair Andres called the meeting to order at 8:30 AM. She welcomed Alan Ostergren to the Commission. Mr. Ostergren stated he is an attorney in private practice in Des Moines and runs a non-profit called The Kirkwood Institute. Prior to that, he served as the Muscatine County County Attorney/Assistant County Attorney for 23 years. He stated he is excited to work with the Commission, the industry and community members interested in what is occurring within the gaming industry.

APPROVE AGENDA: Chair Andres stated the Commission had received a request to remove Agenda Item 9A – the hearing for Casino Queen Marquette, Inc. She requested a motion to approve the agenda as amended. Commissioner Ostergren moved to approve the agenda as amended. Commissioner Campbell seconded the motion, which carried unanimously.

APPROVE MINUTES: Chair Andres requested a motion regarding the minutes from the April 20, 2023 Commission meeting. Commissioner Burkhart moved to approve the minutes as presented. Commissioner Olsen seconded the motion, which carried unanimously.

WELCOME: Chad Moine, General Manager, welcomed everyone to Waterloo. He stated the property and all year one employees will be celebrating their 16th anniversary at the end of the month. He noted there have been several successes, some challenges and a lot of transitions over the years. They have recently added a non-smoking section to the casino floor, converted the buffet to a pizza restaurant, and expanded the arcade. Additional renovations include the addition of outside seating for The Brew Brothers restaurant, and hotel renovation starting in the fall. Mr. Moine stated the property is hopeful the Lost Island Amusement Park and Lost Island Water Park will mature in the next few years so they can become a resort destination for the Cedar Valley as well as a top resort destination for the State of Iowa and Midwest region as a whole. He introduced Mayor Quentin Hart and Emily Hanson, Executive Director of Black Hawk County Gaming Association (BHCGA).

Mayor Hart thanked the Commission for their efforts in their role as Commissioners. He advised the partnership between City of Waterloo and Isle Casino Hotel Waterloo has been one of the most transformational partnerships in the community. He noted someone once made the comment “The last person out of the room, turn off the light.” He stated the City turned on the lights on the 4th Street bridge, which were made possible by a partnership between the BHCGA and Mid America to transform the bridge into a tapestry of synergy. He noted the bridge has been thought of as a place of divide in the city, but is now a place to gather. Mayor Hart stated over the last 16 years, BHCGA has provided over \$20 million to the city, with another \$16.5 million has been reinvested through the work of the Waterloo Development Corporation. He stated there have been over 80

projects funded during that time frame. Examples in the various areas include the Cedar Valley Sportsplex, River Lights Experience, improvements at the Waterloo Convention Center and Young Arena in downtown Waterloo; multiple park and recreation projects; in the Arts & Entertainment area, funds have gone toward the Riverloop Expo, the Waterloo Public Library MakerSpace, and Phelps Youth Pavilion PlayScape; Public Safety – body cameras for the Waterloo police department and a rescue boat for the Waterloo Fire Department; and Infrastructure – University Avenue reconstruction enhancements and Jefferson/Commercial streetscape improvements. Mayor Hart advised the City of Waterloo received national and state awards for the University Avenue project. Due to the funds received from BHC GA, the City of Waterloo has seen approximately \$200 million of economic development. Mayor Hart stated Waterloo is a bright place for people to come live, work and play.

Ms. Hanson welcomed the Commission and industry representatives to Waterloo. She took a moment to recognize BHC GA board members in attendance. Ms. Hanson stated since 2017, BHC GA has partnered with the Isle Casino Hotel Waterloo to reinvest \$70 million into the Cedar Valley, which represents 691 different projects in 51 communities across the service area. She stated BHC GA tends to collaborate with cities and non-profits to invest in large capital infrastructure projects that have the ability to make the Cedar Valley a better place to live, work and play; 63% of the projects funded have qualified as legacy projects which exceed \$500,000 of investment by BHC GA. Ms. Hanson showed a short video highlighting some of the projects funded over the last year. She noted that BHC GA receives 5.75% of gaming revenues; however, their agreement with Isle Casino Hotel Waterloo calls for 25% to go to downtown Waterloo via the Waterloo Development Corporation. Ms. Hanson stated BHC GA will continue their partnership with Habitat for Humanity to continue to help with housing issues.

Chair Andres thanked Ms. Hanson for the tour on Wednesday and the informative presentation.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, stated the next Commission meeting will be Friday, July 7th at Prairie Meadows Racetrack & Casino. Submissions for this meeting are due in the Des Moines office by June 22nd. He advised the meeting will start at 2:30 PM. Commission members will be attending the races that evening. The August meeting will be held on August 24th at Riverside Casino & Golf Resort. There is no meeting in September.

Mr. Ohorilko advised the date for the March 2024 meeting has been changed to Tuesday, March 5th. He noted this is the license renewal meeting.

Mr. Ohorilko introduced Shelly Sturch and Barry Hoover, Commission Gaming Representatives assigned to the Isle Casino Hotel Waterloo property, and thanked them for their work on behalf of the Commission.

CATFISH BEND CASINOS II, LLC: Rob Higgins, General Manager, presented the amended License and Operations Agreement with Southeast Iowa Regional Riverboat Commission (SIRRC). He stated Catfish is proud of the relationship the two entities have and works very hard to maintain a strong relationship with SIRRC. He requested approval of the amendment, which extends the agreement for another ten years.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Burkhart moved to approve the Substituted Southeast Iowa License and Operations Agreement as submitted. Commissioner Ostergren seconded the motion, which carried unanimously.

BETFRED SPORTS (IOWA) LLC: Sharon Haselhoff, General Manager at Grand Falls Casino Resort, LLC, presented the second amendment to the Sports Wagering Operating Agreement with BetFred Sports (Iowa) LLC. The second amendment expands on property sports wagering operations to Riverside Casino & Golf Resort, LLC and Rhythm City Casino, LLC. She advised the confidential terms of the agreement are in the amendment. Ms. Haselhoff stated BetFred has been a wonderful partner to work with, and has invested a lot into the Grand Falls facility. She stated Elite Casino Resorts is excited to expand the BetFred operations to Riverside and Rhythm City. Ms. Haselhoff requested approval of the second amendment to the agreement.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the 2nd Amendment to Sports Wagering Operating Agreement as presented. Commissioner Burkhart seconded the motion, which carried unanimously.

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

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

- Cardinal Construction – General Contractor
- North American Video – Surveillance System Parts and Service (OSV)

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

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

- Brockway Mechanical & Roofing – Roof Replacement of the Ballasted EPDM Roofs @ the Event Center and Retail/PointsBet Areas
- Konami Gaming, Inc. – Software Services & Support Related to Interface with Viz Explorer (OSV)

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

Rhythm City Casino, LLC: Ms. Haselhoff presented a contract with Werner Restoration Services for Mitigation and Mold Remediation Services (OSV).

Commissioner Campbell asked how the remodeling was going. Ms. Haselhoff stated they are utilizing a couple of hotel rooms for the spa, and work has commenced in the spa area.

Commissioner Campbell moved to approve the contract as submitted by Rhythm City Casino, LLC. Commissioner Burkhart seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Ms. Haselhoff presented a contract with USA Entertainment Agency as an Entertainment Booking Agency.

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

Riverside Casino & Golf Resort, LLC: Damon John, General Manager, presented a contract with Nu Concepts, Inc. d/b/a USA Entertainment as an Entertainment Booking Agency.

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

Ameristar Casino Council Bluffs, LLC: Brandon Smith, Senior Vice President of Marketing, presented the following contracts for Commission approval:

- Metropolitan Entertainment & Convention Authority (MECA) – CHI Health Center Arena Suite Agreement (OSV)
- Metropolitan Entertainment & Convention Authority (MECA) – CHI Health Center Club Seat Agreement (OSV)

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

SCE Partners, LLC: Mike Adams, Assistant General Manager, presented the following contracts for Commission approval:

- Thompson Electric Co. – Electrical Projects and Maintenance
- Maurer Sign & Design – Refacing Signs around the Property
- Comp Trading – Promotional Items (OSV)
- LinPepCo (Pepsi Cola of Siouxland) – Beverage Supplier

Commissioner Burkhart asked for additional information regarding the contract with Comp Trading. Mr. Adams stated SCE Partners sources the products with various vendors and tries to remain as consistent as possible. He stated they solicit bids from AJR Equities, an Iowa vendor, and have had discussions with Power Promotions and other promotional marketing vendors about the importance of moving operations into Iowa. Additionally, they have tried to bid some of the

promotional items with vendors located in Sioux City, but they are unable to produce the specific items requested. Some of the drivers behind selection can be continuity for the patrons or costs.

Commissioner Burkhart asked what specific products are part of the contract. Mr. Adams stated it depends on what products are presented. In this particular instance, it is an ice cream maker that goes for four weeks. He stated SCE Partners reached out to the other vendors for product/pricing. Sometimes they are unable to come up with the same product, or the price difference enters into the decision.

Chair Andres stated the pricing on the ice cream maker popped out to her as well as the pricing between the Iowa vendor and non-Iowa vendor were so close. She asked if AJR was offered the opportunity to match the price or if they elected not to do so. Mr. Adams stated the items are not exactly the same, so there could be a more attractive item in the package selected that they feel will drive more business. He stated the items are not always the same from vendor to vendor.

Commissioner Campbell moved to approve the contracts as submitted by SCE Partners, LLC. Commissioner Ostergren seconded the motion, which carried unanimously.

HGI-Lakeside, LLC: Marc Estrada, Director of Finance, presented the following contracts for Commission approval:

- Brewer Meats, Inc. – Purchase of Food and Kitchen Supplies
- Central Credit LLC – Check Cashing Services (OSV)
- Pepsi Beverages Company – Non-Alcoholic Beverages for Restaurant and Casino
- Sapphire Manufacturing, Inc. – Purchase of Lighting Fixtures for Lakeside Renovation Project (OSV)
- Waste Management of Iowa – Waste Removal from Property
- WHO 13 – Advertising
- Everi Payments, Inc. – Player Kiosk Machines & Software (OSV)

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

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

- HGM Associates, Inc. – Design & Architecture for Hotel Remodel and Gaming Floor Expansion
- Pinnacle Construction – Construction for Hotel Remodel and Gaming Floor Expansion Projects

Commissioner Olsen asked how things were going at the property. Mr. Roberts advised the Guy Fieri's restaurant opened approximately 3 weeks ago; the response has been phenomenal. It has drawn some cash business in from Nebraska. He indicated there are steady covers every day. The

Stir Cove concert series has commenced, and has had two sold out shows to date. The old “Slice Down” area renovation has commenced, which will expand the gaming floor. Mr. Roberts stated they hope to have that project completed in approximately three months. The plan is to start taking hotel rooms off-line in the fall to start the hotel renovation.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the contracts as submitted by Harvey’s Iowa Management Company, LLC. Commissioner Ostergren 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:

- Cummins-Allison Corp. – Repairs/Maintenance of Equipment
- The Aaron Group – Promotional Items
- Trane Co. – HVAC Equipment

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

Prairie Meadows Racetrack & Casino, Inc. (PMRC): Mr. Ohorilko stated no one was present to represent the facility. He noted the two contracts before the Commission are with Iowa vendors. The Commission can either decide to move forward or defer action on these contracts.

Commissioner Olsen stated he had talked with Gary Palmer, General Manager of PMRC, who indicated he had undergone shoulder surgery and would not be able to attend. Commissioner Olsen moved to approve the contracts as submitted by PMRC. Commissioner Burkhardt seconded the motion, which carried unanimously.

PUBLIC COMMENT/HEARING: As there was no Public Comment, Chair Andres moved to the Hearings. Mr. Ohorilko noted there was one Stipulated Agreement before the Commission today; the other one listed on the agenda will be on the July agenda.

Mr. Ohorilko stated Commission staff and Bally Management Group, LLC have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) pertaining to the statewide self-exclusion requirements. On January 6, 2023, Bally Bet downloaded information from the statewide self-exclusion database. The next download should have occurred on January 13th; however, it was not completed until January 23rd, about ten days longer than what is required by the Commission’s Resolution. Mr. Ohorilko stated Bally Management Group has acknowledged the facts of the case and that it constitutes a violation of Iowa Code § 99F.9(7). Bally Management Group has agreed to an administrative penalty in an amount from \$5,000 to \$20,000. Mr. Ohorilko advised this is the first violation of this nature for Bally Management Group in the past 365 days.

Allie Bartlett, outside counsel for Bally Bet for Iowa, expressed sincere regret on Bally’s behalf for the inadvertent violation of Iowa Code § 99F.4(22) resulting in the failure to timely download

the information from the self-exclusion database. She stated that while this is the first occurrence of this nature, Bally has taken intentional steps to ensure no similar situations arise in the future. Ms. Bartlett expressed appreciation for Commission staff working with them on this matter, and acknowledged the privilege of holding a license in Iowa.

Commissioner Campbell asked for an explanation of the steps put in place to prevent this situation from re-occurring. Ms. Bartlett stated she could also provide follow-up information with additional detail. She stated this is a manual process for Bally Bet, so the situation occurred due to human error. She stated Bally Bet has instituted additional training steps, and will continue to reinforce the process on a regular basis to ensure everyone is informed and able to perform the requisite download.

Commissioner Burkhart asked if there are multiple individuals who are able to complete this task. Ms. Bartlett stated she did not know for certain, but feels there are. The training would be an ongoing process for anyone involved in the process.

Commissioner Ostergren stated he feels it is important for the public to know that when the Commission levies a fine the funds do not go into the Commission's budget, but are deposited into the State's General Fund. He requested Stipulated Agreements include that language going forward.

Commissioner Ostergren moved to approve the Stipulated Agreement with Bally's Management Group, LLC in the amount of \$5,000.00. Commissioner Campbell seconded the motion, which carried unanimously.

ADMINISTRATIVE BUSINESS:

Approval of Regulatory Fees for FY 2024: Mr. Ohorilko advised the proposed regulatory fees for the Commission and the Division of Criminal Investigation (DCI) are included in the Administrative packets, and have been distributed to the industry. He stated the Legislature sets the appropriations for the Commission and DCI. The schedules before the Commission establishes the allocation for each licensee. He stated Commission staff has responded to some questions, but there were no material concerns expressed by the industry. Mr. Ohorilko requested approval of the regulatory fees as presented.

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

Mission Statement: Mr. Ohorilko stated the language before the Commission is a change to the Commission's Mission Statement. He stated the current version has been in place for over 20 years and has not been reviewed or discussed since the Commission was established. He feels the statement needs to be updated to better reflect the current status of the gaming, racing and wagering industry in Iowa. Mr. Ohorilko stated staff has worked with Commission members and legal counsel on the proposed wording.

Mr. Ohorilko read the proposed Missions Statement:

The mission of the Iowa Racing and Gaming Commission (Commission) is to administer the laws and rules for gambling and wagering in Iowa in order to ensure the integrity of licensees and their operations, maintain public confidence in regulated gambling and wagering activities in Iowa, and promote economic development for the citizens of Iowa.

The Commission carries out this mission by enforcing laws and rules for the wagering public and industry, as well as ensuring industry participants are adhering to responsible gaming practices, promoting the highest quality of sustainable operations, promoting public safety, providing quality entertainment, investing into Iowa goods and resources, encouraging the hiring of Iowans, and requiring reinvestment in facilities and amenities located in Iowa.

Mr. Ohorilko stated the verbiage would be updated on the Commission's website and other materials.

Commissioner Burkhardt commended staff for putting the Mission Statement together, as she feels Commission members struggle to explain what it is they do and this revised statement encapsulates their roles.

Commissioner Ostergren offered a couple of small changes, but also expressed his support for the revised Mission Statement.

Legislative Update: Mr. Ohorilko stated the 2023 Legislation session was a light year, and there was nothing that specifically impacted the Commission. He advised that HF 681, the Youth Opportunities Employment bill, impacts the industry as it provides some additional employment opportunities for individuals under the age of 18 in some of the non-gaming areas. It will not necessarily impact any of the Commission's rules and regulations.

ADJOURN: Hearing no further business to come before the Commission, Chair Andres adjourned the meeting.

MINUTES TAKEN BY:



JULIE D. HERRICK