

**IOWA RACING AND GAMING COMMISSION  
MINUTES  
JULY 7, 2023**

The Iowa Racing and Gaming Commission (IRGC) met on Friday, July 7, 2023 at Prairie Meadows Racetrack & Casino in Altoona, Iowa. Commission members present were Julie Andres, Chair; Daryl Olsen, Vice Chair; and members Amy Burkhart, Mark Campbell and Alan Ostergren.

**APPROVE AGENDA:** Chair Andres called the meeting to order at 2:30 PM and requested a motion to approve the agenda. Commissioner Campbell moved to approve the agenda as presented. Commissioner Ostergren seconded the motion, which carried unanimously.

**WELCOME:** Gary Palmer, General Manager, welcomed the Commission to the facility. He advised he was informed the hotel would be turned over to them in three weeks with the conclusion of the remodeling of the rooms. Mr. Palmer stated they will be happy to have all of the hotel rooms available to them again. He stated they are in the process of painting the exterior of the building and replacing the escalators; next year they plan to re-carpet the casino floor.

Mr. Palmer advised the Hall of Fame Induction ceremony would commence at 4:00 PM and conclude at 5:00 PM, and extended an invitation to attend.

**APPROVE MINUTES:** Chair Andres requested a motion to approve the minutes from the June 15, 2023 Commission meeting. Commissioner Ostergren so moved. Commissioner Burkhart seconded the motion, which carried unanimously.

**ANNOUNCEMENTS:** Brian Ohorilko, Administrator of IRGC, stated the next Commission meeting would be held at Riverside Casio & Golf Resort on August 24<sup>th</sup>. Submissions for that meeting are due in the Commission's Des Moines office by August 10<sup>th</sup>. The Commission will meet at the Hard Rock Hotel & Casino in Sioux City on October 5<sup>th</sup>. Commission members and staff will have dinner and stay overnight at Grand Falls Casino in Larchwood on October 4<sup>th</sup>.

**REQUEST FOR APPROVAL OF REMODELING PURSUANT TO 491 IAC 5.4(15):**  
**HGI-Lakeside, LLC:** David Monroe, General Manger, requested approval of the casino renovation project, which will include new carpet, lighting and wall coverings for the gaming space as well as renovations to the casino cage/guest service center and casino bars. The estimated cost of the project is \$1.7 million with a start date within the next four weeks. Mr. Monroe stated the project would be completed in four phases to minimize disruptions to ongoing operations and guests; each phase will take four to five weeks to complete. The contractor for the project is Edge Commercial, an Iowa-based company.

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

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, requested approval for the remodeling of the AmeriSports Bar, which also serves as the sportsbook. The area will be converted to a Barstool Sportsbook at an approximate cost of \$700,000. This project is in addition to regular capital expenditures. Mr. Czak advised the project includes new flooring, lighting, replacement of the bar, removal of the stage, and replacing the video wall. This project will allow the sports betting kiosks to be consolidated into one area. Estimated time for completion is approximately six weeks; the restaurant will be closed for two weeks. During that time, the sportsbook will operate out of the cage. While the restaurant is being remodeled, Bella's will be open for dinner to minimize disruptions for guests. Mr. Czak stated the project would be completed prior to football season.

Commissioner Olsen noted there was a division between the front and back of the restaurant. He asked if the dividing wall would be left in place or removed to open up the space. Mr. Czak advised there is one giant video wall on each side of the wall. He stated the dance floor and stage would be removed and one large video wall installed. Mr. Czak stated the initial project was done around 2019.

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

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

Riverside Casino & Golf Resort, LLC: Damon John, General Manager, presented a contract with Kluesner Construction, Inc. for asphalt overlay and repair of parking and roadway areas.

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

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

- Baxter Construction Company – Consulting/Construction (RP)
- Brockway Mechanical & Roofing Co. – Consulting/Construction (RP)

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

IOC Black Hawk County, Inc.: Chad Moine, General Manager, presented a contract with Miller & Co., LLC for professional services – purchasing agent fees (OSV).

Commissioner Campbell, noting it is a corporate purchasing agreement, asked what has been done to utilize Iowa-based vendors. Mr. Moine advised this request is related to the hotel remodel and Caesar's utilizes the company for purchases in order to maintain consistency in their hotel rooms

company-wide. He stated he felt the company did reach out to some Iowa vendors to determine if they could get the required items.

Chair Andres noted the Request for Transaction Approval form indicates this is a necessary/specialized source, and inquired if the product is logoed. She requested more specific information. Mr. Moine stated this is for furniture for the hotel rooms. Chair Andres asked if the purchase is just because it matches the other furniture. Mr. Moine stated it would match the furniture at all of the other Caesar's properties.

Chair Andres stated Commission members have been reading and reviewing what they consider their obligation with regard to the utilization of Iowa vendors where possible. They want to make sure they are performing properly with regard to the Commission's rule. Mr. Moine stated the contractor for the overall project is an Iowa vendor. He stated the majority of the project would be completed with Iowa vendors with the exception of the PPE for the hotel rooms. Chair Andres asked if this contract represents a small percentage of the overall project. Mr. Moine answered in the affirmative; he indicated this would be for end tables, chairs and some light fixtures.

Commissioner Burkhart asked the total scope of the hotel renovations. Mr. Moine stated he thought it was around \$8 million.

Commissioner Campbell moved to approve the contract as submitted by IOC Black Hawk County, Inc. Commissioner Olsen seconded the motion, which carried unanimously.

SCE Partners, LLC: Doug Fisher, General Manager, presented a contract with Trane for a HVAC Building automation system.

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

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

- ABC Electric, Inc. – Upgrade Existing Lighting
- HGM Associates, Inc. – Architectural & Engineering Consultant
- JCJ Architecture – Casino Design Services (OSV)
- Live Nation Worldwide, Inc. – Digital/Social Media Campaigns; VIP Prizing/Promotions; Concert Sponsorship

Commissioner Burkhart asked Mr. Czak about the contract with JCJ Architecture as the request specifically states no Iowa vendors were considered due to it being a corporate negotiated contract. Mr. Czak stated JCJ is the company that has built the last six new casinos for Penn and has the knowledge as to how the new facility would look. He advised the overall project will cost several million dollars, and the majority of the vendors for the project will be Iowa vendors. He indicated the design fee would be approximately \$100,000. Commissioner Burkhart stated the request

before them is for \$500,000. Mr. Czak stated the higher amount is to allow for any contingencies that may occur.

Commissioner Ostergren moved to approve the contracts as submitted by Ameristar Casino Council Bluffs, LLC. Commissioner Campbell seconded the motion, which carried unanimously.

Prairie Meadows Racetrack and Casino, Inc.: Mr. Palmer presented a contract with Century Link (Lumen Technologies) for internet services.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Burkhart moved to approve the contract as submitted by Prairie Meadows Racetrack and Casino, Inc. Commissioner Olsen seconded the motion, which carried unanimously.

**REVIEW OF HORSEMENS ORGANIZATION'S FINANCIAL AUDITS:**

The Iowa HBPA, Inc. and The Iowa HBPA Benevolent Trust: Jon Moss, Executive Director, stated 2022 was the first year for the Horseracing Integrity and Safety Authority (HISA) regulation; they paid \$68,000 toward implementation costs but did not make a final payment in December. He stated the other big item for 2022 was the Legislature allowing the Iowa HBPA to simulcast races at casinos. The license was transferred from the Iowa Greyhound Association to the Horsemen of Iowa Simulcasting Association. Mr. Moss advised the Iowa HBPA worked with the organization and loaned it money to become operational. He noted the funds received in 2021 decreased due to the pandemic; however, they increased in 2022. The number of registered Iowa inspected foals last year was 170; as of this date, there are 206 Iowa inspected foals – an increase of 22%.

Mr. Moss stated the Iowa HBPA and The Iowa HBPA Benevolent Trust were formed to help the horsemen. They have developed relationships with a local medical facility, and now have a mobile dental unit that comes onsite to provide dental care. They have also formed a backside enrichment group, which has hosted functions on the backside to promote a welcoming inclusive environment for the workers. Mr. Moss advised they have also instituted an Elite Class related to the Elite Program, which are classes, practical applications and testing to increase the knowledge of the grooms on the backside in the proper care of the horses.

Commissioner Ostergren asked about if there was overlap between The Iowa HBPA and the Horsemen of Iowa Simulcasting Association. Mr. Moss answered in the affirmative. Commissioner Ostergren asked how many independent directors there were. Mr. Moss advised there were none at this time. Commissioner Ostergren asked for additional information regarding the loan agreement between the two entities. Mr. Moss stated the loan agreement was part of the background investigation performed by the Iowa Division of Criminal Investigation. He advised there is a formal agreement between the Iowa HBPA and the Horsemen of Iowa Simulcasting Association; the hope is to have the funds repaid in the next 2-3 years. There are three casinos currently offering simulcasting.

Iowa Quarter Horse Racing Enterprises, Inc. d/b/a Iowa Quarter Horse Racing Association; Tom Lepic and Troi Mulford, Executive Director and Treasurer respectively, were present to address the financial audit. Ms. Mulford advised the only thing different from last year's audit is that the

Commission had requested to see the previous year in order to facilitate a comparison. The auditor did make the requested change.

Commissioner Campbell noted it was a clean financial audit.

Mr. Lepic noted there were questions asked about marketing during the review of the audit last year. He stated the organization took the comments to heart. The Board of Directors gave him additional funding to travel to visit with horsemen about racing at PMRC. They also hosted two dinners for individuals working on the backside. He stated the number of horses on the backside is 15% higher than last year; they have run more races and are averaging about 3.7 races per day. Mr. Lepic noted there were some races with only 5 horses last year; there have been none this year. Last year, there were 6.25 horses per race; this year the average is 7.65 horses per race. Mr. Lepic noted PMRC hosts four regional races for the Bank of America Challenge races. Last year, there were 46 entries in the four races; this year through July 1<sup>st</sup>, there are 76 horses entered in the races. He stated by the time the quarter horse meet concludes, they will have seen an increase of 20% in the number of horses in stalls. He stated the backside is full. He thanked Mr. Moss for his efforts on the backside and including the IQHRA in those efforts.

Iowa Harness Racing Association: Jeff Carey, President, advised there were 235 Iowa-registered foals as of last week. There will be 35 race dates at ten different tracks. There will be a race at What Cheer this coming weekend with 165 horses entered to race. He advised 90% of the purse money is paid to individuals who live and train in Iowa. Mr. Carey stated the organization started a You Tube channel last year and it has been very successful for them.

**HEARINGS:**

Casino Queen Marquette, Inc.: Mr. Ohorilko advised Commission staff and Casino Queen Marquette have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion). He stated Casino Queen Marquette downloaded the updated information from the self-exclusion database on November 23, 2022. The next download should have occurred on November 30<sup>th</sup>; however, it was not completed until December 1<sup>st</sup>. Mr. Ohorilko stated Casino Queen Marquette management has indicated they have coached the team member who failed to insure the download was completed as required, and have implemented a plan to ensure the list is downloaded timely going forward, specifically, they are downloading the information twice per week. Mr. Ohorilko stated Casino Queen Marquette has agreed to an administrative penalty between \$5,000 and \$20,000. He advised this is the first violation of this nature for Casino Queen Marquette in the last 365 days. The administrative penalty will be credited to the General Fund for the State.

Mr. Bateman advised the facility takes this situation very seriously. He noted November 23<sup>rd</sup> was the day before Thanksgiving, and staff downloaded the list a day earlier than normal. At this time, the facility was only downloading the information once per week. They are currently downloading the information at least twice per week, sometimes more to make sure this situation does not occur again. He stated he receives an email reminder every week to follow up with the marketing team to ensure the process is completed. He feels the necessary steps have been implemented to prevent future violations.

Commissioner Campbell asked if there was more than one person who is able to complete the process. Mr. Bateman answered in the affirmative, and stated they are also looking at training the compliance or security managers as well.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Burkhardt moved to approve the Stipulated Agreement with Casino Queen Marquette, Inc. with an administrative penalty of \$5,000.00. Commissioner Olsen seconded the motion, which carried unanimously.

Churchill Downs Technology Initiatives Company d/b/a TwinSpires: Mr. Ohorilko stated Commission staff and Churchill Downs Technology Initiatives Company d/b/a TwinSpires have entered into a Stipulated Agreement for a violation of Iowa Code § 99D.7(23) (Self-Exclusion) and 491 IAC 8.6(3)“a”, which requires a licensee to provide immediate notification of an incident to commission staff. The Resolution for the Iowa Voluntary Self-Exclusion Program requires the information to be uploaded and downloaded at least once every seven days. Mr. Ohorilko advised TwinSpires downloaded the updated information on October 14, 2022. The next download should have occurred on or before October 21, 2022, but was not completed until October 28, 2022. Mr. Ohorilko noted the incident was not immediately reported to the Commission; it was reported after Commission staff conducted an audit of the statewide self-exclusion system. He noted no self-excluded individuals were able to register for an account during that timeframe. He stated TwinSpires has implemented additional controls and policies to ensure this situation will not occur again by enhancing their Risk Management procedures. Mr. Ohorilko stated TwinSpires has agreed to an administrative penalty between \$5,000 and \$20,000, which will be credited to the Iowa Race Horse Aftercare Assistance Fund. This is TwinSpires first offense of this nature in the last 365 days.

Andrew Silver, Corporate Counsel, stated TwinSpires received their license in December 2022 and put a process in place to ensure multiple employees had access to the self-exclusion database and receive notifications each week regarding the download. He advised on the date of the missed download all three employees were out of the office unexpectedly. Should all three happen to be out of the office at the same time, they will be contacted by Risk Management. These individuals will have the ability to initiate the download remotely. Mr. Silver stated the individuals responsible for reporting the missed download incorrectly felt they did not need to report the incident to the Commission as no self-excluded individuals had registered with TwinSpires during the timeframe in question.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the Stipulated Agreement with Churchill Downs Technology Initiatives Company d/b/a TwinSpires with an administrative penalty of \$7,500 due to the additional circumstances other than the missed download and upload of the self-exclusion database. Commissioner Ostergren seconded the motion, which carried unanimously.

**PUBLIC COMMENT/ADMINISTRATIVE BUSINESS**: None

**ELECTION OF CHAIR AND VICE CHAIR:** Commissioner Burkhart nominated Daryl Olsen to serve as Chair and Mark Campbell to serve as Vice Chair for the upcoming year. Commissioner Ostergren seconded the motion, which carried unanimously.

Mr. Ohorilko recognized outgoing Chair Andres for her service as Chair for the past two year. He presented her with a plaque which read: Julie Andres – In Appreciation of Your Service as Chair of the Iowa Racing and Gaming Commission – June 3, 2021 – July 7, 2023. Mr. Ohorilko thanked Commissioner Andres for everything she has done for the Commission the last two years.

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

MINUTES TAKEN BY:

  
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JULIE D. HERRICK