

**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 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 Burkhart 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 Burkhart 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

**IOWA RACING AND GAMING COMMISSION
MINUTES
MARCH 2, 2023**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, March 2, 2023 at Prairie Meadows Racetrack and Casino (PMRC) in Altoona, Iowa. Commission members present were Daryl Olsen, Vice Chair; and members Amy Burkhart, Mark Campbell and Lance Horbach. Commissioner Julie Andres was absent.

APPROVE AGENDA: Vice Chair Olsen called the meeting to order at 8:30 AM, noting that it would be a long meeting. He stated the Commissioners enjoy this meeting as it provides an opportunity for them to ask questions of the operators and qualified sponsoring organizations. He requested a motion to approve the agenda. Commissioner Burkhart so moved. Commissioner Campbell seconded the motion, which carried unanimously.

APPROVE MINUTES: Vice Chair Olsen requested a motion regarding the minutes from the January 26, 2023 Commission meeting. Commissioner Campbell moved to approve the minutes as submitted. Commissioner Burkart seconded the motion, which carried unanimously.

WELCOME: Gary Palmer, General Manager of PMRC, introduced Michelle Wilke, Senior Vice President and Chief Administrative Officer. He advised the Commission would be seeing more of her due to the retirement of Ann Atkins.

Mr. Palmer welcomed the Commission, fellow colleagues and qualified sponsoring organization representatives to PMRC. He stated March 1st was the start of PMRC's 34th year in business; the opened on March 1, 1989 as the first horse track in Iowa, and had a grand re-opening on April 1, 1995 as the first racino in the nation providing horse racing with casino-style gaming. Mr. Palmer stated PMRC has not looked back and it has been a great experience. He thanked PMRC's patrons and employees for the success.

Mr. Palmer stated since 1996 PMRC has paid out \$2.2 billion to charitable organizations and in gaming taxes. In 2022, PMRC had over 2.2 million visitors, and the facility continues to be Iowa's number one tourist attraction since the 1990's. He stated they are constantly remodeling and refreshing the facility; they are currently remodeling the hotel which will be completed in June, and is a \$13 million investment. Additional projects include replacing all of the escalators at a cost of just over \$1 million, and repainting the exterior of the building. Prior to winter setting in, the roof was repainted. He stated PMRC averages between \$8 – 10 million per year on capital improvements. He stated that figure does not include the hotel renovation, escalators or the painting.

Mr. Palmer stated 2022 was the most successful revenue year of any year with \$235 million in gaming revenue; including ancillary income, revenue was just over \$270 million. He stated their Iowa economic impact report shows they purchased 97.44% of their purchases with Iowa vendors, or \$180.1 million spent for Iowa goods and services.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised the next Commission meeting would be on April 20th at Ameristar Casino in Council Bluffs. Submissions for that meeting are due in the Commission's Des Moines office by April 6th. He stated there is no meeting in May, with the next Commission meeting to be held at IOC Black Hawk County in Waterloo. Mr. Ohorilko stated the Commission would announce meeting dates for Fiscal Year 2024 at the April meeting.

SCE PARTNERS, LLC AND CHURCHILL DOWNS INCORPORATED: Lorraine May, legal counsel, was present to address the following agenda items:

Request for Approval of Financing pursuant to 491 IAC 5.4(8): She advised the final number came down to \$500 million.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell moved to approve the financing request as submitted under Agenda Item 5A. Commissioner Horbach seconded the motion, which carried unanimously.

Request for Approval of Application for Shelf Approval of Debt Transactions pursuant to 491 IAC 5.4(20): Ms. May requested approval of the shelf financing as presented.

Hearing no comments or questions, Vice Chair Olsen requested a motion. Commissioner Horbach moved to approve the application for shelf financing as presented by SCE Partners, LLC and Churchill Downs Incorporated. Commissioner Burkhart seconded the motion, which carried unanimously.

DIAMOND JO WORTH, LLC: Scott Smith, General Manager, requested approval for the remodeling of the buffet space into a Gastropub eatery at an approximate cost of \$3 million. He stated they are excited to start the project the first week of April. The restaurant will seat 146 and be open to all ages as there is full access off the gaming floor.

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

NATIONAL PROBLEM GAMBLING AWARENESS MONTH: Katrina Bee, CPS, Project Manager for the Office of Problem Gambling in the Iowa Department of Health and Human Services (Iowa HHS), presented a brief PowerPoint covering gambling behaviors, awareness of the State's program to provide treatment for gambling problems, and the prevention and treatment services available across the State. She advised the Center for Social and Behavioral Research at the University of Northern Iowa conducted a Use of Substances and Gambling Survey in 2021 with over 4,000 Iowans participating. The primary purpose of the survey was to collect data from adult Iowans who were 18 years old or older to assess their health and wellbeing, substance use and gambling behaviors, mental health and risk of suicide. Ms. Bee stated the data collected helps identify trends and helps in their decisions in determining what strategies to implement throughout the state. She covered the Your Life Iowa Resource Center. In SFY22, there were 1,569 contacts

(phone, text, or chat) to Your Life Iowa on problem gambling, and there were 1,241 referrals for assistance (804 in state and 437 out of state). In SFY22, over 100,000 were provided problem gambling prevention services, 319 received problem gambling crisis intervention treatment, and/or recovery support services and 15 hours of collaborative training opportunities were provided to the network of providers.

Ms. Bee stated they typically see an increase in the number of individuals seeking assistance in March which is likely due to increased media exposure and public speaking engagements.

Commissioner Horbach commented on the fact that one-third of calls coming into 1-800-Bets-Off are from out of state, and noted that Missouri's number is 1-888-Bets-Off. He asked if there was any correlation. Ms. Bee stated she would be happy to follow up and provide the requested information.

Commissioner Burkhardt noted the national number is 1-800-Gambler, and wondered if those calls make their way to the Iowa program. Ms. Bee answered in the affirmative.

Vice Chair Olsen asked how many people worked with this program. Ms. Bee advised it just her with the help of a temporary employee. He complimented her on her work

Commissioner Campbell also complimented her on her outstanding job and getting the resources/information out to the facilities and public.

IOWA GAMING ASSOCIATION: Wes Ehrecke, President, distributed the 2021 – 2022 report on the County Endowment Program Fund and grants by the casino non-profit organizations. He commented on the Legislature's visionary efforts in 2004 to provide every non-casino county a portion of the gaming tax revenue, which is unique in the casino industry. It started out at one-half of one percent, but is now eight-tenths of one percent. In 2022, each non-casino county received just over \$160,000. The Community Foundations in those counties are required to put 25% in a permanent endowment and the balance can be distributed in grants in any manner they choose. Each foundation has a separate board of directors to make those decisions. Beginning on page 51, there is a brief summary of the grants distributed by the casinos. Mr. Ehrecke stated the report provides the Legislature, Commission, media and public of the impact of this fund. In 2021 – 2022, the non-casino counties awarded \$10.7 million to 1,838 grant recipients. Since the inception of the program, 2,558 applications have been submitted seeking funding of \$21.2 million for various programs and projects.

EXCURSION GAMBLING BOAT AND GAMBLING STRUCTURE LICENSE RENEWALS (OSV = OUT OF STATE VENDOR; RP = RELATED PARTY): Vice Chair Olsen stated that during the license renewal process the Commission has the opportunity to ask questions of both the licensee and the non-profit organization. He stated if the questions make the licensees and non-profit organizations uncomfortable, the Commission is just trying to make things better as that is what they are appointed to do and to make sure that any deficiencies are addressed.

Iowa West Racing Association/Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, introduced Brenda Mainwaring, President of the Iowa West Racing Association.

Mr. Czak stated 2022 was another good year for the property, it was the second best revenue year in a row and non-gaming revenues increased approximately 20%, which is a good indication the property is working its way back to full operations pre-pandemic. He stated they increased the number of team members by 60 from 455 to 513, and payroll increased by \$4.37 million. He noted 36 team members were promoted to management positions at other casinos throughout the company. All team members received a service bonus for all four quarters for is the third year in a row. Ms. Czak stated Ameristar's economic impact show over \$50 million spent with Iowa vendors for the first time.

Commissioner Campbell asked about the facility's long term goals with Nebraska gaming facilities starting operations.

Mr. Czak stated there is some uncertainty with long term planning until they have a better understanding of what the market will look like after the full casinos are open, not just the temporary facilities. He noted the current facility is nearing the end of life, the boat is 27 years old; the company will be focusing on the next solution – what does it look like, where does it sit, and what is the scope. Mr. Czak stated they are already in discussions with Iowa West Racing Association (IWRA). He stated that is their #1 long-term challenge, but reiterated it is hard to commit to anything without a better understanding of what the market will look like.

Commissioner Horbach noted Ameristar is one of five casinos that had more admissions than the previous year. He asked Mr. Czak why he feels they had more admissions even though they are fighting Nebraska for customers. Commissioner Horbach stated admissions were 732,000, equal to the populations of Linn and Polk counties combined. He wondered if it is due to amenities, staffing, etc.

Mr. Czak stated their sports wagering facility is not located on the boat, so numbers would be higher than that. He stated that since re-opening there has been a drop off in patrons age 51 and up, but they have seen an incredible growth in patrons age 45 and under, mostly related to the sportsbook. He credited the sportsbook with helping to offset the decline and providing a new base going forward.

Commissioner Burkhart noted the facility has had increased calls to local law enforcement for two years in a row, and asked what the facility is doing from a security standpoint to curb that.

Mr. Czak advised for 10-12 years prior to the pandemic the facility had local Council Bluffs police officers on site Friday and Saturday nights who were able to handle the emergency calls; since the pandemic, the police department has not been able to provide those officers. Mr. Czak stated he anticipates the officers will return in the second half of this year. He stated there really hasn't been an increase in issues; now the facility has to call someone where there was a police presence on-site during the weekend previously.

Brenda Mainwaring, Chief Executive Officer of the IWRA, requested approval of the renewal of the operating license for Ameristar Casino Council Bluffs, LLC. She stated Ameristar is a great partner and IWRA is appreciative of the long-standing relationship between the entities. She stated Council Bluffs is fortunate to have Ameristar in the community. Ms. Mainwaring noted the Commission had asked the qualified sponsoring organizations (QSOs) to address funding for the past licensing year, funding initiatives for the next licensing year and the strategy for the distribution of gaming funds in the community or region.

Ms. Mainwaring stated in 2022 IWRA granted just over \$13 million to approximately 70 southwest Iowa and eastern Nebraska organizations that specifically serve the interests of southwest Iowa, an additional \$7 million in support of their general missions and expect to have similar allocations in 2023. She stated IWRA supports organizations and projects that contribute to communities where families love to live and businesses thrive. Grants are made at the direction of community advisors, board members and gaming representatives. Grants are focused on place making, education, healthy families, and economic development. Last year, IWRA conducted a year long strategic exercise with a lot of community input, Ms. Mainwaring stated she is looking forward to sharing the information and how IWRA will be shifting its focus to more of a community outcome process at the April Commission meeting. She stated their mission will be the same – to support communities in southwest Iowa.

Last year in place making, IWRA distributed \$6.1 million in grants, which included ski hills in Crescent in partnership with Pottawattamie County. Funds were also distributed to Little Sioux Camp, and the First Avenue Trail in Council Bluffs, which was recently mentioned in National Geographic as an important part of the Great American River Trail. In healthy families, IWRA contributed \$3.3 million in grants. They also do operating grants in this area that provides funds to non-profit organizations that allows them to do their work. Funds were provided to a permanent food pantry, expanded Early Head Start, and for the 15th year, gave more than \$1 million to the Area Education Association to make sure all 4-year olds in the county had access to all-day pre-school. A new focus starting last year and going forward is on housing. This area is not new to any of the QSOs nor is it news to anyone in the State that housing is huge issue. She noted grant organizations have focused on emergency services and homelessness, however, that doesn't solve the problem. Ms. Mainwaring stated IWRA is starting to focus on housing and how they can be present at all levels to make sure the root causes of homelessness are being addressed. In education, IWRA distributed \$2.9 million that included the Council Bluffs school district's Early Learning Center, which upon opening, will make Council Bluffs the first Iowa city to have universal pre-kindergarten; and completed the project with the Council Bluffs school districts for city-wide Wi-Fi access, and will move on to the Lewis Central school district this year. IWRA continued their scholarship support for first generation and non-traditional students. Going forward, IWRA will change their focus to career readiness, and have converted the scholarships to a portfolio of support programs developed in partnership with the school districts in Pottawattamie County, taking into account that the needs and interests of rural and urban school districts are different. In planning and economic development, \$500,000 was distributed which included entrepreneurial development. There is a program called "Kitchen Council", an incubator where food startups start, and supported Workforce Development through the Council Bluffs Chamber.

Ms. Mainwaring stated their grants will look similar in 2023, but IWRA will be working closely with their partners – the City, County, school districts, and non-profits to make sure IWRA is achieving their vision, not IWRA's. She stated all of their work is only possible through the support of their gaming partners and again requested approval of the gaming license.

Commissioner Campbell expressed his appreciation for all of the information. He noted the meeting with the QSO organizations the night before was amazing and provided an opportunity to learn about the diverse funding by the different organizations.

Vice Chair Olsen thanked Ms. Mainwaring for organizing the QSO event. He advised the Commission would be reading the motions regarding the license renewals due to the complexity of some of the motions.

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

Contract: Mr. Czak presented a contract with Penn Sports Interactive (PSI), which is an inter-company allocation change related to retail sports wagering revenue. (OSV) (RP)

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

Washington County Riverboat Foundation, Inc./Riverside Casino & Golf Resort, LLC: Damon John, General Manager, introduced Stephanie Sexton, the new president of the Washington County Riverboat Foundation, Inc. (WCRF).

Mr. John advised 2022 was the start of their 16th year of operations as “The Place to Live It Up” in eastern Iowa, and count themselves fortunate and privileged to hold a license. Riverside employs 650 dedicated employees, many of whom give back to their communities via the property's “Winning Hands” volunteer program, which just won “The Iowa Giving Back Challenge” for the fifth year. Operationally, Mr. John stated 2022 was a solid year for the property as overall operations remained steady to the prior year. Over the last five years, Riverside has reinvested over \$20 million in renovations and new technology to keep the property as modern and well-maintained as the day it opened in 2006 to drive tourism in the area. Beginning with the major remodel in 2018 and with the recently completed renovation of the Event Center, the efforts continue to impress the guests. Riverside's goal is to continue to focus on offering first class amenities and guest service and promote community pride and spirit. He stated as an Iowa-owned company, the property continues to follow the standards of excellence established by the founders, and not only reinvest in Iowa and the communities in which they operate, but also to help grow and support the local communities in which they operate. Mr. John stated new partnerships were

established with the University of Northern Iowa and University of Iowa to encourage students to continue their education with the goal of graduating and continuing their careers in Iowa.

In 2023, Mr. John stated the property is beginning preparations for their hotel remodel, which will update all of the hotel rooms over the next few years. The scope of the project includes new flooring, fixtures, technology and more. He noted the current hotel rooms are nice, however, the property has a high standard of quality and strives for excellence. The goal is to start the project in late fall or early winter. Riverside will continue to refresh the gaming floor by bringing the newest games on the market to the property. With regard to staffing, Mr. John stated 2023 is off to a great start, noting employment has stabilized over the prior year. He is encouraged by the length of employment of team members; 90 employees have been with the company since day one.

Mr. John noted one of the questions posed to the operators was what level or type of capital investment is important on a routine basis to maintain a competitive facility. Mr. John stated they will continue to focus and maintain a clean, well-maintained property by reinvesting in the property as well as reinvesting in the success of their employees and local community.

Ms. Sexton thanked the Commission for their support of the WCRF, which allows them to support so many inspired non-profits. She stated when WCRF considers grants, the Board is guided by, and committed to being the final piece in a project. She stated 2022 was very successful; WCRF was able to award 31 competitive individual grants totaling almost \$5 million, and an additional \$3 million in municipal grants to the eight cities in Washington County. Ms. Sexton stated Riverside, and especially the rural communities, are thriving and continue to grow because of the funds WCRF is able to provide. Ms. Sexton advised WCRF gave \$3 million to the second phase of the Washington County YMCA, and will receive naming rights. Additionally, \$630,000 was given to the expansion project for the Wellman Library, and over \$500,000 each to public service departments and school systems. Since inception, WCRF has distributed approximately \$35 million, and just over \$140,000 for building upgrades throughout Washington and Johnson counties, \$100,000 for the Eastern Iowa Red Cross Emergency Response vehicle, and \$10,000 for Golf for Injured Veterans Everywhere organization. To date, this organization has received approximately \$100,000. Ms. Sexton requested approval of the license renewal for Riverside Casino & Golf Resort, LLC so they can continue their partnership that has been so successful and uplifting for the communities throughout eastern Iowa and Washington County. The funds provided by WCRF are life changing and transforming, providing hope for the future.

Commissioner Burkhart asked Mr. John what challenges the property is facing. Mr. John stated they are still seeing supply chain issues, and the increasing cost of goods. He also noted the staffing challenges, which all of the properties are experiencing. Mr. John stated they have increased team wages and started offering new hires PTO, and have seen some success.

Commissioner Burkhart noted there was a significant decrease in incidents taking place at the property due to improved security. She asked Mr. John to address what steps were taken to obtain that result. Mr. John stated there were 117 incidents in 2021. They re-emphasized training with staff and made a concerted effort to make sure individuals who habitually showed up in incident

reports were removed from the property or had bans placed on them. Additionally, as staffing has stabilized, security officers are better equipped to deal with situations which also helped minimize calls to the Sheriff's Office.

Commissioner Burkhart complimented Mr. John on their cap ex for the previous year, and noted they were one of the properties where admissions were up and asked how that was achieved when the majority of properties saw a decline. Mr. John attributed the increase to the fact that all of their amenities are open; valet is open on the weekends. He also credited the Draft Day Sports Lounge.

Commissioner Horbach noted Riverside was one of three properties with higher revenue and admissions for 2022. He stated he is a firm believer that amenities play a role in those areas. He asked for a summary of what is open and what is not pre- and post-pandemic. Mr. John reiterated that all of their amenities are open that were open pre-pandemic. The buffet still has reduced hours; it is open Thursday through Sunday, and holiday Mondays. They do not envision that changing as there is no demand during the week.

Vice Chair Olsen commended Mr. John for Riverside's proactive approach, and the facility is seeing the rewards.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart 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, renew the license to conduct sports wagering to Riverside Casino & Golf Resort, LLC, and approve the facility's revised security plan included in the application. Commissioner Campbell seconded the motion, which carried unanimously.

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

- 7G Distributing Co. – Beverage Purchases
- Casey's – Gift Card Purchases for Marketing Promotions
- Edward Don & Company – Disposables, Smallwares Purchases
- Fortune Wisconsin, LLC – Specialty Food Purchases (OSV)
- The Home Depot Pro HD Supply – Environmental Service Supplies
- Iowa Alcoholic Beverages Division – Alcoholic Beverage Purchases
- King Food Service – Food Purchases
- Loffredo Fresh Produce Co., Inc. – Food and Produce Purchases
- Myers-Cox Company – Purchase of Cigarettes, Sundries, Candy and Chips
- Prairie Farms Dairy – Dairy and Food Purchases
- Sysco Food Services of Iowa – Food Purchases
- University of Iowa Hospitals and Clinics – Health Plan Medical Costs
- U.S. Foods – Food Purchases

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

Regional Development Authority/Rhythm City Casino, LLC: Mo Hyder, General Manager, introduced Matt Mendenhall, President and Chief Executive Officer of Regional Development Authority (RDA) and Steve Geifman, incoming Chair.

Mr. Hyder expressed his appreciation for the work RDA does in the community. From an operational standpoint and performance, Mr. Hyder noted 2021 was a record year as was 2022; however, gaming revenues were flat with the relaxation of Covid mitigation protocols in Illinois. He advised Rhythm City experienced good increases in non-gaming revenues, were successful in maintaining the largest share of the market in the Quad Cities area. Mr. Hyder attributed their success to their company values, passion to provide great customer service, commitment to the employees, great food and entertainment. He also stated reinvestment in the property is also critical, as is giving back to the community. He stated the property continues to experience procurement challenges, supply chain pressures, and low unemployment rates in the area. He indicated challenges will be mitigated or are resolving themselves, and advised the property is in a much better position than last year. For 2023, the goal is to continue to build on the successes from 2022 by continuing to grow the market and preserve their market share in the Quad Cities area. Mr. Hyder stated Rhythm City has projected an investment of \$1 million annually for 2024 through 2027 with an additional \$2 million for hotel renovations. He advised the hotel is six years old and is in good condition, but they feel it is necessary to renovate the hotel to maintain their position in the market. Mr. Hyder stated committed to growing the market and building a destination resort when they took over operations in the Davenport area in 2014, and feels they have succeeded. He stated in 2014, the market share was about 22%, and is now approximately 50%. Mr. Hyder noted there is some proposed gaming expansion in Illinois; however, the parent company, Elite Casino Resorts, has committed to spending \$50 million to expand the property. The expansion includes an expanded gaming floor which will hold an additional 150 slot machines, 140 hotel rooms, almost double the size of the event center, and create a state-of-the art sportsbook.

Mr. Mendenhall stated RDA distributed just over \$5 million in grants to 150 non-profits in the community, and another \$2.2 million to the City of Davenport and the Downtown Partnership for a total impact of \$7.2 million. He stated RDA is proud of their partnership with Rhythm City Casino and recognizes their significant impact on the local community, including contributions to local charities beyond the contract amounting to over \$460,000. Mr. Mendenhall stated Rhythm City is a great corporate citizen in the Quad Cities area. He noted the QSO arrangement in Iowa and their partnership with Rhythm City gives RDA the flexibility and capacity to support a wide range of community development efforts. For 2022, ten of RDA's capital project grants included public libraries, a new science center, a new human services campus, a new Junior Student Achievement facility, food bank expansions, wetlands restoration, affordable housing capacities, and a public park honoring Dr. Martin Luther King. Mr. Mendenhall advised RDA made commitments to their first \$1 million grants to the Figge Art Museum to help leverage Destination Iowa funds and the other to the City of Bettendorf and YMCA partnership. Funding initiatives for next year will be guided by community priorities identified by the RDA board, including

affordable housing, mental health, child care and life skills. These will not be the only areas funded, but RDA will explore how to make a bigger impact in those areas. Mr. Mendenhall stated RDA recently recorded eight panel discussions with experts in the affordable housing field and provided those recordings to other fundraisers in the area to increase awareness on this issue. He stated RDA provided over \$600,000 to fund affordable housing efforts in Scott County, which leveraged additional funds from outside Scott County. Mr. Mendenhall stated that during the pandemic, RDA took a leading role in Scott County to help prevent evictions resulting in a partnership with Iowa Legal Aid to help divert homelessness for 917 Scott County families. Mr. Mendenhall requested approval of the license renewal for Rhythm City Casino, LLC.

Commissioner Campbell noted the number of calls to law enforcement decreased in 2022 after a sharp increase in 2021. He asked what steps the facility took to make that happen.

Mr. Hyder stated the property has been fortunate to hire individuals for the Director of Security position who worked have worked in law enforcement, noting their previous Director of Security worked in the Davenport Police Department for about 34 years, and their most recent hire was the Chief of Police from the Davenport Police Department. He has brought a different perspective to the position, and is reviewing how the Security Department is operated and managed. They also increased the presence of law enforcement during key events when there are a significant number of people on property. He noted they do have law enforcement on site Friday and Saturday nights during the late hours, which helps to mitigate some issues.

Commissioner Horbach noted admissions at Rhythm City Casino were down almost 80,000 from the previous year, and expected to see a significant decline in revenues, but was surprised to see it was less than 1%. He asked Mr. Hyder to share what the facility did to attract the visitors they did.

Mr. Hyder stated it is a matter of strategy and how the property is operated in terms of leveraging the various amenities, and the quality of the customer that comes to the property. He noted the Covid policies were very restrictive in Illinois compared to Iowa, and as a result, Rhythm City Casino was able to capture a significant share of Illinois' decrease in business, and they have been able to retain some of that. They have also focused on continuing to capture business from the outer markets and focusing on the quality of the customer.

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

Worth County Development Authority/Diamond Jo Worth, LLC d/b/a Diamond Jo Worth: Mr. Smith stated 2022 was another great year for Diamond Jo Worth (DJW). He pointed out there is no real population base close to the facility; however, the property achieved over \$100 million in gaming revenue. Had the area not experienced some weather issues in November and December,

he feels revenues could have exceeded 2021 revenues. Mr. Smith stated the property was successful in reducing their turnover rate and increased the number of staff, adding 75 new team members. DJW was able to execute their capital plans, which included their slot capital investment in order to make sure the gaming floor is relevant, fresh and the right mix of games the patrons want to play. He noted over 90% of their revenue comes from slot play. Mr. Smith advised the burger restaurant that opened last year has been well received by the guests as have other capital improvements. He stated weather and staffing are always a challenge for the property, but team members are dedicated to providing exceptional guest service, which keeps guests returning to the property. Team members received a couple of bonuses in 2022 in recognition of their hard work. Mr. Smith stated the facility faces challenges and uncertainties with the potential for competition from Minnesota with regard to sports wagering, noting the availability of sports wagering has been a driving force in attracting guests from Minnesota to the property. For 2023, Mr. Smith stated the facility will remodel the buffet space and refresh the gaming floor along with some other floor improvements as well. He stated there are ongoing discussions regarding the exterior of the building, which was designed to fit the area when it first opened but believes it would look much different if the original owners would have had any idea how successful the property would be. Mr. Smith stated Boyd Gaming is committed to making the property more attractive to draw guests to the property and to continue being a leader in Iowa gaming.

Mr. Smith introduced Deb Hanson, Chief Financial Officer for Worth County Development Authority (WCDA). Ms. Hanson stated the 5.7% of gaming revenue income paid to WCDA has allowed them to do some tremendous things in the areas of educational and organizational grants. She thanked the Commission for coming to Northwood in January for their meeting, and noted she talked about the educational grants provided by WCDA. For their organizational grants, WCDA's focus is on culture, arts and recreation, community development, emergency services, health and human services and tourism. One of their community development projects is a new housing addition that will be completed in early fall. She advised WCDA partnered with one of their communities to help with the infrastructure costs to create a parcel of land that had 16 shovel-ready lots ready for purchase to build new homes in Northwood. She noted the last new housing addition in Northwood was in 1987. Another project is an art venue, which is in the beginning stages, but it will promote tourism as well as culture, and arts and recreation. There will be four focus areas in the venue: an art gallery, space for exhibitions, seminars and events, an outdoor area for music performances, a ceramics classroom and work space, and a glass blowing classroom and work space. She noted it will take a while for the project to come to fruition, but they are excited to have something like this available in the area. Ms. Hanson noted the annual grant packets that were distributed show all of the educational and organizational grants that were allocated in 2022. She stated WCDA's educational grants are still a high priority and their best tool to attract and train a quality workforce for the area. She stated the individual schools, and school districts, work together to make the funds go as far as possible. Last May, 90 graduating students received a \$10,363.21 scholarship to the college of their choice; Ms. Hanson advised the majority of those funds stayed in Iowa. She requested approval of the license renewal.

Commissioner Campbell noted the cap ex projected for 2022 was \$2.9 million, but the final number was \$1,529,000. He asked if the remainder of the projected cap ex for 2022 was going to be carried over into 2023 on top of the projected \$3.9 for 2023.

Mr. Smith stated DJW had hoped to execute more of the cap ex from 2022, but were unable to do so. He could not say if all of it would be added to what is planned for 2023, but indicated if they are able to execute some of the 2022 cap ex plans they will do so. In some cases, the expenditures are being reassessed and may be included in a larger project. Mr. Smith stated the renovation of Woodfire Grille has been paused due to the renovation of the buffet space into a gastropub.

Commissioner Campbell asked about floor improvements. Mr. Smith stated they have redone the gaming floor to make it more comfortable for the guests by reducing the number of slot machines and slot banks located on the floor. He stated Covid provided operators the opportunity to look at their gaming floors and better understand their customer base. Mr. Smith stated they have smaller slot banks; and the floor is not linear, providing more room for aisles. He stated patrons don't like to play the middle machines so they created circular or semi-round banks. Mr. Smith advised that moving the sportsbook to a larger area allowed DJW to handle the larger crowds coming to the facility to participate in that activity. He stated DJW has table games and the sportsbook that the Minnesota casinos are not able to offer. He stated people come to DJW because they feel safe, it's comfortable, and they don't get lost. Commissioner Campbell expressed his appreciation for DJW and the other operators focusing on quality versus quantity.

Commissioner Burkhart asked about the resumption of 24-hour operations noting that he had expressed hope that DJW would be able to resume that but are still closed for approximately 5 hours each day Sunday through Thursday from 3 AM to 8 AM. She asked Mr. Smith if they are still planning to resume 24-hour operations or if the current schedule is the new normal.

Mr. Smith stated they want to resume 24/7 operations; staffing in the first half of 2022 was not stable enough to do so but started to stabilize in the last half; however, when they do return to 24/7 operations, he wants to be sure they can be successful. He is hopeful he can come before the Commission in a couple of months and ask for approval to operate on a 24/7 basis. He noted that while staffing is up, there is some instability as there is still some non-loyalty among the team members resulting in call-ins. The facility needs to know they will be able to meet the staffing needs of the facility when it is open 24/7. He is confident that will occur in 2023.

Commissioner Horbach noted DJW lost 176,000 admissions in one year but the decline in revenue was less than 1%. He asked Mr. Smith who was not coming to the facility as most casinos are measured by their revenue numbers. He stated he sees a systemic long-term problem if the facilities are unable to draw customers back to the gaming floor.

Mr. Smith stated DJW did not see the low-end playing customers return as 2022 progressed. He indicated they did not change their marketing strategy from 2021 to 2022. He stated the focus is on guests that have the discretionary funds to continue to play. Mr. Smith indicated it is not necessarily one area over another. He concurred that a majority of their guests do come from Minnesota, but they are seeing the same thing with the Iowa guests as well.

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

Black Hawk County Gaming Association/IOC Black Hawk County, Inc.: Chad Moine, General Manager, introduced Emily Hanson, Executive Director of the Black Hawk County Gaming Association (BHCGA).

Mr. Moine stated 2022 was a good year for Isle Waterloo, but did have challenges with staffing, supply chain issues, and road construction in front of the facility for the entire year. He noted there is a new amusement park opened near the facility, which faced the same issues. The amusement park did not have the opening they wanted, which also cut into some of the expected business at Isle Waterloo. Mr. Moine stated they had their second best year on record. Going forward, he stated the future looks bright due to the two theme parks located near the facility, and they are doing a more robust marketing strategy. He is hopeful the facility will overcome the staffing and supply chain issues and will see increased business this summer. Mr. Moine stated a new pizza restaurant opened on property, expanded the arcade room and put in a birthday party room in anticipation of younger families and more transient traffic coming to the facility; outdoor seating will also be available at Brew Brothers this year. The facility will begin their hotel remodel this year. Mr. Moine stated one other challenge was with security, advising some incidents occurred this year the facility is working to address. Isle Waterloo staff is working closely with Commission staff to make Isle Waterloo a more secure location and more family friendly so the property can become a resort destination. Mr. Moine stated over the next three to five years, the parks will continue to grow, the Isle Waterloo will continue to grow as a casino and the land around them will continue to be developed, which will bring in more out-of-state and transient traffic, which help to grow their revenue.

Ms. Hanson stated BHCGA has an exceptional partnership with the Isle Waterloo, and hopes to continue that partnership. In 2022, BHCGA distributed \$11,693,712 to 35 different non-profit and government entities in the seven counties they serve, which represents their largest year of grant distributions to date. Grants mainly fall into two categories: large scale capital improvements in the Cedar Valley region and operating support to human service agencies that address community issues. Grants in the capital improvements area include \$350,000 toward a new community behavioral health clinic, \$300,000 for a new child care facility, \$500,000 to fund a new facility at Hawkeye Community College to start smart automation certification, and a \$6.5 million multi-year gift to support renovations in Gates & Byrnes Parks in Waterloo, which will include a six-lane pool, skating rink, amphitheater, inclusive park, and community trail. In the second area, funds were distributed to a diverse group of organizations to support new and innovative approaches to meet the needs of the most vulnerable in the community. Ms. Hanson stated that since July 2007, BHCGA has awarded in excess of \$70 million to 653 projects. She noted that 90% of funds stay within Black Hawk County, and 10% is set aside to support the surrounding counties of Bremer, Buchanan, Butler, Chickasaw, Grundy and Tama. Ms. Hanson advised funds awarded represent just under one-third of the total project costs; their \$70 million in grants has been leveraged to acquire an additional \$140 million in the community. Ms. Hanson stated the

promises made 15 years ago have been fulfilled, and BHC GA is committed to changing the face of the Cedar Valley one project at a time.

Mr. Moine requested approval of license renewal with the exception of the security plan.

Commissioner Burkhart noted during the license renewal last year, Isle Waterloo projected \$12 million in cap ex, but ended up in the \$2 million range. She asked what transpired to cause the significant reduction.

Mr. Moine stated it was due to the hotel remodel being pushed back. When the Request for Proposals for the project were sent out, most in-state construction companies contacted were not able to bid on the project due to the labor shortage or they already had other projects lined up and could not complete the project in the stated time frame. The one out-of-state vendor that submitted a bid was more than double the projected budget. Mr. Moine stated they are planning to complete the hotel remodel this year, but have scaled the project back to include carpet and paint; he advised most of the case goods (beds, mattresses, etc.) are in great condition.

Commissioner Burkhart noted there have been a couple of significant incidents that occurred on property. She asked Mr. Moine to explain the changes being made in this area and what the plans are going forward. She stated the Commission members have significant concerns about the deterioration of public safety at the facility.

Mr. Moine concurred there have been some recent incidents with more aggressive and hostile guests. He stated they have been working closely with the Waterloo Police Department to identify the guests and have issued approximately 100 permanent barments from the facility to remove the undesirable guests from the facility. As part of Caesars Entertainment, Isle Waterloo recently became aware of a robust training program and academy in Las Vegas. Mr. Moine stated they have started some of the training, and are bringing the corporate trainers to the property this month to train the entire security staff on de-escalation techniques and better observation skills. The security manager and shift managers will be attending the academy in Las Vegas to become fully certified; they will be able to bring additional training techniques back with them. Mr. Moine stated the training would be ongoing throughout the year as time permits. He stated they are working to get staffing up to speed; the property held a job fair yesterday and was able to bring an additional 25 team members on board in all areas of the operation. He advised staffing issues are mostly alleviated in all areas, and feels their aggressive approach with retention bonuses will enable them to reach full staffing in security as well. Mr. Moine stated they are working with local law enforcement to get officers stationed on property, especially during pivotal hours.

Commissioner Campbell asked if they have met with the Waterloo Police Department since their last meeting in March 2022. Mr. Moine advised they had a formal meeting in March 2022, but the security and surveillance managers have ongoing meetings with the Waterloo Police Department; the most recent being last Monday.

Commissioner Campbell asked about the timeframe for the new security plan. Mr. Moine stated they hope to have the new plan before the Commission at the April meeting; there are still some

areas of discussion with Commission staff. He advised the on-site training would be completed on March 17th, but reiterated the training taking place in Las Vegas at the academy would occur throughout the year but will be completed by the end of the year. He advised the Waterloo Police Department will start patrols at the facility this coming weekend and hope to expand that.

Vice Chair Olsen asked if the training through Caesars has always been available to them, and if so, have they utilized it. Mr. Moine stated they just recently became aware of the training program.

Commissioner Horbach noted he was recently on an airplane and a passenger stated he had a gun and explosives in his luggage. The plane immediately taxied back to the gate where police officers and a dog boarded the plane. The pilot came over the intercom system and stated the airline industry does not tolerate guns and threats of that nature. He stated he feels there is a disconnect between what the Commission will not tolerate related to employee and guest public safety. He feels a sense of urgency from the Commissioners and a “We will get there” from the facility, and doesn’t feel the two sides connect. He asked Mr. Moine if the two sides were connecting and that the situation is very urgent. Mr. Moine answered in the affirmative.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart 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, and renew the license to conduct sports wagering to IOC Black Hawk County, Inc. The license renewal is conditioned upon IOC Black Hawk County, Inc. submitting a new security plan, subject to Commission approval, for the April Commission meeting that includes dedicated staffing of certified peace officers. Commissioner Horbach seconded the motion, which carried unanimously.

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

- United Beverage – Beer Vendor
- Failor Hurley – General Contractor
- Hockenbergs – Restaurant Supplies
- Sysco Foodservice of Iowa, Inc. – Food Vendor
- Paulson Electric Company – Electrical Contractor

Hearing no comments or questions, Vice Chair Olsen 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.

Missouri River Historical Development, Inc./SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City: Doug Fisher, General Manager advised 2022 was a good year for Hard Rock from a financial standpoint, the property and team members won several awards, and Hard Rock continues to be a solid partner in the Sioux City community. He stated they were able to complete the installation of the Everi Marketing kiosks and the Sonifi system, which will be utilized by guests checking in to the hotel. These projects were originally scheduled for completion in 2021. Mr. Fisher noted that Hard Rock was purchased by Churchill Downs in November, and that he may be the only general manager to have a property sold twice in two years. He stated 2022 was

not without its challenges, and at the top of the list was trying to entice new hires to join the team. Another challenge was supply chain issues, which has continued into 2023. Many projects were pushed back: the Point of Sale replacement system was just installed two weeks ago; the new phone system will be installed in April, and a \$75 million floor to ceiling hotel renovation will commence. Additional cap ex includes another \$3 million in new slot product, items to improve guest experiences such as new slider doors, dining room chairs for Main & Abby, a \$200,000 upgrade to the sound system, and the HVAC filtering system. Mr. Fisher stated are working with Hard Rock International to replace the memorabilia; the memorabilia is the #1 driver of visitors at the property and feels new memorabilia will draw new visitors. Mr. Fisher stated the property has spent approximately \$35 million in cap ex since opening. Going forward, the strategy is to continue property improvements and creating great experiences. Mr. Fisher stated the Sioux City property was rated #1 out of all the Hard Rock facilities world-wide. They will continue to be one of the sponsors for Saturday in the Park, and being a good corporate partner. The Main & Abby gastropub is open Tuesday through Saturday, and Fuel is open every day. He stated the buffet has not reopened since the pandemic, but the space has been utilized for Christmas parties, and VIP and team member events, which has led to conversations about converting the buffet space into a banquet event space. Mr. Fisher stated nothing has been finalized; however, there is a consensus the space needs to be utilized. He stated the property continues to have a strong collaborative relationship with Missouri River Historical Development, Inc. (MRHD), and he attend their monthly meetings to provide updates on property initiatives. He introduced Steve Huisenga and Katie Colling, President and Executive Director respectively. He stated Ms. Colling will be retiring soon.

Mr. Huisenga stated MRHD enjoys working with the group at Hard Rock, and have had an opportunity to meet with representatives from Churchill Downs; who have been invited to attend a board meeting. He stated they were asked about the potential for renovating the buffet space, and they are on board. MRHD's mission statement is to improve all lives in Woodbury County, and since 2014 with Hard Rock, MRHD has distributed approximately \$30 million into the community. Since MRHD's inception in 1989, they have distributed almost \$50 million. In 2022, they distributed \$3,335,664 in the areas of education and economic development; there was a \$1 million grant to the community of Elkhart to help with healthcare in rural communities. There are no changes planned for the 2023 grant cycle as it appears to be working, but they did add a quick reaction grant process so if a need arises between grant cycles they have the ability to act quickly. Mr. Huisenga stated MRHD has become more conscious of providing funds to surrounding counties. He noted 14% of the revenue at Hard Rock comes from the surrounding counties, and 20% of grants are awarded to counties other than Woodbury County. Mr. Huisenga stated three other qualified sponsoring organizations (QSOs) came to Sioux City in 2022; everyone found it beneficial to learn about the various processes utilized by each organization. He requested approval of the license renewal.

Commissioner Horbach stated he was intrigued by the retreat for the QSOs. He noted the Commission has very little interaction with the QSOs, and doesn't understand all that they do. He asked if the QSOs know if things are going well at their respective properties, or if they just focus on the grant distributions. He stated Hard Rock had a decline in admissions of 151,000, but the revenue loss was less than one-half of a percent. Mr. Huisenga stated MRHD was probably aware

of the decline, but are more aware of the revenues. Commissioner Horbach asked what is behind the decline in admissions; he feels it is not just Nebraska coming on board with gaming.

Mr. Fisher stated Mr. Smith was correct in that the lower end gambler has stopped coming. He suggested revenues might be up because they are utilizing the buffet space for VIP events. He noted they had difficulty booking acts at Anthem last year, but have seven shows in March, and believes a change in the memorabilia on property will increase their attendance.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Horbach moved to renew the license to conduct gambling games to Missouri River Historical Development, Inc., renew the license to 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 Campbell seconded the motion, which carried unanimously.

Lyon County Riverboat Foundation, Inc./Grand Falls Casino Resort, LLC: Sharon Haselhoff, General Manger, introduced Randy Waagmeester, President of the Lyon County Riverboat Foundation (LCRF). She requested approval of the license renewal.

Ms. Haselhoff stated 2022 was another successful year in gaming and non-gaming operations, but the facility faced challenges with staffing and supply chain issues, which are gradually resolving. She advised total revenue was up 8% over 2021; it was a record setting year in gaming, hotel, food and beverage and the golf course. The additional 66 hotel rooms added in 2020 continue to be an exceptional investment to the bottom line. Ms. Haselhoff stated they continue to maintain their destination resort so that it is just as clean and luxurious as the day the facility opened which continues to drive tourism dollars to Iowa year-over-year. Over the past few years, \$15 million has been invested in the facility for remodeling and growing the property, and they are committed to continuing to reinvest in the property. Ms. Haselhoff stated that as an Iowa-owned company, their focus will be to continue to give back to the local community and championing the company's "Winning Hands" employee volunteer program. In 2023, they will continue work on the back-of-house flooring in the kitchens, continue to invest in new slot product, maintaining the property by updating the pool flooring and coating, and extensive concrete work in the loading area and golf course for guest and employee safety. Ms. Haselhoff stated the operational goals for the coming year and long-term are simple: continue with the core principles of the founders by providing first class amenities in facilities that are clean and comfortable, provide first-class guest service, provide a fun environment for guests and employees, give back to the community through the "Winning Hands" employee program, and continue to invest in the development of their employees. She stated by continuing do those things, they will be able to keep and expand their market share. She stated the challenges will be similar to those experienced in 2022, particularly finding a workforce willing to work nights and weekends. She noted they will also have a road project which will affect how employees and guests travel to Grand Falls; but the long term benefits will provide a safer environment for their guests and employees by going from a two-lane road to a four-lane road, which will also help drive tourism in Iowa. Ms. Haselhoff stated all areas of operation have returned except for coat check, and valet parking is only open in the summer. She noted it is difficult to find year-round employees for valet as the insurance company requires them to be 21

years old. Ms. Haselhoff stated they will always maintain the property, and capital spend will vary based on need.

Mr. Waagmeester advised WCRF had a retreat with MRHD shortly after the March 2022 meeting. He stated it was a valuable experience as the QSOs discussed their individual procedures and learned they each have different processes due to the different demographics. He stated WCRF board members picked up some new ideas.

Mr. Waagmeester stated Midwest Honor Flight submitted an application to WCRF during the competitive grant process a couple years ago. The request was for funds to charter a commercial flight from Sioux Falls to Washington, DC to take veterans for a day-long experience to see the historical sites and memorials. The proposal included taking up to six of WCRF's board members along with each board member serving as a sponsor for an individual veteran. He stated he was skeptical when the proposal was first presented; however, other board members liked the idea and the grant was approved. He noted the actual flight was delayed due to the Covid pandemic, but finally took place. He noted the board members on the original flight talked about the special and moving experiences they had interacting with the veterans. During the most recent grant cycle, Midwest Honor Flight submitted another application for a flight to take place on May 16, 2023. It will be an all-expenses-paid flight for 84 World War II, Korean and Viet Nam War veterans and their sponsors; nine WCRF Board members are going as sponsors. The grant was for \$87,500 and will be known as Lyon County Riverboat Foundation Mission 14. Mr. Waagmeester stated the honor flights have provided wonderful publicity for LCRF and Grand Falls Casino.

Mr. Waagmeester stated since inception, fifty percent of the funds received by LCRF are distributed to the cities and school districts in Lyon County, as well as the county. In 2022, LCRF paid \$356,890 to each of the three school districts, over \$150,000 to Lyon County, and over \$100,000 to each of the four cities in the county. As revenues were up in 2022, LCRF did a special one-time project which provided \$22,500 to each fire department and EMS agency to enhance fire protection and public health and safety. This amounted to over \$350,000. He stated LCRF also has a mini-grant program, which accepts applications for grants up to \$2,000. Traditionally, they fund approximately 40 mini-grants each year. In 2022, they received 83 applications, and they approved all 83 mini-grants of \$2,000 each, or over \$165,000. These grants go to agencies in the tri-state area that surround Grand Falls Casino, which includes southeast South Dakota, southwest Minnesota, and northwest Iowa. He stated these grants also generate good publicity and good will, and are well received by the public. For LCRF's competitive grant cycle, the board approved 20 applications for a total of \$988,000, with the largest being a \$250,000 grant to the City of Doon for demolition of their current Community Center and work on building a new one. They expect to receive additional requests for funds in the future. Mr. Waagmeester stated LCRF keeps the funds received from sports wagering in a separate account and have decided to use those funds for special projects. In 2022, they distributed \$2,000 each to the American Legion and VFW Posts and their respective auxiliary organizations. He requested approval for the renewal of their gaming license.

Commissioner Campbell asked Ms. Haselhoff about future plans for capital expenditures. She stated there is a lot of upkeep to the property, but indicated the next big project would be the renovation of the Event Center.

Commissioner Horbach noted Grand Falls Casino saw a significant percentage increase in revenue, almost double from the next closest casino. He stated revenue is important, and that it would be impossible to see the revenue increase they did without providing a great experience for the guests. He congratulated Ms. Haselhoff on the achievement. Ms. Haselhoff noted the population base around them continues to grow which is beneficial.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Campbell 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.

Contract: Ms. Haselhoff presented a contract with Dieters Trucking, LLC for snow removal services, the first ever in twelve years.

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

Dubuque Racing Association, LTD/Diamond Jo, LLC d/b/a Diamond Jo Casino: Wendy Runde, General Manager, stated 2022 was a great year at the property; admissions were up slightly over 2021, and revenue was an all-time top two finish for the property. Sports wagering volume exploded, and the property saw a 75% increase in handle from 2021, and net receipts increased by 109% over 2021. Ms. Runde stated sports wagering volume at her property is driven by online betting, which makes up approximately 98.5% of total handle. She noted the property celebrated many other successes including a rebound in banquet business, and removing the licensing requirement for non-gaming team members helped level the playing field in getting individuals hired more timely and with less obstacles. Team member bonuses were paid in January, as well as a holiday bonus in December; the minimum wage for non-tipped team members was increased to \$15.00 per hour, and benefit costs to team members were reduced. She stated there were no Moon Bar show cancellations due to Covid for the first time in two years. Ms. Runde advised that Boyd Gaming was the only gaming company nationally to receive a 5-star perfect rating for America's Greatest Work Places for diversity, which is an annual rating published by Newsweek and compiled through an anonymous employee survey. She also stated that Boyd Gaming was the highest rated gaming company in Newsweek's listing for America's Greatest Work Places for Women.

Ms. Runde noted that while there was a lot to celebrate in 2022, the year also had its fair share of challenges. Most revolved around staffing, and continually increasing wages did not necessarily translate to stabilization in turnover, increased gas prices and inflation created uncertainty, and

procurement issues continued. She noted they are still waiting on some items that have been on order for over a year. Surveillance equipment took much longer to source than expected, but advised they are in the final days of the system conversion from partially analog to 100% digital. Looking ahead from an operational standpoint, Ms. Runde stated reducing turnover and stabilizing staffing remain at the top of the list; she noted there appear to be some promising signs in this area and it feels like some progress is being made. She stated Diamond Jo takes pride in providing a fun and safe environment for the team, and are focused on finding new ways to improve the experience for the team. Increasing diversity spend is a focus, as are green initiatives; reducing the impact of competitive expansion is an important goal, and continuing to deliver a great guest experience is key in protecting market share. Ms. Runde stated long-range goals for the property include continuing to grow revenue, drive traffic to the property and staying relevant and fresh while providing a clean, safe and fun environment for the team and guests. Capital investment is critical in keeping the property top-notch, and that strategy will remain consistent; technology will be embraced to relieve pressure and improve service. Ms. Runde noted there are plans to transform the former buffet space. She stated Diamond Jo is known for providing a great experience, and continuing to do so is important. Challenges for the upcoming year include inflation, increasing interest rates and a possible recession all create economic uncertainties. The opening of Hard Rock's permanent casino in Rockford will also be a challenge; Diamond Jo's strategy to protect their position includes a constant evaluation of programming in addition to creating great guest and team experiences along with continued investment in the property to keep it fresh. Routine capital expenditures include slot machine replacement and associated technology; additional capital expenditures include facility maintenance – HVAC, air purification, restrooms, etc. The property is also focused on environment-friendly initiatives, including LED technology opportunities, and other green initiatives. Ms. Runde noted Diamond Jo has some unique amenities. Restaurants include a Subway, a casual dining option, and fine dining at Woodfire Grille. The second floor of the property includes a 32-lane state-of-the-art bowling center, a private 4-lane party area, an arcade, and a pro shop. Mississippi Moon Bar can host up to 1,000 individuals standing, and 400 for a seated event. Ms. Runde stated the FanDuel sportsbook compliments the floor, and brings excitement to the south side of the casino. She advised shuttle rides and valet parking, as well as coat check, have not returned since Covid; they are working with a new vendor to provide shuttle services, and expects that to resume in the near future. Ms. Runde stated retail sports wagering has introduced a new customer to the facility, the majority of whom are not playing traditional casino games; however, they do frequent the facility and visit the restaurants and are exposed to other amenities on site. Ms. Runde stated online betting with FanDuel in the Dubuque market is exceptional due to brand awareness. Since inception, Diamond Jo has paid just under \$200,000 in sports wagering taxes for the retail portion of their business and just over \$5 million in taxes for the online portion. The Dubuque Racing Association (DRA) received an additional \$578,000 through the end of the year.

Ms. Runde introduced Kathy Buhr, Director of Strategic Philanthropy and Schmitt Island Development, and Alex Dixon, President of DRA. She noted both have worked to make some much needed changes to the grant process. Ms. Buhr advised Mr. Dixon had to leave for another engagement.

Ms. Buhr stated the DRA was founded in 1984 by a group of local citizens at a time when Dubuque was struggling economically and the unemployment rate for the area was the highest in the nation. They made an investment of \$7.8 million into a greyhound racing facility, which resulted in over \$1 billion of economic activity over the last 37 years. She noted greyhound racing ceased in 2022, and DRA knew they needed to assure the community they weren't going anywhere. Ms. Buhr advised they worked with a local creative firm to help them rebrand the DRA. She stated the name will officially remain the Dubuque Racing Association, but the new brand will focus on what the community has called them since inception – the DRA. New logos have been created, the website has launched, a social strategy was put in place and a new focus was placed on their partnerships with the community. The grant program was also revamped in 2022 to place a focus on people attraction, including population growth and retention and tourism, which aligns with the mission of the DRA and other organizations in the community. DRA also focused on grants with capacity building in addition to material purchases. No current partners were excluded, but they did need to shift their thinking when requesting funds. The grant process was simplified; the application was reviewed and modified, the matching fund requirement was eliminated but is still encouraged, and grant awards are now funded upfront instead of requiring the submission of receipts for reimbursement. The scoring process was also revamped to remove some of the subjectivity. Grants were launched in two separate programs: Core grants include requests up to \$50,000, and the mission grant program accepts requests up to \$500,000 that can be multi-year and include capital campaign projects. Mr. Buhr stated DRA distributed \$1.5 million to 66 organizations in the core grant program, or an average of \$20,000. In previous years, these grants were approximately \$9,000. DRA also distributed \$1.9 million in mission grant awards and \$1.2 million to the endowment fund. Ms. Buhr stated the Dubuque Dream Center serves at-risk youth in the community, and works closely with the Dubuque community schools on their curriculum and after-school programming, focusing on math, reading and recreation. In 2022, the organization received a mission grant for \$200,000 allowing them to purchase an unoccupied school from the Dubuque Community School district. The building was acquired last fall and will allow them to expand their programming and increase the number of students they are serving. DRA also received a collaborative application from Dubuque's three colleges for the Dubuque Promise Program, a scholarship program focusing on students from the tri-state area who have completed 55 credits and have a financial need in order to graduate. The program offers a forgivable loan up to \$5,000 for two years for students committing to work in the tri-state area for two years post-graduation. While enrolled, the students will be part of the Dubuque Mentorship program, which will launch this fall, that helps connect college students with young professionals living and working in Dubuque. Ms. Buhr stated one of the biggest successes of 2022 was building their partnership with the Diamond Jo Casino. DRA is working with Diamond Jo to plan volunteer activities within the community for team DRA, a collaboration of employees from Diamond Jo and Q Casino. Ms. Buhr requested approval of the license renewal

Commissioner Campbell asked Ms. Runde about long term plans with the opening of the Hard Rock facility in Rockford, Illinois. Ms. Runde stated long term would be continuing to provide a great guest experience. She noted a number of guests visiting the casino have casinos in their area. With winter and inflation, those are the first guests that tend to stay closer to home. She stated they work hard at keeping the property fresh and have some unique amenities.

Commissioner Burkhart noted she had a number of questions for Ms. Buhr, but she addressed a number of them during her presentation. She questioned the term limits on DRA board members, and the movement between committees with no break in service, which appears to be violation of staff initiatives on term limits for qosos. She noted these are recent changes, and asked that DRA work with staff to make sure they are operationally in line with those requirements. Ms. Buhr stated they have been in contact with Commission staff on the issue to get into compliance.

Hearing no further comments or questions, Vice Chair Olsen 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.

Scott County Regional Authority/Isle of Capri Bettendorf, L.C.: Nancy Ballenger introduced Kirk Anderson, President of the Scott County Regional Authority (SCRA). Mr. Anderson stated SCRA distributed over \$3.3 million in two grant cycles in 2022 to 115 organizations, which represented 64% of the grant requests. One of the grants was awarded to a joint application from the City of Bettendorf and the Iowa Mississippi Valley YMCA for \$4 million over 12 years for the development of a community water park/ice rink. Applicants must serve the needs of the residents of Scott County. Mr. Anderson stated each application is reviewed by 12 grant committee members and 12 community members. He advised that grant recipients pay for the project upfront and submit receipts for reimbursement from SCRA, which they feel is a control feature for them.

Ms. Ballenger stated the property has two hotel towers with a total of 509 rooms, making it the largest hotel in the state, providing the opportunity to host many corporate meetings, many coming from out-of-state. Casino closures and Covid restrictions in Illinois helped increase revenue by 22%. As the property is now part of Caesars Entertainment, they are part of the Caesars reward program, which allows individuals to redeem their awards at all Caesars properties. Ms. Ballenger stated the property faces some uncertainties due to proposals in Illinois and elsewhere. Revenues increased due to hosting an increased number of meetings and conventions. She noted they are constantly upgrading the meeting facilities. Ms. Ballenger stated they plan to spend about \$1.2 million this coming year to replace carpet, light fixtures and purchase new chairs. She stated they are always focused on providing a great guest experience. Ms. Ballenger stated staff wages were increased in all categories, but still have staffing challenges for the late night and weekend shifts. Valet services have not returned post-Covid, but the property has a 750-space parking garage; there are no plans to bring valet back at this time, but will continue to evaluate the need to do so. The buffet space was partially used to expand the gaming floor and house the sportsbook. Ms. Ballenger stated SCRA has received almost \$100 million from Isle Bettendorf since inception.

Commissioner Campbell asked about a hotel remodel, noting the north tower was done in 2007. Ms. Ballenger stated they have refinished some side-chairs, and replaced appliances and some furniture. She stated they have replaced the mattresses and are closing the gap in other areas.

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

Iowa West Racing Association/Harveys Iowa Management Company LLC: Thomas Roberts, General Manager, stated 2022 was the best gross gaming revenue in property history; Stir Cove had three sold out shows, and they completed some major cap ex projects as well as many smaller projects. He stated base wages were increased and employees received a 2% cost of living increase in January. The property is doing whatever they can to attract and keep employees, but is going into the summer months with 115 open positions. The unemployment rate in the area is 2.3%. Mr. Roberts stated they are utilizing improved technology to help in some areas, such as hotel check-in kiosks. He stated the hotel remodel and new Guy Fieri restaurant will help them maintain their customer base. Improvements in 2023 will be dedicated to improvements guests can see and hear. Mr. Roberts stated the 400+ employees are dedicated to providing great service and creating a fun and safe environment for the guests.

Ms. Mainwaring requested approval of the license renewal. She stated the announcement of the Guy Fieri restaurant generated a lot of excitement in the area. She thanked the Commission for taking the time to ask questions of the QSOs.

Commissioner Campbell asked about the increased number of calls to law enforcement. Mr. Roberts stated the property has implemented the I-track system which reported every call as a call for law enforcement but calls could also have been for medical assistance. He contributed some of that to human errors due to employees clicking on certain areas just to get through the system; they are training personnel to make them aware of this issue. Mr. Roberts stated the I-track system is available corporate-wide.

Commissioner Campbell stated he appreciated the cap ex spend for next year, and thanked him for the investment in the property.

Commissioner Horbach questioned whether the parent company and the Commission are on the same page as to what the Commission is expecting. Mr. Roberts stated he feels they are; demolition has started and they are doing what they can to get ahead of supply chain issues.

Hearing no further comments or questions, Vice Chair Olsen 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, and 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.

Contract: Mr. Roberts presented a contract with Sure Sound & Lighting, Inc. for a stage project purchase (OSV). He stated this is to purchase the stage utilized in Stir Cove, which they have been renting and was custom built for the venue.

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

Dubuque Racing Association, LTD: Brian Rakestraw, Chief Operating and Financial Officer, stated DRA is somewhat unique as they serve as both a QSO and an operator. Q Casino started out as a racetrack, Dubuque Greyhound Park, then became a racino, and now operates as a land-based casino. He noted 2022 was a year of change; they honored their past with the end of racing, but are embracing the future. Mr. Rakestraw stated the DRA Board recently approved a \$75 million expansion/remodel for the property. He noted Q Casino sits on Schmitt Island, which they feel has been forgotten. Schmitt Island Development Corp. was recently formed and will work with the City of Dubuque on island amenities and development. This organization will also manage the Dubuque Ice Arena. Mr. Rakestraw stated one-third of DRA's annual distributions go toward work on Schmitt Island, one-third goes toward grants and the City receives the remaining third. The funds for Schmitt Island will help generate economic growth on the island. DRA partnered with the City of Dubuque to apply for a Destination Iowa grant, which would be utilized to demolish the greyhound racetrack/compound and build an amphitheater overlooking the Mississippi River. Mr. Rakestraw stated they have started working on the temporary casino, and hopes to come before the Commission in June to seek approval for Phases 2 and 3, which encompass the remodeling of the temporary casino into a family entertainment zone with restaurants, arcade games and banquet facilities. The last phase of the project will be a new hotel tower with a rooftop restaurant. Mr. Rakestraw stated gaming revenues were down slightly in 2022, but other revenues offset the decline. Attendance was also down with the end of racing in May. The arcade area will bring family entertainment back to the facility.

Ms. Buhr stated DRA continues to partner with the city, and the \$11.5 million the city received from DRA helps to keep property taxes low. Schmitt Island is a top priority for DRA. DRA will continue to place focus on people attractions through their grant and charitable distributions. She requested approval of the license renewal.

Commissioner Campbell asked about DRA's projected cap ex for 2023. Mr. Rakestraw stated the majority is part of the \$75 million project. He stated they are working with the City to get the legal description of the land for the greyhound racetrack, and cannot start that work until they obtain authorization.

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

Contract: Mr. Rakestraw presented a contract with Midwest One Bank for an ATM agreement with amendments.

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

Clarke County Development Corporation/HGI-Lakeside, LLC: David Monroe, General Manager, stated 2022 was another successful but challenging year, noting that both gaming revenue and admissions were down. He stated they completed Phase 1 of the renovation, converting the sportsbook from William Hill to DRF, at a cost of \$2.2 million. Mr. Monroe advised staffing was a challenge in 2022 as the labor pool in Osceola and Clarke County is thin. While they were able to add 17 employees in January, he believes the staffing challenges will continue in 2023. Phase 2 of the renovation project is set to begin and will take five months. The table game area will be expanded, and the restaurants and menus will be revamped. Mr. Monroe stated they also are working on entertainment, and hope to grow their group/convention business. He stated that in 2-3 years, the hotel, convention center and exterior of the building will be renovated/updated. Mr. Monroe stated there are discussions about going land-based in their long term plans.

Bill Trickey, Executive Director, requested approval of the license renewal. He stated the Clarke County Development Corporation (CCDC) has let the community drive the strategy for the grants this past year. Grant requests are reviewed at each CCDC meeting, which allows the board to respond quickly to needs within the community. He stated they have distributed approximately \$20 million since inception; the funds received from the casino have enabled the community to do projects they wouldn't have been able to do otherwise. Mr. Trickey stated they are purchasing 140 new housing units, which will hopefully help with staffing issues in the community. CCDC is building a training center like the one IWRA did in Council Bluffs.

Commissioner Burkhart asked Mr. Monroe if he felt the 9% decline in admissions was due to the lack of special events or entertainment to help attract patrons to the facility. Mr. Monroe answered in the negative, indicating some of the decline was due to the implementation of sports wagering in Kansas, as well as a decline in the number of visits per trip.

Commissioner Horbach asked about the discussions to take the facility land-based. Mr. Monroe stated the goal in 2017 was to work toward being land-based by 2019; they were just starting to be able to justify the move when the pandemic hit. They have just started looking at the feasibility of doing so again.

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

Southeast Iowa Regional Riverboat Commission/Catfish Bend Casinos II, LLC (CBC): Rob Higgins, General Manager, introduced Dave Schwarz and Justin Pieper, President and Vice President respectively of Southeast Iowa Regional Riverboat Commission (SIRRC). Mr. Higgins prefaced his comments by stating a billion dollar fertilizer plant was built in the area in 2015, which increased their admissions and revenue, making 2015 their best year to that point. Post-Covid, 2021 was their best year on record. In 2022, even though revenues were down, it was the second-best year for them. Revenues were just over \$39 million in 2019, \$46 million in 2021, and \$44 million in 2022. He stated their promotions are going well. Mr. Higgins stated they also have staffing issues, but are starting a new host program to help build the customer base. They are in the process of re-purposing the Edgewater Grill space to re-open that as a restaurant, not a buffet. Mr. Higgins stated the Courtside project is under construction, which will have three college-level basketball courts, and five pickleball courts; CBC partnered with Southeastern Community College and sports organizations in Burlington for this project. The Softplay area located on property is being renovated to add a swimming pool and Ninja course. Mr. Higgins stated this project has been ongoing for a year or so; the building is now under roof and they are anxious to get it open, but will need to find staff. They are also opening a snack bar for individuals to utilize between games, and it will also be accessible from the water park. Mr. Higgins advised the property raised their starting wages, and grandfathered in current staff. He also indicated not having to license the Class "O" employees has also been a positive for them. Additional challenges are increasing costs for goods and services. With regard to hours of operation, Mr. Higgins stated that upon reopening after Covid, they were open from 10:00 AM to midnight, then transitioned to 10:00 AM to 2:00 AM seven days a week. These hours work well for them from a customer and staffing standpoint. He stated they are open 24 hours per day for about 3-4 day each for Christmas and New Year's. Mr. Higgins stated the resort hotel was renovated a couple years ago and opened 95 hotel rooms as part of the Fun City project. The additional renovations are now complete and they are hoping to open up another 39 hotel rooms. He stated there are three hotels located on the property – Catfish Bend Inn & Spa with 40 rooms, Hampton Inn & Suites with 69 rooms, and the Fun City Resort will have 134 rooms.

Mr. Pieper stated SIRRC has made some changes to their distribution strategy. He advised the organization has enjoyed a long history of community cooperation between Burlington, Ft. Madison and Keokuk, with each community receiving one-third of the revenues. The recent adjustment will be partially implemented in 2024, and fully implemented in 2025. The Des Moines County Charitable Foundation will receive a distribution equal to the prior year's distribution to non-casino counties; the remaining funds will then be distributed under the current system. Mr. Pieper highlighted how the communities are using their funds. Burlington has a program called "Bridges out of Poverty" to help those in a lower socioeconomic situation to be trained in various areas to help them find their way out of their financial challenges. Funds were also provided to the sports complex mentioned by Mr. Higgins. He stated Ft. Madison distributed their funds to the tri-state rodeo for facility upgrades and the Montrose community for upgrades to their Little League facilities. Keokuk used their funds to build a splash pad and install playground equipment.

Mr. Higgins stated CBC has a great relationship with SIRRC.

Commissioner Campbell 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.

Commissioner Horbach noted Commission members met independently with SIRRC members regarding issues on the distribution of funds, and expressed the Commission's appreciation for resolving the matter.

Commissioner Burkhart commented on term limits for SIRRC board members. She stated she is aware the matter was part of the discussions with Commission staff, and that changes are being made. Mr. Pieper expressed appreciation for the leadership provided by the Commission.

Hearing no further comments, Vice Chair Olsen called for the vote on the motion. The motion carried unanimously.

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

- Casino Air, Inc. – Replacement of Ozone Smoke Eating System (OSV)
- Entec – Mechanical Repairs and Maintenance to Existing RTUs (OSV)
- Brockway Mechanical & Roofing – Fabric Duct Replacement in Casino

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

Grow Greene County Gaming Corporation/Wild Rose Jefferson, L.L.C.: Travis Dvorak, General Manager, stated the property is celebrating its 8th year of operation. He stated 2022 was the second best year, just slightly behind 2021 due to some weather issues. He attributed the record year to an increased investment in gaming product for the floor, increased hours for amenities, and a more focused marketing program with continued dedication to the patrons. He also attributed the increase to the strength of the local economy in farming, commodities and wage increases in the manufacturing sector. Mr. Dvorak advised staffing is an issue for them, but have seen incremental gains over the last year; they still a number of open positions and feels it will take another year or more to reach pre-Covid staffing levels. He attributed this to the fact they are located in a small community, and all businesses are competing for the same people. Mr. Dvorak stated the property is working with the community and Greene County Development Corporation to try and attract more people to the community, but the program will take 5-10 years to come to fruition. Coaches Restaurant is closed Tuesday and Wednesday, but is open from 11:00 AM to 10:00 PM the other days. Valet has not returned, but will try to offer in the summer if they have sufficient staff to do so. He also does not have the same number of table games available as they did pre-Covid. Mr. Dvorak stated long term goals for the property include working in the community and county to be a good corporate partner, helping to grow the community and county, and having management and team members involved in community functions and hold leadership positions in the various

organizations throughout Greene County. He stated the property is located far enough from the state's borders they aren't impacted much by what is happening in other jurisdictions, but the property always tries to maximize revenue and market share. Moving forward, the property is going to increase their focus on off-track betting and retail sports betting offerings. They will continue to increase the number of hours amenities are open as staffing issues improve. He noted the sportsbook and off-track betting are located in the Coaches Restaurant; there is an option for sports wagering on the casino floor, but the actual counter is in Coaches Restaurant. Mr. Dvorak stated all amenities are open in some form except valet. With regard to capital expenditures, these are done on a yearly basis on a 2-3 year forward-looking window. As the property is relatively new, there is not a significant need for remodeling at this time, but are starting to refresh their signage, carpeting, and add some additional outbuildings. He noted the capital investment amount changes each year and is based on annual growth.

Mr. Dvorak introduced Craig Marquardt, Vice President of Grow Greene County Gaming Corporation (GGCGC). He stated they are grateful for the dedicated group who continue to make positive and lasting impacts on Greene County and the contiguous counties. He stated GGCGC took the lead to help build a new wing on the hospital, a new high school and now an Early Learning center.

Mr. Marquardt noted the original gaming referendum passed in 2013 by 75.1%, a state record. The license was granted in 2014, and the facility opened in 2015. He stated funds for many projects in Greene County prior to the casino came from taxes, funds from the Community Foundation as a non-gaming county, estates, donations and fundraisers. Many projects were delayed or abandoned. In April, GGCGC will host their 8th Annual Awards Banquet where they will distribute \$1.7 million. During the first seven grant cycles, GGCGC has distributed over \$12 million to projects; \$1.6 million or 13% has been given to the community foundations located in the six contiguous counties to Greene County. Following the 2023 distribution, the amount will increase to approximately \$2 million. Mr. Marquardt advised approximately \$1 million, or 8%, has been provided to the community foundation in Greene County, which has their own grant cycle for applications for \$35,000 or less; GGCGC takes grant requests for \$35,000 and up. The municipalities of Greene County have received just under \$1 million; the distribution is calculated on a per capita basis with a cap of \$50,000 to any one community. The school districts in Greene County have received over \$5 million, or 41% of grants; approximately \$3.6 million, or 29%, has been divided between public safety, economic development, arts and culture, parks and recreation, human and housing welfare. Major contributions have been \$4.5 million to Greene County schools to assist with the construction of the auditorium and gymnasium as part of the school bond issue, \$500,000 toward the construction of the early learning center; over \$200,000 for the Greene County Animal Shelter, and \$100,000 to the Greene County Medical Center. Mr. Marquardt stated GGCGC holds a special grant cycle at the end of the year called "Give Back Awards" to non-profit organizations that have an impact on the entire county; this past year, \$5,000 was given to six local non-profits. Mr. Marquardt requested approval of the license renewal.

Commissioner Burkhart asked Mr. Dvorak what he felt was a reasonable time frame to consider a hotel refresh from opening. Mr. Dvorak stated Wild Rose Jefferson does not own or operate the hotel located on property; it is owned and operated by Cobblestone and a management company

called Diamond Hospitality. The roof was torn off during the derecho in 2020; all but six rooms of the hotel were remodeled at that time, as well as the lobby. He stated he did not know their long term plans.

Commissioner Campbell asked Mr. Dvorak about long range goals for food options at the facility and any other amenities that might be coming. Mr. Dvorak stated Coaches Restaurant/Bar is open except for Tuesday and Wednesday due to staffing. He stated they are focusing staff on the weekends when they generate more revenue. He noted they have J-town Café, which can be utilized; advising it was built as they have always had staffing issues, even pre-Covid, for Coaches. J-town is used as a pre-function for entertainment but is also used when Coaches can't open due to staffing issues. Mr. Dvorak stated if he had sufficient staff, he would have both open 7 days/week to offer two separate food options. He noted there are some food options available on the casino floor. With regard to other amenities, Mr. Dvorak stated they are focusing on the retail sportsbook and off-track betting this year. They have found that the sportsbook and off-track betting have increased the revenue received from Coaches and the gaming floor.

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

Clinton County Development Association/Wild Rose Clinton, L.L.C.: Rick Gilson, Vice President of Operations for Wild Rose Entertainment; Leah Garcia, Assistant General Manager, and David Sivright, President of Clinton County Development Association (CCDA) were present to address the license renewal. Mr. Gilson stated Wild Rose Clinton (WRC) had a very successful year. He turned the floor over to Mr. Sivright.

Mr. Sivright stated CCDA has three types of grants and issues scholarships to each senior in the high school. Competitive grants, which are reimbursable grants, are distributed in 2 cycles; grants with a \$75,000 maximum and grants for significant projects of \$100,000 or more. Grants for emergency situations are for amounts up to \$35,000. In 2022, total grants in all categories totaled almost \$3 million, and allowed CCDA to correct an imbalance between funding and grant distributions which occurred due to the pandemic. When the casino had to close, CCDA canceled the fall grant cycle for 2020. Mr. Sivright advised CCDA had the opportunity to provide funds for some larger projects: the City of Clinton contracted with a communications company to install fiber optic high speed internet cable, CCDA provided \$500,000; and the City of Wheatland received \$177,000 to repair the lighting at the ballfield, which was damaged by the derecho. Competitive grants are awarded in the following categories: economic development, education, recreation and fine arts, health and human services, and safety. Mr. Sivright stated CCDA is looking forward to continuing to provide similar grants, and noted there are some large projects pending. He stated they are also looking at the issue of ancillary counties; he indicated they are struggling with the definition of "significant contributions" and putting a number to that. He stated neither Jackson or Cedar County provide more than 2% in gaming revenues to the facility;

therefore, no grants have been awarded in either county. They are going to revisit the matter. He also noted they have not included sports wagering receipts in their award calculations in the past, but will do so this year. Mr. Sivright stated CCDA had their own retreat as there was some controversy among board members as to how the funds were being distributed. Some wanted to provide some funding to every grant application while the majority felt the top scoring grants should be fully funded. He requested approval of the license renewal application.

Mr. Sivright complimented WRC on some recent remodeling. CCDA was having a board meeting at WRC, and there were members who wanted to attend virtually. The meeting room now has the ability to do Zoom meetings.

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

Palo Alto County Gaming Development Corporation/Wild Rose Emmetsburg, L.L.C. (WRE): Steve Cody, General Manager, stated the property had a good year, but also dealt with labor issues. Long range goals include continuing to be a good community partner which includes being a good employer, serving as a tourist attraction and partner in their rural area. Mr. Cody noted an ongoing challenge for them is trying to stand out from the larger properties with larger budgets and more resources available to them.

Mr. Cody introduced Brian Bormann, President of Palo Alto County Gaming Development Corporation (PACGDC). Mr. Bormann stated they have a great working relationship with WRE, and Mr. Cody attends the monthly meetings to update the board on activities occurring at the property, provide revenue figures from the prior month and the revenue forecast. He advised PACGDC would be hosting its 17th annual award ceremony the following evening at WRE, and will be distributing \$676,328 to the cities and county; the five schools will receive a total of \$319,850. Each school receives \$150 per student based on their certified enrollment. A shared school award of \$50,000 divided equally between the five schools and is specifically for security and technology. Additionally, they will be funding 23 competitive grants totaling \$714,759. Full grants are for projects ranging from \$5,001 to \$100,000; recipients are required to have a 25% match with PACGDC providing 75%. Mini grants totaling \$99,037 are being awarded to 25 recipients; these grants fund projects up to \$5,000. Recipients must have a 10% match with PACGDC providing 90% of the funds. PACGDC also offers three non-competitive grant programs that are funded throughout the year. The Septic Improvement Program, administered by the County Supervisors and funded by PACGDC, has \$5,000 available to replace or update a non-compliant system. Another \$5,000 is available for the demolition of a vacant home or business in the city or county with the goal of adding new structures to the tax rolls. Law enforcement has indicated this program helps with public safety as well. Along this same line, an incentive of \$15,000 is available for the construction of a new single family home. Again, the program is administered by the County Supervisors and PACGDC is the funding stream. Mr. Bormann stated

it is PACGDC's plan to continue to fund these programs in the coming year. He advised all 37 cities in the adjoining counties to Palo Alto County will receive \$5,000 each, or \$185,000 total. Mr. Bormann requested approval of the license renewal on behalf of Wild Rose Emmetsburg and PACGDC.

Commissioner Campbell noted when the Commission met at the facility, there was one event scheduled for the year and the pub was not open. He asked what events are scheduled for the current year. Mr. Cody advised the campground would open for the season on April 1st. He stated the pub is still closed due to staffing issues; he has put out the word that the space is available for lease but noted a lessor would more than likely be faced with staffing issues as well. Mr. Cody noted their event center is smaller, but they do have three outdoor concerts planned.

Commissioner Campbell asked about staffing for restaurants. Mr. Cody asked if he was referring to front-of-house/back-of-house. He stated they have seen an increase in employment in that area. He stated Coaches was opening at 3:00 PM and was closed on Tuesday and Wednesday, but is now open 7 days/week and opens at noon on Friday and Saturday. The goal is to have it open 7 days/week for lunch and dinner.

Commissioner Burkhart noted there was a directive to the qualified sponsoring organizations to work with their respective property to try and determine the proportionate share of revenue that is derived from neighboring counties and distribute grants back to those counties. She asked Mr. Bormann what PACGDC's plans were in this regard. Mr. Bormann advised the board approved providing funds to the cities in the adjoining counties. He stated there has always been a perception that only organizations from Palo Alto County could apply for the grants. He noted they have received grant requests from adjoining counties, some just didn't make it through the process.

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

Upper Mississippi Gaming Corporation/Casino Queen Marquette, Inc.: Sean Bateman, General Manager, stated 2022 was a good year with increased admissions and gaming revenue remaining steady. He stated they are working with the corporate team to determine a marketing strategy. He indicated the first two months of 2023 have been good. Mr. Bateman stated the property also had staffing issues; they ended the summer with 117 but were at 146 employees at the end of the year. Most of the employees were in food and beverage, but they did make a concerted effort to increase the security and surveillance staff. They currently have 24 security officers opposed to 14 at this time last year. Mr. Bateman attributed the staffing increase to sign-on bonuses for key positions, retention bonuses that were paid at the end of the year. Also, all hourly wages were increased, with another 2% increase last July. He stated they also hold special events for staff to help with retention and offer a Jean Day every Friday for charity, picking a different charity each quarter. Mr. Bateman stated 2022 was also a great year as the facility will be going land-based, hopefully by 2024. It is his hope to have additional information to present at the April meeting or June at

the latest. He stated some office space and a mezzanine have been added since the original renderings. Mr. Bateman stated they are meeting with some of the neighboring communities to talk about the forthcoming changes to the property. With regard to the sportsbook operators for the property, Mr. Bateman stated they are disappointed the companies approved are still not fully licensed and operational. He indicated Bet CQ is hopefully in the final stage, and Bet 365 is also close; he feels both will be up and running by June. Operational goals are to increase growth for better players and increased spend per trip. He stated it will be important to maintain their market share once construction starts. Mr. Bateman stated they are still faced with finding quality staff due to the small labor pool in the area. He is hopeful the sign-on bonus will help. Economic fluctuations don't help; they did gas cards for staff last year. Mr. Bateman stated the only amenity not open from pre-Covid to post-Covid is valet, and he doesn't foresee reopening that as the new facility will be on top of the parking. The buffet is open five days per week, it is closed on Monday and Tuesday. The deli is open seven days per week. Capital expenditures in the next 12-18 months will go toward slot machines to refresh the casino floor. He noted the current facility has low ceilings, which prevents them from bringing in the newer games. Mr. Bateman stated the company has had two companies reach out to them about purchasing the vessel. A local business wants to purchase the walkway.

Dan Kuempel, Executive Director of Upper Mississippi Gaming Corporation UMGC, requested renewal of the gaming license. He stated UMGC distributed approximately \$714,000 to 32 non-profit organizations in Clayton County, and indicated the grants are vital to many of the organizations to allow them to operate on a day-to-day basis or move forward with their goals. He stated the grant application will be changing from a paper format to an on-line process. Grant applications are due in the fall, are scored by the UMGC board, and distributed in October. Recipients were asked to attend a reception and provide a brief description of what the funds would be used for.

Commissioner Horbach stated the Commission is excited to see the facility going land-based. It's exciting to see cap ex of \$193,000 for one year, and the next it is \$12.5 million. Mr. Bateman stated he feels the cost of the land-based facility is under-estimated.

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

HORSESHOE CASINO: Mr. Roberts presented the following contracts for Commission approval:

- OS Sales d/b/a Omaha Steaks – Meat Supplier
- Premier Midwest Beverage (Bluffs Beverage) – Beverage Provider

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

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

Request for Approval of Racing Contracts: Mr. Heldt presented the signed Agreements Pertaining to Racing at Prairie Meadows for the Thoroughbred Horses and Quarter Horses. The agreements are for three years.

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

Tom Lopic, President of the Iowa Quarter Horse Racing Association (IQHRA), advised he spent five days at the American Quarter Horse Convention in Ft. Worth, Texas, and had the chance to speak three different times and meet with the Racing Council as he has been working with PMRC over the last several months to submit an application to host the Bank of America Challenge Championships. Mr. Lopic stated this is his 13th year as the President of the IQHA and PMRC has hosted three times during his tenure, the last time being in 2017. He stated every time PMRC hosts, people comment on how pretty the racetrack is and how well they are treated. He stated PMRC is the only racetrack in the country where individuals can be in a hotel room and walk to the finish line. He stated it is not easy to submit a contract to host as it takes a lot of preparation and there are three days of meetings and banquets. Mr. Lopic advised they would know in the next two weeks if they were successful or not. He thanked PMRC, Jon Moss, President of the Iowa Horsemen's Benevolent and Protective Association, and the Commission for the discussions being held to determine what can be done to promote horse racing at PMRC. He stated he is looking forward to 2023. Mr. Lopic stated he rode in his first race 50 years ago and got involved in the racing industry; 30 years ago, the first race was run at PMRC and he bought his first mare. The first foal was named Iowa Hawkeye, which is now in the PMRC Hall of Fame. He stated the racing industry has been good to his family, and he wants to keep giving back to the industry.

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

- Carrier Access IT – Computer Equipment and Maintenance
- Metro Waste Authority – Horse Manure/Bedding Disposal

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

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: As there was no Public Comment, Vice Chair Olsen called on Mr. Ohorilko for Administrative Business.

Review of Year-to-Date Economic Impact Reports: Mr. Ohorilko advised the economic impact reports are not audited, but feel they provide an accurate representation of the spending by Iowa casinos. Iowa Code requires that a substantial amount of all resources and goods used in the operation of the casinos eminent from or are made in Iowa, and that a substantial amount of all services and entertainment are provided by Iowans, which is why the Commission focuses on the utilization of Iowa vendors when they are reviewing the contracts presented for approval. Mr. Ohorilko stated \$1.07 billion was spent in calendar year 2022 with Iowa vendors, or 92% of all spending by the casinos. If items that are not available in Iowa such as slot machines and related products are excluded, the spend with Iowa vendors is 96.8%.

Approval of Iowa Race Horse After Care Fund: Mr. Ohorilko advised there is \$13,677 available for distribution. The fund is funded by fines collected from 99D facilities. He noted there are certain statutory requirements applicants must meet. Mr. Ohorilko stated there was one application for the funds, Hope After Racing Thoroughbreds (HART), which met the requirements and requested approval of the distribution of funds to HART.

Hearing no comments for discussion, Vice Chair Olsen requested a motion. Commissioner Horbach moved to approve the distribution of the Iowa Race Horse After Care Fund to Hope After Racing Thoroughbreds. Commissioner Campbell seconded the motion, which carried unanimously.

Notice of Horse Racing Promotion Fund: Mr. Ohorilko advised there is \$2,174.71 available in the Horse Racing Promotion Fund. Qualified applicants should submit their request for the funds to the Des Moines Commission office by 3:30 PM on April 5, 2023.

Notice of Purse Amounts pursuant to Iowa Code § 99F.6(4)a(3): Mr. Ohorilko advised the purse amounts for the racing industry for 2023 as reported by Prairie Meadows are as follows:

- Thoroughbreds - \$18,458,195.69
- Quarter Horses - \$3,679,553.19
- Standardbreds - \$2,111, 219.05

Any questions regarding the calculations should be directed to the Commission office or Prairie Meadows.

HEARINGS:

Diamond Jo Worth, LLC: Mr. Ohorilko advised Commission staff and Diamond Jo Worth, LLC have agreed to a Stipulated Agreement for a violation of Iowa Code § 99F.9(5), relating to underage gambling. On May 24, 2022, an underage male approached the turnstile with three companions. The security officer posted failed to request identification, which allowed the individual to enter the gaming floor unchallenged. The individual was on the floor for 2 hours and 30 minutes, and did gamble, meeting the qualification for a Commission referral. Mr. Ohorilko stated Diamond Jo Worth has agreed to an administrative penalty of \$20,000.

Mr. Smith advised the facility takes this issue very seriously. Each time they or another facility are before the Commission due to a minor infraction, they go back and review their procedures and best practices to see if improvements can be made to their procedures. In this instance, Mr. Smith stated there were two failures: the security officer did not request identification and the individual had contact with additional staff members who failed to request identification. He advised team members were reminded that just because someone makes it through the turnstile doesn't mean that is the end point of being able to request identification. Following that incident, Mr. Smith stated team members have done a better job trying to identify underage individuals and requesting identification on the gaming floor. He stated their policies and procedures in place today and at the time of the incident should have prevented this incident from occurring. Mr. Smith stated they have put additional signage at the turnstiles advising patrons that those appearing to be under the age of 35 will be asked to show identification and narrowing the point of entry at the turnstiles allowing security to better focus on individuals entering the gaming floor.

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

Iowa West Racing Association: Mr. Ohorilko advised Commission staff and Iowa West Racing Association d/b/a Horseshoe Casino have entered into a Stipulated Agreement for a violation of Iowa Code § 99D.7(23) related to the statewide self-exclusion program. On April 25, 2022, an individual that had participated in gambling at Horseshoe Casino approached a security officer and requested to self-exclude. At that time, Horseshoe Security indicated there was no one on property available to assist in the process and advised the individual to go to Harrah's Casino. The individual ended up at Ameristar and was able to complete the self-exclusion paperwork to participate in the program at that time. Mr. Ohorilko stated Horseshoe Casino has agreed to an administrative penalty up to \$20,000.

Mr. Roberts stated team members failed; they should not have sent the patron away. He stated their job is to protect the guest and the integrity of gaming in Iowa. He stated the property would normally have between four and six Responsible Gaming Ambassadors (RGA) on property every shift. These individuals are trained to identify and talk to guests and help them in these situations. On this particular night, there were multiple call-outs. The security officer asked his supervisor for direction, and was advised to call Harrah's to determine if an RGA was available. Upon learning an RGA was available, he directed the patron to go to Harrah's. In discussions with staff, the supervisor meant for the RGA to come to Horseshoe to assist the patron. Since this incident, all supervisors at both properties have been made aware that the RGA is to go to the other property to assist the patron in completing the paperwork and determine if additional services or resources need to be provided. Mr. Roberts stated they have not had this situation occur previously, and feel remedies have been put into place to prevent a recurrence.

Vice Chair Olsen asked how often the facility has someone ask to be self-excluded. Mr. Roberts advised they had two the previous night; it varies – there could be three on a busy Saturday night. He stated the RGAs walk the floor and listen to conversations as they are doing so; if someone

indicates they are no longer having fun, they approach them to see if they can be of assistance. Vice Chair Olsen reinforced the importance of maintaining the integrity of gaming in Iowa.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Horbach moved to approve the Stipulated Agreement with Iowa West Racing Association d/b/a Horseshoe Casino with an administrative penalty of \$20,000. Commissioner Burkhart seconded the motion, which carried unanimously.

Rush Street Interactive IA, LLC: Mr. Ohorilko advised Commission staff and Rush Street Interactive IA, LLC, which operates BetRivers, a duly licensed advance deposit sports wagering operator, have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(7) related to use of credit to place a wager. He stated this is the final operator related to a series of incidents that occurred in July 2021 involving companies that used Sightline, a payment processor. In this incident, there were a number of companies that inadvertently permitted customers to use credit cards to deposit funds. BetRivers accepted 42 credit card transactions for a total of \$9,869. Mr. Ohorilko stated Rush Street has acknowledged the facts constitute a violation and have agreed to an administrative penalty up to \$20,000.

Laura McAllister Cox, Chief Compliance Officer, expressed her appreciation to Mr. Ohorilko and Commission staff for their collaboration in this matter. She stated she leads an ever growing team of compliance professionals and the company and compliance team take this situation very seriously. Ms. Cox stated she was pleased to be in Iowa representing the company to make sure the Commission understands their commitment to doing the right thing. She stated they are the final operator to come before the Commission in this matter. Ms. Cox stated Rush Street counts on their vendors for this information and take responsibility for their actions. She noted Andrew Crowe, Senior Vice President of Business at Sightline, was also in attendance to answer any questions the Commission might have.

Ms. Cox stated the main point she wanted to advocate on was the amount of the administrative penalty. She concurred the company had agreed on an amount up to \$20,000. She stated that from their vantage point of seeing the outcome of the prior agreements, she requested the Commission consider an amount less than \$20,000. She noted the one entity that did receive a fine of that amount had 73 instances and over \$15,000 while BetRivers had 42 instances and just under \$10,000. She stated there appears to be some reasoning behind the different amounts being assessed and would appreciate the Commission's consideration of an amount less than \$20,000. She assured the Commission Rush Street/BetRivers are receiving monthly reports from Sightline and WorldPay that the Risk and Payment teams are auditing, and both entities have escalated their procedures to prevent a reoccurrence of this situation.

Vice Chair Olsen noted the Commission had discussed this situation at length during their dinner the previous evening, and expressed the Commission's appreciation for Ms. Cox coming to represent Rush Street at the meeting.

Hearing no further comments or questions, Vice Chair Olsen requested a motion. Commissioner Burkhart moved to approve the Stipulated Agreement with Rush Street Interactive IA, LLC with

an administrative penalty of \$20,000. Commissioner Horbach seconded the motion, which carried unanimously.

ADJOURN: Vice Chair Olsen thanked everyone for attending and providing the requested information. Hearing no further business to come before the Commission, he adjourned the meeting.

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
APRIL 20, 2023**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, April 20, 2023 at Ameristar Casino Council Bluffs 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 and advised that HGI-Lakeside, LLC had requested the removal of Agenda Item 6, Request for Approval of Remodeling Pursuant to 491 IAC 5.4(15). Commissioner Campbell moved to approve the agenda as amended. Commissioner Horbach seconded the motion, which carried unanimously.

WELCOME: Paul Czak, General Manager, welcomed the Commission to Council Bluffs, and introduced Mayor Matt Walsh and Brenda Mainwaring, President of the Iowa West Racing Association.

Mayor Walsh advised his first official act after being elected to the City Council was to meet the riverboat downriver and ride the Ameristar riverboat to the current location. He stated the three Council Bluffs casinos have been vital contributors to the economy of the city, have changed the face of the community, and management and employees serve on various committees and non-profit boards, He thanked the Commission for the work they do on behalf of Council Bluffs and the State of Iowa.

Ms. Mainwaring stated in 2022 the Iowa West Foundation and Iowa West Racing Association (IWRA) embarked on a strategic visioning process, noting the qualified sponsoring organizations were created to meet the needs and goals of the community. This process started by holding seven meetings at various locations to listen and learn what mattered to various segments of the local population in order to better serve the community as a whole. The biggest take-away from the meetings was that people have a sense of belonging, hometown neighbors, small town values, and short commutes. Suggestions for improvements included mental healthcare and additions to outdoor entertainment venues. Following these meeting, the Iowa West Foundation wrote a new mission statement stating they strive for communities where families love to live and where businesses thrive. They shifted their focus to outcomes in the following areas: belonging, well-being, opportunity and financial stability. If individuals have a sense of belonging and inclusion, they will show hometown pride; financial stability is basic needs being met plus - a livable wage, housing, freedom from worry, personal success; well-being is thriving not just surviving. Ms. Mainwaring thanked the Commission for the opportunity to inform them where the IWRA is going and looks forward to being able to share what has been achieved.

APPROVE MINUTES: Chair Andres moved to the approval of the minutes from the March 2, 2023 Commission meeting and requested a motion. 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 May. The next Commission meeting will be held at IOC Black Hawk County in Waterloo on June 15, 2023.

Mr. Ohorilko announced the following proposed meeting dates for Fiscal Year 2024:

- July 7, 2023 Prairie Meadows Racetrack & Casino, Altoona
- August 24, 2023 Riverside Casino & Golf Resort, Riverside
- September 28, 2023 No Meeting
- October 4, 2023 Grand Falls Casino Resort, Larchwood (Dinner/Stay Overnight)
 October 5, 2023 Hard Rock Hotel & Casino Sioux City (Meeting – 10:00 AM)
- November 16, 2023 Prairie Meadows Racetrack & Casino, Altoona
- December, 2023 No Meeting
- January 25, 2024 Q Casino, Dubuque
- February, 2024 No Meeting
- March 6, 2024 Prairie Meadows Racetrack & Casino, Altoona
- April 18, 2024 Mid America Center, Council Bluffs (Harrah's)
- May, 2024 No Meeting
- June 13, 2024 Wild Rose Clinton, Clinton

He advised the July meeting will be held on Friday afternoon, and the Commission will observe the races after the meeting. The March 6, 2024 meeting is the license renewal meeting.

Mr. Ohorilko introduced the following staff members: Gaming Representatives Cory Ostermeyer, Bryan Crowdy, Lori Cap, and Melinda Foster. He thanked them for their work on behalf of the Commission.

IOC BLACK HAWK COUNTY, INC.: Chad Moine, General Manager, presented the proposed security plan for Commission approval. He requested an amendment to the hours of the Certified Peace Officers to 7:00 PM to 3:00 AM daily. Mr. Moine requested approval of the security plan.

Commissioner Campbell thanked Mr. Moine for the work put into the security plan and stated he looked forward to seeing it succeed. He moved to approve the security plan as amended. Commissioner Horbach seconded the motion, which carried unanimously.

CO HOLDING COMPANY, INC.: Bill Vandersand, General Counsel, requested approval for the sale and lease back of the Iowa real estate to Gaming and Leisure Properties, Inc.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Burkhart moved to approve the sale and leaseback of the Iowa real estate to Gaming and Leisure Properties, Inc. as submitted. Commissioner Campbell seconded the motion, which carried unanimously.

REVIEW OF FACILITIES' FINANCIAL AUDITS:

Ameristar Casino Council Bluffs, LLC: Mr. Czak advised the audit was clean and had no material findings. He stated 2021-2022 were the best years the casino has had with revenues up slightly last year from 2021 while EBITDA and the bottom line were flat. He attributed that to increased expenses in every area of the operation. Mr. Czak stated they did see a significant increase in non-gaming revenue last year, and are trending that way in the current year. He stated cap ex is expected to be 1.5 times what it was last year. Some of the planned cap ex is the renovation of the marquee, replacing all three of the self-service beverage stations on the boat, and a significant IT infrastructure upgrade, which is key to a number of projects. Mr. Czak advised they are making significant progress in terms of hiring, which is allowing them to open two more dining outlets in the next three months. He stated revenue numbers are 2-3% behind last year, but was expected with the opening of a casino in Nebraska about an hour's drive away.

Boyd Gaming Corporation:

Diamond Jo. LLC: Wendy Runde, General Manager, advised 2021-2022 were banner years. In Quarter 1 of 2022, gross gaming revenue was up almost 4%; however, the rest of the year was soft, and revenues in Quarter 4 were down almost 9%, but the property still had the second best performance ever from a gross gaming perspective. Revenues were down approximately 3% from 2021. Admissions in all areas of the operation were up 1% year-over-year. Total economic impact for 2022 was \$47.9 million excluding specialized spend of \$1.1 million and gaming spend of \$1.9 million. She advised that of the remaining \$44.9 million, 99.5% stayed within the State of Iowa. The property continues to administer the Diamond Jo Cares Program in addition to their partnership with the Dubuque Racing Association (DRA), their qualified sponsoring organization (QSO). Ms. Runde stated they paid \$3.6 million to DRA, with \$300,000 being related to sports betting. From an audit perspective, Ms. Runde advised neither of the Diamond Jo properties have any standalone debt; the corporation, as a whole from a debt perspective, did not change year-over-year, and has approximately \$3 billion in outstanding debt. The audit opinion for both properties is clean from both the audit of the financial statements and effectiveness of internal controls over financial reporting. There were no material weaknesses at either property, and just a small impairment to note on Dubuque's books of \$100,000 related to the trade name and driven by the slight decline in projections and interest rates.

Diamond Jo Worth, LLC: Scott Smith, General Manager, advised 2022 was a successful year for Diamond Jo Worth, and was second best to 2021. Gaming revenue was down 1.8% in 2022 from

2021; gaming revenues were down about 5% in the second quarter. He attributed the decline to the fact the tribal casinos in Minnesota still had Covid restrictions through July 2021. Once the restrictions were lifted, there was less traffic from Minnesota. Mr. Smith stated team members continue to strive to provide the best guest service and getting the right product out for patrons. Overall economic impact was \$55.4 million; Iowa spend was just over 98%. The facility will be celebrating its 17th anniversary this year. Mr. Smith stated the labor market has improved in some areas; he indicated finding cooks and overnight staffing and stability are still a challenge. He advised the Worth County Development Association distributed just over \$6 million last year, and just over \$83 million since inception.

Commissioner Burkhart noted Diamond Jo Worth is one of two casinos that is not back to pre-Covid employment levels. She asked if that is due to staffing difficulties or because certain amenities have not reopened.

Mr. Smith advised the goal is get back to 24/7 operations yet this year. They are diligently trying to get overnight staffing stabilized; security and cage staffing are stable, but they are still having issues with slot tech staffing. He stated the weekend and overnight staffing stability has not happened yet but hopes they will see that change. Mr. Smith stated they started the restaurant remodel project two weeks ago and are excited to have it open at the end of the third quarter.

Commissioner Horbach asked about the revenue variance referenced by Ms. Runde, and what was driving that.

Ms. Runde stated December is a make-it or break it kind of month. Going into December, the year looked like it would finish fantastically, but winter weather came quickly. As the property sits on the Iowa/Illinois border, Illinois patrons have the option of going to the Rockford casino and the VGT terminals. She advised that Quarter 1 in 2023 is flat so revenues have rebounded.

Commissioner Horbach stated he was curious if it was due to something systemic or just a variance in the environment.

Caesars Entertainment, Inc.: Sally Rogers, Director of Finance at Isle of Capri Bettendorf, L.C. introduced Meagan Miller, Director of Finance at IOC Black Hawk County, Inc., and Janae Sternberg, Vice President of Financial Affairs for Harveys Iowa Management Company, LLC and Harveys BR Management Company, LLC in Council Bluffs.

Ms. Rogers advised all of the properties had a successful year. Economic impact: The facilities paid over \$36 million paid in payroll and benefits, and over \$15 million was spent with Iowa vendors. She noted Harrah's and Horseshoe both saw a major infusion of capital spend of approximately \$12 million for infrastructure, signage, slots, back of house areas, converting the Horseshoe buffet space to a multi-purpose space and remodel of the Hilton along with other items. Major projects for the upcoming year include new signage, hotel renovations at Harrah's and IOC Waterloo among other enhancements. Ms. Rogers stated they are excited to keep the momentum going at all of the properties.

Iowa West Racing Association (IWRA): Ms. Mainwaring introduced Jackie Dix, Controller, who advised IWRA had a clean audit, and there were no material weaknesses. She advised that due to timing differences on distributions, there was a 63% decrease in cash and cash equivalents from the previous year, and a decrease of just over 20% in license fees payable. Ms. Dix stated IWRA distributed \$500,000 more to the Iowa West Foundation (IWF) in 2022 than in the previous year. Riverboat revenue increased by 2%, which allowed the increased distribution to the IWF. License fee expense increased by just over 1.5%, creating a loss in net assets of \$134,000.

Casino Queen Marquette, Inc.: Sean Bateman and Robin Corbeil, General Manager and Director of Finance respectively, were present to address the financial audit. Ms. Corbeil advised there were some deficiencies noted but plans are in place to correct those. She advised the first three quarters of 2022 were strong, but weather affected the fourth quarter. Attendance was up 2% from 2021, but gaming revenues were flat compared to the previous year, which she attributed to increased gas prices and consumer pricing, causing patrons to spend less during their visits to the facility. Fubo ceased operations in October, which left the property without a sportsbook in the fourth quarter. Salaries expense increased by 5% from the previous year. Staffing levels increased 35% due to sign-on, retention and referral bonuses. She stated they continue to look for quality applicants to fill positions. The facility decided with the upcoming move to a land-based facility to focus capital spend on enhancing the customer experience by adding new marketing kiosks and determining what else could be moved to the new facility. She stated they did add some new slot machines, new purchasing and maintenance equipment, as well as some HVAC repairs.

Commissioner Horbach asked if the move to a land-based facility would increase, decrease or stabilize employee costs; and if the land-based facility would require about the same number of employees as the riverboat facility.

Ms. Corbeil stated the goal is to keep what they currently have, and they will assess employment needs after the new facility is operational.

Ms. Bateman stated they would like to have 155 at the current property and are looking at 160 for the new property. He stated they would over hire to open and then make assessments. He noted the change from a buffet to a restaurant would eliminate some positions, but they will pick up bar tending staff and servers. Mr. Bateman advised salaried staff would be similar to what it is currently. He noted the challenges of staffing three floors on the riverboat. Mr. Bateman advised the Queen Sportsbook opened on Tuesday with a soft opening and they just started marketing it online. They are still waiting on Bet365 to receive complete approval. He is hopeful all of the sportsbook operators will be fully operational by June or July. Mr. Bateman advised they are watching for flooding in the area, which could cause the casino to close.

Catfish Bend Casinos, LLC: Rob Higgins, General Manager, introduced Marty Bowen, Chief Financial Officer, and Gary Hoyer, Chief Executive Officer. He advised 2022 was the second best year for the company, with 2021 being the best year ever. He noted there is a lot going on at the facility; they are building the new court project which includes three college basketball courts; the Courtside project is the family entertainment side of the court project and will include a swimming pool, Ninja course, velocity course and eating facility. The old buffet is in the planning and design

phase to become a new restaurant, and they have finished the remodel of 39 hotel rooms in the Fun City Resort so they can reopen. They are also in the planning and design phase for the renovation of the Catfish Bend Inn & Spa. Mr. Higgins stated 2023 is off to a better start than 2022.

Mr. Hoyer advised there was a control deficiency noted, which he attributed to an unexpected change in personnel. He stated the matter has been resolved, and he sent a letter to the Commission addressing the issue.

Dubuque Racing Association, LTD (DRA): Brian Rakestraw, Chief Operating/Financial Officer, noted 2022 started off really well; however, greyhound racing came to an end in May, and they were also impacted by increased gas prices. He stated 2022 was spent thinking about the future. The audit had no material weaknesses. Mr. Rakestraw pointed out that the auditors indicated it was one of the cleanest audits DRA has had for quite some time. He introduced Alex Dixon, President of DRA.

Mr. Dixon advised the facility is hard at work on the temporary casino to help for all of the future development coming. He noted the Commission would be seeing a contract for the Schmitt Island Development Corporation for a design and architect firm to help with pre-development items for the island. Mr. Dixon stated DRA manages the Ice Arena. He noted the Finlandia University is closing, but were able to work with the University of Dubuque to land a men's and women's D3 hockey team, who will be playing at the Ice Arena in the fall. He stated they are excited to welcome the Commission to Q Casino for the Commission meeting in January 2024.

Elite Casino Resorts, LLC: Dan White, Chief Financial Officer, advised the 2022 audit, which covers Riverside Casino & Golf Resort, LLC, Grand Falls Casino Resort, LLC, Rhythm City Casino, LLC and the Elite Sportsbook, was clean with no internal control comments. Revenues were up approximately 6.2% over 2021, with the majority in non-gaming revenue. He noted operating expenses increased approximately 5% and remain at high levels; they are still experiencing some supply chain issues. Payroll expenses for the three properties were about \$70 million for 2022; fees paid to the non-profits were approximately \$16 million. Mr. White advised the employee situation has improved, and they are close to the pre-Covid employment numbers; the properties had 1,550 employees at the end of 2022. Combined spend with Iowa vendors was just under 97%. Capital expenditures for 2022 were about \$8.2 million. Grand Falls completed their casino renovation, and started renovations in public spaces, which will continue in 2023 and include food and beverage outlets. Riverside completed renovations in the Event Center in 2022. All three properties refreshed their casino floors with slot product, as well as adding or replacing equipment at all properties as needed.

Commissioner Campbell asked Mr. White to provide some information on the sportsbook. Mr. White advised they operate Elite Sportsbook under the Elite Hospitality Group, and operate as a retail operator at Rhythm City and Riverside, and online across the state.

HGI-Lakeside, LLC: Marc Estrada, Director of Finance, and David Monroe, General Manager, were present to address the audit. Mr. Estrada advised the audit was clean with no material

weaknesses. He stated 2022 was a great year for the facility, but they faced staffing challenges. Staffing is being addressed by increasing wages and offering retention bonuses. Payroll exceeded \$6 million, and total spend with Iowa vendors was over \$5 million. Capital spend for 2022 was just over \$2.8 million, which included a casino remodel to the exterior and the sign on Interstate 35. For 2023, they are planning additional casino renovations, which they hope to bring before the Commission at the June meeting.

SCE Partners, LLC: Andrew Limoges, Director of Finance, noted the property was purchased by Churchill Downs in October, which is why there are two audits in front of the Commission. He advised neither audit firm found any material weaknesses or deficiencies in their reporting. While 2022 was a good year, admissions were down 10.5% compared to 2021 and revenue remained relatively flat. Total economic impact for 2022 was \$65.1 million, with 95% being spent with Iowa vendors. Capital expenditures in 2022 were \$2.5 million, maintaining their commitment to keep the facility in pristine condition to deliver a one-of-a-kind experience for patrons. Mr. Limoges stated staffing continued to be an issue; they implemented referral and sign-on bonuses, increased spending for recruitment campaigns, offered premium pay for team members that did not call in or were not late for their shift. The transition to Churchill Downs ownership provided additional employment benefits such as better health plans, increased 401K, an employee stock purchase program and tuition reimbursement, which have helped with retention. The property is optimistic about 2023, and have committed almost \$3 million to capital expenditures to help drive patrons to the property. Since opening, approximately \$38 million has been reinvested into the property.

Commissioner Burkhardt requested additional information on wages as the audit shows the expense is up 39%.

Mr. Limoges advised there are a lot of manufacturing companies in the area who are increasing their wages exponentially to insure they maintain their employees, which allows them to run more than one shift. Before Covid, a large pork processing plant opened and were unable to run two full shifts at that time. Since that time, the company has increased wages to try and attract employees from the other processing plants in the area, which causes everyone else to increase wages.

Wild Rose Entertainment, L.L.L.P.: Brian Diver, President and Chief Executive Officer, introduced Scott Ivers, Chief Financial Officer, and Rick Gilson, Vice President of Operations. Mr. Diver stated 2022 was the second best year for the Wild Rose properties, with revenues down slightly from 2021. He stated their biggest challenge was labor, but with more investment in recruiting, a bonus structure, and other incentives, they have been able to recover to the point the properties have been able to open up amenities. The properties are almost back to full operations. Mr. Diver advised income is down slightly due to increased wages and the costs of goods. He stated since Covid the properties have reinvested approximately \$19 million, and plan approximately \$6 million in cap ex with 70% of the spend going toward items the customer will see. They are planning a Grand Re-opening at the newly refreshed Emmetsburg property. He noted they are off to a great start this year, and see cashless applications and investment in

technology on the horizon, additional refresh of the properties and hotels. Mr. Diver stated there were no deficiencies noted and all internal controls are in place and strong.

Commissioner Campbell asked if there are any amenities that have not reopened.

Mr. Diver advised all amenities are open. Emmetsburg has two restaurants, one downstairs and one upstairs. They are going to get the upstairs restaurant open on weekends.

Chair Andres asked if the upstairs restaurant was the Irish Pub. Mr. Diver answered in the affirmative. He indicated staffing levels will allow them to open it on weekends.

Prairie Meadows Racetrack & Casino, Inc. (PMRC): Gary Palmer, General Manager, introduced Michele Wilkie, Sr. Vice President of Administration. Mr. Palmer stated 2022 was their best year ever. They have distributed over \$50 million back to the community. In 2022, PMRC had eight record months, the other four were second best. Mr. Palmer stated the audit was clean. This is the 26th year the property will be debt free. Economic impact for 2022 was over \$180 million with 97% of the spend in Iowa. For 2023, the first two months were record months and March just missed being a record month. Capital improvements for the year include the completion of the hotel renovation of \$13 million; 2023 expenditures will be around \$10.9 million which includes painting the exterior and replacing escalators.

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

Riverside Casino & Golf Resort, LLC: Sharon Haselhoff, General Manager at Grand Falls Casino Resort, LLC, presented a contract with Video Security Specialists for Genetec Advantage Support Renewal (OSV).

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Burkhart 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: Ms. Haselhoff presented the following contracts for Commission approval:

- Builders Sales & Service Company – Materials/Labor for Hotel/Spa Repairs due to Water Damage (OSV)
- Video Security Specialists – Genetec Advantage Support Renewal (OSV)

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

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

- Lyon County, Iowa – Resort Agreement with Lyon County
- Mark-It-Smart – Continuity and Promotion Agreements (OSV)
- Video Security Specialists – Genetec Advantage Support Renewal (OSV)

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

Ms. Haselhoff advised that Riverside's golf course has been open for a couple of weeks, and the course at Grand Falls will open on Friday. At the beginning of May, the course will be hosting the Women's NCAA Division 2 outings.

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

- Chubb Insurance Company – Property, Crime & Management Liability Insurance
- Creative Artist Agency – Entertainment - Artist Booking Agent (OSV)
- DCR Production Inc. – Entertainment – Artist – Darius Rucker (OSV)
- Long Road Touring Company – Entertainment – Artist – 3 Doors Down (OSV)
- RDG Planning & Design, Inc. – Chaplain Schmitt Island Development Plan
- William Morris Endeavor Entertainment, LLC – Entertainment – Artist Booking Agency (OSV)
- Wired Production Group – Entertainment – Production Services

Mr. Rakestraw advised the majority of the contracts are for entertainment. The concerts are part of the Backwater concert series, which are currently held in the back parking lot on concrete. The concert series was started to attract tourism to the community. He noted the facility partnered with the City of Dubuque, who applied for and received a Destination Iowa grant. The funds will be used to build an amphitheater where the greyhound kennels and track were located. They are hopeful construction will start this summer. Mr. Rakestraw stated this year's concert series will be the biggest ever as there are ten shows scheduled.

Commissioner Burkhardt congratulated Mr. Rakestraw on the concert series and thanked the facility for providing the entertainment options.

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.

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

- Century Link Business – Internet Services/Phone Service
- Clinton Auto Group – Purchase Promotional Vehicles for Giveaways

- Clinton National Bank – Bank Services and Credit Cards
- Ecolab – Lease of Dishwashing Machines/Purchases of Chemicals
- The Printer, Inc. – Printing Company for Mailers
- US Postal Service – Postage for Mailers from The Printer, Inc.

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

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

- Mark-it-Smart – Continuity Gifts for Patrons
- USA Security – Surveillance Equipment Upgrades and Yearly Maintenance Fees

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 Campbell seconded the motion, which carried unanimously.

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

- USA Security – Surveillance Equipment
- Morton Building – Event Center Storage Building for Chairs; Tables and Banquet Equipment

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

- Toucan Productions – Battery Park State Production and Replacement of Anthem Lighting (OSV)
- Data Business Equipment Inc. – Purchase Currency Counter & Cash Recycler
- Saturday in the Park, Inc. – Donation for Saturday in the Park Event (RP)
- C3 Booking, LLC – Talent Booking Agency (OSV)
- LinPepCo d/b/a Pepsi-Cola of Siouxland – Beverage Supplier
- LDW Entertainment, LLC – Lainey Wilson Performance in Battery Park (OSV)

Commissioner Burkhart commented on the information being received regarding the amenities and concerts planned for the facility this summer. She thanked Mr. Fisher for getting everything back to pre-Covid levels.

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.

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

- Vital Signs Unlimited – Marquee Replacement
- M & L Housing Services – Housing in Council Bluffs for International Exchange Students
- Slot Cycle – Purchase of Intelligent Cash Boxes for Slot Machines (OSV)

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

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

- Baker Group – Casino Floor Cabling/Repairs and Maintenance for Surveillance Projects
- Coremark International – Purchase of C-Store Items
- Creal Clark & Seifert – Architect and Engineering Services for Lakeside (OSV) Renovation and Ongoing Repairs and Maintenance
- Edge Commercial, LLC – Lakeside Casino Renovations/Repair and Maintenance Projects
- Sapphire Manufacturing, Inc. – Purchase of Lighting Fixtures for Lakeside Renovation Project (OSV)
- The Printer, Inc. – Printing Cost in connection with Marketing Mail House

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

Harveys Iowa Management Co., Inc.: Thomas Roberts, General Manager, presented the following contracts for Commission approval:

- Miller & Co. LLC – Purchasing Agent for FF&E for Guy Fieri (OSV)
- Pinnacle Construction – Construction Vendor
- Sure Sound and Light – STIR Cove Concert Production (OSV)

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

Horseshoe Casino Council Bluffs: Mr. Roberts presented a contract with Absolutely Fresh Seafood as a Fresh Seafood Vendor (OSV).

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

PUBLIC COMMENT: Jon Moss, President of the Iowa Horsemen's Benevolent and Protective Association (IHBPA), advised the IHBPA, among others, have filed a lawsuit against the Federal Trade Commission and HISA stating it is unconstitutional, and requested a preliminary injunction, which has not been approved at this point in time. He stated the lawsuit was filed in the District Court of Arkansas. He asked the Commission to consider filing an Amicus Brief.

Mr. Moss stated the IHBPA is happy to see the Commission is again looking to have a horse racing study conducted. On another note, he advised that Dennis Albaugh has the potential to have three horses running in the Kentucky Derby on May 6th. One of his horses, Angel of Empire, will be running; however, the other two still need to accumulate points in order to qualify. Lastly, Mr. Moss stated the Iowa Quarter Horse Racing Association (IQHRA) and the IHBPA have formed a new committee, Backside Enrichment Committee, to encourage more comradery. There is going to be a welcome back party, and have established a food pantry for those needing some additional assistance.

HEARINGS:

Diamond Jo Worth, LLC (DJW): Mr. Ohorilko advised Commission staff and Diamond Jo Worth, LLC have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(5) (Minor). He stated an individual entered the gaming floor at DJW on September 13, 2022 with an adult companion. The individual was allowed onto the gaming floor unchallenged, was on the floor in excess of 30 minutes, and participated in a gambling activity by pressing the "Spin" button. The individual was later identified when they attempted to re-enter the gaming floor. The individual was asked for identification at that time, and was turned away when they could not produce identification. Mr. Ohorilko stated the facts constitute a violation of the Iowa Administrative Code. He stated the parties have agreed to an administrative penalty of \$20,000.00 consistent with the Resolution on underage gambling.

Mr. Smith stated the facility takes these underage and problem gambling issues seriously at the facility level, as well as at the corporate level. He stated they use each incident as an opportunity to provide retraining to staff. All staff members were required to sign off that they have been retrained in this area with the documentation being placed in their file. Mr. Smith stated they are also looking at ways to provide additional assistance to those employees stationed at the turnstiles, such as rotating them out more often, have additional staff at the turnstiles on the weekends, added stanchions to narrow the space available for entry, and added signage stating they request identification from those individuals appearing to be 35 or under.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell moved to approve the Stipulated Agreement with an administrative penalty of \$20,000.00. Commissioner Olsen seconded the motion, which carried unanimously.

BetMGM, LLC: Mr. Ohorilko advised Commission staff and BetMGM, LLC have entered into a Stipulated Agreement for violations of Iowa Code § 99F.4(22) (Self-Exclusion) and 491 IAC 13.2(7)“e”. On March 25, 2021, a customer contacted Commission staff with a complaint that they were unable to access their BetMGM account. BetMGM had advised the customer their account was frozen as they were self-excluded. Staff confirmed the individual was self-excluded and was improperly allowed to open an account. The Commission also reviewed suspicious activity that was reported in April. During the course of both investigations, it was noted there were a number of issues that would be in violation of the Statewide Self-Exclusion Resolution: 17 individuals were able to register for an account that had been on the list prior to signing up, 38 individuals that had signed up to participate in the Statewide Self-Exclusion program while having an account were not restricted, and marketing material was sent to 36 individuals while on the Statewide Self-Exclusion list. During the course of the investigation, Commission staff also noted that BetMGM failed to timely report the issues to the Commission as required by administrative rules. Mr. Ohorilko stated BetMGM has made a number of corrections to their processes and controls, and Commission staff is satisfied with the actions taken. He advised BetMGM has sent a check to the State of Iowa General Fund in accordance with the statute for winnings self-excluded individuals received. As a result of the violation, Mr. Ohorilko stated BetMGM has agreed to an administrative penalty in an amount between \$5,000 and \$20,000 consistent with the resolution.

Richard Taylor, Sr. Manager for Responsible Gambling for BetMGM, stated the company accepts full responsibility for the unfortunate series of events and has made significant corrections to their processes, procedures and training to ensure this situation does not occur again, including manual reviews of all uploads, additional audits – quarterly as well as random audits throughout the year, and making sure all staff are fully trained on self-exclusion and responsible gambling principles, policies and procedures and that they understand the importance of these areas. He stated this has been a painful experience for the company, but they have taken the opportunity to address the issues.

Commissioner Burkhart expressed her appreciation for the mitigation steps taken as a result of the events, but the Stipulated Agreement was painful for her to read as there were over 80 self-excluded Iowans who were allowed to gamble or received marketing materials.

Commissioner Burkhart moved to approve the Stipulated Agreement with an administrative penalty of \$20,000.00. Commissioner Olsen seconded the motion, and stated that had this occurred at one of the licensed casinos, the Commission would have been up in arms and feels the Commission needs to hold everyone to the same standards. He stated he felt the penalty should have been higher.

Hearing no further comments, Chair Andres called for the vote, which carried unanimously.

PointsBet Iowa LLC: Mr. Ohorilko advised the third Stipulated Agreement is with PointsBet Iowa, a licensed Advance Deposit Sports Wagering entity, for violations of Iowa Code § 99F.1(28) (Sports Wagering) and 491 IAC 13.3(1). This is a three-count violation related to impermissible wagers being offered in the state. The first count is related to a series of negative outcome wagers, which did settle. PointsBet was able to go back and correct the action with the customers as all of the wagers were placed online. Counts two and three were very similar and involved impermissible wagers that were not prohibited by statute but are prohibited by rules and policies. In both counts, the impermissible wagers were identified prior to the event taking place; PointsBet was able to void the wagers prior to the activity. Mr. Ohorilko stated PointsBet has agreed to an administrative penalty for Count 1 up to \$10,000.00; Count 2 up to \$1,000.00 and Count 3 up to \$1,000.00 as a result of these violations.

Andrew Moreno, Director of Compliance for PointsBet USA, stated the company has been moving toward a more automated system, which requires less manual interaction with the traders. When reviewing these violations, they found the trader was manually uploading the market and incorrectly included Iowa when it should have been excluded by regulation. As they have moved to the automated system, they have seen a significant downtick in those instances in Iowa as well as other jurisdictions. Additionally, they have put a “Blacklist” in place which is an instant notification system so that when an incident occurs traders are notified instantly. This system checks the site every one minute and is notifying traders when it discovers an impermissible wager, league or team on the site.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to approve the Stipulated Agreement with PointsBet Iowa with the following administrative penalties: Count 1 - \$10,000.00; Count 2 - \$1,000.00, and Count 3 - \$1,000.00. Commissioner Campbell seconded the motion, which carried unanimously.

Xpressbet, LLC: Mr. Ohorilko advised Commission staff and Xpressbet, LLC, a licensed Advance Deposit Wagering operator, have entered into a Stipulated Agreement for violations of Iowa Code § 99D.7(23) (Self-Exclusion) and 491 IAC 8.6(3)“a”. Mr. Ohorilko advised this is a two-count violation. The first count involves a series of instances between May and July when there were some untimely downloads. The Statewide Self-Exclusion Resolution requires a download within seven days; in some instances, the downloads occurred within 14 days but outside the seven day window. Mr. Ohorilko advised that while negotiating this stipulation, there was an additional count that occurred on January 16th where Xpressbet downloaded the information from the statewide self-exclusion database with the second download occurring on January 26th, which is outside the seven day window. He noted Xpressbet has taken corrective action and is working on a technology solution to hook into the Statewide Self-Exclusion system to automate the process. If they are able to do so, Xpressbet would be the first company to do so. Mr. Ohorilko stated Xpressbet has agreed to an administrative penalty between \$5,000 and \$20,000.

Gene Charbrier, Vice President of Regulatory Affairs and Business Development, stated the company takes this issue very seriously and have taken measures to prevent this from happening again, and look forward to working with Mr. Poundstone to get the API to automate the process.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the Stipulated Agreement with Xpressbet, LLC with an administrative penalty of \$5,000.00 for Count 1, and \$10,000.00 for Count 2. Commissioner Campbell seconded the motion, which carried unanimously.

Sports Information Group, LLC: Mr. Ohorilko advised Commission staff and Sports Information Group, LLC d/b/a Daily Racing Form Sportsbook (DRF Sportsbook) have entered into a Stipulated Agreement for violations of Iowa Code § 99F.4(22) (Self Exclusion) and 99F.1(29) (Impermissible Wagers). He indicated this is a three count violation. The first count involves an untimely download. On December 6, 2022, DRF Sportsbook downloaded the updated information, but did not complete the next download until December 14, 2022, one day outside of the allotted time in the resolution. Counts two and three involve impermissible wagers. Both wagers settled. Count two involves a prop bet on Iowa collegiate athletes, which is prohibited by statute. The wager was for \$2.00; and occurred at a retail license. On the Advance Deposit Sports Wagering license, there was additional action on that particular prop bet, which did settle; however, DRF was able to go back and correct those due to a log created in the online environment. Mr. Ohorilko stated Sports Information Group, LLC has agreed to an administrative penalty between \$5,000.00 and \$20,000.00 for Count 1; up to \$5,000.00 for Count 2, and up to \$5,000.00 for Count 3.

Erin Barnett, Sr. Vice President & General Counsel for Affinity Gaming on behalf of subsidiary DRF, stated DRF takes the matter very seriously with regard to the untimely download of the self-exclusion database, which was due to a misunderstanding on the part of DRF's compliance team. The DRF compliance team now has a pre-scheduled weekly meeting where the information is downloaded as a group so more people have access and to ensure that if someone is out, the information is still downloaded timely. With regard to the impermissible wagers, Ms. Barnett advised it was DRF's own review of wagers on the system that discovered the impermissible wagers on the Iowa Hawkeyes and Michigan Wolverine's game. Further investigation of the actual settled wagers from March led to additional impermissible wagers being found by the Commission. She stated DRF has worked with the platform provider to ensure that such wagers are not available on their platform and to update their technology to prevent a reoccurrence of this issue.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Horbach moved to approve the Stipulated Agreement with the following administrative penalties: Count 1 - \$5,000.00; Count 2 - \$5,000.00 and Count 3 - \$5,000.00. Commissioner Campbell seconded the motion, which carried unanimously.

ADMINISTRATIVE BUSINESS:

Approval of Horse Racing Promotion Fund: Mr. Ohorilko advised there was one applicant for the Horse Racing Promotion Fund – the Iowa Thoroughbred Breeders and Owners Association (ITBOA). There is \$2,174.71 available for distribution. Mr. Ohorilko requested approval of the distribution of the funds to the ITBOA.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Burkhart moved to distribute the Horse Racing Promotion Fund to the ITBOA. Commissioner Campbell seconded the motion, which carried unanimously.

Approval of Voluntary Implementation Agreement with the Horseracing Integrity and Safety Authority (HISA): Mr. Ohorilko stated the agreement is between HISA and the Iowa Racing and Gaming Commission. The agreement allows Commission staff to execute the responsibilities directed by HISA, and specifically, for the state racing stakeholders to receive the \$400,000 assessment credit being offered by HISA. He noted there have been concerns expressed; and while this is not a perfect situation, it is the only way for the racing stakeholders to receive the assessment credit. Mr. Ohorilko stated Commission staff is already doing the work required in the agreement. In discussions with industry representatives, they have made it clear they would prefer Commission employees do the work rather than HISA. Without this agreement, there would be an impact that would trickle down to the starters to pay for the assessment in the amount of \$100 - \$250 per start. Mr. Ohorilko stated that while it is not the best option, he is requesting approval to move forward with the Voluntary Implementation Agreement.

Commissioner Burkhart noted there is a lot of uncertainty about the federal regulation, which is currently under a 30-day injunction. She expressed some hesitation to approve an agreement on an enjoined federal regulation, but due to the timing of Commission meetings, that if the discussion is tabled until June and the injunction is lifted, HISA would immediately bring in their own staff.

Mr. Ohorilko stated if there is a new injunction or an extension of the current injunction, HISA will not enforce or expect the Commission to move forward with the Voluntary Implementation Agreement. An injunction would mean that state rules and regulations would be in place. He stated Commission staff will be there and will be able to make the transition easily, which has happened. Prior to this latest injunction, HISA rules were in effect for four days prior to the injunction occurring, at those racetracks that were running. The State Commissions then had to come back to do the work if they were not already doing so. With regard to timing, the next Commission meeting is in the middle of June; racing starts in the middle of May. If the injunction expires on May 1st, Mr. Ohorilko feels HISA will come in and do the work and does not feel there will be an opportunity to come back at a later date and enter into the Voluntary Implementation Agreement once HISA staff are on site.

Commissioner Olsen stated whether the Commission liked it not, he feels they need to move forward to save the stakeholders \$400,000 and to have procedures in place with the racing season approaching.

Hearing no further comments or questions, Chair Andres requested a motion. Commissioner Olsen moved to enter into the Voluntary Implementation Agreement with HISA. Commissioner Campbell seconded the motion, which carried unanimously.

Horseracing Study: Mr. Ohorilko stated Commission staff has received an exemption from the Department of Administrative Services to allow for a more public process in terms of conducting

the Request for Proposal. He advised this is the same study that was discussed last summer which is to look at a number of factors related to the horse racing industry, which could affect the health and sustainability of the industry. Mr. Ohorilko requested permission to move forward with the study.

Hearing no comments or questions, Chair Andres requested a motion. Commissioner Campbell so moved. Commissioner Horbach seconded the motion, which carried unanimously.

Mr. Ohorilko stated this would be Commissioner Horbach's last meeting. He noted he has the opportunity to meet some special and talented people in his role, and is grateful for those individuals that volunteer to serve on the Commission. Mr. Ohorilko presented Commissioner Horbach with a plaque which read "Lance Horbach – In Appreciation of your Service to the Iowa Racing and Gaming Commission – May 1, 2020 through April 30, 2023" and made some comments recognizing Mr. Horbach for his service.

Commissioner Horbach noted he served on the Commission at the pleasure of the Governor, and is grateful for the opportunity to put his fingerprint on the racing and gaming industry in Iowa. He stated he was walking away with three things he is very proud of and one huge regret:

- 1) When he came on the Commission, he felt the meetings were "cookie cutter" and there were no questions asked during the meetings. While the Commission staff and Commissioners were aware of the behind the scene interactions, the public does not see that interaction. The current Commission implemented a strong engagement, which is why the industry representatives are getting more questions.
- 2) Stakeholder meetings. He wondered how the Commission could regulate or know what the industry needs or the industry meet their expectations if there is no communication on the issues.
- 3) He stated he is proud of the industry. He noted that he knew approximately five people when he joined the Commission, but now knows all of them. He stated the integrity of the Iowa gaming industry is high, and the right people are in the right places.
- 4) Directing his comments to Wes Ehrecke of the Iowa Gaming Association, he state his one regret is that the Iowa Racing and Gaming Commission placed first in the second flight at the Iowa Gaming Association golf tournament, which was a first for any Commission team. His regret is usually the team finishing first in the second or third flight gets a couple of dollars, but the Commission team received huge trophies. He stated it would probably be better if the Commission did not receive such large trophies in the future from a public relations standpoint.

Commissioner Horbach stated what occurs in the future is up to everyone else, but has confidence in everyone. He stated they have a stigma from those who don't know gaming, but he has never met one person who didn't try to do the right thing. He noted the communities in which the facilities operate also depend on them. He expressed appreciation for his time on the Commission.

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

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 Burkhardt 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.

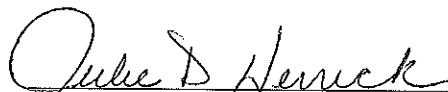
Commissioner Burkhardt commended staff for putting the Mission Statement together, as she feels Commission members struggle to explain what it is they do and this revised statement encapsulates their roles.

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

**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 24th. Submissions for that meeting are due in the Commission's Des Moines office by August 10th. The Commission will meet at the Hard Rock Hotel & Casino in Sioux City on October 5th. Commission members and staff will have dinner and stay overnight at Grand Falls Casino in Larchwood on October 4th.

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 Burkhart 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 Burkhart 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 Burkhart 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 1st, 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 30th; however, it was not completed until December 1st. 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 23rd 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:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
AUGUST 24, 2023**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, August 24, 2023 at Riverside Casino and Golf Resort in Riverside, Iowa. Commission members present were Daryl Olsen, Chair; and members Julie Andres and Amy Burkhart. Commissioner Alan Ostergren participated telephonically.

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

WELCOME: Damon John, General Manager, welcomed everyone to the property, and recognized IRGC Gaming Representatives Scott Ditch and Tori Aplara assigned to the facility. He advised Riverside employees get along well with them and thanked them for their work. Mr. John noted the Riverside facility opened on August 31, 2006, and has been privileged to hold a license for the last 17 years along with their non-profit operator, Washington County Riverboat Foundation (WCRF). The mission since Day 1 has been to provide the best guest service, best food and entertainment and maintaining the property. He stated none of the successes over the last 17 years would be possible without the hard work and dedication of the approximate 700 employees. Team members care deeply about the mission, one another and the community. Mr. John stated the Riverside staff recently won the "Give Back to Iowa Volunteer Challenge" in the large business category for the seventh time in the last nine years. During the months of April and May, team members logged over 2,500 volunteer hours across various activities in the region. He noted they narrowly edged out their sister property, Grand Falls Casino Resort, and next year would be a battle between the two properties. In September, team members will volunteer for the annual National Disabled Veteran's Golf Clinic. Veterans from around the country come to Riverside for the event put on the US Department of Veteran's Affairs and the local VA; over 600 veterans are expected to attend. Mr. John stated the property would be hosting their annual anniversary fireworks poolside at dusk on Saturday, August 26th. He stated they celebrate each year because they are proud of the facility. He thanked everyone for attending and introduced Stephanie Sexton, President of the WCRF.

Ms. Sexton welcomed everyone to the facility and thanked them for attending. She stated that as of March 2023, WCRF has been able to gift approximately \$59 million. During the spring grant cycle, WCRF distributed approximately \$1.6 million; municipal grants totaled \$639,000. They also granted \$15,000 to the Golf for Injured Veterans Everywhere organization (GIVE). These grants bring the total amount distributed by WCRF to over \$61 million. They are excited to see what the fall grant applications will inspire. Ms. Sexton stated WCRF is looking forward to their continued partnership with Riverside Casino and Golf Resort to further grow, uplift and transform the region.

MINUTES: Chair Olsen requested a motion to approve the minutes from the July 7, 2023 Commission meeting. Commissioner Ostergren moved to approve the minutes as submitted. Commissioner Andres seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised there is no Commission meeting in September. He stated in October the Commission will meet at Hard Rock Hotel & Casino in Sioux City; all submissions are due ten days prior to the meeting. He noted the Commission would be visiting Grand Falls Casino Resort the afternoon and evening of October 4th. The Commission will meet at Prairie Meadows Racetrack and Casino on November 16th.

Mr. Ohorilko also recognized Commission Gaming Representatives Scott Ditch and Tori Aplara for their work on behalf of the Commission.

RULES: Mr. Ohorilko stated the rules before the Commission under Notice of Intended Action propose changes to Chapter 4, "Contested Cases and Other Proceedings", Chapter 13, "Sports Wagering", and Chapter 14, "Fantasy Sports Contests". He stated the existing rules in Iowa are solid and have been utilized by many states that legalized sports wagering after Iowa. There is an expectation of compliance; people are complying at high rates, and the available information has shown no evidence of match fixing or points shaving on any markets to date. The proposed rules further strengthen certain regulatory areas by creating additional check points for participants in sports wagering. He stated he is looking forward to receiving feedback as the rule package makes its way through the process. Mr. Ohorilko requested approval of the Notice of Intended Action for the rule package.

Hearing no comment or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the Notice of Intended Action for the proposed rules. Commissioner Andres seconded the motion, which carried unanimously.

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

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

- Cummins Allison – Maintenance and Supplies
- Woodruff Construction – Renovating the Pool and Wellness Center Area

Mr. John advised the Woodruff Construction contract is to move the Wellness Center from the current location to the indoor pool area. The new space will have large glass windows overlooking the pool area and will be more convenient for guests.

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

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

- Cummins Allison – Count Room Equipment and Maintenance
- DLR Group, Inc. – Design Services for Hotel Expansion and Amenities
- Kohl’s Department Stores – Kohl’s Gift Cards for Promotional Giveaways
- Lonny Bengé – Production for Entertainment Acts

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

IOC Black Hawk County, Inc.: Chad Moine, General Manager, presented a contract with the City of Waterloo for Police Coverage at the Casino.

Commissioner Burkhart commended Mr. Moine for working to find a solution to the security concerns previously raised.

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

HGI-Lakeside, LLC: Marc Estrada, Director of Finance, presented a contract with Edge Commercial, LLC for an insurance claim for repairs to the facility due to a weather event.

Commissioner Burkhart noted Lakeside is receiving a significant sum from the insurance claim. She noted the Commission recently approved a totally new facility that was close to this figure. She inquired if other items rather than just repairing the facility were considered.

Mr. Estrada stated Lakeside has an ongoing contract with Edge who is the contractor for the casino renovation. He noted many other buildings in the area also had significant damage from the weather event. He stated Lakeside wished they could have done more to advance the renovation, but due to timing, no additional improvements other than repairs to the facility were considered.

Commissioner Andres asked if Lakeside was already in the renovations process when the damage occurred. Mr. Estrada advised they were already planning the renovation and proceeding with that project.

Chair Olsen asked if all of the damage was to the outside of the facility. Mr. Estrada answered in the affirmative.

Commissioner Andres asked if the insurance was written so that Lakeside was constrained in how the funds would be utilized. Mr. Estrada answered in the affirmative.

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

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

- Tri-City Electric Co of Iowa Corp – HVAC Maintenance and Contracted Electrical Work
- Core-Mark Midcontinent d/b/a Farner Bocken – Food Distributor
- Ideal Floors – New Carpet and Install on Casino Floor

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

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

- Core-Mark Midcontinent d/b/a Farner Bocken – Purchase Cigarettes and Sundries
- Volbeat, LLC – Battery Park Concert – Volbeat (OSV)
- Disturbing Tha Peace Touring, Inc. – Battery Park Concert - Ludacris (OSV)

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

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

- Bailee Touring Corporation – Entertainment – Artist Jelly Roll (OSV)
- Giese Sheet Metal Co. – HVAC Work at Casino and Hotel
- Sonifi Solutions, Inc. – Provide High Definition Content per Hilton Brand Standards (OSV)
- International Game Technology (IGT) – IGT Customer Agreement/Q Sportsbook (OSV)

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

Diamond Jo, LLC: John Sanchez, Director of Finance, presented the following contracts for Commission approval:

- Associated Computer Systems, LTD – Replacing Network Switch Infrastructure
- Conference Technologies, Inc. – Mississippi Moon Bar – AV System Upgrades

- Commercial Flooring Co. – Removal and Installation of Back-of-House Flooring

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

Diamond Jo Worth, LLC: Scott Smith, General Manager, presented a contract with Conference Technologies, Inc. for an AV System and IP Video Distribution.

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

Casino Queen Marquette, Inc.: Sean Bateman, General Manager, presented the following contracts for Commission approval:

- Core-Mark Midcontinent, Inc. – Distributor – Cigarettes, Proteins, and Pre-Packaged Items
- King Foodservice – Food Distributor

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

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

- Delta Airlines – Air Travel Vendor
- Sonifi Solutions – Pay-Per-View Provider for Hotel (OSV)

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the contracts as submitted by Harvey's Iowa Management Co., Inc. Commissioner Andres 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:

- R. W. Smith and Co./TriMark-Hockenbergs – Food Service Product Provider
- World Link Trading, Ltd. – Asian Food and Promotional Item Vendor (OSV)

Chair Olsen called for any comments or questions. Commissioner Burkhart thanked Mr. Roberts for providing the additional information pertaining to the World Link Trading contract, and moved to approve the contracts as submitted by Iowa West Racing Association d/b/a Horseshoe Casino Council Bluffs. Commissioner Andres seconded the motion, which carried unanimously.

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

- American Teletimer – Photo Finish/Replay Service and System Maintenance (OSV)
- Elder Corporation – Dirt and Sand
- Harms Oil (James Oil) – Fuel Purchases
- Hy-Vee Inc. – Sponsorship of Events at Iowa Speedway and Food Products
- Infomax Office Systems – Print Center Copier Supplies and Service
- Iowa State Fair – Iowa State Fair Tickets
- J F Ahern Company – Fire Sprinkler Servicing
- Laser Tech (Office Express) – Office and Housekeeping Supplies
- Loffredo Fresh Produce – Food Products
- McAninch Corporation – Dirt, Sand and Paving Materials
- Nestle USA (Starbucks) – Starbucks Coffee
- Neumann Brothers – General Contractor
- Tony Cee Associates – Talent Booking Agency (OSV)
- True North Companies – Insurance Brokerage Services

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

HEARINGS:

American Wagering, Inc.: Mr. Ohorilko advised Commission staff and American Wagering, Inc., doing business as Caesars Sportsbook, have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.1(29) relating to authorized sporting events that are offered for wagering. He noted American Wagering is licensed in Iowa to conduct advance deposit sports wagering as a mobile operator and retail as they are licensed as a vendor. The Stipulated Agreement has two counts with the first one related to the mobile operation. There were three instances of offering an unauthorized wager. The first was a wager on the Super Bowl coin toss, which occurred prior to the statute being changed. There were also some proposition bets or negative outcome wagers such as the number of interceptions thrown and also a wager on a pre-recorded event. Mr. Ohorilko advised that for the impermissible wagers made on the mobile platform, Caesars Sportsbook did go back and refund the losing wagers. Count 2 relates to the retail operation. Wagers were offered on the Super Bowl coin toss prior to being authorized and on negative outcome situations. The retail environment does not allow the sportsbook to go back and correct the situation after the fact. Mr. Ohorilko stated American Wagering, Inc. has agreed to an administrative penalty in an amount up to \$10,000 for Count 1 and up to \$10,000 for Count 2.

Doug Gross, legal counsel, stated Mr. Ohorilko accurately described the situation. The issues were identified and resolved. He stated American Wagering, Inc. agrees with the consent order. Mr. Gross advised a new Training Compliance leader has been hired to insure these issues do not reoccur and the processes have been corrected.

Commissioner Ostergren stated he had contacted Mr. Ohorilko as to how the sportsbooks had treated the impermissible wagers. Mr. Ohorilko stated American Wagering, Inc. refunded customers that had placed wagers on the unauthorized markets that had lost their wagers, specifically with regard to the coin toss wager, \$55,000 in losing wagers were voided. With regard to how revenue is reported to the State, which is taxed, the refunds were disallowed as a deductible expense for tax purposes.

Commissioner Ostergren stated it was important that the sportsbook took corrective action on its own.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the Stipulated Agreement as presented with an administrative penalty of \$10,000 for Count 1 and \$10,000 for Count 2 for a total of \$20,000. Commissioner Burkhart seconded the motion, which carried unanimously.

Rush Street Interactive IA, LLC: Mr. Ohorilko stated Commission staff and Rush Street Interactive IA, LLC have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.1(29) relating to impermissible wagers. Rush Street Interactive IA, LLC does business as BetRivers. BetRivers uses Kambi as their software platform provider. Similar to a previous incident before the Commission, Kambi provided their sports wagering partners wagers on individual performances of Iowa college athletes, which is prohibited by statute. The wager was offered on January 1, September 10, and September 24, 2022. The wagers were accepted by BetRivers and settled in the amount of \$2,400. Subsequently, there was another series of wagers offered on March 17, 18, 20, and 25, 2022; BetRivers accepted and settled 42 wagers in the amount of \$766. Mr. Ohorilko stated BetRivers has credited the customer accounts that placed a losing wager. He stated Rush Street has acknowledged the facts and agreed to an administrative penalty up to \$10,000.

Laura McAllister Cox, Chief Executive Officer for Rush Street Interactive, LP, stated the company takes their compliance requirements very seriously across the board. She noted the focus today was on multiple impermissible wagers from 2022. She stated Rush Street has worked with Kambi to ensure the accuracy of the wagers placed on Rush Street's system to prevent unapproved wagers. Additionally, they have implemented weekly audits of the Iowa offerings. She stated Rush Street is confident these measures and points of communication will remedy the gaps that lead to this situation.

Chair Olsen called for any comments or questions. Commissioner Burkhart moved to approve the Stipulated Agreement with an administrative penalty of \$5,000. Commissioner Andres seconded the motion, which carried unanimously.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: None.

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

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
OCTOBER 5, 2023**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, October 5, 2023 at Hard Rock Hotel & Casino in Sioux City, Iowa. Commission members present were Daryl Olsen, Chair; Mark Campbell, Vice Chair; and members Julie Andres. Commissioner Alan Ostergren participated remotely.

APPROVE AGENDA: Chair Olsen called the meeting to order at 10:30 AM. He advised Commission staff had received a request to defer Agenda Item 11E, and requested a motion to approve the agenda as amended. Commissioner Campbell seconded the motion, which carried unanimously.

WELCOME: Doug Fisher, General Manager, welcomed everyone to Hard Rock on behalf of the 400 team members, and introduced the management team. He noted the facility received the Triple A Four Diamond rating for the ninth straight year; and were named in the "25 Best of Gaming" by the Readers' Choice Awards. Mr. Fisher advised they have paid \$30 million to Missouri River Historical Development (MRHD), their non-profit licensee. He thanked Jolly Time Popcorn and Palmer's Candy, both headquartered in Sioux City, for providing the refreshments for the meeting.

Mr. Fisher introduced Mayor Bob Scott, who thanked the Commission for their hard work to keep gaming safe.

Steve Huisenga, President of MRHD, welcomed everyone to Sioux City and introduced members of the MRHD Board. He thanked the Commission for their work on behalf of the gaming industry. He noted the World Buffet space is going to be remodeled. Mr. Huisenga highlighted some of the attractions within Sioux City. He advised the new Executive Director has made an impact in the community and has worked to improve their procedures. Mr. Huisenga advised there will be six grant cycles in 2024.

APPROVE MINUTES: Chair Olsen requested a motion to approve the minutes from the August 24, 2023 Commission meeting. Commissioner Andres moved to approve the minutes as submitted. Commissioner Campbell seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised the next Commission meeting will be at Prairie Meadows Racetrack & Casino on November 6th; all submissions for the meeting are due in the Des Moines Commission office by November 2nd. There will be no meeting in December. The first meeting of 2024 will be held on January 25th at Q Casino.

Mr. Ohorilko stated the Commission would be holding an industry roundtable with the gaming operators to discuss regulatory challenges and assess long term plans. He indicated he would be sending out a schedule. A virtual option will be available to allow corporate members to attend.

Mr. Ohorilko introduced Gaming Representative Janet Schroeder, who is assigned to the Hard Rock Hotel & Casino, and expressed appreciation for her work on behalf of the Commission.

HORSERACING STUDY PRESENTATIONS: The Commission heard presentations from Thomas Zitt, Ph.D., Executive Vice President of The Innovation Group and Doug Reed from Racing, Gaming & Entertainment LLC. Chair Olsen stated the Commission would evaluate the presentations and announce their decision at the November Commission meeting.

IDPAIR: Jonathan Aiwasian, CEO, advised the company is made up of former operators and big data engineers focused on helping responsible gaming tools evolve with changing player behaviors, noting current tools were designed for a one-app gambler. Mr. Aiwasian presented information regarding idPair's system.

DUBUQUE RACING ASSOCIATION, LTD. (DRA): Chair Olsen requested that Mr. Dixon address the remodeling request first and then the financing.

Alex Dixon, President and Chief Executive Officer, stated they are excited to reinvest in the property. The multi-phase multi-year project will cost between \$75-\$80 million for the proposed remodel and expansion project. The temporary casino will open on October 13th. Mr. Dixon requested Commission approval to proceed with Phases 2 and 3 of the project. Phase 2 includes the remodel of the existing lower casino, entertainment and rotunda areas; this phase will also include turning the current Farmhouse Restaurant into a new Sports Bar restaurant and new sportsbook. Phase 3 involves remodeling the temporary casino into a family entertainment zone for all ages, which will include banquet space. Phase 4 will be the construction of the new hotel tower with a roof-top restaurant in 2025, while Phase 5 will cover the remodel of the facility façade, landscaping, parking and outdoor signage. Mr. Dixon advised it has been 15 years since the last major renovations at the facility. DRA did receive a Destination Iowa Grant to assist with the changes to the outside concert venue. Mr. Dixon stated the ring over the casino floor is a nod to their start as a greyhound racetrack.

Mr. Dixon stated they are seeking approval of financing from MidwestOne Bank, the lead bank, in the amount of \$29,717,196.09. They will be using a local general contractor, and 99.7% of construction costs will go to Iowa-based concerns, and 78.4% will be paid to Dubuque-area contractors. He advised 100% of the funds will come from Iowa-based banks

Mr. Dixon stated there are plans to build an amphitheater at the river, creating a permanent outdoor concert venue, which will allow them to convert the current outdoor concert area into meeting/banquet space.

Mr. Dixon advised that Dubuque Initiatives, a non-profit corporation, has agreed to help partially finance the design and construction of the roof-top restaurant.

Commissioner Campbell noted everyone is impressed with the forthcoming changes, but expressed concern that the gaming floor is being reduced by approximately 50% with the number of slot machines being reduced from 636 to 500. Mr. Dixon indicated that was correct, but stated

there is a lot of space that is used inefficiently in the current layout. He stated that even though they are reducing the number of slots, they feel they can increase the overall occupancy.

Hearing no further comments or questions, Chair Olsen requested a motion regarding the request for remodeling pursuant to 491 IAC 5.4(15). Commissioner Andres moved to approve the remodel request for Phases 2 and 3 as presented by Dubuque Racing Association, Ltd. Commissioner Campbell seconded the motion, which carried unanimously.

Chair Olsen requested a motion regarding the request for approval of financing pursuant to 491 IAC 5.4(8). Commissioner Campbell moved to approve the financing package as submitted by Dubuque Racing Association, Ltd. Commissioner Andres seconded the motion, which carried unanimously.

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

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

- City of Dubuque – Amended & Restated Lease Agreement (RP)
- City of Dubuque – Lease Agreement for Land – Lots 2 and 3 (RP)
- Contracts:
 - Conlon Construction – Contractor for Phases 1-3 of the Casino Remodel
 - Midwest One Bank – Loan Coordination Fees for Construction Loan
 - National Event Promotions – Entertainment – Artist Booking Agency (OSV)
 - Pinnacle Entertainment, Inc. – Entertainment – Artist Booking Agency (OSV)
 - Wired Production Group – Entertainment – Production Services

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

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

- HD Supply, Inc. – Environmental Services Supplies
- Nexstar Broadcasting Inc. d/b/a KELO-TV – Television Advertising (OSV)
- Popkes, Inc. – Bulk Fuel Purchases
- Wells Fargo Business Elite Card – Credit Card Purchases

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

- Black Top, Inc. F/S/O – Clint Black – Entertainment on December 7-8, 2023 (OSV)
- Power Promotions – Continuity Gift – December 2023 (OSV)
- TurfWerks – Golf Course Equipment

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

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

- Doll Distributing – Alcohol for Casino and Restaurant
- Liebl Marketing Group – Marketing Agency for Advertisement
- Premier Mechanical Services, Inc. – Monthly Maintenance Fees and Repairs to HVAC System
- Blacktop Service Company – Parking Lot Repairs

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

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

- Core BTS – Surveillance/IT Supplies and Support (OSV)
- Edward Don & Company – Kitchen Equipment
- Pinnacle Construction, Inc. – General Contractor

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

Casino Queen Marquette, Inc.: Sean Bateman, General Manager, presented the following contracts for Commission approval:

- Lamar Advertising of LaCrosse – Billboard Advertising to our Wisconsin Market
- Knight Abbey – Direct Marketing and Advertising for the Casino (OSV)

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

IOC Bettendorf, L.C.: Thomas Roberts, General Manager for Harvey's Iowa Management Company LLC and Horseshoe Casino Council Bluffs, presented the following contracts on behalf of IOC Bettendorf, L.C. for Commission approval:

- Plex Travel, LLC – Third Party Planner to Facilitate Booking Sports Team Hotel Rooms
- 7G Distributing LLC – Alcoholic Beverage Vendor

Commissioner Andres asked if this was for advertising. Mr. Roberts advised the hotel is a travel venue for the city. Rooms are booked through an agency that offers discounts.

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

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

- Altofer – Renewal of Service Warranty Coverage for Power Generation System
- Insight Direct USA Inc. – Purchase of Juniper Networking Equipment and Installation Hardware

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

Diamond Jo Worth, LLC: Scott Smith, General Manager, presented a contract with Hart-Hammer, Inc. for mechanical upgrades for Commission approval.

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

Harvey's Iowa Management Company LLC: Mr. Roberts presented a contract with VSR Industries for slot bases and lock provider (OSV).

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

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

Application for Pari-Mutuel License and Granting of Race Dates; Racetrack Enclosure Gambling License, and Sports Wagering License for January 1, 2024 through December 31, 2024: Mr. Roberts and Brenda Mainwaring, President of the IWRA, were present to address the agenda item. Stating that Caesars Entertainment has been a great partner, Ms. Mainwaring requested approval of the license renewal. She noted the original building is almost 40 years old, but Caesars has done a lot of work to ensure the infrastructure is safe and made other improvements to bring in

new players. Ms. Mainwaring stated IWRA has invested millions in the MidAmerica Rec Center, noting that Horseshoe Casino was the original attraction in the area. She noted Tesla has opened the largest service center for the region in Council Bluffs. Ms. Mainwaring stated IWRA is also working on adding a wrestling center to the Iowa West Field House.

Mr. Roberts noted the property faced competition in 2022 from the casinos starting operations in Nebraska. From an economic standpoint, gaming revenue decreased 9.9%. He noted they started the hotel renovation in the fourth quarter of 2022. They spent \$3.6 million to repair the frontage road. They continue to review their options for getting JB's open. Mr. Roberts requested approval of the license renewal.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Campbell moved to approve Iowa West Racing Association's Application for a Pari-Mutuel License, Racetrack Enclosure License and Sports Wagering License for January 1, 2024 through December 31, 2024 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 Andres seconded the motion, which carried unanimously.

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

- FlaktGroup SEMCO – HVAC Repair for Rooftop Units (OSV)
- VSR Industries – Slot Bases and Lock Provider (OSV)

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres 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. D/B/A PRAIRIE MEADOWS RACETRACK AND CASINO:

Application for Pari-Mutuel License and Granting of Race Dates; Racetrack Enclosure Gambling License, and Sports Wagering License for January 1, 2024 through December 31, 2024: Gary Palmer and Derron Heldt, General Manager and Vice President of Racing respectively, were present to address the agenda item.

Mr. Palmer advised the hotel was recently remodeled at a cost of approximately \$15 million; all escalators on the property were replaced as well as the carpet in the casino.

Mr. Heldt advised following discussions concerning the racing calendar, it has been decided to move the potential make-up date of Thursday, September 19th to Sunday, September 29th, which would be the final day of racing. Racing will commence with the thoroughbreds on May 10th, and the mixed meet will commence on Sunday, June 24th.

Mr. Heldt stated there are 27 barns on the backside; eleven have windows which allow the horses to look out and provide better ventilation. They will be replacing the windows in the remaining 16 barns; they will do three barns per year over the next few years to improve the ventilation.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve Prairie Meadows Racetrack and Casino, Inc.'s Application for Pari-Mutuel License, Racetrack Enclosure License and Sports Wagering License for January 1, 2024 through December 31, 2024, and grant race dates as amended with the following conditions:

- The export 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.

Mr. Heldt advised the amended race calendar would be included in the Season Approval submission in January.

Commissioner Campbell seconded the motion, which carried unanimously.

Recap of Race Meet: Mr. Heldt noted the 2023 race meet ended on Saturday, September 30th. He indicated the handle was mixed. For thoroughbreds, off track was down in 2023, \$32,147,469 versus \$35,278,550 for 2022, or down 8.8%. On track handle for the thoroughbreds was also down 3.40%, \$2,148,012 for 2023 versus \$2,223,726 for 2022.

For the quarter horses, off track handle increased over \$1.8 million in 2023 versus 2022, \$6,297,330 versus \$4,449,764 and on track was up 7.63% - \$538,384 versus \$500,196.

There were 17 days of thoroughbred racing and 60 days of mixed racing. Field size for the thoroughbreds was 6.3, down from 6.6 last year; quarter horse field sizes were 7.85 this year, up from approximately 6 entries per race last year.

Mr. Heldt provided some highlights from the race meet. He stated the Iowa Thoroughbred Breeders and Owners Association held their annual fall sale on August 31st. There were 50 horses for sale; two horses sold for \$50,000. In September, Keeneland had their annual sale; 5,000 horses were for sale.

Mr. Heldt advised there were four thoroughbred catastrophic injuries during the race meet. With the implementation of HISA, the track surface is measured for depth, moisture and how hard the surface is. He noted industry standards for 2022 were 1.25 catastrophic injuries per 1,000 starts; Prairie Meadows was at 1.14. Mr. Heldt stated Prairie Meadows takes great pride in their racing surface. He advised they hired a new track superintendent this year. Mr. Heldt stated there were two skeleton injuries where the horse could not be saved, and two were from horses bleeding

internally and died within 72 hours. There were also four catastrophic injuries on the quarter horse side; however, there is no industry standard.

Mr. Heldt stated preparation work on the track surface for the 2024 racing season commenced yesterday. He advised four roofs will be re-shingled, some areas between the barns will be re-asphalted as well as doing some other repair work on the backside.

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

- Bolton & Hay – Foodservice Equipment and Supplies
- Des Moines Steel Fence – Fence Installation and Repair
- J F Ahern Company - Fire Sprinkler Servicing
- Master's Transportation – Shuttle Bus (OSV)
- Sysco Foods of Iowa – Food Products

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

HEARINGS:

Catfish Bend Casinos II, LLC: Mr. Ohorilko advised Catfish Bend Casinos II, LLC and Commission staff had entered into a Stipulated Agreement for violations of Iowa Code 99F.4(18), 99F.9(5), 491 IAC 6.5(1)“a”, 661 IAC 141.5(9), 141.10(6) and (7) (Surveillance; Minor). This is a two count stipulation; the first count relates to not maintaining surveillance video for the required number of days. There were 19 cameras that were only retaining video for ten days rather than the required 21 days. The issue was discovered when Commission staff was following up on a security report and was informed the matter could not be confirmed as coverage was not available. Mr. Ohorilko advised the malfunction has been rectified. Count two: On December 8, 2022, Catfish Bend advised Commission staff that a 17-year old café employee had been gaining access to the gaming floor and sports wagering area when making food deliveries to these areas on multiple occasions. Mr. Ohorilko stated the statute provides that an 18-year old may be employed to work on the gaming floor. During the course of the investigation, Commission staff expressed concerns that supervisors were not aware of the age requirement, and that security lacked the training and procedures on how to properly identify unlicensed employees or vendor employees and how to determine who could properly enter and work on the gaming floor. Mr. Ohorilko advised Catfish Bend has agreed to pay an administrative penalty up to \$20,000 each for Count 1 and Count 2.

Rob Higgins, General Manager, accepted full responsibility for these infractions. With regard to Count 1, he advised an upgrade of the cameras for the surveillance system commenced on October 29, 2021 and was completed on July 29, 2022. The cameras were set to the default setting for retention rather than the 21 days. Additionally, the longtime surveillance director at the facility retired due to health issues, and a new surveillance director was named effective July 11, 2022. Mr. Higgins stated measures have been put in place to ensure this does not happen again. He advised the new security director has been certified on the surveillance system.

With regard to Count 2, Mr. Higgins noted the PointsBet Sportsbook is across the hallway from the Boogaloo Café. He advised they just hired a new Food and Beverage director, who did not come from the gaming environment, and was not aware that an employee had to be 18 to work on the gaming floor. Mr. Higgins noted the individual did not gamble, but was in and out multiple times.

Commissioner Campbell noted the facility has a unique layout, and asked how they plan to address the matter. Mr. Higgins noted IRGC waived the badge requirements for the Class "O" employees so the facility has created a badge that is different than the gaming badges so security can easily identify them as Huckleberry Fun City employees. He stated there have been no further issues. Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Campbell moved to approve the Stipulated Agreement with an administrative penalty of \$20,000 for Count 1, and \$5,000 for Count 2. Commissioner Andres seconded the motion, which carried unanimously.

Penn Sports Interactive, LLC: Mr. Ohorilko stated Commission staff and Penn Sports Interactive, LLC have entered a Stipulated Agreement for a violation of Iowa Code § 99F.1(29) (Impermissible Wagers). On September 30, 2022, a licensee reported to the Commission that proposition wagers on individual performances involving Iowa athletes had been allowed for wagering in the state. An investigation determined that the platform provider, Kambi who works with multiple casinos in Iowa, posted some impermissible wagering markets on its mobile platform. Barstool's mobile sportsbook uses Kambi's software platform. Further investigation found that Barstool's mobile sportsbook accepted and settled 810 proposition bets involving individual performances involving Iowa athletes totaling \$15,555.59. In March 2022, Barstool's mobile sportsbook accepted and settled 157 proposition bets on individual performances involving Iowa athletes totaling \$1,776.39. Mr. Ohorilko advised Barstool Sportsbook credited the account of any customer that placed a losing proposition wager. He stated Penn Sports Interactive has agreed to an administrative penalty up to \$10,000.

Adam Kates, Senior Director of Compliance, emphasized Penn Sport's commitment to compliance, and advised that as of January 2023 Barstool started moving away from using Kambi; and are no longer tied to a third party. He stated the compliance department is monitoring the site to ensure proposition wagers on individual athletes are not allowed in the state of Iowa.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres thanked Mr. Kates and Penn Sports for their efforts in addressing this issue. She moved to approve the Stipulated Agreement with an administrative penalty of \$10,000. Commissioner Campbell seconded the motion, which carried unanimously.

Ameristar Casino Council Bluffs, Inc.: Mr. Ohorilko stated Commission staff and Ameristar Casino Council Bluffs, Inc. have entered into a Stipulated Agreement for violations of Iowa Code § 99F.1(29) (Impermissible Wagers). He indicated the Stipulated Agreement is for two counts with Count 1 being related to the previous hearing; however, it only affects the retail operation. An investigation revealed The Sportsbook at Ameristar Council Bluffs accepted and settled 39 proposition wagers totaling \$565.53 in handle. Retail wagering is anonymous; therefore,

Ameristar was unable to correct all of the wagers made. Count 2 relates to impermissible wagers offered for Super Bowl LVII. As retail wagering is typically anonymous, there is no direct mechanism for voiding wagers and returning the funds prior to the event occurring. In this instance, The Sportsbook at Ameristar Council Bluffs knew the patrons and was able to return the bets prior to the start of the event. Mr. Ohorilko stated Ameristar Casino Council Bluffs, Inc. has agreed to an administrative penalty between \$5,000 and \$20,000 for Count 1 and \$5,000 for Count 2.

Mr. Czak stated he did not have any additional information to present regarding Count 1. He noted there were only four wagers involved in Count 2 and the money was returned to the patrons.

Hearing no further comments or discussion, Chair Olsen called for a motion. Commissioner Campbell moved to approve the Stipulated Agreement with an administrative penalty of \$10,000 for Count 1 and \$5,000 for Count 2. Commissioner Andres seconded the motion, which carried unanimously.

Ameristar Casino Council Bluffs, Inc.: Mr. Ohorilko stated Commission staff and Ameristar Casino Council Bluffs, Inc. have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(5) (Minor). On October 8, 2022, an underage individual entered Ameristar's elite players club lounge unchallenged. While in the lounge, the underage individual was served multiple alcoholic beverages without being asked for identification. Mr. Ohorilko advised the Iowa Alcoholic Beverages Division did assess a \$500 civil penalty to the facility. The individual also entered the gaming floor unchallenged, and was on the floor for 32 minutes. While on the gaming floor, the underage individual was provided an alcoholic beverage by an adult companion. Mr. Ohorilko stated Ameristar Casino Council Bluffs, Inc. has agreed to an administrative penalty in an amount up to \$20,000.

Mr. Czak stated this is the worst call to get as the facility has failed at compliance. He noted while the individual gained access to the gaming floor unchallenged, Ameristar's staff did not provide/serve alcohol to the individual, someone else did. Mr. Czak stated they have provided additional coaching/training to the bartender in the VIP lounge. They terminated the security officer who allowed the individual onto the gaming floor unchallenged.

Commissioner Campbell, noting the facility can not control what other customers do, moved to approve the Stipulated Agreement with an administrative penalty of \$20,000. Commissioner Andres seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Mr. Ohorilko advised Commission staff and IOC Black Hawk County, Inc. have entered into a Stipulated Agreement for various violations of 491 IAC 5.4(5)“b” and/or 491 IAC 11.2(2)“b” related to security and allowing gambling while visibly intoxicated.

- In June 2021, the Alcohol Beverages Division (ABD), the Waterloo Police Department (WPD), Iowa State Patrol (ISP), and the Division of Criminal Investigation (DCI) conducted a “sting” at Isle Casino Hotel Waterloo due to reported concerns of over service and other alcohol related issues. There were serious incidents where individuals were

determined to be intoxicated by investigators from these agencies. The patrons were requested to consent to a preliminary breath test (PBT). Prior to the “sting” operation, local Commission gaming representatives investigated a number of incidents involving the facility’s identification and safe removal of intoxicated, impaired or other undesirable individuals and maintain its premises and facilities for the safety of all patrons and employees.

- On July 15, 2022, there was a hotel party involving 30-36 minors. The incident became disorderly, and there were a number of complaints passed on to security. Commission staff did not feel the complaints were responded to timely. During this incident, a very young individual became intoxicated to the point of unconsciousness. The individual was dragged through the hotel to the entrance of the casino. Security staffing was above the minimum requirement, but was not at “the standard” staffing as provided in the yearly security plan. Local law enforcement and emergency medical staff responded timely once contacted. No minor in the hotel room was served alcohol by Isle Casino Hotel Waterloo. Commission staff noted there was no formal security training with regard to de-escalation and riot control at that time.
- On August 5, 2022 and September 11, 2022, there was some inconsistent reporting of incidents by security and surveillance. Security reported both incidents as a “slip/fall” and surveillance reported the incident on August 5th as a “possible intoxication”. They reported the September 11th incident as an “emergency medical response”.
- On February 23, 2023, there was an allegation that a female patron was assaulted in the front lobby of the property, where three security officers were standing at the entrance podium to the gaming floor. Concerns were voiced regarding the response to the situation.
- Commission staff conducted an audit of the facility’s security staffing for 2022; they randomly chose one week out of each month to audit. The audit revealed security staffing met the minimum number required under the facility’s security plan; however, the facility never reached the “standard” staffing number as provided in the yearly security plan in any of the weeks audited.

Mr. Ohorilko stated Isle Casino Hotel Waterloo has been very cooperative during the negotiations. They have added and continue to maintain a certified police presence on site in accordance with intervals agreed upon with the Commission. The number of incidents has declined. He stated the facility has increased the number of security personnel, increased training, and have trespassed a number of individuals. Additionally, they have hired a new security leader with almost a decade of casino security experience in multiple jurisdictions. Mr. Ohorilko stated Isle Casino Hotel Waterloo has agreed to an administrative penalty up to \$100,000.

Chad Moine, General Manager, stated the facility takes public safety very seriously and strives to provide a safe environment for their guests and team members. He noted a lot of changes have been made on the training front. He stated they contacted the corporate office and learned they have a corporate training program for security. Mr. Moine noted they had hired a new security department head with casino industry experience in larger jurisdictions; they have hired additional security personnel and have a local police officer on site as requested for 8 hours a day but have made a request to increase that to 10 hours per day. They have a back-up plan in place with the Black Hawk County Sheriff’s Department.

Mr. Moine stated they have removed all 16 ounce products and have increased the size of the glass used for mixed drinks. Training for beverage servers will be done quarterly rather than annually. He thanked Commission staff for working with them to institute best practices to improve safety at the facility.

Commissioner Andres asked if there have been additional incidents since those set out in the Stipulated Agreement. Mr. Moine answered in the negative, citing the permanent trespass of 38 individuals from the property.

Commissioner Campbell asked about additional contact with the Alcohol Beverages Division. Mr. Moine stated there has not been any further contact. Commissioner Campbell expressed concern that the situation has reached the point where everyone is comfortable. He stated he does not want to get to this point again. Mr. Moine advised they have a one-year agreement for the CPO and intend to maintain it through the next licensing approval process.

Commissioner Andres noted they had hired a new security director, and asked what steps they plan to take to retain him. Mr. Moine stated he is loyal to Caesars as he has been with the company for approximately ten years. He stated he believe he is happy in the area, but can't guarantee he won't leave. He stated they do have a succession plan.

Commissioner Ostergren stated Mr. Moine's responses increased his comfort level. He stated this situation should serve as an eye-opener for the industry.

Hearing no further comments, Chair Olsen requested a motion. Commissioner Andres moved to approve the Stipulated Agreement with an administrative penalty of \$100,000. Commissioner Campbell seconded the motion, which carried unanimously.

Circa Sports Iowa LLC: Mr. Ohorilko stated Commission staff and Circa Sports Iowa LLC have entered into Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion). Licensees are required to upload and download information to and from the Commission's self-exclusion system at least once every seven days. Circa Sports downloaded the updated information on April 1, 2023. The next download should have occurred on or before April 8, 2023, but was not completed until April 10, 2023. Mr. Ohorilko stated Circa Sports Iowa LLC has agreed to an administrative penalty in an amount between \$5,000 and \$20,000. He advised this their first violation in the last 365 days.

Sean McGuinness, outside legal counsel; Daureen Sloan, Chief Compliance Officer, and Jeff Benson were present to address the matter. Ms. Sloan stated she worked with the staff regarding this matter when it was brought to their attention. She stated measures have been put in place to prevent this from reoccurring.

Mr. Benson advised there are now six people trained to complete this process. Calendar invites will be sent to everyone. He indicated they will also be performing the process two times per week to ensure it is being completed timely. Mr. Benson stated Circa is committed to responsible

gaming and feels the corrective measures are in place to prevent this situation from happening again.

Commissioner Campbell asked if there is a patch available to the state system for the licensees. Mr. Ohorilko advised there is a process that is automatic. He stated the Commission is seeing more interest; eight companies have made inquiries in the last six months.

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

PUBLIC COMMENT: Jon Moss, Executive Director of the Iowa Horsemen's Benevolent and Protective Association, stated the Racehorse Health and Safety Act (RHSA) is more cost effective and resolves some of the legal issues surrounding the Horseracing Integrity and Safety Act by giving states back the ability to improve thoroughbred and quarter horse racing. He feels it would bring back common sense in the regulation of racing.

He stated it was a good season of racing at Prairie Meadows, but there were some things that occurred as a result of HISA regulations that were detrimental to racing. He provided some examples.

ADMINISTRATIVE BUSINESS: Mr. Ohorilko provided an update on the last set of proposed rules. He noted staff had received some comments from the industry and are working to resolve those issues at this time. Everyone is working to find solutions to resolve the areas of concern. He noted there will be a public hearing on the proposed rules at the Des Moines office on October 10th, and staff is scheduled to appear before the Rules Review Committee. Mr. Ohorilko stated he does expect some modifications when they come before the Commission for final adoption, which could occur in January.

Commissioner Campbell asked about security and facial recognition. Mr. Ohorilko stated everything was considered in the purview of what is an appropriate level of due diligence for Know Your Customer (KYC), which is name, address, social security number, up to providing a picture and facial recognition. He stated facial recognition was not part of the package as he felt it would be difficult to get approval from the industry. Mr. Ohorilko stated he is not aware of any state jurisdiction that requires facial recognition but is aware of companies that are doing facial recognition. He noted it is a tool that is out there and may be considered at some point.

Chair Olsen called for any other business to come before the Commission. Mr. Ohorilko advised this is the time of year when the reversion of license fees is announced. He stated the Commission will be reverting \$428,899.81 to the industry for FY 2023. Mr. Ohorilko stated Prairie Meadows would be receiving a larger portion due to racing related costs.

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

MINUTES TAKEN BY:



JULIE D. HERRICK

**IOWA RACING AND GAMING COMMISSION
MINUTES
NOVEMBER 16, 2023**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, November 16, 2023 at Prairie Meadows Racetrack and Casino (PMRC) in Altoona, Iowa. Commission members present were Daryl Olsen, Chair; Mark Campbell, Vice Chair; and members Julie Andres, Amy Burkhart and Alan Ostergren.

APPROVE AGENDA: Chair Olsen 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: Gary Palmer, President, introduced Michelle Wilkie, Executive Vice President. He welcomed everyone to the property, and noted March 5, 2024 will PMRC's 35th anniversary of holding a gaming license in Iowa. Mr. Palmer stated they are privileged to have the license and feel they have been successful. He expressed appreciation for the cooperation received from the Commission.

Chair Olsen thanked Mr. Palmer for PMRC's hospitality, and stated the recent renovations look great.

APPROVE MINUTES: Chair Olsen requested a motion to approve the minutes from the October 5, 2023 Commission meeting. Commissioner Ostergren moved to approve the minutes as printed. Commissioner Campbell seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised there will be no meeting in December. The next Commission meeting will be held on January 25, 2024 in Dubuque. Q Casino is the host property for the meeting, but due to renovations, the meeting will be held at the Diamond Jo property. Submissions for the January meeting are due in the Des Moines office by January 10, 2024.

Mr. Ohorilko introduced Chantelle Armintrout as the new Administrative Assistant due to Julie Herrick's retirement, which will occur on December 29th.

ADVANCE DEPOSIT SPORTS WAGERING AGREEMENT: Rick Gilson, Chief Operating Officer for Wild Rose Entertainment, L.L.C., presented two amendments between Crown IA Gaming, LLC d/b/a DraftKings and each of the Wild Rose properties located in Clinton, Emmetsburg and Jefferson. He requested approval of the amendments as presented.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Campbell moved to approve the amendments between Crown IA Gaming, LLC d/b/a DraftKings and the Wild Rose properties as presented. Commissioner Burkhart seconded the motion, which carried unanimously.

RETAIL SPORTS OPERATING AGREEMENTS: Doug Gross, legal counsel for Caesars Entertainment, presented four amendments to the retail sports book operating agreement between William Hill and IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo; Isle of Capri Bettendorf, L.C.; Iowa West Racing Association d/b/a Horseshoe Casino Council Bluffs and Harvey's Iowa Management Company LLC d/b/a Harrah's Council Bluffs Hotel and Casino. Previously the staff operating the sports books at the physical locations were managed by William Hill; however, from a compliance and management standpoint, the company feels it would be better if the William Hill employees were managed and overseen by individuals at the local property. The employees will still be paid by William Hill. Mr. Gross stated the amendments before the Commission make these changes.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Ostergren moved to approve the retail sports wagering agreements as presented. Chair Olsen stated he felt the Commission could approve all four agreements with one motion. Commissioner Ostergren affirmed his motion was to approve all four of the Retail Sports Operating Agreements as presented. Commissioner Andres seconded the motion, which carried unanimously.

CONTRACTS:

IOC Black Hawk County, Inc.: Meagan Miller, Director of Finance, presented the following contracts for Commission approval:

- Myers-Cox Company – Cigarette Vendor
- Data Business Equipment – Purchase New G&D Currency Counting Machines
- P.E.C. Communications Inc – Additional Wiring for Surveillance and Casino Operations

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

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

- ITO Construction – Remodeling Casino Facility
- Q&A Hospitality Services, Inc. – Remodeling Casino Facility
- Table Trac, Inc. – Monthly Maintenance Fees for Casino Management System (OSV)

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

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

- ITO Construction – Remodeling of Hotel
- Q&A Hospitality Services, Inc. – Remodeling of the Hotel Facility

- Table Trac, Inc. – Monthly Maintenance Fees for Casino Management System (OSV)

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

Wild Rose Jefferson, L.L.C.: Mr. Gilson presented a contract with Tri-City Electric Co. of Iowa Corporation for HVAC Maintenance and Contracted Electrical Work.

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

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

- Conlon Construction – General Contractor for Casino Bar Refresh
- Conference Technologies, Inc – Casino Wide IP TV Video Distribution System

Ms. Runde noted the first contract is a small construction project on the casino floor involving the main bar. The project entails the construction of a temporary wall for approximately three months. This project will not change the footprint of the bar; but does include the following updates: flooring around the perimeter of the bar, food service equipment inside the bar for efficiency for team members, updated lighting enhancements, and wall coverings.

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

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

- LNW Gaming, Inc. – Sports Book Platform Fees, Slot & Table Game Leases, Slot Machine Purchases (OSV)
- Thompson Electric Co. – Electrical Projects, Maintenance, Other Property Projects
- United Tote Gaming – Purchase Self Service Sports Betting Kiosks & Equipment (OSV) (RP)
- Sports Information Services Limited – Sports Book Platform Fees (OSV)

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

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

- 7G – Beer Purchases
- Global Payments Gaming Services Inc. – Cash Advance Processing Agreement (491 IAC 5.4 (8)“a”(1)“4”) (OSV)
- Medical Associates – Employee Health Insurance
- Myers-Cox – Food Purchase
- Sysco Foods – Food Purchase
- Tim Wittstock Company – Paper Goods and Logo Cups
- TownSquare Media Dubuque – Radio and Digital/Online Advertising

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

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

- Blackhawk Network – BP Gas & Home Depot Gift Cards
- Hy-Vee – Alcoholic Beverages, Gift Cards, & Lottery Tickets
- Kohl’s Department Stores – Gift Cards for Promotional Giveaways
- Video Security Specialists – Surveillance Equipment & Software (OSV)

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

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

- Delta Dental of Iowa – Employee Dental Insurance
- Sysco Food Service – Food & Beverage Purchases
- US Foods – Food & Beverage Purchases

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

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

- Altorfer Power Systems – Pow-R-Guard Maintenance Agreement
- Copy Systems, Inc. – Lease Agreement for Pitney Bowes Postage Machine

- Culvers Lawn & Landscape – Snow Removal and Ice Control
- Mark-it Smart – Continuity & Promotion Agreements (OSV)
- Performance Food Service – Specialty Food Purchases
- Power Promotions – Continuity Gift Promotions (OSV)
- USPS – Postage Expense
- Wells Fargo Commercial Card – Credit Card Purchases
- Zurich North America – Insurance – Workers’ Comp & General Liability (OSV)

Commissioner Burkhart inquired if the contracts for the continuity gifts were an extension of a previously approved contract. Mr. John advised the contract with Mark-It Smart is an extension. For Power Promotion, they had a previous contract for a December promotion of this year; the contract before the Commission today would cover the February 2024 promotion. He stated Riverside is happy with the logistics they’ve been seeing and the shipments have been on time.

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

Diamond Jo Worth, LLC: Ms. Runde presented the following contracts for Commission approval on behalf of Diamond Jo Worth:

- Mid Iowa Refrigeration Inc – Repair Work
- DirectTV – NFL, NBA, NHL Sports/TV Packages

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

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

- HGM Associates, Inc – Hotel Renovation – Purchasing of FF&E and Design Fees
- Waldinger Corporation – Mechanical Products and Services

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

Iowa West Racing Association d/b/a Horseshoe Casino Council Bluffs: Mr. Roberts presented a contact with Carberry Construction as a General Contractor.

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

Prairie Meadows Racetrack and Casino, Inc.: Gary Palmer, General Manager, addressed the following agenda items:

Advance Deposit Sports Wagering Operator Agreement: Mr. Palmer presented an agreement between Premier Turf, LLC and the Iowa Horseman's Benevolent and Protective Association for Commission approval.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Ostergren moved to approve the Advance Deposit Sports Wagering Operator Agreement as submitted by Prairie Meadows Racetrack and Casino, Inc. Commissioner Campbell 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)
- Asset Management (USA Security) – Surveillance Products and Services
- Bankers Trust Company – ATM Services; Revenue Agreement
- Capital Sanitary Supply – Housekeeping Supplies & Equipment
- Global Spectrum – Advertising Agreement
- Waste Management – Waste Removal Services
- WW Grainger – Maintenance Items

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

HEARINGS:

Elite Hospitality Group, LLC: Mr. Ohorilko advised Commission staff and Elite Hospitality Group have entered into a Stipulated Agreement for a two-count violation of Iowa Code § 99F.4(22) and Iowa Code § 99F.9(7). (Self-Exclusion and Credit). With respect to Count 1, Elite Hospitality failed to timely download the statewide self-exclusion database. Mr. Ohorilko noted the facility did recognize the fact and notified the Commission. He also noted this violation impacts Agenda Items 8B, C and D. The second count on the Elite Hospitality Group Stipulated Agreement relates to the use of credit cards. From May 2, 2022 through July 2, 2022, there were ten credit card transactions with sports wagering accounts totaling \$2,300. Mr. Ohorilko stated Elite detected the anomaly on July 1st and notified the Commission. Elite Hospitality did this after conducting their own periodic testing. At that time, Elite contacted their credit card processor, World Pay, and asked them to disable funding until the matter could be reviewed. This is when the determination was made that credit card transactions had gotten through. Mr. Ohorilko stated as a result of these violations, Elite Hospitality has agreed to an administrative penalty between \$5,000 and \$20,000 for Count 1 consistent with the Statewide Resolution, and up to \$10,000 for Count 2.

Ms. Haselhoff advised her comments with regard to Count 1 would address Agenda Items 8A through 8D, which are related as Elite Casinos Resorts, LLC has a shared database for the statewide self-exclusion program with one property in charge of the download process, which is Grand Falls

Casino Resort, LLC. She stated her team missed the download by one day as there was a new director in this position who failed to designate a team member to do the download when she was out. Ms. Haselhoff acknowledged it was a miss on Grand Falls' part, which affected all three properties. No self-excluded patron gambled or received a Resort Club Card at one of the properties due to the missed download. She stated measures have been added to the process to ensure this doesn't happen again; additional personnel in the security team have been added to the download process as well as additional team members, including herself, receive email notifications so they are aware when the downloads take place so they don't come close to the seven day deadline again. Ms. Haselhoff advised their technology team is working on the automatic download process, and once confirmation is received that the process works to their satisfaction, they will be implementing that process to download the database on a daily basis.

With regard to Count 2, Elite Hospitality notified the Commission, as stated by Mr. Ohorilko, while conducting periodic testing, which is done by their audit team, of the sports wagering funding options. She noted a credit card was successfully used to deposit money into a sports wagering account. She stated they tested three Visa credit cards; two didn't work but one did. Elite Hospitality immediately contacted their credit card payment processor, World Pay, to temporarily disable funding, and also contacted the Commission. A determination was made that the issue was limited to specific credit card issuers and the block was added to prevent the issue from occurring again. They found ten credit card transactions totaling \$2,385.00. Ms. Haselhoff apologized for the error, noting that it was a miss by their third party provider, World Pay, and they have corrected the issue.

Commissioner Burkhart asked Mr. Ohorilko if World Pay was the same vendor involved in stipulations previously before the Commission involving sports wagering and credit card transactions. Mr. Ohorilko answered in the affirmative. She asked if this situation occurred during the same time frame. Mr. Ohorilko advised it did not, and occurred after the other incidents.

Hearing no further comments or questions, Chair Olsen stated he felt the Commission needed to address agenda items 8A through 8D separately. He requested a motion regarding the Stipulated Agreement with Elite Hospitality Group, LLC.

Commissioner Campbell thanked Ms. Haselhoff for the proactive steps taken by the company. He moved to approve the Stipulated Agreement with an administrative penalty of \$5,000 for Count 1, and \$1,000 for Count 2. He stated the Elite properties are doing everything the Commissions asks, and noted the Commission does not like issuing fines. Commissioner Andres seconded the motion, which carried unanimously.

Grand Falls Casino Resort, LLC: Chair Olsen requested a motion. Commissioner Andres moved to approve the Stipulated Agreement with an administrative penalty of \$5,000.00. Commissioner Burkhart seconded the motion, which carried unanimously.

Rhythm City Casino, LLC: Chair Olsen requested a motion. Commissioner Burkhart moved to approve the Stipulated Agreement with an administrative penalty of \$5,000.00. Commissioner Andres seconded the motion, which carried unanimously.

Riverside Casino and Golf Resort, LLC: Chair Olsen requested a motion. Commissioner Campbell moved to approve the Stipulated Agreement with an administrative penalty of \$5,000.00. He stated the Elite properties are doing what is asked of them, doing what they can for economy of scale and working together, which is why he is struggling in this instance. He stated he understands the reasoning behind the fines. Commissioner Andres seconded the motion. Chair Olsen stated the Commission is trying to be consistent in their actions. Commissioner Ostergren stated the fines reflect the importance the Commission puts on the self-exclusion program, and feels this type of violation has been on every agenda since he was appointed to the Commission in May.

Commissioner Burkhart noted the Commission has an automatic reminder tool coming down the pipeline. Chair Olsen noted in a meeting with the industry the day before, there were some concerns expressed as to whether or not the program could provide the security the Commission is looking for. He asked Mr. Ohorilko to address the matter. Chair Olsen expressed the Commission's hope that the facilities would utilize the new tool, but does not want them to utilize something that breaches their security.

Mr. Ohorilko stated the API technology allows for an integration between the statewide self-exclusion database and the system itself. He stated the information would go back and forth; there is no third party involved. He stated if there are any concerns regarding the security of the systems, it is the same technology that is being utilized by the State of Iowa; therefore, he feels very strongly about the security of that technology. Mr. Ohorilko stated a new upgrade to the self-exclusion database will be pushing a reminder out to all of the self-exclusion users prior to the seven day grace period so between the addition of the API technology and the reminder email, it should make things easier for the operators.

Hearing no further discussion, Chair Olsen called for the vote on the motion. The motion carried unanimously.

HGI-Lakeside, LLC: Mr. Ohorilko advised Commission staff and HGI-Lakeside Casino, LLC have entered into a Stipulated Agreement for a two-count violation of Iowa Code § 99F.9(5). (Minor). Count 1 occurred in January 2023. A 12-year old entered the gaming floor with his mother at approximately 11:43 PM looking for something to drink. The security officer posted at the entrance failed to request identification even though they did approach the security officer. The minor was allowed to access the fountain drink station on the gaming floor. Shortly thereafter, the security officer did recognize there was a minor on the floor and responded by attempting to locate the minor to remove him from the floor. The mother and minor exited the gaming floor on their own before being located by security. The incident was discovered the next day and was reported to the Commission. The 12-year old was on the gaming floor for nine minutes, but did not gamble.

Count 2 also occurred in January 2023 when a 14-year old entered the gaming floor unchallenged. This individual watched her mother and two adult males gamble. There were instances when she pushed the Play button on the slot machine and did insert cash into the machine on one occasion. The 14-year old was on the gaming floor for 42 minutes, allowed to enter unchallenged and did gamble.

Mr. Ohorilko stated that as a result of these violations there have been extensive conversations with David Monroe, General Manager at Lakeside, about security measures in place that were not followed or the need for additional security measures. He stated Commission staff and Lakeside have agreed to an administrative penalty up to \$40,000.00 for both incidents.

Mr. Monroe started by assuring the Commission that these incidents do not reflect the daily focus that he and staff have regarding responsible gaming. He stated the facility has some of the toughest and most stringent policies, which include a single entrance to the gaming floor that is manned 24/7, everyone appearing 40 years or under is carded every time they come to the facility regardless of whether the individual is known, and require a valid government identification. He stated these incidents were the result of security officers failing to follow the training and guidelines they committed to. In both instances, had the employees done even a marginal job, the minors would not have gained access to the gaming floor. Mr. Monroe stated the policies and procedures are in place so Lakeside could be 100% confident that this situation would not happen, and believes that had the policies and procedures been followed the minors would not have gained entrance to the gaming floor. He stated they reviewed their operations and looked for opportunities to improve. He stated all employees have been retrained with regard to detecting minors and were required to sign off that they understand the procedures, and retrained the security officers on turnstile responsibilities. They also instituted a policy where the Security Manager and Assistant Security Manager have to approve individuals to work the entrance turnstile. Those individuals have to demonstrate they understand the job, and have the ability to execute those duties. Lakeside purchased a new turnstile, which has a physical barrier and requires the security officer to push a button to allow individuals to enter the gaming floor. Mr. Monroe advised they upgraded the identification scanning system to a state-of-the-art VeriDocs system which gives the security officers a better opportunity to identify fraudulent ids. They also changed the door on the back-of-house loading dock to a magnetic locking system to reduce the chance of someone entering through the back door.

Commissioner Ostergren expressed his appreciation for Mr. Monroe's comments, but noted when he first saw the Stipulated Agreement he contacted Mr. Ohorilko regarding his concerns. He stated Mr. Ohorilko was able to provide additional information and help him understand the measures just summarized. He stated his first thoughts were extremely punitive, such as how long should the license be suspended. He stated he feels the information provided by Mr. Monroe is genuine. Mr. Ostergren stated the Commission's sole job is to protect the integrity of the gaming industry so that the Governor and Legislature can tell their constituents the gaming industry is run in an appropriate manner and one they can be proud of. He noted there is more going on if a mother is bringing her 12-year old to the casino close to midnight. He stated he is going to vote in favor of the proposed Stipulated Agreement, but emphasized that if there had not been this level of remedial measures taken, he would have had a hard time agreeing to just a financial penalty. He stated he hates levying fines, but this shows why there is a fine system in place.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Ostergren moved to approve the Stipulated Agreement as presented with an administrative penalty of \$40,000. Commissioner Campbell seconded the motion, which carried unanimously.

PUBLIC COMMENT: Wes Ehrecke, President of the Iowa Gaming Association, distributed two collateral pieces showcasing the gaming industry's value to the state's tourism industry. The Gaming Revenue piece, which shows how gaming revenue is appropriated, is widely distributed to legislators, the Executive Branch, caucus staff, and media. The other piece showcases the casino locations and their amenities. The back page highlights wages, employment, charitable donations and economic impact, as well as the "Buy Iowa First" program to support Iowa businesses.

ADMINISTRATIVE BUSINESS: Chair Olsen called on Tina Eick, Director of Operations, to address the following items:

2024 Horseracing Integrity and Safety Authority (HISA) Financial Assessment: Ms. Eick stated the Commission has received the assessment from HISA; which increased by \$100,000 and is just under \$1.2 million. With credit for services the Commission provides, the assessment would drop to just over \$800,000. The decision before the Commission is whether to opt in or out of the voluntary assessment. From staff's perspective, it is an easy decision as the Commission does not have the budget or the appropriation to pay the assessment out of the budget. Ms. Eick stated it would be staff's recommendation to opt out of the assessment. The option if you don't pay the assessment is to enter into a voluntary agreement to get a credit for the benefits or services the state does provide. A large portion of those costs are associated with the drug testing and veterinarian services. Ms. Eick advised it was Commission staff's recommendation to enter into the Voluntary Agreement and task staff with negotiating said agreement. Ms. Eick stated that due to HISA regulations, she advised staff does expect the state veterinarian costs to increase, leading to increased budget needs.

Chair Olsen asked if the anticipated reduction of \$400,000 for services would cover the Commission's costs or if there would be an additional deficit. The credit does not cover the Commission's costs. Additionally, Ms. Eick stated someone is still going to have to pay the \$800,000, which is in addition to the fees already assessed to Prairie Meadows.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to opt out of the financial assessment for HISA for 2024. Commissioner Campbell seconded the motion, which carried unanimously.

Extension of Voluntary Implementation Agreement among the Horseracing Integrity & Safety Authority, Inc., Horseracing Integrity & Welfare Unit and the Iowa Racing and Gaming Commission: Commissioner Burkhart moved to direct 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 2024 assessment. Commissioner Campbell seconded the motion, which carried unanimously.

Chair Olsen stated one of the concerns he has with HISA is the assessment. While he is cognizant of attempts to override HISA, he is not sure those attempts will succeed. He feels there is some potential the legislature might help cover some of the deficit, but encouraged Prairie Meadows and the horsemen to approach the legislature together. He indicated the legislature might be more receptive if the request was made jointly. Chair Olsen stated the Commission would support their

request for funding from the legislature. He stated the funding gap is not going to go away, so there needs to be a mechanism to cover the costs.

Mr. Ohorilko advised this would be Julie Herrick's last meeting and thanked everyone for taking time the previous evening to show their appreciation for her service. He expressed her appreciation for the industry's support. He advised Julie's last day will be December 29th. Mr. Ohorilko presented her with a plaque which stated "Julie Herrick- In recognition of 41 Years of Service to the State of Iowa". Ms. Herrick thanked everyone for their support through the years.

Mr. Ohorilko informed those in attendance that the Commission office would be moving to 6200 Park Avenue by January 1st. He stated additional information would be provided as it becomes available. He requested that everyone be patient with staff during the license renewal period.

Mr. Ohorilko reminded representatives from the facilities with hearings today to be sure and sign their Stipulated Agreement before leaving the meeting.

HORSERACING STUDY: Chair Olsen requested a motion to go into Executive Session. Commissioner Ostergren moved to go into Executive Session pursuant to Iowa Code Section 21.5(1)a for the purpose of reviewing or discussing records which are required or authorized by state or federal law to be confidential. Commissioner Campbell seconded the motion, which carried unanimously on a roll call vote.

Following the conclusion of Executive Session, Chair Olsen advised that RGE received the highest technical score and had the lowest cost. He requested a motion.

Commissioner Ostergren moved to instruct Racing & Gaming staff and the Department of Administrative Services to proceed with a Notice of Intent to Award to RGE for the terms included in the proposal. Commissioner Andres seconded the motion, which carried unanimously.

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

MINUTES TAKEN BY:


CHANTELLE ARMINTROUT

**IOWA RACING AND GAMING COMMISSION
MINUTES
DECEMBER 19, 2023**

The Iowa Racing and Gaming Commission (IRGC) met virtually/telephonically on Tuesday, December 19, 2023. Commission members present virtually were Daryl Olsen, Chair; Mark Campbell, Vice Chair; and members Julie Andres, Amy Burkhart and Alan Ostergren.

WELCOME: Chair Olsen called the meeting to order at 1:30 PM and explained the meeting was being held virtually as the Commission's next scheduled meeting is January 25th, 2024 and the Commission had business that needed to be handled prior to that meeting and with the Commission members schedules and travel time the best way to handle the meeting was by a virtual or telephonic meeting.

APPROVE AGENDA: Chair Olsen requested a motion to approve the agenda. Commissioner Campbell moved to approve the agenda as presented. Commissioner Ostergren seconded the motion, which carried unanimously.

APPOINTMENT OF ADMINISTRATOR: Chair Olsen stated that on November 19, 2023, the Commission received and accepted Brian Ohorilko's resignation effective the end of the work day January 2, 2024. He said Brian has served the Commission and the industry well and with great integrity. They appreciate his 20 years with the state and wish him well as he returns to the private sector.

The Racing and Gaming Commission has posted the Administrator position and is accepting applicants through December 31st. An appointment of the new Administrator is expected at the Commission's next regular meeting on January 25, 2024. Chair Olsen stated an interim Administrator needs to be appointed until a permanent one can be appointed.

Chair Olsen requested a motion for the appointment of an interim Administrator. Commissioner Campbell moved to appoint Tina Eick as the interim Administrator. Commissioner Burkhart seconded the motion, which carried unanimously.

CONTRACT:

HGI-Lakeside, LLC: David Monroe, General Manager, presented a contract with Resolve Marine for a stabilization project for the barge due to water levels.

Chair Olsen questioned what the long-term plan was if Iowa stays in a continued drought. Mr. Monroe said they are continuing to look at other options but the immediate focus is to make sure there is no interruption to business operations. This solution gives them 4-6 months and they are working on an extended solution that will buy more time.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Ostergren moved to approve the contract with Resolve Marine as submitted by HGI-Lakeside, LLC. Commissioner Burkhart seconded the motion, which carried unanimously.

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

MINUTES TAKEN BY:


CHANTELLE ARMINTROUT