

**IOWA RACING AND GAMING COMMISSION  
MINUTES  
APRIL 18, 2019**

The Iowa Racing and Gaming Commission (IRGC) met at the Mid-America Center in Council Bluffs, Iowa. Commission members present were Kris Kramer, Chair; Carl Heinrich, Vice Chair; and members Richard Arnold, Pennie Gonseth Cheers, and Jeff Lamberti.

**APPROVE AGENDA:** Chair Kramer called the meeting to order at 8:30 AM and requested a motion to approve the agenda. Commissioner Heinrich moved to approve the agenda as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

**WELCOME:** Samir Mowad, General Manager for Harrah's and Horseshoe Casino, welcomed the Commission and staff to Council Bluffs. He indicated Caesar's is appreciative of the opportunity provided to operate in Iowa and proud of their investment and commitment to the community. Mr. Mowad stated the properties partner well with the Iowa West Foundation; the organizations work together to make sure they are giving back to the community and surrounding counties to the best of their ability. He indicated the first show at Stir Cove this year would be a fund raiser for farmers in the western region of the state. Horseshoe Casino is partnering with a local radio station to book the talent, and all of the proceeds will be donated. Mr. Mowad advised there would be 27 shows held at Stir Cove this year.

**APPROVE MINUTES:** Chair Kramer requested a motion to approve the minutes. Commissioner Arnold moved to approve the minutes as presented. Commissioner Heinrich seconded the motion, which carried unanimously.

**ANNOUNCEMENTS:** Brian Ohorilko, Administrator of IRGC, advised there is no meeting scheduled for May at this time. The next meeting will be on June 13<sup>th</sup> at Diamond Jo Worth in Northwood, Iowa. Submissions are due in the Commission office by May 30<sup>th</sup>.

Mr. Ohorilko announced the following meeting dates and locations for Fiscal Year 2020:

- July 11, 2019 – Prairie Meadows Racetrack & Casino; Altoona
- August 22, 2019 – Riverside Casino & Golf Resort; Riverside
- October 3, 2019 – Isle Casino Hotel Waterloo; Waterloo
- November 21, 2019 – Q Casino; Dubuque
- January 9, 2020 – Prairie Meadows Racetrack & Casino; Altoona
- March 10, 2020 – Prairie Meadows Racetrack & Casino; Altoona
- April 16, 2020 – Ameristar Casino; Council Bluffs
- June 4, 2020 – Grand Falls Casino Resort; Larchwood

Mr. Ohorilko recognized the following Commission staff at the Council Bluffs facilities: Jeff Rethmeier and Julie Petersen, Gaming Representatives at Harrah's; Cory Ostermeyer and Steven Vang, Gaming Representatives at Horseshoe Casino; Lynette Masker and Bryan Crowdy, Gaming Representatives at Ameristar; and Deb Kissel, Licensing Assistant.

## **REVIEW OF FACILITIES' FINANCIAL AUDITS**

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, advised the audit had been submitted for review. Chair Kramer asked Mr. Czak about the decline in capital expenditures for 2018 from previous years. Mr. Czak stated capital expenditure budgets typically dry up during mergers or acquisitions; Ameristar was purchased by Penn National Gaming last year. He advised they have already received \$1.4 million for capital expenditures this year as of April 16<sup>th</sup>, and expect to double that during the remainder of the year.

Casino Queen Marquette, Inc.: Laurie Fisher, Director of Finance, stated Casino Queen's economic impact for 2018 was approximately \$17 million; the Iowa percentage was over 97%. She advised the 2018 audited financial statement has been submitted for review.

Catfish Bend Casinos II, LLC: Rob Higgins, General Manager, and Donald Spears, Chief Financial Officer (CFO), were present to address the financial statement. Mr. Higgins advised revenues were down in October due to some renovation work at the facility. He stated 2018 was similar to 2017; revenues were flat and expenses stayed about the same.

Diamond Jo, LLC d/b/a Diamond Jo Casino: Wendy Runde, General Manager, stated gross gaming revenue in the Dubuque market was up 2.7%, or \$3.2 million; the Diamond Jo's gross revenue was up 1.1% or just over \$800,000. Admissions dropped by 7,000. Their total economic impact was \$46.9 million with \$44.6 million being controllable spend. Of the controllable spend, 99%, or \$44.2 million, was spent with Iowa vendors. Average employment is 464; payroll and benefits total \$13.3 million; capital expenditures were just over \$2.1 million with a large portion going to slot product, but they also renovated a restaurant, did \$225,000 in surveillance upgrades and many small projects. Ms. Runde stated Diamond Jo paid their qualified sponsoring organization, Dubuque Racing Association, just over \$3.1 million. She advised 2019 looks similar to 2018 with regard to capital investments.

Diamond Jo Worth, LLC d/b/a Diamond Jo Worth: Scott Smith, General Manager, advised gaming revenues for 2018 were down 1%, or \$85 million; admissions were flat. He noted the facility had a \$49 million economic impact with \$45.5 million spent with Iowa vendors. The facility averages 403 employees, an increase of 17 employees year over year. Diamond Jo Worth gives 5.67% to the Worth County Development Authority (WCDA); last year they received just under \$4.9 million. WCDA has received approximately \$57 million since inception.

Dubuque Racing Association, LTD: Bill Eichhorn, CFO, stated the property saw a 5.1% increase in revenues over 2017, and spent \$2.5 million in capital expenditures. He advised they are spending \$3.4 million on the Veteran's Memorial on Schmitt Island; spent over \$2 million on the renovation of the Hilton Garden Inn, as well as some renovations to the restaurant areas. The facility has 344 employees with a payroll of \$15.1 million. The facility has paid over \$275 million to the State; the City of Dubuque has received over \$200 million, and payroll since inception is in excess of \$300 million.

Harveys Iowa Management Company LLC/Horseshoe Casino: Janae Sternberg, Vice President of Finance, advised they had steady results year over year. They paid over \$40 million in salaries, wages and benefits; \$60 million in gaming taxes; over \$2 million to the Iowa West Racing Association, and had combined capital expenditures of approximately \$5 million for 2018.

Iowa West Racing Association: Pete Tulipana, President, advised the audit showed an increase in cash due to the timing of distributions to IWRA; the license fees also showed an increase for the same reason. He advised the Iowa West Foundation relocated its headquarters; however, the IWRA office remains at 25 Main Place.

HGI-Lakeside, LLC: Lisa Ryan, Controller, advised their economic impact for 2018 was over \$38 million, with \$26.7 million being spent with Iowa vendors.

IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo/Isle of Capri Bettendorf, L.C.: Grant Gubbrud, Director Finance at IOC Waterloo, presented the combined audit for both of the Eldorado properties. He stated the two properties had a combined payroll in excess of \$30 million and capital expenditures of \$8 million. He noted this was the first full year under Eldorado's ownership.

SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City: Monty Terhune, Director of Finance, reported the facility had another solid year in 2018. Payroll and benefits were just over \$15 million with approximately 75% being paid to Iowa residents; taxes and charitable contributions were just under \$22 million; capital expenditures exceeded \$700,000 and they anticipate spending three times that amount in 2019. During 2018, Hard Rock paid approximately \$1.7 million in expansion capital costs in conjunction with their partnership with the City of Sioux City to build a 4-level parking garage, which they anticipate will open in late September or October. Mr. Terhune advised net revenue increased year over year by approximately 1.2%; and they were able to eliminate some operating inefficiencies, which also increased revenue. He noted there was a significant increase in their cash position year over year due to refinancing debt during the first week of January, and reduced their long term debt by a significant amount as well. Mr. Terhune advised debt levels may increase somewhat due to the parking garage costs, but should not reach 2017 levels.

Wild Rose Clinton, L.L.C.; Wild Rose Emmetsburg, L.L.C., and Wild Rose Jefferson, L.L.C.: Tom Timmons and Scott Ivers, President and CFO respectively, were present to address the financial audits. Mr. Timmons asked to report on all three properties together. He advised the company refinanced all of the debt into one entity, and placed all three casinos under Wild Rose Entertainment. Gaming revenues for 2018 were approximately the same as 2017.

Riverside Casino & Golf Resort, LLC; Grand Falls Casino Resort, LLC; and Rhythm City Casino, LLC: Dan White, CFO for Elite Casino Resorts, presented the 2018 consolidated audit. He advised the audit was clean with no internal control comments. Gross revenue for 2018 was up \$6.5 million, or 2.5%; Riverside's revenue was down due to a major renovation of the facility. Gaming revenue was up 2.8%; non-gaming revenue was up 1.6%, and operating expenses

increased by \$6.9 million or 3.4%. Payroll expenses were approximately \$60 million, an increase of \$4.5 million or 8.3%; non-profit fees were \$8.5 million, an increase of approximately \$25 million or 2.7%. The average employee count for 2018 was 1,550, or about the same as 2017. The economic impact for Iowa was just under 97%; capital expenditures were \$4.8 million across the three properties in addition to finishing the \$11 million renovation at Riverside.

Iowa Greyhound Association d/b/a Iowa Greyhound Park: Brian Carpenter, Director of Racing and General Manager, and Vince Wilson, accountant, were present to address the audit. Mr. Carpenter advised handle was up \$1.7 million from 2017. They carried over \$1.4 million in cash reserves for 2019; and they settled all of their legal fees. He stated the auditors were happy with the new accountant; the audit did not show any weaknesses.

Prairie Meadows Racetrack & Casino, Inc.: Gary Palmer, General Manager, advised their Buy Iowa economic impact was \$183.6 million, or 98.1%; casino revenue was \$206 million; non-casino revenue exceeded \$51 million; and ten of the last twelve months set revenue records. Capital expenditures in 2018 were \$15.95 million; \$8 million in maintenance, \$5 million to remodel the Event Center, and \$2.5 million in the Club House. The facility currently has approximately 1,300 employees.

Mr. Ohorilko advised rules relating to the financial audits have been modified, and indicated facility staff should review to insure compliance when the 2019 audit is being performed. He stated staff would send out additional guidelines in late summer or early fall.

**WILD ROSE EMMETSBURG, L.L.C.:** Steve Cody, General Manager, presented a remodeling project for Commission approval. They want to put an eating venue on the first floor, as all of them are currently on the second level. The restaurant, which would be located on the east side of the stairway and escalator, would have a sports theme, and serve appetizers, burgers, and pizza. The plan calls for opening up the area so patrons can see the pond area. Mr. Cody advised they are moving the Iowa Store from its current location on the west side of the escalator and making that into a non-smoking gaming area; the Iowa Store would move into the lobby area of the hotel, which has some unused space. With the proposed changes on the first floor, they are displacing some employees so will be adding some offices on the second level by the buffet. Mr. Cody requested approval of the proposed remodel project so they may proceed with obtaining bids, noting they would submit the required Request for Transaction Approvals. He stated the facility has been in operation for 13 years, and while they have done some minor remodeling, it is time for a larger project.

Chair Kramer commended Wild Rose Emmetsburg on upgrading the property. Hearing no further comments or questions, she requested a motion. Commissioner Heinrich moved to approve the remodeling request as presented. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

**CATFISH BEND CASINOS II, LLC:** Mr. Higgins stated this project takes into consideration the possible passage of sports betting legislation. The proposed remodeling project will proceed

only if the legislation passes. Mr. Higgins stated the project before the Commission is an opportunity to expand the company and facility, and create additional synergy in the facility.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the remodeling project. Commissioner Arnold seconded the motion, which carried unanimously.

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

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

- Connection Bank and Insurance – ATM Lease (RP)
- Design Wise – Sportsbook Construction (OSV)
- PointsBet Iowa LLC – Sportsbook Operating Agreement (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Ameristar Casino Council Bluffs, LLC: Mr. Czak presented a contract with JCM American Corporation (OSV) for bill validators for the slot machines.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

Wild Rose Emmetsburg, L.L.C.: Mr. Cody presented a contract with the Waldinger Corporation for repairs and maintenance on the HVAC and other general repairs.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contract as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Diamond Jo, LLC d/b/a Diamond Jo Casino: Ms. Runde submitted a contract with Lot A Spirits as a beverage distributor.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

Dubuque Racing Association, LTD.: Mr. Eichhorn presented the following contracts for Commission approval:

- Gander Group/Bangarang – Promotional Gifts (OSV)
- United Talent Agency – Entertainment-Artist Booking Agency (OSV)
- William Morris Endeavor Entertainment, LLC – Entertainment-Artist Booking Agency (OSV)
- Wired Production Group – Entertainment Production Company

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Thomas Roberts, Director of Operations, presented the following contracts for Commission approval:

- Aramark Uniform Services – Laundry Services
- Sonifi – In-Room Television System

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Arnold moved to approve the contracts as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

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

- AJR Equities, Inc. – Marketing and Promotional Goods
- Hy-Vee – Marketing Gift Card Promotions
- NRT Technologies Corp. – ATM Revenue Agreement (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Commissioner Heinrich inquired about the opening of the golf course. Ms. Haselhoff advised it would open on Friday; she estimated there were 40 reservations on the books.

Rhythm City Casino, LLC: Mo Hyder, General Manager, presented a contract with NRT Technologies Corp. for an ATM Revenue Agreement (OSV).

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Heinrich moved to approve the contract as submitted. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

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

- Acushnet Company – Golf Retail and Special Orders for Blue Top Ridge (OSV)

- KK&B Real Estate, LLC – Lease Agreement (RP)
- NRT Technologies Corp. – ATM Revenue Agreement (OSV)
- Sonifi Solutions, Inc. – FTG Programming and/or iTV Programming and Services (OSV)
- UMR, a United Healthcare Company – Medical & Flexible Spending Plan
- University of Iowa Center for Advancement – Gift Pledge Agreement – Kinnick Stadium Club Seats and Suite

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Arnold moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Commissioner Heinrich asked when the golf course opened. Mr. Franz advised it opened on March 29<sup>th</sup>, and this April has been better for golfing than last April.

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

- Sysco – Food Supplier
- HMW Construction – Snow Removal (OSV)

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the contracts as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

Iowa West Racing Association d/b/a Horseshoe Casino: Ms. Sternberg presented the following contracts for Commission approval:

- Sysco – Food Supplier
- HMW Construction – Snow Removal (OSV)
- Hilton – Franchise, Royalty & Marketing Fees for Hilton Naming Rights on Hotel

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contracts as submitted. Commissioner Arnold seconded the motion, which carried unanimously.

**IOWA GREYHOUND ASSOCIATION D/B/A IOWA GREYHOUND PARK:** Mr. Carpenter stated simulcast revenues were hit hard during January and February due to the snow; March finished ahead of last year, and April started out good; he feels simulcast revenues will be ahead of last year by the end of April. The kennel compound opened on April 8<sup>th</sup>, and unofficial morning schooling started on April 10<sup>th</sup>. There are three kennels in the compound now, but they should have five by the end of week. Official schooling begins on May 4<sup>th</sup>; live racing begins on May 18<sup>th</sup> at 5:30 pm, which is also the Preakness Race. Mr. Carpenter stated this would be the 35<sup>th</sup> year of live racing at Dubuque. He noted they added an extra week to the live racing season, which runs from May 18<sup>th</sup> through November 10<sup>th</sup>; performances and post times remain the same as last year. There will be four performances per week, Wednesday, Thursday, and Saturday

with a post time of 5:30 pm with 15 races; and Sunday at 1:00 pm with 15 races. Races on the following holidays were added: May 27<sup>th</sup> with 12 races at 1:00 pm; and September 2<sup>nd</sup> with 12 races at 1:00 pm. Eight of the nine kennels from last year were invited back. The out-of-state kennel from last year was replaced with an Iowa kennel, Plum Creek-Oxbow-Trow Kennel. These were kennels from the past that joined together. Mr. Carpenter advised \$500,000 had been added to the purse amount; purses for the kennels will be close to \$2.5 million. They kept the purses for the stakes races at \$100,000; the three main stakes races will have purses of \$30,000 each. The other \$10,000 will be spread out amongst smaller stakes races. The Breeders' Stakes Race will have a purse of approximately \$200,000. Mr. Carpenter stated there are 200 sites that will be offering wagering on the live races, up 25 sites from last year.

Mr. Carpenter presented a contract with TrackData Systems Corporation, which provides software to download dog and horse programs (OSV).

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Lamberti moved to approve the contract as submitted. Commissioner Heinrich seconded the motion, which carried unanimously.

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

**RACETRACK & CASINO:** Derron Heldt, Director of Racing, stated live racing will commence on Friday, May 3<sup>rd</sup>. He noted stall application were due on March 25<sup>th</sup>; they received 1,475 applications for stall space. Last year they received 1,700 applications. Mr. Heldt stated PMR&C only has room for 1,350 thoroughbred horses. He advised staff has been contacting trainers to determine how many stalls they really needed; they are currently over-subscribed by about 50 stalls. Mr. Heldt feels they will be OK; noting they are usually about 150-200 stalls light. The barn area opened on March 31<sup>st</sup>, and training started on April 2<sup>nd</sup>. Most of the horses at the track are Iowa horses; there are approximately 208 horses on the backside at this time. This is slightly lower than in previous years. Mr. Heldt noted the live season was moved back one week due to Oaklawn Park and Sunland Park moving their end date back to coincide with the Kentucky Derby. He stated approximately 61% of the horses that race at PMR&C come from those two tracks and Fonner Park in Nebraska. Mr. Heldt stated PMR&C is comfortable, but also a little uncomfortable, with the situation. They have been having conversations with the trainers to make sure they are bringing the horses; the trainers have indicated they are coming but only bringing the horses that will fit with the opening week program. They have also been talking to the jockey agents to insure they will have sufficient jockeys. Mr. Heldt indicated the horses may not be on property when entries are drawn on April 28<sup>th</sup> for the first races as they may be shipping up from Arkansas.

Mr. Heldt also touched on track racing surfaces due to a number of catastrophic injuries at the Santa Anita track in March, causing them to lose 16 days of racing. He stated PMR&C reviewed their protocols and have made some adjustments. They have been working with the track superintendent, and collecting more data that can be utilized to know if the track is hard or soft; provide the composition of the sand, silt and clay; humidity readings, etc. to insure the racing surface is safe for the horses and jockeys. They also reviewed the morning training protocols. Previously, the track would be open for training even if the area received a substantial rainfall



overnight. They may decide not to open the track for training in order to have a better racing surface for the races that afternoon or evening in an effort to help eliminate catastrophic injuries at the track.

### **HEARINGS:**

Grand Falls Casino Resort, LLC: Mr. Ohorilko advised Commission staff and Grand Falls Casino Resort, LLC (Grand Falls) had entered into a Stipulated Agreement for a violation of Iowa Code §99F.9(4) (Minor). On December 4, 2018, an individual entered with two adult companions unchallenged, was on the gaming floor five hours, and had gambled. He noted the individual left the gaming floor and tried to re-enter later in the evening and was stopped by security, at which point the minor was identified. Security was notified, and an investigation revealed the previously mentioned circumstances. Mr. Ohorilko stated Grand Falls acknowledges the facts constitute a violation of Iowa Code §99F.9(4) and has agreed to an administrative penalty of \$20,000 consistent with the Commission's resolution.

Ms. Haselhoff stated Grand Falls takes the license bestowed on them very seriously, and the last thing they want is a minor gambling; but an employee did not follow the established policies and procedures by requesting identification. Their policy is if an individual looks under the age of 30, they are to be asked for identification. Ms. Haselhoff advised the incident occurred on a Tuesday afternoon; the individual entered with her parents. She stated they did not have any intent of doing anything illegal; they are from Minnesota where the legal age to gamble is 18. Ms. Haselhoff noted the individual did not come into contact with any other Grand Falls employees during the time she was on the gaming floor. When the individual attempted to re-enter the gaming floor, the security officer request identification. The individual was honest and did not realize they weren't allowed to gamble in Iowa. Ms. Haselhoff advised all of the established policies and procedures were followed at this time. She stated all employees have been re-trained in this area, noting they have a very good training program. She stated it has been four years since the facility has been fined for a minor on the gaming floor.

Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty in the amount of \$20,000. Commissioner Heinrich seconded the motion, which carried unanimously.

Diamond Jo, LLC: Mr. Ohorilko advised Commission staff and Diamond Jo, LLC (Diamond Jo) have entered into a Stipulated Agreement for a violation of Iowa Code §99F.4(22) (Self-Exclusion). On September 14, 2018, Diamond Jo compliance staff conducted an audit and recognized that an individual who had signed up for the program previously had gambled and received a Players' Club card. A few weeks later, Diamond Jo was contacted by another Iowa casino inquiring about another patron; Diamond Jo staff investigated and realized there were some inconsistencies with the information they had and information entered into the self-exclusion database. That triggered a full audit by Diamond Jo on or about November 13th. As a result of that audit, it was recognized there were 24 individuals that had previously signed up for the self-exclusion program but were not entered into the Iowa Gaming Association database. The timeframe for those individuals in terms of when they signed up ranged from 35 days to 12

years. It was determined that of those patrons, many had received jackpots and promotional winnings, not only from Diamond Jo but other Iowa casinos. Mr. Ohorilko stated Diamond Jo acknowledges the circumstances constitute a violation of Iowa Code §99F.4(22). He advised Diamond Jo has paid \$75,045.00 to the State's General Fund for the jackpots and promotional winnings paid to the individuals. Mr. Ohorilko stated Diamond Jo has agreed to an administrative penalty between \$5,000 and \$20,000.00.

Ms. Runde advised she had been the general manager at Diamond Jo with Boyd Gaming for almost 6 years, and this is the first time she has been before the Commission with a regulatory concern for the property. She stated they take their regulatory responsibilities very seriously; integrity is a core value at Boyd Gaming. Ms. Runde stated ordinarily they take great pride in doing things right and doing them well. She stated she learned a lot about people, processes and trust throughout this journey. Upon learning about the failure with their process, within 24 hours the regional director of compliance was on property working closely with her and the Director of Security to quickly implement a new process, inserting checks and balances that were not in place previously. Ms. Runde stated she stayed in close contact with Mr. Ohorilko and IRGC staff and expressed appreciation for their patience and cooperation throughout the process. She advised responsibilities within the Security Department have been expanded, and they have involved four additional departments in the process so there are double checks through every step of the self-exclusion process. Ms. Runde assured the Commission that with the help of the Director of Security, the Compliance Manager, Corporate Compliance, and a team of many others, they would work diligently on process improvements to prevent a similar situation from occurring in the future.

Commissioner Lamberti stated the Commission struggled with the circumstances and the length of time over which the violation occurred; and whether they should go outside of what has been done in the past. He stated he could not recall a similar incident. He expressed the Commission's appreciation for the facility's response, noting staff had provided a synopsis of the situation, which matched her statement. Commissioner Lamberti moved to approve the Stipulated Agreement with an administrative penalty of \$20,000.00. Commissioner Arnold seconded the motion, which carried unanimously.

**PUBLIC COMMENT:** Mr. Timmons stated he wanted to talk about security officers. He noted they can do 1,000 things right, but when they mess up one time, they face suspensions or fines. Mr. Timmons advised that on the morning of March 13<sup>th</sup>, an employee arrived at work in Emmetsburg and went to his computer in the kitchen area; shortly after 8:00 AM, he slumped over and fell on the floor. A few minutes later, another kitchen employee arrived and saw him on the floor. He immediately contacted the Security Department; the officers on duty went to the kitchen immediately and started performing CPR and used the AED. Mr. Timmons advised the employee's heart had stopped; the officers were able to revive him and kept up their efforts until the paramedics arrived on scene to transport him to the hospital. He was eventually transported to another regional hospital before being transferred to Minnesota. Mr. Timmons read a letter sent to the Director of Security at Wild Rose Emmetsburg by a registered nurse at the local hospital involved in the situation praising the security officers for their quick response and

assistance to the paramedics once they were on scene. She stated their quick actions saved a life that day.

Chair Kramer stated it was good to hear a good news story, asked Mr. Timmons to wish the employee a speedy recovery.

### **ADMINISTRATIVE BUSINESS:**

Horse Racing Promotion Fund: Mr. Ohorilko advised there is \$3,264.99 available for distribution. He noted the Commission received one application from the Iowa Thoroughbred Breeders and Owners Association (ITBOA) for the funds. He stated staff would recommend approval of the ITBOA to receive the funds.

Commissioner Arnold moved to distribute the Horse Promotion Fund in the amount of \$3,264.99 to the ITBOA. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Purse Amounts for 2019: Mr. Ohorilko noted these amounts were announced at the March meeting; however, it was determined some of the receipts from Advanced Deposit Wagering were not included. The revised purse amounts for 2019 are as follows: Thoroughbreds - \$16,160,279.67; Quarter Horses - \$3,242,687.70; and Standardbreds - \$1,860,558.51.

Mr. Ohorilko stated this was Commissioner Arnold's last meeting. He stated Commissioner Arnold is a true public servant having served on the Commission for six years, serving in the Legislature from 1995 to 2013; and before that, on the Lucas County Board of Supervisors from 1987 to 1994. He will be moving on to another highly regarded Iowa Commission, which demonstrates tremendous respect and faith by the leaders and constituents in Iowa in his judgement and decision making. He stated Commissioner Arnold is dedicated to serving the interests of Iowans. While serving on the Racing & Gaming Commission, he has worked through many difficult issues including, but not limited to, consideration of new gaming facilities four different times; greyhound cessation legislation; other legislation; selection of vendors for various studies; stock purchases; bankruptcies, and a number of other policy matters. Mr. Ohorilko noted that Commissioner Arnold made himself available to any person who wanted to share their view on issues; has a thorough understanding of the racing and gaming industry; and has taken a thoughtful and deliberate approach in making every decision. He stated Commissioner Arnold has a wonderful personality, is extremely generous and has a kind heart. He stated he has gained a lot of knowledge from him. Mr. Ohorilko presented Commissioner Arnold with a plaque, which read: Richard Arnold – In Appreciation of your service to the Iowa Racing and Gaming Commission from May 1, 2013 through April 30, 2019.

Wes Ehrecke, President of the Iowa Gaming Association, echoed Mr. Ohorilko's comments. He stated the industry members appreciated how seriously he took his role as a Commissioner, and his dedication for all he has done while serving on the Commission. Mr. Ehrecke wished him continued success in his future endeavors.

Commissioner Arnold thanked Mr. Ohorilko and Mr. Ehrecke for their kind words. He thanked Mr. Ohorilko and Commission staff for their work and support during his time on the Commission; and Jeff Peterzalek from the Attorney General's Office for keeping the Commission on the straight and narrow path. He stated he enjoyed working with the other Commissioners.

Chair Kramer stated it has been an honor and pleasure to get to know him and work with him. She wished him and his family the best going forward.

Commissioner Arnold stated he was moving to the Transportation Commission. He noted he served on the Transportation Committee while he was in the legislature, and is looking forward to his new assignment.

ADJOURN: As there was no further business to come before the Commission, Chair Kramer requested a motion to adjourn. Commissioner Lamberti so moved. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

**MINUTES TAKEN BY:**

---

**JULIE D. HERRICK**