

**IOWA RACING AND GAMING COMMISSION  
MINUTES  
APRIL 15, 2021**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, April 15, 2021 at the Mid-America Center in Council Bluffs, Iowa. Commission members present were Kris Kramer, Chair; Pennie Gonseth Cheers, Vice Chair; and members Julie Andres, Lance Horbach and Daryl Olsen.

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

**WELCOME:** Thomas Roberts, General Manager of Harrah's and Horseshoe Casino, welcomed everyone to Council Bluffs, and stated team members are proud to work in Iowa and be a part of the Council Bluffs community. He introduced Mayor Matt Walsh and Brenda Mainwaring, Executive Director of the Iowa West Racing Association.

Mayor Walsh noted he was first elected to the City Council at the end of 1993. His first official role was to ride the Ameristar Casino riverboat up the river from the Mills/Pottawattamie County line to its dock. It was the first riverboat to arrive in Council Bluffs. He stated the contributions from the gaming industry to Council Bluffs over the past 25+ years have been phenomenal. He thanked IRGC for their oversight of the industry, which has been run professionally; the employees are contributors to the community, and the Iowa West Foundation has been a significant partner in developing Council Bluffs.

Ms. Mainwaring noted the Iowa West Racing Association receives the gaming funds and allocates them to the Iowa West Foundation (IWF). She stated the vision of the IWF is "A community where families choose to live and businesses choose to locate because of the quality of life and standard of living." Community is broadly defined as southwest Iowa. The average annual charitable funding has been \$16,000,000; however, they anticipate approximately \$13,000,00 going forward as they are not sure what the recovery period from Covid will be, nor the impact the advent of gambling in Nebraska will have on revenue. To date, IWF has donated over \$500 million in charitable gifts, most of which require a 1-1 match. IWF's funding priorities are Pottawattamie County first, but they also provide funds to 13 surrounding counties for regional amenities and providers serving southwest Iowa. Some regional amenities are located in Nebraska, but are attractions that would not be replicated in Council Bluffs, such as the zoo. An example of a regional service provider is Boys Town located in Omaha, but provides services to Iowans. Ms. Mainwaring highlighted charitable contributions to rural communities and counties; education, healthy families, place-making, and economic development.

Ms. Mainwaring highlighted IWF's support of BLink Wi-Fi, which provides internet service free to the community. She stated when distance learning was required due to Covid, there were less than a dozen families who experienced difficulties in connecting to the service. Additionally, IWF has provided scholarships to over 500 students to continue their education. They have provided funds to homeless shelters, food banks, and recently hosted a diversity, equity and inclusion training to approximately 100 elected officials, law enforcement and non-profit leaders via a web-

based platform. Ms. Mainwaring noted IWF's funding of several sports facilities to support the community's efforts to provide quality of life amenities for its residents. With regard to economic development, she advised Council Bluffs has taken ownership of a previous railroad corridor and is turning it into a transportation corridor which includes an entertainment district and housing. This project could extend to the riverfront, and would connect downtown Omaha with Council Bluffs. She also mentioned the Rivers Edge project.

Chair Kramer noted the Commission toured all three properties on Wednesday evening, and thanked everyone for their time.

**APPROVE MINUTES:** Chair Kramer requested a motion regarding the minutes. Commissioner Olsen moved to approve the minutes from March 4, 2021 as submitted. Commissioner Andres seconded the motion, which carried unanimously.

**ANNOUNCEMENTS:** Brian Ohorilko, Administrator, advised there would be no meeting in May. The next Commission meeting will be held on June 3<sup>rd</sup> at Catfish Bend Casino in Burlington. Submissions are due in the Commission office by May 19<sup>th</sup>.

Mr. Ohorilko announced the proposed meeting dates and locations for the Commission meetings for Fiscal Year 2022. They are as follows:

- July 15, 2021 – Prairie Meadows Racetrack & Casino, Altoona
- August 26, 2021 – Riverside Casino & Golf Resort, Riverside
- October 21, 2021 – Casino Queen Marquette, Marquette
- November 18, 2021 – Diamond Jo, Dubuque
- January 13, 2022 – Prairie Meadows Racetrack & Casino, Altoona
- March 3, 2022 – TBD
- April 14, 2022 – Horseshoe Casino, Council Bluffs
- June 2, 2022 – Wild Rose Emmetsburg, Emmetsburg

Mr. Ohorilko recognized the following staff members assigned to the facilities in Council Bluffs: Jeff Rethmeier and Julie Petersen, Gaming Representatives at Harrahs; Steven Vang, Gaming Representative at Horseshoe Casino, and Deb Kissel, Licensing Assistant for all three facilities. He thanked them for their work on behalf of IRGC.

**REQUEST FOR APPROVAL OF FINANCING PURSUANT TO 491 IAC 5.4(8)“a”(2):**  
**Affinity Gaming (Owner of HGI-Lakeside, LLC):** Lorraine May, legal counsel, requested approval of tack-on financing to increase the bonds the Commission approved in January by \$70 million. The tack-on bonds will be secured by the same security package described in the December 2020 letter, and trade under the same CUSIP number.

Commissioner Horbach noted the intended use for the additional capital is to “fund growth and development and make strategic acquisitions as this is a dynamic time in the gaming industry, with many positive trends emerging.” He asked for clarification as to the intended use of the funds. Ms.

May stated Affinity intends to use the funds for a variety of things; but could be used for additional growth in sports betting or digital access for igaming.

Hearing no further comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the financing request submitted by Affinity Gaming. Commissioner Horbach seconded the motion, which carried unanimously.

Wild Rose Entertainment, LLLP: Tom Timmons and Scott Ivers, President and Chief Financial Officer (CFO) respectively, were present to address the agenda item. Mr. Timmons submitted a refinancing package for all three of the Wild Rose casinos. He indicated the main reason for the refinancing is the significantly lower interest rates.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the refinancing agreement submitted by Wild Rose Entertainment, LLLP. Commissioner Andres seconded the motion, which carried unanimously.

SCE Partners, LLC: Dustin Manternach, CFO, noted Peninsula Pacific Entertainment, LLC (P2E) was before the Commission previously and received approval for funding of their acquisition of the Hard Rock Hotel & Casino. Today, they are seeking approval for \$300 million of tack-on financing to their existing senior notes.

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

**ADVANCE DEPOSIT SPORTS WAGERING OPERATOR AGREEMENTS:**

Dubuque Racing Association, Ltd.: Brian Rakestraw, General Manager, presented an advance deposit sports wagering operator agreement with Bookmakers Company US LLC d/b/a US Bookmaking. He advised US Bookmaking is a sports betting entity launched in 2016. Mr. Rakestraw provided a brief history of the company and its management team.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the Advance Deposit Sports Wagering Operator Agreement between Dubuque Racing Association, Ltd. and Bookmakers Company US, LLC d/b/a US Bookmaking. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Wild Rose Jefferson, L.L.C.: Rick Gilson and Travis Dvorak, Corporate Internal Auditor and General Manager respectively, were present to address the agenda item. Mr. Gilson presented an advance deposit sports wagering operator agreement with Circa Sports Iowa, LLC. He advised Circa currently operates the largest sportsbook in the world at their new casino in downtown Las Vegas.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the Advance Deposit Sports Wagering Operator Agreement between Wild Rose

Jefferson, L.L.C. and Circa Sports Iowa, LLC. Commissioner Andres seconded the motion, which carried unanimously.

Harveys BR Management Company, Inc.: Mr. Roberts presented an advance deposit sports wagering operator agreement with PlayUp Interactive Inc. He advised the company is currently operating in Australia, New Zealand, India and Colorado. PlayUp has agreements with Caesar's in Colorado and New Jersey. PlayUp has multiple platforms available, including sportsbooks, pari-mutuel and fantasy sports. This would be Horseshoe's second skin.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the Advance Deposit Sports Wagering Operator Agreement between Harveys BR Management Company, Inc. and PlayUp Interactive Inc. Commissioner Andres seconded the motion, which carried unanimously.

**HARVEYS IOWA MANAGEMENT COMPANY LLC**: Mr. Roberts presented a request to relocate the security dispatch office to a location that would provide better visibility and accessibility to guests and employees. The current location will remain as security offices. Mr. Roberts advised this change would not cause a decrease in security. He stated if the request is approved they would be submitting an updated security plan for Commission approval due to the change in location when the project is completed.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve Harveys Iowa Management Company LLC's remodeling request pursuant to 491 IAC 5.4(15) for the purpose of relocating the security office. Commissioner Andres seconded the motion, which carried unanimously.

**IOWA GREYHOUND ASSOCIATION**: Brian Carpenter, General Manager/Director of Racing, presented a request to add a simulcast satellite facility at Rhythm City Casino, LLC and Riverside Casino & Golf Resort, LLC, which would allow the facilities to conduct simulcast wagering. He advised the facilities would manage their own satellite facility and offer simulcast wagering Monday through Sunday.

Hearing no comments or questions, Chair Kramer requested a motion regarding both agreements. Commissioner Gonseth Cheers moved to approve the Simulcast Wagering Agreements between the Iowa Greyhound Association and Rhythm City Casino, LLC and Riverside Casino & Golf Resort, LLC. Commissioner Olsen seconded the motion, which carried unanimously.

**IOWA HORSEMANS BENEVOLENT AND PROTECTIVE ASSOCIATION (IHBPA)**: Jon Moss and Joe Kelly, Executive Director and Vice President, respectively, were present to address this agenda item. Mr. Moss presented a request for the IRGC to consider submitting an Amicus Brief in support of a recently filed suit in the United States District Court for the Northern District of Texas, Lubbock Division regarding the Horseracing Integrity and Safety Act (HISA), federal legislation which would regulate horseracing nationwide via a Board that would have no governmental oversight regarding members of the Board or how it would regulate the industry. This Board would have the authority to assess fees to racing commissions, racetracks or horse

owners and trainers to cover operational costs. Mr. Moss stated HISA would take away IRGC's authority in many matters pertaining to racing at Prairie Meadows Racetrack & Casino. He noted Iowa was the first state to have a racino.

Commissioner Horbach inquired if Mr. Moss was asking the Commission to vote on a commitment to file a brief. Mr. Moss stated he was asking the Commission to vote to consider moving forward on this issue. Commissioner Horbach asked for clarification on "moving forward". Mr. Moss replied it would be filing an Amicus Brief. Commissioner Horbach stated he had read the Texas filing, and supports almost every word, but feels it is a political issue, and the Commission is a regulatory body. He inquired if Mr. Moss had asked the Legislature to take action. Mr. Moss stated he had not contacted the Legislature. He stated they have contacted individual legislators but none have indicated that the Legislature would be willing to pursue action in this matter. Commissioner Horbach also suggested reaching out to Iowa's Congressional members on this matter. Mr. Moss advised various states are actively working with Congress to try to change parts of the bill. He advised there are multiple things happening in the background on multiple levels. Mr. Moss stated HISA is to be in place on July 1, 2022. Commissioner Horbach stated he is very supportive, but is not comfortable entering the political environment. He feels the Commission is expected to be non-political. He stated if there is another way for the Commission to be supportive, he would be willing to consider it.

Commissioner Olsen stated he is not aware of any other state Commission that has submitted an Amicus Brief. Mr. Moss indicated he was not either, but noted Amicus Briefs must be filed by May 28<sup>th</sup>. Commissioner Olsen stated the Commission's role is regulatory and questioned if that is why other states have not filed. Mr. Moss stated he did not know, but was aware of some discussions with the States Attorney General Association on this issue. Commissioner Olsen stated that if the Commission decides not to take action, it is not because they are not supportive of the horsemen. Mr. Moss stated nothing about the processes regarding this legislation has been normal; there were no committee meetings or floor debate.

Commissioner Andres encouraged Mr. Moss to keep the Commission and Mr. Ohorilko informed on this issue; she stated the Commission is just not sure of its role at this time.

Chair Kramer thanked Mr. Moss for his comments, and also encouraged him to keep the Commission informed on this matter.

**REVIEW OF FACILITIES' FINANCIAL AUDITS:**

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, noted it was a difficult year due to Covid and hurricanes impacting the Louisiana properties. He stated there were no material weaknesses in the internal controls, and no material findings. He noted the company just finished its fifth quarter of increased growth.

Casino Queen Marquette, Inc.: Robin Corbeil, Director of Finance (DOF), introduced Cheryl Ash and Don Ostert, CFO and General Manager respectively. She stated they are looking forward to the coming year. The Iowa spend was in excess of \$10 million, or just over 96% of their purchases.

Catfish Bend Casinos II, LLC: Rob Higgins, General Manager, introduced Donald Spears and Gary Hoyer, CFO and Chief Executive Officer (CEO) respectively. Mr. Higgins noted 2020 was going well prior to Covid, and ended strong. Mr. Higgins stated the facility paid the insurance premiums for employees during the closure, and were able to keep some employees on board during the closure to perform various maintenance duties in preparation for re-opening.

Commissioner Olsen asked for an update on the financing. Mr. Hoyer stated they have solicited Requests for Term Sheets from five or six different banks. They have received two responses and are expecting a third. He indicated the terms are better than what he expected. They anticipate closing in early July, so the financing arrangements should be on the June agenda.

Diamond Jo, LLC d/b/a Diamond Jo Casino: Wendy Runde, General Manager, stated gross gaming revenue for the first two months of 2020 was \$14.1 million compared to \$12.6 million in 2019. During the closure the property lost \$15.9 million in revenue. For the last seven month of the year, gross gaming revenue declined 14.1%. Visitation was good at the beginning of 2020; however, once the property reopened, the visitation numbers were slow to rebound, especially in the 55+ segment. Ms. Runde stated their total economic impact for the year was \$34.4 million; \$1.3 million was specialized purchases and \$31.9 million stayed in Iowa with local vendors or tax payments to the State, county and city. Payroll and benefits for the year totaled just under \$10,275,000; they had 208 team members as of December 31<sup>st</sup>. She stated contributions to the qualified sponsoring organization totaled just under \$2.3 million. Boyd Gaming donated \$50,000 to the American Red Cross for the Cedar Rapids area after the derecho. The Diamond Jo Cares program paid out approximately \$50,000.

Diamond Jo Worth, LLC d/b/a Diamond Jo Worth: Scott Smith, General Manager, indicated revenue was down 18% due to the closure; however, in comparing the months after reopening to 2019, revenue was flat compared to 2019. For the fourth quarter, revenue was up \$1 million. The first quarter of 2020 compared to the first quarter of 2019 was up 55%. He noted the largest community within 15 miles of their property has 600 residents; the largest community within 30 miles is 36,000. Larger communities of 50,000 or more are more than 90 miles away. Mr. Smith stated the facility is very successful in generating revenue for the State, communities and the qualified sponsoring organization; but doing so means keeping the property fresh so patrons will keep coming back and providing good customer service. Total economic impact was \$37 million; over 97% was spent with Iowa vendors. There were approximately 301 employees at the end of 2020; there are currently 312. Team members volunteer within their communities. Mr. Smith stated work has commenced on the surveillance project recently approved by the Commission.

Dubuque Racing Association, Ltd. (DRA): Steve McCarron, CFO, stated the audit was performed by Honkamp Krueger. For 2020, DRA had just over \$42 million in revenue, down approximately 26.5% from the prior year. Operating expenses were kept in check. In 2020, the DRA distributed over \$8.2 million to the City of Dubuque, as well as local charities. Of that, \$1 million went through the grant process, \$5.6 million to the City of Dubuque, and an additional \$1.6 million to other charities. DRA paid over \$12.9 million in salaries; and \$2.3 million in benefits to the 300+ employees. Mr. McCarron stated DRA paid over \$8.5 million in gaming taxes and other fees in 2020.

Harveys Iowa Management Company LLC/Horseshoe Casino (A Facility under License to Iowa West Racing Association): Janae Sternberg, DOF, requested permission to address both properties as they are included in the same audit. For Harrah's, she stated they are pleased with how things are going in Quarter 1 of 2021. For 2020, Harrah's paid approximately \$12 million in payroll and benefits. Ms. Sternberg noted Harrah's paid benefits during the closure, and continued to pay the benefits for furloughed employees through September. They paid \$11.2 million in gaming taxes, and capital expenditure was \$735,000. She stated there are some exciting capital expenditure projects that will be taking place in 2021, which include the security move, a new slot system, they are seeking a new food vendor prior to the start of the concert series, and they are opening a new non-smoking area.

For Horseshoe, payroll and benefits totaled \$20.2 million and they provided the same benefit payments as at Harrah's. Gaming taxes totaled \$36 million and capital spend was \$1.8 million for water work on behalf of the city, a new HVAC at the Hilton Garden Inn, new slot product, and products for safety protocols due to Covid. In 2021, they will install the new slot system similar to Harrah's. Additionally, there will be approximately \$8 million in capital expenditures to bring the Hilton Garden Inn up to current standards.

Iowa West Racing Association: Ms. Mainwaring advised they had a clean audit.

HGI-Lakeside, LLC: Lisa Ryan, Controller, was present to answer any questions concerning the audit.

IOC Black Hawk County, Inc. d/b/a Isle Casino Hotel Waterloo: Meagan Miller, Controller, noted the facility was acquired by Caesars in July, 2020. She advised they had a clean audit with no material weaknesses.

Isle of Capri Bettendorf, L.C.: Sally Rogers, DOF, stated 2020 was an interesting year; 2021 is off to a good start. She stated the facility had a clean opinion.

SCE Partners, LLC d/b/a Hard Rock Hotel & Casino Sioux City: Doug Fisher, General Manager, and Andrew Limoges, DOF, were present to address the financial audit. Mr. Fisher stated revenue was down 15% in 2020 versus 2019; however, if the 11 week closure is excluded, revenue was up about 10%. He advised they spent \$3.7 million for capital expenditures in 2021 for a new interactive system for the hotel, and new kiosks and ATMs for the players. In 2019, they spent \$11 million on a parking garage, which was done in conjunction with the city. Mr. Fisher stated the facility purchased \$10,000 worth of gift cards from local businesses and restaurants which were then given away to guests.

Wild Rose Clinton, L.L.C.; Wild Rose Emmetsburg, L.L.C and Wild Rose Jefferson, L.L.C.: Mr. Timmons and Mr. Ivers were present to address the financial audit. Mr. Timmons stated the audit showed no material weaknesses, nor were there any unusual findings.

Riverside Casino & Golf Resort, LLC; Grand Falls Casino Resort, LLC and Rhythm City Casino, LLC: Dan White, CFO for Elite Casino Resorts, LLC, advised the audit contained a clean opinion

with no internal control comments or issues. He noted 2020 started off great, then came the closure. He advised the facilities had a strong finish to 2020. He stated gaming revenue was down slightly year over year. They continued to pay the employees and covered benefits for those not furloughed; payroll expenses totaled just under \$57 million for the year. Mr. White stated the non-profit received approximately \$10 million. Approximately 96% of expenditures were with Iowa vendors. He stated the Grand Falls facility continued to build the new hotel during the closure; capital expenditures for 2020 were \$14.3 million for the company. They currently have 1,430 employees.

Iowa Greyhound Association: Mr. Carpenter advised they received a clean audit. He stated 2020 was great. The handle was \$9 million in 2019, but increased to \$16 million in 2020. Purse amounts were increased. He advised pari-mutuel department employees received their salary and health insurance benefits during the closure. Mr. Carpenter stated 2021 is off to a good start.

Prairie Meadows Racetrack & Casino, Inc.: Gary Palmer, General Manager, stated revenue was down 23% from 2019. They distributed approximately \$13 million in charitable distributions. The facility is debt free. They are looking forward to 2021, and are optimistic about the year.

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

Dubuque Racing Association, Ltd: Brian Rakestraw, General Manager, presented a contract with Iowa Beverage for beer purchases.

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

Diamond Jo, LLC: Ms. Runde presented the following contracts for Commission approval:

- Gitchi Gaming, Inc. – Gaming Chairs (OSV)
- Iowa Beverage – Beverage Purveyor

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

SCE Partners, LLC: Mr. Fisher presented the following contracts for Commission approval:

- Everi Payments, Inc. – Cash Advance Processing, Check Guarantee Services & ATM Services (OSV)
- Sysco Corporation – Food Supplier

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



Wild Rose Clinton, L.L.C.: Rick Gilson, Director of Regulatory Compliance, presented the following contracts for Commission approval:

- Pay Lynxs – Title 31 Program Compliance (OSV)
- Irvin & Lorna Lange – Buyer for Warehouse Building
- Tri-State Building Corp. – General Contractor for New Warehouse Building

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Olsen moved to approve the contracts as submitted. 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:

- Pay Lynxs – Title 31 Compliance Program (OSV)
- Everi/Central Credit – Contract for Check Cashing Services, Credit Card and ATMs (OSV)

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

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

- Pay Lynxs – Title 31 Software Compliance Program (OSV)
- Everi/Central Credit – Check Cashing Services, Credit Card and ATMs (OSV)
- Cobblestone Hotel & Suites – Leasing of Hotel Rooms
- Doll Distributing – Beverage Distributor
- Reinhart Food Services – Food Distributor
- Simplex-Grinnell – Fire Alarm, Sprinkler and Extinguisher Testing
- Payroll Resources of Iowa – Payroll Services Processing
- The Printer, Inc. – Printing Mailers
- U.S. Postal Service – Postage for Mailers from The Printer, Inc.
- The Waldinger Corporation – Electrical and HVAC Maintenance
- Ziegler Cat – Preventative Maintenance Service Agreement

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

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

- HMW Construction – Snow Removal (OSV)
- Absolutely Fresh Seafood – Seafood Vendor (OSV)

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

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

- HMW Construction – Snow Removal (OSV)
- H. Olafsson – Specialty Items for Bakery (OSV)

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

**PRAIRIE MEADOWS RACETRACK & CASINO, INC.:**

Update on Horse Racing Meet: Derron Heldt, Vice President of Racing, advised the facility started preparations last fall. At the conclusion of live racing in 2020, they started working on the track in front of the grandstand by replacing some of the racing surface with material in stock. They also did a significant amount of work on the underground drainage, which is checked every year to insure there are no leaks or sand in the system. Mr. Heldt noted there are a number of springs under the infield, and they don't want the ground water seeping up to the racing surface. Additionally, work was done on the track to correct the slope so that rainwater would drain off correctly, and on the infield to remove track surface material, which had run off due to rains. Improvements were made to the apron area and in the paddock area. Mr. Heldt stated that on the second floor of the grandstand they removed the teller line and installed five self-betting machines.

On the racing side, Mr. Heldt advised stall applications were due March 24<sup>th</sup>; they received approximately 2,300 applications for 1,350 stalls. Of the stall application received, 681 applications were for quarter horses; however, PMR&C only has 416 stalls allocated for them. They received 1,700 applications for thoroughbreds, but only have 940 stalls available. Racing staff has been contacting the trainers to determine the actual number of stalls needed. Mr. Heldt stated all of the stalls have been allocated on paper and it is now up to the trainers to bring the horses to the track. There are currently 288 horses on the backside, most of which are thoroughbreds. He stated he feels good about the upcoming meet. There will be 84 days of racing; Friday, Saturday, Sunday and Monday. The first 26 days will be thoroughbred only; the quarter horses will start racing on June 18<sup>th</sup>, for 58 days of mixed races. The system check will occur on April 27<sup>th</sup> to insure all systems are operational.

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

- Brewer Meats (Midwest Quality Wholesale) – Meat Supplier
- Everi Payments – Enrollment Kiosks (OSV)
- Setpoint Mechanical – HVAC Equipment

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

**HEARINGS:**

Diamond Jo Worth, LLC: Mr. Ohorilko advised Commission staff and Diamond Jo Worth had entered into a Stipulated Agreement for a violation of Iowa Code § 99F.4(22) related to the state-wide self-exclusion program. He advised on July 13<sup>th</sup>, a customer identified as TH was gambling at the facility and created a Players Club account and was subsequently enrolled in the state-wide self-exclusion program based on that account information. On January 5, 2021, Diamond Jo Worth discovered, and disclosed to IRGC, that there was a name that was similar to the name that was enrolled. It was discovered that the name had been transposed in the original information. There was a period of time, approximately 5 months, where the individual that is currently enrolled in the state-wide self-exclusion program received six mailings that occurred 90 days after the enrollment in the program. Mr. Ohorilko stated Diamond Jo Worth has agreed to an administrative penalty between \$5,000 and \$20,000.

Mr. Smith stated this was an unfortunate incident; team members failed to follow established protocols. He advised when the individual originally signed up, the ID system that populates the information was utilized correctly, and everything worked as expected. When the individual went to the table games area later on, the system was not used. Mr. Smith stated the individual's first and last name are both common first names and the team member misread the name on the driver's license and created a new card. He pointed out that not all driver's licenses display the name in the same order. Mr. Smith advised all staff that have access to creating player accounts have been retrained on how to read driver's licenses, and have reviewed the formats from various states. Staff was also retrained on the proper procedures.

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

Diamond Jo Worth, LLC: Mr. Ohorilko advised Commission staff and Diamond Jo Worth had entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(5) related to underage gambling. Mr. Ohorilko advised on February 3<sup>rd</sup>, an underage male and companions approached the turnstile. The security officer failed to request identification, allowing the minor to enter the gaming floor unchallenged. The minor was on the floor for approximately 50 minutes, and did gamble at two slot machines before exiting the floor. Upon attempting to re-enter the floor, he was stopped. It was discovered at that time that he had been on the gaming floor earlier in the day. Mr. Ohorilko stated Diamond Jo Worth acknowledges the facts, and has agreed to an administrative penalty of \$20,000.

Mr. Smith stated this incident also occurred due to staff not following established protocols, which state anyone appearing under 35 years of age is to be asked for identification. He noted masks make it difficult; however, masks are to be lowered to help with this process. The original security

officer failed to do so. Mr. Smith stated he is thankful the protocols were followed when the individual attempted to re-enter.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Gonseth Cheers moved to approve the Stipulated Agreement with an administrative penalty of \$20,000. Commissioner Andres seconded the motion, which carried unanimously.

FanDuel, Inc.; Mr. Ohorilko advised Commission staff and FanDuel have entered into a Stipulated Agreement for a violation of Iowa Code § 99E.9 related to the filing of an annual audit. Mr. Ohorilko advised an annual audit is to be filed with the Commission at the end of each fiscal year. Daily Fantasy sports companies are required to file their audit no later than 180 days after the end of the fiscal year; FanDuel's audit would have been due on June 29, 2020. On September 10<sup>th</sup>, Commission staff again inquired as to the status of the audit; the audit was received 74 days after the due date. Staff requested additional information on October 28<sup>th</sup>; FanDuel failed to respond in a timely manner. Commission staff eventually received the information on December 3<sup>rd</sup>. Mr. Ohorilko stated he had worked with FanDuel on the Stipulated Agreement, and they acknowledge the facts are accurate. FanDuel has agreed to an administrative penalty up to \$20,000. He advised no one from FanDuel was in attendance, nor did they provide a statement for the record. Mr. Ohorilko stated FanDuel has indicated their desire to proceed with the stipulation at this meeting. Mr. Ohorilko respectfully asked the Commission to review the Stipulation and move forward if possible.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Andres moved to approve the Stipulated Agreement with an administrative penalty of \$20,000. Commissioner Horbach seconded the motion, which carried unanimously.

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

Socioeconomic Impact Study: Mr. Ohorilko advised Iowa Code § 99F.4(24) requires that a study be completed every eight years regarding the socioeconomic impact of gambling in Iowa. He advised staff is prepared to initiate an RFP should the Commission desire to move forward with the study. This year marks eight years since the last study.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to direct staff to prepare an RFP, in cooperation with the Commission, for the purpose of selecting a vendor to conduct a socioeconomic impact market study of gambling in Iowa. Commissioner Olsen seconded the motion, which carried unanimously.

Approval of Horse Racing Promotion Fund: Mr. Ohorilko advised there is \$1,601.72 available for distribution. He stated the Commission received one application from the Iowa Thoroughbred Breeders and Owners Association (ITBOA). They have provided all of the necessary documentation required by statute. He requested approval to distribute the funds to the ITBOA.

Hearing no comments or questions, Chair Kramer requested a motion. Commissioner Horbach moved to approve the distribution of the Horse Racing Promotion Fund to the ITBOA. Commissioner Gonseth Cheers seconded the motion, which carried unanimously.

Chair Kramer stated this was Commissioner Gonseth Cheers last Commission meeting. She stated it has been a pleasure and honor to get to know her and work with her for the past three years. Commissioner Gonseth Cheers stated she would miss serving on the Commission.

Mr. Ohorilko presented a plaque to Commissioner Gonseth Cheers which read “Pennie Gonseth Cheers – In Appreciation of Your Service on the Iowa Racing & Gaming Commission – May 1, 2018 – April 30, 2021 and as Vice Chair July 9, 2020 – April 30, 2021.” Mr. Ohorilko stated Commissioner Gonseth Cheers has demonstrated passion for the industry and exhibited strong leadership while regulating during one of the most difficult times in gaming ranging from the highs of launching sports wagering to the lows of the pandemic and holding virtual Commission meetings, which the Commission had not experienced previously. He stated her optimism and ability to always see the good in people is one of her strengths that he appreciates very much.

As there was no further business to come before the Commission, Chair Kramer requested a motion to adjourn. Commissioner Horbach so moved. Commissioner Andres seconded the motion, which carried unanimously.

MINUTES TAKEN BY:

  
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JULIE D. HERRICK