

Minutes of Special Meeting of the Southeast Iowa Regional Riverboat Commission (SIRRC)

**February 22, 2023 at 4:45 p.m.
Catfish Bend Convention & Event Center
and by Zoom¹**

CALL TO ORDER/INTRODUCTIONS

COMMISSIONERS PRESENT:

Dave Walker (Brl); Dave Schwartz (KK); Kirk Brandenberger (KK); Terry Johnson (Brl); Steve Link (FM); Justin Pieper (FM); and Joe Steil (KK).

COMMISSIONERS PRESENT BY ZOOM: Jason Hutchinson (Brl)

COMMISSIONERS PRESENT BY TELEPHONE: Chuck Kempker (FM);

COMMISSIONERS ABSENT:

None absent.

EX-OFFICIAL MEMBERS:

Also present are Rob Higgins, General Manager and Gary Hoyer of Catfish Bend Casinos II, LLC (Catfish); Mitchell L. Taylor, Counsel for the Southeast Iowa Regional Riverboat Commission (SIRRC); and no non-participating audience.

MEETING MINUTES:

The meeting was called to order by the President David Schwartz. Immediately upon calling the meeting to order the President began a discussion concerning the status of inquiries from the Iowa Racing and Gaming Commission (IRGC). A discussion was held as to how the three (3) member communities of SIRRC distribute their funds. Commissioner Brandenberger on behalf of the Keokuk Convention and Tourism Bureau Inc. reported the Keokuk model; Steve Link reported the Fort Madison (Fort Madison Southeast Iowa Regional Riverboat Commission) model; and Dave Walker presented the Burlington (Grow Greater Burlington) model.

Gary Hoyer was then asked to discuss the IRGC issues from the casino's perspective. Gary discussed the 2015 Memo and Qualified Sponsoring Organization (QSO) requirements from IRGC, the historical use of the grant process, and the rationale why SIRRC had historically been exempted from the 2015 recommendations of IRGC.

¹ <https://us02web.zoom.us/j/85223206429?pwd=QnE4aGh4MU90UVZvbDJuVUgzR0d4Zz09>

Gary briefed the SIRRC Board concerning the non-casino county community foundation program (Endow Iowa), as well as the other casino QSO's methodologies, distribution structures, and how the QSO's distribution models interplay with casino county community foundation funding.

Gary provided an explanation of the rationale for IRGC's interest in the funding mechanism and how historically the mechanism in which SIRRC uses was the basis for several the exemptions from the 2015 recommendation of the IRGC.

Gary also provided an explanation was held as to why a QSO is required for casino licensing and that Catfish would need to consider replacing SIRRC with a new QSO if licensing became in doubt following input of the IRGC.

Questions then were raised from the floor from all Commissioners. Each Commissioner had more than one question and a discussion ensued with respect to the possibility of changing Article II of the Bylaws of the Commission to address the IRGC's inquiries.

Counsel for the Commission cautioned the Commission that if the amendment to Article II of the Bylaws was the direction of the Commission this amendment would have to pass unanimously by all SIRRC Board Members. The Board was aware of this requirement. A discussion was held whereby the licensing fees received by SIRRC from Catfish after payment of expenses related to the operation of SIRRC in Article II would be modified as follows:

1. Pursuant to the Iowa County Endowment Fund Program (ICEFP), a percentage of the state's gaming tax revenue is distributed to community foundations in the counties that do not hold a state-issued gaming license. The community foundation organizations then grant 75 percent of those funds to charitable projects within their counties and place the remaining 25 percent in a permanent endowment fund, which is intended to attract other donations and provide a source of permanent funding for charitable projects within the county. Counties that are not eligible for the funding in those counties where a state-licensed gaming facility is located. The amount received by the non-casino counties under the ICEFP varies annually. Commencing in calendar year 2024, SIRRC shall distribute fifty percent (50%) of the amount received by a non-casino county under the ICEFP during the previous calendar year to the Des Moines County Community Foundation (DMCCF), reduced by amounts, if any, that DMCCF shall have received from the ICEFP during such prior year. Commencing in calendar year 2025, SIRRC shall distribute an amount equal to the amount received by a non-casino county under the ICEFP during the previous calendar year, which shall be paid to the Des Moines County Community Foundation (DMCCF), reduced by amounts, if any, that DMCCF shall have received from the ICEFP during such prior year. Thereafter, the balance of the SIRRC funds shall be distributed

pursuant to the existing model of the distribution set forth in the Bylaws, under Article II would remain, specifically, 32% to Grow Greater Burlington, a division of the Greater Burlington Partnership; 32% to Fort Madison SIRRC; 32% to the Keokuk Convention & Tourism Bureau, Inc.; 2% to Des Moines County, Iowa; and 2% to Lee County, Iowa.

A discussion was held with respect to the history of the SIRRC and why it was fair and equitable to distribute funds to the DMCCF prior to distribution of funds as set forth presently in Article II.

After a lengthy discussion it was concluded by all Members present in person, video, and telephone, that the Board of Directors tasked its President, Dave Schwartz, with the assistance of Rob Higgins to set up a Zoom conference call for Monday at 4:30 p.m. with the meeting to occur at Catfish Bend Casino - 2nd Floor, Administration Conference Room and by Zoom to address amendments of the Bylaws as set forth above. No motion was made and no vote occurred on topic.

FURTHER BUSINESS:

- A. The Board discussed the additional suggestions and recommendations in 2015 of the Racing and Gaming Commission, namely the distribution model of its partners. It was agreed that the model used by Fort Madison was the preference and that the Board would strive to encourage Keokuk Convention & Tourism Bureau, Inc., and Grow Greater Burlington to consider modeling their respective distribution of SIRRC funds closer to that used by Fort Madison SIRRC in the future.
- B. Term limits were discussed. It was brought to the attention of the Board by the President, Dave Schwartz, that if a six (6) year term limit was imposed, a supermajority of the existing Board would be disqualified. A staggering disqualification chart was discussed, and it was the conclusion of the Board that a staggering disqualification provision of Board Members would be best for continuity of the SIRRC and meet the spirit of IRGC's requirements. Gary Hoyer suggested that consideration be given to limiting newly appointed members to SIRRC be limited to a six (6) year term and that one existing SIRRC Board member who has exceeded a six (6) term be replaced on the SIRRC Board by a new member. Further, that there be required a minimum of two (2) years before a member could be appointed to a new term once such member completed a six (6) year term. Again, no motion was made and no vote was taken.

An additional Special Meeting was formally to be called by the Board President as well as Commissioners Pieper, Hutchinson, and Brandenberger. Said notices of a Special


Meeting of the SIRRC shall be on Monday, February 27, 2023, at 4:30 p.m. at Catfish Bend Casino in the 2nd Floor Administration Conference Room and by Zoom². The public shall be invited, notification will be provided under the open meetings, and open records law, with notice provided to any news media specifically requesting notification as contemplated by the open meetings and open records law.

ADJOURNMENT:

Justin Pieper made a motion to adjourn the meeting. The motion was seconded by Kirk Brandenberger. The motion was unanimously approved. The meeting was adjourned. No action, other than to set a board meeting set forth above, took place.

Respectfully submitted,

Mitchell L. Taylor
Counsel for Southeast Iowa Regional Riverboat Commission



Dave Schwarz, President
Southeast Iowa Regional River Boat Commission

² <https://us02web.zoom.us/j/81693310253?pwd=cW01ODZGY3hraHZBQ1Y5aUNZS3kyQT09>
Meeting ID: 816 9331 0253/Passcode: 970432