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## Conversations w/Tino

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Tino Magnatta: Welcome, and Happy New Year to all. I hope you had a great new year. I hope you had time to recharge the batteries. I know it's going to be a great year, and where we are today, again, and we have a very amazing guest on the show tonight. He has a lot of opinions on some interesting subjects that you might not have thought of. It was very revealing to me when I spoke to him. Great guy, interesting man. Welcome, Gary Palmer to the show.

Gary Palmer: Thank you. Glad to be on with you.

Tino Magnatta: Yeah. Gary, you grew up on a farm, right?

Gary Palmer: I did.

Tino Magnatta: You really know what hard work is about, right?

Gary Palmer: You bet. It was hard work, but it was good work.

Tino Magnatta: What stuff would you be doing? When would you get up in the morning? And what kind of ethic was it?

Gary Palmer: We go up ... We had cattle and hogs, and we grew corn and soybeans. We always had something to do with animals, and most of the time we'd get up at five in the morning to milk the cows and we couldn't wait ... Me and my brothers couldn't wait to get to school. It was easy at school. My dad made us work too hard when we were home. It taught us some good lessons.

Tino Magnatta: That's the root of all successful people, is that they have something in their upbringing that makes them motivated, or spurs them forward. You said that it was, you were dealing with animals and livestock. How long were you doing that for? How long were you working on the farm for?

Gary Palmer: From the age of, probably 11, until I graduated from high school and went into the service.

Tino Magnatta: Tell us a little bit about the service. What did you do there? And what did you learn?

Gary Palmer: I was in the United States Air Force for five years. Spent most my time in Europe. My last year I spent in Vietnam, it was at the end of the Vietnam War, so I ended up over in Vietnam for my fifth year. I extend a year to go there, because usually it's a four year tour. They asked if I wanted to extend, and I didn't have any plans, so I was foolish enough to say, "I'll go there."

Tino Magnatta: It was pretty wild over there, right?

Gary Palmer: Yeah, wild enough. Yes.

Tino Magnatta: Wild enough, exactly. When you were in the military you traveled a lot, too, right? You said you were all over Europe.

Gary Palmer: I did.

Tino Magnatta: You have this ethic of hard work on the farm, and you also have this idea of traveling and being worldly. Tell us a little bit about how that effected you?

Gary Palmer: The thing that effected me the most is, if you wanted to get ahead you had to ... Everybody was equal, so you had to gain rank in a hurry if you wanted to be the boss. You had to get more education and do more training and volunteer for different things, which I was lucky enough and smart enough, I guess at the time, to do that. It gave me a lot of opportunities to travel. When I was in service, I spent six months in the United States, and the rest of my time in the service was overseas somewhere.

Tino Magnatta: Where did you go? What places?

Gary Palmer: I was stationed in England for three years. I was in conventional weapons. We took a lot of TDY in England to different places for bomb testing and different things like that. I got to see quite a bit of world at a young age, which I really enjoyed doing that. At the same time-

Tino Magnatta: Where did you-

Gary Palmer: Go ahead.

Tino Magnatta: No, no. Go ahead.

Gary Palmer: By doing that, I enjoyed it, I enjoyed that career field, but the only thing about it is when you put five years into explosives and ordinance, there's not a lot of jobs when you get out of the service.

Tino Magnatta: Interesting.

Gary Palmer: I enjoyed that when I was in the service, but it didn't give me a big career field to get out in to.

Tino Magnatta: What was your first job in the industry, how did that come about?

Gary Palmer: After college, I had my own businesses. I owned two or three small businesses. In the Summer of 1984, when we had one of the worst recessions on record, we had an opportunity to build a horse racetrack in our city of Altoona. I happened to be the Chamber of Commerce President at the time. Was involved with our politicians and developers, to try and promote to get the horse track within the city limits so it'd create jobs and economic development, and tourism, because farming was really bad in those days. And retail and development, essentially

there wasn't any of it. We were looking for anything to help us build our community.

Tino Magnatta: That's amazing. You were instrumental in getting everything off the ground from day one, right?

Gary Palmer: I was lucky enough to be ... I was the follower. I had three very astute businessmen and politicians that I listened to and followed. They took us down the right-

Tino Magnatta: The right path. Yeah. How did you end up being the President of the Chamber of Commerce?

Gary Palmer: I just got involved in the community. I've always ... My folks always told me to get involved, so I had a couple small business, so we got involved in the Chamber of Commerce and the Rotary Club. Things to help our community. That's what got me started in community work.

Tino Magnatta: Now, Prairie Meadows is one of two non-profit casinos, right? The other one is also in Iowa. Tell us a little bit about that, and how that works.

Gary Palmer: The county that we're in, Polk County, that's the largest county in Iowa, backed the bonds to build the racetrack originally. We're the non-profit that runs, the management team that runs the casino and the horse track. Originally, it was just a horse track. We opened it up March 1st, 1989, within about 15 months we had to file for Chapter 11 bankruptcy. We knew, we had a lot of taxpayers money wrapped up into it, we knew we had to do something. We went to the legislature here in Iowa to see if we could get casino style gaming, combined with racing, with horse racing.

Tino Magnatta: Wow.

Gary Palmer: We went in 93, and we lost by one vote, the last day of the legislature. We went back in 94, and if we didn't pass it that year, the county was going to have to close this facility down, because they weren't going to put any more money into it. On the last day of the legislature of 1994, we passed the bill by one vote. We didn't have a lot of bragging rights, but we did have the opportunity to create the first racino in the world, was here in Altoona, Iowa. Combining racing with casino style gaming.

Tino Magnatta: That's amazing. Was that an idea that you guys came up with to be able to resurrect the community? It sounds like it went really badly in terms of the horseracing, but you had to be creative, right?

Gary Palmer: We had to. We had too much at stake. The county, at that time, had about 40 million dollars tied up into this project, of the taxpayers. Needless to say, the taxpayers weren't too happy about it. We weren't either, because we wanted to

make a success out of it for jobs and economic development, and tourism. We had to get something there, so when they passed the bill in 94, we were able to remodel and retrofit, if you will, our racetrack into a racino, and when we opened it on April 1st, 1995 the county had invested over 90 million dollars into this project.

Tino Magnatta: Wow.

Gary Palmer: We were wishing and hoping it worked.

Tino Magnatta: Yeah, there was a lot on the line.

Gary Palmer: The first few weeks was so successful, we would have to let people out of the building before we let more in it, because the Fire Marshall, we were exceeding all the fire ordinance.

Tino Magnatta: Unbelievable.

Gary Palmer: This could be something good. 20 months later, we paid the county back 90 million dollars plus interest. And we've been able to remain debt free ever since that time.

Tino Magnatta: That's amazing. Unbelievable. What a story. Incredible.

Gary Palmer: And the great part is we get ... Go ahead.

Tino Magnatta: No, no. Go ahead. Go ahead.

Gary Palmer: I was just going to say, the great part about it is all the money that we make today, being the largest and probably most successful casino in the state of Iowa, is all our money goes back to our community. We give back in excess of 40 million dollars in profits every year to our community to help people in need and to lessen the burden of government.

Tino Magnatta: Right. Right. You're fueling that back into the system to help you out.

Gary Palmer: Yep. Its community effort.

Tino Magnatta: That's amazing. Incredible. What do you think it was about the way that you, the combination and the way it was lodged, what was the secret to making it so successful?

Gary Palmer: We didn't know any better, probably. We knew that we had to ... There was a lot of great minds helping on this. Our whole community got behind us, and how were we going to make it work. We had to go out and hire the right people. Naturally, we weren't in the casino business, we didn't know anything about it, so we had to go out and find the right people and home grow a lot of them,

which we did. Get off on the right foot, which thank the dear Lord, we got off on the right foot. Things just started to click in the right direction. We found that, as a non-profit casino, which most people when they hear that they wonder if you know what you're saying, but it is a non-profit casino. We do very well in revenue generation, and we have very little expenses. We really have a tight ship we run. It just works out very well. We have over 1400 employees, 24/7, and we have three labor unions. We're a union shop. We do very well, and our people do very well. It's just a great community effort.

Tino Magnatta: That's amazing. Gary, you said something when you just spoke, you said we home grow them. What do you mean by that?

Gary Palmer: A lot of the people, naturally, we didn't have casinos in Iowa. In order to get these 1400 employees, we had to hire a bunch of people that had no casino experience. We had to bring them in and train them as CFAs, Casino Floor Attendants. Dealers, table game dealers, and it was quite a challenge at first because we had to train all these people, because most of them didn't have any idea what the casino business was like. They learned it from the scratch, we hired the right people to train all of us how to run a casino. It's just worked out very well. A lot of them is local people, people ask me, "You've been in the business a long time, how many casinos have you worked at?" I said, "One. This one." I've learned everything at one place. We've had a lot of good teachers, and we've done a lot of reading, and we do a lot of traveling. Through all these years that I've been involved in it, we've learned a lot. We have a tremendous staff that's, the space is up, really know what they're doing and they really produce.

Tino Magnatta: You know when we spoke before the show, you were telling me about how you got involved with this, and how it evolved, it's a very different story. You were behind the whole concept, and then ran into adversity, and then made it work on the second try. That's really, it goes back to your roots, I think. The hard work ethic and never giving up. What keeps your guests coming back to the casino?

Gary Palmer: We're constantly remodeling and recreating ourselves. We, ourselves, know that we get tired of going to the same restaurant all the time, or the same shopping center if it stays the same. Our philosophy has been for years to remodel, repaint, change the casino floor around. We're constantly doing something. All the time. It never stops. Our customers mention it all the time, even our employees like the change because it's not the same old same old all the time. We feel if you treat the customers right, and you give them a great variety, they're going to keep coming in. For us, that's what's happened, and it continues to happen. We have to constantly think of new things to do, and new ways to do them. It works for us. That variety that people enjoy.

Tino Magnatta: You had said to me, it's like the amusement park. They have a new ride every year, right?

Gary Palmer: You've got to give them a reason to come back. And that's exactly right. It works. We have to get new slot machines in, we have to get new carnival games. We have to do different things with our table games. There's always a challenge, there's always new things. In the gaming industries, basically say table games, side bets were a big deal. You want to get side bets on most your games. People really enjoy that. It's really important how many chairs you have at a table. Slot machines, you have to have a great variety. I remember, when we put all this together in 1994, to buy the slot machines, we had two selections. We had either Balis or IGT. That was it. There was no other manufactures you could buy from. Today, I couldn't name how many manufacturers there are because of proliferation of gaming in America, we got a lot of places. But, you got to make sure you do the right choices so your customers enjoy it, and they keep coming back for their recreational fun during nights and days, and weekends.

Tino Magnatta: You've got to give them a reason to come back. That's what you-

Gary Palmer: Yep, then you-

Tino Magnatta: That what you've always said.

Gary Palmer: Got to treat them like family. And we do that.

Tino Magnatta: Got to treat them like family.

Gary Palmer: We're pretty much a locales place, because we're in Central Iowa, we are located right on Interstate 80, which we have a lot of traffic coming by every day and a lot of visitors off the interstate. A good part of our business, naturally, are repeat business from our local community. They want to come somewhere where the people are friendly, the place is clean, and we have clean restrooms. We have great food. We have a convention hall here, a big new convention that we just remodeled again after 10 years. It's completely new as of two months ago. A hotel that's got the highest occupancy in Polk County, that's our region.

Tino Magnatta: Wow.

Gary Palmer: A lot of things going right. And it's because of our great employees, and the great customer service that we give to people when they come here.

Tino Magnatta: Yeah, they really remember that. Like their part of the family.

Gary Palmer: We treat them like we'd like to be treated when we go somewhere. And it just works.

Tino Magnatta: Yep. Friendliness and cleanliness.

Gary Palmer: It does it. Pretty simple, but it works.

Tino Magnatta: Pretty simple stuff. What are some of the qualities people need to learn and work on to stay on top of their game?

Gary Palmer: Again, we've constantly had to look at new ways of doing things. We want to work smarter not harder. We want to look sharp, we want to feel sharp, we want to make sure ... I've been in a lot of casinos in my life, and I tell you, there's some in my life that I've gone into, as soon as I walk in the front door, I can tell you I don't want to be there. I can tell the employees aren't happy. Something is going wrong. If the employees aren't happy, why do I want to go in there. We try to keep our people happy, we've got ... They look sharp, they feel sharp, and most of it is like old home week, because we know so many of the people. In the summertime we laugh because it's like the Farmers Market, everybody is bringing sweet corn to somebody, or watermelon. It's just the friendliness that they've developed through these years.

Tino Magnatta: That's fantastic. I love that. That's good stuff. You have a unique way of training people, right, when you hire them? Can you explain a little bit about that? They have to know every department, and they need some non-profit, that stuff. Can you explain a little bit about that?

Gary Palmer: We do a good orientation for our new employees that come in. And give them a good history. A three day training on our history, and different regulations because we're so highly regulated. They need to know why we're established, and that is we're owned by the community. We're here to help our community. It's so important that we never forget that. While you do all those things, we also have developed what we call Prairie Meadows University, where we give our people a chance to go through training at our partners, Drake University, here in Des Moines, a professional training lesson or program, if you will, for succession and for leadership development. It all ties around customer service and community. They all know what we expect of them, and what's expected by this company to continue to be successful. It's worked very, very well for us.

Tino Magnatta: It's a great orientation, right?

Gary Palmer: It is. And it gives reason, people reason to stick with our company. They know there's a future. They get to work in different departments. You know, you get a place this big, a lot of times you can be a slot attendant for years, and never see anybody in food and beverage or accounting, or the marketing departments. During this training program that we have, you get to work in all these different departments to see what your peers get to do, and what they deal with every day. It's very educational, and a lot of times people will find out, "I'd like to transfer departments. This department intrigues me. I would like to be in accounting instead of CFA. Or I want to go into IT. I want to go into the marketing program, or hospitality." It's good to let everybody see what everybody else has to do, and what they have to complete to get their job done.

Tino Magnatta: They also have to know how hard they're working, right? You guys explain to them upfront, there's no such thing as a 40 hour work week, right?

Gary Palmer: Not if you're going to succeed in management. There's no such thing as a 40 hour work week. We put a lot of hours in because we enjoy it, to be honest with you. We work a lot of weekends. We work when people are here. A lot of Mondays, we don't need all of us to be here, because there's not much going on. You've got to know that you've got to work weekends and holidays at this job. That's when the people are here and that's when we have to have people here to serve them. Sometimes it takes people a while to get used to that, because if you come from a five day a week, Monday through Friday job, sometimes you think your weekends are pretty sacred. And they are. But, in the entertainment business, you have to work when the people are here, not when you want to work. You get to learn to work on the holidays, and on the weekends, and at nights. But, I'll tell you, with all that, it sure makes the whole thing a success.

Tino Magnatta: Yeah, yeah. It's a lot of team work, and a lot of working together. Gary, talk to me a little bit about the future of gaming? And where we're headed? There's so much gaming in the United States right now. What's going to happen?

Gary Palmer: This is my opinion. Statistics show that 25% of adults over 21 like to gamble. That's our market. 25% of the people over 21. Again, you have to change things. People say, "What's going to happen when this generation dies off? Do the younger people want the type of machines and slot machines we have today?" The answer is, "No. They'll be here, but they don't want to do that." We have to, the manufacturers in this industry, and we the casinos, have to keep up with the times and have the games that the people in that generation want to play. We know that 45 above is our biggest market, because that's the people that are empty nesters, they have a little bit more money to spend on recreational gaming. And when someone is 45, next year someone else is gonna be 45. Or somebody is going to be 75, and the next year somebody is going to be 74. It works. The people just keep coming. They don't go away because one generation leave.

Gary Palmer: We have to be ready for them when they come. Is it in sports betting, which is a big thing that we're all talking about right now? Is it in feed gaming? What is it that the people that's coming up through the different generations, what do they want? Well, we're all working on that, and trying to figure out what that is, because that's our market. If they don't like what they're playing, they're not going to come out. That's our challenge in the gaming industry. Our games are going to have to change with the people that's coming out, but in my opinion, they're still going to be there.

Gary Palmer: When I was younger and couldn't afford to gamble, I didn't gamble. I didn't even think about it. As I got older, and I liked gaming, I do it. A lot of friends of mine do as well, but they didn't do it when they were in their 20s because they didn't have the money to do it. They were raising families, but when they got to the age they had a little extra money, that's when they try to enjoy gaming. A lot of people do. We just have to have the right games for those people when they come out. Whenever it is. If it's five years from now, or 10 years, or 20 years.

We have to evolve with the temperature of the people coming out, or we're going to be in trouble. That's our challenge.

Tino Magnatta: Yeah, just like when people were putting in the first slot machines, people had no idea what they were, and were like, "What's that?" Same idea. You need something like that, right?

Gary Palmer: Yeah. We were founded, Columbus ... American's have always been gamblers. If it's in farming or business, or in recreational gaming, we're gamblers. That's just the way it is. You may gamble different ways, and maybe the stock market may be your thing. The American's are going to gamble, that's just the way it goes. You have to find out what the people like, and you have to provide it, and you'll have all the business you want if you do that.

Tino Magnatta: Why do you think they're gamblers? Why are they like that?

Gary Palmer: It's the American way.

Tino Magnatta: The American way. I love it.

Gary Palmer: I've had business in land development, all you are taking a gamble. Sometimes it works, sometimes it doesn't. If it doesn't work, you just start over and try again. You don't give up. You just keep moving on. That's the saga of Prairie Meadows. We didn't give up. We kept thinking, "How are we going to make this thing successful? We've spent too much time, money, and effort to not make it work." And a lot of people, I'm talking about hundreds and thousands of people in this area, stuck together and made this thing work. And it's fun.

Tino Magnatta: When I spoke ... Yeah, it's fun. When we last spoke, you said something to me that I'll never forget. There's three things that were the core things to remember in life. Number one, family first, business second. Number two, to help the community be a better place. And number three, hard work. Life is simple if you let it be.

Gary Palmer: Amen.

Tino Magnatta: Explain to me a little bit.

Gary Palmer: I do believe that. And you know Thomas Jefferson coined a saying a long time ago, the harder I work the luckier I get. Think about that a little bit. That's a truism. It works. Believe me, it works.

Tino Magnatta: Like birds of a feather flock together, right?

Gary Palmer: That's right. And here-

Tino Magnatta: No question about that.

Gary Palmer: If you don't work here, you don't work here. We all have to permute. We all have to do our thing, or we have to get someone else to do it, because we don't have any jobs that you don't produce at. We want them to have-

Tino Magnatta: You got it covered.

Gary Palmer: But you got to enjoy your job. If you don't, you won't do very good at it. That's for sure.

Tino Magnatta: You won't succeed if you don't love what you do. Especially when you're working that much, that hard, right?

Gary Palmer: There's no question about that. This is a crazy thing. My wife and I, have come over to Prairie Meadows about every Saturday and Sunday for 20 something years, for lunch. I mean, we stop at Mcdonalds or somewhere and eat lunch in a parking lot. I sit there and just watch people coming in. How clean the parking lot is. Who's working that day. I mean, I know who's in the managers lots, who's not. That's the love we have of the place. That's just a routine. People just laugh their heads off, and they look for us on the weekends sitting here eating. And we've done it all these years. As long as I can do, I'll continue to do it. It's fun. It's exciting. It's just part of loving a place, and want it to succeed. We have dozens, hundreds of employees that work here that feel the same way about the passion of Prairie Meadows.

Tino Magnatta: That's amazing. It's a lot of character. A lot of character. It's a great place. And I great saying, I'll never forget that. Should we take a couple of calls?

Gary Palmer: Sure.

Tino Magnatta: Let's do it. Hello, this is Tino Magnatta. I have Gary Palmer on the line. Do you have a question for him?

Alicia Leite: I'm going to be the first?

Tino Magnatta: Hello. How are you?

Alicia Leite: Hi. Good, this is Alicia Leite Regional Account Director of Market Smart. Hi, Gary. How are you?

Gary Palmer: I'm fine. Yourself?

Alicia Leite: I'm doing well. I'm in the boonies driving back from the Mississippi Deltas. Hopefully, I will be able to keep on the line. Tino Magnatta, thank you so much for inviting you to your show tonight. I really appreciate it.

Tino Magnatta: No problem.

Alicia Leite: Thank you. Gary, I want to first start-

Tino Magnatta: Do you have a question?

Alicia Leite: And say thank ... Yes, I do. I want to first start by saying thank you so much for your service. I have pulled back in four times trying to get all of your story while the rural areas hit my cell phone coverage. It's been great. Also, I think this is such a unique model of a non-profit casino. I've been through so many casinos across the country, and when I was working in payer development, I'm very envious, because it would have been so nice to say to my players, "Well, you lost a little bit of money, but you are bettering the community one lost dollar at a time." I never get to say that. At least, your people at your casino get to say that, and you really feel like they're helping the community, which is an amazing model for, I feel like casinos should follow that in the future.

Alicia Leite: My question is more about your tenure. A lot of times in this business I've seen really brilliant leaders who are diligent, motivate, hard working, get moved around the country through various executive positions or leadership positions. You have been there since the beginning and evolved with the property, as the property has evolved. How have you been able to maintain such a figurehead role and be able to stay at one for most of your career?

Gary Palmer: I'll tell you, I grew up here so I've got all my family and friends here in this area. This is where I'm going to stay until they carry me away, if you know what I mean. It's a great property, and watching this develop through the years, and how we help so many people that need help. We give our, every year, again, 10s of millions of dollars to help non-profits that are so important to our community. That work does something for me. It just ... I couldn't go anyplace else that I would feel good at, to be truthful with you. I'm treated great here. I've got a staff that anyone would die for, to be truthful with you. Our results to be able to drive up and down the streets and see new libraries, new police stations, new bridges, new schools, because of what we do, is really self satisfying, to be truthful with you.

Gary Palmer: It's a wonderful model. Why more people don't do it, it's tough. The politicians that did it back in the 80s, two of the three that led the political move on it, lost their job because of it. They were voted out of office. The gentleman that started it with us, was from our area. He was the Chairman of the Board of Supervisors at the time, he only won by 13 votes in that same voting area. They put everything on the line for the community because at that time it was questionable. We had spent a lot of money, we went bankrupt in the horseracing and the tax payers didn't like it. We knew the next gamble that we pulled, better work. Again, thank the Lord it worked, and it worked very well for us. And then things change, but the politicians that would, in a community, would back bonds for a gaming facility, you really got to be touch because you're going to face some opposition to that. We had the tough politicians in this area to stand up to that. Even though, quite a few of them lost their job because of it. But they did it for the community.

Alicia Leite: Thank you for that. It's a really interesting model. I hope that we get to see more of that in the future.

Gary Palmer: Thank you.

Alicia Leite: So, I get to ask-

Tino Magnatta: Thank you so much. Did you have another question?

Alicia Leite: another question?

Tino Magnatta: Absolutely. Go ahead.

Alicia Leite: I do. I have one more. And then I promise I'm done-

Tino Magnatta: Take your time. No problem.

Alicia Leite: Because I'm probably going to lose service. Thank you. I was listening in earlier, and I know you said you have to keep a tight ship, budget your financials appropriately, maybe more so because you are non-profit. How do you pick promotions that are going to seem like really exciting for your guests, but also budget friendly for your organization? And what has been successful for your property in the recent year or two?

Gary Palmer: It's trial and error when you do things. We've got a good marketing budget that ... This year's 15 million dollar marketing budget. We spend money on marketing, but it does pay off. The giveaways always bring people in. We time them at the right time, we do quality gifts, and Katy bar the door when we have them, because they're coming by the carloads. They stay, which is nice. A lot of people will come and get their gift, and leave. But, we have found here that people do come and they like it. We've set up a system where when you come you can get a ticket. You don't have to pick up your gift right then, you can go up and play for a few hours, pick it up when you leave without worrying about us running out. Car promotions as well, on slot tournaments, and stuff work very well for us. It's trial and error. We try a lot of things.

Gary Palmer: It's hard to pinpoint one or two because we do a lot of different things. After we do the performance and post-performance on them, if they don't work, we don't do them again. We're constantly monitoring what we do, if it works, if it doesn't work. We don't waste much time or money on something that doesn't work. We put it in file 13, and move onto the next one. We have a marketing department that's magnificent. Always thinking of new ideas and new things to do. Our whole company, all our teams work together on promotions. We bring everybody in together to help with the people that come out. It works very well. It's a good variety and some things I often wonder, I'll be honest with you, why people would come out for this item or that item, but they come out by the droves. They enjoy that. We make it so it's not free, they have to have so many

points in order to qualify for those gifts, so they're earning them. We're just not giving it to them. Promotion, promotion, promotion. It works. It just works in our market.

Alicia Leite: Wonderful. Thank so much for answering my questions .

Tino Magnatta: Great.

Gary Palmer: Thanks for calling.

Tino Magnatta: Thanks so much for calling in. I appreciate it.

Alicia Leite: Of course.

Tino Magnatta: Great stuff. Great questions. Have a great evening.

Alicia Leite: Thank you. I'm sure I'll have more if you want to ask me again. I'll be quiet for now.

Tino Magnatta: Okay. You got it. Okay, that was good questions. Hello, this is Tino Magnatta. Do you have a question for Gary Palmer?

Micah Haniley: Aloha, Tino. Micah Haniley. How's it going?

Tino Magnatta: Micah, how are you?

Micah Haniley: I'm great. How are you guys doing today?

Tino Magnatta: Good. Good. We've got a great guest on the show. We can hear you very well.

Micah Haniley: Perfect. Gary, again, thank you for your service. That's tremendous. You've spent so many years in the industry, particularly at one property as the prior person indicated. One of the things I always like to ask, what are some of your pet peeves as an operator? And what do you do to make sure that you are addressing those through your business? Could you hear all that?

Tino Magnatta: Hello?

Micah Haniley: Test. One. Two. Can you hear me now?

Tino Magnatta: Gary?

Gary Palmer: Yep.

Tino Magnatta: Hold on.

Gary Palmer: Mike?

Tino Magnatta: Gar? Are you there?

Gary Palmer: Yeah, yep.

Tino Magnatta: We lost you there for a sec. Go ahead.

Gary Palmer: Oh, really? Okay. One of my pet-

Tino Magnatta: We lost him. Sorry, can you hear me. Now we can, go ahead.

Gary Palmer: Okay. My pet peeves, if our employees aren't well dressed, if they don't look properly cleaned up. If our trashcans ever get full. We spend ... I probably go through the casino three or four times a day, just looking around, [inaudible 00:37:52] and the guests, the people that I know. We know a lot of them because just been here a long time. Our eyes are open all the time to what's going on, and we want our place to look nice all the time. We want our employees to look good, and we want our customers to be happy. If they're not, we want to hear about it.

Micah Haniley: That's a great point. Let me ask a follow up question. When you talk about the pet peeves, that's one element of it. The other element, of course, is your team. Your team makes everything happen. What do you do to help encourage the growth of your team, help support them, so that you have that successor plan in moving forward?

Gary Palmer: We have, as I mentioned earlier, we have Prairie Meadows University. It's a training program that people have to qualify for. They go through the history, they work in all the different departments that we have here at Prairie Meadows, so they get to see what everyone else does. Everyone wants a future, and there's some people that want to escalate themselves, and some people that are very good at what they do, and they don't want to grow. They're pretty happy what they do. We constantly meet as a team, a leadership team. We constantly survey our employees of how they're feeling, do they have ideas that we can make better for the customers, and when you ask them their opinion, they really like it because the front line people, in particular, they know exactly what we need to be better. They hear it every day, or they see it every day. Communications a big-

Micah Haniley: That's a good point. Communication is often the cure to most of our problems. I think that's just tremendous what you're doing. One final question, if you don't mind.

Tino Magnatta: Sure.

Micah Haniley: You talked about hard work. I'm a firm believer that that's such a core component to having success in this business, but how do you determine that in

an interview? What questions do you ask to root out whether or not ... You can gauge how hardworking an individual may be?

Gary Palmer: As you know, it's tough in an interview because I've interviewed a lot of people in my work life, and I've been fooled a couple times. Sometimes you've got that gut feeling on people. Again, it's their appearance, questions they ask. If the first question they ask is, "How much vacation time do I get, and how quick can I get it?" We're probably not very interested in them. Or if they answer their cellphone, or send a text while we're interviewing them, they're not a candidate for us either. Most of the time, as most of us know, sometimes it's just got to be a gut feeling of their appearance, the way they answer questions, and then the real test, sometimes it's costly, is when they start working for you. Then the real truth comes out. Were they a professional interviewer that doesn't know how to work, or are they a person that's since and they really do want to work and they do want a good career, a good job.

Micah Haniley: Very well said. Gary, I thank you for your time. You're a gentleman and a scholar, Sir. I wish you tremendous success.

Gary Palmer: Thank you, Sir. Appreciate it.

Micah Haniley: You're welcome.

Tino Magnatta: Thank you so much, Micah. Have a good day.

Micah Haniley: All right. Have a good one, Tino.

Tino Magnatta: Bye-bye. Hello, this is Tino Magnatta. Do you have a question for Gary Palmer?

Hadey Entosana: Yes, good evening Tino and Gary. This is Hadey Entosana from Temecula, California.

Gary Palmer: Hello.

Tino Magnatta: How are you?

Hadey Entosana: Happy 2019 to both of you, and an abundant one at that, too.

Gary Palmer: Thank you.

Tino Magnatta: Thank you so much.

Hadey Entosana: Gary, I'm incredibly passionate about the topic of personal branding and company branding, and the experience that one creates for our guests as a result of that. If you had to give, as one or two words, to describe the brand Prairie Meadows, and what it stands for, what would those words be?

Gary Palmer: In our community, it's a private-public partnership. That means the county and the management team here at Prairie Meadows form the brand, and the people in our community know that that means it's a company that gives all their profits back to help the community. That's important to hear. A stranger driving by on the interstate really doesn't know what Prairie Meadows means. That's for sure.

Hadey Entosana: Sure.

Gary Palmer: Our local does. Marketing and branding is so important. There's been an old saying that I learned in college years ago, don't ever give away our sale in your store, no matter what you do. Something that doesn't have your name on it. We like to brand out items everywhere we can, so when people buy a nice sweater or a jacket, or a hat, from our gift shops here at Prairie Meadows, it definitely has our name on it. And it's very professionally put on the articles. We do want people to know where they receive these articles.

Hadey Entosana: Sure.

Gary Palmer: And come back, and hopefully when they look at the name Prairie Meadows they have a good feeling, and a good memory of their visit here to Prairie Meadows.

Hadey Entosana: Would you say, how would you describe the casino in one or two words? If somebody had never come through there? How would you describe your brand? Would it be a memorable experience? Would it be friendly? That's what I'm getting at. Sorry, Gary.

Gary Palmer: It would be a grand experience. When you come here, it always looks new. You've got so many things to do. You can ... We've got a hotel, we've got a convention center, we have a lot of conventions.

Hadey Entosana: Sure.

Gary Palmer: We've got table games, we've got a poker room, we have all kinds of casino style gaming. We've got about seven restaurants. It's a great entertainment experience when you come to Prairie Meadows.

Hadey Entosana: Okay. Another question I had. How do you get your teams to live the brand of Prairie Meadows?

Gary Palmer: I have to say, it's quick and easy. It's leadership. We, at the top, have to emulate what we want. We have to act like we want people to act. Like you get it. It's hard to ask people to look good everyday and treat people nice if you don't do it yourself. We want our internal customers or employees to be treated as nice as the external. It works out good that way. We have high standards for our employees. Really high standards, and it does pay off.

Hadey Entosana: I love that. That's often what comes out when, if I'm working with people is this, "Can't you get our management team to do what you're asking us to do, first." Leading by example, that's absolutely awesome. I love that.

Gary Palmer: That's exactly right.

Hadey Entosana: The last question, if I may, Tino?

Tino Magnatta: Yeah, absolutely.

Hadey Entosana: And Gary, I previously asked you to describe your casino in one word, as a brand. How would you describe the personal brand, Gary Palmer, in one word?

Gary Palmer: Compassionate.

Hadey Entosana: Love it.

Tino Magnatta: That was easy.

Hadey Entosana: Love it. Compassion is one of the pillars for the trust factor. For people to trusting you, you need to be compassionate. Well done on that, thank you so much. It's been very great insights to hear from you tonight. And thank you, Tino.

Gary Palmer: Thank you, ma'am.

Tino Magnatta: No problem. Thank you Hadey. Have a great evening.

Hadey Entosana: You, too.

Tino Magnatta: Bye-bye. That was funny. That's good stuff. You had no problems with that one, that's for sure.

Gary Palmer: It didn't take me long to figure that one out, did it?

Tino Magnatta: No, didn't take you too long to figure that one out. This is Tino Magnatta, do you have a question for Gary Palmer?

Oz: Tino, hi. Good evening. This is Oz with Gambling Insider, we're industry media. Good evening to you, Gary.

Tino Magnatta: Nice to meet you.

Oz: Nice to meet you, Sir. Hi, Gary. Pleasure to hear all the positive stuff and the business model you've got going over there. Congratulations for the 30 years that you're celebrating at Prairie Meadows, as well.

Gary Palmer: Thank you.

Oz: I guess, the question I wanted to really ask you is more of a reflection of your two decades there. Let's say tomorrow, you decided to come in and announce that you're hanging up your spurs and you're just going to go home and enjoy your garden and your grandchildren. What would you look back at as being legacy, and perhaps over the two decades that you've been there the standout moments for you?

Gary Palmer: There's been a lot of them. Again, it's the fact that our big thing here is succession planning. In all our departments, if I win the lottery tomorrow, it should be another day when I go and enjoy my new airplane or whatever, it's just another day at Prairie Meadows. They'd continue to go on. They're trained, they've got the same passion that I have for this business. Our up and coming leaders know the business. They know what this company expects. We've got people sitting in that position. I would feel terrible about my career if I left and the place went down because I didn't teach the people the right way to do things. You've got to give them autonomy, you've got to give them rope to do their thing.

Gary Palmer: Micromanagement isn't one of the things I enjoy doing, matter of fact, I refuse to do it. If our top leaders here, or any of our leaders, that we pay for and give responsibility, if they can't do this job, we have to get someone else to do it. I'm not going to do it for them. We pay them to do it, we train them, and we give them our respect in everything we can do to help them get their job done. In other words, you train your people that if I leave tomorrow, it's just another day at Prairie Meadows. Things continue to do well. And our philosophy continues to go on through the years.

Oz: That's fantastic. That is genuinely great leadership. One other question, let's say from a more business point of view. You talked earlier about the early stages of the business. There was maybe a couple of suppliers, and now we've got a myriad of suppliers. From, not just in the US, internationally. How do you see those new innovations that you need, where you've talked about the change over from the current generation, the 45 plus, the 70 year olds that are there, to the new, let's say the millennials, and those coming in, getting them engaged with games of their era, and looking at those relationships with your vendors? And the new innovations in how that will fit the personality and character of the casino?

Gary Palmer: I tell you, I think that's one of the most important things we have today in the casino business, is make sure those revelations happen. Because things are changing. We have to be ready for them so they're ready for us. And there is a change, and everyone can see that coming. We need to be ready for that. Really, through the generations, they really have been going from the days of the coin machine to the ticket in-ticket out, what a great invention that was. And then going to the penny machines, it's not really penny machines. We constantly have to reinvent ourselves in this industry. There's so many smart

people, today, in this industry, and so many of these new suppliers. And the technology is out of this world. We all go to G2E and places like that, that's the biggest that we go to.

Oz: Right.

Gary Palmer: You see some of the new innovations and creating, will just blow your mind how these things work and the interest people have in them. I don't see that ever stopping. You have that continuing, and we need that for our industry. I could really see that happening. Right now, the big deal is sport betting. Small margin, but a great ... Casino's just to add a little bit of piece to their pie, and have fun with it.

Oz: Absolutely.

Gary Palmer: Some people, you don't want to think that if you get sports betting you're going to make 100s of millions of dollars, because that's not going to happen. But, you're going to have an opportunity to bring new people, younger people, into your properties to have fun, and at the same time, they'll eat and drink, and probably bet on horses or pay table games or slot machines. All these things help.

Oz: Absolutely. I couldn't agree more. That's fantastic. You've been, if I were to pass ... And this will be the last, I promise. If I were to pass that to the house and the senate, and green light sports betting, in the state, then there's no doubt you would find that opportunity to implicate it into the casino, to the racetracks? I think when we report that in the media, and we look at racetracks and then there's been comments that in some areas, racetrack attendance has dwindled a little bit, but by having the sports book, and having the ability to have sports betting, and possibly the opportunity to have in state online sports betting as well, we'll bolster those numbers and bring more in. I would imagine its something you'd welcome as then that happens.

Gary Palmer: We think that exactly. The top, right now, [inaudible 00:52:34] our clubhouse, where we simulcast, and putting areas in there for sports betting. We're doing it before we even pass the law, because we think it's going to happen, and we will be ready for it.

Oz: Fantastic. That sounds great. I will keep a close eye, and hopefully I'll get my guys to look at doing an interview and an editorial with you at some point. That would be great.

Gary Palmer: That would be great, thank you.

Oz: Thank you, Sir. Pleasure to speak with you.

Tino Magnatta: Thank you so much.

Oz: Have a good evening.

Gary Palmer: Thank you, Sir. Take care. Bye-bye.

Tino Magnatta: Thank you. Bye-bye.

Alicia Leite: Bye-bye.

Tino Magnatta: Great questions. Hello, this is Tino Magnatta. I have Gary Palmer on the line.

Jacque Romaro: Hey, Gary. Tino. Am in on?

Tino Magnatta: Yeah, you're on now. We couldn't hear you for a second, but here you are.

Jacque Romaro: Jacque Romaro, great story. Great model, Gary.

Gary Palmer: Thank you.

Jacque Romaro: Reading all the great things you've done over the years, from all the donations, the betterment grants, the legacy grants, the scholarship programs and all that. I'm sure you're proud of all of that. I wouldn't want you to choose on maybe what your most proud of, but maybe in recent history, what are some of the more unique or interesting programs you've found?

Gary Palmer: It's a continuation of refining and making things better. Again, we've been giving a large sums of money to our community since 1996. We've got a grans program that we run through this business. Giving away money is not easy. I always thought, "I'd love to be associated with someone that give all the money back to the community." What we found out when we can do out we could do that, it's not that easy. We have different stringent qualifications that you have to have by doing that. At the same time, you do reach a reputation of being a qualified business that is really doing a lot to help your community. Someone mentioned earlier, that it must be nice to have customers say, "I might be spending a little bit more tan I want to but it goes to help other people." You would not believe how many of our customers believe that. They do believe that, and it's a fact.

Gary Palmer: It's a good reason to believe it. We just keep being pioneers in innovation, in creating new experiences for our customers. I couldn't pinpoint one because we just try to, every day, do something different, and start working on new plan for a year from now. Five years from now. Our philosophy is, you've got to be overcharging if you want to stay on top. We are in top, in the state we're number one in the state. You're only going to say there, if you continue to grow and to prosper, and to reinvent yourself. If you start to slip down, it's ever so hard to get back up on top again. We know that. Every day around here is fun, excitement, and finding ways that we can make it better. I'm not sure that answers your question, but that's the first thing that came to my mind.

Jacque Romaro: Oh no, great. Thank you.

Tino Magnatta: Yeah, that's great. Great stuff. Do you have any other questions, Jacque?

Jacque Romaro: If you can identify one, I was reading through what you were doing. Very interesting items like the Justice League of food, or the Memorial for fallen police officers, those type things, maybe if you had a recent memory of some, one of those intersecting projects that maybe you could share, if other community if people would be interested in the beginning programs like that.

Gary Palmer: One is, because of today, safety today, we just finished helping our local police department, Des Moines Police Department, get cameras for all the placement. We think that is very important in our community. We've helped several other local departments, on cameras and do things like that. We're a big leader here, with a couple of large companies that we do the Wreaths of America that put wreaths on all the Veterans graves at Christmas time. And we've been involved in that, and that ...

Tino Magnatta: That's amazing.

Gary Palmer: That costs a list of money to do that. More and more [crosstalk 00:57:02] all the time because of our ages. It's great to be able to see that all that's done for the families and for the Veterans of our country. Again, we're involved in libraries, we're involved in event centers that we finance for our community. School projects, there's so many important ones, I don't think I could pinpoint one to be honest with you.

Jacque Romaro: I wouldn't ask you to. That answers the question great. That's what's interesting and incredible, not only can you give back to the community financially, but with the camera angle. Giving back to the community, and helping the community be safer. Wonderful.

Gary Palmer: Thank you.

Tino Magnatta: Thanks so much, Jacque. Really appropriate it. Have a great evening. Okay, that was amazing. Thank you so much, Gary. Gary, just to end it here, family first, business second, to help the community a better place. Hard work, life is simple if you let it be. Correct?

Gary Palmer: You got it. That's it.

Tino Magnatta: I love that. I love that. I love it. Gary, thanks so much for being on the show. It's been an incredible episode. I'm looking forward to having you back on in the near future.

Gary Palmer: Thank you so much for letting us come on and talk with you. We appreciate it.

Tino Magnatta: Thank you so much, Gary. You have a great evening.

Gary Palmer: You, too. Thank you so much. Bye.

Tino Magnatta: Thank you. Thank you. That was great. It's not every day that you get to talk to a guy like that, and the set up he has over there with all the stories and everything. Next week we have a great show, Thursday, January 17th. Anika Howard. I've known her for years, she's the VP of brand marketing at Foxwords. It's going to be a show to remember. She has a story to tell us that is pretty incredible. Remember, everybody has a story to tel, you just have to have time to listen. Have a great week, and God Bless everybody. Thank you.

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