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TO: Dolf Moon, President  
FROM: Jon Gurban, Executive Director  
DATE: May 11, 1998  
RE: MRPA Lawful Gaming Operations – Future Direction

As requested at our last meeting, I have given this matter considerable thought. While my overall position is that our lawful gaming operations are performing according to our original goals and objectives, some adjustments should be considered:

1. **In conjunction with this year's budget, we should lessen our reliance on revenue from lawful gaming.** In particular, the amount utilized for general administration expenses (rent, insurance, office supplies, office equipment, postage, and salaries) should be greatly reduced and possibly eliminated.
2. **We should honor all existing contracts.** Our agreement with Dittmer and Associates continues through March 31, 1999.
3. **Prior to the conclusion of the agreement with Dittmer and Associates, we should enter into a discussion with them regarding our concerns related to our lawful gaming operations.** At this point, I understand these to be: cash shortages, product cost, and fees for service.
4. **The MRPA should be actively seeking new gaming sites, for the following reasons:**
  - a. To increase revenue available for MRPA programs, services and grants;
  - b. To decrease reliance on sites and/or services we may have a conflict with.

*Discovery and solicitation of new sites will be an MRPA Board and Member responsibility.*  
The MRPA office is not presently staffed or structured to actively engage in this task.

Furthermore, any new site the MRPA secures is not, not ever has been, subject to the same terms or conditions as our existing sites are. We are free to obtain services from any firm for new sites.

5. **Establish an exit strategy for our lawful gaming operations.** Similar to our entrance into lawful gaming, I would expect we would include considerable Board and Member discussion in any decision. We invested 4-6 months in our lawful gaming "entry" discussion. It is reasonable to expect an "exit" discussion to be similarly timed.



To reiterate my position: I believe our existing lawful gaming operations have met our expectations. We have been in compliance with the Gambling Control Board; it has been a turnkey operation as we wanted; and our sites have been profitable. Over \$400,000 of new revenue has circulated throughout Minnesota, supporting and promoting parks and recreation as our mission directs us to do.

That stated, please consider that the five action items above may strengthen the Association's overall position.