



# TANANA VALLEY YOUTH SPORTS FOUNDATION, Inc.

## Historical origins letter

"How did this all happen?"

Gary Wilken  
President

Box 61312  
Fairbanks Alaska  
99709

## FAIRBANKS DISTRIBUTORS



1851 Fox Avenue  
Fairbanks, Alaska 99701  
Phone (907) 456-7088

April 13, 1990

Mr. Larry Merculiess  
Commissioner of Commerce and Economic Development  
State of Alaska  
Pouch D  
Juneau, AK 99811

Re: Fairbanks Youth Sports Foundation Trust

Dear Commissioner Merculiess:

I am writing at the request of Mr. John Hansen, Manager of Gaming, Department of Commerce as a result of a phone conversation John and I had the morning of Wednesday, April 11, 1990. Mr. Hansen requested I provide clarification as to the origin and subsequent ongoing operation of The Fairbanks Youth Sports Foundation Trust as it relates to Fifth Avenue Bingo, Fairbanks. As Chairman of the Trust, I am most happy to do so.

Before discussing the Trust, it is important to understand the beginnings of Fairbanks Youth Sports. Youth Sports was organized at the Fairbanks Eagles Hall to distribute the charitable proceeds of Eagles Bingo. The group, which was formed by Mr. Jim Dieringer and Mr. Sam Woodke, initially concentrated its donations on Youth Sports activities. A few years passed and the bingo operation discontinued at the Eagles. We moved to a new location and became, with Ms. Martha Johnson the Manager, a full-time bingo operation with 5 permittees. The Board remained essentially the same and the emphasis continued to become increasingly focused on youth sports activities in Interior Alaska.

The concept of the Sports Trust was brought to the Fairbanks Youth Sports Board of Directors at a regular Board meeting in the Spring of 1987. The idea began with the realization that the Fifth Avenue Bingo operation was generating more money than could be prudently spent annually on youth sports activities in Fairbanks. In spite of the Board's efforts to find viable organizations, events, and projects that could be funded with the monthly earnings available, our bank account was growing. We were faced with a dilemma: we did not have sufficient funds to sponsor major events or projects held in Fairbanks, yet we did have monies available to fund such minor activities. However these minor events/activities/projects were surprisingly difficult to discover in spite of our rather generous rules governing our youth sports contributions. (As a general rule, Fairbanks Youth Sports, Inc. funded almost anything having to do with youth activities except: (1) travel, (2) "things" that

would "normally be found" in a school district budget, or (3) on-going commitments.) An additional problem, under which we labored when considering donations, was the cyclical nature of requests. The number of requests appeared to be either feast or famine, I am at a loss to explain why.

At the time the Trust concept was presented, Fairbanks Youth Sports had approximately \$60,000 in Mt. McKinley Savings Bank with no pending requests. We were indeed in a unique and enviable situation. But at the same period of time we became very concerned that possibly gaming would disappear and/or there would be limits imposed on the net proceeds. If this were to happen, the original concept of Fairbanks Youth Sports would come to an end.

During early 1987 it was becoming clear that, as (or if) the amount of money continued to grow, the fire in our pockets would become unbearable. We could well begin to squander our new found wealth (1) on marginal requests, (2) on projects that should rightfully realize their financial support from some other more appropriate means, or (3) by relieving, to possibly a dangerous degree, the duty of community citizens, particularly parents, to be involved financially and physically in the City's youth sports activities. We wanted to be fiscally responsible with the use of the monies we were receiving, therefore the concept of the Trust bloomed.

What better way to spend these monies than to begin a permanent fund, a Trust, the earnings of which would be dedicated, not to fund ongoing operations, but to create a pool of assets that would eventually spinoff economic benefit regardless of the existence of the current funding source. Bingo and pull-tabs may be gone tomorrow, but youth activities will be here forever. So the Board of Directors set to the task of forming a Trust to provide Youth Sports funding into the 21st Century. The concept, I am proud to say and as you well know, is not new to we Alaskans, but the Board was nonetheless, excited about the idea and its potential long term benefits to the Youth of Fairbanks.

The Board's first step was to ask Mr. Scott Taylor, Acting Director of the University of Alaska Foundation, to attend a Board Meeting to discuss with the Board the general concept of such a Fund. He did so and left us with the feeling that we were certainly on the right path and that there was nothing really magical about establishing a Trust Fund; we needed to (1) create a unique account at an established financial institution, (2) establish a Board of Managers to provide oversight, and (3) adopt a set of rules to generally manage the assets contained within the Trust. As the minutes of the subsequent meetings

reflect, this was done. (We have provided Mr. Bill Casselman, of your office, a copy of the initial meetings' minutes. These are included in Mr. Casselman's report per Mr. Hansen.)

We could find no regulation that applied to the formation of such a Trust within the Gaming rules in existence at the time. However we did feel an obligation, because we were plowing new ground, to notify the State of Alaska of our intent and, if necessary, seek approval of the concept as it applies to Gaming and Gaming proceeds. As reflected in the minutes supplied to Mr. Casselman, this was done with a phone request to Ms. Sally Smith, (I believe her title at the time was Director of Gaming.) She in turn discussed our request with the Commissioner of Revenue, and her subsequent return phone call to Mr. Jim Dieringer, President, Fairbanks Youth Sports, provided approval for us to proceed as planned. From that time on we have considered the Fairbanks Youth Sports Foundation Trust as an approved legal entity and have operated it accordingly.

By this letter the Board would again respectfully request approval of the Trust, however, we maintain such an approval has been sought and attained prior to this letter and the request contained within this letter is done solely as a response to your Department's request as detailed to me by Mr. Hansen. The contributions to the Trust by the individual permittees are, we believe, appropriate uses of gaming receipts under A.S. 05.15.150(b). The Trust is an appropriate entity to use the funds to build the equity in the Trust. Again, an appropriate use. Therefore, we do not believe that approval is required. However, in the event you disagree, on behalf of the Board, I would respectfully request that you approve the Trust withholding gaming earnings for a period of greater than one year as this relates to Section 05.15.15(b).

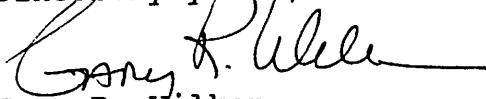
Following the verbal approval being granted by Ms. Smith, the Board of Fairbanks Youth Sports voted on and began depositing 25% of its monthly earnings into the Trust Fund. Additionally each of the permittees involved at 5th Avenue Bingo were approached by Mr. Dieringer, or a representative of Youth Sports, and the concept of the Trust was explained to them. Each permittee was asked to contribute monthly up to 20% of their monthly earnings, and there was a 100% positive response. Their acceptance of the proposal was evidenced by written authorizations confirming their position. Those confirmations are a matter of the written record. The Fairbanks Youth Sports Foundation Trust was thus organized and funded and, as you can see by the summary contribution sheet attached, on September 3, 1987, the first monies were deposited.

The Board of Fairbanks Youth Sports Foundation Trust is proud to report that to date there is in excess of \$210,000 in the Trust. Our expenditures are \$00.00 and, in fact, in its 2 1/2 years of existence, there has not been a whisper of any effort to use any portion of the Trust. The periodic status reports by Mr. Sam Woodke provide us with great joy in just watching the Fund grow towards the permanent fund goal.

Mr. Merculiess, we respectfully request your immediate attention to this matter of the State re-approving the Foundation Trust. We, as a group of long-term Fairbanksans who strongly believe in the personal and social benefits provided by youth sports activities to the child, parent, and family, have exciting plans for the Trust. We will continue our efforts to achieve Federal 501-C.3 status in order to benefit from significant Corporate contributions. We will formalize our efforts to benefit as recipients of estate bequests. We will continue to weigh the merits of professional money management, and we will review the current \$500,000 goal of Trust value accumulation.

If I can supply further information, please call. I will be traveling April 17 through April 30, however, I will be in phone contact with my office as listed below. We, as the Board of Directors of Fairbanks Youth Sports, are proud of the Youth Sports Foundation Trust and its far reaching and long range benefits to the youth of Interior Alaska. We sincerely wish that you will also see the wisdom in our efforts and make an immediate, yet studied, positive reaffirmation of the Trust.

Sincerely yours,

  
Gary R. Wilken

1851 Fox Avenue  
Fairbanks, Alaska 99701

456-7777 (w)  
474-0341 (h)  
451-0438 (f)

cc: The Office of Governor Cowper  
The Office of the Attorney General  
Fairbanks Youth Sports Board of Directors  
Interior Youth Basketball Board of Directors  
Mr. John Warnke  
Goldpanners Baseball Board of Directors

Mr. Don Dennis  
Interior Girls Softball Association  
Mr. Charles (Chuck) Vogel  
Fairbanks Arctic Swim Teams  
Mr. Ron Rasmusson  
GreatLand Sounds - Barbershop Quartet  
Mr. Ralph Paden

This letter delivered by Fax to:

- 1) Commissioner L. Mercuriess - 1-463-3841
- 2) Mr. John Hansen - 1-463-3841