

How to Best Fund the Community Services Club?

Remember the Trumpets gambling and coupon deal? Remember the meaningless Recreation Center 3 survey that cost SCA a lot of money. And don't forget the April 26 attempt by the past board president to grab permanent, dedicated space for his Minuteman Foundation in the SCA Community Service Building—that deal was annulled on June 28 by the new board. **Well the person who brought you those bad deals, is back with another bad deal for SCA.** This time, like with Trumpets, it is also a request to extend the developer's sweetheart deals for his Minuteman Foundation (MMF).

In a letter to the SCA Board President Mike Dixon on October 4, 2007, the President of the Minuteman Foundation, M. Faval West, has asked for all kinds of SCA concessions to his foundation without providing anything in return—no guarantees of future service to SCA or the Community Service Club (CSC). This MMF request also raises all kinds of serious legal and financial questions for SCA.

To be sure, the Minuteman Foundation has provided funds to the Community Service Club (CSC). And that is appreciated. The CSC also does a valuable service. But the Minuteman Foundation (MMF) has received extensive benefits in return for its generosity, the largest benefit being its accumulated \$ 250,000 independent endowment. As Ron Johnson has pointed out, MMF has only provided 8 cents to CSC for every \$1 dollar raised it raised. **The question for SCA: Is this the best way to fund the Community Service Club?**

Keep in mind that The Minuteman Foundation is a publicly supported organization with no legal ties to SCA. Its bylaws do not mention SCA or the Community Service Club (CSC) and it has no link to CSC except through its donations. The CSC has no bylaws and is not a SCA official club. CSC receives no funds from SCA -- they are called a Club, but the SCA Charter Club guidelines exempt them from reporting because they receive all their funds from the Minuteman Foundation. SCA volunteers, however, do all the CSC work.

The Problems with the Minuteman Foundation (MMF) proposal of October 4 are:

1. **The Contractual Issue**—MMF can walk away with its endowment and funding at any time. There is no legal or contracted arrangement for future services between SCA/CSC/MMF. SCA's long-term interests are not protected.
2. Then there is **the legal access issue**—There is no way that MMF's now "exclusive" access to SCA facilities and services for fundraising could be denied to any other "outside" non-profit that demanded similar rights and access in exchange for contributing funds to CSC. MMF cannot be granted these special rights as an outside charity!
3. Then there is **the economic issue**—The benefits that MMF is demanding in exchange for its financial contributions to CSC add up to significant "in-kind" (non-cash) donations by SCA. What are these SCA benefits worth and how do they compare to the level of benefits (dollar value) to CSC from MMF? In its letter, MMF wants free parking space, building space, free advertising (kiosk/Spirit), cookbook sales, discount coupon book sales, one-free day use of the main hall, bingo fundraisers, etc., adding up to thousands of dollars of "in kind" SCA contributions. **Should we give more benefits than we get we get in return?**
4. **Is this really a good Deal?**—Given the small amount of funding provided by MMF to CSC, SCA should explore alternatives. Perhaps it should fund CSC itself? SCA could probably raise a significantly larger amount of funds on its own for this purpose. That way, SCA could use 100% of its funds for CSC purposes. MMF is using 90% of all money donated for building its own independent endowment with no benefit to SCA.
5. **So, what about the future?** In its own literature, MMF has expressed its interests in doing similar services in other communities outside of SCA. SCA and CSC could see the level of MMF funding decline as MMF does more elsewhere.

MMF had a good deal with Pulte and Del Webb, but times have changed. SCA must examine its own needs and interests more carefully. Either MMF amends its charter and bylaws to provide a dedicated level of services to SCA in return for the vast benefits it receives, or MMF should be replaced with an SCA funding strategy for CSC. Perhaps a better idea is an even a broader Anthem Council effort for similar community services that several communities can control and rely on over the longer-term.