

**CITY OF GUSTAVUS, ALASKA
RESOLUTION CY25-11**

**A RESOLUTION ESTABLISHING POLICY AND PROCEDURE CLARIFICATION, CHANGES
AND IMPLEMENTATION OF THE GUSTAVUS ENDOWMENT FUND**

WHEREAS, in 2004, the newly incorporated City of Gustavus (COG) received \$963,000.00 from the National Park Service in compensation for losses due to the closure of certain fisheries in Glacier Bay National Park; and

WHEREAS, the City established the Gustavus Endowment Fund to receive and manage this money and established a yearly method to provide funding for the benefit of the citizens of Gustavus who propose and implement projects for the community; and

WHEREAS, Policy and Procedure for Awarding Grants from the Endowment Fund Earnings (Policy) was established during this time; and

WHEREAS, in the older documents, there have been several changes to the original Policy including sections that were directed mainly towards City Council information and use, and sections comprised of information for applicants of the yearly grant awards; and

WHEREAS, the Mayor established a Special Policy Advisory Committee (Committee) to clarify, simplify, and organize the Policy; and

WHEREAS, the Committee chose to divide the old Policy and Procedure into two (2) sections. The first section serving as information more pertinent to the Council and the second section pertinent to those citizens applying for grant monies. The Committee refined and simplified the Application Packet, renamed the original Working Group the “Endowment Fund Gustavus Special Advisory Committee” (EFGC), as per COG Ordinance and Policy, and included a scoring sheet for both EFGC and Gustavus City Council to use in their deliberations and choice of qualified applicants; and

WHEREAS, the new Policy and Procedure documents will be divided into two Policy titles: “Policy and Procedure for Determining Annual Grant Amounts, Announcement of Funds Availability and Funds Transfer Section I” and “Policy and Procedure for Applying for and Awarding Grants from the Endowment Fund Earnings Section II”.

NOW THEREFORE BE IT RESOLVED, the Gustavus City Council accepts the drafts entitled “Policy and Procedure for Determining Annual Grant Award Amounts, Announcement of Funds Availability and Funds Transfer, Section I” and Policy and Procedure for Applying for and Awarding Grants from The Endowment Fund Earnings, Section II,” as presented with this Resolution to be final.

PASSED and **APPROVED** by the Gustavus City Council this _____ day of _____, 2025 and effective upon adoption.

Sally A. McLaughlin, Mayor

Liesl M. Barker, City Clerk

CITY OF GUSTAVUS, ALASKA POLICIES AND PROCEDURES

POLICY AND PROCEDURE FOR DETERMINING ANNUAL GRANT AMOUNTS, ANNOUNCEMENT OF FUND AVAILABILITY, AND FUNDS TRANSFER SECTION I

POLICY:

It is the policy of the City of Gustavus to maintain the integrity and purchasing power of the Endowment Fund (Fund) equal to, or greater than, its original 2004 purchasing power through application of earnings first toward inflation proofing and then to disperse extra earnings in the form of grants supporting qualified, local projects offering broad value to the community.

The Mayor is accountable for assuring that steps in this procedure are completed and documented.

PROCEDURE:

The following steps shall be followed by the Mayor or his/her designee:

1. Inflation-Adjusted Principal Value determination. By July 31st of each year, calculate the inflation-adjusted value as of June 30th of the original principal of the Fund, further adjusted as necessary per additions made over time to the principal, using the following steps applying the Anchorage Consumer Price Index (CPI) as posted in July for the first half of the calendar year by the Alaska Department of Labor at <http://labor.alaska.gov/research/cip/cip.htm>:
 - a. Determine the latest CPI index for Anchorage from the posted table
 - b. Determine the multiplier value by dividing the current CPI index by the 2004 index value of 165.6 (average value for first half of 2004)
 - c. Multiply the original value of the Fund (\$963,000.00) by the multiplier determined in step b
 - d. The result of the calculation in step c is the inflation-adjusted value of the original principal.

Example: calculation of inflation-adjusted value as of June 30, 2015:

June 30, 2015, CPI = 217.111

Multiplier value = $(217.111) / (165.6) = 1.311$

Inflation-Adjusted Principal Value for July 1, 2015, is

$(963,000) = \$1,262,000$ (rounded to four significant figures).

This process will be duplicated for any additions to the fund principal, except that the CPI Index for the year(s) of the addition(s) will be used in the calculation.

2. Present Market Value determination. Determine the present market value of the Fund as reported by the Fund manager for June 30th of the present year.
 - a. Example: The present market value of the fund for June 30, 2015, was \$1,403,944.00.
3. Excess earnings determination. Calculate the excess earnings in the Fund, from which distributions may be made, by subtracting the inflation adjusted principal from the present market value of the fund.
 - a. Example: The excess earnings available as of June 30, 2015, were:
 - i. $\$1,403,944 - \$1,262,000.00 = \$141,944$
4. Available funding for fiscal year. Calculate the funding available as 3% of the average market value of the Fund at June 30th of the last five (5) years.
 - a. Example: Three percent (3%) of the average annual market value for five (5) years through June 30, 2015, is calculated as:

June 2015:	\$1,403,944
June 2014:	\$1,391,960
June 2013:	\$1,265,225
June 2012:	\$1,188,172
June 2011:	\$1,282,926
3% of Average	\$ 38,466

5. Grant Funding availability determination. The maximum amount available for granting in the present year is 3% of Average market Value or the present year Excess Earnings, whichever is less. Un-awarded/unexpended grant funds from previous years over \$1000 will be returned to the Endowment Fund account to earn interest for future awards. The example for 2015: Three percent (3%) of the five-year Average Market Value is \$38,466. The Excess Earnings amount is \$141,944. The lesser of the two is \$38,466. No un-awarded grant funds remain from previous years so \$38,466 may be made available.
6. Announcement of grant application period. The City Council shall, on July 1 of each year, or as early thereafter as possible, post an announcement to the Gustavus public of the availability of Endowment Fund Grants with the total amount available. The announcement shall

include eligibility requirements, selection criteria, an application procedure and outline, and a deadline of October 31st.

7. Grant Application closing. On October 31st of each year, close the application period. In early November, Applicants will be sent an email confirming receipt of their application and eligibility determination and the date of the Endowment Fund Working Group work session with applicants.
8. Transfer of new grant funds from Fund. On December 1st, the City Treasurer will transfer the year's determined available grant funding from the Endowment Fund to the Endowment Fund Grant checking account.

CITY OF GUSTAVUS, ALASKA POLICIES AND PROCEDURES

POLICY AND PROCEDURE FOR APPLYING FOR AND AWARDING GRANTS FROM THE ENDOWMENT FUND EARNINGS SECTION II

POLICY:

The goal of Endowment Fund grants is to improve the quality of life for Gustavus residents and to help realize the goals expressed in the city's Vision Statement by encouraging and supporting citizen led, community-based projects. Priority for Endowment Fund grant awards shall be given to qualifying projects conducted by Gustavus-based groups or individuals. City department proposals for projects that are outside those functions authorized for the city through code ordinance (in accordance with Ordinance Title, Section 4.13.110 and 4.13.1200) shall have higher priority than those for code authorized functions. Priority may also be given to projects for which the Fund grant may be leveraged to match grants from outside agencies. Fund grants shall not be made to for-profit enterprises, although a non-profit organization may contract with a for-profit business for services, such as construction, in support of the Endowment funded project.

The Mayor shall ensure that the steps outlined in this procedure are completed and documented.

PROCEDURE:

1. Eligibility for Award. Grants may be awarded to city departments, local non-governmental organizations or other local entities. To be eligible, the applicants:
 - a. Must be a local, domiciled resident(s) of Gustavus
 - b. Must not be delinquent on any City taxes, forms or payments
 - c. At least one (1) of the project's administrators must be at least eighteen (18) years of age.
 - d. Must be proposing a specific local project that benefits the community of Gustavus.
 - e. Grant funds shall not be awarded for operating expenses of the City or other organizations.
 - f. Grant Funds shall not be awarded to for-profit enterprises although a non-profit organization may contract with a for-profit for services.
 - g. Projects must be completed by the end of the next calendar year (unless an extension is granted) and applicants may not receive an Endowment Fund Grant (EFG) for more than three (3) consecutive funding cycles.
2. Grant Application Preliminary Review. Applicants interested in a preliminary review shall submit their application to City Hall by September 30th. By October 14th the City Treasurer and City Administrator will determine if the applicants have met the criteria outlined in the grant application packet. If not,

the application will be returned with suggestions, and the applicant will have the opportunity to correct and resubmit the application. All reviewed applications will be available for pickup at City Hall when the applicant is notified by the City Treasurer.

All applications are due by October 31st.

3. EFG Special Advisory Committee (EFGC) will be established at the September General Meeting; appointments to the committee will be made at the October General Meeting.
 - a. The EFGC will consist of the City Treasurer, serving in an advisory capacity only; and
 - b. A minimum of three (3) and maximum of seven (7) Gustavus community members, who have applied to the City, have been nominated by the Mayor and approved by the City Council.
 - c. No member of the EFGC shall apply for the Grant in the same year they are serving on the EFGC.

Following the appointment of the committee members, the EFGC will set a date for a special work session where Applicants with qualifying applications will be invited to give a five (5) minute presentation in person or virtually and answer any questions about their project. Applicants who are unable to attend due to special circumstances may request a separate meeting with the committee to present their project.

4. Proposals will be scored by the EFGC based on the criteria outlined in the Application packet: Before meeting, the EFGC will receive notification of the total amount of funds available for distribution, a copy of each application, and the scoring criteria. The average of the EFGC member's total scores will be used as the application's final score. Applications must receive a minimum average of 50 points in this process to be considered for award.
5. Grant Awards. Endowment Fund Grants will be awarded at the General Meeting in December. If the Council wishes to amend the recommendations of the EFGC they must consider each award using the same scoring criteria used by the EFGC. Each recommended award will be voted on by the Council.
6. If the City does not receive any qualifying applications or none are recommended by the EFGC or awarded by the Council, the annual grant funds shall be carried forward to the next funding cycle.
7. Award Notices. Grantees shall be notified of their award within one week after the General Meeting in December. The notification will include directions for receiving payments, reporting requirements, and a reminder of the one-year deadline for the grant to be completed. Letters will be sent to unsuccessful grant applicants notifying them of award decisions and thanking them for their applications.
8. Payments. Payments for grant projects will be disbursed from the Endowment Fund checking account to the grantee, or directly to a third party, with proof of

expenses for reimbursement or advance payment. Payments shall be made within two (2) weeks of an approved request. The Treasurer may approve advance payments in special circumstances. The last 10% of the grant shall not be paid until a final report has been accepted, unless the Treasurer has granted an exception.

9. Monthly and Final Reports. The grantee shall complete and submit a monthly progress report by the last day of each month until the final report is submitted. Reports shall include progress and expenditures for the previous month. The final report shall include a narrative of the project, copies of any materials or pictures the project team wants to share, the number of people served by the project or its various elements, and a description of the project's outcomes. This report will be shared with the public.

10. Modifications. Minor grant modifications that do not alter the goal of the project or cause expenses to exceed the awarded total will be considered. All modifications should be submitted to the City Administrator. If a monetary modification is less than or equal to five (5) percent of the total grant award, the City Treasurer can determine whether to make the modification after consultation with the City Administrator and Mayor. If the modification request is greater than five (5) percent of the granted amount, Council action is necessary. Non-monetary modifications shall be considered on a case-by-case basis and shall be handled by the City Administrator in consultation with the Mayor.

11. Unused Granted Funds. Any unused funds from a closed grant or completed shall be retained in the fund grant checking account if under one thousand dollars (\$1,000) or returned to the Endowment Fund account if over one thousand dollars (\$1,000) and re-designated as available for future award.

12. EFG Special Advisory Committee Continuity. To ensure continuity, at the Committee's last meeting, EFGC members will recommend one or more of its members to apply to serve on next year's Group.

13. Definitions for P&P for Awarding Endowment Fund Grants

Capital Outlay - money spent to acquire or upgrade the long-term assets of a project, which are defined as assets that are not intended to be sold. Capital outlays are expected to provide benefits beyond an accounting period

Conflict of Interest - refers to a situation where an individual's financial interests could potentially compromise their objectivity or integrity in a particular decision or situation, or a situation in which a person is in a position to derive substantial financial benefit from actions or decisions made in their official capacity

Funding Cycles - a funding cycle incorporates the application process, grant awards process and the completed grant project report

Entity - a person, city department, non-profit group, or ad hoc community group.

Expenditures - An expenditure is any payment or cost incurred for goods or services. Examples could include paying for materials, buying supplies, or purchasing a new item necessary for the success of the project.

Operating Expenses - the funds a project needs in order to run the daily operations, distinct from the costs directly tied to producing goods or services. These expenses include items like rent, utilities, salaries, marketing and insurance. Essentially, they are the costs needed to keep the business running.

Operating Funds - refers to the financial resources allocated for the ongoing day-to-day operations of an organization, whether it's a business, nonprofit, or government entity.

Resident – a local, domiciled resident

Scoring Criteria – numerically weighted values used to determine the quality of evidence on the three areas described on the Endowment Grant application; Project Description, Project Goals and Objectives and Budget

Scoping Document - a project statement that defines what will be included and/or excluded for a project and the predicted timeline of that project.

Scoring Guide - a document that includes rows of specific criteria that carries a quantity of points and/or is used to make decisions to award grant funds

Specific – a clearly defined or identified project

Gustavus Vision Statement

We envision a distinctive community...

- that prospers while, and by, protecting its natural resources,
- with a sustainable economy and infrastructure that assures public health and safety and promotes personal development and initiative,
- where all members take social responsibility and actively participate in decisions affecting growth development, regulation and enforcement,
- in which people can retain a closeness with, and caring for, each other individually and collectively, and work together to accomplish community goals while preserving community traditions.

Sally A. McLaughlin, Mayor

Date

**GUSTAVUS ENDOWMENT FUND GRANT (EFG)
APPLICATION PACKET**

IMPORTANT DATES

Grant Applications Open	July 1 st
Applications Submitted to City for Review	Sept. 30
EFG Advisory Committee Established	October General Meeting
City Preliminary Review Complete	October 14 th
Completed Application Due	October 31 st
EFG Advisory Committee Meeting	TBA
Applicants to meet with EFG Advisory Committee	TBA
Committee meets with City Council	Dec. Work Session (1 st Tuesday in December)
Awards Announced and Funded	Dec. General Meeting (2 nd Tuesday in December)
Grant Period Begins	January 1 st
Grant Completion & Final Report Due Following Year	December 31 st

ELIGIBILITY REQUIREMENTS

Grants may be awarded to city departments, local non-governmental organizations or other local entities. To be eligible, the applicants:

1. Must be local, domiciled resident(s) of Gustavus
2. Must not be delinquent on any City taxes, forms or payments
3. At least one (1) of the project's administrators must be at least eighteen (18) years of age.
4. Must be proposing a specific local project that benefits the community of Gustavus.
5. Grant funds shall not be awarded for operating expenses of the City or other organizations.
6. Grant Funds shall not be awarded to for-profit enterprises although a non-profit organization may contract with a for-profit for services.
7. Projects must be completed by the end of the next calendar year (unless an extension is granted) and applicants may not receive an Endowment Fund Grant (EFG) for more than three (3) consecutive funding cycles.

FUNDING AVAILABILITY

1. A total of \$46,946.34 is available for this grant year. Applicants may request up to the total amount.
2. EFG funds are usually paid via a reimbursement process or direct to a third party. Payment may be made in advance directly to the applicant. Please contact the Treasurer regarding required documentation.
3. Funds must be spent prior to the expiration of the grant period, unless an extension has been granted.

HOW TO APPLY

1. An outline for the grant application is attached and may also be found on the City website at <https://cms.gustavus-ak.gov>. Sample applications may also be found on the website.
2. Completed applications, including any supporting documents such as letters of support, must be submitted to the City Administrator or City Treasurer: treasurer@gustavus-ak.gov no later than 4:00 p.m. on September 30th for a Grant Application Preliminary Review.
3. The preferred application format is typed, PDF format, and emailed to the City Treasurer. By October 14th, the City will return your application by email with any suggested recommendations for meeting the eligibility criteria.
4. The cut-off for final submission of all applications is October 31st. Please submit your final draft of the application to City Hall by that date. In the first week of November, applicants will receive an email confirming receipt of their application.
5. An Advisory Committee of community members will review your application. You will be notified about the date and time for the Committee meeting. Please attend either in person or virtually. You will be given five (5) minutes to present your project and answer any questions. Applicants who are unable to attend due to special circumstances may request a separate meeting with the Advisory Committee to present their project.

SELECTION PROCESS

Proposals will be scored by the Advisory Committee, consisting of 3-7 community members and the City Treasurer who will serve in an advisory capacity. Scoring will be based on the scoring rubric provided by the City Council.

The average of the Committee member's total scores will be the application's final score from the Committee. Proposals must receive a final score of at least 50 points to be considered for the award.

The EFGC will present their recommendations to the full Council at the December Work Session. Applicants are encouraged to attend this meeting.

The full council will vote to award funding at the December General Meeting. If the council wishes to re-evaluate the recommendations of the Committee, they must use the same Scoring Criteria as the Committee.

Final Council selection and award of grant funding will take place at the General Meeting the 2nd week of December.

APPLICATION MODIFICATION

Minor grant modifications that do not alter the goal of the project or cause expenses to exceed the awarded total will be considered. All modifications should be submitted to the City Administrator.

REPORTING

- a. Grant recipients are required to submit monthly progress reports until the final report is submitted. A final report is due by December 31st of the following year.
- b. A monthly progress report form will be included with the award letter. Monthly reports should describe the progress being made such as milestones met, objectives achieved, expenditures to date, etc.
- c. The final report will include a narrative of the project, copies of any materials or pictures the project team wants to share, the number of people served, by the project or its various elements, and a description of the project's outcomes. This report will be shared with the public.
- d. Ten percent (10%) of the grant funds will be withheld until the final report is received, unless the Treasurer has granted an exception.
- e. Unused materials, equipment, or items not used for the project purchased with grant funds, will require immediate reimbursement to the City.



Endowment Fund Grant Application

Individual Project Applicant — Please enter your information	
Name:	
Address:	
Contact Phone Number:	
Contact E-mail Address:	
Organization & Project Contact Information—Please enter your information (this portion does not need to be filled out for individual applicants.)	
Organization Name:	
EIN Number:	
Executive Director:	
Contact Name:	
Contact Title:	
Organization Address:	
Contact Phone Number:	
Contact E-mail Address:	
Website Address:	

Project Information Overview—Please provide the following information	
Date:	
Project Title:	
Duration of Project or Tentative Start and End Dates:	
List Committed and Potential/Anticipated Partners/Collaborators on Project, if any:	
Approximate Amount to be Requested :	
If applicable, Estimated Amount Committed, Requested or to be Requested from Other Sources:	
Estimated Total Project Amount:	

Project Overview: *Describe your project. Explain the current situation, the need for your project, and who in the community will benefit. How does this project tie into the City's Vision Statement?*

Please answer the following questions:

Why is the project needed now?

Are the results long lasting?

Are there any obstacles and how do you plan to account for them?

Will the project need long term funding such as maintenance, supplies and upkeep and how will that be addressed at the end of the grant cycle?

Other information: Please provide any additional information that you believe we should know about the project, yourself or your organization, (you are not required to fill out anything here).

PROJECT INFORMATION, BUDGET AND TIMELINE

Please list the start and end date of major milestones and the responsible party. Please include additional pages if necessary.

[illegible]

Additional Budget Information:

Provide 1-2 paragraphs describing any possible funding partners or avenues for additional funding (e.g., matching funds, fundraising, private donations) that you have explored. Are there any aspects of the project that could be completed if were awarded partial funding?

Budget Detail – Using the table below provide an itemized list of expenditures and what will be funded by the requested grant.

[illegible]

Matching Funding(if applicable):

Sources of other funds –name and list each source of revenue	Expense/Purchase	Amount
TOTAL		\$

Endowment Fund Grant Scoring Matrix				
	Up to 10 pts	Up to 15 pts	Up to 25 pts.	Score
City Vision	Links to City Vision Statement	Advances City Vision/Mission	Will provide broad Community Benefit, well defined	
Community Benefits	Clearly defined need and timeliness	Serves larger group with lasting effects	Serves multiple groups, over longer time	
	Up to 5 pts.	Up to 10 pts.	Up to 15 pts.	Score
Methods	Provides realistic objectives, milestones, obstacles addressed	Project success is well defined, realistic, and achievable	Progress reporting is structured with definite timelines	
Budget	Clearly explained, cost appropriate, reasonable expenditures	Well researched, detailed and comprehensive expenditures	Considers partnerships matching funds, partial funding	
			Total	

List of Criteria to consider for awarding points using the above matrix and aligned with EFG requirements:

- Well defined need for project?
- Broad community benefit and definition of who benefits?
- Link to City Vision Statement?
- Description of why project is needed now?
- Defined objectives with milestones that demonstrate progress?
- Realistic and achievable timelines?
- Success of the project is defined and realistic?
- Obstacles are defined and accounted for?
- Are the project's results long-lasting?
- Well researched and explained?
- Detailed and comprehensive expenditures?
- Considers matching funds partnerships and possibility of partial funding?