

**CITY OF GUSTAVUS, ALASKA  
RESOLUTION CY16-17**

**A RESOLUTION REVISING POLICY AND PROCEDURE FOR GUSTAVUS ENDOWMENT  
FUND GRANT AWARDS**

**WHEREAS**, in 2015, with Resolution 2015-28, the Gustavus City Council established Policy and Procedure for the Endowment Fund Grant Awards under Title 4.13, and

**WHEREAS**, in the process of implementing the Policy and Procedure with the grant awards of fiscal year 2016, it became apparent that some clarifications and revisions were necessary for future award procedures, and

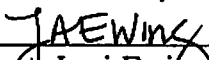
**WHEREAS**, formal action is necessary to address the revisions necessary to the policy and procedure,

**NOW THEREFORE BE IT RESOLVED**, that the Gustavus City Council accepts the revisions to the document entitled "Policy and Procedure for Awarding Grants from the Endowment Fund Earnings", as presented by this Resolution as a significant step toward addressing the needed revisions.

**PASSED and APPROVED** by a the Gustavus City Council Gustavus City Council this 12<sup>th</sup> day of December, 2016, and effective upon adoption.



\_\_\_\_\_  
Tim Sunday, Mayor



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Attest: Lori Ewing, CMC,  
City Clerk/Treasurer

## CITY OF GUSTAVUS, ALASKA

### POLICIES AND PROCEDURES

#### **TITLE: POLICY AND PROCEDURE FOR AWARDING GRANTS FROM THE ENDOWMENT FUND EARNINGS**

##### **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 projects offering broad value to the community.

The City Mayor or his/her designee shall, at least annually, determine the inflation-adjusted value of the principal of the Fund, compare that value to the present market value of the Fund as invested, and then provide opportunities to disperse available funding for community projects if the Council determines it is fiscally responsible.

While earnings may be granted for projects for functions authorized by code ordinance completed by City departments, funding priority should be given to qualifying projects being conducted by Gustavus-based groups or individuals, or City departments proposing projects that are outside those functions authorized for the City through code ordinance. Further, priority may be given to projects for which the Fund grant is leveraged to match grants from outside agencies. Fund grants shall not be made for operating expenses of the City or other organizations. 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 is accountable for assuring that steps in this procedure are completed and documented.

##### **PROCEDURE:**

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

1. Inflation-Adjusted Principal Value determination. By July 31<sup>st</sup> of each year, calculate the inflation-adjusted value as of June 30 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://www.labor.alaska.gov/research/cpi/cpi.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) 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

$(\$963,000)(1.311) = \$1,262,000$  (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 30 of the present year.

Example: The present market value of the fund for June 30, 2015 was \$1,403,944.

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.

Example: The excess earnings available as of June 30, 2015 were:  
 $\$1,403,944 - \$1,262,000 = \$141,944$

4. Available funding for fiscal year. Calculate the funding available as 3% of the average market value of the Fund at June 30 of the last five years.

Example: Three percent of the average annual market value for five 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:	\$1,161,681
Average:	\$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 \$1,000 will be returned to the Endowment Fund account to earn interest for future awards.

Example for 2015. Three percent 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 may, on September 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 criteria for selection, an application procedure, project scoping document, and a deadline of October 31.

7. Transfer of new grant funds from Fund. On December 1, the City Clerk/Treasurer will transfer the year's determined available new grant funding from the Endowment Fund to the Endowment Fund Grant checking account.

8. Grant application closing. On October 31 of each year, close the application period. Provide grant applications to the City Council for their review at the first work session of November.

9. Grant awards. Schedule Council selection and award of grant funding for the General Meeting of December. In selecting grantees and determining awards the Council should consider the following criteria:

- a) Discrete local project—not for organizational operating expense.
- b) Broad community benefits and value.
- c) Leverage of matched funds.
- d) Addresses community needs outside the authorized functions of City departments.
- e) Detailed, well-planned project with concrete start and completion dates
- f) Apparent ability of organization to manage project.
- g) Financial track record and stability of a person or organization.
- h) Qualifying City department or local Gustavus group.
- i). Group or individual current with all taxes owed or other forms/payments owed to the City.

If the City does not receive any qualifying applications, or if the Council declines to grant to any of the year's applicants, the annual grant funds shall be returned to the Endowment Fund account to earn interest for future awards

10. Award notices. Issue notice to grantees (if any) within one week after the General Meeting in December, regarding selection with directions for receiving payments, reporting requirements, and a one year deadline for the grant to be completed. Issue letters also to unsuccessful grant applicants notifying them of award decisions, and thanking them for their applications.

11. Payments. Payments to awardees will be made by disbursement from the Endowment Fund checking account to the grantee for work approved in Endowment Fund Grant Application Scope with proof of payment. Payments shall be made within two weeks of receipt of a properly completed Grant Financial Progress Report. Payments may be made in advance in special circumstances.

12. Monthly and final reports. The grantee shall complete and submit a monthly progress report by the last day of each month reporting progress and expenditures for the previous month, and a final report with the final payment request. The last 10% of the grant shall not be paid until a final report has been accepted.

13. Changes in scope. Any changes in awardee's project scope from the original application will need Council approval before reimbursement can be considered.

14. Unused granted funds. Any unused funds from a closed grant shall be retained in the Fund grant checking account if under \$1,000 or returned to the Endowment Fund account if over \$1,000, and re-designated as available for future awards.



12-12-2016

Signed: Mayor of the City of Gustavus

Date

**CITY OF GUSTAVUS, ALASKA**  
**Endowment Fund Grant Application Form**

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**I. Project Title:**

**II. Organization:**

Name of Organization:

Type of Organization:

Tax ID:

Address:

Phone:

Web page:

**III. Principal Contact:**

Name:

Address:

Phone:

Email:

**IV. Project Description:**

(expand to additional pages as needed)

1. Synopsis (one paragraph)

2. Complete and attach a City of Gustavus Project Scoping Document (available from City Clerk/Treasurer)

3. Total estimated cost of project (please attach contractor's estimates or website "cart" pages, if applicable):

4. Amount requested from Endowment Fund Grant:

5. Matching funds available:

Source	Amount
1.	
2.	
3.	

Signature \_\_\_\_\_

Printed name: \_\_\_\_\_ Date: \_\_\_\_\_