

Calculation of Endowment Fund Grant Amount for 2022 Award Cycle

Per CITY OF GUSTAVUS, ALASKA RESOLUTION CY19-14
A RESOLUTION REVISING POLICY AND PROCEDURE
FOR GUSTAVUS ENDOWMENT FUND GRANT AWARDS

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

APPLICABLE PROCEDURE (EXCERPT FROM FULL DOCUMENT):

The following steps shall be followed by the City 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 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.

New link: <http://live.laborstats.alaska.gov/cpi/index.cfm>

Latest CPI is 232.679 for first half of 2021 for Urban Alaska (formerly Municipality of Anchorage).

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). $232.679 / 165.6 = 1.405$

c) Multiply the original value of the Fund (\$963,000) by the multiplier determined in step b. $\$963,000 \times 1.405 = \$1,353,078.97$

d) The result of the calculation in step c is the inflation-adjusted value of the original principal.

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.

The present market value of the fund for June 30, 2021 was \$1,637,337.02.

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.

The excess earnings available as of June 30, 2021 were:

$\$1,637,337.02 - \$1,353,078.97 = \$284,258.05$

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.

Three percent of the average annual market value for five years through June 30, 2021 is calculated as:

June 2021:	\$1,637,337.02
June 2020:	\$1,473,942.38
June 2019:	\$1,466,213.91
June 2018:	\$1,438,854.93
June 2017:	\$1,429,287.74
Average:	\$1,489,127.20
3% of Average:	\$44,673.82

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.

Three percent of the five-year Average Market Value is \$44,673.82. The Excess Earnings amount is \$284,258.05. The lesser of the two is \$44,673.82. Unused grant funds remain from previous years for an additional \$0, so \$44,673.82 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.