

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2026-09

CREATING BUDGET AMENDMENT #6 TO THE FISCAL YEAR 2026 BUDGET; ESTABLISHING REVENUE AND EXPENDITURE BUDGET AMOUNTS FOR THE SUSTAINABILITY FUND

BE IT ENACTED BY THE UNALASKA CITY COUNCIL

- Section 1. Classification: This is a non-code ordinance.
Section 2. Effective Date: This ordinance becomes effective upon adoption.
Section 3. Content: The City of Unalaska FY26 Budget is amended as follows:

- A. That the following sums of money are hereby accepted and the following sums of money are hereby authorized for expenditure.
- B. The following are the changes by account line item:

Amendment No. 6 to Ordinance 2025-05

	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
I. OPERATING BUDGETS			
A. Sustainability Fund			
Sources			
Sustainability Fund - Interest Revenue	\$ -	\$ 400,000	\$ 400,000
Uses			
Sustainability Fund - Operating Expenses	\$ -	\$ 71,000	\$ 71,000

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on April 28, 2026.



Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:



Estkaiah P. Magdaong, CMG
City Clerk



ORDINANCE 2026-09
FY26 Budget Amendment #6

- 1) Sustainability Fund - Operating Budget
 - Create Interest Revenue budget in the amount of \$400,000
 - Create Investment Management Services budget in the amount of \$70,000
 - Create Banking / Credit Card Fees budget in the amount of \$10,000

	<u>Org</u>	<u>Object</u>	<u>Project</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
1) Sustainability Fund - Operating Budget						
Sources:						
Interest Revenue	21010043	47110		0	400,000	400,000
Uses:						
Investment Management Services	21020052	53220		0	70,000	70,000
Banking / Credit Card Fees	21020052	55904		0	1,000	1,000

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Jim Sharpe, Interim Finance Director
Through: Abner Hoage, Interim City Manager
Date: April 14, 2026
Re: Ordinance 2026-09 Creating FY26 Budget Amendment Number 6; establishing revenue and expenditure budget amounts for the Sustainability Fund

SUMMARY:

Ordinance 2026-09 establishes revenue and expenditure budgets for the Sustainability Fund for the remainder of FY 2026, in recognition of account activity through the first 2.5 months of activity.

PREVIOUS COUNCIL ACTION:

Resolution 2025-45 was approved by City Council on June 24, 2025, which established authorized investments, investment allocations and performance benchmarks for the City's Sustainability Fund for Fiscal Year 2026.

Ordinance 2025-08 was adopted on July 8, 2025, which established the Sustainability Fund.

Ordinance 2025-10 was adopted on August 26, 2025, which appropriated \$50,000,000 from the General Fund providing initial funding for the Sustainability Fund.

BACKGROUND:

Subsequent to the approval of the resolution and ordinances referenced above, \$50,000,000 was transferred from the City's General Fund to the Sustainability Fund and the investment account was initially funded in mid-December 2025.

DISCUSSION:

When the Sustainability Fund was established a budget amendment was not presented to Council at that time, primarily to provide sufficient time to evaluate revenue and expenditures related to the portfolio. The City has been able to assess portfolio activity and related revenues and expenditures through February, noting the following:

- Interest revenue of approximately \$190,000
- Expenditures related to portfolio management and custodial fees of approximately \$23,000 and \$1,500, respectively

The proposed budget amendment will establish revenue and expenditure budgets for the items mentioned above allowing a purchase requisition for APCM (investment manager) related to portfolio management. Budget amendment amounts approximate the pro-rated monthly costs extrapolated through the remainder of the fiscal year. Amounts for FY 2027 have been included in the proposed budget that Council will adopt in May 2026.

ALTERNATIVES:

Council can approve the budget amendment as presented, alter it, or decide not to approve it.

Lack of approval would result in expenditures being recognized that were not properly appropriated by City Council.

FINANCIAL IMPLICATIONS:

This budget amendment formally recognizes the revenues and expenditures related to the Sustainability Fund for the remainder of fiscal year 2026.

LEGAL: None

STAFF RECOMMENDATION:

Staff recommends approval of Ordinance 2026-09.

PROPOSED MOTION:

I move to adopt Ordinance 2026-09 and schedule it for second reading and public hearing on April 28, 2026.

CITY MANAGER COMMENTS: The Sustainability Fund was established last year, and the initial \$50 million transfer was completed in mid-December. Since that time, the City has been able to observe several months of actual portfolio activity, including interest earnings and investment management expenses. This budget amendment formally establishes the revenue and expenditure budgets needed to properly account for that activity through the remainder of FY26 and to authorize payment of the investment management fees.

This amendment does not change the structure or purpose of the Sustainability Fund and does not modify any prior Council direction. It simply aligns the FY26 budget with the activity that has occurred since the fund was established and ensures that expenditures are properly appropriated. Staff will continue to monitor the fund's performance and will incorporate full-year projections into the FY27 budget that Council will consider in May.

ATTACHMENTS: