

CITY OF UNALASKA
UNALASKA, ALASKA

ORDINANCE 2026-17

CREATING BUDGET AMENDMENT #4 TO THE FISCAL YEAR 2027 CAPITAL AND OPERATING BUDGET TO APPROPRIATE AND TRANSFER \$10,616,349 FROM THE GENERAL FUND TO THE PORTS AND HARBORS CAPITAL PROJECT FUND FOR THE ROBERT STORRS SMALL BOAT HARBOR IMPROVEMENTS A&B PROJECT (PH905)

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 FY27 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. 4 to Ordinance 2026-10

I. OPERATING BUDGETS

A. General Fund

	Current	Requested	Revised
Sources			
Appropriated Fund Balance	\$ 3,826,683	\$ 10,616,349	\$ 14,443,032
Uses			
Transfers to Proprietary Fund Capital Projects	\$ -	\$ 10,616,349	\$ 10,616,349

B. Proprietary Funds

	Current	Requested	Revised
Sources			
Ports & Harbors Fund - Transfers from the General Fund	\$ 3,242,070	\$ 10,616,349	\$ 13,858,419
Uses			
Ports & Harbors - Bobby Storrs Small Boat Harbor Expenses	\$ 15,651,044	\$ 10,616,349	\$ 26,267,393

PASSED AND ADOPTED by a duly constituted quorum of the Unalaska City Council on August 25, 2026.


Vincent M. Tutiakoff, Sr.
Mayor

ATTEST:


Estkaeren P. Magdaong, CMC
City Clerk



Ordinance 2026-17
FY27 BA #4

- 1) General Fund - Operating Budget
 - Increase Appropriated Fund Balance by \$10,616,349
 - Increase Transfers to Proprietary Fund Capital Projects by \$10,616,349

- 2) Proprietary Funds - Robert Storrs Small Boat Harbor Capital Projects Budget (PH905)
 - Increase Transfers from General Fund by \$10,616,349
 - Increase Construction Services by \$8,831,243
 - Increase Contingency by \$1,785,106

1) <u>General Fund - Operating Budget</u>	<u>Org</u>	<u>Object</u>	<u>Project</u>	<u>Current</u>	<u>Requested</u>	<u>Revised</u>
<u>Sources:</u>						
Appropriated Fund Balance	01010049	49900		\$ 3,826,683	\$ 10,616,349	\$ 14,443,032
<u>Uses:</u>						
Transfers to Enterprise Capt Project	01029854	59930		-	10,616,349	10,616,349
2) <u>Ports and Harbors Capital Project Budget</u>						
<u>Sources:</u>						
Transfers from General Fund	54119848	49100	PH905	\$ 3,242,070	\$ 10,616,349	\$ 13,858,419
<u>Uses:</u>						
Construction Services	54127053	54500	PH905	\$13,110,419	\$ 8,831,243	\$ 21,941,662
Contingency	54127053	55912	PH905	1,445,000	1,785,106	3,230,106

MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Jim Sharpe, Interim Finance Director
Through: Marjorie Veeder, Acting City Manager
Date: August 25, 2026
Re: Ordinance 2026-17: Creating Fiscal Year 2027 Budget Amendment #4, to appropriate and transfer \$10,616,349 from the General Fund to the Ports and Harbors Capital Project Fund for the Robert Storrs Small Boat Harbor Improvements A&B project (PH905)

SUMMARY: Ordinance 2026-17 creates budget amendment #4 to the fiscal year 2027 operating and capital budget; increasing appropriation of fund balance and transfers to the Ports and Harbors Capital Project Fund by \$10,616,349.

PREVIOUS COUNCIL ACTION: On May 26, 2026, City Council adopted the Fiscal Year 2027 Operating and Capital budget through Ordinance 2026-10; this is the fourth amendment.

As noted during the Work Session, the Robert Storrs Small Boat Harbor has resulted in two separately named projects; Robert Storrs Small Boat Harbor Improvements (PH303; with the primary focus being the C Float) and the Robert Storrs Small Boat Harbor Improvements A&B (PH905). C Float construction was completed, and the project was closed in FY 2017.

City Council adopted the following budgets that included funding for the Robert Storrs Small Boat Harbor Improvements A&B project (Project PH905):

Source:

Ports and Harbors Proprietary Fund

Date	Ordinance	Fiscal Year	Amount	Total
May 27, 2008	2008-08	2009	\$100,000	\$100,000
May 27, 2014	2014-08	2015	\$200,000	\$300,000
May 26, 2015	2015-10	2016	\$290,000	\$590,000
May 24, 2016	2016-12	2017	(\$540,000)	\$50,000
May 28, 2019	2019-07	2020	\$600,000	\$650,000
May 25, 2021	2021-07	2022	\$6,045,000	\$6,695,000
June 24, 2025	2025-05	2026	3,390,110	\$10,085,110

1% Sales Tax Fund

June 24, 2025	2025-05	2026	2,323,864	\$12,408,974
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General Fund

June 24, 2025	2025-05	2026	3,242,070	\$15,651,044
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Note:

- Reduction in FY 2017 Operating budget was due to the need to fund more urgent Ports & Harbors capital projects

BACKGROUND: The Robert Storrs Small Boat Harbor has been the subject of City planning and capital improvement efforts for more than a decade. The original harbor float system was granted to the City by the State of Alaska with deferred maintenance, and the City subsequently began a phased effort to replace the aging infrastructure.

The City undertook an extensive public process to develop the harbor layout and design and completed bathymetric and geotechnical investigations to support replacement of the float system. PND Engineers has served as the engineer of record for Robert Storrs Harbor and has been involved in the project through scoping, geotechnical investigation, bathymetry, design, permitting, cost estimating, and preparation of construction documents.

The first major phase of the float replacement effort resulted in replacement of C Float (separately administered capital project - PH303), now known as the Discovery Float. The City continued to maintain replacement of A and B Floats as a priority while pursuing the necessary funding, property interests, design, and permitting (resulting in the current project). Another important milestone occurred with the City's acquisition of submerged tidelands necessary to support the planned improvements and allow design and construction planning to advance.

In June 2024, Council adopted Resolution 2024-23, authorizing an agreement with PND Engineers in an amount not to exceed \$856,000 to continue development of the A and B Float Replacement Project. At that time, the existing A and B floats were identified as being at the end of their useful life, with continued deterioration creating a potential risk to continued public use of the facility.

PND's August and December 2023 engineering work identified an overall project budget of approximately \$14 million. Those estimates were developed before completion of final design and were expected to be updated as the project advanced.

The project has now progressed through final design and competitive bidding, providing the City with a clearer understanding of actual construction-market pricing.

The Storrs Harbor is unique among the City's marine facilities because it primarily serves vessels 60 feet and under. The harbor supports local and statewide commercial fishing vessels, local recreational vessels, and transient vessels visiting Unalaska. Completion of the A and B Floats Project will continue the phased replacement effort begun with construction of Discovery Float.

DISCUSSION: The City has reached an important milestone and decision point with the Robert Storrs A & B Float Replacement Project.

The project is now designed and has been competitively bid. The current estimated construction bid price is **\$21,941,662**.

There does not appear to be one individual item or change that accounts for the overall increase from earlier engineering estimates. Rather, costs have increased collectively across the project, including mobilization, materials, float fabrication, pile installation, electrical systems, utilities, and other construction components.

Several of the larger construction components include:

• Mobilization	\$3,550,000
• Electrical and Lighting System.....	\$2,800,000
• Mainwalk Float B	\$1,900,000
• Pile Installation in Drilled Sockets	\$1,554,000
• Mainwalk Float A	\$1,400,000
• Headwalk Float	\$1,250,000
• Steel Pipe Piles	\$1,023,300
• Domestic Water System	\$800,000
• Armor Rock	\$750,000
• Concrete Abutment	\$700,000
• Finger Floats (combined)	\$1,595,000
• Demolition and Disposal	\$550,000
• Restroom	\$525,000
• Electrical Support Assemblies	\$500,000

These figures are intended only to highlight several of the larger project components. The detailed construction cost estimate is attached.

The project itself includes substantially more than replacement of the floating structures. Work includes demolition of the existing moorage system; new steel mainwalk, headwalk, landing and finger floats; steel pipe piles and drilled bedrock sockets; gangways and concrete abutments; water, sewer and storm drainage; electrical power and lighting; fire suppression and life-safety equipment; armor rock and shoreline protection; upland and access improvements; corrosion protection; and a restroom facility.

Administration has also continued to pursue outside funding opportunities. With assistance from the City's Grants Management Coordinator, on August 19, 2026, the City applied for approximately \$5 million through the State of Alaska Harbor Facility Grant Program.

The City is also pursuing the potential for up to \$1 million through the Denali Commission's Rural Transportation Match and Gap Funding Assistance Program. Eligibility for that funding is dependent upon the City receiving an award through the Harbor Facility Grant Program.

If successful with both grant opportunities, approximately \$6 million in additional outside funding could become available for the project. These funds have not yet been awarded and are not included in the currently available project funding.

The primary question for Council during this work session is whether Administration should continue moving forward with the project as currently designed and bid or change course and more thoroughly pursue alternatives intended to reduce cost.

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

As discussed during the Work Session, should Council elect to explore substantial changes to the project's scope of work, this budget amendment is most likely premature and should not be considered until a more defined project cost can be determined.

FINANCIAL IMPLICATIONS: The proposed project budget is as follows:

Estimated Construction Bid Price	\$21,941,662
Construction Contingency (10%)	\$2,194,166
Protected Species Observations by Owner	\$150,000
Contract Administration & Construction Inspection (4%)	\$965,433
Total Recommended Construction Budget	\$25,251,261

Current project funding is:

Total Recommended Construction Budget	\$25,251,261.00
Current Project Funding Available	\$14,634,912.60
Additional Funding Required	\$10,616,348.40

Current project funding is \$14,634,912.60. An additional appropriation of **\$10,616,348.40** is necessary to fully fund the currently recommended construction budget.

The City has already made a substantial investment in the project through engineering, geotechnical investigation, bathymetry, public planning, design, environmental permitting, land and tideland work, grant applications, and bidding.

The potential \$5 million Harbor Facility Grant and \$1 million Denali Commission award are not currently included in available funding because neither has been awarded. If the City is successful with both opportunities, the approximately \$6 million in outside funding could be incorporated into the project's financial plan and reduce the City's ultimate financial contribution.

This budget amendment will increase General Fund FY 2027 appropriations to \$14,443,032 and provide sufficient funding to move the project forward to completion. Prior appropriations are as follows:

FY 2027 Council approved Budget	\$5,847,859		
Budget Amendment #1	\$149,851	increase	Server & PS position change
Budget Amendment #2	\$5,161	increase	CBA
Budget Amendment #3, if adopted	\$2,176,188	decrease	GF transfers to projects
Budget Amendment #4, if adopted	<u>\$10,616,349</u>	increase	
Total	\$14,443,032		

Through staff discussions, it was determined that the General Fund should provide the full amount of the cash needed to fund the proposed budget amendment. This was based on the current cash position of the Ports and Harbors Proprietary Fund (current balance of approximately \$4,000,000) and the significant capital project contributions by the 1% Sales Tax fund in the original FY 2027 budget; it no longer has the capacity to meet a request of this size.

Staff also discussed the City's ability to cash flow the proposed appropriations and determined that, based on the City's current cash position, there is sufficient fiscal capacity to fully fund this project without the need to obtain debt. However, it is questionable as to whether the General Fund could fully fund another project of this size without obtaining some form of debt.

LEGAL: None

STAFF RECOMMENDATION: Staff recommends approval of Ordinance 2026-17.

PROPOSED MOTION:

- 1st reading: I move to introduce Ordinance 2026-17, and schedule it for public hearing and second reading on September 8, 2026.
- 2nd reading: I move to adopt Ordinance 2026-17.

CITY MANAGER COMMENTS: I support staff's recommendation.