
MEMORANDUM TO COUNCIL

To: Mayor and City Council Members
From: Cameron Dean, Planning Director
Through: William Homka, City Manager
Date: November 12, 2024
Re: FY2026 - 2035 CMMP & Budget Year Calendar

SUMMARY: Each year City Council reviews the Capital and Major Maintenance Plan (CMMP) Process Guide, which proposes a schedule of deadlines and meeting dates necessary for the plan's preparation and adoption. The schedule is developed alongside the City's overall budget development and adoption schedule, so certain dates for that process are also included in the CMMP calendar.

As usual, Council will have the opportunity to rank different priorities that Staff will use to guide the CMMP's development. This year, Staff also requests the Council to recommend a maximum annual amount from the General and 1% funds to make available for capital projects. Staff believes this decision would be a toward supporting the Council's goals of improving City fiscal sustainability.

PREVIOUS COUNCIL ACTION: Council discusses new project nominations on the CMMP every January. It reviews complete drafts of the CMMP annually in March and typically adopts it in April. Planning introduced the ranking exercise to City Council in FY20 to provide Council the opportunity to weigh each criterion.

BACKGROUND: Title 6 of the Unalaska City Code requires the City Manager to submit a five-year capital improvement plan and budget of the proposed projects each year in conjunction with the City's operating budget. Each year, Council adopts this plan, called the Capital and Major Maintenance Plan (CMMP), to help identify needs and set spending priorities for the coming five-year period. This is the fifth year Unalaska will prepare a ten-year CMMP.

DISCUSSION: There are many steps and departments involved in the CMMP, which is part of the City's overall budget. The proposed schedule consults with the Finance Department on its budget calendar to marry the two processes. Key dates are included on the CMMP and City Budget Schedule which is attached for review.

Dates most important to City Council are indicated in blue, such as tonight's presentation and the resolution adopting Council's priorities scheduled for November 26, 2024. City Council will revisit the CMMP on January 28, 2025 to discuss any new project proposals.

Staff will score projects in eight categories:

- Plans/Comprehensive Plan
- Regulatory Compliance

- Infrastructure/Public Safety
- Quality of Life/Wellness
- External Funding
- Impact on the Operational Budget
- Timing/Location
- Innovation

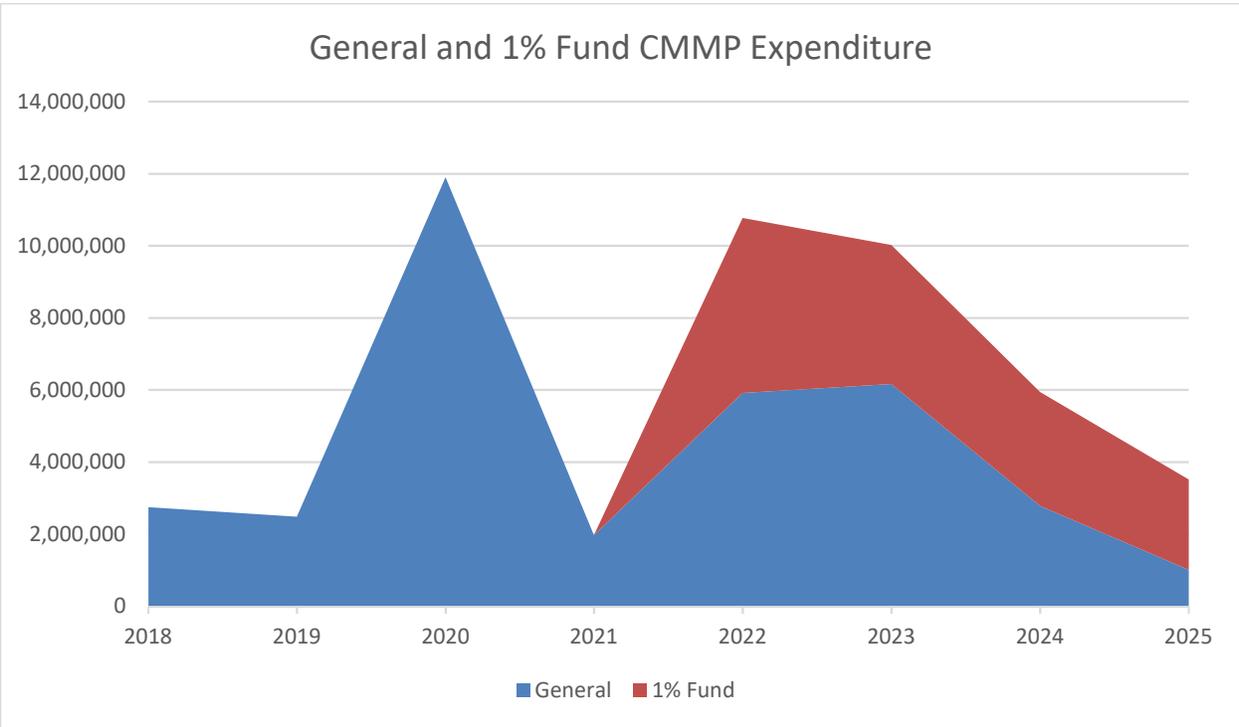
Each category will be weighted based on Council’s preferences approved by resolution on November 26, 2024. Additionally, projects will receive additional points if they are a legislative priority and have been planned further in advance. While other constraints may limit project scheduling and prioritization, Staff will use the scores to assist in evaluating new CMMP nominations.

Staff tries to balance projects using the General Fund across multiple years. FY22 changed the CMMP from five to ten years to assist with this effort and provide more lead time for project development. This year, Staff is also asking Council to recommend a level to fund the CMMP from the General and 1% funds, which will be approved by the same resolution. Providing a level of funding for projects gives staff a budget to work with and serves as an objective toward the Council’s goal for fiscal sustainability. Staff will use Council’s prioritization scores to consider projects proposed for the FY26 CMMP.

For context, the tables below show annual General and 1% fund expenditures on the CMMP for the past several years. The City changed last year its criteria for including projects on the CMMP, and several projects that would have previously been included were instead moved to operating budgets. The plan now only includes projects that result in a fixed asset, one with long-term value and useful life.

Table 1

	2018	2019	2020	2021	2022	2023	2024	2025
General	2,747,093	2,482,952	11,900,789	1,966,793	5,911,887	6,161,230	2,783,300	1,010,000
1% Fund	0	0	0	0	4,860,000	3,860,000	3,161,147	2,507,262
Total	2,747,093	2,482,952	11,900,789	1,966,793	10,771,887	10,021,230	5,944,447	3,517,262
Proprietary	12,834,932	8,708,555	6,054,918	2,252,338	10,393,159	4,753,220	2,398,490	2,751,312
Total City Funds	15,582,025	11,191,507	17,955,707	4,219,131	21,165,046	14,774,450	8,342,937	6,268,574
Debt	35,000,000	0	0	0	0	0	0	0
External Funding	175,275	0	0	0	20,733,500	17,483,500	17,743,854	9,992,538
Grand Total	50,757,300	11,191,507	17,955,707	4,219,131	41,898,546	32,257,950	26,086,791	16,261,112



Providing a recommended annual funding amount would help Staff use the existing ranking criteria to schedule and prioritize projects. To demonstrate how this could work, the four FY25 projects drawing from the General and 1% funds totaled \$3,517,262:

Table 2

	General	1% Fund	Total
Pool Rebar Restoration and Re-Plastering	\$500,000	0	\$500,000
Fishermen's Memorial	\$100,000	0	\$100,000
Public Works Roof Replacement	0	\$2,507,262	\$2,507,262
Rolling Stock Replacement Plan	\$410,000	0	\$410,000
Total	\$1,010,000	\$2,507,262	\$3,517,262

Last year Council identified regulatory compliance, impact on operational budget and external funding as its top priorities. As a result, the Public Works Roof Replacement and Pool Rebar Restoration and Re-Plastering scored highest among those projects. Both are maintenance of existing infrastructure, and the pool project is additionally a regulatory compliance issue. If Council had, for example, given a recommendation of \$3,000,000 total from the General and 1% funds, staff would have prioritized cuts or delay elsewhere, particularly to the Fishermen’s Memorial, which ranked lower, to meet that goal.

Staff will present Council a list of projects removed or rescheduled from each draft of the CMMP and the rationale for any changes.

Project Budgets in CMMP

There is a concern that providing specific estimates for projects in the CMMP makes it more difficult for the City to secure competitive pricing. Bidders may use those estimates to inform their bids. For reference, the table below compares estimates and bids for several recent projects:

Table 3

Project	Estimate	Bid	\$ Difference	% Difference	Bidders	Date	Notes
CBR Waterline Project	\$4,165,758	\$5,516,939	\$1,351,181	32%	1	5/30/2024	
Pyramid Water Treatment Plant Sodium Hypochlorite On-Site Generation	\$441,000	\$661,200	\$220,200	50%	1	7/21/2022	Estimate for work was based on proposed change order to do work at same time as microturbine project
Library Expansion Project	\$6,903,481	\$6,514,196	-\$389,285	-6%	5	11/18/2021	Estimate was the original bid price prior to Covid
General Hill Water Booster Pump Station	\$250,000-500,000	\$916,537	\$416,537	83%	2	3/9/2021	
Pyramid Water Treatment Plant Microturbine Project	\$1,000,000-2,500,000	\$1,394,497	\$394,497	39%	4	5/28/2020	
Lear Rd Duplexes Kitchen and Bath Renovation Project	\$372,477	\$457,330	\$84,853	8%	3	4/9/2019	Only contracted for one duplex unit instead of both for \$235,586

Ordinance currently requires that the CMMP includes budgets for each project. If desired, the Council could adopt a new ordinance removing that requirement. Council would provide the amounts available for capital projects. Staff would propose which projects will be accomplished within that cap without providing an exact budget for each project when the CMMP is adopted. Council would still see project budgets when contracts are approved. This would effectively refocus the CMMP process more on overall financial sustainability rather than individual projects.

ALTERNATIVES: N/A

FINANCIAL IMPLICATIONS: N/A

LEGAL: N/A

STAFF RECOMMENDATION: Review the CMMP Calendar and Council Preferences Worksheet. Complete the worksheet and return to the City Clerk by Monday, November 18.

PROPOSED MOTION: This is for discussion purposes only; no motion is required. Staff is looking for feedback.

CITY MANAGER COMMENTS: Portions of this report are standard each year and explain the CMMP process. The new ideas, such as setting a spending amount for the

General and 1% Funds and eliminating the project cost estimates, are suggested for discussion as ways to improve fiscal sustainability for the City's overall budgeting process.

ATTACHMENTS:

Council Preferences Worksheet
Draft CMMP Process Guide

COUNCIL MEMBER FEEDBACK

FY 26-35 CMMP Project Category Priority Ranking

Name: _____ Date: _____

Your top priorities should be marked in the #1 box, and the lowest priority in the #3 box next to each category. You can have a maximum of three 1's, three 2's and/or three 3's.

PROJECT CATEGORIES	PRIORITY RANKING		
	1	2	3
Plans / Comprehensive Plan			
Regulatory Compliance			
Infrastructure / Public Safety			
Quality of Life / Health & Wellness			
Impact on Operational Budget			
External Funding			
Timing/Location			
Innovation			

Annual capital project funding recommendation:

General Fund: _____

1% Fund: _____

CMMP Process Guide

2026

To

2035



CMMP Process Overview	November	December	January	February	March	April
Nominations						
Internal Review						
Planning Commission Review						
Presentation to Council						
Council Adoption						

Budget Schedule

FY 2026 Budget Calendar CMMP, City Budget, Community Support Grants November to December			
11/4/24	Directors	Discussion	Begin CMMP project nominations
11/12/24	City Council	Discussion	Review & comment on CMMP and Budget Schedule and priorities
11/12/24	Nonprofits	Distribution	Community Grant application period opens
11/15/24	Nonprofits	Discussion	Community Grant Applicant Q&A Workshop
11/21/24	Planning Commission	Discussion	Collect Planning Commission CMMP comments
11/26/24	City Council	Resolution	Adopt CMMP priorities
12/13/24	Directors	Deadline	CMMP project first drafts due to Planning
12/20/24	Technical Review Committee	Discussion	CMMP initial review and planning

Planning
Commission
Meeting

City Council
Meeting

**FY 2026 Budget Calendar
CMMP, City Budget, Community Support Grants
January to May**

1/6/25	Directors	Distribution	MUNIS Budget Entry Opens for All City Departments
1/8/25	Directors	Deadline	CMMP draft review after morning Director's meeting
1/9/25	Directors	Deadline	Complete CMMP nominations due to Planning
1/16/25	Planning Commission	Discussion	Review CMMP Nominations
1/28/25	City Council	Discussion	Review CMMP Nominations
2/7/25	Nonprofits	Deadline	Community Support Grant Applications due to Planning
2/11/25	City Council	Discussion	Budget Goals & Revenue Projections
2/14/25	Directors	Deadline	MUNIS Closes for Department Budget Entries
2/21/25	Directors	Deadline	Final Deadline for CMMP Project Edits, Rolling Stock and Facilities Maintenance Plan
3/6/25	Clerks & CM	Distribution	Draft CMMP Distribution to Council
3/11/25	City Council	Discussion	Draft CMMP Presentation to Council, Adopt Budget Goals
3/25/25	City Council	Presentation	Final Presentation to Council (CMMP, Community Grants)
4/7/25	UCSD/ City Council	Presentation	Special City Council Meeting: UCSD representatives present FY26 Budget Request
4/8/25	City Council	Resolution	Follow-Up CMMP Questions; Adopt CMMP
5/13/25	City Council	Ordinance	1 st Reading of Final Budget (Operating & Capital)
5/27/25	City Council	Ordinance	2 nd Reading of Final Budget (Operating & Capital)

Planning
Commission
Meeting

City Council
Meeting

Evaluation

Project Categories

Plans/Comp Plan – Plans are prepared to provide the City of Unalaska with a valuable aid for continuing efforts to meet and exceed goals set forth by City departments, committees, and the citizens at-large. Plans include those documents that have been prepared internally to assure consistent adherence to industry best practices, as well as those documents that have been created with the assistance of outside consultants. A component of planning includes public discussion and/or citizen engagement. The score could be based on answers to the following questions:

- A. Is the proposed project called for in the City’s Comprehensive Plan which was approved by City Council? If so, which section? (answer No or Yes with relevant page numbers)
- B. Is the proposed project identified in one or more of the City Master or Departmental Plans that were provided to City Council? If so, which plan? (answer No or Yes with plan title)
- C. Is the proposed project listed as a high priority, or over time, has it become a high priority of staff, a standing advisory board, or the City Council due to an expressed need?
- D. Has the proposed project been fully developed and defined in enough detail so that the specifics are known?
- E. Has there been public discussion about the project or an appropriate level of citizen engagement around the project?
- F. Does there appear to be broad community support for the project?

Scoring Scale

1	2	3	4	5
The project is not part of any Master Plan.	↔	The project is included in a Master Plan, but may not be a high priority or appropriate citizen engagement on the specific proposal has not yet transpired or is not included in the Master plan but is a high priority and has been well-vetted.	↔	The project is included in a Master Plan, is a high priority, and has been well-vetted.

Regulatory Compliance – This includes compliance with regulatory mandates such as Environmental Protection Agency (EPA) directives, the Americans With Disabilities Act, and other County, State and Federal laws. This also includes compliance with self-imposed City ordinances. The score could be based on answers to the following questions:

- A. Does the project address a current regulatory mandate?
- B. Will the project proactively address a foreseeable (within the next 5 years) regulatory mandate?
- C. Does the project have a lasting impact on promoting regulatory compliance over the long term (more than 10 years)?

Scoring Scale

1	2	3	4	5
The project does not address a regulatory compliance issue.	↔	The project provides a short-term fix for an existing regulatory compliance issue or for one anticipated in the near future.	↔	The project resolves a pressing or long-term regulatory compliance issue.

Infrastructure / Public Safety – This item relates to infrastructure needs for the department’s facilities, as well as improves the overall safety of the community. Projects to address employee safety issues and to proactively manage risk, would also be included. The score could be based on answers to the following questions:

- A. Does the proposed project increase the safety of Unalaska’s residents and/or employees?
- B. How widespread is that potential safety benefit? Answer with: Widespread, Targeted, or Minor
- C. Will the project address an existing facility that is outdated or has exceeded its useful life?
- D. Will the project help the City to respond more effectively and efficiently to emergencies throughout the community?
- E. Is the project supported by a life cycle analysis of repair versus replacement?
- F. Does the project extend service to support/promote new growth?
- G. Does the project foster safe and accessible modes of travel?

Scoring Scale

1	2	3	4	5
The safety or infrastructure need for the project is low; or it addresses new or existing infrastructure.	↔	The safety or infrastructure level of the project is moderate; it address a serious safety issues that has a limited impact or address a less-serious issues that serves the broader community; it addresses either new or existing infra-structure. (Maximum score for a new facility.)	↔	The safety or infrastructure level of the project is high; it addresses a serious health/public safety issues that has a widespread impact; it addresses existing infrastructure; and the ancillary benefits are well-defined.

Quality of Life / Health & Wellness – Quality of Life / Health & Wellness are a characteristic that makes the City a favorable place to live and work. For example, a large park with amenities to satisfy all community members would greatly impact the quality of life. Bike/jogging trails, new recreation facilities and flood control measures improve the overall health of the community. The score could be based on answers to the following questions:

- A. Does the project enhance the quality of life for a wide range of community members?
- B. Will the proposed project have a positive impact on the health of Unalaska’s residents?
- C. How widespread is that potential impact? Answer with: Widespread, Targeted, or Minor
- D. Will the project attract new residents, businesses or visitors to the City?
- E. Does the project serve to preserve the integrity of the City’s residential neighborhoods?
- F. Does the project help create a beautiful and clean community?
- G. Does the project specifically promote the responsible use of resources?
- H. Does the project encourage participation in recreational and cultural activities accessible to all community members?

Scoring Scale

1	2	3	4	5
The project does not affect the Quality of Life / Health & Wellness for Unalaska community members.	↔	The project has a moderate impact on the Quality of Life / Health & Wellness for Unalaska community members.	↔	The project greatly impacts the Quality of Life / Health & Wellness for a wide range of Unalaska community members.

Impact on Operational Budget – Some projects may affect the operating budget for the next few years or for the life of the facility. A new facility will need to be staffed and supplied, therefore having an impact on the operational budget for the life of the facility. Replacing a light with a more energy efficient model may actually decrease operational costs. The score could be based on answers to the following questions:

- A. Will the project require additional personnel to operate?
- B. Will the project require additional annual maintenance?
- C. Will the project require additional equipment not included in the project budget?
- D. Will the project reduce staff time and City resources currently being devoted, and thus have a positive effect on the operational budget?
- E. Will the efficiency of the project save money?
- F. Will the project present a revenue generating opportunity?
- G. Will the project help grow a strong, diversified economic base to help offset any additional costs?

Scoring Scale

1	2	3	4	5
The project will have a negative effect on the budget. It will require additional money to operate.	↔	The project will not affect the operating budget as it is cost/revenue neutral	↔	The project will have a positive effect on the budget. It will have significant savings in time, materials and/or maintenance or be revenue generating to more than offset costs.

2) **External Funding** – Capital improvement projects can be funded through sources other than City funds. Developer funding, grants through various agencies, and donations can all be sources of external funding for a project. The percentage of total cost funded by an outside source will determine the score in this category. This is based on expected funding and can be re-evaluated based on actual achieved external funding.

Scoring Scale

1	2	3	4	5
0 – 20% External Funding	21% - 40% External Funding	41% - 60% External Funding	61% - 80% External Funding	81% - 100% External Funding

Timing/Location – The timing and location of the project is an important piece of a project. If the project is not needed for many years, it would score low in this category. If the project is close in proximity to many other projects and/or if a project is urgent or may need to be completed before another one can be started, it would score high in this category. The score could be based on the answers to the following questions:

- A. Do other projects require this one to be completed first?
- B. Does this project require others to be completed first?
- C. Can this project be done in conjunction with other projects? (example: installation of sidewalks, street lighting and rain gardens all within the same block)
- D. Will it be more economical to build multiple projects together, thus reducing construction costs?
- E. Will it help reduce the overall number of neighborhood disruptions from year to year?
- F. Is this an existing facility at or near the end of its functional life?

Scoring Scale

1	2	3	4	5
The project does not have a critical timing/location component.	↔	The project has either a timing or location factor critical to it.	↔	Both timing and location are critical components of the project.

Innovation – Unalaska is increasingly challenged to produce solutions to solve new problems and meet new challenges that come from a rapidly changing world. Demographic, social, technological, and economic changes are forcing the department to adapt quickly and embrace change.

- A. Is the project a creative and dynamic solution to opportunities and issues within the City of Unalaska?
- B. Does the project meet emerging challenges, reduce costs, and better serve the public?
- C. Does the project achieve higher levels of service for the City of Unalaska?

Scoring Scale

1	2	3	4	5
The project meets industry standard.	↔	While the project may be innovative to Unalaska, there are many applications across the state and country	↔	The project is one of the first examples of its kind in the state and or country.

Time on CMMP – The CMMP process is a 10-year plan for spending. The amount of time forward that a project is planned for on the CMMP should give weight to projects that have been planned and are now being executed.

Scoring Scale

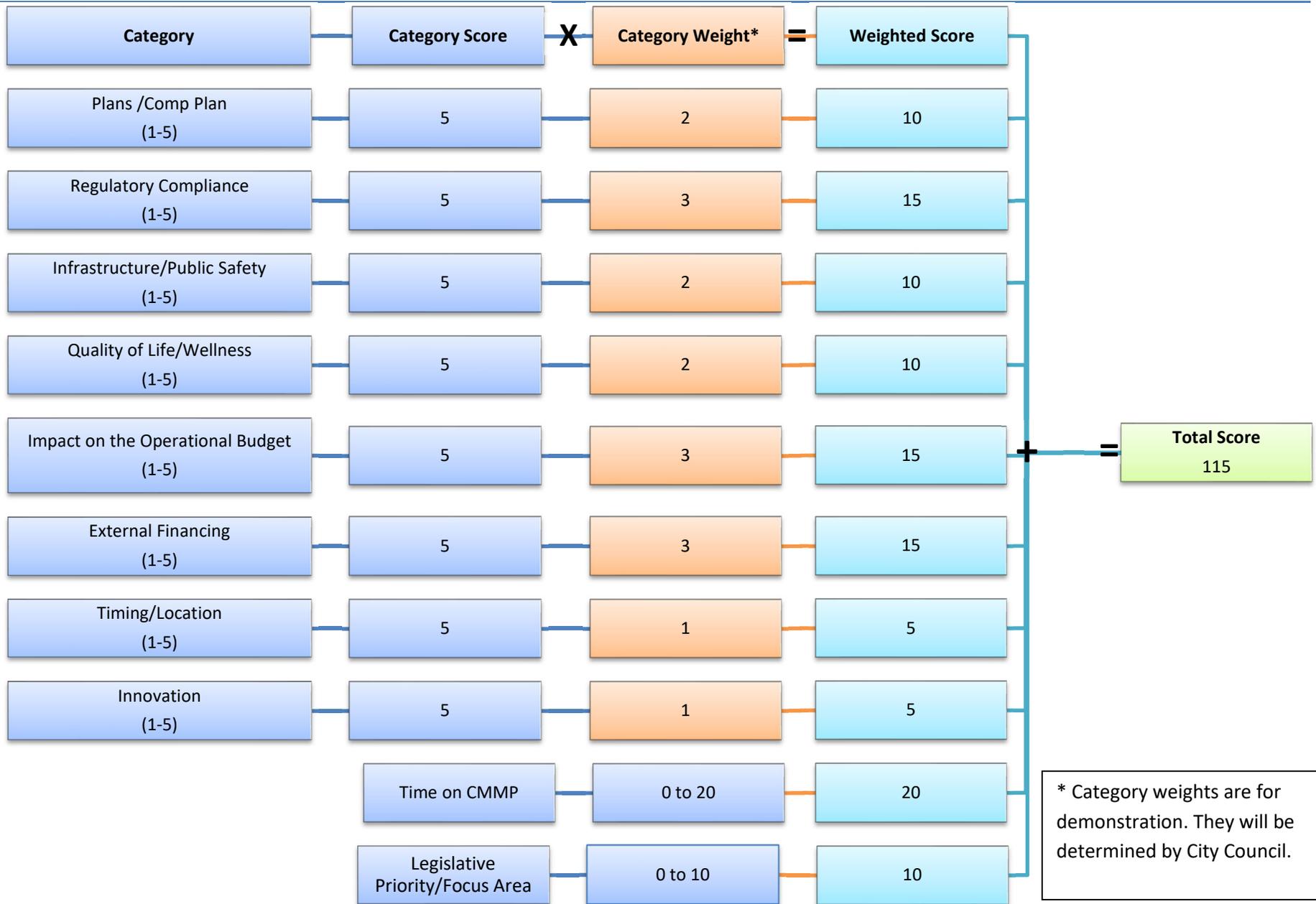
0	5	10	15	20
First Year Project This Year	On CMMP for 2 Years	On CMMP for 3 Years	On CMMP for 4-5 Years	On CMMP for 6-10 Years

Legislative Priority/Focus Area – Projects identified by Council as legislative priorities or focus areas receive additional points.

Scoring Scale

0	5	10
None	Focus Area	Legislative Priority

CMMP Evaluation System Diagram



* Category weights are for demonstration. They will be determined by City Council.