



Capital Improvement Plan FY 2024 – 2028

SECTION 1: OVERVIEW OF THE CAPITAL IMPROVEMENT PLAN

The Capital Improvement Plan (CIP) is the planning mechanism by which the City Council allocates limited financial resources to implement long-term goals as defined in the Comprehensive Land Development Plan, Comprehensive Transportation Plan, Bicycle and Pedestrian Transportation Plan, Mebane Downtown Vision Plan, Recreation and Parks Master Plan, Long Range Utility Master Plan, and other similar planning documents. The purpose of the CIP is to forecast and match projected revenues and significant capital needs over five years. Capital planning is an important management tool that strengthens the linkage between community infrastructure needs and the City's financial capacity.

The CIP is a multi-year plan for significant capital expenditures such as the acquisition of land, construction or considerable renovation of public facilities (i.e., buildings and parks), construction of new transportation infrastructure (i.e., roads, sidewalks, multi-use paths), expansion or significant renovation of water, wastewater, or stormwater infrastructure, capital equipment to support operations or any combination of the above. Projects eligible for inclusion in the CIP are those with an asset value of greater than \$25,000 and useful life of greater than three years.

When identifying new projects, the staff looks to the long-term priorities and direction set by City Council and submits formal requests through the CIP process. A formal request includes a description of the project, the estimated cost, and an estimate of the recurring expenses associated with a completed project (i.e., additional staff, additional utilities, etc.). The formal request also includes alternative solutions, if any, and a statement on the effect on services and programs if the project is not funded.

Once adopted by the City Council, the CIP becomes a statement of City policy regarding the need, priority, timing, and funding of future capital projects. The Capital Improvement Plan is simply that – a plan. As such, projects and funding mechanisms are subject to change based on new or shifting service needs, unique financing opportunities, emergency needs, or other directives or priorities established by the City Council. Future needs and financial constraints may result in changes in priority over the five-year period. Because priorities can change, projects included in outward planning years are not guaranteed funding. The CIP represents the City Administration and City Council's best judgment when the Plan is adopted. Priorities established in the CIP subsequently guide decisions made by City Administration and the various boards and commissions appointed by City Council.

RELATIONSHIP TO THE ANNUAL OPERATING BUDGET

Some CIP projects are funded through annual operating funds, such as the General Fund and the Water and Sewer Fund. In these cases, the CIP and the Annual Operating Budget are directly linked as CIP projects become authorized through the adoption of the Annual Operating Budget. Projects funded through debt financing also impact the operating budget through ongoing debt service expenses. Finally, some completed CIP projects will directly impact the operating budget as they will require ongoing expenditures for staff and other operating costs.

CIP STRUCTURE

The CIP is organized into six functional categories, called "elements," in order to group projects with similar items.

1. **Transportation Element:** funds the construction of new roadways, improvements to existing roadways, sidewalks, bicycle, and pedestrian facilities, transit projects, and railroad crossing improvements. The Bike and Pedestrian Plan is funded in this element.
2. **Parks, Recreation, and Cultural Resources Element:** funds land acquisition for new park and greenway facilities, the construction of park and recreation amenities, and significant renovations of current facilities. Implementation of the Parks and Recreation Master Plan is funded in this element.
3. **Public Safety Element:** funds the acquisition of capital equipment to support the operations of the two public safety departments in the City (Fire and Police). Public safety facilities are considered in the public facilities element.
4. **Public Facilities Element:** funds construction and significant renovation of general government and public safety facilities and infrastructure. This element also funds improvements to communications and technology infrastructure.
5. **Public Works & Environmental Services Element:** funds projects designed to manage and mitigate the effects of stormwater runoff, manage the collection and disposal of solid waste, and maintain streets. These projects include structural improvements, Stormwater Control Measure (SCM) construction, and infrastructure replacement. They also include the equipment needed to manage solid waste collection and maintain City streets.
6. **Water and Sewer Utility Element:** funds the construction and improvement of water and sewer infrastructure. These projects include main additions and replacements, water/wastewater treatment plant renovations/expansions, filter rehabilitation, pump station additions, infrastructure replacement, and the equipment necessary to maintain the system

CAPITAL IMPROVEMENT FUNDING

The funding sources used to execute the Plan are as important as the capital projects contained in the Plan. Capital Improvements for the City of Mebane are funded using a variety of sources that are broadly categorized as cash, grants, or debt financing.

Cash, or pay-as-you-go (PAYGO), funds come from sources such as tax revenue, development-related fees, program fees, State revenue, and interest earnings. Some of these sources, such as State revenue from the Powell Bill and certain others, may only be spent to meet particular needs. Other revenue sources come with no restriction on the needs they may be used to address. Major funding sources for the CIP are as follows:

General Fund: General Fund revenue, such as ad valorem taxes, sales taxes, utility taxes, and other similar revenues, are used to fund City operations and may be used to fund capital projects such as facility improvements, transportation system improvements, and other similar projects. Compared to other sources, General Fund resources are a flexible revenue source without restrictions on their use.

Enterprise Funds: Enterprise funds, such as the water/sewer fund, collect user fees as part of their operations, then invest a portion of that revenue into capital projects. The City uses these funds only for corresponding enterprise projects.

Water/Sewer Capital Reserve Fees: These fees are charged, based upon a City Council-approved System Development Fee Schedule, to developers of land within the City of Mebane to pay for the capital facility burden created by new development. Revenue from these fees is restricted for capital improvements to the water/sewer system or to fund debt service payments for improvements to these systems.

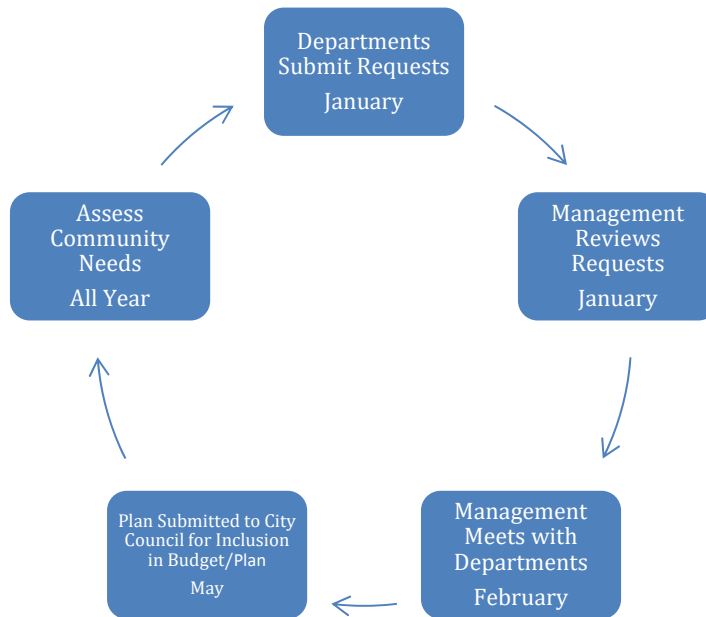
Debt Financing: For debt financing, the City uses several types of debt mechanisms, including revenue bonds and traditional lease-purchase or installment financing. The tool selected varies depending on the level of funding needed, the term of the need, and current debt market conditions. The City does not currently have general obligation bonds; however, they require approval by voters and are backed by the City's taxing authority to repay the bonds. Revenue bonds pledge the revenue generated by specific enterprise (water and sewer) charges.

Grants: The City actively searches out local, state, and federal grant opportunities. Expenditures are normally restricted to the purpose of the grant and, at times, will require a matching contribution from the City.

Reserve from Prior Years: As projects are completed, unspent budgeted amounts accumulate into reserves, available for future projects. Reserves can also build up when the City collects revenue in excess of the amount budgeted.

THE CIP PROCESS

The process for developing the CIP, as illustrated below, begins shortly after the beginning of a new fiscal year (July 1) as staff considers unmet capital needs in the recently adopted budget and other emerging needs. For each project, staff in the requesting department complete a CIP project request form and compile supporting documentation. All CIP project requests are due by the beginning of January of each year.



CIP PRACTICES

Long-Range Cost Estimates: Using the upcoming fiscal year as the base, staff consult the City Engineer to estimate future construction costs better.

Closing Projects: Projects are closed when the approved scope of work is complete. Staff reviews project statuses periodically to identify finished projects that can be closed. If the budget for a completed project is not fully expended, generally, the budget is closed, and the remaining balance accumulates in the fund balance. The accumulated fund balance is available to pay for future projects.

Horizon Issues: The proposed CIP funds the City's highly prioritized needs. Staff reviews and analyzes the project details supporting these projects and considers them ready to move forward. However, in many situations, the City has identified a future need but has not yet completed a detailed analysis weighed options, or designed a specific facility. These projects include facilities, capital infrastructure, and business systems needed in the future, often beyond the CIP's five-year timeframe.

PLANNING BY FUND

The following sections represent a description of the projects submitted, by element, for the five-year planning timeframe under consideration. Each element begins with a brief description of what types of projects are funded and includes a tabular summary of all projects considered and the proposed revenue source to fund the projects each year. At the end of each section, there is a summary table showing the total cost of the projects in each year and the proposed revenue source.

SECTION 2: GENERAL FUND

A majority of projects included in the CIP are housed in the General Fund. This revenue is generated in large part by ad valorem taxes, along with sales taxes, utility taxes, and other similar revenues.

The types of capital projects that qualify for this fund include facility improvements, transportation system improvements, and other similar projects.

Compared to other sources, General Fund resources are a flexible revenue source without restrictions on their use.

TRANSPORTATION ELEMENT PROJECTS

Projects Funded: Construction of new roadways, improvements to existing roadways, sidewalks, bicycle, and pedestrian facilities, transit projects, and railroad crossing improvements.

The table below shows each of the projects submitted for consideration in this year's CIP process and the project's estimated cost in each fiscal year in the Plan.

Transportation Element	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Sidewalk - S. Third Ext. from Corporate Park Drive to Augusta Dr	\$32,500		\$700,000			\$732,500
Multi-use path - Third Street to Fifth Street Connector	\$60,500	\$300,000				\$360,500
Signal Light Preemption	\$68,271					\$68,271
NC 119 Wayfinding and entrance signs	\$100,000					\$100,000
Sidewalk - Crawford St. from N. First St. to N. 2nd St	\$137,000					\$137,000
Lake Michael Connector (along Lebanon Rd.)	\$375,000					\$375,000
Back Entrance Parking Lot at Community Park	\$480,000					\$480,000
Sidewalk - S. Eighth St. to Fifth St. Park via Arrowhead Villas		\$55,000				\$55,000
Repave MACC Parking Lot		\$400,000				\$400,000
Repave Old Rec Parking Lot		\$60,000				\$60,000
Pave Basketball Court Parking Lot			\$75,000			\$75,000
Sidewalk - S. Third Street Ext. - Augusta Dr to Gibson Road				\$62,500	\$350,000	\$412,500
Element Total	\$1,253,271	\$815,000	\$775,000	\$62,500	\$350,000	\$3,255,771

PARKS, RECREATION, AND CULTURAL RESOURCES ELEMENT

Projects Funded: The construction of recreation and parks amenities, expansion of existing parks, and significant renovations of current facilities.

The table below shows each of the projects submitted for consideration in this year's CIP process and the project's estimated cost in each fiscal year of the Plan.

Parks, Recreation, & Cultural Resources Element	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Lake Michael Spillway	\$4,402,835					\$4,402,835
Second Phase of Cates Farm Playground		\$500,000				\$500,000
Pickle Ball Courts		\$400,000				\$400,000
MACC Roof Restoration		\$295,000				\$295,000
Replace the gym floor at Old Recreation building		\$160,000				\$160,000
Lake Michael Building Removal and Replacement		\$50,000			\$400,000	\$450,000
Air Conditioning for the Old Recreation building gym		\$100,000				\$100,000
New HVAC Control Panel for MACC		\$75,000				\$75,000
Lake Michael remaining trail		\$55,900	\$69,500	\$327,400		\$452,800
MACC Baseball/Softball Scoreboards		\$45,000				\$45,000
Open air shelters at the Community Park (for rent)		\$40,000	\$40,000	\$40,000		\$120,000
Lake Michael pier replacement			\$125,000			\$125,000
Youth/Walker Field Repurpose				\$2,000,000		\$2,000,000
Shade for Farmers Market				\$500,000		\$500,000
Community Park Expantion					\$15,000,000	\$15,000,000
Total Element	\$4,402,835	\$1,720,900	\$234,500	\$2,867,400	\$15,400,000	\$20,222,800

PUBLIC SAFETY ELEMENT

Projects Funded: Acquisition of capital equipment to support the operations of the two public safety departments in the City. (Note: Public safety *facilities* are considered in the *public facilities* element.)

The table below shows each of the projects submitted for consideration in this year's CIP process and the project's estimated cost in each fiscal year of the Plan.

Public Safety	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Replace Fire Engine	\$850,000					\$850,000
Police vehicles	\$413,058	\$223,051	\$240,895	\$260,167	\$280,980	\$1,418,151
Training Simulator	\$80,000					\$80,000
Fire Prevention Vehicle	\$50,000					\$50,000
ATV Rescue Vehicle	\$30,654					\$30,654
Station 2 Fire Alarm	\$26,524					\$26,524
Replace Rescue Truck		\$1,300,000				\$1,300,000
Replace Engine 35		\$850,000				\$850,000
Replace Fire Chief Vehicle		\$60,000				\$60,000
Replace Platform Truck			\$2,000,000			\$2,000,000
Incident Command Vehicle			\$65,000			\$65,000
Administrative Vehicle			\$60,000			\$60,000
Zodiac			\$25,000			\$25,000
Element Total	\$600,236	\$2,433,051	\$2,390,895	\$260,167	\$280,980	\$5,965,329

PUBLIC FACILITIES ELEMENT

Projects Funded: Construction and significant renovations of general government and public safety facilities and infrastructure, including upgrades to existing City facilities, new public safety facilities, and additional public works facilities.

The table below shows each of the projects submitted for consideration in this year's CIP process and the project's estimated cost in each fiscal year of the Plan.

Public Facilities	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
Fire Station 4	\$5,190,000					\$5,190,000
Fiber Installation	\$95,702					\$95,702
IT Server Project	\$43,500					\$43,500
New Fleet Services office and foyer		\$145,200				\$145,200
New Police Facility			\$1,750,000	\$15,000,000		\$16,750,000
Replacement of roof at PD			\$260,000			\$260,000
Library roof replacement				\$181,500		\$181,500
Element Total	\$5,329,202	\$145,200	\$2,010,000	\$15,181,500	\$0	\$22,484,402

PUBLIC WORKS AND ENVIRONMENTAL SERVICES ELEMENT

Projects Funded: Projects designed to manage and mitigate the effects of stormwater runoff, manage the collection and disposal of solid waste, and maintain streets. These projects include structural improvements, construction, and significant infrastructure expansion. They also include the equipment needed to manage solid waste collection and maintain City streets.

The table below shows each of the projects submitted for consideration in this year's CIP process and the project's estimated cost in each fiscal year of the Plan.

Public Works & Environmental Services	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total
CAT 304 Mini Hydraulic Excavator	\$90,200					\$90,200
Service truck (2 in FY24, 5 in FY25, then 2 yearly)	\$130,500	\$337,500	\$135,000	\$135,000	\$135,000	\$873,000
Trailer	\$9,300					\$9,300
Oil station shed	\$5,300					\$5,300
Mowing Division Carport	\$7,000					\$7,000
Trailer	\$5,600					\$5,600
Fleet diagnostic scanner	\$5,400					\$5,400
Compact Tractor - 3025D		\$25,000				\$25,000
Rotary Broom - 60 in. hydraulic 300 series loader mounted		\$20,000				\$20,000
Bucket Truck		\$200,000				\$200,000
New fuel station and pumps	\$97,000					\$97,000
Swap Loader Truck			\$350,000			\$350,000
John Deere Gator with Spray tank	\$30,500					\$30,500
Sidarm Garbage Truck	\$363,000	\$375,000				\$738,000
Knuckle boom Truck		\$204,000			\$210,000	\$414,000
Dump Truck - 4x2 (single axle)	\$162,150	\$162,150				\$324,300
Trailer leaf vacuum system		\$124,200				\$124,200
Leaf Vacuum Truck		\$250,000				\$250,000
Element Total	\$905,950	\$1,697,850	\$485,000	\$135,000	\$345,000	\$3,568,800

GENERAL FUND SUMMARY

General Fund	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total	Funding
Station 2 Fire Alarm	\$26,524					\$26,524	Cash
John Deere Gator with Spray tank	\$30,500					\$30,500	Debt
ATV Rescue Vehicle	\$30,654					\$30,654	Debt
Sidewalk - S. Third Ext. from Corporate Park Drive to Augusta Dr	\$32,500		\$700,000			\$732,500	Cash
IT Server Project	\$43,500					\$43,500	Cash
Fire Prevention Vehicle	\$50,000					\$50,000	Debt
Multi-use path - Third Street to Fifth Street Connector	\$60,500	\$300,000				\$360,500	Cash
Signal Light Preemption	\$68,271					\$68,271	Cash
Training Simulator	\$80,000					\$80,000	Cash
CAT 304 Mini Hydraulic Excavator	\$90,200					\$90,200	Debt
Fiber Installation	\$95,702					\$95,702	Cash
New fuel station and pumps	\$97,000					\$97,000	Cash
NC 119 Wayfinding and entrance signs	\$100,000					\$100,000	Cash
Service truck (2 in FY24, 5 in FY25, then 2 yearly)	\$130,500	\$337,500	\$135,000	\$135,000	\$135,000	\$873,000	Debt
Sidewalk - Crawford St. from N. First St. to N. 2nd St	\$137,000					\$137,000	Cash
Dump Truck - 4x2 (single axle)	\$162,150	\$162,150				\$324,300	Debt
Sidearm Garbage Truck	\$363,000	\$375,000				\$738,000	Debt
Lake Michael Connector (along Lebanon Rd.)	\$375,000					\$375,000	Cash
Police vehicles	\$413,058	\$223,051	\$240,895	\$260,167	\$280,980	\$1,418,151	Debt
Back Entrance Parking Lot at Community Park	\$480,000					\$480,000	Cash
Replace Fire Engine	\$850,000					\$850,000	Debt
Lake Michael Spillway	\$4,402,835					\$4,402,835	Debt
Fire Station 4	\$5,190,000					\$5,190,000	Debt
Rotary Broom - 60 in. hydraulic 300 series loader mounted		\$20,000				\$20,000	TBD
Compact Tractor - 3025D		\$25,000				\$25,000	TBD
Open air shelters at the Community Park (for rent)		\$40,000	\$40,000	\$40,000		\$120,000	TBD
MACC Baseball/Softball Scoreboards		\$45,000				\$45,000	TBD
Lake Michael Building Removal and Replacement		\$50,000			\$400,000	\$450,000	TBD
Sidewalk - S. Eighth St. to Fifth St. Park via Arrowhead Villas		\$55,000				\$55,000	TBD
Lake Michael remaining trail		\$55,900	\$69,500	\$327,400		\$452,800	TBD
Repave Old Rec Parking Lot		\$60,000				\$60,000	TBD
Replace Fire Chief Vehicle		\$60,000				\$60,000	TBD
New HVAC Control Panel for MACC		\$75,000				\$75,000	TBD
Air Conditioning for the Old Recreation building gym		\$100,000				\$100,000	TBD
Trailer leaf vacuum system		\$124,200				\$124,200	TBD
New Fleet Services office and foyer		\$145,200				\$145,200	TBD
Replace the gym floor at Old Recreation building		\$160,000				\$160,000	TBD
Bucket Truck		\$200,000				\$200,000	TBD
Knuckle boom Truck		\$204,000			\$210,000	\$414,000	TBD
Leaf Vacuum Truck		\$250,000				\$250,000	TBD
MACC Roof Restoration		\$295,000				\$295,000	TBD
Repave MACC Parking Lot		\$400,000				\$400,000	TBD
Pickle Ball Courts		\$400,000				\$400,000	TBD
Second Phase of Cates Farm Playground		\$500,000				\$500,000	TBD
Replace Engine 35		\$850,000				\$850,000	TBD
Replace Rescue Truck		\$1,300,000				\$1,300,000	TBD
Zodiac			\$25,000			\$25,000	TBD
Administrative Vehicle			\$60,000			\$60,000	TBD
Incident Command Vehicle			\$65,000			\$65,000	TBD
Pave Basketball Court Parking Lot			\$75,000			\$75,000	TBD
Lake Michael pier replacement			\$125,000			\$125,000	TBD
Replacement of roof at PD			\$260,000			\$260,000	TBD
Swap Loader Truck			\$350,000			\$350,000	TBD
New Police Facility			\$1,750,000	\$15,000,000		\$16,750,000	TBD
Replace Platform Truck			\$2,000,000			\$2,000,000	TBD
Sidewalk - S. Third Street Ext. - Augusta Dr to Gibson Road				\$62,500	\$350,000	\$412,500	TBD
Library roof replacement				\$181,500		\$181,500	TBD
Shade for Farmers Market				\$500,000		\$500,000	TBD
Youth/Walker Field Repurpose				\$2,000,000		\$2,000,000	TBD
Recreation Project					\$15,000,000	\$15,000,000	TBD
Total General Fund	\$13,308,894	\$6,812,001	\$5,895,395	\$18,506,567	\$16,375,980	\$60,898,837	

SECTION 4: WATER AND SEWER UTILITY

Projects assigned to the Water and Sewer Utility element are funded through the Water and Sewer Enterprise Fund. This fund only pays for projects related to the water and sewer system and not for the General Fund.

The capital projects that qualify for this fund include main additions and replacements, water/wastewater treatment plant renovations/expansions, filter rehabilitation, pump station additions, and significant infrastructure. They also include the equipment necessary to maintain the system.

WATER AND SEWER UTILITY ELEMENT

Projects Funded: Construction and improvement of water and sewer infrastructure. These projects include main additions and replacements, water/wastewater treatment plant renovations/expansions, filter rehabilitation, pump station additions, and major renovations to infrastructure.

The table shows each of the projects submitted for consideration in this year's CIP process and the project's estimated cost in each fiscal year of the Plan.

Water and Sewer Utility	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	Total	Funding
Elevated Storage Tank	\$7,025,000					\$7,025,000	Debt/Grants
Air Compressor	\$25,000					\$25,000	Cash
Mebane-Graham WWTP	\$27,859	\$80,255	\$70,290	\$433,958	\$21,966	\$634,328	Cash
Water Rehab	\$38,000	\$17,000	\$250,000			\$305,000	Cash
Roof Repair Thickener Building	\$40,000					\$40,000	Cash
2" Galvanized Water Line Replacement Engineering	\$50,000	\$145,000	\$205,000			\$400,000	Cash
GE Pump Station Re-build	\$50,000				\$3,250,000	\$3,300,000	Cash/Debt
Third Street Outfall	\$50,000					\$50,000	Cash
Trucks	\$62,000	\$46,000	\$50,600	\$55,000	\$55,000	\$268,600	Cash
Sewer Jetter	\$136,818					\$136,818	Cash
Utility Oversizing	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000	Cash
Meters	\$180,000					\$180,000	Cash
Rock Quarry Rd Loop and OAWS Interconnect	\$329,875	\$629,500			\$750,000	\$1,709,375	Cash/Debt
Water Plant Capital	\$375,000	\$281,500	\$115,000	\$480,000	\$3,300,000	\$4,551,500	Cash/Debt
WRRF Expansion		\$63,000,000				\$63,000,000	Cash/Grants/Debt
Vac-Truck		\$570,000				\$570,000	TBD
Inflow & Infiltration		\$500,000	\$500,000	\$500,000	\$500,000	\$2,000,000	TBD
Backhoe		\$150,000				\$150,000	TBD
Jones Road Outfall		\$112,500	\$887,500			\$1,000,000	TBD
Rotary Drum Thickener (RDT) Rehab		\$100,000				\$100,000	TBD
WRRF Vehicle			\$32,400			\$32,400	TBD
Gravelly Hill Force Main Re-route				\$798,000		\$798,000	TBD
Min-Excavator				\$110,000		\$110,000	TBD
Aqua Guard Influent Screen Rehab				\$100,000		\$100,000	TBD
Total Water and Sewer Utility	\$8,539,552	\$65,781,755	\$2,260,790	\$2,626,958	\$8,026,966	\$80,211,021	