

A photograph of three people in a meeting room. A man with a grey beard and glasses is speaking to a woman in a green shirt and a man in a blue shirt. They are seated around a wooden table with laptops and documents. In the background, there are maps on the wall, including one titled 'Town of Cary Water Resources' and another 'Town of Cary Water Distribution System'.

# TOWN of CARY

A vertical dashed line with a solid black circle at the top, extending downwards from the meeting scene.

## TOWN COUNCIL QUARTERLY REPORT

TOWN OF CARY, NORTH CAROLINA  
2018 FIRST QUARTER

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# CARY MAYOR & TOWN COUNCIL MEMBERS

THANK YOU FOR YOUR CONTINUED LEADERSHIP, VISION AND FOR SETTING THE CULTURE OF EXCELLENCE FOR OUR ORGANIZATION AND COMMUNITY. WE LOOK FORWARD TO CONTINUING TO WORK WITH EACH OF YOU OVER THE COMING YEAR TO SET PRIORITIES AND GOALS AIMED AT KEEPING CARY GREAT.



**Mayor**  
Harold Weinbrecht



**Mayor Pro Tem**  
Ed Yerha



**At Large**  
Lori Bush



**Council Member**  
Don Frantz



**Council Member**  
Ken George



**Council Member**  
Jennifer Robinson



**Council Member**  
Jack Smith

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# OUR STORY CONTINUES TO UNFOLD

Organizations that enjoy enduring success have core values that remain fixed, while their strategies and practices adapt to the changing world. And with the Imagine Cary Community Plan, which embraces our values, we have the blueprint for our future, a future created by the people of Cary.

But while the vision set forth in Imagine Cary is established, our efforts to reimagine the organization and report on results are in their infancy. Strong performance is about making meaningful, incremental improvements daily that are consistent with our committed and communicated targets and goals.

This quarterly report — and those that will follow — communicate our progress toward achieving Imagine Cary by offering a clear snapshot of an organization moving steadily forward at a pace that can be absorbed and sustained by the Council, staff, volunteers, contractors, and consultants involved in this incredible journey.

## THREE AREAS THAT ARE PARTICULARLY NOTEWORTHY FOR PROGRESS THIS QUARTER ARE:

1. Our continued strong financial position;
2. The end of budgeting as a one-time, annual event; and,
3. The ongoing work on cultural / The Cary Way.

Without question, we have embarked on one of the most transformative periods in Cary's history, and we view this as the ultimate opportunity. Every day is a chance to be better — a better organization, a better community.

Around the world, we are seeing growing concerns about congestion, air quality and protecting the character and quality of life in cities. We understand that in this era, the winners will be the innovators, the disrupters, and those willing to break with tradition – but not their core values - to find new solutions.

That is why we are pushing ourselves even harder to think, to act, and to disrupt like a start-up organization, anticipating citizens' wants and needs 10 and 20 years down the road. Our efforts to decentralize our business model will support our internal performance improvements, allowing us to better

serve our community and create a more cost-efficient and resilient organization that, throughout its evolution, remains focused on Keeping Cary Great.

Agile organizations regularly rethink and, if necessary, redesign their structures, governance mechanisms, and processes to strike a balance between speed and stability. But a organization attempting to become more agile may find the effort daunting.

One critical prerequisite for sustaining real change is putting in place the behavioral norms required for success. This is not solely about making cultural statements or listing organization values; it is, rather, a matter of instilling the right kinds of behavior for “how we do things around here.”

We have launched experiments throughout the organization to help us learn more and prepare for the future — everything from technologies that locate open parking spaces to making employee collaboration easier to even rethinking how we collect trash. Our experiments are building blocks to enable staff to discover ever-increasing meaning in their work and thus allow our citizens to enjoy a better quality of life.

In all we do, we endeavor to stay “constructively discontent.” We're always encouraging our partners, our colleagues, and ourselves to achieve more, work more holistically and be more efficient.

Through it all, we will continue to honor the trust that the Town Council and our citizens place in us by maintaining high ethical standards and refusing to compromise by demanding excellence in all we do. By living our values and acting with purpose, we continue to evolve our own story—striving to uphold Cary's commitment to make every day better than the last.

In Keeping Cary Great,

*Sean R. Stegall*

Sean R. Stegall  
Town Manager



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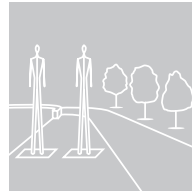
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# INTRODUCTION

## THE CARY WAY

The Cary Way. It is a term we have used for many years without a common definition. In the first quarter of FY 2018, we agreed upon a common definition, but, most importantly, we continued to demonstrate its meaning throughout our day-to-day interactions and through shared accomplishments.

Welcome to the new quarterly report, with a fresh format and approach that exemplifies the “Cary Way: Working Together to Change Lives through Exceptional Service.” Information is organized to complement our visioning document, the Imagine Cary Community Plan, by addressing topics by plan chapter rather than by department.

The Town’s fiscal year, set by state law, begins on July 1. Throughout this report, activities and data are referred to as “Q1” to represent accomplishments for the first quarter of the fiscal year (“FY”) 2018: July, August and September 2017. Organizing the Quarterly Report by fiscal rather than calendar year better correlates the budgeted resources with outcomes based on a variety of data sources, except police, which matches federal crime data on a calendar year basis.

# FIRST QUARTER FINANCIAL HIGHLIGHTS

## FY 2017 AUDIT COMPLETE

The Town remains in excellent financial condition, and the available capital resources, revenue capacity and expense management culture provide Council with the ability to make choices on how best to fulfill the vision of the Imagine Cary Community Plan. General Fund results are in, and although the final FY 2017 budget anticipated a \$20.9 million decrease in fund balance as a result of appropriations to capital projects, fund balance decreased only \$1.4 million. As in the past, revenues exceeded budget and expenditures came in under budget for a total positive budget variance of \$19.5 million. The Utility Fund was also successful in exceeding budget expectations resulting in a net contribution of \$6.9 million to future resources. On the dance floor, the FY 2017 audit resulted in a clean audit opinion, and the Comprehensive Annual Financial Report (CAFR) was submitted to the State Treasurer's Office by the October 31 deadline. More details will be provided during

the formal staff and auditor presentation, which has been traditionally scheduled for the December Town Council meeting.

The CAFR contains more insights into the Town's operations, values and trends than basic financial statements. For example, one section contains statistical data such as the Town's top 15 taxpayers in FY 2017 compared to a similar list ten years ago in FY 2008. An excerpt of the taxpayer data follows and reflects the strength in the diversity of the Cary tax base.

An excerpt of the taxpayer data follows on the next page:

TOWN OF CARY, NORTH CAROLINA PRINCIPAL PROPERTY TAXPAYERS 2017

TAXPAYER	TYPE OF ENTERPRISE	TOTAL ASSESSED VALUATION	% OF TOTAL TOWN ASSESSED VALUATION
SAS Institute, Inc.	Computer Software	\$536,746,722	2.08
Highwoods Realty Limited Partnership	Real Estate Investments	201,675,332	.78
WMCI Raleigh LLC	Real Estate Development	132,320,193	.51
Cary Venture Limited Partnership	Real Estate Investments	99,006,170	.38
KRG Parkside LLC	Real Estate Development	88,317,715	.34
Crossroads Plaza, 1743 LP	Real Estate Investments	83,541,775	.32
Bradford Spe LLC	Real Estate Development	77,205,153	.30
Four Star Ventures LLC	Real Estate Development	59,258,623	.23
Kellogg/Austin Quality Foods, Inc.	Baked Goods	57,028,505	.22
MLC Automotive LLC	Automotive	56,095,808	.22
Siemens Medical Solutions	Healthcare Technology	54,264,123	.21
Tradition at Stonewater Apartments	Real Estate Development	53,460,056	.21
Morguard Lodge Apartments LLC	Real Estate Development	53,335,582	.21
Intercontinental Fund III Regency Lakeview	Real Estate Development	53,120,012	.21
Guardian Tryon Village LLC	Real Estate Development	52,653,329	.20
		<b>\$1,658,029,098</b>	<b>6.42</b>

**FY 2017 OPERATING BUDGET “ROLLOVERS”**

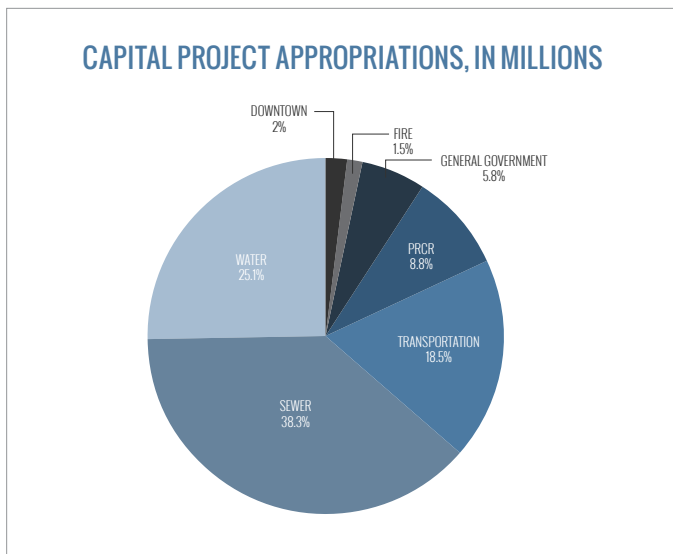
To continue ongoing operating projects authorized in FY 2017 but not completed at fiscal year-end, \$6.2 million was carried over from the FY 2017 operating budget to the FY 2018 operating budget. At \$3.9 million, the general fund comprised the largest share of the rollover, one third of which was associated with one-time technology initiatives such as the development of a parks, recreation and cultural resources registration system within Salesforce.

**CLOSED CAPITAL PROJECTS**

Additional capital resources were created when \$10.2 million of unused financial resources from completed capital projects were released to capital reserve funds to finance future projects. As part of the fiscal year-end financial process to “close the books” for FY 2017, 86 capital projects were identified where spending was complete. Like the operating funds, capital expenditures must come in under budget, and when a project is “closed,” the excess project revenues are returned to the capital reserve funds to fund future projects. Of the \$10.2 million, \$7.3 million returned to utility capital reserve and \$2.9 million returned to general capital reserve.

For perspective, after project closure and new FY 2018 project appropriations, the Town has 405 total active capital projects with \$879 million in authorized spending. Utility projects comprise 63 percent of the capital spending authorization at \$557 million. General capital projects, everything other than water and sewer, total \$322 million.

- \$750,000 of utility capital fund balance was directed to construction of the NC 540/Morrisville Parkway Water Line project.
- \$67,000 of utility capital fund balance was authorized to fund a reimbursement to NCDOT for water line work performed on the Town’s behalf.



The financial details of capital project spending for the quarter follows the operating budget updates. Updates on the status of a few key projects are included in the Move and Serve sections of this report. A complete list of capital projects will be an integral part of the Project and Services Catalog, currently under development.

### FY 2018 MID-YEAR APPROPRIATIONS

To ensure progress on key projects in streets, traffic management and utility resiliency in the first quarter of FY 2018, Council approved three new capital appropriations for a total of \$2.6 million.

- \$1.8 million of general obligation bond proceeds were directed to the construction for the Intersection Improvements project.

### Q1 DELEGATED AUTHORITY FINANCIAL ACTIONS

#### BUDGET ACTIONS

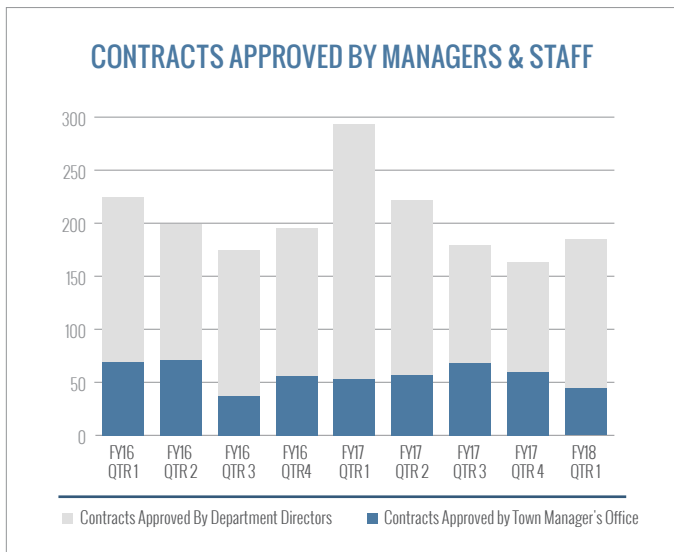
Throughout the fiscal year, new information, challenges and opportunities arise that require or warrant financial resources. Often staff can repurpose existing resources to keep the organization nimble and able to adapt to the highest priorities and initiatives. The budget ordinance has traditionally provided authority to the Town Manager to approve budget adjustments between departments that are in the same functional category such as Public Works, Public Safety, General Operations, General Government and Development and Infrastructure. In the FY 2018 budget ordinance, Council provided additional flexibility to the organization by granting the Manager authority to approve inter-functional budget adjustments with reporting to Council to follow the action. As a result, for the first time, we are reporting two inter-functional budget adjustments approved by the manager, totaling \$1,027,500 in Q1 for FY 2018:

- \$1,020,000 was moved from the General Operations in the Parks, Recreation and Cultural Resources operating budget to General Government in the Information Technology operating budget to address the development of a parks, recreation and cultural resources registration system within Salesforce.
- \$7,500 was moved from Development and Infrastructure in Planning to General Government in Legal to support a cell tower study.



CONTRACT APPROVALS

In addition to the budget adjustment authority that allows staff to act more quickly, Council has delegated authority to approve certain types of contracts to the Manager, and he has delegated a portion of his authority to Department Directors. In accordance with reporting requirements in the Council policy delegating authority to the Manager, the following chart includes the number of contracts signed by staff in the first quarter compared to prior quarters.



BOND SALE

To finance street, parks and fire capital projects with debt authorized by Cary voters in the 2012 referendum, the State Treasurer’s Office conducted a \$30 million competitive bond sale on behalf of the Town on September 26. The Town benefited in a low interest rate market from strong competition with high participation, demonstrated by 14 financial institutions that bid on the bonds. The winning bid was for an average interest rate of 2.5% for 20 years. For comparison, similar 2014 bonds bear an average interest rate of almost 3 percent.

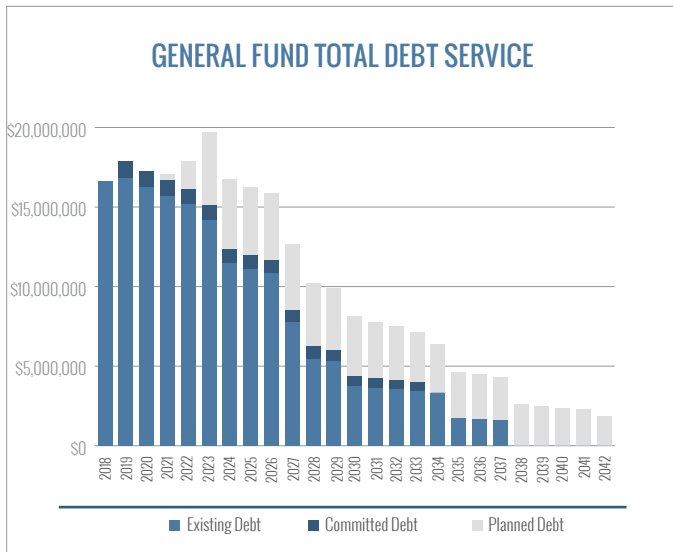
At the same time, the Town solicited bids to refinance a portion of existing debt. The interest rate markets were

favorable for the deal, and as a result, the Town will save approximately \$1.4 million in interest expense over the next 11 years, split between the utility fund and the general fund.

The bond rating agencies updated and confirmed the Town’s AAA ratings as part of the bond sale process. Their reports used positive and strong phrases. For example, the Fitch report stated, “Strong revenue growth prospects reflect the town’s ability to capture tax base increases. The town has managed its expenditure and long-term liability profiles well, as evidenced by moderate carrying costs and a low debt burden. Fitch Ratings expects that these factors, coupled with conservative financial management, would enable the town to maintain financial stability and solid reserves in a potential economic downturn.”

For perspective on the General Fund annual debt obligations, a chart of the Town’s current and forecasted debt service follows. In addition to the current legal obligations of existing debt, the chart includes committed debt service and planned debt service. Committed debt service represents forecasted payments for debt that has been authorized for capital spending but that the Town has not yet borrowed. Planned debt service represents the payments on new debt that would be required to supplement other capital revenue sources to fund the first five years of the 10-year capital improvement plan. Council has not approved any of the planned debt or the related capital projects in the 10-year plan.

Debt payments in the General Fund decline over time because the debt is repaid more aggressively than a traditional mortgage structure. Debt incurred for general capital projects typically is repaid within 20 years or less and the payments shrink over time because, instead of level debt payments, the payments are composed of level principal commitments. As the debt is repaid, the interest component of the payments shrink. This repayment structure, which is essentially mandatory under North Carolina statutes, creates debt capacity for future priorities.



SIGNIFICANT GENERAL FUND OPERATING BUDGET REVENUE SOURCES

GENERAL FUND REVENUES FY 2018 Q1

	2018 BUDGET	2018 ACTUAL	% OF BUDGET	2017 BUDGET	VARIANCE FROM PRIOR YEAR	VARIANCE %
Property Taxes	\$90,981,060	13,617,979	15%	13,361,557	256,422	2%
Other Taxes & Licenses	36,000,308	245,524	1%	423,910	(178,386)	-42%
Unrestricted Intergovernmental	10,634,142	0	0%	0	-	0%
Restricted Intergovernmental	276,769	314,037	113%	225,614	88,423	39%
Permits & Fees	4,379,716	1,351,740	31%	1,695,995	(344,255)	-20%
Sales & Services	17,260,513	4,652,315	27%	4,226,311	426,004	10%
Miscellaneous Revenue	2,608,012	374,291	14%	429,736	(55,445)	-13%
<b>SUBTOTAL OPERATING REVENUES</b>	<b>162,140,520</b>	<b>20,555,886</b>	<b>13%</b>	<b>20,363,123</b>	<b>192,763</b>	<b>1%</b>
Non Operating Revenue	23,939,272	296,518	1%	214,546	81,972	38%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>186,079,792</b>	<b>20,852,404</b>	<b>11%</b>	<b>20,577,669</b>	<b>274,735</b>	<b>1%</b>

FY 2018 FIRST QUARTER FINANCIAL RESULTS

GENERAL FUND

GENERAL FUND SUMMARY FY 2018 Q1

	2018 BUDGET	2018 ACTUAL	% OF BUDGET	2017 BUDGET	VARIANCE FROM PRIOR YEAR	VARIANCE %
Revenues	\$186,079,792	20,852,404	11%	20,577,669	274,735	1%
Expenses	186,079,792	28,031,517	15%	26,526,480	1,505,037	6%
<b>TOTAL REVENUE OVER/(UNDER) EXPENSES</b>	<b>-</b>	<b>-7,179,113</b>	<b>-</b>	<b>-5,948,811</b>	<b>-1,230,302</b>	<b>-</b>

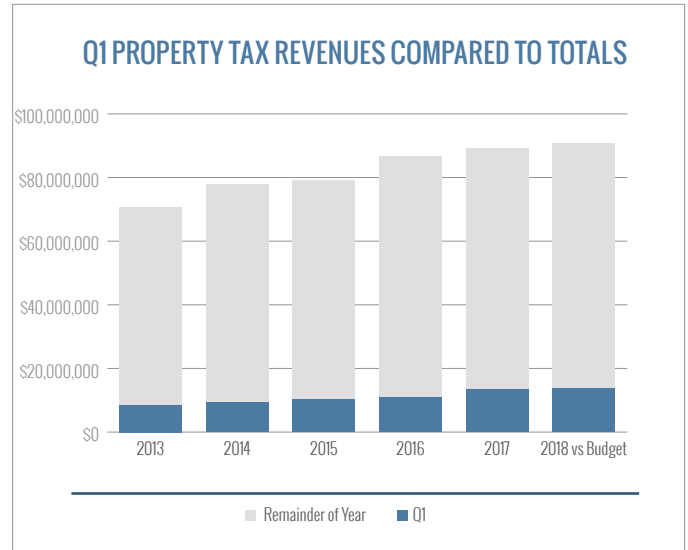
Overall FY 2018 Q1 revenue is comparable to FY 2017, but expenditures are outpacing the prior year by \$1.5 million to pay for technology initiatives. Historically, expenditures outpace revenue in the first quarter. Details on notable revenues and spending by category follow.

The largest positive dollar variance, \$426,000, from the prior year is in Sales and Services due in part to the increases in revenues received at the Cary Tennis Park, WakeMed Soccer Park and community centers. The largest negative revenue variance from the prior year, \$344,000, is in Permits and Fees; however, Permits and Fees compare favorably to a quarter of the FY 2018 budget. The variance in Permits and Fees revenues reflects the variance in projects that are permitted from year to year. Another negative variance in revenues is in Other Taxes and Licenses because Wake County ABC revenues were not received in Q1 in FY 2018, although there was a distribution in Q1 FY 2017. The Wake ABC revenues have been received since quarter end and are in line with budget expectations.

## PROPERTY TAX

Property tax is the largest revenue source for the General Fund, making up about 56 percent of the total revenue. The majority of property tax revenue is collected between November and January each year, and, therefore, it is too early to forecast any changes from the original budget. \$13.6 million, or 15 percent of \$90.8 million of budgeted current year ad valorem revenue, was collected in the first quarter of FY 2018. These earnings are net of \$195,000 that was withheld by Wake County as a refund to Cary Towne Center for taxes paid in FY 2017.

The Cary Towne Center property owners appealed the property’s assessed value for January 1, 2016 established by Wake County as the basis for property taxes levied beginning in FY 2017. Mall management hired an independent appraiser to develop evidence for the appeal to reduce the value 67 percent from \$92 million to \$30 million. After months of work and negotiation, Wake County settled on a \$54.7 million reduction in value from \$92 million to \$37.3 million, approximately 59 percent less. The adjustment is retroactive to taxes billed for FY 2017. In accordance with our contract with Wake County to administer tax billing and collection, on our behalf Wake County refunded approximately \$195,000 of Cary tax revenue to the mall owners for FY 2017 and reduced the FY 2018 tax bill by about the same amount. The tax reduction for Cary represents about 0.23 percent of our FY 2017 real estate property tax revenue. This revenue loss highlights the critical importance of redevelopment in our strategic vision in the Imagine Cary Community Plan.



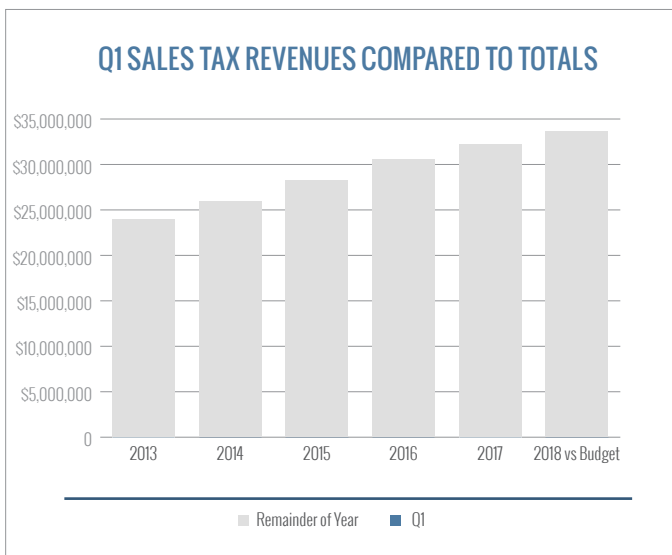
Through September, Q1 vehicle property tax collections, a component of the property tax revenues noted in the chart above, are down seven percent compared to the prior year. Vehicle property tax collections are down two percent county wide. The Wake County Revenue Director is working with the North Carolina Division of Motor Vehicles and the Department of Revenue to better understand these unusual results given continued population growth and the current economy.

## SALES TAX

Sales tax revenue, a major component of Other Taxes and Licenses, is distributed to municipalities by the NC Department of Revenue approximately two and a half months after the actual month when the sales occurred. Given this schedule, Cary’s \$2.8 million sales tax distribution generated in the month of July was not received until October. Sales tax receipts are budgeted at \$33.6 million in FY 2018 and represent 21 percent of total general fund revenues. Since the receipts are delayed by the administrative process at the State, the second quarter report to Council will provide a better indication of sales tax expectations for FY 2018.

This sales tax revenue will not reflect the new transit half-cent sales tax levied in April 2017 because those revenues are restricted to transit purposes and flow from the State directly to GoTriangle. Any transit-related revenues that the Town receives as a result of the sales tax increase comes to the Town as a specific project or program revenue to fund part of GoCary expenses.

Although there were no receipts for FY 2018 sales tax revenue, the chart below provides perspective on sales tax revenue increases over the past five years. The improving economy is clearly reflected in the upward trend. Some of the growth in sales tax during FY 2015 was due to tax reform that increased the sales tax base and the decision by Amazon to collect sales tax.



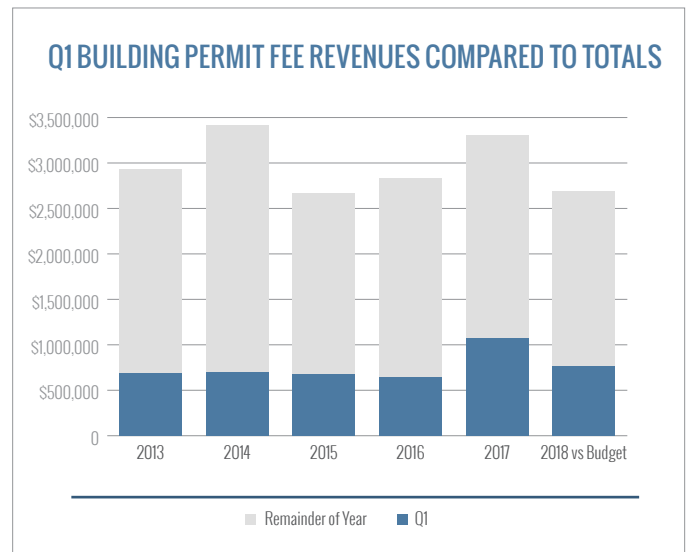
### INTERGOVERNMENTAL REVENUES

Utility sales tax on electricity and natural gas and wireless communications sales tax are the major revenue sources within the intergovernmental category. Utility sales taxes are budgeted at \$9.9 million in FY 2018 and represent 91 percent of this category of revenues. The state distributes the revenue in December, March, June and September.

As a result, the Town has no utility sales tax receipts to report for Q1. The \$314,000 in intergovernmental revenue received in Q1 is primarily federal drug forfeiture funds.

### BUILDING PERMIT FEES

Fees for construction permits, plan reviews and inspection services are paid at the time of permit issuance. Because construction related revenues vary with the size, volume and type of construction, any one quarter’s receipts may or may not represent a quarter of the year’s activity. The \$765,000 recorded in FY 2018 Q1 is 24 percent less than the \$1 million received in that same quarter in FY 2017. While the first quarter of FY 2018 is notably less than the prior year, it is not concerning because it compares favorably to the first four years of the five-year history and to a quarter of the FY 2018 budget. The first quarter of FY 2017 included permit fees for three apartment complexes and a five story office building that boosted that quarter’s revenues beyond historical averages.



**SIGNIFICANT GENERAL FUND OPERATING BUDGET EXPENSES**

**GENERAL FUND EXPENSES FY 2018 Q1**

EXPENSES	CURRENT YEAR BUDGET	CURRENT YEAR ACTUAL	% OF BUDGET	PRIOR YEAR ACTUAL	VARIANCE FROM PRIOR YEAR	VARIANCE %
General Government	\$28,645,722	5,208,762	18%	3,353,983	1,854,779	55%
Public Safety	50,387,813	9,509,350	19%	9,474,533	34,817	0%
General Operations (PW & PRCR)	51,134,437	9,470,126	19%	9,439,126	31,000	0%
Development & Infrastructure	18,643,605	3,396,284	18%	3,382,648	13,636	0%
<b>SUBTOTAL OPERATING EXPENSES</b>	<b>148,811,577</b>	<b>27,584,522</b>	<b>19%</b>	<b>25,650,290</b>	<b>1,934,232</b>	<b>8%</b>
Subtotal Operating Rev Over (Under) Operating Expenses	13,328,943	(7,028,636)	(52.7%)	(5,287,167)	(1,741,469)	32.9%
Non Operating Expenses	37,268,215	446,995	1%	876,190	(429,195)	-49%
<b>TOTAL GENERAL FUND EXPENSES</b>	<b>186,079,792</b>	<b>28,031,517</b>	<b>15%</b>	<b>26,526,480</b>	<b>1,505,037</b>	<b>6%</b>

At the end of the first quarter, it is logical to expect expenses to be 25 percent of budget. However, expenses in the first quarter typically represent 17 percent of the annual actual total and 15 percent of budget. The first quarter of FY 2018 is consistent with this average. First quarter spending is less than a full quarter because of the time it requires to develop plans and manage purchasing processes in accordance with local government procurement regulations and best practices for new operating projects or initiatives. The increase in general government function spending in FY 2018 compared to FY 2017 reflects commitments for the implementation of multiple town-wide technology initiatives. There are no other notable variances in FY 2018 spending compared to prior years.

**UTILITY FUND**

**UTILITY OPERATION SUMMARY FY 2018 Q1**

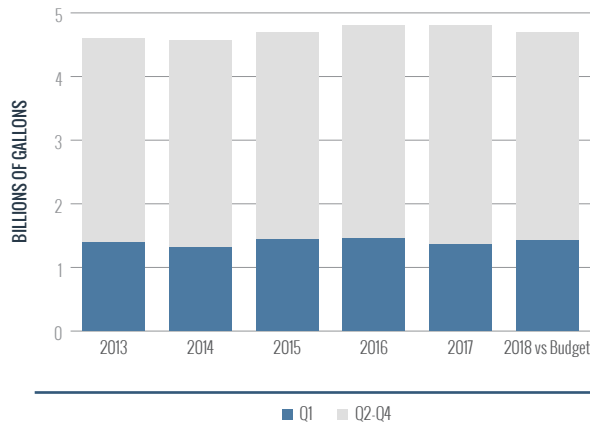
	2018 BUDGET	2018 ACTUAL	% OF BUDGET	2017 BUDGET	VARIANCE FROM PRIOR YEAR	VARIANCE %
Revenues	\$121,753,458	17,177,258	14%	16,479,915	697,343	4%
Expenses	121,753,458	51,627,368	42%	9,109,240	42,518,128	467%
<b>TOTAL REVENUE OVER/(UNDER) EXPENSES</b>	<b>-</b>	<b>(34,450,110)</b>	<b>-</b>	<b>7,370,675</b>	<b>(41,820,785)</b>	<b>-</b>

Overall, FY 2018 Q1 revenues outpaced FY 2017 numbers for the same period by four percent and are in line with budget. Like the General Fund, permits and fee revenues were higher in FY 2017 Q1 compared to FY 2018 due to the variance in the types and volume of permits for construction.

**UTILITY OPERATION REVENUES FY 2018 Q1**

	2018 BUDGET	2018 ACTUAL	% OF BUDGET	2017 BUDGET	VARIANCE FROM PRIOR YEAR	VARIANCE %
Water Service	30,525,511	7,087,158	23%	6,664,371	422,787	6%
Sewer Service	46,108,777	9,261,723	20%	8,777,697	484,026	6%
Permits & Fees	2,070,850	586,976	28%	819,941	(232,965)	-28%
Miscellaneous Revenue	10,000	2,679	27%	614	2,065	336%
<b>SUBTOTAL OPERATING REVENUES</b>	<b>78,715,138</b>	<b>16,938,536</b>	<b>22%</b>	<b>16,262,623</b>	<b>675,913</b>	<b>4%</b>
Non Operating Revenues	43,038,320	238,722	1%	217,292	21,430	10%
<b>TOTAL UTILITY FUND REVENUES</b>	<b>121,753,458</b>	<b>17,177,258</b>	<b>14%</b>	<b>16,479,915</b>	<b>697,343</b>	<b>4%</b>

Q1 BILLED UTILITY DEMAND, IN BILLIONS OF GALLONS



Billed water demand is an indicator of revenue results; however, billed demand does not match earned revenue precisely because of timing differences between when the utility service was delivered and when the revenue was billed. As a proxy, the first quarter results indicate that demand is on track to meet budget. Billed water demand for the first quarter for the prior five years averaged 30 percent of the annual results, and the first quarter billed water demand in FY 2018 is 30 percent of FY 2018 budgeted billed water demand. While utility demand is similar to prior years, revenue increases reflect rate increases.

Like the largest taxpayers, the largest utility consumers are presented in the FY 2017 Comprehensive Annual Financial Report. The FY 2017 utility consumer list reflects a shift in the top spot from Biogen to Wake County Schools. The top ten users only account for six percent of the utility retail revenues. This positive characteristic of the utility provides confidence that the consumer base is diverse and the reduction in demand of any one consumer would not impair the financial position of the utility. Given that 30 percent of the revenue from the top 10 rate payers comes from community institutions, such as schools and a hospital, this indicator is especially strong for the Town of Cary.

UTILITY OPERATION REVENUES FY 2018 Q1

CUSTOMER	INDUSTRY	TOTAL UTILITY REVENUE	% OF TOTAL SALES REVENUE
Wake County Schools	Public Schools	\$973,860	1.31%
Biogen	Biopharmaceuticals	973,530	1.31%
SAS Institute, Inc.	Software	419,535	0.56%
SVI Ventures, LLP	Real Estate Investment	401,981	0.54%
WakeMed Cary Hospital	Hospital	400,138	0.54%
SEMF	Multi-Family Residential	327,924	0.44%
Cisco Systems	Computer Hardware	263,094	0.35%
Four Star Ventures	Real Estate Development	259,627	0.35%
LSREF3 Raleigh LLC	Multi-Family Residential	255,748	0.34%
Bexley@ Carpenter Village	Multi-Family Residential	246,447	0.33%
		\$4,521,884	6.07%

SIGNIFICANT UTILITY FUND OPERATING BUDGET EXPENDITURES

UTILITY EXPENSES FY 2018 Q1

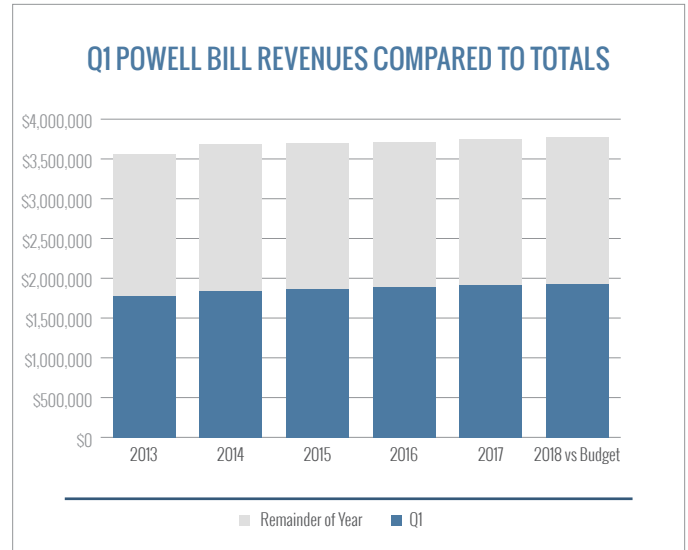
EXPENSES	CURRENT YEAR BUDGET	CURRENT YEAR ACTUAL	% OF BUDGET	PRIOR YEAR ACTUAL	VARIANCE FROM PRIOR YEAR	VARIANCE %
Administration	9,373,586	2,229,126	24%	1,767,821	461,305	26%
Field Operations	16,170,445	2,904,190	18%	3,029,480	(125,290)	-4%
Wastewater (net of Apex)	12,466,959	2,293,793	18%	1,927,194	366,599	19%
Water Treatment Plant (net of Apex)	7,129,736	1,420,361	20%	1,433,258	(12,897)	-1%
<b>SUBTOTAL OPERATING EXPENSES</b>	<b>45,140,726</b>	<b>8,847,470</b>	<b>20%</b>	<b>8,157,753</b>	<b>689,717</b>	<b>8%</b>
Subtotal Operating Rev Over (Under) Operating Expenses	33,574,412	8,091,066	24%	8,104,870	(13,804)	0%
Non Operating Expenses	76,612,732	42,779,898	56%	951,487	41,828,411	4396%
<b>TOTAL UTILITY FUND EXPENSES</b>	<b>121,753,458</b>	<b>51,627,368</b>	<b>42%</b>	<b>9,109,240</b>	<b>42,518,128</b>	<b>467%</b>

Total utility fund expenses include notable \$41 million in capital transfers in non-operating expenses to water and sewer capital projects funds per the FY 2018 budget ordinance. These transfers allowed the Town to postpone additional planned utility debt until FY 2021.

Utility operating expenses are in line with budget expectations and exceed FY 2017 by 8 percent. The primary expense increases are in administration and wastewater functions. Administrative expenses increased compared to FY 2017 as a result of higher processing fees for increased credit card activity and new contracted services in Water Resources. Wastewater spending increases reflect an emphasis on the reclaimed water program, which was implemented with the adoption of the FY 2018 budget.

SIGNIFICANT CAPITAL REVENUE SOURCES

Powell Bill funds are a direct allocation from the State of North Carolina for the maintenance of non-state roadways. These revenues are determined annually and distributed in two equal payments. The Town received its first FY 2018 payment of \$1.9 million in September. The full year’s distribution is expected to be \$3.8 million, which is 2 percent greater than budgeted and 0.7 percent greater than FY 2017. A chart of Powell Hill history follows. The slow growth in Powell Bill revenues will strain the Town’s growing needs for street maintenance capital funding in the future.

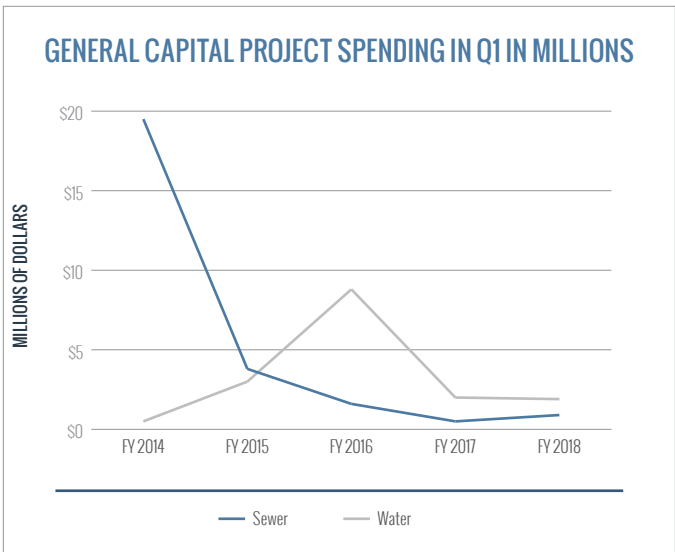
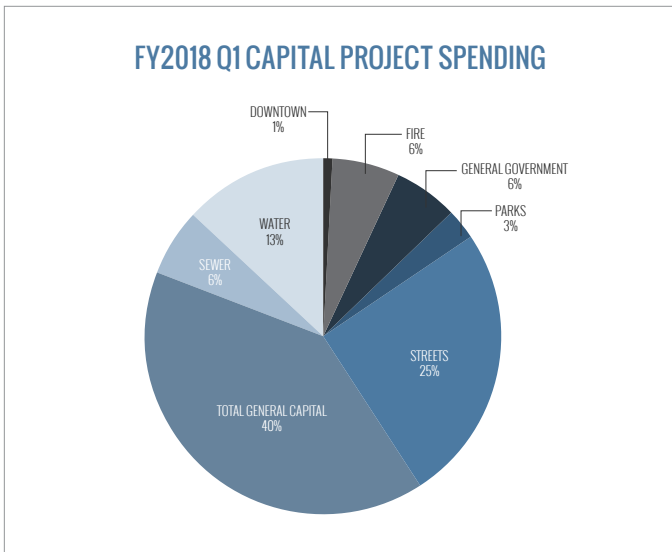
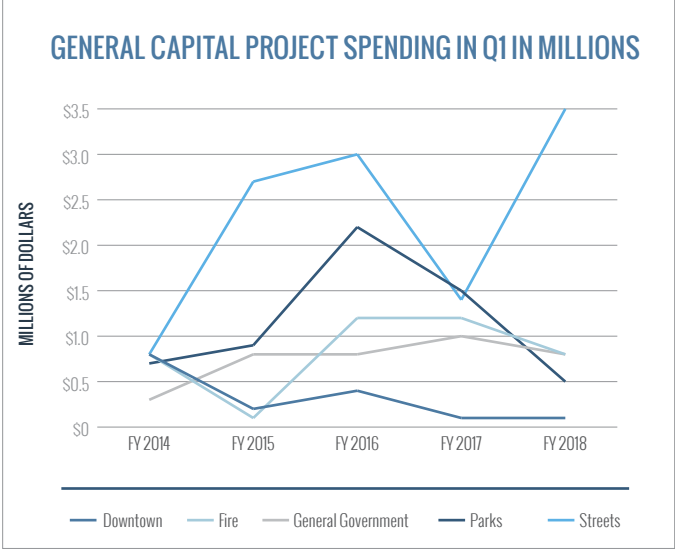


CAPITAL PROJECT SPENDING

Charts that depict capital spending follow. Because the mix of capital projects changes over time, there are no discernable patterns in general capital projects. The changes in spending for utility projects reflect large plant projects. The Western Wake Regional Water Reclamation Facility accounts for the notable spending in sewer, and the Cary/Apex Water Treatment Plant Expansion accounts for the spending in water.

CAPITAL PROJECT SPENDING THROUGH SEPTEMBER 30, IN MILLIONS

EXPENSES	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Downtown	\$0.8	\$0.2	\$0.4	\$0.1	\$0.1
Fire	0.8	0.1	1.2	1.2	0.8
General Government	0.3	0.8	0.8	1.0	0.8
Parks	0.7	0.9	2.2	1.5	0.5
Streets	0.8	2.7	3.0	1.4	3.5
TOTAL GENERAL CAPITAL	3.4	4.7	7.6	5.2	5.7
Sewer	19.5	3.8	1.6	0.5	0.9
Water	0.5	3.0	8.8	2.0	1.9
TOTAL UTILITY CAPITAL	20.0	6.8	10.4	2.5	2.8
TOTAL CAPITAL	23.4	11.5	18.0	7.7	8.5





### MID-YEAR SERVICE EXPANSION OPERATING BUDGET RECOMMENDATIONS

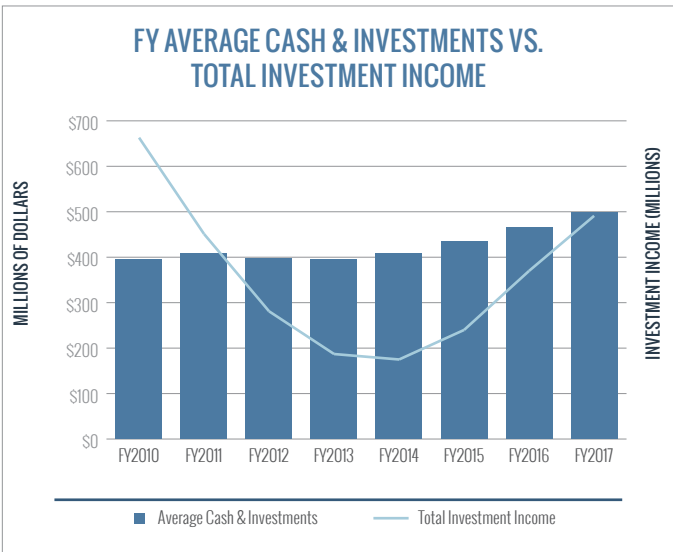
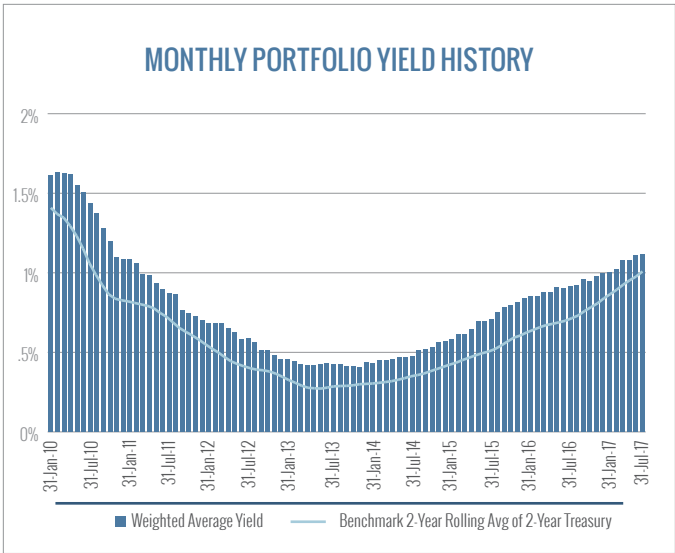
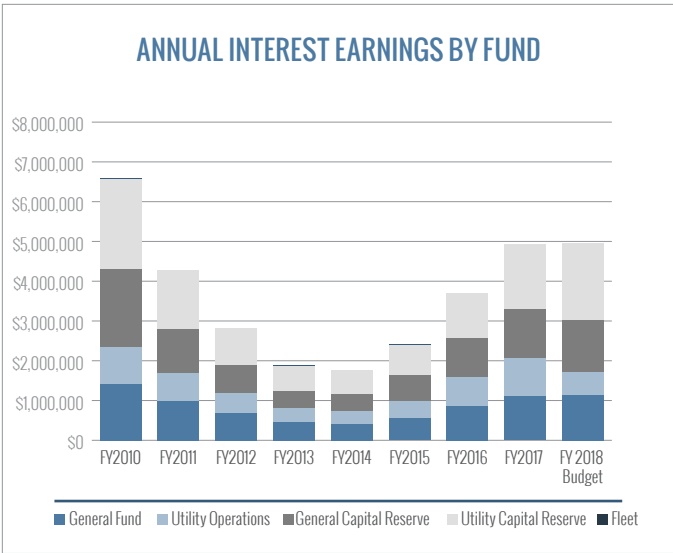
The FY 2018 Adopted Operating Budget revenues exceeded appropriations by \$1.3 million, which can be utilized to address service level expansion needs. In July, staff began discussing a process to set priorities for recommendations to Council, but this work paused due to staffing changes. Discussions will begin again in November, and recommendations will be presented to Council as they are developed.

### ECONOMIC NEWS

- Every five years, Americans for the Arts, the national association of arts councils; municipal arts agencies and arts not-for-profits undertake a national study of the economic impact of the not-for-profit arts industry in relationship to overall economic activity. Cary participated in 2012 and again in 2017. The results of the Arts & Economic Prosperity Study demonstrated a marked increase in the economic impact of the arts in Cary over the past five years. The economic impact of cultural arts spending in Cary in 2016 was \$16.98 million, a 30 percent increase from 2012. Attendance at cultural arts events was 608,168, with 14.7 percent visitors coming from outside of Wake County.
- During the natural disasters that threatened fuel supplies, staff topped off Town fuel tanks to retain emergency reserves and relied on retail supply until the threat passed. Fortunately, fuel shortages did not materialize, and we returned to routine operations to use our fuel and tanks at contract prices. The Town incurred moderately higher fuel costs for the interim period. However, no budget adjustments are expected as a result at this time.
- Federal tax reform could negatively affect the Town's ability to finance certain types of infrastructure and limit our ability to refinance part of our debt for

interest savings. Fortunately, the proposed tax reform does not eliminate the municipal bond tax exemption. The proposed limits on tax exempt financing via private activity bonds would not impact any financing plans that the Town has at this time. However, it would limit future opportunities to consider debt for certain affordable housing projects and public private partnerships. Another limitation is proposed for professional sports stadiums. The proposed legislation also would end the use of tax-exempt bond proceeds for refinanced bonds where the proceeds of the new bond sale are held in trust until the refinanced bonds can be repaid, known as an "advanced refunding." The Town executes advanced refundings when beneficial, and this restriction would prevent the Town from minimizing debt interest expenses.

- A Duke Energy rate increase is expected in winter 2018. Budget implications will be evaluated as the fiscal year progresses.
- Most economists expect the Federal Reserve to raise interest rates in December. Since the financial markets typically anticipate these changes in advance, the actual rate hike could be uneventful for the Town's finances. Increases in shorter term interest rates could provide a modest benefit to the Town in interest income. Charts below reflect the reduction in interest income as a result of the recession. Because the Town invests in fixed income securities with a three to four year maturity, the impact of falling interest rates from the recession was delayed. As interest rates increase, the Town's investment income increases more slowly. This cash management technique limits the impact of volatile interest rate markets. The Town's investment strategy continues to outperform a benchmark of a rolling two-year U.S. Treasury note.





# ASSURING CONTINUED PROSPERITY

## GREATER RALEIGH CONVENTION AND VISITORS BUREAU - DESTINATION STRATEGIC PLAN

Representatives from GRCVB came to Town Hall in August to meet with an interdepartmental group to review the objectives of a new Destination Strategic Plan as well as better understand Cary's local assets, opportunities and perspective. The GRCVB project will identify destination strengths of the region as well as gaps that could be filled. The overall goal of the Destination Strategic Plan is to increase the number and length of overnight stays in the county.



## CREATING VIBRANT DESTINATIONS

Extensive work occurred in Q1 to prepare Council and the community for Q2 decisions on the proposed Fenton development and the proposed IKEA redevelopment at Cary Towne Center in the Eastern Cary Gateway.



# EXPERIENCING THE CARY COMMUNITY



## FINALIZING PRCR LOCATION IN WESTERN CARY

A space has been identified in the Village Square shopping center in the Amberly area to serve as the home of PRCR activities in western Cary. Staff is developing a lease agreement and plans to return to Council with an update in December. Upfit of the space would begin in winter 2018 and be complete in summer 2018.

## PARK AND GREENWAY CONSTRUCTION IN WESTERN CARY

### PARKS

A consultant has been hired to complete master plans for the park to be located at Green Level Church Road and McCrimmon Parkway and the park to be located at Carpenter Fire Station Road and Highcroft Drive.

### GREENWAYS

The Panther Creek greenway went out to bid for construction in October along with Mills Park - Phase II. Current construction estimates for these projects place completion of both in spring 2019.

The portion of White Oak Creek Greenway that will connect to the American Tobacco Trail is currently under construction with completion anticipated in winter 2019.

## CARY TENNIS PARK - ATLANTIC TIRE CHAMPIONSHIPS

The Cary Tennis Park hosted the Atlantic Tire Championships, an ATP professional tennis tournament, on September 11–17. The event featured 19 participants directly from the US Open Tennis Championships in New York and brought in players from 13 countries. This created the strongest field to date with the top two seeds ranked within the top 100 in the world. The event attracted approximately 5,000 spectators, the highest attendance in the three-year history of the event. Kevin King, the winner of the 2017 Atlantic Tire Championships, is a product of the strong program at the Cary Tennis Park, where he trained with Sean Ferreira between the ages of 13–17.

## VETERAN'S ACTION CENTER

In September, American Legion Post 67 teamed up with the Cary VFW Post 7383, the Department of Veterans Affairs and Wake County Veterans' Services to provide assistance in processing benefits claims and claim status updates and distribute information regarding available services. The event was held at Herb Young Community Center for the second year in a row. Veteran service officers from throughout North Carolina were present to assist with the claims process. Over 1,000 veterans attended the event.



## DOWNTOWN PARK

Throughout the summer, events were held to celebrate the Town's investment in the Downtown Park and Academy Street. A series of concerts (Indie-rock, Country and Jazz) were held featuring nationally recognized bands. These concerts attracted between 600 and 1,000 patrons per concert.

The Town once again hosted Downtown Chowdown food truck events in Q1. These were relocated this year from Chatham Street between Harrison Avenue and Walker Street to Academy Street to take advantage of the new streetscape improvements and Downtown Park. This quarter's Chowdown events had an estimated attendance of 8,000 to 9,000 each, an increase of approximately 29 percent over the 6,000 to 7,000 people that attended the prior series.

## CARY TEEN COUNCIL

Over 7,300 hours of volunteer time were provided by the Cary Teen Council at Town and community events, equaling about \$158,000 in cost savings to the Town. A key component of the volunteer efforts this quarter included 166 members who volunteered over 400 hours at the Lazy Daze Festival.

## PAGE-WALKER

Art shows continue to draw nice crowds at the Cary Art Loop receptions. The gallery spaces were voted Best Art Gallery by the readers of The Cary News.



## LAZY DAZE ARTS & CRAFTS FESTIVAL

The 41st annual festival, now in its second year as a two-day event, remained on Town Hall Campus. Lazy Daze featured over 300 artists, 30 food vendors and over 300 volunteers. With beautiful weather and enthusiastic attendees, over 85,000 people turned out over the two days.



## ENVIRONMENTAL OUTREACH

To commemorate the 9-11 Day of Service, Spruce events spanned the course of two weeks. Volunteers worked with our fire fighters to “spruce up” 20 vegetable beds at five fire stations town-wide. Fire houses are now growing winter crops like spinach, kale and broccoli.

ENVIRONMENTAL OUTREACH SUMMARY FOR THIS QUARTER	
Total number of projects	58
Total number of adopted spots	75
Total number of volunteers	425
Total number of community garden plots rented	52
Total volunteer hours	1,135
Total lbs. of trash collected	4,800
Total lbs. of recycling collected	648
Total yards of mulch spread	40
Total lbs. of compost collected	1850

## SPECIALIZED RECREATION PROGRAMS

Specialized Recreation offers a variety of programs for persons of all ages with disabilities. Over 50 programs were offered this quarter, and over 27 participants with disabilities received inclusion services where they participated in programs alongside persons without disabilities.



## GOOD HOPE FARM URBAN AGRICULTURE AND HISTORIC PRESERVATION PROJECT

We have five farmers subleasing plots and actively selling produce from the Good Hope Farm. There were substantial infrastructure improvements over the past quarter, including equipment additions such as a cooling unit for produce, new greenhouse procurement, a tractor with a front end loader as well as the installation of an educational garden. The partnership organizations have received \$10,500 in additional grant funding this quarter, bringing the total to \$196,392 of project funding and \$159,154 worth of in-kind donations. The project has built partnerships with La Farm Bakery, Mellow Mushroom, Bond Brothers, Whole Foods and the YMCA.

The one year anniversary of Good Hope Farm was celebrated on September 17. Council members, non-profit partners, staff and community members enjoyed light refreshments, farm tours and opportunities to interface with Good Hope Farm staff and farmers.





## CARY APPROVED TO BECOME CERTIFIED LOCAL GOVERNMENT

Cary's application to become a Certified Local Government ("CLG") under the National Park Service's Federal Preservation Program was approved by the NC Department of Cultural Resources' (NCDCCR) Historic Preservation Office and was forwarded to the National Park Service for review and approval during the first quarter. The Town learned in October that the National Park Service concurred with the recommendation of the State Historic Preservation Office and designated the Town as a Certified Local Government. This certification establishes a partnership between three levels of government — federal, state and local — for the identification, evaluation and protection of historic and archaeological resources. North Carolina's CLGs receive expert technical historic preservation assistance from the National Park Service, the State Historic Preservation Office and from North Carolina's other CLGs. In addition, CLGs can apply for historic preservation grants available only to CLGs. To become a CLG, Cary had to demonstrate to the State Historic Preservation Office that it has put key elements of a sound local preservation program in place, the most important of which are a commitment to conducting a preservation program meeting federal and state laws and standards and the establishment of a professionally-qualified historic preservation commission. Nationally, more than 1,900 local governments participate in the CLG program. In North Carolina, 51 local governments, including Cary, have been designated as a CLG.



## VENUE ASSESSMENTS UPDATE

A project is underway to prepare a 20-year capital maintenance plan for three key venues: WakeMed Soccer Park, Cary Tennis Park and USA Baseball NTC. Seven firms demonstrated interest in a request for qualification process to conduct venue assessments. After reviewing the submittals, staff selected Venue Solutions Group to recommend to Council. After contract negotiations are complete, the recommendation will be presented to Council for award.

## OCCUPANCY/FOOD AND BEVERAGE TAX INTERLOCAL FUNDING GRANT OPPORTUNITY

Wake County released a request for proposals for Small Capital Projects for funding from the Occupancy/Food and Beverage tax. Proposals are due in February 2018. The grant would provide 35 percent of the funding with the Town's providing the remaining 65 percent. Staff will identify potential projects for a grant application.

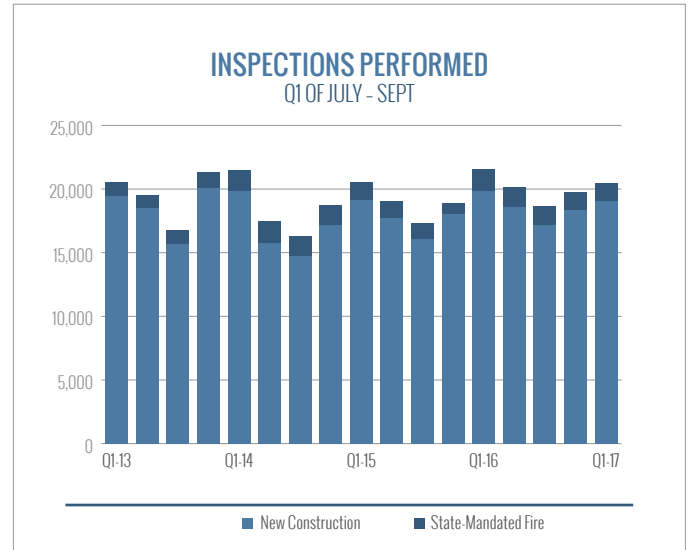
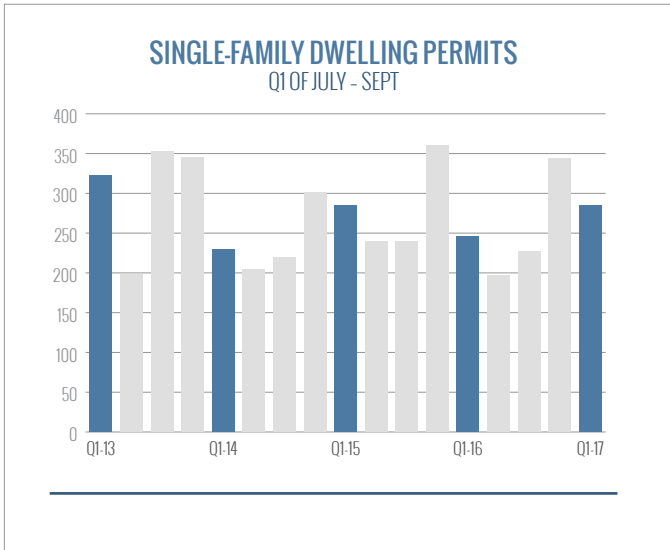


# GUIDING COMMUNITY GROWTH



As of October 1, 2017, Cary’s population was estimated to be 161,078. This is an increase of 1.67 percent over the same period last year, marking the lowest annual increase since 2005.

**Comparative permitting data for single-family dwellings and inspections performed by quarter is provided below.**





# PROVIDING TRANSPORTATION CHOICES



## LOCALLY ADMINISTERED PROJECTS PROGRAM (LAPP) GRANT SUBMITTAL

With Council approval, the Town submitted a LAPP grant request to the Capital Area Metropolitan Planning Organization (CAMPO) on October 31 for \$11.3 million of grantor funding for the following four projects:

- Reedy Creek Road Widening – NE Maynard Rd to N Harrison
- Connected Vehicle System Implementation
- Higgins Greenway – Phase III
- Downtown Cary Multimodal Center

Award determinations are anticipated in winter 2018.

## LOCOMOTIVE CHRISTENED IN HONOR OF THE TOWN OF CARY

Following close coordination with NCDOT, Town Council and staff joined NCDOT Secretary Jim Trogdon and First Lady Kristin Cooper on August 1, 2017 to christen the Cary-branded locomotive #1871. The locomotive's number corresponds to the incorporation or charter date of the municipality after which it is named.



## TRANSIT

### WAKE COUNTY TRANSIT PLAN

In August, GoCary implemented service improvements funded through the Wake County Transit Plan. GoCary began hourly service on Sundays from 7 a.m. until 9 p.m. and added mid-day, half-hour frequencies to four of the system's most popular routes. GoCary now also offers a half-fare discount for students ages 13–18.

### GoCARY RECOGNITION

At the annual North Carolina Public Transportation Association's summer conference, GoCary Fixed Route and Door to Door services were recognized as being the safest small-urban transportation systems in the State of North Carolina.

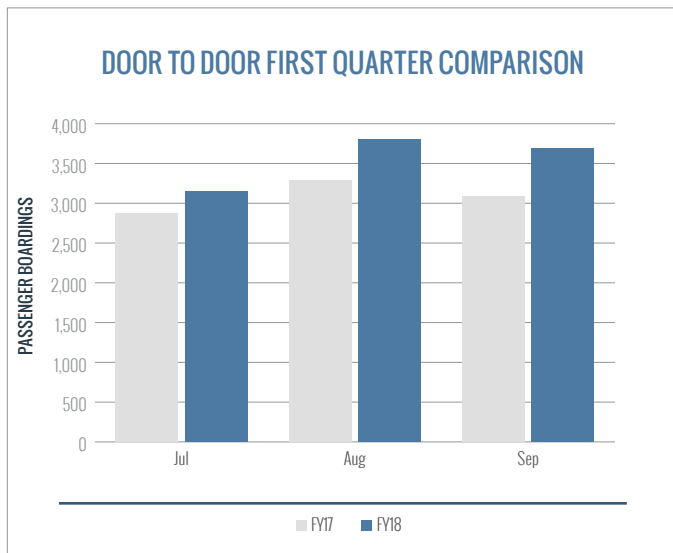
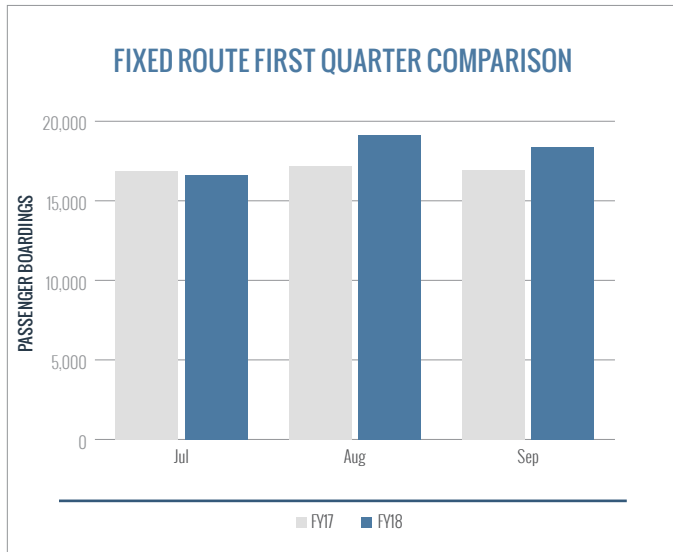
### TRY TRANSIT MONTH

In celebration of September's Try Transit Month, GoCary offered free fares on all fixed routes and Door to Door service on September 21 as part of Rider Appreciation Day. Other events included Cyclist Day on September 19; Senior Day on September 20 and Driver Appreciation Day on September 22.

Try Transit Month is an annual event to encourage citizens to try public transit. In addition, GoCary seeks to highlight the region-wide collaboration between transit service providers — GoCary, GoTriangle and GoRaleigh — in an effort to provide seamless, efficient and enhanced transit services to the region



GOCARY FIRST QUARTER SERVICE COMPARISONS



## MORRISVILLE PARKWAY EXTENSION & NC 540 INTERCHANGE

Preliminary construction activities are underway! Earlier this year, Cary entered into a Utility Relocation Agreement to address Duke Energy facilities that are in conflict with this project. Now that the right of way acquisition process is complete, we are moving forward with the utility relocation phase of the project. Addressing utility conflicts in advance of road construction will help expedite the project and minimize the risk of accidental damage and service outages during construction. By the end of the year, the majority of utility conflicts will be addressed, enabling construction to begin in 2018.

## TRANSPORTATION TECHNOLOGY

In July, the Town implemented the first thermal imaging sensor at the intersection of Dry Avenue and Academy Street. The sensor detects pedestrians crossing to/from the Cary Arts Center and Downtown Park. Upon detection, it automatically activates the pedestrian crossing without having to physically touch the pedestrian push button. This technology will help our citizens and all those who visit our downtown.

NCDOT has selected Cary to implement the first Vehicle to Infrastructure Technology called SPaT, Signal Phasing and Timing. The project allows approaching cars to see the traffic signal timing on their dashboard. The pilot project will include installing advance equipment on 20 traffic signals along the NC 55 and High House Road corridors. NCDOT will cover the total cost of \$507,000, and the project is estimated to be complete in 18 weeks. Cary will be the first in NC and fifth in the nation to implement this new technology.



## RAILROAD SEPARATION PROJECTS

In Q1, staff met with the NCDOT Rail Division to discuss the Harrison Bridge project. The tunneling option was eliminated; the three remaining options (all bridging over tracks) continue to be studied. The discussion also included a kick-off of the Southeast Maynard Road grade separation project, where options for both under-the-tracks and over-the-tracks will be re-evaluated. Detours during construction will be a concern that staff will monitor closely.

### KEY TRANSPORTATION PROJECT PROGRESS

PROJECT	BUDGET IN MILLIONS	STATUS	PROJECTED COMPLETION
Green Level West Road Widening	\$14.0	Construction Ongoing	Winter 2019
Cary Parkway & High House Road Intersection	\$3.9	Design Complete	Winter 2019
Morrisville Parkway Extension & 540 Interchange	\$21.4	Design Complete	Winter 2020
Carpenter Fire Station Road Bridge & Intersection	\$18.2	Design Nearing Completion	Spring 2021



# MEETING COMMUNITY NEEDS





## WHAT WORKS CITIES

The Town has been selected to join What Works Cities, a national initiative launched by Bloomberg Philanthropies in April 2015. What Works Cities is the most comprehensive philanthropic effort to improve the effectiveness of local governments by enhancing their use of data and evidence to improve services, inform local decision making and engage residents. The initiative now partners with 90 cities across the country that are home to more than 28 million people in 37 states and have combined annual budgets exceeding \$96 billion. The What Works Cities initiative will support research and development of a Cary citizen contact center by strengthening the collection and analysis of call data. It will also help develop an open data policy for the Town. Cary joins the What Works Cities' extensive learning network of local leaders and global experts actively sharing best practices for outcomes-focused government. Cary will receive support, guidance and resources to succeed through a consortium of leading organizations assembled by Bloomberg Philanthropies: the Behavioral Insights Team, the Center for Government Excellence at Johns Hopkins University, the Government Performance Lab at the Harvard Kennedy School, Results for America and the Sunlight Foundation.

## COMBATING OPIOIDS IN OUR COMMUNITY

### STATISTICS SINCE JANUARY 1, 2017

**Number of Overdoses 100**

**Number of Fatalities 4**

During Q1, Cary had the first confirmed lethal overdose caused by carfentanil in Wake County.

### Opioid Strength

Heroin	2 times more potent than morphine
Fentanyl	100 times more potent than morphine
Carfentanil	10,000 times more potent than morphine

Data provided by the DEA in April 2016

## EVENTS

### Wake Roundtable

The Cary Police Department participated in a roundtable event concerning opioid investigations hosted by the Wake County District Attorney's Office. Numerous agencies from across the region attended the event and included a presentation from the U.S. Attorney's Office regarding prosecution of those involved in the delivery/sale of drugs where a death has occurred.

Deputy Town Manager Mike Bajorek spoke on the Opioid Epidemic at the Town of Cary's Boards and Commissions Annual Dinner

### Healthcare Workshop

Approximately 250 information technology professionals attended a healthcare workshop on Town Hall Campus sponsored by Raleigh Internet of Things ("RIOT") to learn about the opioid issue and discuss how data analytics can be used to address the epidemic.



**September 13th**

In partnership with The Poe Center for Health Education, a non-profit organization dedicated to health education in North Carolina, the Town hosted a VIP Reception at the Page-Walker for Sam Quinones, author of the acclaimed book, “Dreamland: The True Tale of America’s Opiate Epidemic.”

**September 14th**

Over 30 Town employees held a book club-type conversation with Sam Quinones at The Cary Theater.

**September 14th**

Approximately 20 Town employees attended the “Opioid Epidemic Uncovered” conference hosted by The Poe Center for Health Education at the Raleigh Convention Center. Police Chief Tony Godwin participated in the panel discussion.

**BLOOMBERG MAYORS CHALLENGE**

Staff along with partners from the private sector, Wake County Public Health, NC Department of Health and Human Services, The Poe Center for Health Education, and the North Carolina Medical Society Alliance collaborated on an application for a Bloomberg Philanthropy grant.

The proposed project would use wastewater analysis to estimate average opioid use in Cary, and then expand this program to multiple municipalities in the state of North Carolina to establish regional trends across a spread of urban and rural areas. Just as the game of baseball was revolutionized by data-based concepts as documented in Michael Lewis’ book “Moneyball,” we aim to transform public health practice through state-of-the-art analytics in an open data platform. Thousands of state and local public health officials and educators will be able to view near real-time systemic trends to better understand their community, allocate resources and evaluate if programs are working. Additionally, the platform opens opportunities to integrate datasets, develop predictive analytics, promote collaboration across regions, increase civic engagement and reduce social stigma.

Cross-departmental staff worked collaboratively during Q1 to compile information for the Town’s application in preparation for the submittal deadline of October 20, 2017.



## BRANDING INITIATIVE

The Town received 18 responses from firms across the country to the Community Branding Request for Qualifications (RFQ) issued over the summer. Following a technical requirements evaluation of these RFQs, the qualified pool was narrowed to 16 firms.

The general timeline for reviewing these candidates and bringing a recommendation to Council is as follows:

Fall 2017: Narrow the field to six semifinalists that will be referred to the Economic Development Committee who will recommend the finalists.

Winter 2018: Bring finalists to Cary to get to know our community and meet Council. Each finalist will be paid a \$5,000 stipend to meet with stakeholders, tour our community and present ideas. Council will make the consultant selection this spring.

## ONLINE PERFORMANCE

- Cumulative Facebook “likes” increased 6% in Q1 to over 11,000.
- 500,575 visits were recorded to [www.townofcary.org](http://www.townofcary.org) this quarter, an average of more than 225 visits per hour on a 24/7 schedule.
- 5,200 visits to the Aquastar portion of the website were measured this quarter, an average of over 1,730 citizens per month.

The total visits to the website were down from the same time last year by approximately 10 percent. While there is no firm evidence, the reason for the change in the number of visits could be that the website organization provides answers with fewer clicks or because citizens are finding a higher percentage of the value in the Town’s social media alternatives.

## WASTE COLLECTION BALANCING

Public Works Solid Waste, Recycling and Yard Waste divisions have been preparing for a route rebalance that will be effective November 2017. This re-route is part of maintaining our commitment to providing exceptional services and will help ensure efficiency and improved reliability of all collections. On September 29, letters were mailed to 27,000 households that will be affected by the solid waste re-route. Affected citizens will also be notified through a second letter and a cart hanger.

### SO, WHAT’S CHANGING?

- A portion of the Tuesday through Friday routes will move one day to Monday through Thursday.
- In the past, all service locations west of Highway 55 were collected on Tuesday. Now this area will be divided into Monday through Thursday routes to provide more flexibility in service management and efficiency for special collections.

## PLANT PERFORMANCE

### AWARD WINNERS

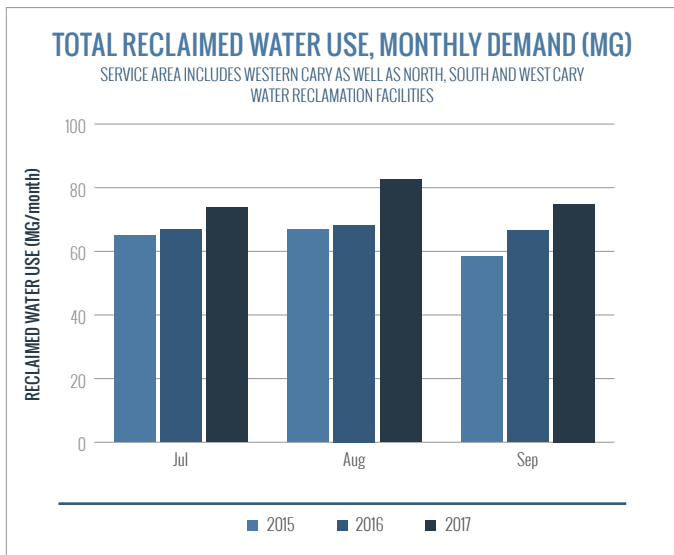
Both the North and South Cary Wastewater Treatment Facilities have been designated as Exceptional Performing Facilities since their last National Pollutant Discharge Elimination System (NPDES) permit renewals were issued in 2014. To receive this designation, each facility had to demonstrate exceptional long-term performance. The Western Wake Regional Wastewater Treatment Facility (“WWRWRF”) is about to complete three years of wastewater treatment operations in compliance with exceptional facility criteria, and WWRWRF staff are planning to apply for this designation for the WWRWRF as well.



### WATER TRANSFERS

The City of Durham has taken their Williams Water Treatment Plant offline to complete major construction upgrades and is expected to be offline through April 2018. During this time, Cary and OWASA will provide Durham with supplemental water. Town staff has been planning for the ongoing water transfers and are prepared to provide assistance to Durham on a recurring basis for the next several months. During this time, contingency plans are in place for Raleigh, Durham and Cary to provide mutual aid assistance and support through our network of interconnected water lines as needed during the offseason maintenance and construction periods. These interlocal arrangements ensure the reliability of every partner’s supply and are consistent with the Town’s values for regional partnerships.

### RECLAIMED WATER

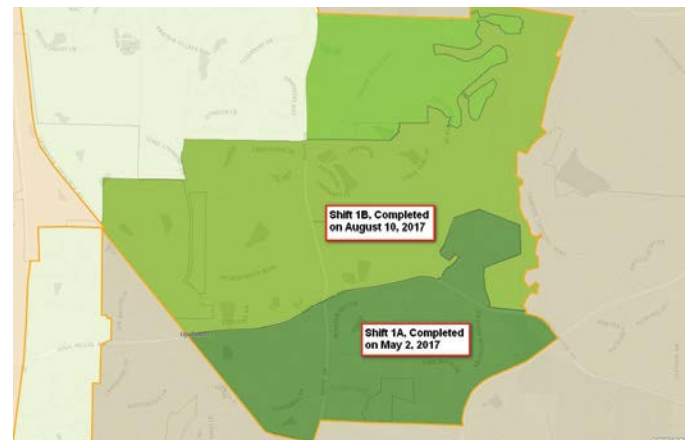


Reclaimed water demand for the quarter averaged approximately 77 million gallons per month, which was approximately 10 million gallons per month more than the same period in FY 2017. The increase in reclaimed demand during the summer, which is substantially influenced by irrigation and internal plant use, is likely due to less rainfall during the summer months coupled with increased utilization at the water reclamation facilities.

### PRESSURE ZONE SHIFT COMPLETED

The Town is changing the water pressure zone for some citizens as part of a long-term plan to provide greater transmission capacity and redundancy within the pipeline network. Citizens moving into the central pressure zone experience an increase in pressure of approximately 40-psi. Pressure zone shifts are being implemented in stages to improve our ability to assist citizens with the pressure change. The second of a series of incremental pressure zone boundary shifts occurred in August to restore central pressure to several communities in the vicinity of Davis Drive and High House Road. The first shift was initiated in May 2017 following a water main break at Waldo Road Boulevard. Additional incremental pressure zone shifts are planned next year and in subsequent years.

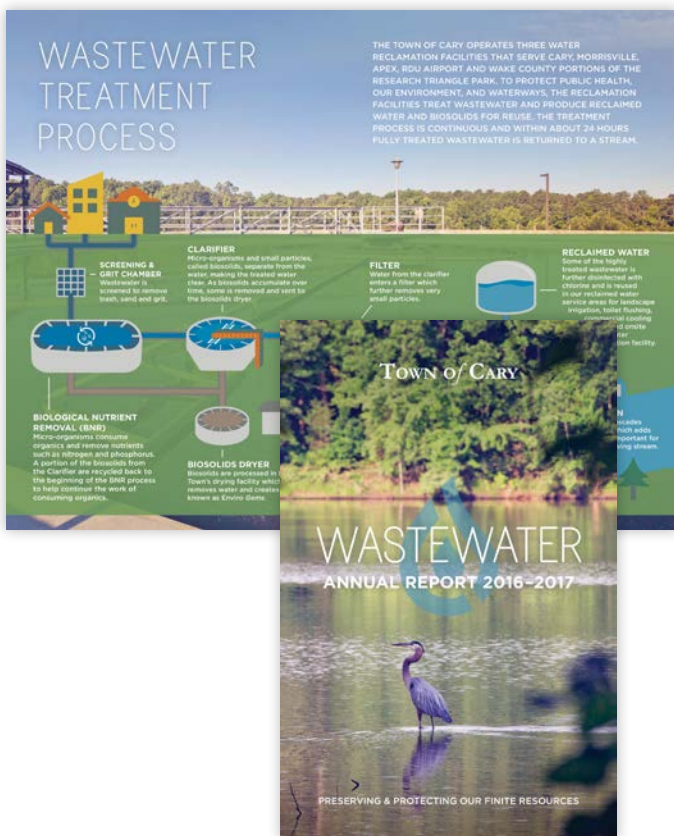
**A map of the areas that have been restored to central pressure is below.**





## ANNUAL WASTEWATER REPORT

Once again, Cary's water reclamation facilities performed exceptionally well at consistently treating wastewater to high standards of water quality and there were no regulatory compliance violations during the most recent reporting period. Each year, the Town provides citizens an update on the activities and compliance of our water reclamation facilities and wastewater collection system. The annual report covers 12 months ending June 30, 2017 and is a regulatory requirement of the Town's wastewater collection system permit and water reclamation facilities wastewater discharge permits. The report was posted online in August. Printed copies of the report are located at Town Hall, and in the Town's community centers and the public libraries in Cary and Morrisville.

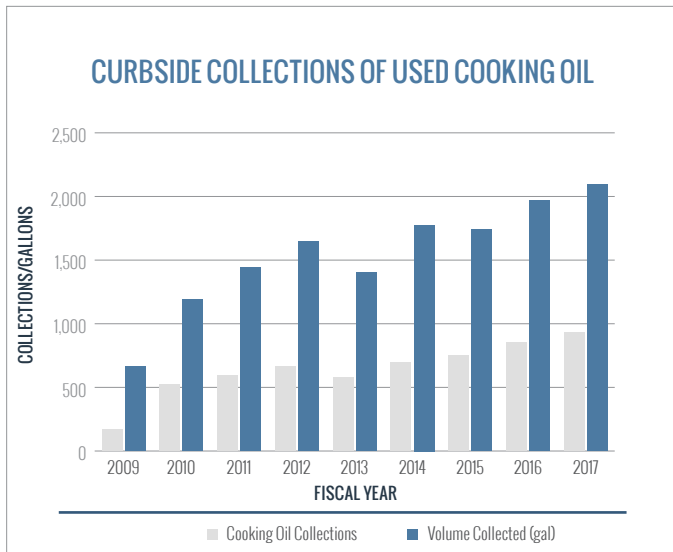


## KEY UTILITY PROJECT PROGRESS

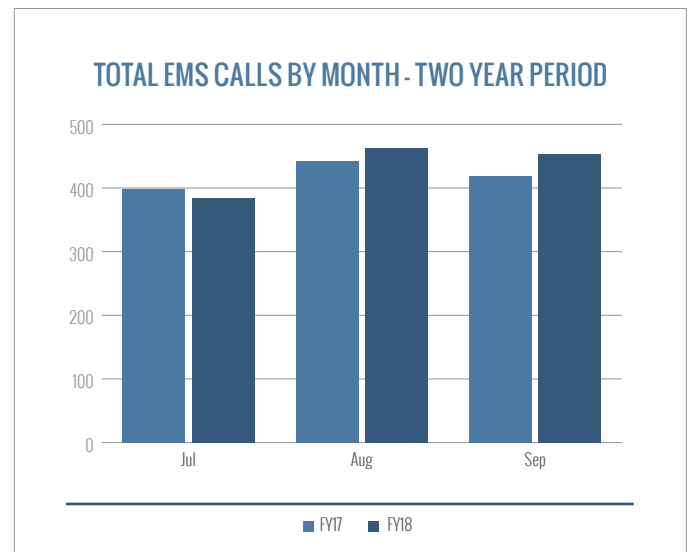
PROJECT	BUDGET IN MILLIONS	STATUS	PROJECTED COMPLETION
York Interceptor Basin Improvements	\$1.7	Near Completion	Fall 2017
Cary/Apex Water Treatment Plant Expansion	\$77.5	Construction Ongoing	Spring 2018
Holly Brook Utilities	\$5.7	Early Construction	Fall 2018
Water Tank - Kilmayne	\$7.0	Early Construction	Spring 2019
Water Tank - Good Hope Church Road	\$9.3	Early Construction	Summer 2019
Raw Water Pipeline	\$22.2	Early Construction	Fall 2019

## RESIDENTIAL COOKING OIL CURBSIDE COLLECTION PROGRAM UPDATE

The Town's full-time Residential Waste Cooking Oil Disposal Program has gained in popularity, in part through the education efforts on the Cary it Green Facebook page, block leaders, staff promotion at civic events and advertisement in letters sent in response to sanitary sewer overflows. In FY 2017, a flier promoting the program was included in the Annual Mailer packet. The program gives Cary citizens an opportunity to properly dispose of cooking oil and grease and "Turn F.O.G. into Fuel by recycling Fats, Oils, and Grease." The chart depicts participation rates since the full-time program launched in July 2008.

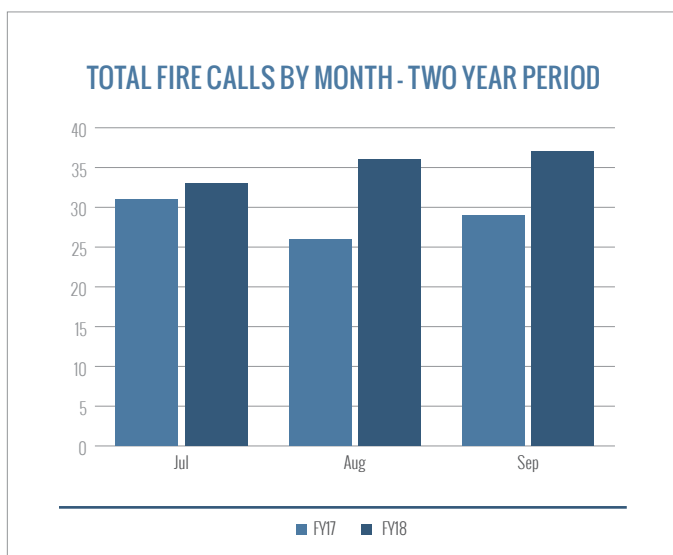


First quarter fire frequency increased 23 percent in FY 2018 as compared to the same period in FY 2017. Q1 of FY 2018 experienced seven more passenger vehicle fires and seven more outside fire incidents than Q1 of the prior fiscal year. None of the additional passenger vehicle fires in Q1 FY 2018 was related and none of the additional outside fires was in the same geographical area or related.

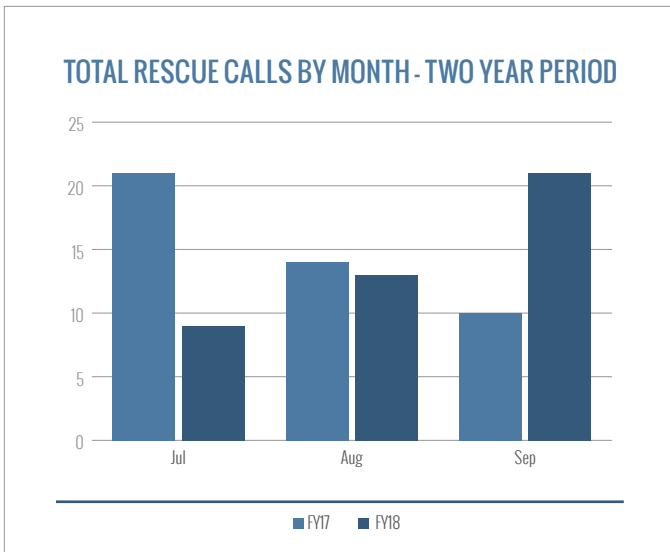


## PUBLIC SAFETY - FIRE AND EMERGENCY RESPONSE

### FIRST QUARTER COMPARISONS



First quarter of Emergency Medical Calls increased 3.26 percent in FY 2018 as compared to the same period in FY 2017.



First quarter Rescue frequency decreased 4 percent in FY 2018 as compared to the same period in FY 2017.

## EMS OUTPUT

Critical interventions are defined as medications or actions provided by Fire Department staff that without the patient’s outcome would not have been optimal.

### CRITICAL INTERVENTIONS PROVIDED BY STAFF

	JUL. - SEPT. (FY18)	JUL. - SEPT. (FY17)	% CHG
Medications	21	15	40%
Narcan Administration	10	5	100%
Procedures	33	31	6%

Medications = Naloxone, Epinephrine and Glucose.  
 Procedures = Assisted Ventilations, Tourniquet Application, CPR, Choking and Defibrillation



## FIRE STATION NO. 9

Fire Station No. 9 is in the design phase. The station will be located at 1427 Walnut Street. It was determined that the existing buildings were not suitable for renovation and should be removed as soon as possible due to safety concerns. The demolition is complete, and construction of the new fire station is anticipated to begin in summer 2018.

## OUR SAFETY

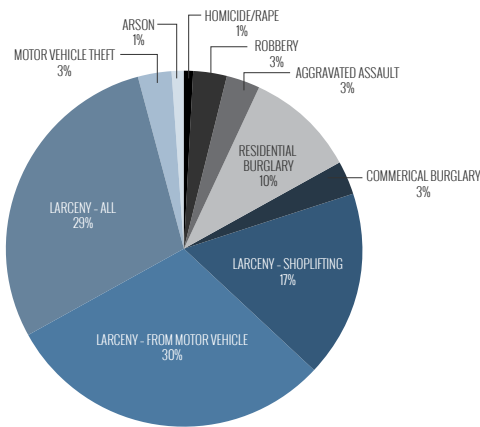
Unlike all other Town indicators that are on a fiscal year basis, police crime statistics are compared on a calendar year basis to match reporting requirements issued by federal and state agencies.

### FBI CRIME STATISTICS RELEASED

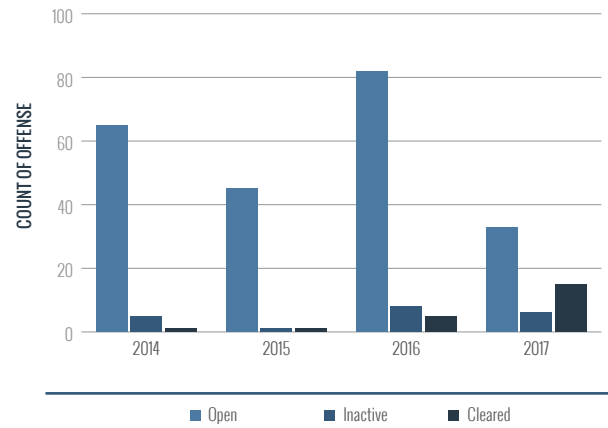
The latest crime statistics (calendar year 2016) have been released by the FBI. Statistics show that crime overall in Cary was down by nine percent. However, Part I Violent Crime in Cary was up by 86 percent; this is the data typically used by various organizations to develop their “safest cities” rankings. Part I violent crimes include Murder, Rape, Robbery and Aggravated Assault. Murder decreased by 80 percent (from five in 2015 to one in 2016). The latter three types of crimes are responsible for the increase. Staff is analyzing the actual crimes involved in these Part I increases to better understand what is driving the numbers and will be able to discuss the results more in depth after the analysis is complete.



JAN - SEPT 2017 PART 1 CRIME PERCENTAGES



PART I VIOLENT OFFENSES  
JAN - SEPT OF EACH YEAR

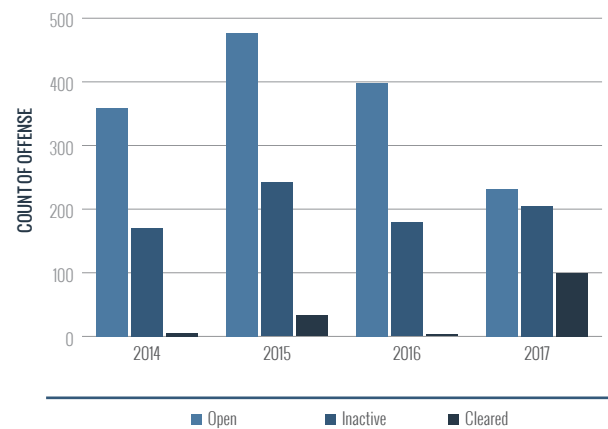


CUMULATIVE COMPARISONS SEPTEMBER

	JUL. - SEPT. (FY16)	JUL. - SEPT. (FY17)	% CHG
Part I	1470	1478	1%
Part II	2047	2070	1%
All Other Criminal Offenses*	191	180	-6%
Total	3708	3728	1%

\*All Other Criminal Offenses is defined as all violations of state or local laws not specifically identified as Part I or Part II offenses except traffic violations. An example of this would be domestic related incidents and contempt of court.

PART I PROPERTY OFFENSES  
JAN - SEPT OF EACH YEAR







### POLICE DISTRICT 3 SUBSTATION

The Town has opened the new Police District-3 substation. The new substation is located in the Wellington Park Shopping Center at 6420 Tryon Road, near the intersection of Tryon and S.E. Cary Parkway. Patrol teams use the new office to conduct roll-call briefings and other activities. The new facility does not have staffed office hours, so the public is still encouraged to call 911 Communications Center for police service requests.



### CARY HOSTS AREA REALTORS FOR TOUR

Cary hosted 25 members of the Realtors Association to tour and share an inside perspective into our community. After an introduction and overview at the Page-Walker, participants boarded a GoCary bus for a two-hour tour of Cary. On board, staff was available to talk about the many aspects important to homebuyers, such as permitting process, area amenities and planned transportation improvements.

As part of the tour the group was joined by Wake County School Board representatives to provide information about schools in Cary. The realtors expressed appreciation for the tour, which has led to increased communication between the Town and realtors.



# MOVING FROM VISION TO REALITY



## TECHNOLOGY RELATED INITIATIVES

### G&H INTERNATIONAL

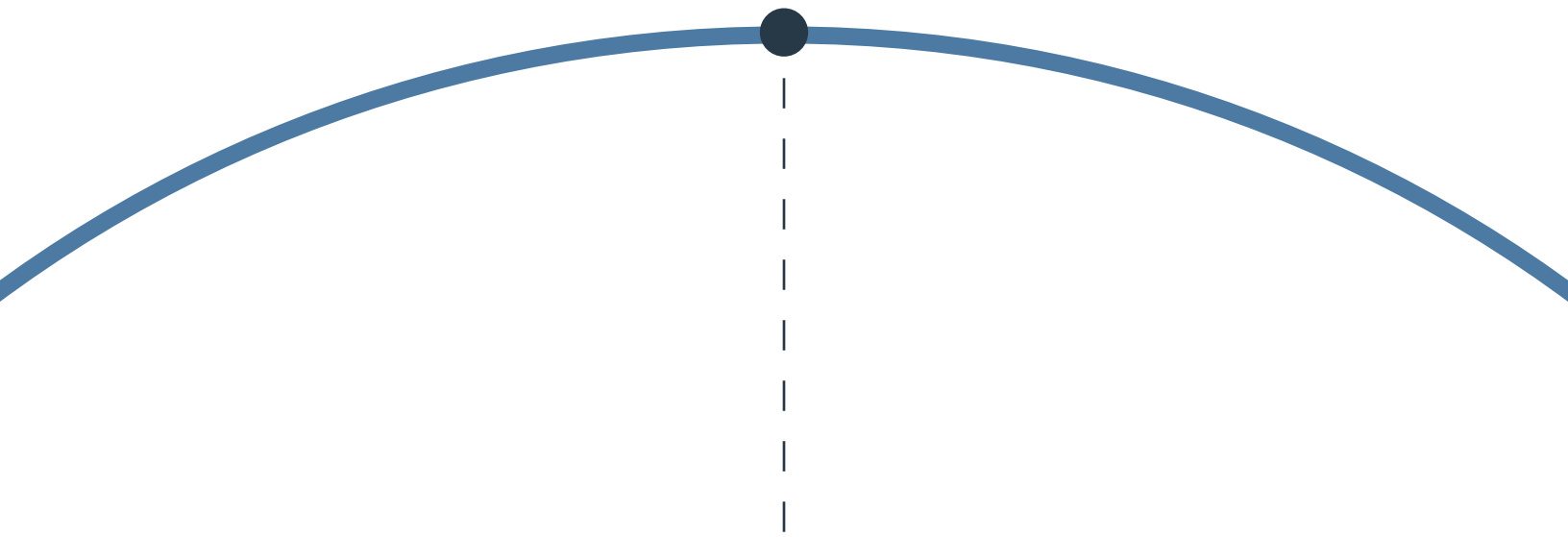
To support implementation of the Imagine Cary Community Plan, the Town Manager’s Office has launched an effort to examine how innovative, smart technology can be leveraged to provide a collaborative platform, as well as the analytical capabilities our organization needs, in order to implement the Town’s strategic priorities.

Our consultant, G&H International, has begun work with Town staff to facilitate an experimental/innovative culture necessary to maximize technology investment, support and improve operational processes, leverage and integrate data for smart decision-making and engage citizens and the private sector in a meaningful way. The goal is to create a fully integrated, smart city platform that will enable Cary to realize the Imagine Cary Community Plan.

A key to achieving this goal is establishing a collaborative governance structure that engages stakeholders in a manner that minimizes agency investment and risk, allows for technology and capability experimentation and helps empower agency management and staff to ultimately implement a well-fit set of collaborative and analytical capabilities that meet individual agency needs and priorities while also leveraging existing data and systems across town government.

Cary and G&H will begin with two specific initiatives from the Imagine Cary Community Plan — Stormwater Management and Strong Neighborhoods — to identify specific data and technological capabilities necessary to support those efforts.

KEEPING CARY GREAT



TOWN of CARY