

TOWN of CARY



TOWN COUNCIL QUARTERLY REPORT

TOWN OF CARY, NORTH CAROLINA
FY 2018 THIRD QUARTER

CARY MAYOR & TOWN COUNCIL MEMBERS

THANK YOU FOR YOUR CONTINUED LEADERSHIP, VISION AND SETTING THE CULTURE OF EXCELLENCE FOR OUR ORGANIZATION AND COMMUNITY. WE LOOK FORWARD TO WORKING WITH EACH OF YOU TO KEEP CARY GREAT.



Mayor
Harold Weinbrecht



Mayor Pro Tem
Lori Bush



Council Member
Ed Yerha



Council Member
Don Frantz



Council Member
Ken George



Council Member
Jennifer Robinson



Council Member
Jack Smith

IN MOVING CARY FORWARD

I am pleased to present the Town's third quarter financial and operational report. The report continues to highlight our organization's results in a professional and engaging manner and is also accessible to our citizens on our website.

After a successful Council/Staff retreat in February that was appropriately reflective on our journey to this point, we continue to progress toward achieving the goals set forth in the Imagine Cary Community Plan. This requires a renewed and determined focus on understanding and establishing our priorities. Doing so ensures we are taking meaningful steps toward achieving our vision of creating the local government that doesn't exist.

During our time together on May 10, we will focus on how we can use the budget as an important tool in building an organization that will be aligned with the needs of the future. This year's budget is remarkable in that it marks the first time the Department Directors, as a group, have cohesively developed and co-created the budget recommendations. This important milestone—a transition away from a department-centric mindset and instead toward a holistic responsibility for the sum of the parts—is impressive and will serve us well in the days ahead.

Three areas that are particularly noteworthy for progress this quarter are:

1. Our adaptive approach to stormwater, which includes a new modeling tool, a proactive maintenance program, and continued engagement with the Downtown Citizens Group has hit the ground running after the February retreat.
2. The implementation of Electronic Plan Review that improves efficiency and accessibility for our staff, citizens, and business partners.
3. A revamp of our employee intranet, C-Net, that provides critical 24/7 access for staff.

It is not lost on me how precious our time is together. Setting aside time every three months to play an active role in shaping the future of Cary is truly remarkable.

In Keeping Cary Great,

Sean R. Stegall

Sean R. Stegall
Town Manager



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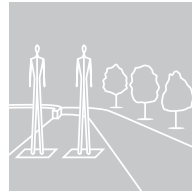
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FY 2018 Q3 HIGHLIGHTS

FY 2019 BUDGET PREPARATION

Millions of data points come together to create Cary's budget and capital plan. Details—such as every employee's hourly pay rate, projected participation for any single park program, projected sales of recycled goods, or the cost of supplies necessary to operate the inductively coupled plasma mass spectrometer equipment at a water reclamation facility—are collected and summarized. Competing priorities are reconciled considering multiple factors such as our citizens' values and levels of service. Together, it's all analyzed to arrive at a recommended budget for Council consideration.

This year, the full team of Department Directors worked together to develop a balanced general fund operating budget to recommend to the Town Manager. Teams of directors and capital projects experts also worked on the general fund and utility fund capital budgets to both find resources in current projects and prioritize capital requests. By sharing responsibility for these tasks, each director has a better understanding and a complete picture of budgetary opportunities and challenges. This new duty has emphasized the importance of collaboration to find efficiencies across departmental boundaries through shared expertise and new perspectives. These high-functioning self-directed teams worked to create a recommended budget that will provide resources to continue to meet our citizens' expectations and to focus on tasks designed to build the community envisioned in Imagine Cary.

As part of our efforts to keep Cary great, we listen to our citizens' priorities all year long, not just during budget preparation. Citizens are encouraged to share their budget input with us throughout the year using whatever communication channel is most convenient to them.

While no budget input has been received to date, we will continue to utilize social media, BUD, the Town's website and our "on-hold" messaging to remind citizens of our interest in hearing from them.



FY 2018 THIRD QUARTER FINANCIAL RESULTS

GENERAL FUND SUMMARY*

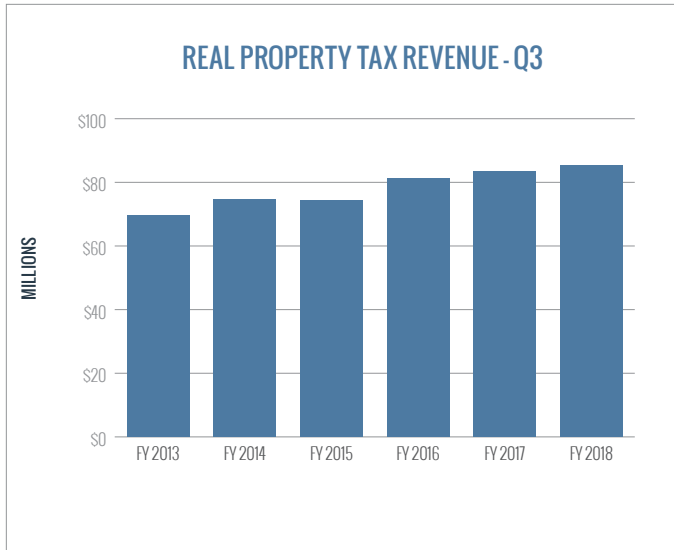
	FY 2018 ADJ BUDGET	FY 2018 YTD ACTUAL	% OF BUDGET	FY 2017 YTD ACTUAL	FY 2017 VARIANCE	VARIANCE %
Revenues	\$ 213.9	\$ 152.7	71%	\$ 131.5	\$ 21.2	16%
Expenses	213.9	145.3	68%	118.5	26.8	23%
TOTAL REVENUE OVER EXPENSES	\$ -	\$ 7.4	-	\$ 13.0	\$ (5.6)	(43%)

*The above table is represented in millions. Revenues, authorized expenditures, and transfers between funds are classified and summarized differently for the Council budget ordinance and for accounting and reporting purposes. Individual line items are consistent. The annual budgets referred to throughout this report reflect the budget as of the quarter end as adjusted (ADJ) by Council action or staff action where authorized.

Revenues and expenses reflect financial operations that are on par with past history, budget and economic news. A \$17 million general obligation bond sale, which closed in October, is reflected in both revenues and expenses in FY 2018. This transaction is the primary cause for the variance in net results from FY 2017. Details on notable revenues and expenses follow.

FY 2018 GENERAL FUND REVENUES (IN MILLIONS)

	FY 2018 ADJ BUDGET	FY 2018 YTD ACTUAL	% OF BUDGET	FY 2017 YTD ACTUAL	FY 2017 VARIANCE	VARIANCE %
Property Taxes	\$ 91.0	\$ 90.1	99%	\$ 88.4	\$ 1.7	2%
Other Taxes & Licenses	36.0	18.8	52%	17.8	1.0	6%
Unrestricted Intergovernmental	10.6	4.9	46%	5.2	(0.3)	(5%)
Restricted Intergovernmental	0.2	1.0	>100%	0.4	0.6	>100%
Permits & Fees	4.4	4.2	96%	4.0	0.2	4%
Sales & Services	17.3	13.7	79%	12.8	0.9	7%
Miscellaneous Revenue	2.6	1.7	65%	2.1	(0.4)	(19%)
OPERATING REVENUES	\$ 162.1	\$ 134.4	83%	\$ 130.7	\$ 3.7	3%
Non-Operating Revenue	51.8	18.3	35%	0.8	17.5	>100%
TOTAL GENERAL FUND REVENUES	\$ 213.9	\$ 152.7	71%	\$ 131.5	\$ 21.2	16%



REAL PROPERTY TAX

Most property tax revenue for real estate is collected between November and the due date of January 5. As of Q3, real property tax revenue collected exceeds the \$84.5 million budget by one percent. An additional key indicator of projected FY 2018 year-end results is the billed tax levy for real estate, which is currently \$86.2 million. Current real property tax collections are 99 percent of the billed tax levy. Included in the current year real property tax collections are penalties, interest and prior year taxes paid in the current year; those additional amounts historically are about one percent of the year-end total. Using historical tax collection rates to project, it is expected that by the end of the fiscal year, real property taxes may exceed the budget by \$962,000, or one percent, and FY 2017 actual results by \$1.8 million, or two percent. This positive projection is tempered by vehicle tax collection concerns, which are discussed next.

VEHICLE PROPERTY TAX

Through March, Tax and Tag receipts for Wake County vehicle property taxes are down two percent in Cary and are flat county-wide compared to March of the prior year. As discussed in the Q2 report, the Division of Motor Vehicles (DMV) has issued separate reports that indicate vehicle registration counts have increased. Chatham County Tax and Tag receipts account for less than three percent of vehicle property tax revenue in Cary and are down one percent compared to March of the prior year. Considering the DMV reports, growth in population and a positive economy, these revenue results remain a concern since collections as of Q3 typically represent 76 percent of annual results. If this pattern holds true throughout FY 2018, there could be a \$960,000 shortfall, which is under budget by two percent. State agencies are now involved in analysis of these trends.



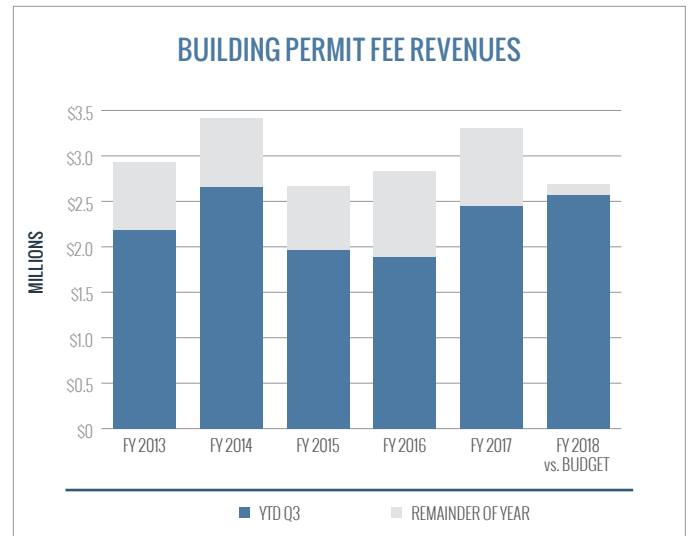
SALES TAX

The NC Department of Revenue distributes sales tax revenue to municipalities approximately 2.5 months after sales occur. As expected, Cary has received half of the FY 2018 distributions through Q3. Sales tax receipts are budgeted at \$33.6 million in FY 2018 and represent 19 percent of total General Fund budgeted revenues.

The chart above provides a historical perspective on sales tax revenue in FY 2018 through March. In the first six months of FY 2018, sales tax distributions have increased 5.2 percent compared to FY 2017. If the six-month average continues in FY 2018, sales tax revenue would exceed the FY 2018 budget by \$287,000, or one percent.

INTERGOVERNMENTAL REVENUES

State-shared sales taxes on natural gas, electricity and telecommunication utilities 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 intergovernmental revenues. Distributions are received in December, March, June and September. The Town has received two distributions through March 31, which amount to \$4.9 million. Year-to-date revenue is 49.7 percent of the budget and five percent less than the first two FY 2017 distributions. The NC League of Municipalities is projecting that electricity sales tax revenue statewide will decrease by one percent. Since natural gas and electricity sales taxes reflect variances in usage due to weather and energy conservation efforts, any projection about total FY 2018 revenues is difficult to predict with precision. However, if the pattern continues, any shortfall would likely constitute less than \$500,000, or 0.4 percent, of the total General Fund operating revenue budget.



PERMITS AND 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 \$2.6 million received year-to-date for building permits is five percent more than the \$2.5 million received year-to-date in FY 2017 and represents 96 percent of the FY 2018 annual budget for this revenue source. The complete category of permits and fees includes all development and construction related fees. The total permits and fees revenue increased \$158,000 from FY 2017 through Q3. This is primarily due to significant increases in receipts from watershed maintenance and building permits. Because building permit revenues are already at 96 percent of budget, it is safe to project that the total FY 2018 revenues will exceed the \$4.4 million annual budget for the entire permits and fees category.

**GENERAL FUND EXPENSES FY 2018 Q3
(IN MILLIONS)**

	FY 2018 ADJ BUDGET	FY 2018 YTD ACTUAL	% OF BUDGET	FY 2017 YTD ACTUAL	FY 2017 VARIANCE	VARIANCE %
General Govern- ment	\$ 29.2	\$ 15.6	53%	\$ 13.2	\$ 2.4	18%
Public Safety	50.4	33.6	67%	33.0	0.6	2%
Operations (PW & PRCR)	50.9	32.6	64%	31.8	0.8	3%
Development & Infrastructure	18.4	11.7	64%	11.5	0.2	1%
OPERATING EXPENSES	\$ 148.9	\$ 93.5	63%	\$ 89.5	\$ 4.0	4%
Non- Operating Expenses	65.0	51.8	80%	29.0	22.8	79%
TOTAL GENERAL FUND EXPENSES	\$ 213.9	\$ 145.3	68%	\$ 118.5	\$ 26.8	23%

Operating expenses are outpacing historical spending patterns by four percent and they remain in line with budget expectations. Spending in the General Government category continues to lead other categories with a year-to-date 18 percent increase over the prior year. Town-wide technology initiatives impact the General Government category more than others as the Town has focused heavily on technological efficiencies and citizen service enhancement.

Non-Operating expenses year-to-date include \$6.4 million of a \$16.5 million annual debt service budget in addition to a \$17 million recorded expense for the refinanced general obligation bonds, which is offset in non-operating revenue for the same amount. Other non-operating expenses of \$28.4 million include transfers to capital project funds, the Transit Fund and the Economic Development Strategic Fund, as well as a contribution to savings for retiree health care.

UTILITY FUND

FY 2018 Q3 UTILITY FUND SUMMARY*

	FY 2018 YTD ADJ BUDGET	FY 2018 YTD ACTUAL	% OF BUDGET	FY 2017 YTD ACTUAL	FY 2017 VARIANCE	VARIANCE %
Revenues	\$ 239.6	\$ 174.3	73%	\$ 53.4	\$ 120.9	>100%
Expenses	239.6	200.1	84%	45.4	154.7	>100%
TOTAL REVENUE OVER/ (UNDER) EXPENSES	\$ -	\$ (25.8)	-	\$ 8.0	\$ (33.8)	>(100%)

* The above table is in millions. Revenues, authorized expenditures and transfers between funds are classified and summarized differently for the Council budget ordinance and for accounting and reporting purposes. Individual line items are consistent. The annual budgets referred to throughout this report reflect the budget as of the quarter end as adjusted (ADJ) by Council action or staff action where authorized.

The technical reporting for the Utility Fund summary does not portray informative results for the utility operations because accounting for non-operating transactions such as the debt refinancing and capital transfers overshadow the operating results. Excluding unusual transactions, utility operating revenues are \$56 million compared to \$52 million at the same time in FY 2017. At the end of Q3, operating revenue is 71 percent of the FY 2018 annual budget. Operating expense and debt service total \$41.3 million at the end of Q3 compared to \$38.7 million in FY 2017. Operating revenue over expense in FY 2018 is \$28.0 million compared to \$25.0 million in FY 2017. More details on operating revenues and expenses follow.

HELPING OUR NEIGHBORS - DURHAM WATER TRANSFERS

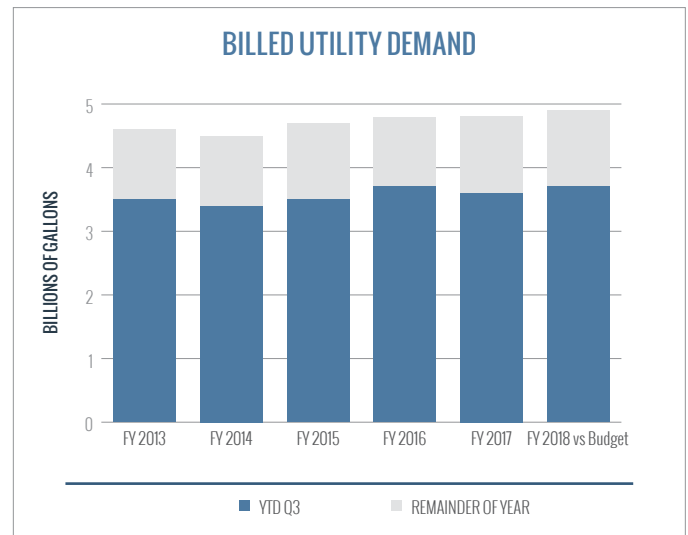
The City of Durham Williams Water Treatment Plant is offline through Spring 2018 to accommodate construction to upgrade the plant. Durham has a second operational water treatment plant and purchased water from the

Town of Cary to ensure adequate supply. Cary and Durham have a mutual aid agreement for backup water supply, and each has provided water to the other in the past. Both municipalities track how much water is owed or due to the other, but only bill for the value of the water balance when the balance in gallons is above an amount that could reasonably be returned in the next fiscal year for routine maintenance coverage. Given the significant amount of water that has been transferred to Durham while the Williams plant is being upgraded, Cary invoiced Durham for 226 million gallons of water during Q3 at the government rate of \$4.70 per 1,000 gallons, totaling \$1.06 million. Additional significant transfers are not projected for the remainder of the construction project. The non-recurring revenue from the mutual aid will supplement positive financial results for the Utility Fund and generate a one-time resource that can be used for Cary's capital projects.

UTILITY FUND REVENUES FY 2018 Q3 (IN MILLIONS)

	FY 2018 ADJ BUDGET	FY 2018 YTD ACTUAL	% OF BUDGET	FY 2017 YTD ACTUAL	FY 2017 VARIANCE	VARIANCE %
Water Service	\$ 30.5	\$ 22.4	73%	\$ 20.2	\$ 2.2	11%
Sewer Service	46.1	32.0	69%	30.5	1.5	5%
Permits & Fees	2.1	1.5	71%	1.6	(0.1)	(7%)
OPERATING REVENUES	\$ 78.7	\$ 55.9	71%	\$ 52.3	\$ 3.6	7%
Non-Operating Revenues	160.9	118.4	74%	1.1	117.3	>100%
TOTAL UTILITY FUND REVENUES	\$ 239.6	\$ 174.3	73%	\$ 53.4	\$ 120.9	>100%

Water and sewer service revenues reflect a three percent rate increase in FY 2018 but are less than 75 percent of the annual budget, even with the \$1 million in one-time revenue from Durham. Based on historical averages of billing at March 31 compared to year end totals, FY 2018 year-end billed demand is projected to be one percent under budget. A wet or dry spring and early summer could improve or further degrade the final results. Because rates are set to exceed operating expenses and debt service for bond covenant compliance, total revenues should provide adequate resources for the utility's requirements and meet contractual obligations for income to cover debt service.



Despite a population increase of 12 percent in the combined Cary and Morrisville service area since FY 2013, billed utility demand has increased only four percent over the same period. Efficient plumbing fixtures and conservation awareness have significantly impacted utility demand. The variety of influences, including weather patterns and price elasticity, make it difficult to isolate results for any one influential factor. Rising fixed operating costs, paired with minimal demand increases, creates pressure to raise rates.

UTILITY OPERATING EXPENSES FY 2018 Q3 (IN MILLIONS)

	FY 2018 ADJ BUDGET	FY 2018 YTD ACTUAL	% OF BUDGET	FY 2017 YTD ACTUAL	FY 2017 VARIANCE	VARIANCE %
Administration	\$ 9.4	\$ 6.4	68%	\$ 5.9	\$ 0.5	8%
Field Operations	16.2	9.9	61%	10.0	(0.1)	(1%)
Wastewater (net of Apex)	12.5	7.0	56%	6.7	0.3	4%
Water Treatment Plant (net of Apex)	7.1	4.6	65%	4.7	(0.1)	(3%)
OPERATING EXPENSES	\$ 45.2	\$ 27.9	62%	\$ 27.3	\$ 0.6	2%
Non-Operating Expenses	194.4	172.2	89%	18.1	154.1	>100%
TOTAL UTILITY FUND EXPENSES	\$ 239.6	\$ 200.1	84%	\$ 45.4	\$ 154.7	>100%

Utility operating expenses remain in line with budget expectations. As discussed in previous quarterly reports, the primary expense increases are in administration and wastewater functions. Administrative costs are increasing for contracted services in Water Resources and credit card fees for utility bill collections. Wastewater spending continues to reflect an emphasis on the reclaimed water program, which was implemented with the adoption of the FY 2018 budget.

CAPITAL PROJECT SPENDING THROUGH Q3 (IN MILLIONS)

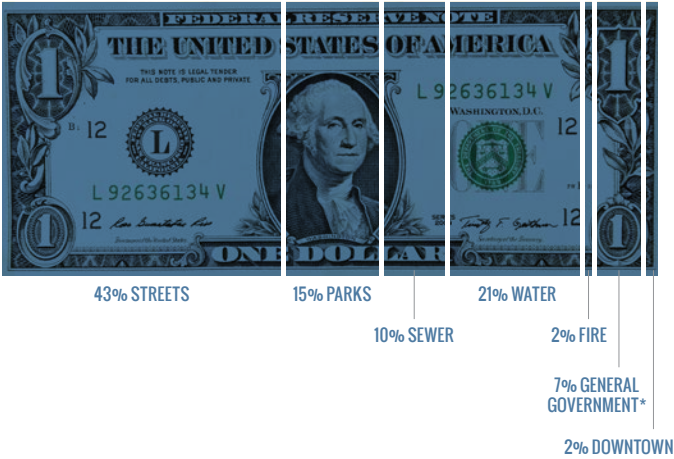
EXPENSES	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Downtown	\$ 3.2	\$.7	\$.6	\$.9	\$.9
Fire	1.3	1.1	3.0	2.4	1.1
General Government	4.5	3.5	4.0	3.5	3.5
Parks	3.0	3.1	7.8	7.9	7.1
Streets	5.5	7.5	12.5	14.6	20.2
Sewer	52.7	11.1	6.7	5.2	4.8
Water	3.0	22.3	26.4	5.7	9.6
TOTAL CAPITAL	\$ 73.2	\$ 49.3	\$ 61.0	\$ 40.2	\$ 47.2

CAPITAL PROJECT SPENDING

Capital project spending fluctuates as large projects become active and then near completion. The Western Wake Regional Water Reclamation Facilities account for large sewer expenditures in FY 2014 and the Cary/Apex Water Treatment Plant expansion accounts for the increase in water capital projects in FY 2016. Five notable projects account for almost 90 percent of street project spending to date in FY 2018:

- Morrisville Parkway Extension Phase 3
- Carpenter Fire Station Road/CSX Rail Grade Separation
- Green Level West Road Widening
- Cary Parkway from Evans to North Harrison
- 2017 Street Improvements Project

FY 2018 CAPITAL PROJECT SPENDING



*General Government includes affordable housing, police, stormwater, information technology and public works projects.

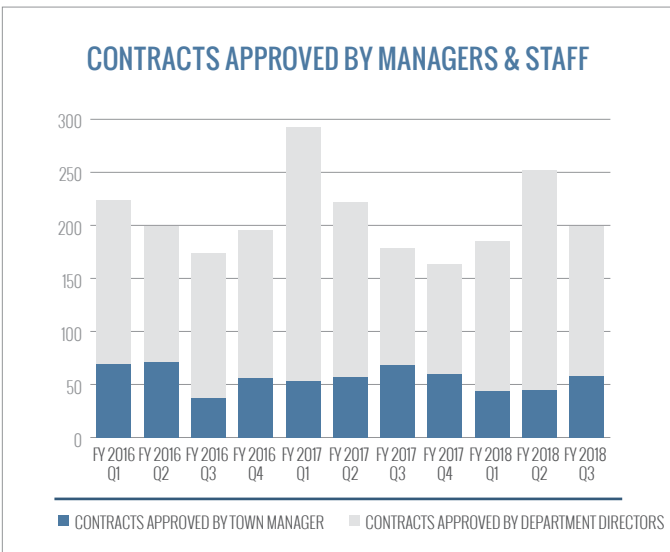
authority to Department Directors for contract execution. In accordance with reporting requirements outlined in Council’s policy delegating authority to the Town Manager, the chart compares contracts executed by staff and the Town Manager in the third quarter to prior quarters. On average, Department Directors execute about 70 percent of all contracts.

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 ensure the organization is nimble and adapts to the highest priorities and initiatives. Council has granted the Town Manager authority to approve inter-functional budget adjustments with reporting to Council to follow the action. As a result, we are reporting two budget adjustments approved by the Town Manager totaling \$1,075,419 in Q3 for FY 2018:

- \$1,016,612 Funds for salaries that won’t be spent due to vacancies supported the purchase of SAS software and services for public safety analysis, Box cloud technology, and services and support of Fest in the West.
- \$58,807 Funds for contracted services across the organization were transferred to Information Technology to consolidate management of copiers.

CONTRACTS APPROVED BY MANAGERS & STAFF



Q3 DELEGATED AUTHORITY FINANCIAL ACTIONS

CONTRACT APPROVALS

Council has delegated authority to the Town Manager, Deputy and Assistant Town Managers to approve certain types of contracts. For certain contracts with a value of \$90,000 or less, the Town Manager subsequently delegated

Q3 GENERAL GOVERNMENT INTERFUNCTIONAL TRANSFERS

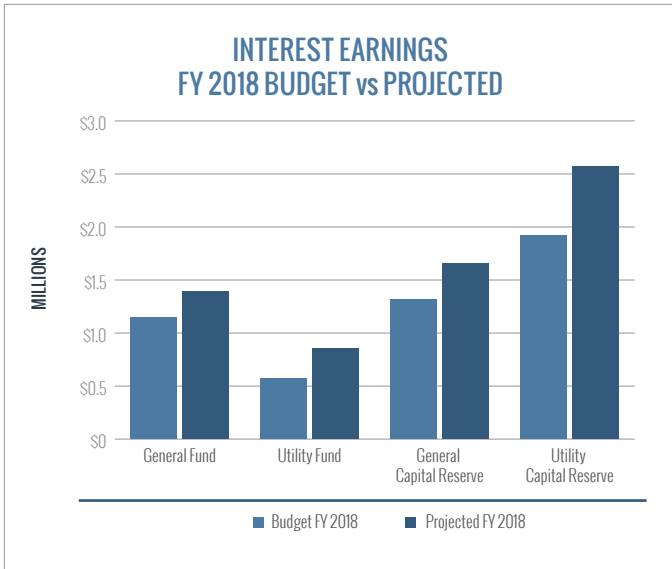
SOURCE	BUDGET TRANSFER FROM	AMOUNT	PURPOSE	BUDGET TRANSFER TO	AMOUNT
Lapsed Salaries	General Government	\$ (258,862)	SAS Software - Police Initiative	Public Safety	\$ 333,334
Lapsed Salaries	Public Safety	(360,042)	Box Technology	General Government	660,000
Lapsed Salaries	Operations (PWUT & PRCR)	(208,280)	Fest in the West	Operations (PWUT & PRCR)	23,278
Lapsed Salaries	Development & Infrastructure	(189,428)			\$ 1,016,612
		\$ (1,016,612)			
Contracted Services	General Government	\$ (8,770)	Toshiba Contract (Contracted Services)	General Government	\$ 58,807
	Public Safety	(13,212)			\$ 58,807
	Operations (PWUT & PRCR)	(24,296)			
	Development & Infrastructure	(12,529)			
		\$ (58,807)			
TOTAL Q3 CROSS-FUNCTIONAL BUDGET ADJUSTMENTS		\$ (1,075,419)			\$ 1,075,419

FY 2018 MID-YEAR APPROPRIATIONS

A total of \$9.4 million was appropriated from general fund balance in the third quarter for the stormwater vehicle and camera, the downtown library parking structure, an upfit

for community recreation in western Cary, and soccer park improvements. An additional \$5.1 million from other funding sources was appropriated for a total of \$14.5 million to support the above general capital projects.

Q3 GENERAL GOVERNMENT MID-YEAR APPROPRIATIONS					
BUDGET TRANSFER FROM			BUDGET TRANSFER TO		
General Fund	Fund Balance	\$ 600,000	General Government Capital Project Fund	Stormwater Vehicle and Camera	\$ 600,000
General Fund	Fund Balance	7,000,000	Downtown Capital Project Fund	Downtown Library Parking Structure	7,000,000
General Fund	Fund Balance	120,900	Facilities Management	West Cary Upfit for Community Center	120,900
General Fund	Fund Balance	1,692,850	Parks Capital Project Fund	Soccer Park Improvements - Phase 2 - Interlocal	1,692,850
Subtotal Q3 General Fund Appropriations		\$ 9,413,750			\$ 9,413,750
General Capital Reserve	Transportation Development Fees	\$ 440,089	Street Capital Project Fund	Cary Parkway and High House Intersection	\$ 440,089
Grant	Federal	550,000	Street Capital Project Fund	Cary Parkway and High House Intersection	550,000
General Capital Reserve	Unrestricted	237,676	Street Capital Project Fund	Walker Street Extension	237,676
General Capital Reserve	Utility Sales Tax	36,000	Street Capital Project Fund	Aviation Parkway Sidewalk Reimbursement	36,000
General Capital Reserve	PRCR Payment-in-Lieu - West	1,026,099	Parks Capital Project Fund	Panther Creek Greenway	1,026,099
Grant	Federal	1,425,000	Parks Capital Project Fund	Panther Creek Greenway	1,425,000
Grant	Interlocal	677,150	Parks Capital Project Fund	Soccer Park Improvements - Phase 2 - Interlocal	677,150
Grant	Interlocal	390,000	Parks Capital Project Fund	Cary Tennis Park Expansion - Interlocal	390,000
General Capital Reserve	Unrestricted	300,000	General Government Capital Project Fund	Garmon Operations Center - Phase 2	300,000
Subtotal Q3 General Capital Appropriations		\$ 5,082,014			\$ 5,082,014
GRAND TOTAL Q3 GENERAL GOVERNMENT APPROPRIATIONS		\$ 14,495,764			\$ 14,495,764



CONSTRUCTION COST TRENDS

In the past few years, the Town of Cary and other Triangle municipalities have experienced a gradual increase in construction costs for transportation and utility infrastructure projects. However, in the past three months, the increase has been more dramatic. This unexpected increase follows several years of stable or even declining costs following the economic downturn. The largest increases have been on smaller projects, ranging from \$500,000 to \$3 million. We have received fewer bids with a greater variance in pricing and many of the low bids have exceeded our construction estimates. For example, in November 2017, the Cary Parkway and High House Road Project, estimated at \$2.7 million, received only three bids. The Morrisville Parkway Extension Project, which was bid in December 2017 with an estimate over \$15 million, generated more interest and received nine bids. Recently, several local municipalities, including the Town, have not received any bids on some smaller projects. Local municipalities have seen some of the largest price increases on vertical building projects. Wake County awarded contracts for three libraries in the past six months. The award value for each of these projects was more than 20 percent over the estimated cost, with the greatest percentage increases being on the smaller projects.

Several factors have contributed to the current situation. During the recession, many less productive contractors found themselves unable to compete with well-established companies and left the business, leading to less competition. Sustained low interest rates, along with a growing economy, lower unemployment and rising wages have led to a considerable increase in all forms of construction. With the combination of an increasing number of infrastructure projects being bid and many contractors being fully employed for the next one to two years, contractors are being more selective about the projects they pursue and the municipalities for which they want to work. According to the 2018 Outlook Survey North Carolina from the Associated General Contractors of

ECONOMIC NEWS

CASH AND INVESTMENTS

Interest earnings continue to improve following interest rate increases by the Federal Reserve. Rates have increased twice during FY 2018 and a third rate hike is expected in June 2018. As a result, interest earnings are expected to exceed budget for all funds by about \$1.5 million. In Q3, the Town purchased about \$55 million of fixed income securities with an average annual yield of 2.36 percent, which is well above the 1.49 percent average yield for investment purchases made within the third quarter of FY 2017. The average earnings for all investments is projected to exceed 1.20 percent for FY 2018 compared to 0.96 percent for FY 2017.

America, higher construction costs can also be attributed to the following: increased labor costs as contractors raise wages to retain existing employees and hire new ones, uncertainty over immigration laws and enforcement and the overall shortage of skilled workers and equipment operators.

Several forces have led to the present labor shortages. During the recession, many skilled employees left the construction industry for more stable jobs. As the economy improved, many of these workers have been reticent to leave the stability of their present employment and re-enter the boom-bust, cyclical swings of the construction industry. The percentage of young people entering construction related fields is at its lowest rate ever, and the Associated Builders and Contractors projects the construction industry will face a shortage of two million workers by 2020. These factors are referenced by numerous agencies, including the Associated General Contractors of America and the US Chamber of Commerce. The item most responsible for the increases in the Construction Cost Index/Building Cost Index over the past year is the shortage of skilled labor.

Research shows that the large number of NCDOT projects that have recently been bid do impact the cost of smaller municipal transportation projects but have little effect on municipal utility projects. The effect of the cost for the transportation projects is evidenced by the increase in asphalt prices over the last few years. Municipal utility project costs are more affected by an increase in new home starts. While Wake and Durham Counties have seen steady increases in housing starts over the past few years, Chatham County has one new development exceeding 7,000 acres, which could notably affect the capacity of utility contractors. All things considered, the Town should anticipate this trend of higher construction costs to continue for the foreseeable future and adjust estimated costs accordingly.

REGULATORY MANDATES

Three regulatory mandates will impact Q4. First, the Town has conducted a utility development fee study in compliance with NC House Bill 436. The draft study on the Town's website reflects changes since its last study in 2012 including:

- Elimination of a reclaimed water development fee
- A new commercial use type to address the growing industry in alcoholic beverage production
- Lower demand for service per average residential account

The house bill requires a public comment period and a Town Council public hearing, scheduled for May 3, 2018. Council will adopt development fee rates for July 1 implementation as part of the FY 2019 budget.

Next, new Federal Office of Budget and Management rules—known as uniform guidance for the purchase of both goods and services, as well as construction and repair projects supported by any federal assistance—go into effect July 1, 2018. These rules will impact Cary for programs specifically involving CDBG, FEMA or transportation funding. Compliance with the new rules, which are more stringent in some cases than North Carolina state law, will require Council to update policy regarding procurement. Staff will present recommendations to Council in Q4.

Finally, the North Carolina legislature made changes in administrative law regarding the use of procurement cards and directed the NC State Treasurer's office to establish NC Administrative Code to implement the new law. Like the new federal uniform guidance, the state code will also require policy action by Council, and staff will present recommendations to Council in Q4.



FOSTERING STRONG NEIGHBORHOODS

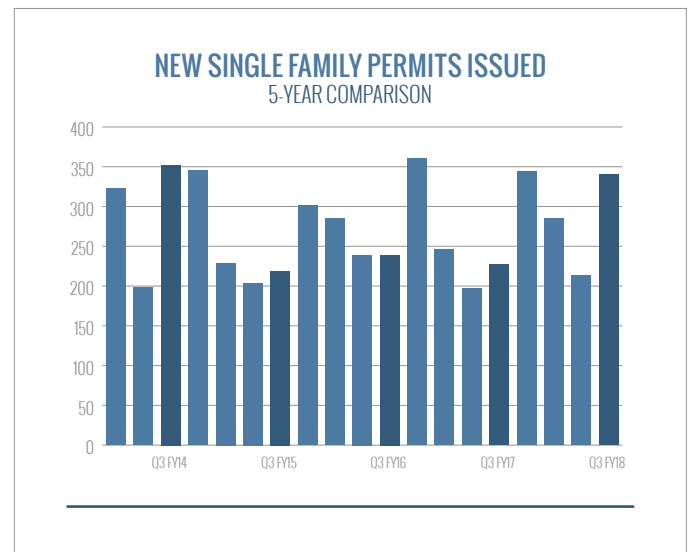


LAURA DUNCAN ROAD / LAUREL PARK ELEMENTARY

On October 27, 2017, a 10-year-old girl who was leaving Laurel Park Elementary School and crossing the street to go home was hit by a car on Laura Duncan Road. Fortunately, she suffered only minor injuries. What the incident did was expose issues that needed to be addressed. For starters, there is no crosswalk at the location where it happened. Also, Laurel Park Elementary School is in Cary, the neighborhood across the street is in Apex, and Laura Duncan Road is a state road in Wake County. When the accident occurred, the Apex Police Department handled the law enforcement response while the Cary Fire Department responded as medical first responders. And following this near tragedy, citizens requested increased enforcement efforts and a crosswalk.

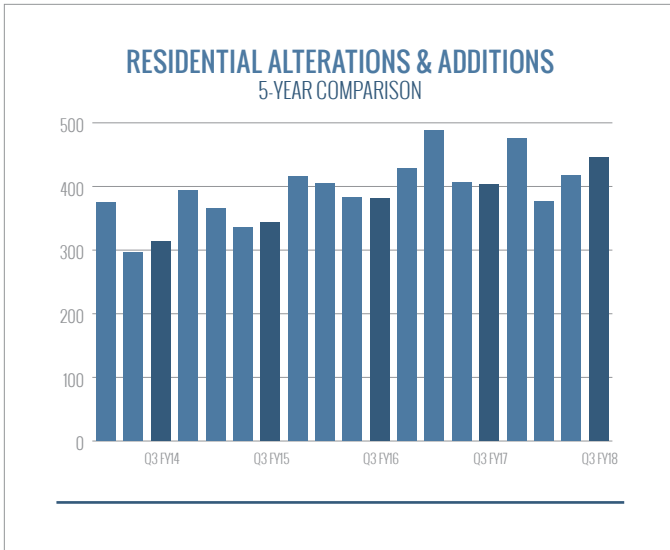
Yet when Apex and Cary were looking at safety improvements in the aftermath of this incident, it became clear that neither jurisdiction had authority to do so. To ensure that jurisdictional authority is clear and to protect the safety of the public in the future, this road needs to be included in the boundaries of one of the adjacent municipalities. Apex and Cary agreed that it made the most sense for it to belong to Apex since Apex-owned utilities are within the right of way. Apex has made a legislative request to add this area to its corporate limits, and Cary supports that request.

When looking at this situation further, however, it became apparent that similar conditions existed throughout Cary's corporate limits. As a result, Cary is requesting that the General Assembly incorporate many NCDOT right of way areas into Cary's corporate limits, thereby clarifying jurisdictional authority and making our streets safer for Cary citizens and the motoring public.



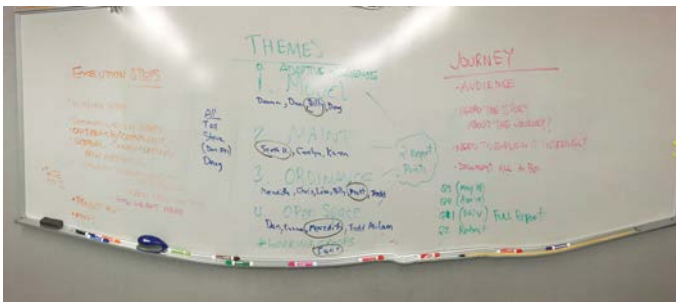
NEW SINGLE-FAMILY PERMITS ISSUED

New single-family permits for Q3 totaled 340, which was up significantly from the quarter's five-year average of 275. New single-family permits were issued in 49 subdivisions with the top five subdivisions being Alston Village (44), Amberly Glen (39), Ridgefield Farms (33), Philips Place (30) and Pritchett Farm (15).



RESIDENTIAL ALTERATIONS & ADDITION PERMITS ISSUED

Residential alteration and addition permits for Q3 totaled 445, which was also up significantly from the quarter’s five-year average of 377. The continued upward trend of residential alteration and addition permits is consistent with the redevelopment theme in the 2040 Imagine Cary Community Plan.



STORMWATER

In our ongoing efforts to develop a transformational adaptive stormwater management program, we have begun implementation of a pilot program in the downtown area. The future development of the Downtown Park and redevelopment opportunities throughout downtown acted as primary catalyst in choosing the downtown area of the Walnut Creek Basin to initiate the pilot. The results and

findings of this program will serve as a template for how we manage stormwater throughout Town.

Based on the outcome of the 2018 Council/Staff Retreat and as a first step in the ensuing third quarter, the Adaptive Stormwater Steering Committee formed five strategic groups:

- Downtown Stormwater Citizen Working Group
- Basin Model Pilot Development
- Stormwater Ordinance Revisions
- Extended Stormwater Infrastructure Maintenance Program
- Open Space

The Stormwater Steering Committee is an innovative approach to strive to achieve a 360° view of stormwater in the Town by drawing on the expertise from a multi-departmental group of staff. In our efforts to break the traditional (autonomous) program development mold, we also continue to add value to these evolving programs through the incorporation of the perspectives of our Downtown Stormwater Citizen Working Group. Below, please find updates from these program areas:



DOWNTOWN STORMWATER CITIZEN WORKING GROUP

The Downtown Stormwater Citizen Working Group, consisting of nine citizens from a diverse range of backgrounds, met with staff for the third time in January. As a result, a new stormwater template was co-created



with the group. This more heightened, proactive approach examines stormwater from a broader perspective than most municipalities are willing to consider. We are looking beyond the Town’s right-of-way and exploring stormwater from a holistic, watershed perspective. We are proud to say this is an adaptive stormwater and floodplain management approach to address how we prepare for rainfall events.

Staff brought details of the Downtown Stormwater Working Group meetings to Council during the 2018 Council/Staff Retreat and asked for feedback on specific initiatives. Such initiatives included piloting a basin model, evaluating ordinances that consider the value of using Stormwater Impact Analysis and a proactive maintenance program to inspect and evaluate our existing storm drain network.

The working group was supportive of using dynamic hydrologic and hydraulic basin modeling to evaluate redevelopment, new development and other future projects to ensure downstream impacts are mitigated. They also supported the extended maintenance program to help ensure that our stormwater infrastructure system is functioning as designed and to prolong the service life of our stormwater pipes.

Staff continues to engage these stakeholders. In April, the Town will conduct a downtown stormwater walking tour with this group to provide a firsthand look at challenges faced with stormwater as well as observe some successes of past projects in downtown.

BASIN MODEL PILOT DEVELOPMENT

The Town has begun using the EPA Stormwater Management Model to predict the stormwater runoff produced from the downtown area of the Walnut Creek Basin. This is a dynamic, computerized stormwater model that provides a real time assessment of how rainfall runoff impacts both the public and private stormwater conveyance system. This allows us to identify our current system performance, highlight underperforming infrastructure, as well as quantify potential impacts from future development while also providing an avenue to seek out opportunities for proactive stormwater and floodplain management. The Walnut Creek Basin headwaters, including the Downtown Park and much of downtown, were selected as

the inaugural pilot area to demonstrate the Basin Model approach. In its infancy, it has already allowed us to begin to evaluate innovative approaches to mitigate flooding and prioritize capital projects.

EXTENDED STORMWATER INFRASTRUCTURE MAINTENANCE PROGRAM

In FY 2016, the Town began integrating a Stormwater Asset Management Program along with other Town-owned buried assets: water, sewer and reclaimed water. Though stormwater infrastructure is very similar to these other systems, it has distinctive factors that warrant a uniquely tailored approach to manage the life span of the system. The first phase of this pursuit included the development of a Stormwater Condition Assessment Program. This GIS based program is used to help transition our stormwater maintenance program from a reactive to a more proactive program. This program is being used to predict risk based on both the likelihood and consequence of failure of each





pipe segment in the system. The output ranks each pipe in priority order. The end goal of this systematic approach is to focus efforts on maintenance with a goal of finding problems and addressing them before the issues disrupt the lives of our citizens and traveling public.

Knowing that stormwater system maintenance is a top priority, Public Works looked to the existing success of the sanitary sewer system maintenance program. In the past two years, Public Works has employed an innovative acoustic technology that quickly helps determine if a sanitary sewer line is blocked and/or requires maintenance. This technology has allowed them to reduce the number of crews cleaning sewers and to shift a crew to stormwater maintenance. This repositioning of equipment and a crew has allowed the Town to increase focus on its stormwater maintenance program. In March, crews began the extended maintenance program pilot and are concurrently collecting data for the Stormwater Condition Assessment tool as well as cleaning pipes.





EARLY SUCCESS STORIES

Prior to the crew mobilizing in March, the Stormwater Condition Assessment Program provided a ranking of pipes in the basin to help prioritize the efforts. We developed a Top 10 list of the highest-priority pipe segments for Public Works to begin cleaning using a jet-vac truck and CCTV to provide a visual assessment inside the drainage system.

Public Works initiated work on this list and immediately found two catch basins and associated pipe segments completely full of sediment along the streambanks of Walnut Creek; the culprit was a buried outlet. Public Works crews cleaned the system and worked to locate the pipe outlet to re-establish the roadway drainage. This is a great example of how the Town is maintaining pipes on private property when damages are being incurred inside the right-of-way.

Another similar example was located at the end of a cul-de-sac where, for years, water had been ponding in front of the stormwater inlet and eventually building up to the point that it would run down a private driveway to the stream below. In the past, Public Works would vacuum out the inlet, but because crews were unable to perform maintenance outside of the right-of-way, the root cause of the flooding—a buried outlet—was left untouched. This



resulted in deterioration of the pavement condition to the point that it is on the list for repaving later this year. Knowing that it would be futile to repave the road before the pipe was cleared, Public Works recently unearthed the pipe and cleaned the entire system to restore its function. They also framed the outlet with rock so that the property owners can continue to maintain it in the future. Now the Town can come in with the paving operation, knowing that it will last for many years.

While these two drainage system blockages have been addressed, we continue to perform work in the pilot area to improve the Town's drainage system. Future issues that we need to address include extent of service and how to approach the public-private partnership that is vital to the operation of fully functioning stormwater conveyance system.



OPEN SPACE

A multi-disciplinary team of Town staff has begun looking at open space with the goals of documenting our past successes, identifying challenges and exploring future opportunities. Open space is a value-add to Cary through the aesthetic, environmental and economic benefits it provides to our community. This working group's focus is looking for opportunities to preserve, protect, enhance and enjoy our current and future open space.

One of our past successes and a vital component of our open space is our riparian stream buffers and the Town's Urban Transition Buffer. This area provides many benefits that we need to continue to focus on preserving.



A future opportunity that was identified in this working group was connecting the Downtown Park to the Fenton Development via a greenway. The 2012 Parks, Recreation & Cultural Resources Master Plan identified the future Irongate Greenway in this location. This would promote strong neighborhoods and resiliency through the connectivity, added landscaping and installation of green infrastructure.

Many of the benefits of open space result from the presence of a tree canopy. The benefits of trees in stormwater management are well-documented in research and are considered by many as the original green infrastructure. Trees reduce the urban heat island effect, improve water quality, decrease surface runoff, reduce soil erosion, improve air quality, as well as provide wildlife habitat and aesthetic improvements.

In an effort to increase our green infrastructure in Town, we recently had five Town-owned properties planted with close to 200 trees and shrubs. These five distressed properties were purchased as far back as 2006 under Policy Statement 35 due to repetitive flooding. After demolishing the homes and returning them to open space, the Town has been mowing these lots throughout the growing season. In April, volunteers will be placing leaves collected by Town crews to act as mulch and suppress the weeds, helping these trees to become well-established in this first year. These leaves will also closely mimic a natural urban forest environment. Since these lots are all adjacent to streams, we are also reestablishing the riparian and Urban Transition Buffers that were removed to make way for the homes. By adding to our tree canopy and mulching this open space, we not only gain the stormwater management benefits listed above, but also decrease our annual operating costs by reducing the need for mowing.





ASSURING CONTINUED PROSPERITY



NEW CNET IS HERE

The Town's employee intranet underwent a major revamp this winter, going live with a fresh design and 24/7 employee access for the first time in its 15-year history.

CNET migrated from the Town's internal server to a staff-only area on www.townofcary.org, allowing employees to access the latest news, benefits, staff directory, calendar and other goings-on-around-Town from anywhere with an internet connection, using a work or personal desktop, laptop, tablet or phone.

As part of the project, more than 400 regular and temporary employees were provided network accounts, conveying CNET access for the first time. Prior to migration, only staff using Town computers within our network could read CNET.

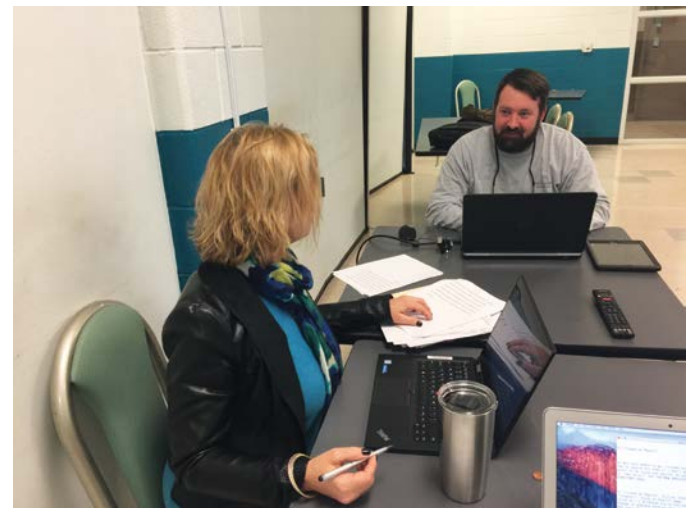
In the works for months, the new CNET website is a OneCary collaboration between Human Resources, Public Information, Information Technology, and Parks, Recreation & Cultural Resources. Additionally, in the weeks preceding launch day, an integral group of volunteer employee testers worked with CNET project managers to review and navigate the new design, providing valuable input that helped shape CNET into a user-friendly site.

CARY YOUTH LEADERSHIP TOWN HALL VISIT

In March, the Town welcomed 43 high school juniors participating in a Cary Chamber of Commerce Youth Leadership program. Established in 1998, Youth Leadership

Cary focuses on developing the potential of future leaders by helping the students understand how government, business and individual leaders work together as integral community members.

The program features a one-day program where students learn about local government's inner workings. Along with Town and Chamber staff, Human Resources coordinated the day's activities. In a true OneCary effort, several Town colleagues, as well as Mayor Harold Weinbrecht, lent their time and expertise to facilitate discussions and tours. The students loved their visit.



HEALTH COACHING FOR EMPLOYEES

Committed to providing opportunities to all employees for improving their health and well-being, the Town offers free monthly health coaching appointments with WakeMed professionals. Health coaching is a unique, personalized approach for those employees choosing to live a healthier life. Focus areas for many staff participants include weight loss, accountability and goal setting, coping with stress and mindfulness. According to WakeMed's impact data, employees participating in at least two to three health coaching sessions between August, 2016 to December, 2017 showed progress in lowering:



- Body mass index (BMI) and waist circumference
- Blood pressure
- Total cholesterol/high density lipid (HDL)

Employees have embraced the Town's Healthy Rewards program and its many opportunities, and our continuing partnership with WakeMed is making a tremendous impact. Together—as OneCary—we are continuing our focus on becoming the healthiest we can be with support and success through initiatives like our health coaching program.

THIRD QUARTER ACCOLADES

Cary continues to receive accolades from multiple organizations that reflect the desirability of the community as a place to live and work.

#6 Best Place to Live in America, Cary, HomeSnacks (January 7, 2018)

#25 City Where Millennials Are Buying Homes, Cary, SmartAsset (January 25, 2018)

#5 Safest City in North Carolina, Cary, HomeSnacks (January 15, 2018)

#1 Hotel in North Carolina (Umstead), Cary, U.S. News & World Report (February 8, 2018)

#7 Best Place to Live in the USA, Raleigh-Cary MSA, U.S. News & World Report (February 26, 2018)

#4 Safest City in North Carolina, Cary, National Council for Home Safety and Security (March 7, 2018)

ECONOMIC DEVELOPMENT

The Chamber of Commerce hired a new Vice President of Economic Development, Evan Stone. Evan presented to the Economic Development Committee on March 7, where he

talked about his background and his approach to the role. He will bring an emphasis to existing businesses, noting that existing businesses that are successful and happy are our best recruiting tool to bring in new businesses.

SMART CITY/KANSAS CITY

Cary's Smart City Program achieved several milestones and international recognitions this quarter. First, a smart city committee was formalized, which includes staff from every department. The committee put together a program plan and mission objectives that include:

- Development of Cary's smart city roadmap and standards.
- Review and vetting of projects with smart city components in a manner that does not stifle innovation and create bureaucracy. This includes cost/effort/benefit analysis.
- Smart city projects prioritization and new opportunity identification.
- Coordination with other committees (data governance, project and services catalog, etc.) to leverage opportunities across the town.
- Smart city education outreach to staff and the community.

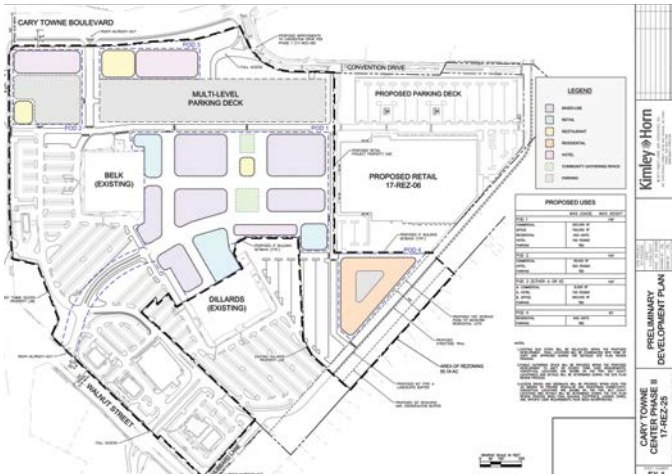
Second, Cary was a recipient of a 2018 Smart 50 Award and Smart City Council Readiness Challenge Grant. The Smart 50 Awards, in partnership with Smart Cities Connect, Smart Cities Connect Foundation and US Ignite, annually recognize global smart cities projects, honoring the most innovative and influential work. Our Simulated Smart City living lab on Town Hall Campus was selected as a winner and honored at an awards gala on March 26 at the Smart Cities Connect Conference & Expo in Kansas City, Missouri. Cary was also the recipient of the 2018 Smart City Council Readiness Challenge Grant. This grant provides a custom, on-site Readiness Workshop, worldwide publicity, a year of free mentoring/coaching, as well as products and services worth hundreds of thousands of dollars to refine and build our smart city vision.



Finally, Cary's staff, along with regional partners, showcased our smart city efforts at several conferences and events, which included NC Open Pass, Open Source 101, and the IoT Evolution Conference in Orlando, FL. Various departments also participated in a two-day Salesforce IoT Cloud Workshop, which focused on connecting Cary's traffic and SCADA networks with Salesforce to automate processes and provide real-time information to staff and citizens.



CREATING VIBRANT DESTINATIONS



CARY TOWNE CENTER MALL & IKEA

The world-renowned Swedish home furnishings store IKEA continues to make progress and move closer to coming to Cary. Following the Town Council's approval of a rezoning and Preliminary Development Plan (PDP) on October 26, 2017 IKEA submitted detailed development plans in December that are working their way through the Town's Development Review Committee.

This iterative review process, where staff works with IKEA's development team to ensure that the plan meets the conditions of the rezoning as well as the Town's Land Development Ordinance, will take a number of months to complete. In addition to development plan approval, detailed drawings of the building will be reviewed to ensure compliance with the North Carolina State Building Code. The approved development plan and the building plans will then be used by Town inspectors and IKEA's contractors to construct the store.



The new zoning represents the first phase in the redevelopment of Cary Towne Center Mall. IKEA's new two-story building, which includes approximately 380,000 square feet of floor area and a parking deck, will combine to redevelop the northern portion of the existing site, replacing some of the existing mall building, including the former Sears.

A rezoning and Preliminary Development Plan have also been submitted for the second phase of the mall's redevelopment, proposing to rezone another 55 acres of the site from General Commercial-Conditional Use (GC-CU) to Mixed Use District (MXD). This proposal is currently being reviewed by Town staff, and collaborative dialogue is underway between the staff and the applicant regarding the proposal's consistency with the Town's Imagine Cary Community Plan and the policies associated with the Eastern Cary Gateway Special Planning Area.



EXPERIENCING THE CARY COMMUNITY



BUILDING BRIDGES

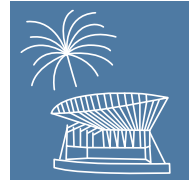
On January 8, 2018 members of the Police Department, along with members of the faith-based leadership of our Building Bridges group, all participated in “shoot, don’t shoot” scenario training at Wake Tech Community College. This interactive, computer-based training put trainees in real life scenarios involving shooting incidents from officers’ actual experiences. The training was not only an awesome, hands-on opportunity for members of our community to experience police officer training techniques. It also allowed them to understand—as close as possible—what it is like to be in the same deadly force situations faced by so many officers around the country.

The training was well received by the group and many expressed their gratitude for the opportunity to learn. Based on feedback we received, the training offered a new look into the job of a police officer and the split-second challenges that are often faced on the street. A special thank you to Cary Police Sergeant Wyatt Crabtree and Wake Tech staff for giving us such a fun and insightful experience.

BARBERSHOP RAP SESSIONS’ INFLUENCE GROWS

Almost four years ago, the Police Department started forming closer ties within the community by attending and engaging in Barbershop Rap Sessions. Taking a section from this playbook, the Town has spun off two similar initiatives to promote open dialogue and to foster greater understanding of others/perspectives and feelings on various topics affecting us all. Our community partners, Tru Pettigrew and Winslow Thornton of Tru Access, have been instrumental in delivering our Town Rap Sessions and STARTERS Program.

Monthly Town Rap Sessions at Herb Young Community Center helped ring in 2018. January and February sessions were well-attended and provided employees with a forum to discuss race relations issues. Future topics will include generational differences, the #MeToo movement and managing change. In addition, the Cary Police Department kicked off its Students That Are Restoring Trust Empathy Respect and Support, or STARTERS, program. This initiative is a youth-focused mentoring program initiated by high school resource officers and students. Intended to provide a discussion forum that is mediated and moderated by students, this program tackles issues that are important to



today's youth and tomorrow's leaders. Tru Access provides students, free of charge, with initial training on effectively facilitating dialogue. Panther Creek High School held their first session called Catamounts Connect. Over 50 students voluntarily attended during their free lunch period. Plans to expand this program to Green Hope High School and Middle Creek High School are already underway. It has also begun to push past our borders into Apex Friendship High School and Holly Grove Middle School, as well as several other schools throughout Wake County.



SHARE & CARE

Now in its fourth year, Cary hosted almost 50 organizations and businesses at the Share & Care event, which was held at the Herb Young Community Center on February 16. This annual event is a resource fair for persons with disabilities as well as their caregivers, families and friends. Agencies offering programs, services and resource information were on hand to network with the over 200 people in attendance. This program has grown each year as the demand for resources for persons with disabilities has also continued to increase.



KITE FEST

The Kite Festival, held March 3 at Fred G. Bond Metro Park, drew its largest attendance in history with an estimated crowd of 5,000 versus the previous year's attendance, which was approximately 1,200. Prizes were awarded in a variety of categories, including best crash, smallest kite, highest flying and more. The event was a collaboration between Police, Public Works, and Parks, Recreation & Cultural Resources.



SENIOR HEALTH FAIR

In March, the Cary Senior Center hosted its Health Fair in partnership with Resources for Seniors. The annual event, which is open to the public, hosts over 50 health and wellness related exhibitors that provide a variety



of services and screenings for older adults. The event brought in 112 attendees from the Cary area. New to this year's event was the Polka Dot Melanoma Foundation, which screened 22 attendees for skin cancer.

**JACK SMITH PARK
DOG PARK**

**REPORT
AN ISSUE**

Text "JSDP" to TXT311 (898-311)
and include a short description of your concern.

EXAMPLES OF ISSUES:

- "The card reader isn't working."
- "There is a down tree/branches."
- "Dog 'pick-up' bags need to be refilled."
- "The water bowl is broken in the large dog area."

By texting the Town of Cary you are agreeing to receive messages from us. You will have the option to opt-out of messages at any time and can find our terms of service by visiting www.townofcary.org/txt311. Standard messaging and data rates apply. Response may take up to one business day. In the case of an emergency, dial 911.

TOWN OF CARY

TXT311

Have you experienced a maintenance issue at the one of the dog parks? Now it is as easy as TXT311 to report the problem. The application of this new system is the first phase of a pilot program designed to increase citizen convenience. When a text to 311 is received, a "case" is created in Salesforce and a team is notified with an alert from the Salesforce App. Depending on the issue, if the case can be resolved immediately, a text notification is returned to the person, letting the citizen know the issue has been resolved. If the problem requires more work, a work order is created and the citizen is alerted that the work is in process. When Public Works completes the task, another automated message is sent, letting the citizen know the problem has been resolved. Staff can also communicate directly via text with the citizen if additional information is required.



CELEBRATING OUR AFRICAN-AMERICAN CULTURE AND HISTORY

This quarter brought a rich array of programs sharing Cary's African-American heritage.

January saw the celebration of the Martin Luther King, Jr. Holiday with MLK Jr. Dreamfest. Cary's three-day observance included a full day of programs on January 13 at the Cary Arts Center. The activities began in the morning with children's activities, which focused on songs of the civil rights movement. In the afternoon, a screening of the film, *Racial Taboo*, was followed by small group discussions with over 250 citizens participating. The evening program focused on culture, and the children who had learned songs in the morning returning to showcase the music. The Triangle Youth Jazz Ensemble performed the world premiere of composer Harold Mims' jazz composition, *We Shall Overcome*, which was specifically commissioned for this event. On January 14, Ava DuVernay's acclaimed documentary, *13th*, was screened at The Cary, followed by a panel discussion led by NCSU professor Dr. Thomas Easley. The Town's final Dreamfest event was on the holiday itself, January 15, with a day of service at Good Hope Farm.

In February, Black History Month was observed on February 24, featuring a day of events at both The Cary Theater and at Cary Town Hall. The focus at The Cary Theater was on health in African-American communities.



The event included a panel discussion featuring area health care professionals who provided advice and resource suggestions for healthy living as well as diverse musical performances. At Town Hall, the theme was, “The Future of Black History.” This event focused on bridging gaps and connecting the dots of the contributions of great black influencers and thought leaders across different disciplines and generations. The event was hosted by Tru Pettigrew and WRAL anchor Lena Tillet. There were performances by London Childers and the celebrated gospel recording artist Todd Galberth. A multi-cultural panel discussion featured the thoughts about Black History Month from black, white, Hispanic and Indian residents. Baltimore Chief of Police Melvin Russell was the keynote speaker. The event was capped off by a special award presentation to two of the barbers from Headliners Barbershop for their incredible work in bringing the Cary community closer together. The Austin Lewis Award is a citizen-initiated award and the Police Star is the highest award given to a civilian by Chief of Police Tony Godwin. These awards were presented to Mr. Tron Watson and Mr. Anthony “Ant” Smith. It was a deeply moving moment to witness these outstanding Town of Cary citizens receiving recognition for their efforts to bridge racial and cultural gaps between our citizens. Over 250 people attended these events.

Finally, on March 6 at The Cary, poet and playwright Naima Yetunde Ince led a discussion about experiences, challenges, responsibilities and stories told by female playwrights of color, punctuated by select dramatic readings.



CHINESE LANTERN FESTIVAL

The third annual Chinese Lantern Festival wrapped up at Booth Amphitheatre on January 14 with a final attendance of 84,123. While unfortunate weather caused the festival to close for four days and extreme cold also depressed attendance by about 6,000 from last year, the Festival remained extremely popular and continued to draw enthusiastic crowds. Numerous patrons posted their experiences on social media, including at least three marriage proposals.



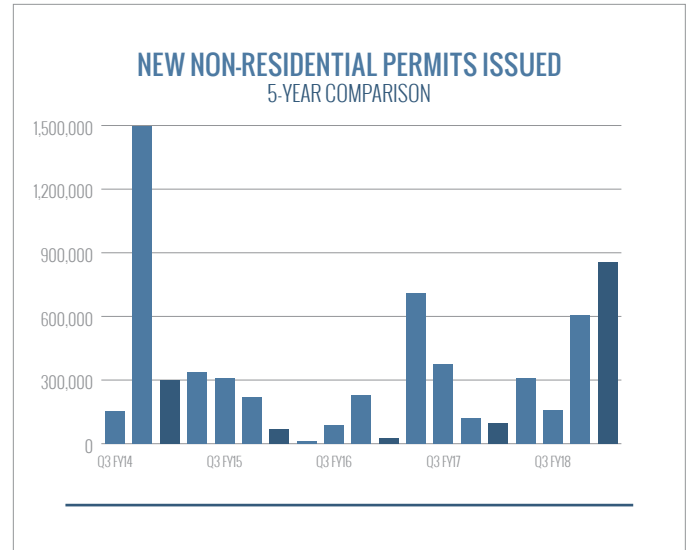


GUIDING COMMUNITY GROWTH



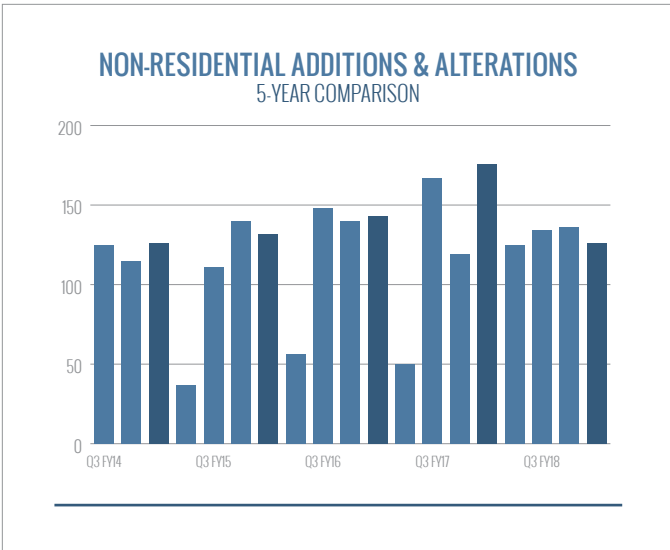
ELECTRONIC PLAN REVIEW FOR BUILDING PERMITS GOES LIVE

On March 26, the Town of Cary implemented and made electronic plan review for building permits an option for our design professionals, contractors and citizens. Electronic plan review for building permits was approved for expansion in the FY 2018 budget and will save our design professionals, contractors and citizens printing costs for plans and reduce travel to Town Hall since plans can be submitted remotely, 24/7. In addition, the program will improve staff efficiency during the review process and allow staff to access approved plans electronically from the field. This initiative has been well received by our design professionals, contractors, citizens and staff.



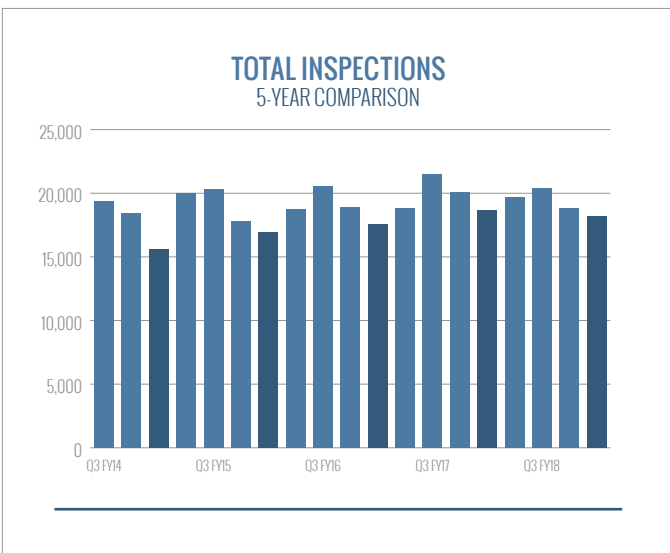
NEW NON-RESIDENTIAL PERMITS ISSUED

There were eight new non-residential permits totaling 855,128 square feet issued in Q3. This square footage represents the most in a quarter since Q2 of FY 2014, when the square footage for new non-residential permits totaled 1,495,710 and included two Metlife Buildings and two Metlife parking decks. The top five new non-residential permits issued in Q3 of FY 2018 were Health Park at Kildaire Office Building, Health Park at Kildaire Parking Deck, Regency Woods Office Building, Regency Woods Parking Deck and Princess Nails Supply Retail/Warehouse.



NON-RESIDENTIAL ADDITIONS & ALTERATIONS

Non-residential addition/alteration permits in Q3 totaled 126, which is down from the Q3 five-year average of 141.



TOTAL INSPECTIONS

Inspections in Q3 totaled 18,206, which is up from the Q3 five-year average of 17,391. Historically, Q3 inspection numbers are the lowest in the fiscal year largely due to winter weather affecting construction activities.



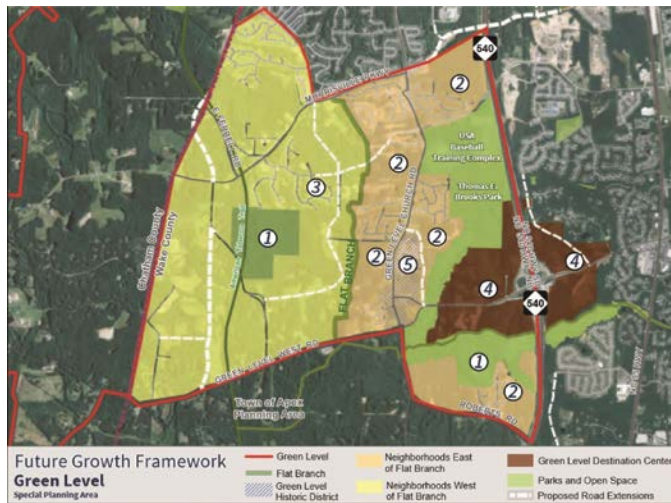
FENTON MIXED USE DEVELOPMENT

The Town Council approved a rezoning and Preliminary Development Plan (PDP) for the Fenton development on January 25, 2018, changing the zoning from Office & Institutional District (OI) to Mixed Use District (MXD). The approval represented the culmination of 32 months of dialogue and a collaborative process that grew to include over 70 Town staff members from every Town department.

A 92-acre greenfield site located in the center of the Eastern Cary Gateway Special Planning Area, Fenton includes vertically mixed uses designed around an L-shaped main street where residential or office uses will be located on top of ground floor retail tenants. Fenton also includes sites for large corporate office buildings and hotels. A total of eight parking decks, the construction of a greenway along a portion of Walnut Creek, six community gathering areas, special architectural standards and the extension of Trinity Road from Cary Towne Boulevard to East Chatham Street are all integral parts of the project. Fenton is anticipated to be a major live, work and play location; one that will serve to fuel additional development in the greater Eastern Gateway area.



One of the conditions associated with the rezoning is that a Development Agreement must be approved before development plans can be submitted for the project. Town staff is currently negotiating the terms of a Development Agreement with the developer. When a mutually agreeable proposal has been developed, a draft agreement will come before the Town Council for a public hearing and consideration. We anticipate this next step occurring in late spring.



GREEN LEVEL SPECIAL PLANNING AREA

In October 2016, Duke Health purchased approximately 62 acres near the intersection of NC 540 and Green Level West Road. The site is located in the Green Level Special Planning Area, which is situated in southwest Cary and stretches from NC 540 to the Chatham County line. The area includes Thomas Brooks Park, the USA Baseball Training Complex, the Green Level National Register Historic District and the American Tobacco Trail.

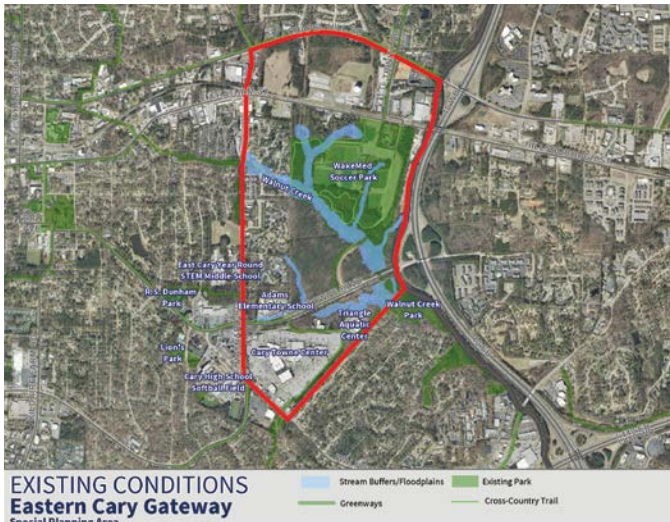
The Duke Health site is located in the portion of this Special Planning Area where the Imagine Cary Community Plan’s policies are seeking to create a Signature Mixed Use Destination Center that will support residences in Green Level and the larger region. Just two exits from Research Triangle Park, the Green Level Destination Center is intended to provide opportunities for economic development, employment growth and higher-density housing, as well as offer residents a place to shop and dine within a short commute of their homes.



In January 2018, Duke Health submitted a rezoning request to change the zoning for their site from Residential-40 (R-40) to Mixed Use District (MXD). As part of reviewing the Preliminary Development Plan (PDP) associated with the rezoning proposal, the Town has been collaboratively working with Duke Health to determine how to best provide access due to the site’s close proximity to the NC 540 interchange. Since the majority of this Destination Center is undeveloped, Duke Health’s proposal represents an important first step in implementing the vision for this area. Staff anticipates that this will be an upcoming area of interest and focus during Q4 and FY 2019.



PROVIDING TRANSPORTATION CHOICES

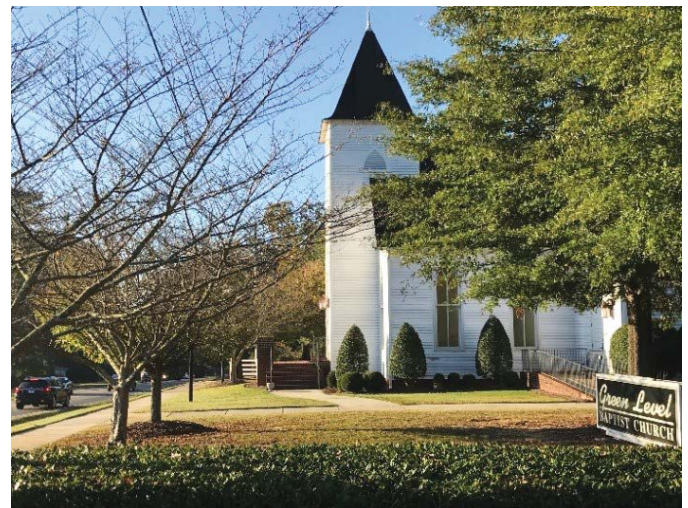


TRINITY ROAD STUDY

Strategically located on the eastern edge of Town and adjacent to I-40, the Eastern Cary Gateway serves as a key regional entrance into Cary. Home to premier athletic facilities at WakeMed Soccer Park and future development projects such as Ikea and Fenton, the Imagine Cary Community Plan identified this location for a future transportation study. Infrastructure initiated the Trinity Road study with the consulting firm VHB in March 2018 to identify the future Trinity Road alignment and analyze overall connectivity within the Eastern Cary Gateway. A kick-off meeting was held on March 27 with the Town’s internal Steering Committee, which included staff from Transportation & Facilities, Water Resources, Parks, Recreation & Cultural Resources, Planning and the Manager’s Office. The purpose of the project is multi-dimensional with the Steering Committee and stakeholders working to establish goals and desired outcomes for the study. The consultant will conduct an analysis of the pros and cons of alternate road alignments for Trinity Road between Chatham Street and Cary Towne Boulevard while weighing the impacts of the alternatives on facilities like the WakeMed Soccer Park and the future

development potential of the land along the east side of the Trinity Road corridor. The study will determine which conceptual alignment is the best fit based on value decisions made as a result of the established goals and ultimately provide a functional design for the Trinity Road corridor, which will serve the multi-modal vision of the area.

Connectivity to the existing roadway network will also be studied, including analysis of two future grade separations along Trinity Road, one at Chatham Street/CSX, and one at Cary Towne Boulevard. The overall project is anticipated to conclude in spring 2019; however, the project tasks will be phased with the Trinity Road alignment taking priority due to pending development.



GREEN LEVEL CHURCH ROAD STUDY

The Town’s Green Level Historic District has experienced considerable change over the last decade with changes in land ownership, increasing residential development and new school construction. As a result of this growth and based on future traffic projections, the Imagine Cary Community Plan recommended a future four lane median divided roadway for Green Level Church Road through



the historic district. Currently a rural two-lane road, the study will identify and examine context-sensitive design alternatives along this corridor, which take into account the community and land uses along the Green Level Church corridor.

Infrastructure initiated the Green Level Church Road feasibility study with the consulting firm SEPI in March 2018. A kick-off meeting was held March 22 with the Town's internal Steering Committee, which included staff from the Manager's Office, Development Services, Transportation and Facilities, and Planning. Ongoing communication and project input with the primary stakeholders along the corridor—Green Level Baptist Church, generational land owners and HOAs—will be key to ensuring project success. The study will develop an overall vision for the corridor and recommend appropriate transportation solutions that can accommodate future transportation and greenway needs, serve motorists, pedestrians and cyclists, and fit the unique historic context of the area. The project will conclude in winter 2019. There is currently no funding designated for design and construction of the future road improvements.



WHITE OAK CREEK GREENWAY TRAILHEAD

In 2008, staff from Wake County Public School System (WCPSS), Wake County, and the Town of Cary worked together to find a property that was suitable for a new high school location and park that was jointly master planned.

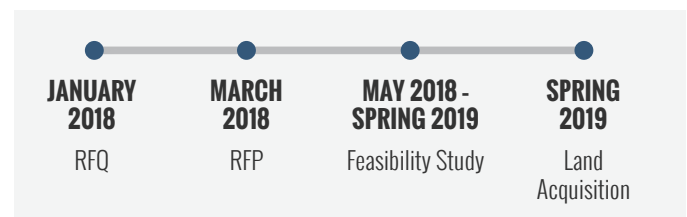
The master plan included a future trailhead connection to White Oak Creek Greenway-American Tobacco Trail, which

is currently under construction. The trailhead will give access to the greenway by way of the new vehicle bridge on Green Level Church Road that the NCDOT recently replaced with funding added by the Town to provide a 10-foot-wide sidewalk extension with concrete barrier separation from motorists. Maintenance for the trailhead will be provided by the Town of Cary.

Design and plan approvals are in the final stages of review by the Town staff and WCPSS.

The design presently includes 29 parking spaces around a central landscaped island, bike racks and space for gathering to meet friends before heading out to the greenway. Utilities for the drinking fountain, bottle filler and dog water fountain will be installed in this phase of the project, as well as reclaimed water for irrigation and sanitary sewer for future bathrooms. Locations for the restroom facilities have been identified for future projects with easy access to utility hookups from this phase.

Staff is working with our consultant and WCPSS to begin construction after school is released for the summer so we can reduce the impact on the school operations and bus traffic. Construction is scheduled to begin summer 2018.



DOWNTOWN CARY MULTI-MODAL TRANSIT FACILITY

In Q3, the Town released a request for qualifications for a Downtown Cary Multi-Modal Transit Facility Feasibility Study. As part of a two-phase approach, an evaluation committee invited the top three firms to submit a project proposal, with final selection occurring spring 2018.

The downtown multi-modal transit facility will serve as Cary's central transit services transfer hub. The facility



will accommodate a variety of transit modes and services, including local and regional bus service, bus rapid transit (BRT) service, and commuter and inter-city passenger rail service, including Amtrak. The facility is also anticipated to serve as the central hub in Cary for passengers to access local and regional transit services by providing park-and-ride opportunities and passenger waiting accommodations and may include facilities for bike share, car share, inter-city bus services, and private transportation providers (e.g., taxi and ride sourcing services).

The feasibility study for the facility will also identify and analyze BRT service routing alternatives within Cary's downtown based on the locations of potential portals of dedicated BRT facilities at the edges of downtown that are recommended by other ongoing regional fixed guideway alternatives analyses. The feasibility study will examine alternatives for how BRT facilities traversing the Town will interact with the proposed downtown multi-modal transfer facility in a manner that facilitates safe, efficient and well-coordinated circulation.

WAKE TRANSIT

The initial public comment period for the Draft FY 2019 Wake Transit Work Plan concluded on March 12. Over 100 comments were submitted by Wake County residents in overwhelming support for the proposed projects. Wake Transit sub-committees will collaborate to finalize the Recommended FY 2019 Wake Transit Work Plan for consideration by the Transit Planning Advisory Committee (TPAC) on April 11.

The Town of Cary is the project sponsor for the following projects included in the draft plan:

FY 2019 WORK PLAN



- Expansion of Marketing/Public Outreach
- Expansion of Downtown Operations Study
- New Transit Plan Administration
- Expansion of Holiday Service Hours
- New Route – Weston Parkway / Bus Stops & Shelters
- New Passenger Information Materials
- Land Acquisition & Design for Downtown Multi-Modal Center



MEETING COMMUNITY NEEDS



IBT SETTLEMENT

The Jordan Lake water supply is key to meeting the Town of Cary's commitment to ensure reliable, high-quality water services are available to meet the needs of our citizens and support continued growth. In January, Cary achieved greater water supply stability for its citizens by ending a legal challenge to our interbasin transfer (IBT) certificate filed by several downstream communities in the Cape Fear River basin. On January 18, the Towns of Cary and Apex, along with the North Carolina Department of Environmental Quality, reached a settlement agreement with Fayetteville and other communities who sued the state contesting the its 2015 action issuing an IBT Certificate to Cary/Apex. The Town worked closely in this negotiation with Apex, our partner on joint water supply facilities since 1988. The settlement negotiations also provided an opportunity to forge a stronger working relationship with the Fayetteville Public Works Commission.

Cary and Apex each exist in two river watersheds, the Neuse (east) and Cape Fear (west), separated roughly along NC Highway 55. The Jordan Lake water supply is located in the Cape Fear River basin, and water is returned from wastewater treatment facilities in both basins. The state

regulates transfers of water across watershed boundaries. As part of the Town's IBT certificate, the Town constructed the Western Wake Regional Water Reclamation Facility to return a portion of our water use back to the Cape Fear River basin. With the settlement, the IBT certificate is modified to include a provision for Cary and Apex to submit an annual report on their water demand in the Neuse River Basin, and the amount of treated discharges returned to the Cape Fear River basin each year. Actual demand and actual return will be compared to a calculated required return formula, which increases the expected discharge return as water demand increases in the Neuse River basin portion of Cary and Apex. Town staff have evaluated projections of growth in the western portions of Cary and Apex, as well as the remaining development/redevelopment in the Neuse River portions of the Towns and have confidence the return requirement will be met.





GOOD HOPE WATER TANK

The Carpenter Elevated Water Storage Tank along NC 55 will soon have a new neighbor. About a mile to the north at the intersection of NC 55 and Good Hope Church Road, we are constructing the Good Hope Tank. While these neighboring tanks will both serve the growing western pressure zone and each have a two million gallon capacity, they will not share a similar appearance. Like the Kilmayne Tank under construction near the Kildaire Farm Road and Maynard Road intersection, the Good Hope Tank is a composite-style tank with a reinforced concrete column and a steel tank on top.

Currently standing at about 48 ft. tall, the Good Hope Tank is well on its way to an ultimate height of 183 ft. once the steel tank is lifted into place this fall. At that height, the Good Hope Tank will become our second tallest elevated storage tank behind the Ridgeview Tank, which stands approximately 187 ft. tall and is located along Cary Parkway. While the tank may be the most visible element of the project, it's not the only thing happening at the site that will make our water system more resilient. Once the tank crews have moved out, a pump station will be constructed that will allow the water stored in the tank to serve the central as well as the western pressure zone. This operational flexibility will come to fruition just in time for the summer 2019 high-demand season.

AQUASTAR SUCCESS STORY

In January, a 12-inch water main break on Pleasant Grove Church Road and Airgate Drive near the RDU Airport had the potential to cause a water outage for approximately 55 utility connections, including a school and numerous businesses. Town staff quickly recognized that nearby Raleigh pipelines could be connected to maintain water service with a fire hydrant-to-hydrant connection between the Raleigh and Cary water systems but needed to know if that connection would provide adequate supply for the affected properties. Using GIS and Aquastar data, staff created a boundary simulation of the estimated water use

required for the service area by analyzing average water usage for the past week for water users within the affected area. Staff was able to quickly establish that the hydrant connection would be adequate and thanks to a temporary connection to Raleigh's water system, a much smaller area was impacted during the water line repair. This analysis allowed the Town to avoid school and multiple business closures.



PLUMTREE TANK PAINTING

The Plumtree Water Tank, located near Millpond Village, has been painted and returned to service. The one million gallon tank, which is 17 years old, serves the southern pressure zone. This is the first time it has been repainted. The project cost \$500,000 and the new coating is expected to last up to 20 years.

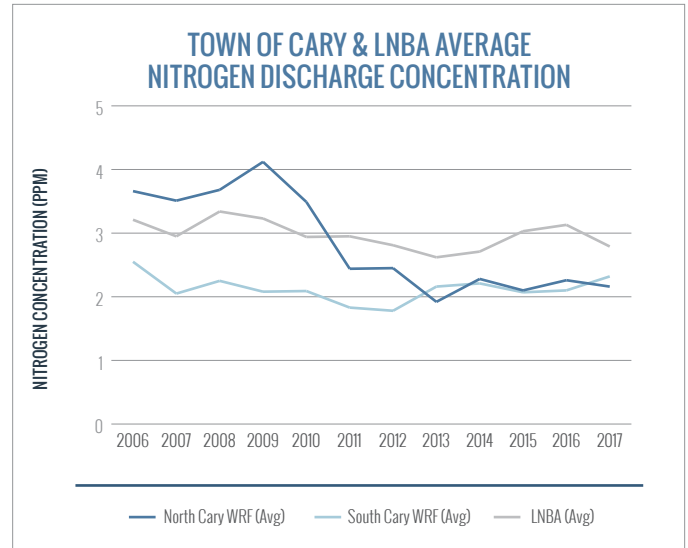


JORDAN LAKE UPDATE

After several months of below normal lake elevations, Jordan Lake has been filled to its normal pool elevation of 216 feet and is ready for the summer demand season.

RECLAIMED WATER HOLIDAY

The reclaimed water distribution system serves 830 metered services in three distinct service areas with approximately 66 miles of pipelines. The 2018 Reclaimed Water Holiday, which is the annual off-season reclaimed water system shut down for maintenance, began on February 12. All planned operations and maintenance projects were completed, and the system was fully restored and operational by February 22.



WASTEWATER TREATMENT PERFORMANCE

After operating successfully for the first three years and achieving high level nutrient removal standards and excellent wastewater treatment performance, the Western Wake Regional Water Reclamation Facility has been named an Exceptional Performing Facility.

The North Cary and South Cary Water Reclamation Facilities continue to be Exceptional Performing Facilities since their last permit renewal in 2014. These facilities are among the best performing facilities in the Neuse River Basin. A key indicator of performance, nitrogen removal protects the environment by reducing nutrients in receiving waters and by recovering the nitrogen for beneficial reuse in the form of biosolids. Both facilities continue to discharge nitrogen concentrations below the Lower Neuse Basin Association’s (LNBA) average of 2.79 parts per million (ppm). In 2016, North Cary WRF had an average nitrogen discharge of 2.16 ppm and South Cary WRF had an average discharge concentration of 2.32 ppm. Both facilities continue to remove nitrogen at exceptional performance levels.



JANUARY SNOW STORMS

Two snow storms hit Cary in January. Each storm brought different challenges: On January 3, we saw three inches of snow and bitter temperatures, while on January 17, Mother Nature dumped seven inches of snow on Cary. Cary’s A-Team worked non-stop, plowing every street within 24 hours. Public Works’ snow response cost \$185,000 and \$340,000 for the January 3 and January 17 incidents, respectively.



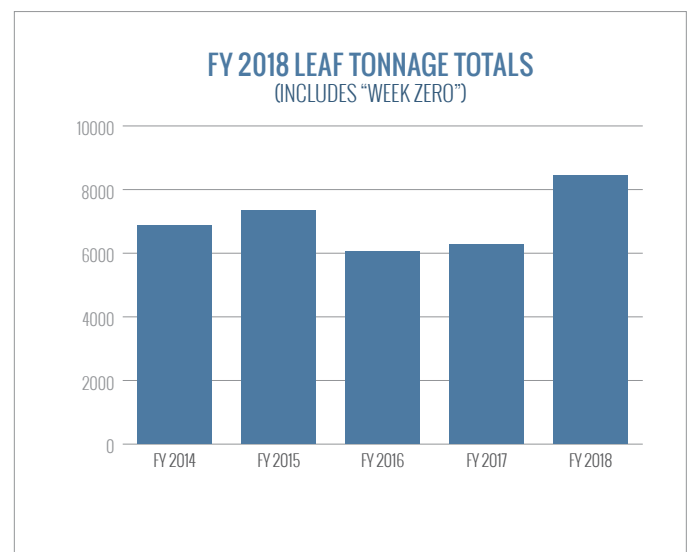
CHINA’S NATIONAL SWORD

The Town of Cary provides garbage, yard waste and recycling collection for approximately 51,000 homes every week. Annually, we deliver roughly 11,000 tons of comingled recycling from our curbside program to Sonoco Recycling in Raleigh. Sonoco then sorts through the

materials, separating items into saleable commodities. Thirty percent of the country’s recyclable material is shipped to China.

In July 2017, China notified the World Trade Organization of its intention to implement a policy known as National Sword beginning in January 2018. This policy created a more stringent regulation (0.3 percent or less contamination) for the quality of recyclables (mainly plastics and paper) entering China. This issue affects recyclers around the world. Decreased demand from China is creating a higher global supply and putting downward pressure on commodity prices.

The Town’s robust and well-loved recycling program will cost more to maintain. Our current contamination rate is approximately 12 percent (national average is ~15 percent), well above the 0.3 percent China accepts. Tipping fees are increasing at the Material Recover Facilities (MRF). Where once we received revenues for our recycled materials, we are now paying to dispose of them, and we expect to pay even higher tipping fees in the foreseeable future. Our FY 2019 estimated average rate to dispose of recycling is \$25 per ton, compared to \$18 per ton for garbage.



LEAF COLLECTION - 2017/2018 SEASON ENDS



CARY FIRE STATION No. 9
Cary, North Carolina
adwarchitects

FIRE STATION NO. 9 UPDATE

Fire Station 9 is the final piece in the multi-step plan to ensure the Fire Department meets current and future demands associated with response-time goals in serving both the downtown area and the Crossroads/US 1 corridor area. In 2012, the citizens approved a Community Investment Bonds referendum which funded the construction of new Fire Station 2, located in the downtown area at 601 E. Chatham Street to better serve the downtown area. Station 2 was opened in December 2015. The former Station 2 was renamed Fire Station 9 with plans to relocate Station 9 to 1427 Walnut Street to better serve the Crossroads/US 1 corridor area.

The new two-story, three-bay Fire Station 9 will be approximately 17,500 square feet and contain typical amenities such as sleeping quarters, a dayroom and kitchen. The station will also include a 1,400 square-foot multi-purpose training room that will be available for Townwide training and events as needed. The design is wrapping up and final permitting is underway. The project remains on schedule to begin construction in summer 2018 with an expected opening in fall 2019.



SALESFORCE WORK ORDER UPDATE

Public Works began implementing the Salesforce work order system in December 2017. We trained Facilities, Solid Waste, Customer Service Divisions and 80% of Operations Division in the third quarter. This system allows us to enhance our customer service and provide real-time scheduling and updates to our staff. We have deployed 125 of approximately 150 iPads to field staff, allowing them to electronically document their work in the field and replacing over 1,550 paper work orders generated and completed every week.



EMERGENCY COMMUNICATIONS BACK-UP CENTER TRAINING

The Emergency Communications Center completed 911 back-up center training on March 8. Our mobile back-up center currently resides at Cary Fire Station 6 and can be



deployed when it is necessary to evacuate the primary center or when the main 911 phone lines into the facility fail. Circumstances such as a fire, natural disaster or structural damage to our location within the Police Department can force the staff to temporarily relocate until repairs are made or the area is safe to return. Cut or damaged 911 phone lines into the main site is very unlikely, however the center must be prepared if such an event were to happen. The back-up center provides the location for staff to relocate and continue to process calls for service like we would at the main center. Alternate 911 phone lines are used if our main 911 lines were cut or damaged, while Mobile Command Post 911 Phone Systems, Portable Radio Systems and Mobile Computer Aided Dispatch (CAD) systems are used to answer and dispatch calls for service just as we do in the main 911 Center.

Our Emergency Communications Center staff train on our backup equipment throughout the year; however, this particular training was built around a reality-based scenario which involved a mock evacuation of our main site on Town Hall Campus due to a gas leak in the building. This evacuation scenario allowed the Communications Center Staff to test how long it would take to set up a backup center from ground zero.

While training in the backup center, Emergency Communications Center staff had the opportunity to be exposed and adapt to the challenges of working in smaller spaces and with mobile equipment versus the fixed consoles and equipment they primarily use in our main center. Although this could be challenging for most, our emergency telecommunicators were able to quickly adapt to ensure a seamless transition to the back-up center and continuous service without interruptions, should that need arise. We continue to train throughout the year on all of our equipment so that we deliver the same great service to our citizens whether we are in our main facility or a backup location.



RAW WATER TRANSMISSION LINE

If you have traveled along US 64 from Chatham County toward Cary recently, you may have seen heavy construction activity on the south side of the highway. Contractors for the Town are hard at work installing approximately six miles of steel pipe to move water from the intake pump station at Jordan Lake to the Cary-Apex Water Treatment Facility, where it will be treated to become high quality drinking water for our citizens.

This pipeline is our third raw water transmission main. It will allow us to convey the amount of water necessary to meet our build-out needs. Additionally, it eliminates some points of vulnerability, resulting in a more resilient system. The line is designed to move the water efficiently, saving the Town energy costs.

Construction is underway in multiple areas along the route. Tunnel boring crews have completed a bore underneath US 64 to get the pipe from the pump station to the south side of the highway. The crews are finishing up a second bore under Beaver Creek Road and making progress on a third, which will cross New Hill Road while protecting an historic home. Pipeline construction crews have installed approximately 4,000 feet of welded steel pipe, including a difficult section of 54-inch diameter pipe along the causeway adjacent to a portion of the lake. This section has been tested and brought into service, achieving an important project milestone. Construction is proceeding on schedule, and, when completed, the pipeline will be an important part of how we meet our water needs now and into the future.



WHAT WORKS CITIES

The What Works Cities experts at the Center for Government Excellence at Johns Hopkins University (GovEx), the Sunlight Foundation (Sunlight), and Results for America (RFA) worked with the Cary team during the first two quarters of FY 2018 to improve internal data management practices as well as develop an open data policy draft as a catalyst for change, which will provide better delivery of Town-held information in a way that promotes transparency and better governance.

During the engagement, What Works Cities and the Town of Cary worked together to accomplish the following:

OPEN DATA POLICY

- Developed open data policy objectives
- Worked closely with appropriate Town officials to develop initial drafts of desired policy instrument
- Involved and considered other arms of Town government when developing the policy to ensure the future success of the policy as other departments implement it

STRENGTHEN DATA MANAGEMENT

- Surveyed staff in the focus area to gain insights about the current state of internal practices related to data management and internal access
- Identified opportunities for training where there are gaps in organization's capacity to take on governance
- Explored options for a data governance group that fits within Cary's organizational culture, ending with a concept of small-scale organic data users group

With this work, the Town of Cary team has built a critical foundation for open data. Staff will continue to focus on open data work in preparation for a presentation to Town Council.

ONLINE UTILITY ACCOUNT APPLICATION

The Town now offers citizens an online opportunity to request a new account for water, sewer, and/or solid waste service 24/7. The online request for service also provides an opportunity for new residents to avoid a deposit requirement. Prior to the change, all new account applicants were required to pay a deposit to start service. Now, if citizens choose to provide a social security number and have satisfactory credit, they are no longer required to pay a deposit. The process is managed through an electronic signature process operated by DocuSign, which provides thorough transparency about the new account legal details.

PRE-INCIDENT PLANNING AND RISK ASSESSMENTS

The Fire Department is in the midst of annual Pre-Incident Planning and Risk Assessment updates for all commercial, Town-owned, and County-owned properties within Cary. Pre-Incident Planning documents for over 5,700 properties include a wealth of information that help the Fire Department prepare for and mitigate emergencies. Records include information such as property use, layout, size, content (including any hazardous materials), contact information, building construction type, utilities, special hazards associated with the occupancy, fire protection systems, nearest fire hydrants, as well as how much water the fire department could expect to need should a fire occur. A risk assessment value is calculated annually by applying a mathematical formula to the following factors: Occupancy Type, Hazard Classification, Building Construction Type, Life Safety, Economic Impact, Building Content, and Incident Probability. The resulting numeric value for each property will range between 10 and 60 and provides a quick reference regarding the property's relative risk. The annual process also provides an important opportunity for the Fire Department to strengthen relationships with the community.



MOVING FROM VISION TO REALITY



2018 COUNCIL/STAFF RETREAT

February 9 was a special and unique day when Town Council and staff took a meaningful pause to reflect on our accomplishments over the past year during our annual retreat. This reflection was crucial to understanding where we are and where we want to go as a community.

The adoption of the Imagine Cary Community Plan marked a starting point one year ago that provides the ultimate charge for keeping Cary great by creating new and different service models to better serve our citizens. The adoption of the community plan was the ultimate pivot point for our community.

In addition to reflection, we also wanted the two days at the retreat to allow us to identify the things that make the Town special as well as better prepare ourselves for the adaptive challenges that lie ahead, such as stormwater issues.

We were honored to be joined by Dr. John Nalbandian, professor emeritus at the University of Kansas and former mayor of Lawrence, Kansas. Dr. Nalbandian led a session in which he discussed several themes relevant to elected officials and administrative staff, and how critical their perspectives are both separately and collectively.

One theme touched on by Dr. Nalbandian was the idea of creating model citizens. Model citizens are those individuals who understand that their quality of life depends on more than what they can do individually. Model citizens are those who say they want to give something back to their community, which is a metric of a resilient community. He used an analogy of “filling people’s cups” to demonstrate the idea of citizens having more to give back to their community.

A community-centric approach to stormwater was another focal point of the retreat. Stormwater is a clear example of how the Town must engage the community at a higher level to achieve an outcome that will lead to a more meaningful progress. Council and staff also spent time better defining the role of the Planning & Zoning Board as it relates to the Imagine Cary Community Plan. In a post-Imagine Cary world, the role of staff, Council and the Planning & Zoning Board must be discussed and continually assessed to ensure it is serving us well. The switch from a map-based approach to a policy-based approach allows for growing pains for staff, Council and the community. Other discussion items included a financial update and downtown Cary update. Overall, February’s retreat was productive on many fronts, for both Council and staff.

MAYOR’S STATE OF CARY ADDRESS

On January 24, Mayor Weinbrecht delivered his annual State of Cary address to the Cary Chamber of Commerce at Prestonwood Country Club. The Mayor highlighted many of Cary’s successes over the past year, including the diversity of accolades that collectively make Cary an amazing place to live, work and play, the excitement happening in Cary’s downtown and the upcoming opportunities in the Eastern Cary Gateway. He also took a moment to remind those in the room the importance of working together and finding common ground—regardless of political persuasion—for the betterment of the community.

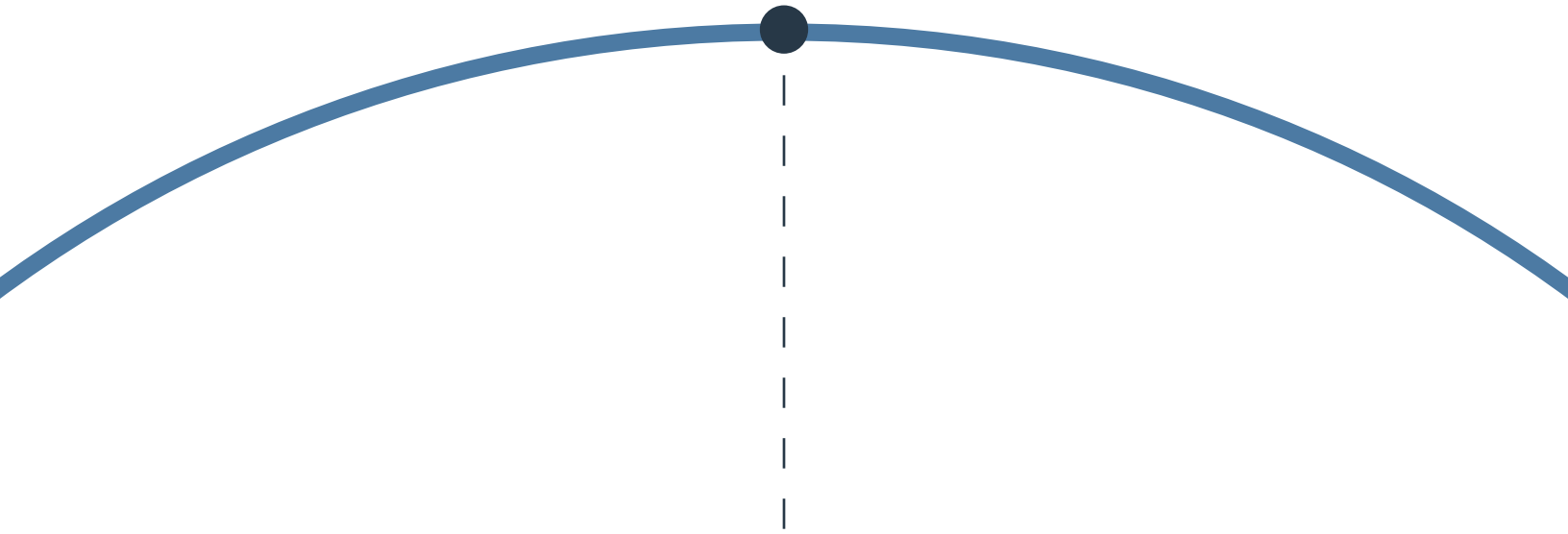


NEXT STEPS

The Next Steps section on staff reports is intended to provide Council and citizens with a better understanding of what happens after Council takes action on an item. The following staff reports, which went to Council between January and March, have progress updates:

- Bid Award for the 2018 Water Main Replacement Project (January 11, 2018) – Both contracts, Part A and Part B, have been executed. The contractor, Pipeline Utilities, began work for Part A projects the week of March 19. Part B projects are expected to begin in April.
- Bid Award for Cary Parkway & High House Road Intersection Improvement Project (January 11, 2018) – All contracts have been executed for this project and staff is now preparing for the start of construction, anticipated in mid-April.
- FY18 Street Improvements Project (January 25, 2018) – Construction began March 19 on some smaller items, such as curb and gutter and curb ramps first. Actual repaving is anticipated to begin this summer, which will be complemented with outreach and education to our citizens.
- Wake County Hospitality Tax (January 25, 2018) – The Town submitted our application in early February and participated in an interview with Wake County staff in early March.

KEEPING CARY GREAT



TOWN of CARY

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