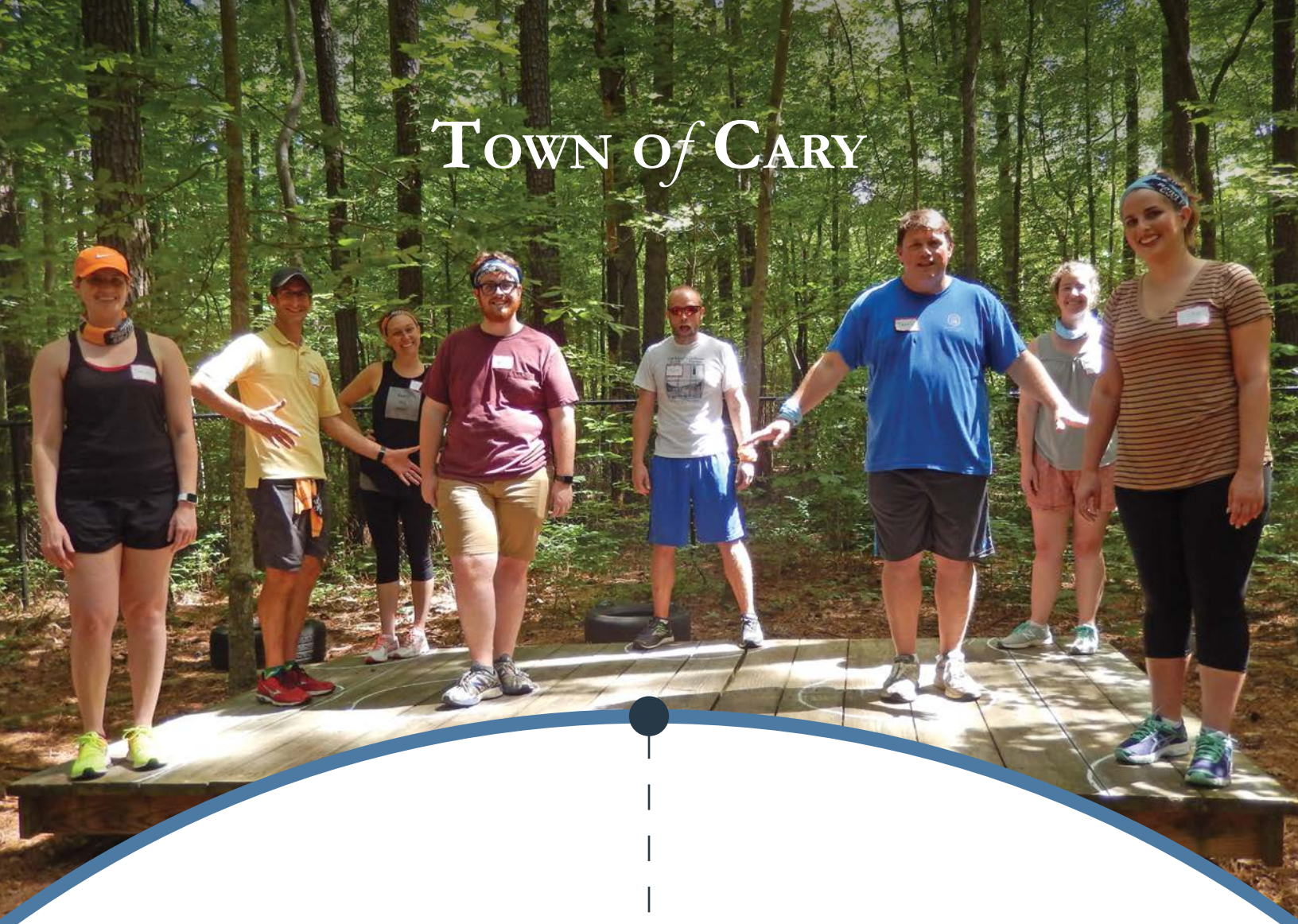


TOWN of CARY



TOWN COUNCIL QUARTERLY REPORT

TOWN OF CARY, NORTH CAROLINA
FY 2018 FOURTH 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

On behalf of our employees, thank you to for unanimously adopting the FY 2019 budget. The document that will guide us into 2019 and beyond continues to set high standards for ourselves and the community and is reflective of the exceptional services that our citizens have come to expect.

Throughout this quarter we have refined our focus to reimagine our organization. This focus requires hard conversations. It requires self-examination and awareness to ensure that everyone is playing a meaningful role in shaping the organization we are becoming. To meet the goals set forth in the Imagine Cary Community Plan, it's critical that we align our people — their strengths and skills — with the processes that we will need in the future.

To do this, we must discover the right balance of accountability and creativity. We must assess the expertise of the past and the innovation required for the future. Regularly, we need to be evaluating whether our actions of today are moving us closer to the future or are holding us back. Let us be intentional today with the future we want tomorrow.

We're especially appreciative of our partnership with WakeMed Cary for agreeing to host our Quarterly Planning Meeting on August 16. Our relationship with WakeMed is incredibly effective and productive. WakeMed Cary is integral to our FitCary efforts as they support employee health screenings, provide on-site lifestyle coaching and contribute to maintaining happy and healthy Town

employees. We're also pleased that WakeMed Cary shares our commitment to easing the burdens of the opioid epidemic on our community. We look forward to sharing with Council the preliminary results of our Bloomberg pilot at the Quarterly meeting.

THREE AREAS OF NOTE THIS QUARTER INCLUDE:

- An update on the continued investment in our regional transit plan; specifically, detailed information related to the FY 2019 Wake Transit work plan.
- Cary Tennis Park and USA Baseball National Training Center welcomed back the ACC and NCAA athletics after a pause due to the General Assembly's HB2.
- The Town completed its first buried asset infrastructure report, which will serve as a roadmap to meet our maintenance responsibilities to water, wastewater, stormwater and reclaimed water systems.

Once again, thank you for sharing your time, and vision, with us on August 16.

In Keeping Cary Great,

Sean R. Stegall

Sean R. Stegall
Town Manager



ON THE COVER:

Staff from the Town Manager's Office and IT take time outside of the office to build on team trust at Bond Park's rope course.

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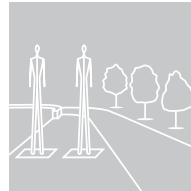
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FY 2018 Q4 HIGHLIGHTS

Q4 results provide a good indication that the Town remains on track with its financial plans outlined by the FY 2018 budget. However, the majority of year-to-date financial results for Q4 prepared in mid-July will not match the final audited results in the FY 2018 Comprehensive Annual Financial Report (CAFR). The figures reported in Q4 represent routine transactions and are limited by the data available to the Town at this time. Significant work occurs between July 1 and late September to improve the accuracy of revenues, expenditures, assets and liabilities. For example, the Town's share of revenue for sales taxes collected by merchants in June will not be revealed by the state until mid-September. Complex contractor invoices for construction completed in June may not be received until August. And utility bills for service delivered in June will not be billed until early August. In the first quarter of FY 2019, accountants focus on identifying and reporting transactions that should be attributed to activities in FY 2018. In mid-September, the Town's auditor, Cherry Bekaert, will be onsite to test our work, and in October, staff will finalize the official results for FY 2018 in the CAFR.

Council managed the most important financial matters in Q4 by preparing the Town for business on July 1, which is the beginning of FY 2019. Council received, considered and approved a \$347.6 million budget. Council also approved updated financial policies for procurement to maintain the Town's eligibility for federal grants. Furthermore, Council updated utility system development fees in accordance with a new fee study to ensure the Town's ability to levy and collect a critical source of revenue that funds utility capital infrastructure in accordance with state law.

FY 2018 QUARTER FOUR, UNAUDITED

FY 2018 Q4 GENERAL FUND SUMMARY*

	FY 2018 ADJ BUDGET	FY 2018 YTD ACTUAL	% OF BUDGET	FY 2017 YTD ACTUAL	FY 2017 VARIANCE	VARIANCE %
Revenues	\$ 214.8	\$ 172.7	80%	\$ 151.8	\$ 20.9	14%
Expenses	214.8	191.1	89%	159.0	32.1	20%
TOTAL REVENUE OVER/ (UNDER) EXPENSES	\$ -	\$ (18.4)	-	\$ (7.2)	\$ (11.2)	155%

*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.

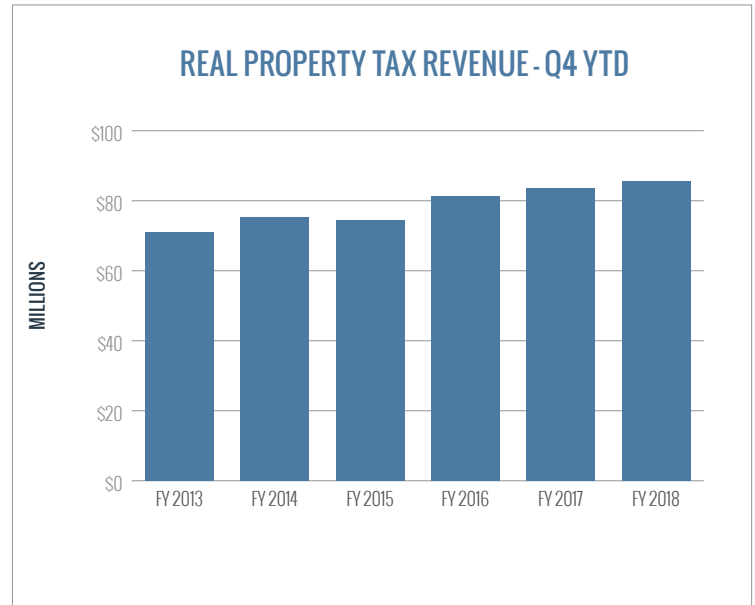
Revenues reflect financial operations that are on par with past history, budget and economic news. A \$17 million general obligation bond sale, which closed in October, is reflected in both revenues and expenses in FY 2018. Excluding that transaction, total General Fund revenues increased \$3.9 million, or 2.6 percent, from FY 2017. Similarly, excluding the debt transaction, operating expenses exceed FY 2017 actuals by \$15.1 million, or 9.5 percent, but remain within budget. Details on notable revenues and expenses follow.

FY 2018 Q4 GENERAL FUND REVENUES

	FY 2018 ADJ BUDGET	FY 2018 YTD ACTUAL	% OF BUDGET	FY 2017 YTD ACTUAL	FY 2017 VARIANCE	VARIANCE %
Property Taxes	\$ 91.0	\$ 91.9	101%	\$ 90.1	\$ 1.8	2%
Other Taxes & Licenses	36.0	26.9	75%	25.9	1.0	4%
Unrestricted Intergovernmental	10.6	8.5	80%	8.4	0.1	1%
Restricted Intergovernmental	0.3	1.1	387%	0.6	0.5	76%
Permits & Fees	4.4	5.5	126%	5.4	0.1	2%
Sales & Services	17.3	17.9	104%	17.3	0.6	3%
Miscellaneous Revenue	2.6	2.2	84%	3.0	(0.8)	-26%
OPERATING REVENUES	162.2	\$ 154.0	95%	150.7	3.3	2%
Non-Operating Revenues	52.6	18.7	35%	1.1	17.6	1597%
TOTAL GENERAL FUND REVENUES	\$ 214.8	\$ 172.7	80%	\$ 151.8	\$ 20.9	14%

REAL PROPERTY TAX

Most property tax revenue for real estate is collected between November and the due date of January 5. As of Q4, real property tax revenue collected exceeds the \$84.1 million budget. 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. Historically, real property tax collections were 99 percent of the billed tax levy. Although real property tax revenue, as of Q4, has already exceeded the \$84.1 million budget, it is important to note that these revenues include penalties, interest and prior year taxes. These revenues are unaudited and final real property tax revenue reported in the CAFR will be different; however, real property tax revenue should still exceed the budget. The accompanying chart compares FY 2018 to comparable June data in FY 2013 to FY 2017 and reflects a two percent increase in FY 2018 over FY 2017. This positive projection is tempered by vehicle tax collection concerns discussed below.



VEHICLE PROPERTY TAX

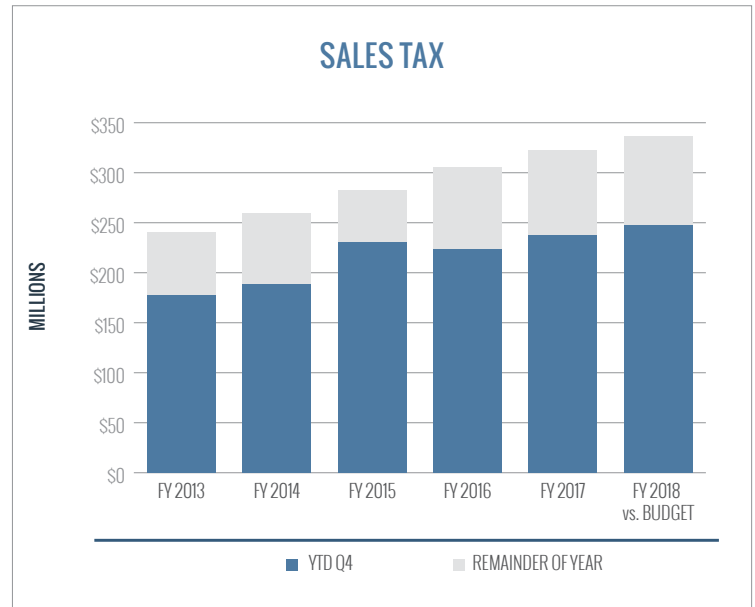
Through June, Tax and Tag receipts for Wake County vehicle property taxes are down one percent in Cary and are flat county-wide compared to June of the prior year. It is important to note that vehicle property tax revenue as of Q4 is unaudited and some minor adjustments due to timing are expected. Therefore, final vehicle property tax revenue reported in the CAFR will be different.

As discussed throughout the year, 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 up three percent compared to June 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 Q4 typically represent almost 100 percent of annual results. Wake County vehicle tax receipts are down one percent at Q4 compared to Q4 of the prior year, and staff expects vehicle property tax revenue to fall short of the \$6.6 million budget for this component of total property tax revenue.

SALES TAX

The NC Department of Revenue distributes sales tax revenue to municipalities approximately 2.5 months after sales occur. Cary will receive three additional distributions in July, August and September for FY 2018. Sales tax revenues are budgeted at \$33.6 million in FY 2018 and represent 18 percent of total General Fund budgeted revenues.

The chart provides a historical perspective on sales tax revenue in FY 2018 through Q4. As of Q4 for FY 2018, sales tax distributions have increased four percent compared to the same period in FY 2017. Comparatively, sales tax for Q4 in FY 2017 was seven percent higher than the same period in FY 2016. If this average continues in FY 2018, sales tax revenue would come in slightly under budget but would exceed FY 2017 receipts. It should be noted that the sales tax revenue as of Q4 is unaudited and does not include all receipts related to FY 2018. Therefore, final sales tax revenue reported in the CAFR will be different.

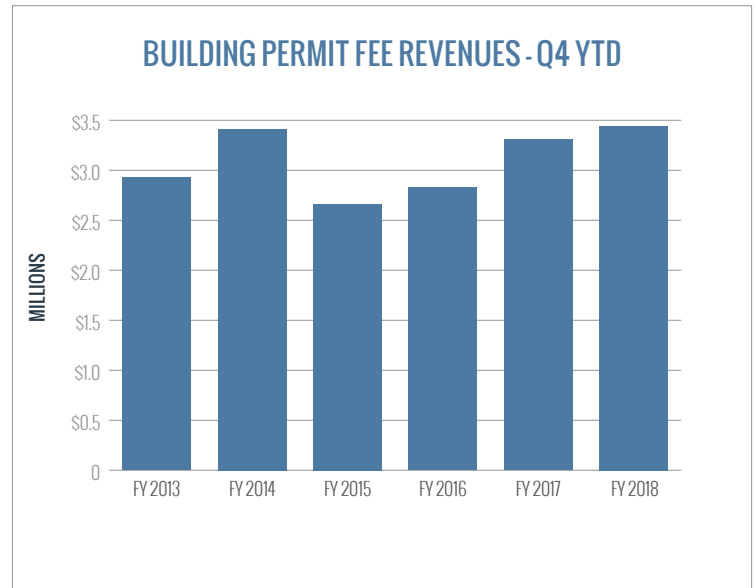


INTERGOVERNMENTAL REVENUES

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 three of its four distributions through June 30, which amount to \$7.8 million. Year-to-date revenue is 78.9 percent of the budget and one and a half percent more than the first three 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, total FY 2018 revenues are difficult to predict with precision; however, if the pattern continues, utility sales taxes will meet the \$9.9 million budget. As noted above utility sales tax revenue as of Q4 is unaudited and does not include all receipts related to FY 2018. Therefore, final utility sales tax revenue reported in the CAFR will be different.

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 \$3.4 million received year-to-date for building permits is four percent more than the \$3.3 million received year-to-date in FY 2017. Building permits represent 61 percent of the FY 2018 annual budget for this category. The complete category of permits and fees includes all development and construction-related fees. Total permits and fees have increased \$83,000 from FY 2017 through Q4. This is primarily due to significant increases in watershed maintenance fees and building permits. As of Q4, total permits and fees have already exceeded the \$4.4 million budget. Since these revenues are recognized on the transaction date, the final amounts presented in the CAFR will be similar to what is presented as of Q4.



FY 2018 Q4 GENERAL FUND EXPENSES

	FY 2018 YTD ADJ BUDGET	FY 2018 YTD ACTUAL	% OF BUDGET	FY 2017 YTD ACTUAL	FY 2017 VARIANCE	VARIANCE %
General Government	\$ 29.9	\$ 22.4	75%	\$ 17.7	\$ 4.7	27%
Public Safety	50.2	46.0	92%	45.0	1.0	2%
Operations (PW & PRCR)	51.0	45.0	88%	43.5	1.5	3%
Development & Infrastructure	18.6	16.2	87%	15.8	0.4	2%
OPERATING EXPENSES	149.7	\$ 129.6	87%	122.0	7.6	6%
Non-Operating Expenses	65.1	61.5	95%	37.0	24.5	6%
TOTAL GENERAL FUND EXPENSES	\$ 214.8	\$ 191.1	89%	\$ 159.0	\$ 32.1	66%

Operating expenses are outpacing historical spending patterns by six percent but remain in line with budget expectations. Spending in the General Government category continues to lead other categories with a year-to-date 27 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 \$16 million of a \$16.5 million annual debt service budget in addition to a \$17 million expense to pay off refinanced general obligation bonds, which is offset in non-operating revenue for the same amount. Other non-operating expenses of \$28.5 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, UNAUDITED

FY 2018 Q4 UTILITY FUND SUMMARY*

	FY 2018 YTD ADJ BUDGET	FY 2018 YTD ACTUAL	% OF BUDGET	FY 2017 YTD ACTUAL	FY 2017 VARIANCE	VARIANCE %
Revenues	\$ 239.7	\$ 194.4	81%	\$ 73.1	\$ 121.3	166%
Expenses	239.7	222.6	93%	68.8	153.8	224%
TOTAL REVENUE OVER/ (UNDER) EXPENSES	\$ -	(28.2)	-	\$ 4.3	(32.5)	-760%

* 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.

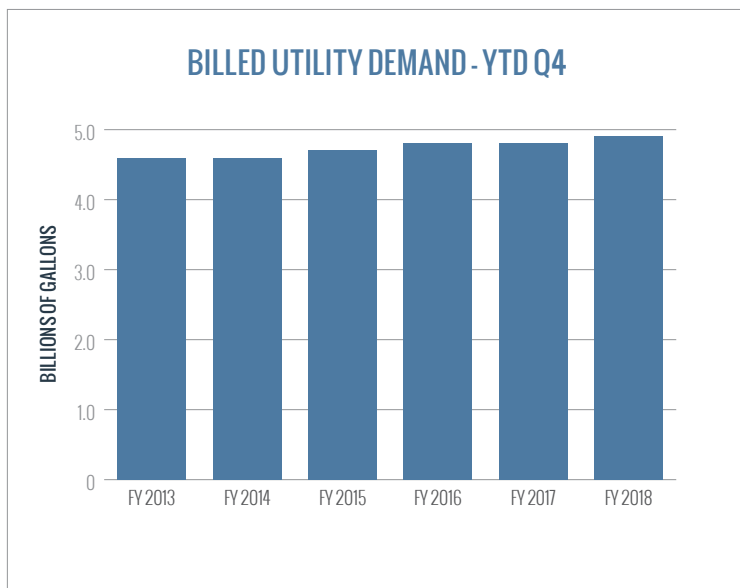
The technical reporting in the Utility Fund summary does not portray informative results for the utility operations because accounting for non-operating transactions, such as the debt refinancing and capital transfers overshadow the operating results. Excluding unusual transactions, utility operating revenues are \$75.9 million compared to \$71.8 million at the same time in FY 2017. At the end of Q4, operating revenue is 96 percent of the FY 2018 annual budget. Operating expenses and debt service total \$63.9 million at the end of Q4 compared to \$62 million in FY 2017. Operating revenues over expenses in FY 2018 is \$37 million compared to \$34.1 million in FY 2017. More details on operating revenues and expenses follow.



FY 2018 Q4 UTILITY FUND REVENUES

	FY 2018 ADJ BUDGET	FY 2018 YTD ACTUAL	% OF BUDGET	FY 2017 YTD ACTUAL	FY 2017 VARIANCE	VARIANCE %
Water Service	\$ 30.5	\$ 29.9	98%	\$ 27.6	\$ 2.3	8%
Sewer Service	46.1	43.9	95%	42.0	1.9	5%
Permits & Fees	2.1	2.0	96%	2.1	(0.1)	-6%
OPERATING REVENUES	78.7	75.8	96%	71.7	4.1	6%
Non-Operating Revenues	161.0	118.6	74%	1.4	117.2	8419%
TOTAL UTILITY FUND REVENUES	\$ 239.7	\$ 194.4	81%	\$ 73.1	\$ 121.3	166%

Water and sewer service revenues reflect a three percent rate increase in FY 2018 but are less than the annual budget, even with the \$1 million in one-time revenue from Durham for water provided during its plant construction. Utility bills for service delivered in June will not be billed until early August. Revenue reported in the CAFR will vary from billed demand through June 30 as more precise results are calculated. Because rates are set to exceed operating expenses and debt service for bond covenant compliance, total revenues provided adequate resources for the utility’s requirements and met 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 six 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 create pressure to raise rates.

FY 2018 Q4 UTILITY FUND EXPENSES

	FY 2018 ADJ BUDGET	FY 2018 YTD ACTUAL	% OF BUDGET	FY 2017 YTD ACTUAL	FY 2017 VARIANCE	VARIANCE %
Administration	\$ 9.4	\$ 8.9	95%	\$ 8.1	\$ 0.8	10%
Field Operations	16.2	13.6	84%	13.6	0.0	0%
Wastewater (net of Apex)	12.5	9.9	79%	9.9	0.0	0%
Water Treatment Plant (net of Apex)	7.2	6.5	91%	6.1	0.4	7%
OPERATING EXPENSES	45.3	38.9	86%	37.7	1.2	3%
Non-Operating Revenues	194.4	183.7	94%	31.1	152.6	490%
TOTAL UTILITY FUND EXPENSES	\$ 239.7	\$ 222.6	93%	\$ 68.8	\$ 153.8	224%

Utility operating expenses remain in line with budget expectations. As discussed in previous quarterly reports, the primary expense increase is in administration. Administrative costs are increasing for contracted services in Water Resources and credit card fees for utility bill collections. Also, the Town implemented new technology for online service applications during FY 2018, which increased contracted services costs. The Water Treatment Plant FY 2018 costs exceed FY 2017 primarily due to the timing of chemical purchases.

CAPITAL PROJECT SPENDING

Capital project spending fluctuates as large projects become active and then near completion. The Western Wake Regional Water Reclamation Facility accounts 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 2015 and FY 2016. The following five projects account for approximately \$24 million, or 36 percent, of all capital spending for FY 2018:

- 2017 Street Improvements Project
- Carpenter Fire Station Road/CSX Rail Grade Separation
- Green Level West Road Widening
- Cary/Apex Water Treatment Facility – Raw Water Pipeline
- Kilmayne Water Storage Tank

In FY 2018, the Town received reimbursements of approximately \$7.6 million in federal funds that were used for a cross section of projects that included housing, roads, emergency response and transit.

CAPITAL PROJECT SPENDING THROUGH Q4 (IN MILLIONS)

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Downtown	\$ 3.3	\$ 0.7	\$ 0.9	\$ 1.1	\$ 2.1
Fire	1.4	2.0	3.1	2.5	1.1
General Government	8.7	4.8	5.9	4.8	4.6
Parks	4.1	5.2	11.2	10.0	10.1
Streets	6.9	8.6	16.4	18.8	22.0
Sewer	61.0	15.4	9.3	7.5	6.6
Water	5.2	32.9	32.7	12.2	20.7
TOTAL CAPITAL	\$ 90.6	\$ 69.6	\$ 79.5	\$ 56.9	\$ 67.2

FY 2018 CAPITAL PROJECT SPENDING

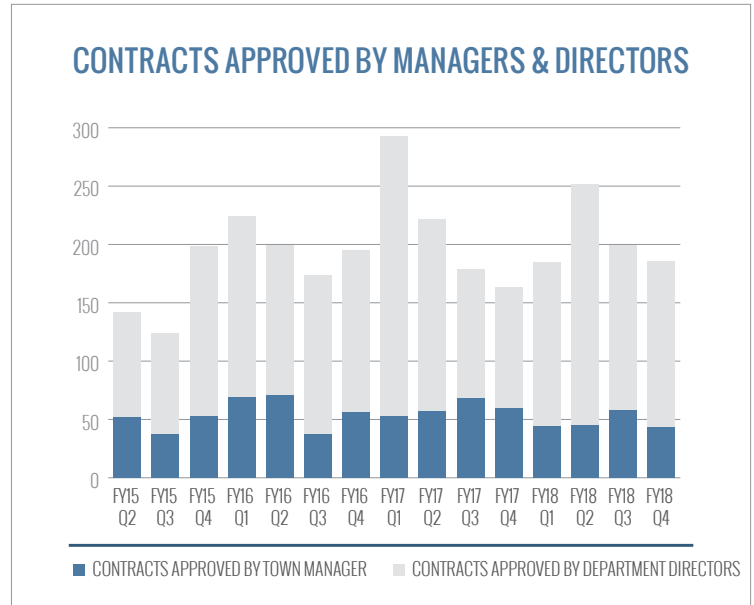


*General Government includes Affordable Housing, Police, Stormwater, Information Technology, and Public Works projects.

Q4 DELEGATED AUTHORITY FINANCIAL ACTIONS

CONTRACT APPROVALS

Council has delegated authority to the Town Manager and Deputy and Assistant Town Managers to award certain types of contracts. For certain contracts with a value of \$90,000 or less, the Town Manager subsequently delegated authority to department directors for contract execution. In accordance with reporting requirements outlined in Council’s resolution delegating authority to the Town Manager, the following chart compares contracts executed by department directors and the Town Manager’s office in the fourth quarter to prior quarters. On average, department directors execute about 70 percent of all contracts. In this quarter, the Town Manager’s office awarded 43 contracts.



BUDGET ACTIONS

At its June 28, 2018 regular meeting, Town Council approved a \$347.6 million budget for FY 2019, which runs from July 1, 2018 through June 30, 2019. The budget allocates \$252.4 million for operations and \$95.2 million for capital projects. Key budget highlights include:

- The property tax rate was maintained at 35 cents per \$100 of property value
- The annual vehicle license fee increased from \$15 to \$30 for the improvements of streets and sidewalks
- The solid waste fee increased \$1 from \$16 to \$17
- Utility rates increased three percent for a typical household

Funding was allocated for 12 new firefighters to staff a ladder truck for western Cary as well as the following capital projects:

- \$8.7 million for completion of the grade separation of CSX Rail at Carpenter Fire Station Road
- \$3.2 million for land acquisition associated with the Carpenter Fire Station Road widening
- \$2.7 million for stormwater assistance and drainage improvements
- \$500,000 for continued downtown revitalization
- \$215,000 to renovate portions of two community centers

Citizens provided public input as part of the budget process. Comments were received via social media, telephone, email and during public hearings. Topic areas included: greenways, preservation of open space and the Town's tree canopy, facility needs in western Cary, continued investment in pickleball courts, installation and maintenance of sidewalks, and opposition to the recommendation to increase the annual vehicle license fee.

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 three Q4 budget adjustments approved by the Town Manager totaling \$312,041:

1. \$125,000 – Funds for salaries that won't be spent because of staff vacancies supported the cost of consultant services and employee development within general fund operating departments
2. \$130,000 – Funds realized from savings in electricity costs for street lighting were transferred to the Town Manager's Office to support the Town's branding initiative and related costs
3. \$57,041 – Funds realized from savings in electricity costs for street lighting, fuel and parts costs were transferred to the Public Information Office for the purchase of a video booth



Q4 CROSS FUNCTIONAL BUDGET ADJUSTMENTS

SOURCE	BUDGET TRANSFER FROM	AMOUNT	PURPOSE	BUDGET TRANSFER TO	AMOUNT
Permanent Salaries	Operations (PWUT & PRCR)	\$ (23,000)	Supplies, Contracted Services, Training	General Government	\$ 125,000
Permanent Salaries	Development & Infrastructure	(42,000)			
Permanent Salaries	General Government	(60,000)			
		\$ (125,000)			
Street Lights	Operations (PWUT & PRCR)	\$ (130,000)	Branding Company & Miscellaneous	General Government	\$ 130,000
Fuel	Operations (PWUT & PRCR)	\$ (25,000)	Video Booth	General Government	\$ 57,041
Street Lights	Public Safety	(5,000)			
Parts	Operations (PWUT & PRCR)	(27,041)			
		\$ (57,041)			
TOTAL 4TH QUARTER CROSS-FUNCTIONAL BUDGET ADJUSTMENTS		\$ (312,041)			\$ 312,041

FY 2018 MID-YEAR APPROPRIATIONS

Q4 mid-year appropriations reflect the receipt of two federal grants to support greenway projects. The \$4 million federal award for the Black Creek Greenway project replaced a previous award of \$2.625 million and allowed \$399,000 of Town cash to return to capital reserve fund balance. The second grant, in the amount of \$240,000, was directed to the Swift Creek Greenway project and required a \$60,000 Town appropriation to fulfill matching fund requirements. The net effect of these transactions was a \$2.074 million Q4 appropriation. No general or utility operating fund appropriations were made in Q4.

Q4 GENERAL GOVERNMENT MID-YEAR APPROPRIATIONS

BUDGET TRANSFER FROM			BUDGET TRANSFER TO		
Grant	Federal	\$ 4,000,000	Parks Capital Project Fund	PR1129 - Black Creek Greenway	\$ 4,000,000
Parks Capital Project Fund	PR1129 - Black Creek Greenway	184,000	General Capital Reserve	Unrestricted Fund Balance	184,000
Parks Capital Project Fund	PR1129 - Black Creek Greenway	215,000	General Capital Reserve	Unrestricted Fund Balance	215,000
Grant	Federal	(2,625,000)	Parks Capital Project Fund	PR1129 - Black Creek Greenway	(2,625,000)
Grant	Federal	240,000	Parks Capital Project Fund	PR1268 Swift Creek Greenway	240,000
General Capital Reserve	Unrestricted	60,000	Parks Capital Project Fund	PR1268 Swift Creek Greenway	60,000
GRAND TOTAL Q4 GENERAL GOVERNMENT APPROPRIATIONS		\$ 2,074,000			\$ 2,074,000

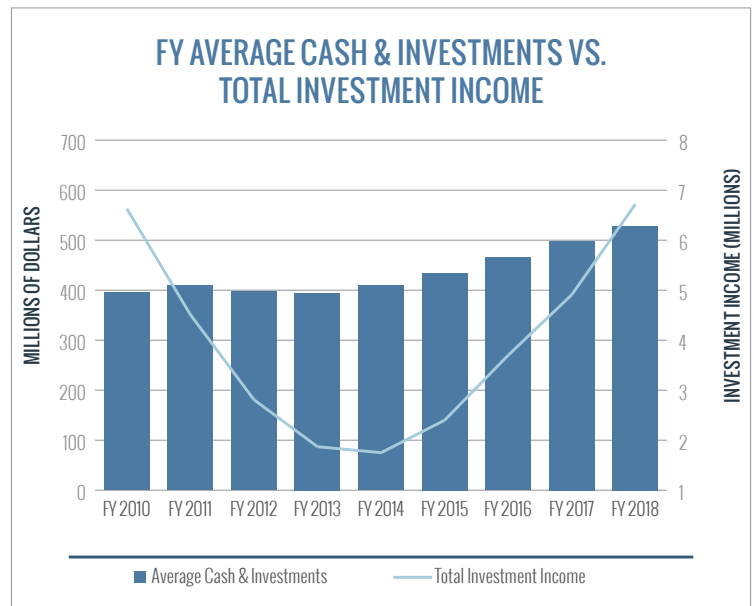
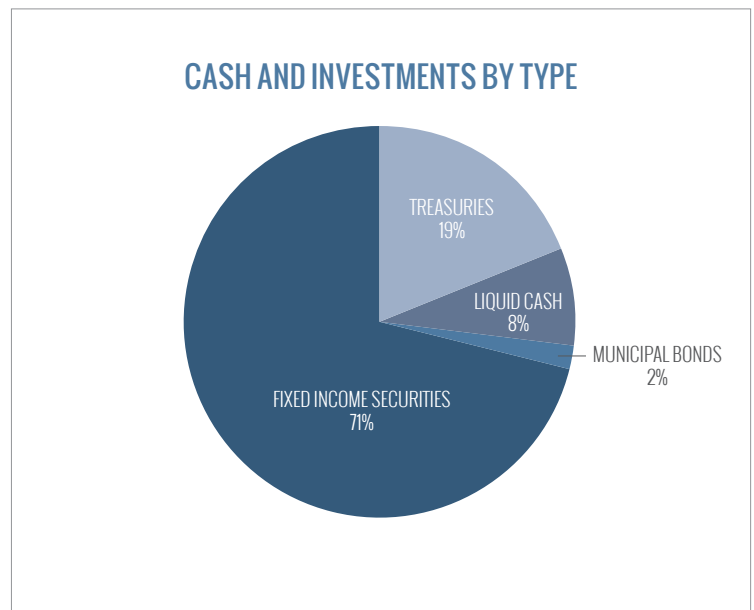
ECONOMIC NEWS

In Q4, the Supreme Court decided a case that could result in additional future sales tax revenues from online sales. The impact of this decision will not be clear until we learn more about the following: 1) eligible sales that have not been taxed in the past; 2) the North Carolina legislature’s interest in establishing the tax levy; 3) the NC legislature’s willingness to share any new revenues with local government; and, 4) the technical steps required for internet businesses to collect and submit previously untaxed online sales. It could be at least another year before we know more about potential for new revenue.

CASH AND INVESTMENTS

The Town ended FY 2018 with a cash and investment balance of over \$528 million. Cash resources for all funds are pooled to maximize efficiency and interest earning potential. About \$40 million is maintained in bank accounts to ensure that the Town has immediate access to funds. The remainder is invested in securities that, first, ensure the safety of the principal; second, provide quick access to additional funds for any unforeseen needs (liquidity); and finally, earn the maximum interest income. By prioritizing safety, the Town’s interest income is limited. Most of the Town’s funds are invested in fixed income securities, such as federal agency obligations. These securities typically provide a slightly higher yield compared to federal treasury bill securities. The Town seeks opportunities to invest in AAA-rated North Carolina local government debt to diversify the Town’s portfolio. At any one time, the Town holds approximately 150 different investments that are scheduled to mature about every three to seven days over the next three years to match projected disbursements for payroll and Town expenses.

The Town’s cash and investment program is overseen by a fixed fee independent consultant. The financial advisors compile the Town’s weekly cash flow forecast and provide market insights, advice and reporting to the Town on a quarterly basis.



For FY 2018, the Town's annual yield increased from 0.96 percent in FY 2017 to 1.27 percent in FY 2018 thanks to rising interest rates in the market. Interest earnings totaled \$6.7 million, which is an increase of over \$1.8 million, or 37 percent, compared to FY 2017.

The Town reports the market value of all investments every fiscal year-end to reflect the impact on the financial results in the unlikely case that the Town had to sell all of its investments at fiscal year-end market prices. This acknowledgement of year-end market value is referred to as a "mark to market" adjustment. The adjustment increases or decreases interest earnings reported depending on market interest rates at June 30. In a rising rate environment, which the market is currently experiencing, as interest rates go up, the price of a fixed income security goes down. The Town's mark to market adjustment for FY 2018 will reduce interest earnings on the financial statements by \$4.5 million. While the Town is required to report this adjustment on the financial statements, the Town will not incur a real loss of interest earnings because the Town generally holds investments until maturity.

DEBT SUMMARY

The Town issued debt three times in FY 2018. Last fall, the Town sold \$31.03 million of general obligation bonds to finance projects approved by voters in the 2012 bond referendum and also refinanced \$31.5 million of existing general obligation bonds to save over \$1.4 million in interest expense. In addition, the Town refinanced \$92.2 million of revenue bonds to save over \$8.6 million in interest over time for the utility fund. The Town's outstanding debt as of June 30, 2018 was \$124.5 million for the general fund and \$287.2 million for the utility fund. The FY 2019 budget authorizes new debt of \$7 million to finance the construction of Fire Station 9.







FOSTERING STRONG NEIGHBORHOODS





NEW SINGLE-FAMILY PERMITS ISSUED

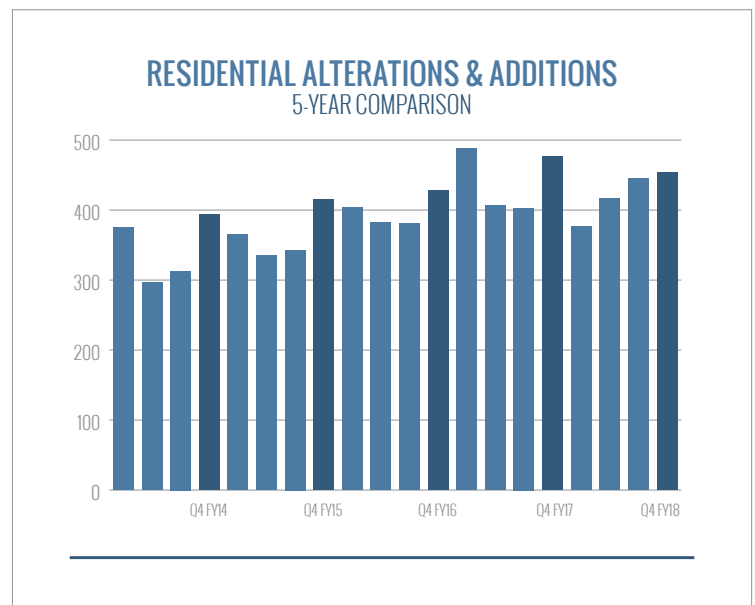
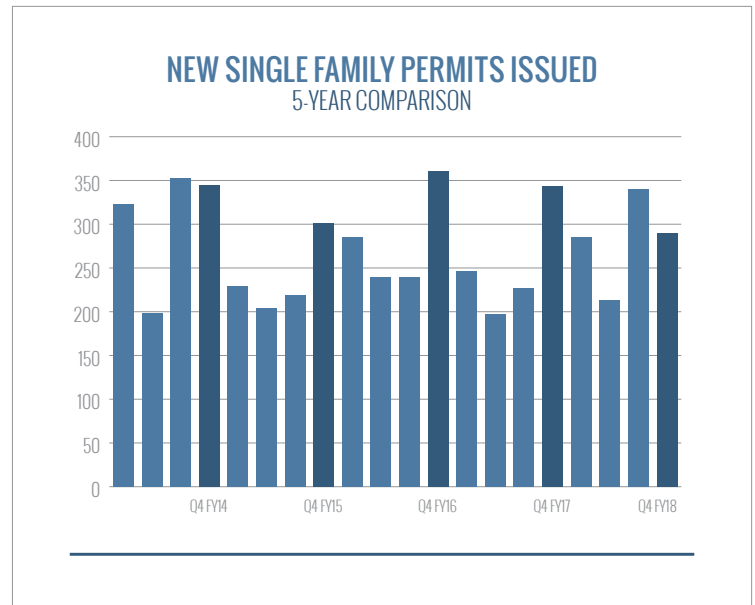
New single-family permits for Q4 totaled 290, which was down from the quarter's five-year average of 328. However, new single-family permits for FY 2018 totaled 1,128, which is up from the five-year average of 1,087. In Q4, new single-family permits were issued in 41 subdivisions, with the top five subdivisions being Amberly Glen (32), Pipers Crossing (26), Hayesbury Townes (17), Peninsula at Amberly (16) and Ridgefield Farms (15).

NEW MULTI-FAMILY PERMITS ISSUED

There were five new multi-family permits issued in Q4, totaling 348 units. These permits were issued for Hillstone at Alston Town Center and HealthPark at Kildaire. The total number of new multi-family units issued in FY 2018 were 366, which is down from the five-year average of 439 units.

RESIDENTIAL ALTERATION AND ADDITION PERMITS ISSUED

Residential alteration and addition permits for Q4 totaled 454, which was up from the quarter's five-year average of 433. In addition, residential alteration and addition permits for FY 2018 totaled 1,693, which is also up from the five-year average of 1,579. The continued upward trend of residential alteration and addition permits is consistent with the redevelopment theme in the 2040 Imagine Cary Community Plan.





ASSURING CONTINUED PROSPERITY





WAKEMED SPRING HEALTH SCREENINGS



Established several years ago, the Town’s Healthy Rewards Program is part of a commitment to control employee health care costs and motivate employees to work toward being their healthiest.

Our annual spring health screenings provide a voluntary opportunity for employees to participate in a two-week, on-site event facilitated by WakeMed and complete a follow-up online health assessment provided by Blue Cross Blue Shield of North Carolina.

Employees continue to respond to these initiatives in a tremendous way. Of 1,237 total eligible employees, 1,190—96 percent participated in the 2018 voluntary event. Held from April 9–27 at Town Hall and Public Works, the event provided convenient appointment scheduling for all employees across multiple shifts. Of those 1,190 who attended a screening appointment, another 1,140—92 percent—also completed the online health assessment.

New this year, Human Resources staff worked with WakeMed to maximize efficiencies for employees’ screening process experience, cutting their appointment to only 10 to 15 minutes. Whereas previously employees visited multiple stations through the screening process, this year’s “one-stop shop” streamlined their appointment and allowed them to receive immediate screening results and feedback from WakeMed staff. Based on post-appointment WakeMed surveys, employee feedback about their encounter was outstanding.

Through this OneCary synergy between employees and our health care partners at WakeMed and BCBSNC, we are making strides in being our healthiest and positively impacting future health insurance costs.

HEALTH INSURANCE RENEWAL AND FY 2019 OPEN ENROLLMENT

The Town works diligently to manage our employees’ health and well-being, resulting in maintaining the same benefit rates and benefit plans for the upcoming fiscal year.

Further enhancing employees’ benefits is the rollout of our new online self-service platform, Employee Navigator, which made the annual open enrollment experience easier than ever. Highlights of this new technology include:

- Access to the site from any device, including smartphones, for reviewing current plan year elections and making changes for new plan year
- Ease of reviewing/updating personal information, such as address and phone number
- Straightforward ability for making benefit changes and confirming/modifying beneficiaries
- Receipt of a benefit elections summary at the end of enrollment



Utilizing Employee Navigator for the first time led to a successful open enrollment, with over 92 percent of employees completing the process online. This allowed HR staff to focus on assisting those employees with limited computer access/proficiency and to answer questions about the benefit plans. The new platform also allowed staff to proactively dedicate time generating reports that monitored enrollment, confirming submitted elections with individual employees and reconciling data between our platform and the benefit vendors.

Given the success of the system and the efficiencies realized, Human Resources will be exploring the opportunity in the next few months of expanding the platform to create a self-service experience for new hires and employees.

TOWN LAUNCHES NEW EMPLOYEE TRAINING ACADEMY

The Town kicked off a new Employee Training Academy in April, maintaining our commitment to employee development by utilizing trainers and skills from across the organization.

Bigger and better than ever, classes created and taught by employees that are offered on the spring/summer 2018 Academy calendar include public speaking, GIS, emotional and social intelligence, dangerous animals and plants of North Carolina, introverts and extroverts in the workplace, women's safety, personal budgeting, several supervisory training programs and more.

Also included in the Academy are new OneCary classes. Citizens have been enjoying the innovative, hands-on, behind-the-scenes School of Government program since 2003. OneCary classes make this available to all employees by offering a high-level look at the people, equipment and facilities providing services to our citizens, which is combined with an introduction to the key concepts of our organizational renaissance. OneCary sessions have been offered during the spring and summer and will continue to

be offered into the fall and on an ongoing basis. Employees completing all classes will earn a OneCary Certificate.

The Academy also includes Academy Shorts, a new sharing and learning concept featuring one-hour segments where all interested Town employees come together to share tips and skills on a specific topic. Examples include time management, organizational skills and managing multiple priorities, among other topics.

The Academy has been very well-received by employees with over 350 registrations so far. As we grow into the future following our successful launch, recruitment continues to include employee trainers who can share their skills in many different topic areas.





TOWN
of
CARY



EXPERIENCING THE CARY COMMUNITY





THE ADAPTIVE APPROACH TO STORMWATER

The five Adaptive Stormwater sub-groups (Maintenance, Modeling, Open Space, Ordinance and the Working Group) have been working hard to push the envelope in how we view stormwater through an adaptive lens.

MAINTENANCE

Our Public Works crews have cleaned and video-inspected one-third of the storm drains within the pilot area of the Walnut Creek Basin to ensure they are functioning to 100 percent of their design capacity and to evaluate the pipes for structural condition and integrity. With the exception of York Street, crews have found only minor debris accumulation and root intrusion into a few pipe segments. Two catch basins on York Street were completely full of sediment and sand, and the pipe outlet on the stream bank was blocked by accumulated debris. Public Works crew removed the sediment within the storm drainage pipe and stabilized the pipe outlet with riprap.

The maintenance practices will continue in the pilot area and then expand to other priority areas within the Town as identified through the Town's Condition Assessment and Risk Prioritization program.

MODELING

The hydraulic model for Walnut Creek existing conditions is complete and is now being used to evaluate a series of physical alternatives to reduce the impact of predicted flooding to structures in the pilot area. The alternatives include installing under- and above-ground storage, enlarging drainage pipes, adding green infrastructure and modifying existing ponds and channels. These alternatives are being evaluated to determine the degree of benefit to homes with predicted flooding. By quantifying the benefits, staff will be able to run a cost-benefit analysis to help determine locations for the most effective stormwater improvements.

OPEN SPACE

The Open Space Group has identified the Tree Advisory Committee, a sub-committee of the Environmental Advisory Board, as an important stakeholder within our adaptive stormwater approach. The Open Space Group will work with the Tree Advisory Committee to holistically integrate shared goals that benefit the community.

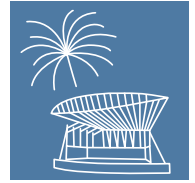
In addition, the group is identifying and documenting existing data sets and GIS layers for open space/stormwater opportunities. The group is reviewing the Town's open space policies and other guidance documents to see how they can work together with stormwater goals.

ORDINANCE

The Ordinance Group is evaluating existing stormwater-related ordinances and policies to determine if or how these inhibit or support our adaptive stormwater approach. The group has also identified a variety of challenges the Town will take into consideration as we move toward an adaptive stormwater approach. These challenges include level and extent of service, private drainage assistance, the incorporation of green infrastructure and how the Town manages exempt subdivisions. This group will be working to prepare options or solutions to bring to Council in the future as we begin implementation of this approach.

DOWNTOWN WORKING GROUP

The Downtown Stormwater Working Group (DSWG) has been active as they look for opportunities to make stormwater improvements that may reduce the impact of past and future development on existing properties. In April, the Working Group members conducted a walking tour of downtown stormwater and toured locations with underground detention, the Downtown Park and other various sites. As part of the tour, maintenance crews conducted a storm drain cleaning and video inspection demonstration that allowed participants to see first-



hand the equipment and techniques used to inspect and maintain storm drainage pipes. The tour took advantage of an innovative storymap to help direct attention to and supplement the tour information.

The next DSWG meeting is scheduled for summer. During this time, group members will meet with each of the adaptive stormwater subgroups, which will give the DSWG members the opportunity to engage and provide direct input on stormwater concepts, policies and procedures.

SPRING DAZE ARTS & CRAFTS FESTIVAL



Cary celebrated the 25th Spring Daze Arts & Crafts Festival at Bond Park on April 28, 2018. A larger-than-usual group of attendees enjoyed the more than 170 artists participating in the festival.

In keeping with the importance of engaging youth in the arts, Bevin Neill, a senior at Cary High School, was selected as this year's featured artist. Neill created a piece that portrayed the movement and excitement of spring by using an inverted dandelion. The festival also partnered with Green Hope High School students and environmental artist Bryant Holsenbeck on the Big Birds public art project. Holsenbeck guided students in a process to create four large birds from primarily recycled materials. One of the birds was auctioned and raised \$375 to support the PRCR scholarship fund.

PIMENTO CHEESE FESTIVAL



Cary held what is believed to be the first Pimento Cheese Festival in the country on June 9, 2018. The Festival featured over 20 food trucks, six dessert and ice cream vendors, seven local breweries and restaurant row—all serving items or providing tastings of pimento cheese. One of the highlights of the event was a pimento cheese sculpting contest, which introduced 12 contestants who were given five minutes to sculpt a mouse out of pimento cheese. The winner of the contest was chosen by the crowd's applause.

Cary's Pimento Cheese Festival was one of the most talked-about topics in the media this spring. The Festival event generated over 11,500 people who responded that they were either interested or going to the event. Many of the event posts leading up to the event generated dozens of comments, and a few generated well over 100 comments. As the buzz grew, the News & Observer wrote both online and print stories for the Saturday edition. Spectrum News also ran a four-minute segment on the festival.

It was estimated that more than 10,000 people attended.



ENCHANTED MISTING GARDEN AT MARLA DORREL PARK



In June, the Enchanted Misting Garden, a project designed with misting arches surrounded by bronze and stone artwork, was dedicated at Marla Dorrel Park. The original plan for the play area at Marla Dorrel Park included the concept of an interactive water feature where children could cool off and play. After more than a decade and \$40,000 in donations collected by Kids Together, Inc., that vision became a reality.

The art, entitled “Chimerical,” was created by artist Todd Frahm and consists of four bronze “chimeras,” which are whimsical creations consisting of the bodies of two separate animals. The artist held a workshop for the project. After observing a girl drawing a cat with the legs of an octopus, he was inspired to create something that was fantastically visionary, or improbable.

During cooler months, the garden will serve as an engaging space for resting, meeting and exploring.

PRESERVING HISTORIC RESOURCES



The Historic Facilities Interpretation and Rehabilitation Project is the Town’s multi-departmental effort to assess the physical condition of historic buildings at three town-owned properties: Barnabas Jones Farmstead at Jack Smith Park, the Good Hope Farm, and C. F. Ferrell Store and warehouses, both of which are in the Carpenter Historic District. A team of staff from Parks, Recreation & Cultural Resources; Transportation & Facilities; and Planning held two public meetings in May to share the project with citizens and gather ideas on how the properties could be used in the future. In addition, the consultants held a workshop with the Historic Preservation Commission and Friends of the Page-Walker. These meetings yielded some common themes and creative concepts. The project consultants, CUBE design + research, are now reviewing and synthesizing the results of an existing conditions assessment, along with the historical research and public information gathered at these three meetings. The project team plans to have preliminary recommendations ready for Council review this fall.



BEYOND: THE FILM FESTIVAL TAKES OFF



The Cary Theater took another step in its development as it launched Cary's first film festival, BEYOND: The Film Festival, which celebrated the art of storytelling through cinema. The festival featured screenplay and short film competitions that are far beyond ordinary.

The festival, which is expected to be an annual event, spanned five days and kicked off with a free film in Downtown Park with a showing of Back to the Future. The festival celebrated The Cary's own hometown stories by inviting Faye Chandler, the daughter of the theater's original owner, to share stories of the theater in its infancy in the late '40s and '50s. A partnership with the Sister Cities Association of Cary highlighted an award-winning Taiwanese film entitled Missing Johnny. In addition, the theater hosted a screenplay competition entitled BEYOND, which provided the winning screenplay with a table read during the festival. This was done to show the beginning stages of film development.

We are confident that this will grow into a must-not-miss event for Cary.

40TH CARY ROAD RACE



On Saturday, April 14, 1,100 participants gathered downtown for the 40th Annual Cary Road Race. The race moved downtown, where it first began, after several great years at the Koka Booth Amphitheatre. Registration in the 5 Miler, 5K and Fun Run reached the highest participation levels in many years, and there was much excitement and energy downtown on a beautiful spring morning.

Runners, who ranged in age from 6 to 83, maneuvered the courses through downtown. Included among them was Mayor Weinbrecht, who finished third in his age group in the 5 Miler! Every runner received a commemorative 40th anniversary medal.

The event created a real party atmosphere, with food trucks and live music on stage at Downtown Park throughout the morning.



CARY CONTINUES AS AN AMATEUR AND COLLEGIATE SPORTS DESTINATION



Cary was excited to welcome the ACC and NCAA championship tournaments back to USA Baseball and the Cary Tennis Park this spring. Following the March 2017 repeal of HB2, staff and regional committees worked diligently to bring these events back to North Carolina. The Cary Tennis Park hosted the ACC Men's and Women's Tennis Championship in April with over 3,000 attending, compared to 1,853 in 2016. Ticket revenue increased from \$8,814 in 2016 to \$10,400 in 2018.



In May, the NCAA D2 Baseball championships returned to USA Baseball National Training Complex to rave reviews by the teams and NCAA staff and committee members. Mark Clements, NCAA Baseball Committee Chair said, "I can say being here in Cary is like heaven. It's coming home." Attendance peaked at 7,319 and net revenue to Cary was \$25,594. The combined economic impact for the area was over \$4.9 million for these two week-long events.



INTERNAL RAP SESSIONS



We are halfway through our 2018 rap sessions for Town of Cary employees. Held the third Wednesday of every month, these sessions have proven to be an incredibly popular event. Each session has had 50-70 employees attend to engage in meaningful dialogue and courageous conversations. Hosted by the police department and facilitated by Tru Pettigrew, these conversations have included subjects such as Race, Generational Differences, Why Do We Have A Black History Month, Trust, Microaggressions and the #MeToo Movement. The feedback received from our staff indicate that these conversations have not only been meaningful and productive, but they have also generated discussions among staff—and with their friends and family—outside the rap sessions. We believe these honest, open and judgment-free discussions, which are slated to continue through the remainder of 2018, are bringing us closer together as a Town of Cary family and will enable us to work more closely together for the benefit of our citizens and community.

150TH ANNIVERSARY PLANNING

As we inch closer to the Town's milestone anniversary, Town staff is busy planning for a vast year-long sesquicentennial celebration. Kicking off in January 2020, Cary's birthday will be celebrated each month in various ways, including at our existing festivals and events. It will be a party for everyone, and we look forward to seeing how our community would like to celebrate! Currently staff is focusing on encouraging neighbors, groups, and organizations to participate and giving them the tools to host and enjoy their celebrations. An internal staff group will soon begin working with the appointed sesquicentennial advisory board on further initiatives.

ADVISORY BOARD RECRUITMENT

Cary had another successful board recruitment process with over 80 applicants applying for vacancies on our eight advisory boards, commissions and committees. In July, the council will interview potential appointees, then make their final recommendations in August. The ratification of these recommendations will happen at the August 23 meeting. New appointments will start their work beginning October 1. Staff looks forward to joining the Council at our Advisory Volunteer Celebration on September 25 to celebrate our retiring, existing and new members.





GUIDING COMMUNITY GROWTH





TOTAL INSPECTIONS

Inspections in Q4 totaled 20,706, which is up from the quarter’s five-year average of 19,605. In addition, total inspections for FY 2018 totaled 77,622, which is up slightly from the five-year average of 77,081.

NEW NON-RESIDENTIAL PERMITS ISSUED

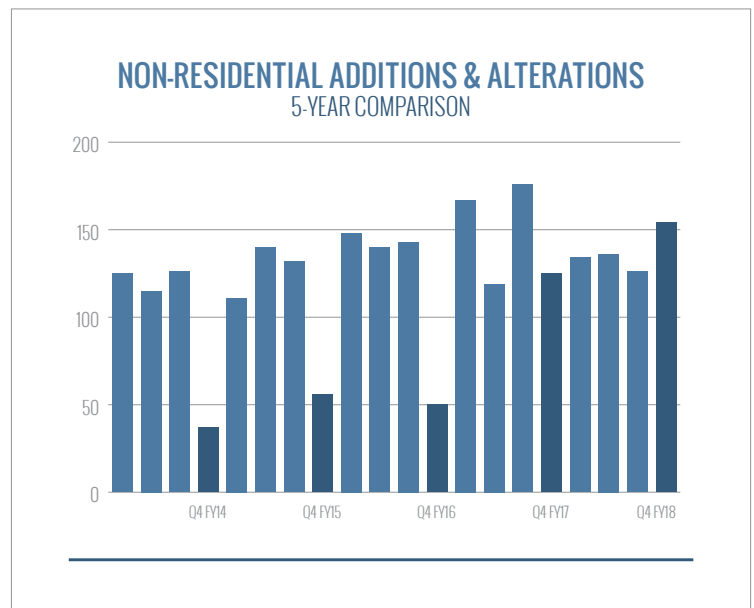
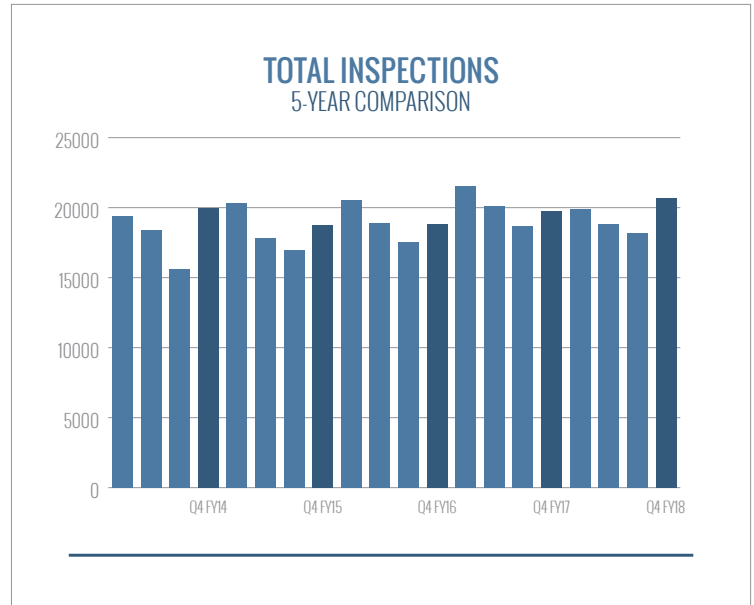
There were six new non-residential permits totaling 27,848 square feet issued in Q4. This square footage is down from the quarter’s five-year average of 279,332. However, including the downtown parking deck, the square footage of new non-residential for FY 2018 totaled 1,860,318, which is up from the five-year fiscal year average of 1,299,602. The top new non-residential permits issued in this quarter were Ivybrook Academy, The Goddard School, Han-Dee Hugo’s and Starbucks.

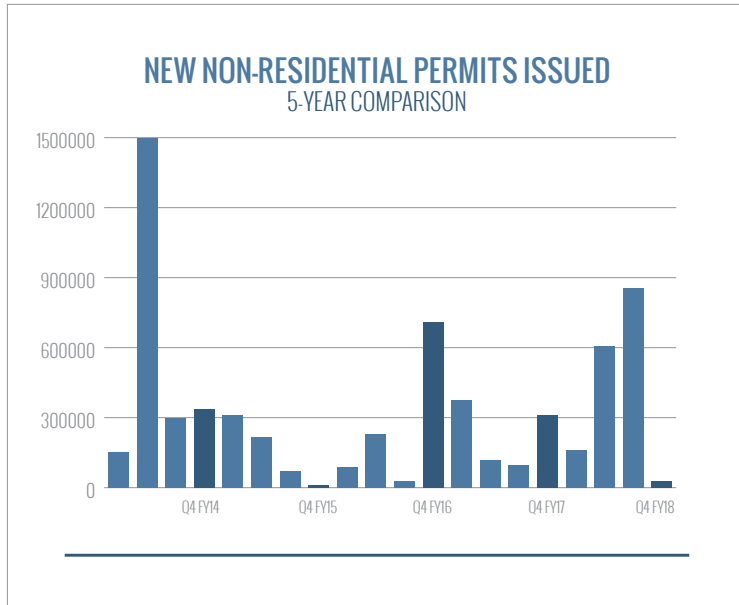
NON-RESIDENTIAL ALTERATION AND ADDITION PERMITS ISSUED

Non-residential alteration and addition permits in Q4 totaled 154, which is up from the quarter’s five-year average of 84. Also, non-residential addition and alteration permits for FY 2018 totaled 550, which was up slightly from the five-year average of 544.

POPULATION ESTIMATE

As of June 25, 2018, Cary’s population is estimated at 163,763. This is an increase of 2.1 percent over the same period last year.





HOUSE BILL 948 (BUILDING CODE REGULATORY REFORM)

House Bill 948 (Building Code Regulatory Reform) was ratified by the legislature and signed by Governor Cooper on June 22, 2018. This bill will have two key impacts on local governments and inspection departments. First, the bill allows the North Carolina Department of Insurance (DOI) to contract out inspections to members of a “Code Official Market Place.” This market place is a pool of code officials, mostly retired, who are available to perform building code inspections throughout the state. The DOI will contract out inspections to these individuals when a requested inspection can’t be completed within two business days by the local inspection department. Additionally, local inspection departments will be required to refund a portion of the permit fee to pay for the outside inspection. Secondly, the bill includes an additional financial reporting requirement to ensure all building permit fees collected by the local unit are used solely to support the inspection department and does not supplement the local unit’s general fund in any way. Historically, Cary’s cost recovery rate for building inspection services has been approximately 70 percent.

EASTERN CARY GATEWAY

IKEA

IKEA’s evolving business model has the retailer moving away from suburban, big-box retail outlets and into global city centers, which is why there are no longer any plans for a store in Cary. We are obviously very disappointed but are thankful that the decision came before the store was built and people were employed there. The timing also gives the mall’s owners, CBL, an incredible opportunity to reimagine the entire site and the future of this part of the Eastern Cary Gateway.



FENTON

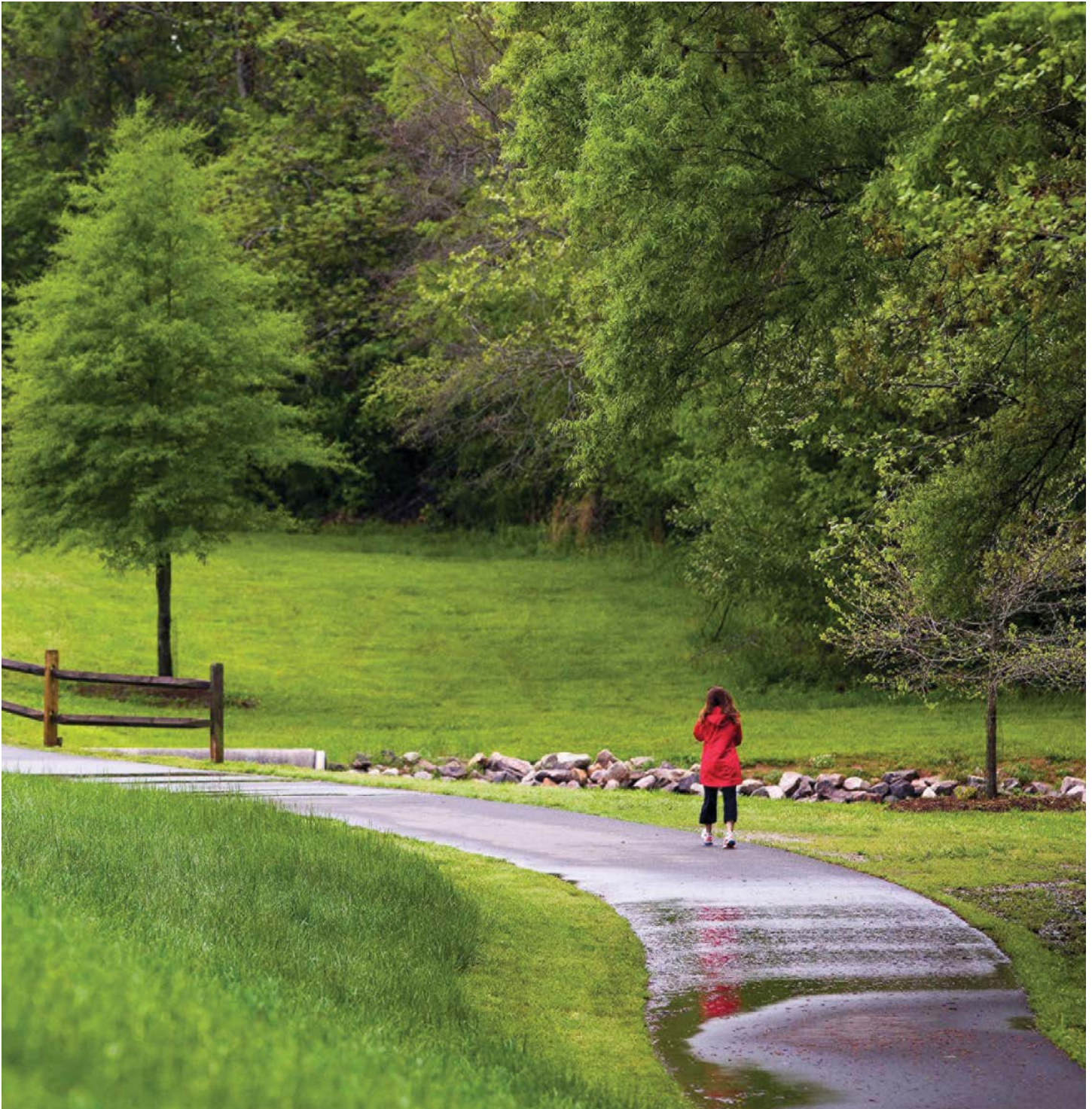


Columbia Development and Town staff continue to meet regularly and are working through the terms of the Fenton development agreement. Columbia Development and their consultants also continue early planning of the site design and grading plans. Columbia Development representatives attended the International Shopping Center Convention in Las Vegas and stated that they had excellent interest in the project.



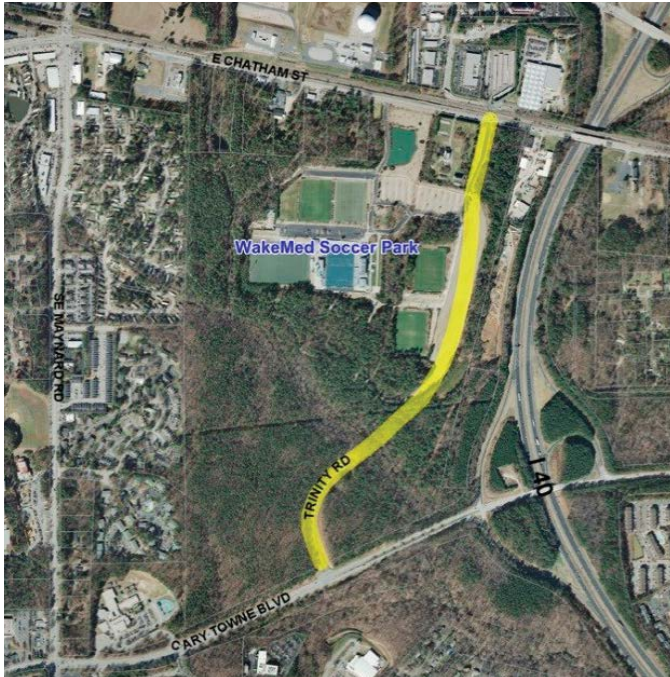


PROVIDING TRANSPORTATION CHOICES





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. In March 2018, staff initiated the Trinity Road study with the consulting firm VHB to develop a Trinity Road alignment, which accommodates future transportation needs, serves all modes and users and fits the Eastern Cary Gateway Special Planning Area (SPA).

In April, Town staff and VHB conducted stakeholder meetings with various property owners and groups interested in the Trinity Road extension between Cary Towne Blvd. and E. Chatham Street. The goal of these meetings was to seek input on each stakeholder’s priorities, needs and goals for the corridor. Stakeholder groups included:

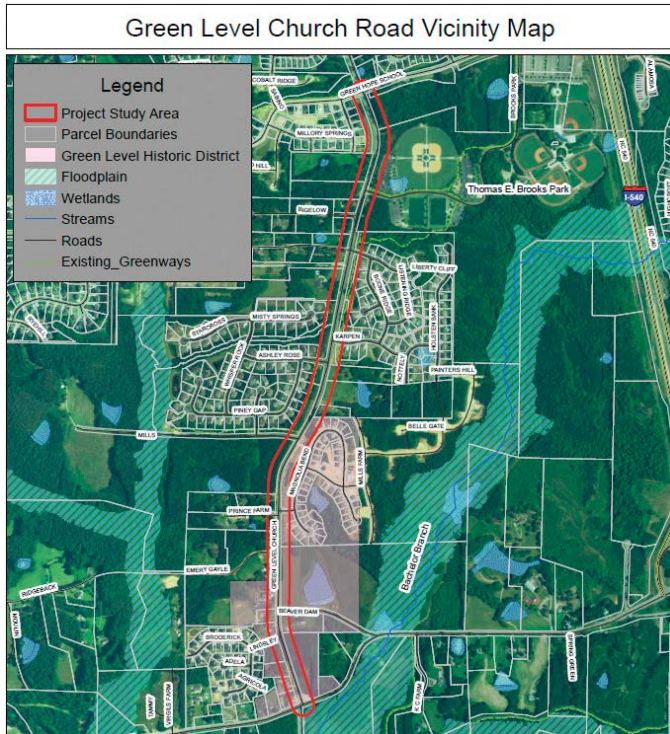
- Cary HS – Jerry Dotson (Cross Country Coach)
- Columbia Development – Abbitt Goodwin and Team
- Fit & Able (5K Organizer) – Alisa Wright Colopy and Travis Colopy
- HS Event Management (Cross Country) – Patrick Helland
- Kathy Klein and Bob Klein (5K Organizer)
- Marty Thompson and Travis Thompson (Property Owner)
- NCDOT Planning Division
- NCDOT Rail Division
- NCFC (North Carolina Football Club) – Steve Malik and Pete Sevandre
- NCFC Youth – Bob Harris (Director)
- NC State Cross Country – Chris Seaton (Coach)
- State Property Office – Joy Wayman
- Trinity Soccer Academy – Sean O’Connor (President)

Based on stakeholder feedback and the Town’s internal Steering Committee, four preliminary alternative alignments have been developed. Each draft alignment includes documentation on its impacts to the existing WakeMed soccer complex, cross-country course, existing parking and development potential on the remaining greenfield land that runs along the I-40 corridor.

Given the state is the primary land owner in this location, next steps in the study include meeting with the State Property Office to review the draft alignment options and understand their long-term vision for this land. Follow up stakeholder meetings are also planned. Current funding for the study does not include the design or construction of any street improvements.

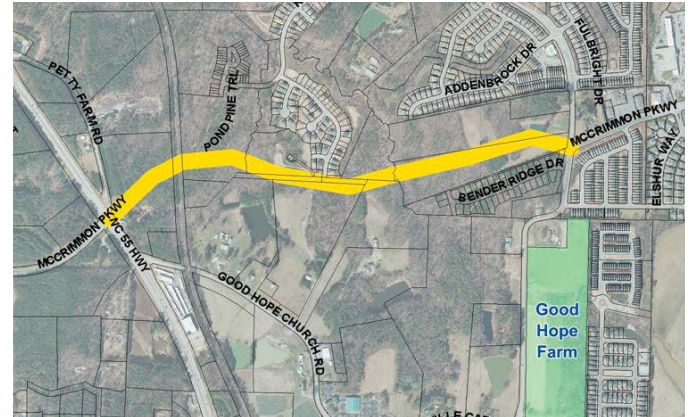


GREEN LEVEL CHURCH ROAD STUDY UPDATE



The Town initiated a study to develop an overall context-sensitive transportation vision for the Green Level Church Road corridor through the existing Historic District. Staff has met with primary stakeholders in the study area, including representatives of the Green Level Baptist Church and Mr. Mills, a generational landowner in the district. SEPI, the Town’s consultant on the study, is working on an updated traffic analysis to provide data on projected traffic volumes, future street capacity needs, turning movements and safe access. Next steps include a public meeting tentatively planned for later this summer. Study deliverables will include a context-sensitive typical section for the corridor that balances future transportation needs with the district’s unique, historic, rural character and charm. There is currently no funding designated for design and construction of the future street improvements.

MCCRIMMON PARKWAY STUDY



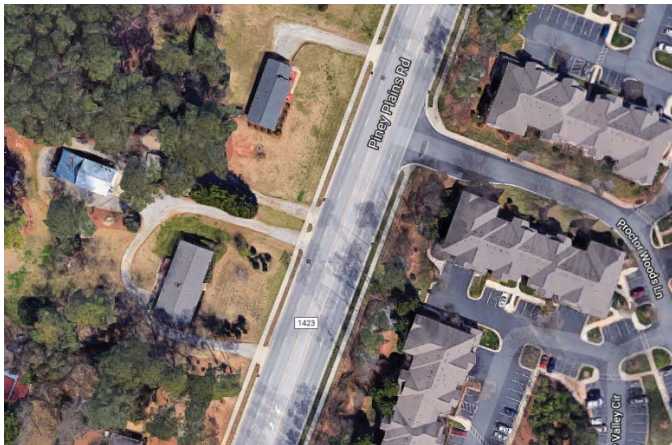
McCrimmon Parkway is a regional east/west thoroughfare extending from western Cary to Morrisville. The street, which was originally built in phases, still has a one-mile missing link between NC 55 and Louis Stephens Drive. Closing this gap will reduce travel time—particularly during peak hours—and improve regional connectivity.

In March 2018, staff initiated a feasibility study with the consulting firm AECOM to identify conceptual street design alternatives that address the railroad crossing, safety and topography, as well as provide a planning level vertical alignment.

Since the study’s kickoff, design criteria have been established and staff is currently reviewing and providing comments on the traffic analysis. AECOM is drafting conceptual alignments. Later this year, two public meetings will be held to present the preliminary concepts to stakeholders and the public. The overall project is anticipated to conclude in late 2018 and does not include funding for the design or construction of any street improvements.

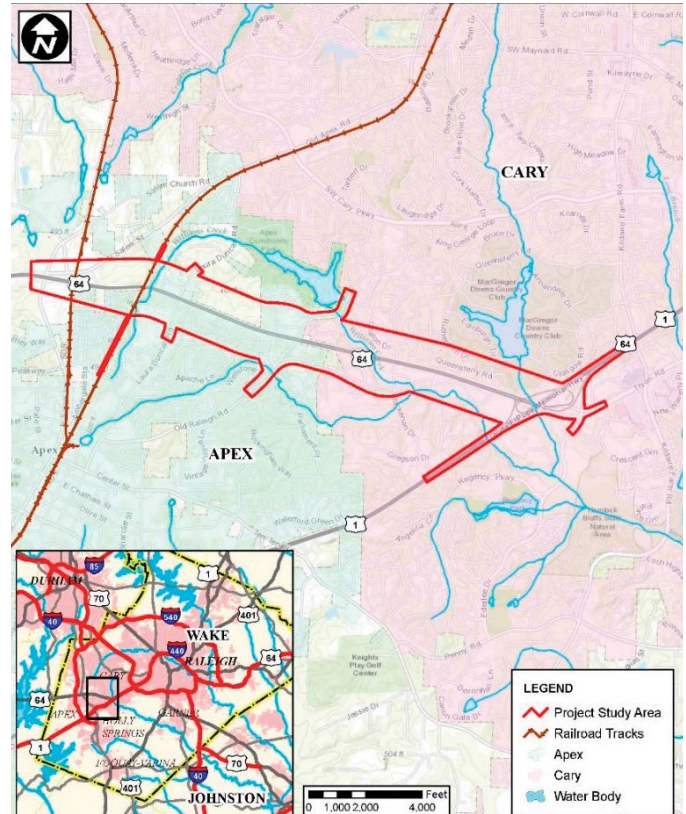


PINEY PLAINS ROAD CORRIDOR STUDY



As the Town begins to experience an increase in redevelopment and infill projects along its mature corridors, transportation feasibility projects provide an opportunity to evaluate the existing transportation network and determine how effectively the transportation corridors will complement and support the long-term land use vision. The Piney Plains Road corridor, from SE Cary Parkway to Dillard Drive, transitions from an existing three-lane to five-lane street as it continues north. Originally developed with single-family homes on larger lots, the corridor is experiencing a change in intensity reflecting denser residential uses. Staff is finalizing a scope of work with a consultant, AECOM, to conduct a comprehensive corridor study in this location. Deliverables will include a recommended typical section for Piney Plains Road that reflects the changing land use in this location, explores access needs and incorporates all transportation modes potentially within the existing right-of-way. Currently there is no funding for transportation-related improvements within the corridor.

NCDOT US 64 CORRIDOR IMPROVEMENTS (U-5301)



US 64 between US Highway 1 in Cary and Laura Duncan Road in Apex has continued to experience increased local and commuter traffic as a result of regional growth in the area and additional development along the corridor. As volumes continue to increase, so has the number of accidents with over 800 crashes recorded between 2012 and 2016, nearly double the state average for similar highways. In an effort to improve regional mobility, reduce accidents, alleviate existing and future congestion and improve local connectivity along the corridor, NCDOT is actively pursuing transportation improvement alternatives

MOVE PROVIDING TRANSPORTATION CHOICES



for this portion of US 64. Preliminary concepts include two interchange options each for both Laura Duncan Road and Lake Pine Drive intersections, as well as superstreet and expressway alternatives for the remaining US 64 corridor. These draft concepts were presented to the public at the project's first public meeting on June 21. A second public meeting will be held near the end of the planning process to provide citizens an opportunity to review and comment on the preferred alternative. Following project design, right-of-way is expected to begin in 2020 with construction set to begin in 2022.

BIKE MONTH



Cary "rolled out" May's National Bike Month with an official proclamation at the May 3 Council meeting. Bike Month featured a series of classes, events and rides throughout the month to celebrate Cary's commitment to cycling, its bike culture and to encourage bicycling as an alternative mode of transportation.

Mayor Weinbrecht and Mayor Pro Tem Bush joined citizens, staff and representatives from the East Coast Greenway Alliance on May 5 for a bike ride to the Fest in the West celebration. The ride featured views along the Town's White Oak Creek Greenway trail, which has been designated as a section of the East Coast Greenway, a 3,000-mile national bike route from Maine to Florida.

Five Cary schools partnered with Cary and Safe Routes to Schools to celebrate Bike to School Day with our youngest Cary residents on May 9. This event included rides, safety courses, giveaways and games.

The weekend of May 12 focused on maintenance as staff and Cary's REI store bike technicians spent the afternoon at Bond Park debuting the Town's new bike repair station for riders who were out and about on Cary's trails. With tune-ups complete, May 18 kicked off Bike to Work Day with a morning pit stop at the New Hope Church Trailhead on the American Tobacco Trail (ATT). Staff set up early to hand out drinks, maps and bike promotional items to the dedicated early morning riders and runners who were enjoying the ATT.

To close out the month's festivities, staff and Town Council representatives attended the inaugural Staff and Officials Ride on June 1. The group rode from White Oak Park along the White Oak Creek Greenway to the site of the new White Oak Creek Trailhead on Green Level Church Road.



MORRISVILLE PARKWAY EXTENSION AND NC 540 INTERCHANGE



We are making good progress constructing the final section of Morrisville Parkway, which will complete the connection between NC 55 and Green Level Church Road, as well as provide an interchange at NC 540.

Grading operations, as well as water line and storm drainage installation, are underway, and the project is approximately 20 percent complete. This summer, the contractor is expected to begin paving along NC 540 in advance of constructing the loops and ramps that will connect NC 540 to Morrisville Parkway.

This project is on schedule and planned to be opened by Christmas of 2019.

INSTALLATION OF RRFB AT AMERICAN TOBACCO TRAIL ON O'KELLY CHAPEL RD



Staff has received final approval from NCDOT to install the Rectangular Rapid Flashing Beacon (RRFB) devices at the American Tobacco Trail crossing at O'Kelly Chapel Road. Earlier this year, Town staff learned that the USDOT rescinded an interim approval notification that allowed transportation departments to implement

and install RRFBs. However, shortly thereafter in early spring, a new interim approval notice was issued and RRFBs were permitted once again. In that time, staff has been working with NCDOT to receive approval from Federal Highway Administration (FHWA) and has made the necessary changes to our design plans.

Currently we are working with a contractor to have concrete foundations installed for all four RRFB poles. This unique installation will have RRFB lights—not only at the crossing but in advance of each crossing—to give further warning to drivers of the presence of pedestrians and increase safety.

Staff anticipates the foundations to be installed in July with the poles erected immediately thereafter.

CONNECTED VEHICLES PROJECT

As the first Intelligent Transportation Systems (ITS) project awarded funding from the Capital Area Metropolitan Planning Organization (CAMPO), Town staff has been diligently working with our State and Federal partners. The goal is to develop a program that allows ITS projects to fit into the current processes of Federal Construction review that is geared toward traditional roadway construction projects.

MOVE PROVIDING TRANSPORTATION CHOICES



This month, staff met with FHWA, NCDOT and CAMPO representatives to discuss programmatic concerns and process ideas to allow staff to move this project forward. Discussion topics included Connected Vehicle (CV) Design Plans, right of way certification requirements, CV product selection and many others. Participation by our partners was excellent, and we are excited to see this project moving forward. All partners are dedicated to Cary's success.

Next steps for this project will include meeting with NCDOT to determine how design plans will be processed and beginning the RFQ process for product selection.

GREEN LEVEL WEST ROAD WIDENING



The four newly-constructed lanes of Green Level West Road from Glenmore Road/Capistrane Drive to NC 540 were opened to traffic on April 17 ahead of the fall 2018 expected opening date. The project, which is a gateway to the Green Level Destination Center, included wide outside lanes for bicyclists and sidewalk on both sides of the street. Medians were built per our new standard detail, which includes sections of landscaping and brick work. We continue to monitor vegetation and landscaping establishment through the warranty period.

We are in the process of compiling and submitting the final documentation for NCDOT review. Their review and concurrence is critical for the Town to receive the \$2.9 million in federal funding through the LAPP process.

Since the opening of the new road, we have received feedback from local residents concerning sight distance and safe access in and out of their neighborhood. We are working with HOA representatives to understand these concerns and discuss options with a small group of residents.

CARY PARKWAY AND HIGH HOUSE ROAD INTERSECTION IMPROVEMENTS



Work on street improvements at the intersection of Cary Parkway and High House Road began April 16. Contractors working for the Town have been installing the new right turn lanes. Asphalt base and new curb and gutter have been installed on most approaches. A temporary traffic signal and new fiber optic cable have been completed to minimize signal communication interruptions. The installation of new fiber optic cable caused some service interruptions to Bond Park; however, we were able to

MOVE PROVIDING TRANSPORTATION CHOICES



serve most citizens with backup systems put in place by collaboration from multiple departments, including Parks, Recreation, & Cultural Resources; Information Technology; Public Works; Town Manager's Office; and Transportation & Facilities. Temporary street lights have been installed and utility relocation is ongoing.

Construction on the outside lanes will continue throughout the summer before the contractor begins the new left turn lanes at all approaches except southbound Cary Parkway.

MORRISVILLE PARKWAY AT CARPENTER UPCHURCH ROAD INTERSECTION IMPROVEMENTS



Construction of street and traffic signal improvements began at the intersection on June 18. Contractors working on behalf of the Town installed traffic control and erosion control devices in preparation for street work. Cary staff met with CSX Railroad and Wake County Public Schools to coordinate lane closures, holiday and special event work restrictions. Intersection work continued in coordination with CSX Railroad. A second meeting with Wake County Schools will be held prior to traditional school calendar in August for Green Hope High School to coordinate traffic flow prior to school beginning and the traffic signal is planned for installation in winter 2019.

CARPENTER FIRE STATION ROAD GRADE SEPARATION WITH CSX



Designs and permitting are complete, and staff is working with the consultant and CSX Railroad to finalize the construction agreement and real estate approvals. Staff has also completed interviews as part of the selection process for construction engineering; inspection consulting services and private utility companies have started relocation work in advance of construction. The project also includes aesthetic bridge treatments consistent with the Historic Carpenter Special Planning Area. Bidding is scheduled to occur summer 2018, pending CSX approvals, with construction beginning this fall. With a three-year construction duration, we anticipate opening the road to traffic in summer 2022.

SIDEWALK IMPROVEMENTS

As part of our efforts to keep Cary great, we are working on several sidewalk improvement projects around Cary. These projects are a result of Council's ongoing commitment to increase mobility throughout our transportation system, as well as working with our citizens to identify, prioritize and implement projects that provide and complete important pedestrian connections.

For the first time, staff is working to deliver these sidewalk projects through a shared management strategy that promotes professional growth and internal staff

MOVE PROVIDING TRANSPORTATION CHOICES



relationships and shares workload. Design technicians are managing all aspects of the project with support and guidance from senior engineers. Highlights of several sidewalk projects are included below:

SW CARY PARKWAY JUST SOUTH OF HIGH HOUSE ROAD



This sidewalk project was recently bid and construction is being coordinated with the ongoing intersection improvements project at High House Road and Cary Parkway. Construction includes installation of a pedestrian bridge over Crabtree Creek and is scheduled to be completed in summer 2019.

THE FOLLOWING SIDEWALKS WERE GROUPED INTO ONE CONSTRUCTION PACKAGE TO ACHIEVE MORE COMPETITIVE BIDS THROUGH GREATER ECONOMIES OF SCALE:

- N. Harrison Avenue from Kingswood Drive to W. Johnson Street
- Old Apex Road between Laura Duncan Road and SE Cary Parkway
- E. Chatham Street from E. Durham Road to Reedy Creek Road
- Edinburgh Drive from west of Gregson Drive to MacGregor Village Shopping Center

A successful bid opening was held on June 12, and we anticipate beginning construction in August. Utility coordination is ongoing and all construction is scheduled to be completed in summer 2019.

WALKER STREET FROM E. CHATHAM STREET TO WALDO STREET



This project includes brick sidewalk along Walker Street between E. Chatham Street and Waldo Street, as well as signal upgrades at Walker Street and E. Chatham Street. Through interdepartmental collaboration, this project has grown to include additional infrastructure upgrades to storm drainage, water line improvements and sewer line rehabilitation. Storm drainage improvements along Walker Street support a larger effort to improve and upgrade downtown storm drainage and mitigate flooding potential. The sidewalk design is nearing completion, and we are currently working to coordinate utility conflicts and right of way needs. We anticipate bidding this project later this year and beginning construction in winter 2019.

SIDEWALK DESIGN UNDERWAY

Design efforts for the following sidewalk projects started earlier this year, and we are making good progress, including utility coordination and preliminary right of way acquisition plans. These projects are scheduled for construction activities to begin in summer 2019.



EDERLEE DRIVE FROM REGENCY PARKWAY TO PENNY ROAD



The Ederlee Drive sidewalk project includes a street-side trail and provides a pedestrian connection to the Penny Road Elementary School. It then continues north to residential neighborhoods, Koka Booth Amphitheatre, Symphony Lake and Swift Creek Greenway. This project will fill a missing link in our Greenway Master Plan.

TRYON ROAD FROM ASHVILLE AVENUE TO ASHVILLE AVENUE



The Tryon Road sidewalk project will complete the sidewalk gaps on the north side of Tryon Road, which serves pedestrians who walk to WakeMed Cary, local restaurants, retail locations and hotels. This project will include a traffic signal upgrade and pedestrian crossing enhancements at the intersection of Tryon Road and Crescent Green.

NW MAYNARD ROAD FROM OLD APEX ROAD TO CASTALIA



The NW Maynard Road sidewalk project will fill in a gap along one of our major thoroughfares and is being included as part of design of the Maynard Road Water Line Project. Combining both projects into one construction contract should help save construction costs as well as limit disruption to residents and the traveling public.

FY 2019 WAKE TRANSIT WORK PLAN

The proposed FY 2019 Wake Transit Work Plan was adopted by the governing boards of CAMPO and GoTriangle in June. The Town of Cary is the project sponsor for the following projects in FY 2019:

- Expansion of Wake Transit Marketing and Public Outreach related to GoCary services
- Expansion of the Downtown Multimodal Transit Facility Feasibility Study (detailed below) and funding for the next phase of this project, which includes Land Acquisition and Facility Design



- Expansion of holiday service hours to include New Year's Day; the 4th of July will be added in FY 2020
- New Transit Plan Administration related to GoCary program coordination and analysis
- New Passenger Information Materials, including updated signage, maps and educational materials
- New Route and Associated Capital Improvements (e.g. sidewalks, bus stops and amenities) serving Weston Parkway, Park West Village and James Jackson Avenue

DOWNTOWN MULTIMODAL TRANSIT FACILITY FEASIBILITY STUDY

After a collaborative procurement process that included representatives from multiple Town departments and regional transit partners, the evaluation committee for the Downtown Multimodal Transit Facility Feasibility Study has selected a consultant that embodies the approach and project understanding that the Town was seeking. The Town is in the final stages of refining the project scope and expects to execute a contract soon. This project is on schedule to kickoff the study this summer.

BUS STOP INVENTORY

Transit staff completed a full inventory of GoCary bus stops this spring. This inventory documents current conditions at each bus stop, including transit amenities (e.g. benches, shelters, trash cans, bike racks, lighting), signage, ADA compliance, tree canopies and landscaping, and sidewalk connections to nearby destinations. Furthermore, this database makes use of geospatial data that serves as a resource for GIS, Google Maps, TransLoc and internal transit operations systems. This inventory will guide transit staff as they embark on a bus stop improvement project that will bring many stops into ADA compliance and will enhance amenities at the system's most heavily-used stop locations.

WESTERN WAKE COMPREHENSIVE OPERATIONAL ANALYSIS (COA)

The Town of Cary has partnered with the towns of Apex and Morrisville for the Western Wake Comprehensive Operational Analysis (COA). This project, a subtask of the larger Wake Transit Bus Plan, is intended to guide short- and mid-term GoCary service adjustments and expansions in this rapidly growing subregion of Wake County. Work on the COA has included a market analysis of the three towns, a service analysis of the GoCary system and public outreach. The consultant will use the results of these analyses to develop two service scenarios that present options for future GoCary service design. These scenarios will be presented to the public in early August and will then be refined into one final recommendation package for the towns' consideration. The final recommendation will also be included in the late-August GoForward public outreach materials, which will show future service plans for all Wake County transit providers (GoCary, GoRaleigh and GoTriangle).



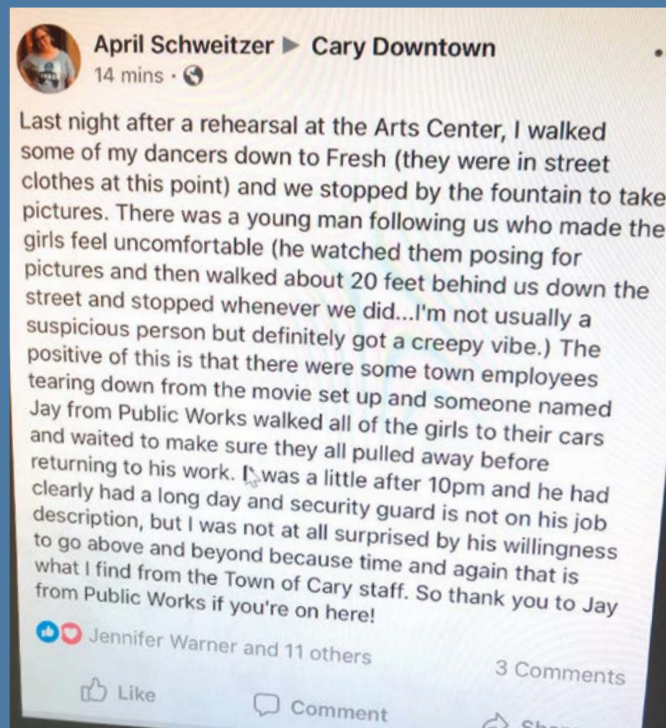
CITIZENS IN APPRECIATION

Please forward this note of appreciation for Sam's act of kindness to Sam and his supervisor.

Sam works the garbage truck route for Tanglewood Dr. I went to bring in my trash can as Sam was driving his truck down my street. He noticed I was struggling with the can due to my surgical boot on my foot. Sam kindly stopped his truck and helped me pull my trash can up my driveway. Sam was very friendly and courteous. His help was greatly appreciated, and I enjoyed our quick chat as we walked up the driveway. I just wanted to let you know what a thoughtful and good-hearted man Sam is.

Sincerely,

Kathy Bayard





MEETING COMMUNITY NEEDS





FIRE RECRUITMENT

Given a rapidly growing number of retirements within the Fire Department, Fire and Human Resources staff began to look for innovative ways to recruit, hire, train and onboard new recruits. In the past, recruit academies have ranged from 14 to 26 weeks depending on the recruit qualifications. Knowing that the market was rich with experienced firefighters eager to work for Cary, we made the decision to offer a lateral entry program for candidates with requisite certifications and at least two years of professional firefighting experience.

Our recruitment generated 131 applicants. An excellent group of diverse candidates moved through the selection process over the course of four months. On April 16, 15 new recruit firefighters were hired and, under the guidance of the Fire Department's training division, were prepared to provide service to the citizens in four weeks. These new firefighters came with a wealth of experience from a variety of places, including Raleigh, Durham, Greensboro and Fayetteville, among others. The new firefighters will now continue their training as members of one of the department's 15 fire companies operating from nine fire stations.

OPIOID RESPONSE PROJECT

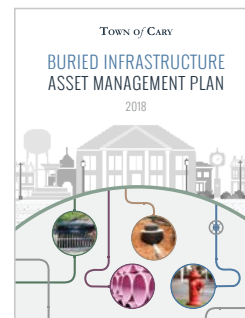
Since being named a Champion City by the Bloomberg Philanthropies Mayors Challenge program, we continue to test and improve our idea to build a healthier, stronger community by measuring, in near real-time, the daily collective concentration of various opioid metabolites in wastewater from distinct areas. The process has been helped this quarter by receiving \$100,000 grant from the Bloomberg Foundation. With this funding, staff was able to execute a contract with Biobot Analytics for sampling, chemical analysis and data analysis.

During May and early June, Biobot Analytics was in Cary conducting proof of concept testing. Many lessons were learned through this exercise, and the first round of pilot

sampling was started during the third week of June at 10 sample sites located throughout Town. Additionally, several workshops were held with our public health, data analytic and Bloomberg Foundation partners to discuss how this new dataset will be used to create new, more effective programs combatting the opioid epidemic.

Finally, this quarter we started in earnest a community conversation about the stigma associated with the misuse of prescription drugs and drug overdoses that mask the extent of the problem in our neighborhoods and hamper the use of some easily implemented, highly-effective practices by families. This effort is being led by our Fire Department.

BURIED ASSETS MANAGEMENT PLAN



In May, we completed the Town's first Buried Infrastructure Asset Management Plan, a document that will serve as the roadmap to protect our investments in our underground infrastructure, including water, wastewater, stormwater and reclaimed water systems. Over the past year, a cross-departmental group of

Town employees worked together to create this plan, lending their expertise and guidance to influence and inform the plan's vision and strategies. The primary goal of this plan is to ensure that the Town delivers on the Imagine Cary Community Plan's commitment to provide safe, reliable and cost-effective utility and stormwater services to our citizens. The plan includes a multi-year task list that defines the activities and timeline necessary to achieve this goal. Initial tasks include improving the quality of GIS data, piloting new stormwater maintenance and inspection practices, harnessing the Salesforce work order system and refining the rehabilitation and replacement prioritization structure.



Implementation of this plan has already begun, with projects such as the stormwater GIS improvements, force main condition assessment and stormwater pipe cleaning and TV inspection programs well underway. Looking beyond implementation for buried infrastructure, the results of the plan are adaptable and scalable to other Town infrastructure types that also face asset management challenges. Work is currently underway toward incorporating vertical infrastructure—such as buildings, roofs, and HVAC—into our asset management planning. This plan will be foundational to help us further optimize data-driven recommendations for long-term funding of our built infrastructure maintenance and capital improvements needs.

FIRE STATION 9 UPDATE



Fire Station 9 is the final piece in the multi-step process to ensure the Fire Department meets current and future demands associated with response-time goals in serving both the downtown area and the Crossroads/U.S.1 corridor area. In 2012, the citizens approved a Community Investment Bond referendum, which funded the construction of new Fire Station 2, located at 601 E. Chatham Street. Station 2 opened in December 2015 to better serve the downtown area. 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 will contain typical amenities, such as sleeping quarters, a dayroom and a kitchen. The station will also include a 1,400 square foot multi-purpose training room that will be available for Town training and events as needed. The project has been advertised for construction and bids should be presented to Town Council this summer. Construction activities and a corresponding groundbreaking celebration are anticipated this fall.

LEGISLATION ENACTED IN Q4

In addition to legislation regarding building inspections discussed in Shape, the General Assembly adopted other legislation of interest to the Town in Q4.

Apex's request to annex a portion of Laura Duncan Road adjacent to Laurel Park Elementary School was granted. The Town supported this request, as accidents occurring within this unannexed portion of roadway were required to be handled by the State Highway Patrol. Apex has utilities in the roadway, and the sections of Laura Duncan Road immediately north and south of this section were already in Apex's jurisdiction. Effective June 30, Apex will have full jurisdiction over this section of roadway.

The state budget, enacted over the Governor's veto on June 12, contains two provisions related to schools and municipalities. Municipalities are now permitted to use property tax and other unrestricted revenues to "supplement funding for elementary and secondary public education that benefits the residents of the city." Local boards of education may request appropriations directly from the town. Funds may be directed to individual schools—located within or outside of Town limits—so long as Town residents attend the school. Public schools, including charter schools, are eligible for funding.

The second provision amends legislation passed last year that requires municipalities to reimburse K-12 schools—public, charter and private—for the cost of improvements



to the municipal street system required by the municipality. The amendment states, “A city may not condition the approval of any zoning, rezoning or permit request on the waiver or reduction of” the reimbursement requirement. Further, the legislation amends longstanding zoning law and constrains Council’s discretion in rezoning cases, by precluding local zoning regulations that, “include, as a basis for denying a ... rezoning request from a school, the level of service of a road facility” abutting or “proximately located” to the school.

The legislature also enacted a bill that requires each county and municipality to create a list of its ordinances that may be punishable as a misdemeanor, with a description of the conduct subject to such punishment. The Town must compile this list by December 1 and submit it to two joint legislative committees of the General Assembly.

MAJOR OPIOID INVESTIGATION



Over a year ago, the Police Department’s Drug/Vice Unit initiated a major opioid case in Cary that stretched across the United States and beyond our nation’s borders. As the year progressed, the case grew at an alarming rate and was centered on the manufacturing of illicit pills produced

by unlicensed individuals using dangerous components like fentanyl. After a year of investigation, in cooperation with local, state and federal agencies, we recently began to dismantle this drug syndicate by making arrests, serving search warrants and seizing property.

This case is still ongoing as we are following leads as they develop. Yet we unquestionably put some major drug dealers out of action in this quarter, which likely saved lives by getting several illicit pill presses off the street. To date, we have arrested four individuals related to this case and seized five pill presses, six vehicles, 55,000 dosage units of illicit pills, over 50 pounds of a possible Fentanyl/Xanax type substance, \$20,000 in cash and an unclear amount of crypto currency. This case dealt an enormous blow to the production and distribution of illicit pills.

OPERATION MEDICINE DROP AND PILL TAKE BACK EVENT



On April 28, the Police Department coordinated the biannual pill take back event in six locations around Town. In total, we collected 30 boxes with a total weight of over 719 pounds. As a point of comparison, the total weight collected from the take back event in October 2017 was



473 pounds. One of the more successful locations during April's event was at Bond Park in conjunction with Spring Daze. As of June 27, a total of 1,170 pounds of pills have been collected, including 451 pounds from the Drop Box on Town Hall campus. We continue to collect unwanted pills daily in our pill drop box located at the Police Department on Town Hall campus. A new project will advertise the drop box location on local Harris Teeter Pharmacy bags, which we believe will increase awareness throughout our community.

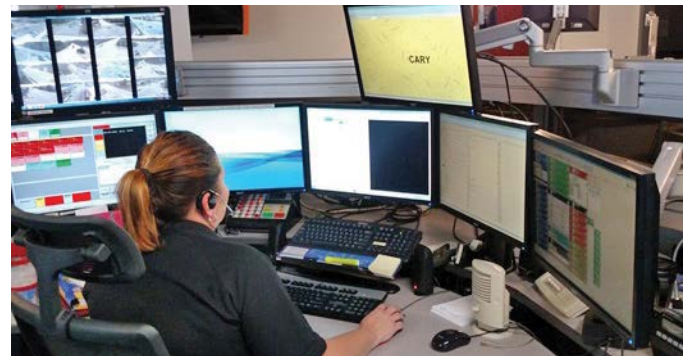
POLICE DEPARTMENT HISPANIC OUTREACH



The Police Department has recognized for years that there is a reticence on the part of a portion of our Latino community to cooperate and interact with police officers. Much of this is fueled by negative experiences with police in their home country and a concern about what an interaction might mean for their immigration status here in the United States. Knowing this, the Police Department has worked over multiple years to impact these concerns in a positive way and encourage our Latino community to see Cary officers as advocates and a source of help in their community, just as our police are in all other parts of our community. The Police Department has taken a multi-faceted approach to this. For example, we have utilized forums at area churches to discuss concerns, appearances and collaboration at Latino festivals, such as the Three Kings celebration and Ritmo Latino. We have

held bicycle giveaways for Latino children through the CAP Team refurbishment program, including Latino citizens in a recent multi-agency PSA. And most recently, our sixth annual Wrenn Drive Community Event and Celebration—conducted in cooperation with area churches and Wrenn Drive area apartment communities, PRCR, Fire Department and Police Department—hosted nearly 1,000 citizens, 52 vendors and 200 volunteers on June 2. It was a great day filled with opportunities for our Latino residents to learn about the services that the Town provides and how to gain assistance in all aspects of Town government, with games for the kids and good food and fellowship throughout the day. This was our best-attended Wrenn Drive event to date, and we are already planning for next year's celebration.

911 CONSOLIDATION



The Public Safety Answering Point (PSAP) Service Improvement Study Analysis is transitioning into the final phase of the project. The towns of Cary, Apex and Morrisville have been meeting with FE/Kimball to discuss modifications to the final report. The collaboration around the report and findings appears to be positive. Each of the towns seem eager to move forward with the merger to a Multi-Agency PSAP operated from the Town of Cary's PSAP. Once the report modifications are corrected, discussion will focus on establishing an MOU between all three of the towns.



The findings in the report indicate that there were no technology roadblocks for the multi-agency PSAP to be formed. Our 911 center is adequate to meet the needs of the expansion without an additional console position. The report did indicate that four staff members will need to be added in the Cary PSAP to accommodate the call volume of the additional agencies. A decision has been made to move forward with the hiring of a portion of these additional staff members by utilizing our current approved over-hire positions within the Cary PSAP. This will allow us to have additional staffing properly trained by July 2019. More details will be provided in the coming months.

TILLER TRUCKS

A tractor-drawn aerial (TDA), or tiller, is more than just an iconic fire truck with both a front and a back driver. It's also the most appropriate apparatus for Cary's changing landscape. Just as the Fire Department has migrated to smaller pumper trucks to allow for better maneuverability, it has considered aerial apparatus that can accommodate access and reach challenges for large trucks created by the Town's development trend toward denser development. TDAs have several advantages over the aerial devices the department has deployed in the past, including a shorter turning radius, increased equipment and storage capacity, lower overall height and reduced weight.

The department's next two replacement ladder trucks will be TDAs, which will align resources with the Cary Community Plan's vision of development and redevelopment of mixed-use properties. These trucks will help the Fire Department continue to serve the community with quick response times and state-of-the-art operating and reach capabilities.

NEW WATER TANKS

Four million gallons. That's the amount of storage that will be added to our water system when the Kilmayne Drive and Good Hope Church Road Water Storage Tanks come online in the next year. But what does four million gallons look like? If you wanted to transport that much water, you would need 800 tanker trucks. If you filled grocery carts with four million gallons of milk, you better have 120,000 grocery carts ready. Finally, consider a football field with 15 feet of water over top of it; that's four million gallons.

During the fourth quarter, both projects reached significant milestones. At the Good Hope Tank, the concrete column was completed and the concrete dome panels were put into place. While the dome panels create a roof for the column, they are really the floor of the bowl itself once it is put in place. The bowl's assembly began with the cone portion being welded together on the ground. Work on the bowl will continue throughout the summer.

Meanwhile at the Kilmayne Drive Tank, the steel bowl was completely assembled during the fourth quarter. The outside of it was primed and hand-painted Cary's traditional Hidden Lake Blue. On June 8, the bowl was slowly raised into place where final connections will be made and the inside coating will be applied. Following site restoration and testing, the Kilmayne Tank will be ready for service in late fall. It took six hours to raise the 250-ton steel assembly to its final position 120 feet above ground.

So how heavy is the two million gallons of water that each tank will ultimately hold? Two million gallons of water is 16.7 million pounds—the equivalent of 4,656 new Corvettes, 33,360 North Carolina Black Bears or 4,277 fire sculptures like the one at Kay Struffolino Park. Any way you look at it, the increased storage and redundancy is a win for our citizens.



PRESSURE ZONE MODIFICATIONS

The Town is implementing a series of incremental pressure zone shifts to improve long-term operational effectiveness and resiliency in the water system. On April 10, Town staff completed the third incremental phase of six planned pressure zone shifts. Upon completion, the central pressure zone boundary will extend to an area generally adjacent with Hwy 55. Approximately 6,000 properties will be restored to central pressure, which represents an increase of approximately 45-psi. The pressure zone shift completed in April was conducted within the Preston community and included 450 properties. The operation also included connecting a Cary water line to a legacy Morrisville water main to improve redundancy and water transmission in the service area. The operation was implemented smoothly with minimal customer impacts.

The next planned pressure zone shift is scheduled for September 12 and will transition approximately 1,146 properties to central pressure in the areas around West Park, Twin Lakes and Research Triangle Park. Community engagement activities have included notice letters, Nextdoor posts and free pressure testing provided by Town staff. Public meetings were held July 16 and July 17.

The remaining pressure zone shifts are planned to be completed before summer 2019.

WATER RESOURCES SUPPLY REPORT

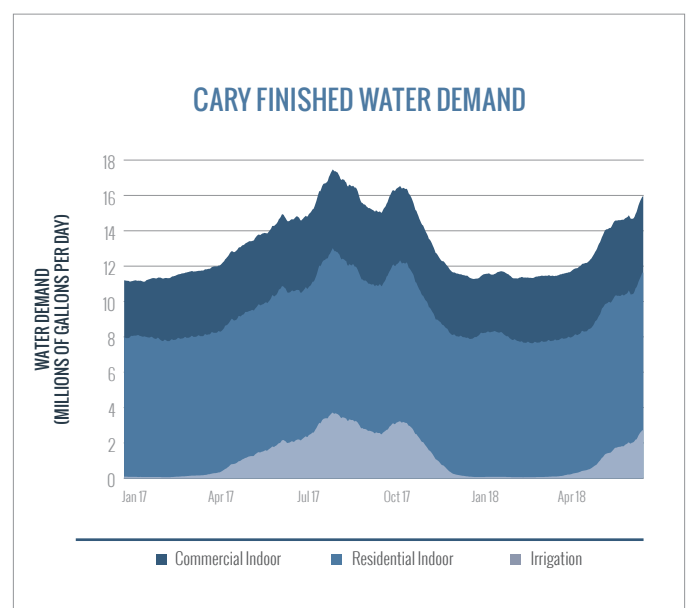
The Town continually monitors our water supply and usage, remaining vigilant to ensure high-quality, safe, affordable and reliable water service is available to meet the needs of our citizens and support continued growth.

Overall rainfall for the quarter was above normal but variable, and irrigation spiked during mid-April to mid-May when less than one inch of rain fell over three weeks. This dry spell was followed by a week with nearly five inches of rainfall. A very wet second half of May gave way to another

dry period in June. Through June 28, the Town has seen about 1.8 inches of rain for the month, more than an inch less than normal.

Our base water demand is primarily residential, with summertime peaks from irrigation systems. A hot, dry early May led to a comparatively sudden increase in irrigation this year compared with prior years. In the graph of 2017–2018 Cary water demand below, outdoor use (irrigation) is gray, and indoor use (residential and commercial) is blue. The Town’s per capita demand has declined significantly over the years, due in part to changes in irrigation patterns, but outdoor usage still drives our peak day demands.

FY 2018, Cary/Apex Water Treatment Facility’s (CAWTF) finished water demand averaged 20.6 MGD. During a dry period with high irrigation demands, CAWTF produced a record 34.8 million gallons of high-quality drinking water on June 20. The peak included 6.0 MGD water demand by Apex and a transfer of 6.3 MGD to Durham. The Town sent over 380 million gallons to Durham since September 2017 while one of their treatment plants was shut down to construct improvements. With CAWTF capacity recently expanded to 56 MGD, these record demands can be readily supplied.





OPEN DATA POLICY

The Town of Cary was selected to join Bloomberg Philanthropies' What Works Cities in September 2017. One outcome of the partnership was to develop an open data policy, which we drafted collaboratively with What Works Cities and the Sunlight Foundation. This draft policy was then shared with our citizens for feedback and refined based on that feedback.

The Cary Town Council adopted the open data policy on June 14, which outlines our commitment to making data readily available. The newly-adopted policy will guide the Town in making sets of public records freely accessible at no cost to the public via its online portal.

The policy will support Cary's Open Data Portal found at data.townofcary.org. Originally launched in 2016, the portal catalogs more than two dozen commonly requested datasets to view, map, analyze within the portal or download for off-site analysis. Datasets currently available for public consumption focus on topics like crime and safety, development, inspections and permits, recreation and winter weather preparation.

FIRE/IT - LAPTOP DEPLOYMENT PROJECT

The IT Department is challenged with delivering 500+ new laptops to employees and was in need for additional staff resources to make this project a success. Chief Raney and Chief Cooper of the Fire Department asked their staff for volunteers willing to work with the IT Department, and eight capable and willing staff answered.

In June, the Information Technology Service Delivery team held a two-day boot camp with the eight volunteers from the Fire Department. The boot camp consisted of training on terminology, intake process, imaging and

decommission of Town devices. The teams received hands-on training with the Service Delivery team. Laptops were imaged with IT's customized operating system and new workstations were set up. This has proven to be both a challenging and rewarding opportunity for both departments.

SMART CITIES COUNCIL READINESS WORKSHOP

In March of 2018, the Smart Cities Council (SCC) announced that Cary was a recipient of a 2018 Readiness Challenge Grant. As a recipient, Cary is receiving international recognition of our smart city efforts, a customized roadmap, as well as tailored products and services to accelerate our smart city initiatives.

The SCC facilitated Cary's Smart Cities Readiness Workshop on June 8, which was hosted by SAS at their Executive Briefing Center. The workshop explored Cary's overall smart and connected community vision, public-private partnerships, healthy communities, data management infrastructure and transportation options that integrate new technology. Over 100 municipal officials, department heads, technology innovators, local business leaders, non-profits, university representatives and community influencers participated. Mayor Weinbrecht and Council Members Bush and Robinson attended. Staff members David Spencer, Kelly Blazey, Donald Smith, Paul Campbell, Sandal Abid and Terry Yates gave presentations illustrating Cary's smart and connected community vision.

Roadmap development by the SCC and our Smart Cities Steering Committee is currently underway using information from the workshop, Imagine Cary Community Plan and our smart city efforts to date. The roadmap will present existing and planned smart city initiatives



in a sharable and collaborative visual format. This living document can be refined as new technology is introduced. It uses the SCC's framework to map smart city initiatives to Cary's responsibility areas—transportation, public health, etc.—and to technology and governance enablers to identify intersection and opportunities across initiatives. This framework will be used to inventory initiative data sources. It will create a mechanism to prioritize future initiatives by establishing a set of smart city project criteria against which initiatives are rated. It will identify targets, actions, teams and timelines for priority initiatives. The draft roadmap is targeted for completion this summer. Additional grant products and services will be implemented during 2018.

Additional grant and workshop information can be found at <https://smartcitiescouncil.com/readiness-cities-cary>.





MOVING FROM VISION TO REALITY

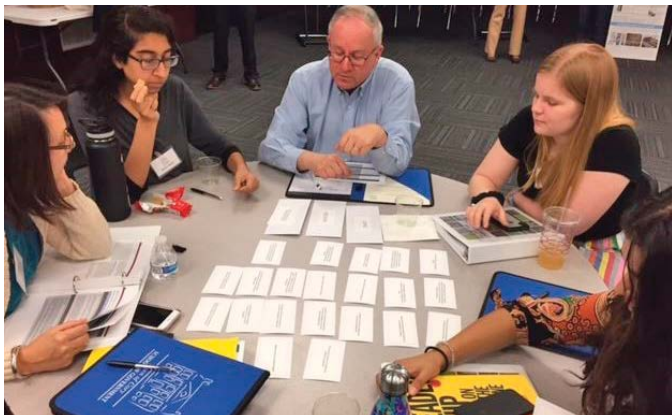




MOVING AHEAD WITH BRANDING

North Star Destination Strategies is now under contract following the Town Council's unanimous vote on May 10 to approve the Economic Development Committee's hiring of the company. The initiative's public kickoff, which will occur in September, will serve as the main program topic for the annual boards and commissions event.

SCHOOL OF GOVERNMENT GRADUATION



Another cohort of Cary citizens graduated from the Town's School of Government in May. This six-week program continues to be a wonderful resource for citizens to learn more about government operations, as well as more specific Cary topics. This year, the School of Government devoted a class to the Imagine Cary Community Plan, which helped students make the crucial connections between our daily work and the goals of goals of the community plan. The group was also able to experience behind-the-scenes operations at the Cary/Apex Water Treatment Facility, Public Works and our Public Safety departments.

CARY'S PIT CREW ACTIVATED

The Imagine Cary Project Implementation Team, or PIT Crew, is a multi-departmental team of staff focused on implementation of the Imagine Cary Community Plan.

The PIT Crew has been meeting over the past year to develop a detailed understanding of the Strategic Initiatives and Actions in the Plan. The Imagine Cary Community Plan articulates Cary's vision and values and sets a course for Cary to continue to be a premier community that offers new opportunities to citizens. Through thoughtful examination of the multiple elements of the plan, staff was able to align multiple focus areas. The four primary focus areas include Economic Development, Land Development, Move/Transportation and Strong Neighborhoods. These focus areas, which connect the Strategic Initiatives and Actions of each chapter, were used to organize the PIT Crew into four focus teams. The focus teams met during the fourth quarter to create an Action Planning Guide. This guide will be an object in Salesforce that connects the Plan's Strategic Initiatives and Actions with Projects and Services in the Catalog. It will also propose the following information for each Action: action overview, status, lead staff, internal and external partners, Projects and Services Catalog records, groupings and sequence, goals, milestones and performance measures.

The diverse input from each member of the PIT Crew has created a strong environment to collaborate and capitalize on existing opportunities for implementation of Imagine Cary. The Focus Teams will continue to meet and new staff are being brought in to collaborate further on the Action Planning Guide. The collaboration of the PIT Crew will continue to open doors to share resources and identify cross-departmental opportunities for staff to work together to meet the vision of the Imagine Cary Community Plan.

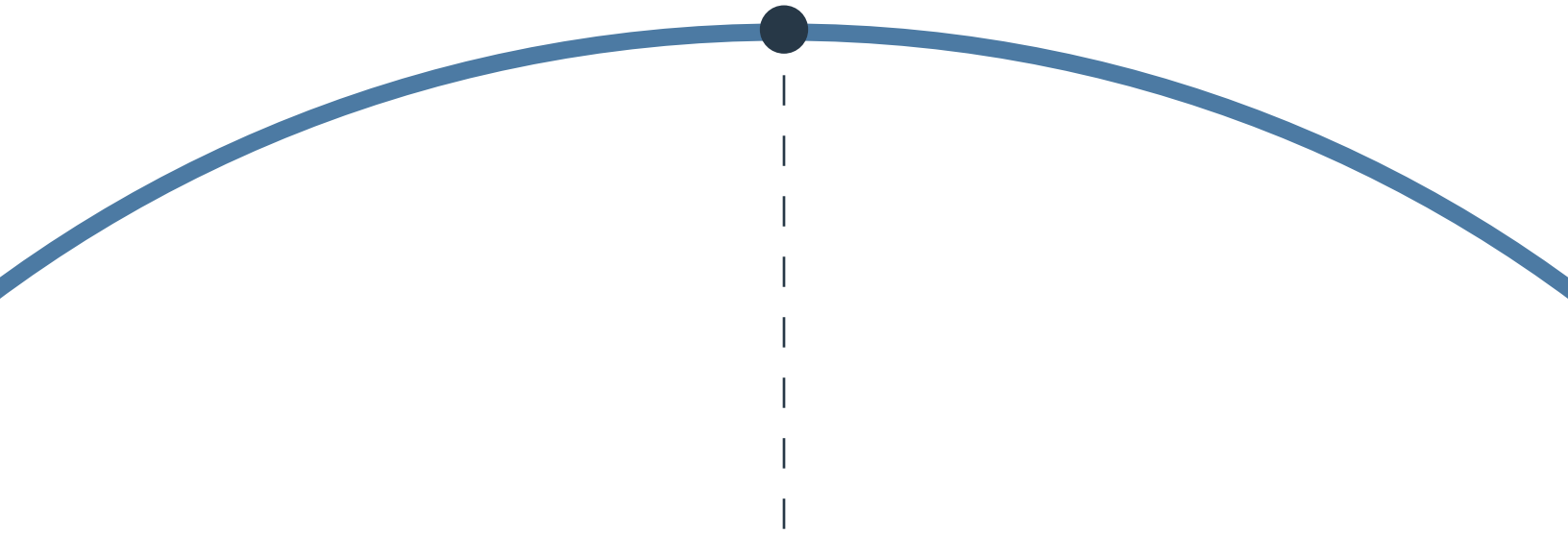
STAFF REPORT NEXT STEPS

The Next Steps section of staff reports is intended to provide Council and citizens with a better understanding of what happens after Council acts on an item.



COUNCIL MEETING DATE	ITEM NAME	STATUS UPDATE
SEPTEMBER 14, 2017	Bid Award for the Raw Water Transmission Parallel Pipeline Project	The contract has been executed and the project is underway. We expect the project to be complete by spring 2019.
	Reduce Congestion through Intersection Improvements Project	This project is on schedule. High Meadow Drive construction is complete, and the Town is working to address private utility conflicts before continuing with remaining construction, which should be complete by fall 2019.
OCTOBER 26, 2017	Bid Award for the NCDOT Utility Relocation Project	This project is fully complete.
NOVEMBER 16, 2017	Koka Booth Amphitheatre 2018 Management Plan and Budget	The lighting system has been replaced.
	Revised Swift Creek Land Management Plan Interlocal Agreement & First Amendment	The interlocal agreement has been completed by all parties.
DECEMBER 14, 2017	FY 2018 Sidewalk Priority List Funding	Design on all three projects (NW Maynard Rd., Tryon Rd., and Ederlee Rd.) is underway.
	Morrisville Pkwy & Carpenter Upchurch Rd. Intersection Improvements Project with CSX	This project is on schedule with a notice to proceed issued on June 18. The construction is expected to be complete by summer 2019.
JANUARY 11, 2018	Funding Consideration to Acquire Property for Future Cary-Apex Water Treatment Facility Expansion	We have closed on the private property and are now preparing to do a historical evaluation of the house. If no historical value is found, will proceed with demolition.
	Bid Award for 2018 Water Main Replacement Project	The contracts have been executed and Part A and Part B of the project are underway. Expected completion by winter 2019.
JANUARY 25, 2018	NCDOT, I-40/Aviation Parkway Interchange Improvement	The Town has entered into a municipal agreement with NCDOT to fund the Town's portion of the sidewalk improvements to include brick pavers to the final design. Construction is expected to begin in late 2018.
	FY 2018 Street Improvements Projects	This project remains on schedule with an anticipated completion date of spring 2019.
FEBRUARY 22, 2018	Garmon Operations Center Improvements Phase II Construction Bid Award	This project is on schedule with a notice to proceed issued on April 2 and an expected completion by fall 2018.
	NW Cary Parkway Bridge Rehabilitation Project	This project remains on schedule with construction beginning in Spring 2018 and closures expecting to remain in place until fall 2018.
	Funding for Leased Space for Town Managed Recreation Programs at the Village Square at Amberly	This project is on schedule. The leased space is now under construction with an expected completion date of fall 2018.
MARCH 22, 2018	Panther Creek Greenway and Mills Park Trailhead Bid Award	This project is behind schedule as we await NCDOT award concurrence. Construction is now anticipated to begin in summer 2018.
APRIL 5, 2018	Town Code of Ordinance Amendment for Cross Connection Control & Backflow Prevention Assemblies	After adoption, enforcement began in spring 2018. The Town sent 55 violation notices to citizens in May, which resulted in 23 citizens receiving the notice of civil penalties.
MAY 3, 2018	Bid Award for Western Cary Water Main Improvements	This project is on schedule with contracts executed in June 2018. Field work is expected to begin in mid-July with expected completion in fall 2018.
	Interlocal Agreement with Wake County Public Schools	The draft agreement is under review with WCPSS and staff is meeting with school staff to ensure gym modifications are present in design.

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