

TOWN of CARY



TOWN COUNCIL QUARTERLY REPORT

TOWN OF CARY, NORTH CAROLINA
FY 2019 THIRD QUARTER

CARY MAYOR & TOWN COUNCIL MEMBERS

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



Mayor
Harold Weinbrecht



Mayor Pro Tem
Lori Bush



Council Member
Ed Yerha



Council Member
Don Frantz



Council Member
Ken George



Council Member
Jennifer Robinson



Council Member
Jack Smith

ON THE COVER:
An interdepartmental group presents on private streets in Cary at the annual Council/Staff Retreat

IN MOVING CARY FORWARD

Once again, and as you will see in this Quarterly Report, our staff has remained incredibly active in our shared focus of Keeping Cary Great. From the remarkably successful completion of the improvements to the Cary Parkway/High House intersection to the extraordinary cross-departmental group who literally saved our recycling program, I remain incredibly proud of how well our staff can work together to tackle the biggest things.

One of this quarter's highlights for me was our annual Council-Staff Retreat. I cannot overstate my belief in the importance of our taking time to share experiences and learning, to strengthen our personal relationships and to intentionally attend to our collective consciousness as a high-performing team. As is the case for each of the three retreats I've been part of, the experience was both rewarding and exhausting. As we continue to reflect on Dr. Horniman's exhortation to "invite, include and inspire" others, I can't help but think of our roles both in the organization and in the community and how, as public servants, we work every day to build community and care for each other.

Just as one quarter closes with this report, our next Quarterly Meeting is just around the corner on the afternoon of May 9, and we will be returning to SAS. I look forward to discussing my recommended FY 2020 budget – including our planned bond referendum – and providing updates on several initiatives.

It is my honor to serve as Cary's Town Manager and be the change agent the Council hired me to be.

Sean R. Stegall

Sean R. Stegall
Town Manager

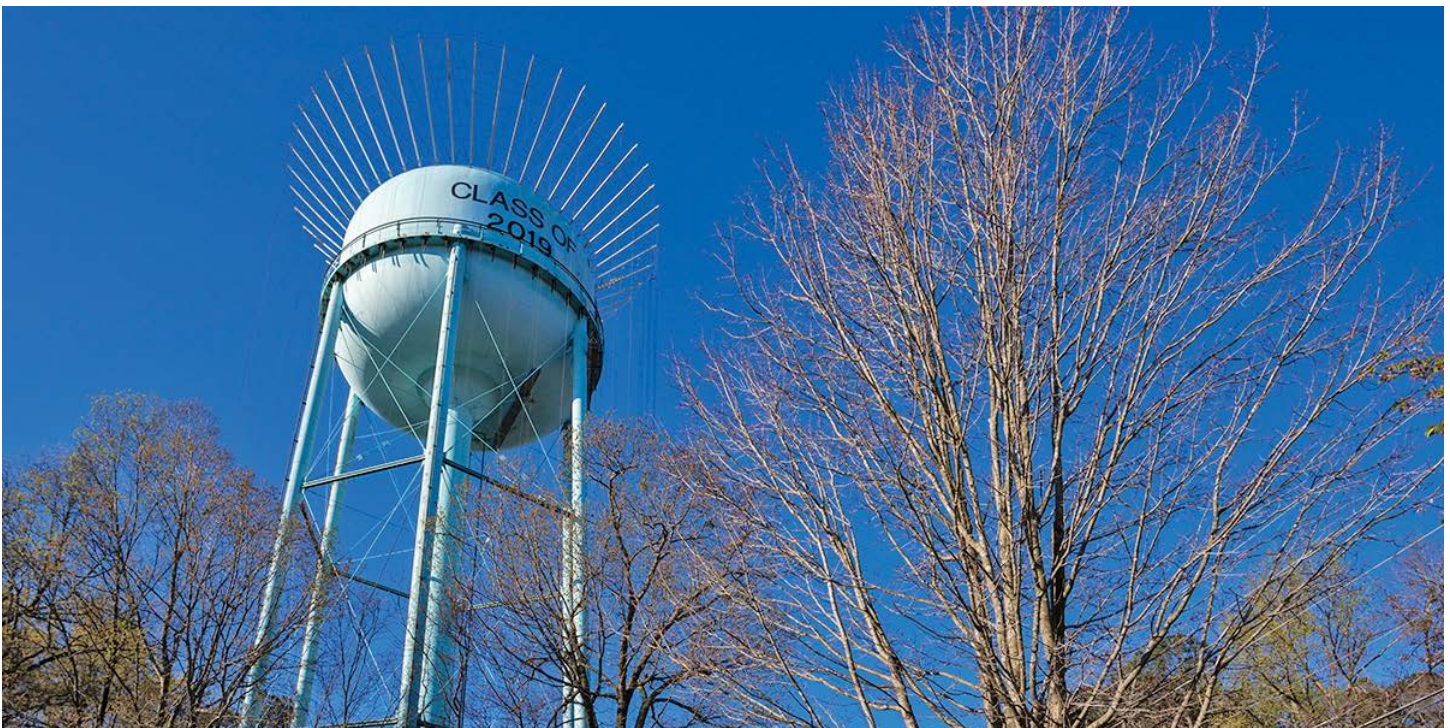


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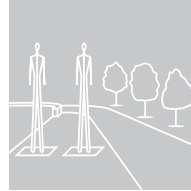
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FY 2019 Q3 HIGHLIGHTS

FY 2020 BUDGET PREPARATION

Beginning in the third quarter of each fiscal year, budget requests and analysis are reviewed and discussed, and budget recommendations for the next fiscal year are formed. The process begins with the development of the Department Director Recommended Budget, which is presented to the Town Manager for consideration. Department Directors balanced their recommended FY 2020 budget by working together to understand estimated revenues and budget requests. The group challenged themselves to ask “why” in their decision-making:

- Why do we need this?
- Why do we do this?
- Why does this matter?

While early conversations began as a technical evaluation of specific accounts for reduction opportunities, conversations quickly elevated to service level discussions, affordability and financial sustainability. The group sought to understand connections between requests and services at a deeper level, but the tight development schedule left little time for in-depth study. Demonstrating their commitment to the future, the team developed plans to explore service levels and affordability year-round.

The Department Director team presented their recommendations to the Town Manager on April 15, 2019. The Town Manager will review the materials and incorporate adjustments to form the Town Manager’s Recommended FY 2020 budget, which is scheduled to be presented to Council on May 9. Council work sessions on the budget are scheduled in May and June with budget adoption slated for June 27, 2019. North Carolina state law requires local governments to adopt the next fiscal year’s budget by June 30 of each year.

FY 2019 THIRD QUARTER FINANCIAL RESULTS

GENERAL FUND

FY 2019 Q3 GENERAL FUND SUMMARY

	FY 2019 ADJ BUDGET	FY 2019 YTD ACTUAL	% OF BUDGET	FY 2018 YTD ACTUAL	FY 2018 VARIANCE	VARIANCE %
Revenues	\$ 183.2	\$ 139.6	76%	\$ 152.7	\$ (13.1)	-9%
Expenditures	183.2	116.3	63%	145.3	(29.0)	-20%
TOTAL REVENUE OVER/ (UNDER) EXPENDITURES	\$ 0.0	23.3	-	\$ 7.4	15.9	215%

*The above and following tables are 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.

FY 2019 third quarter net results increased from the prior year by more than 100 percent due largely to the timing of a \$17 million bond sale that occurred during the prior year. Excluding timing differences, routine operating revenues and expenditures are consistent when comparing the Q3 FY 2019 year-to-date results to prior year’s results. Details on notable revenue and expenditures by category are provided below.

FY 2019 Q3 GENERAL FUND REVENUES

	FY 2019 YTD ADJ BUDGET	FY 2019 YTD ACTUAL	% OF BUDGET	FY 2018 YTD ACTUAL	FY 2018 VARIANCE	VARIANCE %
Property Taxes	\$ 93.3	\$ 92.0	99%	\$ 90.1	\$ 1.9	2%
Other Taxes & Licenses	37.4	19.8	53%	18.8	1.0	6%
Unrestricted Intergovernmental	10.9	5.3	48%	4.9	0.4	9%
Restricted Intergovernmental	0.3	0.9	285%	1.0	(0.1)	-11%
Permits & Fees	5.5	3.6	66%	4.2	(0.6)	-13%
Sales & Services	18.5	14.4	78%	13.7	0.7	5%
Miscellaneous Revenue	2.7	2.1	81%	1.7	0.4	21%
OPERATING REVENUES	168.6	138.1	82%	134.4	3.7	3%
Non-Operating Revenues	14.6	1.5	10%	18.3	(16.8)	-92%
TOTAL GENERAL FUND REVENUES	\$ 183.2	139.6	76%	\$ 152.7	(13.1)	-9%

Overall, the net results for operating or non-operating revenues are comparable to the third quarter in the prior year. The 92 percent decrease in non-operating revenue resulted from the \$17 million bond sale. There is a significant variance in non-operating revenues in FY 2019 compared to budget because the budget includes an \$11.5 million appropriation from Fund Balance that may not be needed if total annual revenues exceed total annual expenditures and transfers at year end. Additional details on key operating revenues follow.

PROPERTY TAX

Property tax revenue is 51 percent of total budgeted revenue and 55 percent of operating revenue. It is the largest revenue source for the General Fund. Taxes are based on an ad valorem tax levy on real and personal property. Real property is primarily land and buildings; personal property includes items such as vehicles. Real property taxes were billed in July 2018 and were due no later than January 7, 2019. Personal property tax revenue is collected throughout the year as part of the State of North Carolina’s Tax and Tag program, which combines the vehicle ad valorem tax collection with the State’s vehicle license renewal process.

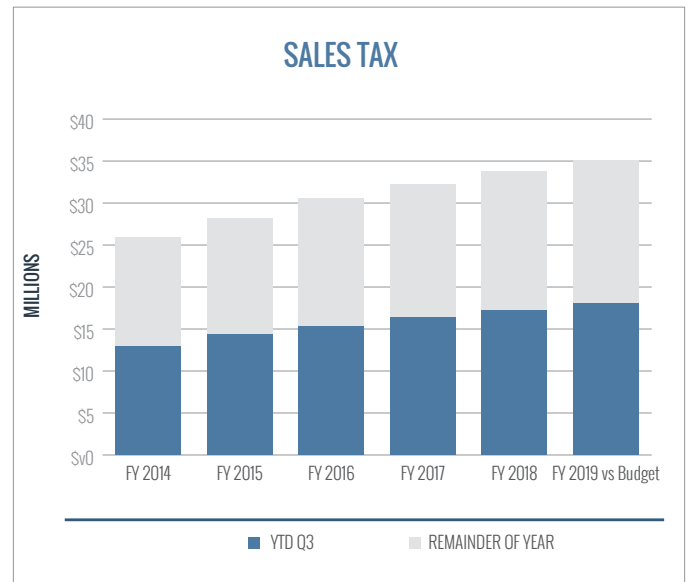
As of Q3, 98.6 percent of the \$93.3 million of budgeted current year property tax revenue (real and personal property) was collected. Property tax revenue increased two percent compared to the same time period in 2018 and is expected to exceed budget by year end. More specifically, personal property tax revenues are \$4.3 million, an increase of five percent compared to Q3 FY 2018, and three percent compared to Q3 FY 2017. Although FY 2018 was an

anomaly with personal property tax revenues decreasing by 0.3 percent despite a population increase and a strong economy, revenues in FY 2019 appear to be rebounding. We will continue to provide updates on personal property tax revenue as significant changes occur and revenue studies progress.

SALES TAX

Sales tax revenue, the largest single component of the Other Taxes and Licenses category, represents 19 percent of total General Fund budgeted revenue and 21 percent of operating revenue. Sales taxes are distributed to municipalities by the NC Department of Revenue approximately two and a half months after the month when taxable sales occurred. Given this schedule, by the end of Q3, Cary received its sales tax distributions for July through December sales.

Sales tax revenue at Q3 totaled \$18.1 million, an increase of 5 percent from the same time in FY 2018. Sales tax revenue for the current year is expected to meet or exceed budget by year-end.



RESTRICTED INTERGOVERNMENTAL REVENUES

Sales taxes on electricity, natural gas, wireless communications and video programming comprise 91 percent of the budgeted revenue sources in the Intergovernmental category. Utilities sales taxes are budgeted at \$10.2 million in FY 2019. The state distributes utility sales tax revenue in December, March, June and September; therefore, two distributions were received through Q3. Cary's \$5.3 million distribution received through Q3 is an increase of 7 percent compared to the same time in FY 2018.

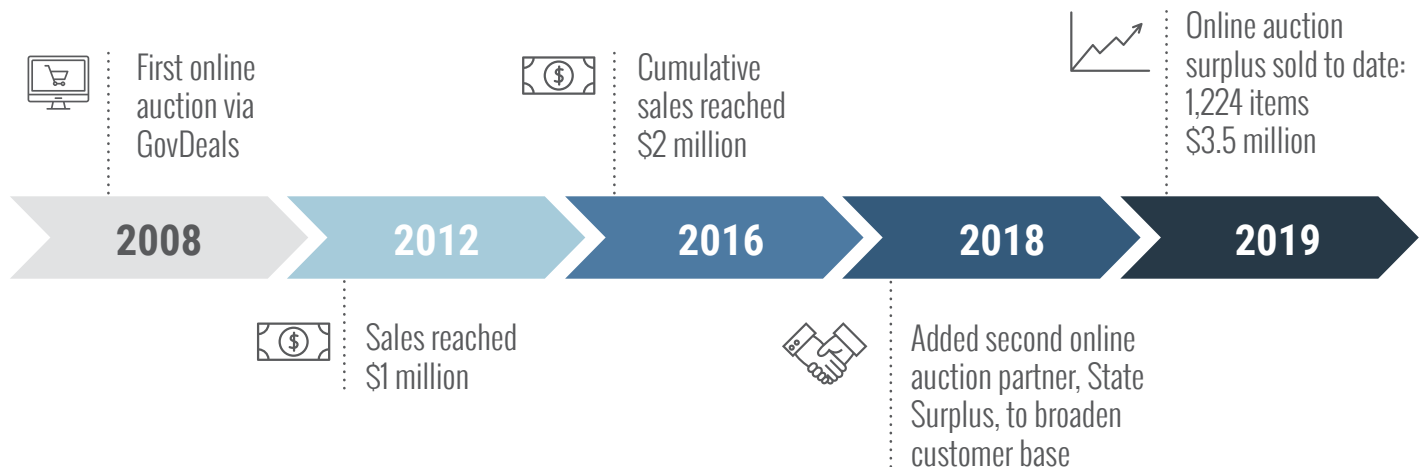
PERMITS & FEES

The 13 percent decline in Permits & Fees revenue reflects a reduction in development compared to FY 2018. Building permits are down by nearly 20 percent for Q3 compared to FY 2018 results and down nearly 17 percent compared to Q3 of FY 2017.

MISCELLANEOUS REVENUES

Miscellaneous revenues are budgeted at \$2.7 million. As of Q3, these revenues have exceeded the prior year Q3 revenues by 21 percent. This is partly due to the sale of surplus assets. The Town regularly sells used surplus property through online auction sites. Q3 included the Council-authorized sale of seven surplus garbage trucks and a tractor. As of Q3, Cary earned almost \$500,000 in sales from surplus assets compared to \$300,000 from FY 2018. Online auction surplus sales have generated approximately \$3.5 million in miscellaneous revenue for Cary in the past 11 years.

TIMELINE OF CARY'S SURPLUS SALES



FY 2019 Q3 GENERAL FUND EXPENDITURES

	FY 2019 YTD ADJ BUDGET	FY 2019 YTD ACTUAL	% OF BUDGET	FY 2018 YTD ACTUAL	FY 2018 VARIANCE	VARIANCE %
General Government	\$ 28.9	\$ 17.8	62%	\$ 15.6	\$ 2.2	14%
Public Safety	52.0	34.7	67%	33.6	1.1	3%
Operations (PW & PRCR)	51.4	32.9	64%	32.6	0.3	1%
Development & Infrastructure	17.6	11.0	63%	11.7	(0.7)	-6%
OPERATING EXPENDITURES	149.9	96.4	64%	93.5	2.9	3%
Non-Operating Expenditures	33.3	19.9	60%	51.8	(31.9)	-62%
TOTAL GENERAL FUND EXPENDITURES	\$ 183.2	116.3	63%	\$ 145.3	(29.0)	-20%

As with revenues, quarterly expenditure variances are often due to timing. The 14 percent change in the General Government function primarily reflects renewals of software, radio maintenance and other contracted services. The 62 percent decrease in non-operating expenditures is largely a result of the \$17 million bond sale in FY 2018 that resulted in a payment to an escrow account to repay refinanced debt.

In compliance with North Carolina State Statutes regarding the use of procurement cards, the Town must expand reporting. In addition to reporting budget-to-actual information, staff will also report funds committed through encumbrances and the available remaining balance considering those commitments. Encumbrances represent funds that have been reserved in the financial system to satisfy a commitment to make a purchase. The table to the right shows the total outstanding encumbrances that may be spent in the General Fund for FY 2019. When including these encumbrance amounts with year-to-date spending amounts, the General Fund has nearly \$40.1 million remaining in the operations budget for the remainder of the year.

GENERAL FUND OPERATIONS -
FY2019 REMAINING ENCUMBRANCES (Q3)

General Government	\$ 3,792,992
Public Safety	538,099
Operations (PW & PRCR)	6,746,249
Development & Infrastructure	747,600
Debt Service	81,493
Contingencies & Reserves	1,526,819
TOTAL ENCUMBRANCES	\$ 13,433,252



UTILITY FUND

FY 2019 Q3 UTILITY FUND SUMMARY

	FY 2019 YTD ADJ BUDGET	FY 2019 YTD ACTUAL	% OF BUDGET	FY 2018 YTD ACTUAL	FY 2018 VARIANCE	VARIANCE %
Revenues	\$ 87.3	\$ 56.4	65%	\$ 174.3	\$ (117.9)	-68%
Expenditures	87.3	59.4	68%	200.0	(140.6)	-70%
TOTAL REVENUE OVER/ (UNDER) EXPENDITURES	\$ 0.0	(3.0)	-	\$ (25.7)	22.7	-88%

* 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.

Utility Fund net results decreased 88 percent compared to prior year because of the impact of a \$117 million bond sale in FY 2018. Timing differences in capital transfers and other non-operating expenditures further account for the differences between the two fiscal years. An analysis of revenues and expenditures follows.

FY 2019 Q3 UTILITY FUND REVENUES

		FY 2019 ADJ BUDGET	FY 2019 YTD ACTUAL	% OF BUDGET		FY 2018 YTD ACTUAL	FY 2018 VARIANCE	VARIANCE %
Water Service	\$	30.6	\$ 21.1	69%	s	22.4	\$ (1.3)	-6%
Sewer Service		47.3	32.6	69%		32.0	0.6	2%
Permits & Fees		2.2	1.7	77%		1.5	0.2	16%
OPERATING REVENUES		80.1	55.4	69%		55.9	(0.5)	-1%
Non-Operating Revenues		7.2	1.0	14%		118.4	(117.4)	-99%
TOTAL UTILITY FUND REVENUES	\$	87.3	56.4	65%	\$	174.3	(117.9)	-68%

Overall operating revenues are generally in line with expectations except for irrigation revenue, a component of Water Service revenue. Rainy weather decreased irrigation demand in through Q3 of FY 2019. Although irrigation revenue in Q4 is typically more than 25 percent of the annual total, irrigation revenue is still expected to fall short of this component’s budget estimates by \$300,000 or 6.7 percent. Total audited water and sewer revenues are expected to meet or exceed budget estimates and off-set the projected irrigation shortfall. Current year-to-date total revenue received is at 69 percent of budget compared to 71 percent at this time last year. The change in Permits and Fees revenue is predominately due to non-payment fees that have been assessed. As mentioned earlier, the significant change in non-operating revenue compared to the prior year is due to the recognition of \$117 million in bond proceeds. The significant variance in FY 2019 compared to budget reflects a budget of \$6.2 million for an appropriation from fund balance that may not be required if total revenues exceed total expenditures and transfers.



FY 2019 Q3 UTILITY FUND EXPENDITURES

	FY 2019 ADJ BUDGET	FY 2019 YTD ACTUAL	% OF BUDGET	FY 2018 YTD ACTUAL	FY 2018 VARIANCE	VARIANCE %
Administration	\$ 9.8	\$ 7.0	72%	\$ 6.2	\$ 0.8	13%
Field Operations	15.5	10.3	67%	9.8	0.5	6%
Wastewater (net of Apex)	10.3	6.3	61%	7.1	(0.8)	-12%
Water Treatment Plant (net of Apex)	8.3	5.9	71%	4.7	1.2	26%
OPERATING EXPENDITURES	43.9	29.5	67%	27.8	1.7	6%
Non-Operating Expenditures	43.4	29.9	69%	172.2	(142.3)	-83%
TOTAL UTILITY FUND EXPENDITURES	\$ 87.3	59.4	68%	\$ 200.0	(140.6)	-70%

The 13 percent increase in Administration expenditures is related to an increase in indirect costs reimbursed to the General Fund for services necessary to operate the utility. Wastewater expenditures decreased from the prior year due to the timing of purchases to be made in the latter part of FY 2019, while increased expenditures at the Water Treatment Plant are the result of a large routine chemical supply purchase. Non-operating expenditures reflect capital transfers and the transfer to an escrow account as a result of the bond sale discussed in the Utility Fund Summary section.

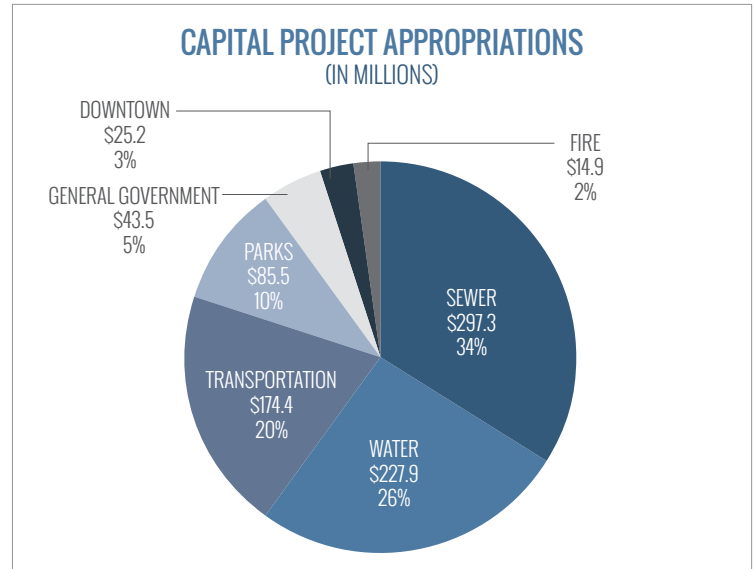
As discussed above for new reporting requirements, the table below shows total outstanding encumbrances in the financial system for the Utility Fund in FY 2019. Considering year-to-date expenditures and current encumbrances, the Utility Fund has nearly \$6.6 million remaining budget for personnel, operations and maintenance and capital outlay to cover expenditures through the remainder of the fiscal year.

UTILITY FUND OPERATIONS - FY2019 REMAINING ENCUMBRANCES (Q3)

Administration	\$ 359,193
Field Operations	322,689
Wastewater	1,689,579
Water Treatment Plant (net of Apex)	1,544,917
Debt Service	2,889,234
Contingencies & Reserves	974,245
TOTAL ENCUMBRANCES	\$ 7,779,857

CAPITAL PROGRAM

As of March 31, 2019, Cary had 400 active capital projects. Utility projects with a total budget of \$525 million comprise 60 percent of the capital spending authorization. General capital projects total \$343 million, or 40 percent, of the total \$868 million capital authorization.



CAPITAL PROJECT SPENDING THROUGH Q3 (IN MILLIONS)

	FY 2015		FY 2016		FY 2017		FY 2018		FY 2019	
Downtown	\$	0.7	\$	0.6	\$	0.9	\$	0.9	\$	7.2
Fire		1.1		3.0		2.4		1.1		3.6
General Government		3.5		4.0		3.5		3.5		6.6
Parks		3.1		7.8		7.9		7.1		4.0
Streets		7.5		12.5		14.6		20.2		13.4
Sewer		11.1		6.7		5.2		4.8		4.7
Water		22.3		26.4		5.7		9.6		19.1
TOTAL	\$	49.3	\$	61.0	\$	40.2	\$	47.2	\$	58.6

Capital project spending totaled \$58.6 million through Q3. Because the mix of capital projects changes over time, there are no discernable patterns in capital spending.

Capital spending fluctuates as larger projects become active or near completion. The Cary/Apex Water Treatment Facility Expansion accounts for the increased water capital spending that occurred in FY 2016. Cary spent \$58.6 million on capital improvements through Q3 of FY 2019. Over 50 percent of the spending supported just ten projects, including \$2.6 million for

two new aerial ladder fire trucks. Nearly 22 percent, or \$12.8 million, was invested in water system improvements, such as pipelines and storage tanks that will improve the quality and reliability of water service for decades to come. The largest single capital expenditure of \$7 million funded Cary’s share of the downtown library parking deck, a key element of the downtown park, the Cary Arts Center and future development. Notable projects at or near completion with significant expenditures during Q3 of FY 2019 include:

- Sanitation & Recycle Truck Replacement – Four trucks were purchased to update fleet.
- Cary Parkway & High House Intersection – Project spending is approaching 80 percent of budget.
- Street Improvements – Various street resurfacing projects is approaching 70 percent of budget.
- Water Treatment Plant Expansion – Phase Three of this project is winding down with 97 percent of budgeted funds spent as of Q3.
- Raw Water Pipeline – Project spending is at 85 percent of budgeted funds.

Significant projects that began construction in FY 2019 and will result in more spending in future quarters include:

- Carpenter Fire Station Road Realignment and Grade Separation
- Fire Station 9
- Morrisville Parkway/NC540 Interchange

FY 2019 CAPITAL PROJECT SPENDING



BUDGET

MID-YEAR APPROPRIATIONS

Over \$1.8 million was included in the FY 2019 operating budget to support emerging or unforeseen needs arising during the fiscal year. Through Q3, Council has appropriated the total amount for the following initiatives:

Koka Booth Lighting Improvements	\$390,000
Design of Pedestrian Tunnel under Weston Parkway	\$150,000
Green Infrastructure and Stormwater "Internet of Things" Devices	\$150,000
Police Body Camera system	\$1,161,438
TOTAL	\$1,851,438

Q3 GENERAL GOVERNMENT MID-YEAR APPROPRIATIONS

GENERAL FUND

No Appropriations for General Fund Operating Items

GOVERNMENTAL CAPITAL PROJECT FUND

FUNDING SOURCE	FUNDING USE	AMOUNT
Grant	GG1164 - SSCF Adaptive Stormwater Grant	\$ 150,000
Debt Funding	PR1285 - DT-Downtown Park Phase 2	1,825,000
Balance of Original FY2019 General Fund Reserve	GG1165 - Body-worn and In-Car Camera Systems	1,161,438
Appropriation from General Fund fund balance	GG1165 - Body-worn and In-Car Camera Systems	38,562
TOTAL 3RD QUARTER MID-YEAR APPROPRIATIONS		\$ 3,175,000

Q3 DELEGATED BUDGET AUTHORITY ACTION

Throughout the fiscal year, challenges and opportunities arise that warrant financial resources that were not included in the original budget. Often, existing resources can be repurposed to address the highest priorities and initiatives. The budget ordinance authorizes the Town Manager to approve inter-functional budget adjustments and requires reporting to Council. Accordingly, an inter-functional budget adjustment was approved, totaling \$1,420,715 in Q3 for FY 2019:

INTER-FUND AND INTER-FUNCTIONAL BUDGET ADJUSTMENTS - 3RD QUARTER*

		BUDGET TRANSFER FROM		BUDGET TRANSFER TO			
Personnel Services	General Fund - Infrastructure	\$	(442,935)	Personnel Services	General Fund - Operations	\$	43,434
Personnel Services	General Fund - General Government		(43,681)	Personnel Services	General Fund - Infrastructure		431,241
Personnel Services	General Fund - Development Services		(121,930)	Personnel Services	General Fund - Development Services		165,611
Personnel Services	Utility Fund - Water Resources		(812,169)	Personnel Services	General Fund - Administration		11,694
				Personnel Services	Utility Fund - Administration		27,302
				Personnel Services	Utility Fund - Utilities Engineering		741,433
TOTAL 3RD QUARTER INTER-FUND AND INTER-FUNCTIONAL TRANSFERS		\$	(1,420,715)			\$	1,420,715

* Reflects mid-year Personnel expense adjustments due to organizational realignment

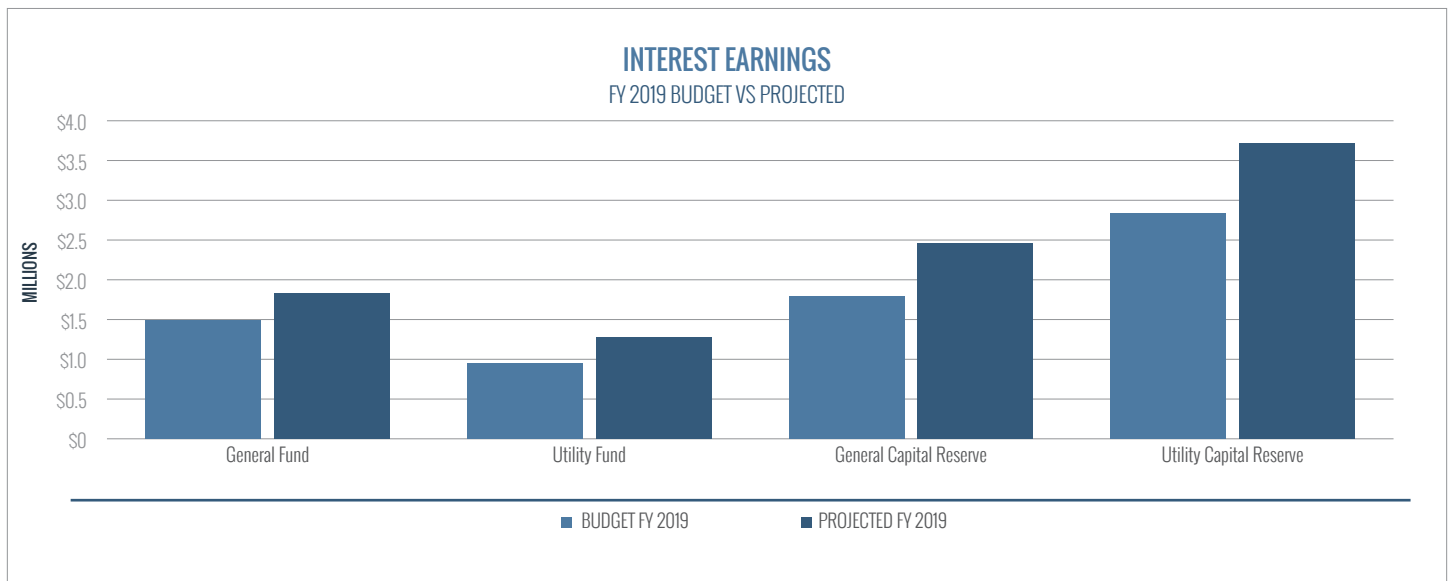
BUDGET PUBLIC INPUT AND RECOMMENDATIONS

Citizens are invited to share their budget priorities throughout the year via social media, voicemail and email. There were 12 budget public input comments in Q3.

TOPIC	COMMENTS RECEIVED	PLATFORM RECEIVED	TYPE OF COMMENT
General	6	Budget Input Email; Twitter; Nextdoor; Email sent to Mayor Weinbrecht; Nextdoor	Request to fund pothole repair, public art, police/license plates, Town vehicles, lawns, water/sewer/trash bills, school buses Request for more cycling and pedestrian infrastructure, green space, clean and well-maintained water infrastructure, affordable housing, and stormwater retention Request for funding for walking trails, road widening, pot-hole repairs, Bond Park Lake Trail, sidewalks, bus service Opposition to increase in Vehicle license tax Request for funding for art festivals, road widening, and street repairs Request for funding for road reflectors, line painting and trees
Sidewalks	2	Budget Input Email	Request for additional sidewalk installation
Parks	1	Email sent directly to staff	Recommend more funding to acquire additional land to connect Cary's greenway system
Stormwater	1	Email sent directly to staff	Request for budgeted line item for stormwater
Bond Park	2	Budget Input Email; Nextdoor	Request for boat ramp improvements, additional dog waste dispensers
TOTAL	12		

CASH AND INVESTMENTS

Experts do not expect notable changes in current short-term interest rates. As investments that were purchased several years ago with lower yields mature and are reinvested at current rates, the average investment yield and corresponding interest earnings are increasing. The average rate of return in FY 2019 for investments is 1.74 percent through Q3 compared to 1.20 percent in FY 2018. This average rate of return exceeds the rates anticipated in the budget. As a result, FY 2019 interest earnings are projected to come in approximately \$2.2 million above the \$7.1 million budget. The largest component of these revenues over budget will ultimately provide more resources for future capital investments.



DEBT

In Q3, Cary began the process to borrow \$16.05 million via general obligation bonds, the amount of voter authority remaining from the 2012 Community Investment Bonds referendum. The bond sale will take place in July, and the proceeds will finance an aerial ladder truck replacement, initial design of the Downtown Park and construction of the Carpenter Fire Station Road Realignment and Grade Separation project.

ECONOMIC OUTLOOK

Several economic reports were released in Q3. Most experts agree that the economy will slow down from the current ten-year extended growth cycle; however, the consensus is that a slowdown likely will not occur in calendar 2019. Staff monitors reports produced by the North Carolina League of Municipalities, the State of North Carolina and national indicators to inform revenue estimates for FY 2019 and for the FY 2020 budget.



FOSTERING STRONG NEIGHBORHOODS





SINGLE-FAMILY PERMITS

New single-family permits for Q3 totaled 182, down 34 percent from Q3's five-year average of 275. The top five subdivisions were Amberly Glen (36), Brickyard (25), Ridgefield (11), Montvale (10) and Autumnwood (9).

RESIDENTIAL ADDITION AND ALTERATION PERMITS

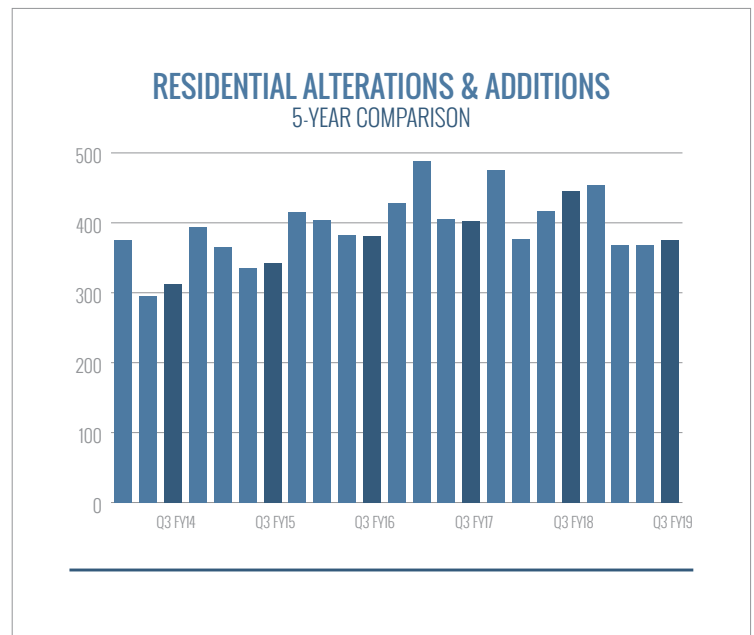
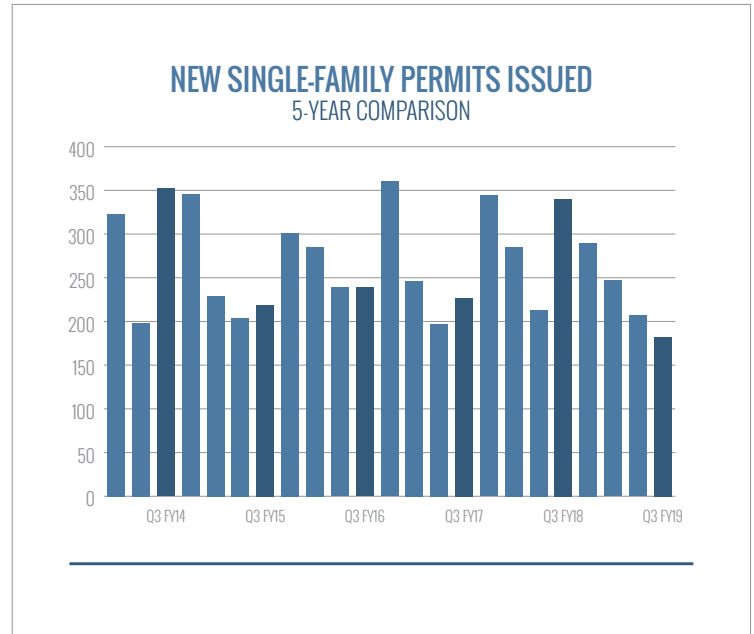
Residential addition and alteration permits for Q3 totaled 376, in line with the quarter's five-year average of 377. Although Q3 was flat compared to the five-year average, there continues to be an overall upward trend in residential addition and alteration permits. This trend is consistent with the redevelopment theme in the 2040 Imagine Cary Community Plan.

150TH UPDATE

The Cary150 Task Force has been working to prioritize ideas for the celebrating Cary's sesquicentennial. To help with the prioritization and implementation, the Task Force has split into committees: Public Engagement, History, Commemorative, and Festivals/Events. Each committee consists of citizen members and staff.

STATE OF CARY

Mayor Weinbrecht presented his State of Cary address at Prestonwood Country Club on January 23. Following the presentation, the State of Cary Video was published on the Town's website. It received almost 4,000 views and broke the record number of views compared to any other State of Cary video. Staff reimagined the State of Cary this year by using the fifth anniversary of the reopening of The Cary Theater as a launching point for a unique presentation.





COMMUNITY RECOGNITION

Doug Peters, PRCR program assistant, and David Ranes, assistant fire chief, representing the Cary Teen Council and Fire Department, were recognized at the VFW state conference for the Hurricane Florence donation drive in September. The donation drive was a true Cary Way moment with both staff and citizens coming together to help those affected by the devastating hurricane.

Cary brought home four Maggy Awards at Best of Western Wake on February 28:

- Best Local Event or Festival – Lazy Daze Arts & Crafts Festival
- Best Place for Outdoor Recreation – Fred G. Bond Metro Park
- Best Tennis Facility – Cary Tennis Park
- Best Music Venue – Koka Booth Amphitheater

Cary was recognized by WRAL Awards:

- Best Festival – Lazy Daze Arts & Crafts Festival
- Best Outdoor Movie Venue – Movies By Moonlight at Koka Booth Amphitheatre (2nd Place)
- Best Performing Arts Venue – Koka Booth Amphitheatre (3rd Place)

TOWN KUDOS

To whom it may concern,

I had to write to you to express my thanks to Captain Vangordon and his team – William Kochies, Russell Fuller, Philip Bass, and Ken Gordon for the most incredible customer service I've ever experienced! Each one of them was incredible and went above and beyond what would ever be expected. My husband was out of the country and I had what I thought was a smoke detector that needed a new battery. I couldn't figure out which one it was, but, even if I could, I would not have been capable of changing it. I tried to get neighbors to help me, but nobody offered to help. Someone suggested that the Fire Department provides this service, but I hated to bother them with such a trivial issue. But I couldn't stand the chirping noise. Captain Vangordon and his staff came, immediately saw the issue and since I had a lot of batteries, they said they'd change all of them for me. I thought that was exemplary service, in and of itself. But when they went into my basement, they saw a flood that I was unaware of. They went right to work to help me — moving everything, draining water in a sink that had overflowed, and finding the source of the problem. They were amazing and the nicest guys! They took service excellence to a whole new level. I hope you can find some way to recognize them.

Sincerely,
Andrea







ASSURING CONTINUED PROSPERITY





ECONOMIC DEVELOPMENT

The third quarter produced a number of accolades and announcements that reflect the strong Cary community. Of note, Lord Corporation, headquartered in Cary, crossed into the billion-dollar company category. Lord Corporation has over 3,100 employees in 26 countries and operates 19 manufacturing facilities and 10 R&D centers worldwide.

The importance of the quality of life of a community can never be underestimated in attracting companies, and Cary continues to demonstrate a strong quality of life with our safety being touted yet again. Homesnacks looked at data from 283 cities with a population of more than 100,000 and determined that Cary is the safest place to live in the United States.

KEY INVESTMENT ANNOUNCEMENTS IN Q3

- Bayer announced the relocation of its Environmental Science U.S. headquarters to Cary's Centre Green Office Park.
- Cary Towne Center was sold to Turnbridge Equities and Denali Properties. The new owners intend to redevelop the property, moving away from a retail-only focus to more of a mixed-use community.
- Epic Games announced details about their upcoming Fortnite World Cup, a global event with a total prize pool of \$100 million.
- The North Carolina Courage women's soccer team announced they will be the host for the 2019 Women's International Cup at WakeMed Soccer Park. The NC Courage are the 2018 ICC Champions and 2018 NWSL Champions.



We continue to see great progress in our small business community through the work of Kenneth Caudle in his role as Small Business Liaison. His frequent attendance at grand openings, ribbon cuttings and Cary Chamber of Commerce events connects him with small business owners and the Cary community, positioning him as a resource for help and support. Of special note during this last quarter was his attendance and engagement with Wake Tech's new entrepreneurial program, Launch Cary. This program focuses on brick-and-mortar small businesses with an intense program that goes from idea to funding to launch. Interested entrepreneurs can find more information at <https://www.launchcary.org/>.

Other events of note include ribbon cuttings for J&S Pizza at the Arboretum (previously a Ruckus location), Doc's Spine & Sports Medicine, Improv Comedy Club at Parkside Town Commons, Cynthia M Gregg, MD, Enhance Your Life with Oils and Fred Astaire Dance Studio. The quarter ended with the popular NYC burger and shake chain, Shake Shack, announcing that they are opening a location in Waverly Place.



EXPERIENCING THE CARY COMMUNITY





DOWNTOWN CARY PARK MASTER PLAN

More than 100 excited citizens witnessed the big “reveal” of the Downtown Cary Park Master Plan on March 14. Later that night, Council formally approved the master plan. Developed by the Office of James Burnett Landscape Architects, the plan was the culmination of over 12 months of effort, including considerable public engagement. The decision to build the Downtown Cary Park is visionary and will be transformative for the community in the same way that decisions to build the Page-Walker Hotel or Bond Park, as well as becoming self-sufficient in utilities, transformed Cary into what it is today. Now that the master plan has been approved, design work will commence, and construction is expected to start in fall 2020.

PICKLEBALL AT CARY TENNIS PARK



Pickleball enthusiasts now have expanded opportunities for play in Cary. On weekday afternoons, four 36-foot, lighted courts at Cary Tennis Park (CTP) are used for tennis for children ages 8 and younger. By using blended lines and vibrant colors, these courts can now be used in the morning and late evening hours for pickleball. Players can reserve court time through the CTP court reservation system. Open play is offered on weekends to complement the open play opportunities offered at the community centers during the week. Triangle Pickleball Enthusiasts, a meetup group, is beginning to host level-based, social

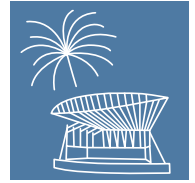
pickleball meetups. CTP staff is completing instructor training and will soon provide lessons, tournaments and other pickleball programming.

The tennis and pickleball governing bodies have been so impressed with this solution that they are discussing expanding these blended lines nationally, providing more play time while using facilities more efficiently. Cary is on the cutting edge of this new concept, reflecting the creativity and adaptability of Cary’s staff to provide the highest possible service to all citizens.

FIRST WALK 2019



The Greenway Committee and Teen Council helped residents kick off 2019 on the right foot with Cary’s annual First Walk. The White Oak Greenway provided a perfect setting for more than 150 participants to begin the new year by exploring the greenway system, enjoying the mild temperatures and getting a start on healthy habits for 2019. First Day Hikes began more than 40 years ago in North Carolina to promote healthy lifestyles and recreational opportunities.



HISTORIC PROPERTIES STUDY



On February 19, Cary held a public information session at the Page-Walker to share highlights of the historic research and structural analysis of three Cary-owned historic properties — Good Hope Farm, the C.F. Ferrell Store & Warehouses and the Barnabas Jones Farmstead. These properties have been the focus of a detailed study conducted over the past year and a half by consultants and a staff team led by Kris Carmichael and Paul Kuhn. The next phase of the project will utilize previously-allocated funds to address structural needs, install basic historic interpretive signs and make site improvements to facilitate public walking tours of the exteriors and grounds.

TOWN KUDOS

Hello, I just wanted to recognize two of your employees for outstanding customer service. Debbie D’Alesio for working relentlessly at always looking for ways to better serve the pickleball community, finding new hours, additional equipment, and continuously problem-solving to make sure everyone has a safe and good experience. Terell McCollough for having the most polite and helpful disposition, courteously greeting everyone by name, being flexible, gracious and kind. It seems we often find the time to complain and seldom take the time to be grateful. Thank you for all you do to make sure the pickleball community continues to grow and improve!!! —Janeth

EXHIBIT DEDICATION AT HEMLOCK BLUFFS



Council member Ed Yerha, citizen donors, major grant contributors and staff dedicated new educational exhibits at the Stevens Nature Center on March 6. The focus of the new interactive panel is urban wildlife in action and involves a touch screen with videos capturing wildlife at the preserve. There is also a selfie station that allows patrons to take wildlife selfies. The cooperative project is ongoing, and this phase of the exhibit panel was completed with funding from the Town, the Friends of Hemlock Bluffs, the JandyAmmons Foundation, Digital P and the Lazy Daze Grant Program. Exhibit Hall renovations will continue through 2019.



2019 DODGEBALL TOURNAMENT



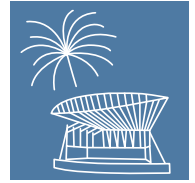
On Saturday, March 23, 15 courageous teams competed in Cary's second annual Dodgeball Tournament, presented by Chick-fil-A at Stone Creek Village. Teams were encouraged to dive down, jump back, and most importantly, Play it Forward. The tournament raised \$3,850 for Cary's Play it Forward Scholarship Fund, which provides scholarships to Cary residents for recreational programs. Special thanks to the teams and sponsors for supporting this cause, and congratulations to this year's winners!

CAMP REGISTRATIONS 2019



Each summer, Cary provides more than 500 camps to serve over 10,000 citizens at a variety of locations. Camp programs build community by providing opportunities for participants to create friendships and memories that can last a lifetime. Cary offers a variety of camp programs, including arts, sports, STEM, culinary arts, space exploration, outdoor skills, nature, history, skateboarding and more — something for everyone. Camp sign-up opened on Monday, February 4, with 3,974 citizens registering on the first day, a 19.2 percent increase compared to 2018. Additionally, camp program revenue reached \$497,948 on day one, a 19.3 percent increase.





WINTER WONDERLAND



Winter Wonderland, Cary's annual snow tubing adventure, was held at Bond Park on January 25 and 26. The man-made snow covering the hill next to Bond Lake provided an opportunity for more than 600 family members and friends to experience winter fun together. The birthday/corporate party package was new this year and enjoyed by four groups. Community partners included Triangle Family Dentistry and AT&T. The event has been held annually since 2010 to strengthen community and family connections.

40 YEARS OF CARY GREENWAYS



Cary's 80+ mile network of greenways is the second largest in the state and an integral part of the 320-mile greenway network in the Triangle region. This network of paved trails has been connecting the people and places of Cary for 40 years, and it all began in 1979 with a 0.15-mile trail between Tarbert Drive and Gatehouse Drive. Cary's commitment to greenways has resulted in a Town-wide system used by over a million people annually for recreation and transportation. Recognized as a leader in greenway planning, Cary has been selected as a National Recreation & Park Association Gold Medal winner and has enjoyed repeated designations as a nationally-recognized, Bike-Friendly and Walk-Friendly Community.

In 2019, the Town is celebrating 40 Years of Cary Greenways with events and opportunities to engage and educate the community and celebrate all that has been accomplished. The signature celebration will be on June 1, National Trails Day, at Bond Park from 9 a.m. to 3 p.m. UNC REX Healthcare is the premier sponsor of this signature celebration and a partner in the promotion of a healthy and active community.





AFRICAN-AMERICAN PROGRAMMING INITIATIVE

Cary is continuing to build on programming ideas to expand events that celebrate African-American culture. New programs have been added with more being planned. The 24th Annual Cary Kwanzaa was joined by a new event, “A Motown Christmas.” Presented in collaboration with Li V Mahob Productions, three sold-out shows capped off December with soul, holiday joy and a message of love.

In January, the MLK, Jr. Dreamfest featured four full days of programs and activities. Highlights included an affordable housing symposium, a capacity crowd screening of the documentary “Wilmington on Fire,” performances from the Pleasant Grove Church Sanctuary Choir and the NC Central University Vocal Jazz Ensemble and a Day of Service activity at Good Hope Farm.

February events included the 24th Annual African-American Celebration presented in collaboration with the Ujima Group with panels and performances with the theme, “A Legacy of Pride.” Later in the month, a program focusing on The Future of Black History was built on the theme, “The Power of Inclusion.” Chris Broussard of Fox Sports provided a keynote address that complemented performances and a panel discussion.

Looking ahead, working to expand African-American programming beyond the traditional winter timeframe, staff members are planning for two upcoming programs. The African-American Literary Tea will take place in April at the Page-Walker Arts & History Center, and Cary’s first Juneteenth Celebration is slated for June 15 in Downtown Cary. Juneteenth commemorates the final emancipation of African-American slaves in Texas on June 19, 1865, two months after the end of the Civil War.





ADVISORY BOARD MINGLE



On March 11, advisory board members assembled at the Matthews House to present their work plans to Council. This annual event provides an opportunity for Council to review and discuss each board's goals.

TOWN KUDOS

Hello. Wanted to give a shout out to two of your staff.

I wrote to ToC Traffic yesterday about the length of the red light signal at GLC & McCrimmon (sitting at this light, either east or westbound on McCrimmon, for 2 minutes when little to no traffic was approaching on Green Level Church, especially during the weekend). Their answer:

“Thank you for letting us know about the issue at Green Level Church Rd & McCrimmon Pkwy. After investigating, I found there was a bad detector on Green Level Church Rd causing a permanent call. What this means is there was a constant call being placed to the controller which caused it to hold green on Green Level Church with no cars present. The detector has been repaired so the intersection should be operating correctly. Please let me know if you have any questions and thanks again for letting us know about this issue.”

Kudos to Dave Spencer and Brian Hayes at ToC for their quick response! ToC should be proud to have these guys working for us.





BEULERS BOTTLE OFF!

Balls

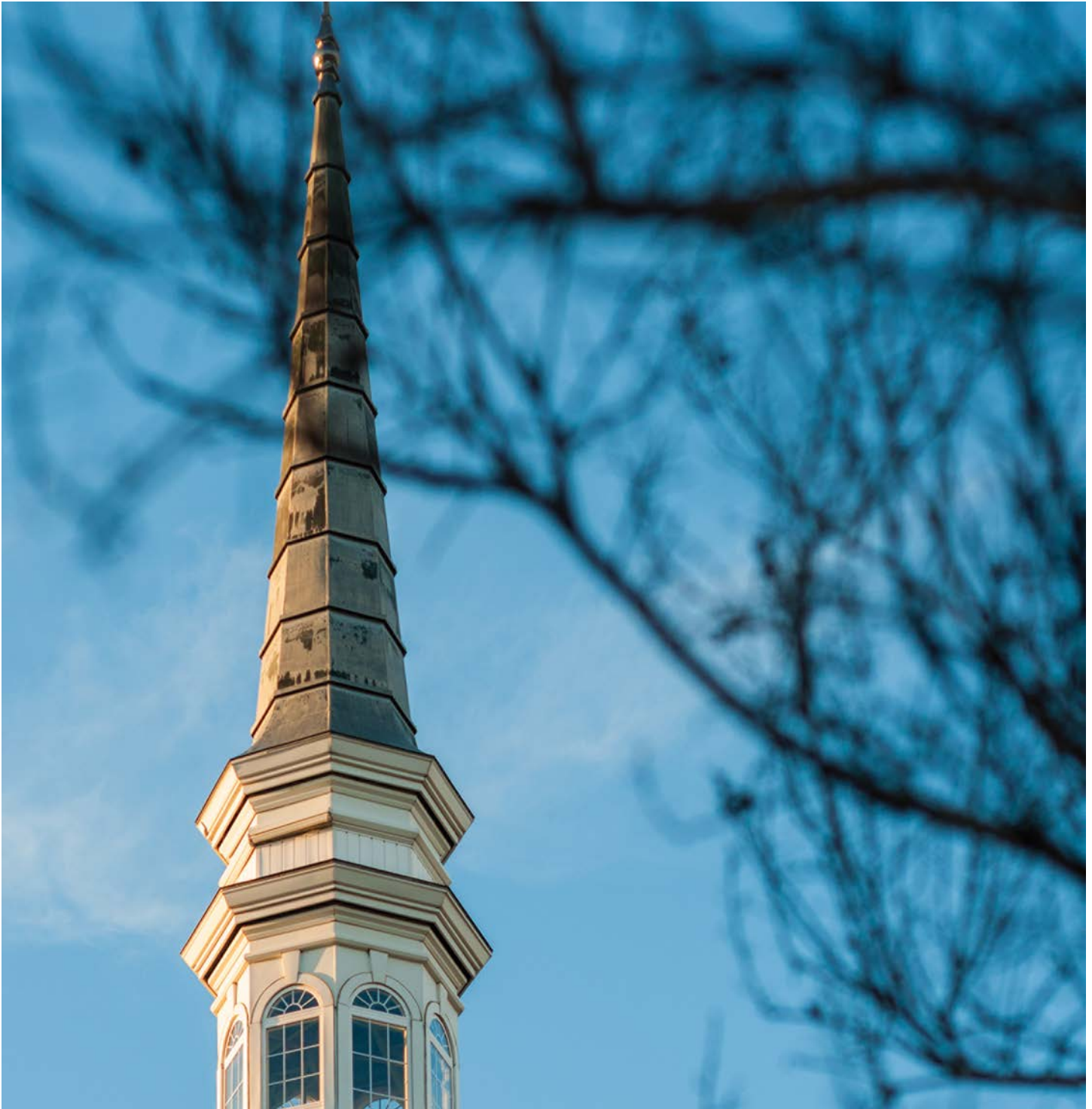
Carlie's Farmer's Market

AND

Apple Pie
Bacon
Gidon
Ham



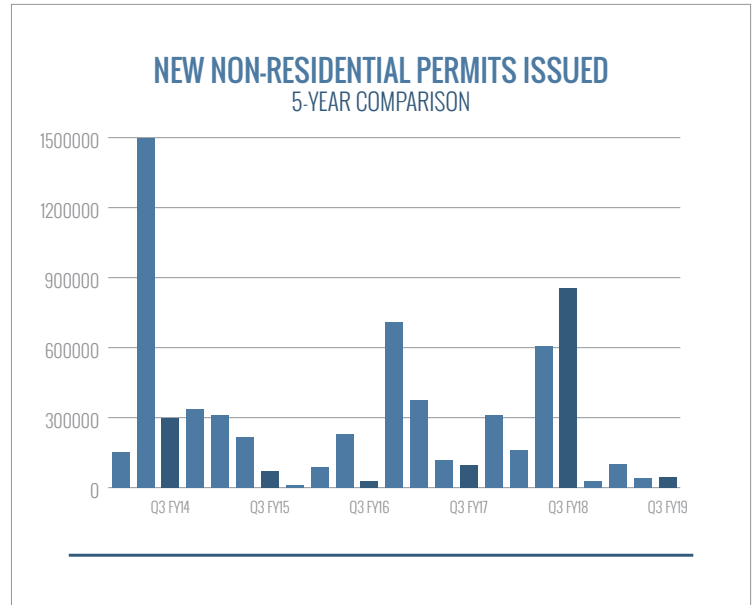
GUIDING COMMUNITY GROWTH





NEW NON-RESIDENTIAL PERMITS

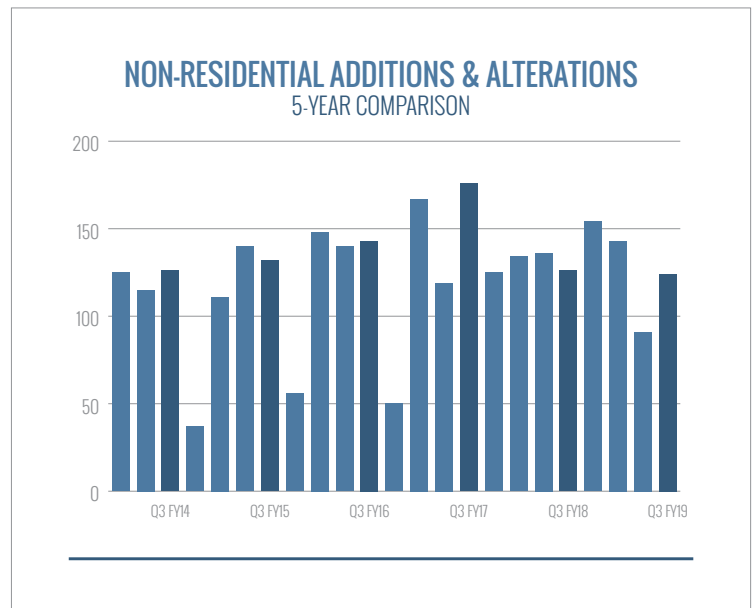
In Q3, there were four new non-residential permits issued totaling 45,743 square feet. This square footage represents an 85 percent decrease from the Q3 five-year average of 311,743 square feet. The new non-residential permits were issued to Lidl Grocery Store at 1105 North Harrison Avenue (29,114 square feet), a retail shell building at 325 Carpenter Hill (7,301 square feet), a multi-tenant retail shell building at 10236 Green Level Church Road (7,085 square feet) and a maintenance building in Parkside Commons (2,243 square feet).

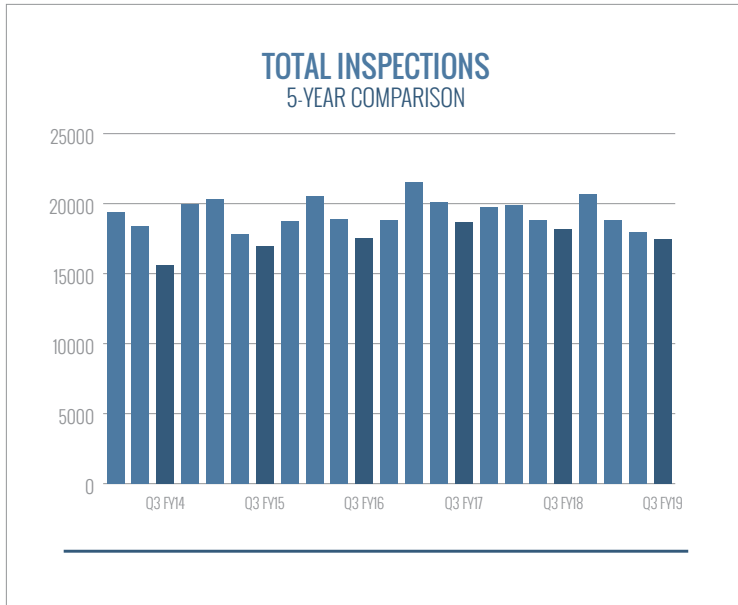


NON-RESIDENTIAL ADDITION & ALTERATION PERMITS

Non-residential addition and alteration permits in Q3 totaled 124, a decrease of 12 percent from the Q3 five-year average of 141. The top five projects were:

- Panther Creek Medical, 6715 McCrimmon Parkway (904,427 square feet – one building but nine different permits to create different tenant spaces)
- Interior Alteration: Verizon Renovation, 6400 Weston Parkway (47,608 square feet)
- Interior Alteration: From Kroger to Harris Teeter, 1273 NW Maynard (47,608 square feet)
- Roof Replacement: John Deere, 2000 John Deere Run (46,600 square feet)
- Upfit: MetLife 3–6th Floor, 301 MetLife (31,940 square feet)





INSPECTIONS

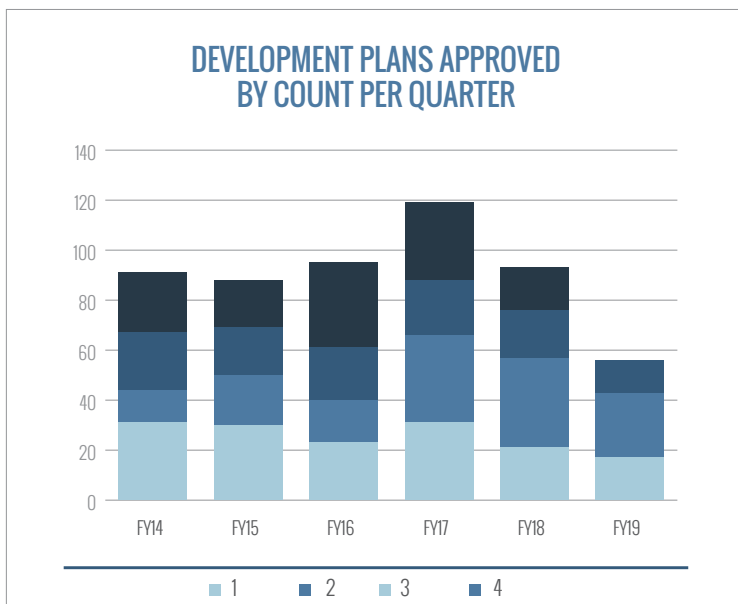
Staff performed 17,433 inspections in Q3, which is in line with the Q3 five-year average of 17,391. Historically, Q3 inspection numbers are the lowest in the fiscal year, largely due to winter weather affecting construction activities.

REZONINGS

During Q3, there were 32 cases in the rezoning process, six of which were approved. Four of the cases approved were for residential projects:

- Green Level West was approved for a maximum of 220 dwellings, 75 of which could be townhomes.
- Camp Branch Farms was approved for up to 71 dwellings, which could be any combination of detached, semi-detached/attached dwellings or townhomes.
- 6800 Holly Springs Road was rezoned to allow for two detached dwellings.
- 6808 Good Hope Church Rd was rezoned to allow one home in the Carpenter Special Planning Area.

The other two rezonings were to make a map correction and apply an initial zoning to property that had been labeled as right of way on Palmetto Drive and to add a use to the MacGregor Center PDD.



DEVELOPMENT PLANS

During Q3, Town staff approved 13 development plans. Nine of these were for new development and four were revisions to existing plans. Five of the new approvals were for non-residential development. The two largest were the 94,000-square-foot, two-story, vertical expansion of WakeMed Cary and the 53,000-square-foot expansion of the ACHC building and new parking deck located at 119 Weston Oaks Court. The two approved new residential plans are Piney Plains Townhomes, which allow for 23 lots, and Overture at Twin Lake with 189 multi-family units.



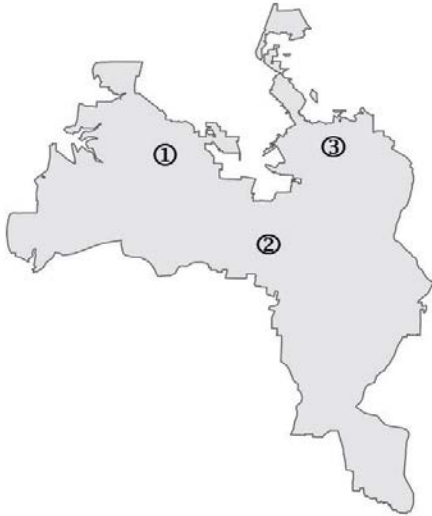


PROVIDING TRANSPORTATION CHOICES





CARY OBTAINS \$6.1 MILLION IN LAPP GRANTS



The Capital Area Metropolitan Planning Organization’s (CAMPO) Locally Administered Projects Program (LAPP) annually awards federal transportation grants to shovel-ready, regionally-significant transportation projects. Staff pursues state and federal funding for projects whenever possible, with Town funds being used to leverage these sources and fill in the remaining gaps. CAMPO’s Federal FY 2020 LAPP program funding totaled \$25 million, split between three modes: roadway, bicycle/pedestrian and transit. In February 2019, Cary was awarded more than \$6.1 million for three projects:

1) Carpenter Fire Station Road Widening (right-of-way)	\$ 2,533,500
2) Crabtree Creek Greenway from Bond Park to High House Road (construction)	\$ 1,320,000
3) Crabtree Creek Greenway Connector at Weston Parkway (construction)	\$ 2,260,000
TOTAL CARY GRANTS	\$ 6,113,500

CARY PARKWAY / HIGH HOUSE ROAD INTERSECTION IMPROVEMENTS



This signature intersection project is substantially complete. Staff and contractors worked collaboratively to ensure the success of the project and minimize disruption to the traveling public. The addition of turn lanes has had a positive and substantial effect on traffic flow through the intersection.

TOWN KUDOS





REDUCE CONGESTION THROUGH INTERSECTION IMPROVEMENTS

- Cary Parkway and High Meadow Drive: Construction is complete.
- Evans Road and Cary Parkway: Construction is nearing completion with only signal modifications and minor sidewalk work remaining.

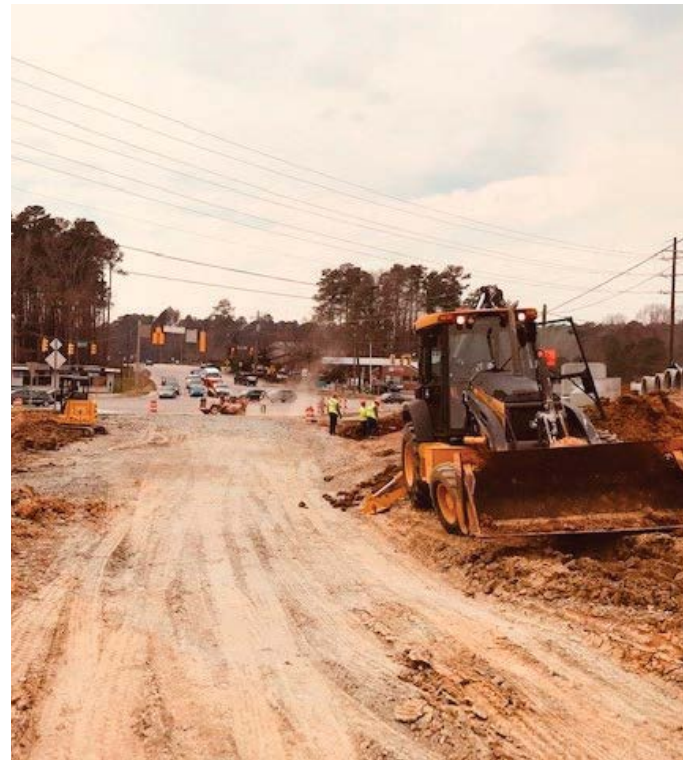


- Kildaire Farm Road and Cary Parkway: Construction began in March with the contractor clearing and installing curb and sidewalk.



- Maynard Road and High House Road: Utilities are being relocated, and construction is scheduled to begin this summer.

CARPENTER FIRE STATION ROAD REALIGNMENT AND GRADE SEPARATION



Construction is underway on this critical east-west connector. Initial work started slowly due to wet weather, but the contractor is making good progress as spring weather sets in. Utility work is progressing, and grading operations are ongoing to support a detour in advance of bridge construction. Ongoing construction operations include storm drainage, erosion control and temporary signal work. Construction is scheduled to be complete in 2022.



MORRISVILLE PARKWAY AND CARPENTER UPCHURCH ROAD INTERSECTION IMPROVEMENTS



Citizens are already enjoying improved safety and mobility as this project nears completion. Final paving and installation of the metal traffic signal poles are scheduled for spring.

MORRISVILLE PARKWAY EXTENSION AND NC 540 INTERCHANGE



After a wet winter, construction is nearing 50 percent completion with work intensifying as more moderate spring weather arrives. All work associated with the interchange is scheduled to be completed this year with the exception of toll site modifications recently requested by North Carolina Turnpike Authority (NCTA). Paving is scheduled in April and May for the remaining east side of the project. The NCTA's fiber optic trunk line has been relocated on the west side of the project, allowing for grading operations to begin. Construction activities will be focused on completing the ramp and loop on the west side of the project by the end of summer. Designs for the toll site modifications are nearly complete, and construction is scheduled to begin this summer.



SIDEWALK IMPROVEMENTS

Several important sidewalk projects are moving forward to improve pedestrian safety and connectivity across Cary.

- The sidewalk connection on SW Cary Parkway near High House Road is complete.



- Sidewalks currently under construction include N Harrison Avenue, Edinburgh Drive South, Old Apex Road and E Chatham Street.
- The Walker Street sidewalk has been advertised for construction bids.
- Ederlee Drive, Tryon Road and Penny Road will be bid for construction in late 2019.

CARY STAFF TAKES THE LEAD AT INTELLIGENT TRANSPORTATION SYSTEMS CONFERENCE



In March, Cary staff participated in the ITS Carolinas Annual Conference in Charlotte. This conference is an opportunity to discuss challenges, successes and partnership opportunities in North and South Carolina to expand and advance ITS, or Intelligent Transportation Systems. ITS uses technology in transportation to improve safety and efficiency for all modes of travel.

Cary's role was significant this year as staff moderated sessions, presented on Cary's Smart and Connected Cities initiatives and participated in panel discussions. In addition to serving on the Annual Meeting Technical Agenda Committee and helping plan all of the technical sessions at the conference, Traffic Engineering Supervisor David Spencer accepted a position on the ITS Carolinas Board of Directors.

ITS Carolinas brings together professionals from a variety of disciplines, including transportation and traffic engineers, planners, transit, public safety, operations and network and IT professionals, construction engineers, product vendors, app designers, and even tow truck drivers. As Cary develops its Smart Cities program, ITS will play a major role in improving the lives of citizens.



RADAR FEEDBACK SIGNS FOR TRAFFIC CALMING

LOCH HIGHLANDS DRIVE

For over a year, staff has been working with Loch Highlands residents to address speeding concerns along Loch Highlands Drive. The community designated a committee to meet with staff to develop a plan to improve safety along this collector street.

As staff and the committee developed the plan, community meetings were held to keep the neighborhood residents informed and provide an opportunity for feedback. The feedback has led to a phased, iterative approach. The first action was installation of permanent radar feedback signs. These signs, similar to those used by the Police Department for temporary speeding campaigns, are mounted along the street to warn drivers of their speed and encourage compliance. Staff will gather data to determine the effectiveness of the signs on driver behavior. As staff reviews the effectiveness of the radar signs, they will continue to work with the committee on the next step, possibly a raised pedestrian crossing.



MORRISVILLE PARKWAY

Reducing speeding in school zones is a major safety initiative. Reduced speed limits in school zones are in place around all public schools in Cary for the express purpose of slowing drivers when students are present. Compliance with the reduced speed is a concern in many school zones, including Carpenter Elementary School, located at Morrisville Parkway and Louis Stephens Drive. Morrisville Parkway, a state-maintained road, is normally a 45-mph street with a school zone of 25 mph. A 20-mph reduction for a school zone is not supported by NCDOT unless Cary staff can provide data to support the reduction. Two radar feedback signs were installed on Morrisville Parkway in the vicinity of Carpenter Elementary School. Data will be collected to determine the effectiveness of the signs in an effort to secure the speed limit reduction to 25 mph.





MEETING COMMUNITY NEEDS





RECYCLING



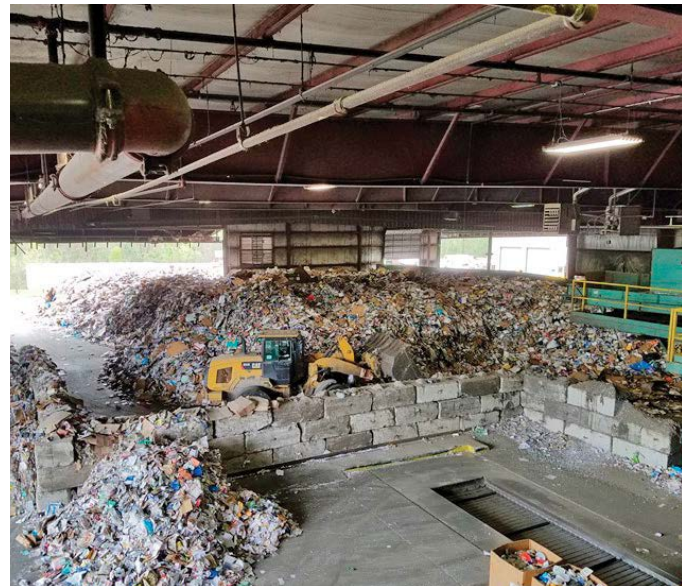
With national news coverage, it's no secret that recycling nationwide is facing extreme challenges. What was once a revenue-generating endeavor has become an operational dilemma of costly processing fees and an abundance of materials without a market. China's 2018 National Sword policy significantly impacted recycling programs across the United States; numerous municipalities have discontinued their programs. Communities that are committed to recycling saw dramatic increases in processing fees. Many cities banned materials from their programs, and many others were compelled to landfill materials that processors would not accept.

Until recently, China imported over half of the recycled materials from the United States with no restriction on contamination. With the implementation of its National Sword policy, all commodities entering China must have no more than 0.5 percent contamination. The national average is approximately 25 percent; the local rate is about 13 percent.

Cary, over 7,000 miles away, has felt the impact of this new policy. In February, Cary's recycling processor notified the Town that it did not have capacity for all of its customers. A Recycling Crisis Management Team was quickly assembled

to work through the issue. The Team, consisting of staff from Finance, Public Works, Legal and the Town Manager's Office, met daily to ensure that Cary would be able to maintain its recycling program without interruption to citizens while striving for cost effectiveness. Cary was able to negotiate a new, two-year agreement with Waste Management at a processing cost of \$95 per ton. While this is \$20 per ton more than the previous rate, other proposals were as high as \$135 per ton. The new contract will increase the annual recycling cost by \$600,000 compared to the FY 2018 budget.

To address the contamination issue, Cary is partnering with Wake County to audit both trash and recycling. The audit will be conducted by a professional engineering company that specializes in waste audits. With this information, we can target contamination as well as know what materials in our waste stream can be recovered. Staff will be working across departmental units, advisory boards and community groups to communicate to our citizens about proper recycling and waste reduction strategies as part of a comprehensive community conversation.





FIRE COMPANY SERVES IN ATLANTIC BEACH



The Cary Fire Department provided coverage to the Atlantic Beach Fire Department (ABFD) after an accident that mortally injured their fire chief, Adam Snyder. The four-person Cary crew provided fire and EMS services for a 24-hour period on March 12, in response to a request from the Office of the State Fire Marshal. The crew responded to several calls while on duty, maintained the station and dressed the trucks and stations in bunting for the memorial to the Chief. They were available for any issues that arose at the station and in the community. The citizens, ABFD members and neighboring fire departments commended the Cary Fire Department and voiced their gratitude for them being there during such a difficult time. The crew's interactions with staff and community left no doubt as to the impact Chief Snyder had on the fire service and his community.

Cary's presence garnered positive social media feedback:

- "Great work Cary FD – thanks for stepping up."
–Ryan Hillen
- "Very classy stuff, Cary Fire Department."
–Chet Chester
- "So proud to live in Cary! Praying for Atlantic Beach and the Snyder family!" –Stephanie Cave Moore

UTILITIES

WATER STORAGE TANKS



Reaching above the pines along Kilmayne Drive is the newest addition to Cary's water infrastructure system. The two-million-gallon Kilmayne Drive water storage tank, placed into service in early February, provides additional storage in the central pressure zone. The Kilmayne Tank is the seventh elevated water storage tank in the system and the first with a composite column. The reinforced concrete column is as structurally sound as steel and considered by many to be more aesthetically pleasing. While beauty is in the eye of the beholder, what's not up for debate is the total lifecycle cost of the composite tank. Construction costs were \$243,000 less and annual maintenance costs are \$10,000 less than for a tank with a steel base.

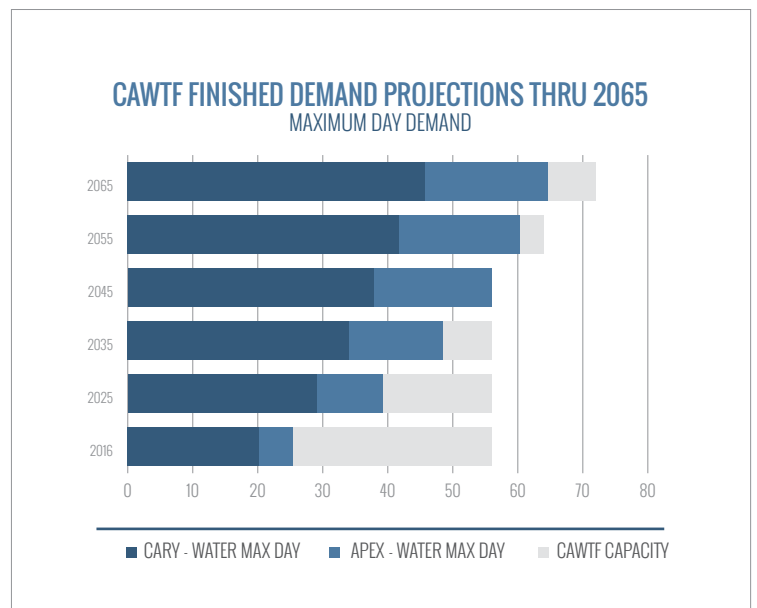


The additional storage provided by the new Kilmayne Tank provides the capacity to take the Maynard Tank out of service for renovation with no disruption to the distribution system. The iconic 53-year-old Maynard Tank is receiving structural repairs, equipment upgrades and a new coat of paint, inside and out. To maximize the life of the new paint, it is necessary to remove the existing paint. At the end of March, preparations were made to install a shroud on the tank to contain the dust and debris that will result from the paint removal process. Despite covering the tank, this year's graduating class will still be recognized with a banner on the tank. When the tank emerges from behind the curtain this summer, the new paint job will recognize the Class of 2020, and this landmark tank will return to service ready to support the water demands of the surrounding neighborhoods and the upcoming Fenton development.



ENSURING FUTURE UTILITY CAPACITY

Cary is committed to delivering high-quality, affordable and reliable water and wastewater services to our citizens and businesses and to sustain future growth. To support this commitment, the Long Range Water Resources Plan has been updated. This plan helps staff understand the evolving behaviors that drive residential and commercial water demand and influence the future need for water supply and wastewater management facilities. Using various tools, including five years of Advanced Metering Infrastructure (AMI) data, a continuing trend toward efficient water usage can be seen across the service area:





- Residential per capita water use declined 30 percent in the past 20 years. Wise water use by citizens and the business community reflects the success of our water efficiency programs. In addition, 1990s plumbing code changes required the use of more efficient fixtures in all new construction.
- Residents and businesses are much less likely to irrigate their lawns than a decade ago. Irrigation permits dropped from about 33 percent to 13 percent of new homes over the past six years, and water use is declining accordingly.

These trends are expected to continue. The plan forecasts water demand and wastewater flows through 2065 based on the Imagine Cary Community Plan framework for future growth, including mixed-use projects and redevelopment. It also addresses Apex's projections for continued strong growth and their need for additional capacity in the Cary/Apex Water Treatment Facility and Western Wake Regional Wastewater Management Facilities.

The ultimate water supply and utility infrastructure needs are currently forecast to be somewhat lower than in previous forecasts. Coupled with the recently-increased water supply allocation from Jordan Lake, Cary's current water and wastewater facilities are well positioned to accommodate more growth than had been expected when they were built, and several growth-related water and wastewater capital projects can be deferred into the future by at least ten years.

The Long Range Water Resources Plan also forecasts a reduction in reclaimed water demand due to the general trend toward less irrigation. The plan evaluated the business case for several reclaimed water program alternatives, which will provide input for discussions on the right path forward for the reclaimed water program.

ANNUAL DRINKING WATER SWITCHOVER



Providing safe, high-quality drinking water to the citizens of Cary, Apex and Morrisville is the top priority for water treatment and distribution system staff. Following state and federal recommendations for maintaining the drinking water system, including the annual disinfection switchover, is important for meeting this commitment.

Most of the year, a mixture of chlorine and ammonia is used for drinking water disinfection. This combination minimizes the amount of trihalomethanes (THMs) in the finished water. THMs are a byproduct formed when water is treated with free chlorine alone. The state recommends that systems that utilize the chlorine and ammonia combination perform an annual system cleansing by temporarily switching to free chlorine and flushing the pipes. This ensures that the proper level of disinfection is maintained throughout the network.

During the switchover, citizens may notice minor differences in color and taste of the water and an increased chlorine odor. These are normal parts of the process and decrease when the regular disinfection process resumes. The water continues to meet or exceed all state requirements and is safe for drinking.

This year's disinfection switchover commenced in early March and lasted for approximately six weeks. Very few customer calls were received during the switchover period. Public outreach efforts prior to the switchover included news releases, publication on Cary's website and social media posts.



FORCE MAIN REPAIR



On February 14, a directional drilling contractor installing fiber optic telecommunications infrastructure damaged one of two 36-inch Swift Creek Pump Station Force Mains buried along the shoulder of Holly Springs Road between Penny Road and Ten Ten Road. The damage resulted in 13,500 gallons of wastewater spilling into Dutchman's Branch. The Swift Creek Pump Station typically pumps more than 4.5 million gallons of wastewater per day to the South Cary Water Reclamation Facility and includes two separate and redundant wastewater force mains. Fortunately, damage occurred to the inactive force main, which only resulted in residual wastewater draining from the pipeline. The spill was reported to state officials and a news release issued, as required by state statute.

Staff quickly isolated the damaged pipe and contained the wastewater to prevent further spillage. As part of initial response efforts, mobile pumps were staged to fill tanker trucks that were then safely offloaded into a nearby gravity sewer system. Staff also devised a strategy to pump wastewater from the damaged force main into the active force main, allowing staff to quickly stop the spill and open Holly Springs Road to traffic. Dutchman's Branch was inspected multiple times, including extensive stream testing. No stream impacts were found.

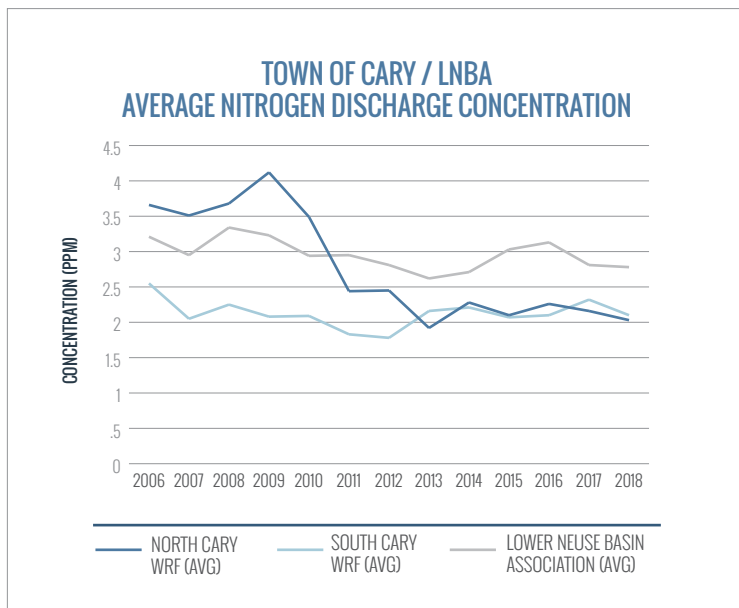
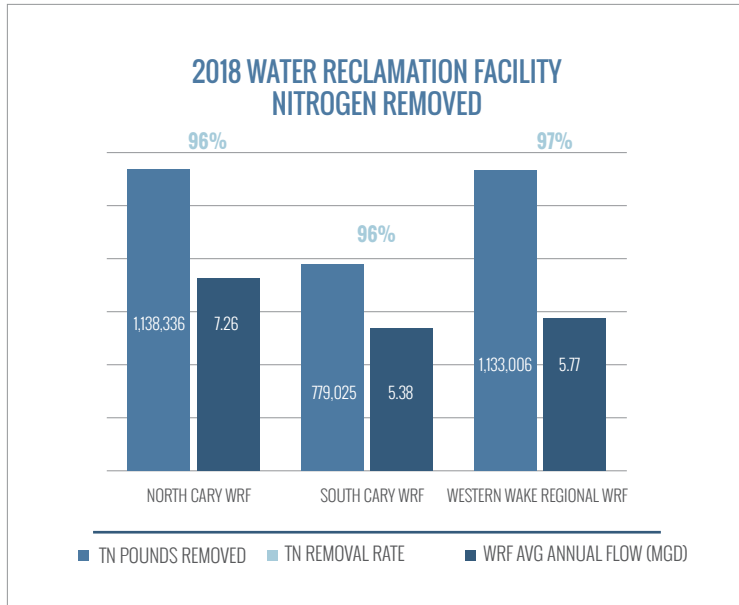
Repairs were completed, the pipeline was tested and all systems returned to normal operations. A pipeline repair of this magnitude could have easily resulted in a much larger spill event. Thanks to the quick thinking and ingenuity of Cary staff members, the event was successfully managed with minimal impact to the stream.



EXCEPTIONAL WASTEWATER TREATMENT PERFORMANCE

Nitrogen removal is an important performance measure for wastewater treatment. Cary's three wastewater treatment facilities, North Cary, South Cary and Western Wake Regional, processed more than 6.7 billion gallons of wastewater in 2018. With nitrogen removal rates exceeding 95 percent with more than 3 million pounds of nitrogen removed, Cary's wastewater treatment facilities continue to protect the environment by providing safe, highly-treated wastewater to receiving streams.

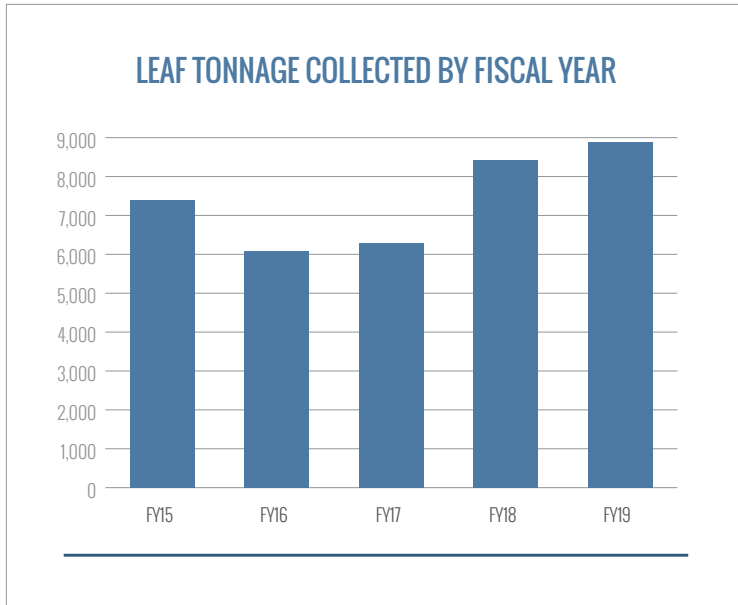
Within the Neuse River Basin, the North Cary and South Cary Water Reclamation Facilities continue to be among the best performing treatment facilities in the Lower Neuse Basin Association (LNBA). Both facilities consistently outperform the LNBA average nitrogen discharge removal concentration of 2.78 mg/L.



NEW HILL COMMUNITY CENTER COMPLETED



When Cary and Apex determined the location of the Western Wake Regional Wastewater Management Facilities to serve growth in both communities, staff reached out to the families living in New Hill near the site, listened to their concerns and continuously worked to earn their trust. As construction on the facilities began, Cary and Apex agreed to provide \$500,000 to purchase land and design and construct a community center. The New Hill Community Center has been completed and will hold a grand opening on April 27.



LOOSE LEAF COLLECTION

Public Works completed its third leaf sweep on March 31, finalizing the annual loose leaf collection program. The program is implemented by 10 drivers, 18 collectors and a supervisor, using nine trucks with leaf machines and one automated truck. The loose leaf collection program costs \$325,000 annually.

CULTIVATING CARY'S CULTURE

Every day, the Human Resources Department designs projects and services through the lens of promoting and perpetuating adaptive culture throughout the organization. HR's mission is to encourage and support employees who are in the midst of an exciting challenge: creating a local government that doesn't exist. From developing relationships and forging productive partnerships to deploying technology to create efficiencies, HR is leading the way.

RELATIONSHIPS THROUGH RETREAT



In March, the 15-member HR team and Town Manager Sean Stegall gathered for a day-long retreat to set goals and envision pathways to enculturating employees with our developing leadership model.



Discussion focused on charting a path forward as a department to model adaptive leadership. HR staff were prepared to discuss:

- What do we NOT WANT to be? What is getting in the way of HR's growth? What does staff need to stop doing?
- Who do we WANT to be? What does HR want to spend time working on? How does HR work connect to the organization's culture in ways that can help encourage and inspire?

The wide-ranging discussion included sharing thoughts, concerns, experiences and steps forward, including a candid conversation about being courageous in times of organizational change and growth.

EFFICIENCIES THROUGH TECHNOLOGY



A Signature Experience project team has been working for nearly a year to create a remarkable experience for new colleagues to empower all to reach their highest potential through the understanding that leadership is required for local government excellence.

The project encompasses initiatives such as revamping onboarding materials, re-imagining orientation, creating chronologies for learning milestones throughout the first year and devising a hiring manager roadmap to guide and welcome new employees from the moment an application

is submitted to completion of the probationary period. Incorporating technology to replace paper processes is a key guidepost to the team's efforts. This quarter, the project team rolled out an electronic drug and background check process, allowing candidates who are extended job offers to complete their screenings through an online referral portal. Previously, a visit to Town Hall to fill out paperwork was required. This streamlined electronic process saves time and resources and, more importantly, provides modern convenience to our new hire candidates, putting the Town's best foot forward from the moment an offer is extended.

Much like the Signature Experience project, staff from multiple departments worked together to build on the existing online benefits enrollment platform, resulting in the development and implementation of a comprehensive online enrollment system for new hires. With new hires electing their benefits options online, multiple efficiencies were created, including elimination of hard copy enrollment forms, minimization of data entry and automation of IRS-required information. Additionally, the new platform increased the availability of benefit

TOWN KUDOS

Dear Jennifer, Charney and Sam Trogon:

I wanted to thank you for all the work and help you put in to making my artist reception so special. More than 80 people came out and everybody had a fabulous time. Even more art sold, so it was an all-around huge success. We did stay later than 8 pm on Friday, so many thanks to Jennifer and the other helpful staff for being so kind, flexible and understanding. The food and beverages were great, and you were so on top of things!

If Bond had some decent lighting, it would be an amazing venue to show in because the people who work there are great, helpful and really interested in making a visit a good experience for all, and the Cary community is really interested in more art. I spoke to several people who came out that night and they were excited about the show. —Jackie, Metal Artist



information to employees, allowing them to make these selections at their convenience. By thinking creatively and maximizing existing technology, the team streamlined an existing process while empowering employees and allowing HR staff to more effectively serve the organization.

TAKING CARE OF EMPLOYEES

Employees are our most important resource, and there are many ways Cary takes care of staff throughout the year by addressing holistic health with a mind, body and spirit focus. This winter, the eight-week Choose to Lose Weight Loss Challenge included an initial and final weigh-in, one-on-one personalized sessions with an on-site nutritionist or health coach and onsite classes. The challenge was designed to help employees combat obesity and introduce healthy, sustainable lifestyle changes that promote weight loss.

Nearly 250 employees, with at least one employee from every department, chose to enroll, and 60 percent completed the challenge. When asked why they joined the challenge, participants shared that their number one challenge was bad habits/choices — and by being hypervigilant about their choices and using their personal support networks of friends and coworkers, they were making positive steps forward.

Of the 250 participants, 81 percent improved BMI, 74 percent lost weight and 83 percent decreased the size of their waist circumference. One participant lost 30 pounds, and another saw a decrease in waist circumference of eight inches. The group lost a total of 700 pounds and 453 inches from their waist circumference.

Wellness offerings, such as this spring's Maintain Don't Gain Challenge and Wellness Walks, continue to allow our employees to explore programs and opportunities that support a healthy lifestyle.





MOVING FROM VISION TO REALITY





TOWN KUDOS

Hello Sam: I am writing to say thank you to the wonderful staff at Bond Park Community Center. Every time we visit the center, we are greeted with smiles and kindness. In particular, Maria and Jennifer have been exceptionally helpful when we've asked questions about programming or needed assistance with cancelling a class. What an exceptional team you have! We feel so fortunate to live in a community that truly feels like a community and this is in large part due to your incredible team! Many thanks!
—Amanda

2019 COUNCIL/STAFF RETREAT

Cary held its Council/Staff retreat in Asheville in February. The annual retreat reinforces the critical nature of our partnership and energizes the work of implementing the Imagine Cary Community Plan. It is a time to reflect, connect with each other and continue the highly effective collaborations that will prepare us for the days ahead.

The first day of the retreat focused on our vibrant downtown, beginning with a presentation by Urban3, an Asheville-based company that explores new ways to think about and visualize land use, urban design and economics. Ted Boyd, Director of Economic Development, presented next with a downtown redevelopment update and a proposed plan to align the LDO to achieve the vision of Imagine Cary. Doug McRainey, Parks, Recreation and Cultural Resources Director, then followed up with a deeper dive into the Downtown Park master plan.

On day two, an interdepartmental group of staff presented on the issue of private streets. The adaptive approach by the group demonstrated a foundational understanding of the implications of public and private streets in Cary.

The retreat concluded with a presentation by Dr. Alec Horniman of the Darden School at the University of Virginia. Dr. Horniman's presentation was thought-provoking and encouraged staff and council to consider "inviting, including and inspiring others" in our daily work.





STORMWATER

At the November 14, 2018 work session, Council authorized staff to begin working on two action items. The first item was an ordinance amendment to require developers to analyze, model and mitigate impacts new development may have to our community from a 100-year storm. The second item was to pilot a project in which the Town would investigate private stormwater infrastructure that is believed to be responsible for flooding episodes at the intersection of Warren and Pleasants. Staff has made significant progress on these items.

The proposed ordinance amendment has been drafted and shared with the development and engineering communities, as well as the Downtown Stormwater Working Group. Feedback has been positive and helpful. Staff plans to formally present Council with the ordinance amendment this summer.

The pilot project at Warren and Pleasants was also initiated. Staff contacted all homeowners and received verbal agreement to investigate the private stormwater infrastructure on their respective properties. Formal rights of entry are being finalized, and staff will begin the investigation this summer.

LEGISLATIVE UPDATE

Cary hosted a reception for its legislators on January 14 at Academy Street Bistro. This event provided an opportunity for council members and senior staff to meet and build relationships with legislators in a pleasant and relaxed environment, especially important since Cary is represented by several newly-elected representatives. Assistant Manager Dan Ault and Special Projects Director Lana Hygh followed up by visiting with the Cary delegation members at their offices in March. Dan and Lana continued to build relationships and shared Council's legislative agenda as well as other information about Cary projects and events.

After spending the first couple of months of the legislative session getting organized and oriented, the General Assembly shifted into full gear by the end of March with hundreds of bills being filed and committees meeting regularly. Staff is monitoring legislative action closely and engaging legislators, consultants and the NC League of Municipalities on some bills. Of particular note are:

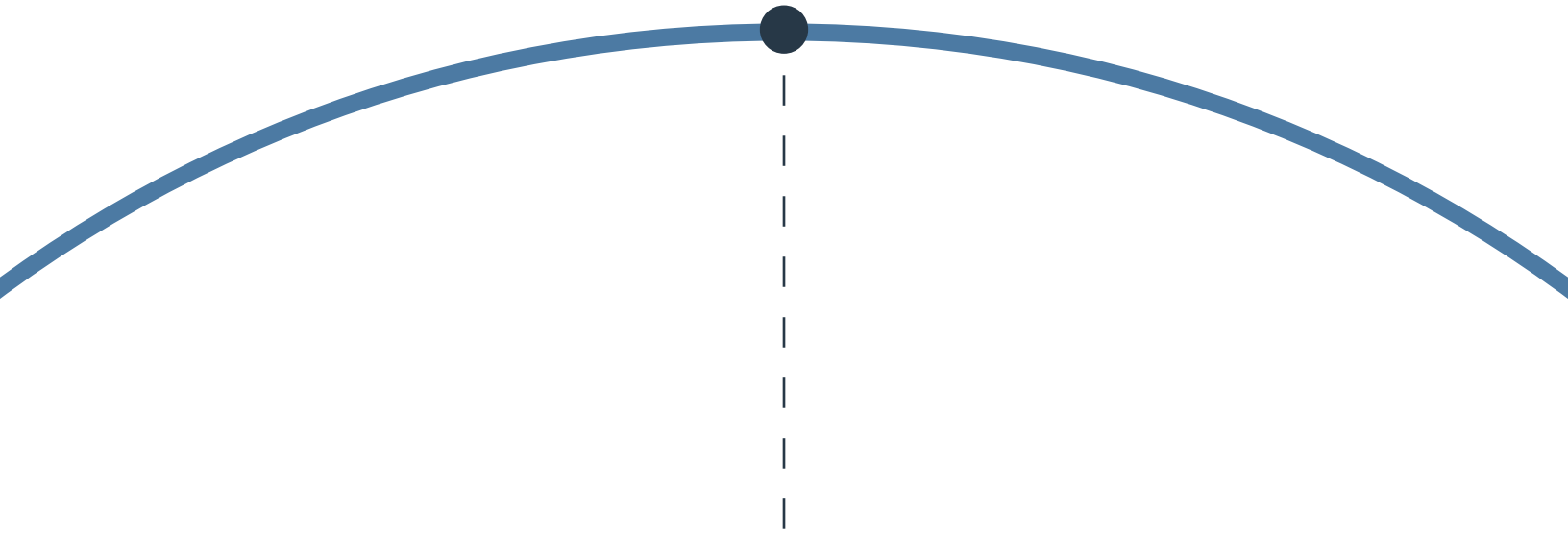
- H278/S179 Parity for First Responders would require payment of a special separation allowance for firefighters in addition to their retirement benefits. Cary's budget office estimates the cost to Cary taxpayers to start at approximately \$400,000 per year and quickly escalate to nearly \$2 million annually.
- S355 Land Use Regulatory Changes would make wide-ranging changes to land use regulatory statutes that would weaken protections for neighboring property owners of new developments.
- S536 Water/Wastewater Enterprise Reform is aimed at improving the operations and management of distressed water and wastewater systems by creating a grant program for improvements. The bill proposes funding the program with a \$1 surcharge on every water and every public sewer account across the state.

Cary will continue to engage its delegation with the goal of protecting its citizens and ensuring a continued high quality of life.

TOWN KUDOS

Dear Mr Mayor: Carol and I just got home with our 11 and 9 yr old granddaughters from the Cary Theater having viewed "Free Solo". This is a great film. We all loved it. Exciting, heart-pounding, warm, with beautiful scenery and sometimes scary. We have seen a number of films at the theater and we enjoyed all of them. Whoever chooses the films is a visionary. It's so wonderful that we have this venue in our town. Another hit activity. Thank you.
—Carol & Lewis

KEEPING CARY GREAT



TOWN of CARY

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