



TOWN of CARY

TOWN COUNCIL QUARTERLY REPORT

TOWN OF CARY, NORTH CAROLINA
FY 2019 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

ON THE COVER:
Aerial view of Kilmayne Tank, looking northwest

IN MOVING CARY FORWARD

One of Town Council's goals for me when I was hired three years ago was to improve our standing in the region, and I'm happy to report that the close of FY 2019 was marked with several significant accomplishments with our regional partners. Our most significant accomplishment is the implementation of the long-planned 911 service agreement with Apex and Morrisville. We are also now maintaining non-NCDOT traffic signals in Morrisville and Holly Springs. We've also begun working closely with Morrisville on a joint plan for the Chapel Hill Road/NC 54 corridor. And our work with Raleigh and Wake County is certainly paying off in terms of the proposed Hospitality Tax distribution recommendations. I am very proud of the effort that staff and Council are making toward building stronger relationships with surrounding municipalities.

I'm looking forward to our next Quarterly Meeting on August 29 at the Matthews House. Among other topics, we plan to bring everyone up to date and receive feedback on several strategic projects: branding, 311, and the October 8 bond referendum. We will also have preliminary financial results for the closeout of FY 2019.

As I begin my fourth year in Cary, I can't help but reflect on the care and support the people of this organization have for each other, the support between Council and staff and the amazing service and resulting value to our citizens. While the future holds many challenges, there is no question that we can meet those challenges together.

Sean R. Stegall

Sean R. Stegall
Town Manager



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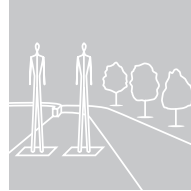
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FY 2019 Q4 FINANCIAL HIGHLIGHTS (UNAUDITED)

Budget adoption and bond ratings were significant accomplishments in the fourth quarter of FY 2019. Council received, considered and approved a \$336.5 million budget, which was three percent less than the FY 2018 budget. Details about the budget adoption are included in the Budget section of this financial report. In preparation for a bond sale scheduled for July 16, 2019, just before quarter end, the Town received credit ratings on the anticipated new debt and affirmations on existing debt. As expected, the Town received the highest possible credit rating from all three major ratings agencies. Fitch Ratings, Moody's Investor Service and Standard and Poors each affirmed Cary's AAA rating.

The following Q4 financial results indicate that Cary remains on track with its financial plans outlined by the FY 2019 budget. It is important to note that year-to-date financial results for Q4 prepared in mid-July will not match the final audited results in the FY 2019 Comprehensive Annual Financial Report (CAFR). The figures reported in Q4 represent routine transactions and are limited by the data available at this time. For three months following the close of the fiscal year, staff focuses on identifying and reporting transactions that should be attributed to the recently-ended fiscal year. For example, Cary's share of revenue for sales taxes collected by merchants in June will not be known until mid-September. Complex contractor invoices for construction completed in June may not be received until August. Utility bills for some of the services delivered in June will not be billed until early August. In mid-September, the auditors, Cherry Bekaert, will be on site to audit for staff's preparation of the FY 2019 Comprehensive Annual Financial Report (CAFR).

FY 2019 QUARTER FOUR FINANCIAL RESULTS, UNAUDITED

GENERAL FUND

FY 2019 Q4 GENERAL FUND SUMMARY

	FY 2019 ADJ BUDGET	FY 2019 YTD ACTUAL	% OF BUDGET	FY 2018 YTD ACTUAL	FY 2018 VARIANCE	VARIANCE %
Revenues	\$ 183.4	\$ 161.6	88%	\$ 172.7	\$ (11.1)	-6%
Expenditures	183.4	163.6	89%	191.1	(27.5)	-14%
TOTAL REVENUE OVER/ (UNDER) EXPENDITURES	\$ -	(2.0)	-	\$ (18.4)	16.4	-89%

*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.

The large variance in net results (89 percent) compared to FY 2018 is due to a bond sale in FY 2018. Routine operating revenues and expenditures and are consistent compared to routine operations in FY 2018. Details on notable revenue and expenditures by category follow.

FY 2019 Q4 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	\$ 93.8	101%	\$ 91.9	\$ 1.9	2%
Other Taxes & Licenses	37.4	28.9	77%	26.9	2.0	7%
Unrestricted Intergovernmental	10.9	8.8	80%	8.5	0.3	4%
Restricted Intergovernmental	0.3	0.9	317%	1.1	(0.2)	-11%
Permits & Fees	5.5	5.4	99%	5.5	(0.1)	-1%
Sales & Services	18.5	19.3	104%	17.9	1.4	8%
Miscellaneous Revenue	2.7	2.5	95%	2.2	0.3	11%
OPERATING REVENUES	168.6	159.6	95%	154.0	5.6	4%
Non-Operating Revenues	14.8	2.0	14%	18.7	(16.7)	-89%
TOTAL GENERAL FUND REVENUES	\$ 183.4	161.6	88%	\$ 172.7	(11.1)	-6%

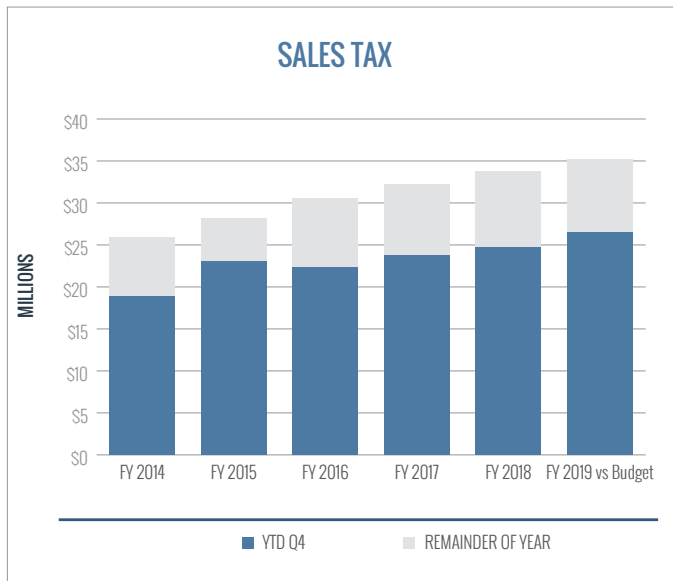
There was no significant variance noted when reviewing the results for operating or non-operating revenues, when comparing current fourth quarter to the fourth quarter of FY 2018. The total net decrease in revenues can be attributed to the \$17 million bond refunding that increased non-operating revenues in the prior year. More details on revenues are provided below.

PROPERTY TAXES

Property tax revenue is 51 percent of total budgeted revenue and is the largest revenue source for the General Fund. Taxes are based on an ad valorem tax levy on real property and personal property. Real property are items such as land and buildings, while personal property are items such as vehicles. Real property taxes were billed in July 2018 and were due no later than January 7, 2019. Conversely, personal property tax revenue is collected throughout the year based on 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. In FY 2019, \$93.3 million was budgeted for property tax collections (both real and personal property), which

was two percent greater than the prior year. As of June 30, the FY 2019 property tax budget was exceeded due to the 99.8 percent collection of the current year tax levy and collection of prior year delinquent taxes.

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. Sales tax is 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, through Q4, Cary has received receipts for July through March sales. Cary will receive its last sales tax distribution for FY 2019 in September.

Sales tax revenue at Q4 totaled \$26.4 million, an increase of seven percent from this same time in FY 2018. Current year’s sales tax is expected to exceed budget by at least five percent by audited year-end.

UNRESTRICTED INTERGOVERNMENTAL REVENUES

Sales taxes on electricity, natural gas and wireless communications 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 so three distributions have been received through June 30. Cary’s \$8.1 million distribution received through Q4 is an increase of three percent from this same time in FY 2018. Utility sales tax revenues are expected to meet budget as of year-end.

Another component of unrestricted intergovernmental revenues is video programming tax. The video programming tax is a seven percent tax applied to services such as cable and satellite. This revenue has not increased since FY 2017 in part due to the increased consumer use of streaming services such as Netflix and Hulu. According to the Motion Picture Association of America, the use of digital home entertainment, such as streaming services, has increased 130 percent from 2014 to 2018. This shift from traditional cable to streaming services can be felt in Cary as well. As of Q4, video programming tax revenue decreased two percent for each of the last two years. Sales tax is collected on streaming services, which has contributed to the increase in sales tax noted above.

PERMITS & FEES

Overall, this category has remained relatively flat compared to the prior year and is expected to meet budget estimates. These revenues have trended downward over the past few years with the changing development patterns detailed in the LIVE Section. Cary issued permits for 889 new single-family dwellings during FY 2019 which is down 18 percent from the previous five fiscal year average of 1,087 and down 21 percent from 1,128 in FY 2018. Additionally, square footage for new non-residential permits declined 58 percent from the previous five fiscal year average which included large projects.

This category of Permits and Fees also includes vehicle tag fees on all vehicles registered in Cary. In FY 2019, Cary increased the vehicle license fee from \$15 to \$30 primarily to pay for sidewalk improvements. Of the \$15 increase, \$5 was budgeted in the General Fund, and \$10 of the increase was budgeted in the General Capital Reserve fund. This increase in revenue in the General Fund has offset the overall decrease in Permits and Fees, as referenced above, resulting in the one percent decline recognized year over year.

FY 2019 Q4 GENERAL FUND EXPENSES

	FY 2019 YTD ADJ BUDGET	FY 2019 YTD ACTUAL	% OF BUDGET	FY 2018 YTD ACTUAL	FY 2018 VARIANCE	VARIANCE %
General Government	\$ 31.0	\$ 24.3	78%	\$ 22.4	\$ 1.9	8%
Public Safety	51.0	47.8	94%	46.0	1.8	4%
Operations (PW & PRCR)	50.8	45.3	89%	45.0	0.3	1%
Development & Infrastructure	17.3	15.0	87%	16.2	(1.2)	-7%
OPERATING EXPENDITURES	150.1	132.4	88%	129.6	2.8	2%
Non-Operating Expenditures	33.3	31.2	94%	61.5	(30.3)	-49%
TOTAL GENERAL FUND EXPENDITURES	\$ 183.4	163.6	89%	\$ 191.1	(27.5)	-14%

Overall, there were no significant variances noted in operating expenses when reviewing current Q4 results to the prior year or budget. The 49 percent decrease in Non-Operating Expenditures reflects the \$17 million bond sale in FY 2018 for a payment to an escrow account for refinanced debt.

In accordance with North Carolina state statutes regarding the use of procurement cards, Cary must report outstanding encumbrances in the financial system at quarter end. Encumbrances represent funds that have been reserved in the financial system to satisfy a commitment to make a purchase. Considering these encumbrances and year-to-date spending, the General Fund has over \$11 million remaining in the operations budget for the remainder of the year before final adjustments for reporting.

**GENERAL FUND OPERATIONS -
FY2019 REMAINING ENCUMBRANCES (Q4)**

General Government	\$ 2,508,297
Public Safety	428,075
Operations (PW & PRCR)	2,302,252
Development & Infrastructure	604,978
Debt Service	33,866
Contingencies & Reserves	579,467
TOTAL ENCUMBRANCES	\$ 6,456,935



UTILITY FUND, UNAUDITED

FY 2019 Q4 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	\$ 77.9	89%	\$ 194.4	\$ (116.5)	-60%
Expenditures	87.3	82.6	95%	222.6	(140.0)	-63%
TOTAL REVENUE OVER/ (UNDER) EXPENDITURES	\$ -	(4.7)	-	\$ (28.2)	23.5	-83%

* The above table is in millions. Revenues, authorized expenses 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 83 percent when 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 expenses further account for the differences between the two fiscal years. An analysis of revenues and expenditures is below.

FY 2019 Q4 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	\$ 29.2	96%	\$ 29.9	\$ (0.7)	-2%
Sewer Service	47.3	45.1	95%	43.9	1.2	3%
Permits & Fees	2.2	2.3	108%	2.0	0.3	2%
OPERATING REVENUES	80.1	76.6	96%	75.8	0.8	1%
Non-Operating Revenues	7.2	1.3	18%	118.6	(117.3)	-99%
TOTAL UTILITY FUND REVENUES	\$ 87.3	77.9	89%	\$ 194.4	(116.5)	-60%

Overall operating revenues are in line with budget. Year-to-date revenue is 96 percent of budget, which is consistent with the prior year. The significant change in non-operating revenue is due to the recognition of \$117 million in bond proceeds in FY 2018.

FY 2019 Q4 UTILITY FUND EXPENSES

	FY 2019 ADJ BUDGET	FY 2019 YTD ACTUAL	% OF BUDGET	FY 2018 YTD ACTUAL	FY 2018 VARIANCE	VARIANCE %
Administration	\$ 9.7	\$ 8.9	92%	\$ 8.9	\$ 0.0	0%
Field Operations	15.7	14.6	93%	13.6	1.0	7%
Wastewater (net of Apex)	10.4	8.5	82%	9.9	(1.4)	-14%
Water Treatment Plant (net of Apex)	8.3	7.7	93%	6.5	1.2	19%
OPERATING EXPENDITURES	44.1	39.7	90%	38.9	0.8	2%
Non-Operating Expenditures	43.2	42.9	99%	183.7	(140.8)	-77%
TOTAL UTILITY FUND EXPENDITURES	\$ 87.3	82.6	95%	\$ 222.6	(140.0)	-63%

Overall spending for the Utility Fund is in line with budgetary expectations. Increased expenses at the Water Treatment Facility are the result of a large routine chemical supply purchase.

Like the General Fund, the next table shows the total outstanding encumbrances in the financial system at the end of Q4. When including the encumbrance amounts along with the year-to date operating spend amounts, the Utility Fund has nearly \$1 million remaining budget for operations at the end of the quarter.

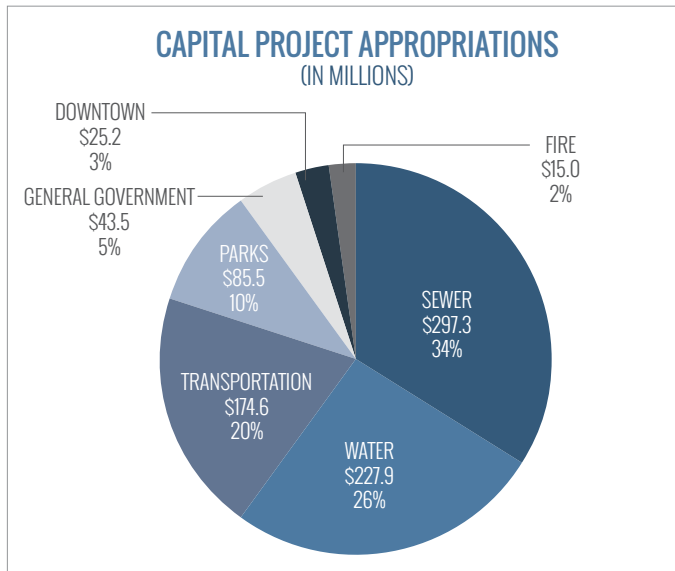


UTILITY FUND OPERATIONS - FY2019 REMAINING ENCUMBRANCES (Q4)

Administration	\$ 368,493
Field Operations	641,492
Wastewater	1,110,607
Water Treatment Plant (net of Apex)	1,125,467
Debt Service	11,800
Contingencies & Reserves	213,786
TOTAL ENCUMBRANCES	\$ 3,471,645

CAPITAL PROGRAM

On June 30, 2019, Cary had 410 active capital projects. Utility projects with a total budget of \$525.2 million comprise 60 percent of the capital spending authorization. General capital projects total \$343.8 million, or 40 percent of the total \$869 million capital authorization.



CAPITAL PROJECT SPENDING THROUGH Q4 (IN MILLIONS)

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Downtown	\$ 0.7	\$ 0.9	\$ 1.1	\$ 2.1	\$ 8.6
Fire	2.0	3.1	2.5	1.1	5.0
General Government	4.8	5.9	4.8	4.6	8.2
Parks	5.2	11.2	10.0	10.1	6.6
Streets	8.6	16.4	18.8	22.0	19.5
Sewer	15.4	9.3	7.5	6.6	7.3
Water	32.9	32.7	12.2	20.7	24.3
TOTAL	\$ 69.6	\$ 79.5	\$ 56.9	\$ 67.2	\$ 79.5

Capital project spending totaled \$79.5 million through Q4. Because the mix of capital projects changes over time, there are no discernable patterns in capital spending.

FY 2019 CAPITAL PROJECT SPENDING



The dollar chart shows where the capital project spending occurred in FY 2019. The Capital Project Appropriations chart (previous page) shows where capital dollars are budgeted, and the table above demonstrates where they have been spent for all active projects.

Capital spending fluctuates as larger projects become active and near completion. The Cary/ Apex Water Treatment Facility expansion accounts for the increased water capital spending that occurred in FY 2016. Cary spent \$79.5 million on capital improvements through Q4 of FY 2019, with over 50 percent of the spending supporting 13 projects. The largest single capital expenditure of \$8.3 million funded Cary's share of the downtown library parking deck, a key element of the downtown

park. Just under 17 percent, or \$13.4 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. Notable projects at or near completion with significant expenditures during Q4 of FY 2019 include:

- Street Improvements – Various street resurfacing projects for this fiscal year approaching 86.5 percent of budgeted spending
- Fire Station 9 – Project spending is at 89 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 Railroad Grade Separation
- Fire Station 9
- Morrisville Parkway/NC540 Interchange

BUDGET

A key accomplishment in Q4 was preparation for the new fiscal year beginning July 1. On June 27, 2019, Council approved a \$336.5 million budget for Fiscal Year 2020. The budget focuses on maintaining current services and allocates \$261.4 million for operations and \$75.1 million for capital projects. This budget is 3.2 percent less than the approved budget for FY 2019 and does not include any new positions.

Cary’s property tax rate remained unchanged at 35 cents per \$100 of real property value. To address increasing recycling costs and get closer to recovering the full, actual cost of the service, the monthly solid waste fee increased by \$2.50, from \$17 to \$19.50 per month. To offset this increase, utility rates increased by two percent for a typical household, rather than the previously-projected three percent increase.

Town Manager Sean Stegall made several public comments on the budget, “Much like a well-performing mutual fund, Cary has proven decade after decade that it’s one of the best investments you can find. When you give Cary money, it raises everyone’s return on their investment because we turn that money into high quality services and amenities.”

Approximately \$484,000 is included in the operating budget for new initiatives, including \$200,000 for updates to the Land Development Ordinance (LDO), \$75,000 to support network security upgrades for protection against ransomware and other attacks, and other expenditures like the purchase and maintenance costs for five drones to be used in emergency response and surveying. The general capital budget allocates \$19.2 million toward maintenance of existing infrastructure. The utility capital budget committed \$10 million to water and sewer line maintenance.

Cary has significant immediate and longer-term capital needs that go well beyond this year’s budget, especially for parks and street maintenance. The Town’s ability to address these needs will be governed by the outcome of a \$225 million referendum on October 8, 2019.

For the second year in a row, department directors worked collaboratively to identify the organization’s overall needs and submitted a unified recommendation to the Town Manager. The result is a budget that more closely aligns the organization’s resources with community priorities as outlined in the Imagine Cary Community Plan.

“The Directors’ collaborative achievement this year is evidence that we’re progressing in organizational development,” said Stegall. “We are creating a culture that simply doesn’t exist in most governments – a culture that is essential to implementing Imagine Cary and keeping Cary great.”

Cary’s budget process includes quarterly reviews and updates of the budget with Council which facilitate the organization’s evolution towards increased responsiveness, agility and accountability. To this end, the adopted FY 2020 budget includes a base operating budget that maintains Cary’s high service levels while reserving \$1.1 million for Council to appropriate throughout the year as issues and opportunities emerge.

“As Cary continues to transition from a growing community to a maturing community, our historical business model of never increasing taxes while saying ‘yes’ to everything won’t be sustainable. Future tax increases will be required for operations, maintenance and capital projects to keep Cary what it is today,” Stegall added.

The Recommended Budget is available at www.townofcary.org/budget. The adopted budget document will be available for review starting September 27 online and at the Town Clerk’s Office in Cary Town Hall and at both Wake County libraries in Cary: 4000 Louis Stephens Drive and 310 S. Academy Street.

MID-YEAR APPROPRIATIONS

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

Koka Booth Amphitheater 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

In Q4, an additional \$250,000 was appropriated to fund expenses associated with the upcoming bond referendum, and sponsorship revenues were recognized to support the greenway celebration. Capital project budgets were adjusted to reflect new revenue sources.



Q4 GENERAL GOVERNMENT MID-YEAR APPROPRIATIONS

GENERAL FUND

Appropriation from General Fund fund balance	Bond Referendum Expenses	\$	250,000
Sponsorship and Concession Revenue	Cary 40th Anniversary Greenway Celebration		13,075
TOTAL 4TH QUARTER MID-YEAR APPROPRIATIONS		\$	263,075

GOVERNMENTAL CAPITAL PROJECT FUND

FUNDING SOURCE		FUNDING USE		AMOUNT
Sale of Assets		FR1055 - Aerial Ladder Truck Replacement	\$	100,000
FR1055 - Aerial Ladder Truck Replacement		General Capital Reserve Unrestricted Fund Balance		510,000*
ST1204 - Carpenter Fire Station Road/CSX Rail Grade		General Capital Reserve Unrestricted Fund Balance		4,697,980*
TOTAL 4TH QUARTER MID-YEAR APPROPRIATIONS			\$	5,307,980

* Bond Referendum funding replaced unrestricted General Capital Reserve transfers in these projects



Q4 DELEGATED BUDGET AUTHORITY ACTION

Throughout the fiscal year, challenges and opportunities develop that warrant financial resources that were not included in the original budget. Often staff can repurpose existing resources 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, reallocated budget adjustments were approved by the manager to address organizational realignments, consulting services and technology investments, totaling \$2,190,011 in Q4 for FY 2019:

Q4 INTER-FUND AND INTER-FUNCTIONAL BUDGET ADJUSTMENTS

BUDGET TRANSFER FROM		BUDGET TRANSFER TO			
Personnel Services	General Fund - Infrastructure	\$ (130,110)	Personnel Services	General Fund - Administration	\$ 130,110
Personnel Services	General Fund - Development Services	(49,901)	Personnel Services	General Fund - Administration	49,901
Personnel Services	General Fund - Public Safety	(1,000,000)	O&M	General Fund - Administration	1,000,000
O&M	General Fund - Operations	(630,000)	O&M	General Fund - Administration	630,000
Personnel Services	General Fund - Administration	(80,000)	O&M	General Fund - Administration	80,000
Personnel Services	General Fund - Infrastructure	(230,000)	O&M	General Fund - Administration	230,000
O&M	General Fund - Infrastructure	(70,000)	O&M	General Fund - Administration	70,000
TOTAL 4TH QUARTER INTER-FUND AND INTER-FUNCTIONAL TRANSFERS		\$ (2,190,011)			\$ 2,190,011

BUDGET PUBLIC INPUT AND RECOMMENDATIONS

Citizens are invited to share budget priorities throughout the year through social media, voicemail and email. There were seven budget public input comments in Q4 outside of Council’s budget public hearings in May and June.

TOPIC	COMMENTS RECEIVED	PLATFORM RECEIVED	TYPE OF COMMENT
General	3	Budget Public Input Email; Nextdoor	<p>Opposition to spending on public safety vehicles; request for mayor as a full time position and compensated as such; request to increase salaries of town attorneys; request for greenway expansion; request for more parking spaces at public schools</p> <p>Lack of incorporating public’s input at public meetings; opposition to multi-family housing; Request for traffic/road improvements; opposition to public art spending</p> <p>Request to increase fees rather than taxes</p>
Traffic	2	Budget Public Input Email	<p>Request for traffic calming by Sears Farm Road</p> <p>Request for bus stop improvements</p>
Parks	2	Budget Public Input Email	<p>Opposition to bond; request for superior trail service from MacArthur to Bond Park</p> <p>Request for continuation of tax dollars to fund greenways and parks</p>
TOTAL	7		



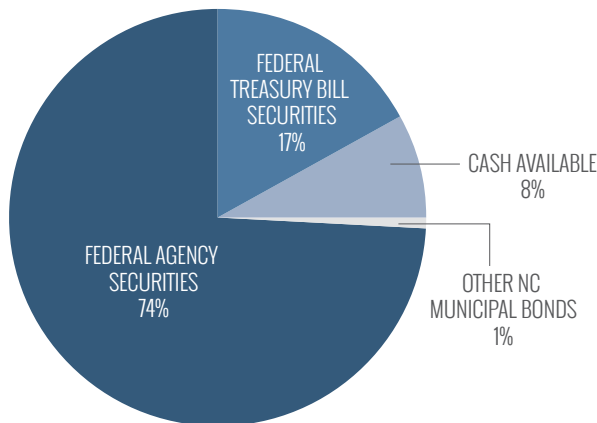
CASH AND INVESTMENTS

The Town ended FY 2019 with a cash and investment balance of over \$520 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 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; and finally, earn the maximum interest income. Although prudent, by prioritizing safety, the Town’s ability to earn investment income is limited. The majority 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. Staff 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 every three to seven days over the next three to four years to match projected disbursements for payroll and other expenses.

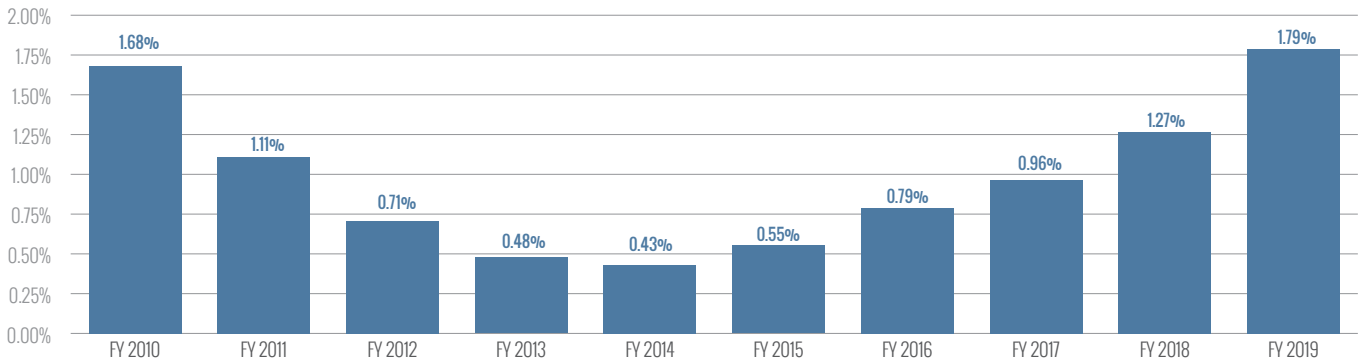
Cary’s cash and investment program is overseen by a fixed fee independent consultant. The financial advisors compile the weekly cash flow forecast and provide market insights, advice and reporting on a quarterly basis.

The Town’s annual yield increased from 1.27 percent in FY 2018 to 1.79 percent in FY 2019 due to rising interest rates in the market. Interest earnings totaled \$9.5 million, which is an increase of over \$2.8 million, or 55 percent, compared to FY 2018. These investment earnings are allocated to each of the Town’s funds based on average share of the total pool. The General Fund comprises approximately 20 percent of the Town’s cash and investments. Just under \$1.9 million of the interest income was attributed to the General Fund, which is about \$400,000 over budget. The majority of the Town’s cash and investments, about two-thirds, are attributed to the capital funds for resources committed but unspent for general and utility capital projects.

CASH AND INVESTMENTS BY TYPE



TOWN OF CARY POOLED CASH AVERAGE ANNUAL YIELD
FY 2010 - FY 2019



In accordance with accounting standards, 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 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, as interest rates go up, the price of a fixed income security goes down. Likewise, when interest rates fall, as the market is currently experiencing, the price of a fixed income security goes up. The Town’s mark to market adjustment for FY 2019 will double interest earnings on the financial statements by adding \$9.7 million. While the Town is required to report this adjustment on the financial statements, the Town will not realize this gain in interest earnings because the Town generally holds investments until maturity to meet future cash flow needs.

DEBT

In June, in preparation for a bond sale scheduled for July 16, 2019, the Town received credit ratings on the anticipated new debt and affirmations on existing debt. As expected, the Town received the highest possible credit rating from all three major ratings agencies. Fitch Ratings, Moody’s Investor Service and Standard and Poors each affirmed Cary’s rating of AAA.

Just like personal debt, the better an organization’s credit rating, the lower the interest rate paid. The AAA rating enables significant interest expense savings for citizens. Cary is proud of the AAA ratings because they are one way to demonstrate that we are meeting our goals for prudent financial management, which earns not only the confidence of the bond market, but also of our citizens.

Each agency also rated Cary’s outlook as stable. “The stable outlook reflects our expectation that the town will continue to benefit from RTP as well as ongoing growth in the local economy,” Moody’s said in its news release announcing the rating. “The outlook further reflects the expectation of continued sound financial operations.”

Standard and Poor's analysis noted Cary's "consistent economic growth" over the past several years. "As a result, the town has increased capital expenditures in recent years, but still has maintained very strong performance, due to growing revenues and very strong financial management." Fitch echoed this rationale in its statement: "...management has proactively maintained spending growth in line with revenue growth, and Fitch expects that approach to continue."

As planned, the Town issued \$16.05 million in general obligation bonds on July 16, 2019. The bond sale was based on the final remaining voter authority from the 2012 Community Investment Bond Referendum and will pay for fire, parks and recreation, and transportation projects.

The sale was competitively bid, and participation exceeded expectations with ten financial institutions submitting bids. Morgan Stanley was awarded the bid with the lowest interest rate of 2.18 percent which was a lower rate than projected and reflects recent economic changes in market interest rates.

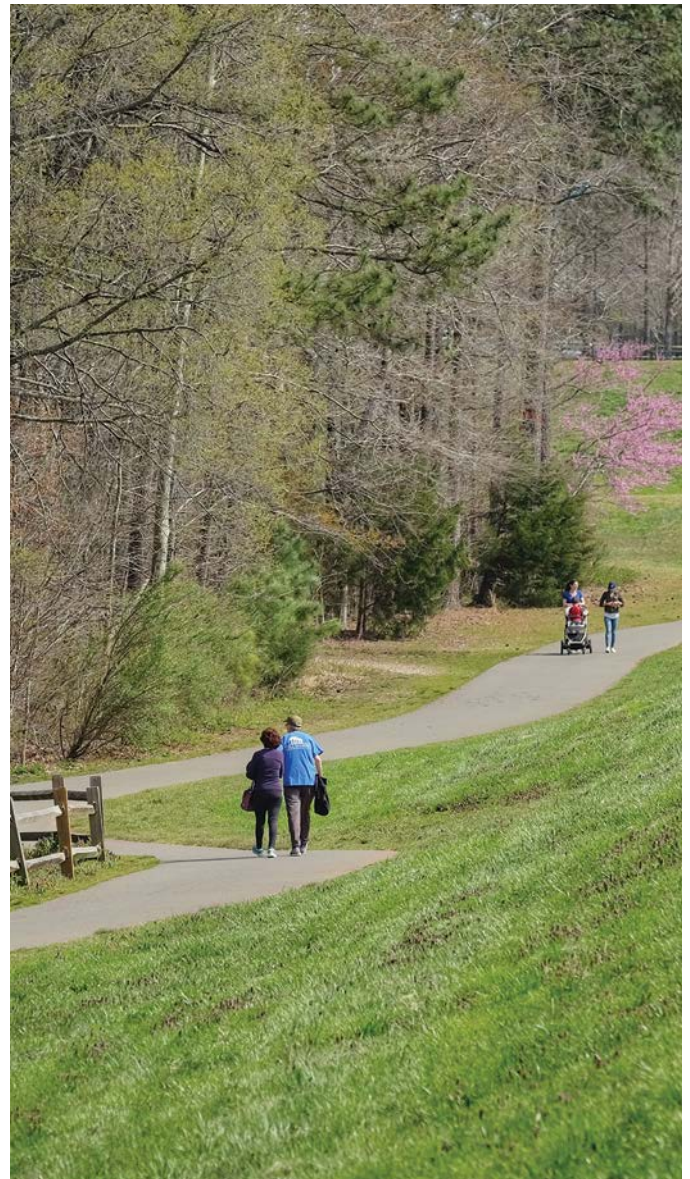
2019 BOND REFERENDUM

The process to hold a General Obligation Bond referendum this fall kicked off this quarter with Council's consideration of potential projects and adoption of two bond orders. Cary citizens will have the opportunity on October 8, 2019 to vote on two ballot questions, which, if approved, will grant Cary the authority to finance up to \$112 million for parks and recreation projects and up to \$113 million for transportation projects.

As the process continues to unfold, the marketing team is working to mount a comprehensive voter education campaign that will begin this summer and continue up to Election Day.

ECONOMIC OUTLOOK

Economic reports are mixed. While some indicators remain strong, some economists anticipate a decline. Interest rates have declined and are expected to continue to decrease, so the growth in interest income may be less than anticipated in the FY 2020 budget. The decline in interest rates benefited the Town in the recent bond sale with a low average rate of 2.18 percent for debt that matures over twenty years.







FOSTERING STRONG NEIGHBORHOODS





HOUSING STUDY

Building on the Imagine Cary Community Plan, the Town has partnered with HR&A Advisors Inc. to support the creation of the Cary Housing Plan. Developing this document will require collection and analysis of existing quantitative data and holding a series of stakeholder engagement meetings to understand local needs and provide impactful housing recommendations.

As part of this stakeholder engagement, Cary recently created a Housing Working Group with representatives from staff, Council and local organizations to provide feedback and support throughout the process. The Housing Working Group convened for the first time on June 28. Staff expects the Cary Housing Plan to be completed this fall.

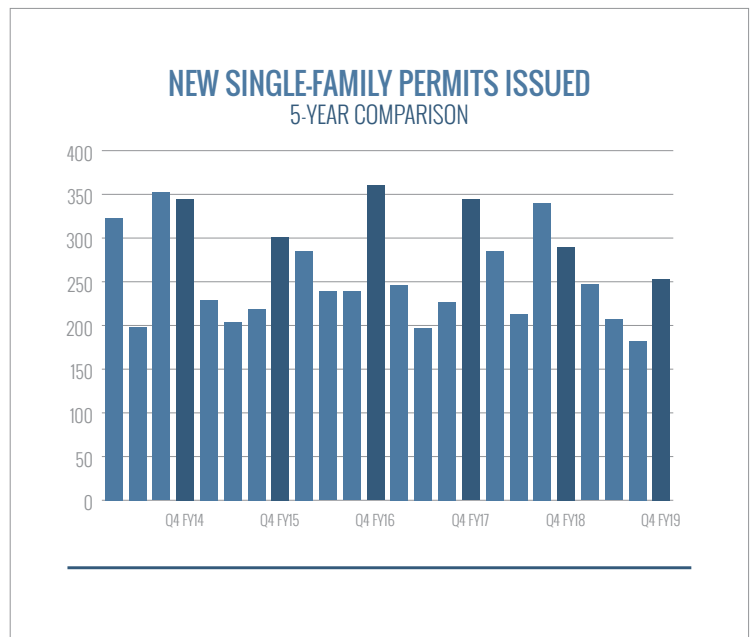


NEW SINGLE-FAMILY PERMIT ACTIVITY

New single-family permits for Q4 totaled 253, down 23 percent from the quarter's five-year average of 328. The top three subdivisions permitted were Amberly Glen (35), Emory Springs (34) and Brickyard (25).

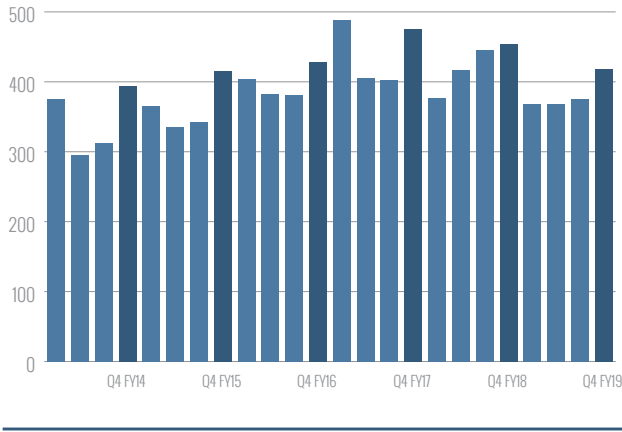
The number of single-family certificates of occupancy (CO's) for Q4 totaled 223, an average of 3.5 CO's for every working day. The three subdivisions receiving the most COs were Amberly Glen (49), Ridgefield (24) and Brickyard (21).

During FY 2019, Cary issued permits for 889 new single-family dwellings – down 18 percent from the previous five fiscal year average of 1,087 and down 21 percent from the 2018 fiscal year total of 1,128.





RESIDENTIAL ALTERATIONS & ADDITIONS 5-YEAR COMPARISON



RESIDENTIAL ADDITION AND ALTERATION PERMITS

Residential addition and alteration permits for Q4 totaled 419, in line with the quarter’s five-year average of 433 and the highest quarter in FY 2019. Although Q4 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.







ASSURING CONTINUED PROSPERITY





EMERGING DIGITAL LEADERS



Embracing Cary's digital transformation, Carolyn Roman, Wilson Farrell and Danielle Mahoney went to New York City to earn a professional certification in Box, one software piece of our updated technology backbone. They were joined by 18 other participants in an interactive curriculum that brought together innovators from multiple industries and used real case studies to develop solutions to common business challenges and empower users as they swap legacy tools for a cloud content platform. The two-day event culminated with a 60-question test on best practices, business process evaluation and change management. Out of 500 Box Certified Professionals, three are now in Cary!

SCHUNK RIBBON CUTTING

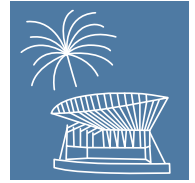


SCHUNK, a worldwide leader in gripping systems and clamping technology serving the manufacturing industry, celebrated the opening of its newly-expanded facility in Cary with a ribbon cutting ceremony and site tour. Based in Germany, SCHUNK operates in 50 countries, employing more than 3,400 engineers, technicians and staff worldwide. The facility focuses on the design and precision machining of tool holders and related components that attach to robotic arms. The Cary location is SCHUNK's largest U.S. operation and the company's biggest outside Germany. As of 2018, SCHUNK had invested more than \$100 million in infrastructure and salaries locally. The new facility, combined with investments in personnel over the next five years, represents another \$60 million for the region's economy, and roughly 100 new jobs.



EXPERIENCING THE CARY COMMUNITY





SAFETY TOWN



The Herbert C. Young Community Center hosted 197 rising kindergarten and first graders for Safety Town 2019. This year's attendance increased by 10 percent compared to attendance in 2018. Throughout the week, stories, games, songs and videos reinforced skills taught by special guests. Safety Town is a collaboration between Fire, Police, 911, Animal Control, Public Works, Parks and Recreation and other agencies across Cary. The goal of Safety Town is to educate young children about making safe choices, preventing accidents and reacting to emergencies, all in a safe and fun environment.

PIMENTO CHEESE FESTIVAL



Despite predictions of a rainy day, an estimated 10,000 people gathered in Downtown Cary on Saturday, June 8, for the 2nd Annual Pimento Cheese Festival. Professional cheese carver Sarah Kaufmann traveled to Cary from San Diego to create a true work of art that featured many Cary landmarks. Southern Living magazine highlighted the event on its Facebook page which was commented on 1,500 times, shared 2,000 times and had 3,500 page interactions with emojis.





JUNETEENTH CELEBRATION

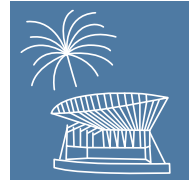


Cary hosted its Inaugural Juneteenth Celebration on June 15–16. Juneteenth commemorates the Union Army delivering the news on June 19, 1865 to African American slaves in Galveston, TX that the war was over, and slavery was abolished. Cary’s celebration included a Friday evening performance of Darrell Stover’s “Written on the Water,” and on Saturday, a procession to the Downtown Park. The 37th United States Colored Troop Reenactors highlighted the entertainment lineup which also included story tellers, gospel choirs, dancers and drummers. The event, prompted by citizen input, blossomed into a meaningful and memorable weekend.

BEYOND: THE FILM FESTIVAL



The Cary Theater’s 2nd annual film festival was held June 19–23. Based on the theme of “Heroes,” this festival welcomed films from across the world, including Burkina Faso, Australia, and Spain. The festival partnered with national nonprofit, Teen Cancer America, to screen the documentary film, *Cancer Rebellion* (executive produced by Roger Daltrey of *The Who*) and hosted filmmaker Hernan Barangan. Four filmmaking workshops provided educational sessions for all experience levels. Special guests included Janet Scott Batchler and Lee Batchler, screenwriters of *Batman Forever*, who presented a screenwriting workshop and discussed the process of writing the film. Partnerships with downtown businesses provided several social opportunities for networking and meeting filmmakers and guests.



SPRING DAZE



Cary citizens celebrated the 26th Spring Daze Arts & Crafts Festival on April 27 in Bond Park. The festival welcomed over 170 artists, 21 percent of whom were Cary residents, a seven percent increase from 2018. As part of the Earth Day celebration at Spring Daze, staff educated the public on environmental issues by setting up a brand-new waste station that provided guests the opportunity to learn more about what is compostable or recyclable. Attendees were also encouraged to ride a bike, walk, or carpool to reduce their carbon footprint and use the free water bottle refill station to reduce waste.

KOKA BOOTH AMPHITHEATRE



Booth Amphitheatre kicked off its 19th season in April with two popular food and drink festivals: Beer/Bacon and Great Grapes. Australian musician Tash Sultana and country icons Travis Tritt & Charlie Daniels began the national acts lineup in May, and Jason Isbel & Father John Misty continued the national acts in June. The North Carolina Symphony's Summerfest played to large audiences with special highlights being the Ben Folds and the popular Broadway concert. Movies, the Josh Cellars Jazz Series, and local events including Cary-area high school's Music and Arts Festival and the Triangle Wind Ensemble all helped showcase the Amphitheatre's wide variety of events.





CARY ROAD RACE



The 41st Annual Cary Road Race drew over 900 runners from all over North Carolina and states as far away as Arizona for the 5K and 5 mile races. An additional 100 young runners participated in the Fun Run. Runners and spectators enjoyed food trucks, beer and live entertainment before, during, and after the runs. Over \$4,500 in proceeds from the event went to the Play It Forward scholarship fund.



40 YEARS OF CARY GREENWAYS CELEBRATION



The signature celebration for the 40th anniversary of Cary's greenways was held on June 1, National Trails Day, at Bond Park. It was a beautiful day at the park, and the event was well attended. Approximately 100 riders traveled the White Oak Creek Greenway to the American Tobacco Trail while other attendees participated in a Walk N' Roll around the park. UNC Rex sponsored the event and hosted a booth along with artist Autumn Copeland, from whom the Town has commissioned three greenways paintings as part of the 40th anniversary celebration. Greenway Committee members and volunteers from across the organization staffed the event. Cary will continue to celebrate this important anniversary throughout the year with rides and walks each month. In November, a special event will be scheduled to celebrate the very first greenway built in Cary.



2019 SUMMER CAMPS



More than 10,000 youth will participate in 675 full and half day camps, workshops, classes, and clinics through 11,485 hours of activities. The 2019 Summer Camps employed more than 151 counselors, instructors, support staff and 37 contract instructors. Additionally, 28 rising 10–12th graders were selected as junior counselors to take on responsible volunteer roles within the camps. More than 76 hours of training were made available to the staff. Building on last year's Camp College staff training initiative and Cary's efforts around increasing the awareness of Adverse Childhood Experiences (ACEs) and creating a Community of Care, two new courses were offered on Child Abuse

Awareness and Unconscious Bias and Gender Awareness. As part of an initiative to be trauma-aware, trainings and experiences are focused on creating safe and respectful camp experiences that encourage positive relationships. We are collecting feedback that reflects how these efforts are building resilience in participants and staff.

CARY TEEN COUNCIL CELEBRATES 30 YEARS

On Saturday, May 18, Cary Teen Council celebrated its 30th year as a youth council. Guest speakers included Council Member Jennifer Robinson, Parks, Recreation and Cultural Resources Director Doug McRainey, alumna Namrata Jumani, former advisor Cindi King and current advisor Doug Peters. Founded in 1989, the mission of the Cary Teen Council is to empower teens with the core values of leadership, accountability, and responsibility through volunteerism. Today, the council has 870 members who volunteer 20,000 hours each year. Teen Council members support Cary events and local schools, businesses, and nonprofits. The council has also been recognized with multiple awards including North Carolina's Most Outstanding Council in 2009, 2013 and 2017, the Volunteer Service Award by the National Recreation and Park Association in 2010 and the Jefferson Award for Public Service in 2013.





NCAA DIVISION II BASEBALL CHAMPIONSHIP

Cary and the University of Mount Olive co-hosted the NCAA Division II Baseball Championship at the USA Baseball National Training Center (NTC) for the tenth time. The Greater Raleigh Sports Alliance and USA Baseball continue to be great supporters for this Championship as it takes an all-hands approach to produce an event of this magnitude. Attendance numbers were up this year with all-time high gate ticket revenue of \$33,355 and over \$1 million in economic impact in the area over the 8-day event. The NCAA Division II Baseball Championship is scheduled at the NTC through 2022.

FEST IN THE WEST

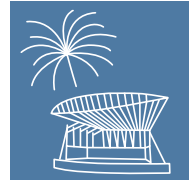


A collaborative effort between the *Cary Citizen* and the Town of Cary, this western Cary festival took place on May 4. This was the fourth Fest in the West and the third year to be located at the USA Baseball National Training Complex. Entertainment for approximately 7,000 festival-goers included live music, games, contests, artisans, beer garden, kid's activities and cultural dance exhibitions. Cary staff were on site to provide information on municipal services and construction projects in the area. Sixteen businesses from the area provided sponsorships, and 35 food trucks applied for the 10 available spaces.

LOCAL HIGH SCHOOL SPORTS HIGHLIGHTED

Sporting events for area high schools were hosted in Cary during the 4th Quarter.

- Clash of the Carolinas. For the third year in a row, Cary hosted the Clash of the Carolinas on Saturday, June 29 on Koka Booth Field at WakeMed Soccer Park. This event, staged every summer since 2007, is the only interstate all-star prep soccer event of its kind nationally and recognizes 72 graduated seniors and eight coaches.
- Town of Cary Local High School Baseball Series. Cary staff members work with local high schools to offer home games on Coleman Field at USA Baseball National Training Complex. This year's matchups included Panther Creek vs. Cary, Apex vs. Middle Creek and Athens Drive vs. Panther Creek. Two games were played under the lights and served as "Senior Day" for the participating teams.
- National High School Invitational. The 8th annual USA Baseball National High School Invitational, presented by the Greater Raleigh Sports Alliance and the Town of Cary, brought 16 of the top high school teams in the nation to Cary to play 30 games in four days. The event had over \$1 million in economic impact on the community.
- NCHSAA Lacrosse State Championship Games. Cary hosted the NCHSAA Lacrosse State championship games at WakeMed Soccer Park for the tenth consecutive year. Teams from across North Carolina competed for state championships. The Weddington Warriors won the 4A Men's championship; Cardinal Gibbons won the Women's championship.
- NCHSAA 1A and 2A Men's Tennis Championships. Cary Tennis Park hosted the 2019 singles and doubles championships. This tennis event brings men's high school tennis teams from across North Carolina to Cary for two days of competitive tennis.



ACC MEN'S AND WOMEN'S TENNIS CHAMPIONSHIPS



Cary Tennis Park hosted the ACC Men's and Women's Tennis Championships for the 14th time; for the first time, the newly-installed Playsight cameras were used to livestream all matches. The event is always well attended as many alumni and tennis enthusiasts come to cheer on their favorite ACC teams. While much of the tournament took place under sunny skies, rain on Friday morning forced play inside – the first time a college match was played on the new covered courts at Cary Tennis Park.

NC BMX SERIES



Cary hosted the NC BMX Series at Sk8-Cary on April 6, the only internationally sanctioned Olympic-points earning Freestyle BMX event in the USA for 2019. BMX Freestyle will be featured in the Olympics for the first time in 2020. The Cary event attracted 39 Elite and 27 Amateur competitors from 12 countries. Over 320 spectators watched the best BMX athletes in the world compete in the largest action sports event ever hosted in the Triangle.





GUIDING COMMUNITY GROWTH





CELEBRATING THE FUTURE OF THE OLDEST HOUSE IN CARY



Special Projects Director Danna Widmar, with support from an interdepartmental staff team, successfully negotiated and executed an agreement to purchase and re-locate the historic Nancy Jones House. The house, located at 9391 Chapel Hill Road, is the oldest known house in Cary and is listed in the National Register of Historic Places.

The house was built in 1803 for Henry and Nancy Jones on what was then a 2,000-acre estate. In addition to residing there, Henry and Nancy operated a stagecoach stop and tavern out of the house. When Henry died in 1841, Nancy continued to live in the house and operate the stagecoach stop for another 30+ years. During the antebellum period, it was considered the only fit place for important travelers, including many politicians, to stop.

The agreement between Cary and the Sri Venkateswara Temple, owners of the property, allows the Town up to a year after closing on the house to move it to another location. The Temple's long-range plan is to develop the property.

On May 8, Mayor Weinbrecht and Council Members Bush, Yerha, George and Smith gathered at Town Hall with staff, representatives from the Sri Venkateswara Temple, Historic Preservation Commission members, and the Friends of the Page-Walker Board of Directors to celebrate the purchase agreement. Mayor Weinbrecht also delivered a proclamation declaring May as National Historic Preservation Month.

On the evening of June 6, Council Members Bush, Robinson, Yerha, George, and Frantz, along with a group of staff, were guests of the Sri Venkateswara Temple during the Temple's annual week-long festival honoring the deity Sri Venkateswara. During a break in the festivities, Temple Board of Trustees Vice-Chair Ravi Kandukuri and Mayor Pro Tem Lori Bush took turns addressing the crowd, each expressing appreciation for the strong relationship between Cary and the Temple and the successful collaboration in preserving Cary's oldest historic building.





NON-RESIDENTIAL PERMITS

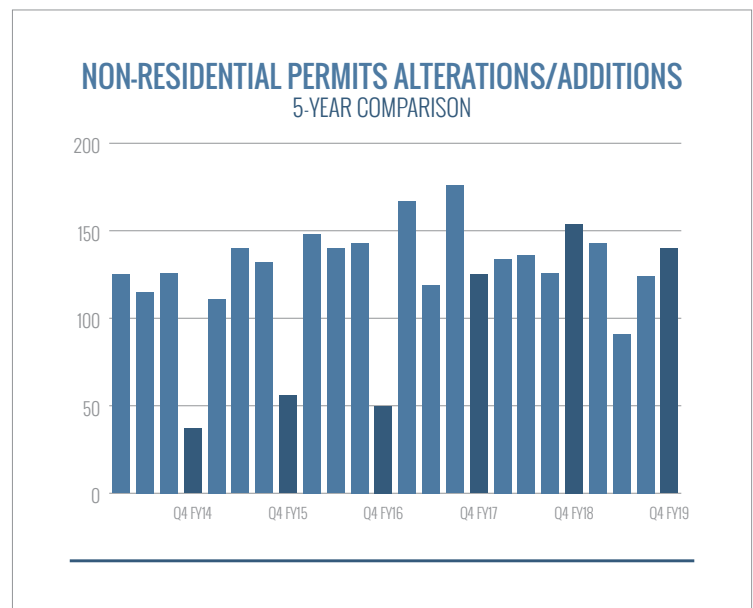
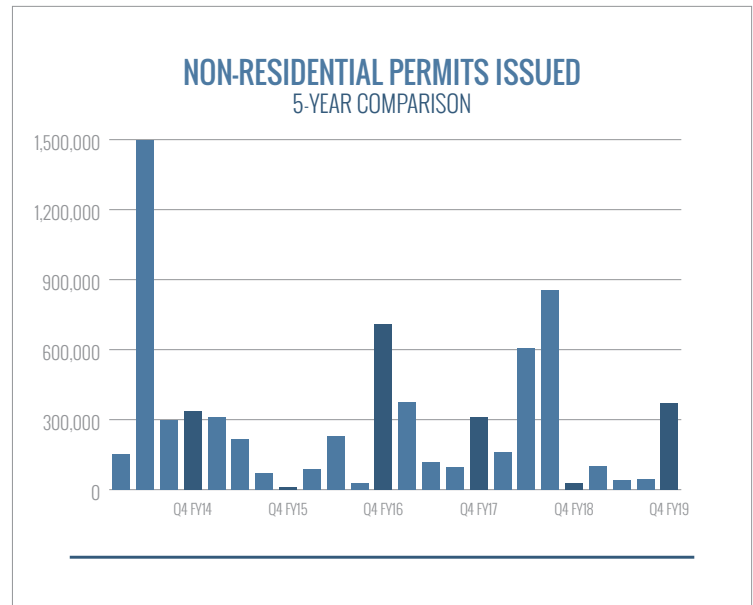
In Q4, sixteen new non-residential permits were issued, totaling 372,708 square feet. This square footage represents a 33 percent increase from the Q4 five-year average of 279,332 square feet. The three largest new non-residential permits issued were:

- Wake Medical Office Park of Cary, 210 Ashville Avenue – a 5-story medical office building shell (133,890 square feet) and 470-space parking deck (143,111 square feet), totaling 277,001 square feet
- RDU Galleria, 1550 Aviation Parkway – a 41,154 square foot 3-story mixed-use building with offices, a restaurant, convenience store, and fueling station
- Wellesley Professional Building, 150 Wellesley Trade Lane – a 28,222 square foot 2-story multi-tenant office shell

NON-RESIDENTIAL PERMITS, ALTERATION/ADDITION

Non-residential addition and alteration permits in Q4 totaled 140, consistent with the Q4 five-year average of 136. The three largest projects were:

- Courtyard by Marriott – 102 Edinburgh South Drive, hotel renovation totaling 86,524 square feet
- SAS Building E – 203 SAS Campus Drive, second floor office renovations totaling 41,600 square feet
- Epic Games – 5501 & 5520 Dillard Drive, 2nd floor office renovations and change of tenant totaling 36,312 square feet





POPULATION UPDATE

At the end of FY 2019, the estimated population for the Town of Cary is 167,316. During FY 2019, Cary's population grew by 3,386 citizens, or 2.1 percent.

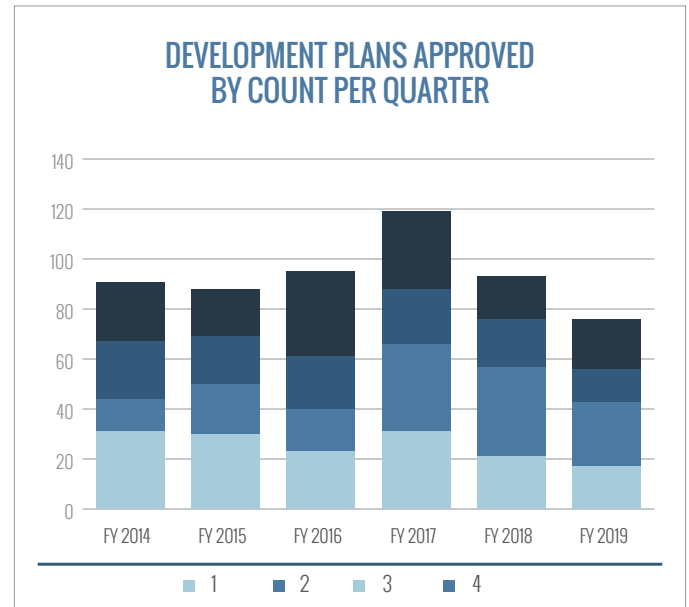
2020 CENSUS

During Q4, Cary continued to work with municipalities in the area to provide funding to Wake County to support the formation of a Complete Count Committee and hiring a temporary administrator for the 2020 Census effort. Cary has also identified opportunities at festivals, Town-sponsored events, and other public venues at which both Wake County and Cary staff can provide information and outreach to community members to help ensure a complete count.

REZONINGS

During Q4, there were 23 cases in the rezoning process; six of these cases were approved. Two cases were initiated by the Town, one for a map correction on Globe Road, and the other to rezone property around the downtown park site to HMXD. The Veterinary Specialty Hospital on Tryon Road and Red Storm Entertainment on Weston Parkway were both rezoning requests from existing Cary businesses seeking to expand. Cary Pointe PDD had a mix of up to 120 age-restricted multi-family units and 25,000 square feet of retail. The Carpenter Upchurch rezoning was for townhomes with up to eight dwelling units per acre.

DEVELOPMENT PLANS



Twenty development plans were approved in Q4, totaling just over 389,000 square feet of non-residential use. In addition to the non-residential use, development plans allow for 240 multi-family units; 19 single family lots were also approved. Medical Office accounted for almost half of the non-residential buildings. The 133,750 square foot Wake Medical Office Park and the 91,000 square foot building at Health Park were the two largest plans that were approved. One multifamily development, Cary Solis, accounted for all the multi-family units. Overall in FY 2019, the number of approved development plans was down 18 percent from FY 2018.



FENTON

The development team for Fenton purchased the site from the State of North Carolina on April 2, 2019 and subsequently received Town approval of a Clearing and Grading Plan for the main portion of the site. A phased approach is being utilized, and the interior of the site will be cleared and graded first.

Tree protection fencing should be installed in July, and the installation of erosion control devices on the site will follow shortly thereafter. The approved zoning and preliminary development plan preserves approximately 25 percent of the Fenton site in buffers and open space.

Town staff and the developer's consultant team have also been discussing development plan review for the first phase of the project. The developer anticipates a grand opening of the first stores at the end of 2021.



LIBRARY PARKING DECK



The new downtown library parking deck is under construction and as of June 30th is 80 percent complete. The 600-space parking deck will include a variety of smart and connected community technology including intelligent lighting, physical/video security, electric vehicle charging solutions and an automated parking guidance system.

Intelligent lighting will automatically brighten and dim specific areas within the deck based on a patron's physical location, providing strategic lighting to maintain safety and security while reducing energy costs. The existing security system will be expanded with the installation of security card readers, video security cameras and blue phone call boxes. The electric vehicle charging stations will allow for remote maintenance and diagnosis, display usage statistics, and have the ability to be turned on and off with a cell phone. Finally, an automated parking guidance system will provide visitors with light indicators showing availability and digital signage showing total available spaces per floor.





PROVIDING TRANSPORTATION CHOICES





MULTI-MODAL TRANSIT CENTER AND BUS RAPID TRANSIT



Implementation of the regional Wake Transit Plan has resulted in significant resources being allocated to GoCary to support the system's growth of community-based services. The plan also allocated resources to the development of fixed-guideway transit for Bus Rapid Transit (BRT) and Commuter Rail Transit (CRT), which will converge in downtown Cary at a multi-modal facility that will serve as a central transfer hub.

Cary staff and regional partners are working collaboratively with WSP, an engineering consulting firm, to study potential locations for a new Downtown Cary Multi-Modal Transit Facility. The Multi-Modal Transit Facility will accommodate a variety of transportation options including local and regional bus service, BRT, future commuter rail service, Amtrak intercity passenger rail services, and bicycle and pedestrian connections as well as provide rideshare and parking options for commuters. Criteria used to evaluate potential downtown sites include rail access, traffic access, station area connectivity, sustainability and development potential.

The study is also evaluating potential Bus Rapid Transit (BRT) corridors connecting downtown Raleigh with downtown Cary. Raleigh identified Western Boulevard as the preferred route to a point near the intersection with Jones Franklin Road. To complete the corridor into Cary, the plan identified three alternatives: Chapel Hill Road, E Chatham Street and Cary Towne Boulevard. A public outreach effort in 2018 asked participants to indicate a preference among the three alignment options in Cary; the Cary Towne Boulevard route received significantly more support than any other route.

Based on WSP's analysis, the recommended route into Cary from Raleigh is Cary Towne Boulevard to SE Maynard Road to E Chatham Street. This route supports the Cary Community Plan's vision for the Eastern Cary Gateway and takes advantage of corridors with the maximum amount of right-of-way, which supports dedicated BRT lanes. The Cary Towne Boulevard corridor eliminates conflict with the existing rail right-of-way on E Chatham Street and minimizes competition with future commuter rail planned for that location. The preferred route also better serves transit-dependent populations along Maynard Road, as well as larger existing and projected population and employment centers along the corridor fueled by large-scale development projects like Fenton and Cary Towne Center.

Staff and the consultant team are evaluating potential transit center sites and components and drafting concept plans. The team is also looking at best practices, including conducting peer reviews with similar facilities across the country. The City of Raleigh recently hired WSP for a similar study for their portion of the proposed Western Wake BRT corridor; Cary staff is serving on their stakeholder team.



GOCARY CITIZEN ENGAGEMENT

Transit is partnering with teams throughout the organization to engage citizens in discussions about proposed GoCary fixed route service changes. Staff from Affordable Housing/CDBG, Community Engagement, Special Projects, Neighborhood Services, Stormwater, Planning and Parks, Recreation and Cultural Resources met with about 80 citizens during group sessions at Highland Village, Joshua Tree Court, and Weatherstone Spring, as well as individual meetings with citizens.

Residents had an opportunity to ask questions about the proposed changes, share stories about what GoCary means to them and offer suggestions for improvement of the system. After each meeting, the group met internally to reassess the proposed changes and look for opportunities to incorporate the feedback into a proposal for Council consideration.

CARPENTER FIRE STATION RAIL SEPARATION

Construction began in January 2019 and is ongoing on this critical east-west connector. Traffic signal work was recently completed at the intersection of NC 55 and Carpenter Fire Station Road to accommodate the new traffic pattern required by the closure of the Carpenter Fire Station Road segment east of NC 55. Utility construction along the former Carpenter Fire Station Road alignment was completed allowing the contractor to complete the track work for the railroad detour. The railroad detour track will be tied into the existing CSX freight mainline track in mid-July to create space to build the new railroad overpass. Bridge construction will begin this summer. Ongoing construction operations include railroad track work, utility construction, storm drainage, earthwork and erosion control. Construction is scheduled to be complete in 2022.

BIKE CARY DESIGN GUIDE AND ACTION PLAN



In response to changing national guidelines for bicycle facilities, evolving mobility options, and in an effort to accommodate cyclists of all experience levels, staff is launching a Bike Cary Design Guide and Action Plan. The goal of this strategic effort is to develop a guide for bike facilities that complements Cary's unique land use context and user profiles to enhance mobility options for all users while providing a more connected multi-modal network. These guidelines will allow staff to implement bicycle infrastructure based on the context of each street and the larger transportation network, rather than taking a "one size fits all" approach.

One outcome of the Action Plan will be a GIS analysis to identify key gaps in the current system based on criteria such as network connectivity, destinations, greenway connections, access to transit for first mile/last mile incorporation, constructability, and proximity to employment centers, shopping and neighborhoods. A "Top 10" project list based on gap analysis, priority, and project impact will be developed for consideration in upcoming bond, grant, and capital funding recommendations.

This Bike Cary effort is expected to take 12-18 months and will include special events and activities designed to engage citizens in the process, exploration of a "pop-up" project to pilot design ideas new to Cary, a bike facility design guide highlighting design tools to address context specific issues and an updated Bike Cary webpage.



CARPENTER FIRE STATION WIDENING



Cary is committed to improving existing streets to ease congestion, reduce travel time and provide a high quality of life for citizens. The Carpenter Fire Station Road Widening Project from Cameron Pond Drive to NC 55 is the implementation of one of the visions of the 2040 Cary Community Plan: to ultimately provide a four-lane median-divided thoroughfare along Carpenter Fire Station Road and Morrisville Carpenter Road from Yates Store Road to Davis Drive.

The project began last summer, and field surveys were completed last fall. Conceptual plans were developed for the new four-lane thoroughfare, including a street-side trail, sidewalks and bike lane options that were presented at a public workshop in February. Staff is incorporating citizen comments regarding bike lane options into the design of the project. Staff also received feedback from Cameron Pond residents and NCDOT on potential solutions for a convenient and safe pedestrian crossing at the intersection of Carpenter Fire Station Road and Cameron Pond Drive.

CONNECTED VEHICLES



Cary is a leader in North Carolina local government in the advancement of Intelligent Transportation Systems (ITS) and is moving ahead with the development of the most robust Connected Vehicles system in the country. Staff has received approval of all documentation necessary to request \$2 million in grant funding authorization from the Federal Highway Administration. It is anticipated that grant funding authorization will be approved in September 2019 with construction estimated for spring 2020. The final product will connect drivers to the ITS system. This connection will allow ITS information such as school zone speed limits, pedestrian and bicycle warnings, time until the next green light, emergency vehicle approaching and work zone notifications to be shared with drivers.



TRAFFIC SIGNAL INSTALLATIONS



As the Cary population grows, so does the need for traffic congestion mitigation and safety. This quarter, staff awarded a contract for a traffic signal at the intersection of Weston Parkway and Sheldon Drive. This traffic signal will include an extension of the Town's fiber optic network along Weston Parkway as well as metal mast arm poles and future pedestrian signal accommodations.

Other contractors working on behalf of Cary began construction of two new traffic signals along Olde Weatherstone Way—one at Maynard Road and the other at Cary Parkway. These signals will include pedestrian accommodations and advanced signal timing to promote safety for pedestrians and motorists during school hours.

In addition to Town projects, other traffic signals are being installed in Cary as well. NCDOT is installing a traffic signal at Yates Store Road and Carpenter Fire Station Road to replace the multi-lane all-way stop. Wake County Public Schools is completing a new signal for the new Alston Ridge Middle School on Green Level Church Road near the existing Alston Ridge Elementary School. This signal will provide advanced safety features for pedestrians since this intersection currently has many students crossing on foot and is expected to have even more when the middle school opens.

TRAFFIC SIGNAL MAINTENANCE AGREEMENT WITH HOLLY SPRINGS



In the spirit of jurisdictional collaboration, Cary and Holly Springs have created a relationship of service through traffic signal maintenance and operation. As the Holly Springs downtown continues to grow and develop, traffic congestion is becoming an issue. A new mixed-use project has increased traffic to the point that a traffic signal is needed. Holly Springs approached Cary about the possibility of Cary taking on the maintenance of this signal. In June, Cary staff sent a final agreement to be executed by Holly Springs for Cary to provide traffic signal maintenance and operations for Holly Springs's first town-owned traffic signal at the intersection of N Main Street and W Ballentine Street. This two-year commitment will allow both organizations to learn from one another and develop the relationship as both communities grow.



SAFETY IMPROVEMENTS NEAR EPIC GAMES



Epic Games is a global powerhouse in the gaming industry and proudly calls Cary its corporate home. As the company expands over the globe due to its success, the need for more employees and space has pushed the employer into several buildings around its Cary campus on Crossroads Boulevard. With employees parking in multiple parking lots along Dillard Drive and Caitboo Avenue, many employees must walk between buildings, which requires crossing busy streets multiple times each day.

To build a better relationship with an important business entity in Cary, staff worked with Epic Games to identify their needs and address their safety concerns. As a result, four new pedestrian crossings have been installed in the area. The new crosswalk on Dillard Drive includes a Rectangular Rapid Flashing Beacon. In July, Cary will restripe the eastern portion of Dillard Drive to better accommodate traffic patterns and make the crossing even safer.

WHITE OAK CREEK GREENWAY - MACARTHUR SECTION



Construction began in April on the final 0.4-mile gap in White Oak Creek Greenway, the 7-mile spine of Cary's greenway system that runs from Bond Park to the American Tobacco trail. This trail segment is short but complex, running through a narrow open space corridor within a residential neighborhood and requiring a 100-foot tunnel under a railroad corridor and 900 feet of boardwalk. The contractor has cleared and protected the project area, installed a temporary crossing over the tracks, relocated 173 linear feet of stream and completed sewer improvements to accommodate the trail. They continue to grade the site and install storm drainage and are currently constructing permanent retaining walls and temporary shoring in preparation for boring a 14-foot diameter culvert under the railroad this fall. Construction is scheduled to be complete in summer 2020.



SIDEWALK IMPROVEMENTS



Important sidewalk construction projects continue to move forward with the goal of improving pedestrian safety, providing connections to schools and better connectivity across Cary.

A 2,300-foot sidewalk segment along Edinburgh South Drive was completed in spring 2019. In addition, two recently-completed segments providing direct connections to schools were the Collins Road segment adjacent to Davis Drive Elementary School and the 1,300-foot section along N Harrison Avenue which provides a direct connection to Kingswood Elementary School. Currently under construction is a segment to fill a gap along Old Apex Road just south of SW Cary Parkway, improving connectivity to Laurel Park Elementary School.

Other sidewalk segments currently in the design phase will not only provide connectivity and safe pedestrian mobility but also provide direct connections to schools:

- Louis Stephens Drive (from Carpenter Upchurch and High House Road to Green Hope Elementary School)
- Byrum Street (from Walker Street to Cary Elementary School)
- Old Apex Road (from SW Maynard Road to Cary Christian School)
- Ederlee Drive (from Richelieu Drive to Penny Road and Penny Road Elementary School)
- Penny Road (from Kildaire Farm Road to Crickentree Drive and Oak Grove Elementary School)

In the downtown area, construction is beginning on the sidewalk sections for E Chatham Street from the roundabout to Fire Station 2 and on the much-anticipated Walker Street brick sidewalk segment connecting Waldo Street to E Chatham Street. This project includes ADA upgrades and visual enhancements to the Chatham Street intersection. Other sidewalk segments now in the design phase include Tryon Road (filling the gap between the Ashville Avenue intersections) and SW Maynard Road (connecting High House Road to Old Apex Road).

Across the community, more than a mile of new sidewalk will be constructed in Cary in 2019, and an additional 1.5 miles is planned for 2020, bringing the total sidewalk count in Cary to 450 miles.



AMERICANS WITH DISABILITIES ACT INVENTORY AND TRANSITION PLAN



Cary is committed to making sure that all residents can enjoy the high quality of life we strive to provide. The Americans with Disabilities Act (ADA) provides guidance that helps ensure the programs and services that make Cary great are available for all to enjoy, including people with disabilities. In 2015, staff worked with a consultant to develop an ADA transition plan for the 70 facilities and parks in Cary and provide recommendations to address any deficiencies. Since then, staff has worked to prioritize, program and implement associated recommendations that help ensure adequate accessibility.

Staff has also been collaborating with NCDOT to include provisions within Cary's ADA transition plan to address sidewalks and nearly 7,000 curb ramps. As part of this effort, staff is working to hire a consultant to inventory, determine ADA compliance and develop priorities for associated recommendations. Staff anticipates the inventory to be completed by early 2020. Concurrent with this effort, deficient curb ramps within the project limits of the Annual Street Improvements Project are being addressed as part of that project.

STREET IMPROVEMENTS PROJECT



Cary's annual street improvements program is integral to reaching the goal of preserving a well-maintained transportation system.

Through collaboration with our construction contractor, consultant, various staff, and CSX Railroad, repairs were made to the CSX rail crossing on Old Apex Road, resulting in a smoother transition at this crossing.

Construction began on the 2019 Street Improvements Project in April. Since then, 170,000 square yards of old pavement have been removed, 19,000 tons of asphalt have been placed, 45 curb ramps have been upgraded to current standards, and nearly 1,200 feet of damaged or nonfunctioning curb and gutter have been replaced.

While work continues on the 2019 projects, pavement condition ratings are being finalized for the pavement condition report for 2020 projects. As part of the 2020 projects, staff members are exploring new preventative maintenance techniques and engaging residents in older neighborhoods to deliver full street improvements, not just paving, including solutions to stormwater concerns.



MEETING COMMUNITY NEEDS





PUBLIC SAFETY

POLICE CHIEF SWORN IN



On June 11, Town Manager Sean R. Stegall appointed interim Chief of Police Toni Dezomits to serve as the community's next Chief of Police. Hired in 1998 as a patrol officer in Cary, Chief Dezomits has served for more than two

decades in a variety of positions including assistant police chief, professional standards commander, field operations officer and sniper on the SWAT team. Her selection to the department's highest office followed a national search that garnered 59 applicants and an extensive process involving council members, fellow officers, members of the community and senior staff.

"Because of the life and death nature of the job, and because of the need for positive, high-profile relationships with all aspects of the community, and because a city has nothing without safety, Chief of Police is the single most significant hire of a manager's career, and I believe that Toni Dezomits is the perfect match for the department, organization, and Cary as a whole," said Stegall. "She is a very, very impressive person who works hard and demonstrates our culture at every opportunity. She is on an amazing trajectory with limitless potential to influence people in a positive way."

During her interim period, Chief Dezomits met with numerous police officers to garner ideas that will shape the Department's future. Under Dezomits' leadership, the Department is conducting its largest promotional process in history and in accordance with the Imagine Cary Plan and Town Manager Stegall's vision, she is working to realign the Department's leadership structure, work schedule and staff development opportunities.

FIFTEEN NEW FIREFIGHTERS JOIN THE RANKS OF CARY'S BRAVEST



After eight weeks of intensive training, the 15 recruits of the most recent Fire Department Academy graduated April 11 in a joint ceremony with this year's promotion class and award winners. In all, 13 firefighters were promoted to advanced ranks, four individual and unit citations were awarded, and 39 members were recognized for professional or academic achievements. The event brought a capacity crowd to the Arts Center on a beautiful evening to celebrate these accomplishments.



KEN QUINLAN GRADUATES FROM THE FBI NATIONAL ACADEMY



On June 7, Assistant Chief Ken Quinlan graduated from the 276th session of the FBI National Academy in Quantico, Virginia. The FBI National Academy is a professional course of study for U.S. and international law enforcement managers nominated

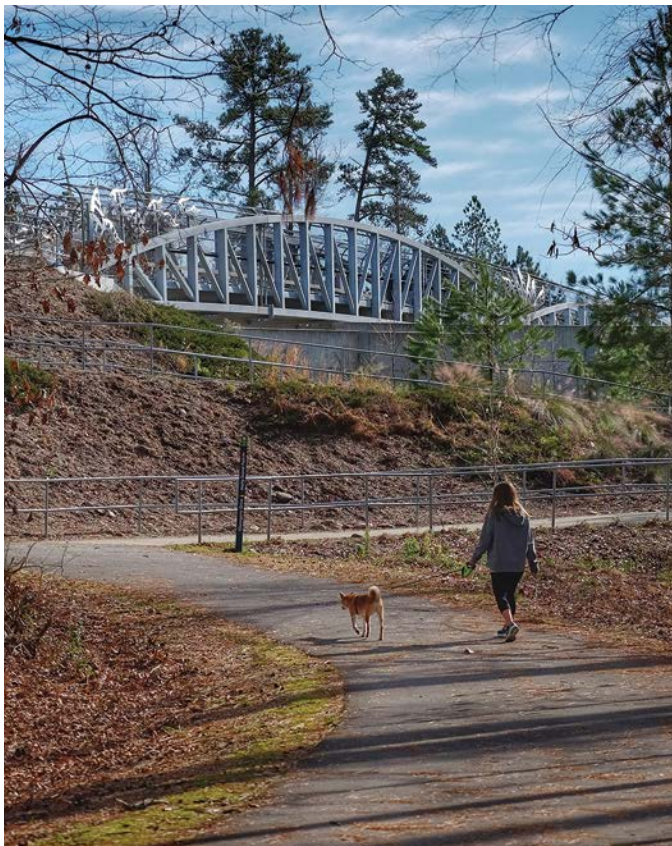
by their agency heads because of demonstrated leadership qualities. The 10-week program provides coursework in intelligence theory, terrorism and terrorist mindsets, management science, law, behavioral science, law enforcement communication and forensic science. The Academy serves to improve the administration of justice in police departments and other law enforcement agencies both at home and abroad and to raise law enforcement standards, knowledge and cooperation worldwide.

FIRE DEPARTMENT HIRES FIRE MARSHAL AND DEPUTY FIRE CHIEF



Jeffery D. Johnson joined the fire department as its new fire marshal on April 15. A native of Harnett County, Jeff started in the fire service as a volunteer in Fayetteville, N.C. while attending Fayetteville Technical Community College and Wake Technical

Community College studying Fire Protection Technology. He is a certified Fire Protection Specialist and holds many other state certifications. Jeff has been in the fire service for more than 28 years, including more than 14 years spent as an instructor. He previously served as Assistant Fire Marshal with the City of Raleigh.



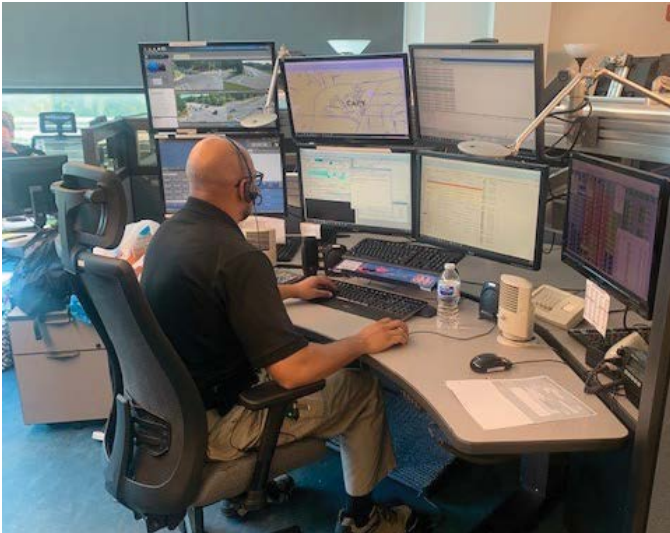
Michael L. Martin started June 24 as Cary's new deputy fire chief. Having begun his professional career as a Deputy Fire Marshal in Harnett County, Michael's passion to serve led his career to Cary as plans examiner in 2014.



Later, he moved to the City of Fayetteville, where his last position was Assistant Development Services Director. Michael holds a bachelor's degree in Fire Science with a concentration in Emergency Services Administration. He is currently working on a Master of Public Administration degree at the University of North Carolina at Pembroke.



911 PARTNERSHIP



At 6:00 a.m. on Tuesday, May 7, the Cary 911 Communications Center began receiving and processing emergency calls and dispatching for Morrisville Police and Fire and Apex Fire. This was a culmination of a multi-year effort between Cary, Apex and Morrisville to establish a partnership to improve emergency response times by consolidating 911 call processing and dispatching functions.

The three agencies contracted with public safety consulting firm LR Kimball to conduct a feasibility study. The study, completed in October 2018, indicated that response times would improve if Morrisville Police and Fire and Apex Fire Departments moved their 911 call processing and dispatch services to Cary. Based on the study results, the agencies moved forward with the partnership. Technology improvements and staffing recruitment were implemented between October 2018 and May 2019. Improvements included network connectivity, security, E911 phone system and routing, GIS, Computer Aided Dispatch (CAD), radio system, and logging recorder configuration changes and additions. Five emergency communications officers were hired to accommodate the additional workload. Lastly, an Interlocal Agreement detailing the partnership's governance and funding mechanism was approved by each agency's Council.

The collaboration that resulted in this consolidation of services is providing better service to each community by decreasing emergency response times. In the first 30 days, the 911 Center dispatched 392 fire calls to Apex and 325 fire calls and 2,716 police calls to Morrisville. The 911 Center also processed another 1,322 emergency calls for Morrisville and 1,365 calls for Apex.

CAD 2 CAD PROJECT

Since 2013, Cary has been working to enhance Computer Aided Dispatch (CAD) interoperability with surrounding municipalities to reduce mutual aid first responder dispatch times between agencies. Without this interoperability, telecommunicators had to coordinate responses over the phone or radio with neighboring communication centers, slowing down incident response and leaving first responders with incomplete or incorrect information that increases risk to those in need of help and first responders as well. Solving this issue, however, is extraordinarily complex because of disparate systems, and a solution has taken years to come to fruition.

After several months of configuration and ongoing testing, Cary and Raleigh began sharing live data on June 4. This solution allows dissimilar CAD systems to communicate and share information. Information sharing such as requesting services from EMS calls for service within the Town of Cary are now directly shared from the Cary's CAD to Raleigh's CAD without the need for telecommunicators to reenter data into the separate CAD systems, decreasing dispatch time and potential for errors. Mutual Aid Requests for Fire Services are also being shared, decreasing the response time for those resources as well.

As of Monday, July 8, just 34 days after going live, Cary sent 1,432 EMS and Fire Mutual Aid calls for service to Raleigh via the CAD 2 CAD solution, and Raleigh sent 251 calls for service to Cary for Fire Mutual Aid requests. The CAD 2 CAD solution has greatly enhanced prompt services to both communities.



UTILITIES

FOCUS ON JORDAN LAKE



Cary recognizes the vital importance of Jordan Lake as a drinking water supply and is committed to proactive, science-based action to protect the lake's water quality. Current programs include open space preservation, ordinances requiring 100-ft riparian stream buffers, a lake aeration system near the water supply intake, public education and outreach, and long-term water quality monitoring programs. This year, several regional and state initiatives are focusing further attention on Jordan Lake water quality issues and potential solutions.

Council Members Jack Smith and Jennifer Robinson, along with Environmental Advisory Board Chair Rick Savage, participated in a Jordan Lake environmental awareness boat tour on June 15. The tour was hosted by Clean Jordan Lake, a non-profit community organization focused on removing trash and debris from Jordan Lake's shoreline. To date, Clean Jordan Lake efforts have removed more than 4,600 tires and 15,000 bags of trash from Jordan Lake.

The NC Policy Collaboratory, a university research partnership created and funded by the NC General Assembly, is writing its Jordan Lake Nutrient Management Study final report, which should be published in late 2019.

The three year study involved extensive sampling and hydraulic profiling to identify primary nutrient sources and evaluate the reservoir's vulnerability to eutrophication, the process by which a body of water becomes rich in dissolved nutrients that stimulate the growth of aquatic plant life, thereby depleting dissolved oxygen. The Collaboratory evaluated alternatives to mitigate the nutrient issues using both in-lake and watershed-level modeling.

As the NC Policy Collaboratory completes its work, another avenue of engagement will be Jordan Lake One Water (JLOW), a stakeholder association organized in 2017, with members from local governments, water utilities, conservation groups, universities, agriculture and private industry. JLOW's advisory committee has developed a work plan to engage the state on revisions to the Jordan Lake Rules next year, and the Elected Officials Committee is meeting with the NC DEQ Secretary. Cary Council members and Utilities staff have participated in JLOW since its inception.

Two major water quality monitoring investigations, led by the State's Division of Water Resources and the NC Policy Collaboratory, are underway in the wake of public concerns about emerging compounds like 1,4-dioxane and perfluoroalkyl and polyfluoroalkyl substances (PFAS). PFAS are a type of industrial products used in such products as fire-fighting foam, Scotchgard™ and Teflon™. Cary is leading the regional response to these concerns, testing water since 2017 for PFAS before and after treatment and continues engaging the regulatory community on this issue.

As EPA work continues toward providing guidance on appropriate standards for PFAS, the monitoring investigations are sampling multiple watersheds, including Jordan Lake, for over 50 known PFAS compounds. A network of researchers is also studying the presence of PFAS in landfill leachate, food, and particulate air emissions. The data collection efforts will help the state evaluate potential PFAS/1,4-dioxane source areas and potential monitoring requirements for water and wastewater treatment facilities.



COMPLETION OF PRESSURE ZONE MODIFICATIONS



Starting in May 2017, Cary embarked on a plan to further enhance the reliability and resiliency of the water distribution system by modifying the boundary between the western and central pressure zones. This change would help ensure successful operational activities, reduce service interruptions and create a more efficient system by establishing NC 55 as the definitive boundary between these zones. For the roughly 7,000 property owners in the corridor between NC 55 and Davis Drive, the change meant preparing for potential impacts to home plumbing from the increased pressure in the municipal lines. For citizens who had been there prior to 2005, it was also a return to the system pressures experienced when Cary operated under a single pressure zone.

On April 9, 2019, the operation was completed as the final neighborhoods east of NC 55 were returned to the central pressure zone. Overall, the modification included about a tenth of all water meters and could have physically been completed within a few days; however, the operation was phased over a two-year period to facilitate increased communication with citizens, more effectively address potential consequences, coordinate with school schedules, and avoid holidays and other community events.

In many ways, the Pressure Zone Modification epitomizes the changes occurring throughout Cary. The water system could have continued to operate as it was. Most communities grow and change without making such drastic modifications. Staff, however, had a vision to ensure a more resilient and reliable water system. While the operation encountered occasional minor setbacks, the goal of improving the water system for the community was never lost. As other capital projects are completed in the western pressure zone over the coming months, the full benefit of the pressure zone modifications will be experienced by citizens throughout the service area in the form of uninterrupted service of safe, high-quality water.

2019 WATER MAIN REPLACEMENT PROJECT

The annual water main replacement program proactively addresses water lines whose location, age and condition make them vulnerable to unexpected failure and costly repairs. The program enables the provision of reliable and sustainable water service to support not only existing neighborhoods but also future growth and expansion. This year's project began along S Walker Street, one of the main thoroughfares in downtown (photo, page 49). It included installation of a new 16-inch ductile iron water main with an estimated service life of over 100 years. Continuing into the first quarter of FY 2020, the homes and businesses along S Walker Street and Byrum Street will have new water service lines and meter boxes installed. Once this area is completed, construction will begin along E Cornwall Road followed by portions of the Oakwood Heights and Walnut Hills subdivisions.



TOWN COUNCIL TANK CLIMB



The morning of April 20 started like many other Saturdays for four daring members of the Cary Town Council — a cup of coffee, perhaps a bite to eat and then out the door. But on this Saturday morning, Mayor Weinbrecht, Mayor Pro Tem Bush and Council Members Robinson and Frantz met at the Kilmayne Drive elevated water storage tank, the newest addition to Cary's water infrastructure. This outing wasn't an inspection to see what \$4.8 million will buy. It was a climb to the top of the Kilmayne Tank to get a bird's-eye view of Cary from 176.5 feet above the ground. The impact? "Awesome," said one Council member. "A once in a lifetime opportunity," commented the Mayor.

The event would not have been possible without the help of numerous staff members. Utilities staff, who managed the design and construction of the project and operates the tank, were on hand to showcase the new infrastructure and answer questions. The Fire Department provided equipment and know-how to get everyone up and back down safely. Others were there to pilot drones to document this unique experience. The willingness of staff to spend a morning of their Easter weekend making this unique experience possible is a testament to Council's support of staff and the trusting relationship between them.

HOLLY BROOK WATER AND SEWER EXTENSION PROJECT



On June 30, 2015, in accordance with Session Law 2015-77 and at the request of the residents, the Holly Brook subdivision was legislatively annexed into the Town of Cary. A subsequent petition submitted by a majority of property owners in the Holly Brook neighborhood requested Town water and sewer service. Council approved the extension of water and sewer infrastructure to the Holly Brook Subdivision providing availability for residents to connect to Town utilities. The water and sewer extensions provided the Holly Brook community with more than just unparalleled water quality and sewer service; they improved fire protection, reduced the price citizens were paying for private utility service and eliminated private septic tanks with individual pump systems.

After installing 7,900 feet of water mains, 15 fire hydrants, 92 water connections, 5,400 feet of sewer mains and 90 sewer connections (and subsequently reconstructing the subdivision streets), the Holly Brook Water and Sewer Extension project is complete. The project endured the wettest year in recent history—two hurricanes and multiple snowstorms. It was completed in 13 months and under budget, saving approximately \$1.3 million. With the addition of water and sewer, the Holly Brook community now enjoys the full complement of Cary services.



DIRECTORS AWARDS FOR CARY WATER AND WASTEWATER FACILITIES



Three of Cary's outstanding water and wastewater treatment facilities received national awards during the June 2019 American Water Works Association Conference in Denver, Colorado. The Cary-Apex Water Treatment Facility received the Partnership for Safe Water Directors Award for Water Treatment. The Partnership for Safe Water is an alliance of six prestigious drinking water organizations with a mission to improve the quality of water delivered to customers by optimizing water system operations. The Directors Award is given to recognize a facility's demonstrated commitment to providing drinking water of superior quality, going above and beyond regulatory requirements. Because of the facility staff's ongoing commitment to provide drinking water of the highest quality, the Cary-Apex Water Treatment Facility has received this award fifteen years in a row.

The Partnership for Clean Water is a parallel program for wastewater and recognizes wastewater treatment facilities that operate with the highest efficiency, while protecting the environment and preserving the quality of water resources. Both the North Cary and Western Wake Regional Water Reclamation Facilities were part of the inaugural class of elite wastewater treatment facilities to receive the Partnership for Clean Water Directors Award. The North Cary facility, in fact, was the first wastewater treatment plant in the country to receive the award.

Jonathan Bulla from the North Cary Water Reclamation Facility and JD Arnold from the Cary-Apex Water Treatment Facility accepted these awards on behalf of the Town during the awards ceremony.



NC AREA-WIDE OPTIMIZATION PROGRAM AWARD

In May, the Cary/Apex Water Treatment Facility (CAWTF) received its eighth NC Area-Wide Optimization Award for exceptional performance. The Area-Wide Optimization program was created in 2000 through a joint program between the EPA and the states to help drinking water systems meet successively more stringent regulations and achieve higher levels of drinking water quality. The annual award is given by the Public Water Supply Section of the NC Division of Water Resources to facilities that surpass federal and state drinking water standards, particularly with regards to turbidity, which is a measure of the cloudiness or haziness of water, caused by particles that can interfere with disinfection and provide a medium for microbial growth. The CAWTF was among 57 drinking water treatment plants throughout the state honored with this award.



ANNUAL WATER QUALITY REPORT



The Cary/Apex Water Treatment Facility released the 2018 Consumer Confidence Report in early May, timing the release to coincide with the annual American Water Works Association Drinking Water Week. This water quality report highlighted the results of over 50,000 tests conducted last

year and showed, once again, that Cary's water meets or exceeds all federal and state standards. The report also included an article on emerging contaminants and updates on ways Cary continues to make its water system more resilient and prepared to serve the community's water needs well into the future.

DRONE PROGRAM



Cary continues to advance its experience and expertise in drone technology. Cary currently has four federal and state certified drone pilots including Anthony Campbell, Transportation and Facilities, Kathryn Trogdon, Organizational Development, Jose Mendez, Fire, and Steve Rogers, Police. The team is collaboratively researching and developing ways the technology can improve safety and efficiency of Town operations. The Police Department purchased a drone for traffic scene reconstruction.

To further enhance their knowledge and expertise, Cary staff members are participating in beta testing of a UAS detection system that gives end users a low-cost solution to detect unwanted drones. The goal of the detection system is to increase situational awareness in North Carolina Prisons and local communities to detect nefarious drone flights. The study is funded through the National Science Foundation, and other participants are North Carolina Department of Public Safety and Clemson University. Cary will help test the system as part of the drone training program.

CULTIVATING CARY'S CULTURE

CATALOG

In May, a group of engaged employees moved the past year's work on the Catalog further forward by organizing CUD Zoo Day, a fun event geared to realizing real Catalog engagement and overall awareness among staff. The day was named as a play on words with "kudzu": that is, CUD = Catalog Update Day and Zoo = organized chaos. Like kudzu, the Catalog began as a small seed of an effort that has since grown and spread to all parts of the organization. The Catalog represents sharing information, collaboration, and ultimately, decision-making.

The Catalog, created on the Salesforce platform, is the place where all work is captured, updated, and prioritized. Starting as an idea to compile all projects and services into one "list," the Catalog has evolved to where it is today, with the goal of creating a "single source of truth" for all projects and services. An ever-evolving resource, on CUD Zoo Day, the Catalog featured 1,940 records and 350 users across all departments and work teams.

More than a dynamic database, the Catalog is a hub for collaboration, leading to better relationships and partnerships, data-driven decisions and the pursuit of actualizing the local government that doesn't exist.



NEW EMPLOYEE ORIENTATION



The OneCary Signature Experience project team continues creating a remarkable onboarding experience for new colleagues, empowering them to excel to their highest potential through the understanding that leadership is required to reach the heights of local government excellence.

The newest Signature Experience project rollout this spring was a revamp of New Employee Orientation to Welcome the Best (our newest colleagues) with a remarkable, all-day experience. Based on extensive research of best practices for an experiential, informative and fun day, orientation activities included sessions on sharing Cary's Story, a look at Our People, Our Culture and small-group discussions on How We Value You. The group was hosted for lunch at Fire Station 2 which was followed by an Around-Town Scavenger Hunt.

PERSONAL SAFETY FOR TOWN STAFF

Employees are our most important resource, and there are many ways Cary takes care of staff throughout the year by addressing holistic health – body, mind and spirit. Four *Moving Beyond the Active Shooter* training sessions were offered to employees. During the training, employees identified ways to evaluate potential threats, learned how to act and stay safe in a variety of dangerous situations, and discussed ways to respond physiologically and work through fears. The training sessions challenged more than 300 employees to create a safer environment at work and at home as well as in other public areas.





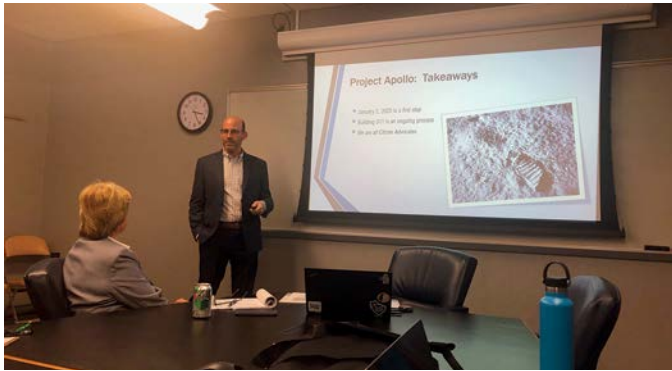
MOVING FROM VISION TO REALITY

FINISH





311 MOVES FORWARD



Internal awareness continues to grow for the creation of 311 Cary. In addition to introducing the concept of 311 to all departments, the project team began collaborating with individual departments to explore how 311 will support their current services. These conversations, critical to a successful rollout, will continue.

As a step toward launching 311 Cary in January 2020, current employees were invited to join 311 as potential citizen advocates. Nineteen employees submitted letters of interest, and 17 participated in interviews. The citizen advocates from across the organization will begin training this summer.

STORMWATER

WARREN AND PLEASANTS

Work done on the Warren and Pleasants Avenue maintenance pilot during Q4 provided more evidence that Cary's adaptive strategy is producing positive results. After receiving the homeowners' right of entry permission in Q2, Town crews began cleaning the pipes in Q3 and finished in Q4. During the cleaning process, crews identified a needed repair; that work is expected to be complete in the fall.

ARBOR BROOK AND SUMMER LAKES

The drainage improvement projects completed at Arbor Brook Drive and Summer Lakes Drive, and the upcoming work designed for Vinecrest Court and Two Creeks Road in the fall, are stormwater infrastructure projects that are also making a difference to the lives of citizens in our community. At Two Creeks, a commonsense approach alleviated the risk of structural flooding. At Vinecrest, adaptive policies were used to mitigate flooding, keeping roadways safe. In the case of Arbor Brook, a creative solution flowing from private and public cooperation mitigated structural flooding. The adaptive approach to stormwater capital projects is also building strong relationships with citizens and enhancing community resilience.

WALNUT CREEK BASIN MODEL

The Walnut Creek Basin Model initiative continues with Phase 2 which incorporates the area between Fenton and the City of Raleigh. A modeling scope-of-work has been finalized and model modification will begin this summer. The Town has contracted to have nine water level sensors and three rain gauges installed along the upper reaches of Walnut Creek. Data collected from these sensors will be used to calibrate the Walnut Creek Basin Model.

FLOODPLAIN MANAGEMENT: COMMUNITY RATING SYSTEM

Staff began evaluating FEMA's Community Rating System (CRS) program because it is complementary and consistent with Cary's Adaptive Stormwater efforts to increase and improve preservation and management of Cary's natural resources. CRS is a voluntary incentive program that rewards actions a community takes to reduce flood losses. Flood insurance premium discounts are awarded for community activities such as preserving open space, public education and flood mitigation.



The program's emphasis on restoration of the natural functions of the floodplain is aligned with and can help accomplish Cary's vision for stormwater management, sustainability and the preservation of open space and natural resources as outlined in the 2013 Town of Cary Stormwater Master Plan as well as Cary's 2040 Community Plan. Staff will continue to evaluate the program over the next several months and provide recommendations on participation in the program next year.

ENVIRONMENTAL ADVISORY BOARD



The Environmental Advisory Board (EAB) provided feedback on three important environmental topics this quarter. Advisory Board members have shown exceptional dedication and commitment to learning about, investigating, and discussing challenging municipal issues like carbon emissions, tree canopy and recycling.

First, EAB members completed their year-long reading and discussion of *Drawdown*, a book edited by Paul Hawken, that outlines the top 100 solutions to reverse global warming. This reading informed their set of recommendations on carbon reduction. Staff is reviewing those recommendations and working on statewide

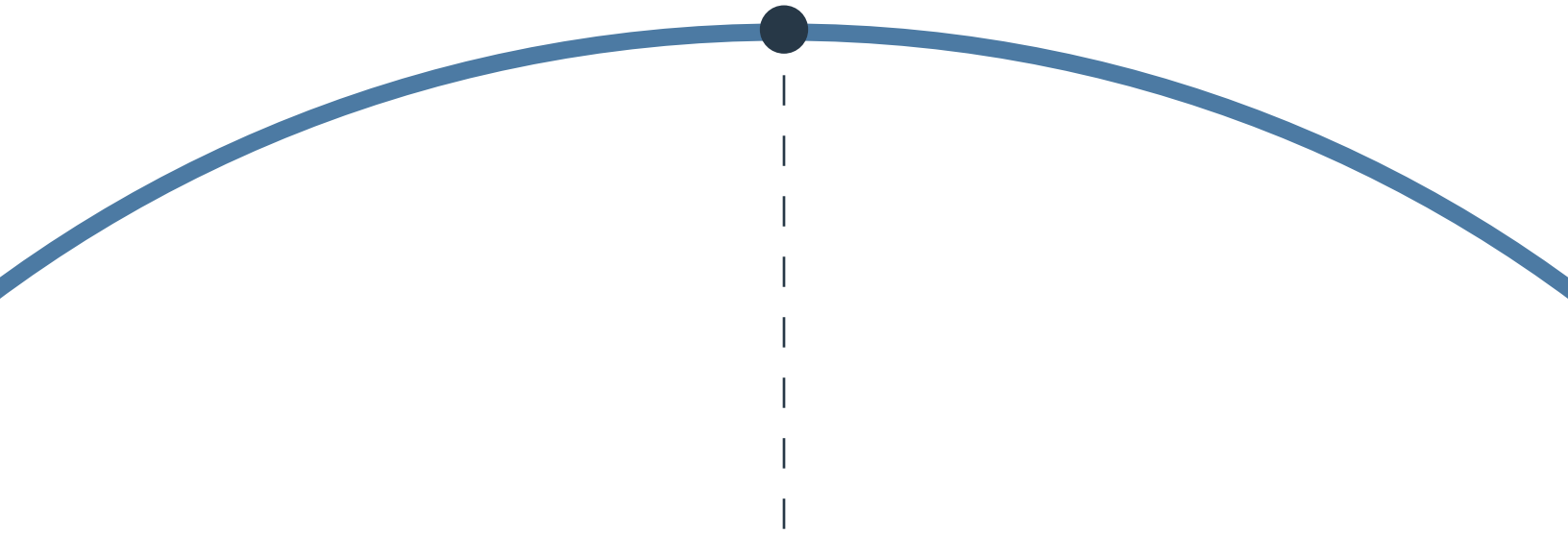
efforts to collaborate with other municipalities and the State of North Carolina to remove barriers to reducing carbon emissions and to expand the opportunities to use renewable energy.

The EAB also completed recommendations on ways to improve the tree canopy in Cary. Staff are currently working with NC State University to build a tree canopy baseline using LIDAR (light detection and ranging) sensing data. Staff is evaluating these recommendations and working regionally to share resources, as other local jurisdictions are examining the same issue in the face of continued strong regional growth.

Finally, the EAB has embarked on a longer-term effort to assist staff in examining our recycling system, the logistics and economics behind that system and providing feedback in terms of both local, national, and worldwide changes to the recycling industry.



KEEPING CARY GREAT



TOWN of CARY

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