

TOWN of CARY



TOWN COUNCIL QUARTERLY REPORT

TOWN OF CARY, NORTH CAROLINA
FY 2021 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 CARY.



Mayor
Harold Weinbrecht



Mayor Pro Tem
Don Frantz



Council Member
Lori Bush



Council Member
Ya Liu



Council Member
Jennifer Robinson



Council Member
Jack Smith



Council Member
Ed Yerha

ON THE COVER:

On June 26, members of the Cary Town Council broke ground on the Downtown Cary Park.

IN MOVING CARY FORWARD

On April 3, we kicked off the fourth quarter by celebrating Cary's 150th year since its incorporation, and I can't think of a better way to end FY 2021 than with the groundbreaking of the Downtown Cary Park.

As we celebrate the journey from our past to our present, we are making a lasting mark on our future. The Downtown Cary Park is the embodiment of all the hard work and vision of our Cary employees and citizens to make real this future regional destination, this future regional jewel. What started with citizens selecting the amenities they value in a park turned into more than I could have ever expected, including a performance pavilion, bark bar, gathering garden, and more.

Throughout FY 2021, despite the many challenges associated with the COVID-19 pandemic, we have continued to make progress on the park and other Shaping Cary's Tomorrow bond projects. On top of that, Council approved the FY 2022 budget, which included a half-cent property tax decrease.

Other big news this quarter included Apple's announcement to lease office space in Cary while it works toward creating a major campus in Research Triangle Park. In addition, the Town of Cary observed Juneteenth for the first time as an official paid holiday.

We look forward to providing additional updates related to the Downtown Cary Park, Cary's 150th anniversary, financials, and development at our next Quarterly Meeting on August 12 at the Courtyard Marriott in Parkside Town Commons.

While FY 2021 may have been an unexpected year for all of us, the work and care of Cary employees and citizens was not at all unexpected. And after all of the challenges of this fiscal year, I am pleased to end it with so many positives. As always, I look forward to meeting with you for our upcoming Quarterly Meeting.

#BeSafe

#BeKind

#BeCary

Sean R. Stegall

Sean R. Stegall
Town Manager



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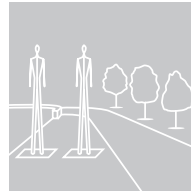
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FINANCIAL HIGHLIGHTS

EXECUTIVE SUMMARY

On June 24, 2021, Council approved the \$400 million FY 2022 budget. The most notable feature of the budget is a half-cent reduction in the property tax rate to \$0.345. Cary was able to reduce the tax rate due to strong sales tax performance in FY 2021, small gains in the tax base, and increased property tax collection assumptions. Combined, these three factors offset the \$1.7 million associated with the half-cent property tax decrease and decreases in investment earnings, occupancy tax, and Parks, Recreation, and Cultural Resources (PRCR) revenues.

Also included in the FY 2022 budget was a \$0.50 per month increase in the water, sewer, and irrigation base rates and a 1.5% increase in the volumetric rates for an average increase of 2.5% for a typical ratepayer. The implication of the utility rate increase on a household using 5,000 gallons of water per month is a \$2.10 increase per month.

Cary is committed to providing the safest, highest quality drinking water and utility services while keeping financial impacts to consumers in mind. This commitment is evident through continued efforts to eliminate large utility rate spikes by implementing smaller, more frequent rate adjustments in accordance with Cary's 10-year financial forecasting model.

The Q4 results in this report are unaudited and will vary from the results in the FY 2021 Annual Comprehensive Financial Report (ACFR)*. Results are limited by the data available as not all revenues attributed to FY 2021 will be known until late summer. Preliminary Q4 projections indicate that Cary's General Fund will end FY 2021 better than budget, which is typical for Cary. The FY 2021 budget anticipated a reduction in fund balance; however, positive results, primarily in sales tax revenue, will help offset planned reductions in fund balance.

* Following guidance from governmental accounting regulators, the title of the report changed from a Comprehensive Annual Financial Report to an Annual Comprehensive Financial Report.



2021 FOURTH QUARTER FINANCIAL RESULTS

GENERAL FUND

FY 2021 Q4 GENERAL FUND SUMMARY

	FY 2021 YTD ADJ BUDGET	FY 2021 YTD ACTUAL	% OF BUDGET	FY 2020 YTD ACTUAL	FY 2020 VARIANCE	VARIANCE %
Revenues	\$ 237.8	\$ 201.8	85%	\$ 163.0	\$ 38.8	24%
Expenditures	237.8	203.9	86%	176.1	27.8	16%
TOTAL REVENUE OVER/ (UNDER) EXPENDITURES	\$ -	\$ (2.1)	-	\$ (13.1)	\$ 11.0	-84%

* 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.

Preliminary net Q4 General Fund results reflect \$2.1 million more expenditures than revenues. As in years past, significant revenue sources will not be received and attributed to FY 2021 until late summer. Sales tax is the primary example because there is a two-and-a-half-month lag between taxes collected at the point of sale in June and receipt of actual Q4 sales tax revenue in September. Staff estimates that Cary will receive approximately \$9.5 million of additional sales tax revenue that remains to be recorded.



FY 2021 Q4 GENERAL FUND REVENUES

	FY 2021 YTD ADJ BUDGET	FY 2021 YTD ACTUAL	% OF BUDGET	FY 2020 YTD ACTUAL	FY 2020 VARIANCE	VARIANCE %
Property Taxes	\$ 114.3	\$ 116.0	101%	\$ 96.5	\$ 19.5	20%
Sales Tax	29.3	31.6	108%	28.3	3.3	12%
Other Taxes & Licenses	2.0	1.9	95%	2.4	(0.5)	-21%
Unrestricted Intergovernmental	10.9	8.3	76%	8.5	(0.2)	-2%
Restricted Intergovernmental	0.3	3.2	1067%	0.4	2.8	700%
Permits & Fees	4.2	4.9	117%	4.4	0.5	11%
PRCR Sales & Services	6.6	2.8	42%	4.7	(1.9)	-40%
Solid Waste Sales & Services	12.1	12.1	100%	11.9	0.2	2%
Other Sales & Services	1.7	2.4	141%	0.8	1.6	200%
Miscellaneous Revenue	2.1	1.7	81%	2.7	(1.0)	-37%
OPERATING REVENUES	183.5	184.9	101%	160.6	24.3	15%
Non-Operating Revenues	54.3	16.9	31%	2.4	14.5	604%
TOTAL GENERAL FUND REVENUES	\$ 237.8	\$ 201.8	85%	\$ 163.0	\$ 38.8	24%

Overall, FY 2021 General Fund revenues are up \$38.8 million, or 24%, over the same period in FY 2020. This is primarily due to an increase in property tax and sales tax revenues. Additionally, there is a \$14.5 million increase in non-operating revenues, which is mainly due to the refinancing of the 2014 general obligation bonds. When debt is refinanced, revenue in the form of debt proceeds is received that equally offsets the new debt expense.

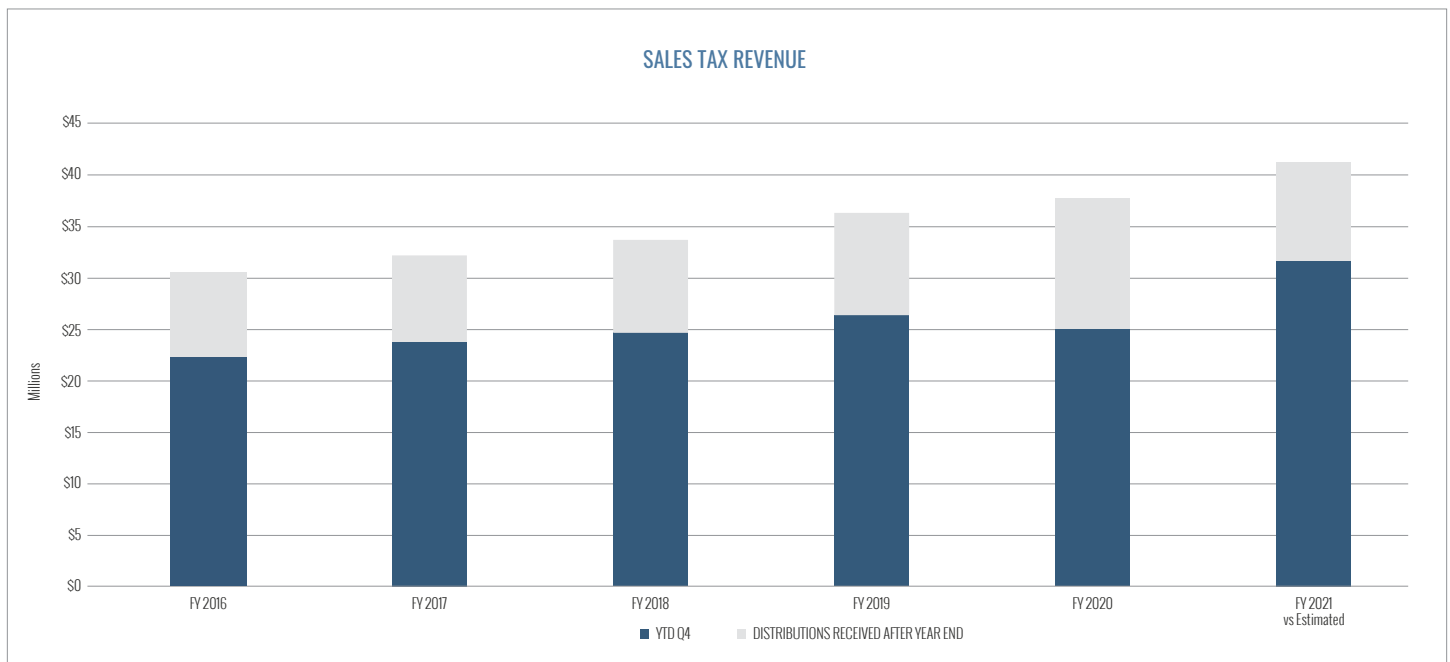
OPERATING REVENUES

Property Tax revenue is 48% of total budgeted revenue and is the largest revenue source for the General Fund. Property taxes are based on an ad valorem tax levy on real and personal property. Real property is items such as land and buildings while personal property is items such as vehicles, boats, airplanes, and commercial business equipment. Real property taxes were billed in July 2020 and due no later than Jan. 5, 2021. Therefore, most real property tax revenue is received during Q2. Most personal property tax revenue, however, 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.

The FY 2021 budget for property tax is \$114.3 million, and as of Q4, Cary received \$116 million. This is a 20% increase from FY 2020, which is primarily due to the Wake County property tax revaluation that took place on Jan. 1, 2020, and Cary maintaining its \$0.35 tax rate in FY 2021.

Sales Tax revenue is 12% of total budgeted revenue and is the second largest revenue source for the General Fund. This revenue through Q4 is \$3.3 million, or 12%, more than Q4 of FY 2020. This revenue stream is distributed to municipalities by the N.C. Department of Revenue about two and a half months after the month when taxable sales occurred. Cary received nine distributions for July through March sales, and these have outpaced the prior year’s Q4 results despite the COVID-19 pandemic.

Current sales tax projections suggest this revenue will end the fiscal year at \$41.1 million, which would be a 40% increase over the FY 2021 budget for sales tax and a 9% increase over FY 2020 actual results. When Council adopted the FY 2021 budget, the economic impacts of the pandemic could not be predicted, and the sales tax budget was set to accommodate a 20% decrease in sales tax revenue. Since this revenue did not decline, the additional sales tax revenue helped offset other revenue shortfalls, primarily for PRCR, which has been more severely impacted by the pandemic due to facility closures and program cancellations.



Overall, **Other Taxes and Licenses** decreased 21% when compared with Q4 of the prior year. The COVID-19 pandemic significantly affected the tourism and travel industries. Due to this, the occupancy tax Cary receives from travelers renting hotel rooms decreased 46% compared with the prior year. While the FY 2021 budget accounted for a significant decrease in this revenue source, current occupancy tax projections suggest that this revenue will not meet even reduced budget assumptions. With COVID-19 restrictions being lifted across the nation, Cary is projecting stronger occupancy tax revenues for FY 2022.

Combined **Restricted and Unrestricted Intergovernmental** revenues increased 29%. Decreases in revenues associated with utility sales tax and electric and natural gas were offset by \$3 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding received.

Permits and Fees revenue increased 11% year-to-date when compared with the prior year and has exceeded the budget for FY 2021. The growth seen in this revenue source could be directly related to citizens choosing to invest in home improvements. The increase in this revenue category is mostly due to building permits, which increased \$406,000, or 15%, compared with the prior year. The largest percentage increase, 66%, was for the number of multi-family new construction permits. Multi-family new construction square footage also increased more than 500%. A portion of permit fees is based on the square footage associated with the project. The square footage associated with multi-family permits was the major contributor to the revenue increase. Overall, total permits increased 12% over prior year numbers and are trending above both the three-year and five-year year-to-date averages by 6% each. Standard inspection fees are included in permit costs and are charged separately only for certain trade inspections or when reinspections are needed. While total inspections increased 2% over prior year levels, inspection fee revenue declined from prior year levels due to a decrease in street and commercial inspections.

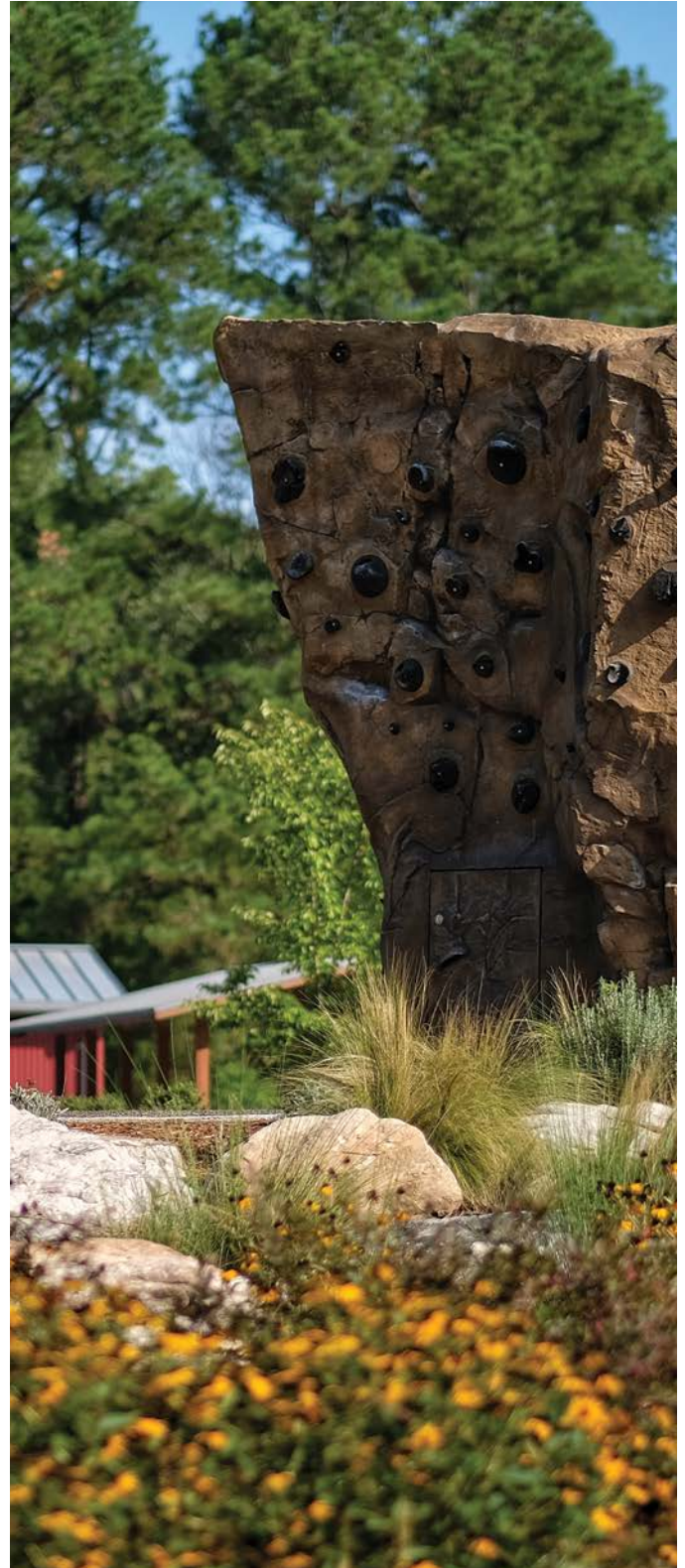


The **Sales and Services** category is made up of PRCR programming revenues, solid waste sales and services, and other sales and services. The combined Sales and Services category decreased by less than 1%. Solid waste revenue, the largest revenue in Sales and Services, has \$12.1 million recorded through June 30. This revenue met budget with little to no impact from the pandemic.

Revenues declined by \$1.9 million in PRCR compared with FY 2020 due to the closure of indoor facilities and the canceling of many in-person programs and events in response to the pandemic. The prior year revenues also decreased due to the pandemic, which affected Q4 of FY 2020. In Q4 of FY 2021, sports, shelter rentals, summer camps, and outdoor in-person classes reopened with limited capacity. Cary Tennis Park, WakeMed Soccer Park, and USA Baseball hosted various tournaments this quarter that brought back spectators and ticket revenue. While the pandemic impacted PRCR activities severely throughout the fiscal year, the department adapted by creating virtual programming and offering outdoor and socially distant sports and classes. An increase in sales of assets offset the decline in PRCR revenue.

Miscellaneous revenue through Q4 decreased 37% compared with the same period in FY 2020. This decrease is primarily due to the timing of receipts from Wake County and N.C. Department of Transportation that were received by June 30 in FY 2020.

Non-operating revenues through Q4 increased by more than 100% compared with the same period in FY 2020, reflecting the receipt of \$15.4 million of debt proceeds generated by refinancing Cary's 2014 general obligation bonds. These proceeds offset the accompanying \$15.4 million increase in debt-related expenditures.



FY 2021 Q4 GENERAL FUND EXPENDITURES

	FY 2021 YTD ADJ BUDGET	FY 2021 YTD ACTUAL	% OF BUDGET	FY 2020 YTD ACTUAL	FY 2020 VARIANCE	VARIANCE %
General Government	\$ 40.6	\$ 28.0	69%	\$ 27.3	\$ 0.7	3%
Public Safety	54.8	51.3	94%	53.0	(1.7)	-3%
Operations (PW & PRCR)	52.3	42.0	80%	47.3	(5.3)	-11%
Development & Infrastructure	16.5	13.5	82%	14.4	(0.9)	-6%
OPERATING EXPENDITURES	164.2	134.8	82%	142.0	(7.2)	-5%
Non-Operating Expenditures	73.6	69.1	94%	34.1	35.0	103%
TOTAL GENERAL FUND EXPENDITURES	\$ 237.8	\$ 203.9	86%	\$ 176.1	\$ 27.8	16%

Overall, General Fund expenditures increased 16%. This is primarily driven by a \$35 million increase in non-operating expenditures for increases in transfers for capital project spending as well as increased debt payments associated with the refinancing of the 2014 general obligation bonds.

FY 2021 General Fund operating expenditures are 18% less than budgeted expenditures and 5% less than FY 2020 year-to-date actuals. For the safety of citizens and staff, Town Hall and other Town-owned facilities and venues remained closed to the public for most of FY 2021, limiting normal operations and decreasing the need for temporary salaries and overtime.

Encumbrances represent funds that have been reserved in Cary's financial system to satisfy a commitment to make a purchase. The following table shows the total outstanding encumbrances in the financial system that are remaining at the end of Q4. After accounting for

year-to-date spending and the encumbrances listed below, the General Fund has \$23.3 million remaining in the operations budget for expenditures not yet recorded as of this report.

**GENERAL FUND OPERATIONS -
FY 2021 REMAINING ENCUMBRANCES (Q4)**

General Government	\$ 4,617,651
Public Safety	520,004
Operations (PW & PRCR)	4,252,640
Development & Infrastructure	511,863
Debt Service	22,784
Contingencies & Reserves	670,887
TOTAL ENCUMBRANCES	\$ 10,595,829

UTILITY FUND

FY 2021 Q4 UTILITY FUND SUMMARY

	FY 2021 YTD ADJ BUDGET	FY 2021 YTD ACTUAL	% OF BUDGET	FY 2020 YTD ACTUAL	FY 2020 VARIANCE	VARIANCE %
Revenues	\$ 201.2	\$ 178.1	89%	\$ 81.5	\$ 96.6	119%
Expenditures	201.2	185.7	92%	68.9	116.8	170%
TOTAL REVENUE OVER/ (UNDER) EXPENDITURES	\$ -	\$ (7.6)	-	\$ 12.6	\$ (20.2)	-160%

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Utility Fund net results through Q4 of FY 2021 decreased by more than 100% compared with FY 2020 due mainly to the refinancing of bond proceeds.

FY 2021 Q4 UTILITY FUND REVENUES

	FY 2021 ADJ BUDGET	FY 2021 YTD ACTUAL	% OF BUDGET	FY 2020 YTD ACTUAL	FY 2020 VARIANCE	VARIANCE %
Water Service	\$ 30.6	\$ 29.0	95%	\$ 30.7	\$ (1.7)	-6%
Sewer Service	47.2	45.8	97%	47.4	(1.6)	-3%
Permits & Fees	1.7	1.6	94%	1.7	(0.1)	-6%
OPERATING REVENUES	79.5	76.4	96%	79.8	(3.4)	-4%
Non-Operating Revenues	121.7	101.7	84%	1.7	100.0	5882%
TOTAL UTILITY FUND REVENUES	\$ 201.2	\$ 178.1	89%	\$ 81.5	\$ 96.6	119%

The Utility Fund's **Operating** revenues decreased 4% through Q4 of FY 2021 compared with that same period in FY 2020. This decline is in line with weather variations that impact demand and the 4% volumetric water and sewer rate decrease approved in the FY 2021 budget. Billing for utility services delivered in FY 2021 is not yet complete. Audited revenues are expected to meet the budget as of fiscal year end. The decrease in Permits and Fees revenue is directly related to the suspension of nonpayment and late payment fees. These fees were suspended for more than a year to provide relief to the segment of Cary's ratepayers that has experienced economic hardships because of the pandemic.

Non-operating revenues increased significantly compared with Q4 of FY 2020. This increase is directly related to refinancing multiple revenue bonds and the Utility Fund’s portion of the 2014 general obligation bonds. Like the General Fund, the \$100.5 million in debt proceeds is offset directly by the debt-related expenditures that have zero impact on net results.

FY 2021 Q4 UTILITY FUND EXPENDITURES

	FY 2021 ADJ BUDGET	FY 2021 YTD ACTUAL	% OF BUDGET	FY 2020 YTD ACTUAL	FY 2020 VARIANCE	VARIANCE %
Administration	\$ 9.5	\$ 8.6	91%	\$ 9.3	\$ (0.7)	-8%
Field Operations	19.1	15.5	81%	13.7	1.8	13%
Wastewater (net of Apex)	11.4	9.6	84%	9.5	0.1	1%
Water Treatment Facility (net of Apex)	9.3	8.0	86%	7.9	0.1	1%
OPERATING EXPENDITURES	49.3	41.7	85%	40.4	1.3	3%
Non-Operating Expenditures	151.9	144.0	95%	28.5	115.5	405%
TOTAL UTILITY FUND EXPENDITURES	\$ 201.2	\$ 185.7	92%	\$ 68.9	\$ 116.8	170%

The COVID-19 pandemic did not impact utility operations to the same degree as it did General Fund operations. Utility operations and spending trends are consistent with FY 2020 and within budgetary expectations. Variances in the Administration category reflect the movement of meter costs from operations to a capital project. The variance for Field Operations is due to the budgeted increase of reimbursement to the General Fund for work performed on behalf of the Utility Fund. Non-operating expenditures increased more than \$100 million compared with FY 2020 due to the refinancing of revenue and general obligation bonds.

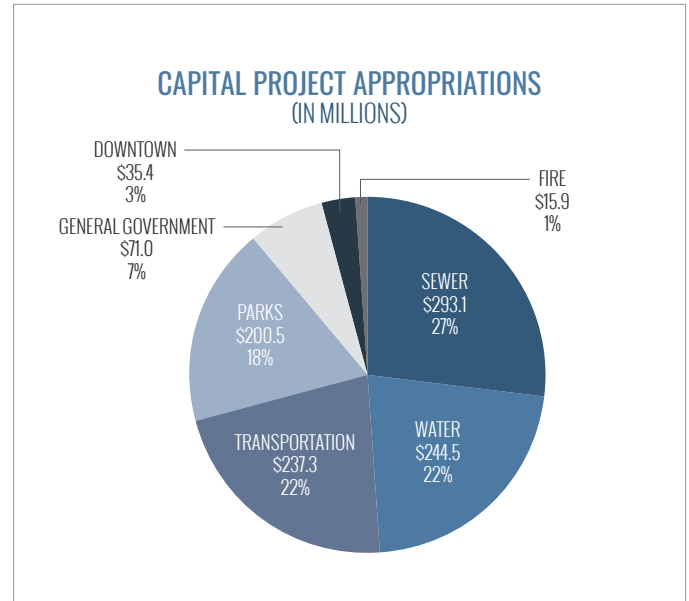
The following table shows the total outstanding encumbrances for the Utility Fund remaining at the end of Q4. After accounting for year-to-date spending and the encumbrances, the Utility Fund has approximately \$12.7 million in the operations budget for expenditures not yet recorded as of this report.

UTILITY FUND OPERATIONS -
FY 2021 REMAINING ENCUMBRANCES (Q4)

Administration	\$ 559,421
Field Operations	833,332
Wastewater (net of Apex)	760,384
Water Treatment Facility (net of Apex)	518,028
Debt Service	4,375
Contingencies & Reserves	156,729
TOTAL ENCUMBRANCES	\$ 2,832,269

CAPITAL PROGRAM

Cary has 505 active capital projects; utility capital projects with a total budget of \$537.6 million constitute 49% of the capital spending authorizations, and general capital projects total \$560.1 million, or 51% of the total \$1.1 billion budget authorization.



CAPITAL PROJECT SPENDING THROUGH Q4 (IN MILLIONS)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Downtown	\$ 1.1	\$ 2.1	\$ 8.6	\$ 1.4	\$ 1.1
Fire	2.6	1.1	5.0	5.4	1.9
General Government	4.9	4.6	8.2	6.2	10.6
Parks	10.3	10.5	6.8	20.3	24.8
Streets	7.9	7.0	7.4	11.7	21.3
Sewer	19.1	22.6	20.2	20.9	17.5
Water	14.6	23.2	27.6	12.6	13.8
TOTAL	\$ 60.5	\$ 71.1	\$ 83.8	\$ 78.5	\$ 91.0

Capital project spending totaled \$91 million through Q4. A \$13 million Q1 open space property purchase in Chatham County is the primary reason for the increase in capital project spending in FY 2021. Some of the largest investments during Q4 were \$3.9 million for construction of a diffused air system at the North Cary Water Reclamation Facility, \$3.8 million for land acquisition at 1101 Walnut St., and \$2.3 million for water main replacement activity.



BUDGET

MID-YEAR APPROPRIATIONS

The FY 2021 operating budget includes \$1 million to support emerging or unforeseen needs during the fiscal year. Two appropriations were made from these funds this fiscal year, leaving a remaining balance of \$435,000. Three appropriations were made from the General Capital Reserve Fund Balance totaling \$2.3 million.

Q4 DELEGATED BUDGET AUTHORITY ACTION

Throughout the fiscal year, challenges and opportunities develop that warrant financial resources not included in the original budget. Staff can often repurpose existing resources to address the highest-priority items and initiatives. The budget ordinance authorizes the town manager to approve inter-functional budget adjustments and requires reporting to Council. One inter-functional budget adjustment totaling \$1.6 million was approved during Q4 of FY 2021.

Q4 INTER-FUND AND INTER-FUNCTIONAL BUDGET ADJUSTMENTS

BUDGET TRANSFER FROM			BUDGET TRANSFER TO		
PERSONNEL SERVICES	General Fund - Infrastructure	\$ (460,000)	PERSONNEL SERVICES	General Fund - Fire	\$ 275,000
PERSONNEL SERVICES	General Fund - General Government	(310,000)	PERSONNEL SERVICES	General Fund - Administration	90,000
PERSONNEL SERVICES	General Fund - Public Safety	(500,000)	O&M	General Fund - Administration	1,230,000
O&M	General Fund - General Government	(250,000)	O&M	General Fund - Administration	50,000
O&M	General Fund - Public Safety	(125,000)			
TOTAL 4TH QUARTER INTER-FUND AND INTER-FUNCTIONAL TRANSFERS		\$ (1,645,000)			\$ 1,645,000

Q4 GENERAL GOVERNMENT MID-YEAR APPROPRIATIONS

GENERAL FUND

	QUARTER	FUNDING USE	AMOUNT
AVAILABLE FOR MID-YEAR APPROPRIATIONS (7/1/2020)			\$ 1,000,000
APPROPRIATION OF GENERAL FUND'S FUND BALANCE	Q3	PennyMac Economic Development Incentive Grant	65,000
APPROPRIATION OF GENERAL FUND'S FUND BALANCE	Q4	Environmental Recommendations	500,000
		REMAINING AVAILABLE FOR MID-YEAR APPROPRIATIONS	\$ 435,000

GOVERNMENTAL GENERAL CAPITAL PROJECT FUND

FUNDING SOURCE	QUARTER	FUNDING USE	AMOUNT
GENERAL CAPITAL RESERVE UNRESTRICTED FUND BALANCE	Q1	Purchase of Johnson Property	\$ 550,000
GENERAL CAPITAL RESERVE UNRESTRICTED FUND BALANCE	Q1	Additional Appropriations of Grant and Cary Dollars for White Oak, Black Creek, and Higgins Greenway Projects	910,000
GENERAL CAPITAL RESERVE UNRESTRICTED FUND BALANCE AND PARK PAYMENT IN LIEU FUND BALANCE	Q4	General Government and Parks, Recreation, and Cultural Resources Capital Projects	850,000
		TOTAL MID-YEAR APPROPRIATIONS	\$ 2,310,000

BUDGET PUBLIC INPUT AND RECOMMENDATIONS

Citizens are invited to share their budget priorities throughout the year, specifically via social media, voicemail, and email. Q4 yielded 12 budget public input comments.

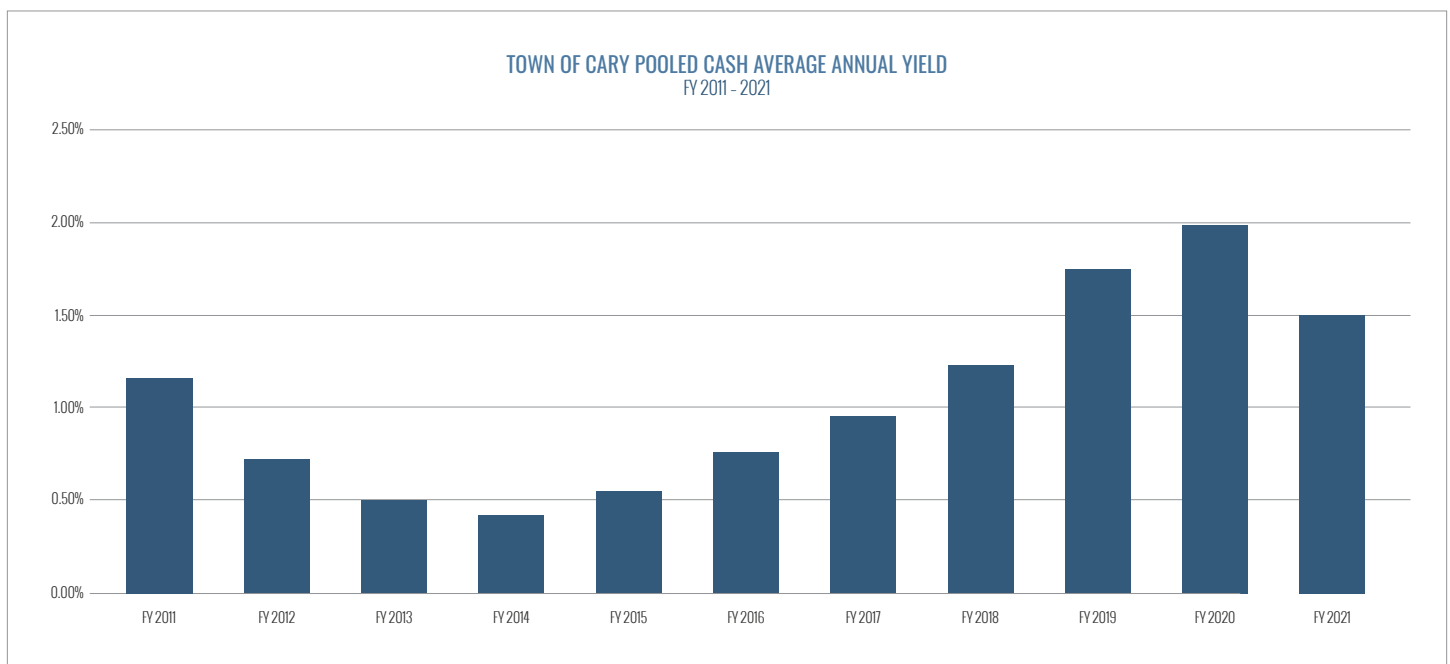
CATEGORY	COMMENTS RECEIVED	PLATFORM RECEIVED	TYPE OF COMMENT
CARY REGIONAL LIBRARY	1	Email	Request to install an awning to cover the bridge between the Cary Community Library and the parking deck
GREENWAYS	2	Facebook, Twitter	Request to place better signage along greenways, especially at intersections
KINGSWOOD NEIGHBORHOOD	3	Email	Request that a portion of the historic preservation budget be allocated to upgrade the Kingswood neighborhood
LILLY ATKINS SIDEWALK	1	Voicemail	Request to include a sidewalk along Lilly Atkins Road toward Lochmere Drive
PAID HOLIDAY	2	Email	Request to reexamine adding Juneteenth as a paid holiday for employees
PICKLEBALL	1	Email	Request to add more courts for pickleball
PUBLIC SAFETY	1	Email	Request to increase police availability, staff budget, and community policing
TRAFFIC SPEED AND MAINTENANCE	1	Email	Request to manage traffic speeds down North Harrison Avenue and Northwest Cary Parkway. Additional request to add inspection stations to manage the noise and racing of modified vehicles
TOTAL	12		

CASH AND INVESTMENTS

Cary ended FY 2021 with a cash and investment balance of more than \$507 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 (liquidity); and finally, earn the maximum interest income.

Interest earnings totaled \$7.9 million in FY 2021, which is a decrease of more than \$3 million, or 28 percent, compared with FY 2020. FY 2021 actual interest earnings are \$100,000 short of the budget of \$8 million. This was anticipated, as interest rates have continued to decline over this past year. As a result of the lower interest rates, the FY 2022 budget for interest income is about \$2.8 million less than FY 2021 actual earnings.

In accordance with accounting standards, Cary reports the market value of all investments at the end of every fiscal year to reflect the impact on the financial results in the unlikely case that Cary would have 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 on June 30. The market value of Cary’s investments decreased by more than \$17 million in FY 2020, so while interest rates continued to remain low in FY 2021, the market value of Cary’s investments increased by \$2.3 million since rates rallied slightly on June 30, 2021. As a result, Cary’s mark to market adjustment for FY 2021 will decrease interest earnings on the audited year-end financial statements by \$7 million. While Cary is required to report this adjustment on the financial statements, Cary will not realize this loss in interest earnings because it generally holds investments until maturity to meet future cash flow needs.



DEBT

Cary's overall debt burden is about \$366 million, with \$112 million attributable to the General Fund and \$254 million to the Utility Fund. Of the \$112 million General Fund debt, about \$24 million is variable rate debt with an interest rate that is reset weekly. This rate continued to fall over the past year to average 0.10% compared with an average of 1.3% in FY 2020. This resulted in interest payment savings in FY 2021 of more than \$485,000 for the General Fund.

After Q4, Council took formal action in July for the first issuance of the \$125 million Shaping Cary's Tomorrow bonds, and the general obligation bond sale is scheduled to take place Aug. 31, 2021. The first debt issuance of the \$225 million authorized by voters in 2019 will finance the construction of the Downtown Cary Park as well as other parks and transportation projects.





FOSTERING STRONG NEIGHBORHOODS

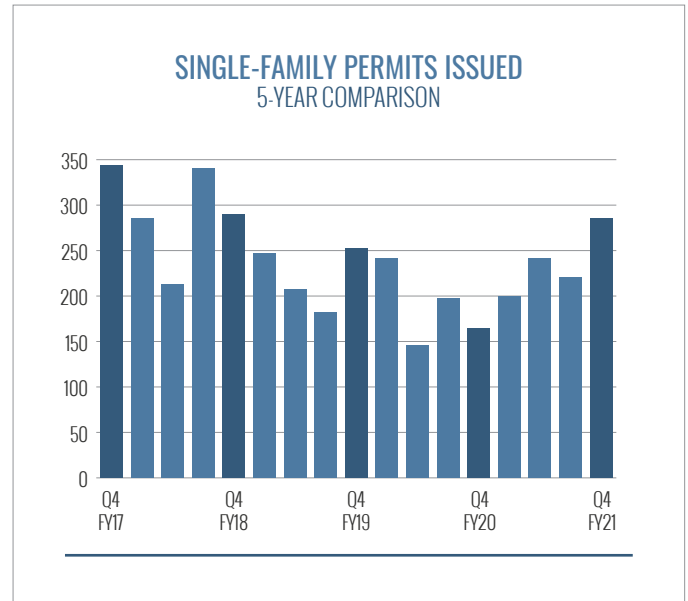




SINGLE-FAMILY PERMITS

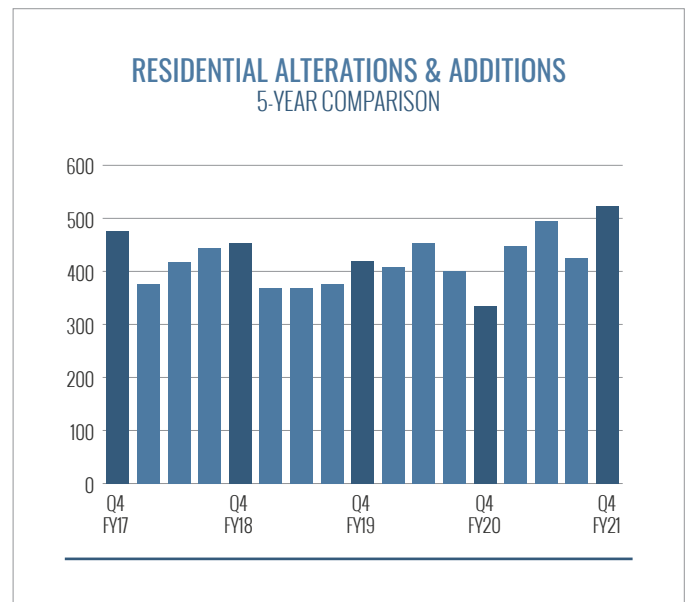
Cary issued 286 single-family permits this quarter. The top three subdivisions permitted were Channing Park (42), Brickyard (33), and Savaan (25). Overall, permits for new single-family homes increased 74% in comparison with the same period last year.

In addition, Cary issued 228 single-family certificates of occupancy (COs), an average of 2.4 certificates per workday. This is a 5% increase in comparison with the COs issued in the same period last year and a 19% increase from last quarter. The subdivisions receiving the most COs were Savaan (63), Brickyard (34), and Channing Park (20).



RESIDENTIAL ALTERATION AND ADDITION PERMITS

This quarter, Cary issued 523 residential alteration and addition permits. This is a 57% increase from the same period last year and a 23% increase from last quarter.





ASSURING CONTINUED PROSPERITY





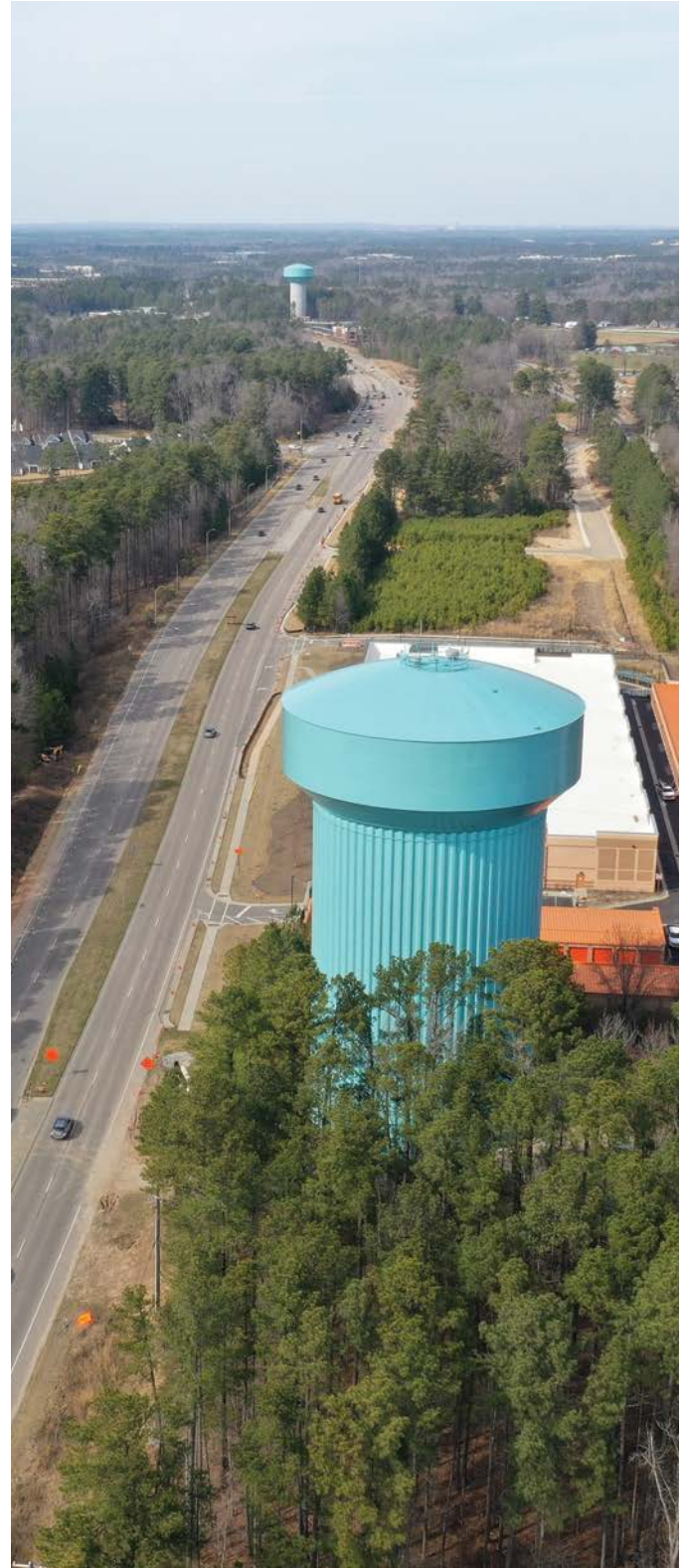
APPLE COMING TO RTP (AND CARY)

Apple made headlines this quarter with its announcement to create a major campus in Research Triangle Park, bringing at least 3,000 jobs with average annual wages of at least \$187,000. The campus will span 1 million square feet, and Apple plans to invest \$1 billion over 10 years. While the RTP campus will be several years out in terms of development, Apple is working toward leasing office space in Cary off Weston Parkway.

NEW DOWNTOWN BUSINESSES



Several new businesses opened in downtown Cary this quarter. Hank's Downtown Dive, a second concept from the owners of SideBar, opened offering a full-service restaurant and bar at the newly renovated 111 E. Chatham Street within The Center. Scratch Kitchen and Taproom, a popular restaurant started in downtown Apex, opened a second location in downtown Cary in the space of the former Postmaster Restaurant & Bar.





CARY ADOPTS JUNETEENTH HOLIDAY

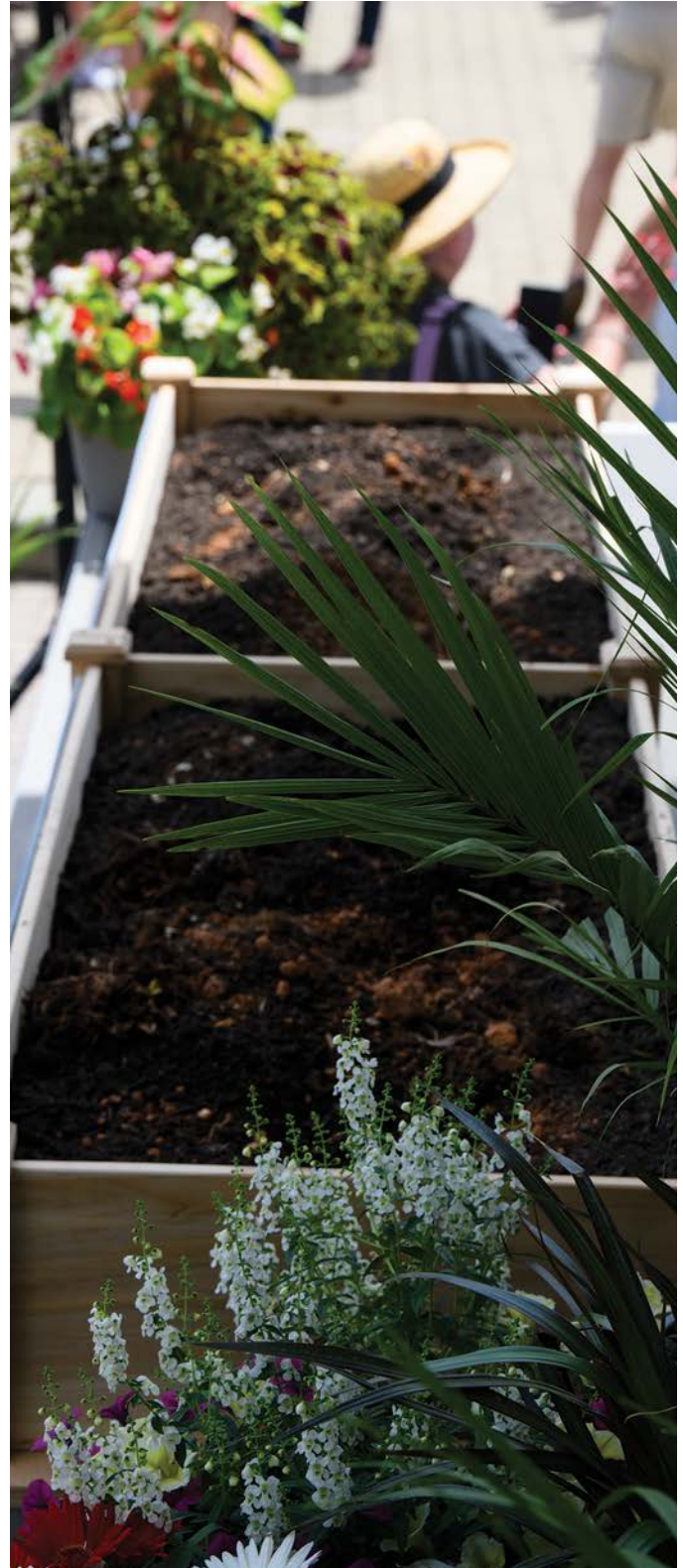
This quarter, the Cary Town Council adopted, and the organization observed, Juneteenth for the first time as an official paid holiday. Juneteenth is the oldest nationally celebrated commemoration of the ending of slavery in the United States.

VACCINE ROUNDUP

As vaccine eligibility and availability geared up this spring, so did Cary's internal communications to inform and incentivize employee vaccinations. Cary partnered with WakeMed to offer COVID-19 vaccine clinics with hundreds of slots reserved for employees. To further encourage and support staff vaccinations, Cary created a vaccine time-off incentive crediting fully vaccinated employees with time off or a cash reward. Full-time regular employees received paid time off while temporary employees received a cash reward. All fully vaccinated employees became eligible for random gift card drawings. By the end of the quarter, more than 900 employees were fully vaccinated.

MENTAL HEALTH MONTH

In support of May as Mental Health Month, Cary promoted resources to improve resiliency and overall well-being amid the pandemic's challenges. Coupling with Bike Cary Month provided a great opportunity to encourage employees to get outdoors and create a mind-body health connection.







EXPERIENCING THE CARY COMMUNITY





SHAPING CARY'S TOMORROW BOND PROJECTS

This section offers Cary citizens an update on the projects funded by the Shaping Cary's Tomorrow Parks and Transportation Bonds overwhelmingly approved in a 2019 referendum.



DOWNTOWN CARY PARK GROUNDBREAKING

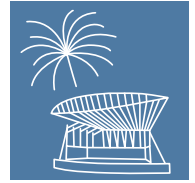


A groundbreaking ceremony on June 26 officially marked the beginning of Downtown Cary Park construction. Celebrations leading up to the ceremony included samples of Cary programming and an outline of future park amenities with luminarias. At the groundbreaking ceremony, Mayor Pro Tem Don Frantz announced that the official name of the park will be Downtown Cary Park and unveiled the new logo that will be used to brand the park. The logo features the birds that will be a signature element of the park, a "C" for Cary, and a "D" for Downtown. All the elements flow together to provide a comprehensive visual story of the park.

COMMEMORATIVE SIGNAGE AT CARY REGIONAL LIBRARY



Thanks to a collaborative effort between Cary and Wake County staff, rooms in the Cary Regional Library have been named after three individuals from Cary's history: Ruth Cathey Fox, John William Meadows, and Walter Hines Page. These individuals were selected to correspond with each room in a meaningful way. The Children's Programming Room is named after Fox, who served as the first female principal of Briarcliff Elementary School during desegregation. The Quiet Study is named after Meadows, a leader in Cary's African American community, who served as an educator and circuit preacher. Page's name is associated with the Adult Programming Room, as he is known for serving as the U.S. ambassador to the United Kingdom and a partner of major book publisher Doubleday, Page & Company. Library visitors will find brief biographies of these honorees on plaques outside of each room. Cary appreciates Wake County's partnership and support in recognizing these individuals for their contributions to Cary's history.



WHITE OAK CREEK GREENWAY MURAL



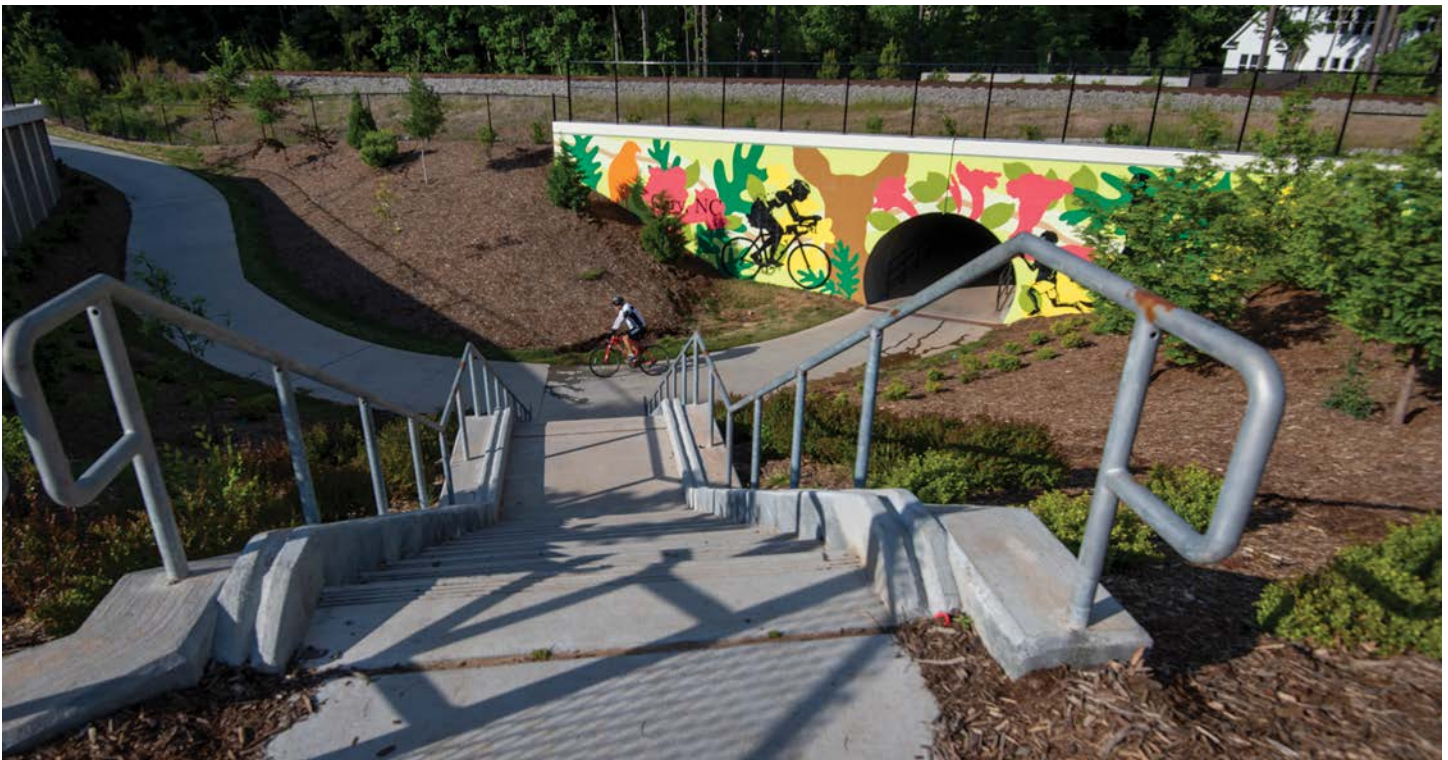
The White Oak Creek Greenway is part of the spine of Cary's greenway system, linking Umstead State Park and Lake Crabtree to the American Tobacco Trail via Bond Park. Last year, Cary began working with mural artist Lisa Gaither to create designs for the headwalls at a new greenway tunnel

along White Oak Creek Greenway near Davis Drive Park. Work on the mural wrapped up this quarter, providing a unique and engaging visual along one of Cary's key greenways. The artist drew her inspiration from the flora and fauna found along Cary greenways, adding in silhouettes of a biker and runners.

PRCR NOW OPEN

Parks, Recreation, and Cultural Resources indoor facilities opened to the public on June 14. These indoor facilities join several sports venues that have been open during most of the pandemic. Indoor, outdoor, and virtual programming will continue to increase throughout the summer. Visit townofcary.org for updated facility hours.

Summer camps kicked off on June 14, and 30 staff members at Bond Park and Herb Young community centers welcomed 105 kids ages 6 to 11 to the first week of camp. "Both of my children love Town of Cary summer camps! They've participated in Bond Park and are at Herbert Young this summer, and the counselors are extremely kind and inclusive!" one parent shared. Thirty-one adult softball teams, 208 senior softball players, and 1,061 youth baseball and softball players also got back on the field for the first time in more than a year. With a modified schedule and the health and safety of players and staff a priority, the season will conclude in late July.





TASTE OF PIMENTO CHEESE

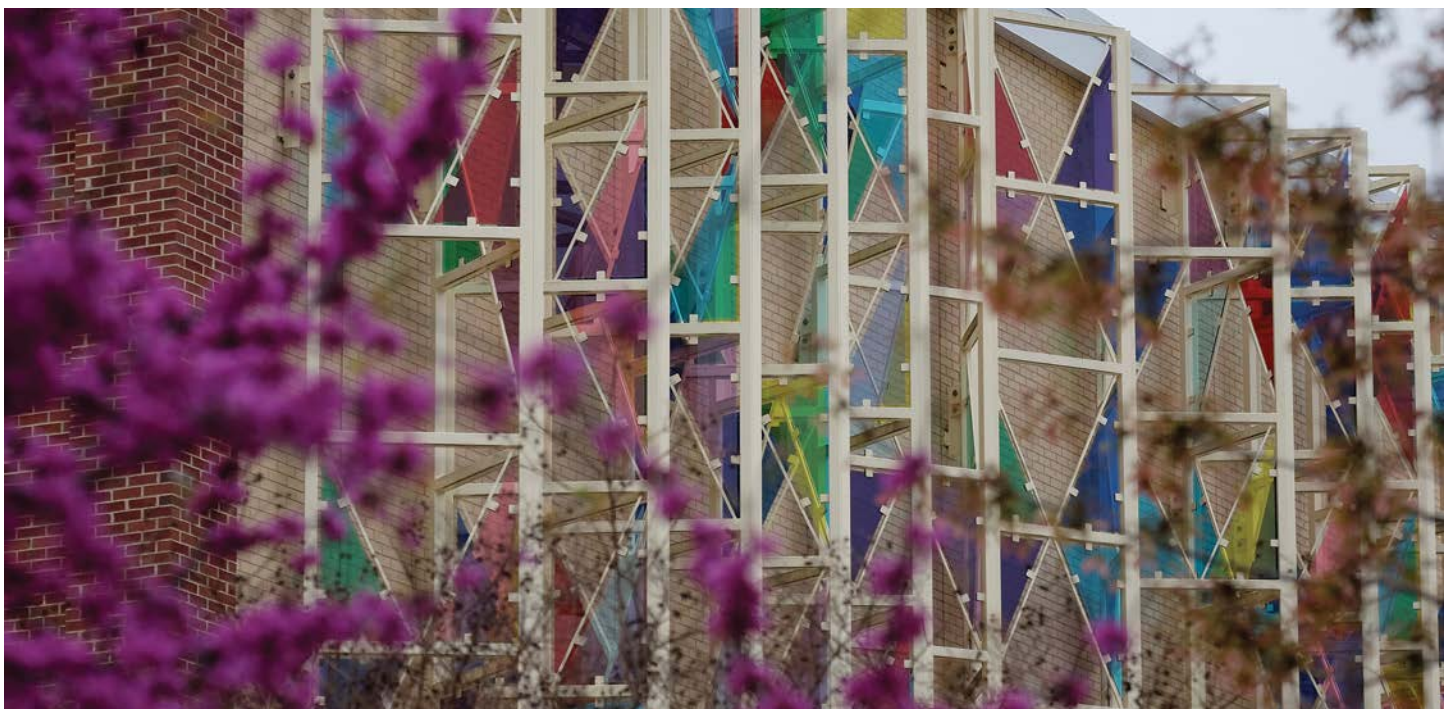


Modified from the usual one-day street festival, the 2021 Pimento Cheese Festival took place at 11 local restaurants over 10 days. The restaurants incorporated pimento cheese into their regular menu, and every time someone purchased a pimento cheese dish, they received a Taste of Pimento Cheese collector pin. In addition to visiting the restaurants, citizens could purchase pimento cheese charcuterie boxes at one of the local Cary breweries or the Downtown Cary Farmers Market.

REIMAGINING SPRING DAZE



On Saturdays in May, Cary held the Spring Daze Arts Market series at the Fidelity Bank Plaza downtown. Traditionally a one-day festival drawing more than 15,000 citizens and 170 artisans, the reimagined arts market series featured 20 to 25 North Carolina artisans and welcomed an average of 1,400 citizens per week. Moving Spring Daze from Bond Park added to the vibrancy of downtown, seamlessly connecting to the Cary's Downtown Farmers Market and positively impacting businesses.





MEMORIAL DAY



More than 200 citizens attended Cary’s Memorial Day Remembrance at the Page-Walker Arts & History Center garden on May 31. Council member and veteran Jack Smith served as the emcee, and Mayor Pro Tem Don Frantz read the proclamation. The guest speaker was USO Advisory Board member Maulin Shah, who served in the National Guard in Iraq and in New Orleans following Hurricane Katrina. In addition to the in-person remembrance ceremony, more than 1,000 flags were installed at Veterans Freedom Park to create a unique Field of Flags experience, and another 500 flags were used to make a 60-by-40-foot American flag in the open field in front of the monument.

Additionally, Smith shared remarks at a separate Memorial Day event at Hillcrest Cemetery held by American Legion Post 67. Frantz and Council member Jennifer Robinson also attended to honor the brave men and women who sacrificed everything in service of this country.

PRIDE MONTH



Lesbian, Gay, Bisexual, Transgender, and Queer (LGBTQ) Pride Month commemorates the events of June 1969 in New York, known as the Stonewall Uprising, that sparked a liberation movement in the United States. Throughout June, the Cary Theater hosted virtual screenings of the film “Ahead of the Curve,” which follows Franco Stevens’ founding of the first lesbian magazine in the country. On June 28, the Cary Theater hosted an in-person screening of “Gay Chorus Deep South,” a film that follows the San Francisco Gay Men’s Chorus on a tour of the American South to promote unity and acceptance. In addition, award-winning artist Lisa Gaither created a Pride-inspired chalk mural on the side of the theater, and June 28–30, Cary lit the exterior columns of the Cary Arts Center with the colors of Pride.



JUNETEENTH



Cary's observance of the recently adopted holiday Juneteenth kicked off June 16 with a virtual program called Juneteenth Voices. Hosted by the Applause! Cary Youth Theatre, the program invited participants to imagine, create, and collaborate on scenes based on the book "All Different Now: Juneteenth, the First Day of Freedom" by Angela Johnson. The observance continued at the Juneteenth, Celebrate Freedom event at the Sertoma Amphitheater in Bond Park on June 19. Council member Ya Liu read the proclamation recognizing Juneteenth as an official Cary holiday and was joined by historians, musicians, and storytellers who creatively expressed the meaning of Juneteenth. More than 400 citizens attended the event. The 2021 celebration concluded with the lighting of the Cary Arts Center columns in red, green, and yellow.

JAMIE CURTIS NAMED GENERAL MANAGER OF KOKA BOOTH



In May, Cary and ASM Global announced the appointment of Jamie Curtis as the general manager of Koka Booth Amphitheatre. Curtis brings more than 25 years of experience to the role with a variety of entertainment venues, record labels, and more. Most recently, she served as the director of marketing and sales for the ASM

Global-managed Wintrust Arena and Arie Crown Theater in Chicago. Curtis's first day on the job was June 1.





NCAA CHAMPIONS CROWNED

On May 17, teams competed at WakeMed Soccer Park to be crowned the NCAA women's and men's College Cup soccer champions. The televised matches were played in front of a sellout crowd of about 5,000, and it was the first time in NCAA history that the men's and women's championships were held at the same time and place. Marshall University's men won their first national championship, and Santa Clara took home the women's national championship after a game that went to penalty kicks. The West Virginia team brought the most fans to the championship matches, and Mayor Harold Weinbrecht and Mayor Pro Tem Don Frantz welcomed West Virginia Governor Jim Justice to Cary.

CARY GAMERS PARTICIPATE IN FIRST N.C. ESPORTS CHAMPIONSHIP

The North Carolina Recreation and Park Association partnered with Mission Control to offer the first ever North Carolina Esports State Championship. Seventy-two gamers representing seven communities across the state competed for the title of 2021 North Carolina Esports State Champion. Of the six tournament games hosted by NCRPA, the Cary Esports team brought home four gold medals and one bronze. Cary's Esports program continues to grow, serving more than 130 gamers and partnering with local businesses Bull City Gaming and Contender Esports for tournament play.



GROUND BREAKING 6-26-21

GROUND BREAKING 6-26-21



GUIDING COMMUNITY GROWTH





FENTON MAIN STREET TAKES SHAPE



The ground floor retail spaces along Fenton Main Street are ready for tenants, and significant progress is under way on the upper-story residential and office space. The two-story parking deck along Trinity Road is mostly complete, while the five-story parking deck is 60% complete. This quarter, street paving for the project kicked off for onsite streets and parking as well as repaving of Trinity Road between Cary Towne Boulevard and Walnut Creek.

Anticipating a large number of building permit applications from retail tenants during the first quarter of FY 2022, staff worked with the developer to create a customized guide to educate applicants regarding Cary's approval process. Arhaus submitted the development's first building permit application at the end of June. Cary approved 10 building permits and four development plans for the site this quarter. Staff is also reviewing a master sign plan and more than 25 individual sign permit applications for the project. The developer is still working toward opening the first phase of the project in the spring of 2022.

SOUTH HILLS MALL FOR SALE

The more than 50 acres owned by the Martin family and familiarly known as South Hills Mall is for sale. This land had been the topic of redevelopment for decades and, with the aid of the commercial real estate firm JLL, the family will solicit offers from the development community with the intent to close on the property by the end of 2021.





NON-RESIDENTIAL PERMITS

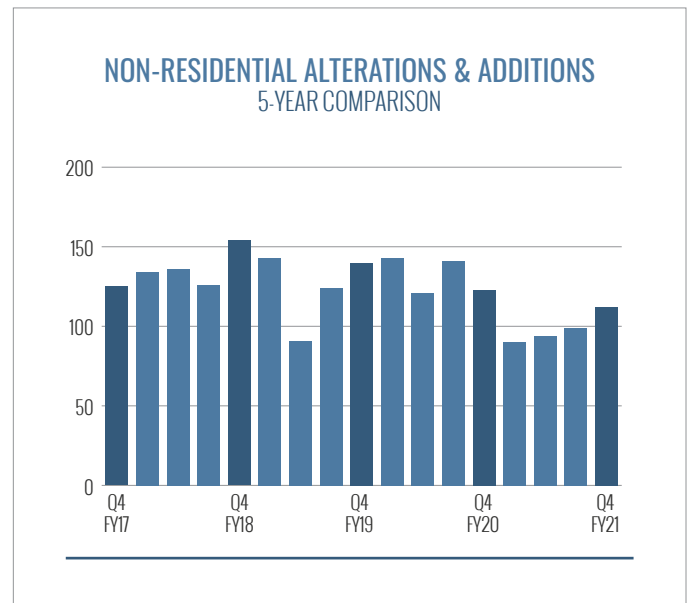
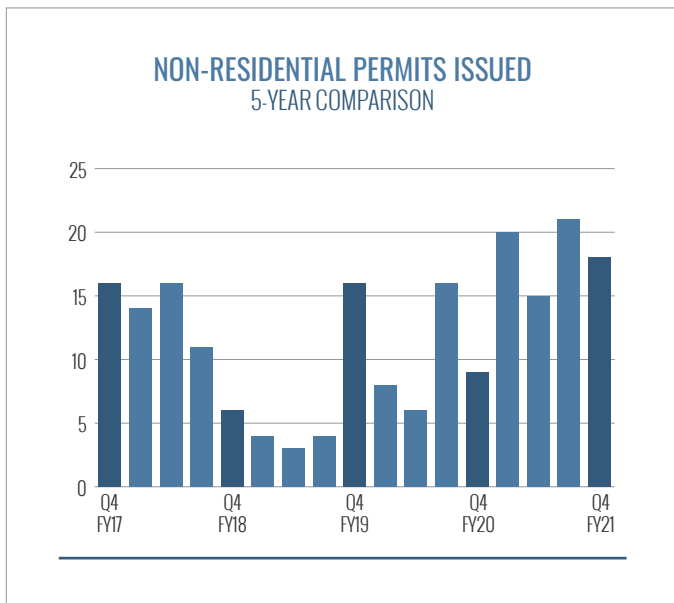
This quarter, Cary issued 18 non-residential permits for a total of 728,789 square feet. Some projects of note include:

- **Downtown Cary Park Bark Bar, 312 S. Walker St.:** The Bark Bar includes an open-air covered bar and dining space overlooking the dog play area at the Downtown Cary Park.
- **Wake Medical Office Park of Cary, 210 Ashville Ave.:** Fifteen building permits were approved within the new medical office building for new medical tenant spaces.
- **Duke Health (at Green Level Road), 100 Duke Health Cary Place:** Two building permits were approved for pediatric and family medicine clinics in the new medical office building.
- **Williams House, 210 E. Chatham St.:** Construction of an addition to an existing structure to accommodate business and assembly.

NON-RESIDENTIAL ALTERATIONS & ADDITIONS

Cary issued 112 non-residential alteration and addition permits this quarter. Projects of note include:

- **Dave and Buster’s, 1111 Walnut St.:** Interior alterations to relocate the existing Dave and Buster’s from Cary Towne Center into the building formerly occupied by Jumpstreet. Exterior improvements include new finishes, materials, and lighting.
- **Thales Academy, 1120 Buck Jones Road:** Interior alterations to accommodate Thales Academy into the existing building previously occupied by Jellybeans.
- **Epic Games, 5501 Dillard Drive:** First-floor interior renovations to accommodate offices, conference rooms, and café space.





REZONING

This quarter, 22 cases were in the rezoning process with seven cases approved. Those cases include:

- Town Property, unaddressed property off Green Level West Road: Rezoning from Wake County Residential 40 Watershed to Cary zoning of Resource Recreation for a greenway connection to Dominion Estates.
- Dellinger PDD Amendment, 1901 Piney Plains Road: Rezoning to allow for a mixed-use development, including up to 300 multi-family residential units, 25 townhomes, and 50,000 square feet of office space.
- Pleasant Grove Church Road, 4111 Page Road: Establish zoning of Office, Institutional, Research and Development on a portion of the property to allow up to 120,000 square feet of office, institutional, research and development, and light manufacturing uses.
- Lilly Atkins Rezoning, 4908 Lilly Atkins Road: Establish zoning of Transitional Residential Conditional Use to allow age-restricted detached dwellings with a maximum density of two units per acre.
- Twin Lakes PDD Amendment, 10152 Lake Grove Blvd.: Planned Development District amendment to allow for maximum of 230 multi-family dwelling units on a portion of the MU III South tract.
- Arbors at Cary PDP, unaddressed property on Cheswick Place: Extend Mixed Use Overlay District and rezone from Residential Multi-family to Mixed Use District to allow a net increase of 27 multi-family dwelling units to existing development.
- Carpenter Fire Station PDD, 6800 Indian Wells Road: Rezoning General Commercial; Wake County Residential 40; and Office, Institutional, Research and Development to Planned Development District Minor to allow 300 multi-family dwellings and 5,000 to 10,000 square feet of office space.

DEVELOPMENT PLANS

This quarter, Cary approved 46 development plans. Plans of note include:

- Downtown Cary Park Phase 2, 338 S. Walker St.: Construction of above-ground improvements such as landscape, hardscape, and building elevations.
- Long Beverage, 10500 World Trade Blvd.: Construction of a building addition, associated parking, and infrastructure improvements.
- Fenton: Greenway Phase 1 and Building 4C, 855 Cary Town Blvd.: Construction of the public greenway and a Fifth Third Bank.
- Cary First Baptist Church, 204 S. Academy St.: Sketch plan to establish a special use permit for religious assembly and improvements to the parking lot associated with the Northwoods redevelopment proposal.





PROVIDING TRANSPORTATION CHOICES





SHAPING CARY'S TOMORROW BOND PROJECTS

This section offers Cary citizens an update on the projects funded by the Shaping Cary's Tomorrow Parks and Transportation Bonds overwhelmingly approved in a 2019 referendum.



STREET IMPROVEMENTS PROJECT

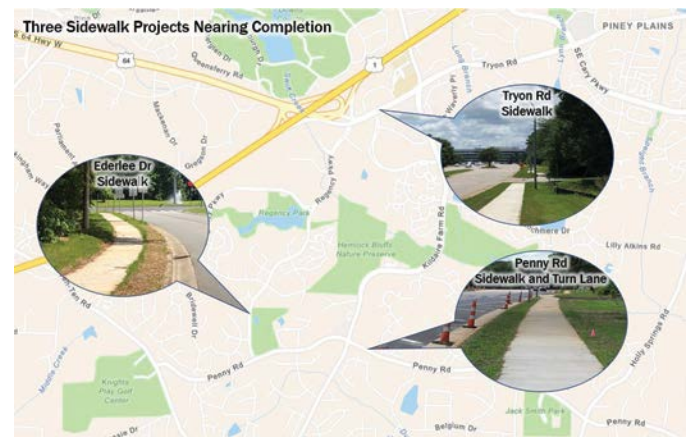


Construction of the FY 2021 Street Improvements Project kicked off this quarter. Work consisted of ADA-compliant curb ramp upgrades and curb and gutter repairs in advance of street resurfacing. Repaving is scheduled to start later this summer and to be complete by winter 2021. This year, Cary will repave or patch about 24 miles of Cary-maintained streets, including areas in Meadowmont and Greenwood Forest where Cary recently replaced water line.

NORTHWEST CARY PARKWAY PEDESTRIAN BRIDGE AT BLACK CREEK

A project to build a pedestrian bridge over the Black Creek Greenway that will connect a gap in the sidewalk along Northwest Cary Parkway can move forward earlier than expected thanks to additional regional funding. This funding will cover half the project, while the other half will be paid for by citizen-approved dollars from the 2019 bond referendum. Informational workshops are planned for later this year, and construction is expected to begin in late 2022, which will result in significant safety and connectivity improvements to Cary's pedestrian transportation network.

PENNY ROAD, EDERLEE DRIVE, AND TRYON ROAD SIDEWALKS



Three sidewalk projects in Cary are substantially complete. The projects are located at:

- Penny Road between Kildaire Farm Road and Crickentree Drive.
- Ederlee Drive between Penny Road and Regency Parkway/Richelieu Drive. This sidewalk connects to Penny Road Elementary School and serves Koka Both Amphitheatre, Symphony Lake Greenway, Swift Creek Greenway, and nearby neighborhoods.
- Tryon Road between West Asheville Avenue and East Asheville Avenue. This sidewalk serves pedestrians walking to WakeMed Cary, local restaurants, retail, and hotels.



CARY CONNECTED VEHICLES PROJECT

The path to creating the first connected vehicle system in North Carolina, and one of the most robust in the nation, started this quarter. Contractors began installing cellular and radio communication devices in traffic signal cabinets in the heart of Cary. Consultants are developing a campaign to inform industry professionals and future users about the features of the program. And Cary staff assisted with installation and began learning the new equipment and programming. The contractor will install devices in traffic signal cabinets throughout 2021 with plans to have all equipment installed by the beginning of 2022.

GOCARY UPDATE

Increased demand for CDL drivers across the country led to a shortage of bus operators in the Triangle region, causing most transit agencies to temporarily reduce service. In response to market conditions and in an effort to attract the best candidates, Cary increased wages for bus operators and support staff in June, with a goal of returning to regularly scheduled service by August.

GoTriangle and the Capital Area Metropolitan Planning Organization approved the FY 2022 Wake Transit Work Plan in June, continuing funding for GoCary operational and capital improvements. In addition to providing funding for the construction of a new bus operations and maintenance facility, almost 60 existing bus stops will see accessibility and amenity improvements while 30 new bus stops are planned for Route 9A that will connect downtown Cary to the state fairgrounds. The plan also supports ongoing fixed route service improvements and administrative costs.

TRAFFIC CALMING COLLABORATION WITH NEIGHBORS



To address neighborhood concerns about traffic flow and speeds along Edgemore Avenue in The Reserve neighborhood, Cary collaborated with the community to come up with solutions that fit the neighborhood's needs. This quarter, Cary finalized a design for traffic calming along Edgemore Avenue, and staff is moving forward with a phased implementation of the plan. Construction is expected to start this summer with the installation of speed humps, and other elements of the design will be constructed throughout the remainder of the year and into spring 2022. This collaborative approach has also been used for traffic calming in other neighborhoods, including Loch Highlands, Hortons Creek, and Trappers Run.



NCDOT PROJECTS

In 2020, when the N.C. Department of Transportation fell below its state-mandated cash floor, many state- and federally funded projects paused. Now that NCDOT is above its cash floor, projects are proceeding, including the redesign of the Interstate 40/Interstate 440/U.S. 1/U.S. 64 interchange, also known as Crossroads Junction. As part of this project, NCDOT also plans to widen Interstate 40 from the interchange to Lake Wheeler Road from six lanes to eight lanes. Staff will continue to work with NCDOT throughout this project as it will have significant impact on the street network around Crossroads.

Three other NCDOT projects in or near Cary are now under construction, including:

- Extending N.C. 540 from Apex to Knightdale to complete the loop around the Triangle.
- Redesigning the Interstate 40 interchange at Airport Boulevard.
- Widening Aviation Parkway from Interstate 40 to N.C. 54.

In June, NCDOT opened Louis Stephens Road to the public following an extension to Research Triangle Park, Parkside Town Commons, and Durham. As part of this project, Cary partnered with NCDOT and Morrisville to build a street-side trail to connect with the trails in RTP.

REEDY CREEK ROAD PROJECT ENTERS PHASE 2



Construction of Reedy Creek Road is 60% complete. Plans include widening the street between North Harrison Avenue and Northeast Maynard Road while incorporating multimodal transportation amenities. As of May 2021, traffic shifted onto the newly constructed northbound lane, allowing phase 2 construction to begin on the southbound lane. The contractor will install storm drainage, curb and gutters, sidewalks, and additional travel lanes. Phase 2 is expected to be complete in fall of 2021. As part of this project, Cary is testing an alternative sidewalk design that uses reinforced concrete sidewalk to bridge over the tree roots of canopy trees. Visually this sidewalk appears the same as a regular sidewalk, but the thicker reinforced concrete allows the contractor to build the sidewalk over noncompacted soils, limiting the disturbance within the critical root zone. Cary anticipates this alternative design will better protect the health and root structure of the existing champion trees.



OFFICIAL NORTH CAROLINA STATE TRAIL IN CARY

In June, Gov. Roy Cooper signed a bill designating the East Coast Greenway a North Carolina State Trail and part of the State Parks system in recognition of the statewide significance of the East Coast Greenway, which includes the American Tobacco Trail, the White Oak Creek Greenway, and the Black Creek Greenway. This State Trail designation means the N.C. Department of Natural and Cultural Resources will support, promote, encourage, and facilitate the establishment of the trail. It does not change Cary's ownership, operation, or maintenance of its greenways. North Carolina is fortunate to have 75 miles of continuous East Coast Greenway through the Triangle completed. This State Trail designation will help funding efforts to construct remaining segments of the East Coast Greenway through North Carolina.

CHAPEL HILL ROAD MOBILITY STUDY

In June, Cary held a second public meeting as part of its work to study Chapel Hill Road. This meeting strategically focused on the preferred number of travel lanes between two and four lanes. Chapel Hill Road users responded to a poll regarding their priorities when it came to the future of the street; sidewalks/bikeways, safety improvements, and limiting right-of-way and property impacts emerged as the top three priorities. A multiday design workshop this fall/winter will be the focus of the next phase in the project.

CARY TAKES OVER MAINTENANCE OF GLENPARK STREET

This quarter, Council voted to accept Glenpark Street as a publicly maintained street. This is the first private street approved as part of a pilot program to accept private streets to public streets. Staff continues to engage other communities as part of this pilot project, and the feedback from those communities will help develop future policy.





WESTERN WAKE TRAFFIC SIGNAL SYSTEM INTEGRATION STUDY KICKOFF

The Capital Area Metropolitan Planning Organization commenced a study to review the feasibility of creating a regional traffic signal system in western Wake County. This regional program would use Cary's Advanced Traffic Signal Management system and Traffic Operations services to maintain and operate all traffic signals in the western portion of Wake County, including those in Morrisville, Apex, Holly Springs, and Fuquay-Varina. The intent of the study is to review existing assets, develop a concept of what a regional system could look like, and determine which resources and agreements/relationships would be necessary. It is expected to wrap up in early 2022.

2050 METROPOLITAN TRANSPORTATION PLAN FOR TRIANGLE REGION

With an estimated 1 million additional people expected to move to the region by 2050, local metropolitan planning organizations are working together to develop the 2050 Metropolitan Transportation Plan for the Triangle region. The plan, which will update the existing long-range plan for transportation improvements across the region, will include roadway, transit, rail, bicycle, pedestrian, and other transportation-related projects to be implemented through the year 2050. The plan takes about 18 months to update.

BIKE MONTH AND NATIONAL TRAILS DAY



Cary celebrated Bike Month in May and continued the festivities through June 5 in recognition of National Trails Day. This year, community outreach and virtual engagement were critical components to a successful campaign. Social media platforms focused on bike education and safety and ride recommendations, as well as surveyed residents on their favorite greenway. Citizens and trail users voted Black Creek Greenway, the American Tobacco Trail, and White Oak Creek Greenway the top three favorite routes. In addition, Cary began a new partnership with LovetoRide, a bike engagement and encouragement platform. Residents clocked nearly 3,000 miles and more than 200 bike trips through this platform during the month of May.

Cary also celebrated its greenways for National Trails Day with the Find Your Greenway challenge. Staff placed 15 "Find Your Greenway" decals on trails throughout the greenway network. Greenway users scanned QR codes on these decals for a chance to win prizes, including a backpack cooler full of greenways swag. Cary citizens responded enthusiastically with more than 2,000 entries.



MEETING COMMUNITY NEEDS





BOARDS AND COMMISSIONS RAP SESSION

On June 14, volunteer advisory boards and commissions members were given the opportunity to represent their group at a rap session facilitated by Tru Pettigrew. Members engaged in an open conversation on the importance of diversity, equity, and inclusion, and they will share a recap with the remainder of their boards.

SENIOR ADVISORY BOARD'S FIRST MEETING

The newly created Senior Advisory Board gathered virtually for its inaugural meeting in May. The board is made up of seven citizens with a wide range of ages and backgrounds working together to create an inclusive and connected environment to support senior services in Cary.

CARY SPONSORS CARY ELEMENTARY SCHOOL'S HONOR A TEACHER AWARD

In June, Mayor Pro Tem Don Frantz announced the winner for Cary Elementary School's Honor a Teacher Award. This program is facilitated by the Cary Chamber of Commerce and sponsored by Cary. Each of the five nominees demonstrated outstanding service to the community through dedication and diligence during a stressful and unpredictable year. Laura Hahn (4th grade), Lauren Keadle (2nd grade), Katherine Phillips (2nd grade), Emily Walsh (1st grade), and Angela Winterton (kindergarten) were nominated for the 2020-2021 Honor a Teacher Award, and Katherine Phillips was named this year's winner.

20 YEARS OF RECLAIMED WATER SERVICE

June marks Cary's 20-year anniversary in providing reclaimed water to its citizens and businesses. In 2001, Cary became the first community in the state to bring reclaimed water to its citizens. Over the past two decades, the system has grown to more than 80 miles of pipeline and 900 program participants. The sustainable practice of reusing highly treated wastewater replaces the need to use potable drinking water sources for irrigation.





WATER RESOURCES YEAR IN REVIEW

The 2020 Water Resources Year in Review report, released in June, tells the story of Cary's interaction with this important natural resource. This year's report relates water usage to the effects of the pandemic, population increases, seasonal changes, and rainfall. Total water demand decreased 6% from 2019 to 2020. The report evaluates production and capacity at Cary's water treatment facility, flows and capacity at its three water reclamation facilities, and much more. View the report at bit.ly/CaryWater2020.



Additionally, the annual Water Quality Report is available online at waterreport.townofcary.org. The report shares the results of more than 400,000 tests performed last year to ensure the water meets or exceeds all state and federal regulatory requirements. It describes

how Cary continues to make its water system more resilient, how water flows through the community, and how Cary is building its infrastructure for today and the future.

PROPERTY AND EVIDENCE RENOVATION COMPLETE

Police completed its Property and Evidence Storage Improvement project in May. The 15-week renovation yielded much needed space for evidence storage and a safer work area for packaging and processing evidence for officers. The project increased the overall area by 736 square feet, doubling the space of the secured vault in the primary evidence storage area and allowing for more shelving and improved ventilation.

SMOKE ALARM DRIVE



Cary Fire, in partnership with the Office of the State Fire Marshal and Cary Community Emergency Response Team, participated in Smoke Detector Saturday on June 5. Firefighters and partners canvassed 414 homes in Cary Mobile Estates and Chatham Estates and installed 122 smoke alarms in 86 homes; 16 of those homes had no smoke alarms at all.

FIRE DEBUTS DIGITAL DASHBOARDS

This quarter, Fire launched First Arriving, a digital dashboard system, in the fire stations and administrative office. The monitors broadcast a rotating menu of timely department and Cary news as well as real-time weather updates and targeted incident notifications, including directional maps and response times. The platform will help Fire improve internal communication, a key objective in the department's most recent strategic plan. It also integrates with other data platforms, such as social media channels, and allows for custom videos.



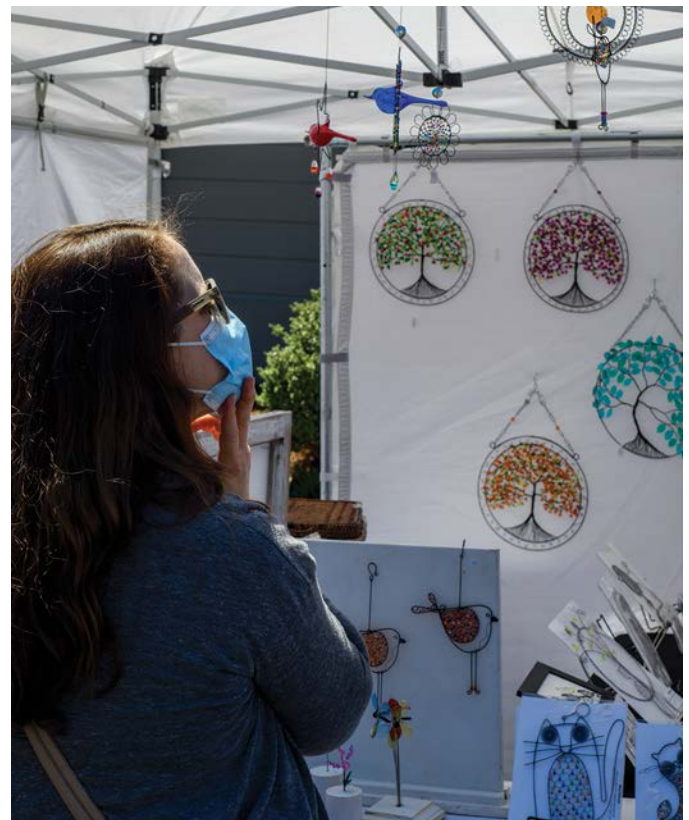
FIRE DEPLOYS NEW AIR PACKS



Self-contained breathing apparatus (SCBA) are one of the most important pieces of safety equipment in the fire service, as they allow firefighters to enter hazardous environments to do their job. As Cary's SCBA reached the end of their service life, Fire replaced them with ones that meet the latest National Fire Protection Association recommendation. An exciting upgrade the newer model provides is a personalized communications module that allows an incident commander to check the status of a firefighter without tying up a radio channel. Cary Fire is the second department in the country to get this new module.

FOOD WASTE RECYCLING PILOT PROJECT

To further reduce the community's waste to the landfill, staff worked with the Environmental Advisory Board and members of the local nonprofit Toward Zero Waste to envision how Cary can provide composting as a service. Staff submitted a grant application to the N.C. Division of Environmental Assistance and Customer Service with a proposal to develop Cary's first food waste recycling drop-off site. This idea builds on Cary's longstanding support of backyard composting and seeds an alternative localized site for increased participation. This quarter, the division awarded funding through the Community Waste Reduction and Recycling Grant to help Cary develop the pilot residential food waste recycling drop-off site at the Citizen's Convenience Center. Staff is working through the design, construction, and coordination of the program with a goal of launching this new solid waste service in the fall.





MOVING FROM VISION TO REALITY





CELEBRATING CARY150



Throughout the quarter, Cary celebrated its sesquicentennial with a variety of events, including the release of a commemorative video and a new beer. In April, Bond Brothers Beer, Fortnight Brewing Company, and Raleigh Brewing Company released Cary Parkway Pilsner, a New Zealand-style pilsner that the three Cary breweries created collaboratively. In June, Cary presented “Cary at 150,” a documentary film by Cary citizen and two-time Emmy winner Hal Goodtree. The documentary is available to view free of charge at thecarytheater.com. Cary also unveiled a new Cary150 fence wrap around the construction of the Cary Downtown Park. The wrap displays a timeline featuring historic photos of Cary, its prominent figures, and its local establishments. Finally, Cary collected stories, photos, and artwork to celebrate the people of Cary through a community art project called We Are Cary — 150 Years Later.

CARY AWARDED FUNDING TO EXTEND STORMWATER INITIATIVE



Cary was awarded \$900,000 in federal funding to extend its stormwater modeling and stream sensor work in the Swift Creek Watershed. These funds are a result of an application submitted and shepherded at the federal level by U.S. Rep. Deborah Ross.

Previously, Cary embarked on dynamic modeling, rain gauge, and stream sensor work as part of Council's stormwater initiative in the Walnut Creek Watershed pilot. That work yielded strong positive outcomes, warranting a similar approach in the Swift Creek Watershed. Cary is now in the final stages of dynamic modeling for the northernmost 3 square miles of the Swift Creek Watershed. This grant will advance modeling on the remaining portion of Swift Creek as well as fund sensors for the entire basin. The real-time data derived from the sensors and gauges enhances stormwater planning and floodplain improvement prioritization as well as contributes to the state's alert system.



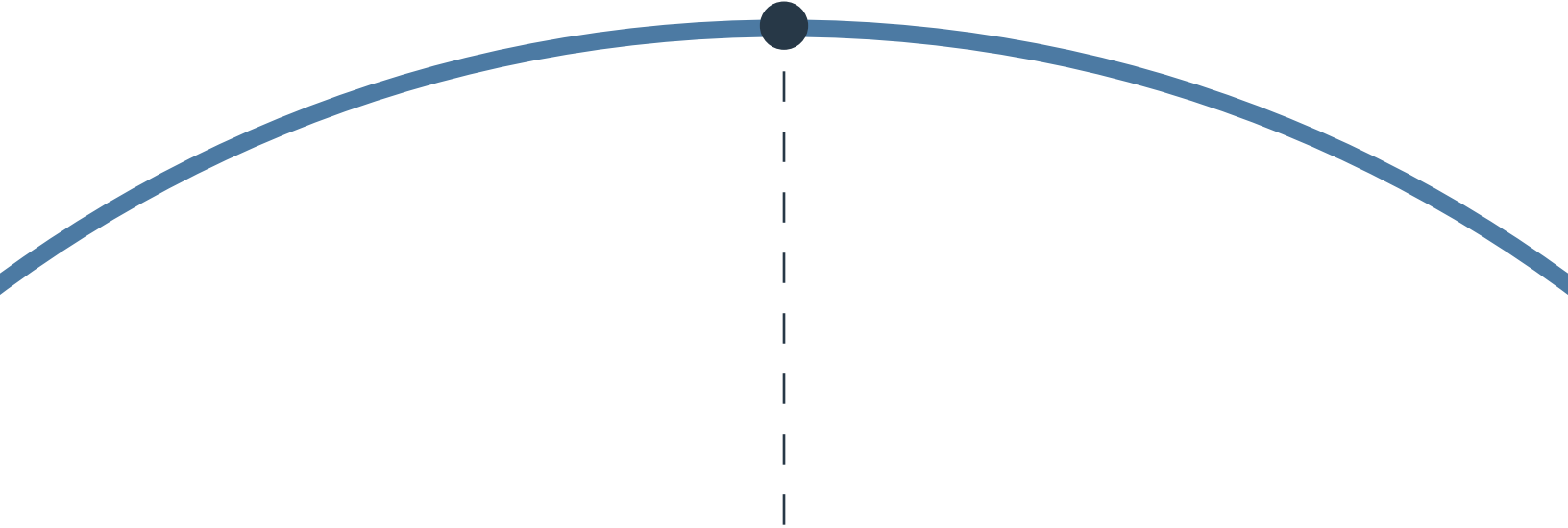
SHINING THE LIGHT ON SOLAR

Cary's solar future just got a bit brighter. This quarter, Cary took significant steps to advance the use of renewable energy for government and citizens. Internally, to boost solar capacity, Cary continued talks to purchase the large solar field hosted at the South Cary Water Reclamation Facility. This acquisition would immediately provide more solar energy directly to municipal operations. With an eye to the future, Cary conducted a feasibility study and made significant strides in determining which municipal facilities are suitable for capturing and using solar energy. Solar is included in the plans for the new USA Baseball National Training Complex facility expansion, which Council unanimously funded, and for the new Cary/Apex Water Treatment Facility maintenance building. Cary is also budgeting for solar in near-term capital projects, such as the transit multimodal center and the bus operations and maintenance facility, continuing the solarization of transportation that started with solar-powered bus stops. Additionally, the new Stream Flood Monitoring website hosts a location map of solar-powered water sensors that provide real-time data on the water level of designated streams in Cary. The Stream Flood Monitoring website can be found at townofcary.org/streamensors.

To help citizens and businesses catch some of this great energy, Cary worked with the U.S. Department of Energy's SolSmart Program on its goal of making solar installations easier and more accessible for the private and commercial sectors. Through this program, Cary provided staff with solar training, developed and initiated a solar permitting checklist, clarified the legality of solar installation across Cary, and created a website to walk citizens through the solar installation process from start to finish. As a result of this work, Cary achieved SolSmart's silver designation, joining approximately 400 municipalities nationwide that are working to make solar a viable energy alternative to reduce carbon emissions and build resilient communities.



KEEPING CARY CARY



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