



**COUNCIL
QUARTERLY
REPORT**

CARY, NORTH CAROLINA
FY 2023 SECOND QUARTER

CARY MAYOR & 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
Ryan Eades



Council Member
Jennifer Bryson Robinson



Council Member
Jack Smith



Council Member
Carissa Kohn-Johnson

On the cover: Diwali is the most widely celebrated religious and cultural event in India. It marks the victory of good over evil, light over dark, and the beginning of the new year. Also known as the Festival of Lights, Diwali encourages artistic expression through vibrant performances, unique exhibits, and colorful decorations.

AS WE CLOSED OUT 2022, SOMETHING ABOUT THIS QUARTER FELT A LITTLE MORE MAGICAL.

Maybe it was all of the seasonal decorations downtown or the two skating rinks — one at the old library site and one at Fenton. Maybe it was the holiday events like the Christmas Tree Lighting or the Menorah Lighting. Or maybe it was the celebration of the countless years of service of our hardworking employees. But it is all these things combined that make us who we are. That make us Cary.

This is a natural time of year for people to reflect on their biggest successes and what they are thankful for, and this quarter there is much to report. Most notably, Council approved rezoning for Cary's first mixed-income development on Cary-owned property. This decision comes only one year after Council approved the Cary Housing Plan. A special thanks to Rep. Deborah Ross, who secured \$1 million for this development as part of the FY 2023 omnibus funding package.

Also this quarter, staff planted new trees on Cary-owned sites across town to help with stormwater management. At the new homes on Trimble Avenue, Council member Lori Bush, Assistant Town Manager Danna Widmar, and a team of staff partnered with Habitat for Humanity of Wake County to plant native trees at those properties as well. In addition, I attended the Human Relations, Inclusion, and Diversity task force meeting in November to talk about the expectations for the work of the group. Finally, several local and state organizations recognized the excellence of our water and wastewater systems and several of our employees this quarter.

As I think about all we have accomplished, not only this quarter but in 2022, I am thankful for our 1,305 Cary employees, including those who celebrated milestone years of service. Also, I am thankful for the hard work and open-mindedness of our Council and for their leadership, proactivity, and desire to create a better future. Finally, I am thankful to be in a place that wants to inspire people to Live Inspired.

We look forward to providing further updates at the Council-Staff Retreat in Wilmington on Feb. 24 and 25.

Live Inspired,



Sean R. Stegall
Town Manager



IN MOVING CARY FORWARD

TABLE OF CONTENTS

Q2

FINANCIAL
HIGHLIGHTS

03



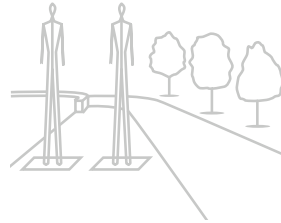
SHAPE

31



LIVE

17



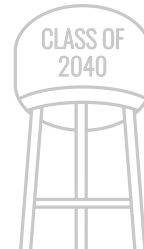
MOVE

35



WORK

21



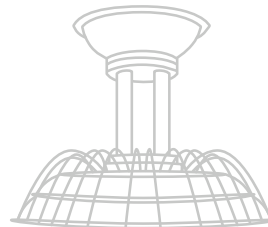
SERVE

39



ENGAGE

23



ACT

47



FINANCIAL HIGHLIGHTS

FY 2023

Q2

EXECUTIVE SUMMARY

The audit of Cary's financial statements for FY 2022 concluded in Q2 with the preparation of the Annual Comprehensive Financial Report. The financial statements and supporting details demonstrate that Cary remains in good financial condition. For further details on Cary's audited financial statements, visit townofcary.org/CAFR.

As of Q2, financial results continue to be in line with budgeted expectations, despite residual impacts of the pandemic, inflation, and certain supply chain delays. Financial planning and budgeting for FY 2024 also commenced this quarter. Cary's leadership team continued to expand their understanding of Cary's holistic financial picture, which strengthens the ability to develop a recommended budget for Cary.



FY 2023 SECOND QUARTER FINANCIAL RESULTS

GENERAL FUND

FY 2023 Q2 GENERAL FUND SUMMARY

	FY 2023 YTD ADJ BUDGET	FY 2023 YTD ACTUAL	% OF BUDGET	FY 2022 YTD ACTUAL	FY 2022 VARIANCE	VARIANCE %
REVENUES	\$ 271.4	\$ 126.9	47%	\$ 126.6	\$ 0.3	0%
EXPENDITURES	271.4	129.9	48%	101.7	28.2	28%
TOTAL REVENUE OVER/(UNDER) EXPENDITURES	\$ -	\$ (3.0)	-	\$ 24.9	\$ (27.9)	-112%

* 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.

Overall net results for Q2 decreased by more than 100%, or \$27.9 million, compared with the prior year’s second quarter due to increases in spending as Cary returns to normal operations.



Image Credit: Liz Condo Photography

FY 2023 Q2 GENERAL FUND REVENUES

	FY 2023 YTD ADJ BUDGET	FY 2023 YTD ACTUAL	% OF BUDGET	FY 2022 YTD ACTUAL	FY 2022 VARIANCE	VARIANCE %
PROPERTY TAX	\$ 119.4	\$ 92.3	77%	\$ 95.4	\$ (3.1)	-3%
SALES TAX	53.0	14.5	27%	12.4	2.1	17%
OTHER TAXES & LICENSES	3.1	1.4	45%	1.3	0.1	8%
UNRESTRICTED INTERGOVERNMENTAL	10.8	3.0	28%	2.8	0.2	7%
RESTRICTED INTERGOVERNMENTAL	0.3	0.4	133%	0.3	0.1	33%
PERMITS & FEES	5.9	2.1	36%	2.8	(0.7)	-25%
PRCR SALES & SERVICES	8.5	3.4	40%	3.0	0.4	13%
SOLID WASTE SALES & SERVICES	13.9	7.0	50%	6.4	0.6	9%
OTHER SALES & SERVICES	1.9	1.2	63%	0.5	0.7	140%
MISCELLANEOUS	2.2	1.0	45%	0.6	0.4	67%
OPERATING REVENUES	219.0	126.3	58%	125.5	0.8	1%
NONOPERATING	52.4	0.6	1%	1.1	(0.5)	-45%
TOTAL GENERAL FUND REVENUES	\$ 271.4	\$ 126.9	47%	\$ 126.6	\$ 0.3	0%

Overall, FY 2023 General Fund revenues are in line with the previous year's Q2. Although the variance in net revenue is minimal, a few notable revenue changes are detailed in the next section.

OPERATING REVENUES

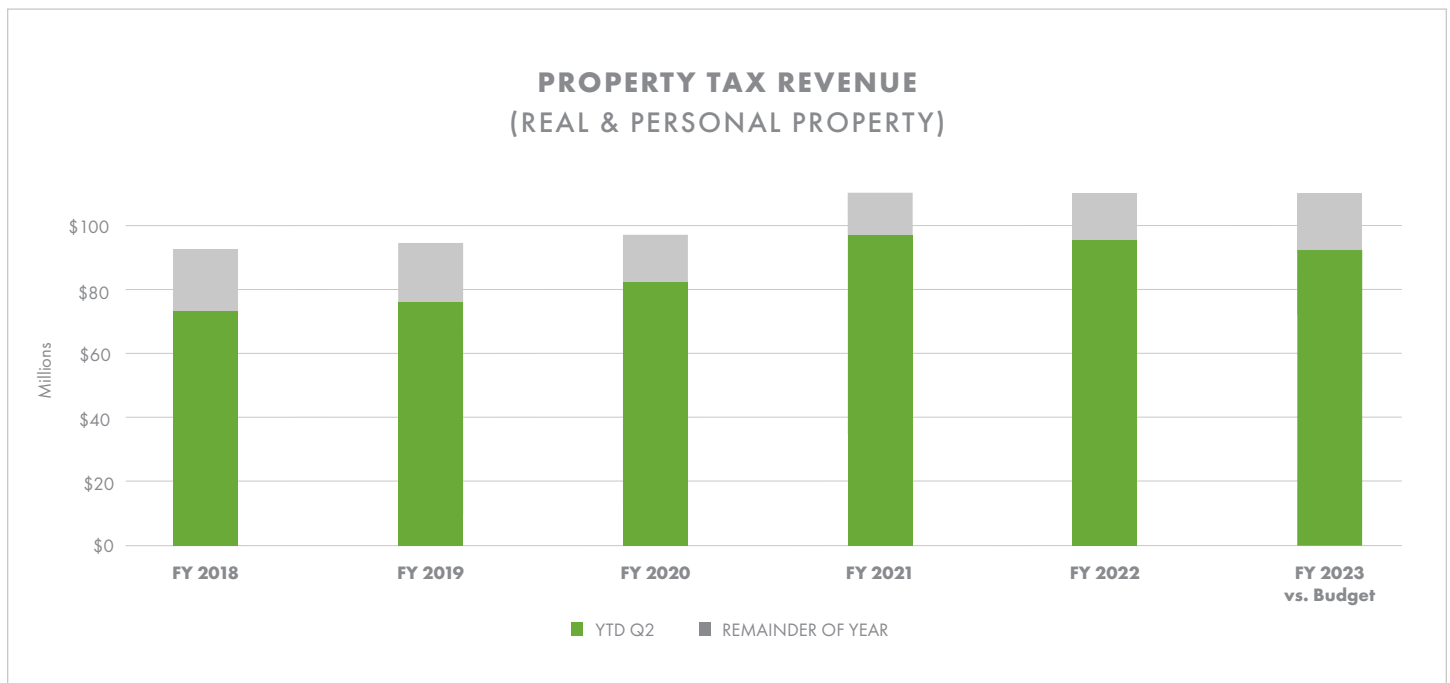
Property tax revenue is 44% of total budgeted revenue and is the largest revenue source for the General Fund. Taxes are based on an ad valorem tax levy on real and personal property. Real property are items such as land and buildings, while personal property are items such as vehicles and commercial business equipment. Real property taxes were billed in July and due no later than Jan. 5. Therefore, most real property tax revenue is expected during Q2.

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 2023 budget for real property tax is \$111.5 million. Q2 ended less than a week before the property tax due date, and by the end of the second quarter, Cary had received \$88.9 million, or 80%, of the real property tax revenue budget.

The personal property tax budget for this fiscal year is \$7.7 million, and as of Q2, Cary had received \$3.4 million, or 44%. Based on historical trends and collections received so far, both real and personal property tax revenues are on target to meet budgeted revenue.

Sales tax revenue is 20% of budgeted General Fund revenue and is the second largest revenue source for the General Fund. Sales tax revenue through Q2 is 17%, or \$2.1 million, more than the same quarter of last fiscal year. This revenue stream is distributed to municipalities by the N.C. Department of Revenue about two and a half months after the month when sales occurred. Through Q2, Cary received three distributions for July through September sales, representing the largest sales tax distribution in Cary’s history. This growth in sales tax revenue continues to reflect significant retail sales and rising prices in some sectors.



Restricted Intergovernmental revenues rose compared with last year largely due to an increase in public safety grants revenue.

Collectively, **Permits and Fees** revenue decreased 25% when compared with last year. A significant part of this decrease was a 36% drop in permit fees relative to the same period last year. However, despite the reduction in revenue, there was an increase in the number of permits, both building and other, issued compared with the same period last year.

PRCR Sales and Services increased 13% compared with the same time last year. As of Q2 of FY 2022, PRCR facilities were resuming normal levels of programming but are now fully operational.

Nonoperating revenues through Q2 decreased 45% compared with the same period in FY 2022. This decrease resulted from the receipt of bond premiums in FY 2022 from the Q1 bond sale to cover the bond issuance costs.



Image Credit: Liz Condo Photography

FY 2023 Q2 GENERAL FUND EXPENDITURES

	FY 2023 YTD ADJ BUDGET	FY 2023 YTD ACTUAL	% OF BUDGET	FY 2022 YTD ACTUAL	FY 2022 VARIANCE	VARIANCE %
GENERAL GOVERNMENT	\$ 54.6	\$ 22.0	40%	\$ 17.8	\$ 4.2	24%
PUBLIC SAFETY	68.0	30.6	45%	25.9	4.7	18%
OPERATIONS (PW & PRCR)	64.6	25.9	40%	22.5	3.4	15%
DEVELOPMENT & INFRASTRUCTURE	20.8	7.6	37%	6.9	0.7	10%
OPERATING EXPENDITURES	208.0	86.1	41%	73.1	13.0	18%
NONOPERATING	63.4	43.8	69%	28.6	15.2	53%
TOTAL GENERAL FUND EXPENDITURES	\$ 271.4	\$ 129.9	48%	\$ 101.7	\$ 28.2	28%

General Fund expenditures increased by 28% compared with last year’s Q2 results. Operating and nonoperating expenditures are up from the prior year, 18% and 53%, respectively. Operating expenditure increases are largely driven by the return to normal spending post-pandemic. The increase in nonoperating expenditures results from increased debt service and payments and transfers to other funds.

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 remain at the end of Q2. When including these encumbrance amounts with year-to-date spending, the General Fund has nearly \$107 million of budgeted funds available for the remainder of the fiscal year.

GENERAL FUND OPERATIONS –
FY 2023 REMAINING
ENCUMBRANCES (Q2)

GENERAL GOVERNMENT	\$ 13,240,032
PUBLIC SAFETY	4,694,608
OPERATIONS (PW & PRCR)	13,133,226
DEVELOPMENT & INFRASTRUCTURE	1,469,652
DEBT SERVICE	77,110
CONTINGENCIES & RESERVES	1,904,295
TOTAL ENCUMBRANCES	\$ 34,518,923

UTILITY FUND

FY 2023 Q2 UTILITY FUND SUMMARY

	FY 2023 YTD ADJ BUDGET	FY 2023 YTD ACTUAL	% OF BUDGET	FY 2022 YTD ACTUAL	FY 2022 VARIANCE	VARIANCE %
REVENUES	\$ 103.2	\$ 41.9	41%	\$ 39.5	\$ 2.4	6%
EXPENDITURES	103.2	51.9	50%	48.5	3.4	7%
TOTAL REVENUE OVER/(UNDER) EXPENDITURES	\$ -	\$ (10.0)	-	\$ (9.0)	\$ (1.0)	-11%

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Utility Fund net results through Q2 declined by 11% compared with FY 2022 due to an increase in operating expenditures.



FY 2023 Q2 UTILITY FUND REVENUES

	FY 2023 YTD ADJ BUDGET	FY 2023 YTD ACTUAL	% OF BUDGET	FY 2022 YTD ACTUAL	FY 2022 VARIANCE	VARIANCE %
WATER SERVICE	\$ 33.3	\$ 16.7	50%	\$ 15.6	\$ 1.1	7%
SEWER SERVICE	51.2	23.5	46%	22.4	1.1	5%
PERMITS & FEES	2.1	1.2	57%	1.0	0.2	20%
OPERATING REVENUES	86.6	41.4	48%	39.0	2.4	6%
NONOPERATING	16.6	0.5	3%	0.5	0.0	0%
TOTAL GENERAL FUND REVENUES	\$ 103.2	\$ 41.9	41%	\$ 39.5	\$ 2.4	6%

Utility Fund revenues increased \$2.4 million, or 6%, through Q2 compared with the same period in FY 2022. The increase in revenue is due in part to the 3% increase to water and sewer rates in the FY 2023 budget. The remaining increase is due to a slight increase in consumption. Consumption changes are directly linked to the weather and new meter installations resulting from development. The 20% increase in Utility Permits and Fees is due to a timing difference in FY 2022 that was resolved in the next quarter.



FY 2023 Q2 UTILITY FUND EXPENDITURES

	FY 2023 YTD ADJ BUDGET	FY 2023 YTD ACTUAL	% OF BUDGET	FY 2022 YTD ACTUAL	FY 2022 VARIANCE	VARIANCE %
ADMINISTRATION	\$ 11.6	\$ 5.0	43%	\$ 4.1	\$ 0.9	22%
FIELD OPERATIONS	21.1	7.9	37%	8.1	(0.2)	-2%
WASTEWATER (NET OF APEX)	15.3	5.6	37%	4.8	0.8	17%
WATER TREATMENT FACILITY (NET OF APEX)	11.5	5.5	48%	4.5	1.0	22%
OPERATING EXPENDITURES	59.5	24.0	40%	21.5	2.5	12%
NONOPERATING	43.7	27.9	64%	27.0	0.9	3%
TOTAL GENERAL FUND EXPENDITURES	\$ 103.2	\$ 51.9	50%	\$ 48.5	\$ 3.4	7%

Overall, Utility Fund expenditures increased 7% when compared with the same period last year. Increases in operating expenditures were largely the result of inflationary pressures, including chemical inflation.

The following table shows total outstanding encumbrances for the Utility Fund at the end of Q2. When including these encumbrance amounts with year-to-date spending, the Utility Fund has roughly \$45 million left in the budget for the remainder of the year.

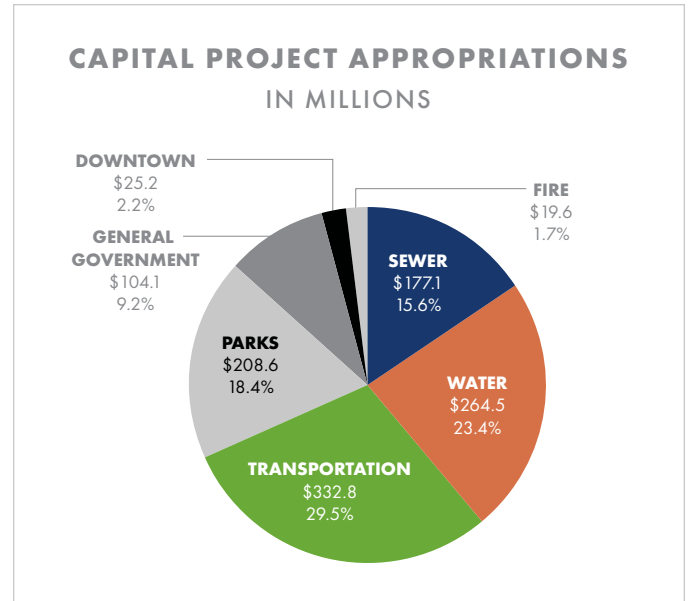
UTILITY FUND OPERATIONS -
FY 2023 REMAINING
ENCUMBRANCES (Q2)

GENERAL GOVERNMENT	\$ 1,184,253
PUBLIC SAFETY	1,372,470
OPERATIONS (PW & PRCR)	1,886,742
DEVELOPMENT & INFRASTRUCTURE	1,928,276
DEBT SERVICE	9,125
CONTINGENCIES & RESERVES	253,517
TOTAL ENCUMBRANCES	\$ 6,634,383

CAPITAL PROJECTS

Cary has 558 active capital projects. General capital projects, with a total of budget of \$690.3 million, constitute 61% of the \$1.1 billion capital budget authorization. Utility capital projects total \$441.6 million, or 39%, of the capital budget authorization.

Capital project spending totaled \$58.1 million through Q2. The fluctuation in capital spending is due to the timing of when projects become active or are near completion. The three largest investments in capital for the community in Q2 were \$12 million for the Downtown Cary Park, \$5.7 million for construction on street improvement projects, and \$3.4 million for improvements to the USA Baseball facilities. Because the mix of capital projects changes over time, there are no discernible patterns in capital spending.



CAPITAL PROJECT SPENDING THROUGH Q2 (IN MILLIONS)

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
DOWNTOWN	\$ 7.1	\$ 0.5	\$ 0.8	\$ -	\$ 1.4
FIRE	2.9	4.1	0.5	0.2	0.1
GENERAL GOVERNMENT	3.2	3.1	2.9	1.8	3.9
PARKS	2.7	8.0	18.3	15.4	28.7
STREETS	8.0	12.0	9.4	8.5	10.7
SEWER	3.0	5.1	11.3	4.6	10.2
WATER	12.2	6.7	6.5	6.5	3.1
TOTAL	\$ 39.1	\$ 39.5	\$ 49.7	\$ 37.0	\$ 58.1

BUDGET

MIDYEAR APPROPRIATIONS

The FY 2023 operating budget includes \$1 million to support emerging or unforeseen program needs during the fiscal year. There were no appropriations from these funds as of the end of Q2. The following General Government Midyear Appropriations table identifies all fund balance appropriations approved during the year for the General Fund.

The Capital Project Funds table notes year-to-date midyear appropriations related to general and utility capital projects. These appropriations were approved by Council and reflect both Cary funds and funds received from outside agencies for specific uses.



Q2 GENERAL GOVERNMENT MIDYEAR APPROPRIATIONS
GENERAL FUND

FUNDING SOURCE	QUARTER	FUNDING USE	AMOUNT
APPROPRIATIONS FROM GENERAL FUND FUND BALANCE	Q2	Advance Purchase of Solid Waste Trucks	\$ 2,032,060
TOTAL MIDYEAR GENERAL FUND FUND BALANCE APPROPRIATIONS			\$ 2,032,060

CAPITAL PROJECT FUND

FUNDING SOURCE	QUARTER	FUNDING USE	AMOUNT
UTILITY FUND FUND BALANCE	Q2	Maynard Mixed-Income Development	\$ 420,945
TOTAL MIDYEAR CAPITAL PROJECT FUND APPROPRIATIONS			\$ 420,945

**Q2 DELEGATED BUDGET
AUTHORITY ACTION**

Throughout the fiscal year, challenges and opportunities develop that warrant financial resources 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. No inter-functional budget adjustments were approved during Q2 of FY 2023.

**BUDGET PUBLIC INPUT AND
RECOMMENDATIONS**

Citizens are invited to share their budget priorities throughout the year specifically via social media, phone, and email. No budget public input comments were received in Q2.



Image Credit: Liz Condo Photography

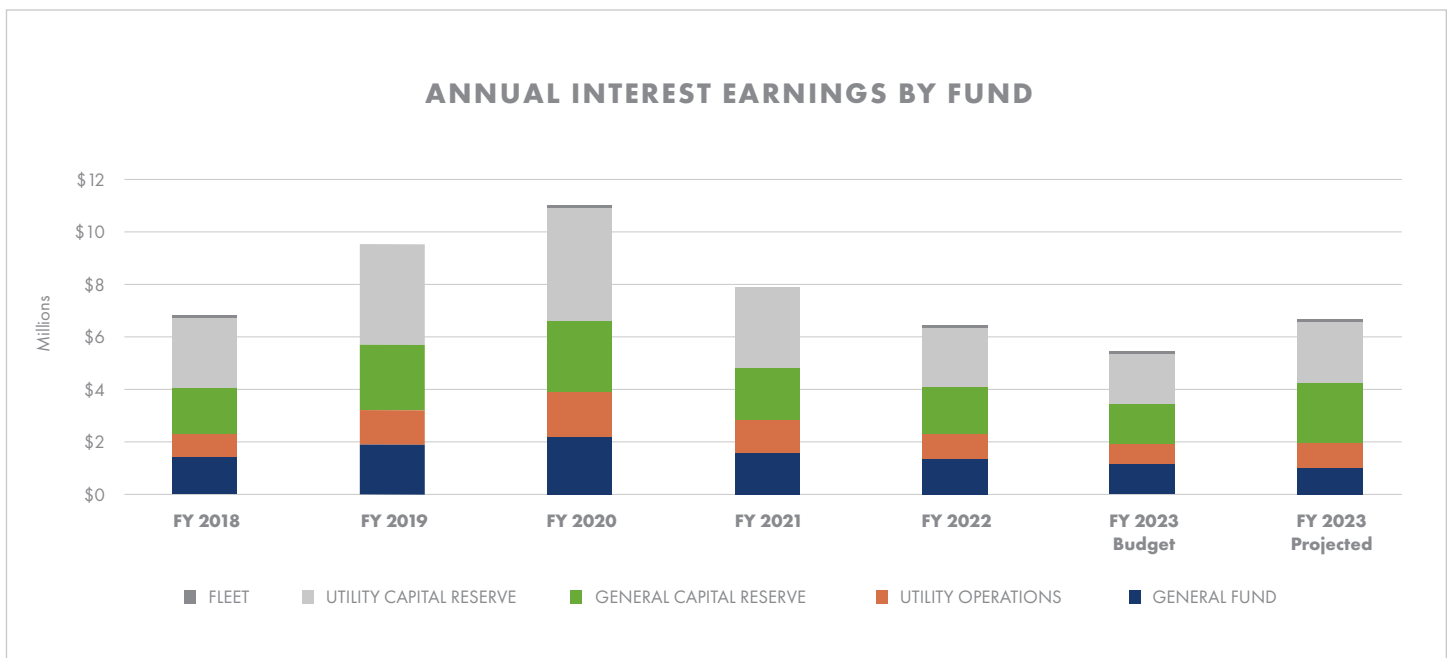
CASH AND INVESTMENTS

At the end of Q2, Cary’s cash and investments totaled \$571 million. Cash balances increased in Q2 and will peak in the early part of Q3 due to the influx of property tax receipts.

In Q2 of FY 2023, Cary invested more than \$40 million at an average rate of 2.79%. In comparison, Cary invested more than \$67 million at 0.95% in Q2 of FY 2022. The federal funds interest rate has been increased seven times since March 2022; then it was 0.25%, and it is now 4.25%. When the FY 2023 budget was being developed, a rate of 2.25% was used for new investments. Since interest rates have increased more than anticipated, interest earnings are anticipated to come in above budget.



Image Credit: Liz Condo Photography





LIVE

**FOSTERING STRONG
NEIGHBORHOODS**



Image Credit: Liz Condo Photography



LAND REZONED FOR MIXED-INCOME PROJECT ON CARY PROPERTY

Council approved rezoning for the proposed development at 921 SE Maynard Road, the first mixed-income development to be constructed on property owned by Cary. The approval marks significant progress in the implementation of the Cary Housing Plan, which outlines strategies and actions to meet the housing needs of Cary residents over the next decade. The development will be National Green Building Standard Silver certified. A public greenway connection between Ryan Road and Southeast Maynard Road will be constructed to increase access to Cary's greenways and parks, and 42% of the total site will be preserved for a green or natural area with a minimum of 1,200 square feet of community gathering space. The 126-unit development is slated for completion in fall 2024.

REP. ROSS SECURES \$1 MILLION FOR MIXED-INCOME PROJECT

President Joe Biden signed into law the FY 2023 omnibus funding package, which includes \$1 million for the mixed-income housing development at 921 SE Maynard Road. U.S. Rep. Deborah Ross, who represents Cary, secured this funding and stated, "I fought for this funding because I know it will make a positive difference in our community. I look forward to working with local leaders and seeing how these projects will create tangible progress in Wake County."

NATIVE TREE PLANTING FOR AFFORDABLE HOMES



In October, Cary partnered with Habitat for Humanity of Wake County to bring the My Tree, Our Tree program to the homes on Trimble Avenue. Council member Lori Bush and Assistant Town Manager Danna Widmar joined in the planting of native trees along with homeowners, staff, and resident volunteers. This blend of housing and environmental programming is the first of many planned for Cary.



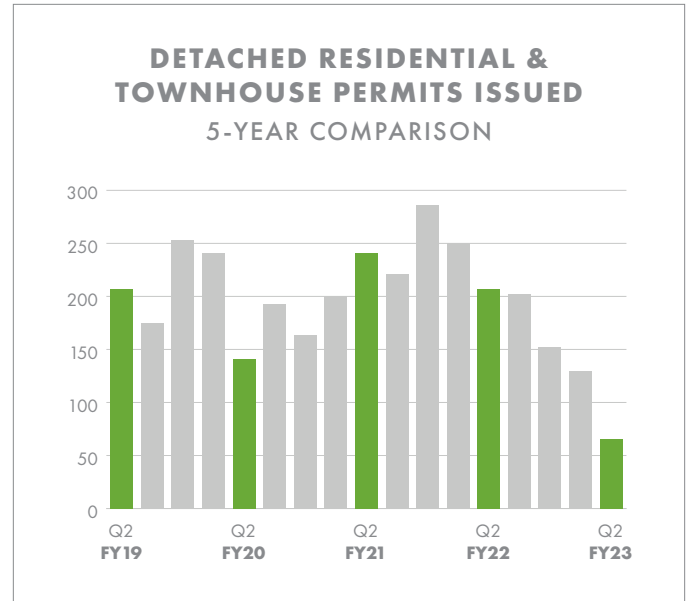


RESIDENTIAL PERMITS

Cary issued 66 permits for new detached residential and townhouses in Q2. The top three subdivisions permitted were Courtyards at West Cary (17), Carpenter Village (16), and Corbinton at Kildaire Farm (8). Overall, permits for new detached residential and townhouses decreased 68% in comparison with Q2 of FY 2022.

Cary issued 204 detached residential and townhouse certificates of occupancy in Q2, an average of three certificates per workday. This is comparable to the COs issued in Q2 of FY 2022, which was 205. The subdivisions that received the most COs were James Grove (57), Carpenter Village (34), and Carpenter Pointe (21).

Cary also issued building permits for 207 units in the Preston Ridge multifamily development.



RESIDENTIAL ALTERATION AND ADDITION PERMITS

In Q2, Cary issued 354 permits for residential alterations and additions. This is a 25% decrease from the same period last year and a 19% decrease from last quarter.





Image Credit: Liz Condo Photography



WORK

**ASSURING
CONTINUED
PROSPERITY**

Armageddon

Trinidad
scorpions

Primitivo

81

88

8

Dragon's

Breath

888

880

st scorpions



CARY



COLLEAGUES CELEBRATE SERVICE

In December, Cary recognized more than 185 employees for reaching 5, 10, 15, 20, 25, and 30 years of service, representing a collective 2,455 years. Commemorative slideshows were broadcast on Cary’s intranet and at facilities. Honorees were presented with a plaque and/or gift to recognize their service longevity. Departments held gatherings to celebrate all their employees, and a virtual accomplishments and kudos board captured many proud and thankful postings for work well done throughout 2022.

TAKING CARE OF EMPLOYEES

Employees are the most valuable resource, and Cary strives to offer the most competitive salaries and comprehensive benefits, meeting employees where they are and rewarding for excellence. This quarter, Cary produced a Total Compensation Statement that outlined each employee’s base salary, benefits provided, and the value of their total compensation. Education and awareness further embody our value of People First. In a further effort to support employees, Cary offered four financial wellness webinars as well as four CPR classes that served 55 employees.

PRIORITIZING HEALTH

In an effort to remain on top of the arc and support employee health and well-being, Cary evolved its existing Healthy Rewards program to include an annual physical. With 97% completion, Cary doubled its percentage of employees getting a physical and is well above the 50% industry standard for similar program participation. Cary continues to take care of its best and brightest while strategically managing healthcare costs.





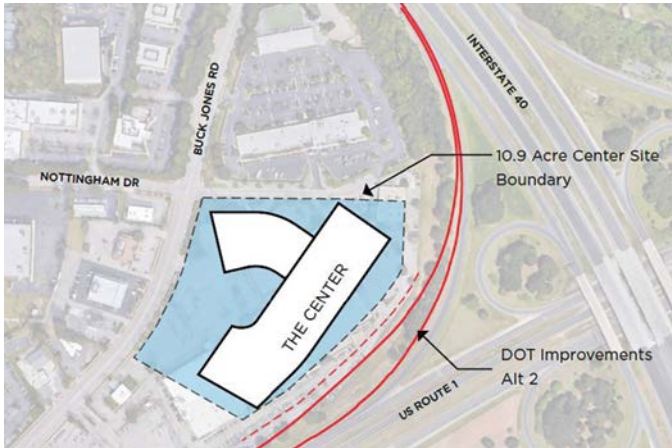
ENGAGE

EXPERIENCING THE
CARY COMMUNITY





FUTURE COMMUNITY CENTERS



Cary is preparing to build two modern, multigenerational community centers. One of the community centers will be constructed in western Cary at Mills Park, and one will be located in eastern Cary as part of the regional sports and entertainment venue in the redeveloped South Hills. Cary’s goal is to make these new centers integral spaces for the community and to play a key role in promoting community health. This quarter, Cary identified these sites and hired the consultant teams for the master plans and public engagement, including an online survey and public meetings in January.

SWIFT CREEK LOOP TRAIL



This quarter, the Swift Creek Loop Trail at Hemlock Bluffs Nature Preserve closed for boardwalk repairs. Five wooden structures along the lower loop of this trail allow visitors to traverse the wetland areas with minimal impact to the sensitive habitat. Updates will address needed repairs, add handrails, and enable these structures to bear the weight of a small motorized vehicle if needed.



Image Credit: Liz Condo Photography



WILLOW PROJECT RECEIVES AWARD



Cary received the 2022 Arts and Humanities Award from the North Carolina Recreation and Parks Association for its community residency with artist Patrick Dougherty and the resulting sculpture called Fly Away Home. For more than three weeks, 135 volunteers, including some from Cary's Spruce program, came together to work side by side with the artist to build one of his monumental willow sculptures at Carpenter Park.

NETWORK OF AGE-FRIENDLY COMMUNITIES



In November, AARP presented the Cary Town Council with a designation naming Cary the newest member of its Network of Age-Friendly States and Communities. This designation will give Cary the tools to complete a comprehensive self-assessment and the ability to collaborate with other like-minded communities in addressing the unique challenges facing an aging population.





CARY TENNIS PARK EMPLOYEE RECOGNITIONS



This quarter, state and local organizations recognized two Cary Tennis Park employees: Reid Kinlaw, head tennis professional of community tennis, and Bill Reynolds, tennis program specialist. Buster and Karen Brown through the North Carolina Tennis Association gave Kinlaw the N.C. Educational

Merit Award. This award recognizes an individual who has developed an outstanding tennis initiative that provides leadership and inspiration in junior programming for schools, colleges, parks, and playgrounds and benefits the growth of tennis. Kinlaw previously won the Education Merit award from the Southern Tennis Association for his work with Cary's wheelchair tennis and abilities tennis programs.

Reynolds received the Community Spotlight from the Western Wake Tennis Association. Reynolds is the WWTJA Junior Team Tennis Co-Local League Coordinator. He oversees Junior Team Tennis, supervises teaching staff and stringers, coordinates the schedule and sanctioning for U.S. Tennis Association tournaments at Cary Tennis Park, and provides leadership for USTA events around the state.



GLOW LANTERN-MAKING WORKSHOPS

The GLOW outdoor exhibition returned this year with a series of community lantern-making workshops and a parade experience. From October to December, participants learned how to make three lantern structures using sustainable materials, and Cary held a special professional development workshop for Wake County teachers. The experience will culminate in a celebration of light with a downtown parade scheduled for January.

NCAA COLLEGE CUP



On consecutive weeks in December at WakeMed Soccer Park, the 2022 NCAA Women's and Men's College Cups took place for nearly 34,000 spectators across six matches. This year marked the first time in history both events were held in the same year at the same location. The women's event ended in a most exciting fashion with UCLA defeating UNC-Chapel Hill in overtime in front of a record Cary finals crowd of 9,510 and a large ESPN audience. The following weekend Syracuse bested Indiana during the men's event.



ACC CHAMPIONSHIP SOCCER



In November, schools from North Carolina, South Carolina, Florida, and New York played in the Atlantic Coast Conference men's and women's soccer championships for 8,755 spectators at WakeMed Soccer Park. The stadium was wrapped with signage from the ACC and provided the perfect backdrop for Cary's new brand. Fans traveled from all over the East Coast to explore Cary and experience one of the nation's soccer treasures.

DOWNTOWN URBAN OPEN



Disc golfers, both local and from around the state, had a great time at the 2022 Downtown Urban Open (DUO) disc golf tournament Thanksgiving weekend. This year, more than 400 participants and spectators helped raise more than \$5,000 for Cary's Play It Forward scholarship fund. Since its inception, DUO has raised more than \$27,000 to provide program opportunities for underserved populations.



Image Credit: Liz Condo Photography



HERBERT'S HAUNTED HOUSE



Herbert's Haunted House returned to Herb Young Community Center for two nights this October and broke last year's attendance record with a cumulative 1,116 attendees. More than 250 members of Cary Teen Council helped create the Herbert's Haunted House experience by helping plan and manage the event, setting up, selling tickets, serving as event guides, and doing the scaring.

KWANZAA CELEBRATION

Cary held its 28th annual Cary Kwanzaa Celebration at the Cary Arts Center in December. The celebration included an African dance performance by the Magic of African Rhythm, a musical performance by the Fruits of Labor, and an interactive drumming workshop. Cary Kwanzaa is a communal, cultural celebration that honors African-American people and their heritage. The Kwanzaa Celebration is produced in partnership with the Ujima Group.

ROCKY HORROR PICTURE SHOW

In honor of Halloween, The Cary Theater showcased two fun-filled screenings of "The Rocky Horror Picture Show." Nearly 200 die-hard fans filled the theater to sing along to their favorite musical, dance to the Time Warp, and dress up like their favorite character. It was wonderful to see patrons of all ages enjoying this film together. In fact, one attendee was proud to announce that he had seen "Rocky Horror" an astonishing 322 times.



Image Credit: Liz Condo Photography



WHITE CHRISTMAS SING-ALONG



The Cary Theater's signature holiday event returned for five fun-filled shows in December. This annual event clearly resonates with the community. With three sold-out shows and nearly 700 attendees, the White Christmas sing-along continues to be a hit. A special snowflake projection light temporarily installed in the theater was timed to create a snowfall effect during the song "Snow" and the final rendition of "White Christmas."



HARVEST FEST WRAP-UP



The second annual Harvest Fest attracted more than 1,000 guests to Good Hope Farm for produce sales, farm tours, and a Q&A with dozens of environmental experts from across the region. Environmental education focuses included wildflowers, songbirds, pollinators, tree care, compost, solar energy, healthy soils, and more. Other festival highlights included free pop-up "make and take" pickling workshops, guided historic trolley tours, and a bonsai pepper pruning class. In keeping with Good Hope Farm's mission to marry Cary's agricultural past with an innovative future, the Harvest Fest showcases Cary's commitment to sustainability and community engagement.



Image Credit: Liz Condo Photography



SHAPE

**GUIDING
COMMUNITY
GROWTH**





FENTON CELEBRATES HOLIDAYS IN STYLE

PHOTOGRAPHED BELOW

In October, Fenton welcomed Compass as its first office tenant. Compass, a real estate technology firm, is occupying approximately 8,200 square feet in the first building at the corner of Trinity Road and Fenton Gateway Drive. In November, Truist Bank, Fenton's first financial institution, opened. Three new retailers, Archer Paper Goods, Madewell, and Vestique, also opened this quarter. The development now includes 20 retail tenants, 7 restaurants, 1 office tenant, and the movie theater.

For the holiday season, Fenton unveiled a large display of holiday decorations along with some opportunities for recreation and entertainment. Sculpted reindeer and large ornaments decorated the entrances and main street, while a 40-foot lighted tree and a "Santa snow globe" with picture opportunities added to the holiday cheer.

Fenton also opened a temporary ice rink in the central gathering space in front of the theater. The rink exceeded expectations with more than 30,000 tickets sold during the month of December.

Peering ahead, construction continues on the 357-unit Allison at Fenton Apartments, which will open in seven phases. Model units are now available for viewing, and the first units are expected to be available for occupancy in January 2023.





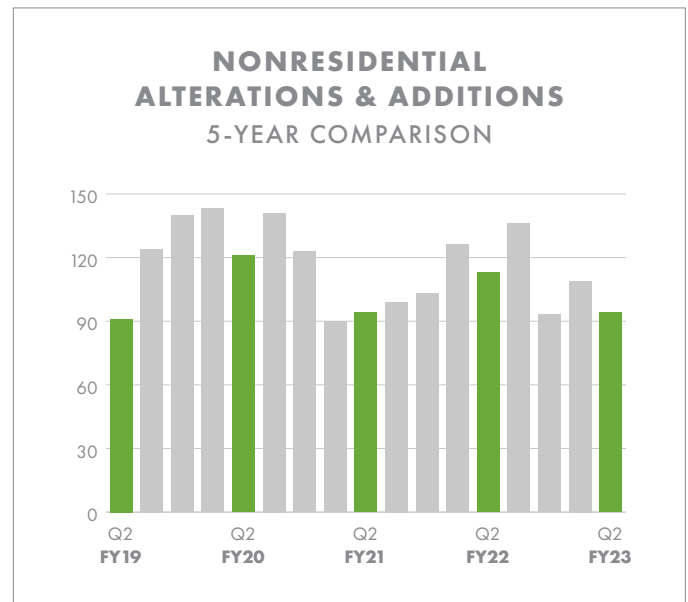
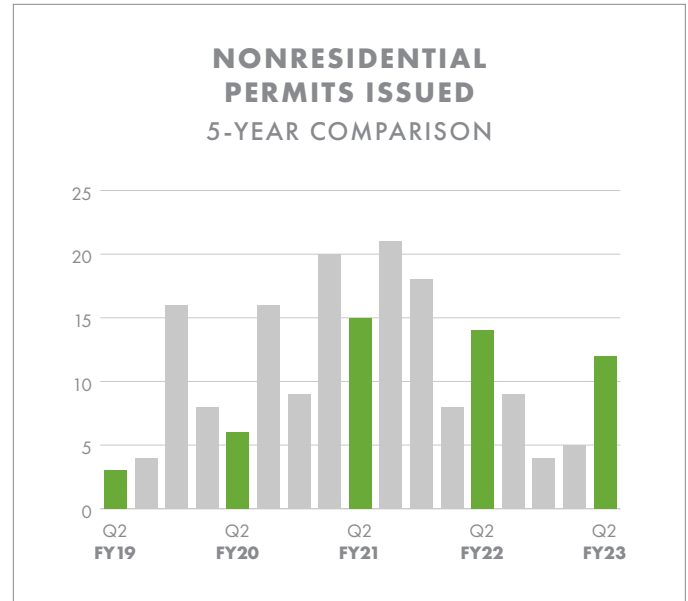
NONRESIDENTIAL PERMITS

In Q2, Cary issued permits for 12 new nonresidential projects totaling 140,469 square feet. The largest projects included the Young Scholars Academy childcare center and a new parking deck associated with the Kit Creek Apartments.

NONRESIDENTIAL ALTERATION AND ADDITION PERMITS

Cary issued 94 nonresidential alteration and addition permits in Q2. The highlighted projects were:

- Vicious Fishes Brewery and South Line Brewing, 510 and 518 Old Apex Road: Permits issued to convert the former Biting Electric property into spaces for two new breweries with shared outdoor patio space.
- Barnes & Noble, 1311 Kildaire Farm Road: Permit to remodel former gym space for new retail tenant.
- Permits for existing office tenants to renovate office space, including:
 - Epic Games, 2833 Jones Franklin Road
 - Pyxus International, 6001 Hospitality Court
 - Regus, 15000 Weston Parkway
 - KryCal, 13000 Weston Parkway





REZONING

During Q2, 34 cases were in the rezoning process with five cases approved.

- 21-REZ-18, 921 SE Maynard Road: Rezones 7.06 acres of Cary-owned land to Mixed Use Development with a preliminary development plan for a new 130-unit mixed-income, multifamily development.
- 22-REZ-12, Brookstone Community Association, 0 Lewey Drive: Rezones 1.07 acres of land owned by the Brookstone Homeowners Association to Resource/Recreation District.
- 22-REZ-09, 3528 Optimist Farm Road: Rezones 6.97 acres to Residential 8 Conditional Use to allow for a maximum 20-unit detached development.
- 20-REZ-12, Macedonia Place, 2410, 2504, 2514, and 2520 Jones Franklin Road and 2721, 2773, and 2809 Macedonia Road: Maintains existing Mixed Use Development zoning. The rezoning case removes the existing age-restricted multifamily condition and limits the maximum number of dwelling units to 226.
- 22-REZ-05, Number 5 on W. Chatham St., 602 W. Chatham St., and 523 Old Apex Road: Rezones 2 acres from Town Center Mixed Use to Town Center High Intensity Mixed Use to allow for taller buildings.

DEVELOPMENT PLANS

In Q2, Cary approved 39 development plans. The notable plans approved this quarter were:

- Crossroads Chick-Fil-A, 1815 and 1819 Walnut St.: Demolition of the existing Chick-Fil-A and former Pier One building to allow for a new Chick-Fil-A restaurant with expanded drive-thru and associated parking.
- Park Overlook, 10724 Green Level Church Road: New 168,850 square foot, two-building flexible industrial development.
- Office Building, 10900 Weston Parkway: New 75,000 square foot office building and associated parking.
- Alta Carpenter Fire Station Road Development, 6807 Carpenter Fire Station Road, 6800 and 6816 Indian Wells Road, 4011 and 4037 N.C. 55: New 300-unit multifamily development with 5,000 square feet of office.
- Medical Office Building, 6730 McCrimmon Parkway: New 21,440 square foot medical office building.



MOVE

PROVIDING
TRANSPORTATION
CHOICES

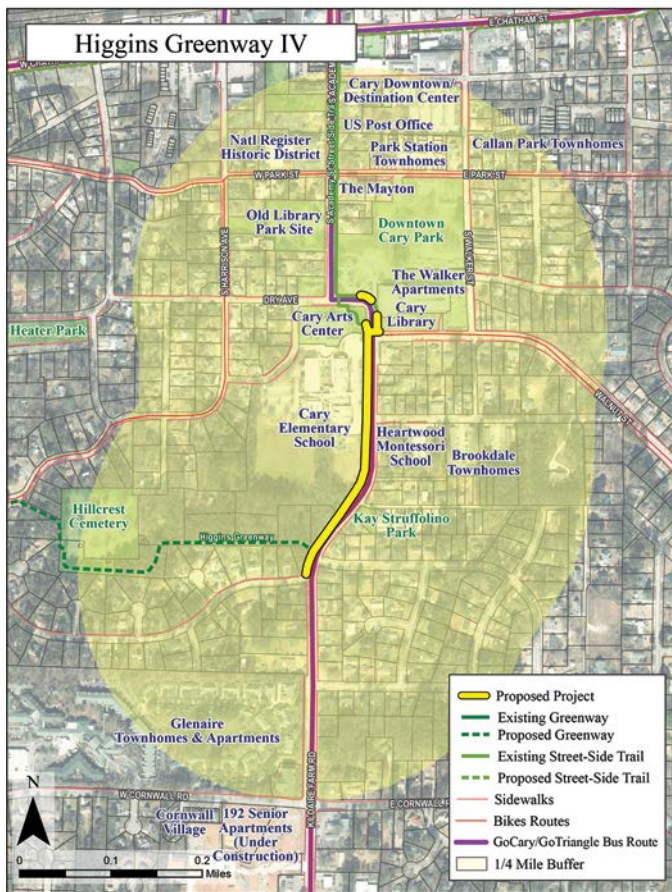




HIGGINS GREENWAY PHASE 4

MAP BELOW

In December, Cary held a kick-off meeting to begin planning the extension of Higgins Greenway into downtown Cary. This project will start at Kildaire Farm Road, continue north past Cary Elementary School, and end at Downtown Cary Park. Attendees included the design consultant Exult, Wake County Public Schools, and Cary staff. Discussions focused on project goals, existing conditions, and downtown development.

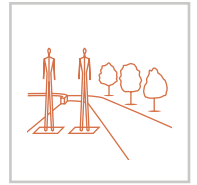


SPEED ANALYSIS STUDY

VHB Engineering of NC hosted a meeting in November to start a town-wide speed analysis. This study uses publicly available data to determine average travel speeds on streets. The purpose of the study is to create a first-of-its-kind proactive traffic calming program that identifies streets that need traffic calming without relying solely on direct requests from citizens. VHB will be delivering results through dashboards that staff will use to determine future projects.

GO CARY

Transit staff partnered with the Transportation Security Administration (TSA) to complete a review of GoCary services. This review establishes a baseline for internal safety and security processes and procedures and provides access to a national network of resources and alerts to enhance overall emergency preparedness. GoCary scored "above average" in 15 of 17 categories. The two categories where Cary scored below average relate to tabletop exercises used to test emergency operations and response plans. Staff will continue working with TSA inspectors to conduct security enhancement exercises with a goal of achieving a gold standard review later this year.



BIKE AND MICROMOBILITY PLAN

Cary, alongside partner Toole Design, kicked off planning for the development of its Cary Bike and Micromobility Plan. The plan will build upon and reimagine past planning efforts, create a vision for a comprehensive multi-modal network, identify priority corridors, and fill gaps in Cary’s existing bike and micromobility system. The plan will serve as a guide toward strategic and effective investment in bicycle and micromobility infrastructure that is safe and convenient, connecting nodes of development as well as allowing residents and visitors of all ages and abilities to freely move throughout the community.

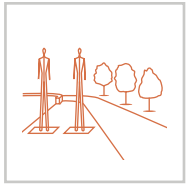
Initial public outreach and engagement will begin in the spring and extend into the fall. The objective with the engagement is to build consensus, facilitate dialogue, and create trust between the project team and the community. The process will be data-driven, inclusive, and ongoing. In addition to working with staff, stakeholder groups, Council, and boards and committees, the engagement will include in-person outreach, online surveys, and interactive mapping opportunities.

GREENWAY BIKE & WINE

PHOTOGRAPHED BELOW

In an effort to activate Cary’s greenways, Cary developed greenway programming events for FY 2023. At the inaugural event, a Greenway Bike & Wine in October, about 35 participants learned about the greenways as well as conservation efforts along White Oak Creek. After a 10-mile bike ride on the greenways led by staff and members of the Cary Greenway Committee, attendees enjoyed music, hors d’oeuvres, and wine. These events provide many benefits, including educating citizens about greenways and open space, introducing local businesses that provide goods and services for the event, and encouraging the community to further explore and curate their own experiences around Cary greenways. A spring Greenway Bike & Bubbly will be held May 7.





RELATIONSHIPS MATTER



On Nov. 15, Cary hosted personnel from the N.C. Department of Transportation district engineer's office for a meet and greet at Cary Town Hall. Cary has a long-established successful relationship with the office, but NCDOT turnover in 2022 provided Cary the opportunity to proactively establish new connections. Staff plan to take a similar approach with additional NCDOT offices in 2023.

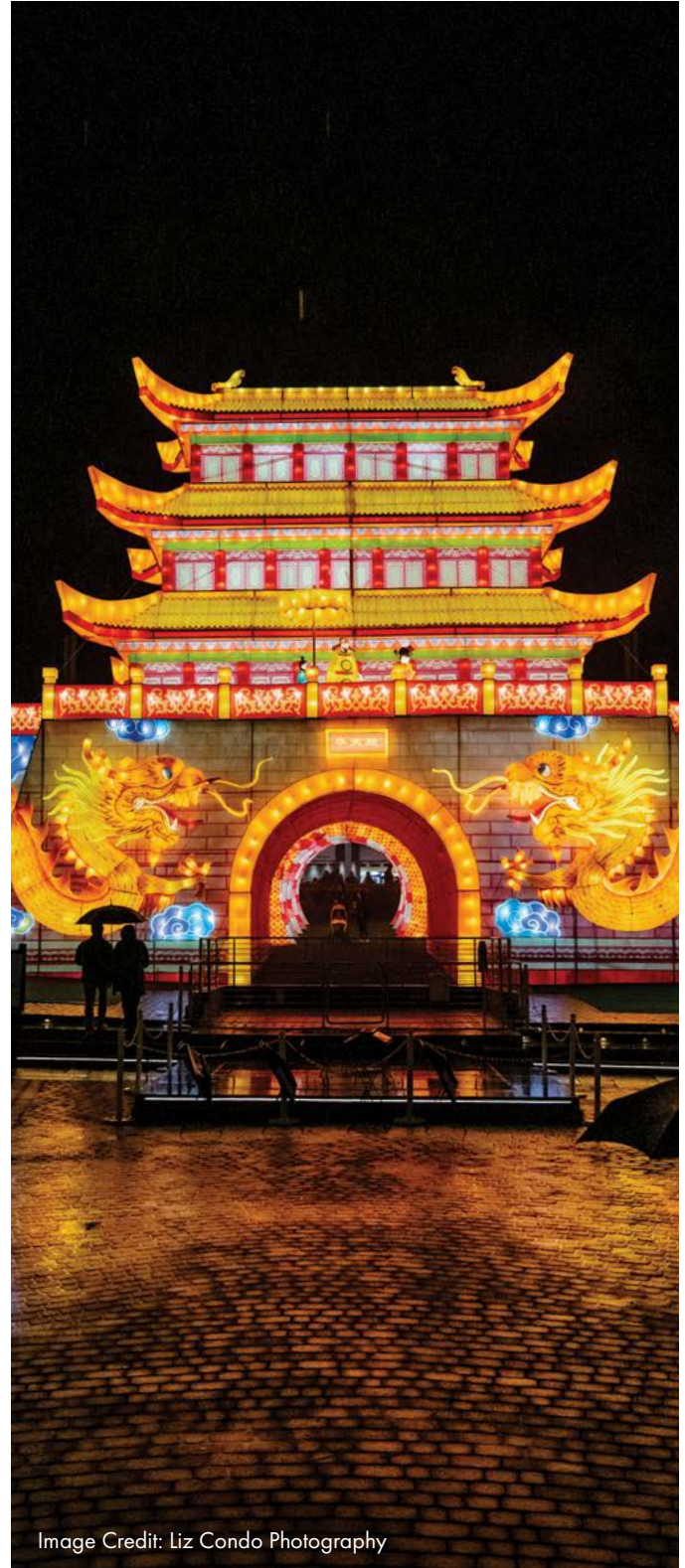


Image Credit: Liz Condo Photography

SERVE

**MEETING
COMMUNITY
NEEDS**

CLASS OF
2040





UTILITY OF THE FUTURE TODAY AWARD



In October, the Water Environment Federation presented Cary with the Utility of the Future Today award for its beneficial biosolids use. The Utility of the Future Today program recognizes water and wastewater utilities that advance resource efficiency; maintain proactive relationships with their stakeholders; and create resilient, sustainable, and livable communities. The Water Environment Federation solicits input for the award from the U.S. Environmental Protection Agency, the U.S. Department of Energy, the National Association of Clean Water Agencies, and the Water Research Foundation. This was Cary’s second time receiving this honor.

N.C. ONE WATER



Cary was well represented at the 101st annual conference of the N.C. One Water Association this quarter. The association recognized Cary’s top-performing water distribution and wastewater collection systems, and five Cary employees gave presentations to colleagues from across the state and nation. This is the fourth consecutive year that the collection system received this award and the fifth consecutive year for the water distribution system. Cary also placed a close second in the best-tasting water contest. Finally, Senior Project Manager Betsy Drake was recognized with the prestigious Golden Manhole Award, which highlights individuals who are significant contributors to the advancement of design, training, construction, operations, or management of water distribution or wastewater collection systems. The annual conference is an opportunity for Cary staff to network with peers, share successes, bring back ideas, and demonstrate dedication to excellence in managing and maintaining water and wastewater services.



WAKE COUNTY WASTEWATER COLLABORATION CONTINUES

In October, Cary extended its agreement with Wake County to continue COVID-19 wastewater monitoring for an additional three years and to add tracking of other infectious diseases, such as respiratory syncytial virus (RSV). Cary provides influent wastewater samples from its three water reclamation facilities twice a week to Wake County for COVID-19 testing and trending. The information is used and shared with the N.C. Department of Health and Human Services and the Centers for Disease Control and Prevention through the state's wastewater monitoring network.

CLEAN WATER ACT ANNIVERSARY AND NEUSE RIVER RECOGNITION

Oct. 18 marked the 50-year anniversary of the Clean Water Act of 1972. The CWA was the first comprehensive legislation for improving water quality in the United States. It established federal protections and paved the way for rules, policies, and funding targeted toward clean water and environmental protection. Coinciding with this momentous anniversary, national conservation group American Rivers recognized the Neuse River as River of the Year. This accolade is bestowed upon a river each year when environmental stewardship at local, state, and federal levels has made a notable improvement in the overall health of a river system. Cary takes great pride in its clean water programs, including wastewater collection and treatment and stormwater management.



Image Credit: Liz Condo Photography



BLACK CREEK SEWER REHABILITATION

This summer, Cary completed sewer rehabilitation along the Crabtree Creek Greenway and reopened the trail. Contractors have since moved operations to the Black Creek Greenway between West Dynasty Drive and North Cary Park. For several months, crews have cleaned and inspected sewer lines, installed cured-in-place liners, and repaired manholes along the trail, which reopened in December.

The next phase of sewer rehabilitation along the Black Creek Greenway extends from North Cary Park to the Crabtree Creek Greenway, and this portion of the trail will be closed until spring 2023. A signed detour will guide trail users around the work zone using the internal trails at North Cary Park, Norwell Boulevard, the Weston Greenway Trail, and the Crabtree Creek Greenway. Final completion of the sewer rehabilitation project is scheduled for summer 2023.

UNITY IN THE COMMUNITY

In October, the Cary Police Department's Project PHOENIX unit hosted its annual Unity in the Community block party on Nottingham Drive. The block party invites residents from the three Project PHOENIX communities located along the street to come and enjoy fun activities, games, and food for the day. This year's participants included some new faces and groups, including Cary Resources for Seniors, El Centro Hispano, Wake County Health and Human Services, SAFEChild, and more.



Image Credit: Liz Condo Photography



EMERGENCY OPERATIONS CENTER ALL HAZARDS EVENT CLASS

In October, experts from Texas A&M Engineering Extension Service delivered the Emergency Operations Center All Hazards Event class to 38 employees representing multiple departments. This highly sought-after class provides personnel who could be assigned to an Emergency Operations Center the skills needed to effectively plan for and manage a large-scale incident by applying and implementing an all-hazards, multi-disciplinary, management-team approach. The course places specific emphasis on the planning, resource, and information management processes.

CARY KUDOS

BEYOND THE CALL OF DUTY

This quarter, two firefighters were recognized for their work in Cary. In October, the North Carolina and South Carolina Chapter of the International Association of Arson Investigators presented Captain Dennis Jacot with the N.C. Fire Investigator of the Year Award. Also, the North Carolina Automobile Dealers Association presented Master Firefighter Daniel Havens with the Hometown Hero Award, which recognizes first responders who go above and beyond the call of duty.



CLIMATE ACTION UPDATE

Cary's Climate Action Plan continues to move forward with staff, consultants, and citizen representatives from the Environmental Advisory Board. This quarter has seen the creation of a baseline assessment of municipal and community-wide data to be finalized in the beginning of 2023. From there, the baseline will be analyzed to generate greenhouse gas reduction pathways analyses. Communications and equitable engagement opportunities will begin in February and continue into the fall. The plan is on track to be completed by April 2024.

GROWING FOOD SECURITY



November wrapped up final harvests of summer vegetables planted by volunteers, firefighters, and Cary staff in gardens townwide with 443 pounds donated to Dorcas Ministries. This food security work is poised to continue from the gardens at the Compost Education Center, where volunteers planted winter-weather vegetables this quarter. Thanks to a collaboration with community partners from the Cary Garden Club, these crops will be tended for future donations. Volunteer work at community gardens complements the farmer training program at Good Hope Farm, where 11 farmers harvested 25,935 pounds of produce in 2022 that reached kitchen tables all over town.



PLANTING FOR WILDLIFE

PHOTOGRAPHED BELOW

Cary's commitment to wildlife and native ecosystems continues to grow. An October native plant workshop in Heater Park saw community volunteers and Cary staff come together to dig-in more than 600 plants and plugs that will revitalize the park's creek bed, help reduce erosion, add visual beauty, and support biodiversity. Plums, cranberries, blueberries, hibiscus varieties, sedges, river oats, and more can be seen hibernating now, flowering in 2023, and growing for many years to come. In southern Cary, Jack Smith Park also received a planting of more than 12 each of native trees and winter holly bushes, as well as more than 15 blueberry bushes on the hillside adjacent to the playground.

While improvements are easily seen aboveground, soil plays a vital role. Cary's commitment to regenerative agriculture and soil health is highlighted in a recent article published by the American Society for Biochemistry and Molecular Biology and available at bit.ly/CarySoil. The article showcases the work of Good Hope Farm as a national model for growing healthy food systems and the role Cary's agricultural practices play in mitigating climate change.

SOLAR IS BRIGHT IN CARY

Solar energy continues to be a bright topic as Cary maintains its status as a Gold Level SolSmart community with outreach, engagement, and regional partnerships. This quarter, Cary-based company Yes Solar Solutions hosted an educational booth reaching hundreds of participants at Harvest Fest in October and a joint virtual lunch-and-learn with Cary staff that attracted 65 registrants in December.

While SolSmart focuses on reducing barriers to accessing solar installation, Cary also joined Solarize the Triangle, which provides homeowners, nonprofits, and small local businesses reduced pricing tiers through group purchasing options. Led by the Triangle J Council of Governments, this program ran from Aug. 10 to Dec. 31. In one of the largest Solarize campaigns ever created, 1,500 people signed up to receive a free consultation and have until the end of spring to decide whether to purchase. As of December, Tier 4 (of 8) pricing was already achieved with more than 700 kW of renewable solar power purchased through more than 60 homeowner contracts. Once completed, these installations will mitigate more than 1 million pounds of carbon dioxide per year, which is the equivalent of 100 gas-powered passenger vehicles driven for one year.





ADAPTIVE STORMWATER PROJECT CULMINATES WITH TREE PLANTINGS

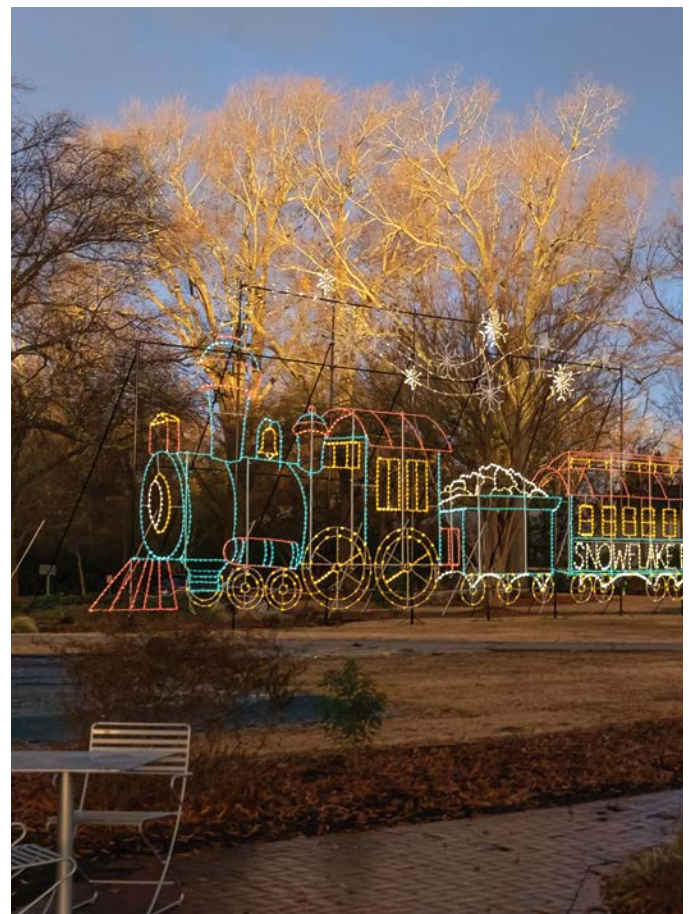


A total of 168 trees was planted on Cary-owned properties this quarter, with 60 completed by Scouts at the South Cary Water Reclamation Facility, 4 at the North Cary Water Reclamation Facility, 16 at New Hope Trailhead, and 15 at Westhigh Street. Particularly noteworthy were the 73 trees added to recently acquired distressed residential lots on Jodhpur Drive. While each tree planted is important for its contribution to Cary's tree canopy and environmental health, the trees planted at the Jodhpur Drive locations also celebrate the culmination of a significant adaptive stormwater project.

After modeling property flood patterns in the immediate area and assessing options, Cary purchased three contiguous properties, two of which consistently experienced structural flooding and the third a vacant lot that repeatedly experienced flooding. Staff assured the homeowners association and property management company that Cary's intent was to return the lots to open space, replant the riparian buffer, and reestablish the natural floodplain. The homes were demolished, and Cary maintained the lots until this quarter when the trees were planted. Cary's stormwater management strategy encompasses a holistic and integrated approach that includes open space acquisitions to address a range of environmental needs. Some of Cary's open space acquisitions mitigate flooding and help prevent structural flooding; others, like this one, protect and restore open space, fill in the woodland corridor, and accelerate the natural restoration of land.

COMPOST PILOT TO STAY

Interest and participation in the pilot food waste recycling drop-off continues to grow. Throughout the pilot, more than 11,000 drop-offs occurred, diverting 73,226 pounds (nearly 37 tons) of material from the landfill. Overall, Cary achieved almost double its goal of collecting 16 tons over the pilot year. Results have established the drop-off is a valuable addition to solid waste services. In addition, 2 tons of finished compost will be delivered to Good Hope Farm in early 2023 to help spread the value of compost use within the community. Cary staff has coordinated to keep the drop-off operational past the pilot term. This quarter, Cary also presented about the project at state conferences and to inquiring municipalities and shared the municipal service model as a resource in the N.C. Department of Environmental Quality's new "Use the Food NC" campaign.



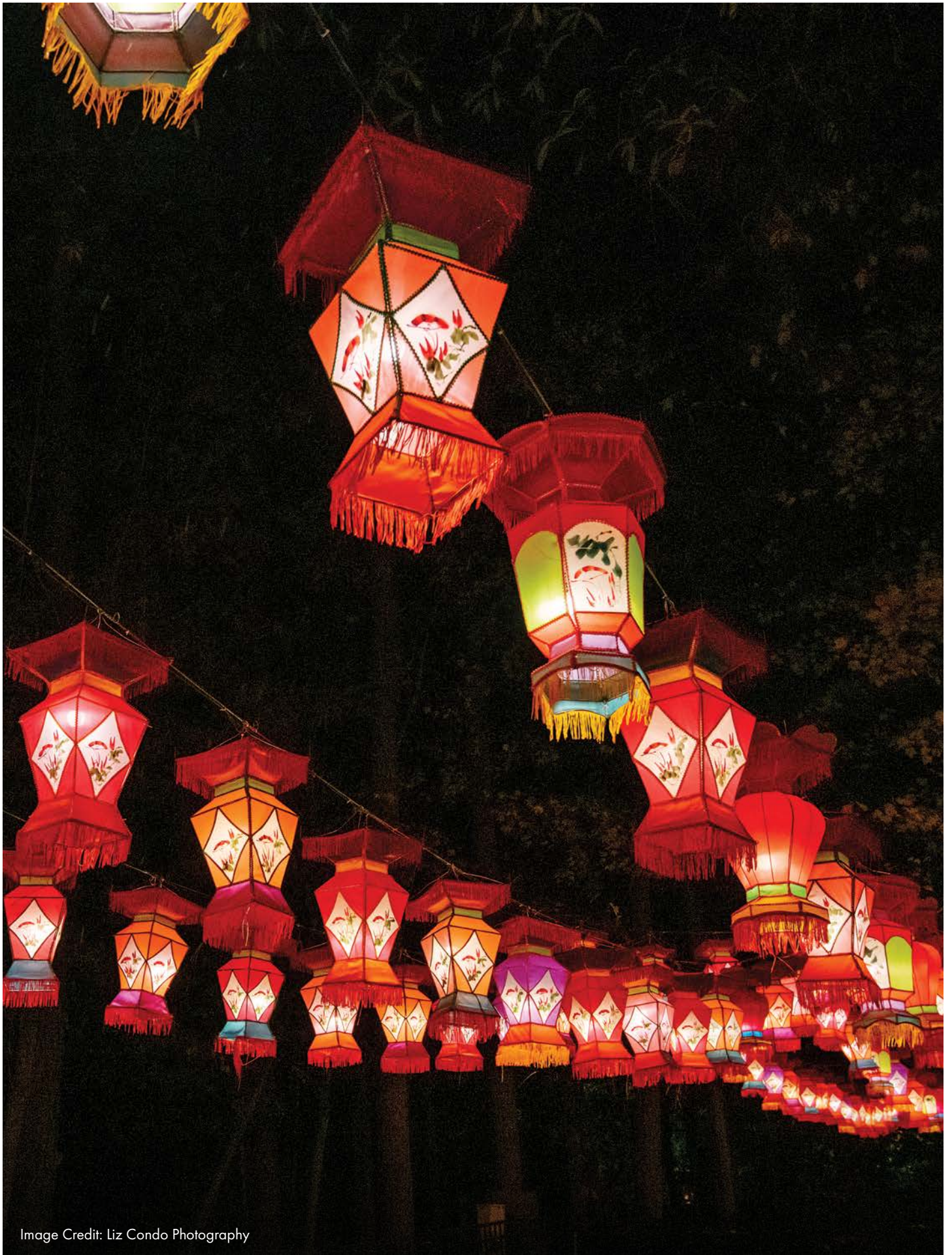
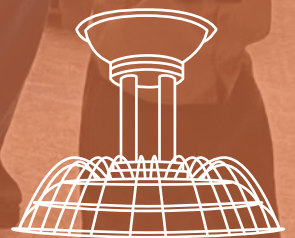


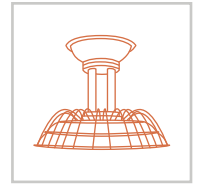
Image Credit: Liz Condo Photography



ACT

MOVING
FROM VISION
TO REALITY





CIVIC INFRASTRUCTURE OF THE FUTURE SHOWCASE



In December, Cary hosted a Civic Infrastructure of the Future showcase for all employees to demonstrate how the organization and its partners are orchestrating innovations that transform the lives of citizens. Representatives from Slack, Box, ZenCity, Swarm, Oasys, InTown Technologies, Blake Consulting, and G&H International joined staff from Research and Development; IT; 311; Police; Fire; Planning; Public Works; Transportation; Neighborhood Services; and Parks, Recreation, and Cultural Resources to highlight innovations advancing Cary’s collective mission of creating the local government of the future.

HUMAN RELATIONS, INCLUSION, AND DIVERSITY TASK FORCE

Town Manager Sean Stegall attended the November Human Relations, Inclusion, and Diversity task force meeting, where members introduced themselves, learned about Stegall’s leadership philosophy and life experiences, and discussed his expectations for the work of the group. Members also learned more about the Reimagining Policing initiative and affordable housing. In this meeting, Stegall affirmed the pace of the task force’s work to date.

JORDAN LAKE ONE WATER



In October, Cary became the first municipal member to officially join the newly formed Jordan Lake One Water Coalition. The nonprofit seeks to shape, support, and promote an integrated One Water policy in the Jordan Lake watershed. The coalition, which is a continuation of an ongoing regional partnership, will promote options to meet community needs for managing water resources and improving ecological and environmental functions, including the eventual readoption of Jordan Lake rules. Council member Lori Bush represents Cary on the coalition’s board, and staff expect the partnership to continue to grow over the next year. Cary has a vital interest in the success of the Jordan Lake One Water Coalition to protect and preserve Jordan Lake, the water supply for Cary, Apex, Morrisville, the Wake County portion of Research Triangle Park, and the Raleigh-Durham International Airport.



Image Credit: Liz Condo Photography

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